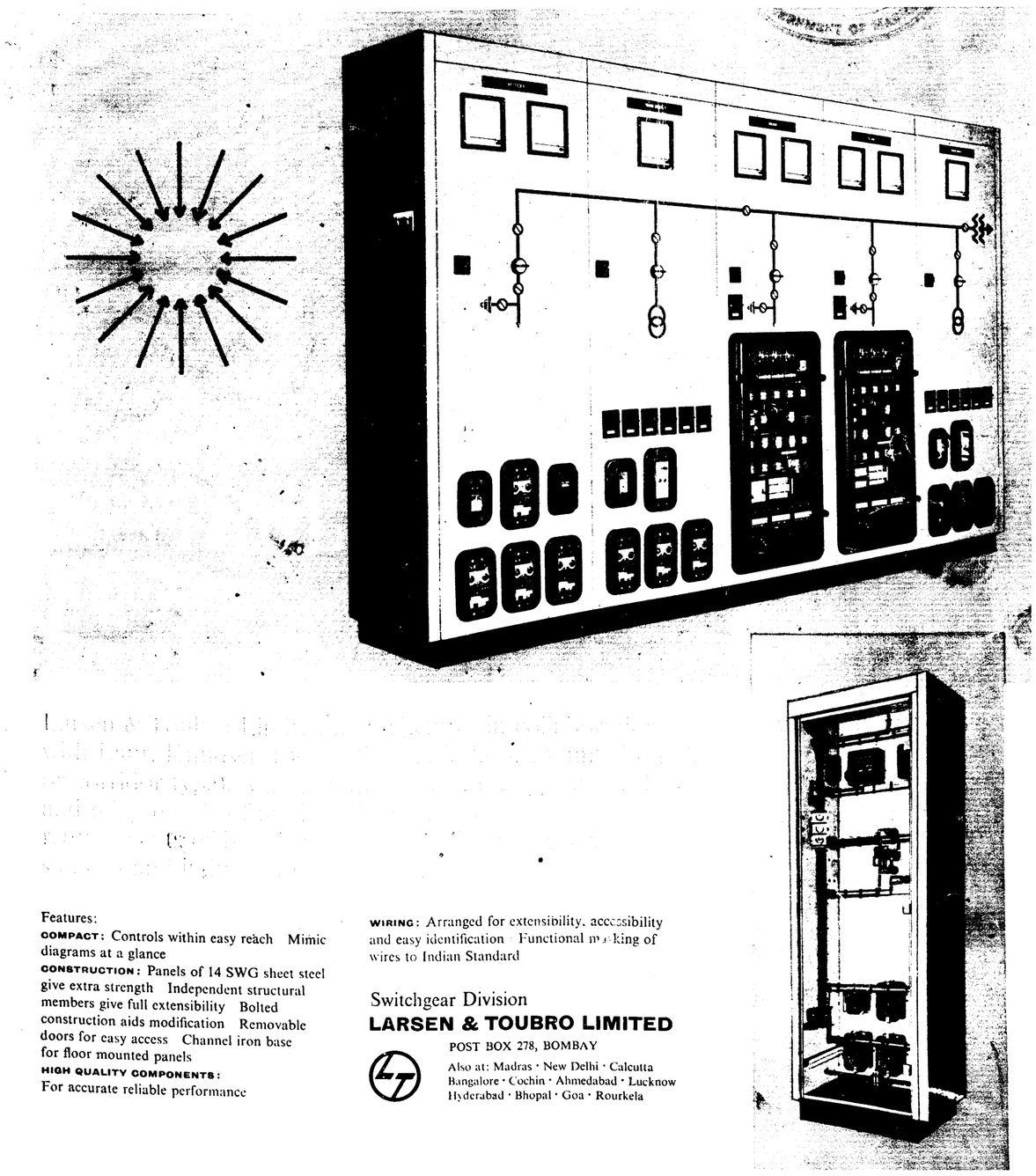

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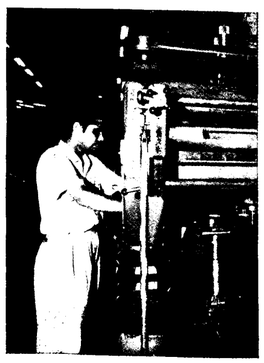
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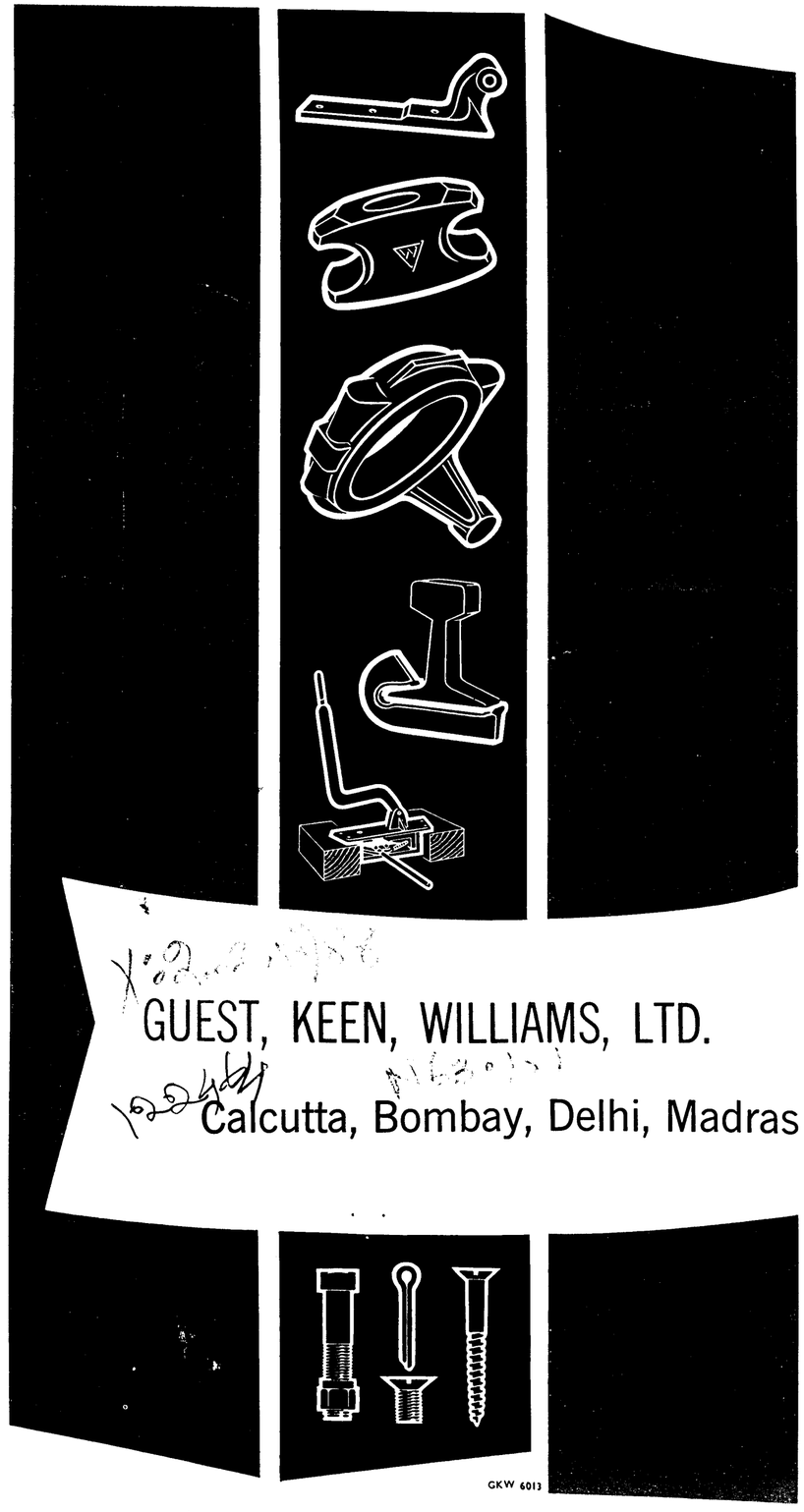
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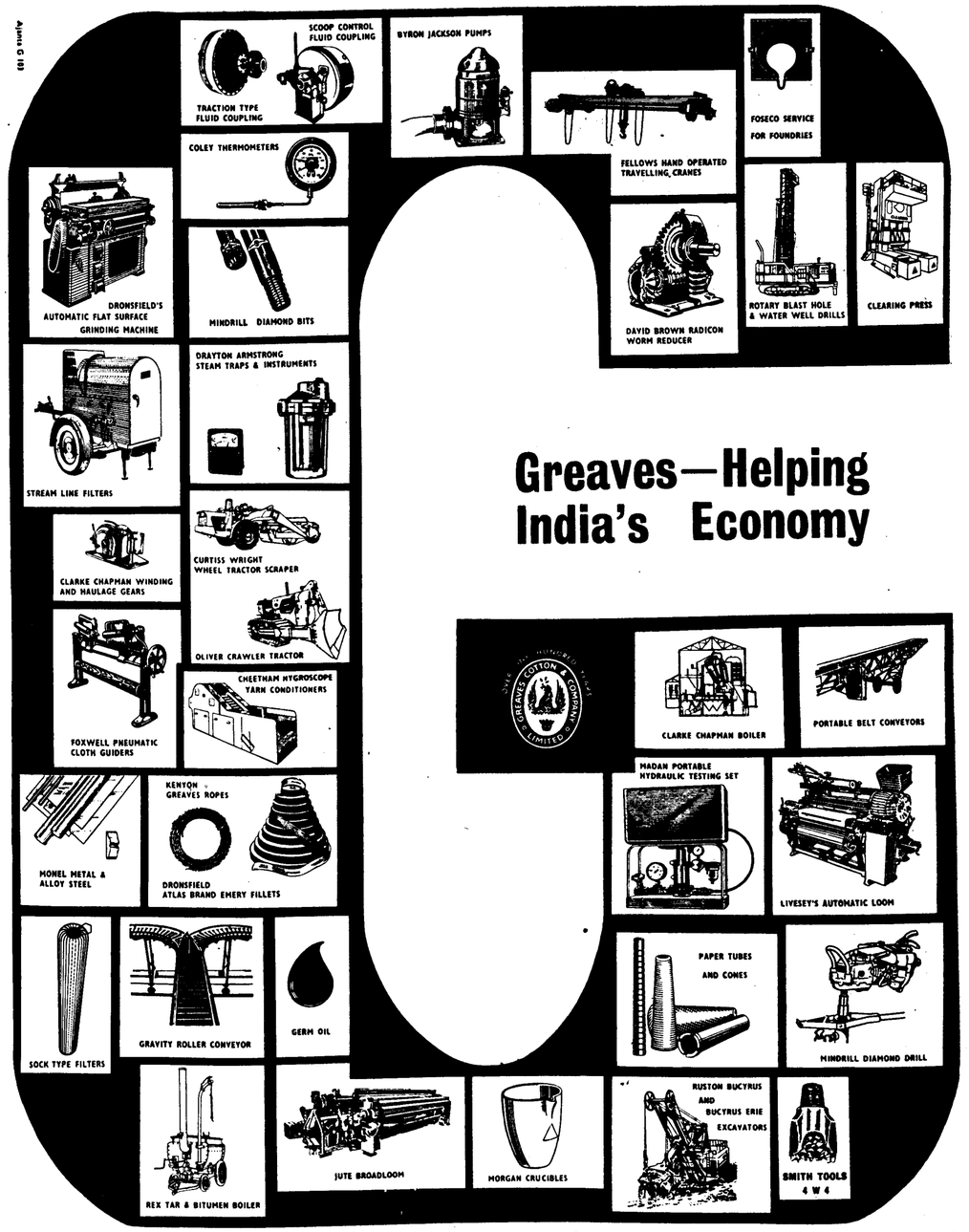












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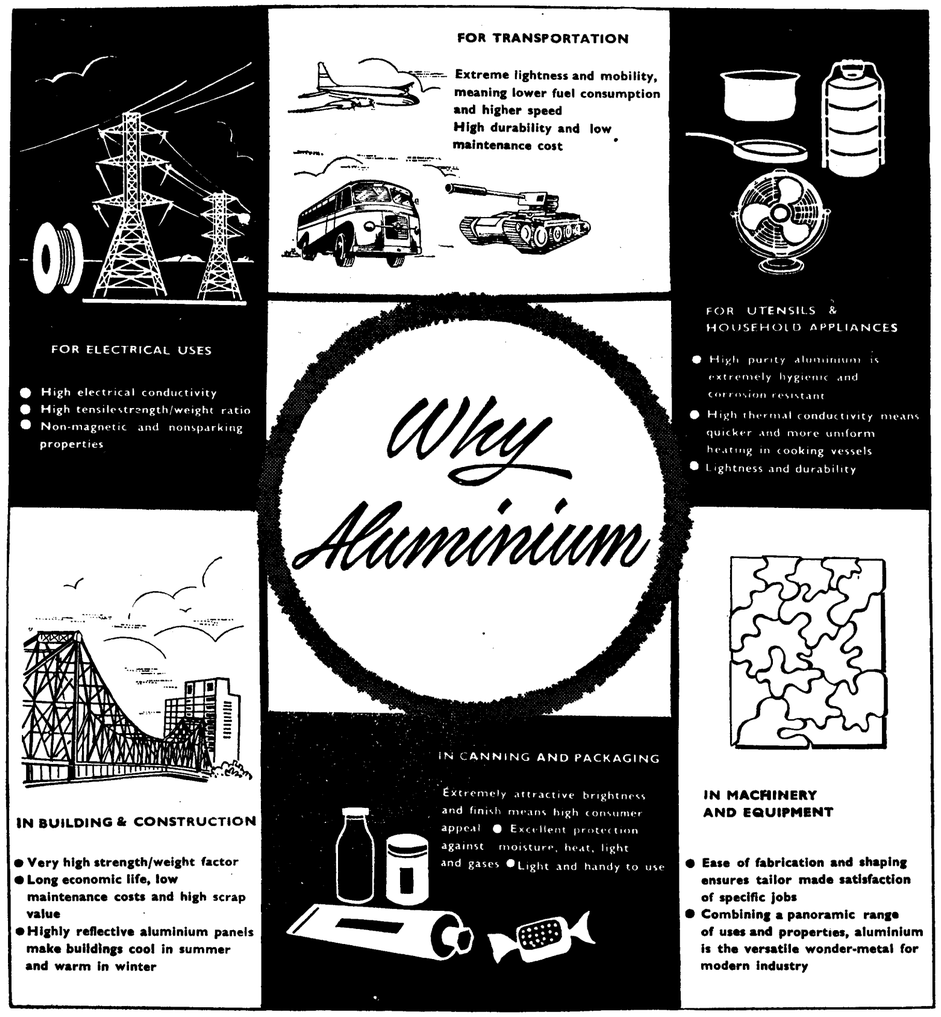
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Factors Determining High Capital Costs of Steel Plants

By

H. BHAYA

Secretary, Hindustan Steel Ltd

THE doubts and misgivings about India's ambitious steel programme seem to have been laid to rest at last, mainly because of the overall success of the second plan projects. The significance and sweep of the decisions taken by the Government of India during 1953-56 grow more and more in stature as the steel industry moves forward. The country's need for steel in peace, as well as in war; the need of an expanding steel base for engineering and industrial activities on which alone the superstructure of a new economy can be created; the direct saving in import of steel, the employment opportunities and skills generated—such broader considerations have finally outweighed earlier caution on grounds of financial and physical limitations.

Apart from India's own needs, the logic of world economy dictates the long overdue exploitation of India's iron ore reserves. The following table[1] illustrates the position:

(In million tons)	Direct shipping ores	Ores needing beneficiation	Iron content
India	21,300	85,000	37,940
World	119,137	250,000	132,000

Individually, India has the richest iron ore reserves, a fact which one cannot overlook.

Major Doubts

But there is no room for complacency. The major doubts which have been voiced during the last decade, namely, the economics of such capital-intensive programmes for a poor country like India, the immediate problems of transport, power and raw materials, are still worring the country. The experience of the second and the third plan periods has, in fact, brought them into sharper focus. But they are no longer barriers to India's will to produce steel on a massive scale: India has to brave them with all her skill and ingenuity.

The financial aspects of this venture—the heavy capital outlay, its source, the return on it, the financial profitability of the new steel plants —have been uppermost in the minds of many. Public interest and criticism in this field have been wide, although not deep. It is hoped there will be more expert interest and writing on the subject than there is today, to guide thinking and understanding. An idea of the magnitude of capital requirements may be had from the following estimates[2]:

INVESTMENT EXPENDITURE IN STEEL IN THE U.K.

(In £ million)	1946-55	1957-62
Replacement investment	130	175
Expansion investment	340	425
Gross fixed investment	470	600
Investment in stocks, etcetera (working capital)	90	90
Total investment	560	690
Average annual rate of expenditure	56	138

The capital employed in the U.S. steel industry was estimated as follows[3]:

(In $ million)	1953	1959	
Net fixed capital	1,994	2,880	
Net working capital	337	696	
Total capital	2,331	3,576	
Capacity in million tons	37.5	41.9	
Working capital a ton of capacity	8.99	16.61	+84.8%
Fund capital a ton of capacity	53.16	68.74	+29.3%
Total capital	62.16	85.35	+37.3%

India's expenditure on steel expansion is broadly estimated as in the following table[4]:

(In Rs. '000,000)	Second plan	Third plan	Fourth plan	Fifth plan
H.S.L. (excluding alloy steel)	5,880(3,110)	4,160(1,800)	+	+
Bhadravati		70(30)		
Bokaro		1,000(800)	4,000(2,450)	2,000(1,000)
Expansion of private-sector plants	–	–	+	+
New plants	–	–	+	+
Replacements		–	–	+
Capacity	3.03+3 mt.	9+	11.5+	13+

The figures in bracket indicate the foreign exchange element.

These figures are an indication of the magnitude of the task. I have not deliberately attempted any conversion lest there is temptation to make incorrect comparisons. It is now necessary to look at it in terms of investment per tonne of capacity of crude steel a year.

The same source[5] estimates an outlay of £100 (Rs. 1,333) a ton of output capacity for an integrated steel works in 1956.

An analysis of capital employed per tonne in India was given earlier. An estimate of gross block per tonne at the rated capacity has also been made by the Indian Tariff Commission as follows[6]:

(In rupees)	As on March '62	Full commissioning	Further expansion
T.I.S.C.O.	931	1,169	
I.I.S.C.O.	754	982	
Durgapur	1,802	1,728	1,436
Rourkela	1,697	2,349	1,834
Bhilai	1,564	1,734	1,229
Average H.S.L.	1,679	1,936	1,469
Total average	1,121	1,362	1,207
Capacity (million tonnes)	5.85	6.06	8.97

Bokaro's expectations in this matter are understood to be as follows:

	(In million tons)	(Capital employed per tonne)
Step: I	(1.4)	2,707
II	(2.5)	1,958
III	(4)	1,603

The gross block on salable steel will naturally be higher by 30 percent to 40 percent. One can extrapolate for oneself the outlays required for the next three foreseeable plan periods.

It would be obviously wrong to draw any but general conclusions from these broad estimates, but it is clear that even granting economies of scale, one should be prepared for an investment in the region of Rs. 2,000 per tonne of annual ingot capacity in the present pattern. The prewar investment in steel in the private sector will form an increasingly negligible proportion of the large programme of investment in steel expansion. Economy in the employment of capital in steel is, therefore, a vital consideration for India's future programmes.

Capital invested (1961-62) in India's major steel plants are:

(In Rs. '000,000)	T.I.S.C.O.	I.I.S.C.O.	H.S.L.	Total
Net fixed capital	1,091	*639	*5,411	7,141
Net working capital	144	100	880	1,124
Total capital	1,235	739	6,291	8,265
Capacity (annual ingot)	2 million tons	1 million tons	3 million tons	
CAPITAL PER TONNE OF INGOT	T.I.S.C.O.	I.I.S.C.O.	H.S.L.	Total
Fixed	546	639	1,804	996
Working	72	100	293	155
Total	618	739	2,097	1,151

(*Inclusive of capital works in-progress).

Capital employed per ingot ton

	Five U.K. steel groups £	U.S. Steel Corporation £
1950: Fixed assets	16.1	20.8
Net current assets	5.5	5.6
Total capital employed	21.6	26.4
Ingot production	7.3 million tons	28. million tons
1955: Fixed assets	25.8	24.6
Net current assets	7	7
Total capital employed	32.8	32.5
Ingot production	9.5 million tons	31.5 million tons
Percentage increase in production, 1950-53	30	12
Percentage increase in capital, 1950-53	52	23

Imported Plant and Spares

It has been stated authoritatively that the imported plant and spares will cost today about 150 percent more than in the country of origin, largely because of ocean freight and Customs levies; on the other hand, India has an advantage in construction costs which are estimated to be 15 percent lower than in the industrialised West where labour costs are high. It is hoped that with the formation of a steelworks construction company in the public sector, the latter advantage will be maintained and improved upon. But the former is of greater importance. It is stated that at the end of the third plan period, the heavy engineering complex in Ranchi will produce a steel mill every two years to start with, and two every three years subsequently. The Russian example in this matter is worth scrutiny. Their investment in iron and steel making equipment plants have been almost equal and parallel to that in steel plants.[7] The investment in the Heavy Engineering Corporation is about Rs. 136 crores only, with of course a prospect of expansion. But the supporting organisations are not conspicuous. The Corporation will be the makers of specific equipment, but they will not probably fulfil the rôle of a main equipment contractor who will take up the responsibility of procuring and matching equip-

[1] *The World's Iron Ore Supplies*—Dr. F. G. Percival, B.I.S.F. January 1959.

[2] "Finance and Investment"—*Steel Review*, January 1957.

[3] Table 39—*Pricing Power and the Public Interest*—G. C. Means, New York 1962.

[4] Estimates are the author's own.

[5] "Financing Steel Production"—Sir Ellis Hunter, *Manchester Guardian*, 1956.

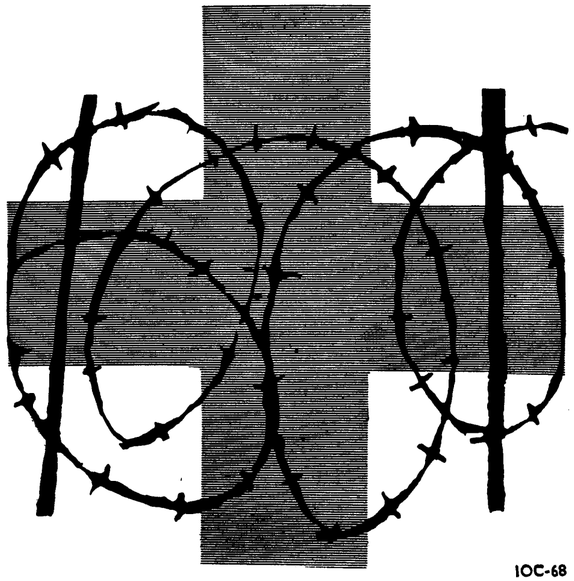
[6] App. IX—*Report on the Fair ex-works Retention Price of Steel for 1-4-60 to 31-3-62*: The Tariff Commission, September 1962.

[7] See *Economics of Soviet Steel*—Clark, Harvard 1956.

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ment beyond its own capacity. This rôle can better be performed by a design consultant. It is doubtful if the Central Engineering Design Bureau of Hindustan Steel and the only other consulting firm in India, by themselves can fulfil this rôle for the massive task in coming years. The Central Design Institute in Ranchi is meant, it is understood, primarily for the machine tool industry. For countrywide co-ordination of wholly indigenous production of iron and steel mill equipment, central organisations, like the Gipromez and the Tyazhpromexport of Russia, may well be necessary.

While higher capital cost a ton of output, especially at the pre-steel making stage, is a trend all the world over, in India the capital investment will tend to be higher still, because of investments in new townships, social amenities, captive mines and quarries and sometimes partially in developing transport, power and water facilities. All these have to be borne by the new steel plants.

To find sources of capital for investments of this magnitude is a problem not only for India but even for countries like the United Kingdom. The possible sources can be any or all of the following (i) external aid (ii) government loans (iii) risk capital from the market and (iv) capital generated from the cash surplus of a steel enterprise. So far generous foreign loans have been available for meeting most of the capital requirement, even loans to repay loans have been available, but aid on this scale cannot be expected beyond a point. In any case, both the import of steel and external capital aid can, in future, continue only within India's means —as a deliberate choice and not by compulsion. The rate of national savings and capital formation is such as to rule out the possibility of getting adequate risk capital from the market. Future expansion has to depend, therefore, mainly on governmental investment and internal resources of the industry.

Question of Profitability

This raises the question of the profitability of the new steel plants or the lack of it. The British industry was able to find from its own resources 66 percent of the total investment needs during 1946-55 and hoped to find 50 percent only during 1957-62. The German industry's contribution to self-financing during 1952-57 was estimated at 64 percent. The use of profits in 1955 in the British and U.S. steel industries was as follows :

	Five U.K. steel groups (Per ingot ton)		U.S. Steel Corporation	
	s d	%	s d	%
Taxation	55	37.4	85 4	36.2
Retained in business, including depreciation	76 5	51.9	114 11	48.7
Dividends	9 2	6.2	33 7	14.2
Loan charges	6 7	4.5	2 0	0.9
Total profit	147 2		235 10	(8)

The dilemma the British industry faced because of the gap between the heavy capital needs and the internal resources of the industry in spite of 52 percent of retained earnings, is not basically different from that confronting India. The parallel is worth quoting* in the context of comparisons often made in India about the efficiency and profitability of the public and private-sector plants.

> "A new plant is bound.... to have capital costs per ton of output substantially higher than the average on which the return reckoned in the price is calculated. Only if the running costs are so far below the average as more than to offset the disadvantage of higher capital costs will it pay to install new plant. In other words, only if the total costs per ton are below average total costs will it be able to earn more than average return earned by the normally efficient plant depreciated half-way through its life, which is taken as the basis of price fixing. Any new plant built today would be at an even more serious disadvantage as far as capital costs a ton of output are concerned."

Can the running costs of a new plant be substantially lower than the average ? The British industry's experience in 1957 is as follows :

> "Today in many crucial sectors, the use of major new techniques has been expanded fairly recently so that a new plant would now embody relatively few technical advances as against the best existing plants. On such products, a new plant will be most unlikely to reap a sufficiently big advantage on running costs to offset its extra capital cost burden. Though highly efficient in a technical sense, such a plant would fail to earn the average net return envisaged by the Iron and Steel Board while fixing maximum prices in the light of average costs.
>
> "The dilemma exerts a powerful influence to restrict the development of entirely new plants in favour of maximum expansion at existing sites even at some sacrifice of possible economies in running costs. The influence is greater, the larger the capital investment required, so that it is particularly relevant to the consideration of projects for major new integrated plant."

In India's decision for developing the industry during the third plan, the force of the arguments of the last paragraph is already evident The contention in the previous paragraph is true in relation to new plants in India, present as well as future. The remedy suggested for the British industry is one which, if adopted, can improve the results of the public-sector companies.

> "While the dilemma exists, it is not enough to set a price adequate to provide enough money for the finance of development over the industry as a whole. On those products where a new plant would have total costs a ton above the average, the new price must be related to these new plant costs if enough development is to be put in hand to meet agreed needs. In other words, even if it is desired to keep the present average cost the basis of pricing over the industry as a whole, it will be essential to move some way towards a marginal cost basis of price determination in all such cases".



The pipe plant at a steelworks

Project Evaluation

The question really is not one of a private-sector or a public-sector plant but one of new and old plants. The fact that the older plants in India are in private ownership and the new ones are in the public sector merely sharpens the contrast in their inherent economics. There are today highly sophisticated methods of project evaluation[10] and various criteria and ratios for evaluating economic productivity. These must have been applied to the existing steel projects, but even a primary arithmetic can reveal certain fundamental misgivings. Take, for example, the three public-sector steel mills. On full production of 3 million tonnes, assuming full sales at the current retention prices, the net earning after deducting excise duty will be Rs. 130 crores. Deducting interest on the Government loan amounting to Rs. 18 crores, and deducting depreciation at 5 percent on Rs. 664 crores amounting to Rs. 33 crores, only Rs. 79 crores is left for meeting the production and other expenses for 2.96 million tonnes of salable iron and steel material, including semis, as well as give a return on the equity capital. T.I.S.C.O.'s expenditure in 1961-62 was Rs. 73.20 crores for a production of 1.7 million tonnes of total salable products. The cut in expenses cannot radically alter the picture unless either the earnings are increased or the loan charges are eliminated (in Russia initial capital for such industries is free) or provision for depreciation deferred or ignored. In such a situation, the margin of profitability is not so much determined by works costs, as by the price and finance structure, both of which being controlled by the government can also be altered and losses eliminated. This has, in fact, been done in Russia on more than one occasion. In a mixed economy like India, it may not be as simple. Profitability or economic return in the conventional sense is, therefore, no longer the only criterion for a decision on capital investment in new steel plants, so apparent losses need not deter or discourage one. Even in Bokaro, according to the U.S. steel techno-economic survey, the cumulative cash deficiency at the end of ten years of operation may be about Rs. 130 crores; in step II it may be Rs. 68 crores. It is only after 20 years that the cumulative cash may equal the gross investment.

In a study[11] of the United Steel Companies of the U.K. for the period 1918-50, the authors come to the conclusion that the orthodox concepts of marginal productivity and of "a business man deciding the precise extent of his capital expenditure with reference to its marginal earnings", do not appear to be operative in the capital development of steel. "The broad conclusion from this study is that earnings requirements are decisive influences for what are, on the whole, relatively minor expenditure upon replacements on grounds of obsolescence ... Looking at the matter from the point of view of total outlay then, the conclusion would be that most capital expenditure is decided on general policy grounds and is more a matter of the general development of the company and of the growth of its output than of factors relating narrowly to the particular project's earning power.

Equalising Returns

"There is, however, no question of equalising the returns from all capital expenditure at the margin. Capital expenditure should then be described as involving large discrete

* *Economics of Soviet Steel*—Clark, Harvard 1956.

† ibid 2

[10] See Part Two, *Manual of Economic Development Projects*—United Nations, 1958.

[11] *Capital Development in Steel*—Andrews and Brunner, Oxford 1952.

BROCKLEBANKS

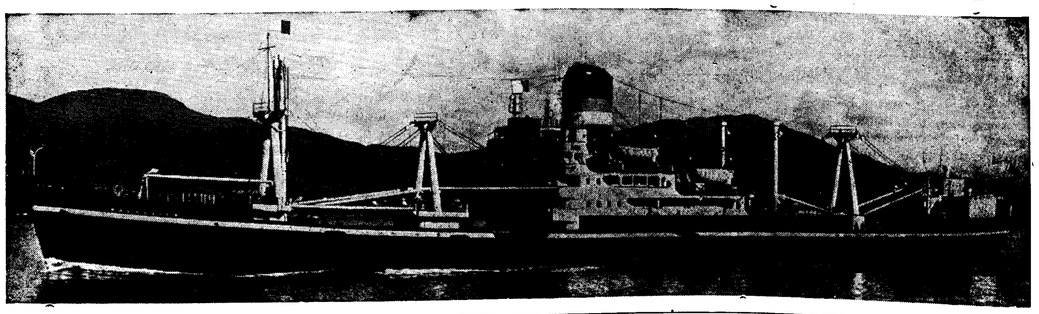
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The rail and structural mill at a steelworks

'doses' in any particular line of investment, so that marginal productivities, in fact, might vary considerably, and individual projects should be simply described as passing or failing the earnings tests".

Decisions on steel expansion are, therefore, not basically "earnings justified" decisions, but they are usually made on the basis of actual needs of an economy.

The authors of the study referred to conclude that "the levels of demand and of costs would then emerge as the effective determinants of capital expenditure". The model will be valid for the expansion of India's steel industry too now and in the future. The demand estimates in detail have been attempted on various premises and they do vary in details. Some of the estimates are" as follows :

1965-66

	Finished steel (In million tons)	Ingot at 75 percent yield
N.C.A.E.R.	7.17	9.56
Department of Iron and Steel	7.33	9.77
Mr. R. N. Dutt	6.00	8.00
The Planning Commission	5.50	7.33
U.S. techno-economic survey team	6.91	9.22

The projections made by the U.S. techno-economic survey team are as follows :

1970-71	11.24	14.78
1975-76	17.00	22.61
1980-81	24.00	32.00

Figures of 12 million, 19 million and 28 million tonnes of ingot as targets for the third, fourth and fifth plans, respectively, have also been mentioned. Against this background, the creation of additional steel-making capacity to the extent capital resources can be mobilised, is an assured and essential activity for years to come. There is agreement in every quarter that this expansion will be mainly in flat products. Similarly, the demand for foundry iron is outstripping supply. This fact has set in an interesting trend which is likely to have important effects in coming years. Iron-making is being thought of in terms independent of integrated steelworks and in scales and methods different from the conventional. Much work is being done in the National Metallurgical Laboratory in this field. A new range of methods for using the rich iron ore reserves of the country are likely to be employed. The making of sponge iron in rotary converters has also been thought of. Decentralisation of iron-making will thus be a special feature in our country in the future.

[12] *Product Pattern of the Steel Industry.* By R. N. Dutt, Calcutta 1963.

Cost Break-up

It was pointed out earlier that advantages gained in running costs of newer plants can hardly offset the heavier capital investment a ton of capacity. This is because in a processing industry like iron and steel, given the technological design capacity, the prime costs of conversion of raw materials and semis are within fairly rigid and known margins. The cost break-up in terms of percentage of total expenses are available for many steelworks in different countries but absolute comparisons are difficult. To take salaries and wages, it was 21 percent in the U.K. (1957), 21.9 percent in T.I.S.C.O. (1961-62), 16 percent in I.I.S.C.O. (1961-62) and about 14 percent in H.S.L. (1961-62). Material consumption was 43 percent in the U.K. (30 percent on raw materials), 32.73 percent in I.I.S.C.O. and 54 percent in H.S.L. (15 percent on spares and maintenance). Fuel in the U.K. accounted for 20 percent of expenses.

There is obviously some scope for reducing operating costs in the last two spheres. Technological skill in every country is directed towards making a significant break-through in these areas. Each country has to contend with its raw material problems, many of which are common. It is not surprising that capital intensity in the pre-steel making stage has risen with the increase in exploitation of less and less easily available ore, coal and fluxing material reserves and the increase in the scale of operations.

The financial aspects have been discussed in order to bring out some of the compulsions which give direction to the technological advances in the industry. Much has already been written on India's problems of matallurgical coke, its lack of balance compared with iron ore reserves, the search for blendable coal, washing of coal and the work being done in this direction. Similarly, the problem of fines and impurities in iron ore, the need for pre-treatment and agglomeration are already familiar to the public. Much work is being done on sintering and the setting up of sinter plants but the full economic gain from the use of sinter is yet to be achieved. The exploitation of limestone for the industry has to catch up with the needs. Its conservation and treatment for better quality are also necessary. The pressing need for the conservation of metallurgical coal and the reduction of coke-rate not only focusses attention on improved economics of blast furnace burden charges but on alternative fuel as well. Since 1947, because of the coal shortage, the use of fuel oil in the steel industry in the U.K. has steadily increased. Experiments are being carried on in the Indian furnaces also.

In steel-making, India is adopting the modern practices of large open hearths, extensive use of oxygen, basic roofs and the L.-D. process. The new steel units in India are mostly planned to use their own mill scraps to the extent of 20 percent to 25 percent, but if cheap scrap can flow back to the steel mills more economies can be expected. Continuous casting is, however, still a thing of the future for this country. The increasing use of electric furnaces in cheap power locations for special steel-making in smaller scales is a direction in which new paths may be broken. The making of special and alloys steel is, however, a subject by itself.

For the shaping of steel, India's fast rolling mills and high capacity blooming and slabbing mills are the most modern one could wish to have in the new mills of India. These by themselves to some extent predetermine the expansion of balancing capacities in steel-making and more or less set the minimum unit for integrated steelworks in the future.

With an expansion programme like that of India, the trend of dispersal from the traditional coal-based plants to ore-based or power-based or coast-based plants cannot but continue. Experiments in different location of new plants will call for greater ingenuity for solving attendant problems. It is an exciting challenge for the new generation of engineers and metallurgists.

Use of Waste Materials

The use of waste materials like slag and the by-products of coal carbonisation will have an effect on costs in the important pre-steel making stage. This, however, is dependent on other industries coming up rapidly. Finally, there is another area of supporting investments necessary for the growth and sustenance of the expansions, which could again be approached through a financial alley. From the annual reports of the new steel plants, it will be seen that their working capital is high[13] and is represented mostly by inventories of raw materials, spares, rolls, refractories, and finished and semi-finished stock.

In the new plant, initial investment in spares is heavy because they are almost entirely imported. There is capacity for the manufacture of spares in the plant itself but a vast amount of work is necessary to establish the manufacture of nearly the full range of spares. Otherwise, this burden will have to be carried for years. Apart from the financial implication, the presence of a large stock of spares is also likely to inhibit good maintenance, repair by replacement being easier and quicker. The large investment in spares is also unlikely to match actual needs due to the inadequate experience of working a new mill and its initial wastage rates. But the task is very great indeed both in magnitude and complexity, the multiplicity of designs being a further complicating factor.

Capacity for the manufacture of rolls is being installed in the H.E.C. and in the expanded Bhilai plant. With the work of standardisation of rolled sections proceeding slowly and the indigenous availability of rolls being uncertain, the plants may perforce make heavy and idle investment in imported rolls.

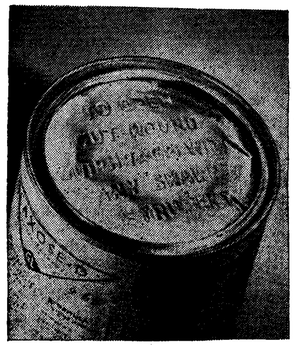
Need for Basic Refractories

Refractories again constitute a major share of both operating and replacement costs in a steelworks, particularly in steelmaking costs. The need for basic refractories will rise. But known raw material deposits at present are situated at two extremes of the country, one of them not worked yet. Multiplicity of shapes, sizes and specifications beset speedy progress in this sphere too.

An ever-expanding steel industry is now an established fact in this country. To mobilise capital for steel expansion is difficult even in advanced countries, let alone in a poor country. Even so, expansion schemes are launched. Capital development in steel is not an "earning-justified" decision, it is need-based. One need not, therefore, judge such plants entirely by their financial balance-sheets and be disheartened. It is ultimately a matter of social accounting whether a public steel enterprise should be allowed to accumulate sufficient cash surpluses for self-financing or its surplus over expenses taken at the source and merged in the general revenue, the need for fresh capital being met from such sources as the national economy commands, when it is wanted. Meanwhile, the only test for such enterprises for efficient working, according to the chairman of the United Steel Companies Ltd of the U.K., is "the elimination of waste material, waste effort, lost time, idle machinery and idle capital".

[13] CH. IX *Annual Report on the Working of the Industrial and Commercial Undertakings of the Central Government for 1961-62*, Ministry of Finance, New Delhi, March 1963.

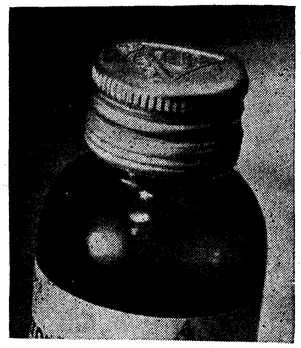
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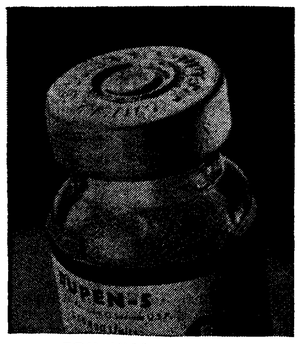
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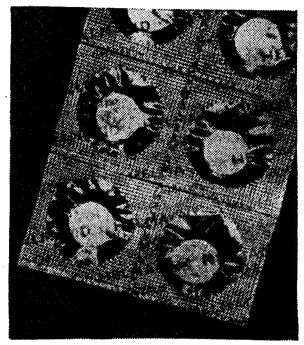
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Engineering Progress Hampered by High Costs and Heavy Taxes

SOME remarkable advances on the engineering front have been made in the second year of the third five year plan. Production of salable steel increased by one-third over the 1961-62 level and by March 1963, both Durgapur and Rourkela had joined Bhilai in reaching their full rated capacity. Aluminium production almost doubled during 1962-63, while the production of machine tools—another important indicator—rose by about 45 percent. On the other hand, progress in other important sectors such as pig iron, steel castings, and forgings, and alloy and tool steels has been disappointing. Of course, some unevenness of development and recurring shortages may be difficult to avoid wherever measures are taken to force the pace of industrial growth.

By
B. A. TARLTON

What is important is that central planning should be flexible and sensitive to changing circumstances and should rely less on physical controls and directives, and more on an intelligent distribution of incentives.

During the past year, there have been some encouraging signs from New Delhi. Recent changes in import policy, for example, give licence holders some discretion to vary the quantities of different items to be imported, provided their allowance of foreign exchange is not exceeded. There is also some hope, following the interim report made by the Raj Committee, that certain bureaucratic controls over the distribution of iron and steel will be removed, and a less rigid pricing policy may improve the supply of better quality steel and of scarce matching sizes and sections. The shortage of good quality hard coke may be regarded as a classic instance of how a rigid price control can create an artificial scarcity of an important product. Quite apart from the acute shortage of high grade pig iron, the engineering foundries of India have been starved for many years of low ash-content coke without which it is very difficult to produce good quality castings. On the other hand, there has been no incentive for coke-plants to incur the extra cost of producing coke with low ash-content as they have been allowed the maximum price for hard coke with ash-content of up to 24 percent (which is double the maximum ash-content specified for foundry quality coke in the U.S.A., France and other countries).

Coal and Coke Pricing Policy

The coal and coke producers' associations made several representations to the Government for a more flexible pricing policy. Early in 1963, however, the situation threatened to become still worse. The only plant in the country producing low ash-content coke was about to cease production as its attempts to cover the additional production costs by adding a "service charge" to its bills was subject to legal challenge from the Government. Accordingly, in February 1963, the Indian Engineering Association submitted a memorandum to the Government emphasising that higher prices paid by the foundries for good quality coke would be more than offset by the resultant economies in fuel consumption, lower fuel transport costs, higher standards of casting, and so on. The Government was at last convinced, and on 1st March, 1963, the price of coke with 20 percent ash-content or less was decontrolled. Since this measure of decontrol, arrangements have already been made by several coke-plants in India to produce better quality coke and the present shortage of such coke should soon be reduced if not removed altogether.

However, there are two disturbing trends in the present Government policy where the problems of the engineering industry are still subject to a rigid and doctrinaire approach. These trends are to be found in the policy of encouraging State trading and of promoting engineering exports without due regard for the actual consequences.

Expansion of State Trading

A recent instance where State trading has been extended in the engineering industry is the Government's decision to channel all imports of bearings, other than for actual users, through the State Trading Corporation. This decision was ostensibly taken in the interest of consumers on the grounds that imported bearings were being sold at excessive prices. There is no doubt that certain dealers have been selling bearings at very high prices. Delay in the supply of a particular bearing can be extremely costly in terms of idle machine hours, and for this reason, most firms are prepared to pay exorbitant prices to any dealer who can give delivery from stock. There is little evidence, however, to show that the profiteers have obtained their stocks from the quotas given to established importers rather than from other sources.

On the other hand, there is little evidence to show that the State Trading Corporation is competent to trade in finished engineering products such as bearings. The experience of the engineering industry has, in fact, been to the contrary. The State Trading Corporation, for example, has a monopoly of engineering imports from the so-called "rupee-payment" countries. In one particular case, which reads rather like a fairy tale, a large engineering firm in Calcutta was told to obtain its requirements of bearings through the State Trading Corporation early in 1961. The very substantial requirements of the company were planned on supplies from Yugoslavia, Czechoslovakia and Russia, and the company was directed to apply to the respective importing agents as approved by the State Trading Corporation. In 1963, two years later, the company has still not succeeded in obtaining a firm quotation for the Yugoslav bearings. In the case of the Czachoslovak and Russian bearings, quotations were obtained and the orders placed, respectively, in May and August 1961. But here again, the company has still not received a single bearing against the orders placed two years ago. Yet the State Trading Corporation's monopoly has now been extended to cover all imports of bearings from the "non-rupee payment countries" as well. The Corporation has in turn decided to share its quota out to a variety of dealers, but has stipulated that the profit margin on the imports should be not more than 25 percent, of which 10 percent should be paid to the Corporation (this may be compared with the 2½ percent commission taken by the State Trading Corporation on all imports from the rupee payment countries).

Narrow Profit Margin

This stipulation of a narrow profit margin of 15 percent is quite unrealistic and it may safely be assumed that the profiteering will continue under the counter with only the book transactions conforming to the margin laid down. The result is that the engineering industry will still have to pay high prices for its bearings (or go without) and the Government will lose its taxes on the unseen cash transactions. The only new feature is the introduction of another middle man who, having a monopoly of imports, is taking a 10 percent cut on each sale in return for little or no service other than the distribution of patronage. The engineering industry has, in fact, been saddled with a new tax and is being deprived in the process of the technical advice and after-sales service available previously through certain established importers.

The proper solution in this particular case would have been to increase the import quotas given to the accredited agents of foreign manufacturers of bearings. These agents have been quoting controlled prices for their limited supplies, and at the same time providing the engineering industry with proper technical advice and after-sales service, and endeavouring to maintain a comprehensive stock of bearings to meet emergencies. The actual result, however, has been to reduce the import quotas of these agents and narrow profit margins are being prescribed which will make it difficult for them to retain the specialist staff to advise and serve their customers.

Another disturbing trend in Government policy is the tendency to encourage or even to compel engineering units to export their products regardless of the cost or the consequences. It is not denied that the export drive is of primary importance or that the engineering industry, with its unique scope for diversifying exports, has an important part to play in earning foreign exchange for India. What is to be deplored is the indiscriminate nature of the pressure which is being exerted to increase engineering exports.

In the first place, it should be noted that the engineering industry is already making a most important contribution to the balance of payments position by producing an increasing range of capital and semi-capital goods which are essential for the industrial growth of the country and which must otherwise be imported. The demand for such goods within the country is tremendous and care should, therefore, be taken to see that the country's industrial development is not hampered by the export of engineering goods which are urgently required within the country. There is quite clearly no sense in exporting engineering products, often at a sacrifice, if the same products must then be imported, at higher prices, to make up for the deficiency.

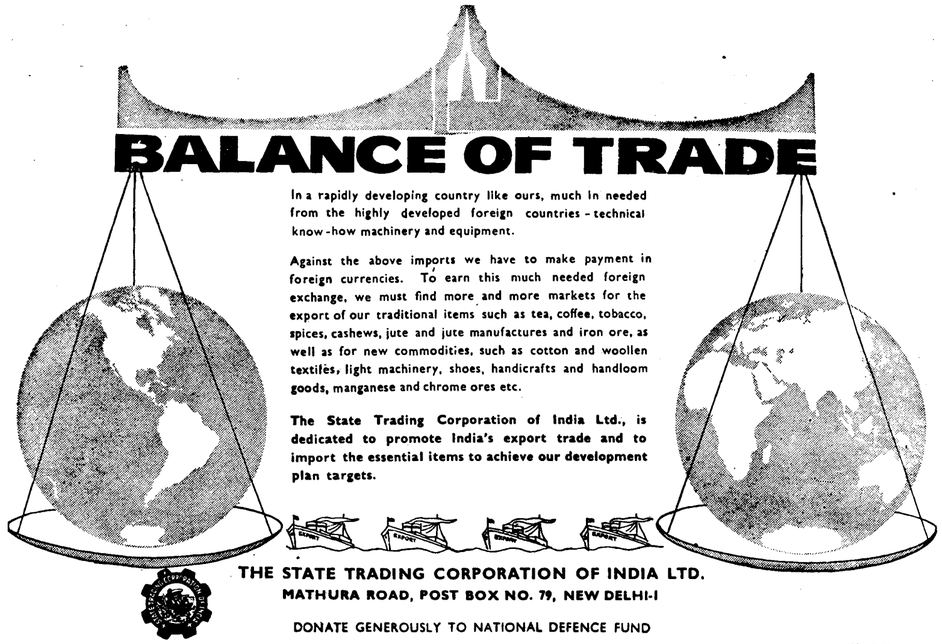
A current instance of this is the export of welding electrodes at a time when many fabricating units throughout India are facing a virtual shutdown of welding work for lack of electrodes. Despite a 16-fold increase in local production of electrodes during the first and second five year plans, and further large production increases during the present plan, the demand for welding electrodes seems to have been growing still faster, even though the structural fabricating industry has been working at only 50 percent capacity (on a single shift basis) for lack of matching steel.

Nevertheless, electrode manufacturers are still being encouraged to export and licences for new units are being granted only if the licensee will guarantee that a certain percentage of the licensed output will be exported. At the same time, the shortage within the country is so acute that large-scale imports of finished electrodes have been sanctioned and some quantities required for defence purposes are even being brought in by air-freight. Meanwhile, severe production losses are being sustained. In April 1963, for example, one of the largest wagon-building works in the country was forced to close down completely for one week when the supply of welding electrodes ran out completely: the loss here alone was from Rs. 15 to Rs. 20 lakhs of railway wagons.

Engineering Exports

To put the question of engineering exports into proper perspective, it is worth noting that despite the special export incentives offered to engineering firms, the value of engineering exports in 1962-63 was a little under Rs. 10 crores. This is less than 1.5 percent of the country's total export earnings of Rs. 686 crores, and may be compared with 41.5 percent earned from the export of tea and jute. Moreover, if allowance is made for

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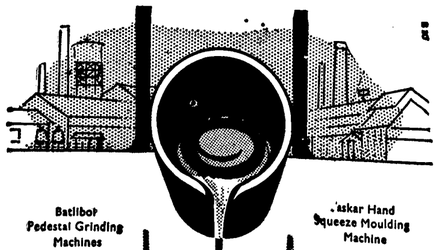
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the fairly high import content of certain engineering exports (for example, the import content of a bicycle is approximately more than 40 percent of the local cost of production and exports are being made at prices substantially below the cost of production), the net foreign exchange earnings from engineering exports may be found to be considerably less than 1.5 percent of the total.

From this, it will be seen that even if engineering exports are doubled, it would still have only a marginal effect on the country's export earnings. On the other hand, indiscriminate pressure on engineering firms to achieve this marginal increase might well result (as in the case of welding electrodes) in damage to the economy at home which is more than marginal. It should also be appreciated that international markets are far more competitive for engineering products than for most other products which are exported from India. Exports of products such as tea or jute, for example, face competition from a limited number of other countries. Considerations of soil, climate, etcetera, however, are relatively insignificant in determining the location of engineering units, and accordingly exporters of engineering goods must face potential competition from almost every other country in the world. On the other hand, many engineering industries in India are still largely in the cradle or the nursery, or are as yet unborn. At this stage, a great deal of protection is required to enable these new industries to grow, and it may take years in some cases, before the new units acquire the strength, efficiency and experience to compete successfully in export markets.

Exporting at Loss

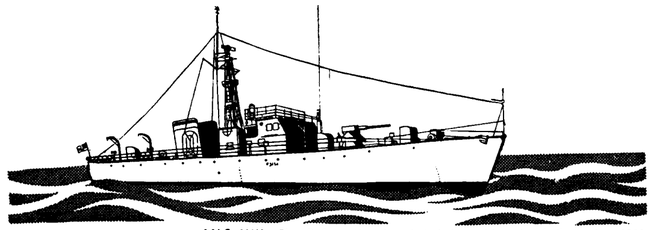
Largely because of these factors, coupled with the very high costs of production in India, it is at present impossible for many engineering units in the country to export except at a loss. Such exports are being encouraged, however, and are generally regarded as a patriotic duty, on the grounds that the exporters should cover their losses by the profits made on sales in the home market.

This practice of exporting at a loss can only be justified on economic grounds if it enables the exporter to establish himself in a particular overseas market and subsequently to maintain his position there without continuing to sell at a loss. If this is not the case and the exporter must continue to subsidise his exports, the effect is self-defeating. For whatever the way in which the exports are subsidised, whether by increased taxation, a cess on production, or charging higher prices in the home market, the subsidy represents yet another addition to production costs within the country. In turn, as production costs go up, so the export subsidies must be increased, and a vicious upward spiral is generated. From this it can be seen that if the practice of exporting engineering goods at a loss becomes a widespread practice, and is continued for any length of time, the result can only be a continuous increase in production costs and a corresponding decrease in the ability of engineering units to compete in export markets.

Consideration should also be given to the moral and political arguments against a general policy of exporting at a loss. Many other countries, for example, are bound by Article XVI Section B4 of the General Agreement on Tariffs and Trade which states that

> "contracting parties shall cease to grant either directly or indirectly any form of subsidy on the export of any product other than a primary product which subsidy results in the sale of such product for export at a price lower than the comparable price charged for the like product to buyers in the domestic market."

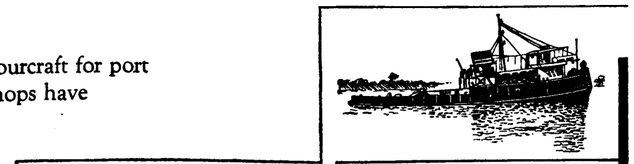
It is recognised that India, engaged in the struggle to develop her economy and to increase her exports, is not yet in a position to follow this code of international trading ethics, but this should still remain as a long-term objective. Japan, for example, has



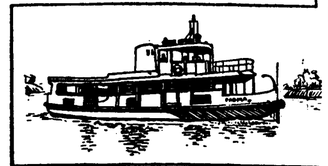
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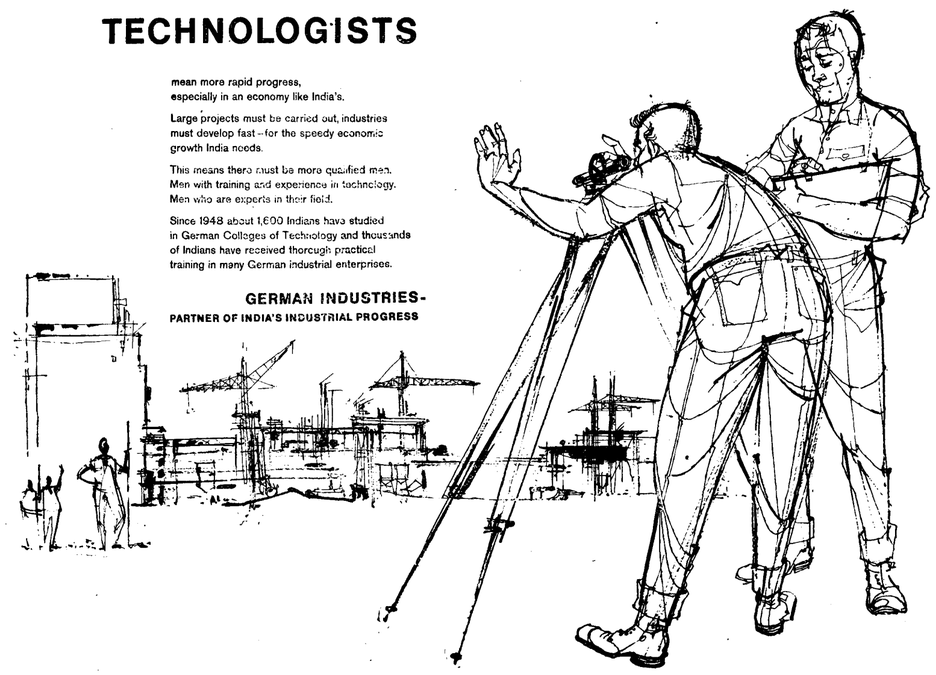
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already signed the G.A.T.T. "stand-still" undertaking not to introduce any new subsidy on exports and is expected very soon to assume the obligations of a full G.A.T.T. signatory.

India should, therefore, proceed cautiously in introducing new export subsidies and in encouraging exporters to adopt systems of double pricing to recoup at home what is lost abroad. If this short cut to boosting exports, itself of dubious economic value, is relied on too heavily, the result may be a loss of goodwill for India among the G.A.T.T. nations, who are now being asked to remove, unilaterally, their own import tariffs against products exported by the less developed countries. It should be remembered that the practice of exporting goods below the true cost of production, or at "give-away prices" may be referred to less politely at the receiving end as "dumping", and the sympathy of other exporting countries to India's efforts to overcome her foreign exchange crisis may begin to wear a little thin. The aid-giving countries might also ask how India can afford to give, through her subsidised exports, what is virtually a subsidy to the economies of the importing countries.

The Need to Reduce Costs

So the only proper and permanent solution to the problem of engineering exports is to bring down production costs to competitive levels. This is primarily a challenge to be met by management, but it is also important to examine some of the special factors in India today which are contributing to high production costs and which are largely outside managerial control. The most important of these factors are the shortages of raw materials, fuel, power and transport which make it generally impossible to run plant and machinery at optimum capacity. A current instance of this is the acute shortage of pig iron. Many foundries throughout the country have been allocated this year a share of the country's pig iron output which is equivalent only to 25 percent of their requirements. Until their balance requirements can be supplied, whether from increased imports or improved local supplies, the overhead costs of the foundries cannot be spread properly over a reasonable output. The result is to increase the cost of castings and of the many engineering products in which castings are used. A point which is worth noting here is that despite repeated representations by the engineering industry, more than a quarter of the country's output of pig iron is still being reserved for the manufacture of railway sleepers, for which other materials such as concrete could be used.

Likewise, there is considerable idle capacity throughout the structural fabricating industry in India largely because of an acute shortage of matching steel. If this shortage is overcome, the output from many large units could be doubled even without running a second shift. There are undoubtedly great possibilities here for spreading overheads over larger output, and so reducing costs. If the existing resources here could be fully utilised, the present delays in implementing important construction projects could be substantially reduced, and there would be very good prospects for the export of fabricated steel work at competitive prices.

Heavy Indirect Taxation

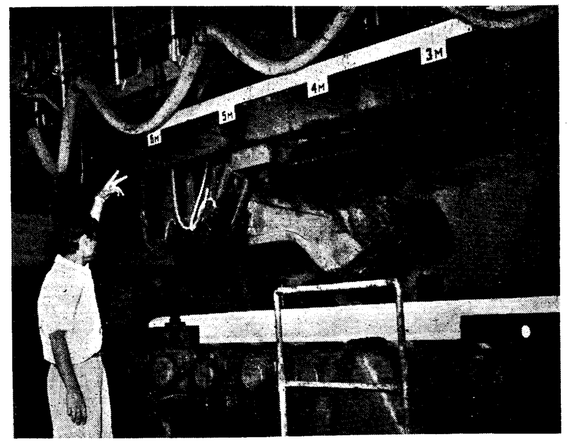
Another important factor in the cost of production is the very heavy burden of indirect taxation which tends to inflate the prices of raw materials, components and finished products throughout the whole economy. The excise duty on steel ingots, for example, averages about Rs. 50 a ton of salable steel and the further excise duty on salable steel materials averages about Rs. 35 a ton; an average of another Rs. 30 a ton is taken by the equalisation fund surcharge and other items of indirect taxation on the steel industry may add up to a further Rs. 20 or more a ton. Thus a total of Rs. 135 or more a ton has been added to the price of the principal raw material used by the engineering industry.

It can therefore, be seen that cost-cutting in the public sector could contribute a great deal to cost-cutting in the private sector. Economy in public expenditure and improved efficiency in Government operations is a necessary supplement to the efforts of industry as a whole to reduce its costs of production. There is already an encouraging sign here that the Government is paying more attention to the profitability, and not merely to the output, of the public sector undertakings. Thus a target of a 15 percent reduction in production costs has been set for the three public sector steel plants during the year 1963-64. This trend would be still more encouraging if it is extended to the non-industrial sphere of the public sector as well.

Other obstacles to lowering the cost of production include the tying up of working capital (that is, in stocks of steel which cannot be used for lack of matching sections, or in goods which cannot be despatched promptly for lack of railway wagons), the delays and difficulties in obtaining licences, permits, quotas, etcetera, the difficulty of obtaining spare parts for maintenance, the high costs of internal transport and ocean freights, insurance against emergency risks, and so on. A further difficulty, though there are notable exceptions, is the generally low level of labour productivity resulting from indiscipline, absenteeism, numerous holidays, a tropical climate, low levels of nutrition, health and education, and a "sour grapes" philosophy of the restriction of wants (rather than working harder to satisfy them).

Disincentives to Efficiency

To overcome all these obstacles and to reduce production costs to the level required for the successful export of engineering products is a formidable task for management in India today. Radical changes in Government policy will also be necessary to assist the general drive to increase productivity and efficiency. More recognition should be given to the fact that the profit margins of engineering units are a direct measure not only of the demand for their products, but also of the efficiency of those units in keeping down their costs of production. If these profits are unduly eroded by taxation and other imposts, fresh investment capital will not be attracted in the directions where demand is the greatest, with the result that



Shearing of blooms in a steel mill

shortages will constantly recur, and the incentives towards greater efficiency will be reduced.

A great deal has been said and written, for example, on the disincentive to efficiency of a graduated tax on profits such as the recent super profits tax. More attention might also be paid to the disincentive to managerial efficiency of compelling employers to pay a share of profits, over and above any incentive or production bonus, to their labour. The Indian Engineering Association has taken a very consistent stand here before the Bonus Commission and has argued that compulsory profit sharing, as a widespread practice in industry, should be progressively eliminated. One of the dangers here is that if the Bonus Commission recommends (as it is expected to do) the continuation of profit sharing in some form or other, the present annual bonus system might then be consolidated by legislation. The next logical step would then be to legislate for some form of "copartnership" in industry, for if workers are to depend on profits for part of their income, they will naturally expect to participate in management decisions which very largely determine the quantum of profits. In such a situation, where managerial responsibility is divided, the prospects of effective cost-cutting in the engineering industry would appear to be very poor.

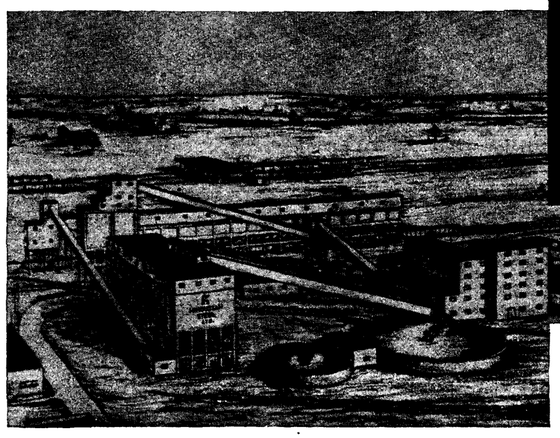
However, such speculation about the future may be unduly pessimistic. The immediate objective should be to encourage the export of engineering goods, on a selective basis, wherever it is possible to do so without impairing industrial development at home and without selling below the true cost of production. At the same time, continuous efforts should be made to reduce production costs elsewhere, so that the range of exportable engineering products is continuously increased.

Free Trade Zone Proposal

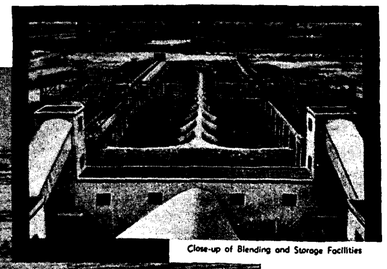
Substantial progress in this direction may take many years to achieve and there would seem to be no short cut towards reaching the objective. An interesting proposal, however, which has recently been put forward by the Export Sub-Committee of the Indian Engineering Association, is that a "free export zone" should be established in Haldia south of Calcutta. Unrestricted imports free of duty would be permitted into such a zone, the only condition being that the entire products assembled or manufactured in the zone, or an agreed percentage, should be exported. Likewise all "exports" from India into the zone would be at concessional export prices and would qualify for drawback of duties and other export incentives. Apart from Indian firms, foreign firms wishing to have a base in this part of the world would be encouraged to set up units in the zone. Their requirements of staff and labour, raw materials, components, electric power, etcetera, could be supplied from the industrial hinterland, thus providing India with an export market right on the doorstep.

A free export zone of this kind would provide a useful testing ground for Indian enterprise to show, right alongside foreign enterprise, that production costs can be brought down to world competitive levels once there is free access to imported raw materials, components, etcetera, at world prices, the opportunity for full capacity working, and exemption from heavy indirect taxation in the form of import duties, excise duties, etcetera. At present, within the protected walls of the Indian economy, inefficiency is difficult to detect or remove while efficiency is being discouraged in a number of ways. A free export zone of the kind proposed would provide a quick method of setting standards of productivity and efficiency for the rest of India to follow and attain as a long-term measure. This proposal should, therefore, be given serious consideration as a means of promoting exports and of raising living standards throughout the country as a whole.

N.B.—The views expressed in this article are the personal views of the writer and do not necessarily represent the views of the Indian Engineering Association.



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Glass Output Rises but Production Costs Have to be Cut

ALTHOUGH of comparatively recent origin, the Indian glass industry has taken giant strides and mirrors, on the one hand, contemporary economic progress and, on the other, brighter aspects of modern life in India. The use of glass is universal. To mention a few uses, glass containers are required for pharmaceuticals, dairy and food preservation, safety glass for railways and motor-vehicles, lampwares for electrification, table tops and pressedwares for offices and homes, scientific glass for laboratories and sheet glass for constructional purposes. Indeed glass, a versatile material, has continued to fascinate the modern civilisation by its infinite capacity to serve mankind.

The history of glass in India can be traced back to the days of Mahabharata. At the behest of Lord Krishna, the great demon engineer and city planner Moi built for King

By

P. N. TALUKDAR

Managing Director, Hindusthan-Pilkington Glass Works Ltd

Yudhistira a 5,000-foot long courtroom in which there was a lily-pool with stairs and walls made of glass tiles so transparent that the invited kings who went round to inspect it could not distinguish between the water and the floor and were about to step into the pool. Glass figured in ancient India as mirrors and artistic bangles. Images of beautiful goddesses in the temples of India are seen absorbed looking at the mirrors in their hands. The art of bangle making is believed to have originated in India, and the industry reached the height of its glory during the Moghul period. The artistic work of the Sishgars of Faizabad in U.P. is renowned. Even as late as 1930, the main outlet for glass was the bangle. The period following the second World War experienced great diversification in glass production. The industry continued to offer a wide variety of products never before manufactured in India. The industry is now in a position to produce important items, namely, sheet glass of various thicknesses, toughened and laminated glass, wired, figured and cathedral glass, glass tubes by automatic drawing, glass building blocks, glass wool and fibre glass, glass syringes, heat-resisting glass, narrow-mouth thermos flasks, foam glass, glass bricks and tiles and scientific glass.

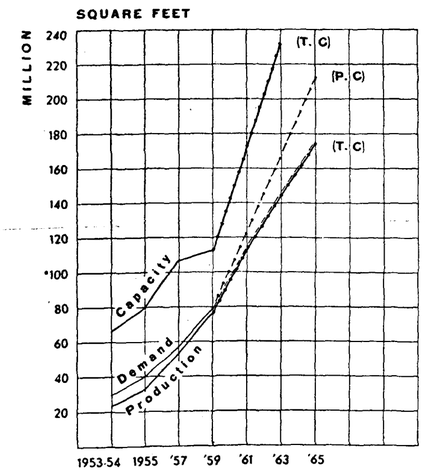
Change in Technique

As fashions kept changing and consumers became increasingly quality-conscious, old techniques yielded place to new. Cottage-scale operation proved uneconomic. Refinement and precision became the order of the day. Hand operation led to substantial wastage. In some items like sheet glass, automatic machines became a must.

Indeed, a striking feature of development of the industry is the wide application of advanced foreign technology. Great improvements have been made in the structure of the furnace, techniques of annealing, etcetera, for producing glass of superior quality. The system that has generally been followed in India for the production of sheet glass is known as "fourcault" process. Recently, a modern and more productive one—the Pittsburg plate glass process—better known as the "P.P.G." process has been introduced in one unit with the result that the quality of its product has greatly improved and can compare with the best produced anywhere in the West. During the second plan, production in the mechanised sector of the industry went up from about 45,000 tons to 90,000 tons. There is also a definite shift of demand for glasswares made by automatic machines.

Glass melting is done by either coal or furnace oil. The factories in Bombay and Madras being far off from sources of coal depend largely on oil as fuel. Glass goods are fragile and are of small value relative to their bulk. Proximity to the markets and sources of raw materials and fuels has, therefore, greatly influenced the location of the glass industry, which is heavily concentrated in Uttar Pradesh, West Bengal and Maharashtra. Of 97 working factories in 1961, Uttar Pradesh had 28, West Bengal 24, and Maharashtra 22. Factories situated in Calcutta and its vicinity account for nearly one-third of the total installed capacity. It follows that the average factory size in the Bengal zone is bigger. Early location of glass factories in U.P. was influenced by the local sources of silica sand—a most important raw material. Factories situated in West Bengal and Maharashtra were attracted by factors like the nearness of market and sources of fuel, banking, insurance and port facilities. Although sand had to be procured from U.P., this did not pose any serious problem as transport requirements were easily met.

Capacity, Demand, Production of sheet glass



P.C: Planning Commission Estimates
T.C: Tariff Commission Estimates

Capacity shown thus ——
Demand " " ——
Production " " — — —
Dotted portions indicate forecasts

Locational Advantages

Such locational advantages around Calcutta, Bombay and Madras have, however, suffered a serious setback because of the increase in the railway freight rates since 1949 coupled with the inadequacy of transport facilities. Arguments have recently been put forward for wider dispersal of the industry in the backward and undeveloped areas. An essential prerequisite for such guided location of industry is the creation of proper "infra-structure" of industrial development in the backward areas. As the glass industry, more than any other, is transport-orientated, location will have an important bearing on the cost of making glass. Moreover, at the industry's present capacity level, it can offer only limited scope to the plan objective of balanced regional development.

A break-up of the industry's total output shows that almost 70 percent of its production consists of glass containers and sheet glass. The share of bottles and phials alone is 51 percent in the total.

PRODUCTION OF GLASS
(In metric tonnes)

	1951	1956	1961
Bottles and phials	50,640	62,413	11,5518
Other glasswares	36,710	56,326	68,547
Sheet glass	5,800	24,848	42,025
Total	93,150	143,587	226,085

Demand Prospects

The demand for glass and glasswares continued to increase at an average annual rate of 17 percent during the second plan till it reached 200,000 tons by 1958-59 from a level of 136,000 tons at the end of 1955-56. The demand is expected to be 440,000 tons, including export requirements of 15,000 tons by the end of the third plan. The demand for sheet glass increased from 46 million square feet in 1956-57 to 100 million square feet in 1960-61. According to the Tariff Commission, the demand is expected to go up by 15 million square feet a year.

The rate of increase in demand for glasswares is not, however, expected to be as high during the third plan period as in the past for the following reasons: (a) the shortage of tinplate necessary for containers will not be so great because of increased production during next several years, (b) the increased use of substitute materials like plastics in the field of packaging and pressedware, (c) larger availability of bottles for reuse as production reaches a higher level and (d) the extension of Prohibition leading to the diminution of demand for wine bottles. To the extent that glass is a commodity with a more or less elastic demand, any increase in its price is likely to react on its sales. Goods are subject to excise duties which vary from 5 percent on laboratory glassware to 15 percent on glasswares in general. The surcharge of 20 percent imposed by the new Budget on sheet and plate glass and of 10 percent on other glasswares will further stoke up the prevailing supply prices of glass. As most of the industrial customers for glass containers find the cost of containers already high relative to the total ex-factory price of their products, glass goods will face greater consumer resistance.

These factors certainly call for extra caution in creating new capacity particularly when there is looming dominance of excess capacity in many sections of the industry. In spite of the impressive progress of the sheet glass industry, the veiled threat of excess capacity has also dogged its steps. Of late, additional capacities have been licensed ignoring the progress of utilisation of the existing capacity. An analysis of current trends will show that while capacity shot up at

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certain great gallops during 1953-63, the demand followed in low canter. Production, however, moved up to match demand as the graph on page 19 shows. Thus compared with a capacity of 100 million square feet and the production of 81 million square feet in 1957 and 1958, the industry appears to have in 1963-64 a capacity of 232 million square feet, against a volume of domestic demand only half as much. Conceding that some capacity of the glass industry may remain unused for technical reasons, there is, nevertheless, need for caution so that no wastage is caused through misallocation of scarce capital resources. To the extent, however, the licensed capacity differs from the effective capacity—and indeed such cases may be many—a false impression of adequacy gains ground. The surer way, therefore, to a closer relationship between the two is to expand the existing units instead of setting up altogether new units. The licensing policy also needs to be orientated towards greater diversification of production in newer fields.

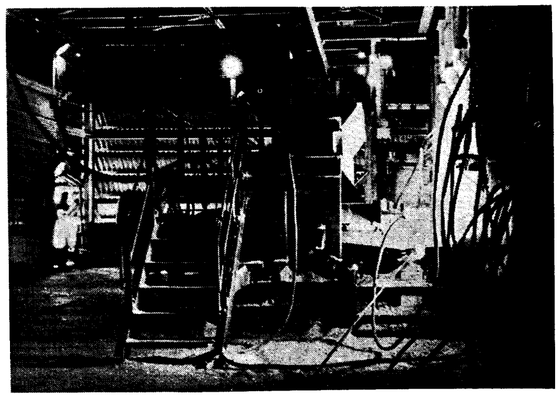
Import Replacement

Imports of glass goods declined from Rs. 1.63 crores in 1955 to Rs. 72 lakhs in 1959. This, however, rose to Rs. 1.20 crores in 1960 and fell to about Rs. 91 lakhs during April-December 1961. Imports of glass during these years consisted mainly of tubes and rods, optical glass, plate glass, wired glass, toughened glass, silvered plate glass and scientific glass. Significant replacement of imports during 1958-61 was achieved in glass containers, sheet glass, safety glass, bottles and phials, beads and pearls, bangles, fibrous glass, tumblers, etcetera.

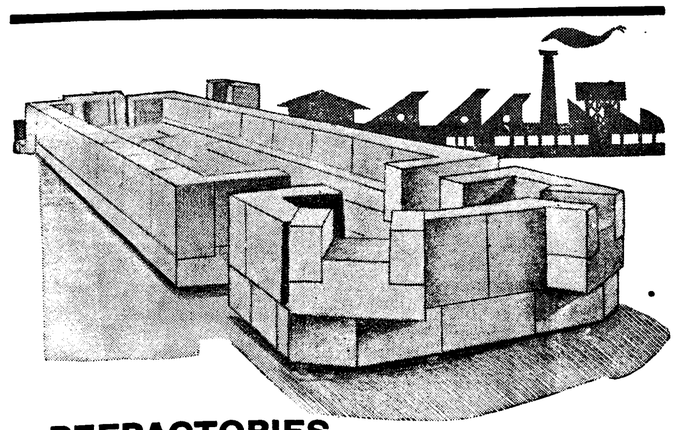
Glass is a non-traditional item of export. It is natural, therefore, that the indigenous industry will have to grapple for some time to come with the hurdles of competitive sales to have a fair share of the export markets. The export performance of the industry has remained as yet far below expectation. In fact, exports have been almost stationary, varying between Rs. 25 lakhs to Rs. 30 lakhs in the past ten years. Exports during April-December 1961 amounted to about Rs. 22 lakhs. The major export items during 1958-61 were bottles and phials, beads and bangles, scientific glassware, tubes and rods, etcetera. The prospects of Indian glass exports to the Middle East and African countries have been reported by a recent trade delegation to be bright, and current efforts of Capexil are directed towards increasing exports in the major potential markets abroad. An export target of Rs. 50 lakhs was fixed for 1962. Indian glass is, however, a high cost commodity. The prices of Indian products are said to be 30 to 50 percent higher than those of comparable products from other countries. The reasons are not far to seek.

Main Obstacles

The production of glass has to depend on widely dispersed sources of raw materials and fuels, namely, silica sand, limestone, soda ash, felspar, dolomite, coal, furnace oil, etcetera. A steady flow of raw materials from divergent points to the factory and a continuous outflow of goods from the factory to the markets invariably require adequate and timely transport. Thus, for various reasons, transport holds the king-pin in the cost structure of the industry. A steep increase in the minimum weight for wagon loads and the withdrawal of owners' risk rate since October 1958 affected glass goods which have very low freight-bearing capacity. It has been pointed out that while the cost of heavy soda ash delivered at factory site in the U.K. ranges from Rs. 118 to Rs. 145 a ton, that in India amounts nearly to Rs. 550 a ton. Position is similar in case of limestone and sand. A striking feature of transport requirements of the industry is that such demand originates at certain selected places. For instance, the industry is heavily dependent on silica sand of U.P. supplied mostly from Shankargarh, Lohagarh and Bargarh, and any disturbance of loading facilities at these points will dislocate glass production completely. Non-availability of wagons for the despatch of glass goods has become a regular feature. As the glass is a continuous process industry, the furnace temperature needs to be constantly maintained at as high a level as 1400° centigrade for 24 hours. Any large variation of temperature is most likely to affect the structure of the furnace and, of course, the quality of the product. It is necessary, therefore, to have an unhindered supply of fuel of high efficiency. The variation in fuel efficiency of coal often causes serious disadvantages to the glass manufac-



A melting tank in a glass factory



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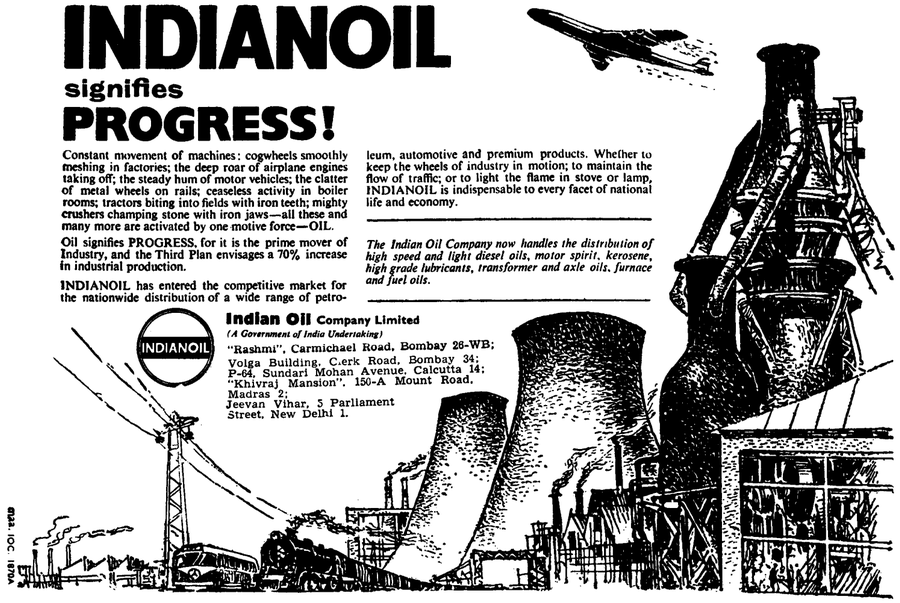
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"MUKAND [redacted] IS STEEL"

turers, particularly in view of the shortage of Grade A coal.

Of the important raw materials, soda ash—light and heavy—deserves special mention. The physical and chemical characteristics of soda ash vary largely, and in the absence of any dependable indigenous source of supply, the requirements of soda ash have so long largely been met through imports. Supplies of heavy soda ash to the glass industry including sheet glass, during 1957-60 ranged from 45,000 to 52,000 tons a year. By 1960, the indigenous capacity licensed for heavy soda ash was of the order of 72,000 tons a year. The indigenous heavy soda ash now available for the industry is not yet of requisite quality nor of required quantity and the prices charged are much higher than the international price. These are presumably the reasons which prompted the Tariff Commission to observe: "If we continue to import for some time to come light soda ash to fill the gap between the domestic and indigenous production of soda ash, we see no reason why a somewhat higher quantity of heavy soda ash cannot be imported to meet the full requirements of the sheet glass industry and the quota of light ash fixed for sheet glass diverted to other consuming industries which can use it without difficulty" (the Tariff Commission Report, 1960, page 13).

The industry's requirements for suitable refractories and superior grades of sand are not also adequately met. An average glass factory—it has been pointed out—has to pay nearly Rs. 7 lakhs to Rs. 8 lakhs more now to get the same volume of production as in 1946.

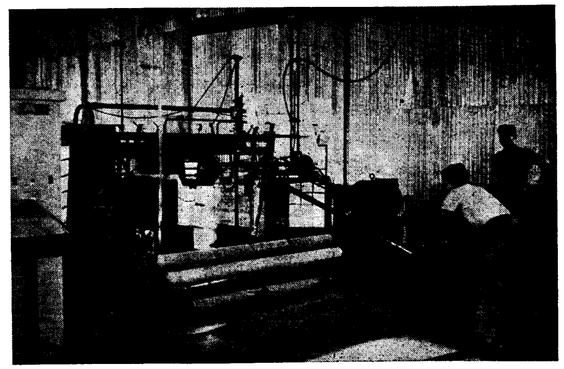
INDEX OF INCREASE IN PRICES OF IMPORTANT RAW MATERIALS
(1946 = 100)

	1961	1962
Soda ash ...	215	275
Sand ...	154	154
Coal	133	143
Furnace oil ...	223	231
Limestone ...	110	122

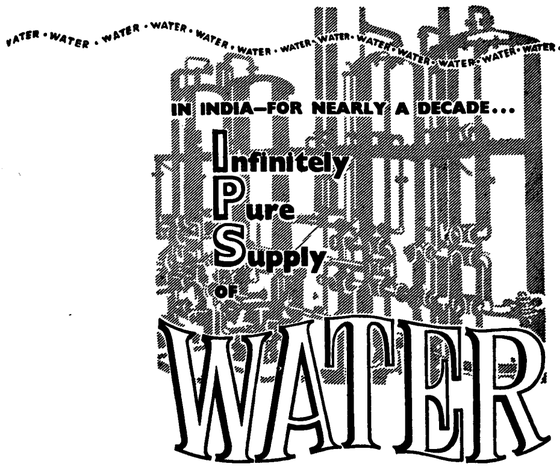
Cost Structure

Viewed in this background, the cost structure of the sheet glass industry deserves careful study because sheet glass is a protected industry. Since 1960, the cost of production of sheet glass rose cumulatively. As the prices of sheet glass are now centrally controlled by the Government on the basis of the Tariff Commission's recommendations, the industry is faced with a serious crisis. The Government has recently fixed the prices of ordinary quality sheet glass. The prices so fixed are lower than those recommended by the Tariff Commission and have not been commensurate with the rise in cost, particularly in those units who have made heavy capital expenditure on technological improvement and have also changed the fuel-base from coal to oil. Rising costs on the one hand and aggregative control of prices, on the other, threaten seriously to slash returns on capital to an unattractive level and stop a further flow of risk capital into the industry at a time when a larger share of company income is going to be liquidated through the super profit tax.

The glass industry of India stands today at the cross-roads, and there is need for proper integration of its future development. A healthy growth of the industry calls for careful dove-tailing of the mechanised and non-mechanised sectors that will make possible the attainment of desirable optima of employment and income. The third plan has set forth a capacity target of 615,000 tons for the industry. For this, a capital investment of about Rs. 11 crores will be required. The total foreign exchange component of this investment will be Rs. 4.5 crores, and the additional employment during the period is expected to be 25,000. Thus by 1965-66, the progress of the industry will be phenomenal. The industry has at present broadly the following major sectors: (1) the traditional sector producing beads and bangles, (2) the modern art goods sector producing glass and pressedwares for interior decoration, (3) the principal consumer goods sector producing bottles and phials, etcetera, (4) the scientific goods sector producing laboratory and optical glass and (5) the building materials sector producing sheet and plate glass, safety and laminated glass, etcetera. Investment during the third plan and the intensity of national emergency will have a significant impact on the overall growth of the industry. Current trends, however, indicate that the last two sectors will expand conspicuously to become the leading lights of the Indian glass industry during the next decade. As the standard of living rises in the country, the industry will need new conception of design and better forms of expression, for no other material can render more charm to our surroundings and lend our lives brightness and good cheer.



Removing glass sheet from the drawing machine



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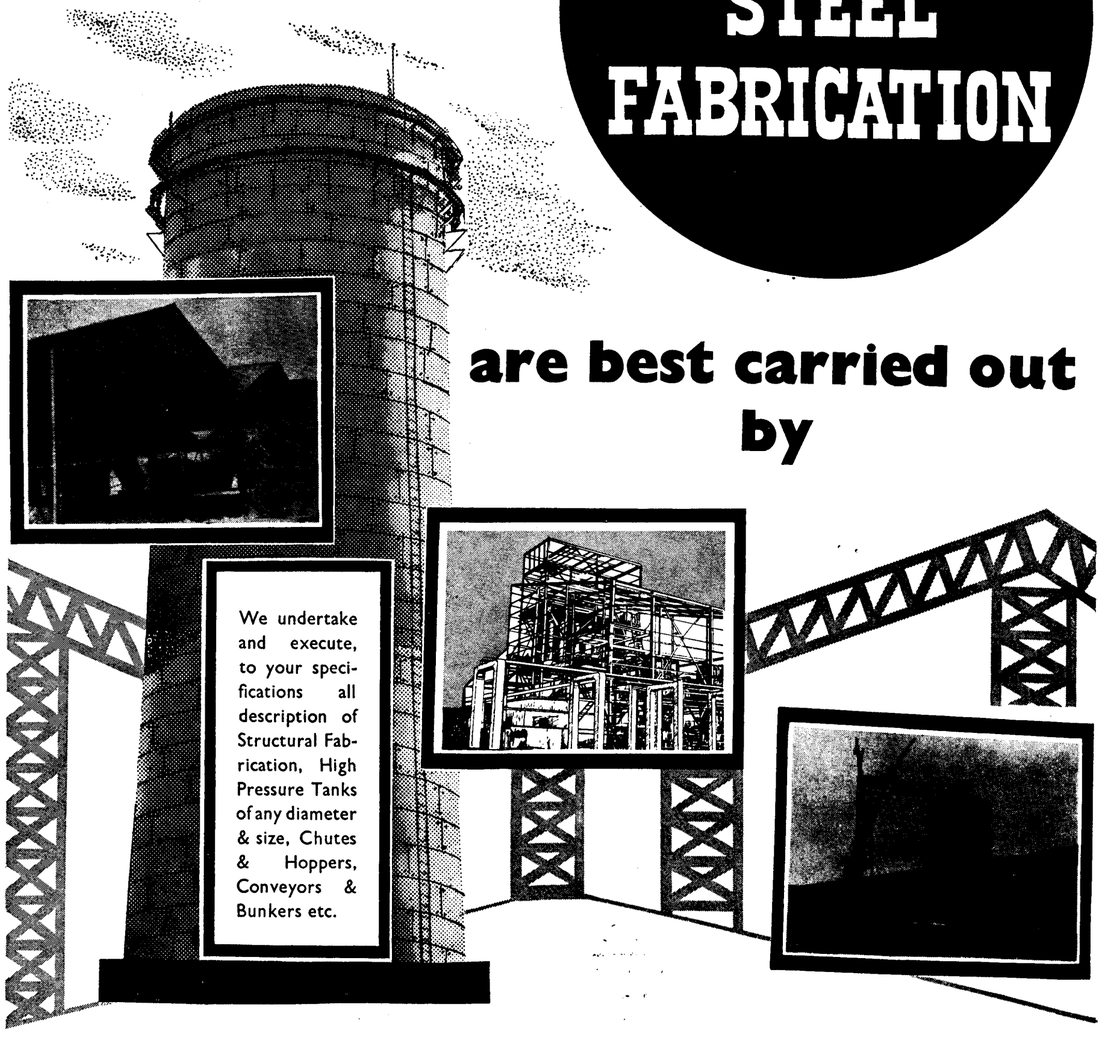
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Production of Structurals Affected by Power and Matching Steel Shortages

STRUCTURAL engineering covers a very wide field, and includes railway and road bridges, factory and residential buildings, power houses, blast furnaces, coke oven plants, fertiliser and chemical plants, sluice gates, transmission towers, aerial ropeways, wharf and overhead travelling cranes. Railway wagon and coach building is allied to structural engineering, but is excluded from this survey.

The structural engineering industry is the oldest organised industry in India, and plays a vital part in any industrial undertaking, as it is the starting-off point providing the "shell" for the manufacturing process involved. It is a highly specialised industry, and as its products are largely "tailor made", efficient design and drawing offices are essential in addition to well-equipped workshops.

In the fabrication of heavy bridges and heavy buildings for steel works, the member firms of the Braithwaite Burn and Jessop (B.B.J.) group have demonstrated India's ability to manufacture to standards which bear comparison with the best in the world.

By
A SPECIAL CORRESPONDENT

Large bridges constructed across the Hooghly, the Ganga, the Brahmaputra and the Sone, and 85,000 tons of heavy steel work fabricated for the Tata Iron and Steel Co. Ltd, Jamshedpur, and the Indian Iron and Steel Co. Ltd, Burnpur, bear testimony to India's achievement in this branch of heavy engineering.

With the increased pace of industrialisation, the demand for fabricated steel work has risen enormously, and in view of this, the Government has licensed a large number of new units. At the end of the first five year plan, the licensed capacity was 126,000 tons, which was expanded to 395,000 tons a year on a single shift basis by the end of the second plan.

Due mainly to the shortages of matching steel, the production of fabricated steel work for the last seven years has been (figures in tons) :

1956	90,000
1957	85,000
1958	113,000
1959	110,000
1960	130,000
1961	160,000
1962	170,000

The demand by 1965-66 for all types of fabricated steel work has been assessed by the Planning Commission at 850,000 tons, and the licensed capacity on a single shift basis at 695,000 tons. The shortfall of 155,000 tons in fabricating capacity is being made up by a balancing second shift. It is, however, most unlikely that actual output will reach this target figure, and there may be a considerable shortfall.

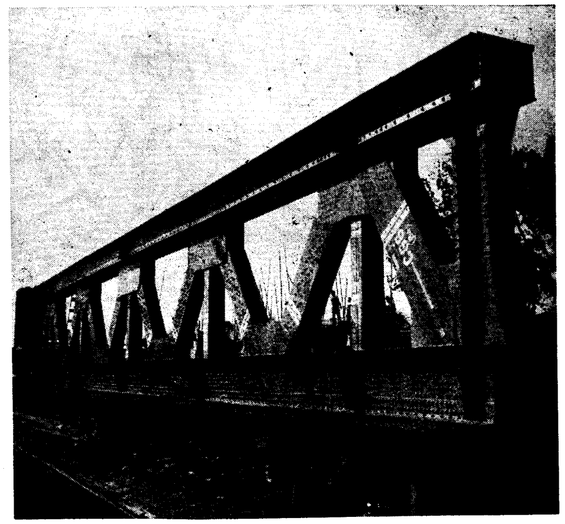
The structural fabricating industry has, since 1946, faced the most serious shortages in matching steel, and this continues to be the single factor limiting any substantial increase in output. This has created an embarrassing situation since there is a famine amidst plenty—an abundance of orders but a famine of matching steel. The position can perhaps be better appreciated by reference to the fabricated steel required for the foundry forge in Ranchi. Out of the total requirement of approximately 28,000 tons of steel work to be fabricated by the B.B.J. Group, orders were placed progressively from January 1962 for 28,000 tons of plates and sections required for this work, but because of many delays, only 4,300 tons have been received at the end of April 1963, and all of this tonnage is unmatched. Similarly, 26,500 tons steel work for the alloy steel project in Durgapur, and 32,000 tons for railway bridges also being fabricated by the B.B.J. Group, are held up as the necessary matching steel has not been received.

The Government of India is aware of the great idle capacity which exists because of the shortage of matching steel, and is trying to take remedial action. The Indian Engineering Association is also actively investigating this problem, and a special committee has been formed to find ways and means of easing the problem. A preliminary survey has shown that until such time as the steel mills have been expanded to produce the country's requirements, considerable economy can be effected by restricting the range of sections being rolled by eliminating those sizes where the demand is small. It is expected that the recommendations of this committee will be forwarded to the Government before the end of July 1963.

Welded Steel Work

In keeping with progress in other countries, the use of welded steel work is now being extended. This, of necessity, demands steel to A.S.W. quality, in which the carbon content must not exceed 0.2 percent as against 0.25 percent for mild steel. Here again, the demand exceeds the supply and interminable delays in supply occur. Yet another serious bottleneck which has developed is the supply of hand welding electrodes, the main reason for this being the supply of low carbon rimming quality steel for the core wire.

The supply of electrodes has progressively deteriorated over the last six months, and this has had an adverse effect on a large number of firms. The Government is importing a large tonnage of billets for drawing into core wire. This will give temporary relief, but the problem will persist until such times as the Indian steel mills are able to supply billets to the specification which they at present find difficult due to poor quality of coke and limestone.



A huge span crane gantry girder at a steel works

Scarcity of Electric Power

Since April 1961, an acute shortage of electric power has developed in West Bengal, and for one reason or another, the position has slowly deteriorated, and this has added to the difficulties of structural fabricators. At present, sections of industry are being subjected to massive load shedding three times a week, which will have an adverse effect on production. Even allowing for the additional 50 MW which will be available from the New Cossipore generating station of the Calcutta Electric Supply Cor-



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Canada has from January to December '62 purchased 487000 pairs of footwear from **Bata** India

poration towards the end of 1963, 75 MW from the Durgapur power station of the West Bengal Government early in 1964, and a further 75 MW from the same station in July 1964, there can be no real improvement until the Bandel station of the West Bengal Government is in production towards the end of 1964. It must, however, be remembered that by this time both the industrial and domestic requirements will have risen.

Records kept over many years show that in the structural fabricating industry in India, the average output is 1 ton a man a month, against 1 ton a man a week for similar work in the U.K. There are many reasons for this wide difference in productivity, but the main ones are the high incidence of non-productive to productive labour, climate and nutrition. The introduction of generous production bonus schemes has resulted in a progressive rise in productivity, but it has not been possible correctly to gauge the fullest possibilities of such schemes due to the fact that the structural fabricating industry has for many years run at 50 percent of its installed capacity due to the shortages of matching steel.

It seems reasonable to assume that given adequate orders, with full supplies of matching steel and electrodes to provide full utilisation of installed capacity without interruption due to cuts or restrictions in the supply of electricity, it would be possible to achieve a 50 percent rise in productivity, that is, to 1½ tons a man a month.

A further rise in productivity can be achieved by the use of rolled broad flange beams of the types extensively used in the United States, and now being rolled in some of the British steel mills, in place of built-up riveted plate girders. Alternatively, welded broad flange beams built up of plates could be used for this purpose as and when adequate supplies of steel to the correct specification are available from the mills together with the necessary specialist welding plant and electrodes. Considerable assistance can be given to increase productivity if designers would make sections of steel work identical to permit fairly large tonnages to be fabricated without trivial variations.

For the fabrication of steel work for medium-heavy factory buildings, considerable economy in freight and time can be effected by site fabrication. This method necessitates the setting up of a small fabricating unit complete with cranes at site where all raw materials are delivered. The materials are straightened, cropped, sawn or guillotined to size and assembled in a jig for welding. All connections for the columns, roof trusses and girders are drilled for bolted connections. Jessop and Company has over the last three years, site fabricated some 4,000 tons of steel work for the various expansions and additions to the Company's works in Dum Dum by this method of site



A 14-span bridge in Bihar

fabrication, thereby freeing capacity in its structural works for other orders.

Capacity and Output

It will be appreciated that there are always considerable gaps between the licensed, installed and actual capacity of any industry, as the granting of an industrial licence does not always result in a new unit going into operation, nor does a unit always reach its installed capacity. Indeed, frequently licences are cancelled because nothing is done. There can be no doubt that there is a very substantial unsatisfied demand for fabricated structural steel work, but because of the shortages of matching steel, electrodes and power, newcomers are

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hesitant to invest large sums of money in establishing capacity which will not be fully utilised, thereby getting a poor return on their money. There is also an acute shortage of skilled man-power and supervisors. Established units are likewise reluctant to expand their capacity, until such times as the present chronic shortages are removed.

It is not possible to give any real indication as to when the present difficulties will be resolved, but assuming that the shortages of matching steel and electrodes can be substantially corrected by the time electric power supply is available from Bandel, that is, by the end of 1964 there seems little or no prospect of the structural fabricating industry producing the output set by the Planning Commission, namely, 695,000 tons by 1965-66.

As soon as regular supplies of steel are available in matched quantities, together with electrodes and power there will, within a period of four to six months, be a sharp rise in production. There will, of necessity, be a time lag before the industry is producing to capacity due to the necessity of engaging additional skilled men and supervisors, who are in very short supply. The setting up of a second shift does not necessarily mean there will be a 100 percent rise in output, as many firms have found that the efficiency of a full night shift on structural steel work is considerably lower than that achieved on the day shift, and is not more than 60 percent.

One contributing factor is the high rate of absenteeism which is normally a serious problem in industry, as the average on a day shift varies from 10 percent to 12½ percent. This figure, however, rises to an average of 15 percent to 17 percent on the night shift, and at certain periods of the year, goes up to 25 percent. The need s for additional tonnages of steel work to be prepared and drilled ready for assembly, and it is for this reason that a full second shift can rarely be justified as the final assembly work s carried out at faster rate. What is needed, therefore, is a balancing night shift in which all the machines are manned. If this is well organised with adequate and competent supervision, an overall rise of 40 percent in output can be achieved. Large-scale welded work almost inevitably demands a full second shift to make the fullest use of the plant, and to a somewhat lesser degree, this is also necessary for riveting.

Raising Structural Production

Given favourable conditions to develop production to its full present installed capacity, it is possible for the structural industry to reach an output of 320,000 tons on two shifts within a year, if matching steel and power is made continuously available. While the demand for light and medium categories of structural steel work can be met, most serious shortfalls in fabricating capacity for the heavy categories must arise, as due to the interminable delays which have occurred in the past, there is a huge backlong of at least 140,000 tons of heavy steel work for the foundry forge, alloy steel plant and railway bridges. This work will fully absorb the existing capacity of the small number of firms in Calcutta and Bombay, who are equipped for this class of fabrication, and any new demands for extensions to the steel mills both in the public and private sectors, and the heavy electrical plants, etcetera, will either have to be imported or delayed.

One solution to the problem would be to import as early as possible the greater part of the plates and sections required, and thus utilise the idle capacity more especially of the heavy units, so as to enable them to participate in the demands which must arise for the extension to the steel plants, and the setting up of two heavy electrical plants, etcetera.

As stated before, there seems little chance of adequate supplies of power being made available before the end of 1964. Nevertheless, a bold step in the substantial easing of the problem of matching steel before December 1963 would enable the fabricating firms to make a start towards increasing output which is so badly needed.

Export Possibilities

A start has been made in exporting transmission line towers and pressed steel tanks. There is a market in east Africa for building steel work and bridge work; but as always, price plays a deciding part. An attempt is being made by some firms to enter this market, but it is too early to assess the results. The supply of such products as a major bridge, railway wagons, railway coaches, wharf cranes, electric overhead travelling cranes, road rollers, would immediately demonstrate India's ability to supply capital goods, and it is essential that great effort should be made to export some of these products.

It must, however, be remembered that in a number of countries in Asia, there is still a preference for buying American, European and Japanese products, and a long period of rehabilitation will be necessary in order to give ample proof of India's ability to supply quality goods. Another important point which has to be given very serious consideration is that of price; for even allowing for preferential prices of steel utilised in the export of engineering goods and other incentives, the industry's productivity in terms of tons per man per month has to increase considerably, in order to be competitive in the open market.

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Cement Production Lags behind Demand and Plan Target

CEMENT and steel are fundamental to a nation's economic progress and stability. In India, the cement industry as well as the steel industry are the most stable ones and their growth potential will be tremendous, if the planned objectives of economic development are fulfilled.

In India, the *per capita* consumption of cement, which is often taken as an index of the industrial progress of a country, is far below that of industrially developed countries. To reach anywhere near these countries in cement production, measured in terms of *per capita* consumption, looks well-nigh impossible, especially in view of the enormous population of the country, which is increasing almost explosively. One must, therefore, discard the *per capita* yardstick of measurement, but concentrate on increasing the absolute quantities of manufacture of cement and

By
R. R. HATTIANGADI
Managing Director, Cement Agencies Limited, Managing Agents of the Associated Cement Cos. Ltd., Bombay

cementitious materials by expeditiously harnessing every kind of raw material to gainful use.

In 1962, India produced about 8.6 million tonnes of cement, against an installed capacity of nearly 9.6 million tonnes, which is a fairly good record considering the numerous difficulties of transport, foreign exchange, etcetera, now confronting this industry. The progress can be gauged from the following figures:

Year	Installed capacity (million tons)	Actual production (million tons)
1951-52	3.7	3.3
1955-56	4.9	4.6
1962	9.6	8.6

Nevertheless, even this progress falls considerably short of the targets. The target of installed capacity by the end of the third five year plan has been fixed at between 15 million tonnes and 16 million tonnes, so one has to study how best this target can be achieved, if at all.

Large Capital Requirements

The cement industry is capital-intensive. Unless there are sufficient incentives, capital will not be attracted as adequately as the situation demands. Cement is at present in short supply, and it is paradoxical that the growth of the industry is not as vigorous as it ought to be. The industry suffers from being over-controlled growth-wise, price-wise, distribution-wise and even to the type of packing to be adopted, etcetera. Such controls naturally stifle the growth of an industry and, to some extent, discourage new entrepreneurs entering the field. To achieve the target capacity of 16 million tonnes a year during the third five year plan, it may be necessary for the Government to change the policy in order to stimulate entrepreneurs to establish new factories or to expand old ones.

Under the second five year plan, the target of cement capacity was set at 16 million tonnes, and the production target at 13 million tonnes. Licences were issued by the Government in the second plan for the industry to reach a capacity of about 15.5 million tonnes. However, due to difficulties of foreign exchange, internal finances and proper investigation of raw materials availability, some of the licensed schemes did not materialise within the plan period. Some other schemes did not materialise, due either to unsatisfactory nature of limestone deposits they proposed to work on or to lack of railway transport facilities. Now, in the third plan, the target capacity has to go up from, say, 9.5 million tonnes to about 16 million tonnes, and will require investment of a huge capital, especially in view of the present-day increasing costs. Roughly, it can be taken that investment per tonne of annual capacity is of the order of Rs. 150 to Rs. 160 for a new factory of 600 tonnes a day capacity (that is, 200,000 tonnes a year capacity) and about Rs. 110 to Rs. 130 in the case of expansion of existing factories by a similar capacity.

Taking an average of Rs. 140 per tonne of annual installed capacity as capital expenditure, the capital requirement will be of the order of Rs. 80 crores, which is a very large sum of money. The foreign exchange component of this could be easily in the neighbourhood of Rs. 15 crores to Rs. 20 crores. But the moot point is whether this target can be achieved with the best will in the world. Everything considered, it is difficult to conceive that the installed capacity at the end of the third five year plan period would be more than 13 million tonnes, but even to do this, it will be necessary to take certain urgent steps, such as: (a) the encouragement of expansion of existing factories on a priority basis; (b) harnessing the know-how of existing manufacturers by encouraging them to come forth and put up factories—at least for the time being—and not be governed by "shibboleths" that only new entrepreneurs must be encouraged to the exclusion of existing companies, whatever be their size; (c) a more flexible approach in foreign exchange allotments; and (d) the encouragement of manufacture and use of new kinds of cementitious material conforming, of course, to specific standards.

When the cement industry was started in India about 50 years ago, all the know-how had to be obtained from abroad; the top management and supervisors were mostly foreigners. It is gratifying to note that the country now has all the know-how of making cement, and very little foreign technical help is necessary. On the whole, it appears the industry is in a safe position as far as technically qualified personnel are concerned.

Raw Material Problems

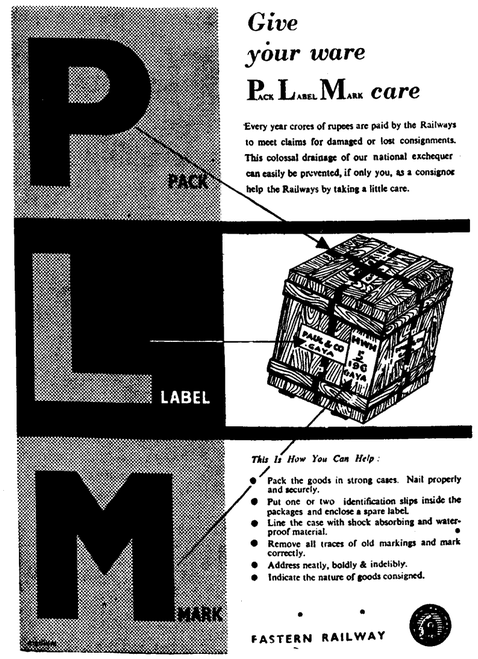
Having dealt with finance and personnel aspects, one comes to the last point, namely, materials. Cement-making entails the use of: (a) raw materials such as limestone, clay, gypsum; (b) coal or fuel oil; and (c) stores and spares for machine maintenance.

Limestone is the main raw material for the manufacture of cement, but unfortunately, in the sub-continent of India limestone which is found in abundance in some areas, is not strategically located. It is not generally available in large quantities near the main consuming centres or near coal-producing areas; as such both coal and cement entail long transport. At some places, limestone of suitable quality may not be available, but limestone of a little poorer quality may be available in abundance and this can be used by beneficiating it.

For setting up a new factory, detailed geological prospecting and a survey of the deposit will have to be carried out to make sure that sufficient reserves of materials of suitable quality are available at the proposed site. Some schemes have come to grief for lack of proper prospecting. For a new entrepreneur in the field, it may not be possible to provide experienced geological staff for proper prospecting. This aspect has received the attention of the cement manufacturers, cement machinery manufacturers and the Government, and it may be possible for the cement machinery manufacturers to provide help in geological prospecting.

Importance of Gypsum

Although used in very small proportion to correct the setting time of cement, gypsum is a very important raw material for making cement. The deposits of gypsum are not very extensive, and the quality, although suitable for making cement, is not very high. All efforts must be made to conserve the gypsum deposits of India, and the industry should see to it that it is used as economically as





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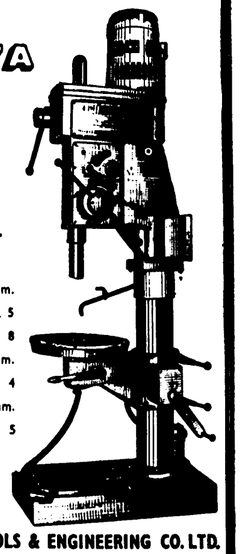
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possible commensurate with the quality of cement produced.

The next material of great importance is coal or fuel oil. The quality of coal made available to the cement industry has been gradually deteriorating over the last few years—better quality coals are being reserved for the steel industry. Moreover, transport of coal specially to far-off coastal factories in the west and in the south, has been posing serious problems to the Government as well as to the industry. Some of the factories in such areas have already been converted to oil firing, and some others will be converted sho tly. Due to lower quality of the coal now available to the industry, it has become more and more difficult to keep up the quality and quantity of output, and some of the factories may have to consider the partial use of fuel oil seriously, even though it would entail a higher cost of production.

Transport Difficulties

The question of transport of coal and cement is very vital to the industry. It is gratifying to note that the transport of coal has improved considerably of late, and fairly good stocks have been built up at the various manufacturing units. Both the railways and the coal control organisation are to be congratulated on their efforts to ensure an adequate supply of coal. Transport of cement has also improved, except at one or two units. The railways have taken steps to move cement even in open wagons when necessary. In order to alleviate the strain on the railways, the industry has had to encourage the despatches of cement by road, and one big organisation has moved more than 1 million tonnes of cement by road, which constitutes about 30 percent of their production last year. Some smaller units have done even 40 percent and more. More and more efforts must be made to increase the transport of cement by road. The commodity is a bulky material, and thousands of wagons are required every day to move cement. As such, the railways play a very big part, and this aspect must receive continuous attention of all concerned. In spite of ever-increasing efforts from all sides, transport is a major bottleneck in the manufacture and distribution of cement.

Cement manufacture entails the use of heavy as well as delicate machinery. Until about 15 to 20 years ago, all the machinery was imported. A start was made some time in 1942 to manufacture kilns and mills in India, and 19 kilns with an integrated capacity of about 2.5 million tonnes of clinker have been manufactured in the country since then. During the last two years, six or seven concerns with foreign collaboration have come up to manufacture cement-making machinery. This will definitely help conserve foreign exchange, but it will take some time for the cement machinery manufacturers to achieve full production.

Earth-moving Machinery

Earth-moving machinery plays an important part in cement manufacture, as 1.6 tonnes of raw materials are to be raised and moved for manufacturing 1 tonne of cement. These machinery are mostly imported, and the spare parts required for maintenance and overhaul have to be imported. The Government has been releasing foreign exchange from time to time on an *ad hoc* basis, and the industry itself is trying its best to manufacture locally as many spare parts as possible.

In India, ordinary Portland cement forms the bulk of cementing material produced, followed by Portland blast furnace slag cement, demand for which is gradually picking up. Manufacture of Portland blast furnace slag cement not only makes available an additional cementitious material just as good as ordinary Portland cement, but it also uses slag from the steel works which would otherwise be a national waste. Research is at present going on for increasing cementitious material by making Pozzolanic cement. It was as a result of research that one of the manufacturers was able to make cement from fertiliser sludge, for which large sums of money were demanded by foreign firms merely to give the know-how. In the same way, various products have been developed by individual research, such as white cement, oil-well cement, hydrophobic cement and Portland blast furnace slag cement, etcetera.

Need for Intensive Research

In view of the fact that the cement industry has to evolve and manufacture different types of cement by different processes and that these different types of cement have to be used in different types of jobs, and also in view of the fact that civil engineering designs have advanced considerably, such as in prestressed concretes, shell structures, etcetera, it is very necessary that intensive research should be carried out, both fundamental and applied, in the manufacture and use of cement. In fact, one of the major cement manufacturers has already started work on the construction of a central research laboratory near Bombay.

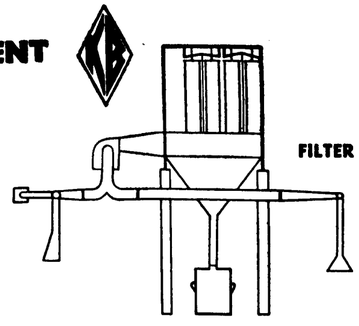
The industry has now formed a Cement Manufacturers Association which, it is hoped, will resolve any differences of opinion in matters of policy among cement manufacturers, will place agreed views on various aspects of the industry before the Government and the public, and will attend to the various public requirements in a more co-ordinated manner. Thus, with the co-operation between cement manufacturers and all the various Government and semi-Government departments connected with various aspects of cement manufacture, distribution and research, it is expected that the cement industry will progress rapidly.

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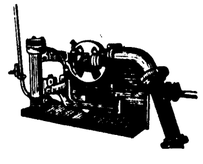


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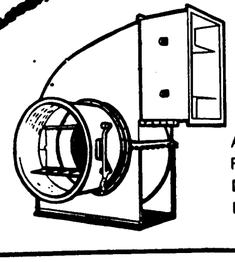
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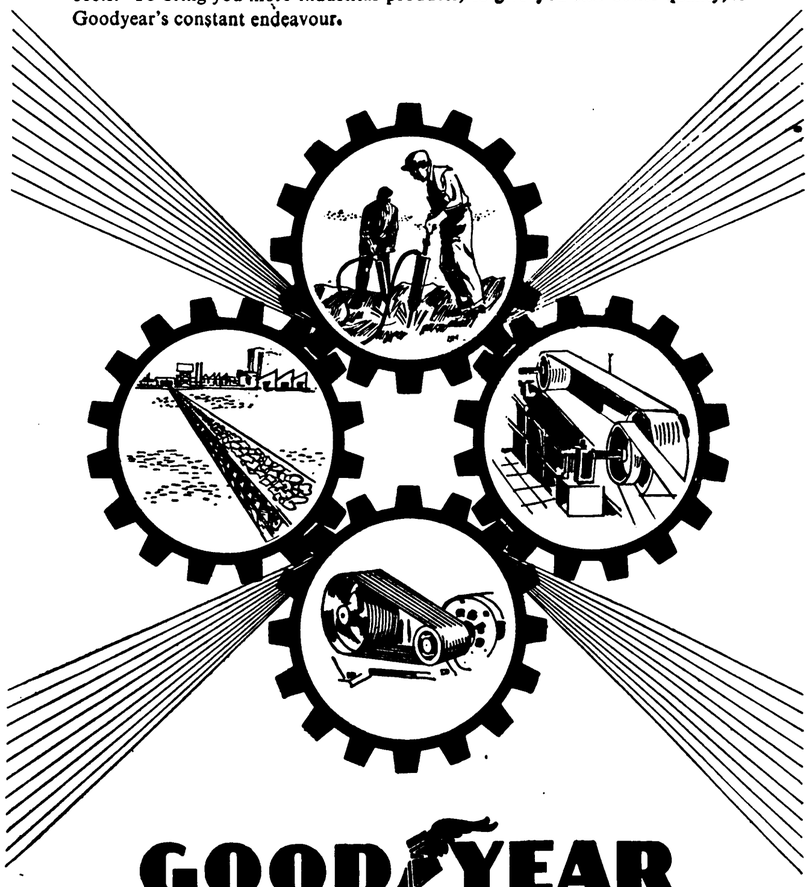
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Prospects and Problems of the Automobile Industry

By

SIR L. P. MISRA

THE motor-vehicle industry has come to be looked upon in the present-day world as a key industry for the economic development of a country. The reason is not far to seek. It has a strategic importance of its own. It further leads to the rapid growth of ancillary industries which in their turn create subsidiary industries for feeding them. Development of the motor-vehicle industry has, therefore, been likened to nuclear fission which sets in its train one reaction after another for a continuous increase in production. Every developing country naturally wishes to establish the motor-vehicle industry within its limits as soon as possible; but in spite of its intrinsic merits and the Government's desire to develop it, only about 18 countries in the world, including India, have so far succeeded in producing motor-vehicles mostly out of their resources and four or five of them are still in the initial stages. Even leading European countries, after having fully established their motor-vehicle industries many years ago, find it still necessary to continue to protect them by effective restrictions on imports of foreign vehicles.

Improvement in Quality

As a result of the first World War, considerable improvements were made in the reliability and quality of motor-vehicles with the result that their use increased greatly for civil requirements in the third decade of the twentieth century. On account of a number of handicaps which are fairly well known and need not be recapitulated here, the market for motor-cars in India became stagnant. Imports into India during the three decades from 1923 to 1953 averaged about 20,000 to 21,000 vehicles a year, of which about 50 percent used to be commercial vehicles. The imported vehicles were generally either in a condition to be readily put on the road or in completely finished components to be assembled and put on the road. This was a great handicap for the manufacturers who started producing vital components like engine, gears and the axles of their models.

It is not generally realised that useful as this industry is, it is not easy to develop it. A motor-car generally consists of about 4,500 parts made to the highest standards of tolerances and specifications evolved by scientists for industrial production. It uses 55 percent of the elements known to science. Leading manufacturers of the world seldom make more than 60 percent of the parts of a motor-vehicle. The rest have to be procured from ancillary industries. It has generally been the experience of all countries which have established the industry that in the absence of ancillary industries, the manufacturer of a motor-car has, in the early stages, to undertake the production of many components, which are later farmed out to ancillary industries to supply when the manufacture of the vehicle is on its legs. India has passed through the first stage. With the encouragement of the Government, the ancillary industries are now rapidly developing. Their annual production during the last five years has increased five times.

The year 1962 will be looked upon as a very important landmark in the history of the development of the motor-vehicle industry in India, for in this year the associations of "Indian Automobile Manufacturers" and of "Ancillary Industries" have finalised, with the approval of the Government, the fields for their respective development, i.e., what parts are to be left over for development exclusively to the ancillary industries. The motor-car manufacturers have taken upon themselves the production of components peculiar to their own models. As a result of this concerted effort by these two associations, the indigenous contents of motor-vehicles being produced in India have steadily risen as shown below. With the understanding reached in 1962, the development of ancillary industries should be more rapid in future.



A view of a motor-car plant in West Bengal

Indigenous Content

The percentage of indigenous content in the models of motor-cars and commercial vehicles manufactured in India in 1962 is as follows:

	Percent*
Cars:	
Hindustan Ambassador	74.49
Fiat "1100"	49.01
Standard Herald ...	43.82
Commercial vehicles:	
Dodge/Fargo (195" W.B.) ...	76.24
Tata Mercedes Benz (195" W.B.)	70.00
Bedford (167" W.B.) ...	53.55
Leyland 'Comet' (176" W.B.)	51.88

Note:* There have been further improvements since in all the above percentages.

* Precise information in relation to each vehicle is not readily available. The industry as a whole imported 30 percent from abroad.

Reports of the Tariff Commission in 1953 and 1956, which were accepted by the Government, clarified many of the issues and laid the foundation for the rapid progress of the industry with the result that in spite of the limited foreign exchange available during the last four years for the import of parts not yet being manufactured in the country, the production of motor-vehicles during the last seven years has been as shown below:

Year		Production
1956	...	32,138
1957	...	33,058
1958	...	26,788
1959	...	35,500
1960	...	52,116
1961	...	54,454
1962	...	57,817

Production in 1962, gratifying as it may appear, is far from satisfactory from the point of view of the country's requirements. The target for 1965 laid down by the Government for the third plan was 60,000 commercial vehicles, 30,000 motor-cars and 10,000 jeeps, i.e., 100,000 motor-vehicles a year. Even this programme, satisfactory as it may have appeared three years ago, has become quite inadequate for requirements of the country in 1965 on account of the following factors:

(i) the lifts required for the targets of production laid down for 1965 in the third plan are *far in excess* of the capacity likely to be available out of a production of 60,000 commercial vehicles a year.

(ii) the Chinese aggression involves much higher defence requirements than what could have been envisaged three years ago when the annual target of 100,000 motor-vehicles was fixed.

Even then no scientific data had been collected for fixing the target of production of commercial vehicles. It was based on empirical estimates given by departments and institutions conversant with the problem.

The Rising Demand

The present position is: (a) The first two plans have now materialised and the expenditure of Rs. 11,000 crores or Rs. 12,000 crores incurred on them is now fructifying in the pockets of the people and creating demand for transport *far in excess* of what could have been estimated at the time of the commencement of the first two plans.

(b) The Government has, after consulting all concerned, laid down a third plan which is equal in size to the first two plans combined and involves the lifting of 350 million tons on its own.

(c) The Chinese aggression has further increased the transport requirements which could not be envisaged at the time of framing the third plan. It is almost certain that even if the third plan does not reach its full production target, the additional expenditure provided for defence requirements will more than make up for any short-fall in the third plan, if it occurs.

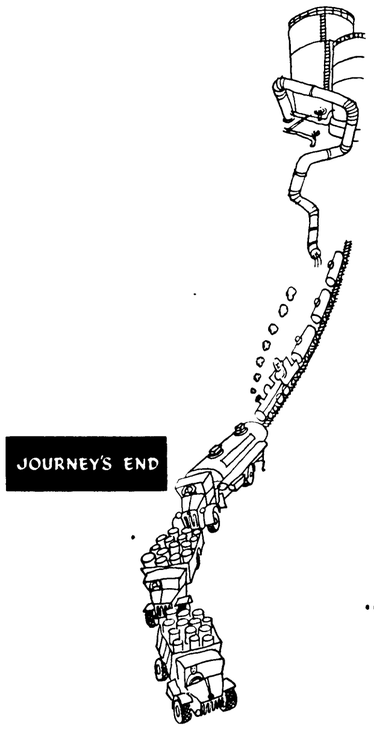
The estimates of transport requirements made in 1960 have become out of date and must be revised. An overall picture of the total transport facilities likely to be available from all systems of transport in the country in 1965-66 and also from year to year is, therefore, *essential*.

During last 11 years of economic planning in the country, the technique of planning has improved from plan to plan. Many hurdles which appeared to be insuperable at the start have been surmounted, and decades have been compressed into years. The foreign exchange shortage raised its ugly head in the middle of the second plan; but it has been fairly met and the third plan adjusted according to what appeared to be practicable.

The second bottleneck, the shortage of power, had also been carefully studied. The country and the Government now know fairly approximately what the power requirements will be for achieving the plan targets and are devising ways and means to cope with the task ahead. Unfortunately, the shortage of transport, which in many ways is the severest stumbling block, has not yet received the attention it deserves.

Transport Shortage

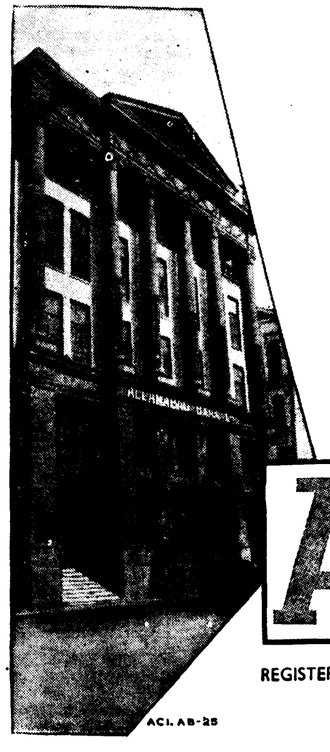
It will be hardly safe to assume that once the targets of production have been fixed, and foreign aid and local resources found, implementation of the plan will follow as a matter of course. It cannot be over-



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emphasised that unless facilities are *provided from day to day* for the transport of raw materials, semi-finished and finished products to their destinations, not only will production suffer but the cost of production will also invariably increase. This has been the experience of the second plan. Annual reports of established industries bear an eloquent testimony to it, if a testimony was ever needed. They bitterly complain of the lack of transport facilities leading to a serious fall in production and the consequent losses. Same remarks apply to agricultural and perishable products as well. It is, therefore, of vital importance that the experience of the second plan, in which the lack of transport facilities caused a serious dislocation of production, is not repeated in future. A scientific analysis of what happened during the past four or five years and how the mistakes made in the past should be avoided now has acquired a special importance of its own. Transport facilities must precede and not follow the demand if the resources available are to be developed to their full extent.

At the commencement of the second five year plan, the railways were asked to carry what they could and produced a scheme for carrying 184 million tons. This was subsequently reduced to 162 million tons. Although about 235 million to 240 million tons needed to be transported in the second plan, no decision was taken as to how the additional traffic left over from the railways was to be dealt with. This omission resulted chiefly from the non-existence of active transport cells in any of the Ministries concerned. If the mistakes of the second plan are to be avoided, it is absolutely essential that *active* transport cells are created in the Central Ministries of Railways, Transport and Communications and the Planning Commission. The function of the Planning Commission Transport Cell should be to get regular information from the railways and the Transport Ministries about the capacities available from time to time, coordinate their activities and arrange for meeting their shortfalls. These cells should *not only lay down the respective targets for the last year of the plan but also watch the progress of transport requirements as they develop in the course of each year.*

Third Plan Targets

How the third plan targets will develop from year to year, what will be the annual increase in traffic from the demand created by the first two plans and defence requirements, need careful attention not only of the Government but also of those interested in the implementation of the third plan.

Not much relief to transport requirements can be expected from air, for it still remains a class traffic. The water routes have been so hopelessly neglected in the past and the amount sanctioned in the plan for their development (Rs. 5 crores, against Rs. 50 crores asked for in the Gokhale report) is so small that not much increase can be expected during the next three years in their transport capacity. Even assuming that water routes will take 10 million to 15 million tons, the balance left over from the railways and water routes will amount to about 85 million tons and has to be thrown on the roads *in addition to* what may be required for defence needs. Unfortunately, no detailed statistics are available of what the road transport carried from year to year. The general estimate is that it carried 12 million to 15 million tons in 1962 with about 188,000 commercial vehicles.

The figures given in the above statement are mere estimates made by knowledgeable quarters. Even allowing, with improved facilities, for an annual lift of about 20 million tons with the existing commercial vehicles on roads in India, another 650,000 additional commercial vehicles will be required to meet the balance of about 65 million tons left from the railways, waterways and the present number of commercial vehicles on the road. With the best efforts by manufacturers, additional vehicles put on the road by them in the three years (1963, 1964 and 1965) will not be more than 150,000 by 1965. If the economy of the country is not to be dislocated, arrangements have to be made for another 500,000 of commercial vehicles for carrying the balance of the traffic left over from all forms of transport in the country. It is not possible to mention here all the details of suggestions made to the Government embodying the most practical method by which additional 500,000 vehicles can be put on the road without unduly straining the foreign exchange resources available to the Government and adding about Rs. 300 crores to its annual revenue from the taxes in force.

As for motor-cars, the production has been more or less stagnant as shown in the table below:

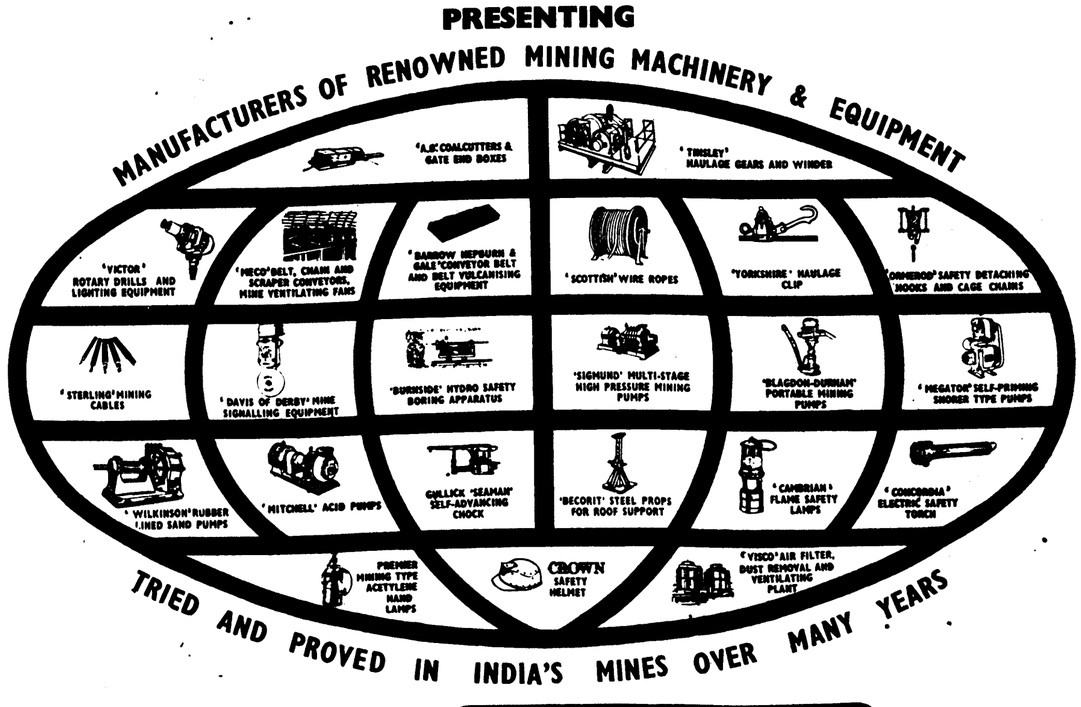
Year		Production
1961	...	21,662
1962	...	23,326

This production is further likely to be reduced to some extent by the 25-percent cut in the foreign exchange sanctioned for production in 1963-64, for importing components (for the cars) not yet produced in the country. The period of waiting which was about six to nine months from the date of the registration of an order for a car has, in the majority of cases, already gone up to 18 months to two years. It will be observed from the above that as for cars and commercial vehicles required by the public, the demand is likely to remain much more than the supply during the currency of the present plan. *The prospects of further development of the industry are, therefore, bright.*

Some Difficult Problems

As for the problems facing the industry, they are difficult but not insoluble as explained below :

(1) *Issue of licences:* At present, the licences given for the import of components required for a year or half-year are not issued at the commencement of the period to ensure an even flow of production from month to month. In the past, the



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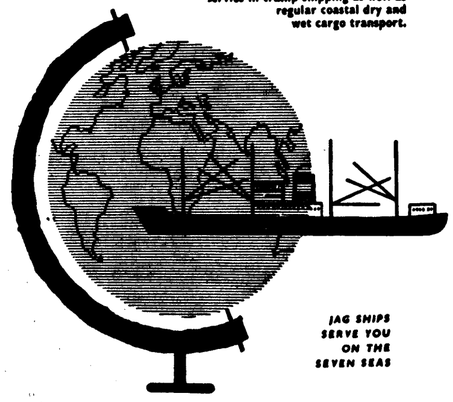
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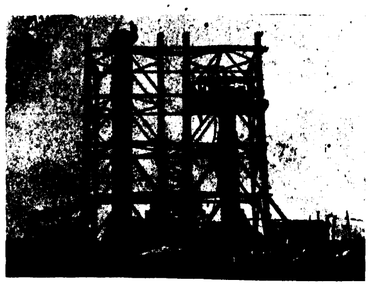
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licences have generally been issued long after the commencement of the period leading to considerable dislocation of production. In case the Government is not in a position at the commencement of the year or the half-year to know the total amount of foreign exchange which will be available for the period, an interim licence amounting to one-third of what was issued in the previous year should be given to the manufacturers to maintain an even flow of the import of components and of production from their workshop till the actual licences available have been determined and issued. Such an arrangement will avoid dislocation of production and will involve no risk for the Government, for after all it will retain full power to reduce the total licences to what may be available before the expiry of the period.

(2) A serious problem facing the manufacturers at present is the supply of service parts for the maintenance of the vehicles which they have put on the road. The Government and those in the trade know the average amount of replacement of the parts in a commercial vehicle or a motor-car on the road. Unless these parts are available for the motor-vehicles on the road, they go out of commission and the owners suffer financial loss. The manufacturer gets the blame for not supplying these parts.

From all points of view, it is important that the vehicles over which capital has been sunk should not be allowed to go out of commission for want of the maintenance parts required. The manufacturers who sold these vehicles have a moral responsibility for the supply of these parts. During the last three years, the number of vehicles in commission on roads has steadily increased but the licences issued to manufacturers for the import of parts (not manufactured in the country) for keeping their vehicles in commission have gone on decreasing seriously. An impression prevails that as the percentage of indigenous contents of a vehicle produced in the country increases, there should be less demand for the import of parts for maintaining it on the road. It is generally not realised that the problem facing the manufacturers whose vehicles are running on the road, is not only to meet the demands of the *models under production* but of the old models as well which were assembled mostly out of imported parts.

Import of Replacement Parts

Even in the case of the present models, a certain percentage of components has still to be imported for their final assembly as they are still not manufactured in the country. Replacement parts not yet manufactured in the country will, therefore, have to be imported even for the current models as well. Out of about 600,000 motor-vehicles on the road, more than 60 percent have been supplied by the present manufacturers. They are, therefore, not only legally but also morally responsible to meet the demand for service parts required for maintaining these vehicles. The import of these parts should, therefore, be given the first priority over all others, for there would be no point in producing new vehicles for sale and allow the vehicles previously sold to get out of commission for want of parts required for their maintenance. Failure to supply these parts causes the greatest dissatisfaction against the manufacturers who supplied these vehicles. In the interest of the owners of vehicles who have invested large capital in the vehicles and are paying very heavy taxes, it is essential that the manufacturers should be placed in a position to supply the parts as and when required.

Prices of Motor-vehicles: In developing a planned economy in a country, inflation cannot always be avoided. In India, it has increased more on account of her works, costing large amounts, having remained unproductive for many years. Naturally, the cost of production in general has increased quite out of proportion. The price of a motor-vehicle depends upon the following factors:

(I) The cost of imported components not yet manufactured in the country; also the import duties levied by the Government on them;

(II) the price of components purchased from ancillary industries;

(III) the cost of production of components in the factory of the manufacturer; and

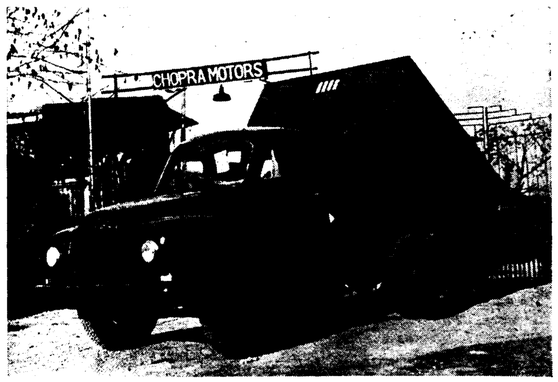
(IV) the taxes levied by the Government before the manufactured motor-vehicle is put on the road.

Cost of Imported Components

Item No. (I): cost of imported components: As the percentage of indigenous contents of motor-vehicles manufactured in the country is steadily increasing, the importance of item No. (I) will go on decreasing till it disappears altogether. This item is, therefore, not of much significance in the present state of affairs.

Item No. (II): purchase from ancillary industries: As mentioned above, a motor-vehicle manufacturer generally produces in his factory about 60 percent of the total components of his model. The rest have to be purchased from ancillary industries. At present, the prices charged by ancillary industries are on average about 75 percent higher than the price of imported components. Consequently, the higher the percentage of components purchased from ancillary industries, the greater will be the prices of motor-vehicles put on the market. Many of our ancillary industries have been recently started and have not yet acquired the efficiency of production of their foreign competitors. Those coming into existence in the future will also have to face the same teething troubles. So, whatever improvements are made by the previously established ancillary industries, will be swallowed up by those coming into existence in the near future. This is, however, a situation which has to be faced in India in the general interest of the country, for it is ancillary industries alone which can raise the indigenous contents of a motor-vehicle to 100 percent.

Item No. (III): cost of components produced in a motor-vehicle manufacturer's own factory: The cost of production in the factory of a motor-vehicle manufacturer depends a good deal on the outturn of his factory, for the industry develops efficiently only on a mass production basis. Till the number of vehicles produced increases sufficiently to justify a general use of automation, the cost of production will remain high. Fortunately for the country, there is an increasing demand for more vehicles but it cannot be met without the additional equipment required for increased production and more licences for importing components not being manufactured in the country. Till manufacturers are helped with bigger licences on both these counts, the prices of components produced in the factory will continue to be higher in comparison with those imported.



A lorry with a special unloading device

High Taxation

Item No. (IV): taxation by the Government: It has been calculated that in India one-third of the price of a motor-vehicle manufactured and put on the road is on account of the taxes paid to the Government. This was before the last Central Budget. With the rough calculations made of the new imposts in the Budget for 1963-64, this percentage is expected to increase by another 4 percent to 5 percent.

No mention of the problems of the motor-vehicle industry will be complete without taking into consideration the taxes which the vehicles sold will have to pay for their use on the road, for the development of the motor-vehicle industry depends a good deal on the scope for using the vehicle after sale. About 600,000 motor-vehicles, exclusive of motor-cycle and scooters, are contributing to the coffers of the Governments more than Rs. 200 crores a year, giving an average of Rs. 3,333 per motor-vehicle a year. If the amounts are worked out separately for cars and commercial vehicles, the average yearly contribution to the revenue of the Government before the last Central Budget by a commercial vehicle comes to about Rs. 5,600. For a car or a jeep, it was about Rs. 1,400. With the increase in taxes on petrol, diesel oils and excise duties, etcetera, in the last Central Budget, the levy on existing vehicles and the new vehicles to be produced in 1963-64 will increase by Rs. 142.47 crores as shown below:

Total number of commercial vehicles ...	289,277
Total number of cars ...	350,944
These, together with the products of 1962-63 estimated at	8,000 jeeps, 20,000 cars, and 25,000 commercial vehicles

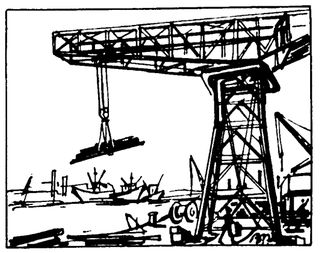
will, as shown below, give the Government a yield of Rs. 142.47 crores and not Rs. 54 crores as envisaged in the Budget.

	(In rupees)
A. Levy on new vehicles produced ...	10,92,75,000
B. Increased levy on the operation of existing trucks and buses ...	119,64,60,000
C. Increased levy on the operation of existing cars and jeeps ...	11,90,00,000
The estimated total revenue to the Govment as a result of new levies ...	142,47,35,000

At present, the taxes levied are passed on to the consumer and it is he who suffers most and reduces his consumption. The result is that the transport provided by the existing vehicles on the road is not used as much as it would have been if the cost of operation had not increased to what it is at present. It is a tragedy of the situation that although so many committees appointed by the Central Government to consider the taxation on motor-vehicles have urged a special reduction to cheapen motor transport on the road, reduce the prices of motor-vehicles, the tax on them in India has gone on increasing and is already the highest in the world. It is estimated that, on average, a motor-vehicle pays an overall tax, including that on fuel, of over Rs. 3,300 a year, against Rs. 1,300 in the U.K., Rs. 800 in France and Rs. 500 in the United States.

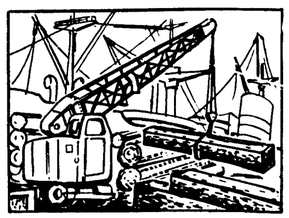
Motor transport having been treated as a "concurrent" subject in the Constitution of India has militated in the past against the accepted recommendations of the Central Government committees. They could not be implemented on account of their non-acceptance by the States. Time has arrived to increase the scope of functions of the Inter-State Commission and make it responsible for the removal of the present handicaps and anomalies under which motor transport has to operate in India.





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Achieving Plan Targets for Organic Chemicals

By
C. J. DADACHANJI

THE growth rate of organic chemical industries has slowed down of late, principally because of delays in establishing production of basic chemicals in the country. The latter include acetylene, ethylene, propylene, butane and butylene, methanol, industrial alcohol, benzene, toluene, o-xylene, and naphthalene. They provide the source materials for dyestuffs, drugs, pesticides, plastics, synthetic rubber and numerous organic solvents and chemical intermediates. It is already clear that industrial alcohol, benzene from coal carbonisation and acetylene derived from calcium carbide, cannot meet the demand. Therefore, petroleum feedstocks—and particularly naphtha from the refineries—are the principal sources available in India for basic chemicals.

From the standpoint of planning, the third plan targets are now of academic interest only. Unless schemes are already under way, there is little likelihood of new plants going into production by the end of the third plan. Attention must, therefore, be concentrated on the fourth plan targets. The Development Council for Organic Chemical Industries has already prepared forward estimates for 1970-71 and has placed the requirement of ethylene at 165,000 tonnes. Based on this estimate, approximately 700,000 tonnes of annual naphtha throughput in cracking capacity will have to be developed by the end of the fourth plan.[1]

The targets as set by the Development Council have subsequently been confirmed by the Petro-chemical Committee which submitted its report to the Government at the end of 1961. Later, the Oil and Natural Gas Commission of the Central Ministry of Mines and Fuel appointed a French team headed by Dr. Henney of the Institut Français Du Petrole to plan and recommend the pattern of petro-chemicals development. Its report has recently been submitted to the Government. Some important aspects of planning need particular emphasis and they are reviewed below.

Naphtha Cracker Schemes

In 1960, two schemes for naphtha crackers were submitted to the Government in the Bombay area. One of these was for a merchant cracker associated with an oil refinery while the other was integrated with polyethylene manufacture. The latter scheme involving 60,000 tonnes of annual naphtha throughput has only recently obtained clearance, and construction work is about to begin. The merchant cracker scheme has finally been withdrawn by the original applicant and a decision is to be taken by the Government from several new proposals received from the private sector. Even if this decision is taken immediately, the industry cannot make up for the three years lost since the first merchant cracker proposal was submitted to the Government. Nor can the loss in momentum be made up until several years have passed. This is very unfortunate because the proposed merchant cracker in Bombay was planned to be linked with schemes for manufacture of phenol and acetone, high density polyethylene, polypropylene, polybutadiene or polyisoprene, dodecyl benzene, acrylonitrile, etcetera. The momentum is lost since all these schemes have also been set back by three years because of the lack of availability of basic chemicals. Similarly, schemes based on methanol are delayed because the plan to establish methanol capacity within the country is behind schedule. Applications for manufacture of methanol were invited by the Government from various private firms about two years ago, but no action was forthcoming until the recently disclosed decision to build a 100-tonne-a-day plant in the public sector. This will be associated with the Trombay fertiliser project and is estimated to commence operations in 1964.

These examples of delay point to the need to make prompt decisions particularly when the entrepreneur is in a position to obtain technical collaboration and foreign equity. The entrepreneur has often given the assurance that the annual foreign exchange liability against borrowings will be offset by earnings through the export of a proportionate amount of indigenous production. Even if the decision made by the planners turns out wrong on occasion, it is often expedient to move ahead with as high a percentage of correct decisions as possible. Schemes for the chemicals industries are inter-linked, and unless prompt decisions are taken and plants built on schedule, the entire industrial development is retarded. It is, therefore, not only important to plan but also to be conscious of timing and ensure that schedules are maintained.

In recent years, there have been many contributions in literature to approximate methods for estimating fixed investment and plant costs. One empirical method for determining fixed capital as a function of production capacity involves the following formula:

$$I_B = I_A \left[\frac{R_B}{R_A}\right]^{0.7}$$

where $_A$ = known fixed capital investment in plant A
I_B = fixed capital investment in plant B, to be determined
R_A = annual production rate in plant A
R_B = annual production rate in plant B

This method is actually an adaptation of the six-tenths factor rule which is well known in estimating equipment costs[2]. While any such method is approximate, the power term 0.7 generally applies to chemical processes and will, therefore, be employed in the analysis that

FIGURE I—MALEIC ANHYDRIDE PLANT COSTS

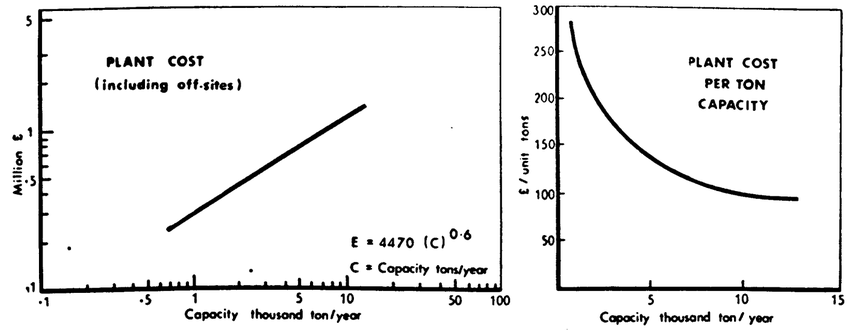
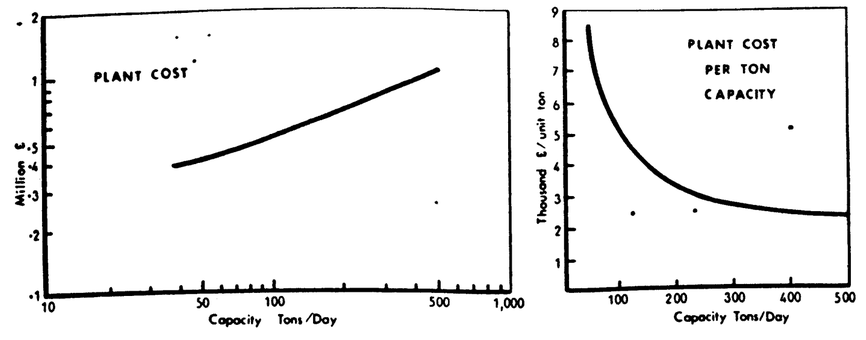


FIGURE II—OXYGEN PLANT COSTS (FULLY ERECTED, EXCLUDING STORAGE)



[1] *Organic Chemical Industries in India—Prospects and Problems*—C. J. Dadachanji.
Chemical Age of India, Vol: 14, No. 1—January-February 1963 (based on a paper originally presented at the United Nations E.C.A.F.E. seminar on "Development of Basic Chemical and Allied Industries in Asia and the Far East," Bangkok, Thailand, October 1962).

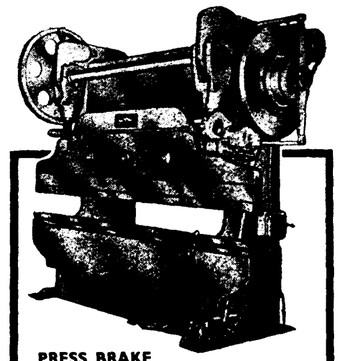
[2] *Chemical Engineering Cost Estimation*—Aries and Newton (McGraw-Hill Book Company, Inc., New York).

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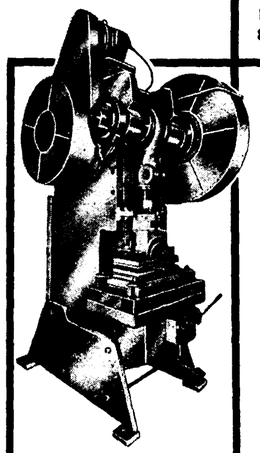
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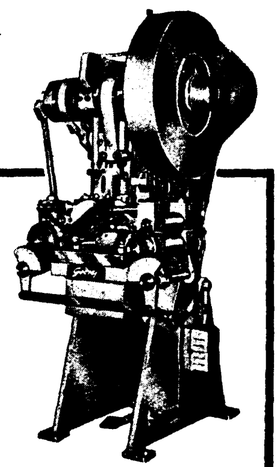


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follows. The exercise has been undertaken with the sole objective of demonstrating how important it is to build chemical plants on as large a scale as practicable.

Expert Report

In the report of the Petro-chemical Committee, Chapter VI refers to investment in plant and equipment and the foreign exchange component[3]. It is estimated that at the end of the fourth plan, the investment in plant and equipment will be of the order of Rs. 317 crores in relation to basic feedstocks and the more important derived products. The foreign exchange requirements will be of the order of Rs. 165 crores. Moreover, the investment in finished products and associated facilities up to the consumer level will bring the total investment close to Rs. 600 crores. The Committee states: "This underlines the fact that the petro-chemical industry is a capital-intensive industry". A very careful study needs, therefore, to be made of the economics of size. The larger the plant, the lower the investment per unit of production and the lower the plant cost. The economics of size is of fundamental importance and vital in a country which has a stringent financial position and is short of foreign exchange. To illustrate the economics of size, although by empirical methods, reference is made to Table IV, Chapter VI in the Petro-chemical Committee's report. This is reproduced below as Table I. Capacities per plant as they appear in this table may be compared with the average sizes of commercial plants in the U.S.A. as provided in Table II on page 43.

In Table III (on page 43), some typical organic chemicals have been taken and the two cases compared. Case I covers unit plant capacities as indicated by the Petro-chemical Committee and reproduced in Table I below. Estimates of total fixed investment are those shown in Table I.

In Case II the yardsticks for unit plant capacities are the average commercial U.S. plants indicated in Table II (on page 43). For example, where the Committee has shown additional P.V.C. capacity requirements at 80,000 tonnes, instead of dividing this capacity between 12 units (Case I), the capacity per plant is maintained at 27,000 tonnes and divided between 3 units (Case II). This particular exercise is, of course, academic since during the third plan period, the Government has already licensed five P.V.C. units. In general, however, the total economic picture could be improved very considerably by confining production to plants of such size as would bear favourable comparison by international standards. This is illustrated in Table III where the empirical formula $I_B = I_A \left[\frac{R_B}{R_A}\right]^{0.7}$ has been employed to determine fixed investment for Case II production capacities based on investment figures for Case I capacities. Reductions in fixed investments range from 5 percent to 36 percent. Obviously, if this exercise were further projected to cover all fourth plan organic chemical requirements, there would be considerable reduction not only in the fixed investment estimate approximating Rs. 600 crores but in its foreign exchange component also.

Plant costs would also be reduced considerably. In the first place, all the foregoing reductions in fixed investment will entail proportionate reductions in amortisation and interest charges per unit of production. In the case of P.V.C., assuming straight line depreciation at 9 percent of fixed investment and a 6 percent interest rate, the sum of these charges per tonne of P.V.C. would come down from Rs. 322 (Case I) to Rs. 215 (Case II). This is all the more important when it is realised that today the international price for P.V.C. is Rs. 1,700 a tonne and the sum of amortisation and interest charges in the smaller unit will, therefore, amount to 19 percent of

[3] Report of the Petro-chemical Committee (Ministry of Commerce and Industry, New Delhi, December 1961).

TABLE I

Estimates of Investments (from the report of the Petro-chemical Committee)

Item	Estimated demand for 1970-71	Capacity to be developed (excludes units installed or nearing completion)	Unit capacity tons/day	Approximate investment on plant equipment unit (Rs. lakhs)	No. of units required	Total estimated fixed investment on plant and equipment (Rs. lakhs)	Possible foreign Exchange requirements (Rs. lakhs)	Remarks
Basic feed-stock unit								
Naphtha cracker for ethylene and propylene with by-product butadiene and benzene	190,000 60,000	165,000 56,000 (25,000) (20,000)	600 tons	900	4	3,600	2,200	
Dehydrogenation/extraction plants for butadiene and isobutylene	185,000	140,000	100	350	4	1,400	840	
Reformer/extraction plants for benzene/xylenes	210,000	114,000	60 to 100	1,000	3	3,000	1,800	
High temp. Pyrolysis units for acetylene with or without ethylene	60,000	20,000	30	300	2	600	360	Could be linked to methanol or ammonia units.
Isoprene	—	33,000	100	500	1	500	300	From isobutylene or propylene.
Methanol	70,000	70,000	60	200	3	600	360	
Ethyl alcohol	290,000	130,000	12	15	30	450	45	
Calcium carbide/acetylene	40,000	21,000	10	60	6	360	180	
Coke-oven byproduct plant	—	—	—	—	—	—	—	Included as essential component of coke oven plant.
Derived Products								
Synthetic elastomers	170,000	150,000	60	420	7	2,940	1,470	
Poly Olefine P.E. P.P.	115 000 20,000	108,000 20,000	30 20	550 600	11 3	6,050 1,800	3,025 900	
Polyvinyls	93 000	80,000	20	150	12	1,800	900	
Cellulose plastics	10,000	10 000	10	350	3	1 050	525	
Acrylates	8,000	8 000	10 to 15	550	2	1,100	550	
Styrene	71 000	57 000	30	200	5	1 000	500	
Phenol	43,000	47,000	20	150	6	900	450	More investment on cumene plants
Phthalic anhydride	28,500	27 000	10	75	8	600	360	
Acetic acid	57,000	44 000	10	30	13	390	195	
Acetone	18 000	16,000	10	60	5	300	150	
B.H.C.	25,000	18,000	10	40	5	200	100	
D.D.T.	9,000	6,000	5	75	4	300	150	
Chlorhydro carbons	25,000	25,000	5 to 10	30	10	300	150	
E.D.C.	13 500	13,500	10	10	4	40	20	
Ethylene oxide	10,000	10 000	10	100	3	300	180	
Formaldehyde	76 000	63,000	20	20	9	180	60	
Dodecene and D.D.B. (as DDB)	24,000	24 000	20/30 of D.D.B.	150	3	450	300	
Aniline	10,000	98,500	5 to 10	100	3	300	150	Includes nitration.

sales value. This will be reduced to less than 13 percent in the larger unit.

High Raw Material Costs

The plants in India are also rendered uneconomic because of high raw material costs. Most P.V.C. plants employ acetylene derived from high-priced indigenous calcium carbide instead of the more economic routes available *via* ethylene or a combination of the two processes with full utilisation of HCL. Of five licences granted, only one is based on ethylene. Large-scale plants taking full advantage of the cheaper routes would make a much better showing by world standards.

The size of operations also bears direct influence on manufacturing costs and general expenses.[4] Total charges for raw materials, utilities, shipping, and packaging vary in direct proportion to the capacity as they are essentially constant percentages of output. Fixed manufacturing costs, maintenance and plant supplies tend to vary as the same power of the capacity as investment, namely, 0.7 in the present exercise. Labour costs are more difficult to analyse but generally vary as the 0.25 power of the capacity for plants when higher output is achieved through larger sizes of equipment. On the other hand, in operations where plant capacity is increased by equipment multiples, the labour requirement increases in nearly direct proportion to capacity. General expenses, which include such post-manufacturing expenses as selling, administration overheads, and distribution charges, are also proportionately reduced with increased plant size. In a recent representation to the Central Board of Revenue for relief on excise duty, the plastics raw materials manufacturers obtained a 12½ percent reduction on the assessable market value, the deduction representing average general expenses. Substantial economies in these expenses could, therefore, be expected in large-scale plants and such reductions should materially contribute to bringing the price down.

The graphs in Figures I and II (on page 39) illustrate this point further in examples of chemical plant cost variation with size of operations.[5]

With reference to plant costs, it should be noted that the highest production rate in a plant does not necessarily yield the maximum return on investment. The highest production rate should yield the largest amount of earnings but beyond the point of maximum return, the earnings rise at a lower rate than the investment in working capital, increasing yield losses, etcetera. However, the factor which has the most direct bearing on plant cost is plant size as may be readily seen from the foregoing illustrative examples. It is, therefore, vital that any decision involving the size of chemical plants should be based on economic considerations. Regional considerations dilute the effort. Instead of cutting the pie up in many small pieces as is often done in this country, it would be better from the standpoint of industrial development to install large-scale industries of specific types in different regions. This would mean that instead of a particular region having industrial units representative of every industry, there would be in each region specific industrial units only, and these would be built on a practical scale so as to introduce such economies as would contribute to the welfare of the region concerned, as well as the country, as a whole. As for small-scale units, these should be confined to spheres of industrial activity which are labour-intensive rather than capital-intensive. Consequently, small-scale industries need have little impact on the overall organic chemicals planning.

Raising Exports

The next consideration—and one of prime importance—is the question of exports. In a recent meeting of a special study group for export of chemicals, the export target for chemicals was set at Rs. 200 crores by the end of the fourth plan, compared with the current export level of Rs. 7 crores. It will indeed be difficult to achieve such an ambitious export target by the concept of "voluntary sacrifice" which implies taking a loss on such production as is allocated to exports. This will make the economics of indigenous production go from bad to worse. What is really needed in the indigenous plants is low cost of production, comparable to what is achieved by manufacturers in other countries who compete for the same world markets.

Although export incentives are already available to industry, low production cost is a prime necessity if the volume of exports is to reach the target levels. Otherwise, a manufacturer's voluntary exports will generally be confined to whatever quota of his total output he judges as the expedient minimum under the prevailing conditions. Other alternatives involve compulsory exports through legislation or compulsory contribution to the export effort by way of a cess on industry. These may achieve the ultimate objective, but at great expense to the domestic economy.

Finally, there is the consideration of personnel requirements which is also linked to the all important matter of size of chemical units. Every unit installed in India must have its share of management personnel; production personnel; engineers—chemical, mechanical and civil; research chemists; plant operators; machinists; skilled workmen, etcetera. To take the case of chemical engineers alone, Indian universities are turning them out at a rate of 500 a year. Classes are becoming unmanageable and while the country is striving to meet numerical targets, it may sacrifice quality. Also, India cannot get away from the fact that no matter how many she produces, in the key positions she must wait at least ten years for the requisite experience which alone can make men contribute their true worth. The problem of personnel may, therefore, become acute. Already new organisations raid older ones for filling key positions. The complexity of this problem will increase directly as the number of chemical units installed rise, and this in turn will be dependent on the size of units ultimately planned for the industry. It is, therefore, evident that the time has come to discard the expression "minimum economic size" units and orient one's thinking to "maximum practical size" units.

Example of Japan

Japan plans to raise ethylene facilities to 400,000 tonnes by 1963; 1 million tonnes by 1965 and 2 million tonnes by 1970. There are now seven petro-chemical centres. These are so far mainly combinations of oil and chemical industries, but steel and power companies have begun to participate in these centres. The steel industry supplies gas from coke ovens and furnaces to the chemical companies in return for oil from the refineries. The power plants receive oil for their generating plants in exchange for power for refineries. The Japan Development Bank is to set aside more than the equivalent of Rs. 8 crores for aid to the chemical industry in 1963. Of this amount, almost 40 percent will be allocated to producers employing naphtha feedstocks and approximately 33 percent will be granted to chemical companies which convert to petro-chemical based raw materials. The Ministry of International Trade and Industry has recommended this policy to help meet the challenge of chemical producers in the E.E.C. A further sum of approximately Rs. 2 crores is to be set aside for the development of chemical processes and research.

The idea of such industrial centres is not new to India. According to the Petro-chemical Committee, four petro-chemical centres are to be established in association with oil refineries in Bombay, Gujarat, Barauni and the new refinery to be set up in south India. Bombay is expected to have at least 200,000 tonnes capacity for naphtha cracking by the end of 1966. However, the Gujarat cracker of equal capacity may not be in operation before 1969. It is too early to say whether the other two crackers will be in operation during the fourth plan. Since Bombay and Gujarat are expected to have naphtha cracking installations of the order of 400,000 tonnes throughout per year, only half the fourth plan requirements of basic chemicals are in sight. It may, therefore, be expedient as well as economic to expand cracking capacity in the Bombay area in a second phase, to the maximum practical level. This should preferably be completed by the time the Gujarat cracker goes into operation.

Furthermore, in building such petro-chemical centres in Bombay, Gujarat, etcetera, Japan's example should be carefully reviewed, particularly the idea of mutual pooling, whenever practicable, general facilities and services and the necessary personnel to maintain and operate such a pool. Co-operation would be required from State Industrial Development Boards for facilities in terms of land, power and water, and industrial zones should be set aside for the development of the petro-chemical centre. With the resultant economies and the complete utilisation of the full output of every unit either in the form of a finished product or as a raw material or intermediate for a member unit, such a petro-chemical centre should be able to produce economically and compete with the best. It would then have wider horizons so that every part of the world becomes a potential market for its products.

[4] *Chemical Engineering Economics*—Tyler and Winter Jr (McGraw-Hill Book Company, Inc., New York).

[5] *European Chemical News*, Vol: 2, No. 31, August 17, 1962 and Vol: 2, No. 34, 7th September, 1962.

[6] Japan's Chemical Industries and Engineering Supplement (*Asahi Evening News*, Japan, 1961).

TABLE II.

U. S. Production capacities for representative Organic Chemicals

Product	Year	Thousand tonnes	No. of units	Average capacity (thousand tonnes)
Cumene	1959	43	4	11
Polypropylene	1959	66	6	11
P.V.C. monomer	1961	670	13	52
P.V.C. polymer	1961	630	22	29
Vinyl acetate	1961	172	6	29
Acetylene from calcium carbide	1960	453	15	30
from hydrocarbon		136	6	23
Calcium carbide	1960	1,305	12	109
Butadiene	1961	1,153	16	72
S.B.R.	1960	1,495	13	115
Butyl rubber	1959	99	2	50
Polyethylene	1959	625	22	28
Styrene monomer	1960	697	9	77
Benzene (from petroleum aromatics)	1959	830	21	40

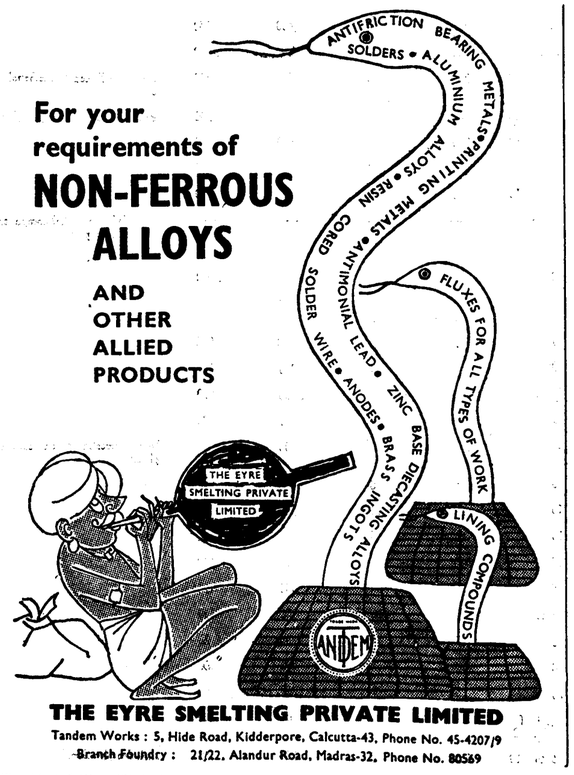
TABLE III.

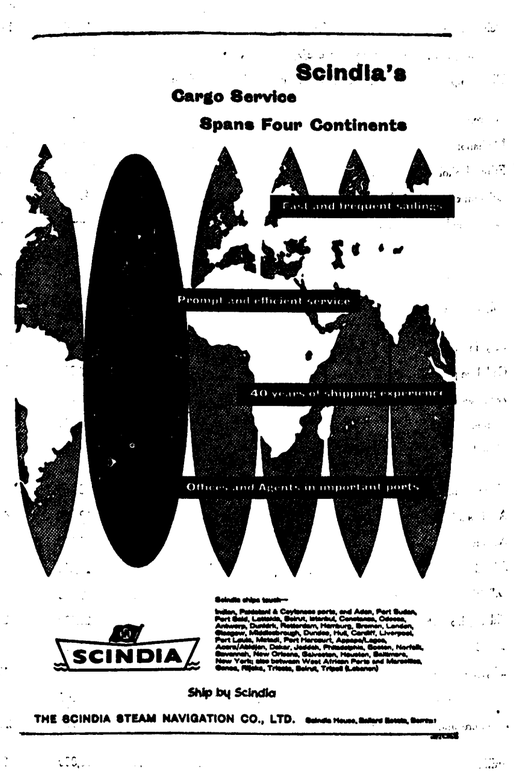
Investment as a function of size

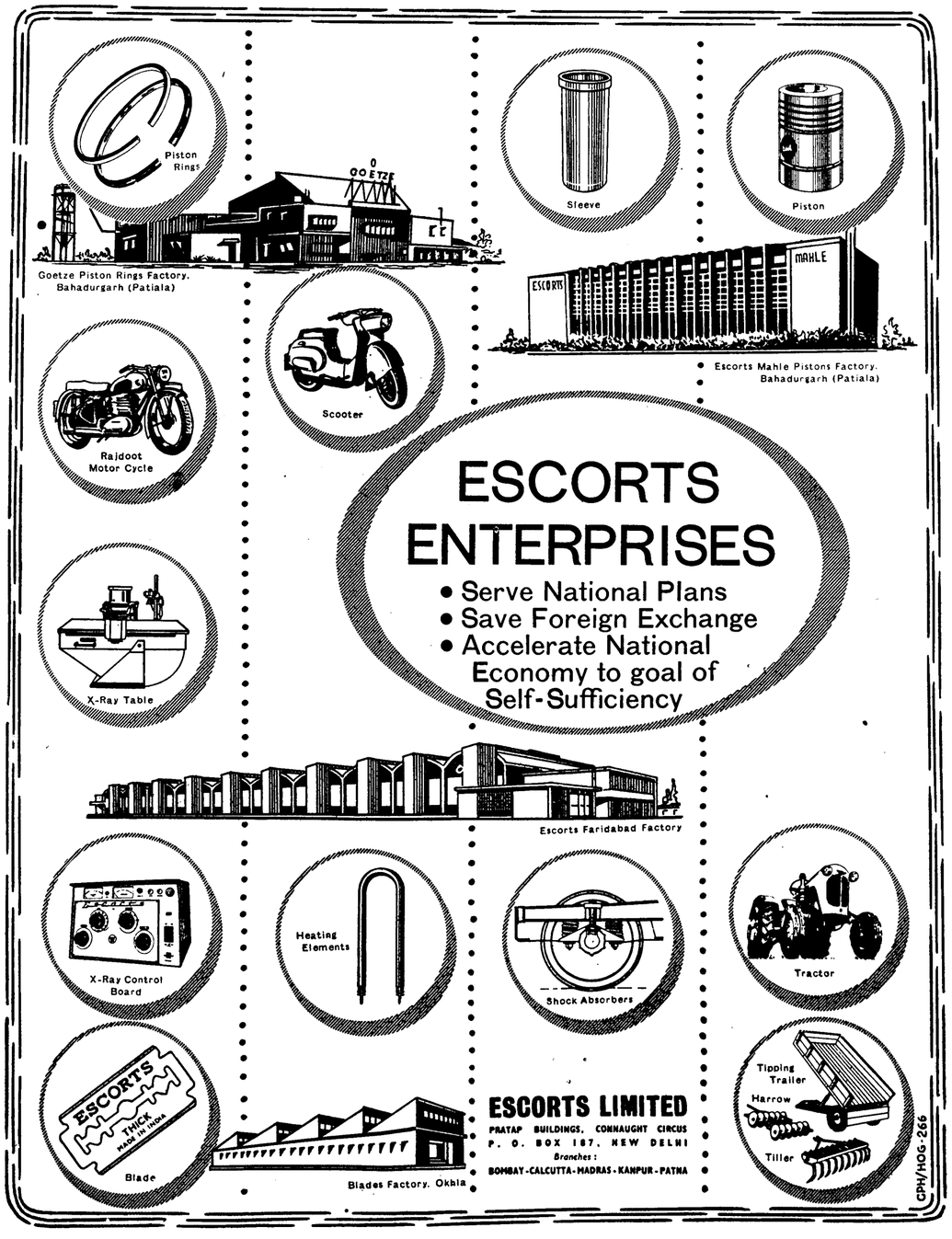
Case I: Capacities as indicated by the petro-chemical Committee (See table I)

Case II: Large-scale (capacities comparable generally to those indicated in table II)

Product	Additional capacity required by 1970-71 (tonnes)	Case I No. of units	Case I Capacity per unit (tonnes)	Case II No. of units	Case II Capacity per unit (tonnes)	Case I Fixed investment per unit Rs. (lakhs)	Case I Fixed investment Total Rs. (lakhs)	Case II Fixed investment per unit Rs. (lakhs)	Case II Fixed investment Total Rs. (lakhs)	Percent reduction in total fixed investment In Case II compared to Case I as base
Methanol	70,000	3	21,000	2	35,000	200	600	286	572	5
Synthetic Elastomers	150,000	7	21,000	3	50,000	420	2,940	770	2,310	21
Polyolefins	108,000	11	10,500	4	27,000	550	6,050	1,065	4,260	30
Polypropylene	20,000	3	7,000	2	10,000	600	1,800	770	1,540	14
Polyvinyls	80,000	12	7,000	3	27,000	150	1,800	385	1,155	36
Styrene	57,000	5	10,500	2	28,000	200	1,000	398	796	20
Acetic Acid	44,000	13	3,500	4	11,000	30	390	67	268	31
Formaldehyde	63,000	9	7,000	3	21,000	20	180	43	129	28







PRODUCTION OF TEXTILE MACHINERY RISES SHARPLY

THE manufacture of textile machinery in India is responsible, to a large extent, for ushering in the machine-building industry in this country. History has repeated itself because the industrial revolution in England and in the West was generally the result of the multi-spindle power-driven spinning frames and the powerloom. Subsequent inventions of the steam engine and the organised large-scale engineering industry were necessary to meet the demand for the large-scale manufacture of textile and allied machinery. In this country, prior to 1947, there was hardly any large-scale engineering industry, particularly for machine-building. The only big engineering factories were a few Government-owned ordnance factories and railway workshops and a few isolated engineering industries.

The house of Birla showed considerable foresight when the Belgharia works was acquired just before the

By
J. C. AGRAWAL
Deputy General Manager, Textile Machinery Corporation Ltd

second World War for the manufacture of textile machinery, but this works was taken over for defence production by the Government and only handed back at the end of the war. The manufacture of textile machinery was started in 1946-47 in Textile Machinery Corporation, and this was the first major unit to start the manufacture of textile machinery. Subsequently, more units were set up but progress was very slow till about 1953 when the first five year plan put the very necessary emphasis on the machine-building industry. Table No. I gives the production of the more important items of spinning and weaving machinery from 1954 to 1962.

Table No. I

	1954	1955	1956	1957	1958	1959	1960	1961	1962
Blow-room	—	—	—	—	—	—	—	5	10
Carding engines	472	649	726	1,023	1,148	763	1,073	1,308	1,501
Draw frames	8	44	24	34	9	40	47	75	61
Speed frames	6	28	29	33	28	21	45	70	45
Ring frames and doubling frames	358	863	1,110	1,364	877	1,077	1,127	1,340	1,686
Winding machines	—	—	—	2	—	—	25	22	47
Warping machines	—	—	—	1	—	—	5	4	10
Plain looms	1,880	2,787	2,873	2,552	3,151	3,875	5,177	7,487	5,419
Auto looms	276	70	161	316	36	356	374	67	540

In value, this comes to a production of Rs. 11.89 crores worth of spinning and weaving machinery and Rs. 2.79 crores worth of processing machinery, i.e., a total of over Rs. 14.68 crores worth of machinery in 1962. This is quite a large amount of production. These figures do not include the manufacture of stores and spares which are produced by other small and large-scale units for the textile mills. The production figures for only machinery have been considered in Table No. I.

Further impetus was given to the industry when, at the instance of the Central Minister for Industries, six standing committees were set up in 1959 to assess the industrial requirements of the country for various industries. The Committee No. 5 set up under the chairmanship of Mr. K. K. Birla was for machine manufacture for textiles (including cotton, wool, silk and jute) and synthetic fibre industries. Its terms of reference were the following:

1. The likely requirements and production by the end of the second five year plan.

2. The requirements by the end of the third and fourth five year plans.

3. To work out the lists of machinery and equipment and the quantity that can be taken up for manufacture immediately by the various units. Also to recommend as to how many new units should be established to cover the requirements as in (2) above.

The annual requirements for the purposes of replacement and expansion, as worked out by the committee, are given in Table II on this page. These requirements were based on a *per capita* cloth consumption of 17.5, 19 and 21 yards a year at the end of the second, third and fourth plans, respectively, and normal exports.

Subsequently, the Government made other assessments and these figures were revised. The new figures published by the Textile Commissioner's office are given in Table III along with the present licensed capacity in the country.

Table No. III

	Requirements	Licensed capacity
Blow-room lines	86	24
Carding engines	3078	2976
Comber sets	63	—
Draw frames	238	498
Speed frames	581	738
Ring frames	3025	3252
Winding machines	235	940
Warping machines	68	60
Auto looms	9950	8700

Total Requirements

The total requirements of textile machinery during the third plan, it has been estimated, will amount to

Table No. II

Item of machinery	Annual requirements for expansion as well as replacement		
	Last two years of second plan	Third plan	Fourth plan
Blow-room lines	45	42	58
Carding engines	1,400	1,230	2,040
Comber sets	25	21	41
Draw frames	118	108	158
Speed frames	330	304	431
Ring frames	1,440	1,325	1,840
Winding machines	40	49	57
Warping machines	39	38	46
Plain looms	2,475	1,650	1,225
Auto looms	3,000	4,700	8,250

Rs. 309.54 crores, of which about Rs. 129 crores will be provided from indigenous sources. It is expected that production from the major textile machinery units within the country will reach Rs. 36 crores a year by the end of the third plan. The actual licensing of new textile units is being done on this basis, and licences to the extent of 6.2 million spindles, 3 million for expansion and 3.2 million for replacement have been issued or are in the process of being issued in this plan. Table IV gives the value of textile machinery manufactured, imported and exported from India during 1958-61.

Table No. IV

(In lakhs of rupees)

	Production	Imports	Exports
1958	765.93	1089.62	1.60
1959	884.91	937.53	9.89
1960	1108.46	1612.01	3.47
1961	1294.24	2036.78	19.13

It is obvious from the tables above that there is still a very large amount of licensed capacity which is unproductive and a considerable amount

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of valuable foreign exchange is being spent for the import of machinery. Some of this is unavoidable to keep the existing machinery in textile mills running at maximum rate. But, at the same time, the installed capacity must be increased in order to achieve the production which is licensed. It was estimated by the Committee No. 5 that the textile machinery industry will require approximately Rs. 10 crores worth of machine tools and equipment to come up to its licensed capacity by the end of the third five year plan. The industry is facing many problems today. Some of these are the following:

Ancillary Units

Lack of ancillary units: It is a well-known fact that, unlike in India, no textile machinery manufacturer abroad makes everything in his own works. There are a number of ancillary workshops and factories which specialise in the manufacture of various parts needed for the assembly of the completed machines. These are non-existent in India. Thus in Japan, for instance, textile machinery manufacturers do not make spindles, rings and a number of other components. These are purchased from specialist firms. The same is true of machinery manufacturers in Germany and other countries including the U.K. where many items are manufactured in centralised manufacturing facilities, *e.g.*, castings, spindles, and fluted rollers.

Such diversification and help of ancillary units assists a manufacturer in stepping up production in a rather short time with lesser capital. There is wide scope in this country for such small units which can cater to the demands of the major textile machinery units, leaving them free to develop and manufacture the basic components in bigger quantities.

Design and developments: It is an unpalatable truth that machinery manufactured in India today is not up to the same standard of modern design as made by other leading textile machinery manufacturing nations. The machine-building industry in India (this applies to all machine-building industries and not just textile machinery) does not have the requisite skill for making and developing new designs to suit the special conditions obtaining in the industry in this country. With the rapid growth and production prospects in the next few years, it is necessary that the industry has its own research and design facilities to evolve the latest machines based solely on indigenous designs. There are a number of research associations for textiles in this country, but these have to develop considerably to take up research and design work for better and more modern textile machinery. There is nothing in this country comparable to the Shirley Institute or T.M.M. Research in the U.K. or the Southern Regional Research Laboratories of America. There is a definite requirement and need for some such institute and for suitably trained technicians to undertake this kind of work.

Plant and Equipment

Plant and equipment: The mass production techniques of textile machinery manufacture require special purpose and automatic machinery of the latest types. Tolerances and precision of manufacture of today's modern textile machinery approach ball bearing and machine tool standards. If a fraction of the foreign exchange which is at present spent on the import of textile machinery is diverted to the import of special-purpose machine tools by various textile machinery manufacturers, the ultimate benefit to the country and the industry as a whole can be much greater. The industry must reduce its cost of manufacture by employing the latest high production machine tools and equipment and become competitive in its costs of manufacture with the machinery manufacturers in other countries. This is more important now than ever before with the emphasis on export of India-made textile machinery.

Availability of proper quality of raw materials: Special sections and quality of steel and the proper grades of pig iron, coke, etcetera, are very essential for the manufacture of quality machines. This is a serious problem, and very often the manufacturers are not able to get the quantities and qualities they require. There is a general shortage and all machine-building industries suffer to a large or small degree, but the degree of priority to an important industry like the textile machinery industry could be higher.

Diversification of production: The textile industry in India is liable to serious ups and downs and there have been two recessions in the last eight or ten years. This is a cyclic factor and the production of textile machinery is linked to the varying fortunes of the textile industry. The machinery manufacturers have still not forgotten the recession in 1959-60 when almost all the manufacturers had to cut down production and retrench or lay off labour. But for this serious setback, the progress of the industry would have been more rapid. As a safeguard against such a contingency in the future, it is essential that the production programmes of textile machinery units are more diversified. This is true not only of this country but also of other countries. Thus the manufacture of machine tools, refrigerators, motorcars and other industrial machinery is often carried out in the same plants as the manufacture of textile machinery and the fall in demand for textile machinery is made up by increasing production in other spheres.

To quote Mr. Manubhai Shah, Central Minister for International Trade, the textile machinery industry has now "come of age", and there is every reason to hope that the industry will prosper and grow from strength to strength. The rate of growth of the industry has not been matched by any but the machine tool industry in independent India. The industry is intrinsically sound and any increase in national income and a higher standard of living will see a much bigger and more efficient textile machinery industry.

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FOREIGN EXCHANGE SHORTAGE HAMPERS EXPANSION IN CHEMICALS

THE advancement of chemical industries may be taken as an index of a country's industrial progress. In India, although the chemical industry has developed on a broad front in the last 15 years, leading to larger units and greatly increased output of certain basic chemicals as well as the manufacture of a number of sophisticated products, there are still significant gaps and unbalances in many sectors, particularly organic chemicals.

An attempt is made here to give a broad picture of the scope of the industry in India, its growth in the post-independence period, the targets set under the third plan, the difficulties arising from controls, foreign exchange shortage, industrial licensing policies, low productivity and lack of technical resources and, lastly, to assess the outlook and future prospects.

The chemical industry developed in India only after the second World War. Prior to it, production was mostly confined to sulphuric acid and by-product sulphate of ammonia; they were associated with the coal and steel industries. Some simple

By
A SPECIAL CORRESPONDENT

tar distillates as also one or two other chemicals were produced in a small way. By and large, however, there was almost nothing, and the big expansion of the industry dates only from the early years of the second World War.

Immediately before the war, a small electrolytic caustic soda/chlorine plant was started outside Calcutta; during the war a soda ash plant was erected in the Punjab, now in Pakistan, and another was struggling to establish itself in Saurashtra. At present there are four soda ash plants with an annual capacity of 260,000 tonnes and 18 separate plants all over India producing 132,000 tonnes of caustic soda a year. In spite of this expansion, output of alkalis is still short of demand and imports are arranged by the State Trading Corporation. Manufacturing costs in India are high; the industry is handicapped by the uneconomic size of units and by not having satisfactory supplies of salt, lime and fuel within easy access. Sulphuric acid production, which is often taken as an index of a country's industrial activity, now amounts to 450,000 tonnes a year, produced in all by some 50 separate plants. Although production continues to increase, a restraining factor is the dependence on imported sulphur.

The Sindri Factory

During the war, a British mission recommended the setting up of a synthetic nitrogen factory in Sindri. It started production in the early 1950s, with a capacity of 70,000 tonnes N (Nitrogen) as s/ammonia and has since been expanded to 120,000 tonnes N. Crop yields in India being extremely low (and fertiliser consumption is only 2·5 lbs an acre of arable land, compared with 271 lbs in Japan), the Government fully realises the importance of nitrogenous fertilisers for increasing food production. Twelve factories are now in existence with a capacity of 370,000 tons N, and other projects are designed to bring the total capacity to 800,000 tons N by 1966. The additional output is planned from natural gas, petroleum naphtha and waste gases from coke oven plants as compound fertilisers so that a part of the phosphate requirements will also be met simultaneously.

Producing Farm Chemicals

Along with this, single superphosphate capacity has now increased to 500,000 tonnes, although production has not yet exceeded 400,000 tonnes a year. Progress has also been made in manufacturing agricultural chemicals such as benzene hexachloride (4,600 tonnes), D.D.T. (2,500 tonnes) and copper fungicidal compounds (5,000 tonnes). Dyes, of which none was made in India before the war, are now manufactured over a fairly comprehensive range, including azos, naphthols, vats, etcetera, and production has now reached 5,000 tonnes. Further expansion to 10,000 tonnes by 1966 is planned. This includes more sophisticated dyestuffs.

Pharmaceutical manufacture has increased considerably, and a variety of products are now made from fairly advanced intermediates. The plan is ultimately to go back to basic materials, but the serious delay in the completion of a central primaries and intermediates plant, to be established in the public sector, has prolonged the dependence of both the dyestuffs and pharmaceutical industries on imported raw materials. Sulpha drugs produced in the country now amount to 152 tonnes, and it is planned to produce 1,000 tonnes by 1966. Penicillin, streptomycin and other antibiotics are now produced on a large scale by the Government factory in Pimpri, near Poona. Four projects in the public sector for the manu-



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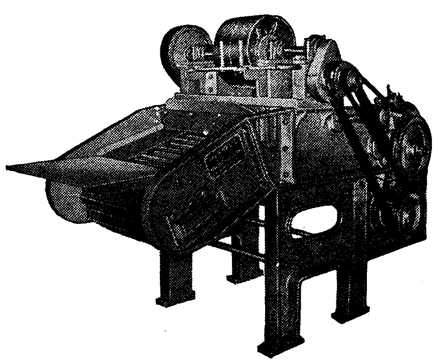
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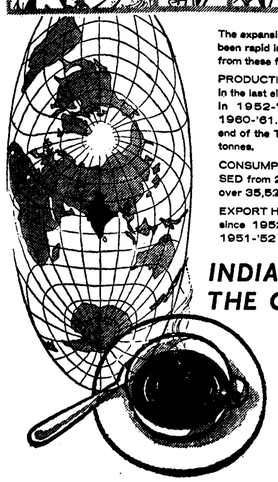
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CONSUMPTION IN INDIA HAS INCREASED from 26,000 tonnes in 1955-'56 to over 35,523 tonnes in 1960-'61.

EXPORT HAS GONE UP FIFTEEN TIMES since 1952: from only 2,200 tonnes in 1951-'52 to 32,271 tonnes in 1960-'61.

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facture of synthetic drugs, antibiotics, phytochemicals and surgical instruments have been undertaken with Russian assistance.

Plastic Manufacture

In the plastics field, there are now two plants making polythene, with a total capacity of 8,000 tonnes a year. This is expected to rise to 18,000 tonnes by 1966. There is one unit making 2,500 tons of p.v.c. a year, and four new plants of a total capacity of 32,000 tonnes are planned by 1966. One plant is producing 3,700 tonnes of polystyrene a year from imported monomer. On the whole, the pattern so far in the plastics field, as in that of dyes and pharmaceuticals, is one of too many small plants with the result that none of them is large enough to achieve costs of production comparable to world standards.

There is a synthetic rubber plant with a capacity of 30,000 tons a year, which has just been started in Bareilly, U.P. This has been located in a sugar area to use alcohol as its raw material, whereas there is a body of opinion which considers that it would have been better to have based this plant on oil. The manufacture of synthetic fibres has until recently been represented by rayon, of which there is now capacity for 62,000 tonnes a year. Two plants are spinning nylon from imported monomer, and schemes are in hand for the manufacture of polyester fibres, and nylon monomer. In addition to the above developments, capacity in the highly specialised fields of commercial explosives and safety fuse, has been set up during this period.

Among the new items, production of which has started in recent years, are formaldehyde, hydrogen peroxide, sodium hydrosulphite, camphor, phosphoric acid, synthetic resins, heat treatment salts, acetic acid, acetone, organic solvents and vitamins. A rubber chemicals plant is about to start production near Calcutta. Some progress has also been made in the design and fabrication of chemical plant and equipment in the country.

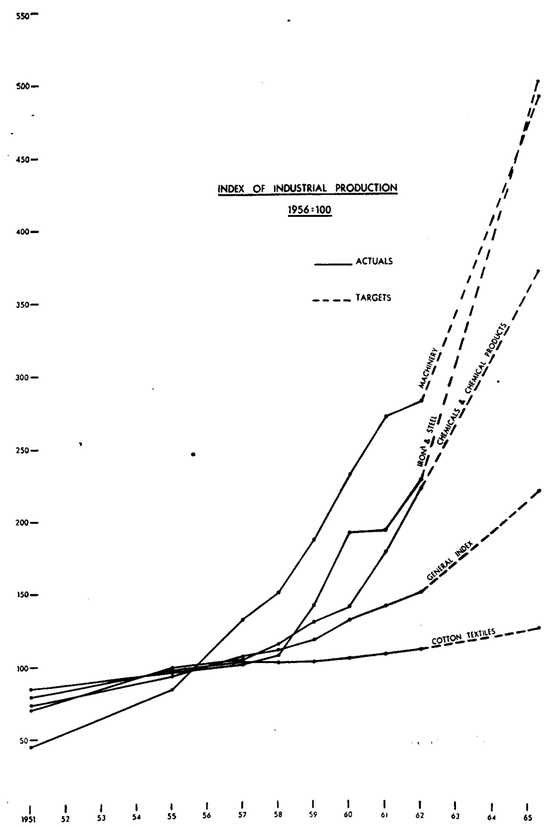
Rate of Growth

These developments are broadly reflected in Table I below, and also in the significant rise in the index of production of chemicals and chemical products from 100 in 1956 to 226 in 1962, compared with the increase in the overall index of industrial production to 149 only.

TABLE I

GROWTH OF CHEMICAL INDUSTRY IN INDIA

	1950	1960
Number of factories	244	458
Total number of employees	35,591	107,279
Value added by manufacture (Rs. crores)	9.7	68



Third Plan Targets

The third five year plan seeks broadly to achieve a quicker rate of growth in the chemical industry than the first two plans did, with greater emphasis on basic raw materials so that further developments could be supported increasingly from the country's own resources. In Table II, actual production in 1962-63 is compared with the third plan targets.

Although several projects, big and small, both in the private and public sectors, are in the planning or construction stage, the overall picture emerging at the middle of the plan period gives little hope that the targets will be attained. There are many factors to which the shortfalls may be attributed.

Although there has been a marked shift in the attitude of the Government towards investment in this industry and the way is now open for private enterprises in all its sectors, there has been an unfortunate tendency on the part of the Government to license schemes on a scale too small to be viable. With a view to combating monopoly and meeting regional demands liberally, enough attention has not been paid to the economies of scale and the economies of location. The basic processes of the chemical industry start from primary raw materials yielding products which serve as a starting point for further processes; because of this, a certain degree of integration is inevitable, if economic operation is to be achieved and wasteful transport of raw materials and manufactured products avoided.

The high cost structure of the Indian chemical industry has in part been aggravated by a change in the fiscal policy leading to the imposition of excise duties on raw materials and intermediate products. There is also some justification for the complaint that the Government has been taking an unconscionably long time in making up its mind when and where to begin in petrochemicals, which provide a wide raw materials base for the organic chemical industry. The cost of failure to make an immediate start is estimated at Rs. 50 crores by 1966 and Rs. 140 crores by 1971 in terms of imports.

TABLE II

PROGRESS OF UNITS IN THE CHEMICAL INDUSTRY TOWARDS THE THIRD PLAN TARGETS

	Unit	Actual Production		Third five year plan targets
		1959-61	1962-63	(1965-66)
Sulphuric acid	('000 tonnes)	99	460	1,500
Caustic Soda	('000 tonnes)	11	125	340
Soda Ash	('000 tonnes)	45	220	450
Fertiliser N	('000 tonnes)	9	180	800
Dyestuffs	('000 tonnes)	—	5	10
Sulpha drugs	(tonnes)	—	152	1,000
Petroleum products	(Million tonnes)	—	7	17
Plastics	('000 tonnes)	—	19	74
Synthetic fibres	('000 tonnes)	2	59	100

Production Costs

Taking the chemical industry as a whole, about 40 percent of its capital equipment and raw materials have to be imported at present. The balance of payments difficulties leading to drastic cuts in the imports of raw material, spares and balancing equipment has created production bottlenecks and inadequate utilisation of capacity in many sectors of the industry, notably dyestuffs and paints. Apart from raw material shortages, proper attention has not so far been paid to the efficient layout of plants and lowering of labour costs. Even if the cost a head for labour appears to be cheap, labour costs are only truly low if the output a head is high, and it is here that the need for improved productivity is felt.

This catalogue of difficulties should not, however, obscure the positive results which have been obtained in the establishment of a substantial chemical industry in India and although in terms of price its products do not compare, on the score of quality, they adequately replace the imported materials giving the desired savings in foreign exchange. Looking ahead, there are hopeful signs that the national emergency has focused attention on the chemical industry's key rôle in a defence-orientated economy and has brought about a narrowing of ideological differences between the Government and the private sector. This is exemplified by the expansion of oil refining capacity in the private sector, which had languished through ideological conflict until the recent decision to permit some expansion.

The importance of increasing productivity has also received gratifying recognition by the appointment of the Emergency Production Committee under the chairmanship of Professor M. S. Thacker. It was perhaps no accident that work study, which is one of the most valuable techniques for productivity, was born in the chemical industry, where the need to employ skill effectively is of special importance. In a few years, its use has spread to many industries in countries all over the world.

Summing up, the chemical industry has a long way to go in order to reach the basic objectives for the third five year plan, and its fortunes will depend in the next few years to a large extent on the mobilisation of all resources of technical man-power and continuing strong support from friendly countries.

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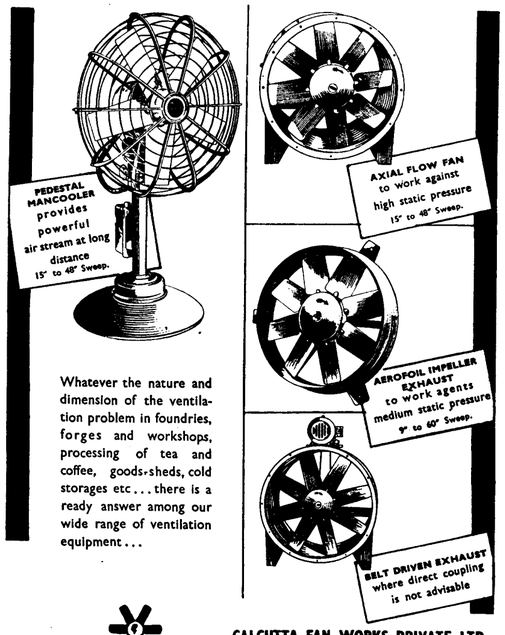
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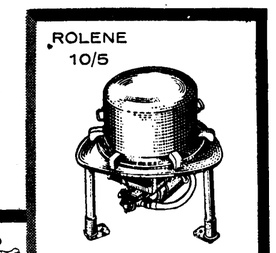
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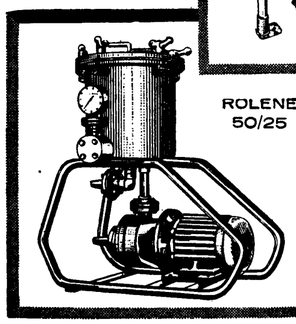
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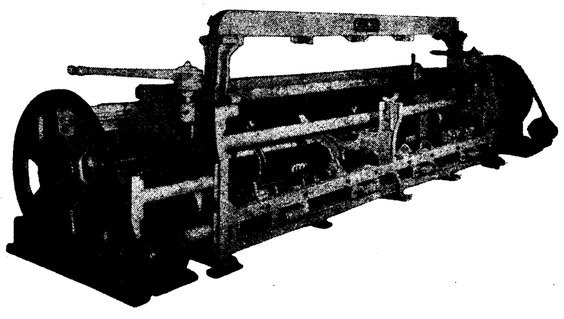
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HIGH RAW MATERIAL PRICES RAISE COSTS OF VANASPATI INDUSTRY

THE processed food industry in India has not still assumed the vast dimensions it has acquired in affluent western societies with their self-service stores and supermarkets. Nevertheless, with the growth of industrialisation and the accelerated tempo of living, the modern Indian housewife, particularly in urban areas, like her counterpart in the West, appears to be less inclined to undertake backbreaking and often senseless labour that goes under the name of domestic duties. She has demonstrated by her new purchasing habits a preference for food presented to her in a finally processed form, of standard quality guaranteed by the manufacturer and packaged in convenient and attractive containers, which she can transport to her home for instant use.

Vanaspati has been a pioneer in the processed food industry in India and continues to occupy first place among processed foods with its annual production being 369,000 tonnes in 1962. In its manufacture, it utilises today

By
A SPECIAL CORRESPONDENT

edible oils in the proportion of groundnut oil 87½ percent, cottonseed oil 7½ percent and sesame oil 5 percent; the first two oils are hydrogenated after refining and bleaching and then deodorised; finally liquid refined sesame oil along with prescribed quantities of vitamins A and D are added so that the finished product acquires the consistency, the vitamin content and the melting point of the best quality *ghee*. The *raison d'être* claimed for the industry is that it provides a cheaper alternative to *ghee* by using less popular edible oils which are restricted in their consumption to very limited areas because of their peculiar flavour or colour and so assist in solving the dietary problem of general scarcity of edible fats, particularly of milk fats.

Principal Cooking Medium

Vanaspati, known as shortening in the West where it forms today the principal cooking medium, made its first appearance in the Indian market some time after the first World War, perhaps in 1918. By 1928, the volume of imports, mainly from Holland, exceeded 28,000 tonnes, the usual pattern of trade being for India to export the bulk of the groundnut crop for crushing abroad and to import a part of the oil after hydrogenation in the form of *vanaspati*. Since the raw materials—mainly edible oils—were readily available within the country, the natural development was for India to set up its own *vanaspati* industry. So the first factory was set up in 1930 in Bombay and by 1939 the number of factories had risen to nine with an annual output of 52,000 tonnes.

The most rapid expansion, however, took place during the second World War, when the Government became the industry's most important customer; large quantities were purchased on Government account to feed the allied armed forces. There was also an appreciable increase in civilian consumption on account of the scarcity and high price of *ghee*, with the result that by the end of the war, 21 factories were in full production marketing 102,000 tons of *vanaspati*.

The future prospects of the industry appeared assured. The Government, while drawing up plans for postwar reconstruction, estimated an annual output of 400,000 tons of *vanaspati* by 1950 and accordingly adopted a liberal licensing policy, licences being issued for establishing a total of 62 factories with an annual capacity of 500,000 tons. In actual fact, by 1950, 48 factories were built with a total capacity of 380,000 tons but, unfortunately, the Government could not have foreseen the partition and its economic consequences, for in 1947 the industry lost a very important market in the hard fat consuming areas in West Pakistan. About the same time, another unfortunate event occurred. There was scathing criticism in Parliament against the nutritive value of the product, creating grave misgivings in consumers' minds against the product and, as a result, production, far from attaining 400,000 tons as anticipated, stood at 172,000 tons in 1950.

Nutritive Value

Meanwhile, in 1947, the Government had taken the decision to enquire exhaustively into the nutritive value of *vanaspati* consumed under Indian dietary conditions, and had set up a committee for the purpose; which after two years of detailed nutritional researches, involving animal experimentation, the study of human metabolism and large-scale feeding, found itself in full agreement with similar researches abroad on margarine and shortening. It pointed out that *vanaspati* is a nutritious dietary fat with no injurious effect on human health.

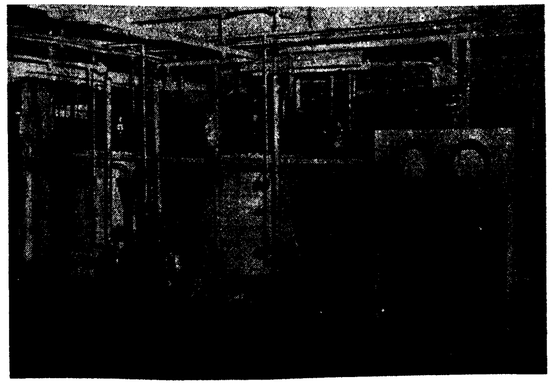
Thwarted in their attempt to condemn *vanaspati* as an injurious product, its opponents next launched an attack on the product on the alleged ground that it formed the main ingredient for the adulteration of *ghee* and contended that it should be coloured. Once again, the Government set up a Commitee, the Ghee Adulteration Committee of 1950, to make an exhaustive study of the whole problem and, on the basis of its report submitted in 1952, the Government arrived at the conclusion that there was sufficient protection against adulteration of *ghee* with *vanaspati* due to the Vegetable Oil Products Control Order which made it compulsory to add 5 percent of sesame oil to *vanaspati*. Sesame oil imparted to *vanaspati* a latent colour so that the presence of *vanaspati*, if mixed with *ghee*, could be easily detected by the simple chemical test known as the Baudouin test. The Vegetable Oil Products Controller for India inspected at regular intervals the *vanaspati* output of different factories to ensure that every batch of *vanaspati* offered for sale conformed to specifications.

Thus, armed with a clean bill of health and the problem of colouring out of the way at least for the time being, the industry could, by the commencement of the first five year plan, look forward with a certain measure of confidence to new vistas of development. The Government too was not slow in recognising the importance of the industry's rôle in the economy under the five year plans. So the industry was brought under the Industries (Development and Regulation) Act, 1951, for expansion, its production rising from 165,000 tonnes in 1950-51 to 293,800 tonnes in 1955-56, against the first plan target of 300,000 tonnes. The rate of growth, however, could not be sustained during the second plan period when production rose to 357,600 tonnes, against the plan target of 400,000 tonnes, showing an increase of only 62,000 tons in the second plan period, against 128,000 tonnes under the first plan. A mere 22-percent growth in the second plan period has indeed been a poor performance, particularly when it is contrasted with the 40-percent increase in industrial production during the same period. Besides, this was a telling commentary on some of the problems inhibiting the growth of the industry and preventing it from attaining its full productive capacity of 550,000 tonnes. Among these problems confronting the industry, the first place must be given to the difficulties created by the inordinate rise in the price of raw materials; the price of oilseeds in six years from 1956-61 rising by as much as 37 percent, against the rise of 11 percent in the price of foodgrains during the same period.

Surplus Capacity

The *vanaspati* industry is the major purchaser of edible oils in the country as can be gathered from the fact that in 1962 it consumed 340,000 tonnes of groundnut oil, 24,000 tonnes of cottonseed oil and 21,000 tonnes of sesamum oil, and they form as much as 75 percent of the cost of the *vanaspati* marketed. The industry is naturally very sensitive to any fluctuations in the oilseeds market. As is well known, these fluctuations can indeed be very considerable, for groundnut oil is among the most speculative of commodities. Besides, the *vanaspati* industry, having a large surplus capacity, is highly competitive with the result that manufacturers have experienced considerable difficulty in holding the price stable against a significant rise in the price of groundnut oil. This intimate linkage of oil and *vanaspati* prices has been appreciated by the Government in the past and, when price control was introduced into the industry during the second World War, the price was varied whenever the cost of groundnut oil to the industry changed by Rs. 70 a ton. Following this precedent, the industry has attempted to impart some sort of stability to *vanaspati* by varying its price only when oil prices fluctuated beyond Rs. 75 a ton. But, in the present Budget, once again price control has been introduced fixing it at Rs. 64 above prices ruling on 1st February. Obviously, the prices will have to be varied with the oil prices, and it is to be hoped that the Government would set up a flexible machinery to achieve this.

Apart from price fluctuations, the really important problem before the industry is the high price of oil. Although for several years now, the Indian Central Oilseeds Committee has been concerned with the improvement of oilseeds cultivation in the country—and no doubt a great deal of attention is now paid to oilseeds than ever before—the problem of high prices continues to remain. The solution evidently depends on either increasing the overall acreage under oilseeds—a difficult proposition in view of the keen competition from food crops—or by increasing the



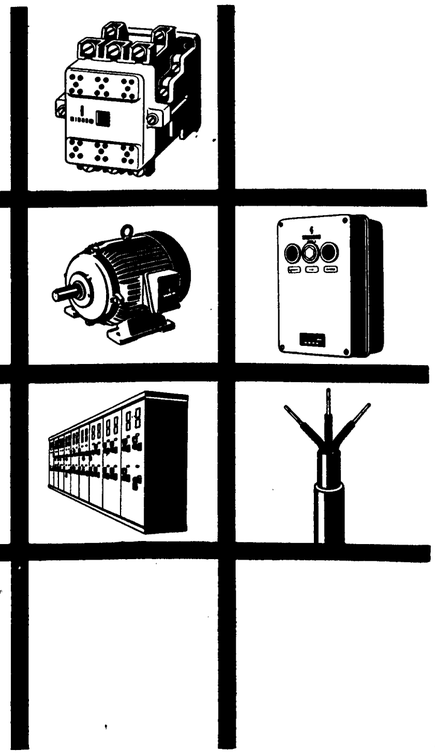
Blended oil tanks in a Vanaspati factory

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yield an acre by improved agronomic practices. Surely, it is ridiculous for India, the largest oilseeds producer in the world, to continue to have an average yield of 640 lbs an acre whereas the world average exceeds 900 lbs an acre. Even if the country succeeds in increasing the yield by half as much by bringing it on a level with, say, Uganda (average yield 950 lbs an acre), it is likely to have an appreciable effect on oilseed prices in the market without impoverishing the farmer who will be the beneficiary of the higher yield from his acreage.

Another problem inhibiting the development of the industry has been the highly discriminatory taxes. Every industry has to bear its share of taxes in a state of emergency, such as the present one. The industry has no desire to be considered an exception, but neither does it like to be singled out for special treatment in view of the fact that it manufactures a popular consumer product and any tax on it further enhances its price which is already inordinately high in view of the high prices of oilseeds. In the latest Central Budget, while the excise duty on raw oil has been removed, that on *vanaspati* has been further increased by Rs. 184 a tonne, bringing the duty to a grand total of Rs. 384 a tonne. Besides edible oils, *vanaspati* uses a number of other raw materials for its manufacture, such as caustic soda, bleaching earth, nickel catalyst, vitamins, filter cloth and particularly, for packaging, tinplate; the prices of all these have continued to climb adding to total costs. An interesting feature is that each one of these products pay taxes at one stage or other so that adding together the contributions made by the industry to the Government at various stages of *vanaspati* manufacture, such as excise duty, sales tax and octroi duty, they reach the magnitude of Rs. 700 a tonne, about 25 percent of the cost of the product to the consumer, making it all the more difficult to provide an edible fat to suit the pocket of the middle-class citizen for whom the product is especially manufactured.

Shortage of Tinplate

An acute problem of particular immediacy to the industry is the present shortage of tinplate, forcing the manufacturers to use second-hand tins resulting in additional expenditure incurred on account of collection, cleaning and repair.

The future prospects of the industry are intimately linked with oil prices, for there is a danger of *vanaspati* being priced out of the market. It also depends on fiscal policy adopted by the Government, for any further rise in taxation is very likely to destroy the industry's profitability. A more optimistic view is, however, possible if one bears in mind the acute edible fat shortage in the country, for according to the Indian Nutritional Advisory Committee a man requires about two ounces of fat in his daily diet to maintain normal health whereas in India recent investigations have shown that the Indian daily average consumption of fat a person does not appear to exceed half an ounce. Therefore, when politicians clamour for this kind of favoured fat or that, what they fail to realise is that the vital problem confronting national health is the rationalisation of India's fat resources to satisfy minimum requirements. Every kind of edible fat has a place in man's diet and every avenue in India for its increase must be explored, and this explains, to some extent, the leading place the *vanaspati* industry occupies in the food processing industry in India and its inclusion as an industry for development in all the three five year plans.

Ghee is India's traditional dietary fat but, as in western countries, so in India, the producton of milk fats has not kept pace with the rapid increase of population and the rising standard of living, demanding not only more dietary semi-solid fats but more milk. Besides, although India has the highest cattle population in the world, the scarcity of fodder and the lack of an organised dairy industry have been responsible for Indian cattle being of mediocre quality and its milk yield extremely low. This is reflected partly in the soaring price of *ghee* and butter, the scarcity of which even in Europe in the first instance had led the scientists to look for an alternative source of semi-solid fat resulting in the invention of margarine and shortening.

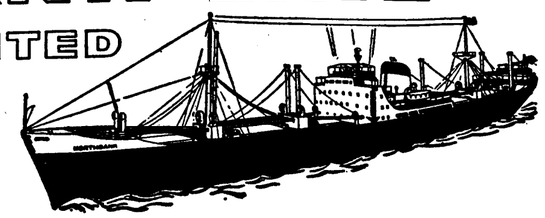
Using Cottonseed Oil

Edible vegetable oils consumed throughout India form another important source of fat, but here again their limitations are evident, for their characteristic flavour confines them to particular areas and in any case, in many forms of cooking, they cannot be used as an alternative to *ghee*. But the *vanaspati* industry converts the cheapest of these oils, the groundnut oil, into a universally acceptable product by the process of hydrogenation after refining and deodorising. Another important part that the industry plays in the oil economy of the country is the increasing use it has made of cottonseed oil which, although a highly nutritious oil, finds little favour as a cooking medium but is readily acceptable when hydrogenated. The dietary requirement of 2oz. fat a person a day works out approximately to 1.66oz. a day *per capita* or the enormous total of 7.3 million tonnes of edible fat annually to meet the requirements of its 443 million people. The following figures indicate that at present India produces hardly a third of its actual fat requirements even if one assumes that all edible fats produced in the country are used for dietary purposes, which is hardly the case:

Oils-fats	Quantity produced in 1961-62 (tons)
Groundnut oil	1,055,000
Linseed oil	115,000
Rape-mustard oil	397,000
Sesamum oil	108,000
Coconut oil	156,000
Minor oils (kardi, cottonseed, etcetera)	150,000 (estimate)
Ghee	500.000 (estimate)
	2,481,000

So the challenge of the edible fat scarcity must be met if Indians are to be assured of a balanced diet necessary for the maintenance of national health.

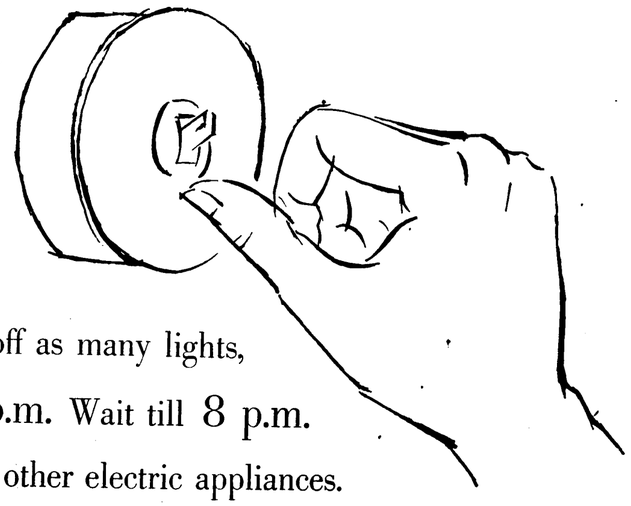
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IPB/SE/4-62

MANUFACTURE OF RADIO AND ELECTRONIC EQUIPMENT MAKES PROGRESS

THE word electronics is generally associated with radio receivers, public address equipment and radio transmitters, etcetera. The electronic industry, however, covers a much wider field. It comprises various electronic test and service instruments, industrial control instruments, nuclear instruments, transmitters for broadcast of radio and television frequencies, radar equipment, various nuclear gadgets, electron microscopes, x-rays and several other allied items. A general survey of the radio industry, as it exists in India today, and the prospects of the manufacture of other electronic instruments and apparatus is made in this article.

The radio industry is a branch of the electronics industry. It made a start in India in 1948 with the assembly, from imported components, of about 25,000 radio receivers a year. From this modest beginning, the production not only of the finished radio receivers but also of the various components, which go to make a radio set, has been increasing steadily. In India there are, at present, more than 20 large established concerns producing about 350 000 radio sets a year. Due to the encouragement and support given by the small-scale industries authorities in the various States, it would be safe, in the absence of accurate statistics, to put the number of small-scale radio manufacturers at 200, who would be producing at least 125,000 sets a year, bringing the total number of radio sets manufactured in the country to 475,000 a year. Among the larger units, production a year ranges from 1,000 sets to 120,000 sets. The total investment in the larger units is estimated to be about Rs. 5 crores employing a total number of 10,000 men and women with an annual turnover of over Rs. 7 crores.

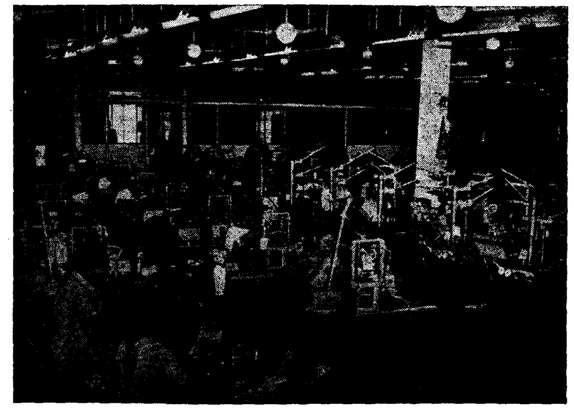
By
P. K. KAPRE
Industrial Director,
Philips India Ltd

Third Plan Target

While the production of radio receivers exceeded the second five year plan target of 300,000 sets, it has yet to go quite far before it reaches the third plan target of 1 million sets a year by 1966. Under normal conditions, such a target is within the reach of the industry not only because of the increasing popularity of radio but also because of the increasing capacity of the people and the increased number of broadcast transmitters, which are being installed in the country. While there is a demand for radio sets and other factors are also favourable, the main bottleneck is the foreign exchange shortage. In spite of very concerted and strenuous efforts on the part of the various manufacturers to make as many radio components in the country as possible, the radio-components industry has not yet been developed to a point where the assembly of radio sets can reach the target figure without involving foreign exchange expenditure. The Government of India, during the last five or six years, has licensed a number of parties, irrespective of their previous experience in this specialised field, to manufacture radio components in order to make the radio industry self-sufficient; however not many have been able to make much headway because of the lack of experience and adequate know-how. The table on page 57 gives an approximate idea about the position concerning the capacities licensed for important components.

Licensed Capacities

The above licensed capacities are, no doubt, adequate but, as pointed out above, the establishment of component manufacture takes considerable time, money and technical know-how. It is understood that only a third of the parties licensed have taken "effective steps", and actual



The component assembly department in a radio factory



GEC/G/395



Radio assembly lines in a Calcutta factory

production in most components with the exception of valves, loudspeakers, a few condensers and possibly resistors, is about one-tenth of what is licensed. Another difficulty is the foreign exchange required for the import of capital goods. Not all of the licensees are in a position to secure foreign loans on a long-term basis and this has resulted in quite a few licences not fructifying. As in so many other specialised industries, this industry is now trying to make up for the lost time. In the absence in India of proper laboratories and development work, it is still necessary to import foreign technical know-how.

The foreign parties who are in possession of technical know-how, which is really worth while not only from the point of view of technical efficiency but also from the point of view of the experience the foreign parties have of imparting such know-how under the Indian conditions, are willing to render assistance, if only adequate technical assistance fees are obtainable. Of late, there have been some difficulties in the matter. It must be realised that even in the matter of radio receivers, the science and technology is advancing very rapidly and if India has to get the latest information on circuitry, technical designs, etcetera, she should be prepared to pay for such know-how. Simultaneously, of course, it is very desirable that all parties concerned must try to develop their own designs and know-how in the country as soon as possible. It would be only pertinent to point out here, that while the radio broadcast receiver industry, according to the interpretation of the Industrial Policy Resolution of the Government of India, is still within the purview of the private sector, two important components, namely, valves and transistors, are manufactured in one of the Government factories in Bangalore with the technical know-how of a well-known firm in Europe.

With the rapid development of the electronics industry in India, some of the private sector units will have to take up the manufacture of these difficult items in the foreseeable future, since one factory in the public sector alone is not likely to meet adequately the total demand for these important items. There are, of course, a few very small units, which have been granted manufacturing licences to make transistors, but it remains to be seen how far they will be able to make headway in this direction.

Shortage of Raw Materials

Various panels have been set up by the Government of India from time to time to find out the ways and means of developing the electronics industry. Apart from the manufacture of broadcast receiver and public address systems by the private sector, the Government of India centralised the manufacture of all types of specialised transmitting, receiving, measuring and control equipment in one factory in the public sector. It is obvious that for a large country like India, one factory cannot offer everything, even in peacetime, much less when there are emergency conditions, as prevailing today. The country will require, at the earliest, not only more broadcast receivers and test equipment but also specialised types of portable trans-receivers, control instruments and equipment for the use of the police, domestic aviation, postal traffic, etcetera. These problems are further aggravated due to two important factors essential in the development and manufacture of civil and defence equipment. The first factor is the acute shortage of some raw materials inclusive of ferrous and non-ferrous metals which go into the manufacture of high quality components. It is impossible for a nation, however advanced, to develop adequately the electronics industry without the simultaneous and corresponding growth of the allied industries so essential for its progress. Therefore, for the manufacture of high quality electronic components, it is also equally important to have high quality metallurgical products, chemical materials, etcetera.

The second important factor, which threatens to be a problem more acute than the first, is the scarcity of technical talent. While there are a number of candidates willing to take up a telecommunication career, there are not enough technical institutions staffed with capable teachers to build up such talent. This shortage of technical talent cannot be met within a short time, so long-term planning for developing the potential of the required technical personnel is necessary.

National Emergency

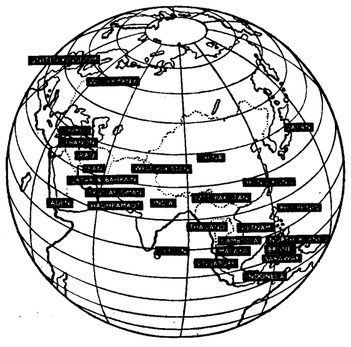
As a result of the emergency situation created since 20th October of last year due to the unwarranted Chinese invasion of India, quite a few illusions have been exploded. One of them has been that everything that is required for the defence purposes in the electronics field can be manufactured in the public sector. It is heartening, therefore, to note that the Government of India is gradually inviting the private sector to meet some of the electronics requirements so urgently needed for India's defence. In the shadow of this emergency, it is very likely that there will be reorientation of industrial priorities in favour of those industries which can meet defence requirements. Some of the obligations which are imposed upon the country in this situation can effectively be met by the electronics industry, if the difficulties mentioned earlier are taken care of and solved without inhibitions towards the private sector. If the Government can mobilise effectively all sources like private industries, technical institutes and universities and keep an open and liberal mind concerning technical assistance fees required for the import of know-how and give priority to the import of such raw materials as are essential to ensure quality production, then it will not be too optimistic to state that the prospects for the electronics industry are indeed bright in the country.

Component type	Quantity required for 900,000 sets (Radio Research Committee Report No. 9, 1959)	Number of firms licensed	Total licensed capacity a year (subject to revision from time to time)
Resistors:			
(a) Wire wound	1,532,000	4	Small scale
(b) Wire wound bobbin	negligible		
(c) Composition-fixed carbon type	20,000,000	8	33,980,000*
(d) Variable (potentiometers)			
(i) Carbon	1,700,000	12	2,994,000*
(ii) Wire wound			
(e) Others including special (thermistors semi-conductors)	556,000		Not known
Capacitors:			
(a) Paper tubular			
(i) Metal clad	1,000,000)		
(ii) Moulded	8,746,000)	18	40,720,000*
(b) Electrolytic	1,780,000	14	10,691,000*
(c) Silvered mica	7,250,000	8	55,180,000*
(d) Ceramic	6,476,000	5	11,680,000*
(e) Special and other (Styroflex)	2,425,000	5	13,200,000*
Variable capacitors:			
(a) Single	—		
(b) Multi gang	1,010,000	9	1,452,000
Trimmers:			
(a) Air	359,500	2	2,910,000*
(b) Mica	4,364,000		
(c) Ceramic	442,500		
Switches:			
(a) Rotary wafer type	1,168,000	12	1,700,000*
(b) *Toggle*	79,416		
(c) Key telephone type	—		
(d) Any other special (piano (type) push-button type	400,000	2	200,000
@ *Transformers: chokes, coils:*			
(a) Transformer, main	430,000)		
(b) Power output	1,000,000)		
(c) Driver	20,000)		
(d) Input	—		
(e) I. F.	2,000,000)		
(f) Chokes, L.F.	430,000)		
(g) Chokes, R.F.	40,000)		
(h) Coils and other wound components	7,800,000)		
Loudspeakers:			
(a) Paper cone type	1,170,000	22	2,894,000
Valves:	5,925,000	1	3,000,000
Transistors:	3,600,000	6	Not known
Metal rectifiers:	56,300	4	Not known

*Also required for other electronic and electrical equipment

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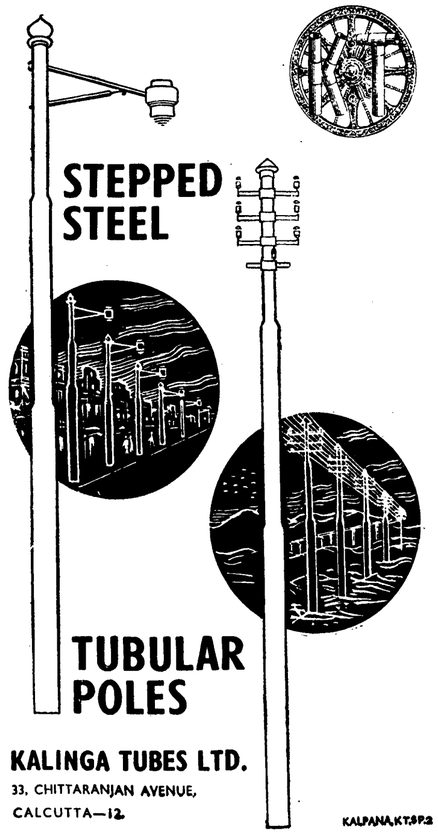
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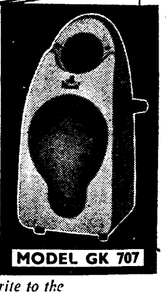
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Demand for Machine Tools Rising: Plans for Expanding Output

MACHINE tools are often described as "mother machines", because they produce other machines, and thus form the basis of industrial development. The demand for machine tools in India has naturally been rising with the progress of her industrialisation. The demand has been examined in detail by different methods. The comparative figures of the assessment of the demand based on (i) past demand, (ii) gross investment in industry and (iii) installed capacity of 40 major engineering industries, are summarised below:

MACHINE TOOLS
(Rs. crores)

Year	Estimates based on past trends	Estimates based on gross investment in industry	Estimates based on installed capacity of 40 major engineering industries
1961	25.5	22.2	21.8
1962	31.25	26.2	25.2
1963	38.40	30.8	29.0
1964	47.10	36.2	33.4
1965	57.75	42.6	38.6
	200	158	148

It will be seen that the estimates as projected from the trends of demand in the past, are at variance with the demands as estimated by the other two methods. The estimates based on past trends are

By Our
NEW DELHI CORRESPONDENT

higher by 25 percent than those based on gross investment and by 33 percent than those based on installed capacity in the engineering industries. It is felt that the first estimate at Rs. 200 crores, with the demand in 1965 at Rs. 58 crores, may be somewhat high. The figures by the other two methods seem to be rather low. This is all the more true on account of the fact that during the current plan period, the manufacturers are required to step up the indigenous content substantially. In these circumstances, it is regarded more appropriate to take the average of the three figures computed by different methods to arrive at the demand for 1965. This works out to Rs. 169 crores or say Rs. 170 crores.

Taking the demand for 1960 at Rs. 20.8 crores (average equivalent demand), the annual increase works out to 17 percent a year, so as to bring out the total outlay on machine tools at Rs. 170 crores during the third plan period. The year-by-year demand on this basis for the third five year plan would, therefore, be as shown in the table at the foot of the previous column.

Year	Annual demand (Rs. crores)
1961	24.3
1962	28.4
1963	33.2
1964	38.8
1965	45.3
	170

It is considered that the above figures of demand ending with the figure of Rs. 45.3 crores for 1965, are realistic in the context of effective utilisation of machine tools. In order to estimate the demand for other workshop machinery, it has been assumed that the ratio of machine tools to other workshop machinery will continue to be as in 1960. On this basis, the demand for other workshop machinery in 1965 works to Rs. 15.5 crores. The total estimated demand for machine tools and other workshop machinery for the year 1965 will be:

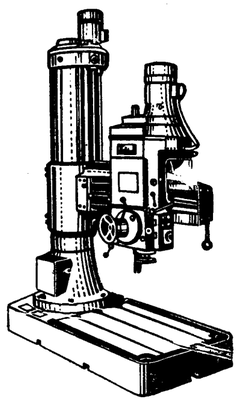
(i) Machine tools	Rs. 45.3 crores
(ii) Other workshop machinery	Rs. 15.5 crores
	Rs. 66.8 crores



Prince Norodom and Madame Sihanouk at a State machine tool plant

MACHINE TOOLS

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Height of centres 340 mm—between centres 1500 or 2000 or 3000 mm

TURRET LATHES
Spindle bore 81 or 40 mm

RADIAL DRILLS
Arm Length 1500 to 3000 mm
Capacity in Steel 60 to 80 mm

PORTABLE UNIVERSAL RADIALS
Capacity in Steel 25 mm
Arm Length 725 mm

CENTRELESS GRINDERS
Capacity 1 to 63 mm dia.

GUILLOTINE PLATE SHEARS
Thickness 5 or 15 mm
length 2050 or 2500 mm

TAPPING MACHINES
capacity in steel 6 mm

COUNTERBLOW FORGING HAMMERS
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PUNCHING & SHEARING MACHINES
Punching radius 300 or 400 mm—Thickness 16 or 20 mm

UNIVERSAL TOOL & CUTTER GRINDERS
Grinding dia. 250 mm—Clamping length 600 mm—Grinding length 500 mm

UNIVERSAL & VERTICAL MILLING MACHINES
Table 1650 x 400 mm

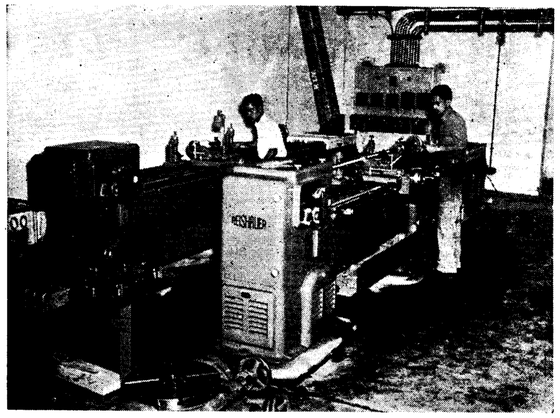
PROGRAMME CONTROLLED MILLING MACHINES
Table 1250 x 320 mm

PANTOGRAPH COPY MILLING MACHINES
Table 200 x 315 mm—Ratio—maximum 1 to 10 minimum 1 to 1.5

ELECTRONIC BALANCING MACHINES
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A "lead-screw" making machine in operation

The development programme for the machine tool industry in the third five year plan visualises capacity and production targets of Rs. 30 crores for 1965-66. This is exclusive of the contribution from the small-scale sector, reckoned at about Rs. 5 crores in that year. Production during 1962-63, it is expected, will be Rs. 12 crores. In addition, the small-scale industry may be able to contribute Rs. 3 crores to Rs. 4 crores worth of machine tools. Compared with the production of Rs. 2.5 crores in 1957, this represents a six-fold increase in production during the course of the past five years.

PATTERN OF MACHINE TOOL DEMAND

Machine tools—metal cutting and selected metal forming machines	Installed 1954 (Nos.)	Imported and manufactured 1955-59 (Nos.)	Installed 1959 (Nos.)	Demand 1961-65 Nos. and percentage	
Automatic	518	245	763	1,600	1.0
Boring	1,089	1,659	2,748	4,500	2.8
Broaching	44	24	68	800	0.5
Drilling	10,118	8,394	18,512	22,400	14.0
Gear cutting	244	210	454	1,600	1.0
Grinding	8,208	11,746	19,954	27,100	17.0
Lapping and honing	118	480	598	1,120	0.7
Capstans and turret	2,463	1,592	4,055	6,400	4.0
Lathes	12,375	9,564	21,942	25,600	16.0
Milling	2,597	2,987	5,584	9,600	6.0
Planing	848	289	1,128	1,400	0.9
Presses	9,964	3,003	12,967	17,000	10.8
Sawing	1,715	1,211	2,928	3,200	2.0
Shaping	1,929	1,401	3,330	3,200	2.0
Shearing and sheet metal working	5,600	8,619	14,219	19,200	12.0
Slotting	726	279	1,005	960	0.6
Screwing	1,063	462	1,525	1,920	1.2
Threading	209	184	393	480	0.3
Hammers	613	1,113	1,726	2,720	1.7
Reeling machines	9	34	43	160	0.1
Tapping	260	349	609	800	0.5
Bending other than rolls	235	1,488	1,717	2,240	1.4
Polishing	1,519	2,789	4,308	5,600	3.5
	62,464	58,110	1,20,574	1,60,000	100.0

Output by Third Plan End

Public sector: Hindustan Machine Tools Ltd completed the construction of the second unit in Bangalore in May 1961, and is now fast building up production. It will be seen that the H.M.T. at present is working at the production rate of 1,300 to 1,400 machine tools a year. The build-up of production of the two units of the H.M.T. in Bangalore, it is visualised, will be as follows:

	Approximate number of machine tools to be produced	Approximate value in Rs. crores
1962-63	1,500	6.0
1963-64	1,800	7.0
1964-65	2,000	7.5

The construction work of the third unit of the H.M.T. in Pinjore intended to manufacture 1,000 machine tools, costing about Rs. 3.5 crores, is progressing satisfactorily. It is planned to produce the milling family of machine tools, which, it is expected, will begin to be produced during the current year. By a quick building up of production, an output of about Rs. 2.5 crores to Rs. 3 crores worth of machine tools may possibly be reckoned from this unit by 1965-66.

It is proposed to set up another machine tool factory in the public sector in Kerala during the course of the third plan. Its planned capacity is 1,000 machine tools a year. The estimated cost of the factory is Rs. 7.50 crores with a foreign exchange cost of Rs. 1.75 crores. The plant capacity can be doubled by an additional capital investment of Rs. 3 crores, out of which Rs. 1 crore will be in foreign exchange. The implementation of this project has been entrusted to the Hindustan Machine Tools Ltd, Bangalore. The Company has indicated that this factory will go into production in about 2½ years after the Government makes available the necessary foreign exchange. The H.M.T. has, however, indicated that the finances required for the implementation of the Kerala factory will be met from the internal surpluses of the Bangalore factory and the Pinjore factory which is likely to accrue during the last three years of the third five year plan.

Working Results

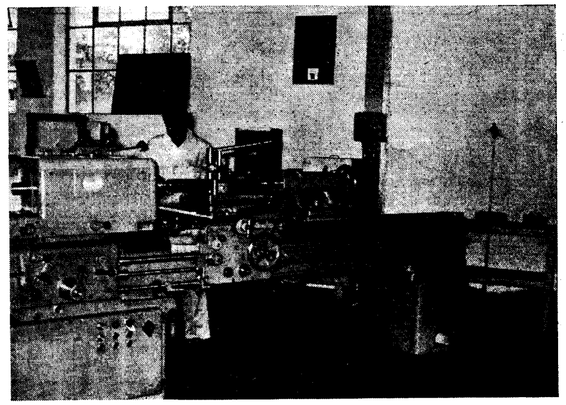
The latest balance-sheet of the Hindustan Machine Tool Factory shows that the enterprise has been working quite satisfactorily. The net profit of Rs. 2.15 crores earned by the H.M.T. for the year 1962-63 represents a return of 33 percent on the share capital of Rs. 6.56 crores, compared with the return of earlier years of 24 percent (Rs. 1.27 crores) in 1961-62 and 13.9 percent (Rs. 74 lakhs) in 1960-61. This is about the only public undertaking with a good working result record. The gross revenue for 1962-63 increased to Rs. 7.68 crores from Rs. 5.32 crores during the previous year. The domestic sale prices of all H.M.T. machines fixed in September 1960 at 10 to 20 percent below the then landed cost of European machines of equivalent quality were maintained throughout the year, in spite of substantial increases in sale prices in Europe since 1960. The current selling prices in force from 15th April, 1963, are uniformly 15 percent below the current landed cost of European machines of equivalent quality.

Bangalore factories nos. I and II: The production of the two machine tool factories in Bangalore registered a record output of 165 machines during November 1962, following the declaration of the emergency, against the previous record production in any month of 145 machines during March 1962. This rate of production of 165 machines a month was maintained for the remainder of the financial year and since, thereby achieving substantially the full production capacity of 2,000 machines a year for the combined factories, 15 months after the inauguration in July 1961 of the second factory by the Prime Minister and 17 months ahead of schedule.

Third machine tool factory, Pinjore, Punjab: Work on the third machine tool factory in Pinjore, Punjab, commenced with ground levelling operations on 2nd May, 1962. As some ten million cubic feet of earth had to be moved, the levelling operations took several months in spite of heavy earth-moving equipment being employed for the purpose. The main factory buildings, however, will be ready for installation of the machines by the middle of the year 1963. Plant and machinery has commenced arriving at the site. The construction of the permanent training centre in Pinjore was completed in February 1963, and the training centre was commissioned in March 1963. In addition, an advance temporary training centre was set up earlier in Chandigarh from August 1962. The training facilities available in Bangalore were also utilised extensively for the Pinjore project. The recruitment and training programme for the 3,000 personnel to man the factory is proceeding according to schedule. The factory is expected to be ready for production before the end of the year 1963.

The Kerala Factory

Fourth Machine tool factory, Kalamassery, Kerala: A fourth machine tool factory and township is to be built by the H.M.T. in Kalamassery in Kerala, eight miles from the Cochin harbour, at an estimated cost of Rs. 7.5 crores and the approval of the Government of India for this project was obtained on 1st April, 1963. Approximately 900 acres of land is being acquired in stages for this project, and is being made available by the Kerala Government as a gift. A portion of the land measuring about 60 acres for the factory was made available to the Company by the Kerala Government in April 1963, and ground levelling operation on the factory site commenced in the same month. The master plan for the main factory as well as the township are under preparation and the construction of the factory and the township is expected to commence immediately after the monsoons. A temporary training centre with 200 places in two shifts was established in Trivandrum in the factory space made available in the Government engineering workshop of the Kerala Government, which was inaugurated by Mr. C. Subramaniam, Central Minister for Steel and Heavy Industries on 10th May, 1963, when he



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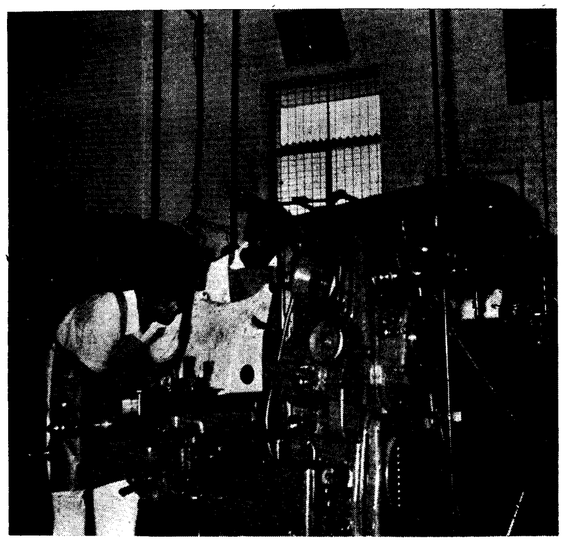




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Some machine tool factory trainees at work

also presented the appointment orders for the first batch of 534 recruits for technical training for the Kalamassery project. Recruitment of the remainder of the 3,000 personnel required to man the first phase of the factory is proceeding according to schedule. The total capital cost of Rs. 7.5 crores for this fourth machine tool project is expected to be provided entirely from the internal resources of the Company. The fourth factory, like its two predecessors, will also be planned, built and commissioned entirely by Indian personnel.

Fifth machine tool factory, Sanatnagar, Secunderabad: A proposal to establish a fifth machine tool factory in Sanatnagar, Secunderabad, with the foreign exchange credit to be made available by the Government of Poland, is under examination and discussion. When all the five machine tool factories are in operation, it is intended to decentralise the various production lines in Bangalore, and permit each factory to specialise in one or two families of machines in order to ensure greater efficiency and lower cost. The total output of the five factories at full production is estimated at Rs. 25 crores a year.

Initially intended to manufacture machine tool accessories and precision items, the Praga Tools Corporation, Secunderabad, is being expanded and a co-ordinated programme for the production of machine tools and accessories has been formulated. Praga Tool is now manufacturing drill press, bench lathes, lathe and drill chucks, machine vices, precision items and small tools. It has also started the production of tool and cutter grinder in collaboration with A. A. Jones and Shipman of Leicester. It is felt that provided their milling machine programme with the Elliots and lathe chuck programme with the Pratts are allowed to go ahead without delay, the output of Rs. 2.5 crores, as expected from this unit by 1965-66, may materialise. The break-up of this Rs. 2.5 crores worth of production is expected to be on the following lines:

	(Rs. lakhs)
Drill presses	44
Bench lathes	5
Tool and cutter grinders	50
Milling machines	70
Lathe and drill chucks	60
Machine vices	15
Small tools, precision items	10
	254 or Rs. 2.5 crores

Expansion Schemes

The expansion schemes approved by the Government for the manufacture of drill chucks, lathe chucks, and tool and cutter grinders in the Praga Tools Corporation Ltd in technical collaboration with three U.K. firms are now in different stages of implementation. In addition, certain proposals for the manufacture of milling machines and two other types of machine tools with export possibilities with Polish aid and technical collaboration are being considered. A sum of Rs. 1.45 crores has tentatively been set apart from the Polish credits for this purpose.

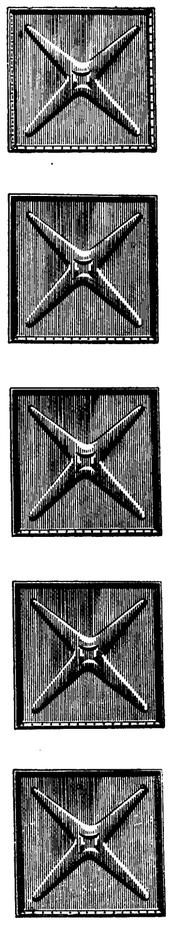
The heavy machine tool plant of the Heavy Engineering Corporation in Ranchi is intended to produce annually 10,000 tons of certain diverse types of heavy machine tools in sizes and types different from those which have so far been produced in the country. According to present expectations, the plant may go into trial production in 1965-66, and is likely to give a sizable output only in the fourth plan period.

The position of the public sector units may thus be summarised as follows:

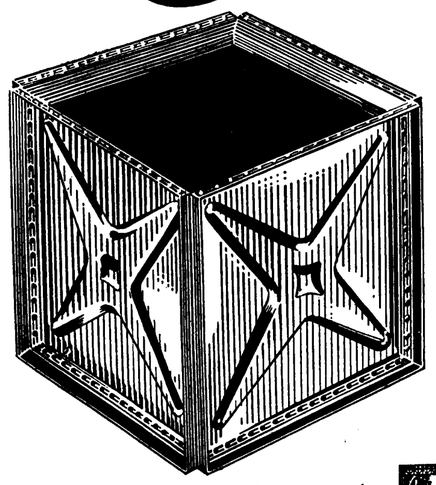
Unit	Output by 1965-66 visualised in the development programme (Rs. crores)	Likely output by 1965-66 (Rs. crores)
H.M.T., Bangalore	7.0	7.5
H.M.T., Pinjore	3.0	3.0
Pragas	2.5	2.5
Heavy machine tool factory, Ranchi	3.0	Nil
Ambernath prototype factory	1.0	Nil
	16.5	13.0

Private Sector Production

Units in the private sector with a total capacity of Rs. 13 crores have been in production. Output worth Rs. 15 crores may possibly be expected from these units by 1965-66.



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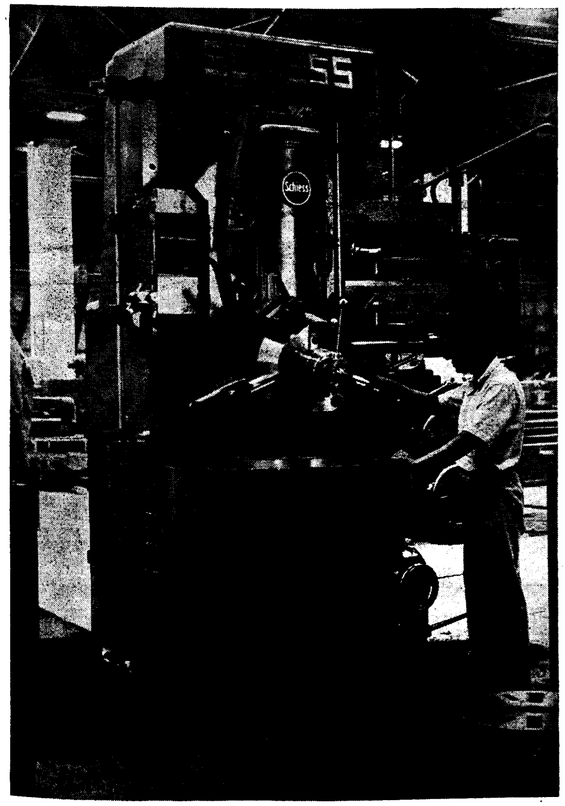
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A worker-trainee at a machine tool plant

The following factors are, however, important in this connection:

(i) Most of the machine tool manufacturers in the private sector have got other engineering items in their production programmes and in a number of concerns machine tools form a minor part of their production activities. Tendency for switching over to other engineering products giving better returns is detrimental to the progress of this industry. The units should not, therefore, alter their planned programme of machine tool manufacture.

(ii) It is found that in most cases, the licensed capacity does not conform to the actual capacity created by the units.

As on 1st January, 1962, 74 licences with a total capacity of Rs. 13 crores worth of machine tools were yet to start production. A number of schemes have also been approved during 1962. Out of these schemes, Rs. 4 crores to 5 crores worth of capacity is probably covered by foreign exchange clearance. As no effective action was taken concerning about 30 licences, notice of revocation has had to be served. It is necessary to weed out the parties which have been unable to make progress and encourage others who may be more serious to enter the field. Some of the licensed units, it is reported, are making good progress, and may make some contribution towards the output in 1965-66.

Of the two principal raw materials—quality pig iron and rolled steel—the supply position of quality pig iron to the machine tool manufacturers is reported to be somewhat unsatisfactory. It is stated that production can be increased if timely supply of required quality and quantity of pig iron, steel and coke is effected to the manufacturers. Various measures to increase pig iron and coke production have already been considered. In particular, it is necessary that the parties to whom licences for the production of pig iron in small units have been given, should take energetic steps to implement their schemes.

The indigenous content of machine tools, which have been in production in the country for some time, is more than 95 percent, and excepting alloy steel, bearings, clutches, nuts, bolts, screws, in the metric system, the rest of the components are all indigenous. By the end of the third plan period, some alloy steel may be available indigenously. Production of metric fasteners needs to be organised. In this connection, the machine tool manufacturers can work out a programme for bulking the quantity on order of metric fasteners of each type on a co-operative basis, so as to make it attractive to undertake the production of this item. Bearings and clutches may have to be imported for some time longer. In the case of difficult types of new machine tools taken up for manufacture, the imported content, in the first instance, may come to as high as 40 to 50 percent.

Instead of manufacturing all the components in the main factory of the machine tool industry, it is advantageous and economic to subcontract the simpler components, which do not require heavy equipment or very high degree of skill and technique, to small-scale ancillary feeder industries. Greater effort is urged on the part of the organised units to get increased quantities of simpler components and parts from the small ancillary feeder industries so that at least 30 percent of the components are thus procured.

Needs of Feeder Industries

Assistance should be available to these feeder industries to maintain the quality of their products by regular inspection and in other ways. The number of small-scale units in the country is estimated to be more than 600. These units are mostly concentrated in the Batala and Ludhiana areas in the Punjab. Machine tools manufactured by these units are of the ungraded type, but due to the great scarcity of machine tools in the country their products find ready market. It is, however, felt that in time to come, it will be difficult to market products not manufactured in accordance with standard specifications and not conforming to a specified quality. Ungraded machine tools will produce inferior quality of manufactured goods and are, therefore, to be discourged. Measures for improving the quality of the products of the small-scale sector up to acceptable standards may be considered at the meeting.

Shortage of skilled workmen and trained supervisory staff is experienced in the machine tool industry. Most of the organised machine tool units have instituted training programmes to meet their requirements of skilled personnel. But in majority of cases, the training arrangements could be improved further. Moreover, competition on the part of the different concerns to secure the better trained workers complicates the situation.

Technical know-how of majority of the machine tools now under manufacture in the country was obtained from foreign countries, and for some time to come, this arrangement is likely to continue. To establish the machine tool industry on a sound footing, it is, however, necessary that India should be self-sufficient in technical know-how as early as possible. Skeleton design cells are found to be working in some of the organised units, and it is considered appropriate properly to equip these design cells and to establish them in case of those where there are none.

Machine Tool Institute

It may be mentioned that the Machine Tool Institute to be set up in Bangalore and the National Mechanical Engineering Institute in Durgapur will assist in developing self-reliance in machine tool design. But it is important that the organised major units should also build up their own design cells as quickly as possible.

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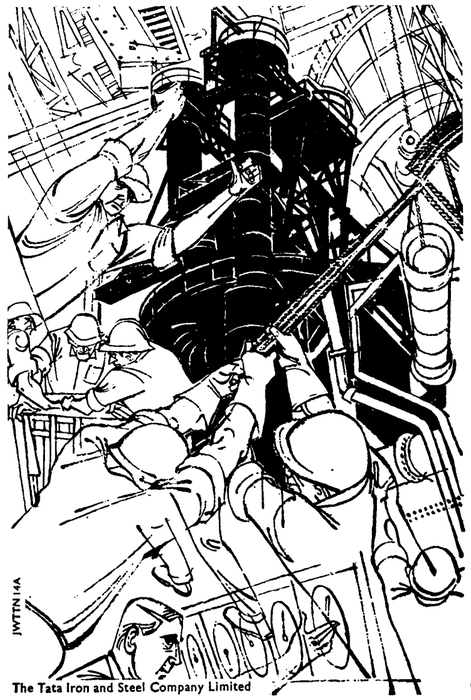
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a challenge well met

On the 3rd January, this year, the 'E' blast furnace at the Jamshedpur steel works was blown out for relining and enlarging. It was a big job involving 2,100 tonnes of refractories, 1,700 metres of piping, 7,600 metres of electric cables and 1,100 tonnes of steelwork and castings.

When the original schedule was halved from 180 days to 90, many thought it to be impossible. But a team of Tata Steel engineers, technicians and workers took up the challenge and completed the operation in 84 days, 6 days ahead of the drastically revised schedule.

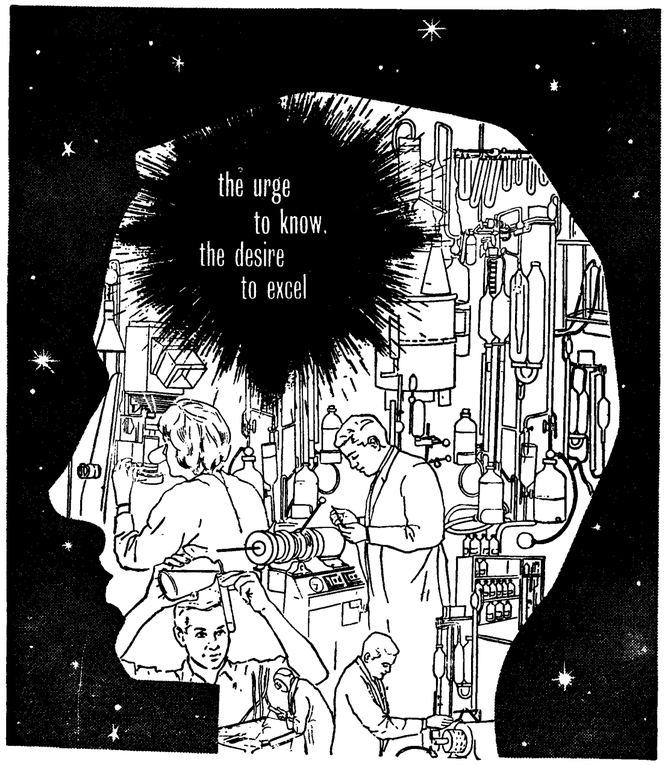
The 'E' blast furnace, with an original capacity of 315 tons a day, was bought second-hand from the U.S.A. 45 years ago. Its rated capacity has now been stepped up to 660 tonnes of pig iron a day without sinter burden, or to 725 tonnes with sinter and sized iron ore.

The record-breaking achievement is another demonstration of efficient team-work, technical know-how and sustained efforts to attain greater productivity with the minimum outlay that characterize a city like Jamshedpur, where industry is not merely a source of livelihood but a way of life.

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ADVANI OERLIKON

Output of Rayon Fabrics Goes Up But Fair Prices Needed

By
T. R. RAMACHANDRAN

TWELVE years is a short span in the life of any industry, but the rayon industry in India has taken just that short period to achieve success. From a mere 5 million lbs in 1951, the production of viscose filament yarn reached the impressive level of 57 million lbs in 1962 while the output of staple fibre was more than 70 million lbs in the same year. This steady increase in production helped reduce viscose rayon imports from 34.6 million lbs in 1957 to 19 million lbs in 1962, thus saving valuable foreign exchange. In fact, the reduction in imports so far has made up for Rs. 32 crores of the initial foreign exchange expenditure involved in the setting up of rayon manufacturing plants.

The industry's quick progress is attributable to the growing need for clothing as much as to the popularity of man-made fibres. It is significant that the cotton mill industry continues to face difficulty in securing adequate raw cotton supplies while the rayon industry has stepped in to fulfil a long-felt need to raise the *per capita* consumption of cloth. Today, one in every five families in urban areas uses rayon, and there is obviously a growing desire to extend rayon purchases. Even under-privileged occupational groups are beginning to enter the rayon market. Results of an all-India survey by the Marketing Research Corporation of India, New Delhi, reveal that the demand for rayon fabrics comes largely from families with monthly incomes between Rs. 100 and Rs. 400. This is because a large variety of fabrics are today available in various price ranges to suit the pockets of different sections of the community.

Two Distinct Groups

Man-made fibres can be classified into two distinct groups—cellulosic and synthetic fibres. The basic materials of cellulosic fibres are beach or pine wood and cotton linters from which pulp is first made. The chief fibres of this group are viscose, cuprammonium and acetate rayon. Various chemicals derived from coal and oil are also used in making synthetic fibres and their sub-groups, which offer a wide range of fibre products, such as nylon, terylene, acrylic, vinyon and poly-propylene.

The fibres now manufactured in India are viscose and acetate rayons and nylon. Eight factories are already manufacturing viscose rayon and some of them have also started making tyre cord and high tenacity viscose rayon yarns. Acetate rayon is now manufactured by only one plant.

TABLE I

INDIA'S PRODUCTION, IMPORTS AND REQUIREMENTS OF MAN-MADE FIBRES DURING 1957-62
Production, Imports and Requirements in terms of quantity (figures in '000 lbs)

Year	Viscose rayon			Acetate yarn			Imports of other rayon and synthetic yarn		Total production of man-made fibres	Total imports of man-made fibres	Total requirements of man-made fibres
	Production	Imports	Total viscose requirement	Production	Imports	Total acetate requirement	Cuprammonium (imports)	Synthetic yarn (imports)			
1957	21,388	34,640	56,028	3,598	2,010	5,608	10,200	1,285	24,986	48,135	73,121
1958	29,510	25,680	55,190	4.088	1,813	5,901	5,986	2.669	33,598	36,148	69,746
1959	33,054	34,153	67,207	3,169	2,864	6,033	7,510	2,626	36,223	47,153	83,376
1960	41,441	30,886	72,327	4,243	4,083	8,326	6,346	2,918	45,684	44,233	89,917
1961	47.255	27,302	74,557	4,483	3,309	7,792	9,167	4,293	51,138	44,071	95,809
1962	57,719	19,437	77,156	3,080	2,930	6,010	7,643	7,982	60,799	37,992	98,791

Besides these rayon plants, plans for manufacturing nylon, acrylic, olefin fibres and glass fibres are under way.

The early beginnings of the industry date back to the 'thirties when protection on cotton fabrics was still a rage and Japan, a powerful competitor, used to dump goods on the Indian market. Until then, the Indian handloom industry was interested in weaving mixed fabrics of cotton and rayon, and rayon was being imported, although inadequately. The handloom industry got a fillip when the Government imposed import duties in 1933 to protect the Indian cotton textile industry. Under this tariff wall, powerloom factories after the Japanese model sprang up in the country and pure rayon fabrics were manufactured. The import of rayon fabrics was, however, restricted during the second World War and after, and the rayon weaving industry received further impetus to develop.

Production Trends

Today the nation's consumer requirements are steadily growing on account of the increase in population, trend towards urbanisation, massive investment programmes, and the general striving for a higher standard of living. Keeping pace with the increasing requirements, the production of viscose rayon has more than doubled between 1957 and 1962, and the percentage of production to total requirements has gone up from 38 to 75. Imports, however, continued, although at a steadily declining rate. In addition, partial imports of acetate yarn to supplement local production and full imports of cuprammonium and synthetic yarn had to be maintained to meet the expanding needs of the industry. A complete statement of the amount of production, imports and requirements of the various man-made fibres during the last quinquennium is given in Table I above.

As for the production of viscose filament, it is evident that the rayon industry should be given further scope for adequate development and expansion. During the second plan period, the industry was able to add to its capacity for spinning yarn only 30 million lbs a year. The capacity at the end of the first plan was 22.3 million lbs of yarn. Three units were in operation—National Rayon Corporation, Travancore Rayons and Gwalior Rayons. The first two accounted under the second plan for 26.7 million lbs of viscose filament ; and three new units which came into production during this period, namely, Century Rayons, J. K. Rayon and Kesoram Rayon, accounted for 21.6 million lbs. Thus the total output in the second plan aggregated 48.3 million lbs of viscose filament, and another 4 million lbs of cellulose acetate filament. This clearly fell short of the second plan target of 68.3 million lbs. Production in 1962 came to 57.7 million lbs, and as consumption was considerably in excess of indigenous production, imports were permitted.

The staple fibre output, however, recorded excellent gains and hardly had to depend on imports. The two units engaged in its manufacture are Gwalior Rayon and South India Viscose, which have achieved the second and third plan targets with remarkable ease. Gwalior Rayon increased its capacity to 48 million lbs, against the second plan target of 32 million lbs ; and its production in 1962 was as high as 63 million lbs. South India Viscose accounted for 8.2 million lbs of viscose staple fibre in 1962. This total of 71.2 million lbs for last year has already overshot the third plan target of 64 million lbs.

Table II below indicates the breakdown of production of the respective individual companies for viscose filament, staple fibre and acetate yarn in 1962.

Revising Third Plan Targets

During the current plan period, on account of the shortage of foreign

TABLE II

CAPACITY OF THE UNITS AND PRODUCTION IN 1962
(In million lbs)

Units	Date of commencement of production	Licensed capacity a year	Installed capacity a year	Production in 1962
Viscose filament :				
National Rayon Corporation	March 1951	19.8	19.8	18.8
Century Rayon	Sep. 1956	15.4	15.4	14.9
J. K. Rayon	July 1959	4.4	4.4	3.8
Travancore Rayon	Jan. 1950	7.7	5.5	4.7
Kesoram Rayon	Feb. 1960	6.1	6.1	9.4
South India Viscose	Oct. 1961	8.8	7.9	6.1
	Total ...	62.2	59.1	57.7
Staple fibre :				
South India Viscose	Apl. 1961	8.8	7.9	8.2
Gwalior Rayon	Feb. 1954	48.4	48.4	63.0
	Total ...	57.2	56.3	71.2
Acetate :				
Sirsilk Ltd	July 1954	4.4	4.8	3.1

exchange production will have to be raised. The rayon industry has asked for further expansion in excess of the third plan targets. The Development Council for the Art Silk Industry has suggested the following targets *vis-à-vis* those fixed by the Planning Commission :

TABLE III

THIRD PLAN TARGETS : ESTIMATED REQUIREMENTS BY 1965-66

(In million lbs)

Product	Estimates of Planning Commission	Estimates of the Development Council for the Art Silk Industry
Filament rayon :		
Viscose	96	144
Acetate	24	24
Cuprammonium	10	10
Synthetics	10	10
	140	184
Staple fibre :		
Viscose	64	130
Acetate	8	8
Synthetics	3	3
	75	141
Total	215	325

Problem of Pulp Supplies

While foreign exchange will be necessary for some import of rayon and synthetic yarn for a few more years, the availability of Indian-made rayon grade pulp is another important step in the industry's programme for self-sufficiency. Indigenous production so far has been in the realm of cellulosic fibres only. Cellulose pulp—the chief raw material—has had to be imported from countries, such as North America and Scandinavia. It has naturally been stressed that serious efforts should be made to produce rayon-grade pulp in order to eliminate the dependence on imports. The Government has already licensed several units for manufacturing wood pulp either from bamboo or cotton linters. The total licensed capacity for the manufacture of wood pulp from bamboo is of the order of 255,000 tons a year and that from cotton linters is about 36,600 tons a year. The Rs. 1-crore pulp plant of Travancore Rayons, with a capacity of 10 tons daily, has recently gone into production, manufacturing good quality pulp out of cotton linters. The Gwalior Rayon unit, completed at a cost of Rs. 8 crores in Kerala, has recently increased its capacity of (bamboo) wood pulp from 100 tons to 150 tons a day. Other projects include those of National Rayon for erecting a factory in Mysore with a capacity of 30,000 tons and of West Coast Paper with a capacity of 27,000. The pulp from these sources should enable a significant reduction in imports in a short period.

The supply position of other raw materials, such as caustic soda and sulphuric acid, is fortunately not a serious problem due to the care bestowed on developing them in the third plan. Some of the rayon units have their own plants for manufacturing these chemicals. With increasing supplies of indigenous wood pulp and the basic raw materials, the industry should be able to weather the storm with relative ease.

But the question is whether the industry is really making huge profits. Contrary to popular belief, the industry is, in fact, making moderate profits. The Reserve Bank's survey of 1,001 leading companies shows the average profits (percentage of net worth) to be 10·8 percent. Against this, the rayon yarn spinners' average is less—around 9 percent. The reasons for this are obvious. As Mr. A. R. Ramanathan, chairman of the Man-Made Fibre Industry, recently declared, the rayon industry for the present "is in the grip of a controlled economy." The selling prices of yarn have been frozen at the 1957 level, and have, in effect, been reduced by the absorption of excise duty. In addition, rising production costs and a high rate of obsolescence have made further in-roads into profitability. The situation is worsened when the market prices sag and yarn is not lifted, which results in huge piling up of stocks.

Price Revision Needed

In the circumstances, therefore, the need to fix fair prices for rayon textiles is important. Qualitatively, Indian rayon is now equal to the world's best ; in price, it is cheaper in all deniers than that of most other countries, as the following table will show :

TABLE IV

COMPARATIVE WORLD PRICES OF RAYON YARN

Countries	Domestic prices of 150-denier yarn in Rs a kilogram
Switzerland	9.08
U.S.A.	8.79
Britain	8.27
Italy	7.80
Sweden	7.80
France	7.76
India	6.94
Japan	5.50

With the progressive rise in the cost of raw materials, electricity charges, maintenance expenditure, wages and salaries, it is uneconomical for the units to operate with the existing 1957 price level. The Government's instructions to the Tariff Commission to conduct a thorough probe into the cost structure of man-made fires, it is hoped, will ensure the supply of synthetic fibre to consumers at reasonable prices and offer a fair return to the industry. As, however, the present structure is likely to continue for at least another year pending the Tariff Commission's recommendation, the industry's claim to an *ad hoc* price revision is justified. As the stepping up of cotton production is time consuming, the man-made fibre industry should be assisted to maximise output, stabilise prices and meet a substantial proportion of the country's ever growing requirements.

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Air-conditioning Industry Worried by Rising Costs

IN a country like India, there is an urgent need to understand the influence of humidity and temperature on human activity. Study of subjects like thermodynamics, physics and heat transfer is not a new thing, but research in these and their development is fairly new. Experiments have shown that reactions, of not only human beings, but also of animals, insects, foods and metals subjected to different conditions of temperature and humidity are different. An interesting experiment once made on animals of the same kind and age brought up at different temperatures showed that the one at the lowest temperature was most active with the sharpest memory, while the one at the highest temperature was the slowest in actions. In everyday life, the same is witnessed. Favourable conditions of humidity and temperature generate in a human being vigour and energy, while unfavourable ones pull him back in lethargic bondage.

Unlimited application of controlled temperature and humidity does not stop with human beings and food.

By

S. K. MADAN

Production Manager, American Refrigerator Co. Ltd

The advance of the technology and science of refrigeration during the last few years has been very great indeed. During the past few years, its expansion has covered in chemical, textile, printing, tea, machine tools, aircraft and many other industries. It becomes a must for satellites, missiles, rockets, supersonic aircraft and electronics. Modern weapons and spacecraft not only call for a wide range of "tailored" atmosphere, but also for precise dew-point control and temperatures within close tolerances. Controlled atmospheric conditions have to be provided in an aircraft flying at 40,000 feet above sea level. Food preservation, however, remains a major user of refrigeration.

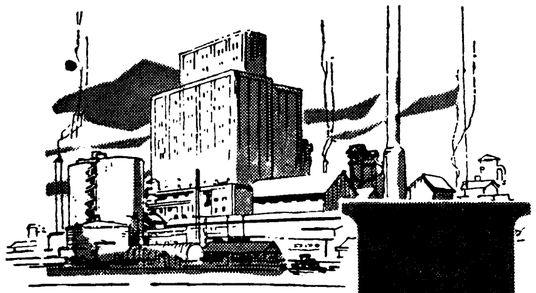
Heat and Humidity

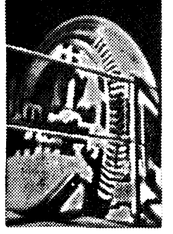
In India, unfortunately, throughout the year humidity and heat sap the people's energy. Economic considerations have also retarded the wider application of refrigeration in the food industry. No accurate figures can be given, but it is estimated that 25 percent of the total food production goes waste for lack of arrangements for preservation. If there were adequate storage facilities for food, the country would have been already self-sufficient.

The refrigeration industry in India is still in its infancy. The production of refrigeration equipment was not thought of until a few years ago when import restrictions were introduced. All the dealers in such equipment were importers, distributors or traders. They had to look for alternative sources to keep their business going when imports were slashed. The solution did not lie in starting research and development, or in starting from scratch to produce the equipment. The only course open was to depend on their foreign associates for collaboration, both financial and technical. Thus many leading concerns in the trade went into the manufacturing business on a joint venture or technical-know-how-or-royalty basis about seven years ago. The production of domestic and commercial equipment was undertaken. Substantial progress has since been made, and now many units are turning out products with more than 95 percent of indigenous material.

Manufacture of Components

Controls are still being imported while sealed compressors are being manufactured on a small scale. But high production costs have offset any advantage that may have accrued due to the local manufacture. Two or three schemes to make controls have been approved. Few more projects with foreign collaboration may be forthcoming in the next two or three years. Ten to 12 different schemes to manufacture different components are already under way and after next four to five years, the industry is not only expected to be self-sufficient, but would also be saving for the Indian exchequer a few crores of rupees in foreign exchange. For the third five year plan, the Development Council has set the following targets of domestic and commercial refrigeration and air-conditioning. The figures for com-

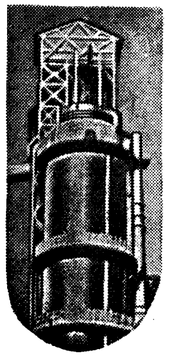




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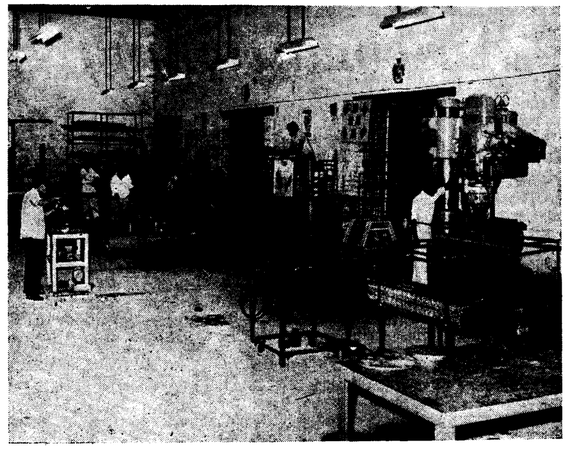
TATA CHEMICALS LIMITED

Bombay House, Fort, Bombay.

mercial and industrial equipment are not available.

Products	Targets for 1965-66
Refrigerators	50,000 units
Air-conditioners	50,000 units
Water coolers	20,000 units

No particular capacity of the unit is fixed. Manufacturers produce units according to demand. To achieve the above output in time, does not appear to be a difficult proposition, provided the conditions are favourable. To meet the requirements of food preservation in unelectrified areas, the manufacture of kerosene-operated refrigerators has been undertaken. Two absorption type refrigerator models are already in the market. The production of air-conditioners for motor-vehicles is being done with imported compressors. There is no dearth of air-conditioners and refrigerators in the market. Probably, supply is far more than demand. The customer is not likely to be interested in the technical problems of the refrigeration and air-conditioning industry as in certain other questions. When would an average man in India be able to afford a refrigerator and an air-conditioner ? Is it possible to manufacture a domestic unit within Rs. 500 ? If other countries having more expensive labour can produce such low-priced units, why cannot India ? If these are to become part of the Indian's everyday living, then prices must be brought down. But the Indian manufacturers are neither in a position to do that at present, nor will they be for many more years to come. Low productivity of the worker is a problem which can be met by efficient management, proper training schemes and by creating working conditions as are provided in some of the advanced countries.



An air-conditioned tool room

Expensive Raw Materials

The major part of the selling price is on account of the expensive raw materials. The basic materials used in any refrigeration machine are copper, steel and aluminium, and all the Indian manufacturers pay for these 1½ to 2 times the price of what his counterpart pays in foreign countries. India has practically unlimited iron ore resources in the country and has some very modern steel plants. Labour also is cheap, yet the Indian steel is among the dearest in the world. The country has little resources in copper; but it can be imported at the international price. Unfortunately, the Government has created monopoly by issuing just two to three licences for re-rolling and redrawing the metal. The finished raw material is being sold at exhorbitant prices.

There is plenty of bauxite in the country; but aluminium is expensive. Manufacturers blame the high cost on power. India is producing only 30,000 to 40,000 tons of aluminium a year, while a small country like Japan, having no bauxite whatsoever, and starting from scratch after the second World War is producing over 300,000 tons of aluminium a year. In foreign countries, steel is being replaced by chemicals like plastic and nylon. These industries in India have still to make a proper start.

Indian manufacturers have adopted batch production methods, which are definitely more expensive than mass production methods used by West Germany, Japan and the U.S.A. Moreover, there is a tendency among Indian manufacturers to make all the components themselves as the delivery and quality of small-scale industrial units are not reliable. This is a big stumbling block in the way of achieving higher productivity. Individuals cannot set up mass production units to manufacture just few pieces of components for themselves. Encouragement to small-scale industries is necessary. Also co-ordinated efforts are required and each organisation should manufacture certain components. This would certainly cut down the cost to some extent. Big units can concentrate on production and development if the supply of small components is regularised to feed the big units. It should not only cut down the capital investment for them, but also help them increase production, enable them to reduce manufacturing costs. High quality is possible only, when there are standardisation of product, improved techniques of production, more competition and sufficient raw materials.

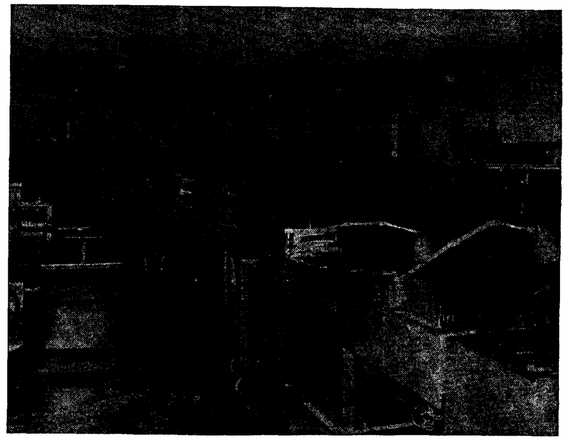
Beginning in Export

Two years ago, the refrigeration industry in India embarked on export. An association called the Air-conditioning and Refrigeration Council of India was formed. Considerable progress has been made; but the product is being exported at a low or on a no profit basis. The problem is to be tackled at root. Some means to manufacture the goods at competitive prices must be devised. During 1961-62, the refrigeration industries produced equipment worth Rs. 6 crores out of which goods worth only Rs. 1 lakh were exported.

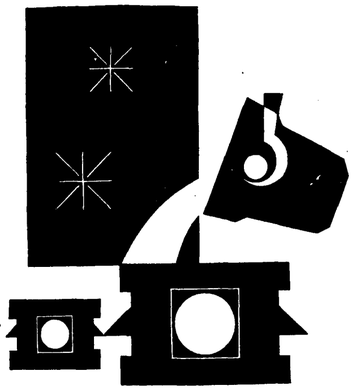
During this emergency a big problem has arisen. Foreign collaborators are reluctant to invest freely and the Government has started pressing the industry from two sides, mainly, by increasing taxes and by increasing excise duty. Customers' purchasing power has been cut by the heavy increase in taxes and this would retard the development and expansion of the industry. The Government still considers air-conditioning and refrigeration a luxury without realising the industry's importance.

Continuous efforts are being made to find out methods of producing cold economically. In the industrial field, turbo comp is fast replacing reciprocating compressors. The turbo comp running at a speed of 18,000 r.p.m. is already in production. Research has also been undertaken on the thermo-electric refrigerator or Peltier effect. Borg Warner of America has brought out a 2.5 cubic feet refrigerator, which is costing approximately Rs. 3,000. But the lack of availability of toluride is preventing its manufacture on a commercial scale. In India, the people would have to depend on solar energy obtained from the Sun's rays or the earth's crest.

With the new developments in the offing, the Indian industry cannot afford to sit quiet. The refrigeration technologists need to re-equip themselves. They must have sound knowledge of thermodynamics and heat transfer, not only to understand the new developments, but also to undertake research to produce something suited to Indians conditions. There is very little co-ordination between Indian industries and engineering institutions. There is a general tendency among engineers to be too theoretical while more practical training is needed. This can be achieved by increasing the duration of compulsory practical training and by giving more incentive to those who work in the factories. Young engineers should be allowed to visit some of the advanced countries. That is where they can pick up new research and production techniques, which are very essential to cut down costs. Institutions like the Indian Society of Refrigeration Engineers have made some efforts at starting schools to train technicians; but the development of institutions like schools always depends on the help of the Government, the trade and industry, which unfortunately is lacking.



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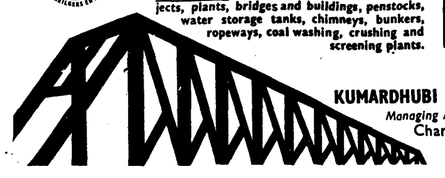
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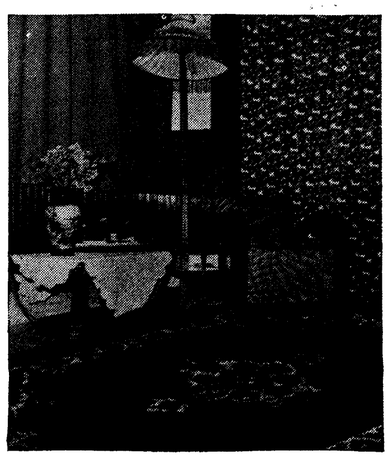
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High Costs Retard Aluminium Expansion

IN 1962, world aluminium production was 5.5 million tonnes and Indian production 35,000 tonnes. As a percentage, India's share was 0.7. This immense difference between the world and Indian production is ample evidence of how small the aluminium industry in this country is today, and the long road that has still to be travelled before India can claim to be on the aluminium map of the world. The current third five year plan target has been fixed at 120,000 tonnes, and it is expected that out of it about 70,000 tonnes will be in production and with some luck the figure may even reach 100,000 tonnes. During the next plan there will have to be substantial expansion and the final figure will greatly depend on the offtake of the electrical industry and the extent to which aluminium could be substituted for other imported non-ferrous metals,

By

A. L. SABHARWAL

particularly copper. It will thus be seen that in the coming years, the industry will occupy a prominent place, not only in India's economy but also on the world aluminium map.

People are familiar with the economic problems of small industries. Small industries are unable to reap the benefits of large-scale operations and the consequent advantages resulting from such operations. As such, it is not necessary to spend time in trying to enumerate these problems. In addition, the industry in India is beset with some additional burdens such as the high costs of power, raw materials, transport, and of imported equipment.

Reducing Power Rates

There are at present no indications that the Government is trying to reduce power rates or the railways the freight rates. The various States of India are also not likely to refrain from imposing electricity duties on power consumed by the industry. These are handicaps to which there does not appear to be any immediate solution in sight, but if the industry is to move forward, it is essential that not only these problems are resolved but also economies are effected internally.

Aluminium produced in India is among the world's most expensive. Some of the causes contributing to this situation have been observed above. In addition, there are other reasons which the industry will have to tackle. Unless these are tackled and the industry's costs of production reduced, Indian aluminium will be priced out of the world market, no matter what incentives or subsidies the Government may offer. To illustrate the seriousness of the situation, aluminium ingot is being offered in the south Asian markets at about Rs. 2,054 a tonne, against an internal price which ranges between Rs. 3,170 and Rs. 3,500 a tonne. The position of rolled products like sheets is no better. An important reason for the high cost of aluminium production in India is the generally low level of productivity. Indian labour is not as efficient as their western or Japanese counterparts. The low productivity of Indian labour, in turn constitutes one of the many tangible elements in the cost of production.

I would like to substantiate my point by quoting Mr. H. V. R. Iengar, who in his statement at the recent annual general meeting of the Indian Aluminium Co. Ltd, said: "It is not enough that we aim at a sufficiency of aluminium production in the country. A stage has been reached in our development, where we must endeavour to reduce costs of production. We are conscious of the factors influencing the industry's high cost of production, particularly the high incidence of electric power and some of the other locally procured raw materials, but nevertheless we should employ all means at our disposal to achieve maximum economies of production. Latest management methods must be adopted, means of increasing productivity must be developed, and care must be taken to plan new projects on the soundest economic grounds possible. The size of new units must be planned bearing in mind the economies of quantity production. Their location must take into consideration such basic economic factors as transport requirements for raw materials and finished products, local availability of supplies and services and potential for future expansion. The co-operation of Government authorities at both the Centre and State levels is also essential in viewing these efforts in the light of the national needs rather than regional. It is also imperative that we secure the co-operation of the trade unions and industrial workers in order to achieve a standard of productivity which is comparable to those outside India. The full economic potential of modern equipment must be realised. This will require the understanding and co-operation of all concerned in rationalising labour agreements so that higher productivity made possible by modern plants is achieved. This is essential in the overall interest not only of the Company and its employees but also of the national economy. It is only through the fullest efforts of all concerned that the aluminium industry will ultimately reach the goal of reducing costs of production."

Plant and Equipment

Another reason for high cost against which preventive steps must be taken is that the machine utilisation in the Indian industry generally is not as high as their western counterparts. Either complete lack of modern equipment and factory design or a partial lack of the latest equipment and techniques is responsible for this in most cases. It is true that the units producing aluminium in India have recently expanded or have been newly established. All new equipment installed have been, by and large, of the latest types. But the mere installation of the latest equipment will not help in reaching higher levels of productivity. This equipment will have to be fully utilised, which means that each plant will have to be well rounded so that maximum economies can be effected. For example, if a plant is equipped with a hot mill which can turn out 50,000 tonnes of hot-rolled slabs and has only installed sufficient ancillary equipment to produce 20,000 tonnes of semi-fabricated products, then the plant is not well rounded. Further plant expansion design will have to incorporate plans and methods which will ensure optimum use of all the installed machinery. If this is done, it will be a great step forward in the overall objective of cost reduction of the Indian product.

Then again, certain legislation also creates problems for the industry. One of them is the difficulties where the issue of prospecting licences are concerned, as a result of which companies with expansion plans have to face enormous difficulties. Although there is some general knowledge about the quality, quantity and location of bauxite in this country, considerable exploration and prospecting has still to be done to determine their exact nature and extent. These prospecting activities have, however, to be carried out by the industry itself. Unfortunately, in many cases the Government has leased out such lands to people who are in no way connected with the aluminium industry. These people are individuals, who at some time or other got a lease for some bauxite land and have done or do some hand-mining and sell bauxite to the chemical industry. Some of these properties are very valuable for the aluminium industry. The result is that the latter has either to buy the bauxite from the lessee, who in most cases has not the equipment, know-how or capital to do geological exploration or adopt sound methods of mining with a view to conserving the deposits. The lessee, therefore, offers to sell his rights to the industry at unreasonable prices. Furthermore, there has recently been a tendency in some parts of India to reserve for the State itself all mineral rights, and if this is applied to existing companies and other companies seeking to establish themselves, it will slow down the expansion of the industry. No investors will be willing to lay out the large sums involved in aluminium production, unless they control the reserves of the basic ore. Lopsided planning is another problem.

Primary Aluminium Production

The estimated output of primary aluminium in India as far as one can see today at the end of the third plan will be as follows:

ESTIMATED PRODUCTION OF ALUMINIUM BY 1965-66

(In '000 tonnes)

	1963	1964	1965-66
Indian Aluminium	25.5	25.5	30.5
Hindustan Aluminium	20.0	20.0	20.0
Aluminium Corporation	7.5	7.5	7.5
Madras Aluminium	—	—	10.0
Total production	53.0	58.0	68.0
Demand	80.0	90.0	100.0
Shortfall	27.0	32.0	32.0

This shows that there will be recurring annual shortfalls unless more capacity comes into production. This will happen in spite of the great attention the Government is paying to the industry. Even inadequate production is not the only result. Contradictory situations, wasteful of economic resources, occur. With an overall shortage of aluminium products in the country at the end of 1962, the Indian market found itself starved of aluminium semi-fabricated and other products, whereas there was a glut of ingots awaiting to be lifted from the producers' warehouses. This is the result of not paying sufficient attention both by producers and the Government to the fabricating side of production, when planning the growth of the industry. Again, I shall quote Mr. H. V. R. Iengar, who

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said in the same statement: "Impressive as the record of our development is, we cannot rest with past achievements. India is developing rapidly and, even to maintain our share in contributing to the national economy, we have to take fast strides. This does not mean that we should run helter-skelter without thought or plan; but we do have to condition our thinking with a sense of urgency. This sense of urgency is not only to be directed towards further expansion but also towards better use of our present facilities and resources. We have to co-ordinate our efforts with the Government and the new aluminium producers so that idle capacity in the plants imposed by artificial circumstances can be eliminated; so that the industry is able to offer metal and fabricated products in a form matching the demand; and so that a soundly based industrywise programme of development can be pursued. I shall illustrate the need for such co-ordination by mentioning an instance in 1962 when there was a national surplus of metal in ingot form concurrently with a shortage of metal in the form of wirebar, rod and billet. Similarly, there are other areas in the planning of the growth and development of the aluminium industry where close co-ordination between the Government on the one hand and the industry on the other will bear fruit".

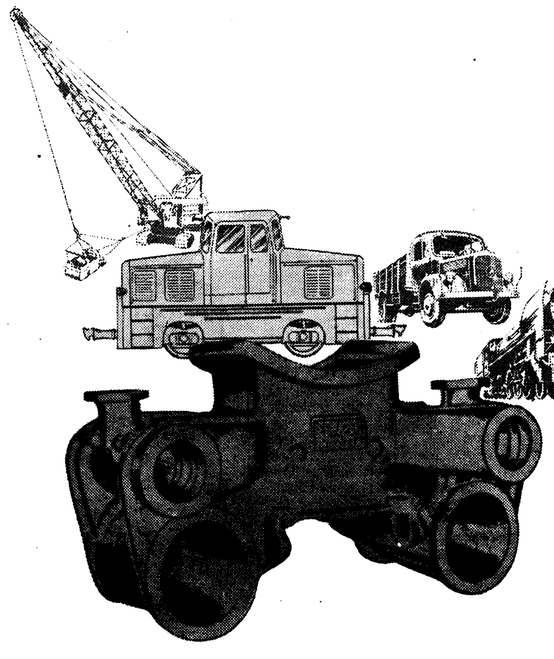
Technological know-how and facilities for basic research have yet to be developed by the industry to reach the standards of major aluminium producing countries. It is true that in the last 25 years, the industry has made tremendous strides in the field of developing technical personnel. A very large smelter in this country was erected and commissioned entirely by Indian personnel with only token foreign assistance in 1962. This is high testimony but is it enough? Know-how for both production and technical development is still underdeveloped in India. Even for application know-how, this country is, to some extent, dependent on outside assistance. Since these services have to be procured at a price, needless to say, they inflate the cost of production of the indigenous metal and in turn the product to the ultimate consumer.

Basic Research

In the field of basic research on aluminium, hardly any facilities exist in the country. It was announced some time ago that some western producers were developing a technique by which aluminium could be produced directly from bauxite without the intermediary alumina stage. Research on such a large scale is, of course, enormously expensive and inconceivable for India in the foreseeable future. But a start must be made by the industry to develop research facilities. If these are established, scientists and technicians could experiment with new techniques, find indigenous substitutes for imported raw materials, improve day-to-day production techniques, new products and so on with special emphasis on conditions prevailing in India, as well as resources indigenously available.

A decade ago, aluminium was merely a pots and pans metal. Today, it has become an industrial metal, and absolutely vital in such a basic sector of the Indian economy as power. Nevertheless, the use of aluminium in India is not as widespread as in western countries. The growth in this sphere has been hampered by the absence of technological skill in the consuming industries, i.e., those who eventually convert the semi-fabricated aluminium to its final form. Many of these manufacturers operate on a small scale, without adequate resources to employ qualified technicians. Even some of the larger users lack proper personnel and facilities. All of them could do a better job of what they are doing already, as well as help to expand the use of aluminium in other fields, if they were well organised. In western countries—or at least in some of them—there are associations which furnish technical advisory services on various applications of the metal to its members. These associations—in the United Kingdom it is called the Aluminium Development Association—are formed by members more or less on a co-operative basis. A move has recently been made in India by some of the primary producers to set up such an association and if it is properly nourished and run during the initial stages, it will go a long way to filling the serious gap which exists today, and thus help in reducing the cost to the ultimate consumer.

To use an oft-repeated phrase, the aluminium industry has now reached the "take-off" point, after struggling for nearly a quarter of a century. Substantial spade work has been done to bring the industry to its present status. Now the industry has, in common with other basic industries, not only to run fast to stand in the same place, but also has to keep running faster and faster to keep pace with the overall development of the economy.



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High Capital Costs Impede Mechanisation of Farms

By
I. CHATTERJEE

UNTIL quite recently, there was an influential school of thought in this country which seriously questioned the benefits of mechanisation in Indian agriculture on the grounds that the use of agricultural machinery was not likely to increase output appreciably. It was also argued that mechanisation will diminish the prospects for rural employment. At different stages of development in other parts of the world, similar doubts were expressed and removed in the course of technological development. But it was felt by sceptics in India that their considerations were of great importance since the country is rapidly becoming overpopulated to saturation point. To this writer, the problems which may arise from the mechanisation of agriculture in India are utterly remote under the present conditions, since she is not likely to reach a stage at which agricultural machinery will be available in quantity for decades. It is, therefore, perhaps more realistic to examine what effect the present limited mechanisation of agriculture in this country has had on food output and to estimate whether India's plans for the future manufacture of machinery will be of any assistance in helping agriculture to attain the third five year plan objectives, which have been worked out on population requirements, and in reducing her food imports.

Distribution of Tractors

If the impact of mechanisation is to be estimated in terms of agricultural production, a clue may be found in the distribution of the total number of tractors in the country. About 40,000 tractors are distributed zonewise as shown in Table I below:

TABLE I

Area		Percentage of total
(i) North zone:	Punjab, Rajasthan, Delhi and Uttar Pradesh.	53
(ii) South zone:	Madras, Andhra Pradesh, Mysore and Kerala.	17
(iii) Rest:	Madhya Pradesh, Gujarat, Maharashtra, West Bengal, Orissa, Bihar and Assam.	30

A further illustration is available from Indian statistics covering the distribution of tractors in various States, as shown below:

TABLE II

Statewise tractor distribution up to 1961

Punjab	7,840
Uttar Pradesh	7,115
Rajasthan	4,183
Andhra Pradesh	2,460
Madhya Pradesh	2 047
Gujarat	1,862
Bihar	1,793
Maharashtra	1,412
Madras	1,390
Mysore	934

While the figures given in Tables I and II are not meant to be conclusive evidence, it will be seen that one of the many factors contributing to a State's agricultural productivity is undoubtedly its degree of mechanisation. Following the recent land reforms, the acreages held by farming households in the country emerged in the form which is shown in Table III below:

TABLE III

Size of holdings (acres)	Percentage of total number of households (65 million households)	Percentage of the total area operated
Nil	6.3	Nil
0.01—2.49	48.5	5.9
2.50—4.99	15 9	10.9
5.00—7.49	9.3	10.5
7.50—9.99	5.6	9.1
10.00—14.99	5.5	12 6
15.00—24.99	4.9	17.7
25.00 and above	4.0	33.3
	100	100

The extensive literature and statistics tend to show an interesting link between the size of holdings and the degree of mechanisation and farming incomes. It is possible to deduce that, on the whole, the economic viability of larger holdings has made it possible for farmers in this rural bracket to adopt a limited degree of mechanisation and to use other farming aids. If one has to make a forecast on the shape of development in Indian agriculture in the future, it is probable that the section of farmers who at present hold 33.1/3 percent of the total cultivable area in lots of 25 acres and above will gradually increase their agricultural output through mechanisation and in time to come, there may be a most undesirable gap between the living standards of *sections of the rural population*. Surveys have been carried out which indicate that with enlightened encouragement and credit facilities, farmers in the privileged rural bracket can absorb over a million tractors, provided certain technical facilities are also made available and the cost factors are reasonable.

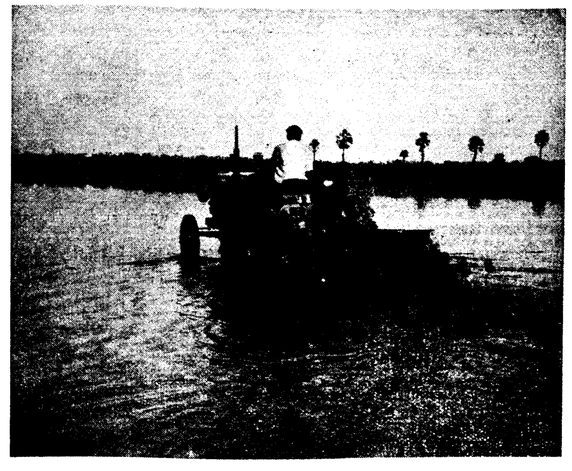
It will become increasingly clear to the planners in India that unbalanced rural development can only be avoided if effective steps are taken to improve the economic condition of farmers in the small holding brackets from the state of poverty in which they have been permitted to stagnate for several centuries. Although the backwardness of the Indian farmer is almost certainly due to well-known economic factors, it is strange to find that various "mystical" reasons, including fatalism and a lack of physical vitality, have been mentioned as contributory factors. Any thorough investigation will establish that the basic reasons for the Indian farmer's lack of motivation is due to the ruthless exploitation which he has experienced for centuries and to the utter lack of economic incentives. A great deal has been said in Parliament and in the popular Press on the subject of price support for foodgrains, but the really effective measure will entail the removal of an entire army of small traders, or middlemen, who rigidly control the prices paid to farmers. Under this system, the farmer obtains little incentive for increasing his output. This, however, is a basic obstacle, the removal of which will be extremely difficult for any democratic country which has political considerations to take into account.

Providing Incentives

The other factors which militate against the provision of incentives to farmers are the common custom of sharing crop still favoured by landowners, the existing land legislation, and the lack of sufficient credit facilities. However, the logical conclusion is that until the small farmer can increase his income through fair prices and larger outputs, the country will not have the basis for the uniform mechanisation of agriculture in India. A cycle has to be created by which the farmer invests his surplus income in machinery, which in turn permits him to increase his earnings.

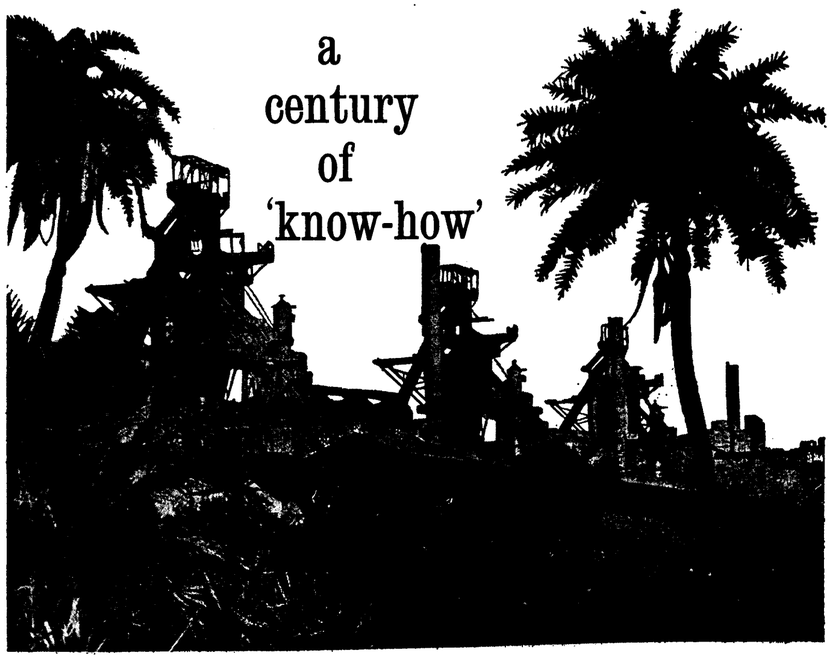
An entire volume can be written on the subject of the Government-sponsored schemes to provide credit in the form of *taccavi* loans which are repayable on a long-term low interest basis. These loans have undoubtedly stimulated agricultural production in many parts of the country, but are not developed adequately for a country of this size. There is a movement, mostly on paper at this stage, to spread co-operative systems which will undoubtedly assist in the creation of facilities for India's rural population but it will be at the cost of setting up bureaucratic machinery and procedures, which may have some of the undesirable features of collectives.

Apart from the above nursery credit developments, there exists a vast field in which private enterprise can offer financial resources for the rural population, which in turn will lead to the gradual mechanisation of agriculture. Of these potential schemes, the building up of farmers' syndicates is an attractive method of avoiding the disadvantages of collectives. Private enterprise can also do a great deal in the way of extending credit to rural areas, through hire-purchase systems. It would be entirely wrong for industrial planners, with a background of manufacture in urban areas, to contemplate the mechanisation of agriculture on the lines which are feasible in purely industrial undertakings. The human factor in relation to traditions are of great importance in matters concerning agricultural affairs, and no responsible Government can be expected to rush through reforms, however desirable these may appear to be superficially, at the risk of dislocating a nation's way of living and an established political system. The other factors which have a considerable bearing on rural organisation are related to the very complex nature of soils and the vagaries of climate and weather which all tend to create uncertainties in agriculture which are not present to the same extent in urban industry. The lack of economic incentives and sufficient



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rural credit facilities have led to a slow growth of mechanisation, as shown in Table IV, and the overall effect has been to produce an unsatisfactory rate of increase in food production.

TABLE IV

Year	Number of tractors on Indian farms
1945	4,524
1951	8,631
1956	20,980
1961	35,000
1962	40,000

The use of animal power with improved implements is not an entirely satisfactory substitute for mechanisation for many reasons. India's bovine livestock is of poor quality and any substantial improvement in this direction will call for controlled breeding measures over sustained periods. It must also be remembered that any substantial increase in the bovine population of India, especially if quality is to be improved, will mean the additional provision of food and labour for the supervision of the animals.

Whereas tractors are perhaps fundamental for any modern mechanisation methods in India, one of the other main drawbacks has been the continued use of agricultural implements developed in the hoary past. In the last few years, implements have been imported with tractors but there is a vast field for redesigning them to suit Indian conditions as the imported items are meant almost entirely for European and American conditions. The main concentration has been in recent years on the use of ploughs of various types, cultivators and harrows but these are mainly still foreign in design and if mechanisation is to increase progressively, implements will have to be developed which are suitable for the alluvial soils of north India, the black cotton soils of central India and the hard and stony soils of the south.

Tractor Designs

As far as tractor designs are concerned, India may import technology from the West in as much as the latest developments are now available for the agricultural machinery manufacturing industry. A modern tractor is a most versatile machine, with considerable toughness for working under rural conditions with accessories and attachments for many auxiliary uses. The tractors which will be available in India will have such features as adjustable front axle and rear wheels, hydraulic lifts, rear end tool bars, easily replaceable engines, and power take-off attachments. The tendency in this country has been to concentrate on the import of tractors in the 20 to 30 D.B.H.P. range but as shown later on in this review, the Government of India has wisely licensed the manufacture of machines in three distinct horse-power categories which are intended to cater to the requirements of small, medium and large acreage farms and for their use on land reclamation schemes.

It is safe to forecast that for a long period, the manufacture of agricultural equipment will continue on the lines envisaged in the Government-licensed projects, but the full mechanisation of agriculture will involve the use at a later stage of rural electrification and increasing familiarity with such farming aids, as land rollers, seed drills, planting machines, fertiliser distributors, harvesting machinery, crushing machines, pest control operators and dairy machinery. Following a series of agricultural surveys, which were carried out by the Government of India with the assistance of advisers from the private sector, it became obvious that from the long-term point of view, the official policy would have to be to stimulate the indigenous production of tractors; otherwise, the large-scale mechanisation which must take place in the future will place an intolerably large load on the country's exchange resources on account of continued imports. One can only sympathise with the Government of India for the difficulty faced by it in taking the final decision to license a number of units for the manufacture of tractors and agricultural implements. The current position in relation to the licensed tractor manufacturers is as shown in Table V below:

TABLE V

Messrs Eicher Tractor Corporation of India Ltd, Faridabad	2,000 Nos. a year (for tractors in the 12/18 and 20/30 D.B.H.P. range).
Messrs Tractors and Bulldozers (P) Ltd, Baroda	2,000 Nos. a year (for tractors in the range of 35 D.B.H.P. and above).
Messrs Tractor and Farm Equipment Ltd, Madras	3,500 Nos. a year (for tractors in 20/30 and 35 D.B.H.P. and above).
Messrs Mahindra and Mahindra Ltd, Bombay	3,500 Nos. a year (for all three ranges).
Messrs Ghaziabad Engineering Ltd, New Delhi	3,500 Nos. a year (up to 35 B.D.H.P.).
	14,500

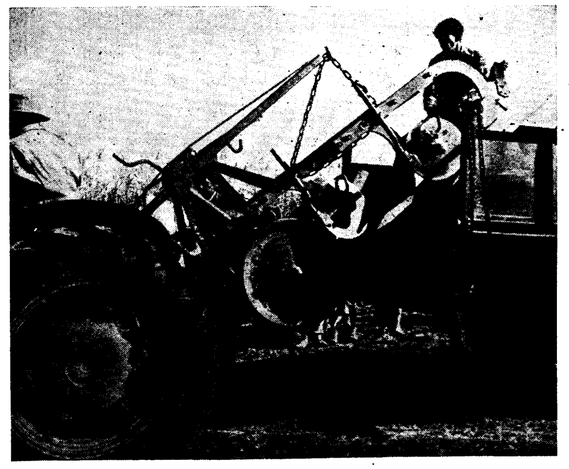
All the industrial concerns which are listed on Table V are also licensed for tractor-drawn implements.

TABLE VI

	Annual Capacity for tillers
Messrs East Asiatic Co. (I) Ltd, Bombay	24,000
Messrs Testeels Ltd, Bombay	1,200/6,000
Messrs Engineering Development (P) Ltd, Calcutta	1,200

A number of smaller firms in various parts of the country have also been issued licences for the manufacture of agricultural implements and accessories for both A.D.V. and tractor applications. These small firms have, in many instances, made remarkable progress.

Briefly, the crux of the problem with which the Government and the private sector alike are faced with may be summed up on the following lines. It will be seen that five manufacturers have been licensed for the production of tractors in a horse-power range extending from 12 D.B.H.P. to 35 D.B.H.P. and above. Presumably, the reason behind the licensing pattern is to introduce an element of competition into the production and supply of tractors. It is hoped that the competition between the respective manufacturers will have the effect of keeping prices down to reasonable levels. However, a factor which is likely to operate against the above view is that the quantities for which the respective manufacturers are licensed are too small to permit of economic production, in terms of the horse-power range are produced in costs at which tractors of equivalent Europe and North America.



A 35 horse-power tractor

Defence Preparation

The Governmentt of India may also be faced with a situation, particularly during the current stress on defence preparation, in which it may be difficult to provide foreign exchange for the implementation of the licensed phased manufacturing schemes, even though one of the stipulations for indigenous production is that a 50-percent deletion content must be attained by each manufacturer from the start of operations. Even if the defence needs were not present, the tractor industry would still have been faced with a difficult period during which foreign exchange will be required simultaneously for food imports and for tractor components. It would appear that as far as tractor manufacture is concerned, the main *saving* in foreign exchange will come about at a stage when there are sufficient tractors in operation in the country to effect a definite saving in the foreign exchange which is wanted for food imports.

Under the above circumstances, it is fairly clear that during the initial stages of the tractor manufacturing programmes, the cost of machinery may work against the large-scale adoption of mechanisation by Indian farmers, unless certain definite steps are taken both by the Government and private enterprise to make credit available on reasonable terms for machinery purchases. If the Government is sufficiently determined to encourage the expansion of agricultural machinery production in the country through the principle of competition, it may be advisable to think in terms of abolishing the capacity restrictions after sufficient time had been given for the manufacturers concerned to reach their initial target capacities with the highest possible indigenous content. If at this stage, each manufacturer is permitted to produce as many tractors as he can market, it will almost certainly be an inducement to the entire industry to embark on the sort of large-scale production which will lead to a real reduction in cost and thereby permit the introduction of mechanisation on an effective basis. Naturally, the main condition prior to lifting capacity restrictions will be to limit the amount of foreign exchange, which this country cannot spare from its meagre resources. It is only by a bold imaginative step of this description that the tractor industry in the future is likely to be placed on an economic basis. In this connection, it must be remembered that whereas different conditions prevail, say, in the motor-car industry, where the cost factor is not of such vital importance because the purchasers belong largely to the upper classes, tractor costs are extremely important as the consumer belongs to the lowest income-bracket in the country. The five licensed manufacturers are likely to attempt to minimise the effects of high initial costs by planning production, with a view to reducing capital cost to the bone.

The Government has already attempted to persuade manufacturers either to standardise the parts used on various types or to pool their manufacturing resources to the greatest extent possible. It is unlikely that the above rationalisation will take place, not only because of the very nature of private enterprise which is basically competitive, but also on account of the fact that the Indian manufacturers will produce tractors to the designs of their foreign collaborators, who will not wish to have their tractor components



A tractor at work

standardised with those of other types. To counteract the effects of high capital cost, it will be necessary for the main manufacturers of agricultural machinery to resort to sub-contracting on a much larger scale than has been attempted hitherto. The sub-contracting process may be either entrusted to the other companies in a manufacturer's group of industries, in which case the problems are somewhat simplified, or else it will be necessary for the main manufacturer to stimulate the growth of small-scale and medium industries which can take on sub-contracting adequately.

Lack of Control

Unfortunately, sub-contracting in India has not always been a happy experience, but this is almost invariably due to lack of control over the manufacturer's processes and quality and to inadequate inspection of his products. In India, the main manufacturers may succeed in sub-contracting by setting up engineering departments which concentrate solely on guiding sub-contractors in manufacturing processes and in controlling the quality of their output. Whereas the above methods may give some reduction in cost due to intensive capitalisation, the main solution for the tractor manufacturer will lie in increasing his volume of production, that is, by developing larger markets, as quickly as possible. For this purpose, it is probable that the tractor manufacturer will aim at the potential demand for machines which exists with land holders of 25 acres and above, who apparently still hold 33½ percent of the cultivable areas in the country. An imaginative approach to this problem will almost certainly mean that the private sector will have to extend credits to the above class of farmers through hire-purchase systems.

If private enterprise is to undertake the expansion of agricultural mechanisation, to the extent necessary, some incentives will have to be provided by the Government by which the industry can develop without the crippling tax restrictions which in their present form are quite likely to discourage the growth of medium and large industries. In general terms, some of the technical problems which will be faced by the agricultural machinery industry are the following: although in the initial stages, some of the five licensed manufacturers will receive machinery and tooling as the capital contribution of their foreign collaborators, it is apparent that capital equipment cannot be permitted to be imported indefinitely, whereas increasing quantities are likely to be wanted as the industry expands. One can short circuit this particular problem by saying that capital requirements will be met by the growing machine tool industry in India, but the fact of the matter is that equipment of this nature is not likely to be in ready supply indigenously for many years. The answer here is probably to make the best possible use of the surplus production capacity in the country, on the assumption that agricultural production will enjoy the highest priority next to defence.

List of plant and machinery (general terms) required for the manufacture of tractors.

(a) *Machine shop:* 1. Bar capstan lathes, chuck capstan lathes, centre lathes, automatic lathes, combination lathes and vertical turret lathes.

2. Pillar drills and radial drills.

3. Vertical millers, horizontal millers, hydromatic millers and high-power millers.

4. Grinders, including tool and cutter grinder, disc grinder, drill grinder, surface grinder, post tool grinder, external and internal grinders and universal grinders.

5. Miscellaneous machines such as horizontal borer, lapping machine and broaching machines.

(b) *Gear cutting:* This section would require hobbers, shavers, chamfering machines, broaching machines and a set of gluson equipment as also gear checking equipment.

(c) *Heat treatment:* This section would require the usual furnaces and special presses.

(d) *Pressing:* Power presses, press brakes, shears and other miscellaneous equipment.

(e) *Foundry:* Besides the cupola, the usual core making and handling equipment.

(f) *Forge shop:* It is rather difficult to envisage the exact size of the hammers required in as much as sub-contracting of certain items could considerably reduce requirements under this head.

(g) *Tool room:* Jig borer, horizontal borer, die sinker, drilling machine, lathes and milling machines.

The fact that most of the agricultural machinery manufacturers are linked financially or technically to foreign firms with highly sophisticated products may present some manufacturing difficulties in the initial stages of production. This is because whereas most of the sophisticated products concerned are undoubtedly the best of their types internationally, the capital cost of producing to these advanced designs will not be encouraging with low market volumes.

Materials required (approximate quantities) for the manufacture of 100 tractors in the 20-30 D.B.H.P. range.

	(In tons)
Special alloy steel	35
Carbon steel	45
Cast iron	90
Non-ferrous metal	4
Proprietary items (tyres, batteries, etcetera)	28
Castings	150
Forgings	32
Pressings, including wheels	25
	409

It will perhaps be necessary for many of the indigenous manufacturers to carry out investigations with their collaborators into the problems of redesigning their products to make the maximum use of Indian materials, and to readapt production processes to those suitable for general-purpose machine tools. These are problems of considerable technical magnitude, but unless some attempt is made to obtain solutions on the lines mentioned above, the combined effects of restricted component imports and high capital cost may well prolong the time required for this industry to reach the take-off stage.

Service Facilities

One of the main technical problems which the Indian manufacturers will doubtless appreciate fully in the course of a few years will be the setting up of a vast network of service facilities wherever their tractors are sold. At present, one of the inhibiting factors preventing sales is that the farmer in the remoter areas very often has no servicing facilities nor sources from which he can obtain spare parts conveniently. This aspect is so crucial that mechanisation may well not register any progress at all, particularly because farmers are born sceptics, until the entire present outlook on servicing is brought into line with modern ideas. It is a matter of speculation as to whether the Government's import policy in recent years, during which tractors of numerous types have been imported freely from many parts of the world, will not hamper the mechanisation of agriculture. The servicing of so many different miscellaneous machines, plus the maintenance of a wide range of spare parts, may prove to be an expensive proposition, as a result of which the useful working life of these tractors may be somewhat reduced.

In this article, an effort has been made to touch the fringe of the many problems which the agricultural machinery manufacturing industry will have to solve within the next few years, if mechanisation is to make any progress whatsoever. It is to be hoped that the Government will not increase this burden by stressing that manufacturers should export, until the internal market provides a sufficiently large volume of production to allow competition in manufacturing costs with foreign products. The effect of subsidising exports will mean a higher indigenous cost which will reduce the internal demand and thus establish a vicious cycle. Exports will, therefore, be possible only when the industry has broken through the "capacity barrier" and has gone beyond the economic breakeven point.

The mechanisation of agriculture will, it is hoped, make it feasible to raise India's food output by intensifying the cultivation of her existing arable land, and with the use of larger machines a simultaneous operation can be launched for land reclamation. It will inevitably be a slow process. But this process must take place and the country will, meanwhile, have to endeavour to produce sufficient food for a growing population through progressive mechanisation.



A tractor ploughing through a large field

Fertiliser Industry Lags Behind Third Plan Target

THE Chinese invasion of India has created a new situation. The economic development of this country which was geared to peace-time methods, has to be set on a war footing. It is not enough if only the armed strength is increased and the defence-orientated industries are made to work at full speed. The armed forces as well as the people who work behind the lines have to be fed and clothed so that they are fit to fight the enemy. The civilian population has to be fed and clothed. All this calls for rapid increase in agricultural production.

The progress of agricultural schemes has been rather slow during the first two years of the third plan. The increase in food production is only 1 million tons over the figure reached at the end of the second plan. The agricultural sector has belied the expectations and it is now necessary to work out programmes for increasing production at a much more rapid pace than was visualised at the time the third plan was drafted. Planning for raising agricultural output has now to be done on a war footing.

By

C. R. RANGANATHAN

Executive Director, The Fertiliser Association of India

The National Development Council at its meeting held in early November 1962, decided that a high priority should be given to agricultural production programmes, especially to those measures which would result in rapid increases. The Council also decided that the targets for minor irrigation and soil conservation programmes should be stepped up by 50 percent at the all-India level and the target for dry farming should be stepped up from 22 million acres to 50 million acres. Arrangements for the distribution of seeds and fertilisers are being strengthened. Greater attention is also being paid to the increased production of rice, millets and pulses. Special programmes for increasing the output of cotton and oilseeds on the package programme basis have also been undertaken in areas most suitable for these crops.

Priority for Fertilisers

One of the quick means of raising crop production is increased use of fertilisers. The results are visible immediately after harvesting the crop. It is, therefore, right that fertiliser use has been given the highest priority in the third plan, in as much as 25 percent of the increase in food production is to be derived from this source. The third plan accordingly sets targets of fertiliser consumption at 1 million tons of nitrogen, 400,000 tons of P_2O_5 and 200,000 tons of K_2O to be achieved by 1965-66. These targets are considered to be the minima for achieving the agricultural production targets, and any shortfall in consumption will be reflected in a corresponding decrease in farm output.

The progress of fertiliser consumption is not what it is desired to be. If the present rate of progress is merely maintained, it is likely that only about 50 percent of the targets will be achieved. The following table shows the position during the three plans:

TABLE I

CONSUMPTION OF FERTILISERS
(In tons)

		Target	Achievement	Percentage achievement
First Plan (1955-56)	N	175,000*	110,000	63
	P_2O_5	25,000*	13,000	55
	K_2O	10,000*	10,000	100
N plus P_2O_5 plus K_2O		210,000	133,000	63
Second Plan (1960-61)	N	370,000	219,000	59
	P_2O_5	120,000	53,000	44
	K_2O	30,000	35,000	117
N plus P_2O_5 plus K_2O		520,000	307,000	57
Third Plan (1965-66)	N	1,000,000	600,000**	60
	P_2O_5	400,000	200,000**	50
	K_2O	200,000	100,000**	50
N plus P_2O_5 plus K_2O		1,600,000	900,000**	56

* Target fixed by the Central Ministry of Food and Agriculture.
** Estimated.

If the farm production targets are to be achieved, it is essential that fertiliser consumption targets are reached. The present national emergency has underscored the need to step up agricultural production at a very fast rate. Fertiliser promotional programmes should be undertaken with zeal and enthusiasm.

Assuming that the consumption targets will be achieved, it is necessary to make available to the farmer all the fertiliser required by him. The third five year plan assumes a production of 800,000 tons of nitrogen and 400,000 tons of P_2O_5 by 1965-66. This leaves a balance of 200,000 tons of nitrogen to be imported. All the potash needed has to be imported as there are no known deposits of potash of fertiliser grade. Fertiliser production must be geared up to target levels, but, whether or not, it is, there must be no change of plans for reaching the consumption targets. The deficiency between the consumption targets and domestic production must be made good by imports.

Two important raw materials used in the manufacture of fertilisers, namely, rock phosphate and sulphur, are entirely imported. There seems to be no alternative to importing these materials unless deposits are found in the country. Meanwhile, fertiliser production must not be allowed to suffer because of inadequate imports. It is estimated that 1,440,000 tons of rock phosphate and 385,000 tons of sulphur will be required to manufacture fertilisers up to the target levels. All this quantity has to be imported in addition to 200,000 tons of nitrogen and 200,000 tons of K_2O. At the present import price of these commodities, the foreign exchange requirement will amount to Rs. 56.9 crores by the end of the third five year plan. Even assuming that a part of the imports could be arranged through barter or link deals, still the foreign exchange commitments will be substantial. In the present national emergency, everything should be done to conserve as much foreign exchange as possible. At least nothing should be done to put back the production programme, resulting in shortfalls in production and the consequent need for larger imports of fertiliser materials.

Production in Private Sector

Before the third plan started, it was the policy of the Central Government to license new nitrogen (N) fertiliser factories in the public sector and allow the private sector to develop production of only phosphatic (P_2O_5) fertilisers. The Government subsequently changed this policy and decided to allow production of 200,000 tons of N in the private sector. The policy has been further revised and eight factories have been licensed in the private sector with a capacity of 480,000 tons of N and 220,000 tons of P_2O_5. One factory has since then surrendered its licence and another factory with a capacity of 100,000 tons of N is in the process of being licensed. Since licensing, two factories in Ennore and Sahupuri have gone into production.

All single superphosphate factories are in the private sector with the exception of those in Bihar and Kerala. Licences have been granted for complex fertiliser factories both in the public and private sectors. The licensed capacity of nitrogen exceeds 1.3 million tons N and that of P_2O_5 540,000 tons N. The question is, are all these factories going to come up before the end of the third plan so that production targets will be achieved?

At the present rate of progress, it is evident that all the nitrogenous and complex fertiliser factories licensed will not go into production during the third plan. It is also unlikely that the target of nitrogen and phosphatic fertiliser production will be achieved. It is a matter of opinion how much of the targeted production will be actually reached. Government circles put the figure a little high while private circles put the figures a little low. But what is the correct situation?

According to the United Nations Fertiliser Survey Mission report,

TABLE II

ESTIMATED PRODUCTION OF FERTILISERS BY 1965-66
(In '000 tons)

Factory	N Capacity	N Production	P_2O_5 Capacity	P_2O_5 Production	Product	Remarks
(1) Sindri	117.0	110.0	—	—	A/S, Urea A/S/N	In production
(2) F.A.C.T.	60.0	60.0	26.4	26.4	A/S, A.P., A.C., S/P	Third stage expected by 1964
(3) By-product and Belagula	16.0	16.0	—	—	A/S	In operation
	80.0	75.0	—	—	C.A.N.	In operation
(4) Nangal	120.0	60.0	—	—	C.A.N.	In operation
(5) Rourkela	16.4	16.0	20.6	20.0	A.P.	In operation (second stage not taken into account)
(6) Ennore						Expected to go into production in 1965-66. 50 percent capacity taken into account
(7) Trombay	90.0	80.0	45.0	40.0	N.P. & Urea	
(8) Neyvell	70.0	35.0	—	—	Urea	
(9) Superphosphate (existing)	—	—	112.0	108.0	S/P	90 percent capacity assumed
(10) Superphosphate	—	—	74.8	37.4	S/P	50 percent capacity assumed
	569.4	452.0	278.8	231.4		

the final decision to construct the factory, setting up of contractors' bids, review of bids, ordering, construction, erection to completion and start-up take anything from 44 to 60 months, even assuming that all preliminary work on the project and decision to proceed with it including preliminary processes and specifications have been completed. According to the Mission, this process should normally take 28 to 38 months. Work on only two of the projected factories is under way. They are the Trombay and Neyveli schemes. All other projects are still in the preliminary stages of planning, and construction is yet to be taken up.

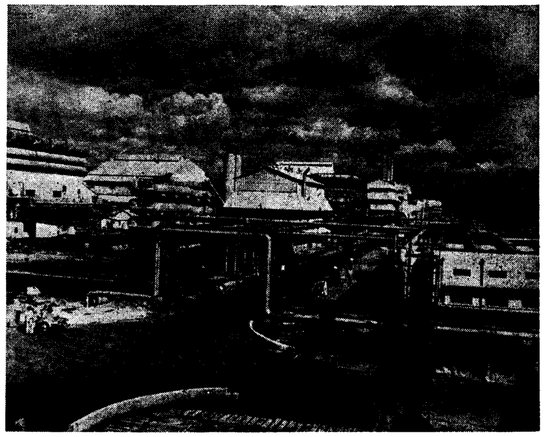
(In '000 tons)

Public Sector Factory	Capacity N	Capacity P_2O_5	Private Sector Factory	Capacity N	Capacity P_2O_5
F.A.C.T. (expansion)	33.3	19.8	Visakhapatnam	80.0	73.0
			Kothagudem	80.0	—
Neyveli	70.0	—	Ennore (expansion)	8.2	10.3
Trombay	90.0	45.0	Gujarat	96.0	56.0
Nahorkatiya	45.0	—	Tuticorin	63.3	79.2
Gorakhpur	80.0	—	Sahupuri (expansion)	10.0	—
Durgapur	58.0	—	Hanumangarh	80.0	—
Madhya Pradesh (to be licensed)	45.0	—	Mangalore (to be licensed)	95.0	25.0

Slow Progress

With only three years of the plan left, even if the process of setting up of the factories is expedited to the normal level, the factories will go into production only towards the end of the third plan. So the projects on which work has not yet started could be written off for the third plan period, unless immediate steps are taken to start the construction of these factories and the construction work is speeded up above the normal level. Assuming that the Trombay and Neyveli projects will go into production during the third plan, and that some superphosphate factories will also go into production during this period, the table below gives an estimate of the likely production of N and P_2O_5 during the third plan.

This means that against a target of 800,000 tons N and 400,000 tons of P_2O_5, only 452,000 tons N and 231,000 tons of P_2O_5 will be produced, leaving a gap of 348,000 tons N and 169,000 tons P_2O_5. It is doubtful that the necessary foreign exchange can be found for importing these additional quantities of fertilisers. It is imperative that the country should itself produce the required quantities. Even at this late stage, it will be possible for at least some of the projects licensed to go into production in the last year of the third plan, provided the necessary climate is created for setting up the factories and the whole process of construction



The urea, nitric acid and double salt plant at Sindri

speeded up on a war footing. The following table gives the factories licensed, but not in production, both in the private and public sectors together with their capacities.

Of the factories in the public sector, those in Neyveli and Trombay as well as the F.A.C.T. (expansion) are expected to go into production during the third five year plan period. With the possible exception of the Visakhapatnam and Kothagudem factories, none of the private sector factories is expected to go on stream by 1965-66.

Progress of Private Sector

Of late, there has been criticism that the private sector factories are not progressing according to schedule. What is the reason for the slow progress of these factories? A nitrogen or complex fertiliser factory with an installed capacity of 80,000 to 100,000 tons of nitrogen costs anything between Rs. 25 crores and Rs. 30 crores. The private sector cannot obviously invest such large sums, without looking into the profitability of the projects. Before the private sector undertakes the construction of a factory, it will have to examine the following factors:

(i) Are the necessary raw materials required for the stepping up of a factory such as water, electricity, etcetera, available nearby cheaply and in abundance?

(ii) Are transport facilities available adequately to carry the fertiliser produced, in time to the consumer?

(iii) Is the market system conducive to efficient distribution?

(iv) Can the product be made cheaply so that all that is produced can be marketed and the market further developed?

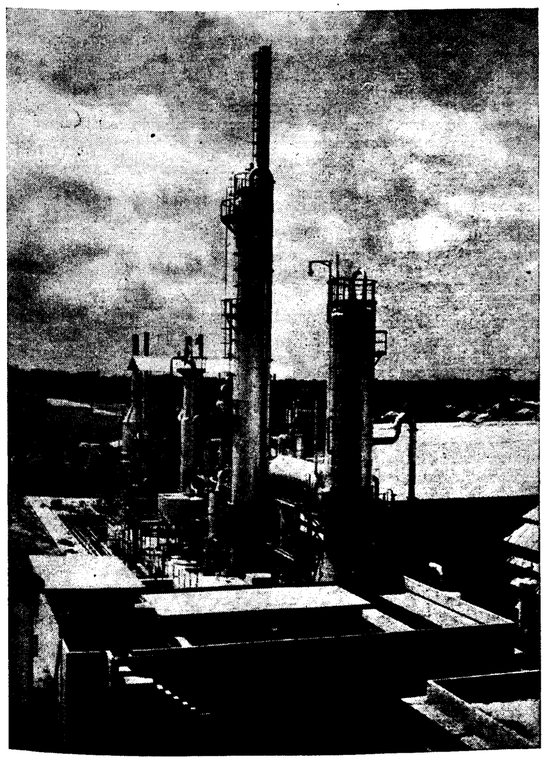
(v) Can foreign collaboration be secured under the existing taxation policies of the Government of India?

Before the construction of a factory is undertaken, a careful survey has to be made about the availability of requisite quantities of electricity and water, and necessary raw materials for the production of fertilisers. The licensee proceeds with the project on the strength of the assurances given by the State Government or the public bodies concerned. But it sometimes happens that there are delays in making available the necessary raw materials with the result that the project is also delayed.

Discrimination in Wagon Supply

Wagons are in short supply and low priority is given for the supply of wagons to fertilisers marketed by private manufacturers. Wagon supply carries the higher priority "C" when the fertilisers are sponsored by the Central and State Governments, whereas fertilisers marketed by the private manufacturers carry the low priority "E". Since fertilisers produced in the public sector move on Government account, that sector gets wagons more easily. The fertiliser manufactured by the private sector is thus placed at a disadvantage. The private manufacturer has to wait for wagons in a state of uncertainty or lift the fertilisers to the destination during the off-season or during the season by road; both processes involve higher expenditure and the consequent increase in costs. The Government has now agreed to supply an adequate number of wagons to the private manufacturers under priority "E", but as long as the differential priority for the supply of wagons remains, privately produced fertilisers will be at a disadvantage *vis-à-vis* the fertilisers manufactured by Government factories.

The present distribution arrangements do not enthuse private manufacturers to venture into the production of nitrogenous fertilisers. The distribution of straight nitrogenous fertilisers is the monopoly of the



A complete view of F.A.C.T.'s new oil gasification plant

Central and State Governments and of the co-operative organisations which enjoy Government patronage. All nitrogenous fertilisers, both internally produced and imported, are taken into what is known as the "Central Fertiliser Pool" and distributed through the State Governments and their agents —the co-operatives—to the cultivator. Normally, the "Pool" is expected to take over the entire production of the nitrogenous fertiliser produced by the manufacturers at a retention price which varies from factory to factory depending on their costs of production. The system has the following disadvantages in so far as the private manufacturers are concerned.

Distribution Arrangements

(i) Although the Central Fertiliser Pool, it is expected, will take over the entire output, the private manufacturers cannot be sure of this happening especially when all the nitrogenous fertiliser projects go into production and there will be abundant supplies of fertilisers. Although there is adequate demand for ammonium sulphate, the same cannot be said to be true of new fertilisers like calcium ammonium nitrate and urea which are going to be produced in large quantities in future. The same problem arose when Nangal went into production, and consequently, the factory had to curtail production for some months. While a Government factory can afford to do this, a private manufacturer will not be in a position either to shut down his factory or go slow with the production.

(ii) Under the Pool system, a certain retention price is paid to the manufacturer, the price paid depending on the cost of production. This system places the efficient manufacturer on the same footing as the inefficient one, tending to undermine the efficiency of production. Progress is possible only under competition and the industry is likely to stagnate if allowed a price which covers inefficiency. A private manufacturer will like to operate in a free market.

(iii) It is a legitimate desire of the manufacturer to develop his own markets. This has the double advantage that the manufacturer will know his market situation well and adjust his production accordingly, and that he can benefit from the profits of marketing his own product, which is denied to him under the existing system of marketing.

It is not known how long the present system of distribution of fertilisers under the "Fertiliser Pool" will continue. With greater supplies of fertilisers, the inadequacy of the existing system of distribution of nitrogenous fertilisers will become evident. The current thinking seems to be that the "fertiliser pool" should be replaced by a "fertiliser marketing corporation". The shape and form which the marketing corporation will take is not known. If it is going to be another "fertiliser

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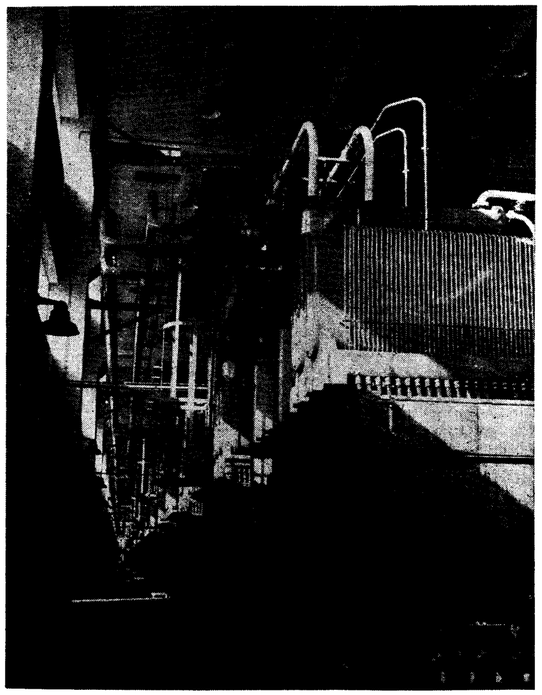
CONVEYOR BELTINGS

TO SUIT

THE REQUIREMENTS OF

- FERTILISER
- MINING

AND OTHER INDUSTRIES



A general view of the electrolyser plant at the Nangal fertiliser factory

pool" with a different name, it will hardly improve matters.

The U.N. Fertiliser Survey Mission, considering all aspects of the existing system of distribution of fertilisers, recommended that the distribution of fertilisers should be left to the manufacturer himself. In view of the fact that the scarcity conditions for nitrogenous fertilisers are gradually disappearing and giving place to more abundant supplies, either from internal production or imports, the reasons for starting the fertiliser pool, namely, equitable distribution of limited supplies of nitrogenous fertilisers, will soon cease to exist. Free trade in fertilisers should, therefore, be allowed.

Consumption Targets

An abundant supply of fertilisers is essential to reach the plan targets of fertiliser consumption. Adequate supply of fertilisers cannot be ensured without the country producing sufficient quantities as the availability of foreign exchange for imports is limited. Production by itself will not solve the problem, unless adequate demand is created and for this purpose fertilisers should be cheap. The crux of the problem, therefore, is that adequate quantities of fertilisers should be produced cheaply, so that the commodity is within the reach of the small farmer and he can apply larger and larger doses of the material.

Fertilisers in India are very costly. There are many reasons for this. Imported raw materials and imported fertiliser plants are costly. Under the present system of distribution, costs of marketing the products are high, because of the intermediary agency of the "Pool" and the State Governments who keep certain margin to meet contingencies such as administrative charges or charges for offsetting any future losses.

The Indian farmer is perhaps one of the poorest in the world, yet the fertiliser supplied to him is the costliest. This perhaps acts as a brake on the increased consumption of fertilisers. Cheaper fertilisers are, therefore, the solution for their increased use. The costs of production should be reduced by working the factories efficiently.

The Government's taxation policy is also responsible for the high cost of fertilisers. The Finance Bill of 1962 levied certain excise duties on the intermediate raw materials used in the manufacture of fertilisers. They are:

(1) Nitric, hydrochloric and sulphuric acids (including fuming and anhydrous thereof), all sorts	10 percent *ad valorem*
(2) Compressed, liquefied or solidified gases, namely,	
(i) Oxygen	10 percent *ad valorem*
(ii) Chlorine	10 percent *ad valorem*
(iii) Ammonia	10 percent *ad valorem*
(iv) Carbonic acid (Carbon dioxide)	50 percent *ad valorem*

Taxation of Industry

These taxes are unique in the sense that in no other country are taxes imposed on intermediate materials used in the manufacture of fertilisers. Their burden on the fertiliser industry would have been much higher but for the fact that the tariff values fixed for various products above have been kept low by a subsequent notification of the Government of India. By this notification, ammonia and carbon dioxide "utilised in the manufacture of fertilisers within the factory of production are exempt from so much of the duty of excise leviable thereon as is in excess of Rs. 25.00 a metric tonne".

The result of these taxation proposals is that the cost of fertilisers increased anything from Rs. 5 to Rs. 34 per metric tonne. If the taxes are passed on to the farmer, it means a further increase in the cost of the fertiliser to the farmer, and may be resisted by him. While the Government can afford to absorb the taxes—which, in effect, will mean collecting the tax from one Government source and passing it on to another—the private industry has no other alternative but to pass on the burden to the cultivator. Added to all these, under the recent taxation proposals, the Government of India has imposed further burdens on the fertiliser industry. The 1963 Finance Bill contains two proposals which affect this industry directly. They are:

(a) an increase in the import duty on machinery and

(b) the proposed imposition of a "super profits tax".

Import duty: A surcharge of 10 percent has been levied on all imported machinery. By classifying fertiliser machinery at a concessional machinery rate instead of the previous practice of classifying it under ordinary machinery rate, the import duty will remain the same at 15 percent. The surcharge will impose a burden of an additional 1.5 percent of the value of imports.

Fertiliser manufacturing plants, if they are to be capable of producing cheap fertilisers, require expensive specialised modern plant, the greater part of which has to be imported. The effect of the increase in the cost of import duty will, therefore, make an increase (estimated at Rs. 15 lakhs for a plant costing Rs. 27 crores with imported machinery worth Rs. 10 crores) in the capital cost of any new fertiliser plant. This, in turn, will increase the cost of finished fertilisers because of the enhanced monetary value of the depreciation of the plant, and also because of the additional burden of interest.

Super profits tax: The tax will bear more harshly on industries or individual industrial units with a highly geared capital structure (the fertiliser industry is one) than it will on others. While the shareholders expect a dividend of at least 6 percent, the balance of 4 percent in income and 40 percent left after paying super profits tax on income over 10 percent, is just not enough to meet the unabsorbed losses of the first three years when the factory is under construction, to meet the loan commitments it would have entered into at the time of construction of the factory, and to build sufficient capital reserves to replace capital equipment a high proportion of which will be nearing the end of its useful life in ten years' time. With the profitability of the project being limited and with restricted scope for honouring loan commitments, the foreign investor will think twice before investing his funds in the fertiliser industry.

The need for finding additional resources for financing the defence efforts and the plan programmes cannot be questioned. But it is feared that the new imposts will have an adverse effect on the development of the fertiliser industry, and consequently, on agricultural production. It is necessary that the fertiliser projects should not be allowed to go slow. Everything should be done to speed up the plan projects, in both the private and public sectors. The necessary climate for speedy execution of the projects will be created when the taxation policy is so framed as to attract foreign and domestic investors and when factories are given the freedom and responsibility to market their own products on a competitive basis.



A 35 H.P. tractor engaged in a maize field

Cable Output Rising, but Raw Material Worries Remain

By

V. G. G. NAYAR

General Manager, Aluminium Industries Ltd, Kundara

DURING the third plan period, nearly 8 million kilowatts of power is planned to be added to the electric power generating capacity. The Indian cable industry is at present engaged in an all-out drive to meet the requirements of cables for transmitting and distributing this extra power production. The country is now more or less self-sufficient in most types of power and communication cables. But future needs will make more exacting calls on the industry. So it has launched a programme of all-round modernisation, diversification and expansion.

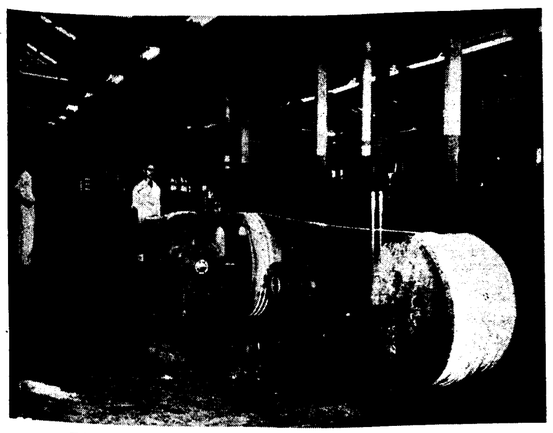
The Indian Cable Co. Ltd (I.C.C.), owned and managed by a leading British group, was the only unit engaged in cable-making in India when the second World War broke out. The National Insulated Cable Co. of India Ltd (N.I.C.C.O.) was set up during war time. I.C.C. and N.I.C.C.O. have, during the past two decades, substantially expanded their capacities for most types of cables.

Demand for Power Cables

The I.C.C. made a *début* into manufacture of paper-insulated underground power cables towards the end of the second plan. Realising the increasing demand for power cables, the Government granted licences for additional capacity for this type of cable to various other units. Among the latter, the Cable Corporation of India has already gone into production and the plant of Asian Cable Corporation will be commissioned shortly. The licences issued by the Government also take care of the country's requirements of pyrotenax fireproof cables, paper and cotton and other covered magnet wires, army field cables, carrier frequency cables, co-axial communication cables and other specialised lines. There are at present about eight major units manufacturing bare copper conductors and 40 units making rubber-plastic insulated cables and different types of winding wires. Almost all the big names in the world cable field, like B.I.C.C., Enfield, Philips, Phelps Dodge, A.E.I., Siemens, Standard Telephone Co., Sumitomo Electric, Showa Electric and Johnson and Philips, are associated with one or other of the units of the industry in India (see Table 1 on this page).

The first plant for the exclusive manufacture of plain and steel-cored aluminium conductors and accessories was set up by the Aluminium Industries Ltd which commissioned its plant in Kundara (Kerala State) in 1950 in technical collaboration with the Aluminium Ltd group of Canada. This unit was also the first to introduce the manufacture of insulated aluminium cables in the country. At present, there are 12 units scattered widely over the country with a total annual capacity of over 40,000 tonnes of A.C.S.R. and all-aluminium conductors. The manufacture of enamelled wires was started for the first time in the country by N.I.C.C.O. The application of polyethylene and P.V.C. for cable insulation and protection has also come to stay in India.

To meet the growing demands of telecommunication cables in a developing economy, the Government of India has set up the Hindustan Cables Ltd (H.C.L.) in the public sector in Rupnarainpur, West Bengal, for manufacturing paper-insulated dry-core telephone cables. The increasing requirements of small wires and cables have led to the setting up of a number of small-scale units. They are concentrated mainly in the Delhi and Bombay regions. These entrepreneurs have, with considerable ingenuity, themselves fabricated several machines which, although not comparable in technical refinements, versatility and precision with modern equipment, have still been contributing a substantial percentage to the output of small wires for house services and building wires in the country. These units enjoy special patronage at the hands of the Central and State Governments.



P.V.C. extrusion over polythene-covered aluminium

Power Production

Electrical power production in the country will expand at the rate of at least cent percent every five years during the next few plan periods. The cable industry is faced with the opportunity and the necessity of expanding fast and soon to cope with this rate of power expansion. In due course, the industry will have developed itself into a well-established, properly diversified and broad-based complex so that the minimum requirements and the many and varied types of cables that the newly industrialised nation needs could be easily met from within the country.

At the end of the second plan, about 84,000 circuit miles of transmission lines of voltage 11 kV and above have been strung, and to this another 65,000 circuit miles is proposed to be added during the third plan period. Spectacular progress is being made in rural electrification: the number of villages electrified up to the end of the first plan was 10,000; 13,000 villages were added to this during the second plan period; and a further 30,000 villages are pro-

Table 1

Name of the unit	Products	Name of foreign consultants-associates
The Indian Cable Co. Ltd, Jamshedpur (Bihar)	A, B, C, D, E and F	British Insulated Callender's Cables, U.K.
National Insulated Cable Co. of India Ltd, Calcutta (W. Bengal)	A, B, C, D and E	do
The Aluminium Industries Ltd, Kundara (Kerala)	B and F	Aluminium Limited, Canada
Electrical Manufacturing Co., Calcutta (W. Bengal)	B	
Hindustan Cables Ltd, Rupnarainpur, (W. Bengal)	G	Standard Telephone Co., U.K.
Asian Cables Corpn., Bombay (Maharashtra)	C, D and F	Enfields Ltd, U.K. and Phelps Dodge Copper Products Corpn., U.S.A.
Electrical Industries Corpn., Calcutta (W. Bengal)	C, D and E	Philips Ltd
Fort Gloster Industries Ltd, Calcutta (W. Bengal)	A, C and F	British Insulated Callender's Cables, U.K.
Universal Cables Ltd, Satna (M.P.)	F	do
Cable Corpn. of India, Bombay (Maharashtra)	C and F	Siemens Ltd and Felton and Guilleaume, West Germany
Henley Cables India Ltd, Poona (Maharashtra)	C	Associated Electrical Industries Ltd, U.K.
Shamsher Sterling Cable Corpn. Ltd, Bombay	C, E and F	Showa Works Ltd, Japan
Mahendra Electricals Ltd, Kalol (Bombay)	C	Johnson and Philips, U.K.
Oriental Power Cables Ltd	F	Sumitomo Electric Industries Ltd, Japan
Wandleside-National Conductors Ltd Bombay (Maharashtra)	E	Wandleside, U.K.
Power Cables Private Ltd, Kalyan, Bombay	B and C	
Indian Aluminium Cables, Delhi	B and C	
Hindustan Electric Co. Ltd, Faridabad (Punjab)	A and B	Brown Boveri, Switzerland

A=Bare Copper; B=ACSR/AAC; C=VIR/PVC; D=Enamelled Wires
E=CC/PC Wires; F=Power Cables
G=Communication Cables



Aluminium being drawn into wire

posed to be electrified during the third plan period. The total outlay on power schemes in the third plan is estimated at Rs. 1,200 crores, out of which over Rs. 325 crores will be required for transmission and distribution schemes. All this is of direct interest to the cable industry. The licensed capacities and the planned production targets (1965-66) for the various items of cables and wires are summarised in Table II on this page.

Supply of Raw Materials

The supply position of various essential raw materials for cable making is as follows:

Copper: imported in the shape of electrolytically-refined 250-lbs wire bars. The prospects of adequate supplies from within the country are meagre for the next few years.

Aluminium: the output of aluminium in 1962 was 29,800 tonnes and the target towards the end of the third plan is 125,000 tonnes. More than 70,000 tonnes will be required by the wire and cable industries.

Lead and tin: fully imported.

Rubber: natural R.M.A.I.X. smoked rubber sheets are obtained from indigenous sources as well as from Malaya. Synthetic rubber is imported fully from the U.S.A.

Polyethylene: ready-mixed compounds to suit particular applications are available from units already in production in the country.

P.V.C.: indigenous production has already commenced. But the present price is artificially high (almost double the imported material cost) but is expected to come down to a more reasonable level when more units come into the field.

Textiles, hessian and rubber fillers: these are available from within the country.

Insulating paper: imported at present, but is likely to be available very soon from indigenous sources. Requirements are about 2,000 tonnes a year.

Enamels: these are available from indigenous sources.

Rubber chemicals: imported at present, but are expected to be available within the country during the current plan period.

Steel strips and armour wire: currently imported, but capacity is being built up by indigenous units.

If price and availability considerations were not to complicate matters, copper would have been preferred for making cables for technical reasons. Nevertheless, aluminium is a conductor in its own right, due to its lightness, high mass conductivity and corrosion-resistant characteristics. For conductors of equal resistance, the current-carrying capacity of aluminium will be greater than that of copper because of the increased size and hence the greater rate of heat dissipation. Authorised current-carrying capacity, section for section, is 70 percent to 80 percent for aluminium conductors in comparison with copper, against 60 percent to 62 percent conductivity based on resistivity of the same section. An aluminium conductor of the same current carrying capacity as equivalent copper section weighs only 42 percent of the copper conductor.

The Obvious Choice

Price advantage and easy availability make aluminium the obvious choice in all applications where its slightly extra bulk (39 percent more than copper for the same current-carrying capacity) does not pose manufacturing and application problems. In any case, for low and medium voltage applications where the size of the conductor is 8 S.W.G. and above, aluminium does offer substantial economies. The Indian cable industry and the Government have already set in motion a vigorous drive for the substitution of copper by aluminium in the cables and wires industry. This substitution programme, which has been taken in hand after mature deliberations and detailed discussions between the Government and experts from the T.C.M. and other similar international organisations, and representatives of cable-makers, is likely to result in due course in the most thorough switch-over from copper to aluminium in the electrical industry that has been planned or executed in any country.

The substitution programme is being phased out into three stages so that within the next two or three years, practically all power and housewiring cable produced in the country will have aluminium conductors. Special applications like control cables, mining cables, trolley and traction cables will, however, continue to be made in copper. Most of the established manufacturers originally based on copper are progressively switching over to aluminium. All the implications of the switch-over are being explored in a systematic and businesslike manner by both the industry and the Government and the results so far achieved in this campaign are encouraging and impressive. The readiness with which the electrical engineers in the country co-operated with the cable industry in this direction, and willingly and widely modified their practices to suit the new material, is a pleasant and reassuring chapter which does credit to all concerned.

Among the expansion schemes already licensed by the Government is a project for the manufacture of "Solidal" cables—a new type of cable designed and developed recently for underground applications, both in industrial installations and in power supply. This cable incorporates three sector-shaped solid aluminium conductors in the fully soft (annealed) condition. The fourth neutral (or earth) conductor is combined with the armouring by making use of hard rectangular aluminium wires in the form of a concentric layer. Each phase conductor is insulated with P.V.C. and the three lapped together with the P.V.C. tape. The concentric neutral layer is covered with aluminium foil to equalise current distribution in the rectangular wires and served with barium-chromate linen tape of chemical protection to the wires against the possibility of soil electrolytic corrosion. Over this is extruded the final sheath of black P.V.C. Compared with conventional cables, "Solidal" is strikingly light and compact. The cable is suitable both as a three-phase low-voltage distributor cable or as a three-phase three-conductor cable for balanced loads. The low cost associated with "Solidal" makes it an economic alternative to open the wire overhead low voltage distribution system, whether installed underground or as an aerial cable.

TABLE II

	No. of recognised units	Production in 1961	Capacity available as on 1st January, 1962 (licensed)	Total licensed capacity (including capacity installed already)	Estimated capacity at the end of 1965-66
Bare copper conductors	6	8,000 tonnes	18,000 tonnes	18,000 tonnes	18,000 tonnes
A.C.S.R. and all-aluminium conductors	7	25,000 tonnes	19,300 tonnes	45,040 tonnes	69,000 tonnes
Rubber and plastic insulated cables	17	263 mil. metres	264 mil. metres	840 mil. metres	1,000 mil. metres
Enamelled wires	7	5,880 tonnes	4,500 tonnes	19,000 tonnes	25,400 tonnes
C.C./P.C. wires and strips					30,500 tonnes
Paper-insulated power cables	2	1,654 km	1,600 km	7,040 km	10,500 km
Plastic-insulated alum. cored power cables (Solidal)	1	nil	800 km	800 km	*
Paper-insulated telecom. cable	1	1,733 km	1,930 km	3,220 km	4,020 km
Coaxial cable for telecommunications	1	322 km	483 km	483 km	483 km

(*Figures not available)

Standardisation and Specifications

The Indian Standards Institution has brought out specification for all types of cables currently manufactured in the country. These specifications have been mainly based on British standards, and the development trends in the country have also tended to follow British practices. However, the I.S.I. of late is taking note of cable developments in other countries particularly in the U.S.A. and Germany and formulating standards for the modern ranges and designs of cables. Besides bringing out amendments to most of the specifications for cables providing for substitution with aluminium (where copper was specified originally) on a rush basis, the I.S.I. has taken the lead in provoking technical discussions on the implications of the switch-over to aluminium in the recent I.S.I. Convention in Calcutta where "aluminium for electrical purposes" was one of the important topics dealt with.

Most of the established units are licensed to use the I.S.I. certification mark, guaranteeing quality and conformity to the relevant standards of the goods produced by them.

Although in the early years, most of the units of the industry were equipped with plant of British manufacture, the present trend is to buy more of machinery of east European or American make, thanks to the assistance available to the country through barter arrangements and the programmes of the U.S. Agency for International Development and quicker deliveries offered by manufacturers in these countries. All the leading manufacturers have equipped themselves with adequate testing facilities comparable with similar facilities available with their counterparts anywhere in the world. Some of the units have even instituted modern methods of quality development and assurance programmes incorporating statistical quality control methods.

All types of aluminium rod rolling processes are adopted, but very soon the major portion of aluminium rod fabrication in the country will be by what is known as the "Properzi" continuous casting and rolling process. Among specialised lines of copper wire processing may be mentioned the manufacture of grooved copper conductor for electric traction for the Indian railways. Some of the recent rubber cable units employ continuous vulcanising process, and one of the units has a versatile continuous vulcaniser-*cum*-extruder which could handle rubber as well as plastics. However, some of the older rubber-insulated cable producers apply rubber insulation in two or more layers by the conventional longitudinal process.

The equipment used for polyethylene and/or P.V.C. insulation and sheathing covers various types of extruders, including the most modern and complete lines incorporating a spark-testing and diameter-eccentricity control unit.

Communication cables: Hindustan Cables Ltd has, in collaboration with the Standard Telephone Co. of the U.K., developed capacity for the manufacture of paper-insulated multi-core communication cables. They have subsequently taken in hand expansion programmes for incorporating co-axial cables with polyethylene insulation capable of providing multichannel communication circuits of up to 960 channels in each cable.

The range of cables proposed to be manufactured by H.C.L. include Stalpeth and Alpeth plastic insulated communication cables which will be substantially cheaper than equivalent paper-insulated lead-sheathed cables. However, there is at present an acute shortage of communication cables within the country, compared with the relatively easy position in small sizes of building wires and power cables. It is, therefore, a matter of conjecture whether like the power cables sector, private industry should not have also started the manufacture of communication cables. Instead of continuing to expand the communication cable capacity at a rate at which they could fulfil the country's full requirements, H.C.L. is, on the other hand, planning to set up the manufacture of power cables as well.

Enamelled wires: Enamelled wire and winding wire requirements are a good indicator of a country's motive power development in the form of electric motors and transformers. The industry is developing very fast in a determined bid to meet the rapidly increasing demands of motor and transformer makers. All the main types of winding wires, and cotton, silk and paper-covered wires and P.V.A. polyester and polyurethene type enamelled wires are produced in the country. The major units which account for a substantial percentage of the output, are the Electrical Industries Corporation, Indian Cable Co., N.I.C.C.O. and Asian Cable Corporation.

Future Development

Nearly a million villages await electrification in this vast and power-hungry country. However, even the modest programme of electrifying 30,000 villages during the current plan period is expensive and ambitious and will need thousands of million metres of cables and wires. So the importance of adoption of materials and methods which will tend to improve efficiency, ensure reliable performance and reduce the overall cost in such large-scale appilcation cannot be overemphasised.

Referring again to Table II on (page 82), it will be seen that there has been an overemphasis on paper-insulated power cables. This is mainly because India has been used to the British practice of using only paper-insulated cable for all underground usage for low and medium tension installation. The cable team sponsored by the National Productivity Council of India, which recently visited Japan, the U.S.A. and other countries, saw a different trend in these highly developed areas. The stress is invariably on plastic and rubber insulation for medium voltage up to 15 kV. Paper is used only for special types of high-voltage oil or gas-filled cables. Low voltage cables are more or less fully P.V.C. and/or polyethylene insulated. In the higher voltage range, synthetic rubber and polyethylene have already taken over from paper insulation. In Germany, P.V.C. insulation is issued for voltages up to 15 kV. There are several installations in the U.S.A. employing polyethylene insulated cables for voltages up to 69 kV.

Another increasingly popular type of construction that has come to stay in L.T. distribution cables is aluminium sheathing. A substantial percentage of the underground cables used for L.T. systems in Germany in recent years is aluminium-conductored and with aluminium sheathing by continuous extrusion, the aluminium sheath also acting as the neutral. This particular development is reckoned to yield a saving of nearly 40 percent in cable cost alone.

In a poor country like India, productivity of capital and resources should be optimum before the country can afford to put in more investment for further development. It should also guide future development along economic and modern lines. It has the advantage of short-circuiting quite a lot of historical progress and achieving goals without going through the devious and costly detours in technical development pursued elsewhere. In this as well as in the country's overall determination to further its planned progress, it has the benefit of assistance and guidance from practically all well-developed countries of the world. The rest depends on the people: it is up to them to use these great advantages and strive forth in channels which are modern, productive and technically efficient.

Difficult Problems

Raw materials: To the extent that copper and even aluminium have to be imported, the industry faces acute scarcity right round the year,

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and this is all the more discouraging in the face of the heavy and increasing demand for cable that has to be met. The Government is aware of this situation particularly in relation to demands for conductors for high voltage lines, but the planning for supply for indigenous units in meeting their raw material requirements cannot be said to have done justice either to the industry or consumers. The country faces today the tantalising situation of oversupply of the aluminium metal in the form of ingots with very meagre rod rolling capacity. This is an eventuality which was foreseen by the industry, but the authorities apparently refused to look at the problem in the face. So the country is passing through a crisis which will entail considerable loss due to delays and otherwise. The heavy expense involved in the proposed scheme to export Indian ingots to distant countries for conversion and bring the same back to India in the form of rods could have been avoided with a little more co-ordination and forward planning.

Idle capacity: Similar lapses in planning and procedural delays at Governmental level are responsible for the idle capacity in the cable industry. Many of the units work only intermittently for a few weeks at a time, and then close down for want of raw materials. Very few of the units work continuously on a three-shift basis as is being done for maximum productivity with cable plants elsewhere in the world. Simultaneously, expansion schemes in various sectors are being processed without any near-prospect of better utilisation of the existing capacity.

Quality assurance: The licensed units of the industry, as already referred to, have equipped themselves with suitable testing facilities so that the output of cables from their factories is first class from the safety and reliability point of view. The same cannot be said of the rather nebulous and far from properly engineered small-scale units operating all over the country. In advanced countries like Japan, deterrent and effective legislation prevents people who are not competent and who have not got the minimum manufacturing and testing facilities from entering the field of manufacture of electrical equipment and appliances like cables. Even in a highly developed country like the U.S.A., it is estimated that about 60 percent of all fires are electrically caused and a significant percentage of these are attributed to poor wiring. The situation could be worse in a country like India in its present stage of development with only few contractors having the know-how and organisation for proper cable installation and wiring practices. Most consumers are also ignorant of the dangers inherent in defective material and workmanship. It is, therefore, considered imperative to initiate proper legislation to ensure that only wires and cables which have been certified to be in conformity to minimum specifications and standards are produced and put on the market. The Government of India and the small-scale industries directorates in the various States would be doing a great service to the consumer of electricity if they initiate suitable restrictive statutes on the one hand and, on the other, assist the small-scale sector of the industry with setting up testing facilities either on a co-operative basis or on a subsidised basis under Govermental auspices so that the several hundred million metres of cables now being made by the small-scale sector are tested for safety before they find their way into the hands of the wiring contractor.

Reverse Trend

The present policy of the Government, on the other hand, points to a reverse trend. To some extent, a premium is being put on poor quality in the form of subsidies of so many kinds and relaxation and rebates in the Central excise and other levies. It is difficult to understand the logic behind the recent notification by the Central excise authorities announcing a reduction of 20 percent in the rates of excise duty payable by manufacturers who are not registered under the Industries (Development and Regulation) Act, and who produce cable not conforming to Indian or other standard specifications, nor carrying any certification mark.

These observations are made not in an attitude of unhelpfulness, nor with any intention to hamper the development of a sector which has a rôle to play in the nation's economy. Larger units of the cable industry in India are more than willing to follow the pattern which has developed all over the world in order to enable smaller units to tie-up with one or other of the bigger units so that they are assured of adequate raw materials supplies and could even look up to such units for technical, financial and other assistance, besides even sharing in their prosperity by being ancillary manufacturers of items which the smaller units could handle at a cheaper cost.

Lop-sided taxation: It will be seen from Table III that basic raw materials for this equally basic engineering industry are heavily taxed at the source itself. Taxation on plastics appears to be out of all proportions (actual incidence of the duty amounting to approximately 105.84 percent) and is apparently the result of some notion on the part of the authorities concerned that plastics are a "luxury" item and not a basic raw material for industry. Thus, although plastic-insulated cables can perform the same duties as rubber-insulated cables of the same rating, the invidiously heavy rate of duty on both imported and indigenous plastics material has virtually priced plastics-insulated cables out of the market. This is in spite of the fact that all plastic materials required are available from indigenous sources while a substantial portion of the rubber requirements have to be imported from abroad.

Simplifying Excise Levy

The Government has recently thought fit to simplify the excise levy on steel by confining the duty to the billet stage. It is only logical that a similar policy be followed in relation to the cable industry whose raw materials are in any case heavily taxed. A small surcharge on the levy should have fetched much more than could be accounted for by the 5 percent levy on finished cables. This would have saved considerable expense to the Government by way of machinery for collection of the levy at the hundreds of units all over the country, besides saving the industry from the agonising procedures and delays which have now become inevitable due to the excise levy formalities and their administration in practice.

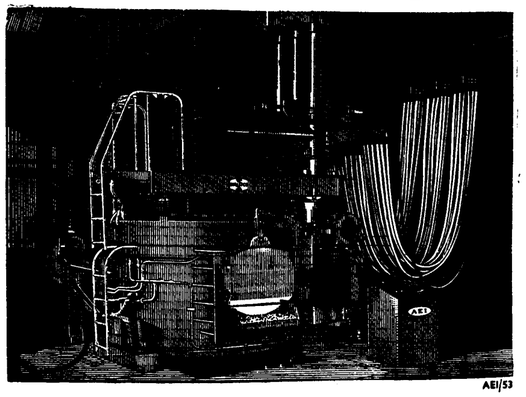
The Indian cable industry presents an interesting study to any student of cable engineering, when one comes across units big and modern as well as small and probably outmoded—covering almost the full range of sizes and types of cables required for power and communications. The best is yet to be. In the next quarter of a century, the cable manufacturing capacity in India would have multiplied itself many times over. It is in planning for this development and in attaining the targets that the country must show resourcefulness and vision. Cable makers in India are already increasingly aware of the needs of adopting more efficient methods within the industry and using the latest and best in techniques from all over the world. A nucleus of an industry for the manufacture of cable-making equipment will be a *fait accompli* during the next five years. With the basic requirements thus properly established, the industry will be in a position not only to meet its commitments to India's electric power industry, but also to meet the needs of her lesser-developed neighbours in the Middle East and the Near East.

TABLE III

Rate of duty levies on important raw materials for electric cable manufacture

Description of material	Import duty	Central excise levy
Copper and copper alloys		Rs. 300.00 a tonne
Aluminium rods and ignots	16.50% *ad valorem*	Rs. 360.00 a tonne
High carbon steel rods		Rs. 69.35 a tonne
High tensile galvanised steel wire	Rs. 92.03 tonne	Rs. 69.35 a tonne
Plastic materials	60.00% *ad valorem* 10.00% surcharge	24.00% *ad valorem*

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HIGH PRODUCTION COSTS AFFECT CONFECTIONERY INDUSTRY

By
J. S. PRABHU
Director, Parrys Confectionery Ltd

ALMOST everyone has a sweet tooth. Any difference is only one of degree. To see how long the Indian sweet tooth is (in terms of branded confectionery), the greatest sweet-eaters in the world—the British—provide a scale to compare with. In Britain, the *per capita* consumption of confectionery is 227 grams a week. In India, this is 40 grams a year. This may be further compared with the 158 grams a week of America and the Continent's consumption of almost half that of Britain. It will be seen that the Indian sweet tooth is a pigmy in size.

The sugar confectionery industry in India has, however, not remained stunted in relation to its own beginnings. In the last two decades much growth has taken place and the present annual installed capacity of the units registered with the Government is estimated at 52,000 tonnes on a single shift basis. But capacity, at least on the face of it, far outstrips production. The third five year plan lays down a target of 25,000 tonnes. In 1961, production was about 16,000 tonnes and in the following year, 18,000 tonnes. The plan target is certainly not beyond achievement, but what of the considerable production capacity lying idle? Is this capable of looking after the country's growing sweet tooth in the future without special attention to the industry? The answer is an emphatic no. The problem breaks down into three aspects.

Modernisation

Mass production is not necessarily acceptable production. Confectionery sells, or rather is bought, on impulse. And impulse means eye-appeal. Trends and ideas keep changing and nowhere more so than in the field of consumer lines. To keep up-to-date is a serious problem to the confectionery maker in this country. New flavours, different tastes, attractive and handy wrapping—both for the individual sweets and as a pack containing a take-home quality—are all required to capture the market. Seeing production from one angle alone, a sweet can be wrapped in at least seven ways—conventional twist, fold, bunch, basket, sachetti, crimp and carrot wrapping. The latest in machinery can alone cope with such variations. In India, apart from the first three, the rest are either relatively or totally unknown. Taking another aspect, sweets can be wrapped in cellophane, waxed paper (with or without foil) or with a wide range of understrips. A new world of packaging ideas has opened abroad with laminates of various kinds. These are, as yet, new to this country.

Wrapping is assuming ever-growing importance because a consumer line like confectionery, displayed on the dealer's counter, has often to sell itself. Counter-space is at a premium with so many products competing for it and only the fastest moving product has a chance to survive on it.

India has remained insulated for some years now, through import restrictions, from the advance western countries have made in packaging, and has been able to carry on with traditional methods. But the confectionery industry is on the threshold of breaking into foreign fields, and will not only have to review its methods but also be provided with the means to compete on level terms with progressive manufacturers abroad. When new ideas are implemented for export markets, they are bound to find their way into the home market also. For there can be no question of separate production for export alone.

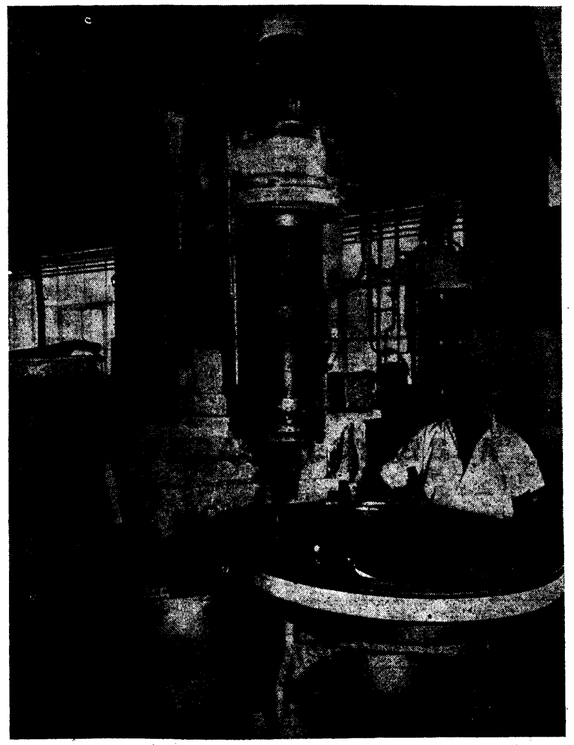
Rationalisation

The industry has not had the opportunity to keep pace with even the slow rise in the standards of living in the country. Its foundations lie in a different period when cheapness was the supreme virtue. To cater to those who had little mind or money to spend, manufacturers designed their factories mainly with a view to producing plain unwrapped boiled sweets that could be turned out in their thousands. In this lies the root of the confectionery industry's troubles. When standards are improving and it is coming to be recognised that an article of food wrapped on a machine by the maker is more hygienic and less susceptible to the ravages of time and distance, the industry that has as its broad base plant for making unwrapped confectionery, is finding itself ill-equipped to wrap the sweets. This is not, however, the result of bad planning. The wrapping capacity of confectionery factories was adequate to meet the demand for wrapped sweets at that time. When the buyer has now become choosy, the industry has to reckon with import restrictions. Immediate replacement of existing plant, which in most cases is over 20 years old, is also necessary.

Unhealthy Competition

The industry has always faced unhealthy and unfair competition from cheap confectionery made under unhygienic conditions with ingredients of doubtful quality. It is in the interest of national health that such harmful goods that pass under the guise of sweets are not allowed to be sold in the market. The Government now appears to be intent upon stricter enforcement of the Prevention of Food Adulteration Act. In future, the accent will be more and more on a product of recognised brand that is packaged immediately after manufacture, and has the fairest chance possible to retain its factory freshness and purity when it reaches the consumer.

Alongside of the buyer's increased interest in confectionery whose safety he can take for granted, is a growing awareness of its importance as part of a balanced diet. As a ready source of energy, thanks to its high glucose and sugar content, confectionery makes available at low cost and in handy form, nutrition that anyone can buy almost anywhere. The demand that this recognition will bring in its wake can reasonably be expected to be for wrapped confectionery.



Microfilm cooker for boiling sugar

Unbalance is, therefore, highest between making the sweet and wrapping it. In the context of the attempts now being made to export sweets, the problem assumes even greater seriousness. There can be no question of exporting anything other than wrapped sweets and wrapped in a fashion that will appeal to the sophisticated foreign buyer familiar with latest packagings.

The Government has been, and is being enjoined, at every level of approach, individually by units, collectively by the Indian Confectionery Manufacturer's Association and as co-members of Export and Development Committees, to solve this pressing problem.

Foreign Exchange Problem

While the present serious foreign exchange situation is certainly appreciated by the industry, it must get over its difficulties if it is to make headway, particularly at a time when a large part of its wrapping capacity goes to meet defence needs. There are signs that the Government is willing to recognise the industry's difficulty. This is borne out by the recent development whereby import entitlements against export, which hitherto could be used for only raw materials, can now, in part, cover machinery also. This, however, is still not a complete solution for it presupposes large exports which do not obtain at present.

Another point is that with the latest high speed machines, the cost of production will come down. The existing wrapping machines, for instance, are capable of a speed of about 350 sweets a minute whereas the latest plant can wrap over 600 sweets a minute.

Need for Long Inventories

Speaking of the cost of production brings us to the next point, namely, packing and raw materials. As the confectionery industry has to cater to the vagaries of human tastes, its list of packing and raw materials is very long. Colours, flavours, essential oils, milk in various forms, sugar, tartaric acid, glucose, fillings for centres and

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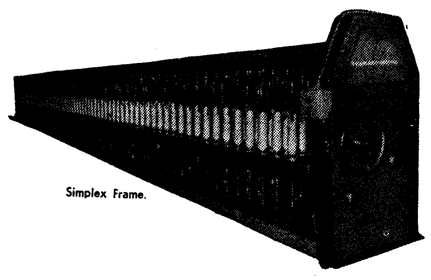
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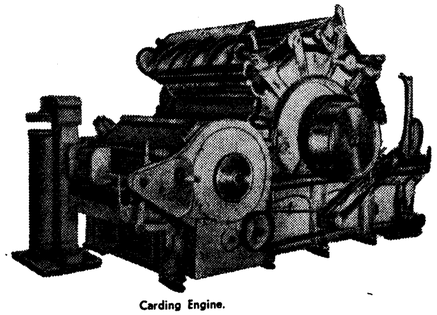
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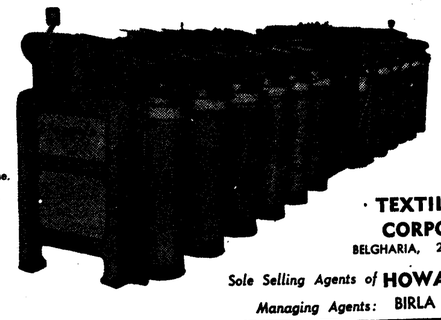
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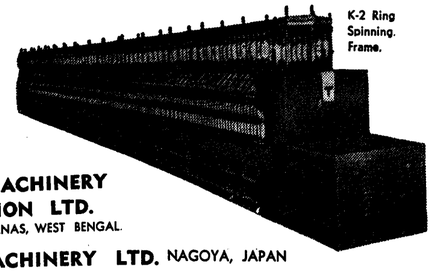
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a hundred other items have to be stocked—some individually, just for one or two varieties of sweet. But it is such attention that can make all the difference between a good sweet and just another sweet. Then there are packing materials, tins of different sizes for bulk packing, fancy tins with different designs, cardboard cartons, both outer and inner, polythene bags and linings, wooden cases, tea-chests and so on, for the finished product. Individual wrapping materials like cellophane, waxed paper with foil, printed waxed paper, foil understrips have all to be stocked by the tonne. This is by no means an exhaustive list, but it gives some idea of the magnitude of the problems of manufacture. The main problem relating to raw and packing materials now is ensuring continuity of supplies. Many items have still to be imported (waxed paper with foil, tartaric acid, gum arabic, soya lecithin, menthol, etc.) and to get enough of everything on a limited import licence is virtually impossible. Recourse has to be taken to buy part of the requirements locally from established importers, but at what damage to carefully planned budgets!

In the event of tinplate shortage, which the industry is likely to face, alternatives like cardboard and polythene can be employed to a certain extent, but never in total substitution; often they cause a reduction in sales appeal and shelf-life.

High Production Cost

As stated earlier, the per capita consumption of confectionery in India is about the lowest in the world. Partly, insufficient realisation of the value of confectionery in a balanced diet is responsible for this .The chief reason, however, is the high cost of confectionery and this, in turn, stems from the high prices of packing and raw materials. Sugar, glucose and wrapping paper cost twice as much in India as abroad. The high cost of production not only inhibits its consumption within the country but also makes it virtually impossible for the industry to develop the export market, in spite of the best intentions of both the Government and industry.

Sugar is the basic raw material that accounts for more than 40 percent of the total production cost. The industry has been pressing for a long time for supply of sugar at subsidised prices. This suggestion is not new, since supply of sugar for industrial purposes such as for use in the preserved foods industry is made at subsidised prices in countries like Australia. The simplest way would be to exempt sugar used in confectionery manufacture from the excise duty. The resultant loss to the exchequer would be negligible, as the quantity of sugar involved cannot be more than 8,000 tonnes—an insignificant percentage of the total production in the country. On the other hand, such a step would enable the industry to effect a sharp reduction in the prices of its products and thus stimulate demand for them. It will help the industry to stabilise its position and ensure more economical working.

Likewise, another important ingredient, liquid glucose, which is now available from indigenous sources, is almost twice as costly as in the other confectionery-producing countries. Effective steps must be taken to reduce the price of indigenous glucose. Wrapping paper is yet another item for which the industry pays a much higher price than its counterpart in other countries. In the latest Budget, the basic Customs duty on cellophane has been increased by 10 percent with a surcharge thereon. On imports of cellophane a countervailing duty equal to the excise duty on indigenous production is also levied and an element of surcharge has been introduced. The cumulative effect of all these levies is to increase the duty payable on cellophane from 70 percent to 105 percent on c.i.f. cost. This will further put up the cost of confectionery and aggravate the industry's difficulties.

Export Potential

Confectionery is ideally suited to earn foreign exchange. It had done so on a modest scale in the Middle and Far East till 1948-49. Thereafter, exports progressively came down mainly because of the inability of the industry to compete with the cheaper products of other countries. The exports of confectionery in the first ten months of 1962-63 are estimated higher than last year. This, however, is unfortunately not an indication of a major break-through, but is more likely the result of greater response on the part of more manufacturers to the Government's exhortations. The difficulty continues and it centres on price. Quality is not the obstacle. With the experience that Indian manufacturers have gained in making confectionery suitable for tropical climates (and the exports will be mainly to such regions), they are now in a position to match the best available from elsewhere, except perhaps in the latest techniques of wrapping. When it comes, however, to the cost of production, a wide disparity between the foreign manufacturer and the local industry becomes apparent.

Although in response to the constant urgings of the industry to reduce the disparity in costs, the Government of India does allow a drawback of import duty on imported raw materials and rebate of excise duty on indigenous raw materials used in the exported product and a further cash subsidy of 10 percent on the value of goods exported, they do no more than bridge the gap nominally.

Need for Subsidised Supplies

The industry has urged that sugar, the main raw material, should be made available to it at international prices, for manufacturing goods for the export markets. Other packing, wrapping and raw materials, imports of which are not permitted but are obtained at much higher cost from indigenous sources, should also be made available at prices obtaining abroad. Either local manufacturers of these items should be made to offer them at a concession or import of such materials should be permitted. In either case, the facility can be limited to such items as are used in the confectionery that is exported.

At least one major manufacturer has the assistance of a separate export department, but exports of confectionery have so far been only small in relation to the potential, as almost all lines of enquiry come to a stop on the question of price. The industry continues to hope that better times are ahead, particularly when the sugar price abroad has risen. It remains to be seen, however, how far foreign manufacturers are going to allow the impact of this to affect their export prices.

Summing up, the future prospects of the industry depend, to a large extent, on the efforts the Government may make to set right present machinery unbalances and the high cost of production. In a growing economy, the demand is bound to rise.

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USE OF REFRACTORIES IN STEEL MAKING

FOR a product of such vital importance as refractory materials, there is surprisingly little public appreciation of what their functions are and what they are made of. The usual inadequate definition is that they withstand high temperatures. Perhaps a more appropriate definition is that they are capable of withstanding the destructive effects and the temperature of molten steel. That steel production calls for application of intense heat is common knowledge. However, the layman knows little about the material used for making the container which holds the molten steel. The answer is, of course, refractories.

High temperature is singularly destructive. Most commonly known materials of construction like cement, building bricks, timber or steel will melt, oxidise, burn or distort under the effect of high temperature. It is here that refractory materials make their big contribution. Refractory materials offer insulation to heat. In order to develop a concentrated source of high temperature inside a structure where, for example, steel is melted,

By
SUBHAMAY BANERJEE
General Manager, Asian Refractories Ltd, Calcutta

the heat has to be carefully retained within and shielded from the outside atmosphere. Certain materials like steel or copper are particularly ineffective for this purpose. The refractory materials are so made that they prevent the conduction of heat, making it possible to retain it where it is most needed and also incidentally helps to reduce the cost of generation of the heat.

Basic Material

From the introductory remarks, it will be clear that refractories are basic to the production of steel. Other uses are not difficult to imagine; they are legion. They are produced in large numbers of standard as well as non-standard sizes and shapes just like any other building material. Their chemical and physical properties differ widely from type to type, tailored to suit the exacting needs of the users. Important types are fire clay, high alumina, silica and basic refractories. Many types of specialities and special ceramics are being added to the list every-day.

Since the steel industry uses more than half of the total refractories produced even in a highly developed industrial economy, recent development trends in refractories have been closely following those in the steel industry. For the last decade or so, the steel industry has been passing through revolutionary changes which outshadow the developments of the last hundred years of its history. It is, therefore, appropriate that this article should begin with the story of steel. In the race for technical supremacy in the international field, a relentless increase in the steel output has been the basis of industrial planning all over the world. The supremacy of the open-hearth process for steel-making, which has survived one hundred years of scientific developments, has lately been challenged by new competitive processes made possible through the production of cheap oxygen. The economic success of these so-called pneumatic processes has been due to their ability to produce steel at a very fast rate. The natural reaction of the open-hearth man to this has been to go faster, and for this he used the same tool, namely, cheap oxygen to achieve a higher temperature in the furnace. The open-hearth man depended on the refractory-maker for bricks to suit the new conditions and the latter tried to provide the answer by replacing the silica bricks in the open-hearth roof with basic chrome magnesite bricks.

Chrome magnesite bricks, although capable of withstanding somewhat higher service temperature, have nevertheless some other inherent disadvantages compared with silica, most serious among them being their comparative heaviness and their tendency to spall or peel off as the roof is alternately heated and cooled in service. The increased weight calls for specialist design of the bricks as well as the roof. However, with all the shortcomings of chrome magnesite, it is obvious that the basic roof for the open-hearth has come to stay and the silica brick-maker has to face a shrinking market. The prospect for the brick-maker is more frightening than what the above indicates. The new competitors to the open-hearth process, namely, the pneumatic processes, are very economical in the matter of refractory consumption. Although the increase in world steel production has been quite considerable in recent years, the refractory

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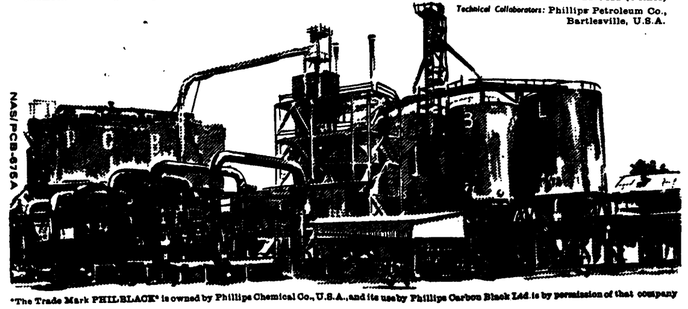
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consumption per ton of steel has been gradually going down.

Struggle for Survival

Effort is, therefore, being made now to convert more roofs to basic in the struggle for survival of the open-hearth. Chrome magnesite bricks are about three times dearer than silica bricks except in Russia where their price is stated to be only 15 percent higher. The economy of a furnace operation is, however, determined not by the cost of individual parts of the furnace but by what is known as furnace availability. It will be appreciated that the keeping down of the first cost and consumption of refractories is only half the battle. What matters, in fact, is the time which a furnace can be made available to perform its function. It has now been established beyond any doubt that because of highly increased availability of an "all-basic" furnace, the overall cost of production per ton of steel is lower with "all-basic" furnaces, compared with silica roof basic furnaces even though the roof itself may be cheaper to build when silica is used. Today more than 70 percent of the world steel output by the open-hearth process is done under a basic roof and it is significant that the "all-basic" furnaces have been accepted without any reserves in both the U.S.A. and Russia, the two major steel-producing countries of the world.

Electric Furnaces

The trend in steel production is, however, to have larger electric furnaces supported by the new pneumatic process furnaces. The two will work in a team—one, melting the scrap and the other, tackling the hot metal. It is possible that the open-hearth process will eventually disappear. As long as it stays, however, the roof is likely to be basic, and the dripping old silica roof is already on its way out. By converting to all-basic construction, the downtakes, slag pockets and top checker courses of the open-hearth furnaces require re-designing, and new materials to match the higher gas temperature and velocity are being increasingly used. Forsterite bricks, which had little scope in the past, are coming into prominence in this field.

Before leaving the subject of basic bricks, a word or two will be appropriate to assess the position of dolomite bricks. A large tonnage of the dead-burnt material is used for fettling and ramming liners and the bottoms of steel-making vessels. The chief shortcoming of this material is its tendency to hydrate when exposed to moist air. The dead-burnt dolomite is, therefore, invariably produced by the steel plant melting shop departmentally. The refractory manufacturer has, therefore, been trying to produce dolomite bricks which have been adequately stabilised to withstand hydration during transport and use. Considerable progress has already been made in this field and it is believed that extensive use of this material may be possible in future not only because of the lower cost but also because of the abundance of this material all over the world, compared with magnesite.

The next big consumer of refractories in the steel plant is the casting pit. The future trend in this direction is difficult to predict. The so-called castables and rammables have been increasingly found suitable in smaller size ladles and it is possible that the field of their use will extend in future to larger sizes. The general practice is, however, to use factory-made bricks and shapes. As for ladle bricks, there are two schools of thought. One advocates a low or medium alumina composition which may vitrify or even partially bloat in service. Another prefers high-alumina composition. All schools, however, agree, that low porosity, low permeability, rigorous dimensional accuracy and uniform, if not high, resistance to corrosion and erosion are properties of paramount importance. The quality of ladle bricks is improving every day, so is the cost of production from the brick makers' point of view.

Another casting pit problem child is a twin, the stopper and the nozzle. The large variety of types which are available indicates the complex nature of the problem. The duty of the twin in a 200-ton plus ladle is severe indeed and premature failure may be very costly. Performance probably depends as much on design as on the material of construction and no real success has been achieved so far.

In reheating furnaces and soaking pits, increasing tonnages of castables and rammed refractories are being used in recent years. An unconventional material used here is semi-silica which is a hybrid between silica and fireclay refractories. Like all hybrid characters, they need extreme care in manufacture, and when well made they retain the best qualities of both. With an indifferent technology, they may be worse than either. They have been used in reheating furnace roof regenerator chambers and furnace doors. They have excellent resistance to thermal shock. It has been reported that good results have been obtained by using fused pure alumina refractories in these furnaces in positions where the bricks are not exposed to excessive thermal shock. Unlike the conventional high alumina refractories, slag penetration into these impervious blocks is negligible and the result has been encouraging.

Synthetic mullite grogs are being spoken of in connection with blast furnace and other uses outside steel plants. Mullite is a mineral substance which is formed in limited amounts when fireclay or sillimanite is heated and is largely responsible for all the goodness of these materials. Synthetic mullite is manufactured by heating a chemical mixture of appropriate composition to temperatures above 1750°C. The alumina content is maintained at 72 percent minimum and porosity at 10 percent maximum. A brick-maker who has such material as this to put into his bricks will certainly have nothing to complain about.

Commercial Availability

One definite modern trend is the commercial availability and use of purer raw materials in making refractory compositions. It is well known that a slight decrease in the alumina impurity in silica bricks gives excellent properties to them. The silica content in chrome magnesite bricks appears to be connected with resistance to attack by slag and iron-oxide. Extensive trials so far indicate, however, that they may not be the final solution. In this connection, technologists are talking of pure magnesia bricks.

Another group of refractories that has made remarkable progress is the high alumina, pure mullite and pure alumina refractories. The only restriction to their wider application now is their high price. Pure alumina is the end-product of a number of costly unit processes demanding close technical control. Recrystallised, it may be made completely impervious to gas. Because of its ability to withstand very high temperature, it is an indispensable tool for research and development work in high temperature processes of all kinds.

Hotface insulation bricks, particularly in the high alumina field, is an old *récipe* being churned up anew. Hotface silica and semi-silica insulating bricks are also not unknown. In intermittent kilns like ceramic kilns and small kilns for manufacturing specialities, the kiln walls are heated and cooled alternately and the fuel waste is heavy. Modern trend is to use strong but highly porous bricks for the hot walls inside a totally steel encased structure. Considerable saving in fuel and weight of bricks is effected by this technique. The latest in hot face insulation is the bubble alumina brick where pure fused alumina is shaped into hollow spheres and bonded like a sponge cake having a high load-bearing capacity at 1800°C. A discussion on modern trends will be incomplete without mentioning "metal ceramics" or "cermets". Both housewives and engineers agree that ceramic materials have two main disadvantages, namely, brittleness and low mechanical strength. In recent years, great efforts have been made to combine metals with ceramics to produce the so-called "cermets". The most outstanding material in this field is silicon nitride which combines all the goodness of a good refractory material, including high resistance to thermal shock with very reasonable mechanical strength. Used alone or as a bonding material for silicon carbide, it has a variety of uses, including furnace linings, crucibles, gas turbine blades, rocket nozzles and launching pads and high temperature electrical applications.

The shrinking market for refractories, tonnagewise, in the steel industry has been a matter of great concern for the refractory industry in the recent past. Planning becomes difficult when the demand fluctuates rapidly, and there have been many casualties of unrealistic planning lately all over the world. There is, however, just one silver lining in the desperate situation that the refractory industry faces today. This lies in the fact that all industries including iron and steel will demand higher and higher quality in the future and pay higher and higher prices for it.

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Rise in Costs Affects Export Prospects for Iron Ore

By R. SONDHI

THE rapid industrialisation of a country depends on the growth and development of heavy industries which, in turn, have to be supported by increased steel production. As envisaged in the second and third five year plans, the basic emphasis must, therefore, be on steel production. That India has a long way to go in this direction can be assessed from the present *per capita* consumption of steel of 10 kilograms, compared with 550 kilograms in the United States.

One of the most important tasks of the Planning Commission was to assess the country's future requirement of steel and then to create adequate capacity for its production. According to the estimates made by the Commission, the consumption of finished steel in the country will be about 18 million or 20 million tonnes a year by the end of 1971. The formidable task ahead of the country, if the entire requirement is to be met from internal production, will be readily appreciated when it is remembered that the target for steel production at the end of the second five year plan was set at 6 million tonnes a year and is likely to be achieved only at the end of the third five year plan. Achieving the fourth plan target means an almost four-fold increase of the present production capacity in the country.

The Internal Demand

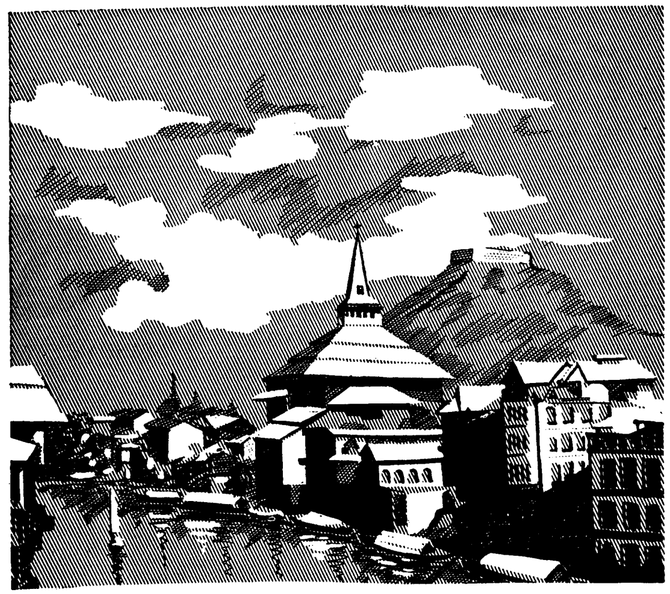
Between 1.6 and 1.8 tonnes of iron ore are required for producing a tonne of steel, and this means an internal consumption of iron ore of about 30 million tonnes a year by 1971. In addition to meeting the internal demand, iron ore producers will be required to meet export commitments which are estimated at about 20 million tonnes a year by the end of the fourth plan. The total annual extraction of iron ore in the country by 1971 will, therefore, have to be increased to about 50 million tonnes from the current production of about 23 million tonnes, including Goa which produced approximately 7 million tonnes last year.

India is fortunate in having virtually unlimited reserves of iron ore of high quality. Although the estimated proved reserves of different types of iron ore have been assessed at 6,500 million tonnes, the actual reserves are considered to be about 21,000 million tonnes, of which hematite ores form the major portion. The important deposits being worked today are the Singhbhum (Bonai iron formation) in Bihar, the Bose iron formation in Madhya Pradesh, and the lateritic formation in Goa. The Singhbhum reserves are among the world's richest, since the average iron content of the ore ranges between 60 percent and 69 percent, compared with 50 percent in the United States and 40 percent in Europe. The major mines being worked in this belt are Barsua, Bolani, Noamundi, Gua, Joda and Thakurani. The Bose iron formation deposits include Rajhara, Dhalli, Rowghat and Bailadila. So far there has been no systematic prospecting of the iron ore reserves in Goa, but this task is now engaging the attention of the Geological Survey of India. Although the iron content of these deposits is somewhat lower, varying between 53 percent and 62 percent, from a general study of a few working mines it can safely be presumed that there are enormous virgin deposits still to be tapped in this area.

The present requirements of iron ore of the Indian steel industry are met by mines both in the private and public sectors. The Rajhara mine in Madhya Pradesh—owned and operated by Hindustan Steel Ltd—meets the entire requirement of the Bhilai steel plant. This mine is being expanded in order to meet the increased requirements of the steel plant which will consume about 5 million tonnes of iron ore a year by 1966. The iron ore requirements of the Rourkela plant are also met by a captive mine, Barsua, which, by virtue of the size of deposit and the quality of ore, is considered to be one of the richest mines in the world. The production from Barsua is also being increased to meet the entire requirements of the expanded Rourkela plant. The Durgapur plant is presently obtaining the major portion of its requirements from the Bolani mine, located in the Barajamda area, and this mine has in hand an expansion scheme designed to produce 2 million tonnes of lump ore and 1 million tonnes of beneficiated iron ore fines (sinter feed) a year from 1966 onwards. The latter will meet the entire requirement of the sinter plant which is an integral part of the Durgapur plant's expansion.

Ore from Captive Mines

The private sector steel plants in Jamshedpur and Burnpur, namely, the Tata Iron and Steel Co. Ltd and the Indian Iron and Steel Co. Ltd obtain the major portion of their blast furnace grade iron ore from captive mines. The complete mechanisation of the Tata Iron and Steel Co. Ltd's Noamundi mine will shortly be accomplished, thereby increasing the output to about 2 million tonnes a year. The Indian Iron and Steel



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Co. Ltd's Gua mine is also employing mechanised mining and will shortly be despatching up to 1.5 million tonnes a year.

Apart from the above-mentioned mechanised mines feeding the integrated steel plants, the National Mineral Development Corporation's Kiriburu mine in Orissa, developed with Japanese technical aid, is a fully mechanised unit, expanded to achieve its production target of 2 million tonnes of sized ore per year from early next year. The Kiriburu project entailed the construction of a rail link with Visakhapatnam, and the Rs. 32-crore foreign exchange requirement has been financed by the U.S.A. and Japan. The Bailadila deposit in Madhya Pradesh is also being developed as a fully mechanised unit by the National Mineral Development Corporation and is expected to achieve a production of 6 million tonnes a year by 1966. The Orissa Mining Corporation's Daitari scheme, which envisages an export of about 2 million tonnes a year from Paradeep port, is also expected to be in production by 1966. In Goa, due to the physical characteristics of the ore body and the present limited knowledge of ore reserves, large-scale mechanisation has not been effected.

As mentioned earlier, the target set for the production of iron ore by 1971 means doubling the present capacity within the next seven years. This can only be done by large-scale mechanisation as selective mining will be wasteful and impracticable. Modern blast furnace practice demands a uniformly sized and graded ore in order to achieve the maximum economy. Preference is now being given to ore within the size range of ⅜in. to 2½in., and this material can only be produced in such large tonnages if mechanical crushing and screening is employed.

Progress of Mechanisation

Mechanisation in Indian iron ore mines has been introduced only during the last decade, and one of the major problems arising from mechanisation is the disposal of fines. To understand this better, it should be explained that open-cast mining on an extensive scale entails large diameter (up to 6in.) deep hole drilling. The holes are charged with conventional explosives, although recently liquid oxygen cartridges and ammonium nitrate are also being widely used and all the material resulting from the blast is loaded by diesel or electric excavators (bucket capacity up to 4½ cubic yards) on to dump trucks (20/35 tonnes' capacity) which feed the ore crushing plants. The material fed into the plant varies in size from dust to large boulders which are crushed to the required maximum size of the product. The crushing operation is generally carried out in two stages by either jaw crushers or gyratory crushers or a combination of both. During crushing further fines are generated and depending upon the nature of the ore, the ratio of salable screened ore to rejected fines (under 3⅛in. in size) may be as high as 1:1. In the context of the enormous tonnages being produced, the magnitude of the problem can be assessed, as apart from handling and transporting these fines, storage areas for their disposal have also to be earmarked.

Until very recently, these fines were considered as waste but in keeping with world practice, the beneficiation of this material is now contemplated in India. As the fines content at times is up to 52 percent to 53 percent of iron content, it is evident that if these continue to be rejected there will be a tremendous waste of the country's natural resources. Admittedly, India's iron ore reserves are extremely large, but their economical use is nevertheless desirable. Various agglomeration processes have been adopted throughout the world, the more common ones being briquetting, pelletising and sintering of the fines. The National Metallurgical Laboratory in Jamshedpur has devoted considerable attention to this problem during recent years, and their research has definitely established the economic feasibility of sintering in India. This laboratory has also prepared layouts of beneficiation plants for various Indian iron ores, and it is estimated that with the adoption of beneficiation a recovery of approximately half the material presently discarded as fines will be achieved. Sinter being fragile should not be transported over large distances, so the sinter furnaces are jointly located at the steel plants. The expansion plans of all the three public-sector steel plants in India include the establishment of sinter plants. As for the production of sinter feed at present, the first large-scale beneficiation plant to be set up will be at the Bolani mine which will produce a uniformly graded sinter feed, having an iron content of up to 62 percent. The fines to be used by the Bhilai and Rourkela steel plants for their sinter furnaces will not be beneficiated to the same extent. Apart from better utilisation, the benefits of feeding sinter into the blast furnaces are twofold, since there is a reduction of as much as 40 percent in the coke consumption and the blast furnace capacity is also increased by up to 60 percent. The cost of production of sinter is, therefore, more than compensated for by the resulting economies in the blast furnace operation.

Plant and Machinery Needed

The successful mechanisation of iron ore mines in India is being severely handicapped by lack of manufacturing facilities within the country for the plant and machinery required. Mechanised open-cast mining requires large air compressors, excavators, portable drills, dumpers, bulldozers, motor graders, scrapers and other earthmoving equipment in addition to the crushing and screening plant. Although a start is being made—particularly for the production of air compressors, excavators and bulldozers in India—other mining equipment will have to be imported for several years to come. With the present foreign exchange shortage and the consequential import licensing procedure, there is a prolonged delay in obtaining essential equipment, and the maintenance of existing machinery provides a very serious problem due to the lack of sufficient spare parts in the country. As a result, at times very expensive machines are idle for prolonged periods awaiting imported spare parts. It is not practicable to maintain stocks of all the essential spare parts at the mines as individual machines comprise as many as a thousand different components. Besides the lack of spare parts, there is a dearth of specialised workshops for the maintenance of this type of equipment and above all an acute shortage of experienced skilled technicians. It is, however, most heartening to learn that extensive training schemes are being brought into operation in order to meet the future manpower requirements of the industry.

The implementation of mechanisation means a capital investment of about Rs. 2 crores for an output of 1 million tonnes a year. In order to produce iron ore economically, it is, therefore, imperative that the maximum use of machinery is achieved, since due to the comparatively short life of mining machinery, the cost on account of depreciation alone will be about Rs. 2 a tonne of output. Due to the present shortage of skilled operators, the maximum use is not being achieved and in spite of the very heavy capital investment due to the low productivity, a larger number of operatives have to be employed than would be necessary in a comparative mining operation in a more developed country.

At the same time, welfare measures and labour laws have been formulated in keeping with those prevailing in advanced countries. The Government of India has recently set up a Wage Board for the Iron Ore Industry. Its recommendations, it is anticipated, will further increase the cost of production. The Iron Ore Mines Labour Welfare Cess Act, 1961, contemplates the imposition of a cess of 50nP a tonne of output which is expected to be enforced shortly. The accumulations of this levy are to be used for extending welfare measures to labour employed in iron ore mines. The rate of royalty on iron ore despatches was increased last November to Re. 1 a tonne for ore containing up to 62 percent of iron and Rs. 1.50 a tonne on ore containing a higher percentage of iron. It is to be noted that the higher royalty is generally applicable to exports as the export grade contains a higher iron percentage. Apart from these impositions, there have been increases in Customs duty and the surcharge on imported spare parts and components and in the excise duty on fuel oils. These, together with the impositions on tyres and lubricants, have substantially increased the cost of production of Indian iron ore at a time when there is an all-round depression in world steel production, thereby seriously affecting the export potential of Indian iron ore.

Plight of Small Mine Owners

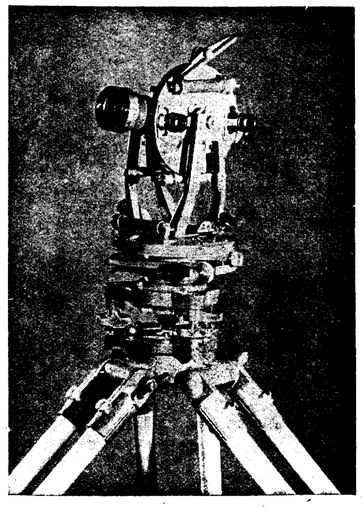
The plight of the small mine owners is really most unenviable, since apart from the aforesaid impositions, the labour element on their cost is very much higher. At the same time, the State Trading Corporation has curtailed purchases during the last few months. It is estimated that only 5 percent of the smaller mines in eastern India are currently in operation, raising barely 1 million tonnes a year. Large stocks have accumulated at pit-heads and loading stations, and the depression has been further aggravated since due to the reduction in price accepted by the S.T.C. on exports to Japan, the Corporation, in turn, is now offering a reduced price.

In fact, the effect of this reduction is appreciably more on the mine owners as no consideration has been given to the increased rate of royalty of Rs. 1.50 a tonne nor for recent increases due to additional excise levies. In Goa also, there is a crisis in the mining industry where the production figure for small mine owners has dropped from 3 million tonnes in 1961 to 500,000 tonnes in 1962. Production during the first few months of the current year has been virtually nil. Representatives of the S.T.C. have proceeded to Goa to make a first-hand study of the position in order to assess whether the trade could be canalised through the S.T.C., thereby according some relief to small mine owners. If large-scale unemployment in the iron ore mining areas is to be avoided, adequate measures must be taken immediately to improve the situation. To achieve this, a long-term solution is required, and it is suggested that serious consideration should be given to the amalgamation of small mines by forming co-operatives, since otherwise the small mine owner will neither be able to afford mechanisation nor the cost of additional welfare measures and the increased royalty rates.

Exports of iron ore from India (excluding Goa) during 1962 totalled 3.4 million tonnes, compared with 3.5 million tonnes in 1961 and 3 million tonnes in 1960. During the same years, Goa exported 5.3 million tonnes, 6.5 million tonnes and 5.6 million tonnes, respectively. As mentioned earlier, exports during the fourth five year plan target (excluding Goa) have been estimated at 20 million tonnes a year and the S.T.C. has been entrusted with the monopoly for exports. Iron ore exports on a long-term basis poses certain special economic and technical problems. The Central Ministry of Commerce and Industry has, therefore, recently decided that it will be more advantageous to set up a separate corporation for the export of mineral ores.

Exports to Japan

Currently Japan, whose total imports of iron ore are about 22 million tonnes a year, is the largest buyer of Indian iron ore. During 1962, Japan imported about 4.5 million tonnes of iron from India, including 2.9 million tonnes from Goa. As a result of recent negotiations in Tokyo, the S.T.C. has been obliged to accept a reduction of 7s a tonne on exports to Japan during 1963 because of the present depression in the Japanese steel industry. From



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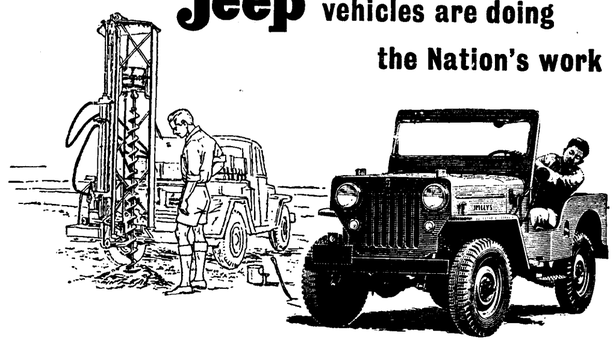
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1964 onwards, an additional 2 million tonnes a year from the National Mineral Development Corporation's Kiriburu project will be exported to Japan under a ten-year agreement. The Corporation's Bailadila project in Madhya Pradesh originally contemplated a production of 4 million tonnes a year by 1966 in order to meet the 15-year commitment with Japan under a separate agreement signed in March 1960. The project is now proposed to be expanded to give a production of 6 million tonnes a year enabling it to take over the export commitment of the Kiriburu project as Bailadila ore is expected to have a lower f.o.b. cost. After the expansion of Bailadila, raisings from the Kiriburu project will be diverted for internal consumption. Kiriburu is now being considered as the major source of supply for the proposed Bokaro steel plant. The Orissa Mining Corporation's Daitari project envisages a production of 2 million tonnes a year for export to Japan through Paradeep port. It will be seen that Japan is, therefore, expected to continue as India's major buyer. But India cannot afford to be complacent as Australia is shortly entering the export field in a big way and has already negotiated to sell nearly 45 million tonnes of iron ore to Japan by 1970.

Exports to Czechoslovakia

Czechoslovakia ranks second as an importer of Indian iron ore and exports to that country are currently at the 2-million tonnes a year level. The S.T.C. is currently giving a greater emphasis on exports to western countries and agreements have recently been concluded for the export of iron ore to Rumania, Yugoslavia, Poland and Hungary. Negotiations have also commenced for the export of nearly 2.5 million tonnes to Germany and Italy during the current financial year.

To conclude, there can be no doubt about the enormous development potential in the Indian iron ore industry. However, if the industry is to be developed on a sound long-term basis, a complete assessment of the problems, both present and those likely to be faced in the future, must be made by the Government. The proposed expansion of the industry during the next decade will be no easy task. This can only be achieved if there is proper co-ordination, providing facilities for the additional machinery, power, water and transport requirements. The planners must constantly keep in mind the competition likely to be faced from other iron ore exporters, and the development of the ore reserves should be planned on economic rather than ideological principles. Governmental levies and labour welfare measures should be carefully considered before their imposition. Above all, there must be close co-ordination between the State and the Central Government's policies for developing the industry. It is felt that unless a realistic attitude is taken, the Indian iron ore industry might find itself in the same dire state as is facing the manganese mining industry. The latter's present plight could largely be attributed to penal labour welfare laws, royalties, freights, export and rail-ment quotas while there is a world-wide boom in the manganese trade and India holds a virtual monopoly.

Footwear Output Rising, but Higher Production Costs Cause Concern

TO West Bengal must go the credit of having been the cradle of the Indian rubber manufacturing industry, of which the production of footwear is the second largest constituent. The emergence of the industry from its early tribulations has been ably traced in the report of the Tariff Board, 1951, which may interest students of industrial history. Developments since are hardly less distinguished; the State has the largest tyre factory in India and possibly the largest rubber footwear factory in the whole of Asia, if not in the world.

Although structurally it spans two vital sectors—agriculture (rubber) and industry—in the country's economy, the position of footwear manufacture in the Indian industrial hierarchy has been somewhat indeterminate; neither so big as to be called major nor so minor as to be thought small, the industry has not had the advantages of either classification. What is certain, however, is its economic value. In two related but rather

By
J. VYORAL
Managing Director, Bata Shoe Co. Private Ltd

different matters, the industry is important to India; it serves a vital social need and is an industrial asset. Apart from absorbing an appreciable amount of unemployed labour, the footwear industry, by fostering the growth of many ancillary industries, opens up wider fields of employment. Increasing revenues to the State which, incidentally, has had to resort to deficit financing, is another merit. And, above all, as an industry, it has, although slowly, mitigated the improvidence of imports.

Great Interdependence

India is in the singularly happy position of having a rubber plantation industry side by side with a manufacturing one large enough to absorb her raw rubber output. Between the two industries, technical and economic interdependence could scarcely be more complete. As synthetic and synthetic-natural products are entering the field, there will inevitably be greater selectivity. This makes all the more essential what the Estimates Committee suggested some time ago: a co-ordinated approach between the Rubber Board and the appropriate Development Wing. Indeed it could with advantage be carried further into a competitive-collaborative relationship between producers of tree-grown rubber and manufacturers of the synthetic variety. Meantime, efforts should be made to produce high quality rubber at the lowest possible cost. The prosperity of the natural-rubber industry will depend, as Dr. L. Bateman, Controller of Rubber Research, Malayan Rubber Fund Board, said relatively recently "not on producing less and selling less at high prices but on producing and selling more at competitive and reasonably stable prices".

Although the aim is to assess approximately the totality of achievement in the manufacture of footwear, pre-war points of reference, however comforting, are so distant and were themselves so exceptional in several ways that they help little. Statistics for subsequent years show that from being a small and somewhat neglected sector, the footwear industry has been gradually projecting itself on the Indian economy, if not on a spectacular scale, yet on a fairly widespread and impressive basis. From this, several advantages have accrued. Production in many lines has not merely mitigated the pressure of demand but also reduced imports. In sum, there has been a broadening of the industry's whole economic base. Although the extent to which an industry can alter the range of production to adjust itself to temporary or long-term changes in demand is somewhat limited, the industry in India has improved upon traditional, and developed new, techniques and produced goods to suit ever more exacting requirements. The industry stands to benefit from research now in progress. Developments abroad will require to be watched and assessed from time to time bearing in mind that several synthetic materials have already some impressive achievements to their credit.

Manpower Needs

The manpower needs of the industry over the next few years are likely to increase substantially. A stable labour force has to be built up. The emphasis which the Chief Minister, Mr. P. C. Sen, laid recently at the annual general meeting of the Institution of Rubber Industry, Indian section, on the need for increasing and improving facilities for technical training is both just and opportune. Inaction now may soon result in a grievous shortage. The industry calls for a fairly high standard of technical knowledge and skill, particularly from those in charge of manufacturing processes. Companies now can survive only on the basis of their efficiency.

Several extraneous elements over many of which the industry under the present economic system could have no control have pushed the cost of production up to levels at which survival seems difficult; a singularly unfortunate state of affairs for which the rising costs of labour, raw materials, machinery and distribution seem primarily responsible. Sooner or later such inflationary factors, not the least being the last Central Budget, are bound to affect what the Government is desperately trying to promote, namely, exports. The overall picture is certainly not one of easy profits. It is obvious that the fight against rising costs will for some years at any rate be the main concern of the footwear industry. Only if that fight is won, can the industry hope to play a significant part in the national economy; and to win, there has to be a constant search for economies in cost and for the type of product which will command a market. Increasing dependence on research, particularly chemical, to find cheaper materials and substitutes is indicated. Experience has shown that increases in production do not mean much by themselves. To be truly beneficial, they must take place within the framework of an appropriate fiscal policy. Authority has shown little desire to move towards a fiscal system which gives adequate scope for incentives. The level and incidence of taxation and the high freight rates on raw materials and finished products weigh the scales heavily against the supply of further risk capital; a circumstance all the more unfortunate as the Government periodically avows awareness that industrialisation is both an economic and military necessity. Already substantial, the industry's contribution to defence requirements has been increasing in both volume and variety. How far it will rise further is still difficult to prophesy, for the national defence programme has not been revealed adequately to facilitate the assessment of demand. The need is for a pragmatic policy of liberal aid and incentives to the industry. Properly devised, they could help surmount some of the more grievous handicaps; the scarcity of suitable leathers for the manufacture of leather footwear and the difficulty in importing—due largely to the shortage of foreign exchange—essential machinery and equipment. The costs of ignoring costs could well be calamitous.

Expanding Market

The end of the second World War released a good deal of delayed demand, and the rise in the standard of living since, however slow, has kept consumption at a fairly high level. Even assuming no basic change in the general conditions of the economy—and this is a very large assumption—future levels of offtake will be governed largely by the in-

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crease in population. A wide internal market—and an expanding one at that—has provided reasonable stability. Even at the somewhat illiberal computation of one pair of shoes a year a head for the population which is increasing at an awesome rate, the prospective demand provides ample scope for all three possible lines of advance; development of the small-scale and cottage industry, the setting up of modern manufacturing plants and a substantial expansion of units already in existence. The Government's emphasis on the development of the cottage industry is understandable. So is the third plan's insistence on the continuance of stimuli. Evidently, the employment potential of this sector is the principal justification. But a solitary advantage, however politically profitable, should not obscure considerations hardly less vital. One of them, and indeed the most dominant, is the simultaneous development, through proper incentives, of the large manufacturing sector whose contribution to both the growth of the footwear industry as a whole and the country's economy has been significant and substantial. Harmonious development seems all the more necessary in view of the growing collaboration within the industry between the large manufacturing concerns and the cottage units. Besides purchasing regularly large quantities of footwear made by these units to supplement its own output, the mechanised sector has been assisting the cottage industry sector in many ways. Among the more notable forms evolved to achieve acceptable standards of quality are technical guidance and practical advice on new developments in footwear styles and designs. Such increasing interdependence emphasises a moral; that any attempt to promote one sector at the expense of the other will damage the industry as a whole. The industrial imbalance, which a doctrinaire approach will inevitably create, is not easily corrected.

In the market, preferences exist for one shape or another. Such tastes are largely local and traditional and sometimes personal and subject to current fashion. In several cases, assessments of quality can only be impressionistic, which is obviously hazardous. Accepting it for want of an alternative, it seems quality varies from manufacturer to manufacturer. That there has been an improvement, however, is indisputable. Indian industry has gone a long way on the road to good design.

Raising Exports

Mere self-sufficiency will be a narrowing and foreshortening of the horizon, so exports must be included in the reckoning. The industry is competing successfully in such difficult markets as the United States, Canada and the United Kingdom. Exports evidently are earning foreign exchange, especially welcome now as there is much need for capital goods for which Indian capacity is yet to develop. South-east Asia, in particular, is an area where markets are likely to expand and economic activities to increase. Its pattern of imports, as this process takes place, will change. Possibilities in this region are now being explored. Some countries under the urge to conserve currency resources and to rectify their trade balance are either increasing import duties, both revenue and protective, or imposing a system of quantitative regulation against which competitive efficiency is impotent. Even so, basically the market for Indian footwear overseas, though partly governed by the scale of total world trade, is what manufacturers and traders choose to make it, by their readiness to meet customers' requirements, their keenness to sell, their speed in delivery and their willingness to take risks. The more far-sighted Indian manufacturers are aware of these factors and their implications. The problem is essentially one of expert marketing—pushing Indian goods almost to the point of preference. There is need for a detailed study of those markets in which there have been adverse changes on a scale which may be regarded as abnormal and in which there is reason to suspect that new powerful forces are at work.

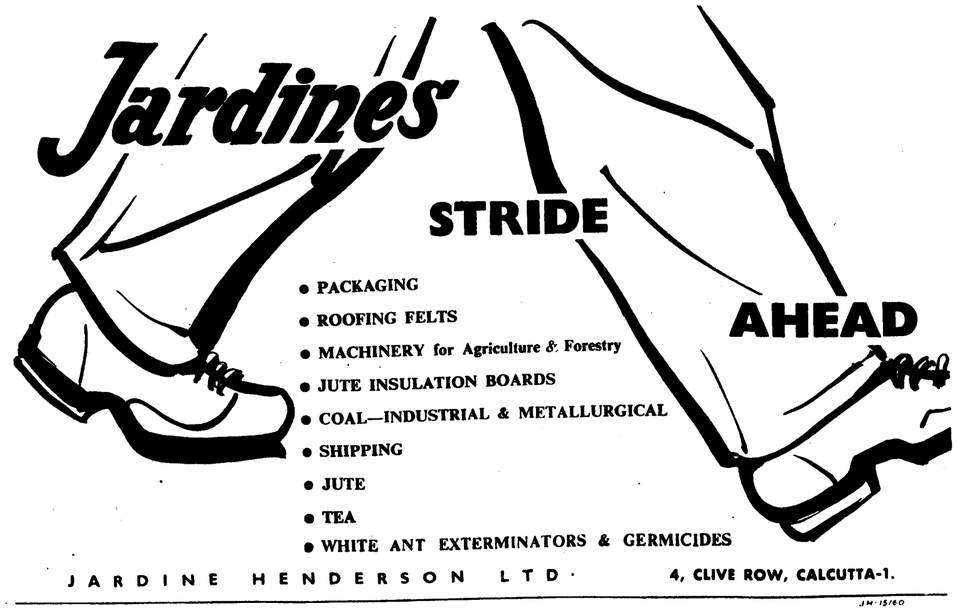
There has undoubtedly been progress in the footwear industry. The need now is to maintain the pace and fulfil the promise of the last few years. The industry has a legitimate and encouraging opportunity to enlarge its field both inside and outside India; but it is an opportunity which must be courageously seized. Its record inspires hope that products and processes will keep up with the technical advances taking place and that production will rise to new peaks—developments fully in conformity with an expanding economy.

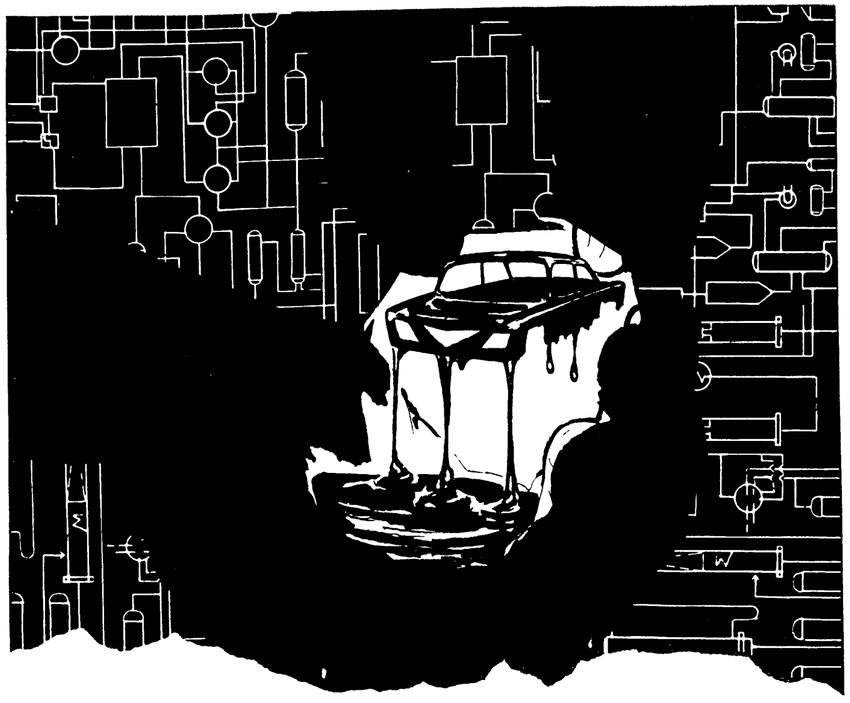
FOOTWEAR EXPORTS FROM INDIA

Year	Total pairs
1955	4,029
1956	4,446
1957	4,717
1958	3,856
1959	4,800
1960	5,162
1961	4,901
1962	4,661

FOOTWEAR PRODUCTION IN INDIA

Year	Total pairs
1955	110,000
1956	112,000
1957	114,000
1958	119,000
1959	130,000
1960	146,746
1961	157,593
1962	173,050





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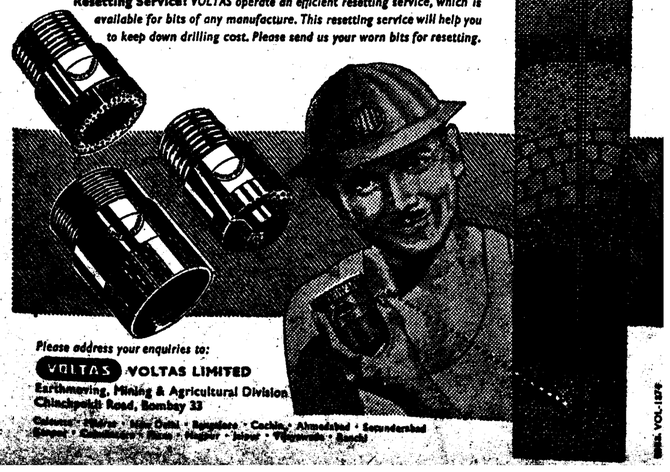
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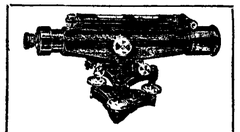
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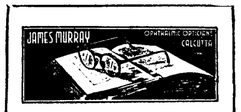
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COMPULSORY SAVINGS: THE DIFFICULTIES AHEAD

THE formal inauguration of the compulsory savings scheme on Monday has not yet been commemorated by the chaos which most people have been confidently expecting. But that does not mean that the danger of chaos has passed altogether; on the contrary, the worst is yet to come. The Government has taken the best part of four months to sort out what the scheme is about, and how it might be implemented. In the circumstances, it is hardly surprising that prospective compulsory savers are still baffled and confused about what precisely they are supposed to do. This bafflement is at the root of the fact that post offices and banks have not yet been besieged by the angry victims of the scheme. Their reluctance to visit these noble institutions straightaway for knowledge and advice is accentuated by the suspicion that the institutions, too, in turn, might not have any clear idea of what they are supposed to do; after all, until a few hours before the formal introduction of the compulsory savings scheme, the Finance Ministry itself was running round in circles and continually changing its mind about who was to collect what, how, when, where and from whom. The chaos that the midsummer madness almost certainly would have precipitated has now been postponed by the simple device of allowing a longer period for compulsory savings to be deposited. There is no reason yet, however, to revise the general belief that the success of the scheme as a whole is in doubt. The strong opposition it has attracted from the very start is only a faint indication of the difficulties that lie ahead. Criticism of the scheme has come not merely from the opposition Parties, but even from within the Congress itself. After the recent by-election defeats, not a few Congressmen will be having nightmares about the electoral storm they will face now that the irritants of the compulsory savings scheme have been added to those of the gold control rules.

Some of the objections to the scheme have been legalistic, although that does not make them any the less important. Doubts still persist, for instance, about whether the scheme is *ultra vires* the Constitution, considering that although the latter gives the State the power to collect taxes, it does not give it the power to compel people to save any part of their income. The opinion expressed on the subject by the Attorney-General, on the reluctant invitation of a Finance Minister harassed by hair-splitting lawyers and constitutionalists, is generally considered to be ambiguous. The former gentleman, it seems, was of the view that Parliament was competent to pass the Compulsory Deposits Bill; but that the terms of the scheme embodied in the Bill might infringe the citizen's fundamental rights. While the emergency continues for reasons not unrelated to the Government's private convenience, it may not be easy to question the scheme in a court of law. After the emergency is over, however, the constitutional validity of the measure might well be challenged. In the circumstances, it is odd—perhaps significant—that the Government has not taken the precaution of sounding the Supreme Court for its views. According to some, the reluctance to do so may be inspired by (a) the intention that the emergency should continue forever; or (b) the suspicion that the Supreme Court's verdict would be adverse.

The process of chopping and changing that the compulsory savings proposals have undergone since their birthday four months ago has been far-reaching. The process was dictated first by political cowardice, and later by administrative necessity. The series of amendments to the Compulsory Deposits Bill which Mr. Desai announced in April were intended to serve the former purpose. Having earlier given the impression that compulsory savings represented a brilliant new instrument to siphon money out of the pockets of the reckless, the extravagant and habitual non-savers, he later proceeded to exempt several million people belonging to precisely these categories. In particular, prodded by Congress members of Parliament and State Governments, Mr. Desai suddenly remembered his Party's electoral interests and proceeded to exempt a large number of agriculturists.

The two-and-a-half months which have gone by since then have been marked by the leisurely discovery that even the modified and much-watered-down scheme is going to be extremely difficult to implement. At first, it was assumed that the burden of gathering in the compulsory savings could coolly be shoved on to the post offices, with the State Bank and the Reserve Bank hanging around the fringes. Only gradually has the news percolated through to the Finance Ministry that the post offices remain what they have always been—cesspools of sloth and inefficiency which can never be expected to cope with a scheme of this magnitude. A number of commercial banks have, therefore, been brought in now to collect compulsory savings on behalf of the Government. More and more of the administrative work arising out of the scheme has been made the explicit or implicit responsibility of the employers. After four months of slumber, the Finance Ministry has discovered that even the forms and deposit books necessary for recording compulsory savings have not been printed. The happy suspicion arises that the day may not be far off when employers will be invited to donate not only clerks, nor only pens, pencils, ink, and stationery, but also beds, bromides and barbiturates for running the compulsory savings scheme—and in course of time the entire Finance Ministry.

The chaos which is incipient now—and which threatens to grow rapidly in the coming weeks and months—serious though it is, may not prove to be the worst consequence of the scheme. On a longer view, the worst consequence might be that the scheme will turn out to be an expensive failure, in the sense that a lot of money will have been spent but the sum total of savings will not have increased. Much idle talk has been heard to the effect that the expenditure on collecting compulsory savings will be kept down by restricting the recruitment of new staff; and that existing staff,

in the post offices especially, will instead be invited to work longer hours and paid at over-time rates. No one has explained how, if over-time rates are generally well above normal rates of payment, the proposed system can be described as "economical".

The Government, furthermore, claims that the scheme will bring it Rs 60 crores, out of which the Centre will keep Rs 25 crores and Rs 35 crores will go to the States. In view of the administrative deficiencies, however, there is a fair chance that these estimates will turn out to be too optimistic. Those who pay their taxes honestly will be squeezed for all that is due from them. But, for others, the incentive to evade taxes—and compulsory savings—by understating their income or turnover will be greatly increased. Where compulsory savings are based on assessments made by State Government authorities (for example, on land revenue or on sales tax), evasion is likely to be particularly widespread. In the end, it may be found that the compulsory savings are coming mainly from people who were saving voluntarily anyway. The consumption expenditure of the higher-income groups will not necessarily be reduced. Unrest among the middle classes, which have already been squeezed to penury by taxes and inflation, will grow. To it may be added the already incipient unrest among industrial workers subject to the compulsory savings scheme—unrest the consequences of which will be visited primarily and directed upon the employers who have been charged with the legal responsibility of collecting the savings.

TRADING WITH THE E.C.M.

THE apprehensions felt in individual Asian countries over the European Common Market's trade policies often have to be played down because bickering hardly makes a good introduction to pleas for more aid and larger trade opportunities. This was very much the case when Professor Hallstein, president of the Commission of the European Economic Community, visited India last April. His claims that the E.E.C's policies were outward-looking and specifically designed to expand trade with the underdeveloped world were listened to politely by officials in New Delhi; only a polite attempt was made to show that Indian experience ran counter to this claim. The U.N. Economic Commission for Asia and the Far East obviously suffers from no such inhibitions, and its latest annual *Economic Survey* comes out flatly with the indictment that the trade expansion claimed by the E.E.C. "has not been realised" by the developing countries of south Asia. Indeed, the region's raw material exports to western Europe fell by about 15 percent during the second half of the 'fifties.

Western Europe is a market of the greatest importance to the E.C.A.F.E. region. Apart from long-established political and economic ties such as those of the Commonwealth, the resource pattern of the region is complementary to that of western Europe, which provides a sure basis for profitable exchanges. One-third of the region's exports go to western Europe (including the U.K.), and the latter in turn supplies the largest share of imports of the region. It follows, therefore, that a stagnation in the E.C.A.F.E. countries' exports to western Europe must impair their viability at a time when their balance of payments is already under serious pressure. Against an export surplus of $1,000 million in 1928 and $500 million in 1938, the E.C.A.F.E. region had an import surplus of $400 million in 1948, and this has more than trebled in the subsequent decade. The trend is a reflection of the rapidly growing import needs, spurred by postwar development plans, and the stagnation in commodity exports which account for more than 75 percent of the region's trade with the E.E.C. Although there has been a rapid rise in exports of manufactured goods to western Europe, chiefly from the Asian Commonwealth countries to the U.K. where preference gives them an assured market, the increase has been too small in quantitative terms to offset the decline in commodity exports. In the specific case of the Six, total exports of the E.C.A.F.E. region actually fell by 5 percent during 1955-60, confirming that the changing structure of exports has not proceeded far enough to maintain export earnings, much less to permit the increase so desperately needed for viability.

The E.C.A.F.E. study sees in the E.E.C.'s policies "many protectionist elements" which adversely affect the Asian region's exports. It concedes that many kinds of raw materials, which are either not produced in the E.E.C. countries or for which no effective substitutes are available, are admitted duty-free or at low tariffs. But many other primary commodities are not, because of the measures adopted to protect either domestic agriculture or trade arrangements with associated States overseas. Apart from the tariff disabilities, the fact remains that the demand for primary commodities is growing very slowly because of improvements in manufacturing techniques to economise on raw material inputs or because of the emergence of substitutes. Even rubber, where Asian producers have no competition to fear from associated States, may be faced with inelasticity of demand even though there are no tariff hurdles to negotiate. In any case, the availability of synthetics cannot but exert a downward pull on the price of natural rubber, which may have the same effect as stagnation in the volume of exports.

From this analysis, the E.C.A.F.E. study sees only "limited" prospects of export expansion along traditional lines. It, therefore, urges the region's developing countries to follow the Japanese example of relying more and more on processed and manufactured goods in which world trade is rapidly expanding. But before such diversification can achieve tangible results, major changes would be necessary in the trade policies of the developed countries whose tariffs are designed to raise the level of protection as primary materials are carried forward into successive phases of processing. The E.E.C.'s common external tariff (to be implemented in stages by 1967) suffers as much from this feature as the individual régimes now in operation; the average duties proposed for manufactured consumer goods will be the highest for any commodity groups. In contrast, the U.K. preference margin for manufactures from Commonwealth sources is often quite considerable, and far higher than that applicable to other goods and materials. Not surprisingly, therefore, the U.K. buys far more Asian manufactures than the considerably larger and faster-growing Community. This leads the E.C.A.F.E. study to the conclusion, endorsed by both official and business opinion, that any sudden loss of Commonwealth preference would be a major setback to Asian trade.

The damage from protective tariffs is compounded by quota restrictions limiting not only the imports of textiles and other low-cost products, but also those of newer items like fans and sewing machines. In early postwar days, these quotas were perhaps necessary for balance of payments reasons, but there is little justification for them in the completely altered situation of today when several European currencies are stronger than the dollar. The General Agreement on Tariffs and Trade has been working towards a liberalisation of quotas, but so far to little effect, as is frankly conceded by its special committee looking into the export problems of developing countries. France, for instance, insists on limiting imports of vegetable oils from Asia to protect her olive-growers; Belgium operates an unofficial ban on Asian jute goods for internal consumption but is nevertheless a large importer for purposes of re-export. In cotton textiles, the long-term international agreement providing for a modest annual increase in import quotas is an improvement, but it still falls far short of the expectations of developing countries. In fact, without a clearly agreed time-table for the inefficient cotton and jute textile industries of Europe to shift their resources to more sophisticated fields of manufacture, the problem cannot even begin to be solved. The experience so far shows how easy it has been to invoke the trade disruption clause of the agreement to prevent any upsurge in textile exports.

Even in the case of tea, where tariffs are to be withdrawn from next year, the benefit will remain very limited because of the high incidence of internal taxes, which are twice as large as the import duty in West Germany and are equal to the duty in France. There is also the factor that the tariffs of individual countries and the E.E.C. common external tariff have customarily discriminated in favour of coffee to give a stimulus to the coffee sales of the associated African States. It is facile to think that the powerful interests behind coffee in the E.E.C. will stand by idly while tea gains an advantage. The enthusiasm with which Mr. Manubhai Shah, India's Minister for International Trade, greeted tariff abolition seems, therefore, premature unless a clearer picture emerges which takes into account tea's relative position *vis-à-vis* coffee in firmer ground, however, when he pins his hopes for expansion of trade on the likely outcome of next year's Kennedy round. The preliminaries in Geneva this year did reveal a growing realisation of the need to enlarge the export opportunities of the developing countries because this would directly augment their importing capacity to the benefit of the advanced nations. A worldwide move towards trade liberalisation cannot leave the E.E.C. nations untouched, and their policies should, in consequence, become more outward-looking. The recent slowing down in the E.E.C.'s growth rate may also contribute to this result because of the need to find additional markets overseas for underemployed industrial capacity.

TRENDS IN GENERAL INSURANCE

IN the *Indian Insurance Year-Book, 1962*, which has recently been published, the Controller of Insurance has for the first time introduced a paragraph containing information about the trend of gross direct business written outside India by insurers during 1960. Indian insurers operating abroad, it is estimated, incurred an overall loss of Rs. 74 lakhs in 1960 on the gross direct business written by them outside India. The unfavourable result seems likely to reflect on India's foreign exchange position. The gross direct premium income of Indian insurers in 1961 was Rs. 10.65 crores in fire, Rs. 6.30 crores in marine and Rs 14.32 crores in miscellaneous insurance, giving a total of Rs. 31.25 crores. Compared with this, the gross direct premium income of non-Indian insurers was Rs. 5.63 crores in fire, Rs. 2.93 crores in marine and Rs. 3.49 crores in miscellaneous insurance, giving a total of Rs. 12.05 crores. The aggregate of gross premium income on business written direct in India, therefore, came to Rs. 43.30 crores.

The gross premium income on business written direct outside by Indian insurers amounted to Rs. 9.55 crores. Added to Rs. 43.30 crores, this means that a total of more than Rs. 52 crores of premium income came from business written direct in India by non-Indian insurers and direct in India and outside by Indian insurers. The figure is satisfactory, but the proportion of fire premiums to the total gross premiums written direct in India by Indian insurers fell from 45 percent in 1956 to 34 percent in 1961. The proportion of marine insurance also declined, from 24 percent to 20 percent. In contract, the proportion of miscellaneous insurance increased from 31 percent in 1956 to 46 percent in 1961. The figures show that miscellaneous insurance has been growing faster than fire and marine insurance. The gross premium written direct outside India by Indian insurers shows more or less the same trend. Thus the proportion of fire insurance declined from 35 percent in 1956 to 26 percent in 1961 and that of marine insurance from 32 percent to 22 percent. The proportion of miscellaneous insurance, however, rose from 33 percent in 1956 to 52 percent in 1961.

The trend has been an unsatisfactory feature of Indian general insurance for many years. Miscellaneous business includes not only the insurance of motor-cars and public and private carrier vehicles, but also all sorts of guarantee business. A hot debate has been going on whether this class of guarantee business is really insurance or a financial hazard, although no one denies that it has come to stay in this country. Its overall implications and the final results cannot be foreseen in a developing economy which is passing through an inflationary phase. But if the economy suffers a recession, it will be necessary to evaluate the results with great care. Knowledgeable circles fear that the results then may be adverse, perhaps even disastrous. Meanwhile, however, it is consoling to find that, for the first time in many years, in relation to the net premium income of Indian insurers, there was an underwriting balance of 3.6 percent in miscellaneous insurance in 1961. This was primarily because of an increase in the rates for public carrier vehicles, the insurance of which brings the bulk of the premium income of the miscellaneous department.

In the fire section, Indian insurers had a balance of 12.2 percent, against 22 percent in the case of non-Indian insurers. In the marine section, the loss was sizeable—7.3 percent of the net premium income for Indian insurers—but there was a credit balance of 6.3 percent for non-Indian insurers. From 1956 to 1961, the claims experience of non-Indian insurers was better than that of Indian insurers in all classes of general insurance. As before, non-Indian insurers paid a higher percentage of commission in all classes of general insurance during this period (except for fire insurance in 1956 and 1959). Management expenses, including taxes and miscellaneous outgo, were a higher percentage of the gross premiums written direct in India for non-Indian insurers than for Indian insurers in all classes of general insurance (except miscellaneous insurance in 1957). As for fire insurance, on the total gross premium income in India in 1961, Indian insurers had a balance of 22 percent, against one of 35 percent for non-Indian insurers. In marine insurance, the respective balances were 8 percent, against 11 percent; and in miscellaneous business, the balances were 24 percent, against 16 percent. The adverse result in relation to the net premium income in India of Indian insurers is primarily attributable to their foreign business, whether direct or otherwise.

The total income of all Indian insurers amounted to Rs. 40.18 crores. This was made up of the net premium income in India of Rs. 23.50 crores; the net premium income outside India of Rs. 15.97 crores; interest, dividends and rents of Rs. 67 lakhs; and Rs. 4 lakhs from miscellaneous sources. The total outgo was Rs. 34.76 crores, of which Rs. 19.34 crores related to claims, Rs. 5.53 crores to net commission, Rs 9.10 crores to expenses and Rs. 79 lakhs to miscellaneous outgo. Of the balance of Rs. 5.42 crores, Rs. 3.57 crores were absorbed by the increase in reserves for unexpired risks and additional reserves, while Rs. 1.85 crores were transferred to the profit and loss account. From this profit of Rs. 1.85 crores was deducted the deficit of Rs. 4 lakhs brought forward from the previous year (after the payment of Rs. 98 lakhs as dividends). Adding Rs. 1.21 crores earned by way of interest, dividends and rents (not relating to any particular class of insurance business) and Rs. 44 lakhs of miscellaneous income, the total came to Rs. 3.46 crores. This total was appropriated as follows: management expenses Rs. 12 lakhs, taxes paid and provided for Rs. 1.42 crores, transfers to particular funds or accounts Rs. 59 lakhs, dividends for 1961 paid or provided for Rs. 30 lakhs, miscellaneous outgo Rs. 20 lakhs and the balance carried over Rs. 83 lakhs.

DISTRIBUTION OF ASSETS OF INDIAN INSURERS

(In Rs. lakhs)

Particulars	1960* Amount	1960* Percentage of total assets	1961* Amount	1961* Percentage of total assets
Central Government securities	573	9.0	556	7.6
State Government securities	173	2.7	196	2.7
Foreign Government securities	183	2.9	193	2.7
Municipal, Port and Improvement Trust securities	32	0.5	27	0.4
Debentures of Indian companies	234	4.4	317	4.4
Preference shares of Indian Companies	350	5.4	374	5.1
Ordinary shares of Indian companies	1 225	19.0	1.603	22.1
Land and house property	130	2.0	146	2.0
Deposits, cash and stamps	1 527	23.7	1.631	22.4
Loans on mortgage of property	52	0.8	65	0.9
Loans on stock and shares	7	0.1	6	0.1
Other loans	16	0.3	9	0.1
Agents balances, outstanding premium and amounts due from other insurers	1 363	21.2	1.604	22.1
Accrued and outstanding interest	27	0.4	30	0.4
Miscellaneous	491	7.6	506	7.0
Total	6 433	100.0	7.269	100.0

* As on 31st December of the year.

The number of groups (parent and subsidiary companies taken together) of Indian as well as non-Indian insurers who contravened the provisions of Section 40C of the Insurance Act in 1961 was less than in the previous year. About one-third of the groups of insurers who contravened the provisions in 1960 were given a warning in terms of Section 64M(2) of the Insurance Act. Of the total of 116 groups of both Indian and non-Indian insurers who transacted business in 1961, 32 groups contravened the provisions four or more times during the years from 1956 to 1961 and 23 of these groups were warned once or more during the period 1956 to 1960. The groups of insurers who spent less than the basic limits in terms of Rule 17E of the Insurance Rule, 1939, wrote a greater proportion of the total gross direct premium income in India in 1961, compared with 1960. The aggregate experience of all groups showed that there was a sharp rise in savings in 1961, compared with 1960.

NET PREMIUM INCOME OF INDIAN INSURERS

(In Rs. crores)

	In India	Outside India	Total
1956	9.06	10.53	19.59
1957	11.06	11.59	22.65
1958	12.98	12.02	25.00
1959	15.02	13.32	28.34
1960	18.58	14.44	33.02
1961 (Estimated)	23.64	15.97	39.61

Current News and Comment

New Government Loans

The Government of India has announced the second instalment of its borrowing programme. Early in May, two loans—4 percent 1969 Loan at an issue price of Rs. 99.50 and 4½ percent 1986 Loan at par—were offered for converting the 3½ percent 1963 Loan and the 3 percent 1963-65 Loan. The total subscriptions amounted to Rs. 138.79 crores. Of this, the short-dated loan mopped up Rs. 85.69 crores and the long-dated one Rs. 53.10 crores. Since the 1963-64 Central Budget has provided for a total borrowing of Rs. 393 crores, including Rs. 6 crores collected from the National Defence Bonds, it was expected that the Government would soon float further loans for cash subscription to complete the borrowing programme. Now that money market conditions have become easier following the commencement of the slack season, the time is ripe for floating the new loans. During the past week or so, the Reserve Bank has been grooming the market. It had stopped selling Government securities and raised its purchase prices for some selected ones. So the announcement of the new loans has had little effect on the market.

Two loans are now being offered. A further tranche of the existing 4 percent Loan 1969 has been issued at Rs. 99.50, repayable on 8th May, 1969. The other is a 4½ percent Loan 1973, which is being issued at par and is repayable on 22nd July, 1973. In addition to cash subscriptions, the holders of several State Government loans have been given the option to convert their existing holdings, which have matured, into the new loans. It may be recalled that during 1963-64, the State Governments will not borrow on their own account, but will be allocated Rs. 100 crores out of the total borrowings by the Central Government. The State Governments will have to repay some of their existing loans to the extent of about Rs. 39 crores.

The terms and conditions of the new loans are in line with market expectations, except for the fact that this time the Government has not floated any long-dated loan. The sum of Rs. 225 crores, which is to be borrowed now, is also somewhat below earlier expectations. Whether this has been deliberately done in order to borrow again later in the year, it is premature to say now. The running yield of the 4 percent 1969 Loan works out to 4.02 percent and the redemption yield to 4.10 percent. The 4½ percent 1973 Loan is being offered at par. Hence the terms and conditions are broadly in line with comparable existing securities, although the issue prices are somewhat lower than the prevailing quotations.

The response to the new loans is more or less assured, considering that the banking community has recently been keen on increasing its investment portfolio to conform to the legal requirements of liquidity. Banks are likely to invest substantially in the short-dated 4 percent 1969 Loan. On the other hand, the Life Insurance Corporation, provident funds and other financial institutions are expected to be the major subscribers for the 4½ percent 1973 Loan. This loan meets the requirements of investors who have hitherto supported the State Government loans. Although the total borrowing of the Government so far is somewhat lower than the budgeted figure, the money market is likely to feel its impact for some time to come. The busy season has ended, but banking funds continue to be well employed. Actually, there has been a shortage of credit due to the fact that the pace of deposit growth in recent months has fallen behind the demand for funds.

Prospects for State Finances

During the past few years, some State Governments have not only depleted the securities in their cash balance investment account but have also resorted to unauthorised overdrafts from the Reserve Bank. So the total negative balances of the State Governments increased by Rs. 10 crores in 1962-63 and are expected to rise further by Rs. 61 crores in the current financial year. The Central Finance Minister, Mr. Morarji Desai, warned the State Governments in his Budget speech that in future such unauthorised overdrafts would not be honoured by the Reserve Bank. But in spite of this warning, the State Governments—especially those of Kerala, Bihar and Madhya Pradesh—continue to overdraw. The Reserve Bank has warned them that they have crossed the ceilings fixed for granting them overdraft facilities. This is a disquieting situation and should not be allowed to continue. The State Governments are having deficit Budgets, and the total overall deficit in the first three years of the third plan for all the States taken together is expected to be Rs 170 crores, against only Rs. 114 crores for the entire second plan period and Rs. 85 crores for the first plan period. In order to meet the deficit, the State Governments have obviously resorted to overdrafts.

The best thing for the State Governments to do would be to increase their tax revenues and economise on their expenditure. In their 1963-64 Budgets, the State Governments levied fresh taxes or increased the rates of existing taxes to yield an additional revenue of Rs. 33 crores. Including the additional taxation levied in the first two years of the third plan, it is expected that the State will be able to raise an extra revenue of Rs. 435 crores over the third plan period, against the target of

Rs. 610 crores. There seems to be still some scope for an increase in taxation in such States as Bihar which have not levied any new taxes in their 1963-64 Budget. However, since the Central Government has already imposed heavy, fresh taxation in the 1963-64 Budget in addition to introducing the compulsory deposit scheme, the scope for further taxation by the State Governments has been reduced to some extent.

The Central Government is reported to have agreed to give the States special loans to clear their overdrafts with the Reserve Bank on condition that such special loans should be repaid in instalments before the end of the third plan. For this purpose, the former had given special loans to the latter amounting to Rs. 30 crores in 1961-62 and Rs. 74 crores in 1962-63. But they have not yet been returned even in part. It is, therefore, doubtful whether the States will be in a position to return such loans proposed to be granted now. In view of the changing situation, there is a case for a fresh consideration of the financial relations between the Centre and the States in order to avoid excessive deficit financing by the State Governments in future and to prevent their taking unauthorised overdrafts from the Reserve Bank.

The State Governments, meanwhile, should economise on their development and non-development outlay. In their 1963-64 Budgets, some State Governments announced economy measures in their non-plan outlay by postponing constructions of a non-essential nature, curtailing travelling allowances and other facilities to Government officials and by reducing the staff strength in certain departments. But these measures cannot reduce the total expenditure of the State Governments by more than Rs. 10 crores in 1963-64. With more vigorous effort, it has been estimated, it should be possible to slash their expenditure up to at least Rs. 30 crores.

Woollen Industry Serving Defence Needs

The chairman of the Federation of Woollen Manufacturers in India, Mr. R. K. Birla, addressing the Federation's annual meeting last week, said that the entire installed capacity of the industry had been geared to defence production. The industry has been entrusted with the responsibility of purchasing its own raw materials for which the requisite foreign exchange has been made readily available. Production and exports of woollen fabrics have shown a welcome improvement in 1962-63, which suggests that the industry can do the job if it is supplied with the requisite materials. Although India produces about 72 million lbs of raw wool, the industry continues to be dependent almost entirely on imports for the manufacture of fabrics because Indian wool is good only for carpets, and at best for making rough tweeds and blankets. But imports of wool have had to be restricted because of the acute foreign exchange shortage with the result that until the emergency, the industry was unable to use even half of its installed capacity.

The supply of raw materials of the right quality is not the only major problem of the industry. It is badly in need of modernisation and rehabilitation, which, on the basis of current prices, will cost nearly Rs. 15 crores, against the third plan estimate of Rs. 10.5 crores. In his address to the Federation, Mr. Birla said that the industry had the capacity and the know-how for making fine goods, and could compete with the best in the world, but this would not be feasible unless the industry was given the facilities to modernise its machinery. The industry is being asked to earn the foreign exchange needed for modernisation and rehabilitation through the export of its fabrics, hosiery and yarn. But the question is how can the industry successfully compete in the export markets when its existing machinery is obsolete and outdated.

The export target for woollen goods, excluding raw wool and carpets, has been tentatively fixed at Rs. 5 crores of hosiery, Rs. 2.5 crores of fabrics and Rs. 50 lakhs worth of blankets, yarn, etcetera. The moment this target is achieved, the problem of raw material will be automatically solved. But considering that the exports of woollen goods, excluding raw wool and carpets, are at present of the order of less than Rs. 1 crore, it would perhaps be too optimistic to think that the Rs. 8-crore target could be realised in the near future. Improved combing facilities within the country will, however, enable the industry to consume more of indigenous wool, but it will be many years before India is able to produce good quality wool comparable with the Australian or New Zealand "marino". Imports of quality wool for making fine fabrics for domestic and foreign markets will, therefore, have to be continued for quite some years.

Mr. Birla referred to the industry's voluntary control over the prices of finished products, but he was frank enough to admit that the prices of woollen and worsted cloth in India were quite high in comparison with international prices of similar types. However, he held out the assurance that Indian prices could be brought down through modernisation and rehabilitation and larger production. Mr. Birla was very critical of the installation of unauthorised combs, spindles and looms, as the present installed capacity for all kinds of spindles and looms was sufficient to achieve the third plan targets. The Textile Commissioner, Mr. R. Doraiswamy, assured the Federation that the Government would not allow unauthorised installations to exist and that such unauthorised combs, spindles and looms would be sealed soon. Mr. Doraiswamy welcomed the industry's decision to amalgamate the existing two associations into one strong body.

Accelerating Economic Growth

The speech of Mr. Bharat Ram, president of the Federation of Indian Chambers of Commerce and Industry, at the Federation's Regional Conference in Hyderabad contains some practical suggestions for accelerating the rate of India's economic growth. It is disquieting that in the first two years of the third plan, the growth rate in India was only 2¼ percent, and the trend in the first quarter of the current financial year shows that it might not be much higher than 2¼ percent in the third year of the present Plan. Because of a number of adverse factors, India's industrial and agricultural production is not showing the desired buoyancy. Unless some definite measures are taken, it might be difficult to lift the economy out of the morass into which it seems to have fallen..

Mr. Bharat Ram's suggestion that the present imports of foodgrains worth Rs. 130 crores a year could be reduced if some Rs. 20 crores were diverted to importing fertilisers and fertiliser plants is basically sound. According to his calculations, since 1 lb of fertilisers would increase the production of foodgrains by 10 lbs to 15 lbs and since the prices of foodgrains and fertilisers a ton are more or less equal, an import of one unit of fertilisers would do away with imports of at least 10 units of foodgrains. In the process, agricultural production in the country would be increased, thereby quickening the rate of growth. But the snag in this is that merely importing fertilisers or even distributing them over the country would not suffice. The important thing is to make proper use of the fertilisers to increase the productivity of land. To solve this difficulty, the president of F.I.C.C.I. has suggested for the first time that "we, in the non-agricultural sector, should take a deeper interest in our agriculture and consider whether we could also, in some manner, participate in agricultural development schemes".

Indian agriculture is in the private sector, but private enterprise proper has not yet taken a keen interest in the rehabilitation of farming. If entrepreneurs take some interest in agricultural development, there is no reason why the productivity of land should not increase. In further support of his argument, Mr. Bharat Ram pointed out that industrialists and business men have a direct interest in the development of agriculture, since the market for their own product must ultimately depend on an increase of the agriculturist's purchasing power. It remains to be seen what efforts the president of F.I.C.C.I. will make to give a practical shape to his otherwise excellent suggestion.

Concerning industry, Mr. Bharat Ram pointed out that, as against the monthly average of 112 new licences granted in 1961, the number declined to 103 in the first half of 1962 and further to 80 in the second half. The number of licences recently revoked on account of non-implementation has reached a rather alarming level. The main reason for the non-implementation of these licences was not unwillingness on the part of industrialists or lack of enterprise, but their utter helplessness. The new taxes proposed in the last Central Budget have unduly increased industrial costs in the country.

The restrictions which the Government has placed on the profitability of the corporate sector, have done great harm to India's economy. Mr. Bharat Ram's plea that the tax system should be rationalised in the interests of accelerating the rate of growth, deserves careful consideration of the Government. The increase in industrial production is closely related to an increase in the country's foreign trade. In this connection, Mr. Bharat Ram has emphasised the need for removing all tariff and non-tariff barriers to the trade of developing countries like India.

Road and River Transport

Unlike the railways and shipping which have kept up a fairly steady rate of expansion, the progress made by inland water and road transport has been rather slow, although because of the Chinese aggression, there has been a noticeable spurt in road-building activity over the past few months in the northern States of Bihar, Bengal and Assam. India has still less than 40 miles of road and 50 vehicles for every 100 square miles of area, while the U.K. and the European countries have over 200 miles of road and 2,000 to 7,000 vehicles for the same area. In his presidential speech at the annual meeting of the Indian Roads and Transport Development Association in Bombay last week, Dr. F. P. Antia stated that production visualised in the third plan would generate demand for 330 million tons of long-distance transport to which emergency has added another 75 million tons. The railways have been geared to handle about 260 million tons, and the remaining 115 million tons has inevitably to be carried by road and inland water.

Even if inland water and road transport were to double their capacity of the second plan during the current five-year period, there would still be a gap of some 75 million tons. Dr. Antia observed that road transport would need to expand over eight times to fill the gap between demand and availability. He listed various factors which had been impeding the development of roads and road transport, and made a pointed reference to the heavy burden of taxation. In 1951, the road transport industry contributed less than Rs. 50 crores to the Government's revenue, but at present its contribution is of the order of about Rs. 240 crores. Dr. Antia stressed the need for a change in the approach of the Central and State Governments towards road transport and the vehicle manufacturing industry "from one of suspicion and hesitation to one of extending healthy and positive encouragement to them."

The Central Minister for Shipping, Mr. Raj Bahadur, assured the Association that the Government was fully aware of the importance and the need to develop roads and road transport in the country but expansion was being held up mainly because of inadequate financial resources. He said that the industry's proposal for setting up a road board on the lines of the Railway Board bristled with many difficulties, and it would be premature to give it a final shape at the present time. Meanwhile, the Government is constituting a study team with representatives of the Central and State Governments to examine how "irritation and delay", which taxation at several points on inter-State routes causes, can be avoided and what arrangement can be made to assess and recover all the taxes at the terminal points of an inter-State route, and divide the proceeds thereafter on a basis acceptable to all the States concerned. Mr. Raj Bahadur added that the Government was trying to remove some of the vexatious restrictions from which inter-State transport has suffered, in order to facilitate the flow of trade and traffic within the country.

Moreover, since the manufacture of motor-vehicles was not increasing at the rate at which it should in order to achieve the plan target of

60,000 vehicles, the Government, Mr. Raj Bahadur said, had recently taken measures which would shortly lead to a rapid increase in the output of vehicles and indigenous components. Manufacturers had been asked to step up the indigenous content of the vehicles to at least 90 percent by the end of 1963-64. The required foreign exchange for importing capital goods has already been released, and the necessary equipment and machinery is expected to be received and installed in the course of the current year. Steps are also being taken for developing ancillary industries by similar assistance in the import of capital goods. Referring to the transport industry's complaint about heavy taxation, Mr. Raj Bahadur observed that taxation was related to the "paying capacity", but if the industry felt that the strain had become unbearable and a stage had been reached when any further levy would prove a disincentive, it had better establish its case with adequate data supported by factual studies.

As for inland water transport, the Minister said that in India, unlike in most other countries, the claims of irrigation had necessarily to be reconciled with those of navigation. Moreover, the waterways, except in Kerala and Assam, were fed mostly by the monsoon. Effective steps are being taken to develop inland water transport in Kerala and Assam. The Government is considering the possibility of controlling the flow of water on the Brahmaputra, and extending navigation by mechanised craft up to Dibrugarh. As for the Ganga, an experiment in push-tow, which is in vogue in the U.S.A. and Europe, has been tried and found to be technically feasible, but it remains to be seen whether river transport can commercially hold its own against the well-developed rail and road transport systems in the region. The Government proposes to set up a directorate to study how best inland water transport can be developed and in which parts of the country it will be welcomed widely.

Gold Control Rules Amended

Contrary to Mr. Morarji Desai's claim, the Gold Control Rules have not succeeded in either bringing down the price of gold in India to the international level or in stopping smuggling. The amendments to the Rules, which came into force from 24th June, have undoubtedly filled some gaps, but they are unlikely to help achieve the main objectives of bringing down the price of gold and of preventing smuggling. Although the amended Rules have removed "some difficulties", as has been claimed by the Central Finance Ministry, they have also created some new ones for goldsmiths and dealers. The amended Rules lay down that all gold refineries should restrict the purity of any primary gold they produce to 14 carats. The production of primary gold of higher purity, except in special cases and with the permission of the Gold Control Board, has been made illegal. Furthermore, the existing stocks with refineries and dealers and any stocks which they may acquire should also be converted into gold of a purity not exceeding 14 carats within a period of seven days. The object of this restriction is to prevent smuggled gold from finding its way into the hands of refiners and dealers.

The amended Rules have imposed undue hardship on gold dealers and refiners. The period of seven days, allowed for converting all stocks into 14-carat gold, was much too short. There is not enough capacity in India, especially in the interior areas, for refining gold. Although the amended Rules provide for the licensing of non-power refineries in areas which are not yet served by refineries, it will take some time to create additional refining capacity. Some dealers, especially in big cities, have to supply 24-carat gold to industrial consumers and other permit-holders. The amended Rules should have allowed these dealers to hold high purity gold to the extent of their commitments without the necessity of obtaining a permit, since the consumers concerned already hold a permit from the Gold Control Board. One of the results of the amendment has been that a market for 14-carat gold has already come into existence in bigger towns. Gold of 14-carat purity, it is reported, is now selling in Bombay at Rs. 66.50 to Rs. 67 for 10 grams whereas in the past different dealers were charging different prices.

An important provision in the amended Rules is that the manufacture or sale of ornaments and the lending of money against gold and gold ornaments should be carried on in separate premises. The object of the provision is apparently to prevent gold ornaments of higher than 14-carat purity from being manufactured and then passed on as pawned articles. The amended Rules also empower the Government to regulate the return of pledged or pawned gold ornaments to the extent necessary to check the evasion or contravention of various provisions of the law. But there is nothing in the original Gold Control Order or the amended Rules to prevent smugglers from bringing into India gold ornaments of 22-carat or 24-carat purity.

Moreover, although the Rules prohibit the manufacture of ornaments of more than 14-carat purity, a satisfactory method has not yet been devised to enforce it. It is an open secret that such ornaments continue to be manufactured on a large scale. Although the original Order as well as the amended Rules provide for "any officer authorised by the Board to stop any vehicle, animal or vessel or, in the case of an aircraft, compel it to land, or even to fire upon it and to search, capture and confiscate," the Government has not evolved an honest and efficient enforcement machinery.

Maharashtra Financial Corporation

In rendering financial assistance to the corporate sector, especially the small and medium-scale concerns, the Maharashtra State Financial Corporation can take credit for having played an increasingly important rôle, as the rise in the number of applications and the total amount involved testify. The Corporation had crossed the Rs. 10-crore mark for sanctioned loans by the end of March last, and the total loans disbursed since its inception up to March 1963, aggregated Rs. 6.28 crores. The Corporation was able to pay the guaranteed dividend out of the year's profits without having to seek any subvention from the State Government. While the demand for funds has been growing, the resources at the disposal of the Corporation have been limited. Last year, the Corporation has had to replenish its resources by borrowing from the Reserve Bank and from the Refinance Corporation for Industry. The Corporation has also started accepting deposits.

Speaking at its annual meeting last week, the chairman, Mr. Purushottam Kanji, indicated that the Corporation proposed to raise about Rs. 1 crore through public deposits to meet the current year's financial needs estimated between Rs. 1 crore and Rs. 2 crores. He referred to the suggestion made at the conference of State Financial Corporations held in February, that the needs of these institutions might be considered and included in the loans floated by the Central Government so that the Corporations are relieved of the difficulties of tapping the market. He also referred to the rising trend in the rates of interest and suggested that the Corporation should fulfil the main purpose of making resources available at reasonable rates even when the rates of other commercial banks may be relatively high. He reiterated his earlier suggestion for setting up unit trusts to give financial assistance to the fast-growing industries in the country.

Mr. Kanji said that last year the Corporation had a branch in Aurangabad which is an industrially backward area of the State. In opening this branch, the Corporation was not prompted by the profit motive but by the desire to come in close contact with the industrialists in that area. The Corporation has plans to open more branches in the near future. Since its inception, 343 concerns have received financial assistance from it, out of which 61 concerns have repaid their borrowings in full; this suggests that the concerns receiving loans have been doing well.

M.P. Financial Corporation

The Madhya Pradesh Financial Corporation reports fair progress in its activities during the year ended March 1963. It received 138 applications for loans for a total amount of Rs. 4.54 crores, against 127 applications for Rs. 1.83 crores in the preceding year. Total disbursements at Rs. 94.90 lakhs set a new record, and showed an appreciable improvement over the previous year's figure of Rs. 33.68 lakhs; disbursements in 1961-62 were limited mainly because of lack of adequate funds. The total number of applications for loans sanctioned by the Corporation since its inception up to 31st March, 1963, is 221 for an aggregate sum of Rs. 5.82 crores, and disbursements amounted to Rs. 1.99 crores to 116 applicants. Loans outstanding at the end of the year ended March 1963 amounted to Rs. 1.51 crores. The Corporation has made a profit of Rs. 4,18,633 for 1962-63, against Rs. 4,11,448 for the preceding year. Out of this, a sum of Rs. 41,000 has been credited to special reserve account, leaving a net profit of Rs. 4.11 lakhs.

The directors have decided to augment the Corporation's resources by borrowing Rs. 1.5 crores in order to meet the growing demand for loans. Negotiations for a loan of Rs. 50 lakhs have already been concluded with the Reserve Bank, and bonds worth Rs. 1 crore are likely to be issued some time in August. According to certain rough estimates of the Corporation's financial requirements, it will need to borrow Rs. 1 crore in 1963-64, Rs. 1.5 crores in 1964-65 and Rs. 2.5 crores in 1965-66. The Board has decided to impose a commitment charge of 1 percent for every six months' extension of the sanctioned loan, if it is not availed of within one year of communication of the sanction. In granting loans, the Board has decided to give top priority to defence-orientated industries. The second priority is to be accorded to industries which have good export potential and involve minimum of foreign exchange expenditure.

Dollar Stocks in the U.K. Treasury

THE British Treasury releases no more than the minimum of information concerning its holdings of dollar securities, but the sale of 2½ million shares in the Shell Oil Company of New York was too big to be kept secret. It has drawn attention to an element in the sterling area's reserve that is undoubtedly important but difficult to assess, and it has raised demands for fuller information on the dollar holdings. The Treasury has, of course, denied that there is any particular significance in that particular transaction. It did not offer the shares for sale: the Royal Dutch/Shell group, already controlling Shell Oil, approached the Treasury with a proposal to buy them. But some people in the City of London believe that the Treasury was glad of the opportunity to diversify its holdings and to make its portfolio of dollar securities more flexible.

The proceeds of the sale, about £36 million, are not added to the published reserve of gold and convertible currencies; they are reinvested in other dollar securities. The Treasury's dollar securities were acquired in special circumstances, and they have always been regarded, hitherto, as a special category of reserve. They were acquired during the second World War, when the British Government had to provide collateral for a loan from the United States; the Government requisi-

India's Resources are Precious

WASTE NOT,

WANT NOT

ORDER NOW

CAPITAL

A SURVEY OF INDIAN INDUSTRIES 1963

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In addition, there will be articles on industries such as structural engineering, refractories, machine tools, fertilisers, inorganic chemicals, vanaspati, footwear, air conditioning and rayon.

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tioned all private British holdings of dollar stocks. The loan was repaid in 1951, but the collateral has been retained, as a special reserve against some such special contingency. The reserve is managed as an investment trust. The value of the particular loan for which this special security was required —in 1941—was $425 million. The present value of the Treasury's dollar investments is probably well over $1,000 million. The only relevant information given in the Treasury's statistical statements has shown the value to be in the $750 million to $1,250 million range. What stocks the investment trust comprises has not been revealed since 1951, and the portfolio has doubtless been extensively changed in 12 years. In 1951 it included General Motors, Standard Oil of New Jersey, Sears Roebuck, Woolworth and others to a total of more than 60. The City believes that changes are infrequent, but, even so, they could alter the character of the portfolio over a period of years.

If an investment trust of such size were used for short-term operations, secrecy might be necessary. But secrecy detracts from the psychological value of this reserve, and the City feels that as a policy it is wrong. The British taxpayer, if fully conscious of his rights, might feel that the Treasury should publish a list of the holdings at least once a year, so that he could see how competently, or otherwise, a part of the nation's resources was being managed. Evidence of competent mangement would impress opinion abroad. At present the world is not very interested in this important supplement to the published reserve. The holdings of dollar stocks would never be regarded as equivalent to the holdings of gold and currency. About nine-tenths of this reserve is gold, and devaluation of currencies, in terms of gold, could only increase the value of the reserve; whereas external influences—specifically, the movements of prices on Wall Street—change the value of the dollar stocks in either direction. Nevertheless, supplementary reserve that is approximately one-third of the value of the published reserve is an important factor in the sterling area's finances, and it should be recognised as such.

However, the effective value of this supplementary reserve is at presented restricted by a policy that treats it as a reserve for exceptional contingencies such as war. The City feels that it should be available for more normal financial contingencies such as a flight of foreign funds from London. And it will surely be needed to support the British Government's plans to restore London as a centre of international lending. It is arguable that the techniques of international collaboration in monetary affairs which have been developed comparatively recently have diminished the importance of first-line national reserves. But these techniques are intended to maintain the stability of currencies, and to promote international trade, rather than to help individual countries to achieve their national aspirations, such as Britain's aspiration to become again an important source of capital for foreign lending. The three-year loan of $20 million to the Belgian Government that attracted attention recently was financed through the Euro-dollar market, with short-term U.S funds. A long-term, even a medium-term, capital market could not be developed far on such an unstable basis.

It is necessary to strengthen the first-line reserve of the sterling area if London is to be promoted as a centre of international lending, and if sterling is to be used more extensively as a reserve currency abroad and as a medium of international trade. Inclusion of the dollar stocks in the first-line reserve would strengthen the whole financial position. Meanwhile, this huge investment trust is a valuable national asset on its own account. Properly managed, it is an important source of income, in an era when income from foreign investment is needed to strengthen the current external accounts of the nations that manage the reserve currencies. Whether the transaction that started this discussion—the sale of part of an investment in a major oil company—was wise in the particular circumstances cannot be sensibly debated in the absence of fuller information on the deal. But if it implies that the authorities are handling this investment trust more flexibly, it must be, in principle, approved.

CORRESPONDENCE

THE FOG OVER BOKARO

(To The Editor of "Capital")

Sir,

It was with "capital" interest that I read your pen portrait, as it were, of "The Fog over Bokaro" and I write to take my hat off to you for the following very appropriate comment :

> "Mr. J. R. D. Tata has gone out of his way to urge the U.S.A to support Bokaro during his recent visit to that country. Mr. Bharat Ram, president of the F.I.C.C.I. also lent a hand when he was recently in New York."

But the tragedy remains that the good-natured and highly sensible efforts of these leading industrialists to carry conviction to the U.S.A. are neutralised and nullified by the indiscretions of our politicians who are seldom as gracious and grateful as they might have been and, indeed, should have been in their frequent references to that great country which, without any political obligation to do so, has helped India much more than all the Commonwealth countries put together. It is a pity that we Indians never see ourselves in a mirror; we seldom pause to reflect on the likely effect of our words and deeds on well-meaning foreign Governments and people, and we usually tend to be niggardly in our expressions of gratitude, as if a liberal use of the more pleasant expressions in the English language would eat up our foreign exchange. Incidentally, Mr. Krishna Menon's record in irritating America is equalled —I sometimes think, even excelled—by the performance of more than one public figure in this country. American hesitation and half-heartedness is inevitable.

Our wooing of America has not been gentle—or gentlemanly. No girl likes to be told that there are other girls waiting for one to flirt with. And not all girls are overfond of long coats and *chooridar pyjamas* and a cap that not merely covers but covers up much. If we Indians are a sensible, practical people, our approach (in the case of our politicians) to the English language and western clothes would have been more rational than national. And if it had been, we would have got along much better with the West.

With renewed appreciation of your exemplary editorial efforts.

Yours etcetera,
C. Balan

New Delhi, 21st June, 1963.

DIRECTORS OF AGRICULTURE

THAT the Government of India are waking out of their sleep is evidenced by the fact that thoroughly-equipped Directors of Agriculture are being appointed to every Province, but I would like, incidentally, to observe that these Inspectors and Directors are not to be considered as immaculate in all their opinions, nor should the Government treat the dictum of an Inspector-General on any particular question as being of an absolutely infallible nature, and frame their action accordingly. The manner (short sighted, I believe it to be) in which they recently treated the suggestion that some experimental machinery for crushing cotton seed, should be obtained from America, with a view of opening up a large industry in oil and cotton-seed in India,—an industry which would enable India to retain the by-products for cattle food and for manuring the land, is by no means reassuring. If their attention had been called to some new gun for the destruction of life, it would have been indented for with alacrity. The Inspector-General of Agriculture is not the man whose opinion ought to have been sought in this matter at all. He has got to see how the largest crops of the best quality can be produced. Their future manipulation belongs to another class of experts altogether. The Government ought to listen to the recommendations of the Chamber of Commerce for Upper India, and get the experimental machinery referred to without any delay.

FROM
CAPITAL
9th July, 1903

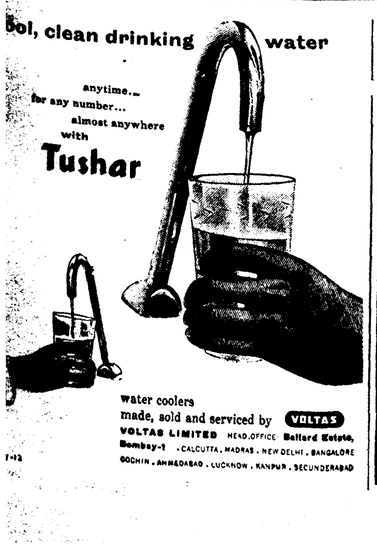
A Ditcher's Diary

As one looks at the all-powerful provincial satraps—Nadar in Madras, once Roy in West Bengal and Chavan in Bombay—one gets the notion that New Delhi's authority is dwindling daily. And the list of things New Delhi has not been able to persuade various States to accept is indeed long. Yet signs to the contrary are not altogether lacking which brings me to the unseemly row in progress between Kerala's Chief Minister and its State Congress President. The latter referred the allegations against the former to Mr. Nehru, while Mr Shanker himself proceeded to the capital. This double Delhi-ward look does not necessarily mean that New Delhi is supreme; but it does show that when the opposing forces in a State are evenly divided and neither is obviously decisive New Delhi has a part to play. The part may not, however, be decisive, for it is not easy to see Mr. Nehru giving a firm verdict. Will Mr. Lal Bahadur Shastri? I don't know. In retrospect it seems by no means doubtless that the Centre acted decisively in dismissing the communist ministry and introducing President's Rule. The issues decided themselves in Kerala itself where under Mannath Padmanabhan the agitation assumed considerable proportions. While the Congress can be utterly uncompromising with other political Parties, and it usually is, it can be equally hesitant about resolving disputes between factions within. It is difficult, for instance, to believe that, at a given point, the Congress will know whether to back, in West Bengal, Mr. P. C. Sen or Mr. Atulya Ghosh. (I imply no rivalry between the two.) Similarly, in Kerala, New Delhi may find it hard to choose between Mr. Shanker and Mr. Govindan Nair. In Bihar, with the deaths of the two Sinhas, Srikrishna and Anugrahanarayan, the two factions did not disappear; they still flourish under other leaders. The Congress High Command looks on. In Andhra Mr. Sanjeeva Reddy and Mr. Sanjeevaya fight an open duel. There is no referee. These instances would be multiplied almost indefinitely. The more one look at the Congress, the more a Yeats quotation presses itself upon me: "Things fall apart/The centre cannot hold". Messrs Shanker and Nair may yet have to go back to Trivandrum and fight it out there. New Delhi will bless the winner, whoever he may be.

It seems as yet uncertain whether Sirajuddowla of the Battle of Plassey or Mr. Serajuddin of the Battle of Bhubaneswar will have a more lasting place in Indian history. The manner in which Mr Biju Patnaik, Chief Minister of Orissa, and Dr Harekrushna Mahatab, former Chief Minister of the same great State, have been washing in public the dirty linen of each other is making it daily more difficult to decide just who washes blackest. It seems pretty obvious, however, that some business men in India have been distributing largesse to politicians almost as indiscriminately as Miss Christine Keeler distributed her rather different sort of favours. Since so many have so much to hide, it is not easy to take Dr. Mahatab altogether seriously when he says that, if Mr. Patnaik goes any further, he will demand a judicial enquiry, although I am all for it. The more we know of these goings-on the more we must feel how much more we don't know. But when I hear too many chuckles in business circles I get an uneasy feeling that not all the mud is sticking to politicians alone; the "image" of business has suffered too. When these individual cases have been settled, as they will be one way or another, the question of finding funds for political Parties will still remain. The Congress has become an enormous and highly expensive organisation; even if everything were above board and everybody honest, it would still require a good deal of money to work between and during elections. Where is this money to come from? Membership fees add up to little. The Congress has no T.U.C., as the Labour Party in Britain has; trade unionism is still undeveloped and the unions themselves need money and probably get it from political Parties or other patrons. There are no legal objections to donations from companies; many raise moral objections. Like Damon Runyon's bums, Indian political Parties do the best they can for living; and the best is not always good. As the largest Party in the country, it is for the Congress to find an answer to this basic question; and let us hear in Parliament what ideas the Opposition has on the subject. Particular scandals are far less important than the main dilemma.

When Australia goes over to a decimal coinage, which will be shortly, Britain alone among the richer countries of the world will be left with the old system. My guess is that she will not be able to retain it for much longer: and there has already been a good deal of discussion as to what name to give a new unit to replace the pound. But why replace the pound at all, one may ask; surely it is possible to have a decimal coinage without? So it is: but the general opinion seems to be that the pound is rather a large unit for modern use and that one equivalent to half its value would be more appropriate. I am inclined to agree, but that is where the question of a name comes in because simply to affix the old one would give the impression of devaluation externally and might lead to inflation internally. Some of the names suggested so far have been plainly factitious: "tenner" and "quidlet" for example. No doubt a new unit will attract its nicknames, but for normal purposes a more dignified title is needed. Some have suggested a "royal", or an "elizabeth", perhaps inevitably seeing this is a British affair. I have also heard "britannia", or its shortened form "brit". Not very inspiring these at all. Personally I would prefer "crown". It is a name which has been connected with the British coinage in past years, and, because it is still remembered as having had the equivalent value of five shillings, it could presumably claim psychological advantages for the same reasons as to call the new unit a pound would have disadvantages. It is also short, and would satisfy the British passion for involving royalty. "Sterling" might be another good title, although from the financial journalist's point of view it has the drawback that it would halve the present choice of words used to describe Britain's currency. But then, why not "new pound"? India used this form for her *paise* and France for her reformed franc. It is a bit cumbersome, perhaps, but the adjective can always be discarded later when everybody has got used to it. I think it would be a pity to drop the word pound altogether; as originally referring to a pound-weight of silver, it can be traced back to the Roman *libra*. But whatever title is chosen, I doubt now whether it will ever be a "mac".

So "the pill" has arrived at last. I am told that it is already on sale in Britain, although so far only against a doctor's prescription. The question now is how soon it can be made available here, because if we are in for some years of acute food shortage, and I suspect we are, it might help a little. I specify a little for the good reason that whatever happens at the lower end of the population scale, "the curse of western medicine" will continue to ensure an expansion at the upper end for some considerable time yet. The best that can be hoped for is that the rate of population growth might be slowed down slightly, and even that would be welcome. I suggest that, for a start, New Delhi might put the pill at the head of its list of foreign aid requirements for the future, because in military and economic terms it could be worth several fully equipped army divisions or even a steel plant or two. For several reasons the official attitude towards contraception in India has been rather less than wholehearted, although it has not been as lukewarm as in some other countries where the population problem is no less serious. This is perhaps natural enough. Birth control comes up against some pretty fundamental instincts in human beings. Even in the



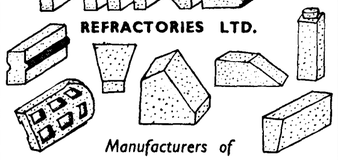




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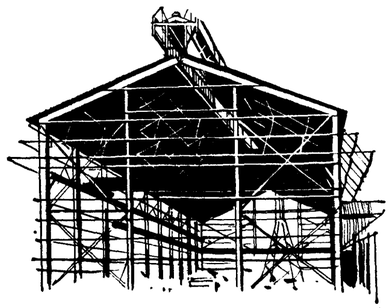
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West the advent of the pill has not been without its reactions. One of the most interesting is that it might lead to a radical change in the balance of population between East and West if one half of the world takes it and the other half does not. My only answer to this is that, pill or no pill, the next few years are going to see a huge, disproportionate growth of numbers in favour of the East anyway. Besides, the history of contraception so far surely proves that in itself it makes little difference to long-term population trends. It merely permits families to be controlled according to economic circumstances; when incomes increase so then do families, usually. The proof of this is the fact that the U.S. birth-rate has increased steadily since the 1930's and at present France, Germany and Britain are all recording their highest birth-rates for generations. In themselves, numbers are of neither economic nor military value; it's the quality behind them that counts. That is why I never have had time for people who seek to rationalise their primitive unconscious prejudices against birth control in specious arguments about the greater opportunities for division of labour and the more ready availability of cannon fodder.

THE STRACHEYS, I AM AFRAID, WILL NEVER GET India out of their system; and John Strachey, Labour M.P. for Dundee, could not resist the temptation of including in his latest book, *The Strangled Cry*, a few pieces on India. He writes of Indian architecture with a measure of becoming diffidence; but I find him constantly interesting in the essay called "A Temple of Love". He does not write of Konarak alone and has tantalising asides on Calcutta and New Delhi. The latter he compares with Akbar's Fatehpur Sikri. "In fact I am", he says, "inclined to think that it is only that apparently unavoidable snobbery for the old, from which we all suffer, that prevents us comparing the New Delhi buildings quite favourably with Akbar's job at Fatehpur Sikri . . . The truth is that neither New Delhi nor Fatehpur Sikri are major works of art; they are both handsome and splendid public works". He dismisses Calcutta as "semi-commercial" but observes: "It is true that in Calcutta our Governors and Governor-Generals were continually being potted at by pious Bengali nationalists; but then they seldom hit them. Instead we set up a bogusly Viceregal establishment at New Delhi. It was aesthetically a success, politically an error: the opposite of the usual British form". Strachey then refers to the many theories he heard, frequently from Indians, on what might have prevented Britain from "losing" India and correctly rejects them all. He was a member of the British Government that passed the Independence of India Act and says, " . . . the fact is that we left India because, in the inimitable Chinese phrase, we had 'exhausted the mandate of heaven'." I rather like this divine theory of decolonisation, although I remain of the view that the story might have been very different if a Tory Government had been returned in 1945. The end of the story is not in doubt; there is a certain inevitability about these things; but the manner and speed of reaching it would have differed materially. Incidentally, Strachey has a couple of interesting pieces on Professor Galbraith too, with whom he went to Konarak, although the U.S. ambassador is not mentioned by name. You know it just the same from the references to Harvard and his extraordinary height!

THIS INSTRUCTIVE REVIEW OF A CUBAN HIT AT THE Moscow Circus some time ago comes from *Moscow News*:

"The plot's simple; a gay carnival suddenly terminates in a murder—the popular teacher Juan is mortally wounded; a handful of saboteurs are setting fire to sugar plantations. The people decide to root out the counter-revolutionaries. Pepe the fisherman and his friend Pedro get into the enemy's stronghold and cut off their retreat by blowing up a rock. The People's Army soldiers come to their aid, disarm the saboteurs and the remnants of the routed gang drown in a gushing waterfall."

THE DITCHER

Guide for Investors

McLEOD TEA GROUP: ALL BUT ONE FARE WELL

THE results of the McLeod group of tea Companies for the year ended December 1962 have been published. The profit of Bhatkawa Tea Co. Ltd (a Dooars garden) has increased from Rs. 2.95 lakhs in 1961 to Rs. 5.78 lakhs in 1962, after providing Rs. 1.30 lakhs (against Rs. 1.24 lakhs) for depreciation. The taxable ordinary dividend has been raised from 15 percent to 20 percent, absorbing Rs. 1.80 lakhs. The yield is 11.1 percent at the present price of Rs. 18 a share of Rs. 10 each. Taxation is allocated Rs. 2.36 lakhs, of which the super profits tax is Rs. 2,254. Tax provision was Rs. 1.22 lakhs for 1961. Development rebate reserve absorbs Rs. 1,334 (against Rs. 1,296). The carry-forward is Rs. 4,365, against Rs. 7.095 brought in. The crop rose from 593,617 kilograms to 700,569 kilograms, and the average sale price rose from Rs. 4.42 to Rs. 4.68 a kilogram. The 1963 crop has been estimated at 616.885 kilograms at a cost of Rs. 23.99 lakhs.

The profit of the Tyroon Tea Co. Ltd (an Assam garden) has improved from Rs. 2.55 lakhs to Rs. 7.11 lakhs, after transferring Rs. 1.82 lakhs (against Rs. 1.98 lakhs) to depreciation. The taxable ordinary dividend has been increased from 15 percent to 25 percent, absorbing Rs. 1.30 lakhs. It offers a yield of 7.6 percent at the present price of Rs. 33 a share of Rs. 10 each. After including Rs 90,000 for the super profits tax, tax provision is Rs. 4.26 lakhs (against Rs. 78,500). General reserve absorbs Rs. 270,000 (against Rs. 1 lakh), leaving a carry-forward of Rs. 1,024, against Rs. 66,662 brought in. The crop rose from 590,423 kilograms to 651,147 kilograms, and the average sale price from Rs. 5.14 to Rs. 5.76 a kilogram. A crop of 671,300 kilograms has been estimated for 1963 at a cost of Rs. 27.40 lakhs.

The Rajahbhat Tea Co. Ltd (a Dooars garden) has earned a profit of Rs. 2.15 lakhs, against Rs. 95,945, after providing Rs. 57,116 (against Rs. 60,779) for depreciation. A taxable ordinary dividend of 6 percent has been declared, absorbing Rs. 36,000. The dividend for 1961 was passed. The yield works out to 4.9 percent at the present price of Rs. 12.31 a share of Rs. 10 each. Taxation is allocated Rs. 75,500 and general reserve Rs. 45,000. The carry-forward is Rs. 4,384, against a debit balance of Rs. 47,427 brought in. The crop was 391,886 kilograms, against 363,864 kilograms, and the average sale price rose from Rs. 4.36 to Rs. 4.70 a kilogram. A crop of 362,900 kilograms has been estimated for 1963 at a cost of Rs. 15.14 lakhs.

The Bormah Jan Tea Co. (1936) Ltd (an Assam estate) has maintained the taxable ordinary dividend at 15 percent to absorb Rs. 1.13 lakhs. The yield is 10.5 percent at the present price of Rs. 14.25 a share of Rs. 10 each. The profit has risen from Rs. 1,52 lakhs to Rs. 1.87 lakhs. Taxation absorbs Rs. 2.08 lakhs (against Rs 89,000), development rebate reserve Rs. 2.215 (against Rs. 1,610) and machinery and buildings reserve Rs. 1.80 lakhs. The carry-forward is Rs. 14,236, against Rs. 1.29 lakhs brought in. The crop fell from 303,665 kilograms to 300.721 kilograms but the average sale price rose from Rs. 5 to Rs. 5.85 a kilogram. The 1963 crop has been estimated at 308,400 kilograms at a cost of Rs. 12.46 lakhs. The Tea Board has agreed to grant a long-term loan of Rs. 5.11 lakhs to the Company for expansion.

The profit of the Baghmari Tea Co. Ltd (an Assam garden) is Rs. 1.88 lakhs, against Rs. 1.61 lakhs, after transferring Rs. 1.01 lakhs (against Rs. 1.05 lakhs) to depreciation. The taxable ordinary dividend has been halved to 7.5 percent, absorbing Rs 41,250. It offers a yield of 6.3 percent at the present price of Rs. 12 a share of Rs. 10 each. Taxation is allocated Rs. 1.10 lakhs (against Rs. 66,000), buildings and machinery reserve Rs. 90,000 and development rebate reserve Rs. 1,500, (against Rs. 2,600). The carry-forward is Rs 2,926, against Rs. 54.594 brought in. The crop fell from 353,284 kilograms to 320,928 kilograms, although the average sale price was higher at Rs. 5.99 a kilogram, against Rs. 5.32 a kilogram. The Tea Board will grant a long-term loan of Rs. 4.49 lakhs to the Company for expansion.

The Ranicherra Tea Co. Ltd (an Assam garden) has earned a profit of Rs. 1.60 lakhs (against Rs. 1.90 lakhs), after providing Rs. 1.05 lakhs (against Rs. 90.733) for depreciation. The taxable ordinary dividend has been halved to 7.5 percent, absorbing Rs. 57,375. The yield is 5.5 percent at the present price of Rs. 13.62 a share of Rs. 10 each. Taxation is allocated Rs. 71,000 (against Rs 74,000), general reserve Rs. 1 lakh and development rebate reserve Rs 10,000 (against Rs. 80,000). The carry-forward is Rs. 2,737, against Rs. 77,666 brought in. The crop was 476,526 kilograms, against 503,638 kilograms. The average sale price rose from Rs. 4.32 a kilogram to Rs. 5.07 a kilogram. The Tea Board has agreed to grant a long-term loan of Rs. 5.92 lakhs to the Company for expansion.

Expansion Scheme of Goodyear India

IN his address at the annual general meeting of the Goodyear India Ltd in Calcutta last week, Mr. R. E. O. Carey, Managing Director, said that the rights issue had been deferred, not cancelled. (Fuller details are printed on a later page in this week's issue of *Capital*). The expansion scheme sanctioned by the Government is under the active consideration of the directors. Commenting on the outlook, Mr. Carey pointed out that the industry's productive capacity might be 4.5 million tyres and tubes a year by 1965 while the Planning Commission has estimated the demand at 3.5 million tyres and tubes a year by that time. So keen competition is welcome. Goodyear India is confident of selling all its products. Mr. Carey refers to the present unremunerative price structure for tyres and tubes. Since the prices have remained unchanged for a long time, the profits of the industry have been squeezed due to the rising production costs. The Government, it is hoped, will raise the prices in the near future. The Company has taken active steps to promote the export of its products.

Referring to the loss of Rs. 57 lakhs incurred during the year ended December 1962, Mr. Carey said that it had been due to the operations of the Ballabgarh factory which had to work below capacity due to the power shortage. Tyre curing is a continuous process which admits of no interruption. The processed raw materials have to be scrapped if a stoppage occurs. Mr. Carey hoped that the power shortage was temporary because active steps were now being taken to remove it.

The ordinary dividend has had to be passed again, but the financial position of the Company remains sound. The Company's equity capital is Rs. 2 crores backed by a surplus of Rs. 1.5 crores. It has adopted a profitable programme for the diversification of activities. Apart from the traditional lines of automotive accessories, industrial products, chemicals and adhesives, the Company has been marketing a new and wide range of products made to its specifications and design by small-scale industries. These products comprise bells and locks for bicycles, dock fenders and automotive batteries.

Bengal Paper Expands and Modernises

THE expansion and modernisation schemes of the Bengal Paper Mill Co. Ltd have made satisfactory progress. Most of the equipment have arrived or have been shipped. The new paper machine is expected to start production before the end of the current year. Commenting on the working of the Company (fuller details are printed on a later page in this week's issue of *Capital*) for the year ended December 1962 in his chairman's address at the annual general meeting in Calcutta last Friday, Mr. N. D. Bangur, said that in spite of higher production and larger gross profits, the Company's net profit is lower mainly because of heavier taxation. (The speech was read by a director since the chairman was absent at the meeting.) The costs of expansion and modernisation have moved up due to the increased Customs duty and higher prices of domestic cement and steel. So the ordinary taxable dividend has been cut from 27.5 percent to 20 percent. The Company has arranged to borrow more funds to finance expansion and modernisation.

Commenting on the prospects, Mr. Bangur said that at the end of 1965, the output capacity of the industry might not be more than 550,000 tons, against a planned target of 711,000 tons. The shortfall is due to the fact that several new units may not come into existence due to the high capital investment required and because of the unattractive return to the industry. The prices of paper and boards have been unrealistic in view of the rising production costs. So it is hoped that the Government will soon raise the prices to a more economic level. As for the supply of raw materials, Mr. Bangur has asked the authorities to grant long-term leases of forests to the paper industry for scientific development and exploitation. The Government of West Bengal should consider allocating sufficient waste lands to the industry for developing timber and grass plantations. Steps should be taken to ensure an adequate supply of other essential raw materials such as chemicals and dyestuffs at reasonable prices.

The Company's working has suffered due to the shortage of imported wood pulp, although production was 21,588 tons in 1962, against 19,627 tons in 1961. Measures have been taken to promote the export of the Company's products.

T.E.L.C.O. Repeats Dividend

NOTWITHSTANDING the Government's helpful policy for the motor-vehicle manufacturing industry under the stress of emergency and the Company's satisfactory progress in the implementation of its expansion schemes, the shares of the Tata Engineering and Locomotive Company were subjected to heavy bear pressure during the past few weeks. The selling was attributed to fears of a cut in the Company's dividend for the year ended March 1963. Although these fears have turned out to be wrong, the directors' decision to maintain the gross dividend at Rs. 14.50 a share has failed to impress the market as the quotation for T.E.L.C.O. shares has not noticeably recovered after the dividend announcement. This is partly because the net dividend works out to 87nP a share less than in the preceding year, and partly because the preliminary figures about the Company's working results suggest that the Company has not done quit so well.

The total turnover is higher at Rs. 43.64 crores, against Rs. 41.65 crores, but the profit before tax is appreciably lower at Rs. 3.28 crores, compared with Rs. 3.79 crores in the previous year. It is unfortunate that the directors should have omitted the figures for managing agents' commission and depreciation because the comission makes it difficult to assess the performance properly. However, the picture which emerges from the preliminary report appears rather unencouraging. The Company has had to draw Rs. 6 lakhs from the general reserve No. 1 for the payment of the proposed dividend, whereas in 1961-62 a sum of Rs. 25 lakhs was credited to this reserve. After providing Rs. 1.65 crores (against Rs. 1.88 crores) for taxation and Rs. 27.47 lakhs (against Rs. 40.18 lakhs) for development rebate, the net profit for 1962-63 is shown at Rs. 1.16 crores, compared with Rs. 1.51 crores in the preceding year. With Rs. 3.62 lakhs brought forward and transferring Rs. 6 lakhs from the general reserve No. 1, the disposable surplus amounts to Rs. 1.25 crores. The directors have taken Rs. 1.25 crores to the dividend reserve out of which are to be paid the proposed dividends which absorb Rs. 1.25 crores, leaving a sum of Rs. 15,000 to be carried forward. The gross distribution of Rs. 1.16 crores to the equity shareholders includes Rs. 24.57 lakhs, being profits under Section 84 of the Income Tax Act 1961, while the corresponding tax-free profit of the previous year was Rs. 47.61 lakhs. The result is that the net dividend in the hands of the shareholders works out to Rs. 11.07 a share, against Rs 11.94 a share in the preceding year.

Elphinstone Goes Ahead with Modernisation

LIKE several other units in the textile industry, the Elphinstone Spinning and Weaving Mills fared badly in 1962. The gross profit fell by nearly 28 percent from Rs. 48.78 lakhs to Rs. 35.24 lakhs, and the gross dividend was cut down from 22 percent to 18 percent, partly because the Company has had to provide a large amount for bonus concerning earlier years. The chairman, Mr. N. K. Jalan's speech at the

shareholders' annual meeting holds out little hope of any improvement in the Company's working results for the current year, unless, of course, the industry's plea for higher cloth prices is accepted by the Government. (A fuller version of the chairman's speech appears on a later page in this week's issue.) Profits in 1962 were affected by higher manufacturing costs and the pressure on profit has increased further this year. Mr. Jalan has mentioned at length the all-too-familiar factors contributing to the mounting pressure on profits.

The shareholders might, however, take some comfort from the chairman's statement that in spite of several handicaps, the management has been continuously modernising the mills "with a view to be able to hold its own even in the most difficult times". Machinery worth Rs. 20.45 lakhs was installed and put into commission in 1962. Out of a total of 6,288 additional spindles permitted, the Company has been able to install only 2,240 spindles on account of the delay in the deliveries of indigenous ring frames. The Company has applied for a licence for putting up additional 6,087 spindles for balancing purposes. In the weaving preparatory department, the Company has modernised nearly half the winding and warping sections.

With a view to completing the modernisation of this department, it is considering the installation of the latest automatic high-speed winding and warping machinery, incorporating revolutionary changes in the winding technique. One automatic warp tying machine was received last year, and orders for further such automatic machines are being considered. In the weaving shed, 48 automatic looms were installed in replacement of old plain looms and installation of further 96 automatic looms is under consideration. In the processing section, the installation of the mercerising machine and screen printing has increased the salability of the Company's products which are now made in a larger number of varieties. As for the leather cloth division, the Company has ordered out one of the most modern and up-to-date equipment with the object of producing leather cloth of international standard, and the Company has also made arrangements for availing itself of the services of foreign technical consultants to advise on the latest techniques in leather cloth manufacturing. With new equipment, the Company hopes to be able to compete successfully in export markets for this product.

Rights Issue by Ambika Silk

THE Ambika Silk Mills did exceedingly well in 1962, with sales up by nearly 43 percent from Rs. 1.25 crores to Rs. 1.78 crores, and gross profit rising by about 48 percent from Rs. 19.23 lakhs to Rs. 28.54 lakhs. But the directors were unable to step up the dividend as the Company had to give away as much as 68 percent of the profit by way of taxation. It is, therefore, hardly surprising that the chairman, Mr. Ravindra Maganlal, should have devoted his speech almost entirely to the Government's taxation policy. His criticism of the Government's fiscal policy runs along familiar lines, but it merits attention. Few will disagree with him when he says that "all the incentives, assistance, bounties and subsidies for export remain only a tall talk, if charges and surcharges, tolls and taxes, levies and duties, together go on adding indefinitely to the cost of production". His suggestion will be widely endorsed that a high-power commission should be appointed to study the entire tax structure both at Central and State levels, to find out and suggest ways and means of having a flexible structure and also collecting such taxes without the least possible irritation to the tax-payers.

Mr. Ravindra Maganlal said very little in his speech about the prospects for Ambika Silk except that the Company has been able to improve upon its profitability in spite of the rise in prices of raw materials and other costs which have caused a considerable strain on corporate profits. The chairman attributed his Company's improved performance to the management's strict vigilance and check on every aspect of manufacturing activity. This is certainly very reassuring to shareholders. In order to finance the renovation and replacement programme, the Company proposes to increase its paid-up capital from Rs. 20 lakhs to Rs. 25 lakhs by issuing rights shares in the ratio of one share for every four held. The Company has placed an order for one stentering range at a cost of Rs. 5 lakhs, and this is likely to be installed during the current year.

Simplex Mills Pays Less

THE directors of Simplex Mills Co. Ltd have proposed a cut in the dividend for the year ended March 1963, from 22 percent to 16 percent, that is, from Rs. 11 to Rs. 8 a share of Rs. 50, less tax. The preliminary report on the Company's working shows that the performance has been quite disappointing because, while sales are down by only 6.5 percent from Rs. 3.22 crores to Rs. 3.01 crores, the gross profit had declined by as much as 24 percent from Rs. 54.73 lakhs to Rs. 41.53 lakhs. Apart from the general squeeze on the cotton mill industry's profits because of the higher manufacturing costs, the working results of Simplex Mills are said to have been affected due to a certain amount of dislocation as a result of the installation of new machinery.

Out of the year's gross profit of Rs. 41.53 lakhs, the directors have had to provide as much as Rs. 17.04 lakhs for bonus for 1957, 1959, 1960 and 1961. Depreciation absorbs another Rs. 18.74 lakhs, against Rs. 16.14 lakhs. Allocation to the development rebate reserve has been reduced from Rs. 13.90 lakhs to Rs. 6.40 lakhs. The directors have had to withdraw a sum of Rs. 9.62 lakhs from the general reserve to provide for the payment of the proposed lower dividend which absorbs Rs. 9.68 lakhs (against Rs. 13.31 lakhs). After bringing in a surplus of Rs. 27,000 from and writing back excess provisions amounting to Rs. 68,000, there is a balance of Rs. 24,000 to be carried forward. The Company installed during the year plant and machinery of the value of Rs. 32.91 lakhs, against Rs. 18.39 lakhs in 1961-62 and Rs. 11.66 lakhs in 1960-61. Outstanding orders for machinery at the end of the year amounted to Rs. 9.45 lakhs. The Rs. 50-paid share of Simplex Mills is currently quoted around Rs. 124, offering a gross return of about 6.7 percent.

Encouraging Outlook for Digvijay Cement

SHREE Digvijay Cement Company made a good showing in 1962, with production, sales and profit setting new records. The dividend, however, was only maintained at 10 percent. The chairman's speech at the Company's annual meeting last week holds out the prospect of still better results in the current year. The asbestos products factory which went into production in November last has got over all its teething troubles, and the plant is now steadily approaching towards capacity production. The asbestos pressure pipes and asbestos sheets turned out by the factory have been well received in the market, and it is hoped that endeavours to maintain the momentum already achieved would improve the earning prospects of the Company.

The work relating to the expansion of the production capacity of the Sikka cement factory by 200,000 tonnes a year is reported to be making satisfactory progress. The civil construction for foundations and buildings has reached an advanced stage of completion. The major portion of the plant and machinery have arrived at site, and all efforts are being made to complete the expansion programme by the end of the current year. The Company has decided to switch over to oil firing in place of coal firing, and arrangements have been made to effect complete changeover by 1964. The Company's subsidiary—West Coast Paper—is reported to be making satisfactory progress, with production maintained at the optimum level. The quality of paper made by West Coast continues to enjoy high reputation.

Referring to the recent general increase of Rs. 2.75 a tonne in the retention price of cement with effect from 1st June, the chairman pointed out that in all fairness, the increase should have been retrospective. Since the last announcement of higher retention prices, there have been increases in the cost of various items of production which have not been taken into account in the recent price rise. He has expressed the view, which is widely shared, that the Government should announce a specific formula to provide for automatic escalation for increases in the cost of fuel and power and increases due to Government measures. The chairman described the present system of fixing packing charges as quite unsatisfactory and urged the Government to fix packing charges on a "on profit no less" basis.

Dalmia Cement Maintains

SPEAKING to the shareholders of Dalmia Cement (Bharat) Ltd at the annual general meeting of the Company held in Dalmiapuram, Madras State, last week, Mr. V. H. Dalmia, chairman, says that the performance of the Company during the year ended December 1962 was satisfactory. (A fuller version of the speech is printed on a later page in this week's *Capital*.) Although the gross profit is higher, the net profit has been squeezed by heavier taxation which has mopped up more than 74 percent of the increased profit. The dividend has, however, been repeated after transferring a sum of Rs. 13.50 lakhs to general reserve. Cement continues to be in short supply since the output in India in 1962 was only about 3.5 percent higher than in 1961. He anticipates a continuing shortage during the third plan period, although the idle capacity of the industry is being used due to the improved supply of coal and transport. It is a good idea to promote the use of slag cement. Mr. Dalmia says that the present system of computing packing charges has placed a heavy financial burden on the producers, and hopes that the Government will take steps to improve it.

The price of iron ore has been depressed due to a recession in the world steel industry, and because of the large-scale development of new sources of ore supplies. It is encouraging that the State Trading Corporation has concluded a long-term contract for the supply of ore to Japan. Dalmia Cement hopes to make further supplies of high-grade iron ore from its mines to Japan through the State Trading Corporation. The port facilities in India should be improved to facilitate iron ore exports.

If the iron ore mining industry is to mechanise its production, Mr. Dalmia points out it should be assured of long-term purchase contracts. Referring to the recession in deadburnt magnesite, Mr. Dalmia says that Dalmia magnesite Corporation in which Dalmia Cement is a partner has suffered following the depression in the commodity. The demand for deadburnt magnesite has fallen behind supply because the expansion of the steel industry has not been as great as was expected earlier. Considering that the steel industry is switching to L-D and other oxygen processes for producing steel, the demand for deadburnt magnesite needs to be assessed cautiously. In the meantime, the Government should encourage the export of this commodity.

Commenting on the decision of the Government to levy capital gains tax on the conversion of deferred shares into ordinary ones, in the proportion of one ordinary share of Rs. 10 each for every four deferred shares of Re. 1 each held by the shareholders of Dalmia Cement, he says that the imposition is unfair and inequitable since the shares have not changed hands. It is hoped that the Government will exempt the converted shares from the tax to encourage companies for converting their deferred shares into ordinary ones.

Prospects for Modern Mills

PRESIDING over the annual meeting of the Modern Mills, the chairman, Mr N. D. Sirur, stated that the current year's working is tending to reflect the increase in manufacturing costs, but the Company is hastening with the installation of additional spindles and looms as well as processing equipment, which would enable it to effect economies in costs and produce better qualities of cloth. Mr. Sirur assured shareholders that the Company would have little difficulty in servicing the increased capital during the current year. The Company will have a reduced tax liability because of the cumulative payment of bonus for the previous years. It is also unlikely to attract any super profits tax this year because of the substantial increase in the paid-up capital which has been almost doubled. Besides, the addition of 12,000 spindles at Mill No. 2 is expected to provide sufficient additional profit-earning capacity to justify the increase in capital.

The Company will soon be installing 200 automatic looms at Mill No. 2, and these will produce export varieties and enable the Company to earn valuable cotton import entitlement. It is endeavouring to introduce in export markets its coarse and medium quality yarn produced at Mill No. 1, which is a purely spinning unit. The Company has installed the latest German single process blow room line in this mill, which is also concentrating on sewing thread. Arrangement has been made for the import of automatic screen printing machines and orders have been placed for a compressive shrinkage range from the U.S.A. Mr. Sirur has expressed the hope that within a couple of years, the Company will be able to produce fine and superfine fabrics comparable with those manufactured in Ahmedabad.

The chairman informed the shareholders that good progress had been made on the processing of application for $3 million loan from the Agency for International Development. This loan, if sanctioned, will cover the major part of the foreign exchange cost of the cellulose acetate flake plant, which is proposed to be established in Harihar in Mysore State in collaboration with Hercules Powder Company which will be providing the technical know-how as well as the balance foreign exchange requirements for the plant by making available key portions of the plant, against preference shares of the Company in the rupee equivalent of $650,000. Out of the daily production of 10 tons of cellulose acetate flake, only about 55 percent will be converted into acetate rayon by the Company. The remaining 45 percent will be made available to the plastic and photo film industries.

The total capital expenditure contemplated by Modern Mills on the expansion of the weaving capacity and on the processing equipment for the years 1963 to 1965, is estimated at Rs. 65 lakhs. The chairman says that the Company will need to supplement the capital raised by increasing its long-term borrowing, particularly because the recent cumulative payment of bonus for previous years has made some dent into the Company's liquid resources.

Oriental Fire Does Well

THE Oriental Fire and General Insurance Co. Ltd reports satisfactory progress in its operations during 1962. The total combined net premium income of all the departments—fire, marine and miscellaneous—shows an increase of a little over 13 percent from Rs. 4.34 crores to Rs. 4.92 crores. Net claims were higher at Rs. 2.76 crores, against Rs. 2.12 crores. Commission and expenses of management increased by Rs. 20 lakhs to Rs. 1.60 crores. The increase in underwriting reserves amounted to Rs. 34.09 lakhs, against Rs. 77.39 lakhs, and the underwriting profit was up at Rs. 35.32 lakhs, against Rs. 13.94 lakhs.

The net premium income of the fire department increased from Rs. 1.21 crores to Rs. 1.35 crores, and net claims paid from Rs. 34.99 lakhs to Rs. 47.14 lakhs. After meeting commission and expenses of management amounting to Rs. 47.59 lakhs, against Rs. 43.94 lakhs, the Company made a net addition of Rs. 7.29 lakhs to its underwriting reserve, compared with Rs. 16.97 lakhs in 1961. The working of the department showed a profit of Rs. 36.68 lakhs, against the previous year's figure of Rs. 27.38 lakhs. The net premium income of the marine department was up at Rs. 64.02 lakhs, against Rs. 53.84 lakhs, and net claims paid were higher at Rs. 59.72 lakhs, against Rs. 51.93 lakhs. Commission and expenses of management increased from Rs. 8.97 lakhs to Rs. 11.82 lakhs. The increase in the underwriting reserve amounted to Rs. 10.18 lakhs, against Rs. 12.17 lakhs in the previous year. The working of the department resulted in a loss of Rs. 14.75 lakhs, compared with with one of Rs. 16.97 lakhs in 1961. The net premium income of the miscellaneous department rose from Rs. 2.60 crores to Rs. 2.93 crores; net claims paid increased from Rs. 1.26 crores to Rs. 1.69 crores, and commission and expenses of management increased from Rs. 87.78 lakhs to Rs. 1.01 crores. The net addition made to the underwriting reserve amounted to Rs. 16.62 lakhs, which was very much lower than the previous year's figure of Rs. 48.25 lakhs. The underwriting profit rose from Rs. 10.76 lakhs to Rs. 13.39 lakhs.

After taking credit for Rs. 9.17 lakhs, being interest and dividends earned on funds not apportioned to any department, profit on the sale of investments, profit on the sale of vehicles, etcetera, bringing in the surplus from the previous year's accounts and making certain other adjustments, there is a balance of Rs. 44.69 lakhs, against Rs. 20.50 lakhs in 1961. The directors have set aside Rs. 3.52 lakhs (against nil) for investment reserve, Rs. 25 lakhs (against Rs. 12 lakhs) for taxation, Rs. 8.75 lakhs (against nil) for general reserve, Rs. 76,000 (against Rs. 1.61 lakhs) for reserve for doubtful debts and Rs. 6.60 lakhs (against nil) for dividend reserve which is to be used for the payment of the proposed dividend of 6 percent (the same).

After making various appropriations, there remains a small surplus of Rs. 6,000 to be carried forward, against Rs. 29,000 brought in. The Company's paid-up capital and reserves at the end of 1962 stood at Rs. 1.70 crores, against Rs. 1.58 crores a year before. The total insurance funds show a rise from Rs. 2.50 crores to Rs. 2.84 crores. The Company's total funds thus show an increase of Rs. 46 lakhs. The Company's investments valued at or below cost stood at Rs. 3.97 crores at the end of 1962, and the market value was below the book value. The depreciation in investment is, however, fully covered by the investment reserve which amounted to Rs. 6.70 lakhs at the end of the year.

Shreeniwas Cotton Profit Falls

SHREENIWAS Cotton Mills made a poor showing in 1962. The gross profit fell by nearly 24 percent from Rs. 83.49 lakhs to Rs. 63.30 lakhs, and the Company had to cut down the dividend from Rs. 20 to Rs. 14 a share; the dividend for 1962 was, however, on the increased capital of Rs. 1 crore, against Rs. 90 lakhs in 1961. In his annual speech to shareholders, the chairman, Mr. Gokulchand Bangur, has held out the hope of better results in the current year. His optimism is based on the benefit that the Company is likely to derive from its rehabilitation and modernisation programme for which it has been spending large amounts year after year. Out of the additional 20,000 spindles which the Company has been permitted to install, 5,300 spindles have already started working. Another 10,000 spindles are expected to be put into operation by the end of the current year. The balance will be installed in 1964. Besides, the mill is stated to be fully covered concerning its requirements of foreign cotton. The modernisation and renovation of the Company's subsidiaries are being carried out according to schedule.

The chairman, however, mentioned in detail how the production costs in the cotton textile industry had recorded an increase of about 15 percent since 1961, whereas the cloth price had remained unchanged at the September 1960 level. The Tariff Commission's report on which the Government has yet to take a decision had become out of date because of the subsequent rise in manufacturing costs, said Mr. Bangur. He urged the Government to evolve a price structure which would enable the industry not only to pay reasonable dividends, but also provide funds for rehabilitation and modernisation which was essential to improve the industry's competitive position, particularly in world markets. The chairman assured the shareholders that the Company's modernisation programme on which large amounts have been spent would pay good dividends. He ruled out diversification of the Company's activities unless the existing expansion programme has been completed. As for the Company's export performance, the chairman stated that since January, the Company had exported cloth worth Rs. 20 lakhs, and it had further orders worth Rs. 9 lakhs on hand.

Sri Ramakrishna Mills Maintains

IMPROVED sales, a small rise in the net profit and the maintenance of the dividend highlight the working results of Sri Ramakrishna Mills (Coimbatore) Ltd for the year ended March 1963. The profit amounts to Rs. 12.72 lakhs, after providing Rs. 4.39 lakhs for depreciation. The previous year's profit was Rs. 12.48 lakhs, after providing Rs. 4.70 lakhs for depreciation. With Rs. 2,896 brought forward from the previous year, the total available for appropriation comes to Rs. 12.75 lakhs. Out of this, development rebate reserve gets Rs. 33,100, provision for taxation Rs. 6.62 lakhs (against Rs. 4.50 lakhs), provision for gratuity Rs. 25,000 (the same). A sum of Rs. 50,000 (against Rs. 99,639) has been transferred to machinery modernisation reserve. The proposed dividend of 23 percent accounts for Rs. 3.53 lakhs. The balance of Rs. 2,327 is carried forward.

The directors' report says that the cost of production of yarn had increased during the year. In spite of adverse factors, the Company has earned a fair profit due to its production of combed yarn of good variety.

Digvijay Woollen Fares Well

SHREE Digvijay Woollen Mills Ltd reports encouraging results for the year ended March 1963. Sales are up by nearly 11 percent from Rs. 136.15 lakhs to Rs. 1.51 crores, and the gross profit at Rs. 45.19 lakhs shows an increase of about 10 percent over the previous year's figure of Rs. 41.12 lakhs. What is more, the profit has been arrived at after providing Rs. 3.09 lakhs for donations and charities, compared with Rs. 61,957 in the preceding year. The Company's improved performance has enabled the directors to raise the dividend from 15 percent to 17 percent, involving a distribution of Rs. 6.79 lakhs, against Rs. 5.99 lakhs in 1961-62.

After providing Rs. 1.36 lakhs (against Rs. 3.26 lakhs) for depreciation and Rs. 27 lakhs (against Rs. 19 lakhs) for taxation, the net profit amounts to Rs. 13.40 lakhs, against Rs. 15.74 lakhs in the previous year. The provision for development rebate has been stepped up from Rs. 5,135 to Rs. 35,320. While no provision has been made for general reserve and rehabilitation reserve which had received Rs. 5 lakhs and Rs. 3 lakhs, respectively, in 1961-62, a sum of Rs. 5 lakhs has been set aside under a special reserve. The proposed dividends—ordinary and preference—absorb Rs. 8.51 lakhs (against Rs. 7.71 lakhs), leaving a small sum of Rs. 6,329 to be carried forward, against Rs. 53,467 brought in.

The directors observe that the mills are working almost entirely on defence production, and will continue to do so until the end of the current year to execute the orders already placed by the Government of India. As a result of the increased raw material supplies following the grant of import licence worth Rs. 5.5 crores to meet the requirements under the emergency, the mills are working three shifts. In view of the increased production, the results for the current year, it is expected, will be encouraging. The directors add that no progress could be made in modernising the plant and machinery as the import licences could not be received. However, as a sequel to a barter deal between the State Trading Corporation and a British firm, the woollen industry has been assured of supply of machinery and spares worth Rs. 50 lakhs. At its current quotation of Rs. 18 *cum*-dividend, the Rs. 10-paid share of Digvijay Woollen offers a gross return of over 10 percent.

Sri Ramnarayan Mills Earns More

THE working of Sri Ramnarayan Mills Ltd for the year ended December 1962, shows a profit of Rs. 3.51 lakhs, after providing Rs. 2.68 lakhs for depreciation and Rs. 23,980 for development rebate reserve. The profit for the previous year was Rs. 2.28 lakhs, after providing Rs. 2.59 lakhs for depreciation and Rs. 99,143 for development rebate reserve. With Rs. 3,066 being the excess provision of income tax for 1960, the amount available for appropriation comes to Rs. 3.54 lakhs. Out of this, provision for taxation comes to Rs. 2.08 lakhs (against Rs. 1.10 lakhs). The dividend of 10 percent (the same) will absorb Rs. 1 lakh. The balance of Rs. 46,311 is used for reducing the unabsorbed development rebate loss of previous years.

During the year, the mill worked for 297 days in double shifts with an installed capacity of 12,384 spindles spinning higher counts cotton yarn, both carded and combed in hanks and cones. Products of the mill met with a good demand. Both turnover and profits showed a rising trend. Sales of yarn during the year amounted to Rs. 28.22 lakhs, compared with Rs. 25.81 lakhs for the previous year.

Alexandra Jute Earns More

THE profit of the Alexandra Jute Mills Ltd has increased from Rs. 2.58 lakhs in 1961 to Rs. 22.41 lakhs for the year ended December 1962, after providing Rs. 3.40 lakhs (against Rs. 2.99 lakhs) for depreciation. The taxable ordinary dividend has been raised from 20 percent to 42.5 percent, of which an interim of 20 percent was paid earlier. It is more than nine times covered and offers a yield of 14.2 percent at the present price of Rs. 300 a share of Rs. 100 each. Taxation absorbs Rs. 15.85 lakhs, of which the super profits tax is Rs. 4.15 lakhs. A sum of Rs. 1.48 lakhs has been provided for taxation for 1961. General reserve is allocated Rs. 3.50 lakhs and development rebate reserve Rs. 91,200, leaving a carry-forward of Rs. 32,706, against Rs. 1.40 lakhs brought in. Sales declined from Rs. 2.38 crores to Rs. 2.17 crores. Gunny stocks fell from Rs. 8.37 lakhs to Rs. 7.94 lakhs.

The modernisation of the preparing and spinning sections has contributed to the improvement in production. The directors say that the Government's pressure on the Company for buying raw jute has strain-

ed its finances. There has also been a shortage of the jute-storing capacity. The Indian mills have now begun to feel the effects of competition from the Pakistani industry which has made considerable inroads into their traditional markets, particularly for sacking

Nil from Usha Martin Black

IN their report for the year ended December 1962, the directors of Usha Martin Black (Wireropes) Ltd, say that the first phase of setting up the steel wire and wire ropes plant with a capacity of 3,600 tons of wire ropes a year, has been completed. The wire drawing and ropery sections have begun to operate at their rated capacities. The production of wire ropes amounted to 996 tons. Although the Company has earned an operating profit during the latter part of 1962, there has been a loss during the full year because it has not been possible to offset the various expenses incurred earlier. The Government has approved in principles the Company's import application for completing the second phase of the project to produce 7,200 tons of steel wire and wire ropes a year, subject to obtaining the necessary foreign exchange. The directors have been trying to get a foreing exchange loan.

There has been a loss of Rs. 1.42 lakhs, against one of Rs. 1.46 lakhs in 1961, after providing Rs. 2.39 lakhs for depreciation. Bringing in a debit balance of Rs. 1.46 lakhs, a total debit balance of Rs. 2.88 lakhs has been carried forward. The dividend has been passed. Although development rebate reserve has not been provided for, Rs. 6.10 lakhs estimated on this account will be created in due course when the Company makes sufficient profits.

Hercules Insurance Repeats

THE Hercules Insurance Co. Ltd has maintained the taxable ordinary dividend at Rs. 26.25 percent for the year ended December 1962, absorbing Rs. 6.30 lakhs. The yield is 10.9 percent at the present price of Rs. 24.19 a share of Rs. 20 each, of which Rs. 10 has been paid up. After providing Rs. 8.83 lakhs (against Rs. 6.52 lakhs) for taxation and Rs. 30,000 for the super profits tax, the disposable balance is Rs. 12.50 lakhs, including Rs. 3.94 lakhs brought in. General reserve is allocated Rs. 5.50 lakhs (against Rs. 2.25 lakhs) and staff retirement benefits reserve Rs. 50,000 (against Rs. 1.50 lakhs). The carry-forward is Rs. 20,229. The surplus of the fire department has been shown at Rs. 7.02 lakhs and that of the accident department at Rs. 2.28 lakhs. The marine department has earned a surplus of Rs. 2.26 lakhs.

Bengal Bonded Warehouse Earns More

THE Bengal Bonded Warehouse Association has earned a profit of Rs. 1.24 lakhs for the half-year ended April 1963, against Rs. 1.15 lakhs in the previous half-year, after meeting all expenses. A taxable ordinary dividend of 9 percent has been declared, absorbing Rs. 1.21 lakhs. The yield is 7.4 percent at the present price of Rs. 122 a share of Rs. 100 each. The building and repairs fund is allocated Rs. 2,000 (the same). The construction of the new building of the Association has made satisfactory progress and it is likely to be completed before the end of the current year. The directors say that because of the super profits tax, the net profit available for the distribution of dividend in the next half-year is likely to be affected.

Great Pyramid Insurance

THE Great Pyramid Insurance Co. Ltd has not transacted any business during the year ended December 1962. The certificate of registration granted to the Company was cancelled by the Controller of Insurance with effect from 14th March, 1960. The premiums, refunds and losses shown in the accounts relate to insurance business underwritten in 1956 or earlier from foreign treaty companies, Indian Insurance Companies Association pool and local facultative arrangements with other insurance companies. The fire department shows a loss of Rs. 13,837, the marine Department Rs. 1,014 and the accident department Rs. 51,329. After making all adjustments, there has been a profit of Rs. 99,536. A taxable ordinary dividend of 12nP a share of Rs. 10 each, of which only Rs. 2.50 has been paid-up, has been declared, absorbing Rs. 48,000. Taxation for 1960-61 is allocated Rs. 36,410 and the dividend equalisation fund Rs. 15,000.

Kanoria Chemicals to Make Caustic Soda Chlorine

KANORIA Chemicals and Industries Ltd has incurred an expenditure of Rs. 1.91 lakhs on account of construction during the year ended June 1962. The total expenditure on this account comes to Rs. 2.17 lakhs. The Company has acquired land near Pipri, Uttar Pradesh, for building a caustic soda chlorine factory. Trial production of the project may begin before the end of 1963. The shares of the Company have been enlisted by the Calcutta and Bombay Stock Exchanges.

Indian Printing Machinery: A New Venture

INDIAN Printing Machinery Co. Ltd is a new Company which has been promoted by Mr. P. R. Ramakrishnan in collaboration with Michle Gross Dexter of Chicago, to undertake the manufacture of a wide range of printing machinery. The factory, which it is proposed, will be located in Coimbatore is expected to go into production towards the end of next year. In the initial stages of production, the Company will manufacture only small items of printing machinery. Machines will be imported from the United States in a knock-down condition and assembled at the Coimbatore factory. Progressively, all the components will be manufactured indigenously, which will take some three years. It is estimated that after three years, the production of printing machinery at the Company's plant will be of the value of about Rs. 1 crore.

At present, India imports printing machinery worth about Rs. 5.5 crores a year. The promoters expect to be able to export substantial quantities of machinery to the Middle East and Far East in due course. The project is estimated to cost about Rs. 60 lakhs, which it is proposed to meet by the issue of Rs. 30 lakhs of equity shares and by borrowing the balance of Rs. 30 lakhs. The Company will have an authorised capital of Rs. 50 lakhs, of which Rs. 30 lakhs—all in equity shares—is to be issued in the beginning. Half of the issued capital will be taken up by the U.S. firm which is collaborating in the venture. The Indian promoters and their friends will take up shares worth Rs. 7.5 lakhs and the balance of Rs. 7.50 lakhs will be offered for public subscription some time in October. The U.S. firm will have 50 percent representation on the board of directors, which will be headed by Mr. T. Niggli who is the vice-president of Michle Gross Dexter of Chicago. The technical direction of the project will be in the hands of the U.S. firm for a period of five years.

Roller Bearings from Antifriction

THE Rs. 10-paid shares of the Antifriction Bearings Corporation virtually go abegging around Rs. 7. It is not that the Company's production plans have been seriously upset; nor can one say that there has come about an appreciable change in the outlook for the products which the Company is making and proposes to undertake. The huge discount reflects mainly the general feeling of despondency which pervades the investment market. In his chairman's speech at the second annual meeting of the Company, Mr. C. C. Desai, has informed the shareholders that there has been a significant improvement in the production and sale of thrust bearings during the year. The Company's order books are stated to be full for the next five or six months and given the required raw materials and components, last year's production will be improved upon. The chairman attributed the improvement to the protection granted to the industry last year.

The chairman stated (the speech was read out by Mr. J. V. Patel, a director of the Company as the chairman is abroad) that the manufacture of roller bearings which was expected to start early in the year commenced only in March. The Company hopes to place the first roller bearing in the market some time in July. Initially, the bearings will have certain imported components but by the end of the year, these will be completely indigenous. The production of roller bearings will mean a considerable saving in foreign exchange to the country, and Mr. Desai urged the Government to extend protection to this industry at the earliest. As for steel balls (grinding media), however, Mr. Desai stated that due to restricted demand in the country and the consequent low level of production, indigenous products are finding it difficult to compete with imported products. But steel balls is a subsidiary activity for Antifriction, and will become more so with the increased production of roller bearings. However, the chairman added that if the proper indigenous raw materials were made available and if protection was extended to this industry, the technical difficulties faced in the manufacture of quality products at a suitable price could be satisfactorily resolved. Mr. Desai also informed shareholders that due to the latest increases in excises and import levies, the total outlay on the Company's project was expected to go up. The Company had, however, already imported nearly 50 percent of the capital equipment before the last Central Budget.

James Finlay Maintains

IN his statement with the accounts of James Finlay and Company, whose main interests are in India and Ceylon, Sir John Muir says that the trading results showed some improvement last year. But this was more than offset by the reduced investment income. Apart from Calcutta and Nairobi, all overseas branches reported satisfactory results. In the current year, some investments have been sold to reduce bank indebtedness, which appears in the group balance-sheet at £1,180,000. Because of a change in the accounting procedure, comparative group figures are not given this year, although the available net earnings appear to have declined from £345,000 to £258,000. As previously indicated, the total dividend is held at 11 percent. Reviewing the major commodities in which the group is interested, Sir John says that as far as jute is concerned, the results for the current year are most satisfactory. But the outlook for the Indian industry must continue to be overshadowed by expansion of the industry in Pakistan, which has a great advantage in cheap, good quality jute and an export subsidy.

There was a slight decline last year in the world tea crop, although London tea stocks are higher than a year ago. But the possibility of overproduction remains. A new tea packaging company—in which the Finlay and Tata groups are partners—has been enlarged to embrace the production of instant tea direct from the green leaf. Kannan Devan Hills Produce, a Finlay group Company, will provide the necessary leaf fo the project.

Share Offer by Farm Refinance Body

THE Agricultural Refinance Corporation is offering 5,000 fully paid-up shares of Rs. 10,000 each for subscription. The list will be open from 1st July, 1963 to 31st July, 1963. (Details appear on a later page in this week's issue of *Capital*.) The full price of the shares applied for must accompany an application. The Corporation's authorised capital is Rs. 2.5 crores divided into 25,000 fully paid-up shares of Rs. 10,000 each. The shares have been guaranteed by the Central Government as to the repayment of the principal and the payment of a minimum dividend of 4½ percent. The Reserve Bank will subscribe for 2,500 shares. The remaining 2,500 shares may be subscribed by the central land mortgage banks, State co-operative banks, scheduled banks, the Life Insurance Corporation, insurance and investment companies in certain specified proportions.

Jaipur Metals Cuts Dividend

THE Jaipur Metals and Electricals Ltd has produced satisfactory results for 1962. Sales improved substantially. The profit has risen from Rs. 16.23 lakhs in 1961 to Rs. 23.79 lakhs in 1962. The taxable ordinary dividend has, however, been cut from 10 percent to 6 percent because of heavier taxation and bigger reserves. Taxation absorbs Rs 6.65 lakhs, against Rs. 3.91 lakhs. Out of this, super profits tax is Rs 52,000. In his chairman's address at the annual general meeting of the Company held last week, Mr. R. H. Kamani has expressed the hope that the super profits tax is an emergency measure and should be withdrawn when the emergency is over. (The full text of his speech is printed on a later page in this issue of *Capital*).

Commenting on the development and expansion programmes of the Company he has pointed out that the bulk of the equipment for producing components for meters have arrived. The Company hopes to be self-sufficient in the manufacture of meters in the near future. The output of these products was fairly encouraging in 1962. The Company has switched over to the production of all aluminium conductors. It has obtained industrial licences for manufacturing enamelled copper wires and cotton, silk and paper-covered wires and strips. It is hoped that the Government will permit the Company to import the necessary equipment. In 1932, rights ordinary shares were issued at a premium of Rs. 15 a share. The Industrial Finance Corporation has sanctioned a further loan of Rs. 65.26 lakhs to the Company for expansion.

Keytuo Chemicals: A New Venture

KEYTUO Chemicals Ltd is a new company which has been promoted to undertake the manufacture of various inorganic basic chemicals, styrene emulsions and other products. Initially, the Company will start with the production of styrene emulsion paints, better known as latex paints or plastic paints. It is claimed that the Company will be the first of its kind in India to take up large-scale production of styrene emulsions. The factory will be located in Bombay and trial production is expected to start before the end of this year. The initial capacity of 1,000 litres a day is to be progressively raised to 5,000 litres. The Company also proposes to manufacture plastisol from P.V.C. and the production of this item is expected to start before the end of 1964.

The technical know-how for these two projects will be provided by Shri Ram Institute of Industrial Research. The Company also proposes to undertake the manufacture of basic chemicals like pottasium chloride, magnesium carbonate, sodium sulphate and table salt. The factory will be located in Bhavnagar. The Bhavnagar Central Salt and Marine Technical Institute will provide the technical know-how. At a later stage, the Company will take up the production of bromide chemicals and sodium sulphide. The estimated annual capacity of all the chemicals which the Company proposes to manufacture will be around 7,000 tons. The Company has an authorised capital of Rs. 10 lakhs in equity shares of Rs. 100 each, the whole of which is being initially issued. Out of this, promoters and their friends will take up Rs. 5.1 lakhs, and the balance of Rs. 4.9 lakhs will be offered for public subscription some time in September. The board of directors includes Mr. Dinesh J. Mody (chairman), Mr. Kalyanji J. Shah, Mr. Ebrahim A. Patel and Mr. Morarji H. Dedhia.

Prospects for Bhartia Electric Steel

THE results of the Bhartia Electric Steel Co Ltd for the year ended December 1962 are satisfactory. Production rose by nearly 40 percent over the level of 1961. Addressing the annual general meeting of the Company held in Calcutta last Friday, Mr. Rameshwar Tantia, chairman, referred to the heavy impact of the super profits tax. Taxation has mopped up about 70 percent of the profit of the Company. (A fuller version is printed on a later page in this issue of *Capital*.)

Dealing with the expansion scheme, he stated that the Company had already applied for a licence to double the production to 12,000 tons a year. It is proposed to set up a new factory near the existing Ballygunge works. It is hoped that the Government will permit the import of the necessary equipment. The prospect for the steel foundry industry is considered encouraging in view of the ambitious wagon-building programme of the railways. The Company has been executing an order worth Rs. 2 crores for centre buffer couplers. He said work was interrupted due to the power shortage.

Maiden from Zenith Steel

THE shareholders of Zenith Steel Pipes Ltd have good news from the Company. It was only in May 1962 that the Company started commercial production. The performance has been encouraging enough to enable the directors to declare a maiden dividend of 60nP a share of Rs. 10. The preliminary report on the Company's working shows that it has made a net profit of Rs. 11.69 lakhs for the year ended April 1963. The profit has been arrived at after providing Rs. 4.86 lakhs for depreciation, Rs. 12.68 lakhs for statutory development rebate, Rs. 4.19 lakhs for development expenses and brokerage. With Rs. 30,640 brought forward from the previous year, the disposable surplus amounts to Rs. 11.99 lakhs. The directors have set aside Rs. 7.50 lakhs for the general reserve fund. The proposed maiden dividend absorbs Rs. 4.20 lakhs, leaving Rs. 29,382 to be carried forward.

The Company is entitled to a tax holiday under Sections 84 and 101 of the Indian Income Tax Act, and this is estimated to be on an income of Rs. 5.13 lakhs. Zenith Steel is stated to have reached its full rated capacity at the end of the year; and it could have attained the rated capacity earlier had enough steel been made available to it. The raw material situation is said to be much better now, except in case of zinc, and the factory is reported to be working satisfactorily. The Rs. 10-paid share of the Company is quoted around Rs. 13.36.

National Tannery Raises Output

PRESIDING at the annual general meeting of the National Tannery Co Ltd in Calcutta last Friday, Mr. Sanjoy Sen, referred to the satisfactory results achieved by the Company during the year ended December 1962. (A fuller version is printed on a later page in this week's issue of *Capital*.) The Company's production and sales continued to rise and the profit was maintained at a satisfactory level. Production was expanded to meet the growing internal and external demands. As for the progress of the expansion scheme, the Company has begun to relay the entire vegetable tanning section. The output of finished leather, it is hoped, will increase substantially. The chairman referred to the increased demand for the Company's products. National Tannery has introduced "double tanned picking bands" which are expected to meet with a large demand from textile and jute mills.

The Company has greatly increased the export of its products. Since raw goat skin exports have been restricted, the Indian industry should be encouraged to raise its tanning capacity for finished leather. National Tannery has substantially raised its production capacity for finished leather. It is proposed to raise it further by importing the required balancing plant. But in spite of a recession in the world leather market, Mr. Sen said, the domestic prices of hides show no signs of weakening. In fact, the shortage of raw hides has been keenly felt. So the authorities must pay attention to increasing the supply of raw hides. Meanwhile, steps should be taken to liberalise the import of machinery for modernisation and balancing. The chairman referred to the adverse impact of the super profits tax. The latter has made it difficult for the Company to plough back sufficient funds for rehabilitation and development.

Good Results from New City Mill

ALTHOUGH the shareholders of the New City of Bombay Manufacturing Co. Ltd have had to go without a dividend for the fifth year in succession, the Company's working results for 1962 show an impressive improvement over that of the previous year. Sales of cloth, yarn and waste, etcetera, have risen by about 30.7 percent from Rs. 1.95 crores to Rs. 2.25 crores, and the gross profit has shot up by as much as 84 percent from Rs. 11.01 lakhs to Rs. 20.23 lakhs. The provision for depreciation has been stepped up from Rs. 5.09 lakhs to Rs. 9.23 lakhs, and that for development rebate from Rs. 3.11 lakhs to Rs. 3.99 lakhs. Out of the remaining surplus of Rs. 7.01 lakhs, the directors have transferred Rs. 7 lakhs to the general reserve, against nil in 1961. Improvement in the Company's working results seems to be due mainly to the renovations and modernisation that the Company has been carrying on. New machinery worth Rs. 26 lakhs was installed in 1962, and machinery of the value of Rs. 5.09 lakhs was under installation at the end of the year. A further sum of Rs. 20 lakhs is likely to be spent in the current year on modernisation and renovation. The directors expect better results for the current year.

Godfrey Phillips Cuts Dividend

IN their report for the year ended December 1962, the directors of Godfrey Phillips, India, Ltd take a cautious view of the prospects. The consumption of cigarettes, it is feared, may decline due to heavier taxation which has led to higher prices for the commodity. Sales rose from Rs. 4.57 crores in 1961 to Rs. 5.51 crores in 1962. The profit is Rs. 46.26 lakhs for 1962, against Rs. 46.19 lakhs in 1961, after providing Rs. 5.49 lakhs (against Rs. 5.75 lakhs) for depreciation. The taxable ordinary dividend has been reduced from 40 percent to 30 percent. It is covered more than three-and-a-half times and offers a yield of 9 percent at the present price of Rs. 33.25 a share of Rs. 10 each. Taxation is allocated Rs. 32.13 lakhs, of which the super profits tax is about Rs. 7.63 lakhs. Tax provision was Rs. 24.50 lakhs in 1961. Development rebate reserve absorbs Rs. 16,000 (against Rs. 14,000) and general reserve Rs. 26.50 lakhs, leaving a carry-forward of Rs 38,310, against Rs. 17.01 lakhs brought in.

Straw Products Skips Again

THE Straw Products Ltd has again passed the dividend for the year ended December 1962. It has earned a trading profit of Rs. 16.97 lakhs, against Rs. 18.45 lakhs in 1961. General reserve is allocated Rs. 11 lakhs (against Rs. 8 lakhs) and depreciation Rs. 6.15 lakhs (against Rs. 1.92 lakhs). But no depreciation or development rebate reserve has been provided for the paper mills due to the insufficient profits. The carry-forward amounts to Rs. 43,575, against Rs. 61,899 brought in. As for the straw board factory in Bhopal, the directors point to sales of Rs. 1.29 crores (against Rs. 1.02 crores). They add that due to the levy of the excise duty on a slab system, the Company, along with other big producers of straw boards, has been placed in an unfavourable position compared with small producers. So it has become difficult for the former to compete with the latter. The J. K. Paper Mills in Orissa started production towards the close of 1962. Its output in 1962 was 1,312 tons.

McDowell Reduces Dividend

A DRASTIC cut in the dividend because of a substantial drop in sales and net profit, feature the trading results of McDowell and Co. Ltd for the year ended December 1962. The net profit for 1962 amounts to Rs. 1,71,436, (against Rs. 3,93,754) after providing Rs. 1,45,575 (against Rs. 1,36,926) for depreciation and Rs. 95,000 (Rs. 2,61,585) for taxation. Adding to the net profit, the brought forward amount of Rs. 34,494, Rs. 305 being excess provision for doubtful debts and a sum of Rs. 503 transferred from unclaimed dividends, the total available for appropriation comes to Rs. 2,06,763. Appropriations include, Rs. 22,000 to development rebate reserve (against Rs. 10,000), and Rs. 57,533 to general reserve (against Rs. 1,50,000). The interim dividend on preference shares at 3.90 percent, taxable, absorbs Rs. 15,600. The final preference dividend at 3.90 percent absorbs Rs. 15,600. The directors have now recommended a dividend of 6 percent on ordinary shares (against 12½ percent), and this will absorb Rs. 96,000.

Travancore Rubber Maintains

TRAVANCORE Rubbers Ltd has earned a net profit of Rs. 1.41 lakhs for the year ended December 1962, compared with Rs. 1.26 lakhs for the previous year. With the amount of Rs. 1,840 brought forward, the total surplus comes to Rs. 1.43 lakhs. Out of this, provision for taxation amounts to Rs. 63,000 (against Rs. 57,000), and provision for doubtful debts amounts to Rs. 450. The proposed dividend of 12 percent (against 12 percent), will absorb Rs. 72,000. The balance of Rs. 2,872 is carried forward. The rubber crop harvested during the year amounted to 222,990 kilograms and the all-in-cost of production was Rs. 2.67 a kilogram. The average price realised a kilogram amounted to Rs. 2.91. The estimated rubber crop for 1963 is 206,818 kilograms. During the year, 50.35 acres of low-yielding old rubber was replanted. The Company intends to replant in 1964 a further 109.45 acres, now under slaughter tapping. The Rs. 10 paid-up shares of this Company are now quoted in the market at Rs. 10.50 *cum*-dividend.

Lucky Valley (Nilgiri Hills) Repeats

A LARGER crop and an increase in the average sale price of tea resulted in higher profits for Lucky Valley Tea Estates for the year ended December 1962. The dividend is maintained at 10 percent. The profit for the year before taxation amounts to Rs. 1,66,239, compared

with Rs. 96,485 for the previous year. Out of this, the provision for taxation comes to Rs. 92,000, which is much higher than the previous year's tax provision of Rs. 45,000. The increase in tax provision is due to higher corporation tax and also due to the super profit tax provision of Rs. 9,000. The net profit after taxation amounts to Rs. 74,239.

With the amount of Rs. 32,559 brought forward from the previous year, and with a sum of Rs. 4,850 being excess provision for taxation no longer required, the total surplus comes to Rs. 1,11,648. Out of this, a sum of Rs. 25,000 is transferred to general reserve (against nil). Development rebate reserve gets Rs. 72 (against Rs. 1,604). The proposed dividend of 10 percent will absorb Rs. 50,000. The balance of Rs. 33,576 is carried forward. The total crop for the year amounted to 3,43,350 lbs (against 3,05,757 lbs), which was only slightly less than the record crop of 351,427 lbs obtained in 1960. The estate cost of production for tea during the year amounted to Rs. 1.41 a lb, compared with Rs. 1.55 a lb for the previous year. The price realised was higher at Rs. 2.42 a lb, against Rs. 2.31 a lb last year.

Aspinwall Cuts Dividend

IN spite of improved sales for the year ended December 1962, Aspinwall and Co. Ltd has reported a lower profit. The ordinary dividend has, therefore, been reduced to 6 percent from the previous year's 9 percent. The net profit for the year amounts to Rs. 3.5 lakhs, after providing Rs. 1.19 lakhs for depreciation and Rs. 2.91 lakhs for taxation. The net profit for the previous year amounted to Rs. 3.49 lakhs, after providing Rs. 1.21 lakhs for depreciation and Rs. 3.33 lakhs for taxation. With Rs. 23,326 brought forward from the previous year, the total comes to Rs. 3.28 lakhs. Out of this, the additional provision for taxation for the previous year amounted to Rs. 37,500. Development rebate reserve gets Rs. 658 (against Rs. 7,746). The dividend at 6.66 percent, subject to deduction of tax on preference shares, amounts to Rs. 14,252. The proposed ordinary dividend at 6 percent will absorb Rs. 2.15 lakhs. The balance of Rs. 60,219 is carried forward.

Progress of Southern Brick

THE first annual report of Southern Brick Works Ltd says that the construction of factory buildings like circular kiln, natural dryer, artificial dryer, press shop, intermittent kiln and overhead tank is proceeding satisfactorily. The major portion of the machinery required for the first stage of manufacture of bricks has arrived, and the directors expect that erection of the machinery will be shortly taken on hand. The directors are confident of starting the first stage of production in the mechanised unit by about September 1963. Due to the revised import duty, the additional liability, it is expected, will be about Rs. 3.50 lakhs.

Dring the year, the Company manufactured stock bricks and other bricks required for the construction of factory buildings. The working for the period ended March 1933, has resulted in a net profit of Rs. 7,206.45 after meeting all expenses and after providing depreciation. Out of this, development rebate reserve gets Rs. 2,472.35, and provision for taxation comes to Rs. 2,600. The balance of Rs. 2,134.10 is carried forward. The shares of this Company, which are Rs. 100 each, of which only Rs. 75 is paid up, are quoted officially at par.

Venkatesa Mills Cuts Dividend

THE net profit of Sri Venkatesa Mills Ltd for the year ended December 1962 is about the same as in the previous year, but the dividend has been reduced to 20 percent from 24 percent in the previous year. Sales have improved to Rs. 1,91,62,258 from Rs. 1,74,33,078. The net profit for the year 1962 amounts to Rs. 19,35,083 after providing Rs. 9,02,375 for depreciation, compared with the previous year's net profit of Rs. 19,59,558 after providing Rs. 8,93,329 for depreciation. With the amount of Rs. 8,541 brought forward, the total available surplus comes to Rs. 19,43,624. Out of this, a sum of Rs. 1,33,539 is transferred to development rebate reserve (against Rs. 2,61,163). The provision for taxation amounts to Rs. 10,75,000 (against Rs. 9,40,000). Gratuity reserve gets Rs. 50,000 (against Rs. 50,030). The preference dividend at 7.80 percent, taxable, accounts for Rs. 3,900. The proposed dividend on ordinary shares at 20 percent will absorb Rs. 6,74,978. The balance of Rs. 6,157 is carried forward.

Manimala Estates Skips

NO dividend is recommended for the year ended December 1962 by the directors of the Manimala Estates Ltd. This is the second year in succession. The net profit for the year amounts to Rs. 2,674.78. After deducting this profit amount from the brought-forward loss of Rs. 48,836.78, there is a balance of loss amounting to Rs. 46,162.01, which is carried forward. The directors state in their report that development work was continued during the year and the works undertaken were necessarily intended to produce permanent and long-term results rather than immediate results. In spite of expenditure on such work, it is reported that the profit trend was maintained. The report says that the Company's produce of rubber is being sold to Ruby Rubber Works Ltd at the standard rates. The shares of the Company which are Rs. 10 paid-up, are quoted at Rs. 8.75 (nominal).

Bharat Vijay Profit Falls

A SUBSTANTIAL decline in the net profit features the trading results of the Bharat Vijay Mills Ltd for the year ended December 1962. The net profit amounts to Rs. 1,81,058, after providing Rs. 4,06,913 for depreciation, Rs. 2,27,888 for statutory development rebate, and Rs. 2,88,000 for taxation. The net profit for the previous year amounted to Rs. 13,50,014, after providing Rs. 2,63,095 for depreciation Rs. 1,21,604 for development rebate reserve and Rs. 100,000 for taxation. With the amount of Rs. 1,05,155 brought forward from the previous year and with a sum of Rs. 1,70,000 transferred from general reserve, the total comes to Rs. 4,56,213. Out of this, a sum of Rs. 75,000 is transferred to special reserve. Under-provision for taxation for 1961 amounted to Rs. 1,66,500.

Last year, a sum of Rs. 6 lakhs was transferred to general reserve and Rs. 4 lakhs was transferred to dividend equalisation reserve. But this year, the directors have had to transfer Rs. 1,70,000 from the general reserve in order to pay the dividend. The dividend at Rs. 6.25 a share on 3,500 5 percent taxable preference shares accounts for Rs. 17,500. The dividend at Rs. 2.86 a share, taxable, on 4,500 5 percent (tax free) freference shares accounts for Rs. 12,870. The proposed ordinary dividend at Rs. 15 a share will absorb Rs. 1,80,000. The balance of Rs. 4,343 is carried forward.

The report says that the Company's plans for renovation, modernisation and expansion are in the course of implementation. The management has received permits for the installation of 192 automatic looms by way of replacement of plain looms. The question of placing orders for automatic looms against these permits is said to be engaging the attention of the directors. Sales amounted to Rs. 1,13,20,370 during the year, compared with Rs. 1,12,80,477 in the previous year.

Gnanambikai Mills Cuts Dividend

DESPITE higher sales, the net profit of Gnanambikai Mills Ltd for the year ended December 1962, is lower, compared with that of the previous year. Consequently, the directors have reduced the dividend to 7½ percent from the previous year's 10 percent. The net profit for 1962 amounts to Rs. 2,71,044, after providing Rs. 1,08,844 for depreciation. The previous year's net profit was Rs. 3,51,269 after providing Rs. 90,511 for depreciation. Out of the net profit of Rs. 2,71,044 for 1962, the directors have provided Rs. 27,023 for development rebate reserve (against Rs. 27,642). The dividend on 8.45 percent preference shares, taxable, accounts for Rs. 1,749. The proposed dividend at 7½ percent on equity shares will absorb Rs. 69,540. The provision for taxation amounts to Rs. 1,72,732 (against Rs. 1,98,158).

The directors' report says that during the year there was an increase in the raw material costs. Production costs as a whole also rose. The price of yarn, however, remained unchanged. As a measure of modernisation, the directors have decided to replace the machines with more up-to-date equipment. It is said that the conversion materials ordered at a total cost of about Rs. 3,85,000 for spinning frames have been arriving. Orders have been placed for converting roving frames, and the directors expect that the modernisation programme will be completed by the end of the coming year.

Elpro Will Start Production Soon

MR. Joseph Whittington Whiteside, vice-chairman and technical director of Elpro International Ltd which is setting up a factory in Chinchwad (Poona District) for the manufacture of lightning arresters, pellet and thyrite types, x-ray equipment for medical and industrial appliances, Alnico magnets for domestic and industrial appliances and calrod heating elements, told newsmen in Bombay recently that the factory was expected to go into production in October this year. More than 60 percent of the plant and machinery has already been shipped by General Electric Co. of the U.S.A., and shipments of raw materials are likely to arrive soon. Under the phased programme of manufacture, the import content will be 80 percent of the value in the first year, and it will be progressively reduced to 15 percent by the end of the fifth year. Production is expected to be of the order of about Rs. 50 lakhs during the first year, and would increase to around Rs. 3.50 crores by the end of five years.

According to the directors of the Company, nearly 40 percent of the country's x-ray equipment requirements, 50 percent of lightning arresters and magnet demand and 60 to 70 percent of calrod demand would be met by Elpro International when the factory goes into full production. The Company is likely to take up the manufacture of other light electrical equipment such as switchgears and other specialised transformers at a later date. It has been jointly promoted by the General Electric Company of the U.S.A. and Tatas' Investment Corporation of India, and it is raising Rs. 21.25 lakhs—all in equity shares of Rs. 100 each—through public subscription. The authorised capital of the Company is Rs. 2 crores, and the paid-up capital Rs. 35,000. The present issue is for Rs. 84.65 lakhs, of which Rs. 42.50 lakhs is being taken up by the U.S. firm which is collaborating in the project. Shares of the value of Rs. 12.40 lakhs are being absorbed by the Investment Corporation and its associates, directors and friends and shares worth Rs. 8.50 lakhs are being taken up by the employees of the International General Electric Company (India) Private Ltd, which is a subsidiary of General Electric.

New Capital Issues

FIVE companies have been authorised by the Controller of Capital Issues to raise capital totalling over Rs. 2.10 crores. One company is issuing part of its capital on a rights basis to its foreign collaborators. One is issuing equity plus preference shares. One company is a public sector enterprise. The consent in all cases is valid for 12 months. The following are the details:

Saund Zweirad Union (India) Private Ltd, Delhi, a company registered last year to manufacture motorcycle, mopeds and allied products in collaboration with Zweirad Union AG, Nurnberg, West Germany, has been accorded consent to issue capital of Rs. 20 lakhs divided into 20,000 equity shares of Rs. 100 each. Out of this, shares of the value not exceeding 24.99 percent will be offered to foreign collaborators, against import of plant and machinery and the balance for cash at par.

Hindustan Machine Tools Ltd, Bangalore, a Government of India undertaking, is raising further capital of Rs. 1.44 crores, divided into 14,400 equity shares of Rs. 1,000 to be subscribed privately by the Government of India.

Everest Cycles Ltd, Gauhati, will issue capital of Rs. 10 lakhs divided equally into equity and preference shares of Rs. 5 lakhs each. The capital is required for repayment of loans for acquiring a factory in Gauhati for the manufacture of bicycles.

Reichhold Chemicals India Ltd, Madras, is to issue further capital of Rs. 20 lakhs, divided into 20,000 equity shares of Rs. 100 each, to be issued privately for cash at par. Out of this, shares of the value not exceeding Rs. 9 lakhs, will be offered to its U.S. collaborators, on the rights basis. The money will be used for manufacturing synthetic resins.

The Commercial Printing Press Ltd, Bombay, with a paid up capital of Rs. 16,50,000 will issue capital of Rs. 16,50,000 in equity shares of Rs. 1,000 each for cash at par. The proceeds of the issue would be used for the purchase of land and construction of building for the printing press.

The Stock Markets

SUPPORT CONFINED TO SELECTED CLEARING SHARES

Wednesday Evening.

THE Calcutta stock market has closed on a steadier note during the past week. Support has largely been confined to Indian Iron which have fluctuated widely on alternate bouts of buying and selling. Speculation has largely been concentrated on the Company's forthcoming dividend. The bulls have been inspired by its higher production during the year ended March 1963. The bears, however, think that it will be difficult for the Company to improve upon its past dividend because a substantial part of the profit will be squeezed by heavier taxation, including the super profits tax. Towards the close the scrip have reacted on smaller production in June, compared with May. The output of pig iron has declined from 116,102 tons to 112,028 tons and that of steel ingots from 91,208 tons to 86,413 tons. The production of salable steel has been smaller at 61,612 tons, against 65,015 tons. Despatches have, nevertheless, improved from 60,978 tons to 68,910 tons.

The cheerfulness in Indian Iron has helped to attract attention to a few clearing shares. Operators have been encouraged because, contrary to earlier fears, there has been no sign of selling pressure following the resumption of forward trading. Although reports of fresh incursions into Indian territory by the Chinese had depressed prices earlier, the pressure was light and temporary. Considering that share prices have fallen substantially during recent months, the possibility of a further sharp decline in the near future is considered remote. But the stock market may find it difficult to go ahead in view of various uncertainties.

For the time being, attention is concentrated on the new Central Government loans which are expected to mop up a considerable volume of funds. Lyons Range has interpreted bullishly the outcome of the talks this week between representatives of the Central Finance Ministry and the leading financial institutions, including the Life Insurance Corporation, the Industrial Finance Corporation and the Industrial Credit and Investment Corporation, in Bombay. The conference discussed the prevailing sluggishness of the capital market. It has generally been agreed that it is urgent to activate the investment market, if industrial development is not to suffer. There has been some disappointment because Mr. Morarji Desai, Central Finance Minister, has reiterated that the super profits tax is not a temporary measure, although it may have to be scrapped if industrial development is hindered by it. The fact that several companies have been forced to cut dividends as a result of the heavy impact of the tax should impress upon the Finance Minister the need for scrapping it. As a result of the deliberations at the conference, it is expected that the rules and regulations concerning capital issues will be liberalised. This matter is likely to be finalised when the Advisory Committee on Capital Issues meets at the end of July. It is also hoped that after the new Government loans are subscribed, the Life Insurance Corporation will begin to support the equity market. The reduction in the emergency risks insurance premia during the current quarter has been ignored. Lyons Range seems to think that the need for continuing the emergency risks insurance scheme has placed an unnecessary burden on industry and trade.

Among engineering shares, support has been extended to Guest, Keen, Williams, Braithwaite and Jessop. Jute shares have been sluggish and turnover has been small. The lack of foreign buying in jute goods has been a major restraining factor. Scattered business has passed in Birla, Barnagore, Champdany and Howrah. Cotton mill shares have been subdued since the profit outlook has become uncertain. Coal shares have been neglected and stray business has been done in Burrakur, Bengal and Central India.

The prices of selected miscellaneous shares have hardened somewhat towards the close on replacement buying. Prominent scrip have been Hindustan Motors, Indian Copper, Indian Aluminium and Hindustan Aluminium. New shares have generall weakened on a predominance of sellers. India Carbon, Asiatic Oxygen and Dr. Paul Lohmann have been freely offered. Among paper shares, Orient have recovered on short-covering. Titaghur and Sirpur have been quiet. Sugar shares are difficult to deal in. Bank and electric company shares have evoked little support. Stray business has been done in tea shares. Although advices from the auctions held in Calcutta this week have been cheerful, investors have been disturbed by developments along the borders.

Government securities have been steady but turnover has been limited because of the shortage of sellers. Attention has been diverted, for the time being, to the forthcoming new Central Government loans. Since the short-dated 4 percent loan 1969 has been offered at an attractive price, banks are expected to show keen interest in it.

Tata Steel ordinary shares have recovered to Rs. 136.50 and Indian Iron to Rs. 22.60 on support from Lyons Range. After an earlier decline, Tata Locomotive have gained on short-covering. Larsen and Toubro, Premier Construction and Alcock Ashdown have been neglected. Motor-vehicle shares, such as Hindustan Motors and Premier Automobiles, have improved towards the close.

Cotton mill shares have generally been easier in the absence of support, although prices of selected scrip have closed slightly above the lowest levels touched earlier. Replacement buying has helped to improve Century, Svadeshi, Bombay Dyeing, India United ordinary and Tata Mills Standard, Gokak and Morarjee have been freely available. Turnover in miscellaneous shares has been small and fluctuations have been narrow. In the cement section, scattered interest has been taken in Associated Cement and Digvijay. Sugar shares have been quietly steady. Belapur and Phalton have been transacted.

Mining shares have been subdued, and Shivrajpur Syndicate have been freely offered without attracting support. Among steamship company shares, Scindia Steam have recovered on short-covering. Rayon shares have generally been quiet. National Rayon have reacted further on pessimism concerning the future outlook. Baroda Rayon have been weaker. Except for scattered interest in Tata Chemicals, chemical shares have been sold freely. Indian Dyestuff have been easier, but Colour-Chem have attracted attention

Bombay

MIXED TREND IN DALAL STREET

GOOD SUPPORT FOR STEEL SHARES

Wednesday Evening.

THE Bombay stock market has shown a mixed trend during the past week. The earlier decline in share prices was due to nervous liquidation following reports of the Chinese build-up on the northern border. There was also evidence of short-selling because bears took advantage of the loopholes in the new margin requirements. Bulls are required to pay margins on purchases, while bears need not deposit any margin if they can show that selling is being made against actual holdings. Towards the close, there has been a fair recovery and prices of selected forward scrip have improved on replacement buying. The support has been especially marked in steel shares on hopes that the working results of the steel companies for the year ended March 1963 will be satisfactory. The high-level conference between the Central Finance Minister and the leading financial institutions held in Bombay this week, to discuss the present sluggish conditions of the capital market, has been regarded as an encouraging factor.

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at the current price. Bombay Burmah have improved on short-covering.

Tata Oil have lost on cutting the taxable ordinary dividend from 23 percent to 22 percent. Zenith Steel Pipes have been steady on paying a maiden ordinary dividend. Turnover in bank shares has been small. Among insurance shares, New India Assurance have been steady. Electric supply company shares have met with scattered support. Ahmedabad Electric and Tata Power have been taken.

Madras

DULL CONDITIONS PREVAIL

SECURITIES REMAIN STEADY

Tuesday Evening.

SLUGGISH conditions have prevailed in the Madras stock market during the past week. Although selected planting shares have attracted support due to dividend prospects and good crop reports, turnover has, on the whole, been negligible. Clearing shares have been transacted cautiously because of the absence of support from outside sources. Interest in cotton mill shares have been subdued due to pessimism about the profits for the current year. Fears of power cuts have restrained activity. Investors have generally been cautious because the prices of several shares have been much higher in relation to the dividends paid. Operators have been discouraged by the growing shortage of funds. The flotation of the new Central Government loans will siphon off a large volume of funds.

Government securities have been steady, although turnover has been small. Prices of selected State Government loans have hardened. There has been keen interest in good preference shares, which have been in short supply. Scattered business has been done in bank shares. Canara have been transacted at Rs. 80.50 and Indian Overseas at Rs. 142.

Among electric supply companies, West Coast have been steady at Rs. 18.37. Sugar shares have been easier, and E.I.D. have softened to Rs. 36.75. Despite prospects of the issue of bonus shares in the proportion of one for each share held, United Breweries have attracted little attention. In the planting section, Blue Mountain have been taken at Rs. 2.30 and Consolidated Coffee at Rs. 17.60. Periakaramalai have been placed at Rs. 3.05 and Ouchterlony at Rs. 3.65. Devon have been bought at Rs. 12.66 on paying a taxable ordinary dividend of 10 percent. Interest has been taken in Nilambur, Thamarapally, Nelliampathy, Peermade, Coffee Lands and Mysore Coffee.

Textile shares have been weaker. South India Viscose have weakened to Rs. 119.50 and Travancore Rayon to Rs. 22.75. Lakshmi have been barely steady at Rs. 134 on paying a taxable ordinary dividend of 20 percent. Cambodia have been transacted at Rs. 13 on declaring a taxable ordinary dividend of 9 percent. Bangalore Woollen have been quoted at Rs. 230 and Buckingham at Rs. 261.

Except for scattered interest in selected cement shares, the miscellaneous section has generally been neglected. Aluminium Industries have been freely available at Rs. 16.80 and Ashok Leyland at Rs. 7.35. Among cement shares, Dalmia have been steady at Rs. 13.10 and India Cement new at Rs. 5.49. Mettur Chemical have been done at Rs. 12.35 ex. Standard Motors at Rs. 11.87. Kirloskar Electric have been steady at Rs. 20 and Spencer at Rs. 21.50. Textool have come to hand at Rs. 145 and Tube Investment at Rs. 235.

THE WEEK'S TRANSACTIONS

[In the following list of stocks and shares in which transactions have taken place during the past week, the figures indicate Opening Quotations. Highest for the week, Lowest for the week. Closing Quotations and Quotations for the corresponding Closing Date a Year Ago. The last named is shown in parentheses and will not be given where such a quotation is not available.]

CLEARED SECURITIES

Birla Jute—Rs. 28/50—28/50—28/50—28/50—(34/00).

Burrakur Coal—Rs. 15/56—15/56—15/56—15/56—(18/00).

Dunlop Rubber—Rs. 30/87—31/37—30/75—31/25—(40/25).

Guest, Keen, Williams—Rs. 31/75—32/75—31/75—32/37—(39/37).

Hindustan Motors—Rs. 15/94—16/15—15/62—15/81—(19/25).

Howrah Jute—Rs. 18/87—18/87—18/75—18/87—(21/81).

Indian Copper—Rs. 4/61—4/72—4/61—4/70—(4/88).

Indian Iron & Steel—Rs. 22/08—22/74—22/08—22/62—(25/44).

Indian Aluminium—Rs. 32/90—33/12—32/75—33/12—(38/31).

Indian Cable—Rs. 30/87—31/00—30/87—30/87—(36/25).

J. K. Cotton—Rs. 11/44—11/69—11/19—11/69—(19/44).

Jaipur Udyog—Rs. 11/06—11/75—11/00—11/69—(13/00).

Kesoram Industries—Rs. 21/12—21/75—21/12—21/37—(28/06).

Orient Paper—Rs. 34/15—34/60—34/00—34/50—(42/05).

Rohtas Industries—Rs. 10/75—10/87—10/72 S.T.—10/81—(15/50).

Textile Machinery—Rs. 23/65—23/75—23/50—23/60—(24/30).

GOVERNMENT SECURITIES

3 % Loan (1986)—Rs. 64/25—64/30—64/25—64/25.

3 % „ (1966-68)—Rs. 96/85—96/85—96/85—96/85.

3½% „ (1968)—Rs. 99/05—99/05—99/00—99/00.

3½% „ (1965)—Rs. 99/50—99/57—99/50—99/57.

4 % „ (1972)—Rs. 99/40—99/40—99/40—99/40.

4 % „ (1981)—Rs. 98/40 S.T.—98/40—98/40—98/40.

4½% „ (1972)—Rs. 100/30—100/30—10/25—100/25.

4¼% Kerala (1972)—Rs. 95/75—95/75—95/75—95/75.

4½% Rajasthan (1974)—Rs. 98/15—98/15—98/15—98/15.

4½% Orissa (1974)—Rs. 98/10—98/10—98/10—98/10.

4½% U.P. (1974)—Rs. 98/50—98/50—98/50—98/50.

BANK

Bank of India (Rs. 10/- paid)—Rs. 7/28—7/50—7/25—7/25—(7/50).

COTTONS

Bharat Commerce—Rs. 19/37—19/87—19/37—19/87—(24/37).

Cawnpore—Rs. 6/06—6/12—6/06—6/12.

Dunbar—Rs. 26/00—26/00—26/00—26/00.

Jaye—Rs. 14/25—14/31—14/12—/31—(15/19).

Victoria—Rs. 1/28—1/37—1/28—1/37—(1/65).

COALS

Bengal—Rs. 269/00—270/00—268/50—270/00—(374/00).

Bharat—Rs. 3/44—3/44—3/37—3/44—(4/03).

Kuardi—Rs. 8/50—8/50—8/50—8/50.

New Beerbhoom—Rs. 18/75—18/87—18/75—18/75—(22/69).

Samla—Rs. 11/25—11/25—11/25—11/25—(8/87).

West Jamuria—Rs. 4/00—4/00—4/00—4/00.

JUTES

Auckland—Rs. 142/00—142/00—142/00—142/00—(163/00).

Agarpara—Rs. 9/94—10/06—9/87—10/06.

Champdany—Rs. 20/37—20/37—20/37—20/37.

Clive—Rs. 10/44—10/44—10/37—10/37—(12/00).

Cheviot—Rs. 21/50—21/50—21/50—21/50—(24/75).

Chitavalsah—Rs. 10/25—10/25—10/12—10/12.

Fort William (Pref.)—Rs. 115/00—115/00—115/00—115/00.

Ganges—Rs. 13/62—13/62—13/62—13/62—(14/81).

Hooghly (Pref.)—Rs. 11/00—11/06—11/00—11/06—(10/87).

Kamarhatty—Rs 191/00—191/00—191/00—191/00—(190/00).

Kanknarrah—Rs. 130/00—130/00—130/00—130/00—(122/00).

Khardah—Rs. 18/87—19/12—18/81—19/12—(17/56).

Lawrence—(5½% Pref.)—Rs. 70/00—70/50—70/00—70/50—(62/0).

Do. (1st Pref.)—Rs. 95/00—95/00—95/00—95/00.

New Central—Rs. 12/62—13/00—12/62—12/75—(15/69).

Do. (Pref.)—Rs. 91/00—91/50—91/00—91/50—(93/00).

Nuddea—Rs. 51/50—55/70—51/50—55/50—(63/50).

Northbrook—Rs. 27/12—27/12—27/12—27/12—(35/00).

Rameshwara—Rs. 9/50—9/56—9/50—9/56—(8/75).

Do. (Pref.)—Rs. 12/31—12/31—12/00—12/00—(9/62).

Reliance—Rs. 10/00—10/00—9/94—9/94—(7/75).

Do. (Pref.)—Rs. 116/50—116/50—115/50—116/00—(84/00).

MININGS

Chrestien Mica—Rs. 10/40—10/40—10/40—10/40—(11/37).

Orissa Minerals—Rs. 27/00—27/00—26/87—26/94.

CEMENTS

Ashoka—Rs. 7/12—7/37—7/12—7/31—(8/12).

Dalmia (Bharat)—Rs. 13/25—13/37—13/19—13/31 x.d.—(12/31).

Do. (Def.)—Rs. 3/00—3/03 S.T.—3/00—3/00—(2/00).

Sone Valley—Rs. 4/66—4/69—4.31—4/37—(5/03).

CHEMICALS

Alkali & Chemical—Rs. 31/25—31.87—31/25—31.87—(44/50).

Bengal Chemical (7½% Pref.)—Rs. 12/00—12/00—12/00—12/00—(11/62).

ELECTRICS

Calcutta—Rs. 14/19—14/31—14/19—14/31—(15/25).

Do. (Pref.)—Rs. 8/10—8/10—8/10—8/10.

Dishergarh Power (1st Pref.)—Rs. 72/00—72/00—72/00—72/00—(73/00).

ENGINEERINGS

Braithwaite & Co.—Rs. 28/87—29/87—28/87—29/87—(35/50).

Burn & Co.—Rs. 550/00—558/00—550/00—558/00—(655/00).

Bharat Bull Bearing—Rs. 12/87—12/87—12/87—12/87—(13/87).

Britannia—Rs. 8/75—8/81—8/69—8/81.

Calcutta Steel—Rs. 13/37—13/37—13/37—13/37—(16/69).

Dalmia Iron—Rs. 10/56—10/56—10/56—10/56—(11/56).

Indian Iron & Steel (Pref.)—Rs. 84/00—84/50—82/50—83/00—(85/00).

Indian St. Wagon—Rs. 32/37—32/37—30/56—30/62 x.d.

Indian Malleable (Defd.)—Rs. 1/75—1/75—1/75—1/75.

Jessop & Co.—Rs. 23/19—24/25—23/19—24/25—(23/44).

Kumardhubi—Rs. 8/06—8.44—8/06—8/28—(7/75).

Marshalls—Rs. 2/50—2/56—2/50—2/56.

National Screw & Wire Pro.—Rs. 10/00 x.d.—10/00—10/00—10/00.

Raymon—Rs. 4/75—4/87—4/62—4/69.

Saran Eng.—Rs. 8/50—8/50—8/50—8/50—(10/00).

Textile Machinery (6½% Pref.)—Rs. 104/00 S.T.—104/00—104/00—104/00.

Wellman Incandescent—Rs. 6/62—6/62—6/37—6/50.

FLOUR MILL

Bengal—Rs. 28/00—28/12—28/00—28/12—(31/50).

INSURANCES

Concord of India—Rs. 10/25—10/31—10/25—10/31.

Ruby General—Rs. 9/50—10/25—9/50—10/12—(8/81).

MISCELLANEOUS

Aluminium Corpn.—Rs. 12/44—13/12—12/44—12/97—(17/69).

Asian Refractories—Rs. 6/56—7/00—6/56—6/65.

Asiatic Oxygen—Rs. 8/81—8/94—8/50—8/50.

Associated Battery—Rs. 23/62—23/75—23/62—23/75—(30/12).

American Refrigerator—Rs. 6/81—6/87—6/81—6/87.

Angelo Brothers—Rs. 21/50—21/75—21/50—21/75—(22/87).

Associated Hotels (Pref.)—Rs. 53/00—53/00—53/00—53/00—(49/00).

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B. I. Corpn.—Rs. 7/87—8/50—7/87—8/50—(9/25).

Do. (Pref.)—Rs. 106/00—106/00—106/00—106/00—(105/50).

Bararee Coke—Rs. 20/94—20/94—20/87—20/87—(25/00).

Birds Investment—Rs. 10/81—10/81—10/69—10/69.

Calcutta Tramways—Rs. 11/12—11/12—10/87—10/87—(12/25).

Clive Row Investment—Rs. 8/19—8/25—8/19—8/19—(7/94).

Dunlop Rubber (1st Pref.)—Rs. 107/50 S.T.—108/00—107/50—108/00—(106/25).

Do. (Pref.)—Rs. 72/25—72/25—72/25—72/25—(75/00).

Dr. Paul Lohmann—Rs. 10/62—10/62—10/75—10/75.

English Electric—Rs. 12/19—12/31—12/00—12/00.

General Tyres—Rs. 7/87—8/06—7/31—7/81.

Goodyear India—Rs. 29/25—29/25—29/00—29/00—(45/37).

Hindusthan Dev.—Rs. 4/00—4/00—4/00—4/00.

Hindustan Aluminium—Rs. 12/69—13/75—12/69—12/75—(16/50).

Hindusthan Pilkington Glass—Rs. 14/37—14/94—14/87—14/94—(21/75).

Hindusthan Wire Products—Rs. 16/25—16/37—16/25—16/37—(14/87).

Hilla Tea Estate—Rs. 5/55—5/55—5/55—5/55.

Hindustan Lever—Rs. 34/00—34/00—34/00—34/00.

Hindusthan Gas—Rs. 23/00—23/06—23/00—23/06.

Indian Oxygen—Rs. 25/00—26/00—25/00—25/75—(46/25).

Imperial Tobacco—Rs. 10/31—10/31—10/19—10/25.

Indian Plastics (Pref.)—Rs. 39/00—39/50—39/00—39/50.

Indian Wood Pro.—Rs. 29/00—29/00—28/87—28/87.

Jardine Henderson—Rs. 86/00—86/00—86/00—86/00—(81/00).

J. K. Synthetics—Rs. 9/94—10/00—9/87—10/00—(14/44).

Kettlewell Bullen (1st Pref.)—Rs. 60/00—60/00—60/00—60/00.

Moradabad Water Supply—Rs. 5/20—5/20—5/05—5/05.

Martin Burn—Rs. 24/50—25/75—25/37—25/37—(28/81).

National Insulated Cable—Rs. 21/75—22/00—21/75—22/00—(31/25).

Phillips Carbon—Rs. 16/00—16/00—15/75—15/75—(25/00).

Philips India—Rs. 27/50 S.T.—27/50—26/37 x.d.—27/00 x.d.—(33/62).

Rallis India (Pref.)—Rs. 61/00—61/75—61/00—61/75.

Sirsilk—Rs. 9/12—9/37—9/06—9/25—(9/69).

Universal Cables—Rs. 9/22—9/22—9/06—9/10—(12/25).

Usha Martin Black—Rs. 13/50—13/50—13/50—13/50—(16/25).

Walford—Rs. 3/56—3/56—3/56—3/56.

Do. (P.O.)—Rs. 2/37—2/37—2/37—2/37.

Window Glass—Rs. 7/94—8/12—7/94—8/12.

SAW MILL

Assam Saws—Rs. 2/81—2/97—2/81—2/97—(2/44).

PAPERS

Ashoke—Rs. 3/37—3/44—3/30—3/31.

Bengal—Rs. 27/75—28/00 x.d.—27/75—28/00 x.d.—(25/44).

Seshasayee—Rs. 7/12—7/12—7/12—7/12—(7/50).

Sirpur—Rs. 11/00—11/50—11/00—11/50—(13/31).

Star—Rs. 9/06—9/44—8/00—8/06—(10/00).

Do. (7% 3rd Pref.)—Rs. 81/00—81/00—81/00—81/00.

Do. (Con. 3rd. Pref.)—Rs. 83/50—83/50—82/50—83/50.

Do. (6½% 2nd Pref.)—Rs. 82/00—82/50—82/00—82/50.

Shree Gopal (2nd Pref.)—Rs. 96/60 x.d.—96/00—96/00—96/00.

Straw Products—Rs. 9/12—9/25—9/12—9/19—(10/12).

Titaghur—Rs. 15/37—15/56—15/31—15/44—(40/87).

West Coast—Rs. 127/00—127/00—125/00—125/00—(176/00).

SHIPPING

India Steamship—Rs. 5/94—6/00—5/94—6/00—(7/00).

TEAS

Bishnauth—Rs. 17/62—17/62—17/56 c.d.—17/56 c.d.—(18/06).

Eastern Cachar—Rs. 4/25—4/28—4/25—4/28—(3/56).

Hasimara—Rs. 12/50—12/56—12/25—12/50—(31/56).

Hantapara—Rs. 99/00 x.d.—99/00—99/00—99/00.

Joonktoolee—Rs. 17/37—17/37—17/31—17/31 x.d.

Kotamullai (Pref.)—Rs. 15/00—15/00—15/00—15/00.

Panargoomiah—Rs. 15/00—15/00—15/00—15/00—(21/12).

Rydak—Rs. 23/31—23/31—23/62 x.d.—23/62 x.d.—(28/25).

DEBENTURES

3½% (1956-66)—Howrah Bridge—Rs. 94/50—94/50—94/50—94/50.

5½% Bengal Coal—Rs. 100/00—100/00—100/00—100/00.

6½% Guest, Keen, Williams—Rs. 100/75—101/25—100/75—101/25.

London

OPERATORS MORE ACTIVE

SELECTIVE BUYING IN EQUITIES

London, 3rd July.

POLITICAL uncertainties were less of a factor in the stock market last week, and investors were a little more willing to open commitments. The highlight of the week was the announcement of the oil take-over bid by B.P. and Shell for Burmah Oil. Everyone was waiting for the decision by the board of Burmah Oil. Burmah shares, although now below the best, were sharply up on a week ago. Gilt-edged had a quiet time and eased in response to the rise in interest rates in the U.S.A., which could mean a rise in the U.S. Bank rate. There was selective buying of equities and at one time, shipping shares were well favoured, but the statement from the chairman of Cunard that the property development project has been dropped brought a sharp setback in Cunard and other shipping shares. Insurance shares went ahead on the news of the further premium increases. A number of leading equities edged forward. Dollar stocks reflected trend of the transatlantic market which was mainly against holders. Gold shares were quiet, but later tended to move up under the lead of U.S. gold shares, the buying of which appeared to be due to the further drain in the U.S. gold reserve. Coppers were dull while tins moved erratically. Plantation shares were quiet, but rubbers met with selective support at times.

AGRICULTURAL REFINANCE CORPORATION

(Incorporated under the Agricultural Refinance Corporation Act, 1963 (10 of 1963)

ISSUE OF SHARES

Authorised Capital — Rs. 25,00,00,000

Divided into: 25,000 fully paid-up shares of Rs. 10,000 each

Present issue: 5,000 fully paid-up shares of Rs. 10,000 each

Under Section 6 of the Agricultural Refinance Corporation Act the shares of the Corporation have been guaranteed by the Central Government as to the repayment of the principal and the payment of a minimum dividend of 4¼% per annum.

The issue of shares is being made under the provision of the aforementioned Act. In terms of sub-section 2(a) of Section 5 of that Act, the Reserve Bank of India will subscribe for 2,500 shares. In accordance with sub-sections 2(b) and (c) of Section 5 of the above Act, the remaining 2,500 shares may be subscribed for by central land mortgage banks, state co-operative banks, scheduled banks, the Life Insurance Corporation, insurance and investment companies in the proportions specified below, subject to the condition that no institution will be allotted more than 10% of the shares reserved for the class of institutions to which it belongs:

Central Land Mortgage Banks and State Co-operative Banks	1,500
Scheduled banks, the Life Insurance Corporation, Insurance and Investment Companies ...	1,000

Applications will be received from the 1st July, 1963 to 31st July, 1963, both days inclusive at

(a) the Head Office of the Agricultural Refinance Corporation, 2nd Floor, Amar Building, Bazargate Street, Fort, Bombay 1.

(b) the branches of the Reserve Bank of India, Bombay, Calcutta, Madras, Bangalore, Kanpur and New Delhi.

No subscriber can make more than one application.

Copies of the prospectus giving full particulars of the shares offered and the form of application can be had free of cost at any of the above mentioned offices. Tender of the full purchase price of the shares applied for must accompany applications.

Payments must be made by cheques or draft on a bank situated at the place at which the application is being made. Cheques and drafts should be drawn in favour of the office at which the application is presented.

V. SIVARAMAN,
Managing Director.

RESERVE BANK

ISSUE DEPARTMENT

	Week Ended		
(In 000's of Rupees)	28-6-63	21-6-63	29-6-62
Liabilities—			
Notes in Banking Dept.	40,11,54	32,92,72	43,30,86
Notes in Circulation	22,59,49,59	22,75,19,13	20,76,68,18
Total Notes issued	22,99,61,13	23,08,11,85	21,19,99,04
Assets—			
A. Gold Coin and Bullion	1,17,76,10	1,17,76,10	1,17,76,10
Foreign Securities	99,83,43	1,05,58,43	91,68,17
Total of A	2,17,59,53	2,23,34,53	2,09,44,27
B Rupee Coin	1,15,31,87	1,13,82,72	1,16,23,74
Rupee Securities	19,66,99,73	19,70,93,60	17,94,31,03
Total	22,99,61,13	23,08,11,85	21,19,99,04

BANKING DEPARTMENT

Liabilities—			
Capital Paid-up	5,00,00	5,00,00	5,00,00
Reserve Fund	80,00,00	80,00,00	80,00,00
National Agricultural Credit(Long Term Operations)Fund	61,00,00	61,00,00	50,00,00
National Agricultural Credit (Stabilisation) Fund	7,00,00	7,00,00	6,00,00
Deposits—			
(a) i Central Govt.	65,07,26	51,10,78	53,26,18
ii State Govts.	14,49,12	12,28,29	25,48,78
			78,70,46
(b) Banks :—			
(i) Scheduled Banks	94,32,88	89,16,48	...
(ii) State Co-operative Banks	6,81,45	2,57,28	...
(iii) Other Banks	36,95	9,62	...
(c) Others	1,56,48,62	1,72,32,26	1,45,65,14
Bills Payable	40,60,20	39,97,19	44,16,87
Other Liabilities	85,21,51	82,53,80	75,22,32
Total	6,16,45,99	6,03,05,70	5,87,59,75
Assets—			
Notes	40,11,54	32,92,72	43,30,86
Rupee Coin	1,32	2,35	1,33
Small Coin	1,62	2,14	3,01
National Agricultural Credit (Long Term Operations) Fund			
(a) Loans and Advances to :—			
(i) State Govts.	27,16,75	27,17,02	...
(ii) State Co-operative Banks	10,10,61	9,15,96	...
(iii) Central Land Mortgage Banks	...	...	...
(b) Investment in Central Land Mortgage Bank Debentures	2,84,88	2,84,88	...
National Agricultural Credit (Stabilisation) Fund			
Loans and Advances to State Co-operative Banks	...	...	...
Bills Purchased and Discounted :—			
(a) Internal	...	...	...
(b) External	...	...	...
(c) Govt. treasury Bills	54,01,21	36,57,71	44,03,86
Balances Held abroad	6,50,30	7,03,66	5,64,45
Loans and Advances to Govt	30,94,00	40,22,17	34,89,45
Loans and Advances to :—			1,34,93,37
(i) Scheduled Banks	1,17,22	1,30,12	...
(ii) State Co-operative Banks	1,28,64,51	1,14,25,48	...
(iii) Others	1,13,80	3,01,62	...
Investments	2,72,79,99	2,69,82,23	2,82,27,45
Other Assets	40,37,84	38,67,64	42,45,97
Total	6,16,45,99	6,03,05,70	5,87,59,75

SCHEDULED BANKS

	(In 000's of Rupees)	Week Ended	
	21-6-63	14-6-63	22-6-62
(I) Demand Liabilities—			
(a) Demand Deposits			
(1) From Banks	55,29,84	51,91,19	51,14,24
(2) From others	8,94,57,12	8,87,58,13	7,72,82,88
(b) Borrowing from Banks	29,06,61	33,85,93	24,77,93
(c) Others	57,28,08	55,20,46	57,96,61
(II) Time Liabilities—			
(a) Time Deposits			
(1) From Banks	28,71,82	28,41,64	17,24,87
(2) From others	12,28,72,62	12,24,88,09	12,32,71,18
(b) Borrowing from Banks	21,16,31	20,94,30	15,83,87
(c) Others	10,32,43	10,24,23	9,96,44
(III) Borrowing from State Bank—			
(a) Demand Liabilities	4,96,85	5,77,97	3,47,10
(b) Time Liabilities	10,97,00	11,36,50	13,71,26
(iv) Borrowing from Reserve Bank	1,36,12	7,87,37	2,58,85
(v) Cash	53,56,61	54,99,18	52,91,63
(vi) Balances with the Reserve Bank	84,93,76	79,40,36	90,91,06
(vii) Balances with other Banks in current account	21,34,11	19,87,08	18,98,61
(viii) Money at call and short notice	50,37,55	51,07,90	51,36,69
(ix) Investments in Central and State Govt. Securities	6,42,81,97	6,32,44,05	5,83,35,54
(x) (a) Loans, Cash credits and Overdrafts	13,04,70,13	13,18,55,89	12,23,52,99
(b) Due from Banks	7,48,27	8,50,09	5,78,84
(xi) Inland Bills purchased and discounted	1,70,38,56	1,73,04,56	1,50,45,18
(xii) Foreign Bills purchased and discounted	48,81,08	48,77,92	44,20,61
(xiii) Total of X XI and XII	15,31,38,06	15,48,88,46	14,23,97,62

THE BRITISH INDIA CORPORATION LTD., KANPUR

BRANCHES DIVISION :

Cawnpore Woollen Mills Branch — Cooper Allen Branch
New Egerton Woollen Mills Branch — North West Tannery Branch

London Office :

BEGG SUTHERLAND DIVISION :

Secretaries & Treasurers :

The Elgin Mills Co., Limited — Cawnpore Sugar Works Ltd.
Cawnpore Textiles Ltd. — Champaran Sugar Co., Ltd.
Brushware Limited — Saran Engineering Co., Ltd.

Secretaries for : Beta Picker & Co., Ltd.

Agents for : The Oriental Fire & General Insurance Co., Ltd.

THE CALCUTTA MONEY MARKET

FAIR INCREASE IN ADVANCES

Wednesday, 3rd July

THERE has been a fair increase in the aggregate level of advances in the Calcutta money market during the past week. The credit requirements of the cotton and jute mills are unchanged, while those of the sugar factories are slightly lower. But there has been a fair rise in the category of miscellaneous advances; the demand from the iron, steel and engineering industries, and from the foodgrains and seeds trade, has also increased. In the interbank market, conditions have been easy and the call rate is quoted around 1½ percent.

The exchange market has been more active. The supply of tea bills shows a further seasonal increase, while there have been a moderate number of gunny bills too. Sterling has improved in relation to all the major currencies except the Swiss, Danish and Swedish.

SILVER WAS QUIET IN CALCUTTA during the past week. The price declined from the previous week's level of Rs. 260.25 to Rs. 259.75, quoted today for ready delivery. There was no business in forward. The London and New York prices were 110½d and 127.8 cents. Gold was not transacted.

DURING THE WEEK ENDED 28TH JUNE, Government of India Treasury bills for Rs. 249,77,50,000 were sold in favour of the Reserve Bank.

TENDERS FOR RS. 2 CRORES OF 91-DAY Government of India Treasury bills were opened on 2nd July. The total amount offered was Rs. 2 crores. Tenders at Rs 99.415 percent were accepted in full. The total amount accepted was Rs. 2 crores only, the average rate of acceptance being Rs 2.340 percent a year. Tenders for Rs. 2 crores of 91-day Government of India Treasury bills will be received at all centres up to the close of business on 8th July. Successful tenderers should make payment on 12th July at all centres.

IT IS STATED THAT 91-DAY Intermediate Treasury bills will be sold from 3rd July to 6th July at Rs 99.431 percent. Sales can be stopped at any time without notice if the Government thinks it necessary. These bills sold from 26th June to 28th June amounted to Rs. 2.40 crores.

ACTIVE NOTES FELL BY RS. 15.69 crores to Rs 2,259.50 crores and the total note issue by Rs 8.51 crores to Rs. 2,299.61 crores, according to the return of the Reserve Bank of India for the week ended 28th June, 1963. The currency contraction was adjusted by reducing foreign securities by Rs. 5.75 crores to Rs. 99.83 crores and rupee securities by Rs 4.24 crores to Rs.1,966.70 crores in the paper currency reserve. These changes were made by making relevant transfers to the Banking Department in which balances held abroad declined by Rs. 53 lakhs to Rs. 6.51 crores while investments rose by Rs. 2.98 crores to Rs. 269.82 crores. Deposits of the Government of India increased by Rs. 13.96 crores to Rs. 65.07 crores and those of State Governments by Rs. 2.21 crores to Rs. 12.28 crores. Balances of scheduled banks at Rs. 94.38 crores showed a rise of Rs. 5.22 crores and their loans from the Reserve Bank were only Rs. 1.17 crores, against Rs. 1.30 crores, of which advances against usance bills amounted to Rs. 9 lakhs (Rs. 46 lakhs). Ways and means advances stood at Rs. 30.94 crores, against Rs. 40.22 crores.

THE RETURN OF THE STATE BANK OF India for the week ended 21st June, 1963, shows a drop of Rs 52 lakhs to Rs. 565.54 crores in total deposits. Investments in Government securities are up by Rs. 6.04 crores to Rs. 249.86 crores while other authorised investments remain unchanged at Rs. 9.34 crores. Advances, including loans, cash credits, overdrafts and bills discounted and purchased have fallen by Rs 5.83 crores to Rs. 279.32 crores. Cash and balances are, in consequence, shown at Rs 23.30 crores or Rs. 1.42 crores higher.

THE STATEMENT OF THE POSITION OF scheduled banks for the week ended 21st June, 1963, shows Demand and Time liabilities at Rs. 1,036.22 crores (Rs. 29.07 crores on account of borrowings from banks) and Rs. 1,288.91 crores (Rs. 21.17 crores), compared with Rs 1,028.56 crores (Rs. 33.86 crores) and Rs. 1,284.48 crores (Rs. 20.94 crores), respectively, in the previous week. Cash has fallen by Rs. 1.42 crores to Rs. 53.57 crores, while balances with the Reserve Bank have increased by Rs. 5.60 crores to Rs. 85 crores. There is a rise of Rs. 10.38 crores to Rs. 642.82 crores in investments. Advances and bills discounted at Rs 1,531.38 crores show a drop of Rs. 17.50 crores. The ratios to total liabilities of cash and balances, and of advances and discounts are, in consequence, shown at 6 percent and 65.9 percent, against 5.8 percent and 70 percent.

TREASURY BILL MATURITIES

Details of 91-day bills outstanding with the public on 5-7-63.

Issue Date	Maturity Date	Amount (000's Rs.)	Average Acceptance Rate
5-7-63	8-10-63	2,00,00	Rs 2.340%
28-6-63	1-10-63	2,00,00	Rs 2.345%
21-6-63	24-9-63	2,00,00	Rs 2.350%
14-6-63	17-9-63	2,00,00	Rs 2.354%
7-6-63	10-9-63	2,00,00	Rs 2.350%
31-5-63	3-9-63	2,00,00	Rs 2.350%
24-5-63	27-8-63	2,00,00	Rs 2.355%
17-5-63	20-8-63	2,00,00	Rs 2.360%
10-5-63	13-8-63	2,00,00	Rs 2.354%
3-5-63	6-8-63	2,00,00	Rs 2.350%
26-4-63	29-7-63	2,00,00	Rs 2.349%
19-4-63	22-7-63	2,00,00	Rs 2.354%
11-4-63	14-7-63	2,00,00	Rs 2.360%
5-4-63	8-7-63	2,00,00	Rs 2.370%

(Monthly Maturities 000's omitted)

July 1963	8,00,00
August 1963	8,00,00
September 1963	8,00,00
October 1963	4,00,00
Total	28,00,00

CLEARING HOUSE RETURNS

Week	Calcutta Rs.	Bombay (Lakhs)
21-6-63	86,25	1,06,23
14-6-63	83,05	98,47
7-6-63	95,50	98,47

THE BENGAL PAPER MILL CO. LTD.

CHAIRMAN REVIEWS PROGRESS

The following speech of the Chairman, Mr. N D. Bangur, read in his absence by a Director, Mr B. D. Bangur at the Annual General Meeting of the Company held at its Registered Office at 14, Netaji Subhas Road, Calcutta at 3 P.M. on 28th June, 1963.

Gentlemen,

I have great pleasure to welcome you to the Annual General Meeting being the 139th Ordinary General Meeting of your Company. The Directors' Report and the Audited Accounts for the year ended 31st December, 1962 have been in your hands and with your permission I take them as read.

We are passing through a period of National Emergency promulgated as a result of the Chinese Aggression on our country. The whole nation rose as one man to defend their Motherland and offered contributions in various forms. The practical impact of the emergency on the paper industry has been in the increased demand of particular varieties of paper and paper boards for defence purposes. Your Company supplied the defence requirements on priority basis and requested the co-operation of its civil customers in maintaining the price line.

Third Five-Year Plan and Price Policy

You are aware that in the beginning of the Third Five-Year Plan, the annual capacity of paper and paper board industry stood at 4,16,360 metric tonnes. The actual production during 1961-62, i.e. the first year of the Third Five-Year Plan was, however, only 3,67,000 metric tonnes. On the basis of an estimated progressive increase in demand at 12½% per annum during the Third Five-Year Plan period, the Planning Commission estimated the demand during 1962/63 at 5,15,000 metric tonnes and during 1963/64 at 5,80,000 metric tonnes. The progress made during the last two years is not satisfactory in the context of the target fixed by the Planning Commission for the Third Five-Year Plan period and even in case the annual indigenous production increases by as much as 70,000 to 80,000 metric tonnes during the next three years the total production would only reach a level of 5,50,000 metric tonnes against the target of 7,11,000 metric tonnes fixed by the Planning Commisson. This heavy shortfall between the targetted capacity and actual production is due mainly to non-materialisation of the new units licenced by the Government of India which may be due to high capital investment and inadequate returns because of the Government's present price fixation policy.

It is, however, gratifying to note that the Government have now realised the situation created in the Paper industry which is one of increasing costs and decreasing returns. The Development Council of Paper and Allied Industry have already appointed a Technical and a Finance Committee with a view to investigating the difficulties confronted by the industry. In the meantime, the Joint Committee of the Paper Industry submitted a memorandum to the Central Government for an upward revision of the paper and paper board prices. I hope the Government will give due consideration to the memorandum and will announce their decision for increasing the paper and paper board prices at an early date. It is suggested that Government should evolve some formula whereby any increase in the cost of production should automatically increase the selling prices of the paper and paper boards.

Raw Materials

In my last year's speech I had pointed out the necessity on the part of the States and Central Governments to grant long term leases of forests to paper industry with a view to foster both plant development and scientific exploitation. I regret that no concrete steps appear to have been taken by the authorities in this regard. On the other hand, there is a tendency in many States to grant long term leases of their forests only to those industries which are situated within their own States. This trend is not conducive to the wider national interest and I would, therefore, again appeal to the authorities to take necessary steps to ensure regular and adequate supply of raw materials, viz., bamboo, grass, timber, etc. to the paper industry on long term basis and also to take steps to establish extensive plantations and reafforestation work in hand more vigorously. There is yet another important point which I would like to touch upon and that is while considering proposals for setting up new units of pulp and paper the Government should see that the existing units are in no way adversely affected as far as their raw material supplies are concerned.

The paper mills situated in the States of West Bengal have more handicaps as they are dependant for their raw material supplies mainly on the neighbouring States. Suggestions were made to the Government of West Bengal to allocate sufficient waste lands to the paper industry for development of timber and grass plantations, and their final decision is still awaited. I would, therefore, appeal to the Government of West Bengal to take cognizence of the serious situation and take appropriate steps to ensure adequate supply of raw materials so that the tempo of increased production is maintained.

Considerable difficulties continued to be experienced in obtaining paper industry's full requirements of essential chemical like Caustic Soda, Sodium Chloride, Sodium Sulphate and Dye Stuffs from indigenous sources. Secondly, the prices of these chemicals have gone up and the paper industry finds it difficult to absorb the extra burden in view of the fixed selling prices of paper and paper boards. The Paper Makers' Association has requested the Government to stabilize the prices of essential chemicals and raw materials. I, however, regret to state that no satisfactory solution has as yet been found.

Sales

All the varieties of paper manufactured by your Company continued to be in good demand. I informed you last year that your Company successfully made Cable grade paper but regret that we could not continue its manufacture due to non-availability of the required type of Wood Pulp the import of which has not been permitted by the Government and for which our application for Import Licence has been rejected. The Government should reconsider this matter and allow import of required quality of pulp for converting into Cable grade paper as such a step would result in considerable saving of foregin exchange to the country.

The method of assessment of Excise Duty on various classes of paper still remains complicated causing hardship to the industry as well as to the consumers. There are cases where one type of paper is assessed and levied at a higher rate of duty which is reduced later to be again reassessed at higher rate with retrospective effect. There are also instances of one Mill being assessed at a higher rate of Excise Duty (while others have been charged lower rates of Excise Duty) on the same type of paper. I trust that Government would remove the cause of such anomalies at an early date.

The Paper Industry is also keenly interested in export promotion and your Company in its desire to explore export potentialities sent a senior executive to Far Eastern countries. Your Company's export promotion efforts have seen a ray of success and I am glad to inform you that the first consignment of Tiger Brand paper has already been shipped for overseas market during this month.

Recently the Indian Paper Makers' Association jointly with the Indian Paper Mills Association and the Federation of Paper Traders Association have also agreed to depute 3 delegations to selected countries of the Far and Middle East countries to investigate the possibilities of export of paper to these countries. I am glad to inform you that a senior executive of your Company will lead one of these delegations.

Operation and Financial Resources

The production and gross profit during the year were 21,588 metric tonnes and Rs. 60 lakhs compared to that of 19,627 metric tonnes and Rs. 55 lakhs during the previous year. The nett profit, however, declined to Rs. 16 lakhs during the year compared to Rs. 22 lakhs during the previous year. The decline in nett profit has been due to increased provision for taxation which stood at 31 lakhs during the year against Rs. 19 lakhs during the previous year. The new taxation measures have greatly affected the financial resources of your Company and have also increased the cost of expansion and modernisation scheme due to custom duty on imported plant and machinery having been raised and prices of indigenous supplies of items, viz. cement, steel and capital equipment having gone up.

After considernig the various aspects, your Directors have recommended a dividend of 20% on the Equity Shares for the year under review against a dividend of 27.5% paid last year. Your Company is taking steps to arrange further borrowings to meet the increased cost of expansion and modernisation scheme.

Expansion and Modernisation Scheme

Our expansion and modernisation scheme faced many difficulties due to shortage of cement and steel and also delayed shipments. Most of the consignments of paper machine and auxiliaries are either on sea or have arrived in India. The shipments of auxiliary equipment from U.S.A. met with delay due to a strike by the Eastern Seashoremen of the United States, but the most unfortunate delay has been with the shipment of main turbine which, while being transported from factory to the port of shipment in the United States, met with a truck accident, resulting in damage to the lower half of the unit. The extent of damage is presently under investigation by our suppliers, Messrs. Worthington Corporation but on very rough estimates, a delay of approximately 3 months in the shipment of this important equipment is indicated. However, arrangements are being made to obtain extra power supply from D.V.C. to run the paper machine and other auxiliary equipment for a short duration.

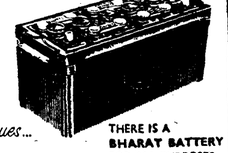
The buildings for the new paper machine, multistage bleaching plant and finishing house are nearing completion and satisfactory progress is being made with regard to the construction of Recovery and Coal Boiler buildings and Turbine house. During the period under review, a block of 1 room quarters and a Water Clarifier of 8 million gallons' capacity were constructed.

The erection work of the new paper machine is going on in full swing with the help of foreign Erectors. I hope that the new paper Machine would be ready for production before the end of the current year. Erection of Coal Boiler, Multistage Bleaching Plant and Recovery Boiler has also been taken in hand and all these equipments except the Recovery Boiler, which is likely to start functioning in the early part of 1964 would be ready for start-up on schedule.

The relation with staff and workers continues to be cordial and I would, on your and on my behalf, like to express our appreciation of their sincere services rendered to the Company.

NOTE : This does not purport to be the proceedings of the Annual General Meeting of the Company.

MICROPOROUS
RUBBER SEPARATORS
GENUINE HARD-RUBBER
CONTAINERS
PURE OXIDE PLATES
plus



the progressive production techniques...

THERE IS A BHARAT BATTERY FOR ALL PURPOSES

...make **BHARAT Battery**

a better store-house for Power

QUICKER STARTING, LONGER LASTING

BHARAT BATTERY MANUFACTURING CO. PRIVATE LIMITED

P-1A, RASHBEHARI AVENUE, : CALCUTTA-19

'PHONE : 46-2384 & 44-2134. GRAM : "BHENCO"

THE ELPHINSTONE SPG. & WVG. MILLS CO. LTD.

CHAIRMAN, MR. N. K. JALAN'S ADDRESS

Chairman's address by Mr. N. K. Jalan at the Annual General Meeting of the Elphinstone Spg. & Wvg. Mills Co. Ltd., on the 27th June, 1963, at Bombay.

Gentlemen.

It gives me great pleasure to welcome you all to this Fortyfourth Annual General Meeting of your Company. The Directors' Report and the Audited Statement of Accounts have been with you for some time now and with your permission, I shall take them as read.

In the year under review, the gross trading profit was Rs. 35,24,501/- I hope you will consider the working results of the year quite satisfactory especially in the face of a number of adverse circumstances in the working caused by the very difficult availability of cotton and the consequent high prices that had to be paid for cotton, increased labour charges, increased cost of stores, electricity, etc. although the price of cloth remained the same on account of voluntary price control.

Taxable dividend on Ordinary Shares has, therefore, been reduced to 18% from last year's 22%.

The year under review was marked by lower output mainly on account of paucity of cotton and generally slack demand. A very grave situation arose with cotton mills out of the malaise of accumulation of stocks which started from the month of May, 1962 and, steadily deteriorating month by month, reached a crisis at the close of the year. The long drawn-out crisis during the last quarter of the year was mainly a crisis of confidence generated by war psychosis, which was also responsible for panicky trading conditions during this period.

At the same time, the production cost went up considerably on various counts. There was an acute shortage of cotton supplies during the year resulting in runaway prices. The Government in-



Mr. N. K. Jalan

creased the ceiling prices of Indian cotton by Rs. 125/- per candy of the cotton crop of 1962-63 season and most of the varieties of Indian cotton were ruling around their ceilings. Excise duties on several chemicals and dyes had been imposed in the year. Losses had to be incurred on account of the obligatory export scheme voluntarily accepted by the industry—as a result of heavy undercutting of prices by the mills selling for export. A surcharge of 10.5% was levied on power bills with effect from July, 1962. Basic wages were increased by a flat rate of Rs. 2/- per month per worker from January, 1962. Average dearness allowance payable to workers reached the highest figure of Rs. 95.76 nP. for 26 working days. Employer's contribution under the Employees' State Insurance Scheme was doubled from 1¼% to 2½% with effect from the 1st April, 1962.

Bonus

It will be noticed from the Report and Accounts that a sum of Rs. 6,50,000/- has had to be transferred from General Reserve to enable your Directors to pay the dividends as recommended. This transfer was effected mainly on account of heavy inroads made into the profits of the year by the additional provison that had to be made for bonus to employees for a sum of Rs. 12,76,359/- in respect of the years, 1959, 1960 and 1961 under an Award issued consequent on the decision given by Shri Y. B. Chavan, the former Chief Minister of the State of Maharashtra who had been appointed as the mediator in the disputes for bonus for these years.

It is a matter of serious consideration whether such extraordinary disbursements by way of bonus to the employees are really justified at a time when the needs of the industry to plough back profits are high for the purpose of modernisation of its plant and equipments.

It is also urged for the consideration of the Bonus Commission appointed by the Government, whether in the case of composite companies owning factories belonging to different industries like yours, bonus payable to workers should not be assessed in respect of each factory, although the Balance Sheet of the Company is one covering the working of the factories together. The profits and the prior charges can be allocated between the different factories of the same company and the assessment of bonus payable to workers of different factories should not be difficult.

Cloth Exports

In spite of the fact that the industry volunteered to bind itself to a minimum export performance, results achieved so far have not been satisfactory. India's export of cloth during the year 1962 stood at 508 million yards worth Rs. 40 crores as compared to 572 million yards worth Rs. 46 crores in 1961, 690 million yards worth Rs. 54 crores in 1960 and 810 million yards valued at Rs. 55 crores in 1959, evidencing a steady decline in the country's exports in the last few years. Your Mills could maintain its export at the preceding year's level of about 14% of the production of the year.

Although quality control, diversification of products and market research, as part of a three-phased programme of expansion of exports might help in the export drive, one has to go to the root of the problem by studying the practical difficulties being faced for correcting the present unfavourable trends. One of the primary needs of the industry has been rationalisation and modernisation of plant and equipment. The competitive ability of the industry in the international market has to be bolstered up by reduction in prices and by economising cost with the help of modern machines and judicious employment of labour.

Besides, the steady increase in the cost of raw materials has also proved highly unfavourable in successfully tackling the export problem. It will be increasingly difficult for the industry to sell in export markets if it cannot procure raw materials at economic prices.

It is also unfortunate that under the last budget the benefit of rebate has not been extended to the cotton textile industry if its manufactures are not directly exported by the producers themselves.

Cotton

It is ironical for our country where the problem of cotton supplies is so acute that this is the fifth successive year in which world production has risen to a new record with the help of the exceptionally high world yield of 285 lbs. of lint per acre as compared to the poor Indian record of 112 lbs. per acre. The yield per acre during 1962-63 in the U.S.A., Egypt and Pakistan is 455 lbs., 583 lbs and 219 lbs. respectively. In our country, on account of low productivity, we are constrained to live a hand-to-mouth existence with regard to the requirements of cotton. It is only to be hoped that with the establishment of a permanent organisation of cotton research as proposed by the Bangalore Session of the International Cotton Advisory Committee, the level of productivity will increase and we will be able to attain self-sufficiency in this essential raw material in due course especially when the area under cotton cultivation in India is the highest in the World.

Besides, the prices payable for cotton continue to remain at a high level. Either there is a failure of crop and the prices payable by the mills are very high as for the season 1961-62, or there is a good cotton crop but the prices payable are all the same very high on account of the Government raising the ceiling prices as in the case of the crop of the current season. It is keenly felt that it should serve the purpose of the country better, if instead of the farmer being encouraged to develop a sort of vested interest in the low level of his production, serious efforts are made to tackle the problem of increasing the productivity. The prices of Indian cotton varieties are at present above the world parity and the advantage of relative cheapness which obtained to the Indian Cotton Textile Industry in the past is now almost entirely lost much to the detriment of export promotion.

Leather Cloth Division

As mentioned in my speech last year, the working of this division was not as satisfactory during the year under review as that in the preceding year, mainly on account of drastic cuts effected by the Government in the import licences for the essential raw materials required in the manufacture of leather cloth. Owing to very much restricted imports, the raw materials had to be purchased from indigenous manufacturers at prohibitive prices with the result that the profitability of this division was very much affected.

On account of drastic cut in the import of P.V.C. raw material and the highly irregular policy adopted in regard to distribution of Plasticizer by the only manufacturer, working of our plant was stopped for about three months.

I consider it my duty to refer to another serious handicap that is militating against our economic growth. Ours being a composite company, we have to pay textile wages to the workers of Leather Division also, whereas other concerns manufacturing exclusively Leather Cloth are not bound by such



imposition and hence we have to work under such handicap.

Expansion

After the purchase of the block of Moon Mills was completed as referred to in the last year's Report, negotiations were started with the National Industrial Development Corporation Ltd., for a loan from them for equipping this newly acquired unit with the latest types of spinning and other required machinery. The negotiations are still in progress.

High Cost Structure

You will naturally expect me to give some idea about the current working and the future prospects. In this connection, I am constrained to say that while the prices of cloth have remained the same as a result of the voluntary price control in force from September 1960, the cost of production of this Industry has only been steadily increasing. Apart from the heavy incidence of new financial burdens on the industry effected in and from the year under review as mentioned in the foregoing paragraphs, several other measures have contributed to a much steeper cost of production in the current year which are more or less of a permanent nature. Duties on several important items of stores have been increased. Machinery will cost more on account of customs duty on capital goods. Import duty on raw cotton has been reimposed. Freights and Inter-State sales tax have been increased. The Power Supply company effected a further increase of about 26% in their tariffs from last May in addition to a surcharge of 10.5% imposed in July 1962. The financial commitments involved in the Emergency Risks Insurance Scheme which was brought into force from the beginning of the current year will also make sizeable cuts into the profits of the company. Several tax measures have been introduced by the State Government inclusive of increase in sales tax on cotton and certain important items of mills stores, chemicals, etc. The cost of borrowings has increased as a result of the increase in the Advance Rates of Banks.

In order to help the Government in holding the price line, the mill industry has so far pegged down its prices to the level of those prevailing at the end of 1960. With all these additional burdens since 1961, however, it is difficult to say how the mills will be able to run economically if the Government does not allow an upward revision in the prices of cloth.

Modernisation and Renovation

In spite of several handicaps, the management has been continuously modernising your mills with a view to be able to hold its own even in the most difficult times.

During the year under review, machineries worth about Rs. 20.45 lakhs have been further installed and put into commission. These include one Mercerised Plant, 48 Textima Automatic Looms, 3 High Speed Drawing Frames, 1 Cockers High Speed Slasher Sizing Machine, 1 Polymerising Machine, 1 Warp Tying Machine and 5 N. M. M. Ring Frames. Further, after the close of the year, 2 High Speed Drawing Frames, 1 Chemic Machine, 1 Comber, 1 Acid Ager and 11 Constant Card Strippers have already been received and installed.

We further expect early delivery of 4 OM/RKI Ring Frames and 1 Dornamat Continuous coating Plant.

As for the spinning Section, I am glad to inform you that your Company was granted permission last year to install 3,088 additional spindles for balancing purposes in addition to 3,200 spindles granted in the previous year. Orders for indigenous ring frames have been placed but deliveries have been rather disappointing and we could complete the installation of only 2,240 new spindles. We have also applied for a licence to put in 6,087 additional spindles for balancing purposes.

Difficult Position

In view of the difficult position of supply of new Ring Frames, the Company continued during the past year its programme of converting its existing Ring Frames to longer lifts and to the latest systems of High Drafting and equipping them with Pneumafil Simultaneously the Company also carried out the conversion of some of the existing speed Frames to High Drafting and Can-Feed on experimental basis. The Company succeeded in obtaining Import Licence for 2 Simplex Frames of the latest model from Japan and applied for import of further 4 machines of the same type. Subject to the availability of import licences the Company has a programme to change its entire old Blow Room machineries, Draw Frames and Speed Frames in course of time.

The installation of 5 New High Speed Draw Frames was in useful replacement of old machines and it was completed during the year under review. In the year 1960, the Company installed 4 High Speed Combers to enhance the combing capacity for the production of goods of superior quality. The combing capacity has now been further supplemented by one more High Speed Comber of the latest type installed this year.

An experimental super High Draft Frame of indigenous make was also installed during the year under review and further orders for 4 Super High Draft Ring Frames were placed for delivery this year. The Company already has a Super High Draft Plant of 8,000 spindles working since 1956 and additions of Super High Draft spindles are now being made, with a view to effecting further economies in the working of the Company.

In the Weaving Preparatory Department, one High Speed Sizing machine was installed in addition to one machine installed in the previous year. The Barber Colman Spooler & Warper which were installed and put into commission in the year 1961 have modernised about half the Winding and Warping Sections. With a view to completing the modernisation of this Department, the Company is now considering the installation of the latest Automatic High Speed Winding & Warping machinery incorporating revolutionary changes in Winding technique. One Automatic Warp Tying machine was received last year and orders for further such automatic machines are under consideration.

Automatic Looms

In the Weaving Shed, 48 Automatic Looms were installed in replacement of old plain looms and installation of further 96 Automatic Looms is under consideration. The Company could not finalise order of further imported Automatic Looms last year and is now considering the purchase of indigenous looms which are being made with foreign collaboration and are now available.

In the Processing Section, the Company made the extension of this department for improving the layout and reducing the labour cost in handling. The Mercerising machine was installed last year and the Screen Printing Section was also put into commission. These two additions have increased the saleability of the Company's products which are now made in greater variety and finish to meet the demands of the market.

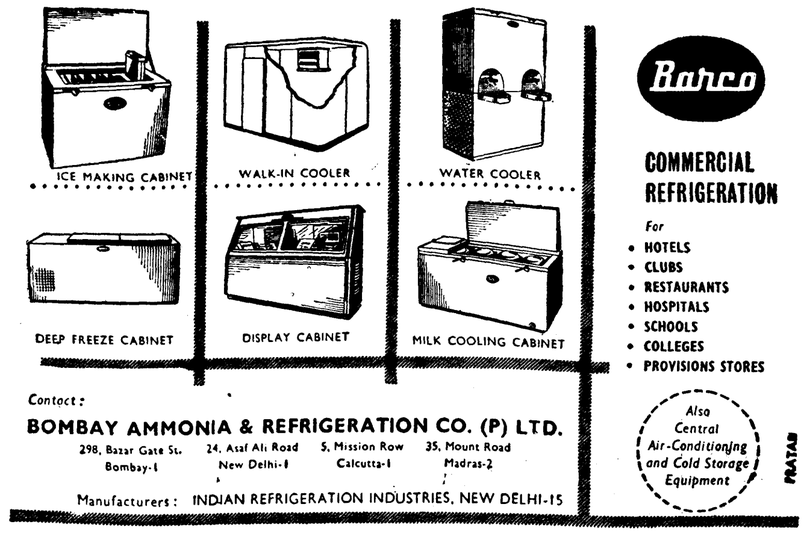
It is, however, paradoxical to note that we have to modernise our mills with so-called new machineries which are in fact out-dated. You will be interested to learn that rapid scientific improvements such as continuous Automatic Spinning Equipments, Jet Looms, etc. are being introduced in other progressive countries whereas we have to remain content with out-dated 8" Lift Spinning Frame and old type of Automatic Looms.

Unfortunately, the Government is placing limitations in regard to replacement of ordinary looms with Automatic Looms. For instance, the condition of compulsory export against installation of Automatic Looms is so drastic that Mills are finding it difficult to replace ordinary looms with Automatic Looms. It is imperative that the cost of production should be brought down so that our products may compete in the world markets against many other advanced countries. Further, the cloth must be of superior standard and one of the prerequisites for the production of quality cloth is to have Automatic Looms.

For the Leather Cloth Division, we have ordered out one of the most modern and up-to-date equipments with the object of producing Leather Cloth of international standard and we have also arranged for availing the services of foreign technical consultants to advise us on the latest techniques in the field of Leather Cloth manufacture. With the arrival of the new equipment, we also hope to compete successfully in the export markets of this product.

In conclusion, I have to sincerely thank my colleagues on the Board and to express my appreciation to the executives, staff and workers of the Company for the valued co-operation extended by them during the year.

N.B. This does not purport to be the proceeding of the Annual General Meeting.



GOODYEAR INDIA LIMITED

POWER SHORTAGE AFFECTS GOODYEAR TYRE PRODUCTION

TYRE PRICE INCREASE DESIRABLE, SAYS MR. R. E. O. CAREY

Addressing the shareholders of Goodyear India Limited at the Annual General Meeting held in Calcutta on 28th June, 1963. Mr. R. E. O. Carey, Managing Director of the Company, said :

Gentlemen :

I have pleasure in welcoming you to the Second Annual General Meeting of your Company. The Director's Report and the Annual Accounts have been with you for some time and with your permission I should like to take them as read.

Review of Company's Performance

The year's trading, as you will have seen, has resulted in a loss of over Rs. 57 lakhs. In view of this the Directors of the Company have recommended against the payment of any dividend for this year.

Sales of your Company's products during 1962 showed a marginal decline of less than 2.61% against those of the previous year due to below-capacity production at the Ballabgarh Factory. No provision for taxation is required this year, and after the transfer of Rs. 8 lakhs from the Development Rebate Reserve and a write-back of Rs. 94,955 on taxation account, the amount carried forward is Rs. 3,68,052. The Development Rebate Reserve presently stands at Rs. 17,93,341 and the General Reserve of Rs. 100,00,000 set up in 1961 remains untouched.

Despite the trading loss sustained in 1962 and the inability of the Company to pay a dividend, the figures I have quoted indicate that Goodyear-India's financial position remains sound, with an equity capital of Rs. 2 crores and a surplus of very nearly Rs. 1.5 crores. Shareholding continues to be very wide —your Company has nearly 38,000 shareholders—reflecting, unmistakably, widespread confidence in our good name.

Power Shortage

While it is not my purpose here today to minimise the extent of our disappointment at the trading result for 1962, I would like to dwell a little on the circumstances that led to it. First and foremost it is important to underscore the fact that the trading loss for the year arose wholly from the operations of the Ballabgarh Factory.

What were the reasons for the operational loss of the Ballabgarh Factory ? The chief problem—I referred to this when we met last year—continued to be the overall power shortage and the widely erratic nature of the power supply at Ballabgarh. In 1962, which was the first full year of working at Ballabgarh, power outages at the factory averaged over 56 a month, or a total of 678 for the year. When you consider that there are only 289 working days in a year, this factor must be regarded as being a major contribution to production loss. The power shortage in this area affects all industrial units and is not confined to the Goodyear factory ; also, strenuous and continuing efforts are being made by the Punjab State Electricity Board to improve the situation. Nevertheless, the hard fact is that the effects of power outages on rubber tyre manufacture are far more damaging and far-reaching than on most other manufacturing processes.

Whereas in the majority of industries a power outage means a suspension of the manufacturing process without loss of the basic raw material and without an extension in the total elapsed time expended on manufacturing a given item, with us it is different. Tyre curing is a continuous process that admits of no interruption : when a stoppage occurs the partially processed material has to be scrapped. This results in heavy loss of the basic raw materials—and parallel losses in time and human energy spent on the scrapped material up to the point at which the process was halted.

This, then, is the size of the unfortunate circumstance that has inhibited production at Ballabgarh. Whilst it is obvious that the power shortage is a factor beyond our control it should also be apparent that by its very nature it is and must be a temporary problem. Your Directors have full confidence that with the unabated efforts of the Punjab State Electricity Board on the one hand, and the greater adaptability to the situation displayed by factory management and operatives alike on the other, the power problem will be contained, if not wholly surmounted, in the near future.

Your Directors have been vigilant and fully cognisant of these problems ; so prompt and effective measures have been taken to meet the needs of the situation.

In fact you will be glad to know that in the first couple of months of 1963 the Ballabgarh factory achieved the monthly rated capacity of production based on the annual installed capacity of 210,000 tyres and tubes a year.

Product Diversification

Large as our stake is in the future of the tyre industry, it is no greater than our faith in India's developing economy. This is reflected nowhere more clearly than in our programme of profitable lines of diversification which as a general company policy began as early as 1946. In 1963, therefore, apart from our own famous and traditional lines of automotive accessories, Industrial Products, Chemicals and Adhesives, we are actively marketing a new and wide range of products manufactured to our specifications and designs by small scale industry ranging from items as simple as bells and locks for bicycles to precision products like dock fenders, and automotive batteries.

While helping to broaden the base of our own operations these activities serve to further the growth of many small industries. Not only are these industries placed on a sounder footing by having to produce to Goodyear's exacting standards but they are also able to take advantage of our nationwide marketing setup which they could not possibly match themselves.

During this first year of our operations in our own factory, we have been sustained by the constant help, advice and guidance received from the Goodyear Tire & Rubber Co. of Akron and also from other units of the worldwide Goodyear organisations.

Tyre Industry in India

The strength of our international associations is an important ingredient in Goodyear-India's steadfast resolve to play a leading role in the growth of the tyre industry in this country. There are today, as you know, seven units with a total capacity of approximately 3 million tyres and tubes a year. Four more units have asked for licence with a combined capacity of a little over 1.2 million tyres and tubes. It is estimated therefore that the aggregate capacity of the tyre industry as a whole may be 4½ million tyres and tubes per annum by 1965 by which time it is also estimated that 750,000 automotive vehicles will be on the road. Although the Planning Commission felt that a target of 3½ million tyres per annum would be adequate to meet the country's needs by 1965, the tyre industry should be producing well in excess of it by that time and fully competitive marketing conditions will be restored.

We in Goodyear-India welcome competition because we believe that it is the mainspring of industrial advancement and economic progress. We are confident that it will not be difficult for us to acquire our rightful share of the market, for after all, we possess the incomparable virtues of a good name and a good product.

Fair Tyre Price Increase Necessary

Having emphasized this, I cannot let this opportunity go by without sharing with you a doubt, if not an anxiety, about the restrictive pricing policy under which the tyre industry is currently operating and which, in my opinion, will seriously impede its growth unless revised.

As you all know, a cut-back on tyre prices recommended by the Tariff Commission in 1955 severely pruned industry profits. Since then, while tyre prices have remained constant (except for enhancement directly resulting from increased excise duties) every single raw material has become dearer—varying from a marginal to an alarming degree. So much so that today even gross profit before taxes has dwindled to the point where, unless the ceiling on tyre prices is lifted, the industry cannot possibly register a healthy growth. (It must be remembered in this context that the tyre industry currently has approximately 14 crores 21 lakhs in equity capital—nearly nine times what it was in 1955.)

I am glad to be able to tell you that the problem is engaging the attention of all tyre manufacturers in the country and a joint appeal for a fair price increase is under consideration by Government. If sanctioned—as we hope it will be—it will provide a much-needed fillip to this vital industry.

Goodyear Answers the Call

Goodyear-India is proud of serving the nation, as it is of serving the common man. Since the outbreak of hostilities on India's borders Goodyear-India has been called upon to produce certain types of tyres exclusively for defence needs.

In another area calling for urgent national effort, namely the promotion of exports, Goodyear-India made a small beginning in 1962 with the export of bicycle tyres, followed later by passenger car tyres. I hope when we meet next year I shall be able to report to you that the products of Goodyear-India are helping to earn a sizeable volume of foreign exchange.

Expansion Programme and Issue of Further Capital

There is just one other aspect of our operations I would like to refer to before I conclude. This is the misapprehension which has found currency in certain quarters that Goodyear-India's proposal of introducing a rights issue has been cancelled. I would like to state emphatically that our plans in this regard have not been cancelled but have only been postponed as a result of a decision taken at a Special General Meeting of Shareholders held in March 1963. This decision arose directly from the unsettled market conditions existing at that time. Along with several other tyre companies contemplating expansion at the time we thought it wise to make haste slowly on this scheme. I would like to assure you that the proposal for expansion is still under very active consideration by your Board, sanction for the expansion having already been approved by the Central Government.

1962 has been a testing time for Goodyear-India and its wide circle of dealer friends. It is my privilege to acclaim their devotion and loyalty to us in times that have been sometimes thwarting and almost always strenuous. We owe them all a debt of gratitude.

I would also like to thank the employees of Goodyear-India, all my colleagues and staff who have passed through these anxious times with fortitude, courage and high spirits. I know you will wish to join me in expressing my appreciation of their splendid teamwork.

N.B. This does not purport to be a record of the proceedings of the Annual General Meeting.

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THE NATIONAL TANNERY COMPANY LIMITED

CHAIRMAN, MR. SANJOY SEN'S REVIEW

Mr. Sanjoy Sen, Chairman, delivered the following speech at the Annual General Meeting of The National Tannery Co. Ltd. held on 28th June, 1963, at Calcutta.

It gives me pleasure to welcome you to this Annual General Meeting. The Directors' Report and the Statement of Accounts for the year ending December 31, 1962, have been circulated and with your approval, I shall take these as read.

Our Production continues to rise and our overall sales have exceeded last year's figures. A small increase in prices for our finished leather and the various corrective measures taken during the year have given the necessary fillip required to maintain our profits at a satisfactory level. During the year under review, we have again been fortunate in receiving our quota of import licences for hides and chemicals from the Ministry of Commerce & Industry in spite of the difficult foreign exchange position for which we are extremely grateful. This has enabled us to continue expanding our production to meet the growing internal and external demands.

We are well on the way to completing the firs' phase of our Expansion Programme and at the moment we have practically completed our building programme. This has made it possible for us to re-lay our entire Vegetable Tanning Section according to our Master Plan. We have also been able to house our modern finishing Department for Chrome, Chrome re-tanning and Vegetable Tanned leather in its new location and we are certain that this will enable us to increase our productivity in respect of finished leathers substantially. Water and electric supply has been augmented according to Plan and this will obviate future bottlenecks in our increased production drive.

Raising Production

A steady demand for our large range of coloured corrected grain finished chrome re-tanned leather and Bunawar and Katai has grown and we are actively considering increasing our production for these items. During the year we have successfully introduced our double tanned picking bands and we anticipate a large demand for this product from the Textile and Jute Mills.

At the moment, the Indian economy is tied to Defence and Export. Your Company has, therefore, taken steps both to promote its exports and to cater to the Country's Defence requirements.

On the export side approximately 80,000 tanned goat skins have already been exported by us since March 1963 to Centrotex in Czechoslovakia and we are presently contemplating signing a long-term contract with this firm for the supply of these skins. According to Centrotex, their demand for these goat skins will be in the region of half a million during 1964 rising upto one million in 1965. Due to the Government of India's policy of restricting exports of raw goat skins, the East European countries are actively engaged in importing a large part of their requirements in the form of chrome tanned skins in the wet blue. The East European countries use approximately 10 crores worth of raw and processed goat skins and it is anticipated that under the present bi-lateral agreements at least 50% of this figure will have to be imported in terms of processed and tanned skins. This will help the Indian tanning industry substantially in tapping its idle chrome tanning capacity.

In order to take advantage of this situation, the Indian tanners will have to make minor changes in their tanneries in order that they can convert their chrome tanning capacities for cow hides to goat skins. We have already taken up the work of this conversion and we anticipate that by the end of this year, we should be in a position to raise our monthly soaking of these skins to approximately 80,000—90,000 pieces. We hope to double this figure during 1964 and in anticipation we have made the necessary application for import of a small balancing plant which we are hopeful of obtaining shortly. At the moment, we are processing dry salted skins but we feel that ultimately it may be more beneficial to work with wet skins. The main obstacle in using wet skins is the lack of transport and storing facilities Unless the wet skins can be brought an soaked at the tanneries within a certain period of time, there is every chance of putrefaction. Whilst working with wet skins during the hot season may be a problem we should, during the winter months, try to use this raw material to eliminate the laborious operation of drying.

Exchange of Technical Personnel

One of the principal features of our proposed Agreement with Centrotex is the exchange of technical personnel. At the moment, we have an expert from Czechoslovakia and we shall be shortly sending one of our tanners to Czechoslovakia to study the subsequent processing on skins tanned by us. Satisfactory formulation of chrome tanned leather in the blue can only be achieved if the subsequent processing abroad and the end use to which the leather is put to is known. Interchange of personnel will allow Centrotex and us to develop the leather of their choice out of the Indian raw material.

Since the latter part of 1962 the world leather market has been in a very depressed state. Consequently there has been a downward trend in raw hide prices also. It has, therefore, become extremely difficult to export finished leather from India to the United Kingdom and the Continental Markets. Unfortunately, raw hide prices in India show no signs of weakening. The increasing internal demand for and the lack of availability of raw hides has artificially maintained a high internal raw hide price over the last few years' having no relation to the world prices. This makes it all the more difficult for Indian tanners to compete with their finished leather abroad.

The Government of India has recently established a Finished Leather and Leather Goods Export Promotion Council in Kanpur on a commodity basis. We welcome the establishment of the Finished Leather Council as we feel that such a Council could help in enlarging the finished leather exports abroad by studying the problem deeply and taking the necessary corrective action. Already a list of entitlements of finished leather and leather goods has been established and this should go a long way to help tanners in their export. Modern finishing demands plastic finishes most of which at the moment are indigenously unavailable. The incentives will allow tanners to satisfy their export customers by importing the necessary finishes and lacquers.

The new entitlements allow 10% of one's export promotional import licences to be used against import of plant and machinery for modernization and balancing. Whilst this new feature will certainly help the export oriented tanning industry over the years some immediate steps should be taken by the Ministry of Commerce and Industry enabling the tanneries to rehabilitate and modernize their finishing departments. With our exports of East India leather and skins practically remaining stationary it is essential that our finished leathers are capable of meeting world competition in order that our overall exports of 30/40 crores is maintained and even bettered.

State of Emergency

The State of Emergency has placed a heavy burden on the leather industry in the way of supply of leather for ammunition boots and other leather goods required for military personnel. We have recently received substantial orders from the D. G. S. & D for different types of vegetable tanned leather and have also been asked to tender for further quantities. In order to satisfy this added demand from the D. G. S. & D. we are making the necessary arrangements, as we feel that this demand will continue for quite some time and it would not be fair for us to completely cut ourselves out from the Indian market. The biggest problem we face in executing Defence Orders is the limited availability of suitable materials. Whilst the demand for tanned leather in India has been continuously on the rise during the different Plan Periods, the same cannot be said of the raw hide production. We have now reached a stage where the demand for tanned leather far outstrips the local availability as is shown by the increasing import of raw hides into the country. Most of the Defence Requirements are in respect of Buffalo hides and the availability of this hide, in India and abroad, has its limitations. It may, therefore, become necessary for us to think in terms of using ox-hide sole leather instead of Buffalo sole leather for Defence requirements. At the moment, a large number of D. G. S. & D. specifications indicate the use of Buffalo leather only. It will be possible for the tanneries to import cheap ox hides, for this purpose from Australia, New Zealand, U.S.A., South America or the East and West African countries against their export entitlements.

Unless immediate steps are taken by the Government to plan for the added defence requirements there will be an acute shortage in the internal leather market. In the face of growing exports of shoes, leather goods and leather we cannot afford to cut into their requirements. The Development Council should immediately study the overall requirements and make its recommendations on how best this situation can be tackled.

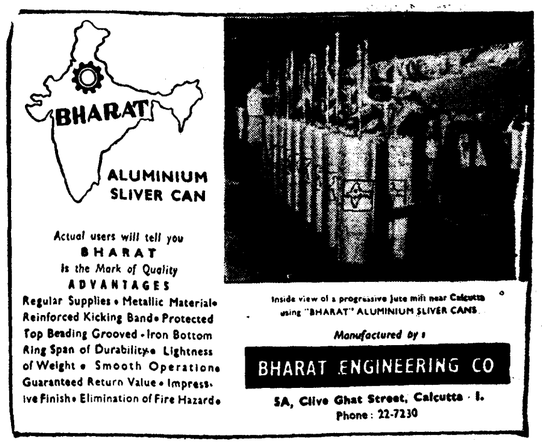
Effects of the Central Budget

The repercussions of the central budget have yet to be assessed. It is certain that the leather industry will not be in a position to absorb the additional cost of chemicals and finishing materials arising out of additional excise duties and enhanced import duties by either raising its overall productivity or introducing economy measures. A small increase in the prices of our finished leather is therefore inevitable as soon as the incidence of indirect taxes on our products are known. Whilst S. P. T. is not applicable to our Company during the year our future development and expansion will be seriously handicapped if this tax was to continue due to our inability to plough back sufficient profits. The general effect of S. P. T. on the leather industry would be to retard its rehabilitation and development on modern lines.

In fully endorsing the Finance Minister's view on the need for additional revenue and wholeheartedly supporting the quantum proposed to be raised for the defence of the country we fervently hope that he will ultimately find a way of raising his requirements without harming the industrial growth and development of the country which is also so vital to its social uplift and defence.

Before concluding I would like to complement the technical personnel and the workers for smoothly carrying out production under very trying conditions of building reconstruction and relocation of plant. I also take this opportunity of thanking our customers, my colleagues, staff and workers for another year of unstinted support.

N.B. This does not purport to be a report of the proceedings of the Annual General Meeting.



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DALMIA CEMENT (BHARAT) LIMITED

CHAIRMAN, MR. V. H. DALMIA'S REVIEW

Summary of the speech of the Chairman, Mr. V. H. Dalmia delivered at the Eleventh Annual General Meeting of the Company held at Dalmiapuram (Madras State) on 28th June, 1963.

Gentlemen,

It gives me great pleasure to welcome you to the Eleventh Annual General Meeting of your company. Since we met last, many eventful developments have taken place. The most significant, of course, was the unprovoked aggression on our northern frontiers towards the end of last year.

Your company was quick to respond to the emergent situation. Apart from the contributions to the Defence Fund, special attention is being given to maximising the production. The Joint Production Committee consisting of representatives of the employees and the Management has done a good job in raising the production at your Dalmiapuram Works to a record level.

I am sure you must have received with satisfaction the working results of your company for the year ended 31st December, 1962. The gross profit has risen from Rs. 84.02 lakhs to Rs. 146.62 lakhs—an increase of Rs. 62.60 lakhs. At the same time, the provision for taxation has gone up by Rs. 46.50 lakhs. Taxation will take away over 74% of the increased profit made in 1962, partly due to the newly levied Super Profits Tax. It is, however, a matter of satisfaction that despite the heavy burden of taxation, it has been possible to maintain the dividend as also to strengthen your company's Reserve position by transferring Rs. 13.50 lakhs to the General Reserve.

Raising Output

Cement continues to be in short supply throughout the country and the position has somewhat worsened with the increased requirements of the Government on account of Emergency. The expansion of cement industry has not, however, kept pace with the demand for various reasons including the difficulty in procurement of essential plant and equipment. In 1962, the installed capacity touched 9.728 million tonnes against 9.4 million tonnes in 1961, an increase of barely 3.5%. The available estimates of the likely expansion of the production capacity within the Third Plan period would indicate a continued shortage of cement. I am glad to inform you that there has been a distinct improvement in the utilisation of the installed capacity by the removal of such impediments as inadequate supply of coal, wagons for supply of raw materials and despatch of the finished product, etc. The government is also giving active consideration to encourage the manufacture of blended cements by the admixture of fly ash and other pozzolonas and blast furnace slag. Blended cements are used widely in other countries and an early start should be made in our own country also to mitigate the persisting shortage of cement.

The cement industry is being put to considerable loss by the recent changes made by Government in the system of computing the packing charges. The packing charges announced by the Government on a quarterly basis are determined as an average of the prices of new and second-hand bags. In making out the average, the proportion of second-hand bags was raised by Government with effect from the quarter October-December 1962 from 25% to 50% without consulting the industry. This envisaged the procurement of something like 90 million second-hand bags for cement packing, which would not be possible. Besides, insistence on extensive use of second-hand bags would lower the standard of packing, which would not be in the interest of the consumer. Nor would it be desirable to permit the wastage of this important commodity, which is in short supply, through avoidable seepage. Despite the best efforts made by the Industry, it could procure and use second-hand bags during 1962 to the extent of only 34% of the total packing. I would urge the Government to review its decision at an early date and at least revert to the earlier practice of taking the usage of second-hand bags at 25% for determining the average packing charges.

Coal Raisings

Since I spoke to you last, here has been a marked improvement in the raisings of coal and its distribution, on which Government, the Railways, and the Coal Industry are to be congratulated. One of the factors, which have undoubtedly contributed to this improvement, is the carriage of coal by the rail-cum-sea route. I regret, however, that I am unable to express myself with equal satisfaction over the performance of the authorities in the implementation of the scheme, which was announced by the Government of India on 1st August, 1961, to subsidise the movement of coal by sea so as to equate approximately the cost of sea-borne coal with coal carried by the all rail route. In February 1963, the Coal Controller has postulated a formula for the computation of coal subsidies which, while effecting a simplification in procedure, has aggravated further the gap between the subsidy which could thus be realised and what should be given if the cost to the consumer of sea-borne coal is to be, more or less, the same as the cost of coal transported by the all rail route. It is to be hoped that the Government will rectify this defect and, at the same time, arrange for a very expeditious payment of subsidy claims.

Partial recession in the Steel Industry on a worldwide basis and large scale development of new sources of iron ore have tended to depress the international prices of iron ore and have greatly increased the competition which India must face in world markets. However, the State Trading Corporation of India had concluded a contract with the Japanese Steel Mills for export to Japan of 2.54 million tons of various grades of iron ore in 1963-64 and 2.65 million tons in 1964-65, including the supply of certain quantities of high grade iron ores. Your company may now hope to make further supplies of high grade iron ore from their mines to Japan through the State Trading Corporation of India.

Simultaneously with the development of new sources of iron ore and the consequent extension of the supply lines, the steel industry in various countries and particularly in Japan are faced with the urgent need to lower and stabilize transportation costs and to secure reliable supply routes. This has led to a growing trend towards the building of larger and faster exclusive ore-carriers capable of taking 40,000 tons and more of ore. Unfortunately, Indian ports are, by and large, not equipped to handle such large ore-carriers and therefore, India will continue to be at a disadvantage *vis-à-vis* those countries, such as South Africa and South America, at some of whose iron ore ports larger ore-carriers can be accommodated. I am sure that the Government of India will rise to the occasion and that the port facilities in our country will be developed as rapidly as possible to meet this challenge. Until such time as the major developments required for the accommodation of such carriers are carried out, I would suggest that ports, such as Cuddalore, be improved rapidly to allow of their handling smaller ore-carriers of 20,000 to 30,000 tons.

It is gratifying to note that the Railways have increased their capacity for the transport of iron ore by the all meter gauge route from the Bellary-Hospet region to Cuddalore port and we may expect that they would be able to increase this still further to keep pace with the development of Cuddalore Port.

Scope for Mechanisation

There is an urgent need of a greater sense of security being given to the iron ore mining industry and particularly to those mines who are supplying ore for exports. Given reasonably long term contracts for supplies of iron ore, some of the mineowners could introduce a degree of mechanisation in their mines and, where necessary, instal ropeways for the carriage of the ore from the mines to the rail-heads thereby reducing costs of operation and transport. This together with other measures, which Government will doubtless plan and implement, would enable Indian iron ores to meet competition in international markets more effectively.

I am sorry to advise that, contrary to expectations, there has been a recession in the deadburnt magnesite industry which is reflected in the working results of M/s. Dalmia Magnesite Corporation, in which your company is a partner. This is due mainly to the fact that the Steel Industry, which directly or indirectly through the refractory industry consumes nearly the entire output of deadburnt magnesite in the country, has not progressed according to the Plan target. It is now apprehended that the Steel Industry may be able to reach a production of barely six million tonnes per annum by 1965-66 instead of the target of 10 million tonnes, to which the deadburnt magnesite industry, as part of the refractory industry in the country, was gearing itself. While there was thus a tapering off of the demand for deadburnt magnesite, the installed capacity of the industry was increased substantially by the commissioning, last year, of a new plant with a capacity of 18,000 tonnes per annum. Exports of deadburnt magnesite would be facilitated if special export incentives were granted to the industry and if a substantial rebate in Railway freight to the ports for the exported material were allowed. I must also strike a note of caution in estimating the future demands for deadburnt magnesite, due to the growing preference for L.D. and other Oxygen processes for the manufacture of steel. The industry must, therefore, wait for reliable advice on the trend of the future expansion of the steel industry before planning for any further substantial increases in its own capacity.

Conversion Scheme

I would now like to refer to the Scheme for conversion of the deferred shares of your company into ordinary shares by the issue of one ordinary share of Rs. 10/- in lieu of every four deferred shares of Re. 1/- each. The Central Board of Revenue has taken the view that Capital Gains Tax will be attracted in the event of the conversion of the deferred shares into ordinary shares. Representations have been made to the Board by the Chambers of Commerce that the law should be amended, if necessary, to take such conversion of shares out of the purview of the Capital Gains Tax, since it would be unreasonable to levy Capital Gains Tax when the shares are not disposed of and continue to be held by the same person though the nature of the holding is changed. I hope that Government would relieve shareholders from the levy of Capital Gains Tax on the conversion of the deferred shares into ordinary shares in view of the considerations that I have just mentioned. It is desirable to encourage such conversion and eliminate the deferred shares so as to streamline the capital structures of the companies.

In their report, your directors have explained how interest paid by the company to your subsidiary, Dalmia Cement Limited, on the amounts due to the latter has been disallowed in the tax assessments of your company. The value of the assets taken over by your company from Dalmia Cement Limited has, ever since the scheme came into effect, been shown as due and payable to the latter company and interest has been paid on the outstanding amounts in the usual course of business. It appears to me to be taking too narrow and legal a view to suggest that interest on such outstandings is not allowable as the same does not pertain to capital borrowed for the purpose of business. In such matters, an appreciation of the real nature of the transaction should be made and the arrangement should be viewed from the commercial point of view. When the interest is being treated as income in the hands of the recipient, it is unreasonable not to allow it as a deduction in the tax assessment of the payer. A representation has been made to the Central Board of Revenue and it is my hope that an equitable view will be taken in this matter and relief granted to your company.

Before I conclude, I would like to express on your behalf and on behalf of your directors, our appreciation of the services rendered to the company by all the executives, staff and workers and for the goodwill and co-operation which continue to mark the relations between the employees and the management of the company.

N.B.: This does not purport to be a report of the proceedings of the General Meeting.

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CHAIRMAN, MR. R. H. KAMANI'S SPEECH

The following Speech of the Chairman Mr. R. H. Kamani delivered at the 19th Annual General Meeting of the Shareholders of the Company on 29th June, 1963 at Jaipur.

It gives me great pleasure to greet you and welcome you on behalf of my colleagues and myself to this Nineteenth Annual General Meeting of your Company.

Since we met last year, we have been passing through grave national crisis caused by the unprovoked and dastardly violation of our country's border by the Chinese which has made it absolutely necessary for all of us, as true Indians, to keep ourselves fully prepared for any situation that may arise. This crisis however shall not stop us from contributing our mite towards building our national economy and bringing prosperity through industry to our people. We have already offered our services to the Government in these critical times and I am confident that your Company will be able to serve the country in many ways. I am really happy to inform you that during the year under review, the workers, and the staff have voluntarily contributed a sizeable amount which along with your Company's contributions amounted to Rs. 87,000/- to the National Defence Fund.

I cannot but mention the novel tax —the Super Profit Tax—which has come into force from the beginning of the current financial year for the first time in India. Plenty of criticism has been made on this legislation which is likely to have very far reaching effects on the Corporate Sector. No doubt the Government require very large funds for the defence and development of the country and we do not grudge towards paying the same. However the rigours of this tax are rendered slightly less unbearable due to various concessions provided by the same. Since it is an emergency measure, I earnestly hope it will be withdrawn when the emergency no longer exists.

The Directors' Report, Audited Balance Sheet and Profit & Loss Account for the year ended 1962 have been with you for some time past and with your permission, I propose to take them as read.

Accounts

The working of the Company for the year under review has shown satisfactory results with sales and profits touching new heights. The earnings of the Company during the year under review amount to Rs. 23,79,314/- as against Rs. 16,22,825/- of the previous year.

Allocations include Rs. 1,48,499/- for the Managing Agents' Remuneration as against last year's remuneration figure of Rs. 1,02,919/- and Rs. 7,38,247/- for Depreciation as against Rs. 4,33,709/- for the previous year. The provision for taxation has been increased from Rs. 3,90,685/- to Rs. 6,85,000/- (including Rs. 52,000/- for Super Profit Tax) and Development Rebate Reserve has increased from Rs. 3,05,000/- to Rs. 3,50,000/-. A sum of Rs. 1,22,049/- has been added to the general Reserve.

The Directors in their Report forwarded to the members of the Company have recommended a dividend of 6% on Ordinary shares which is 4% less than the previous year's owing to higher appropriation on accounts of Depreciation, Development Reserve, General Reserve and Taxation including Rs. 52,000/- for Super Profit Tax. The Directors have also recommended a dividend on Preference Shares. After providing Rs. 3,39,694/- for the proposed dividend, a sum of Rs. 5,068/- has been carried forward as against Rs. 7,561/- brought in.

Production

The production of "JAIPUR" Meters has been very encouraging. It has reached a record production which is about 20% more over the production in the previous year. The production of "SIEMENS" Meters which was taken in hand only during the last quarter of the year 1961 has maintained the same average during the year under review.

As far as the working of the Metals Division is concerned, 1,817 metric tons of material was produced as against 1,717 metric tons in the previous year. As the Government did not allocate any copper for the manufacture of Copper Conductors from March 1962, the above production was achieved due to your Company having secured orders on conversion basis.

Development and Expansion

You will be happy to know that a major portion of machineries for the manufacture of Cyclometers and Magnets—most important components for the manufacture of JAIPUR Meters —has arrived and the balance is expected in a few months. The Company hopes to be nearly self-sufficient in the manufacture of JAIPUR Meters in the very near future.

You will be happy to note that the Company has commenced production of A.C.S.R. and All Aluminium Conductors thus switching over to Aluminium from Copper as per the directive of the Government of India who desire to minimise use of copper in order to save foreign exchange.

The Company has already obtained industrial licences for the manufacture of Enamelled Copper Wire and Cotton Silk & Paper covered Wires and strips. It is hoped that the Import Licences for machineries for the manufacture of these two items, for which applications have been made some time back, will soon be received and the Company will be in a position to manufacture these items as early as possible. This opens fresh sources of income to your Company.

You will also be happy to note that the Industrial Finance Corporation of India have approved a further loan of Rs. 65.26 lakhs to the Company for implementation of the above development and expansion programme.

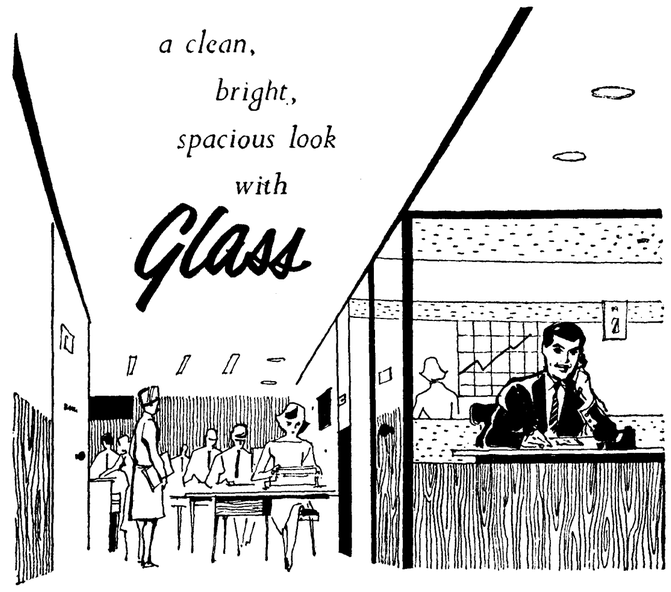
During the year your Company issued 25,000 Equity Shares of Rs. 100/- each at a premium of Rs. 15/- per share by way of Right Shares. All the Shares have been fully subscribed and paid for.

Research

In order to improve the existing high quality and workmanship of the products manufactured by your Company as also to achieve still higher production and better efficiency, the technical personnel, are always experimenting and improving on the methods of production. The increase of more than 20% over the previous year's performance in case of Jaipur Meters is entirely due to this.

Our present achievements and hopes for a bright future are a result of good efforts, co-operation, devoted service and loyalty of workers and the staff of your Company and the encouragement and appreciation that your Company has received from all of you from time to time for which I thank you all.

Note: This does not purport to be the record of the proceedings at the Annual General Meeting.



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PLANS FOR DOUBLING PRODUCTION

The following speech delivered by Mr. Rameshwar Tantia, M.P., Chairman, Bhartia Electric Steel Co. Ltd. at the 34th Annual General Meeting of the Shareholders of the Company held on 28th June, 1963, in Calcutta.

Gentlemen,

It is my pleasure to address you on the 34th Annual General Meeting of the Company. The Directors' Report and audited accounts of your Company have been with you for some time and with your permission I shall take them as read.

The year under review has been a momentous one for the country. The earlier parts of the year had shown a note of buoyancy in the industrial activities of the country; but, the unprovoked Chinese aggression and the declaration of National Emergency, about which much has already been said by our leaders, has brought about a radical change in our economy, which was primarily based on the emphasis on heavy industry, and has now had to be changed towards a more defence-oriented foreign-exchange earning basis. The effect of the Emergency has been specially felt by the steel industry which has been called upon to shoulder further burdens. The perilous task ahead of us has been fully realised and the industry has willingly come forward to bear its share of the new responsibilities. Many steps have been taken, and mostly with success, for better national preparedness by the people at the helm of the affairs in the industry. The workers' awareness of the seriousness of the situation has evoked overwhelming response by way of additional working days, increased production, lesser industrial disputes and, last but not the least, donations in money and blood. As far as your Company is concerned, within this short space of time, we have been able to increase our production by nearly 17% and have been able to maintain the price line even at a little sacrifice.

Foundry Industry

During the year 1962, steel foundry industry in general has shown good results. Production has increased considerably and most of this can be attributed to the ambitious wagon building programme of the railways, who continue to be the largest consumer of our products. The big leap that the country plans to take through its various 5-year plans has caused a still heavier demand for our products. Though quite a number of foundries have been, in previous years, licensed for manufacture, very little progress has been made by the new entrepreneurs in the field. Your Company's works at Ballygunge have, however, contributed quite handsomely to this increased production. 90% of your Company's products have been consumed by the Indian Railways, either directly or through wagon builders and locomotive workshops. An order received by your Company for the manufacture of Centre Buffer Couplers and valued at Rs. 2 crores, and to be delivered in 1963-64, is a feature I would like to mention of the tremendous progress being made by the Indian Railways who contemplate adding about 30% more rolling stock to its present fleet within this plan period.

Expansion Programme

In the context of these heartening demands, your Company has applied for a licence for doubling production to 12,000 tons per annum and a letter of intent indicating the agreement of the Government in allowing this expansion has been received by us. Due to acute shortage of space at our existing Ballygunge Works, it is proposed to set up a new factory within a radius of 15 miles and transfer the finishing processes there. We have already made some progress in drawing up the plans and further work is being pursued vigorously. While we wish to proceed with speed on our plans for expansion, it is my fear that the stringent import policy of the Government may affect them somewhat. The necessity for such a stringent policy in the present foreign exchange crisis is realised fully; but, I must say that if the industry is to adequately meet the challenge of increased production in a very short time, it must receive Government's active assistance and understanding of these problems specially in respect of import of essential maintenance and balancing equipment. It is very necessary in the case of your Company where the plant and equipment are old and spares for them are not being manufactured in the country at present.

Exports

Exports for engineering goods have risen rapidly; but, unfortunately, steel foundry industry is not in a position to take an active part in it. The industry, however, must take credit for the valuable saving in foreign exchange effected by it by manufacturing a number of new products within the country.

Working Results

The working results of your Company for 1962 have been satisfactory. Total production has increased by nearly 40% in value. Our production has been gradually switched on to more important and specialised items.

As you see from the accounts, we have had to provide Rs. 22,30,000/- for taxation as against Rs. 4,65,000/- for the previous year. The higher tax provision has been, as already explained in the Directors' Report, due to the introduction of the Super Profit Tax. As long as this tax remains on the statute book, the Company will be paying about 70% of its profits as taxes.

Scrap Policy

I would also like to add a further note of caution. The Government has in the course of the year de-controlled our basic raw material i.e. scrap and has been charging as much as 250% of the last de-controlled prices while at the same time, it has been pressing the industry to maintain the price line.

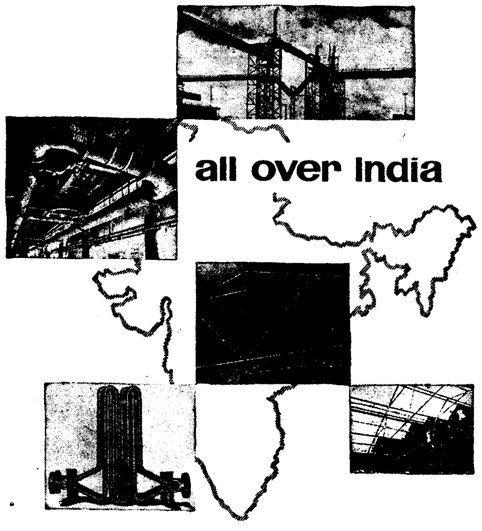
Power Shortage

The power shortage being experienced by this part of the country is another factor which requires grave consideration of the Government and unless power available is adequate, our industry may experience set back in production. Had the power cut not been experienced in the year under review, the results would have been still better.

In conclusion, I have to sincerely thank my colleagues on the board and to express my appreciation to the executives, staff and workers of the Company for the valued co-operation extended by them during the year.

N.B. This does not purport to be a record of the proceedings of the Annual General Meeting.

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SONE VALLEY PORTLAND CEMENT CO. LIMITED

CHAIRMAN, MR. A. K. JAIN'S ADDRESS

The following speech delivered by Mr. A. K. Jain, Chairman, Sone Valley Portland Cement Co. Limited at the Fortieth Annual General Meeting of the Shareholders of the Company on 28th June, 1963:

Gentlemen,

I extend to you all a cordial welcome to the Fortieth Annual General Meeting of the Company.

The Directors' Report and the Audited Balance Sheet and Profit & Loss Account have been circulated and should have been in your hands for some time now. You would have noted therefrom the details of the working of the Company in the last year.

During the last year, both production and despatches have been the highest in the last ten years and stood at 2,20,377 tonnes of clinker and 2,34,640 tonnes of cement. The Tariff Commission assessed the average capacity of your plant at 2,15,000 tonnes. It is an achievement that this was exceeded during the year. I mentioned in my last year's speech about the various difficulties encountered by the Company in regard to transport facilities for coal, raw materials and cement. The difficulties in this respect have more or less been overcome. Your Company also continued its policy of careful repairs and maintenance which has been an important factor in the achievement of higher production during the year.

Continuous Rise in Costs

The advantages of such increased production have not, however, been reflected in the financial results. This has been due to the continuous increase in the costs beyond the control of the Company but mainly due to governmental action. While fixing the prices for cement in October, 1961, the Government had assured that the prices would be in force till 31st March, 1966 "subject to adjustments whenever called for, for variations consequent on governmental action including escalation for fuel and power". Right from the time of the last price fixation the trend of rising costs was set in motion. But the Government of India did not take notice of same and fulfil the assurances held out to the industry towards compensating the rise in costs. Neither an escalation for fuel and power was devised nor any other *ad hoc* price increase granted by the Government and the entire incidence of increased costs had to be borne by the industry.

It is a matter for regret that in spite of a categorical assurance, the Government did not deem it proper to take timely action. Repeated representations to the Government from individual manufacturers and the industry as a whole for implementation of the escalation clause did not produce any result. It was only as late as October, 1962 that Government referred the matter to the Chief Cost Accounts Officer. The Government did not take any action on his report for a long time. It was only on 1st June, 1963 that they announced revision of prices. The price of your Company's cement has been increased by Rs. 2.75 nP. per tonne.

Since the rise in costs has been due to definite causes known to the Government and as a result of their own actions, it is possible for them to immediately assess the extent of the increases in costs their action has led to. There is thus no necessity to go through the elaborate process of individual unit cost examination. Moreover, Government have also not been influenced in their decision to revise prices by the actual figures of costs determined by the Chief Cost Accounts Officer. Even after the examination of individual costs the Government have only fixed prices on *ad hoc* basis. Therefore, with the awareness of the increased cost through their own action, it is possible for the Government to take immediate action in allowing suitable revision in the prices on an *ad hoc* basis without elaborate and formal enquiry of individual costing of the cement manufacturing units. The Government have assured to have an escalation for fuel and power the object of which is to cover rises in costs when they occur. This purpose is defeated if the Government take action after a period of a year and then also they do not give retrospective effect to their decision.

Price Increase Inadequate

Apart from the delay in allowing compensating increase in price, the price increase now allowed is entirely inadequate and does not cover the actual increase in cost that occurred since 1st November, 1961. The total of such cost increases since 1st November, 1961 works out to about Rs. 6/- per tonne. The delivered price of coal including freight has alone increased by over Rs. 4/- per tonne pushing up the cost of cement by approximately Rs. 2/- per tonne. Besides, there has been increase in the rate of Railway Freight, Royalty on Limestone, Dearness Allowance, contribution to Provident Fund, Employees' State Insurance and introduction of Emergency Risk Insurance. Further increases in costs have by no means been checked and unless the Government introduces automatic escalation to cover increases under major heads like fuel, power, transport, etc., the industry will be constantly faced with this problem of rising costs without any adequate coverage for same in the prices.

The present formula for fixation of quarterly packing charges is also causing considerable financial loss to the industry. In the computation of packing charges, the Government have assumed the use of 50% old bags against 25% previously and has taken the price of old bags at 65% of the average price of new bags within the previous 3 months. The assumption of the use of old bags as well as that of the price of the old bags in unrealistic. With 50% use of old bags, there must be a 100% return of new bags despatched, which is impossible. The return of the second-hand bags from the Government sources is very difficult and in spite of several circulars by D.G.S. & D. and State Trading Corporation, the response from the government consumers is very poor. With the scarcity of bags in the market and desire to use the specified quantity, there is competition amongst the buyers resulting in higher prices which works out to 85% of the cost of the new bags. Apart from this loss to the industry, consumer also suffers on account of the repeated use of old bags resulting in shortage in the weight of cement through seepage. It is, therefore, necessary that Government should take a realistic view in fixing the packing charges. The year's results as compared to the previous year have been substantially affected on account of this also.

Incentive Scheme

The Government have recently introduced a scheme of incentives by which a cash benefit will be available on cement produced in excess of the highest level of production in the last three years. In the case of your Company, the cash incentive is Rs. 2.50 nP. per tonne and the base level is fixed at 2,35,000 tonnes. The basis on which the incentive has been fixed would yield no practical benefit to the industry as the benefit is available only in respect of the excess production over the highest production and not over the average production of equated cement. Some companies including yours have been able to achieve large production of cement this year because of the improvement in the transport position and through utilisation of clinker stocks accumulated in the previous years when there was transport inadequacy. This position is not likely to exist now and the incentive offered will not induce higher production and make available larger supplies to meet the needs of the consumers.

The need for cement is ever-growing. The pressure of demand for cement will only become more acute. If this steadily growing demand is to be met, there has to be accelerated development of the industry. This development as is evident from the current trends is not possible of achievement. The targets set out at the commencement of the Third Five Year Plan were for achieving a capacity of 15 million tonnes and a production of 13 million tonnes. In the light of the emergency and further rise in demand, it appears that even these targets have to be pushed up But with the existing capacity of 9½ million tonnes, the capacity possible of attainment through the licensed schemes under active execution being completed will be 11.2 million tonnes. Even if we include some more schemes licensed as likely to be completed during the Third Plan, the capacity cannot possibly exceed 12.5 million tonnes. We are thus short by 3 million tonnes for the targetted capacity which itself, as I have stated, has to be revised on account of the mounting demand now. It takes at least three years for a plant to go into production. Therefore, unless licensed schemes are put into execution immediately, further rise in capacity is not likely to be achieved by any means in the Plan period. It is no longer scarcity of foreign exchange that is holding up expansion. Indigenous cement machinery manufacturers have made sufficient progress and have assured supply of machinery by 1964-65. With only 40 per cent imported components 3-4 plants have been promised delivery in 1964 provided orders are confirmed immediately. Further plants have been promised delivery from 1965 onwards even with lesser percentage of imported components. But orders for new plants are not coming up consistent with the demand and for this the price and taxation policies of Government are alone responsible. The price policy pursued by Government does not allow any scope for internal finance and where in a few cases some surplus is available it is being siphoned off by the new tax measures. The cement industry is a startegic one and it has to be helped to develop at an accelerated speed. Unless the Government follows an appropriate price policy that encourages expansion, development of the industry cannot take place and we will be faced with continuing scarcity in respect of an essential basic material as cement. This fundamental problem has, therefore, to receive more earnest consideration at the hands of the Government leading to effective and prompt action.

I thank you all. I also thank, on your behalf and on my own, all the members of the Organisation at different levels.

Note: This does not purport to be a report of the proceedings of the Annual General Meeting.

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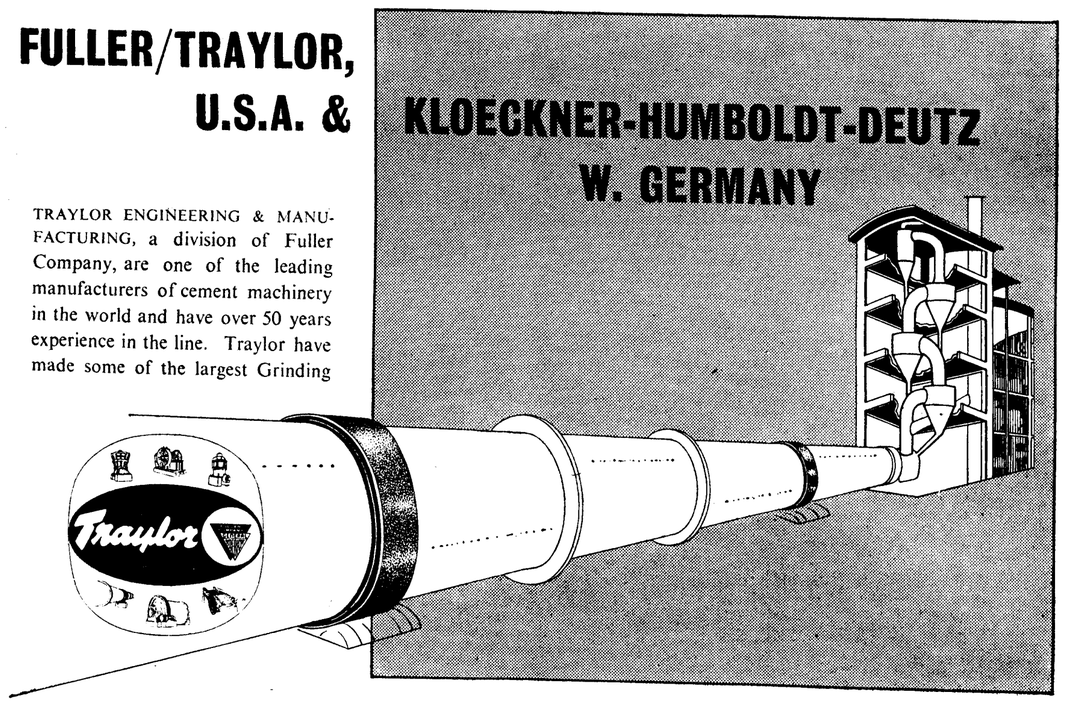
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New Delhi

HELP FOR BOKARO TO BE PART OF U.S. AID FOR THIRD PLAN

(FROM OUR NEW DELHI CORRESPONDENT)

THE misunderstanding over the Bokaro steel plant is mounting day by day. From the outset, the Americans were lukewarm over the project. Their attitude is understandable. They have been waging an ideological war with Russia, who has already built a first-class steel plant in Bhilai. Their main anxiety is that the U.S. plant should on on account be inferior to Bhilai. If it is, it will be a disaster for the U.S.A. not only in India, but all over Asia and Africa. The U.S. Ambassador to India, Professor J. K. Galbraith, tried hard to push through the Bokaro project as early as possible. He referred to it at his first Press conference held in New Delhi. Since then, Bokaro has been the main topic of conversation.

Credit is due to Professor Galbraith for frankly stating that the finance for Bokaro should have to come from the general economic aid from his country. This created misgivings and the U.S.A. was accused of cutting down its aid to India. A spokesman of the Central Ministry of Finance also said that any assistance from the U.S.A. for the public-sector steel plant in Bokaro would be part of the overall U.S. aid to India for the third plan. As in the case of West German aid for the Rourkela steel plant and British assistance for Durgapur, U.S. aid for Bokaro, when it comes, will be part of the "Consortium aid" for India for the third plan.

On this point, there has been no misunderstanding between the Governments of India and the U.S.A., Mr. Galbraith declared. The Finance Ministry spokesman said that India had informed friendly countries that she would need Rs. 2,500 crores in foreign exchange to implement the third plan. This included Rs. 100 crores for Bokaro. The steel plant which the U.S. technical team had recommended was much bigger than the one India had originally visualised. So the cost of the project would now be more, although much of the expenditure would inevitably be carried over to the fourth plan.

Asked to comment on Mr. Galbraith's statement that any U.S. assistance for Bokaro from the overall third plan aid would affect the execution of other plan projects, the spokesman said that the statement should be taken as a friendly warning. He said that the U.S. Government had not made any firm commitment of assistance for the third plan as a whole. Assistance by friendly countries was given on an annual basis. So it is still a matter of conjecture as to what assistance should be given for the fourth and fifth year of the third plan. If Bokaro, which is now a big project, is undertaken, it may affect others, although the matter has to be fully examined.

This has led to re-thinking in New Delhi which had assumed that the U.S. aid for Bokaro will be in addition to other economic and military aid to India. "If the U.S. view were accepted, it is stated, "additional foreign exchange to the tune of Rs. 116 crores shall have to be found or some other projects shall have to be dropped." But the question is: what has happened to Rs. 100 crores earmarked for Bokaro in the third plan? It could be that either the original estimates of foreign exchange were under-estimated or new projects outside the plan had been added to it. It is time the Central Steel Ministry made a clarification on this point.

COMPULSORY DEPOSIT

Procedural Changes

In a Press note on the compulsory deposit scheme, the Government of India says: "With a view to simplifying the working of the income tax department and the employees compulsory deposit scheme, which is coming into force with effect from 1st July, 1963, and to relieve the congestion at post offices and the branches of the Reserve and State Banks of India, the Government of India announced a number of important procedural changes. These are briefly summarised below.

"It has been decided that scheduled banks having an all-India character may also—on the recommendation of the Reserve Bank—be authorised to maintain the accounts of compulsory deposits in the same way as in the post offices and branches of the Reserve and State Banks of India. The banks are: (1) the Central Bank of India, (2) the Punjab National Bank Ltd, (3) the United Commercial Bank, (4) the Bank of Baroda, (5) the Bank of India, (6) the Devkaran Nanjee Banking Company and (7) the United Bank of India. Meanwhile, in so far as the compulsory deposits recovered during July 1963 are concerned, the period within which they should be remitted to the deposit offices is being extended from 14 days to 45 days. In order that this extension may not involve any loss of interest to the depositors, interest on all such deposits will be allowed with effect from 1st August, 1963.

"It has been furthed decided to allow factories and establishments, which have been exempted under Section 17 of the Employees Provident Funds Act, to maintain the individual accounts of compulsory deposits recovered from their employees. They will have to open only a single account in the name of the factory or establishment with a head post office, or with the Reserve Bank or the State Bank or its subsidiary banks conducting Government treasury business in which the amounts recovered by them from month to month will be credited in lump. Detailed instructions on this point will be issued separately.

"It has also been decided to waive the requirement for getting an application form filled by individual employees. As the only purpose of the application form was to establish a direct link between the depositor and the post office, or any other authorised office where the account is maintained, to facilitate withdrawal of the amount, and as withdrawal is ordinarily permissible only after five years, it is not considered necessary to delay or complicate the opening of accounts by getting applications individually filled at this stage. Accordingly, employers can get the accounts opened in the name of their individual employees by applying to the deposit offices.

"The facilities outlined above will materially reduce the pressure of work at the post offices and other authorised offices and minimise inconvenience to individual depositors as well as to employers who have the responsibility of collecting these deposits from a large number of employees."

Explaining the Press note, an official spokesman said that the Government had no intention of roping in such persons as did not pay income tax or were outside the provident fund schemes. A very large number of motor-car or taxi drivers, fruit sellers and others will remain outside the purview of the scheme. So it is the honest people who are called upon to bear an onerous burden.

The compulsory deposit scheme will undoubtedly depress the standard of living of the people. This is obvious to everybody except some "progressives" in New Delhi. The last taxation proposals have raised taxation, say, by 25 percent. Even Mr. Gulzarilal Nanda, Central Minister for Planning, Employment and Labour, has given up his effort to hold the price line with the result that the cost of living in many parts of the country has already gone up by about 25 percent. So how can a person of fixed income save? Savings are obviously possible only at the cost of the standard of living.

RAILWAYS

Progress in Electrification

It has been possible to accelerate the pace of railway electrification during the third plan. During 1961-63, the Gomoh-Moghalsarai and Nimpura-Tatanagar sections were commissioned, bringing the total A.C. electrified length to 1,075 route kilometres (2,518 track kilometres). By 1966, the entire main line section from Howrah to Kanpur and Howrah to Rourkela *via* Kharagpur and Asansol is expected to be completed. In addition, the Igatpuri-Bhusaval section in the western region and the Madras-Villupuram section in the southern region are also being electrified.

One hundred and ten A.C. broad-gauge mixed traffic type electric locomotives are now operating in the eastern zone. Altogether about 330 locomotives are required for dealing with goods services in this area. Chittaranjan is expected to manufacture 138 locomotives during the current plan. The remaining are being imported.

In order to cater to the needs of the increasing traffic in and around Calcutta, particular care has been taken for the electrification of the existing lines in the metropolis. The suburban sections proposed to be brought under A.C. electrification total 440 route kilometres (905 track kilometres). The following table indicates the targets planned at present:

Sealdah-Ranaghat; Dum Dum-Bongaon; Ranaghat-Krishnagar city; Kalinarayanpur-Shantipur; Bandel-Naihati	August-December 1963
Saktigarh-Dankuni; Dankuni-Dum Dum and C. C. Link; Dum Dum-Chitpur Dankkuni-Belur	December 1964
Sealdah South-Baruipur Jn. Ballygunge Jn.-Budge Budge Sonarpur-Canning Baruipur Jn.-Lakshmikantapur Baruipur Jn.-Diamond Harbour	March 1965

The Howrah-Kharagpur section is expected to be electrified by the end of 1966. In addition, the existing electrified Howrah-Bandel-Burdwan sections, including the Tarakeshwar branch, are proposed to be progressively converted to the A.C. system by the end of the third plan, thus making possible the unified working of the railway lines around Calcutta. Fast electric multiple unit services are proposed to be introduced in this area by employing nearly 540 electrical multiple unit coaches. In the early stages, locomotive hauled trains are being introduced in the Sealdah area.

Simultaneously, considerable progress in developing indigenous manufacture of electric traction equipment has been planned and achieved, with a view to saving foreign exchange. For equipping railway tracks with 25 kV overhead wires and other ancillary items (excluding copper), the foreign exchange required has already been brought down from Rs. 25,000 a track kilometre in 1958 to about Rs. 3,000 a kilometre. In order to attain self-sufficiency in the manufacture of A.C. rolling stock, the Integral Coach Factory in Madras has commenced turning out broad-gauge E.M.U. trailer coaches. Prototype motor coaches are now being constructed and, after necessary trials, it is expected that the factory will be in a position to commence production of A.C. motor coaches from early 1965.

For building electric locomotives, capacity has already been created at the Chittaranjan Locomotive Works, which is currently handling an order for 21 broad-gauge D.C. electric locomotives. These are expected to be completed very shortly, after which the delivery of A.C. locomotives will commence. During the third plan, Chittaranjan is expected to build 138 A.C. freight type electric locomotives and reach an output of six locomotives a month by 1965. The mechanical parts for these locomotives are being manufactured in Chittaranjan while the major part of A.C. electrical equipment is expected to be manufactured by Heavy Electricals (India) Ltd, Bhopal. As a result of these measures, it is hoped that the foreign exchange content in rolling stock as well as other equipment required for electrification will progressively come down during the next few years.

With the establishment of manufacturing capacity of electric locomotives in Chittaranjan, electrical multiple unit coaches at the Integral Coach Factory, electric traction equipment in Bhopal and the production of components for overhead and other associated equipment indigenously, it is hoped that the Indian railways will be able to bring more and more railway lines in dense traffic areas under electrification. If as estimated, the originating goods traffic goes up from 260 million tons in 1966 to 400 million tons by 1971—and the rate of increase in traffic is likely to be maintained at this level—it is felt that the tempo of electrification of railways in India may have to be increased.

Electric traction on the Indian railways dates back to 1925-30 when about 388 route kilometres of track were electrified on the 1500 volt D.C. sys-

tem. This was mostly confined to the western region around Bombay except for a small length of 29 route kilometres in Madras.

The electrification of the Howrah-Bandel-Burdwan section was taken up during the first five year plan and completed during 1958 on the 3000 volt D.C. system. At about this time, contemporary developments in the field of high voltage single-phase A.C. electrification in some railways, notably in France, attracted India's attention. Before embarking on large-scale electrification, the Indian railways, felt that it would be prudent to go into the question of choosing the correct system of electrification. As a result of detailed technical and financial investigations, it was decided in 1957 to adopt 25,000 volts single-phase A.C. system at the industrial frequency as the standard for future electrification in the country. Besides being more economical, the A.C. system affords the advantage of co-ordinated development of railway traction and other general electrical loads in the country. It permits maximum benefit to be derived from the existing and future sub-stations and transmission lines. Furthermore, the performance and capabilities of an A.C. electric locomotive are much superior to that of its D.C. counterpart.

For planning, executing and co-ordinating the railway electrification programme, which is more or less confined to the eastern zone, a central electrification organisation was set up with headquarters in Calcutta, under the charge of a General Manager and Chief Engineer. The guidance of the French National Railways, which are the pioneers in the field of single-phase A.C. electrification, was also sought.

During the second plan, 218 route kilometres (642 tracks kilometres) in the eastern zone comprising the Dangaoposi-Rajkarswan and Waria-Asansol-Gomah sections were energised on the A.C. system.

PATENTS

Notifications Issued

Under the Defence of India Act, the Government of India has taken power to authorise a corporation owned or controlled by the Government or any other person specified "to make use of or exercise any invention in relation to which an application for the grant of a patent has been received or a patent has been granted, for the purposes of the corporation or such other person from such date as may be specified therein."

"Where any invention has been made use of or exercised, in accordance with an order, the corporation or such other person, as the case may be, shall pay such compensation to the applicant or the patentee as the case may be, as may be agreed upon between the corporation or such other person and the applicant or patentee. In the event of any dispute as to the amount of compensation, either of the parties may refer the matter to the Central Government whose decision on it shall be final. Provided that before giving its decision, the Central Government shall afford a reasonable opportunity to the parties concerned to make any representation in the matter."

An earlier notification on the same subject is as follows: "Where, either before or after the coming into force of the Ordinance, an application has been made to the Controller for the grant of a patent or the registration of a design, the Controller, if he is satisfied that it is expedient for the defence of India and civil defence or the efficient conduct of military operations or the maintenance of supplies and services essential to the life of the community so to do, may, notwithstanding anything contained in the Indian Patents and Designs Act, 1911 (2 of 1911), at any time before the grant of the patent or the registration of the design, by order, prohibit or restrict,

"i. the publication of information in relation to the subject matter of the application; or

"ii. the communication of such information to particular persons or classes of persons.

"Every order made by the Controller under sub-rule (2) shall be reviewed by the Central Government and upon such review, the Government may direct that the Controller shall comply with such directions."

"If, in the opinion of the Central Government, it is necessary or expedient for the defence of India and civil defence or the efficient conduct of military operations or the maintenance of supplies and services essential to the life of the community so to do, the Central Government may, notwithstanding anything contained in the Indian Patents and Designs Act, 1911 (2 of 1911), direct the Controller, in relation to any applications for the grant of patents for inventions of such nature as may be specified in the direction, to abstain from doing, or delay the doing of, anything which he would otherwise be required to do in relation to such applications, and the Controller shall comply with such directions."

The Indian Patents and Designs Act, it is explained, lays down a specific period within which the owner of a patent is required to manufacture the article covered by such patent. The Government has power to license compulsorily the manufacture of such article if it is not developed within the specified period.

The present controversy was started by the Central Health Minister, so the Government has taken powers referred to earlier. Maybe, the Russian-built drug factory in Rishikesh is likely to need such a procedure. It is also suggested to expand the scope of "compulsory licensing" to manufacture patented drugs without any payment of compensation as it is required by the existing law. A Bill to give effect to this plan has been drafted.

In Italy, no patents are granted for making food, drugs and pharmaceutical articles.

Meanwhile, the two notifications and the proposed legislation have created grave apprehensions among diplomatic circles, particularly among those of the U.S.A., the U.K., West Germany and Switzerland. It is contended that the powers now assumed by the Government are wider than those contemplated by the Central Ministry of Health. They strike at the very root of know-how agreements and international principles governing patents. One view here is that the two notifications could affect the investment climate for India.

The atomic energy legislation enacted during the last session of Parliament also ignored the international obligations. Foreign Governments, it is expected, will make representations against the two notifications.

OIL

New Take-over Bid

Shell International and British Petroleum have offered to acquire the total shareholding of Burmah Oil Company. They have offered their holdings of Burmah Oil Company plus some money in lieu of its assets to the shareholders of Burmah Oil Company on a *pro rata* basis. Their plan is to retain the individuality of Burmah Oil Company, of which they will become equal partners.

Burmah Oil Company holds 24.5 percent of the shares of British Petroleum and about 3 percent of the shares of Shell International. In addition, it is the cent percent owner of the Assam Oil Company and through it, it is a partner with the Government of India in Oil India Ltd on a a 50:50 basis. It owns 50-percent shares and assets of Burmah-Shell Refineries in Bombay and Burmah-Shell Oil Storage and Distributing Company. It has also acquired a small oil Company, Lobitos and has certain interests in Canada and Australia.

It will thus be seen that the Burmah Oil Company is both a holding and operating Company. If the proposal made by Shell and British Petroleum were accepted, it will cease to be a holding Company and its operating functions will be shared equally by Shell and British Petroleum. In Oil India, Ltd, for example, British Petroleum and Shell will hold 25-percent shares each. Similar changes will take place in the pattern of ownership of Burmah-Shell Oil Storage and Distributing Company and the Refinery. The Government of India is not likely to raise any objection to this change. It may even welcome it because both Shell and British Petroleum would be partners with the Indian Government and in that capacity will provide India with two international Companies prospecting oil in Assam and elsewhere, if permitted, with the latest equipment and most experienced personnel. This will also afford an opportunity to the personnel of Oil India Ltd to get training in Europe and America.

TAXATION

Effect on Education

An unequivocal criticism of the Government's latest taxation structure came from the Education Secretary, Mr. P. N. Kirpal. Addressing a conference of State Education Secretaries, Mr. Kirpal said: "Another factor which requires consideration is whether in view of the greater percentage of national income that is now going into Government revenues through a higher level of taxation and compulsory savings scheme, the volume of private financial support to education is likely to be reduced. In the third five year plan, it was estimated that contribution from non-Government sources was likely to be of the order of Rs. 120 crores to 130 crores a year. Any shortfall in the volume of private contributions will affect the rate of expansion, particularly at the secondary and collegiate levels where private enterprise has been most active."

Two aspects of this problem are worth considering. Firstly, the drying up of the non-Governmental resources to finance social services will impose a bigger burden on the Government. By eliminating private agencies in the field of social services, including education, there will be greater Government control and management in this sphere.

KOYALI REFINERY

New Indo-Soviet Pact Signed

An agreement for the supply of about 15,350 tons of equipment and materials required for the Koyali refinery in Gujarat was signed last week between the Oil and Natural Gas Commission and the Tiajpromexport, Moscow. The agreement also provides for the deputation to India of Russian specialists to assist in the construction of the refinery and the training of Indian personnel in the Soviet Union. The establishment of the project is provided for in the 112.5 million roubles (Rs. 59.53 crores) credit agreement between the Government of India and Russia for establishing industrial enterprises and other projects in India.

The value of the equipment and materials to be delivered under the contract is about Rs. 6.6 crores. The overall cost of the Gujarat refinery project, including process units, a 24 megawatt power-house, water works, land, township, etcetera, is estimated at about Rs. 30 crores. The agreement concluded last week provides for the phased delivery of equipment and materials from Russia so as to complete the first stage of the refinery, namely, a processing capacity of 1 million tons before the end of 1964 and of the second stage by mid-1965.

A protocol was signed on 25th May, 1963, between the Russian and Indian Government for the expansion of the Koyali refinery from 2 million to 3 million tons of crude oil a year with Soviet economic and technical assistance. The expansion is expected to be completed by 1965.

In finalising the present agreement for the supply of equipment and materials from Russia, every effort has been made to maximise the use of Indian equipment and materials. In the case of the Barauni refinery, about 40,000 tons of Russian equipment and materials were involved and the cost was around Rs. 14 crores, against an estimated cost of about Rs. 40 crores.

A significant part of the necessary construction drawings for the Koyali refinery will be prepared by Indian engineers in Baroda, with the assistance of a team of Russian design engineers.

SUPER PROFITS TAX

Deduction from Net Profits

Section 349 of the Companies Act, 1956, lays down the manner in which the net profits of a company are to be determined for purposes of computing the remuneration of the managing agents, managing directors, etcetera. Clause (d) of sub-section (4) of Section 349 provides that in determining the net profits, "any tax notified by the Central Government as being in the nature of a tax on excess or abnormal profits shall be deducted." In accordance with this provision, the Central Government has decided to notify the super profits tax chargeable under Section 4 of the Super Profits Tax Act, 1963, as being in the nature of a tax on excess or abnormal profits. The notification on this was published in the *Gazette of India* of 29th June, 1963.

In terms of this notification, the companies concerned will be required to deduct the super profits tax chargeable for the financial years ending on or after 29th June, 1963, in computing their net profits of the said financial years under Section 349 of the Companies Act, 1956.

EMERGENCY RISKS

Premium Rates Revised

The rates of premia under the Emergency Risks (Goods) Insurance Scheme and the Emergency Risks (Factories) Insurance Scheme for the next quarter beginning from 1st July, 1963, have been revised. The rate under the Emergency Risks (Goods) Insurance Scheme will be 7.50nP and 11.25nP under the Emergency Risks (Factories) Insurance Scheme for every Rs. 100 or any part thereof of insurable value. The rates for the previous two quarters were the following:

	Goods	Factories
First quarter	15	25
Second quarter	10	15

These rates were for every Rs. 100 or any part thereof of insurable value.

MINERALS

Pact on Export to U.S.A.

The Governments of India and the U.S.A. have entered into an agreement to facilitate the export of ferro-manganese, manganese ore, beryl ore and mica from India to the United States in exchange for American cotton. The total value of commodities covered under the agreement will amount to Rs. 20 crores each way, making a total turnover of about Rs. 40 crores.

Under the agreement, India will be able to export to the U.S.A. during the next 18 months 128,000 tons of ferro-manganese, 300,000 tons of manganese ore, 6000 tons of beryl ore and mica worth Rs. 1 crore. In exchange, India will import about 275,000 bales of cotton.

The agreement will be operated on behalf of the two Governments by the Commodity Credit Corporation (C.C.C.) in Washington and the State Trading Corporation of India. The details of the sales and purchase contracts with firms in the U.S.A. and India necessary to implement the agreement will be finalised through the two agencies.

COAL

Making Mining Machinery

An agreement for manufacturing certain special items of coal mining machinery in India was signed by the Heavy Engineering Corporation Ltd with Mavor and Coulson of the U.K. The machinery, including items like Samsons crawler and mounted coal cutter, is required by the National Coal Development Corporation Ltd and will be produced at the Bharkhakana workshop of the N.C.D.C. The agreement provides for the supply of designs and technological documentation for these items as well as for the training of Indian engineers in the Glasgow works of Mavor and Coulson.

The new manufacturing programme is in addition to the coal mining machinery plant in Durgapur, which has been undertaken with Russian collaboration for manufacturing diverse equipment for the coal industry in India. The manufacture of prototypes of items like pumps, conveyors and booster fans has already begun at the Durgapur plant.

PAPER

New School of Technology

A school of paper technology is to be set up in Saharanpur, Uttar Pradesh, with Swedish technical assistance. The Swedish Government will contribute the foreign exchange cost of the project. The machinery and laboratory equipment and spare parts to be supplied are estimated to cost 1,650,000 Swedish kroners (Rs. 15 lakhs). The rupee expenditure on the project will be met by the Government of India and the Uttar Pradesh Government.

The school—the first of its kind in India—will have a training capacity of between 180 and 200 persons when in full operation. With the help of Swedish experts, it will impart training in pulp and paper manufacture, instrument engineering for the paper industry, operation and maintenance of plant and equipment for the paper industry and paper and pulp laboratory techniques. In addition the school will, as far as possible, render consultative and advisory service to existing enterprises. It is expected that, in five years, which is the duration of the agreement, the technical and operational functions of the school will be taken over from Swedish personnel.

SWITZERLAND

Aid for Farm Project

The Swiss Government has decided to allot a large sum within the framework of bilateral technical assistance for financing development projects in India. The Government will grant 1,640,000 Swiss francs for carrying out the first stage of a farming development project in Kerala. The whole project will be implemented in 12 years. During the first three-year stage, rational forage methods will be introduced for the development of the milk industry and for stock farming. The project will help the population in that densely populated region to solve the problem of malnutrition.

The first experiment will be carried out on a surface of 200 hectares and will include a forage station, two farm-breeding stations and an artificial insemination station in Munnar. Training courses will be organised by a Swiss agricultural expert.

SUGAR

Creating Additional Capacity

The Government of India has decided to resume the licensing of additional capacity in the sugar industry. A special committee representing the departments concerned has been set up for scrutinising these applications and advising the Central Ministry of Food and Agriculture concerning the suitability or otherwise of the proposals in the light of the availability of sugarcane, economy of existing units and new ones which may be set up, and the prospects of early completion of the projects. The aim is to achieve the creation of an additional capacity of 500,000 tons during the next two or three years. The committee is expected to complete its work in about three months' time.

LAND

Acquisition by Companies

The Government of India has notified the rules governing the acquisition of land for private companies engaged in an industry or work which is for a public purpose. These rules which have been framed under the Land Acquisition Act, 1894, as amended in 1962, have a three-fold object namely, (1) to ensure that acquisition of land for private companies is made sparingly and only where a company has failed to acquire land through private negotiations; (2) to avoid, as far as possible, the acquisition of good agricultural land, and (3) to eliminate delays in paying compensation.

With a view to ensuring that the acquired lands are properly used, the agreement to be executed by the company with the Government will include the following conditions:

(a) that the land will not be used for any purpose other than for which it is acquired;

(b) that the building or work shall be constructed or executed within three years of transfer of the land to the company, although the period may be extended if justified by circumstances;

(c) that if there is a breach of these conditions, the land or the unused portion of it will revert to the appropriate Government and an amount not exceeding one-fourth of the amount paid by the company for acquisition will be forfeited as damages. Transfer of the acquired land or any part of it by sale, mortgage, gift, lease or otherwise by the company is forbidden except with the previous sanction of the appropriate Government. The rules also stipulate the conditions under which the Government may sanction such transfer.

HEAVY ELECTRICAL EQUIPMENT

Prospect for Self-sufficiency

Mr. K. B. Mathur, chairman of the Heavy Electricals Ltd, said at a Press conference that India was unlikely to achieve self-sufficiency in heavy electrical equipment before the end of the fifth plan because of the shortage of trained technical personnel and industrial raw materials. Effective steps have already been taken to remove these handicaps, he said. Reviewing the progress at the four public-sector projects, being set up with foreign collaboration, Mr. Mathur said that while the boiler plant in Tiruchi and the power equipment unit in Hyderabad were expected to go into production by the end of third plan, the Hardwar unit of the Heavy Electricals would commence production in the first or second year of the fourth plan.

The detailed project report for the Rs. 50-crore unit in Hardwar has just been received and the Russian experts are expected here shortly to finalise details of the scheme. Negotiations with the Russian experts will be completed within a month or so, and work on the project may begin in August.

The Hardwar project will manufacture hydraulic turbines and generators of 100,000 kilowatts, capacity, steam turbines and turbo-generators of 50,000 kilowatts, 100,000 kilowatts, and 200,000 kilowatts, capacity and heavy and medium-sized A.C. and D.C. machines.

The Hyderabad project has been somewhat delayed because of the Government's belated decision to undertake the manufacture of 100 megawatt turbines instead of the 60 megawatt turbines as initially decided. The revised project report has been received from Czechoslovakia, and the project is expected to go into production in about two years.

This Czech-aided project is estimated to cost Rs. 27.5 crores. It will manufacture electrical equipment worth Rs. 14 crores a year.

MACHINE TOOLS

Five Factories Planned

The Government is considering a proposal to establish a fifth machine tool factory in Sanatnagar, Secunderabad, with the foreign exchange credit to be made available by the Government of Poland. When all the five machine tool factories are in operation, it is intended to decentralise the various production lines in Bangalore, and permit each factory to specialise in one or two types of machines in order to ensure greater efficiency and lower cost. The total output of the five factories at full production is estimated at Rs. 25 crores a year.

A chain of five machine tool factories will be built, each employing 3,000, every alternate factory being financed from the internal resources of Hindustan Machine Tools. Ltd It is a promising prospect that after the fifth factory, all future factories will be financed from internal resources, at the rate of one every 18 months.

HINDUSTAN STEEL

Order for Norwegian Firm

The Norwegian firm, Ingenior Gunnar Schjelderup, Industriovner, Oslo, has secured a contract worth 15 million kroners (£750,000) for delivery of eight electric soaking pits to Hindustan Steel. The soaking pits, in which steel ingots are heated to the required uniform temperature for rolling, are to be installed at the Durgapur alloy steels project.

GOVERNMENT OF INDIA

4 PER CENT. LOAN 1969—ISSUE PRICE RS. 99.50 PER RS. 100 (NOMINAL) REPAYABLE ON 8TH MAY, 1969.

4½ PER CENT. LOAN 1973—ISSUE PRICE RS. 100.00 PER RS. 100 (NOMINAL) REPAYABLE ON 22ND JULY, 1973.

Subscriptions to the above loans will be received simultaneously and will be limited to a total of Rs. 225 crores (approximately). Subscriptions may be in the form of (i) cash/cheque or (ii) securities of 2½ per cent Hyderabad Loan 1953-63, 4 per cent State Development Loans 1963 of Hyderabad, Bihar, Bombay, Madhya Bharat, Madhya Pradesh, Mysore, Saurashtra, Travancore-Cochin and Uttar Pradesh, 4 per cent Loan 1963 of Madras and West Bengal or Mysore Government 4 per cent Conversion Loan 1953-63. All loans other than 2½ per cent Hyderabad Loan 1953-63 will be accepted for conversion at par. 2½ per cent Hyderabad Loan 1953-63 will, however, be accepted for conversion at Rs. 85.00 per Rs. 85.71 (O.S. Rs. 100).

Interest on the 2½ per cent Hyderabad Loan 1953-63, 4 per cent. Hyderabad State Development Loan 1963 and Mysore Government 4 per cent Conversion Loan 1953-63 tendered for conversion will be paid at the respective rates upto 21st July, 1963. On the other loans offered for conversion, interest will be paid at the rate of 4 per cent per annum upto 14th July, 1963 and for the period 15th to 21st July, 1963, at the rate applicable to the new loan as applied for.

Interest on the new loans, which will be subject to tax under the Income-tax Act, 1961, will accrue from 22nd July, 1963. Interest on 4 per cent Loan 1969 will be paid on 8th November, 1963 for the period 22nd July to 7th November, 1963 and thereafter at half-yearly intervals. Interest on 4½ per cent Loan 1973 will be paid half-yearly on 22nd January and 22nd July.

Subscription lists will open on 22nd July, 1963 and close on 27th July, 1963 or earlier without notice.

Applications for the loans will be received at:—

(a) Offices of the Reserve Bank of India at Bangalore, Bombay, Calcutta, Madras, Nagpur and New Delhi;

(b) Branches of the subsidiary banks of the State Bank of India conducting Government treasury work; and

(c) Branches of the State Bank of India at other places in India.

For full particulars apply to any of these offices or branches.

London

INCREASING THE SUPPLY OF SKILLED WORKERS IN U.K.

(FROM OUR LONDON CORRESPONDENT)

BRITISH industrial employers were warned recently by Mr. R. A. Banks, chairman of the Industrial Training Council, of the danger of delaying the intake of apprentices until the Government's plans were fully known. During the first four months of this year, 29 percent of boys (29,000) leaving school entered apprenticeships, compared with 5 percent (39,000) for the corresponding period last year. The 1962 figures, Mr. Banks pointed out, were a record. There were 121,500 new apprenticeships—a total 34 percent higher than for 1958, the last pre-bulge year. It did not seem likely that such an intake would be achieved this year. He appealed to employers, however, not to lose momentum. There had been instances of firms deciding to wait and see what contribution the Government was going to make to the training of apprentices; but to adopt a wait-and-see attitude could be very serious.

In its recent booklet on craft apprenticeship, the Industrial Training Council pointed out that the increasing demand for craftsmen resulting from the expansion of industry had not been met by the intake from apprenticeship and other sources and, as a result, the U.K. has been faced with a persistent shortage of skilled workers in many trades. It also stressed the need for considerable improvements in the quality of apprenticeship training so that the general standard of training throughout industry could be brought much closer to the high standard already found in many companies.

The Government's White Paper on industrial training indicates that its case for action rests on the failure of the present arrangements for industrial training to produce the skilled workers which the country requires, and on the need for improvements to be made in the overall quality of industrial training. It also points out that the shortages of skiled manpower have held back economic expansion in the past, and are likely to do so even more in the increasingly competitive conditions which British industry will have to face in the future.

It is expected that the demand for skilled workers will continue to rise along with the general growth of production and employment. An important new field of employment is also appearing for workers who have been specially trained for jobs calling for considerable skill in the operation of plant and equipment as distinct from manual dexterity or craft skill. These requirements for substantial increases in the supply of skilled workers can only be met by an expansion of apprenticeship and other forms of training, including the retraining of adult workers.

Apprenticeship Training

The Council's booklet was directed towards improving the standards of apprenticeship training, including integrated further education, in all industries. It has now followed up with a statement whose aim is to emphasise ways and means by which the apprenticeship system should be developed in the future as part of the general need for improvement and modernisation of the country's industrial training arrangements, so that full advantage can be taken of technological and other advances in industry.

One of the objectives of the White Paper on industrial training is to enable decisions on the scale of training to be better related to economic needs and technological developments, and here the requirement is to ensure that the numbers trained are sufficient for the needs of different industries. Very few industries have, however, carried out any kind of assessment of their skilled manpower requirements on the lines suggested in the Carr Report and, in fact, most industries suffer from a general lack of reliable statistics which would enable them to assess the number of apprentices they will require in future years. This deficiency, which goes to the very root of the problem, must be remedied if any worthwhile start is to be made in planning future training requirements.

One of the aims of the White Paper is that industries should undertake the planning of their long-term requirements for skilled labour at regular intervals, and that training programmes should be worked out accordingly on a national basis. This is an important and urgent task which the Council fully supports. It believes, however, that there is at the same time a need for regular assessments of our overall requirements for skilled manpower to be made as part of the Government's long-term planning for industrial expansion, particularly in view of the spread of some crafts over many different industries, and that the results of such assessments should be widely publicised.

After determining their skilled manpower requirements in the way suggested, industries must then assess the skills required in the various jobs as a basis for planning the appropriate training, on the lines suggested in the Council's booklet. In doing so, they should have full regard to the need for all the skilled workpeople to become better fitted to meet technical changes in industry. A broader based training over a wider range of skills than at present, would not only make this possible, but would also give them a greater sense of satisfaction and security for the future.

The Council is convinced that the adoption of more systematic and intensive methods of training, can lead to reductions in the length of apprenticeship in most if not all industries. It believes that the period of apprenticeship training in every industry should be related far more closely than it is to standards of achievement, and that arbitrary periods of apprenticeship training can no longer be justified. While it will be necessary for industries to specify a minimum period of apprenticeship training, this should be based upon a clear analysis of the training requirements for the job, and should also be linked with a systematic assessment of the level of attainment, agreed on an industry basis for each craft or trade, to determine standards of proficiency.

The Council appreciates that the periods of apprenticeship are determined by collective agreements between employers and trade unions, but it considers that these agreements should, where necessary, be modified to take account of any developments which are needed to improve the quantity, quality and appropriateness of apprenticeship training.

Most nationally agreed schemes of apprenticeship training include some provision for young people to begin their apprenticeship at a later age than the normal starting age, and many schemes provide for remission of part of the apprenticeship period to be granted to those who have followed an approved course of study at school, or at a further education establishment before or during apprenticeship.

Some Flexibility

Although in parts of the country, there is some degree of flexibility for entry to apprenticeship up to about the age of 17 plus, the provisions of the national schemes are not generally applied at the local level as widely as they should be. The growing tendency for young people to stay on at school for a further year or to enter pre-apprenticeship or pre-employment courses at technical colleges is resulting in better educated and more adaptable young persons being available for craft apprenticeship. The Council, therefore, believes that every industry should ensure that its apprenticeship arrangements are sufficiently flexible, both in theory and in practice, to allow suitable boys and girls to enter apprenticeship at a later age and to receive such remission of the apprenticeship period as may be justified. This will, of course, necessitate the use of more systematic recruitment and selection procedures on the part of individual companies, along the lines suggested in the Council's apprenticeship booklet.

The recent report of the National Economic Development Council, which underlined the persistent shortage of skilled workers, stressed the need for the development of training arrangements for workers who have to change their jobs at more advanced ages, i.e., beyond the normal age for apprenticeship, and for an expansion of adult training facilities to meet the demand for labour of various types and degrees of skill. It pointed out that most of the training and retraining of adults was done within industry, but that it provided comparatively few opportunities for retraining skilled workers who needed to change their employer as well as their occupation.

The Council, therefore, considers that industries should examine the need and possibility of introducing special arrangements for adult retraining which would enable either skilled workers in a redundant trade or other adults to be retrained for work in skilled trades. In its craft apprenticeship booklet, the Council recommended that apprenticeship training programmes should make provision for the progress of apprentices to be assessed periodically during each stage of their training. A few industries have gone further than this, and have laid down provisions for practical tests for apprentices both during their training and at the completion of the apprenticeship period. At present, however, success in the final test is not a condition of obtaining skilled status.

The Council considers that all industries should establish and maintain standards of apprenticeship training for each craft or trade covering practical training on the job and appropriate theoretical knowledge, and that day release for further education should be an integral part of apprenticeship. Industries should also introduce tests or other systematic methods of assessment to ensure that satisfactory progress has been made at different stages of the training and that agreed standards have been reached on completion of apprenticeship.

Essential Investment

The Council has on more than one occasion emphasised that training and apprenticeship are an essential investment by industry, and that the cost of not investing in them is one that industry cannot afford in terms of such factors as reduced efficiency; increased labour turnover; higher accident rates; greater damage to expensive equipment; poorer industrial relations; and the expenses involved in recruiting adult labour.

In addition, if developments in British industry are impeded by the shortage of skilled workers, this will also reduce at considerable cost to industry the opportunity of making the best use of inventions, of management ability and initiatives, and of capital investment. Many companies, both large and small, operate first-class apprenticeship training arrangements, and have found to their advantage that training not only pays in the short-term, but that it is also a sound long-term investment. But there are still far too many companies of every size in all industries who could, but do not, play their part in helping to recruit and train the skilled labour force required by their own company and by their industry. They rely instead on recruiting adults whom other companies have trained. Such an irresponsible attitude on the part of such companies commands no sympathy from the Council.

The Council appreciates that in some industries, there are companies whose size or operations may make it difficult for them to train apprentices. Such companies should be required to contribute in some way towards the cost of training apprentices in their industry. If industry is to continue to exercise the responsibility which it claims for the actual training of its own workpeople, then every industry must see that that responsibility is shared by each company in the industry. This means that any company employing skilled craftsmen has a direct obligation to train apprentices to meet its own future requirements or to participate in some way in the training of the skilled craftsmen who will be required by the industry. In this way, the Council welcomes the emphasis in the White Paper on the need for the cost of training by employers to be more fairly spread between all companies in an industry.

While appreciating that some features of foreign systems of apprenticeship training are not applicable to the U.K. system of training, the Council believes that there are many aspects of Continental and other overseas systems which industries in Britain would do well to examine, and lists a number of them. If the U.K. is to maintain, let alone improve, its industrial position in the world, its industries must become more efficient, more effective and more competitive.

Jute

SLUGGISH TREND IN GUNNY MARKET PERSISTS

SINCE the second week of June, the trend has been sluggish in the manufactured goods market in Calcutta. Sentiment has been depressed because of a quick succession of discouraging news. A small increase in production during May was followed by a rise of 4,900 tonnes in stocks at the end of the month. A decline in the offtake accentuated the bearish trend. Besides, overseas enquiries and business have declined appreciably. The lack of buying advices from the U.S.A., which is the biggest purchaser of burlap, has been a major damper.

During the five months ended May 1963, U.S. intake of Indian hessian is higher than the corresponding figure for any comparable period during the last decade. At 357.7 million yards during January-May, it is 60.5 million yards more than the intake during the first five months of 1962. Consequently the average monthly intake is higher this year at 71.5 million yards. Exports of hessian to the South American countries during the period have also been higher around 77.3 million yards against 62.7 million yards for the first five months of 1962.

But since the end of May, fewer orders have been received in India indicating that burlap bag producers in the U.S.A. are sitting out and waiting for lower prices. Meanwhile, their stocks have been going down. It seems that the U.S.A. has already covered about 80 percent of its July-September requirements and there is little incentive to buy forward. Among other hessian consuming countries, Russia, Argentina and the U.K. have also taken a good deal. So the trade appears to be taking a cautious view of the export possibilities.

Poor Outlook for Sacking

The outlook for sacking too does not inspire much optimism. Domestic buying has been below expectations. The Defence Ministry does not seem to have made any purchases recently. As for foreign enquiries, the prospects are discouraging. Out of an indent for 80,000 bales, Cuba has bought 15,000 bales to 20,000 bales of Heavy Cees from Pakistan. The latter has also bagged some other orders, such as the bulk of the Australian order for 5,000 bales or 10,000 bales of cornsacks and woolpacks for all positions up to March 1964, the West African tender for 8,000 bales or 10,000 bales for June-July shipment and the Chilean indent for 6,000 bales or 8,000 bales for July-September shipment. A Burmese order for several thousand bales of D.W. flour bags and heavy goods has gone to Pakistan. It seems that India cannot expect any big sacking order apart from those which Pakistan cannot supply.

Cheaper and better quality fibre, lower wages and the grant of the export bonus subsidy are the factors which help that country in competing with India. The latest deliberations of the Pakistan Jute Association in Dacca clearly indicate the pressure of competition which India may have to reckon with even to retain her existing markets. Pakistan intends to enter the more lucrative burlap market by setting up wide looms. It is time the Indian authorities took effective measures to meet the threat posed by Pakistan. The attention of the G.A.T.T. and the I.M.F. should again be drawn to the unethical aspect of the export bonus scheme. Every effort should be made to improve the quality of jute and make it available to the industry at reasonable rates.

Self-sufficiency in Jute

A strong plea to consolidate the efforts for achieving self-sufficiency in jute has been made by Mr. William Ure, while presiding over the annual general meeting of the East India Jute and Hessian Exchange in Calcutta last week. Mr. Ure said that modernisation of age-old agricultural practices must go hand in hand with the modernisation of industry. The continual rise in living costs must be met by increased yields from both the farm and the factory. Pakistan and Thailand produce more and better jute an acre. As a result, their cost of production is lower and both can undersell India in raw jute and the former in jute goods also. The problem of increasing the yield and conserving land for foodgrains is being tackled by the Government through its various agencies. However, the subsidising of raw materials, whether direct or through the industry by fixing the minimum price, can only be a short-term expedient. There is a danger of a steep decline in the exports of jute goods as a result of competition from countries which can produce the fibre at a lower cost.

Mr. Ure referred to the significant achievement of the jute goods industry in earning Rs. 152 crores of foreign exchange during the past year, or more than 16 percent of India's total foreign exchange earnings. Overseas demand was high because of the backlog of unsatisfied demand in 1961. Exports of hessian rose considerably and in addition to the increased offtake by India's traditional markets, substantial shipments were made to the E.C.M. countries and Russia. The demand for special quality wide hessian as carpet-backing material has risen steeply and the industry is now more than doubling its capacity for this fabric.

Speaking about the activities of the East India Jute and Hessian Exchange, Mr. Ure said that the utmost vigilance was shown in its day-to-day working to ensure that manipulations prejudicial to the interests of the trade were dealt with immediately. Emergency measures were more or less non-existent during the year. There was an appreciable decline in kerb trading. Previously non-members were prone to indulge in excessive speculation. Mr. Ure said that a declaration form has since been drawn up to facilitate the operation of such non-members in the hedge market.

Call to Support Prices

The Indian Jute Mills Association has asked its members to extend the maximum possible support to the raw jute market by keeping their purchases at the highest level. The request was made following a recent discussion on the market situation between the Jute Commissioner and the I.J.M.A. representatives. Preferring voluntary action by the mills, the former is reported to have indicated that the issue of any compulsory purchase quota would depend on the extent to which the price level was maintained in the market.

Imports of Machinery

Liberal licences for importing spinning machinery and captive power generating sets are to be issued by the Government of India to help step up the production of jute goods. With the installation of more wide looms, the mills will need more balancing machinery. Certain special facilities are proposed to be offered to mills which are able to arrange for credit with foreign suppliers. Import licences will be issued freely and remittances permitted in two equal annual or four half-yearly instalments. The first payment will be made on installing the machinery. If necessary, an initial payment of up to 20 percent will be permitted on order or on shipment of machinery. Interest will be allowed up to 6 percent on the outstanding amounts.

Quality Control of Jute Goods

Compulsory quality control and preshipment inspection of jute goods will be introduced soon. The Jute Commissioner has advised all jute mills to set up quality control units in their establishments. The step is being taken with a view to stabilising the export demand for Indian goods. It may be recalled that an Indian Standards Institution Committee, with the Jute Commissioner as convener, has already drawn up draft specifications for various grades of sacking and hessian.

Complaints about Woolpacks

The Australian Jute Goods Association has again expressed its concern over the woolpacks shipped by India in May. Out of a total of 15,600 bales inspected, 4,500 bales were rejected, resulting in the short shipment of 1,234 bales. Excessive moisture, underweight, irregular weight and undershotting were among the common defects detected in the rejected lots. The I.J.M.A. has asked its members to exercise great caution and enforce rigorous quality control in all stages of production, including finishing in the "interest of safeguarding the most important woolpack market in Australia". They have been reminded that they run the risk of being debarred by the Australian Jute Goods Association in case they continue producing sub-standard products.

Manufacture of Newsprint

There is much scope for using jute stick pulp as the basic material for manufacturing newsprint and cellulose acetate yarn, it is learnt. Pilot plant experiments at the Indian Central Jute Committee laboratory and other research and manufacturing establishments have conclusively proved the cellulosic properties of jute sticks, which are available in plenty all over the jute-growing areas in India and Pakistan. One paper mill near Calcutta is using 50 tonnes of jute stick pulp a day for manufactur-

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ing writing and printing paper. Another plant in the same area is using jute stick pulp for blending purposes. Cheap writing and printing paper has also been made with 100-percent jute stick pulp as the raw material. A well-known match factory has succeeded in producing match-box wrapping and packing paper using 70 percent of this pulp.

The I.C.J.C. laboratory has developed processes and technique for producing card boards of various specifications from this pulp. Three card board mills near Calcutta are using 50-percent jute stick pulp as raw material. Besides, a West German manufacturer has succeeded in making hard boards—the hardest ever made—using 100-percent jute stick pulp as the raw material. A Calcutta firm was negotiating a collaboration agreement with this party for setting up a hard board plant. But its application for industrial licence has been turned down by the authorities. The project involved a foreign exchange outlay of Rs. 40 lakhs.

What is needed at the moment is a techno-economic survey by qualified people, followed by the preparation of machinery and plant design by an experienced house of paper-making machinery designers and fabricators. The valuable data already collected by the I.C.J.C. laboratory and the factories where jute sticks are being used as raw material, will eliminate the need for expensive surveys. Large quantities of jute sticks are available every year in the seven contiguous Gangetic districts of West Bengal alone. Profitable use of this material, which is wasted now, will make jute-growing more remunerative to the farmers.

Prospects of Bumper Crop

Weather conditions have been satisfactory during the past week all over the jute-growing areas in the Gangetic districts of West Bengal, Bihar, Assam, Tripura, Orissa and Andhra Pradesh. The sultry atmosphere has benefited the standing plants. Weed growth has been arrested and plants have matured satisfactorily. No appreciable damage has been done by the swelling of the northern rivers. Harvesting has already commenced in the early-sown areas. Adequate retting water is available. Reports from upcountry centres indicate that the quality of the fibre is better than average. The acreage too has risen by about 10 percent. Arrivals of the new crop in the agency centres are about 2,000 maunds a day. Some consignments have already arrived in Cossipore. But the poor offtake has been worrying the trade. They fear that when jute starts coming to the market in heavy lots after a month or so, it will be difficult to arrest a further downtrend in prices.

Reports from East Pakistan say that, following the imposition of restrictions on acreage by the authorities and due to the damage caused by the recent cyclone and and floods in the coastal and northern districts, there has been a shrinkage in the crop. But the main difference this season is likely to be a lower production of White Jat and a higher output of Tossa. This is partly due to selective sowing. So the price differential between the two grades is likely to be narrower. The fibre trade has been awaiting official sanction to start business in the new crop.

THE JUTE MARKETS

Manufactured Goods: Dull conditions prevailed in the Calcutta jute goods market during the past week. Sentiment was disturbed by the virtual absence of overseas enquiries or business. Concern was felt over the approach of due date and operators showed a tendency to keep their commitments light. Earlier in the week a shortage of lighters developed because of the offloading of Pakistani cargo in Calcutta. Reports of poor demand for jute freight space during early July were an additional deterrent. Towards midweek there was a short-lived and minor rally on due-date covering and squaring up of short positions on unconfirmed reports of a cut in working hours. But the demand tapered off towards the close. Mills were keen on replenishing their bookings but the price levels made them hesitant. There was a predominance of sellers, particularly for ready and near positions, as a result of which prices drifted further. All due-date transactions were completed satisfactorily. Scattered business in hessian came from the U.S.A. for July-August delivery, 100 bales of hessian from Burma, small lots of A Twills and Heavy Cees July position from Indonesia, 2,000 bales of sacking from Rangoon and a Central Government tender for 5,000 bales of B Twills. Despite the slack trend, selling pressure was absent in the spot market. In the futures market, business was dull following tired long liquidation, but all offers were absorbed by bears at low levels. The week closed with minor losses in both spot and futures markets. Turnover was small and the undertone hesitant at the close.

Wednesday's quotations were as follows :

	July	Aug.	Sept.	Oct.-Dec.	Jan.-March
40in. 7½oz	35.10	35.20	35.20	34.90	34.65
40in. 8oz.	37.75	—	—	—	—
40in. 10oz.	47.85	47.60	47.35	46.85	46.35
B. Twills	108.65	109.40	109.55	109.80	109.40
Cornsacks	111.75	112.25	112.25	112.25	111.75
Heavy Cees (Plain)	108.75	—	—	—	—
A Twills	133.75	134.00	134.00	134.50	134.00
Liverpools	122.50	123.00	123.00	123.50	123.00

Raw Jute: The raw jute market was dull in Calcutta during the past week. With enough stocks in their warehouses, mills showed no interest in business. But reports of satisfactory new crop conditions induced holders to offer their stocks of off-grade old crop fibre at a heavy discount. Arrivals at the agency centres averaged 2,000 maunds of new crop a day. Some lots were delivered in the Cossipore market. All new crop offers were well-absorbed for they were mainly of the selected grades. Prices remained depressed—well below the official minimum. Turnover was small around Rs. 27 a maund, f.o.r. Calcutta ready, for the old crop, and Rs. 29 a maund, f.o.r. Calcutta ready and July delivery, for the new crop, basis Assam and Northern Bottoms. The corresponding rates for Daissee Bottoms were Rs. 32 a maund for both crops. The futures market lacked interest. Earlier in the week, prices moved within narrow grooves with little business passing. Since midweek nominal transactions took place at around the floor rate. Turnover was small and the undertone hesitant at the close.

Wednesday's quotations were as follows :

	Landed at Mills (Basis Bottoms) Current Prices		T.S.D. Minimum Prices	
	Rs. A Qtl.	Rs. A Md.	Rs. A Qtl.	Rs. A Md.
Assam-Agartala Jute	76.36	28.50	80.38	30.00
Northern Jute	75.02	28.00	79.04	29.50
Western Desal Jute	69.66	26.00	73.68	27.50
Selected Daissee	85.73	32.00	85.74	32.00
Assam-Agartala Tossa	81.72	30.50	83.05	31.00
Mesta : Assam-Northern	68.32	25.50	72.34	27.00
Local Daissee	69.66	26.00	72.34	27.00
Bihar Dist.	61.62	23.00	66.98	25.00
Pakistani N. C.	88.00 a bale			

THE PAKISTANI JUTE MARKETS

FIBRE MOSTLY UNCHANGED

(FROM OUR DACCA CORRESPONDENT)

THE river levels went down during the past week. Since reports from Gauhati indicated a considerable fall in river levels, it was expected that within the next day or two, rivers in the jute-growing areas in East Pakistan would also fall. During the same period, there was little or no rain, and the sunshine proved very beneficial to the midland crop, although it might be too late to help the lowland crop, most of which has been harvested. The meteorological reports indicate that this normal monsoon weather may be expected to continue, that is to say, irregular rains with frequent sunny periods.

If it does, it may be expected that a majority of the early white lowland crop about 25 percent of the total crop, will be rather short and possibly even croppy. The midland crop, approximately 50 percent of the total crop, about half of which is tossa, is expected to be of good length and fairly good quality—quantity with reasonably light roots due to early heavy rains.

As for the highland crop this is very seldom seriously affected in any way. It may, therefore, be expected that there will be better white jute later on also; there may be a larger percentage of higher grades in the tossa as well as a good quantity outturn from tossa. If, however, there is a repetition of last year's heavy floods in August, these could do considerable damage to the quality and some damage to the quantity of the midland crop, which constitutes 50 percent of the total.

Locally, transactions in cuttings continued at unchanged rates at the equivalent of approximately £35 10s —f.o.b. There was also small business reported at about £4 a ton higher for as far forward as January-February. The largest holder of cuttings in the local market who has had a long position for nearly the whole season, has liquidated slowly his position, and another large baler is now a heavy buyer at current prices. He is reported to have bought 15,000 bales during the past week, and has large sales on his books at low prices for the United States.

In long jute of the old crop, little or no business is reported. There is some slight buyer interest at the following rates, but sellers consider these too low : Export Hearts £63; Outport Tossa 4s £65; Outport Tossa 4½s £75s 10s and Dacca Tossa 6s £92, 10s. These prices are all f.o.b. East Pakistan ports.

From overseas, occasional business is reported mostly in the region of the minima, but without any commission for the agents and mostly in Export Lightnings and Dundee Tossa 4s.

The Pakistan Jute Mills Association held its annual general meeting at which the Governor of East Pakistan was the guest of honour. The president of the P.J.M.A. in his speech suggested that the controls on internal transactions and on the export of raw jute should be withdrawn. On this point, the Governor was very definite that no such thing would be considered by the Government. It appears, therefore, that price control will remain, and it can only be hoped in the interest of the trade that the market will maintain levels at or above the minima, since when the market falls below this, malpractices must creep in which are unhealthy for the trade.

The overall acreage under jute in Pakistan during the 1963-64 crop season has been about 15 percent less than that in the last season, says the Pakistan Jute Board in its review for May. The weather remained favourable till the end of the month, and the crop position was satisfactory. Heavy downpour throughout East Pakistan thereafter may have retarded the growth of the plants to some extent in certain low lying areas. Some rivers are in spate submerging the basins. As a result early harvesting may have to be resorted to in these areas.

Pakistan's export sales of jute goods during May amounted to 2,38,254 bales, bringing the total to 36,11,843 bales. The latter figure was 3,10,000 bales lower than the corresponding figure for the previous season. Mesta sales amounted to 11,085 bales for the month and 1,24,994 bales for the 11-month period. Egypt was the best customer with an intake of 38,657 bales, followed by Japan with 26,854 bales, Belgium with 15,442 bales and Yugoslavia with 14,970 bales.

THE U.K. JUTE MARKETS

ACTIVITY IN FIBRE RESTRICTED

(FROM OUR DUNDEE CORRESPONDENT)

THE raw jute market was quieter in Pakistan last week. Offers of both old and new crop were being freely made, but spinners were still remaining out of the market where shipment jute was concerned. With the start of the new season on 1st July, some announcement about minimum export rates has been expected for some time, but so far, no statement has been made. Trading licences for next season have also not been issued. This lack of information from Pakistan was disconcerting and gave the impression that a large crop of jute is expected, and it may be very difficult to maintain prices at their present levels. Buyers generally were remaining out of the market, because of the prospect that prices of many grades of jute will decline.

A small business took place in Dundee, but this was confined to ex warehouse or ex quay parcels. The prices being paid were under current shipment rates. A fair quantity of jute was still available on spot Dundee, and this was a "bear" factor on the market. There were sellers of new crop at £108 for Mill Lightnings, at £94 for Mill Hearts and at £80 for Grade Hearts, c.i.f. U.K. for August-September shipment. Grade Tossa-2/3 was named at £117 and Grade Tossa-4 at £106. Outport Tossa-2/3 was at £98 and Outport Tossa-4 at £88, October-November. Old crop offers were being made at £111 for Mill Lightnings, at £94 for Mill Hearts and at £78 for Grade Hearts. Grade Tossa-2/3 was at £121 and Grade Tossa-4 at £107. Outport Tossa-2/3 was lowest at £93/15s and Outport Tossa-4 at £84, c.i.f. U.K. June-July. Cuttings were about unchanged at £54 for S.N.C. and at £47/10s for N.C.

The Siam jute market was steady, but irregular with very few offers of old crop being made. Prices being quoted were still considered to be too high, compared with other raw materials. New crop grade A was at £72 and grade B at £67, delivered mill Dundee for November-December shipment.

The Calcutta goods market became much easier at the beginning of the week, but prices later recovered some of the loss. Quotations were at 73s for 40in. 10oz. and at 53s for 7½oz. a 100 yards f.o.b. Calcutta for June shipment, at 73s and 53s 6d July-September and at 71s 3d and 53s 3d October-December. B Twills are at 165s 6d, 166s 9d and 168s 3d for the respective shipment periods.

PROVIDING LONG-TERM FINANCE FOR AGRICULTURE

BY A SPECIAL CORRESPONDENT)

LONG-TERM finance plays a significant rôle in raising agricultural production. In India, long-term loans for agriculture are now routed through land mortgage banks. There is one land mortgage bank in each State, except in Jammu and Kashmir, and several varieties of organisation at the primary level. During the last three years of the third plan, it was proposed to set up 173 primary land mortgage banks, in addition to 160 branches of central land mortgage banks. A target of Rs. 150 crores was fixed for long-term outstanding loans at the end of the third five year plan; in contrast, the outstanding loans at the end of the second plan and the first plan stood at Rs. 13 crores and Rs. 38 crores, respectively.

The loans are given by land mortgage banks for a variety of purposes, such as improvement of land, purchase of costly agricultural implements, construction of wells and redemption of old debts. The land mortgage banks largely depend for their resources on debentures floated from time to time in the market. The Life Insurance Corporation, the Reserve Bank and the State Bank subscribe to such debentures in certain proportions. The emphasis in the first two plans has been on the provision of short-term credit and not so much on long-term finance which is evident from the outstanding loans.* It has now been decided that the criterion for giving loans should no longer be the discharge of old debts. They should rather enable cultivators to undertake productive expenditure. Recently, for instance, it has been decided in Madras that from the current year, 70 percent of long-term loans in that State should be given for productive purposes; naturally, the rest only will go for the redemption of old loans.

Several Drawbacks

It has, however, been realised that the type of assistance provided by land mortgage banks does not by itself help raise agricultural production. The loans provided by them suffer from several drawbacks. For instance, the loans are required to be repaid in equated instalments spread over ten to 15 years, the first instalment of repayment starting after one year. Amounts which could be given against the mortgage of land are limited—they are between Rs. 10,000 and Rs. 15,000 in different States. They are not tailored to specific needs of cultivators. Furthermore, such assistance left beyond its purview bigger projects spread over a long period and with a prolonged gestation period. It is with a view to filling these important gaps in long-term agricultural finance that the Agricultural Refinance Corporation has been set up.

The Corporation is being set up in an atmosphere of stagnation in India's agriculture. It is expected that the type of finance made available by the Corporation will help land reclamation under new irrigation projects. It has been the country's experience that while new dams are built up, the water cannot be used by cultivators for want of irrigation or link canals. In such instances, the period of gestation for the productive use of finance is likely to be long, namely, five or six years. The finance provided by the Corporation will necessarily be dovetailed to individual projects so that the financial bottleneck standing in the way of using the irrigation potential might be eliminated.

Some of the cash crops like rubber, tea, coffee and other plantation products also require long-term finance, that is, spread over 35 to 40 years in big amounts. Plantations are financed mostly by commercial banks. Advances by scheduled banks to plantations as on 29th March, 1963, amounted to Rs. 51 crores or a little over 3 percent of the total scheduled bank credit. Such advances are of a short-term nature and they are offered mostly against the hypothecation of standing crops. The Corporation will, therefore, assist commercial banks to make headway in the provision of long-term finance for agriculture, thereby opening a new avenue for commercial banks. To what extent the latter will be able to take advantage of the new opportunity will depend on their resources position which is, however, none too comfortable at present.

Wide Scope

The Corporation will finance a wide range of agricultural activities. In addition to the two lines mentioned above, assistance will also be made available for the introduction of mechanised farming, use of electricity through pumping sets, development of animal husbandry, dairy farming, pisciculture and poultry farming. This is an impressive list by any criterion, although the risk element varies from activity to activity. The Corporation will also guarantee deferred payments for capital goods imported by eligible institutions against Government guarantee. This requirement can, however, be waived where adequate collateral security is provided. Central and State land mortgage banks as well as scheduled banks, which will be members of the Corporation, are eligible for refinancing facilities.

The Corporation has been provided with adequate resources. In the first instance, it has been empowered to issue 5,000 shares of Rs. 10,000 each, against its authorised capital consisting of 25,000 shares. Two thousand and five hundred shares will be subscribed by the Reserve Bank, 1,500

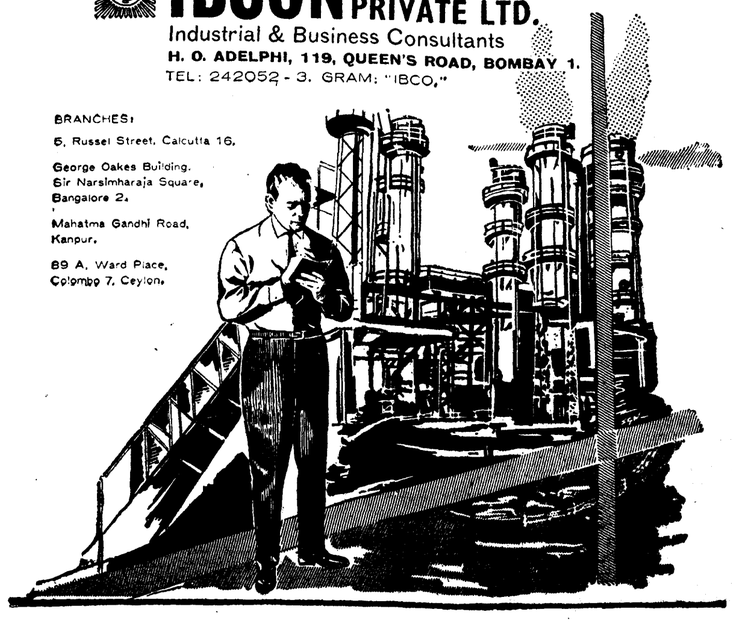
* Against the meagre outstanding amount of long-term loans the short-term outstandings at the end of the first and second plans amounted to Rs. 22 crores and Rs. 89 crores, respectively.

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by the central land mortgage banks and the State co-operative banks. The remaining 1,000 shares will be subscribed by scheduled banks, the L.I.C. and insurance and investment companies. The Government has guaranteed the repayment of the principal and the payment of minimum dividend each year. The shares will also be deemed as trustee securities. In addition, the Government is providing an interest-free loan of Rs. 5 crores, the repayment of which will start after 15 years from the date of issuing the loan. The Corporation will raise resources through deposits for periods exceeding 12 months and through the issue of bonds and debentures. The Corporation will function in close co-operation with the Reserve Bank. This is sought to be insured by appointing the chairman and the managing director of the Corporation from the Reserve Bank.

But the question is: will the provision of finance boost agricultural production? It is difficult to be sure. Since the central land mortgage banks and the State Finance Corporations are supported from above, the institutional structure requires to be considerably strengthened before entrusting it with additional responsibilities. This is especially so because there are misgivings whether or not land mortgage banks will be able to fulfil the target of long-term finance (Rs. 150 crores) to be provided for usual agricultural activities. Furthermore, in several cases the State Governments have shown a lukewarm attitude towards recovering loans or supervising activities connected with loans provided by the Reserve Bank or a semi-Government agency. The rubber plantation scheme, assisted by the Reserve Bank in Kuttinad in Kerala, is a case in point. Instead of supervising the project to become viable with the Reserve Bank's assistance, the Kerala Government simultaneously launched an independent financing scheme of its own to assist the rubber plantations. This has led to avoidable overlapping, and both the schemes are reported to be in difficulties.

Outside Guidance

Evidently, the success of the Corporation depends on the interest taken by the States. The Corporation does not have any technical experts of its own. The idea is to use the services of agricultural experts available in different States. But can the Corporation depend on outside guidance for the evaluation of the risks? This seems to be an unsatisfactory state of affairs because outside experts might easily let down the Corporation. Even from the initial stages, the Corporation will do well to evolve its own independent technical panel so that it is not exposed to undue risks. The Corporation should steer itself from the initial teething troubles, especially in a field where there are wide regional divergences within the country.

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Books

DIPLOMACY OF ECONOMIC DEVELOPMENT

The Diplomacy of Economic Development and Other Papers. By Eugene R. Black. (Published in Canada by McClelland and Stewart Ltd. Price $1.25, pages 176.)

This book contains three lectures delivered by Mr. Black at the Fletcher School of Law and Diplomacy (originally published in 1960). Also included are some important addresses delivered by the former World Bank president in the past few years. In the lectures, Mr. Black analyses the factors which have led to the "revolution of rising expectations" in the underdeveloped countries. The latter are showing greater awareness of the benefits of science and technology in striving for economic progress. The task their leaders face in steering their people through the vast complexity of choices before them is without parallel, the main problem being one of bringing modern economic life to a society inhibited by tradition. A new sense of vocation is required of the West, and Mr. Black examines how this challenge can be met, not only to assist the underdeveloped world but also to serve effectively the ideals of freedom and tolerance so that the "balance of hope" is maintained.

This growing together requires constant constructive contact, which indeed is the main theme of "development diplomacy". The development diplomat's contribution lies not in imposing solutions, but in illuminating the choices available by weighing benefits against costs, so that politicians and planners are aware of the consequences of their actions before they decide, not after. Economic aid does not merely subsidise people; it can also influence events. It follows that the development diplomat must be given a new status in what Mr. Black calls "the big tent of diplomacy".

While patriotism stirs up energy which can be mobilised for economic development, Mr. Black in his addresses warns against the pitfalls of intense nationalism. Isolation and the rejection of outside aid and skill can retard progress, just as excessive control by the Government of economic and political power can endanger the very rights of the individual which the Government is supposed to uphold. Mr. Black also discusses the new adventure represented by the European Common Market. He vividly brings out the essential interdependence of nations, rich and poor, the experiments towards a working partnership through patience and understanding, the obstacles—real and imaginary—in the path to progress, and the ultimate aim of spreading a democratic way of life. The book closes with an up-to-date note on the World Bank.

Considering the importance of foreign assistance in India's development, these lectures by a man who for 14 years served as president of the World Bank is of special significance to readers in this country. It is invaluable for an introspective examination of current attitudes and objectives in the context of national and international affairs.

JOINT-STOCK COMPANIES

Alphabetical Lists of Joint-stock Companies in India. (Compiled by the Research and Statistics Division of the Department of Company Law Administration, Ministry of Commerce and Industry, New Delhi. Published by the Manager of Publications, Delhi. Pages 217+XXVII.)

The Department of Company Law Administration has to be complimented on bringing out the alphabetical lists of joint-stock companies operating in India. The present volume is complementary to the Department's other publication entitled *Joint Stock Companies in India, Part II*, which gives data for 1958-59. The purpose of the supplementary volume is to give the names of new companies registered between April 1959 and March 1962. It makes the alphabetical lists up-to-date in the light of statistical returns furnished by the Registrars of Companies in various States.

BUSINESS ORGANISATION

Business Organisation. By B. B. Ghosh. (Published by A. Mukherjee and Co. (Private) Ltd, 2 Bankim Chatterjee Street, Calcutta 12. Price Rs. 14, pages 676.)

Dr. Ghosh's *Business Organisation* is a standard work on the subject and has been prescribed as a textbook for B. Com. and M. Com. students by many Indian universities. Although some books on the subject have recently been brought out, they are not as comprehensive as Dr. Ghosh's work which covers all facets of business organisation. The fact that the latest is the eleventh edition of the book testifies to its popularity. A dynamic subject like business organisation requires constant revision of facts and figures. In the latest edition, the author has largely re-written the book and incorporated new data, wherever required. The best chapters of the book are undoubtedly those relating to the Companies Act and the operation of stock exchanges. Furthermore, business principles, practices and procedures have been analysed in great detail. Some sections of the book, such as currency and banking and international trade, are not as detailed as the other ones, but this is presumably due to the author's effort to confine the scope of his work strictly to university syllabi. Considerable changes in the latter, as is well known, have been introduced in the three-year degree course. This has necessitated the recasting of chapters in the light of recent developments. Indian universities are now attaching greater importance to business organisation in the curriculum for commerce education. The book—in its enlarged and revised edition—will meet this need adequately.

MAKING STEEL

Steel: An Expanding Industry. (Issued by the Publicity Department of the Dunlop Rubber Co. (India) Ltd, 57B Free School Street, Calcutta 16. Pages 25.)

The Publicity Department of Dunlops has brought out an interesting pamphlet on India's expanding steel industry. It contains a *resumé* of the industry's progress through more than a decade of development and analyses the prospects for its further expansion. There is also a useful section on the industry's raw material base. Written in a forceful and lucid style, the pamphlet, within its short compass, contains a mine of information on India's steel industry. Readers will be grateful if such pamphlets on other major industries of India are brought out on the same lines.

Commodity Markets

TEA PLANTERS ASKED TO PRODUCE MORE

HIGHER EARNINGS FROM EXPORTS

(BY A SPECIAL CORRESPONDENT)

THE Central Minister for International Trade, Mr. Manubhai Shah, while declaring open the new tea auction room in Calcutta last week, told his audience that 1962 exports produced Rs. 62 crores more in foreign exchange than the previous year. Mr. Shah again asked planters to increase production and the distributors were asked to pack better and to change over from bulk handling to presentable small packets. He expressed the opinion that the problem with tea was one of more production than of consumption and sale, and went on to say that two-thirds of the world remained to be initiated into the tea drinking habit. The Minister referred to the present period as the "beverage age" in which tea should have pride of place, but more publicity and propaganda was necessary on methods of preparing and serving tea.

The Minister thought yields could be raised through artificial irrigation, improved fertilisers, replanting and new planting. He further stated that he had approached the Chief Ministers of the tea-growing States, and they had assured him of co-operation. He expressed the view that it would not be difficult to sell more tea. One devoutly hopes that such will prove to be the case. A massive tea promotion programme is necessary to win new markets, and he called upon the industry to spend more on a propaganda drive which would have financial support from the Government. Tea costs 25 percent less than coffee; therefore, the potential markets in both eastern and western Europe were considerable.

The Tea Plantation Wage Board had some sittings last week. The West Bengal Government placed its views before the Board. The Assam Government and the Indian Tea Association held sessions and discussions were continued until Thursday. It is understood the Board has already visited several stations in north and south India, and the report is expected to be out soon. It will be interesting to note if Sir Percival Griffiths's appeal not to overburden the industry with still higher costs will receive any sympathetic consideration from the Wage Board.

Schemes for research on tea are making good progress. Of the total cost, the Tea Board will provide 50 percent and the balance will be shared equally by the industry and the Council of Scientific and Industrial Research.

The new season's tea up for auction on 24th June at Sale No. 4, met with a strong demand for leaf teas. Plain descriptions and mediums from Assam and Dooars sold readily with a somewhat better tendency. Good C.T.C.s were dearer. Some Darjeeling sold well, but higher grades received less attention.

In London, there was a fair demand for the best liquoring teas. For other descriptions, the market was irregular with rates generally lower by ½d to 1d a lb. Later auctions have enjoyed active competition, but because of small sales, quotations have not been given.

Production in north India up to 15th June was 74.87 million lbs. Last year, it was 89.32 million lbs on the same date. The average over the past three years for the period is 81.72 million lbs.

COMPANY AND PUBLIC NOTICES

SHAW WALLACE & COMPANY LIMITED

Dividend on Preference Shares

THE Directors have declared a First Interim Dividend of Rs. 2.4975 per share (i.e. Rs. 3.00 per share increased in accordance with the provisions of the Preference Shares (Regulation of Dividends) Act, 1960 less Income Tax at the Company's rate of 25% in accordance with the Finance Act, 1963) subject to deduction of tax under Section 194 of the Income Tax Act, 1961 on the Company's Preference Shares in respect of the year ending on the 31st December, 1963 payable to Members whose names appear in the Preference Shares Register of the Company on the 15th July, 1963. Warrants will be posted on or after the aforementioned date to the addresses or in accordance with the instructions recorded in the Company's books.

The Transfer Register of the Preference Shares will be closed from the 8th to the 15th July, 1963, both days inclusive.

By Order of the Board,
D. A. HOUGHTON,
Calcutta Director & Secretary.

Registered Office:
4, Bankshall Street,
Calcutta 1.
Dated the 28th June, 1963.

THE BOMBAY BURMAH TRADING CORPORATION, LIMITED

NOTICE is hereby given that an Extraordinary General Meeting of the Company will be held at the Tata Auditorium, Bombay House, 24 Bruce Street, Fort, Bombay-1, on the 25th day of July, 1963, at 4-30 p.m. (I.S.T.), for the purpose of considering and if thought fit passing with or without modifications the following resolutions as Ordinary Resolutions, namely:—

I. (a) RESOLVED that, subject to the approval of the Central Government, The Bombay Burmah Trading Corporation, Limited be and is hereby authorised to subscribe in its own name and/or in the names of nominees for the whole of the capital to be issued at par by Wallace Bay Limited, a Company incorporated in North Borneo with an authorised equity capital of Ten Million Malayan Dollars (M. $10,000,000) divided into 10,000,000 equity shares of M $1 each and which Company will be a wholly owned subsidiary of The Bombay Burmah Trading Corporation Limited notwithstanding that the aggregate of the trade investments may exceed 30 per cent of the subscribed capital of the Company

(b) RESOLVED further that the Board of Directors be and are hereby authorised to take such steps as are necessary for obtaining the approval of the Central Government as also to agree to such modifications or conditions as the Central Government may prescribe in relation to such investment and in general to take all such steps as are necessary to implement the foregoing Resolution.

II. RESOLVED that The Bombay Burmah Trading Corporation, Limited (hereinafter referred to as "the Company") hereby consents and authorises its Board of Directors to sell, transfer or otherwise dispose of to Wallace Bay Limited such substantial part of the undertaking and assets of the Company in North Borneo as the Directors may consider are required for the continuance of the Company's business in North Borneo at their book values as shown by the audited accounts of the Company as at 31st May, 1963 and that the consideration for such sale, transfer or disposal of the said assets shall be the issue to the Company at par by Wallace Bay Limited of such number or amount of equity shares of M $1 each credited as fully paid up of Wallace Bay Limited as shall be equivalent in nominal value to the total book value of the Company's assets transferred.

By Order of the Board,
WALLACE & COMPANY,
Secretaries and Treasurers.

Registered Office:
9, Wallace Street,
Fort, Bombay 1.
Dated: 29th June, 1963.

Notes:

(1) Any member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and such proxy need not be a member of the Company.

(2) The Explanatory Statement as required by Section 173 of the Companies Act 1956 has been sent to the Shareholders of the Company.

OFFICE OF THE SUPERINTENDING ENGINEER, DELTA IRRIGATION CIRCLE

Keshari Nagar, Bhubaneswar-1

TENDER CALL NOTICE

SEALED tenders are invited for supply of the following equipments required for well point dewatering-system from indigenous sources. Detailed specifications and drawings can be had from this office on payment of Rs. 5/- per set.

Tenders will be received up to 3 P.M on 1.8.63 and will be opened on the same date.

1.	Well Point Pumps 10" × 10" ...	8 Nos.
2.	Standard Well Points 1½" or 2" ...	1000 Nos.
3.	Swings Complete 1½" or 2" ...	1000 Nos.
4.	Couplings ...	200 Nos.
5.	Adaptors ...	8 Nos.
6.	Gate Valves ...	24 Nos.

Sd/- B. Misra,
Superintending Engineer,
Delta Irrigation Circle.

THE GENERAL INVESTMENT & TRUST COMPANY LIMITED

THE Board of Directors has decided to recommend to the forthcoming Annual General Meeting of Shareholders, the following Final Dividends for the year ended 28th February, 1963, subject to deduction of tax—

ON the 1st Cumulative Preference Shares @ 3.25% making a total of 6.50% per annum.

ON the 2nd Cumulative Taxable Preference Shares @ 2.497½% making a total of 4.995% per annum.

ON the Ordinary Shares @ 5% per annum.

By Order of the Board,
BIRD & CO. (PRIVATE) LIMITED,
Secretary.

Registered Office:
Chartered Bank Buildings,
Calcutta, 25th June, 1963.

THE INVESTMENT & FINANCE COMPANY LIMITED

THE Board of Directors has decided to recommend to the forthcoming Annual General Meeting of Shareholders, the following Final Dividends for the year ended 28th February, 1963, subject to deduction of tax—

ON the 1st Cumulative Preference Shares @ 3.25% making a total of 6.50% per annum.

ON the 2nd Cumulative Taxable Preference Shares @ 2.497½% making a total of 4.995% per annum.

ON the Ordinary Shares @ 7½% per annum.

By Order of the Board,
BIRD & CO. (PRIVATE) LIMITED,
Secretary.

Registered Office:
Chartered Bank Buildings,
Calcutta, 25th June, 1963.

COMPANY MEETINGS AND DIVIDENDS DECLARED OR PROPOSED

Name of Company	Date	I.S.T. Hours
Metal Box Co. of India Ltd. ..	17-7-63	12-30 p.m
Bombay-Burmah Trading Corpn. Ltd.	25-7-63	4-30 p.m.

DIVIDENDS DECLARED OR PROPOSED.—India Paper Pulp Co. Ltd—Re. 1 per share (f), less tax; Metal Box Co. of India Ltd.—Re. 1 per share (f), subject to tax.

HIDES AND SKINS QUIET

The market was quiet. Stocks of skins were higher, but those of hides were less than in the previous week.

Bazaar Sales

(Between 25th June and 1st July, 1963)

Cowhides: Wet salted 20,700 pcs. on the basis of Rs. 8 to Rs. 12.75; Wet salted (Slaughtered) 31,500 pcs. on the basis of Rs. 7.50 to Rs. 16.50 and Rs. 19.50 to Rs. 28; Wet salted (Ord.) 7,000 pcs. on the basis of 90 nP a lb.

Goatskins: Wet salted (Patna, Daissee, Kustia) 71,000 pcs. on the basis of Rs. 250 to Rs. 260, Rs. 320 to Rs. 335 and Rs. 420 to Rs. 430; Wet salted (he-killed) on the basis of Rs. 3.75 and (she-killed) on the basis of Rs. 3.50 a piece; Assam-Dinajpur-Maldah 11,900 pcs. on the basis of Rs. 250 to Rs. 290 and Rs. 325; Purneah-Kissenganj 2,500 pcs. on the basis of Rs. 270 to Rs. 300 and Rs. 315; Patna-Muzafferpore 2,200 pcs. on the basis of Rs. 260 and Rs. 300.

Bazaar Stocks

(1st July, 1963)

Cowhides: Wet salted 106,500 pcs.

Goatskins: Wet salted (Patna, Daissee, Kustia, Killed) 36,500 pcs.; Assam-Dinajpur 24,000 pcs.; Muzafferpore - Patna-Pakur - Kissenganj 180,000 pcs.

THE ATTOCK OIL COMPANY, LIMITED

(Incorporated in England)

The Directors announce the results for the year ended 31st December, 1962.

		1962 £	1961 £
Profit for the year (net)		629,445	581,821
Pakistan Taxation	£906,291		
United Kingdom Taxation	1,700	907,991	491,690
Depreciation		278,549	228,411
Brought forward from 1961		100,742	50,588
Available		730,187	632,409
Transferred to General Reserve		175,000	145,000
Dividends (free of United Kingdom Income Tax):—			
Interim of 1s. 0d. per £1 of stock paid 14th March, 1963	£145,000		
Proposed Final of 1s. 8d. per £1 of Stock	£241,667	386,667	386,667
Unappropriated Profits carried forward		168,520	100,742

The Annual General Meeting will be held at Winchester House, London on 31st July, 1963.

If approved the Final Dividend will be payable on 29th August, 1963 to Stockholders on the Registers at 15th July, 1963.

"CAPITAL" STOCK AND SHARE LIST

THE INVESTORS GUIDE AND SHAREHOLDERS GAZETTE

Wednesday, 3rd. July, 1963

BANKS

H indicates that Share capital is half paid. O., C. and Dd indicate Ordinary, Contributory and Deferred Shares respectively. P next to the name of the company indicates that the company also has Preference Shares. Figures in "accounts closed" column indicate the months of the calendar year in which accounts are closed. For Managing Agents refer to the Key (last page) under the numbers indicated.

Paid up Capital Ordinary	Reserve & other Funds	Cash & Securities	Net Profits including taxation	Carry forward	Accounts closed	NAMES	Dividends per cent 1960	1961	1962	Paid-up per Share	Latest Market Quotations as available until 3-7-63	26-6-63	A year ago
Rs.	Rs.	Rs.	Rs.	Rs.						Rs.	Rs.	Rs.	Rs.
67.50.000	1,23,75,000	27,37,97,908	22,49,414†	6,08,614	12	Allahabad Bank P.	18	18	..	100	263/00	263/00	396/00
2,00,00,000H	2,09,33,260	36,87,47,482	63,19,160	4,16,722	12	Bank of Baroda	17	17	16	50	86/00	85/50	91/50
4,05,00,000H	4,11,50,000	43,61,96,155	1,11,53,496	11,09,847	12	Bank of India	20	20	20	50	109/00	109/50	112/00
2,62,86,350H 52,50,000	5,10,34,368	86,24,48,293	1,79,95,826	9,3 249	12	Central Bank of India	20-2/5	20	20	25	55/00	55/30	62/20
£6,600,000	£7,150,000	£141,890,319	£990,238	£540,648	12	Chartered Bank	15	15	..	£1	sh. 60/-	sh. 60/6	sh. 53/7½
1,25,00,000H	10,00,000	3,70,50,480	9,68,969	17,491	12	Hindustan Commercial	Nil	Nil	Nil	50	12/87	12/87	18/00
50,00,000H	2,85,000	44,21,669	1,68,179	28,868	12	Hindustan Mercantile	Nil	Nil	..	50	15/62	15/62	17/62
HK$79,046,125	£240,000,000	£184,516,832	HK$45,789,942	HK$2,462,897	12	Hong Kong & Shanghai	£5¾	£5¾	£3 17/5	HK$25	£18/7	£18¾	£16/7
71,79,795 16,60,000	75,44,586	20,13,31,335	15,25,151	146,737	12	Indian Bank	15	15	14	100	158/50	160/00	176/00
75,00,000	78,36,660	14,65,60,072	43,80,493	2,22,975	12	Indian Overseas Bank	14	14	..	100	142/00	142/00	162/00
5,00,00,000	74,41,264	2,23,84,689	7,80,776	21,25,040	12	Industrial Finance Corpn.	..	..	..	50	..	..	..
£5,703,000	£5,250,000	£121,535,298	£714,730	£316,941	12	National & Grindlays Bank	12½	14	16	sh. 15	sh. 34/7½	sh. 34/41	sh. 34/6
1,99,63,820	2,36,56,382	79,55,83,007	1,13,83,163	15,20,907	12	Punjab National Bank	20	20	20	10	18/69	18/69	20/50
60,00,000	60,00,000	1,52,610,719	18,13,132	1,45,290	12	Union Bank of India	11-2/5	11-2/5	..	5	5/84	5/76	7/64
2,68,67,461	95,00,000	27,07,57,575	21,20,312	3,26,006	12	United Bank of India	4.3	6	6	10	7/40	7/25	7/50
2,22,33,937	3,03,00,000	44,63,32,187	73,32,623	25,151	12	United Commercial Bank	12	12	12	50	66/00	66/00	86/00

† Excluding taxation

JUTE MILLS

Paid-up Ordinary Capital	No. of Looms	Net Block Account	Reserve & other Funds Premiums & Forfeited Shares If any	Cash & Securities	Net Profits including taxation	Carry forward	Accounts closed Mg. Agts. Secretaries etc.	NAMES	Dividends per cent 1960	1961	1962	Paid-up per Share	Latest Market Quotations as available until 3-7-63	26-6-63	A year ago
Rs		Rs	Rs	Rs	Rs	Rs						Rs.	Rs.	Rs.	Rs
60,00,000	879	99,19,361	66,42,500	3,92,646	59,794	79,587	3 79	Agarpara P.	10	2½	2½	10	10/06	9/94	11/00
6,00,000	444	25,70,981	16,59,969	4,22,325	2,55,831	1,40,179	12 165	Alexandra P.	44	15	..	100	300/00	300/00	305/00
30,00,000	1,264	48,84,147	8,04,850	5,70,976	11,83,890	58,837	5 165	Alliance P.	6	Nil	10	100	122/00	122/00	125/00
49,20,700	2,361	1,04,15,441	89,25,000	63,22,567	20,60,933	2,75,227	3 63	Anglo-India P.	20	7	10	100	224/00	224/00	232/00
40,00,000	816	61,70,400	26,57,703	4,56,210	—5,34,729	—5,02,872	3 21	Auckland P.	27	12	Nil	100	142/00	146/00	163/00
20,00,000	999	57,59,081	35,02,335	12,05,050	13,67,235	60,074	3 22	Bally P.	25	25	25	100	265/00	265/00	319/00
£275,000	1,000	£410,570	£828,859	£53,073	—£89,216	£1,042	3 128	Barnagore P.	30	10	10	25	198/00	198/00	186/00
45,00,000	600	29,61,854	15,46,700	8,93,662	9,85,851	1,33,355	6 235	Bengal P.	5	..	..	10	9/69	9/69	10/31
1,59,56,210	1,816	5,25,85,505	3,35,31,987	90,84,701	96,65,712	1,08,070	3 22	Birla P.	15	15	15	10	28/50	28/00	34/00
38,00,000	951	51,27,514	10,40,000	1,47,854	—9,36,084	—8,90,631	10 2	Budge Budge P.	10	Nil	..	100	155/00	155/00	163/00
7,47,380	300	12,59,643	4,17,958	1,73,329	61,970	48,451	6-12 62	Calcutta P.	..	..	..	10	8/12	8/12	8/00
18,00,000	616	38,26,716	28,17,000	36,75,339	1,72,946	11,775	11 449	Caledonian P.	12	5	..	100	200/00	200/00	220/00
29,58,200	1,100	83,84,378	99,79,201	17,71,641	36,62,731	22,642	3 304	Champdany P.	10	5	Nil-40*	10	20/37	20/87	..
38,58,350	900	67,05,536	72,45,112	12,64,351	41,57,638	1,02,122	11 2	Cheviot P.	Nil	5	25	10	21/50	24/37	24/75
30,15,000	900	53,11,479	40,65,400	13,38,874	12,49,444	61,455	7 165	Chitavalsah P.	5	Nil	5	10	10/12	10/50	12/00
16,00,000	900	13,80,489	25,12,479	1,35,556	1,51,574	18,947	3 418	Clive P.	..	..	..	10	10/50	10/50	9/00
31,49,200	700	52,19,772	12,23,514	3,57,229	—61,733	—62,456	3 21	Dalhousie P.	1	1	Nil	100	145/00	145/00	130/00
56,00,000	1,600	1,14,91,093	68,77,425	3,58,234	38,24,413	28,674	11 2	Delta P.	7½	Nil	12	100	159/00	159/00	202/00
15,00,000	550	35,23,149	39,20,700	9,41,963	7,63,955	40,327	7 165	Empire P.	12½	7½	12½	10	14/69	14/69	17/37
63,00,000	1,600	1,68,88,474	87,06,518	7,52,017	26,14,782	14,928	3 133	Fort Gloster P.	25	10	12½	100	377/00	377/00	449/00
21,00,000	1,015	48,31,660	24,95,369	12,86,910	4,99,648	7,033	5 234	Fort William P.	22½	22½	10	10	26/00	26/00	27/50
84,32,100	1,776	1,20,88,547	40,93,282	5,26,122	41,38,023	1,89,764	3 367	Ganges P.	10	10	15	10	13/62	13/87	14/81
43,20,000	991	1,06,89,023	37,97,205	1,14,364	19,55,516	16,522	12 353	General Industrial	40	10	15	10	15/62	15/62	55/12
24,00,000	1,039	1,02,44,325	74,30,537	45,41,712	12,24,172	49,518	3 18	Gourepore P.	30	25	20	10	25/50	25/50	..
40,00,000	1,073	70,83,967	9,23,473	53,86,439	5,68,002	1,01,636	3 234	Hastings P.	6	6	6	100	128/00	128/00	124/00
16,80,000	720	28,41,207	25,26,234	12,67,475	9,69,486	48,329	3 356	Hooghly P.	10	..	..	10	20/00	20/00	27/25
52,50,000	2,272	1,31,00,000	38,55,000	8,05,542	—10,94,477	—13,61,553	3 128	Howrah P.	12½	10	Nil	10	18/87	18/19	21/81
87,30,000	790	93,29,345	38,24,587	23,48,290	27,19,471	57,366	3 35	Hukumchand P.	28½	28½	20½	7½	21/50	21/50	24/94
43,20,000	1,191	52,63,977	32,17,016	8,71,993	54,54,653	14,157	12 123	India	14	12	8	12½	18/19	18/19	17/31
54,00,000	1,527	47,44,758	13,48,482	6,39,910	59,38,810	11,179	12 128	Kamarhatty P.	5	Nil	20	100	191/00	185/00	190/00
28,00,000	705	33,33,372	56,73,860	13,28,826	45,353	47,758	5 165	Kankinarrah P.	Nil	Nil	10	100	139/00	141/00	122/00
54,00,000	1,539	85,81,995	26,08,764	5,41,356	16,20,587	59,933	3 382	Kelvin P.	15	15	5	100	184/00	184/00	197/00
48,00,000	1,250	70,14,861	46,11,711	24,80,797	—22,59,825	—21,89,282	3 106	Khardah P.	20	5	12½	10	19/12	18/62	17/56
24,48,000	931	33,87,827	Nil	3,63,702	—15,64,671	—6,84,149	3 21	Kinnison P.	20	7	Nil	100	148/00	148/00	134/00
28,00,000	840	22,22,258	1,36,90,180	42,99,026	7,57,111	1,38,282	3 21	Lansdowne P.	Nil	Nil	Nil	100	86/00	86/00	142/00
81,65,200	1,294	1,26,96,079	34,55,037	3,47,498	—17,83,515	—4,26,297	3 355	Lawrence P.	7	15	10	100	100/00	100/00	171/00
29,98,900	615	76,99,875	12,04,575	2,94,467	10,35,624	—13,08,719	3 101	Megna P.	12	12½	Nil	10	13/12	13/12	13/06
20,00,000	425	10,79,854	15,55,000	26,11,429	3,36,343	17,816	4-10 107	Naihati P.	..	..	..	100	81/00	81/00	105/00
35,00,000	852	1,58,24,441	73,10,449	9,33,117	33,24,937	9,507	10 378	Naskarpara	..	..	..	10	9/06	9/06	10/50
28,25,000	816	33,46,239	35,71,072	10,72,888	14,01,865	61,184	7 165	National P.	7½	Nil	10	10	23/50	23/50	23/87
3,56,00,000	1,765	8,08,96,118	2,42,19,122	26,20,231	—18,53,066	15,530	3 335	Nellimarla P.	3	6	15	10	11/31	11/31	12/12
16,79,800	667	51,13,896	51,70,911	4,86,781	10,14,322	32,186	3 21	New Central P.	15	15	Nil	10	12/75	12/37	15/69
68,79,400	1,392	1,00,63,618	42,63,296	5,77,179	4,25,754	65,041	3 19	Northbrook P.	30	30	20	10	27/12	28/00	35/00
25,00,000	490	26,00,000	12,61,704	7,07,186	7,54,830	37,324	7 165	Nuddea	8	6	5	50	55/50	52/50	63/50
20,00,000	805	44,84,547	2,99,013	1,14,562	8,36,262	—3,60,855	3 166	Presidency	8	6	10	5	4/69	4/69	5/50
49,50,000	1,276	57,25,150	Nil	24,98,321	7,31,817	25,40,836	3 128	Rameshwara P.	Nil	Nil	Nil	10	9/56	9/44	8/75
£800,000	2,013	£1,452,338	£1,182,334	£270,476	—£77,715	£4,780	12 64	Reliance P.	Nil	Nil	Nil	10	9/94	9/75	7/75
30,00,000	911	47,47,618	15,81,656	27,81,388	2,13,128	3,184	3-9 61	Samnugger P.	6	Nil	..	£1	10/50	10/50	10/50
14,00,000	401	21,82,940	17,16,854	14,69,644	15,77,802	26,425	12 166	Shree Ambica P.	9	6	Nil	10	25/00	25/00	37/00
£600,000	1,793	£1,331,626	£986,938	£355,525	—£57,609	£6,618	12 64	Soorah P.	25	25	25	10	22/75	22/75	24/00
35,98,800	1,326	37,69,622	37,88,568	11,91,542	1,70,129	18,317	3 21	Titaghur P.	6	Nil	..	£1	10/50	10/50	10/50
£400,000	1,331	£1,396,471	£747,577	£198,161	—£92,439	£4,814	12 64	Union P.	25	6	Nil	100	155/00	155/00	166/00
2,50,000	485	6,47,472	8,20,000	6,95,642	6,79,756	66,272	5 165	Waverley P.	6	Nil	..	£1	10/50	10/50	10/50
									30	30	60	1	7/44	7/44	6/25

COAL COMPANIES

O., Po., F. and Dd Indicate Ordinary, Preferred Ordinary, Founders and Deferred Shares respectively. 'P' next to the name of the company indicate that the company also has Preference Shares. Figures in "accounts closed" column indicate the months of the calendar year in which accounts are closed. For Managing Agents refer to the Key (last page) under the numbers indicated.

Paid-up Capital Ordinary	Net Block Account	Reserve & other Funds Premiums & Forfeited Shares if any	Cash & Securities	Net Profits including taxation	Carry forward	Accounts closed	Mg. Agts., Secretaries etc.	NAMES	Dividends per cent 1960	1961	1962	Paid-up per Share	Latest Market Quotations as available until 3-7-63	26-6-63	A year ago
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.							Rs.	Rs.	Rs.	Rs.
25,50,000	58,52,284	43,77,800	3,90,484	16,40,057	39,096	6-12	315	Amalgamated	10	12½	15	10	22/69	22/69	22/19
1,20,00,000	3,15,46,304	2,44,30,490	36,03,088	86,68,875	10,42,254	3	236	Bengal P.	25	21	..	100	270/00	280/00	374/00
4,49,350	4,37,882	1,30,132	91,796	43,397	4,471	10	2	Bengal Bhatdee	..	..	..	10	3/48	3/48	3/48
2,25,000	3,06,216	5,45,835	5,19,015	1,55,638	16,129	12	368	Bengal Nagpur	10	26	..	10	22/00	22/00	20/25
15,97,000	23,27,321	4,87,308	63,982	2,62,417	21,275	12	..	Bhalgora	..	..	..	10	5/00	5/00	5/25
40,00,000	67,23,620	2,75,000	21,19,681	11,80,816	2,120	9	152	Bharat Collieries P.	..	..	..	10	3/44	3/37	4/03
7,15,000	14,96,845	11,02,672	64,329	—3,06,406	—4,92,536	6	335	Bhulanbararee	..	..	..	10	11/94	11/94	12/06
16,00,000	38,87,275	16,18,636	7,185	1,21,936	—79,196	12	362	Bokaro & Ramgur	..	..	..	10	11/19	11/19	13/25
7,50,000	19,13,792	22,77,003	12,32,439	5,26,414	33,647	12	106	Borrea P.	15	15	..	10	23/87	23/87	25/69
90,92,480	2,32,19,267	1,46,53,383	33,70,740	37,97,832	90,768	6	21	Burrakur P.	13	13	13	10	15/56	16/50	18/00
49,97,000	50,93,754	6,86,120	6,35,532	16,11,085	3,58,023	3	166	Central India	8	10	10	10	9/87	9/87	11/25
8,00,000	18,69,439	12,97,490	98,040	6,357	214	12	..	Central Kurkend P.	..	..	..	10	3/87	3/87	7/00
6,00,000	..	1,55,159	6,05,872	63,765	7,043	12	106	Churulia	3	..	..	4	3/06	3/06	3/06
16,00,000	25,01,305	Nil	19,429	—6,45,261	—5,39,034	12	444	Dhemo Main	Nil	Nil	..	10	4/31	4/31	6/87
£240,000	£868,390	£561,905	£13,858	£288,462	£6,234	4	128	East India	7½	15	20§	£1	31/87	31/87	50/50
29,63,700	1,42,23,054	1,18,76,888	27,65,725	10,14,185	33,594	12	19	Equitable P.	15	10	..	10	24/69	24/69	28/94
15,00,000	21,00,420	41,000	26,500	920	—6,24,344	3	307	Ghusick & Muslia	Nil	Nil	Nil	10	14/25	14/25	14/00
6,50,000	4,21,847	Nil	12,025	10,670	—14,705	12	20	Guzdar Kajora	..	..	..	10	2/44	2/44	2/00
8,00,000	5,43,022	..	16,702	—10,172	—3,65,025	12	393	Hurriladih	..	..	..	10	8/12	8/12	8/12
15,00,000O 5,00,000F	23,47,952	27,81,955	39,74,704	3,95,071	1,40,029	12	21	Karanpura Development	5 15	5 15	..	100 10F	11/50	11/50	16/25
20,00,000	34,15,535	9,86,018	3,72,692	8,92,065	32,810	8	21	Karanpura Collieries P.	7½	10	10	10	16/75	16/75	20/69
14,88,460	20,68,761	16,01,825	8,75,590	8,29,962	1,11,842	1	2	Katras Jherriah	95	40	25	10	37/75	37/75	48/75
1,38,400	6,75,000	95,000	11,80,294†	49,776	1,918	6-12	337	Khas Kajora P.	..	..	..	10	18/70	18/70	18/70
5,65,750	5,95,633	Nil	9,780	—1,60,535	—16,47,497	8	372	Mundulpur	..	..	..	10	2/69	2/69	2/69
7,48,240	3,46,525	2,50,000	7,62,941	1,28,839	94,963	12	347	Nazira	..	..	..	10	5/00	5/00	6/31
31,97,210	61,58,848	34,47,233	3,39,307	9,75,812	93,645	10	2	New Beerbhoom P.	16	10	..	10	19/75	19/12	22/69
9,90,340	9,04,373	5,21,710	75,374	4,12,216	43,822	3	202	New Manbhoom	7½	9	12	10	16/00	16/00	15/00
1 15,000 1,57,500	7,05,719	4,31,409	42,364	1,44,042	15,045	12	441	North West	20	20	..	10 7½	19/75 18/00	19/75 18/00	19/75 17/50
2,50,000	1,33,788	13,22,645	22,85,007	1,91,515	45,060	12	106	Ondal P.	6	7½	..	10	12/00	12/00	15/00
8,34,000	23,69,066	1,52,212	4,78,984	1,79,344	589	3	236	Parasea P.	1¼	1½	..	10	16/00	16/00	16/00
15,75,000	32,93,192	24,59,125	4,11,055	5,41,674	54,253	3	236	Pench Valley	10	10	10	10	18/00	18/00	18/31
2,50,000	5,62,405	7,500	11,330	2,003	18,581	6-12	5	Pure Sitalpur	..	..	..	10	8/00	8/00	8/00
33,58,900	50,26,723	40,85,000	1,26,141	11,54,576	35,781	3	370	Raneegunge	15	17	17	10	16/00	16/00	16/06
13,50,000	25,32,135	20,80,190	16,89,318	13,18,197	41,523	12	236	Rewa	20	20	..	10	28/50	28/50	29/12
37,50,000	74,38,430	38,61,070	1,69,086	12,37,914	26,993	12	48	Sarma	10	..	..	10	11/25	10/03	8/87
2,50,000	4,47,534	74,287	10,748	—19,279	—4,27,396	1	353	Searsole	Nil	Nil	Nil	2½	1/22	1/22	1/94
2,80,000	10,74,006	12,23,716	10,17,267	6,13,147	1,540	12	106	Seebpore P.	42 6/7	42 6/7	..	7	45/00	45/00	45/00
8,00,000	6,203	4,54,648	13,04,570	78,390	2,926	8	21	Sendra	5	3½	..	10	5/75	5/75	7/69
17,50,000	28,29,652	10,02,341	50,728	2,66,373	38,938	12	106	South Karanpura	2½	Nil	Nil	10	8/06	8/06	9/50
8,00,000	1,30,001	15,48,969	26,78,255	1,84,925				Standard	15	10	..	10	13/12	13/12	16/00
8,50,000	4,36,300	3,23,000	36,660	1,37,973	1,77,952	12	..	Union	..	..	..	10	11/12	11/12	10/37
49,98,000	63,57,150	6,09,055	2,69,620	11,72,192	1,19,162	3	166	Western Bengal	6	7½	9	10	9/06	9/06	10/34
5,00,000	26,06,335	Nil	47,091	—6,51,403	—6,23,711	12	444	West Jamuria	Nil	Nil	..	10	4/09	4/12	9/37

COTTON MILLS

Paid-up Capital Ordinary	Number on Spindle Looms	Net Block Account	Reserve & other Funds Premiums & Forfeited Shares If any	Cash & Securities	Net Profits including taxation	Carry forward	Accounts closed	Mg. Agts. Secretaries etc.	NAMES	Dividends per cent 1960	1961	1962	Paid-up per Share	Latest Market Quotations as available until 3-7-63	26-6-63	A year ago
Rs.		Rs.	Rs.	Rs.	Rs.	Rs.							Rs.	Rs.	Rs.	Rs.
15,00,000	14,108	356	14,06,883	3,15,002	12,59,541	26,012	12	49	Basanti P.	..	..	..	10	11/50	11/50	8/50
7,11,280	36,000	932	17,17,120	2,20,369	30,842	3,66,177	8	87	Banga Luxmi	..	..	..	40	28/00	28/00	28/00
27,00,000	31,476	624	17,77,373	..	93,872	—8,24,150	12	223	Bengal Nagpur P.	Nil	..	..	10	3/00	3/00	3/77
50,00,000	..	..	1,66,35,360	49,94,800	52,36,090	28,04,759	12	394	Bharat Commerce P.	5	15	15	10	19/87	19/62	24/37
39,95,950	38,764	992	60,94,300	1,21,02,782	53,37,204	39,77,025	1,67,525	8	22	Birla Cotton	10	20	20	10	33/00	33/00	30/00
33,60,000	43,136	841	1,00,69,568	40,37,060	2,04,094	21,74,042	1,94,107	12	138	Bowreah P.	10	20	15	10	22/50	22/50	25/75
30,00,000	22,000	510	32,89,583	62,22,574	9,41,816	13,74,402	49,055	12	25	Cawnpore Textiles	7 1/5	10	10	5	6/12	6/31	7/69
3,78,33,535	1,97,348	3,307	6,72,37,739	6,96,27,768	77,61,228	3,08,40,769	4,03,436	6	236	Delhi Cloth & Genl. P.	12	13	13	25	40/75	40/75	55/00
38,00,000	43,049	518	61,51,892	54,80,125	1,40,191	32,83,343	1,03,713	12	138	Dunbar	20	20	15	10	26/00	27/50	31/13
63,00,000	54,000	1,200	95,39,870	2,10,49,560	93,81,545	70,11,091	89,499	9	389	Elgin P.	11½	17½	17½	10	17,94	17/94	20/19
1,25,00,000	..	..	3,48,97,571	56,34,321	85,50,730	19,28,764	1,22,795	12	158	J. K. Cotton (Rayon) P.	12½	..	..	10	11/69	11/75	19/44
49,18,000	6 272	302	51,44,000	24,71,500	4,76,538	28,42,100	87,286	12	22	Jay Shree	10	10	..	10	14/31	14/25	15/19
30,00,000	38,000	1,825	47,44,548	52,19,301	92,65,055	18 77,941	—7,77,290	12	208	Muir P.	..	..	..	100	90/75	90/75	114/00
35,11,583	78,848	1,367	47,49,840	3,96,960	1,09,256	12,73,361	—63,55,495	12	237	New Victoria P.	Nil	..	..	2½	1/87	1/41	1/88
48,00,200	..	..	1,08 10,352	78,144	2,34,188	12,34,741	—22,17,524	3	399	Orissa Textiles P.	Nil	Nil	..	10	9/00	9/00	16/06
19 47,750O 5,00,000Dd	23,196	795	15,49,229	80,773	2,37,475	3,38,087	..	6	4	Rumpooria Cotton	3 Nil	Nil Nil	Nil	10 1	12/00 2/00	12/00 2/00	11,700 2/00
17,50,000O																
1,57,50,000Po	1,14,836	2,077	4,48,79,351	2,63,83,071	2,15,81,189	76,20,241	5,044	12	333	Swadeshi (Kanpur) P.	5 5.51	..	..	10O 10PO	11/50 7/25	11/50 7/25	13/50 8/06

TEA COMPANIES

O., Po. and Dd. indicate Ordinary, Preferred Ordinary and Deferred Shares respectively. P. next to the name of the company indicates that the company also has Preference Shares. Figures in "accounts closed" column indicate the months of the calendar year in which accounts are closed. For Managing Agents refer to the Key (last page) under the numbers indicated.

Paid-up Capital Ordinary Rs.	Net Block Accounts Rs.	Reserve & other Funds Rs.	Acreage under Tea	Outturn and Average Price per Kg./lb. realised for crop 1960 Kgs.	1960 Rs.	1961 Kgs.	1961 Rs.	Estimate 1962 Kgs.	Net Profits including taxation Rs.	Accounts closed	Mg. Agts., Secretaries, etc.	NAMES	Dividends per cent 1959	1960	1961	Paid-up per Share Rs.	Latest Market Quotations as available until 3-7-63 Rs.	26-6-63 Rs.	A year ago Rs.
												ASSAM GARDENS							
4,45,700	15,18,349	15,50 949	879	308 034	5.24	424.104	4.81	442 700	3.53 660	12	165	Anandabag	15	Nil	10	10	20/00	20/00	25/94
7,00,000	12,88,670	8,07,423	501	321,178	6.85	311.077	6.58	..	3,99,561	12	88	Amluckie P.	17½	30	32½	10	33/25	33/25	34/25
5,50,000	15,79,312	14,43,241	573	260.179	5.87	353.284	5.32	362.900	95,555	12	165	Baghmari	15	Nil	15	10	12/00	12/00	19/25
1,80,000	3,62,618	1,69,284	315	123,695*	1.56	..	..	..	—78,494	12	349	Barduar Tea	Nil	Nil	..	6	8/50	8/50	8/50
7,65,000	15,19,743	10,56,055	154†	264,700	7.21	313.600	6.01	290,000	4.49,454	12	2	Basmatia	30	35	25	10	27/25	27/25	27/25
4,95,900	6,73,519	5,67,320	..	335.928*	4.25	..	..	..	2,93,848	12	345	Bateli	30	30	..	5	18/50	20/50	19/00
6,40,000	11,89,778	11,78,262	610	415,786	6.82	408.269	6.56	..	536,924	12	88	Betjan	25	40	45	10	30/56	30/56	35/37
53,00,000	40,22,201	18,08,333	1,407†	1,375,572	5.95	16,30,448	5.80	15,47,300	7,67,609	12	279	Bishnauth	13	13	13	10	17/56	18/25	18/06
6,00,000	10,99,605	4,27,428	479	154,572	6.30	2,23,903	5.90	2,43,125	2,07,619	12	202	Bokakhat	8	Nil	12	10	13/70	13/70	13/70
7,50,000	11,90,141	10,08,335	450	299,916	5.58	303,665	5.00	3,13,900	2,34,694	12	165	Bormah Jan P.	12½	15	15	10	14/25	14/25	16/12
4,50,000	7,82,300	2,32,500	234†	210,026	5.30	265,021	5.25	2,90,300	78,333	12	279	Bor Pukhuri	Nil	Nil	Nil	10	11/75	11/75	9/37
35,00,000	66,10,893	13,07,736	1,163†	12,15,847	5.31	14,26,351	5.27	..	5,94,471	6	127	Brooke Bond P.	12½	15	10—7½‡	10	11/81	11/81	15/06
1,20,000	7,81,585	8,10,487	307	116,318	5.63	173,277	5.19	192,300	1,13,633	12	165	Dejoo Valley	40	15	20	10	52/50	52/50	49/25
8,40,000	12,97,869	7,95,318	540†	376,082	5.70	543.624	5.68	515,318	541,972	12	128	Dessai & Purbuttia	Nil	Nil	10	100	189/00	189/00	151/00
17,53,440	22,29,324	10,53,350	179†	294,761	6.64	..	..	..	3,54,091	12	214	Dhelakhat	20	12½	..	10	19/75	19/75	21/06
7,00,000	19,16,176	7,90,000	553†	591,938	5.32	632.799	4.58	627,000	2,12,986	12	365	Dhunseri P.	23	20	15	10	13/87	13/87	16/00
4,50,000	15,91,840	15,10,975	458	293.229	6.81	3,05,738	6.23	3,12,100	303,585	12	165	Dibrugarh P.	30	40	40	10	31/25	31/25	33/44
4,73,400	10,12,800	7,43,000	675†	283.650	6.19	301.383	5.81	308,000	2,25,939	12	279	Dimakusi P.	30	25	20	10	21/87	21/87	23/12
7,00,000	14,27,900	13,39,500	266†	388.343	6.18	464.799	5.77	454,000	393.106	12	279	Dufflaghur	35	25	25	10	27/50	27/50	28/75
10,00,000	20,53,400	9,68,000	479†	366.144	5.68	525.798	5.76	539,000	188.604	12	279	East India	10	Nil	Nil	10	14/25	14/25	18/87
5,03,760	13,75,770	6,44,277	191	344.520	4.95	3,58,797	..	..	1,94,850	12	354	Gillapukri	25	25	20	10	25/44	25/44	25/44
6,76,000	12,89,800	5,77,500	224†	220.227	6.19	254,919	5.81	2,62,000	93,109	12	279	Gohpur	10	Nil	5	10	16/56	16/56	13/50
23,29,085	55,16,400	35,83,224	1,034†	975,452	5.54	1,079,309	4.98	11,321	63,288	12	202	Grob	14	6	6	5	7/19	7/19	10/00
5,00,000	10,51,765	7,53,498	197	307,199	4.79	3,58,885	..	..	1,82,327	12	354	Hoograjuli	25	20	20	10	27/12	27/12	24/44
8,70,000	24,12,514	14,38,299	542†	463,500	5.69	483,000	5.69	525,000	87,730	12	2	Hoolungooree	20	10	7½	100	195/00	195/00	172/00
9,00,000	15,74,647	10,51,189	949	506,565	6.52	5,39,472	5.99	..	5,82,815	12	88	Jutlibari	10	30	30	10	31/50	31/50	32/00
2,40,000	16,48,693	15,08,170	490	4,36,672	5.39	..	..	..	3,43,662	12	236	Kingsley Golaghat P.	35	35	..	100	140/00	140/00	212/00
1,80,000	17,88,233	23,500	491	440.797	5.11	524.469	4.89	520,000	2,19,061	12	63	Kotamullai P.	Nil	Nil	Nil	5	10/31	10/31	10/44
5,00,000	10,69,938	3,02,818	140†	150,866	5.81	1,73,581	5.29	1,86,000	94,422	12	41	Krishnabehari	10	15	8	10	10/50	10/50	10/12
2,00,000	1,81,000	21,000	71	229.767	..	..	..	..	5,158	12	236	Kyang Tea	Nil	Nil	..	10	8/06	8/06	8/06
6,50,000	12,20,327	8,50,278	268†	229.767	5.53	279.777	5.15	285,000	153,230	12	63	Ledo	Nil	Nil	Nil	10	13/75	13/75	17/25
8,00,000	11,51,913	1,30,093	144	2,09,795	5.72	2,28,707	4.96	2,24,000	1,31,878	12	..	Maud Tea & Seed	7½	10	7½	10	14/81	14/81	14/81
10,00,000	15,48,292	13,75,000	262†	285,908	6.00	382,580	5.68	384,674	3,87,218	12	202	Methoni	15	5	14	10	17/31	17/31	21/25
4,80,000	9,43,489	30,000	286†	68 951	4.59	..	..	..	—36,789	12	..	Moheema	10	Nil	..	10	11/50	11/50	11/50
1,50,000	2,71,599	13,65,825	135	68,951	..	83,921	..	..	72,274	12	138	Mothola	25	30	30	100	507/00	507/00	507/00
1,75,000 O / 1,00,000 Po	14,31,493	8,49,447	156†	122,300	5.87	182,900	6.01	200,000	2,22,943	12	2	Murphulani (Assam)	20 / 25	5 / 10.63	15 / 20.63	10 / 10	26/50 / 28/75	26/50 / 28/75	26/50 / 28/75
4,00,000	5,99,355	6,84,758	554	337,198	4.63	319,104	4.51	345,000	2,07,239	12	143	Naga Hills	5	10	10	10	22/25	22/25	20/25
5,35,000	9,31,834	3,98,379	447†	246,382	4.79	..	..	..	1,78,991	12	..	Namburnadi	16	12	..	10	14/56	14/56	14/56
5,00,000	7,84,180	1,35,500	298†	163,289	6.84	290,978	5.98	240,000	3,02,699	12	63	New Cinnatolliah	Nil	Nil	Nil	100	302/00	302/00	120/00
6,00,000	12,46,354	7,17,592	157†	187,100	6.00	216,600	5.31	216,600	1,75,136	12	2	Rajgarh	35	40	13½	10	21/37	21/37	22/87
9,00,000	23,07,580	2,66,937	429†	531,473	4.73	632,808	..	..	2,97,941	12	354	Sapoi	20	22½	20	10	18/31	18/31	18/31
2,49,000	6,24,100	5,35,000	207†	203,694	6.24	242,697	5.56	220,000	1,31,236	12	279	Seajuli	17½	22½	15	10	21/12	21/12	22/50
5,98,000	16,64,283	14,42,974	500	350,366	5.70	373,286	4.99	390,100	1,43,989	12	165	Teloijan	25	25	25	10	22/00	22/00	27/75
8,00,000	11,92,725	6,72,053	540	339,133	6.86	348,111	6.59	..	4,61,762	12	88	Tengpani	17½	30	30	10	35/00	35/00	35/00
19,82,800	33,61,383	16,92,483	2,407	2,816,560*	2.17	2,972,880*	1.92	249,600*	4,76,239	12	236	Tezpore P.	20	20	12½	10	15/50	15/50	16/31
7,50,000	13,02,672	4,34,925	363†	267,677	4.53	..	..	..	1,22,530	12	95	Tongani	Nil	Nil	..	10	7/00	7/00	7/00
5,20,000	35,29,595	27,60,165	1,050	480,745	5.90	590,423	5.14	638,700	1,73,399	12	165	Tyroon	30	10	15	10	33/00	33/00	36/87
												CACHAR							
3,00,000	3,31,837	5,000	348†	93,975	4.42	..	..	..	—4,314	12	..	Arcuttipore	Nil	Nil	..	10	7/00	7/00	7/00
4,00,000	6,54,409	3,37,709	190†	158,343	4.45	..	..	..	25,985	12	35	Baitakhal	5	2½	..	10	8/06	8/06	6/69
11,00,000	20,49,762	9,06,106	596†	380,752	4.90	545,645	4.26	541,552	2,38,932	12	128	Central Cachar	5	5	7½	100	72/00	72/00	77/50
7,00,000	6,64,780	Nil	278†	122,864	4.63	..	..	..	—43,057	12	383	Eastern Cachar	Nil	Nil	..	10	4/28	4/19	3/56
4,50,000	3,35,089	3,30,000	637	214,640	1.95	..	..	..	34,716	12	384	Kallinuggei Khoreel	6	6	..	100	87/00	87/00	87/00
12,00,000	18,22,020	13,75,800	2,208	525,805	4.43	723,716	3.84	725,747	2,92,144	12	202	Hattikhira	5	Nil	8	10	9/12	9/12	11/37
3,60,000	4,07,626	55,975	252	82,903	4.65	..	..	..	—1,29,393	12	63	Kunchanpore	Nil	Nil	..	10	6/00	6/00	6/00
6,63,690	5,22,836	57,990	223†	133,364	4.60	166,156	3.81	163,293	49,257	12	202	Loobah	Nil	Nil	Nil	10	4/37	4/37	4/25
7,00,000	22,63,650	15,44,553	2,220	570,970	4.08	477,747	4.48	620,000	2,61,240	12	..	North Western	30	30	20	100	160/00	160/00	205/00
2,59,050	6,47,919	1,238	531	194,142	4.63	271,967	3.85	263,083	1,14,040	12	202	Pathemara	Nil	Nil	Nil	10	7/50	7/50	7/50
2,60,000	8,86,044	4,60,292	638	272,635	4.96	326,670	4.40	319,400	91,920	12	165	Roopacherra	Nil	Nil	10	10	13/62	13/62	13/62
5,25,000	11,99,745	11,88,100	722	237,869	4.95	307,903	3.94	290,000	1,04,322	12	63	Rungamattee	7½	5	5	50	53/50	53/50	50/00
4,00,000	7,06,042	2,94,472	283†	165,158	4.26	..	..	..	69,977	12	..	Sonai River	Nil	Nil	..	10	9/12	9/12	9/12
												DARJEELING							
3,99,750	7,28,177	6,033	563	85,684	6.00	..	..	..	55,959	12	101	Bloomfield	Nil	Nil	..	10	3/12	3/12	3/25
2,79,900	3,73,000	1,55,000	165†	82,007	7.75	82,803	8.66	84,000	1,11,516	12	279	Chamong	Nil	Nil	10	10	9/00	9/00	10/25
3,75,900	3,96,896	2,95,050	400†	281,993	5.69	..	..	..	2,73,543	12	139	Darjeeling Tea & Chin.	Nil	30	..	100	197/00	197/00	195/00
2,00,000	2,34,125	1,98,148	195†	72,236	6.12	..	..	..	73,853	12	200	Dilaram	5	8	..	100	102/50	102/50	102/50
4,00,000	5,44,022	3,06,013	218†	135,248	6.85	135,642	7.33	300,000*	1,39,209	2	74	Gielle	Nil	Nil	8 4/7‡	10	11/69	11/69	11/75
7,00,000	9,20,900	1,75,770	427†	303,781	6.79	290,326	6.68	301,500	1,36,053	12	279	Lingia P.	12½	15	10	10	14/56	14/56	14/56
10,32,000	21,69,194	13,43,500	579†	450,432	5.10	..	..	..	3,40,204	12	95	Longview	14	12½	..	10	11/00	11/00	11/00
4,00,000	4,76,047	4,58,479	816	177,545	7.60	174,261	6.94	181,500	59,454	12	165	Margaret's Hope	10	15	15	10	11/62	11/62	12/25
1,59,000	3,43,396	3,88,059	187†	99,400	8.33	101,900	8.21	100,000	77,616	12	8	Mim	10	22½	20	100	191/50	191/50	191/50
2,99,900	5,84,000	5,89,500	279†	216,838	6.80	220,390	7.14	199,600	2,97,308	12	279	Nagri Farm	20	30	25	10	29/19	29/19	25/44
4,00,000	3,43,236	2,71,500	205†	101,478	9.95	99,223	8.77	1,00,000	1,36,841	12	390	Okayti	32½	25	25	100	600/00	600/00	605/00
3,30,000	4,80,579	2,40,150	331†	201,208	5.62	..	..	..	81,710	12	..	Pashok	10	10	..	10	20/00	20/00	20/00
3,00,000	3,77,190	60,000	478	111,914	6.62	127,797	5.77	120,000	61,927	12	63	Poobong	Nil	Nil	Nil	10	7/56	7/56	7/37
2,05,000	4,94,037	2,10,202	228†	92,188	6.20	111,154	5.62	116,960	81,123	12	361	Pussimbing P.	Nil	Nil	Nil	10	7/12	7/12	7/25
1,40,000	2,95,184	5,53,000	341	106,900	7.00	105,192	6.02	95,000	61,455	12	63	Runglee Rungliot	10	35	20	100	386/00	386/00	386/00
3,00,000	4,26,511	3,65,458	155†	101,790	6.41	..	..	..	1,04,105	12	385	Seeyok	15	15	..	10	8/50	8/50	8/50
6,25,000	7,66,878	10,578	464†	136,071	5.95	133,674	6.55	..	21,845	12	398	Singell	Nil	Nil	Nil	100	36/75	36/75	37/25
9,00,000	10,68,124	15,485	232†	129,079	5.88	..	..	..	1,29,297	12	101	Singtom	5	2	..	10	3/50	3/50	4/50
8,00,000	4,83,600	5,39,140	219†	152,998	7.44	166,630	7.38	159,700	2,72,302	12	279	Soom	30	50	40	10	35/00	35/00	49/87
6,25,000	12,55,512	11,31,507	745	196,711	7.96	195,487	7.32	206,838	1,47,602	12	165	Sungma	10	15	15	10	15/31	15/31	14/62
3,20,000	10,00,491	8,66,517	290†	210,684	6.33	220,000	6.08	480,000*	65,563	2	74	Teesta Valley	Nil	Nil	8 4/7‡	10	11/25	11/25	13/75
8,01,350	..	..	1,666	..	..	..	..	..	..	12	..	Tukvar	..	..	..	10	7/31	7/31	6/00

‡ 1962

TEA COMPANIES—Contd.

O., Po., C. and Dd. indicate Ordinary, Preferred Ordinary, Contributory and Deferred Shares respectively. P. next to the name of the company indicates that the company also has Preference Shares. Figures in "accounts closed" column indicate the months of the calendar year in which accounts are closed. For Managing Agents refer to the Key (last page) under the numbers indicated.

Paid-up Capital Ordinary Rs.	Net Block Accounts Rs.	Reserve & other Funds Rs.	Acreage under Tea	Outturn and Average Price per Kg./lb. realised for crop 1960 Kgs.	1960 Rs.	1961 Kgs.	1961 Rs.	Estimate 1962 Kgs.	Net Profits including taxation Rs.	Accounts closed	Mg. Agts., Secretaries, etc.	NAMES	Dividends per cent 1959	1960	1961	Paid-up per Share Rs.	Latest Market Quotations as available until 3-7-63 Rs.	26-6-63 Rs.	A year ago Rs.
												DOOARS							
27,00,000	55,60,730	32,07,760	1,023†	1,408,000	5.11	1,551 500	4 51	1,525,000	11,55,236	12	2	Banarhat P.	32½	22½	21	100	233/00	233/00	273/06
12,00,000	23,85,571	21,47,404	436†	721,588	5.20	724,364	4.69	682,400	6,62,191	12	128	Baradighi	25	30	25	10	23/25	23/25	26/06
9,00,000	17,32,113	18,96,100	1,112	558,147	4.94	593,617	4.42	580,604	2 94,647	12	386	Bhatkawa	10	15	15	10	18/00	18/00	17/37
9,00,000	21,64,171	19,54,000	555	543 381	5.32	666,763	4.37	600,000	4,10,050	12	63	Birpara P.	22½	17½	12½	100	160/00	160/00	160/00
6,00,000	11,78,375	9,70,500	243†	305,122	5.01	299,250	4.17	295,000	1,08,467	12	63	Carron	15	20	5	100	145/00	145/00	145/00
9,00,000	21,98,098	14,50,681	365†	5,33,300	5.15	514,200	4.45	530,000	2,23,622	12	2	Choonabhuti P.	30	32½	20	100	210/00	210/00	262/00
3,00,000	6,34,585	6,17,500	197†	171,106	5.00	219 480	4.05	203,200	79,168	12	63	Ellenbarrie	5	5	5	100	184/00	184/00	179/00
1,20,000	8,31 260	3,17,245	265	134,440	4.20	162,265	3.73	160,000	1,15,877	12	397	Engo	Nil	60	30	100	136/00	136/00	136/00
4,90,000	8,16,062	70,656	180	218,696	3.96	224,026	..	..	50,788	12	354	Ethelbari	Nil	5	5	10	13/12	13/12	8/37
7,50,000	10,03,911	7,97,827	900	523 656	5.03	533,092	4.88	..	3,52,027	12	88	Gairkhata	12½	25	20	10	21/50	21/50	25/12
14,00,000	27,43,996	19,20,969	418†	1,122,800*	2.11	1,094,000*	1.71	..	—1,19,268	12	387	Gopalpur	9.24	12	2	25	19/50	19/50	20/00
36,00,000	49,19,787	40,85,000	1,034†	1,401,804	4.99	1,433,022	4.07	1,390,000	5,19,303	12	63	Hantapara P.	12½	15	5	100	99/00	106/00	125/00
32,00,000	64,79,513	76,71,749	2,314†	2,787,460	5.73	28,49,021	5.54	3,012,569	29,24,415	3	74	Hasimara P.	12½	17	18‡	10	12/50	12/81	31/56
8,25,000	20,48,832	22,92,078	611†	890,959	4.52	889,068	4.02	..	3,32,189	2	74	Huldibari	22½	22½	19 2/7‡	10	12/62	12/62	30/37
7,00,000	7,79,450	5,13,133	246†	215,100	4.91	190,300	4.48	..	—1,53,219	12	2	Jaybirpara	5	10	Nil	10	11/75	11/75	13/50
9,00,000	18,44,954	20,36,500	377†	539,462	5.09	563,337	4.23	520,000	3,87,639	12	63	Killcott	17½	25	15	10	16/25	16/25	18/50
2,00,000	10,41,117	6,27,720	246†	244,220	3.96	2,47,991	..	..	—67,780	12	354	Manabarrie	5	10	6	10	59/50	59/50	56/37
9,60,000	17,91,264	22 58,500	1,129	542,139	5.10	603,619	4.07	490,000	4,66,532	12	63	Nagaisuree	17½	25	15	100	140/00	140/00	169/50
14,00,000	28,28,996	21,33,698	471†	812,200	5.28	784,700	4.31	750,000	4,53,104	12	2	New Dooars P.	32½	35	20	100	230/00	230/00	296/00
6,40,000	8,40,172	6,77,528	284†	291,297	4.14	307,645	3.89	308,400	1,58,909	12	363	Oodlabari	10	12½	7½	100	14/00	14/00	14/00
2,50,000	4,03,726	3,11,000	330	112,988	4.90	100,575	4.22	116,100	—78,071	12	63	Phaskowa	Nil	Nil	Nil	100	129/00	129/00	127/00
6,00,000	9,02,274	6,77,334	764	357,499	4.82	363,864	4.36	362,900	67,304	12	165	Rajabhat	Nil	Nil	Nil	10	12/12	12/12	12/25
7,65,000	16,33,948	16,37,050	1,635	457,276	4.96	503,638	4.32	534,100	2,37,892	12	165	Ranicherra	10	15	15	10	13/62	13/62	18/50
14,92,800	34,73,433	28,87,329	713†	854,415	5.21	921,964	4.79	1,008,645	4,75,664	12	128	Rydak	30	25	20	10	23/62	25/44	28/25
3,46,000	9,56,428	9,68,534	278†	300,700	4.79	400,500	4.10	..	3,60,822	12	44	Sarugaon	40	40	40	10	36/25	36/25	36/25
												TERAI							
4,50,000	13,66,318	1,61,700	627	2,17,325	4.93	..	..	..	1,50,753	12	101	Atal	10	5	..	10	8/75	8/75	8/15
5,00,000	2,61,415	6,10,382	223	2,40,454	3.83	..	..	..	2,98,178	12	345	Beigachi	20	20	..	10	22/50	22/50	20/00
13,44,000	17,81,100	25,47,000	433†	6,99,241	4.85	794,331	4.07	6,70,000	531,984	12	63	Gungaram	15	20	12½	100	131/00	[illegible]	158/00
5,00,000	10,87,941	12,09,500	214†	2,61,270	4.84	288,960	4.29	2,54,000	2,10,540	12	63	Hansqua	17½	20	15	10	20/00	20/00	16/94
3,00,000	5,94,258	8,71,307	472	2,53,883	4.72	275,784	4.10	275,784	15,355	2	74	New Chumta	15	15	12 6/7‡	10	24/62	24/62	33/50
4,50,000	5,14,996	5,51,400	442†	3,99 412	5.05	..	..	..	3,14,780	12	139	New Terai	15	22½	..	10	36/00	36/00	36/00
5,85,000	7,31,628	10,29,030	407†	4,00,643	5.04	..	..	..	2,69,729	12	139	Pahargoomiah	25	20	..	10	15/00	31/12	31/12
1,00,000	2,27,050	2,24,244	119	94 461	4.39	..	..	..	43,136	12	63	Putinbaree	26	14	..	10	45/00	45/00	45/00
2,20,000	8,34,600	10,76,160	549	9,121*	2.02	..	..	..	2,85,088	12	165	Tirrihannah P.	30	40	..	10	49/00	49/00	49/00
												CHITTAGONG							
1,25,000	83,465	4,22,450	206†	1,19.459	5.03	..	..	..	23 045	12	139	Kodala	Nil	Nil	..	10	9/25	9/25	9/25
2,40,000	1,37,058	2,42.992	397†	1,30.649	5.12	..	..	..	12,742	12	139	Kornafuli	Nil	Nil	..	10	13/06	13/06	13/06
2,00,000	1,51,925	3,95,000	216†	1,24,798	5.02	..	..	..	1,26,040	12	139	Oodaleah	Nil	Nil	..	10	8/00	8/00	8/00
												SYLHET							
3,00,000	11,41,512	8,41,647	617	1,64,340	5.14	276,309	4.48	2,90 300	339,312	12	..	Chundeecherra	Nil	Nil	Nil	10	26/00	26/00	23/50
6,00,000	8,76,636	13,11,051	554	164,602	5.66	2,33,890	4.97	1,94,690	4,42,596	12	63	Dauracherra	15	22½	22½	10	7/56	7/56	7/37
2,46,050	3,50,022	Nil	479	88,302	5.00	1,26,336	4.28	1,34 264	24,933	12	358	Kaliti	Nil	Nil	Nil	10	10/00	10/00	9/25
5,59,930	8,72,647	14,67,800	1,030	9,16,480*	2.40	11,42,720*	1.99	10,40,000	344,758	12	236	New Samanbagh P.	Nil	25	Nil	10	18/37	18/37	20/81
36,00,000	48,80,181	75,27,644	4,128	11,23,657	5.40	19,52,002	5.00	18,51,000	42,44,455	12	63	Patrakola	40	32½	40	100	120/00	120/00	137/50
3,20,000	3,93,671	1,46,290	724	2,65,920*	2.22	..	..	..	—179,428	12	236	Rajnagar	Nil	Nil	..	10	9/56	9/56	9/58
9,00,000	17,77,865	25,69,827	1,182	3,06,754	5.57	4,18,826	5.01	4,07,080	625,281	12	63	Teliapara	17½	22½	32½	100	99/00	99/00	99/00

†Hectares. ‡ 1962

MISCELLANEOUS COMPANIES

Paid-up Capital Ordinary Rs.	Net Block Accounts Rs.	Reserve & other Funds Premiums & Forfeited Shares if any Rs.	Cash & Securities Rs.	Net Profits including taxation Rs.	Carry forward Rs.	Accounts closed	Mg. Agts., Secretaries, etc.	NAMES	Dividends per cent 1960	1961	1962	Paid-up per Share Rs.	Latest Market Quotations as available until 3-7-63 Rs.	26-6-63 Rs.	A year ago Rs
								MININGS							
£2 369.796	..	£218,681	£2,781,590	£12,559	£174,204	12	153	Burma Mines	2 3/5	Nil	Nil	3½S	0/44	0/44	0/44
30,00,000 O / 15,00,000 Dd	37,08,889	32,54,468	54,05,355	15,96,846	13,914	12	312	Chrestien Mica Industries P.	15 / 25	12½ / 20	.. / ..	10O / 5Dd	10/40 / 8/85	10/12 / 8/85	11/37 / 8/88
£1,371,300	£1,758,381	£225,873	£755,274	£1,057,163	£72,310	12	88	Indian Copper Corporation	27	27	..	2s	4/70	4/60	5/00
50,00,000	51,72,031	10,43,352	53,971	5,66,976	14,41,622	3	343	Metal Corporation P.	Nil	..	..	10O	7/91	7/91	12/12
20,00,000	46,05,415	67,67,431	55,46,956	13,17,757	38,801	6	21	Orissa Mineral Development	36	28	20	10	26/94	27/75	42/37
								CEMENT, LIME, SLATE, ETC.							
59,90,843	1,64,85,110	12,01,831	18,510	7,17,476	14,996	3	381	Ashoka Cement	7	7	7	10	7/31	7/31	8/12
43,14,600 O / 70,976 Dd	41,51,412	21,43,429	29,64,072	1,70,813	6,44,675	3	80	Assam Bengal Cement	..	..	..	10O / 1Dd	3/25 / 0/47	3/25 / 0/47	2/94 / 0/37
55,23,146	98,02,889	19,77,396	66,723	24,46,663	1,703	12	155	Bengal Potteries	15	..	..	2½	5/50	5/50	6/87
40,00,000	73,55,750	28,31,157	3,76,724	23,10,445	50,122	3	21	Bisra Stone Lime	30	30	10	10	35/00	35/00	35/50
1,66,00,000 O / 5,00,000 Dd	1,86,81,933	99,52,704	1,90,71,398	1,16,81,256	..	12	123	Dalmia Cement (Bharat) P.	12	12	12	10O / 1Dd	13/31 / 3/00	13/31 / 3/06	13/31 / 2/00
2,50,00,000	5 94,43,463	94,05,545	5,54,170	65,02,100	4,94,598	3	335	Jaipur Udyog P.	6	8	8.36	10	11/69	11/06	13/00
30,00,000	65,85,756	48,53,199	5,16,752	26,19,499	34,654	12	21	Kumardhubi Fireclay & Silica P.	18	18	..	10	18/45	18/45	18/45
2,25,00,000	3,77,58,590	1,36,03,808	30,93,905	98,75,491	..	12	362	Orissa Cement P.	15	15	10	10	13/75	13/75	17/44
6,00,000	20,07,006	21,78,065	17,41 738	4,85 806	30,441	2	223	Reliance Firebricks & Pottery	22	15	10	10	22/75	22/75	22/75
75,00,000	70,40,378	22 40 000	3,27,600	6,34,591	31,640	12	357	Sone Valley Portland Cement	4	..	..	5	4/37	4/56	5/03
9,64,520	19,00,054	10,46,690	6,23,484	10,16,971	23,403	12	3	Sutna Stone & Lime	27½	30	..	10	35/00	35/00	37/00

MISCELLANEOUS COMPANIES—Contd.

O., Po., C. and Dd. indicate Ordinary, Preferred Ordinary, Contributory and Deferred Shares respectively. P. next to the name of the company indicates that the company also has Preference Shares. Figures in "accounts closed" column indicate the months of the calendar year in which accounts are closed. For Managing Agents refer to the Key (last page) under the numbers indicated.

Paid-up Capital Ordinary Rs.	Net Block Accounts Rs.	Reserve & other Funds Premiums & Forfeited Shares if any Rs.	Cash & Securities Rs.	Net Profits including taxation Rs.	Carry forward Rs.	Accounts closed	Mg. Agts. Secretaries etc.	NAMES	Dividends per cent 1960	1961	1962	Paid-up per Share Rs.	Latest Market Quotations as available until 3-7-63 Rs.	26-6-63 Rs.	A year ago Rs.
								CHEMICAL INDUSTRIES							
62 00 000 2,45,00,000A	5,92,45,650	1,96,10,273	4,78,066	71,72,056	1,37,284	9	121	Alkali & Chemical Corpn. of (I)	12	15	15	10	31/87	31/12	44/50
20,00,000	18,48,048	15,681	5,958	−2,50,346	−8,53,536	12	442	Bathgate & Co. Ltd P.	Nil	..	..	5	0/84	0/84	0/87
15,00,000O 11,08,300A 22,54,700B	76,41,341	68,84,605	21,11,440	18,06,053	1,30,717	3	245	Bengal Chemical & Pharm P.	7	10	..	100	97/00	99/00	103/00
15,00,000	36,34,102	22,82,883	19,49,050	12,04,892	6,978	6	377	Calcutta Chemical P.	18	18	18	10	17/87	17/87	18/37
4,95,000	99,022	Nil	41,554	72,146	2,560	2	129	Frank Ross P.	..	..	..	6	3/25	3/25	3/25
20,00,000	11,71,084	16,07,251	9,33,133	11,60,256	92,801	6	191	Smith Stanistreet P.	25	25	25	5	12/25	12/25	16/44
								ELECTRIC LIGHTING, POWERS							
19,99,600	1,15,72,761	51,20,883	27,74,213	4,56,810	52,889	3	32	Agra Electric Supply	11	11	11	100	120/00	120/00	125/00
8,00,000	29,33,899	15,51,802	8,09,008	2,00,631	25,623	3	32	Bareilly Electric Supply	11	11	11	10	14/37	14/37	12/00
17,00,000	1,03,03,450	52,26,411	19,58,483	4,34,454	47,208	3	32	Benares Electric Supply	11	11	11	10	12/37	12/37	12/00
5,91,360	15,65,473	807,902	2,70,659	1,36,558	41,730	3	202	Bhagalpur Electric Supply	8	10	8	8	6/00	6/00	6/08
£4,262,646	£21,040,641	£10,815,246	£173,696	£1,599,019	£100,524	3	90	Calcutta Electric Supply	7	7½	7½	£1	14/31	14/25	15/25
6,80,040	22,18,405	7,17,141	32,69	151,465	63,899	3	202	Cuttack Electric Supply	7½	10	10	10	11/87	11/87	12/62
43,20,000	66,87,445	29,73,446	41,87,140	14,42,862	4,27,783	3	2	Dishergarh Power Supply P.	10	10	10	100	88/00	88/00	94/00
5,34,640	17,29,086	96,513	95,409	65,283	3,590	3	168	Jhansi Electric Supply	..	..	..	10	5/90	5/90	6/00
22,49,550	66,50,843	29,21,749	5,35,562	2,69,909	33,302	3	32	Jubbulpore Electricity Supply	10	10	10	10	11/00	11/00	11/00
4,85,000	6,70,824	2,24,149	1,09,776	46,495	39,015	3	258	Mirzapur Electric Supply	..	..	..	9	12/00	12/00	7/56
5,82,390	24,50,815	6,87,284	3,48,986	2,22,292	22,259	3	202	Muzafferpore Electric Supply	12½	12½	12½	10	11/50	11/50	11/75
6,99,700	17,47,574	1,14,377	2,18,491	43,664	18,988	3	329	Muttra Electric Supply	..	..	..	10	11/12	11/12	10/37
35,07,380	98,50,374	48,67,675	3,95,468	12,96,460	1,27,547	3	202	Patna Electric Supply	10	10	10	10	10/56	10/56	11/47
9,10,000	8,77,203	2,86,692	3,19,022	1,58,667	17,201	3	202	Shahjahanpur Electric P.	6½	6½	6½	10	7/00	7/00	7/50
16,80,000	24,13,949	16,03,685	9,75,497	458,680	3,975	3	21	Sijua (Jherriah) Electric	10	9	9	10	8/25	8/25	9/06
56,00,000	2,03,16,819	80,84,613	25,53,868	11,08,426	92,879	3	32	United Provinces Electric	11	11	11	100	115/50	115/50	126/00
5,00,000	21,74,345	14,00,467	7,69,903	1,92,745	33,674	3	32	Upper Jumna Valley Electric	13½	13½	13½	10	16/00	16/00	15/25
								ENGINEERING & METAL							
6,00,000	6,61,485	63,426	1,48,213	2,93,398	−1,52,122	12	300	Arthur Butler (Muzaffarpore) P.	..	..	..	10	14/94	14/94	13/00
50,00,000	36,87,587	44,13,221	72,862	34,13,246	5,246	12	31	Bhartia Electric Steel	10	10	12½	10	14/50	14/50	11/75
1,00,00,000	1,53,20,721	94,55,491	65,84,159	1,06,44,576	2,757	12	289	Braithwaite & Co. (India)	25	25	14	10	29/87	31/10	35/50
12,00,000	62,65,971	30,43,274	7,42,812	21,52,136	..	12	24	Bridge & Roof	30	30	30	10	52/25	52/25	52/25
19,68,670	33,56,748	1,08,796	1,86,939	1,80,146	−611,196	12	192	Britannia Building & Iron P.	Nil	Nil	Nil	10	3/65	3/65	3/65
50,00,000	97,94,575	47,48,365	1,14,934	11,48,142	1,11,267	12	165	Britannia Engineering P.	10	10	..	10	8/31	9/37	12/00
15,00,000	12,12,276	14,63,600	14,598	12,02,402	94,447	12	24	British India Electric Cons.	45	20	..	10	33/12	33/12	50/00
84,10,000	3,32,68,591	2,76,84,425	40,25,787	1,39,62,242	1,08,751	4	32	Burn P. (Engineering)	28½	28½	28½	100	558/00	550/00	655/00
1,00,00,000	58,08,200	12,29,727	8,51,964	24,04,847	3,67,902	3	437	Calcutta Steel	15	15	..	10	13/37	13/00	..
60,00,000	1,12,20,938	24,00,000	2,06,679	22,94,248	1,09,021	1	434	Dalmia Iron	10	10	10	10	10/56	10/62	11/56
4,00,00,000	6,65,01,979	6,98,32,755	2,11,42,172	1,27,55,590	..	12	227	Guest, Keen Williams	16	14	14	10	32/37	31/62	39/37
12,50,000	19,72,898	6,45,100	27,549	3,79,980	5,801	12	32	Hooghly Docking	Nil	Nil	12½	50	108/00	108/00	111/00
12,44,38,990	63,35,01,942	27,24,83,378	2,11,93,832	9,18,78,416	24,72,163	3	32	Indian Iron & Steel P.	15	16	16	10	22/62	22/06	25/44
1,54,000Dd	11,52,812	14,301	1,82,994	−4,18,836	−4,03,294	3	225	Indian Malleable Casting	Nil	..	..	50	6/00	6/00	6/00
77,97,000	50,83,821	87,57,038	63,89,397	1,71,88,152	21,061	3	32	Indian Standard Wagon P.	Nil	..	..	1D	1/75	1/94	2/22
96,79,740O	3,27,37,933	2,72,79,486	1,63,11,480	39,84,802	2,31,049	3	122	Indian Steel & Wire Products	23	24	28	100	40/37	40/37	55/50
12,00,070	8,18,350	1,41,916	2,530	6,15,154	45,149	12	24	Industrial Containers	Nil	10	..	10	21/37	21/37	15/12
1,51,83,863	2,75,25,083	1,27,78,829	11,63,784	56,79,346	9,036	3	442	Jay Engineering	17 3/20	17 3/20	15	10	21/06	21/06	..
40,00,000	59,72,635	35,85,700	10,46,966	29,45,860	86,647	1	132	J. K. Steel P.	20	20	10	10	14/12	14/12	17/81
2,04,00,000	3,50,50,970	2,30,16,815	78,81,184	1,52,79,678	51,150	10	290	Jessop & Co. P.	8.58	8.58	8.58	10	24/25	23/06	23/44
27,64,800	61,46,982	53,04,910	97,324	21,99,856	3,038	11	21	Kumardhubi Engineering P.	10	11½	15	3	8/23	8/19	7/75
10,50,000	3,74,383	19,18,004	4,14,975	−8,36,768	−5,63,683	6	170	Marshall Sons (India)	Nil	Nil	Nil	2	2/56	2/56	3/37
49,96,000	61,94,985	13,08,396	3,83,036	2,56,716	−4,42,917	3	192	National Iron and Steel	Nil	Nil	Nil	10	3/87	3/87	5/44
6,00,000	10,13,254	18,88,375	1,40,370	6,90,088	11,859	3	25	Saran Engineering	8½	10	12½	4	8/50	8/75	10/00
14,10,070	8,16,570	12,38,002	2,56,891	20,72,177	..	12	24	Steel Containers	30	20	20	10	23/50	23/50	22/00
1,50,00,000	2,73,21,766	61,37,435	13,28,341	52,01,525	62,642	12	22	Textile Machinery	10	10	..	10	23/00	22/20	24/30
								SUGAR, BREWERIES, ETC.							
14,00,000	17,29,800	10,95,148	39,573	1,10,785	15,763	6	371	Balrampur Sugar	8	8	4	2½	2/20	2/20	2/50
29,23,537	25,58,707	11,43,842	10,86,872	5,09,358	7,767	9	234	Belsund Sugar	18½	10	6 2/3	7½	7/81	7/81	10/06
32,00,000	3,86,827	43,34,516	18,14,343	1,94,461	2,33-	6	316	Bharat Sugar P.	..	..	..	10	13/00	13/00	13/00
32,00,000	45,72,835	43,34,048	27,81,820	13,71,567	3,71,540	1	32	Carew (Sugar) P.	Nil	Nil	Nil	10	12/50	12/50	13/25
30,00,000	90,08,963	59,84,997	6,94,684	−21,74,424	−25,45,362	10	25	Cawnpore Sugar P.	Nil	Nil	Nil	10	9/50	9/50	13/31
18,00,000	27,85,833	46,06,937	9,09,574	−978,687	−9,07,232	1	25	Champaran Sugar P.	15	12	Nil	10	13/87	15/87	17/94
38,01,380	25,88,250	31,90,510	1,79,345	4,77,197	1,97,076	8	392	Durbhanga	4	Nil	5	10	8/06	8/06	10/00
27,56,355	1,31,89,222	1,76,30,095	24,30,790	1,00,50,837	12,804	3	114	Dyer Meakin (Breweries)	25	30	..	5	26/00	26/50	55/12
11,00,000	6,45,722	3,75,000	10,90,364	95,437	52,208	6	140	New Savah Sugar and Gur	..	..	..	10	3/62	3/62	5/19
9,00,000	19,41,831	23,02,870	2,05,745	2,86,458	4,806	12	108	Puritabpur Sugar P.	..	..	..	10	11/50	11/50	11/50
16,59,820	41,29,938	57,22,889	2,532	8,47,183	79,042	3	1	Ramnugger Cane & Sugar P.	30	35	30	10	26/37	26/37	29/81
65,00,000	51,91,073	36,97,845	15,35,449	19,41,864	10,384	12	32	Raza Buland	12½	10	10	10	9/31	9/31	9/25
4,00,000	..	3,42,476	3,47,891	1,24,492	13,804	1	25	Ryam Sugar P.	..	..	..	10	5/20	5/20	8/06
11,99,000	22,10,161	18,54,067	2,09,162	−2,24,407	−2,20,853	6	..	Samastipur Central Sugar	..	..	..	10	9/62	9/62	9/00
30,99,000	67,03,440	25,83,624	21,94,759	16,75,658	34,779	3	32	Shree Krishna Gyanoday Sugar P.	15	..	..	10	7/06	7/06	9/19
7,94,900	13,54,858	11,68,178	11,16,386	1,90,057	7,991	1	140	Shree Sitaram Sugar	..	..	..	10	7/12	7/12	7/12
9,99,950	17,83,543	67,398	2,82,356	−6,97,343	−6,89,998	6	94	Sitalpore Sugar	4	Nil	Nil	10	6/12	6/12	6/62
16,00,000	42,22,843	19,40,304	2,03,163	−11,15,414	−9,17,147	*	141	United Provinces	15	5	Nil	10	10/62	10/62	14/72
8,00,000	90,57,769	67,09,675	9,18,326	37,10,120	25,765	6	316	Upper Ganges Sugar P.	72½	72½	72½	..	68/00	68/00	77/00

* Nil.

† 1963

MISCELLANEOUS COMPANIES—Contd.

O., Po., C. and Dd. indicate Ordinary, Preferred Ordinary, Contributory and Deferred Shares respectively. P. next to the name of the company indicates that the company also has Preference Shares. Figures in "accounts closed" column indicate the months of the calendar year in which accounts are closed. For Managing Agents refer to the Key (last page) under the numbers indicated.

Paid up Capital Ordinary Rs.	Net Block Accounts Rs.	Reserve & other Funds Premiums & Forfeited Shares if any Rs.	Cash & Securities Rs.	Net Profits including taxation Rs.	Carry forward Rs.	Accounts closed	Mg. Agts. Secretaries etc.	NAMES	Dividends per cent 1960	1961	1962	Paid-up per Share Rs.	Latest Market Quotations as available until 3-7-63 Rs.	26-6-63 Rs.	A year ago Rs.
								MISCELLANEOUS							
8,00,000	3,97,903	1,70,000	5,86,425	1,53,521	3,834	10	85	A. Firpo (Restaurateur)	7½	..	..	10	5/90	5/90	5/90
93,75,000	4,66,28,334	219,45,981	9,97,286	21,39,820	1,20,491	3	132	Aluminium Corporation P.	12	12	12	10	12/50	12/50	17/69
20,00,000	42,19,616	16,50,000	52,45,373	9,56,934	90,514	12	982	Anderson Wright P.	11½	..	..	10	11/50	11/50	11/50
30,00,000	13,74,003	43,57,426	25,11,996	21,50,119	2,24,624	8	208	Angelo Bros.	25	26½	28	10	21/75	21/75	22/87
30,00,000	20,74,600	33,58,937	16,15,347	24,27,878	12,842	12	674	Assam Match	18	20	20	10	28/75	28/75	25/25
13,99,998	20,17,690	19,78,119	41,224	4,57,148	10,925	9	343	Assam Saw Mills & Timber	Nil	Nil	..	3	2/97	2/87	2/44
1,18,00,000	53,91,481	93,43,093	59,95,725	59,77,803	7,18,123	8	491	Associated Battery	25	15	15	10	23/75	23/50	30/12
20,00,000	43,09,876	44,17,208	43,55,171	7,61,605	1,22,491	3	204	Associated Hotels of India P.	Nil	10	10	10	10/31	10/31	10/31
80,01,400	46,97,674	1,20,07,997	93,50,429	51,62,806	..	12	396	Balmer Lawrie & Co.	25	25	25	100	239/00	239/00	231/00
12,00,000	5,96,566	10,21,963	6,94,396	9,56,254	46,563	3	128	Bararee Coke	Nil	Nil	15	10	20/87	21/94	25/00
44,00,000	.	9,27,823	68,58,981	2,87,091	50,926	9	160	Birds Investments P.	9½	10	10	10	10/69	10/75	12/50
68,95,520	1,01,23,412	67,97,735	1,04,768	12,75,311	2,84,108	3	50	Britannia Biscuit P.	25	30	25	10	42/12	42/12	44/50
3,25,00,000	71,55,454	2,19,19,061	1,50,51,719	1,34,25,907	2,53,234	12	33	British India Corporation P.	4	7	9	5	8/50	7/62	9/25
50,00,000	21,88,077	40,58,031	9,91,493	24,64,559	27,856	12	392	British Paints	12½	13	10	10	18/75	18/75	23/69
5,00,000	6,83,781	1,65,739	1,54,429	2,63,717	5,201	3	213	Calcuta Silk Manufacturing P.	Nil	Nil	..	10	6/94	6/94	7/15
1,38,80,000	..	14,77,426	1,78,29,586	15,08,523	2,46,740	12	2	Clive Row Investment	8	7½	7½	10	8/19	8/25	7/94
90,00,000	24,68,979	1,27,43,000	1,98,66,116	35,58,709	2,42,095	12	169	Duncan Brothers & Co. P	14	14	14	100	147/00	147/00	155/00
4,50,00,000	6,09,38,229	5,05,74,162	11,32,452	3,30,38,275	25,88,011	12	96	Dunlop Rubber Co. (India) P.	21½	20	15	10	31/25	31/00	40/25
76,89,000	..	63,98,196	1,76,05,602	1,11,25,276	1,32,549	12	21	Eastern Investments P.	14	14	12	100	117/00	117/00	128/50
60,93,400	64,20,000	20,22,000	1,61,547	19,35,092	12,311	10	388	Electric Construction	10	10	10	10	12/22	12/22	14/56
30,00,000	28,94,553	27,23,508	19,90,832	15,65,118	2,10,371	3	51	French Motor Car	20	20	..	20	35/12	35/12	34/50
14,00,000	20,83,841	18,85,308	38,577	11,59,599	17,856	12	19	Ganges Rope	17½	20	20	100	236/00	236/00	221/00
2,25,000	..	56,065	5,62,570	45,240	6,905	2	21	General Investment & Trust P.	5	5	5	75	43/00	43/00	43/00
65,00,000	32,50,865	50,30,906	1,51,99,382	28,70,050	1,68,102	3	105	Gillanders Arbuthnot & Co P.	10	11	11	10	13/50	13/50	14/50
40,00,000	17,69,681	7,21,344	36,90,302	5,43,666	8,924	12	209	Gladstone Lyall & Co. P	4 2/5	..	..	10	..	..	..
60,00,000	34,79,636	31,88,500	1,29,469	46,26,030	33,310	12	310	Godfrey Phillips (India) P.	40	40	30	10	33/25	33/25	35/44
30,00,000	43,74,366	17,66,560	1,60,432	1,09,512	794	3	225	Great Eastern Hotel	9	6	..	250	225/00	225/00	241/00
4,68,75,000	3,08,48,439	..	2,33,36,909	2,11,555	2,11,555	12	438	Hindustan Aluminium P.	Nil	..	..	10	13/37	12/37	..
7,91,91,750	5,13,91,659	1,97,01,491	4,19,55,825	3,13,19,271	1,26,139	3	22	Hindustan Motors P	9	12	12½	10	15/81	15/78	19/25
80,00,000	66,37,267	16,00,000	39,09,797	28,38,718	1,31,125	10	..	Hindusthan Pilkington	..	..	..	10	14/94	15/75	21/75
39,64,650	46,43,081	Nil	2,27,855	−15,124	1,66,274	3	211	Hindusthan Twyfords P.	Nil	Nil	Nil	10	14/37	14/37	16/63
38,20,000	23,35,537	16,00,000	24,48,098	3,91,968	36,500	12	499	Hoare Miller & Co.	6	6	..	10	5/44	5/44	7/06
13,16,00,000	8,38,68,674	9,87,38,292	2,17,80,428	3,21,94,827	24,46,089	3	325	Imperial Tobacco	8	9	9	10	10/25	10/25	11/12
4,80,23,880	13,64,77,942	4,53,66,220	60,96,109	2,40,34,073	56,98,466	12	293	Indian Aluminium P.	15	15	17½	10	33/12	32/75	38/31
2,35,77,700	1,61,90,633	2,47,87,168	39,37,176	1,37,75,998	50,15,117	3	34	Indian Cable P.	22½	22½	22½	10	30/87	30/25	36/25
3,64,00,000	5,56,27,815	1,22,35,821	44,62,878	1,35,49,869	17,61,389	9	366	Indian Oxygen	15	15	12	10	25/75	24/87	46/25
8,27,970	8,82,919	12,42,783	10,99,551	12,01,372	53,791	3	223	Indian Rubber Manufacturers P.	20	30	36	10	19/87	19/87	20/31
20,00,000	2,57,217	27,98,665	39,32,380	21,71,601	3,26,125	9	88	Indian Wood Products	30	30	30	10	28/87	28/75	32/4-
74,89,150	72,05,408	..	2,48,802	−8,28,769	−14,68,456	12	63	Isaac Holdens	..	Nil	..	10	14/00	14/00	16/63
5,00,000	..	2,75,956	13,26,325	93,493	26,270	3	21	Investments and Finance P.	7½	7½	7½	100	55/00	55/00	55/00
72,62,500	23,44,049	64,37,500	3,02,73,819	8,00,318	44,050	6	439	J. K. Synthetics	..	3	..	10	10/00	10/00	..
9,37,500C 1,17,500D	2,28,843	Nil	5,88,284	−1,19,242	−1,18,804	12	281	James Wright P.	..	..	..	50	2/75	2/75	2/71
2,00,00,000	69,52,034	74,40,360	5,22,38,926	16,43,783	4,49,956	3	39	Jardine Henderson P.	7	7	6	1Dd	00/43	00/43	00/42
87,46,630	1,62,75,000	73,74,126	6,46,513	37,33,223	18,655	12	22	Jay Shree Industries P.	14	12½	..	100	86/00	86/50	81/00
1,39,81,750	8,81,41,369	3,32,78,328	49,57,935	1,00,74,268	43,454	3	22	Kesoram Industries P.	5	12	12½	10	14/44	14/44	17/56
6,34,000D	3,17,363	6,02,958	3,21,617	−14,078	−4,849	3	133	Macfarlane & Co.	..	..	..	10	21/37	21/56	28/06
68,000Dd	..	..	..	..	..	..	..	Macneill & Barry P.	..	..	..	50	7/00	7/00	7/31
1,50,00,000	88,29,556	92,10,447	2,71,03,736	35,11,053	3,38,735	12	334	Martin Burn Ltd. P.	8	8	..	1Dd	2/31	2/31	2/50
1,47,12,250	70,44,126	1,22,48,546	2,05,42,132	78,17,248	2,44,687	9	309		27½	27½	25	100	93/50	93/50	93/50
60,00,000O 5,00,000D	18,23,673	80,84,814	2,67,07,892	14,08,964	2,00,558	12	282	McLeod & Co. P.	15 10	15 10	..	100O 10Dd	210/00	210/00	215/00
1,61,00,000	2,76,53,533	2,38,95,151	41,04,252	1,23,59,734	38,785	3	167	Metal Box Co. of India P.	25	25	19	10	49/87	49/87	64/71
90,00,000	78,16,888	18,89,17,95	3,89,821	68,52,668	1,73,335	3	7	National Insulated Cable P.	25	25	25	10	22/00	24/00	31/25
30,00,000	22,68,464	34,26,465	18,44,015	22,10,080	52,804	9	7	National Pipes & Tubes P.	20	20	20	10	25/94	25/94	31/81
40,00,000	37,29,364	39,77,438	31,24,718	20,63,112	35,985	6	7	National Rolling & Steel Ropes	13	15	15	10	18/87	18/87	22/12
60,00,000	69,05,819	16,52,447	4,31,039	11,41,474	75,633	12	375	National Rubber P.	Nil	6½	8	10	11/56	11/56	12/31
79,97,000	77,87,804	1,29,48,132	28,35,366	17,51,943	3,61,143	12	79	National Tobacco P.	16	7	7	10	11/69	11/69	13/94
23,31,600	1,014	13,02,891	9,90,509	6,26,950	40,375	12	35	New India Investment Corpn.	8.7	..	..	75	65/00	65/00	70/00

MISCELLANEOUS COMPANIES—Contd.

O. Po and Dd. indicate Ordinary Preferred Ordinary and Deferred Shares respectively. P. next to the name of the company indicates that the company also has Preference Shares Figures in "accounts closed" column indicate the months of the calendar year in which accounts are closed. For Managing Agents refer to the Key (last page) under the numbers indicated.

Paid up Capital Ordinary Rs.	Net Block Accounts Rs.	Reserve & other Funds Premiums & Forfeited Shares if any Rs.	Cash & Securities Rs.	Net Profits including taxation Rs.	Carry forward Rs.	Accounts Closed	Mkg. Agts. Secretaries etc.	NAMES	Dividends per cent 1960	1961	1962	Paid-up per Share Rs.	Latest Market Quotations as available until 3-7-63 Rs.	26-6-63 Rs.	A year ago Rs.
								MISCELLANEOUS (Contd.).							
60.00 000	6.74 367	66.56 843	85 18 613	12 27.365	2.77 718	12	321	Octavius Steel P.				100			
2.20.00.000	1,99.24.542	89.30.483	25.74,107	1,20.21.148	1,39.632	12	364	Philips India	10	..	..		..	..	..
2.86 200	81.000	5.62.800	2.80.533	4.74.296	82.858	3	142	Publicity Society	12	12	13	10	27/00	28/00	33/62
2,25.00.000	86,77.634	14.24.127	1,33.25.576	44.48.355	3.23.563	8	332	Rallis India P.	10	75	75	4	22/62	22/62	27/00
5.00.00.000	8.03.38.621	2,57.80.000	1,14.05.040	49.28.459	5.08.029	3	335	Rohtas Industries P.	4	8½	8½	100	116/00	116/00	138/00
94.27.380	5.55.68.935	Nil	14.04 497	3.60.253	37.513	9	22	Sirsilk P	20	10	8	10	10/81	10/69	15/50
70.00.000	2.31.09.587	58.67.480	20.33.664	23.36.729	13.552	9	376	Sen Raleigh Industries P.	Nil	..	..	10	9/25	9/06	9/69
75.00.000	1,02.89.547	55.43.000	1,78.35.987	41.86.452	5.57.492	12	278	Shaw Wallace P.	8	8	8	10	14/06	14/00	18/87
3.00.000	3.33.174	23 169	90.501	17.483	1.739	12	111	Spencers Hotel	15	15	7½	10	15/37	15/37	23/75
2,80.00.000	5.74.94.906	3.16.49.275	38.74.069	1.86.24.531	4.44.246	12	301	Union Carbide	2½	2½	..	2	0/94	0/94	0/94
2,10,200PO 8,40,800O		5.18.268	24,12,476	10.86.208	13,99,207	3,87,027	12	195	Walford Transport	18 30 20	18 30 20	12½ ..	10 1PO 1O	38/75 2/37 3/56	38/75 2/44 3/56	48/50 2/69 3/50
								INSURANCE COMPANIES							
13.50 000	6.47 527	54 93.120	1,31 72 690	6.70.637	78 475	12	174	Concord of India							
24.00.000	65.903	82.46 577	1,27.34 490	16.71.905	3.93 660	12	248	Hercules	20	20	..	5	10/31	10/25	18/00
32.00.000	7,51.382	1.15.82.907	2,08.14.578	12.75.071	4.95.149	12	38	Ruby General	22½	26½	..	10	24/19	24/19	25/17
8.00.000		21 62.072	27.92 606	51.893	12.241	12	..	Standard General	10	13½	..	8	10/12	9/31	8/81
5,75,000	25,990	73,52,563	99.05,303	7,07,189	1,95,530	12	39	Triton	..	..	..	10	6/00	6/00	8/00
									45	50	..	25	132/00	132/00	134/00
								FLOUR MILLS							
12.00.000	4.11.000	29.55.620	6,63,425	10.87.621	1.80.000	12	24	Bengal							
5.60 000	6.51.040	2.47.038	2.17.808	1.05.473	1.26.880	10	97	Delhi P.	40	25	25	10	28/12	28/25	31/50
48.90.137	47.18 433	77.72.310	56.85 368	33.61 767	4.07.338	9	175	Ganesh P.	..	..	..	10	14/00	14/00	14/00
9.00.000	4.53.646	4 52.302	8.883	2.19.375	32.614	12	236	Hooghly	..	..	..	12½	15/75	15/75	17/12
5.00.000	2,77,355	6.61,791	25,812	2,25,689	6,571	11	236	United	15	Nil	Nil	10	19/75	19/75	19/75
									35	10	7½	10	27/81	27/81	30/00
								OIL COMPANIES							
£2.900.001	£2,383.591	£1,700.442	£507.508	£1.073.511	£100.742	12	249	Attock Oil							
£82 419.080	£35.843 326	£12 750.000	£13 148.421	£18.446.093	£582.861	12	62	Burmah Oil P.	13½	13½	..	£1	sh. 36/1½	34/10½	sh. 25/-
1,00.00.000	59.29.364	1,75.25.203	2,84.68.306	54.63.502	1.19.330	12	249	Indo Burmah Petroleum P.	9 2/5	..	..	£1	sh. 65/6	55/4½	sh. 36/6
6,00,000	3,20,016	9,89,137	4,92,803	4,47,005	12,113	10	2	Tide Water Oil	30	25	22½	10	21/87	21/87	26/62
									30	35	35	10	25/25	25/25	25/50
								PAPER MILLS							
58.50.000	1.09.71.994	63.55.637	10.43.959	47.17.412	50.816	12	436	Bengal P.							
88.20 000	1.18.96.097	84.80.934	10.29.515	23.47.414	46.493	3	2	India Paper Pulp	32	27½	20	10	28/00	29/12	33/44
1,57.83.688	6.50.00.000	3.92.78.014	59.38 470	1.41.20.011	2.25.579	3	22	Orient Paper P.	15	13	12	10	16/75	16/75	21/50
1,25,51.920	4.31.23.657	1.49.74.473	71.97.660	58.83.929	31.55.867	12	140	Shree Gopal Paper P.	22½	22½	22½	10	34/50	33/70	42/05
2.18.55.240	4.62.89.369	72.10.000	6.79 140	33 33.899	99.729	6	22	Sirpur P.	17 6/7	17 6/7	..	10	23/81	23/81	26/56
1,00,00.000									6½	8½	..	10	11/59	11/69	13/31
10.00.000A	4,41,41,480	8.52,298	5,66,797	—1,17,823	56,480	9	36	Star Paper P.	Nil	Nil	Nil	10	8/06	9/31	10/00
4,37,500PO															
56.00.000AO	4.96.82.144	3.30.31.629	21.85.452	—11.38.443	58.939	3	106	Titaghur P.	10	13	13	2½PO	3/78	3/78	4/00
56.04 800BO									25	20	10	10AO	15/44	15/37	40/87
1,50,00,000O	4,95,97,051	85,00,000	1,73,752	58.44,196	17,196	6	373	West Coast P.	25	20	10	10BO	15/44	15/37	40/87
									6	7½	..	100	125/00	125/00	176/00
								PRESSING COMPANY							
4,30,000	1,81,531	1,45,000	5,34,786	65,294	24,928	7	326	Camperdown	11	11	..	100	104/00	104/00	100/00
								REAL PROPERTY STORAGE							
10.00.000A												A500	1.050/00	1.050/00	610/00
1,25.000B	14.75.599	7.71,511	6,55,848	1,14,879								B62½	135/00	135/00	77/25
2.00.000L					3,609	4-10	73	Bengal Bonded Warehouse	11	8	8	C100	122/00	122/00	122/00
25.000D												D12½	14/15	14/15	14/75
7,42.150	11.68.346	4.23.135	33.823	81.259	3.142	3	6	Calcutta Safe Deposit	..	..	..	100	7/87	7/87	7/25
1,00.00.780O	19.85.868	9.01.590	13.43.272	3.61.779	1.33.593	9	432	Humayan Properties P.	6	..	..	10O	11/00	11/00	11/00
2,00.000Dd									Nil	..	..	1Dd	2/15	2/15	2/15
7,99,00,000	13,373	Nil	13,17,910	—85,757	—21,89,035	4	2	Midnapore Zemindary P.	Nil	Nil	Nil	85	10/00	10/30	9/56
								TRAMWAYS & STEAMER							
20.00 000	29 74.805	27,13.587	10.28 887	3.59 472	11.765	10	2	Bengal Assam Steamship P.	7½	7½	..	100	131/00	131/00	112/00
6,25,000	5,18,823	7,61,818	11,59,093	5,18,780	5,967	10	69	Calcutta Landing & Shipping	3½	7½	22	10	34/00	34/00	20/25
12.60.000	23.78.412	13.83.110	42.995	28,490	—42.629	6	398	Calcutta Steam Navigation	10	Nil	Nil	10	9/50	9/50	9/44
£700.000	£2.937.715	£1.560.692	£315.682	£105.509	£1.407	12	98	Calcutta Tramways P.	..	..	..	£10	10/87	11/06	12/25
6,04.880	6.97.987	5.56.706	33.440	1,35,098	—637	3	139	Fraser	Nil	..	..	10	10/00	10/00	10/00
£655.580	£1.970.808	£432.856	£419 913	—£80.988	—£84.854	8	431	India General Nav. & Railway P.	Nil	..	..	10	39/00	39/00	64/00
2,47.50.000	16,80,59,821	1,57,51.780	1,36,10.394	—41.42.006	—41.42.006	3	291	India Steamship P.	10	Nil	Nil	10	6/00	6/00	7/00
14,08,220	13,34,804	74,870	7,951	—62,391	—4,09,480	12	..	Port Shipping	Nil	Nil	..	10	12/44	12/44	11/94

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POPULATION, PRICES UP: THE REST STAGNATES

A LONG-AWAITED Press conference began in New Delhi last week with the arrival, metaphorically speaking, of a lorry-load of sackcloth and ashes. Out of it rose the tall, gaunt figure of Mr. Gulzari Lal Nanda, deputy chairman of the Planning Commission, to announce that the third five year plan was showing signs of cracking up. The Planning Commission, said Mr. Nanda, had expected that India's population would increase at the rate of 2 percent or 2.2 percent a year. Some experts now thought that it was going up at the rate of 2.4 percent a year. In this statistical tribute to the relentless fecundity of the Indian people lay a major threat. The Planning Commission. diligent as ever, would invite its best academic talents to "check up" whether the new estimate was correct. And if it was—Mr. Nanda implied—the Commission would consider declaring straightaway what to everybody else is by now common knowledge—that the various targets in the third plan stand an excellent chance of going completely awry. Mr. Nanda saved himself the embarrassment of explaining how the checking would be done—through the time-honoured practice of statistical jugglery. for instance, or through a brand-new national Census? Nor did he explain why, in the short term, if the population was rising too rapidly, the production of steel or fertilisers or food should be rising too slowly. The implication could not be true that the population growth has so intensified national hunger that the people have taken to a menu of blast furnaces and ammonium sulphate factories.

The theme-song of Mr. Nanda's Press conference was a long moan about the rise in prices. Many among his audience sadly recalled that no more than eight months ago—at the height of the Chinese invasion—the same Mr. Nanda had proudly announced on his Government's behalf what was flatteringly described as a price policy. He was informed at the time that the price policy was not a policy at all; it consisted of hints, threats, assurances and warnings, all of which were liable to be blown to oblivion by the wind of the Government's own verbosity. That sorry state of affairs has now come to pass, and Mr. Nanda has been compelled to admit that the rise in wholesale prices over the past year has amounted to no less than 4.9 percent. Mr. Nanda forgot to mention that the official statistics on which this estimate is based traditionally understate the extent of the rise; that the increase in prices at the retail level has been a good deal more; and that the rise in recent months has been particularly sharp. Instead, he sought refuge under an umbrella of disingenuousness by claiming that only rice, pulses, sugar and *gur* have become much costlier; and that the prices of other commodities have hardly increased. Whatever may have been the impression conveyed by the Planning Commission's *khansamas*, that is certainly not the general experience. A casual visit to the markets suggests that the rise in prices, especially since the Central Budget was presented, has been sharp, widespread and indiscriminate.

Mr. Nanda rode an old hobby-horse by insisting last week that, to the extent that prices had risen, it was because the trade had not "done its duty." The fact is that the trade never does; if it were to do what Mr. Nanda considers to be its duty, it would have to start by organising a series of political assassinations first in the Planning Commission, and then in the Food and Finance Ministries. After more than 20 years of inflation, the Government comes forward with the pathetic discovery that the failure of its price policies is due to business morality at the wholesale and retail level being poor. One would have thought that enough time had passed for the lesson to be learnt that in a situation of growing shortages, prices cannot be reduced unless demand is depressed or supplies increased.

The recent trouble with prices starts with the fact that for more than two years, foodgrains production has stagnated, and rice output has actually gone down quite sharply. The growth of industry too has suffered, the supply of essential consumer needs such as cloth and sugar being particularly erratic. The Government meanwhile has been merrily pumping more and more money into the economy through the time-honoured device of deficit financing. Such financing was especially lavish after the Chinese invasion; to it has more recently been added a rollicking Budget which has sent costs and prices zooming upwards. For the Planning Commission to have thought that. in these circumstances, inflation could have been stopped by establishing a wider network of fair-price shops and consumer co-operatives was plain eyewash. Eight months after he announced that the country would be plastered with such shops and co-operatives, Mr. Nanda has woken up to the formidable organisational difficulties involved. He has now come round to the view that, to be effective, they would have to handle 20 percent or 25 percent of the trade in a particular commodity—which is as good as saying that they will not be effective for the rest of the twentieth century.

Committed as it is to a strongly inflationary budgetary policy, there is perhaps little that the Government can do to check the rise in prices immediately. The Food and Agriculture Minister, Mr. S. K. Patil, has already done his best: sped off to the United States and returned with the promise that rice shipments under the P.L. 480 programme will be speeded up. His deputy, Mr. A. M. Thomas, has done his best too: assured the people that the Government has more than enough rice stocks in hand—if only everybody would please start eating wheat. Eaters of pulses are presumably to be left to fend for themselves; but for sugar a brave new target has been announced which visualises the miracle of a 50 percent increase in production next year with the aid of incantations from New Delhi. The general impression left by the variety performance is that the Government proposes to do nothing except sit quietly with its fingers crossed, hoping that when the winter crops move into the markets prices will drop temporarily and shouts of joy will rend the air.

As most people outside the Government and the Planning Commission have long been aware,

there is a crucial need for India to intensify her drive for increasing agricultural production. Never has the need been greater than it is now if the Government is serious about saving something from the wreckage of the third plan. Mr. Nanda last week spoke with youthful enthusiasm of the fact that several agricultural teams have been touring the States, and have returned with expert reports on the changes necessary in agricultural administration in order to increase farm productivity. He understandably did not consider it advisable to add that the number of reports on the subject already in the Government's possession is legion; all enjoy the happy fate of lying unread as they gather dust in secretariat pigeon-holes, and it remains to be seen whether the latest ones will fare any better. For the Planning Commission to talk airily, as Mr. Nanda did, about grandiose targets for the fourth plan might be more reassuring if even a few of the major targets of the third plan were in sight of being achieved.

PRODUCING MORE SUGAR

IT is to be hoped that the Government of India's decision to license wholesale dealers in *gur* and *khandsari* will be followed by more effective measures to make these commodities cheaper. According to an official Press note, the prices of both have been rising "without any justification", so it has become necessary to keep a watch over the trade. The Government is worried that sugar production has fallen sharply during the current season because the crop was small and the limited supplies of cane were diverted to *gur* and *khandsari* manufacture. The diversion is wasteful considering that about half the sugar content of the cane is not extracted under the crude and primitive methods of milling employed by *gur* and *khandsari* manufacturers. It also tends to reduce sugar output by depriving the factories of cane. If the present high prices of *gur* and khandsari continue, the supply of cane available for sugar production during the next season may again be too small.

Mr. G. M. Modi, president of the Indian Sugar Mills Association, has already issued the warning that because of the high prices of *gur* and *khandsari*, power crushers and *gur* manufacturers will start crushing early in October, while the sugar factories will have to wait for the cane to mature so that they can get a recovery of at least 8 percent. Thus by the time the sugar factories start working, a substantial quantity of cane in northern India will already have been converted into *gur* and *khandsari*. Sugar, being a farm-based industry, is subject to the vagaries of nature. During a lean year, the shortage of cane is accentuated as supplies are diverted to *gur* and *khandsari* manufacturers, who can pay more for the raw material since their products are not subject to price control. Sugar factories are subject to price control, so they cannot afford to buy cane at high prices. On the other hand, during a bumper year, the industry does not get the benefit of cheap cane since it has to pay the minimum prices fixed by the Government. The quantity of cane available to the industry meantime increases as *gur* and *khandsari* production declines with the fall in their prices. This is one reason why the sugar industry has been subject to a recurring cycle of glut and shortage.

Apart from the need to meet the increase in domestic demand, the Government's anxiety to step up sugar production arises from its export potential. In 1962, exports totalled 373,000 tons and earned Rs. 14.82 crores in foreign exchange. The export commitment for 1963 is 500,000 tons, which may fetch about Rs. 30 crores. Mr. S. K. Patil, Central Minister for Food and Agriculture, claims that India is now assured of a ready market for at least 750,000 tons next year. He told a Press conference in New Delhi recently that the U.S.A. had offered to buy 500,000 tons every year and would allot a permanent sugar quota to India. Japan, he added, had agreed to buy 250,000 tons. However, the snag is that Indian sugar will have to be competitive in price—which is possible only if the present high production costs are drastically reduced. Japan is no doubt a major importer of sugar, her intake being 1.2 million to 1.4 million tons a year. India has been able to enter this market—some 90,000 tons have already been exported—since she started producing raw sugar this year. But considering the present cost structure, one is inclined to doubt Mr. Patil's assumption that 250,000 tons of raw sugar could be shipped to Japan every year.

To meet the increased requirements at home and abroad, the Government has decided to license an additional capacity of 500,000 tons, which will take the third plan target from 3.5 million tons to 4 million tons. The total licensed capacity at the end of March this year was 3.35 million tons. The Government's partiality for co-operative societies is well-known, but there is no reason why it should influence the licensing policy. Reports suggest that a sizable part of the new capacity may go to the co-operative sector. A major factor that will have to be taken into account is that many of the existing factories do not have optimum capacity. In order to benefit from the economies of scale, they should be allowed to expand. Furthermore, expansion would be more economical and would involve less foreign exchange expenditure than the setting up of new mills. The price of sugar should allow sufficient margin to cover the costs of expansion, rehabilitation and modernisation of the existing units. No less important than expansion is the fuller use of existing capacity. There is a large volume of idle capacity in the industry, which can be used only if adequate supplies of cane are ensured over a longer period. This calls for the sowing of early and late maturing varieties of cane.

A stable long-term policy to increase sugar output has yet to be formulated. So far there has been too much reliance on short-term measures such as controls. As Mr. M. N. Pittie stated in his presidential address at the last annual general meeting of the Indian Sugar Mills Association, "the history of sugar is one of control, decontrol, recontrol, partial control and control again." The Government's objective is to raise output by over 50 percent during the next season and produce a minimum of 3.3 million tons, against 2.15 million tons during the current season. Spokesmen of the I.S.M.A. have pleaded for an increase in the price of cane, coupled with concessions in excise duty and the cane cess. But there is no justification for raising the price of cane; all it would do is to divert land from food crops to cane. The main need is to produce cane of better quality and increase the yield an acre. The system of linking cane prices with the sucrose content is a step in the right direction. The price differentials now need to be widened so that the incentive for growing high-quality cane is greatly increased.

EXPORT AMBITIONS

AN increase of 5 percent in export earnings is implied by the target of Rs. 745 crores adopted by the Board of Trade at its meeting in New Delhi last week. Considering that exports have risen by about 10 percent in the last two years, this is a modest enough goal, especially with a Rs. 20-crore deal in prospect under which the United States is expected to resume purchases of manganese ore and ferro-manganese. While there is much to be said for realism in setting targets, progress at this rate is clearly insufficient if even the limited objective of earning enough to pay for the economy's maintenance needs is to be achieved. The third plan document assumed that exports would bring in Rs. 3,700 crores over the five-year period, against which maintenance imports would cost about Rs. 3,650 crores. Even before the emergency intervened, it became clear that requirements of maintenance imports had been seriously under-estimated. One example of this was the assumption that domestic steel output would expand quickly enough to permit a drastic cut in imports, and a sum of only Rs. 230 crores was provided in the foreign exchange budget for the entire five-year period. Against this, the actual outlay on steel imports in the first two years of the plan was Rs. 194 crores. The same kind of unwarranted optimism was seen in the case of fertilisers, heavy chemicals and other goods. On top of this, the import deficit has been appreciably enlarged by the new demands arising out of the emergency. Military hardware may come in under special aid arrangements, but most of the stores and supplies (such as petroleum products, metals for ordnance factories and transport equipment) have to be procured through normal commercial channels.

Even if the immediate strain is relieved by a larger inflow of non-project aid, the pressures on India's balance of payments make the outlook for the future very uncertain indeed. With something like 15 percent of export earnings pre-empted for debt servicing already, a further increase in repayment obligations may impose an intolerable strain unless it is offset by a substantial improvement in exports. As things stand, there seems to be little chance of achieving even the low third plan target of Rs. 3,700 crores for exports. The actuals for the first two years (excluding the contribution from Goa, which was not taken into account while setting the target) come to Rs. 1,370 crores, leaving a balance of Rs. 2,330 crores to be earned in the remaining three years. At Rs. 745 crores (including Goa, which added Rs. 16 crores to last year's earnings), the target set by the Board of Trade last week may be judged as falling far short of what circumstances require.

Admittedly, the mere announcement of a higher target would achieve nothing. The Board may have considered it unrealistic to aim at anything more than Rs. 745 crores under the present circumstances. But must the Board take circumstances as given? The whole point in setting up such a high-powered body was to obtain its help in reorienting economic and trade policies so that the pre-conditions for a more vigorous export effort were created. Its rôle seems to have been confined so far to considering the mechanics rather than the broad policies which impinge on exports. In large part, the Board's narrower framework derives from the fact that the Ministry of International Trade, as at present constituted, does not have much stature or authority. In this sense, Mr. Manubhai Shah, Minister for International Trade, deserves sympathy because the present allocation of responsibilities is not of his making. It remains to be seen whether the forthcoming Cabinet reshuffle will improve matters. But unless it does, it would be idle to go on pretending that the export effort takes top priority, next only to agriculture, among the tasks of the third plan.

In India, foreign trade is still an unfamiliar field where know-how at the policy-making level can make a big difference to the export efforts. While considering a possible reorganisation of the Ministry, it would be a mistake to think that the promotional work can at any point be isolated from the rest of the economy. In this sense, the Ministry's responsibilities can never be wide enough to cover all aspects of policy which affect exports—from railway freights and port charges to agricultural yields and labour costs. Its proper rôle should be viewed, therefore, as that of co-ordinating the strands of policy although the primary responsibility in many cases rests elsewhere. This function of co-ordination may be best achieved by setting up an inter-ministerial committee perhaps at the Cabinet level, so that the benefit from one set of measures, such as the abolition of export duty, is not cancelled by others which raise export costs back to the old level. This is exactly what has happened in the tea industry.

The device of a Cabinet sub-committee has much to recommend it in order to overcome the delays in putting through the policy changes required to increase exports. For many months, it has been clear that sacking exports are suffering because of Pakistan's natural cost advantages and her export bonus scheme. New Delhi, persuaded at last that the problem deserved attention, appointed a committee last year to look into the jute industry's long-term prospects. The wide-ranging enquiry was not strictly necessary for considering the urgent and more limited problem posed by Pakistan's bonus vouchers, but this need not have done any harm if the committee's report had been expeditiously completed and considered. Instead, present indications are that the report has been shelved, and New Delhi is now awaiting the results of a further study conducted by a separate group. It may not be wrong to assume that the second enquiry has been instituted, not to uncover facts which the first had overlooked, but to gain time while the Ministers concerned can resolve their difference on what should be done to help the jute industry. A less time-consuming method of settling differences may be a Cabinet sub-committee which collectively takes the final responsibility for ensuring the success of the export drive.

Judging from the record of recent years, it is plain that no major increase in exports will be achieved without a substantial re-ordering of the domestic economy to produce exportable surpluses at competitive prices. Judging from the occasional references to the need for a separate export sector, New Delhi is not wholly oblivious of the point. One can, however, hardly imagine the export sector coming into being unless several ideological hurdles are first removed. Among these is New Delhi's much-publicised concern over concentration of economic power which plays havoc with licensing policies. In private, the Ministry of International Trade readily concedes that export units have to be as large as the entrepreneurs dare to make them so that they can compete effectively with giants abroad. It also agrees that foreign collaboration should be welcomed in setting up such units, not merely to meet the immediate foreign exchange cost of capital goods but also to take advantage of the collaborators' export know-how. But these views have little chance of acceptance with individual Ministers busy scoring points off one another. Such conflicts might well be discouraged if responsibility for export promotion were vested in stronger hands.

FOREIGN INVESTMENT TRENDS

RESERVE Bank data included in the annual *Report on Currency and Finance*, which was published recently, suggest that the inflow of private foreign investment into India may have reached an all-time high in 1962. The inference could perhaps be drawn from the fact that consents for capital issues granted during the year included Rs. 55.3 crores earmarked for foreign participation, constituting 25.2 percent of the total. There was thus a distinct improvement over 1961, the corresponding figures for which were Rs. 33.8 crores and 18.2 percent. In drawing such an inference, it is assumed, of course, that the Rs. 100 crores of investment through equities and debentures that actually materialised during the year—about 61 percent of the amount approved for issue—included broadly the same proportion of foreign capital as in the case of consents. A study made by the Department of Company Law Administration of 55 new issues of a total value of Rs. 21.73 crores—or a fifth of the year's total—supports the assumption. Foreign capital constituted 23.2 percent of the total capital issued by the 55 companies, as against a share of only 7.9 percent shown by a similar study covering 1951 flotations.

While it is necessary to wait for more definite conclusions until the Reserve Bank periodic survey of foreign investment trends is published, the data so far available do not support the impression that foreign investment interest in India has declined in 1962. It is true that far fewer collaboration agreements were concluded last year than in 1961—only 299, against 402. But this may well have been because the scope for new enterprises has been narrowing as the issue of industrial licences approaches the limit of the capacity required under the third plan. There are, for instance, 211 industries which are on the banned list for licensing. The sectors still open are very often those requiring bulky investment, such as fertilisers, alloy, tool and special steels, heavy chemicals and intermediates. Any modest satisfaction over the inflow of foreign capital in 1962 needs, furthermore, to be tempered by the realisation that India still fails to attract much more than 3 percent or 4 percent of the total capital exported to developing economies. Anxiety about the future inflow is heightened by the fact that the economic climate here has deteriorated sharply in recent months. The foreign investor cannot overlook the possibility that the huge increase in defence expenditure will aggravate the strain on the country's resources, including those of foreign exchange; it might even necessitate a further curtailment of private commercial imports. In the event, expensive new capacity created through joint ventures could be partially wasted. The phase of uneasy peace on the northern borders means that the continuing diversion of resources to defence could damage the economy.

Doubts such as these have passed through the investors' minds and compelled them to take a second look at any new proposals they may have been considering. Mr. Morarji Desai's super profits tax has strengthened apprehensions, especially since the total of company taxes is now in a number of cases 70 percent or more. Some investors may decide that the tax concessions for new undertakings will see them through the period of the emergency, after which rates of taxation can reasonably be expected to come down to more normal levels. But others wonder whether the novelty of a progressive tax on corporate incomes does not after all presage a permanent change in India's tax policy. Mr. Desai himself has contributed lavishly to the prevailing confusion. In the Lok Sabha, he tried to distinguish the super profits tax from routine taxation by making it the subject of a separate Bill, implying thereby that it was to be regarded only as an emergency measure. But the favourable impression thus created has been blurred by a subsequent statement in Kanpur that the new tax is the kind of measure which promotes equity. Mr. Desai may have high political ambitions which require him to seem to be tough to business, and one can sympathise with the need to strike popular postures. But responsible Government spokesmen cannot afford to forget that what is said for domestic consumption often causes alarm and confusion abroad. Some investors have begun to ask whether the super profits tax is the beginning or the end of New Delhi's impositions on private enterprise.

While such anxieties affect investment intentions, they do not wholly explain why India should have received only a fraction, for instance, of the capital West Germany has exported to Latin America. India's political stability, her record in honouring foreign obligations and her economic discipline compare favourably with the runaway inflation and political uncertainties that afflict several Latin American countries. Above all, the size of the Indian market and its growth prospects make investment here more desirable than in many other developing economies, especially because there is little chance now of maintaining sales to this country from outside unless a start is made with local manufacture to get round import controls. Yet fresh foreign investment, as distinct from the larger proportion accruing through the plough-back of profits, has remained disappointingly small in relation to the opportunities waiting to be taken up. For this, many factors are responsible, and chief among them is the growing fussiness in administering controls. The Federation of Indian Chambers of Commerce and Industry has often protested against the Government's dilatory procedures but the situation shows no signs of improving. A detailed analysis made by the Federation shows that it takes more than three months before the industrial licensing committee considers a proposal for the first time. In a number of cases, applications are referred back to the sponsors or sent to inter-departmental committees, such reviews requiring an average of two to three months. Once a case has been decided, it may take six weeks before the licence is issued. But this is only the beginning of the entrepreneur's troubles since it may take him another six months or a year before he gets clearance from the Capital Goods Licensing Committee. The F.I.C.C.I. plea for less red tape and quicker decisions will be readily endorsed.

Western collaborators, unaccustomed to bureaucratic meddling in their affairs at home, are appalled by the delays they face in India. As they see it, there may be some justification for the basic principle of scrutinising investment proposals but there can be none at all for the pettifogging which is increasingly becoming the fashion. In many sectors of the economy, the type of collaboration needed has to come from the smaller western industrial enterprises, which have neither the time nor the resources to follow up a proposition in New Delhi over many months of waiting for the nod. The frustrations and disappointments which the investors have to suffer often persuade them to invest their money elsewhere.

Current News and Comment

Investment Disputes

While the World Bank's activities now largely consist of providing long-term loans to member-countries in the under-developed regions, they also include the provision of technical assistance and advice for promoting conditions for rapid economic growth—in other words, for creating a favourable investment climate. Private capital is not flowing in sufficient volume to the developing regions, one of the serious deterrents being political risks such as nationalisation and governmental interference, which may deprive the investor of the control or benefits of his investment. The establishment of the rule of law in international investment is thus a major pre-requisite for stimulating the free flow of capital.

India's Resources
are Precious
WASTE NOT,
WANT NOT

The World Bank, by virtue of its integrity and prestige, is ideally suited to sponsor work in this direction. Mr. A. Broches, general counsel of the World Bank, in his address to the World Conference on World Peace through Law last week in Athens, referred to a proposal to offer institutional facilities for settling investment disputes through voluntary conciliation or arbitration. The machinery would be linked in some way to the World Bank, but the latter would not itself engage in conciliation or arbitration. The composition of the conciliation commissions and arbitration tribunals that would be set up and the rules to be followed by them would be determined primarily by the parties concerned, namely, the host governments and the investors. While the use of these institutions would be entirely optional, their decision or awards would be binding on the parties, once they have consented to go to it.

According to Mr. Broches, to be fully effective this scheme should be embodied in an international convention, which should contain provisions to prevent the parties who have agreed to seek the help

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of this machinery from refusing to co-operate with its proceedings. The convention should also make arbitral awards enforceable in the territories of all participating countries. The scheme contemplates that, given the consent of the host government, the investor would have direct access to the conciliation and arbitration facilities without the intervention of his national government. Furthermore, once the submission of a dispute to arbitration has been agreed upon, the investor should be deemed to have forgone his right to seek the protection of his home government, and the latter would not be able to take up his case. This scheme is still in the proposal stage and is being studied by the World Bank. According to Mr. George Woods, president of the Bank, this approach to the solution of investment disputes "deserves the support of both capital-importing and capital-exporting nations".

Long-term Credit for Agriculture

Inaugurating the Agricultural Refinance Corporation in Bombay last week, Mr. Morarji Desai, Central Finance Minister, observed that although during the past ten years the number of land mortgage banks in India had increased from 5 to 18 and that of the primary units from 280 to 535, the long-term credit made available by these institutions for purchasing land or for liquidating indebtedness had not really helped increase agricultural production. It is partly because India's agriculture is still backward. One cause for this backwardness and the slow progress of farm development schemes, according to the Reserve Bank Governor, Mr. P. C. Bhattacharyya, is the gap between the "financial needs" and the "financial resources" of the farmer. The Agricultural Refinance Corporation which came into existence on 1st July, 1963, will help to meet the long-term credit requirements of agriculture. As in the case of the Refinance Corporation for Industry, the new Corporation will not provide direct financial assistance to agriculturists; it will do so indirectly by offering re-finance facilities to certain recognised institutions which finance agricultural projects.

The Agricultural Refinance Corporation will naturally prefer big schemes which are compact, economic and open to close supervision; schemes involving large amounts of capital, which cannot be easily financed by banking and co-operative institutions, will be aided. Assistance will be available for schemes to reclaim and prepare land and increase food production; it will also be offered for schemes to improve the output of such special crops as tea, coffee, jute, arecanut, coconut, cashewnut and cardamom. In this way the Corporation is expected to make an impact on the whole field of agricultural production.

Uniform Customs for Documentary Credits

From 1st July, 1963, banks all over the world have for the first time agreed to subscribe to a uniform set of rules governing documentary credits called Uniform Customs and Practice for Documentary Credits (1962 revision) produced under the aegis of the International Chamber of Commerce. Banks in India also agreed to subscribe to the Uniform Customs, and it is pleasant to hear that this particular change will not result in any increase in bank charges to customers. International trade, and to an increasing extent internal trade, is often financed by means of letters of credit established through bankers. However, the discussion here is confined to the international aspect of letters of credit or—as bankers would term it—documentary credits. In international trade, the terms on which goods are to be sold or bought are settled by a mutual exchange of views. A documentary credit facilitates payment for the goods by substituting the good name and high standing of the banker for the merchant buyer. The banker guarantees payment at stipulated rates on submission of documents proving the despatch of goods to the buyer. Throughout the transaction, the banker does not concern himself with the goods (except in so far as he retains a lien on them until the documents are paid for and taken delivery of by the buyer). The banker is concerned only with documents and is discharged of his liabilities as long as payment has been made in strict accordance with the terms of the credit.

The growth of international trade and the appearance of indigenous banks have highlighted the need for standardising practices and establishing a common language in order that misunderstandings and disputes may be avoided. The International Chamber of Commerce has long felt the need for an uniform approach towards documentary credits. It codified the customs and practices relating to documentary credits as early as 1933 and revised them in 1951. Although about 60 nations successfully followed these rules since their introduction, U.K. banks as well as banks in the Commonwealth patterned on U.K. traditions stood outside the Uniform Customs. They apparently felt that it was impossible to deal satisfactorily with all the problems arising out of documentary credits by referring to a book of rules; the infinite variety of commodities and conditions involved did not lend itself to any uniform approach or treatment. British and Commonwealth banks, therefore, stuck to what was known as the "London practice" built on long tradition and experience and administered in the absolute discretion of the banks concerned. This, however, did not mean that the "London practice" was a hotch-potch of chaotic and contradictory systems. Far from it, for through custom and practice there had developed a fair body of unwritten conventions almost as rigid as any set of printed rules.

U.K. and Commonwealth banks, which had all along refused to subscribe to the Uniform Customs and Practice, have been reconsidering the matter in recent years. All was well as long as the bank at the other end was either a branch, or an affiliate, or a branch of one of the banks operating in the U.K. But the rapid rise of indigenous banks in the former colonies and dependencies made standardisation of practice and approach imperative. Thus were born the negotiations and discussions that led to the Uniform Customs and Practice for Documentary Credits (1962). The revised text is the culmination of several years of work and full recognition has been given to the long practical experience of U.K. and Commonwealth banks. As a matter of fact, wherever the 1952 Uniform Customs differ from London practice, the new rules tend to follow London practice, although no side has had to give in on any point it may have regarded as thoroughly unacceptable.

WATER POWER OF INDIA

IN his recently published work upon Chota Nagpore Mr. Bradley-Birt incidentally draws attention to a matter of the highest importance to engineers, in mentioning the falls on the Subarnarekha, some thirty miles S.W. of Ranchi in the Singhbhum plateau. Although the volume of water is not stated, the mere fact that the drop is 300 feet shows that, if necessary, we have available, by "harnessing" (as with the Cauvery falls in Mysore) an initial motor equal to 50,000 horse power capable of transmitting unimpaired energy to a distance of ninety miles in any direction, whence minor installations could distribute it, in but slightly diminished power, still further afield. As each successive mail from Europe and America brings us intelligence of the increasing substitution of the electric current for fuel-fed power, either by direct application by wire or in the form of accumulators, we ought to witness the vanishment of the smoky noisy locomotives from our midst and, mayhap, a series of aquaducts led into a reservoir would furnish sufficient power to work all those factories on the other side of the Hughli at much less cost than at present, besides ridding us of the nuisance caused by the incessant belching forth of the sulphurous fumes so much complained of. There may be other and perhaps nearer means of generating power, but we certainly have in that put before us, one whose capabilities are assured, and we sincerely trust these will be taken advantage of. Beyond the range of direct transmission of power the ordinary locomotives could be brought into requisition, but our impression is that with the upper affluents of the Mahanuddi and Godavari brought under control, the Bengal-Nagpur line, at all events, could entirely dispense with coal for at least two-thirds of the Journey hence towards Bombay.

FROM

CAPITAL

16th July, 1903

A Ditcher's Diary

IF MR. MACMILLAN REALLY EXPECTS TO LEAD HIS Party at the next general election, and I still cannot believe he is serious in wanting to do so, it seems to me that he might be making a great mistake. It may be possible for his supporters to put down the rebellion among Conservative backbenchers for the time being, but if the Party has any doubts about the effect on the electorate of an obvious split in its ranks, then it would do well to remember what happened to Labour in 1959. I agree that it would be a pity if the end of Mr. Macmillan's brilliant career were linked too closely with the sordid Profumo scandal. But to reason one stage further and overlook his part in it altogether is surely too dangerous. What was the rôle he played? He was complacent in accepting the word of a colleague in a matter which might have involved security; that much he has admitted. As head of the security services he must take responsibility for their negligence in not reporting all relevant matter to the highest possible authority —namely himself—and his efforts publicly to pass the blame down the line were scarcely edifying for a Prime Minister. Finally, Mr. Macmillan has now come to represent something that Conservative backbenchers fear will be the 22-carat vote loser in the Britain of the future, namely, aristocratic dilettantism. They argue that his gullibility in accepting the unsupported word of Mr. Profumo was a frightening example of the "old boy" system in operation, and they point to the remarkable number of relatives and aristocrats in his Government as added proof of his nineteenth century, undemocratic leanings. In other words, the revolt is as much anti-establishment as anti-Macmillan. Writing from Calcutta, I do not feel myself competent to pass judgment on such views, especially when I have always been something of an admirer of Mr. Macmillan and his commendable grasp of long-term essentials. But for the leader of a Party which has always put unity above practically everything else, his decision to cling to office does seem to me to be a strange one. Personally I find it hard to believe the excuse that there is no acceptable alternative, and I must say it is one I never expected to hear from Westminster.

THE SHREWD POLITICIAN THAT HE IS, I FIND IT HARD to believe that West Bengal's Chief Minister, Mr. P. C. Sen, may not have adequately prepared the ground for the passage of the Calcutta Municipal Amendment Bill. The Bill has taken a long time to see the light of day, and is a greatly watered-down version of the numerous proposals for reforming the civic administration made over the years. Yet, if the stories one hears are to be believed, it is in for a severe mauling at the hands of a Congress Party rump before it ever goes through the lagislature. No measure can have been inspired by a nobler motive—to deliver this city from the clutches of the rapacious buffoons who adorn its municipal council. Yet it seems a pity that so worthy a venture should have been marked by so timid an approach, in that the wings of the Corporation council and standing committees are not to be clipped more ruthlessly. I appreciate that Mr. Sen has his problems, the biggest of which may be Mr. Atulya Ghosh; and that the West Bengal Congress has dividends to draw by maintaining a semblance of unity. But the issue of who is to run Calcutta, and how, is in my view important enough to justify firmer leadership than the provisions of the Bill make likely. The separation of the so-called "policy-making and deliberative functions" from the administrative ones does not go far enough for a Corporation whose policy, deliberation and administration has long been confined to the single aim of lining the pockets of its influential busybodies. In fact, I would go so far as to say that all pretensions to democracy in running the city's affairs should be openly and frankly dropped for a time; supersession, not reform, is what the Corporation needs.

THE PROGRESSIVE NATIONALISATION OF INDUSTRY does survive as an item in the official policy of the British Labour Party, even if there is a tendency to try and forget it these days. So I suppose it is not surprising that it should have been concerned about the apparent indifference with which the Conservative Government appeared to regard the possible loss of its controlling interest in British Petroleum. The Government's stake of 51 percent would have been reduced to 48 percent if the takeover bid for Burmah Oil, made jointly by B.P. and Shell, had gone through in the form planned. Because the control has never in fact been exercised, this reduction in the proportionate holding would really have been no great loss. But the point I want to make here is that the British Government's controlling interest in B.P. has always been an embarrassment to the Company; it has kept it out of certain very profitable areas and markets—Venezuela is one—and restricted its activities in others. This is because some countries, understandably, do not approve of foreign governments being active in their oil industries. Here is something the Indian Government might usefully ponder. There may be little likelihood of India's State-owned organisations becoming involved in activities abroad for some time to come, although there has been talk recently that they might go prospecting in Iran. But when they do decide to enter this particular foreign-exchange-earning field, it is only reasonable to expect that their official connections are going to prove just as restricting as the British Government's holding has been to B.P. I wonder whether uncritical supporters of Mr. Malaviya's policies have ever sufficiently grasped the fact that they may be forever condemning India's oil industry to predominantly domestic activity. Government interference in oil can at best be a source of unnecessary irritation between nations and at worst a cause of dangerous friction. Those who do not believe me have only to recall what happened at Abadan.

THE TIME AND ENERGY THE AMATEURS ARE ABLE TO find for theatrical productions in Calcutta sometimes evokes my admiration; no group, as far as I can remember, has been quite so prolific on the English stage, certainly not in the last ten years at least. Their latest presentation, Jean Anouilh's *The Waltz of the Toreadors*, staged at the Hindi High School last week in aid of the Cheshire Homes, was a fair success. The play is a difficult one, but is made the more manageable for an amateur group by the smallness of its cast. The plot centres on the frustrations of an amorous general saddled with a wife he has ceased to love. Fond of the good things of life, and determined not to be cheated of them, he plans to marry a mistress who arrives at his house after a patient wait of 17 years. But providence (or is it improvidence?) and his secretary (who finally turns out to be his illegitimate son) conspire to rob him of his beautiful prize at the very hour he has firmly decided on divorce. For the general, proud, vain and boastful as he is, the culmination is visibly painful, but consolation is sought where it can always be found—in the company of a buxom house-maid. Reduced in this way to its barest outlines, the theme sounds pedestrian, I admit; but the merit of the whole play lies in the wit and nuances of the Anouilh dialogue, which The Amateurs' production highlighted suitably. Angus Rotchell played the rôle of the general with skill and confidence. The supporting cast gave a uniformly good account of itself, although Anne Leighton as the general's wife deserves special mention. I gather we shall be seeing The Amateurs again on the stage some time next January; something of the quality of *A Passage to India*, presented earlier this year, would be well worth looking forward to.

DELHI ZOO RECENTLY ACQUIRED SOME WHITE TIGERS from Rewa. Rarity, rather than colour, is said to have been the criterion. I begin to doubt it



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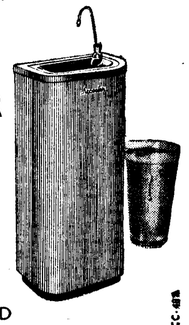
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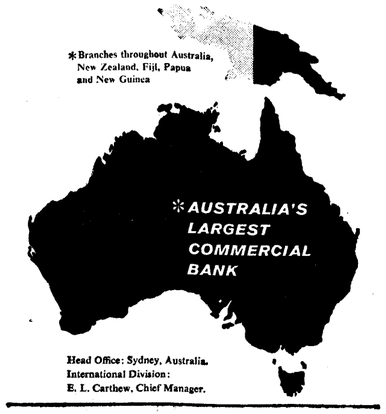
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when I read that efforts are now afoot to secure a white rhino from Kerala and two white deer from Dewas. These too may be rare; I am not an expert on, among so many other things, animals; but reports say that the idea is to have a white colony in Delhi Zoo. It has, of course, never been true that this country has no colour prejudice; one has only to see the demand for fair brides in matrimonial ads. Yet to carry discrimination, on grounds of colour, to the animal kingdom seems, to say the least, an original idea. Dr. Nkrumah, I can well imagine, will see in the Delhi craze an affront to the African personality; and we should be careful because Ghana is one of the Colombo "Powers". And then, how may these newcomers to Delhi Zoo feel about it all? Nobody should be surprised if they consider their stay, under black or brown supervision, truly galling—as Mr. Winston Field of Southern Rhodesia feels about the slightest possibility of African rule in the next thousand years or so. In the captions to recent photographs in the papers the white tigers are variously described as cheerful, sullen or angry. If they are capable of these emotions, as they obviously are, it is by no means certain that they have no political ideas. They may have heard that, although the Central African Federation is destined to end before the year is out, intrepid souls like Mr. Field and Dr. Verwoerd have by no means thrown up the sponge. They are determined not to let Africa return to darkness, which is what black rule means to advocates of *apartheid*. It seems to me quite on the cards that the Rewa tigers will one of these days demand a new keeper. As it happens, there's a good man going: Sir Roy Welensky, whose occupation will be gone as surely as Othello's before too long. He needs a job, for he can't go back to professional pugilism at his age. India shouldn't forget that he offered her copper to beat the Chinese back, when many another obvious friend sat firmly on the fence.

I WONDER HOW MANY REMEMBER GENERAL SIR Douglas Baird, who was General Officer Commanding, Eastern Command, up to 1940 and died recently at the age of 86. Not many, I imagine; I don't. In the past too I have seen in the *Statesman* longish obituary notices of people who had served in India in one capacity or another many many years ago and then died in some obscure village in Britain. I often wondered whether this was not recalling the old days a bit too much. I know better now. I should not be surprised if there are some old men in or around Barrackpore who came in contact with General Baird in the late 'thirties and were privately sorry to learn of his death. There was a level of Indo-British contact which I have rarely seen discussed; and yet there must be many a human story at that level. Only a few die-hards may be sorry that British rule is no more in India. But, personally, the parting was emotionally painful for many on both sides. I was talking the other day to a very old employee of this office, who retired some years ago. It was touching to hear him recall, with nothing but kindness and gratitude, a Ditcher before my time. In my cynicism I thought the feeling a shade overdone and even silently attributed it all to the old man having been favoured in the matter of increments. It was nothing of the sort. He remembered my predecessor by an incident it would never have occurred to me to consider extraordinary. The latter was chucking things into the waste-paper basket, as all editors have to; but he was carefully detaching pins every time there was one. Economy? Again, no. He explained to the clerk that he had acquired this habit after he had once seen a sweeper bleed profusely because, casually, he had shoved his hand into the basket and the pins stuck into his fingers. Nothing sharp was, therefore, to be put into the basket. To the retired employee this consideration for a mere sweeper seemed an index of his master's essential kindness. This is a long way from General Baird; but, as I read of some old I.C.S. or I.P. hand dying in Britain, I think of an old deputy magistrate or a constable shedding a silent tear for a man he had once worked under. You'd be surprised how this personal tenderness is reciprocated in faraway England. One of the first questions I am asked by someone in London is, "How's old Hari and how is Ghosal Babu doing?"

THE DITCHER

Guide for Investors

SATISFACTORY RESULTS FROM BURN

THE ordinary shares of Burn and Co. Ltd have been steady around Rs. 572 partly because of the decision to issue bonus shares in the proportion of one for every share held and partly because of satisfactory results for the year ended April 1963. The taxable ordinary dividend has nevertheless been cut from 28.5 percent to 25 percent, presumably on account of bigger tax provision. The dividend is more than six times covered and offers a yield of 4.4 percent at the present price of Rs. 572 a share of Rs. 100 each. The profit is Rs. 1.43 crores, against Rs. 1.40 crores in 1961-62, after providing Rs. 32.46 lakhs, against Rs. 24.26 lakhs, for depreciation. Taxation is allocated Rs. 98.25 lakhs, against Rs. 92.50 lakhs. Of the total tax provision, a sum of Rs. 25.75 lakhs has been earmarked for super profits tax for the year ended April 1962.

No provision for super profits tax has been made in relation to current profits. The directors consider it inequitable that provision for super profits tax for two years should be made out of the profits of one year; secondly, if provision in the first year of the new tax be made relating to the profit for two years then, in the final year of this tax, there would be one year's excess provision on the books. They anticipate a final year because, at the time the super profits tax was introduced, it was indicated that the tax might not necessarily be permanent. Provision in the accounts for income tax and super tax, calculated at the rates in force for the 1963-64 assessment year, has been made in the usual way against liability for the 1964-65 assessment year.

Development rebate statutory reserve absorbs Rs. 12.68 lakhs, against Rs. 4.50 lakhs, capital profits reserve Rs. 22,038, against Rs. 2,131, works reconstruction and expansion reserve Rs. 5.25 lakhs, against Rs. 5 lakhs, and Salem project reserve Rs. 4.03 lakhs, against Rs. 11.46 lakhs.

The directors point out that work for setting up a new factory to manufacture the products of A. Reyrolle and Company of the U.K. has begun. The Howrah works has done well, considering the various difficulties. The present reconstruction and modernisation programmes concerning the Lalkoti and Gulfarbari works may be completed during the current year. Although the output capacity for ordinary fireclay has been excessive in this country, Burn is in a position to meet the competition. The first stage of the new factory in Niwar has been completed and production has commenced. It has been pointed out that the export prospects for magnesite depend largely on reducing the cost of production; but the prices of basic commodities have continued to increase steadily. The Salem factory for the manufacture of magnesite shapes has been facing initial difficulties, but there has been considerable improvement lately. The factory, it is hoped, will start producing steadily in the near future.

Duncan Group Tea Company Results

THE results of the Duncan group of tea companies for the year ended December have been published. The profit of the Patrakola Tea Co. Ltd has improved from Rs. 25.69 lakhs in 1961 to Rs. 77.15 lakhs in 1962 due to the shortfall in the East Pakistani tea crop resulting in a more satisfactory internal market. The taxable ordinary dividend has, however, been cut from 40 percent to 15 percent. The dividend now proposed and those for the previous years will be declared as soon as the remittance of profit sufficient to cover these dividends is obtained from Pakistan. Depreciation for a sum of Rs. 2.82 lakhs has been provided before arriving at the profit figure. Out of the profit, taxation absorbs Rs. 51.83 lakhs, including Rs. 6.84 lakhs for super profits tax. The tax provision was Rs. 24 lakhs for 1961. Development rebate reserve is allocated Rs. 1.16 lakhs, leaving a carry-forward of Rs. 26,078, against Rs. 2.41 lakhs brought in. A sum of Rs. 13 lakhs has been transferred from revenue reserve. The crop fell from 2 million kilograms to 1.8 million kilograms, but the average sale price rose from Rs. 5.03 a kilogram to Rs. 8.16 a kilogram. The 1963 crop has been estimated at 1.9 million kilograms at a cost of Rs. 70.31 lakhs. The directors mention that the start of the new season has been adversely affected by a severe drought. However, there has been substantial rainfall subsequently, and the crop condition has improved.

The Gungaram Tea Co. Ltd (a Terai garden) has repeated a taxable ordinary dividend of 12.5 percent to absorb Rs. 1.68 lakhs. At the present price of Rs. 131 a share of Rs. 100 each, the yield works out to 9.5 percent. The profit has risen from Rs. 31.59 lakhs to Rs. 33.22 lakhs, after providing Rs. 1.13 lakhs for depreciation. Taxation is allocated Rs. 2.16 lakhs, revenue reserve Rs. 1.85 lakhs (against Rs. 13.50 lakhs), development rebate reserve Rs. 10,000 (against Rs. 6,000) and investment reserve Rs. 25,000 (against Rs. 40,000). The carry-forward is Rs. 10,812, against Rs. 39,063 brought in. A sum of Rs. 25,000 has been transferred from development rebate reserve. The crop fell from 794,331 kilograms to 722,909 kilograms and the average sale price increased from Rs. 4.01 a kilogram to Rs. 4.63 a kilogram. A crop of 730,000 kilograms has been estimated for 1963 at a cost of Rs. 28.91 lakhs, but the start of the new season has not been satisfactory due to the drought.

The profit of the Rungamattee Tea Co. Ltd (a Cachar garden) has fallen from Rs. 83,414 to Rs. 33,759, after transferring Rs. 55,680 (against Rs. 52,096) to depreciation. A taxable ordinary dividend of 5 percent has been maintained to absorb Rs. 26,250. It offers a yield of 4.7 percent at the present price of Rs. 53 a share of Rs. 50 each. Taxation is allocated Rs. 37,109 (against Rs. 36,905), revenue reserve Rs. 25,000 (against Rs. 6 lakhs) and development rebate reserve Rs. 2,500 (against Rs. 3,600). The carry-forward is Rs. 4,316, against Rs. 21,983 brought in. A sum of Rs. 12,000 has been transferred from development rebate reserve. The working has been adversely affected by drought and hailstorm. The crop fell from 307,903 kilograms to 279,277 kilograms, but the average sale price rose from Rs. 3.94 a kilogram to Rs. 4.46 a kilogram. The 1963 crop estimate is 290,000 kilograms at an outlay of Rs. 12.56 lakhs. The new season got off to a poor start due to the drought, but with substantial rainfall now having taken place, the crop condition has steadily improved.

The Birpara Tea Co. Ltd (a Dooars garden) has increased the taxable ordinary dividend from 12.5 percent to 17.5 percent, absorbing Rs. 1.58 lakhs. The yield works out to 10.9 percent at the present price of Rs. 160 a share of Rs. 100 each. The profit has improved from Rs. 3.52 lakhs to Rs. 5.75 lakhs, after providing Rs. 1.17 lakhs (against Rs. 83,379) for depreciation. Taxation absorbs Rs. 2.64 lakhs (against Rs. 1.90 lakhs), revenue reserve Rs. 2.50 lakhs (against Rs. 9.75 lakhs), investment reserve Rs. 10,000 (the same) and development rebate reserve Rs. 27,500. The carry-forward is Rs. 13,620, against Rs. 62,981 brought in. A sum of Rs. 25,000 has been transferred from development rebate reserve. The crop was 669,958 kilograms, against 666,763 kilograms, and the average sale price rose from Rs. 4.37 a kilogram to Rs. 5.01 a kilogram. A crop of 650,000 kilograms has been estimated for the current year at a cost of Rs. 27.39 lakhs. The start of the new season has been fairly satisfactory.

A shortfall in the East Pakistani tea crop has helped to contribute to the bigger profit of the Teliapara Tea Co. Ltd at Rs. 12.34 lakhs, against Rs. 5.28 lakhs. But the taxable ordinary dividend has been cut from 22.5 percent to 10 percent. The dividend now proposed and the dividends for the previous years will be declared and paid as soon as sufficient profits are remitted from Pakistan. Taxation is allocated Rs. 15.25 lakhs, of which super profits tax is Rs. 60,000. The tax provision was Rs. 3.40 lakhs in 1961. Development rebate reserve absorbs Rs. 33,500 (against Rs. 25,000), leaving a carry-forward of Rs. 29,229, against Rs. 36,277 brought in. A sum of Rs. 3.50 lakhs has been transferred from revenue reserve. The crop fell from 418,826 kilograms to 369,737 kilograms, but the average sale price increased sharply from Rs. 5.01 to Rs. 8.08 a kilogram. The 1963 crop estimate is 417,000 kilograms at a cost of Rs. 17.67 lakhs. The start of the new season has been unsatisfactory due to drought, but substantial rainfall has been experienced since. Hence the crop prospects have improved.

The Nagaisuree Tea Co. Ltd (a Dooars garden) has made a profit of Rs. 3.32 lakhs, against Rs. 3.93 lakhs, after transferring Rs. 75,289 (against Rs. 68,672) to depreciation. A taxable ordinary dividend of 15 percent has been repeated absorbing Rs. 1.44 lakhs. It offers a yield of 10.7 percent at the present price of Rs. 140 a share of Rs. 100 each. Taxation absorbs Rs. 97,925 (against Rs. 2.25 lakhs), revenue reserve Rs. 2.10 lakhs (against Rs. 9.35 lakhs) and development rebate reserve Rs. 23,000 (against Rs. 500). The carry-forward is Rs. 14,856, against Rs. 53,121 brought in. A sum of Rs. 30,000 has been transferred from development rebate reserve. The crop was 507,232 kilograms, against 603,619 kilograms, and the average sale price rose from Rs. 4.07 a kilogram to Rs. 4.76 a kilogram. A crop of 490,000 kilograms at a cost of Rs. 20.95 lakhs has been estimated. The new crop has had a poor start due to the drought, but with later rainfall, the prospects have improved.

Octavius Steel Tea Group Does Well

THE results of the Octavius Steel group of tea companies for the year ended December 1962 have now been published. The Methoni Tea Co. Ltd (an Assam garden) has made a profit of Rs. 6.22 lakhs for 1962, against Rs. 3.85 lakhs in 1961, after providing Rs. 60,807 (against Rs. 65,201) for depreciation. The taxable ordinary dividend has been increased from 14 percent to 20 percent absorbing Rs. 2 lakhs. The yield is 11.6 percent at the present price of Rs. 17.31 a share of Rs. 10 each. Taxation is allocated Rs. 3.76 lakhs, including a sum of Rs. 23,200 for super profits tax, compared with Rs. 1.65 lakhs in 1961. General reserve receives a sum of Rs. 1 lakh and development rebate reserve Rs. 3,000. The crop was 374,220 kilograms, against 382,580 kilograms, but the average sale price rose from Rs. 5.68 to Rs. 7.12 a kilogram. The crop estimate for 1963 is 381.045 kilograms at an outlay of Rs. 18.87 lakhs. It is proposed to amalgamate the Bokakhat Tea Co. Ltd in the same district with Methoni Tea in order to effect economies in production. The amalgamation will be brought about by an exchange of shares, if it is approved by the High Court and the shareholders.

The profit of the Grob Tea Co. Ltd (an Assam garden) has risen from Rs. 49,258 to Rs. 3.83 lakhs, after providing Rs. 3.27 lakhs (against Rs. 3.44 lakhs) for depreciation. A taxable ordinary dividend of 6 percent has been repeated, absorbing Rs. 1.40 lakhs. At the present price of Rs. 7.19 a share of Rs. 10 each, the yield is 4.2 percent. Taxation is allocated Rs. 2.10 lakhs (against Rs. 40,000), buildings and machinery reserve Rs. 60,000 and development rebate reserve Rs. 3,574 (against Rs. 3,275). The carry-forward is Rs. 12,112, against Rs. 26,674 brought in. The crop was 1.04 million kilograms, against 1.08 million kilograms, and the average sale price improved from Rs. 4.98 to Rs. 6.17 a kilogram. A crop of 1.13 million kilograms at a cost of Rs. 57.88 kilograms has been estimated for the current year.

The profit of the Bokakhat Tea Co. Ltd (an Assam garden) has been Rs. 2.63 lakhs, against Rs. 2.08 lakhs, after transferring Rs. 56,065 (against Rs. 40,913) to depreciation. The taxable ordinary dividend has been raised from 12 percent to 13 percent absorbing Rs. 78,000. It works out to a yield of 9.5 percent at the present price of Rs. 13.70 a share of Rs. 10 each. Taxation is allocated Rs. 1.45 lakhs (against Rs. 95,000) and general reserve Rs. 75,000. The carry-forward is Rs. 6,649, against Rs. 37,963 brought in. The crop declined from 223,909 kilograms to 209.073 kilograms, but the average sale price was higher at Rs. 7.12, against Rs. 5.90 a kilogram. The crop estimate for 1963 is 243,125 kilograms at a cost of Rs. 12.26 lakhs. The Company, it is proposed, will be amalgamated with the Methoni Tea Co. Ltd.

Kettlewell Bullen Tea Group Earns More

THE results of the Kettlewell Bullen group of tea companies for the year ended December 1962 have been published. Methola Co. Ltd (an Assam Garden) has made a profit of Rs. 1.23 lakhs, against Rs. 72,274 for 1961, after providing Rs. 55, against Rs. 69 for depreciation. The taxable ordinary dividend has been increased from 30 percent to 35 percent absorbing Rs. 52,500. The yield is 6.9 percent at the present price of Rs. 507 a share of Rs. 100 each.

Taxation is allocated Rs. 65,000, against Rs. 40,000, leaving a carry-forward of Rs. 45,423, against Rs. 40,192 brought in. Green leaves

produced amounted to 1,22,745 kilograms, against 83,921 kilograms. The Tea Board has permitted the Company to extend plantation over 60 acres of soil. So the new plantation amounts to 231 acres against which 160 acres have already been put under tea cultivation. Arrangements have been made to extend plantation further in the next cold weather.

The Joonktolee Tea Co. Ltd. (an Assam Garden) has repeated a taxable ordinary dividend of 15 percent, including an interim of 5 percent, to absorb Rs. 1.80 lakhs. It offers a yield of 8.7 percent at the present price of Rs. 17.31 a share of Rs. 10 each. The profit has risen from Rs. 4.13 lakhs in 1961 to Rs. 6.03 lakhs, after providing Rs. 1.22 lakhs, against Rs. 95,073 for depreciation. Taxation is allocated Rs. 3.10 lakhs of which super profits tax is Rs. 17,000. The tax provision was Rs. 2 lakhs for 1961. General reserve absorb Rs. 1 lakh, against Rs. 7,703, and development rebate reserve Rs. 8,727, against Rs. 49,541. The carry-forward is Rs. 81,941, against Rs. 1.06 lakhs brought in. The crop was 494,061 kilograms, against 485,538 kilograms and the average sale price increased from Rs. 4.84 to Rs. 5.31 a kilogram.

Naga Hills Tea Maintains

THE Naga Hills Tea Co. Ltd has made a profit of Rs. 1.25 lakhs for the year ended December 1962, against Rs. 2.07 lakhs in 1961, after transferring Rs. 1.02 lakhs, against Rs. 35,093 to depreciation. A taxable ordinary dividend of 10 percent has been maintained absorbing Rs. 40,000. The yield is 4.5 percent at the present price of Rs. 22.25 a share of Rs. 10 each. Taxation is allocated Rs. 9,000, against Rs. 1.20 lakhs, general reserve Rs. 50,000, against Rs. 90,000, capital reserve Rs. 15,201, against Rs. 37,843 and development rebate reserve Rs. 27.500, against Rs. 12,600. There is a carry-forward of Rs. 21,008, against Rs. 13,029 brought in. The crop was 326,748 kilograms, against 319,104 kilograms and the average sale price rose from Rs. 4.51 to Rs. 5.10 a kilogram.

The directors mention that the installation of the new factory has been completed. Hence there has been an improvement in the manufacture and quality of tea. The 1963 crop estimate is 340,000 kilograms at a cost of Rs. 4.28 a kilogram. The authorised capital of the Company has been increased from Rs. 4 lakhs to Rs. 10 lakhs.

Sone Valley Cement Output Up

IN his chairman's statement at the annual general meeting of the Sone Valley Portland Cement Co. Ltd held recently in Calcutta, Mr. A. K. Jain, referred to the growing shortage of cement (the full text was printed in last week's *Capital*). Since the demand has gone up further because of the emergency, the shortage is not likely to be relieved in the near future. Although the output target has been fixed at 15 million tons at the end of 1965, indications are that it will not be achieved. Existing capacity is about 9.5 million tons. The main factors restraining expansion and development are the unrealistic price policy of the Government and heavier taxation. The price, which has been fixed by the Government, does not cover the rising production costs. Although the industry has been assured by the Government that any increase in production costs arising out of governmental action would be compensated by corresponding increases in the price of cement, in practice it has not been done. The Government has been niggardly in sanctioning an increase in the price. The industry has also been denied the benefit of the escalation clause for fuel and power.

Heavy taxation has made it difficult for the industry to plough back funds into the business for expansion. In view of the shortage of cement, vigorous steps need to be taken to promote expansion by giving sufficient incentives to the industry. The present system of encouraging production by giving a cash bonus has been rather academic considering that only a few producers can qualify for the cash benefit since it has been linked to the excess production over the preceding three years.

Sone Valley Cement has produced and despatched more cement during the year ended December 1962 than during 1961. But the profit has been held down by rising production costs. The present formula for fixing packing charges has placed a heavy financial burden on producers. In computing the packing charges the Government assumes that the producer will use old bags to the extent of 50 percent, which is not practicable. Besides, the use of old bags for packing is not advisable because of heavy seepage. It is hoped that the Government will remedy the situation by adopting a more realistic attitude towards packing charges.

Better Results From National Tannery

THE National Tannery Co. Ltd has earned more profit, the rise being from Rs. 57,610 for 1961 to Rs. 1.24 lakhs for the year ended December 1962, after providing Rs. 79,868, against Rs. 52,724 for depreciation. A taxable ordinary dividend of 4.5 percent has been declared which absorbs Rs. 42.750. Taxation is allocated Rs. 38,000, against Rs. 28,669 and development rebate reserve Rs. 40,100, against Rs. 14,603. The carry-forward is Rs. 35,391, against Rs. 35,273 brought in. Sales were Rs. 45.25 lakhs, against Rs. 44.04 lakhs.

The directors have referred to the shortage of hides. The working of the Company depends greatly on sufficient imports of raw hides. Arrangements have been made to export goatskin to Czechoslovakia.

Tata Oil Mills Earns More

THE improvement in the Rs. 25-paid shares of the Tata Oil Mills Company Ltd from Rs. 56.50 to Rs. 60.50 within three days of the dividend announcement clearly suggests that the market is not the least bothered about the modest cut in the dividend from 23 percent to 22 percent, which, however, is scarcely surprising. Despite the dividend cut, the total distribution is higher because of the increased capital, even though the new shares are entitled only to the proportionate dividend of Rs. 1.73 a share, as against Rs. 5.50 on the old shares. Besides, the preliminary report on the Company's working results for the year ended March 1963, shows a marked improvement over the previous year's performance. The total turnover is up by about 15 percent from Rs. 11.19 crores to Rs. 12.89 crores, which is an all-time record.

The profit, after providing for managing agents' commission and depreciation, has recorded an increase of nearly 31 percent from Rs. 38.80 lakhs to Rs. 80.74 lakhs, which, however, is still below the 1959-60 level. The provision for taxation, including the estimated liability for super profits tax, has been raised from Rs. 15.77 lakhs to Rs. 23.03 lakhs, but the allocation to the development rebate reserve is a little lower at Rs. 3.15 lakhs, against Rs. 3.50 lakhs. A sum of Rs. 2.40 lakhs (against nil) has been set aside for general reserve, and the provision for plant modernisation and development reserve amounts to Rs. 2.75 lakhs, against Rs. 2.25 lakhs. The directors have transferred Rs. 19.50 lakhs (against Rs. 17.46 lakhs) to the dividend reserve, out of which the proposed dividends are to be paid. The total distribution to the equity shareholders amounts to Rs. 17.84 lakhs (against Rs. 16.12 lakhs) and the preference dividend absorbs Rs. 1.34 lakhs. After making all these appropriations, there remains a small surplus of Rs. 1,187 to be carried forward, against Rs. 10,154 brought in.

New Swadeshi Repeats Dividend

NEW Swadeshi Mills of Ahmedabad Ltd reports extremely disappointing results for the year ended March 1963, although the dividend has been maintained at 10 percent, subject to tax. In spite of an increase of 16.6 percent in the sales from Rs. 3.33 crores to Rs. 3.88 crores, the gross profit has come down by about 30 percent from Rs. 36.77 lakhs to Rs. 25.70 lakhs. The directors have provided Rs. 14.23 lakhs (against Rs. 11.37 lakhs) for depreciation, Rs. 3.50 lakhs (against Rs. 8.42 lakhs) for development rebate reserve, Rs. 3.57 lakhs (against Rs. 9.50 lakhs) for taxation and Rs. 2 lakhs (against Rs. 4.50 lakhs) for general reserve. The proposed dividend absorbs Rs. 2.61 lakhs (the same), leaving a sum of Rs. 58,000 to be carried forward, against Rs. 79,000 brought in. The Company is reported to have made further progress in its programme of modernisation and rehabilitation, and during the year 1962-63, it made net additions amounting to Rs. 22.40 lakhs to its fixed assets.

Dena Bank Maintains on Doubled Capital

THE Devkaran Nanjee Banking Co. Ltd (popularly known as the Dena Bank), which is usually the first to announce its results whether for the first half or the full year, has maintained the interim dividend at Rs. 2 a share of Rs. 50 for the half year ended June 1963, on the increased capital as raised by the once-for-one rights issue made at a premium of Rs. 2 a share during the latter half of 1962. According to the preliminary report, the bank's net profit for the half year amounts to Rs. 14.15 lakhs, against Rs. 17.11 lakhs in the corresponding period of 1962. This does not, however, provide any dependable clue to the bank's real performance as the profit for January-June 1963 has been arrived at after providing not only the corporation tax, but also the super profits tax for the half year ended June 1933 as well as that for the full year of 1962. The exact liability in this matter is not known. Including the sum of Rs. 3.19 lakhs brought forward from the preceding year, the disposable surplus amounts to Rs. 17.34 lakhs. The proposed interim dividend absorbs Rs. 4 lakhs (against Rs. 2 lakhs), leaving a balance of Rs. 13.34 lakhs to be carried forward to the next half year's accounts. The Rs. 50-paid share of the bank is currently quoted around Rs. 55.

A few observations about the banking industry's performance during the half year ended June 1963 are called for. Relevant statistics indicate that scheduled banks were under considering pressure during this period. Their deposits recorded an increase of only Rs. 99.59 crores, compared with Rs. 186.36 crores in the corresponding period last year. What is more, time deposits increased by a mere Rs. 14.12 crores, compared with Rs. 133.91 crores. This small increase is, however, due partly to the transfer of P.L. 480 funds from the State Bank to the Reserve Bank of India. In view of the smaller increase in total deposits and a much smaller rise in time deposits, scheduled banks experienced considerable difficulty in meeting the demand for funds and were unable to lend more than Rs. 108.56 crores. In the first half of 1962, scheduled banks' credit increased by Rs. 143.11 crores and there was also an increase of Rs. 27 crores in their investments in Government securities. But over the first six months of the current year, banks' holdings of Government securities remained almost unchanged around Rs. 653 crores. The banking system derived some benefit from the ½ percent increase in the minimum lending rates following the Bank rate rise and from the introduction of the new practice of compounding interest charged on advances every three months. Interest rates on deposits remained unchanged during the half year.

Share Offer by Madras Forgings

THE Madras Forgings and Allied Industries Ltd, which proposes to set up a factory in Coimbatore for the manufacture of heavy, medium and light steel forgings and heavy iron castings particularly useful for railway rolling stock and wagon parts, is offering for public subscription 11,000 equity shares of Rs. 100 each. The project is estimated to cost about Rs. 15 lakhs, which is being met by the issue of shares. The factory will have a capacity of 6,000 tons a year of steel forgings and iron castings. In view of the wide gap between the demand and availability of forgings and castings, marketing is not expected to present any difficulty for the new venture. About 75 percent of the machinery for the project will be obtained from indigenous sources. The rest will be purchased from the rupee payment areas. The Company has an authorised capital of Rs. 25 lakhs—all in equity shares of Rs. 100 each. The present issue is for Rs. 15 lakhs, out of which the promoters, directors and their friends are taking up shares worth Rs. 4 lakhs. The balance of Rs. 11 lakhs is being offered for public subscription.

New Capital Issues

THREE companies, two of which are public sector enterprises, have been authorised to issue fresh capital aggregating Rs. 4.5 crores. The following are the details :

Indian Drugs and Pharmaceuticals Ltd, Delhi, a Central Government undertaking, is to issue further capital of Rs. 4 crores, divided into 40,000 equity shares at Rs. 1,000 each for cash at par.

Andhra Pradesh Small-Scale Industrial Development Corporation Hyderabad, a State Government undertaking, is to issue capital of Rs. 30 lakhs in equity shares of Rs. 100 each, to be subscribed by the Government of Andhra Pradesh. The proceeds will be used for the development of small-scale industries.

Seshasayee Industries Ltd, is raising additional capital of Rs. 20 lakhs in equity shares of Rs. 10 each, to be issued for cash at par. The money will be used for the Company's expansion programme.

The Stock Markets

SENTIMENT IMPROVES IN LYONS RANGE

Wednesday Evening.

THE Calcutta stock market has improved during the past week under the lead of steel shares. Lyons Range has taken an optimistic view of the forthcoming dividend of the steel companies because their production during the year ended March 1963 has been bigger than in 1961-62. Operators have also been encouraged by rumours of a bonus issue by the Indian Iron and Steel Company. As a result of the rising support for Indian Iron, the prices of other selected shares have hardened ; the absence of selling pressure, combined with replacement buying, helped the process. Although Sino-Indian relations are far from settled, it is generally believed that any further Chinese aggression is not likely in the near future because of India's defence preparations, which are progressing with the co-operation of friendly foreign countries, such as the U.S.A. and the U.K.

It is vaguely believed that the Government may take steps to revitalise the capital market. It is possible that the margin against share advances by banks may be liberalised, although, it is doubtful whether this factor by itself will help improve the investment climate. Since the cost of credit has become almost prohibitive, investors will not take the risk of buying shares with borrowed funds. This apart, confidence has suffered because of the poor outlook for corporate profits and dividends. Although money conditions have temporarily eased on account of the slack season, banks are not expected to extend the supply of credit to the stock market because demands for credit from trade and industry are likely to increase in the near future. In view of the slow rate of deposit growth, banks themselves do not feel confident whether they will be able to satisfy the legitimate credit requirements of the economy when the next busy season starts.

A disturbing feature is that the support for new shares has declined considerably because of the loss of confidence. Several new issues have had to be taken up by the underwriters during recent weeks. To what extent the Life Insurance Corporation will support the equity market after the new Government loans are subscribed, it is difficult to assess now. A redeeming feature is that the prices of several good shares have fallen sufficiently to make them attractive. So a further decline is unlikely unless the political situation deteriorates There have been indications of fresh discriminating purchases.

The clearing passed off on Wednesday smoothly. The carry-forward charges have shown little variation from those in the past settlement. Among engineering shares, support has largely been confined to Burn, Indian Standard Wagon, Guest, Keen, Williams, Texmaco and Jessop. The prices of selected miscellaneous shares have hardened in rising turnover after a long interval. Indian Copper, Hindustan Motors, Dunlop Rubber and Jaipur Udyog have been active among clearing shares.

Replacement buying has helped to improve Indian Oxygen, British Paints, Union Carbide, Associated Battery and Alkali and Chemical. National Insulated Cable and Hindusthan Aluminium have gained. Among electric supply companies, Calcutta Electric have been sluggish. Managing agency shares have been generally neglected. Stray business has been done in Martin Burn, Balmer Lawrie and Jardine Henderson. Among new shares, India Carbon, Phillips Carbon and Asiatic Oxygen have recovered. In paper shares, Orient and Sirpur have hardened. Sugar shares have been difficult to deal in because the outlook is considered poor.

Jute shares have been hesitant because of sluggish enquiries for jute goods. Scattered business has been transacted in Birla, Barnagore, Champdany, Ganges, Lawrence and Union. Coal shares have been subdued on reports of heavier accumulation of pithead stocks. Stray business has been done in Burrakur, New Beerbhoom, Bengal and Central India. Cotton mill shares have lacked support because the profit outlook for mills during the current year is far from encouraging. Dunbar, Bharat Commerce and J. K. Rayon have been sold freely.

Tea shares have met with bigger support towards the close, although prices have shown little change. The support is due to the improved trend at the auctions held in Calcutta last Monday. Hasimara, Brooke Bond, Tezpore and Methoni have been transacted.

Government securities have been steady. Turnover has, nevertheless, been small since sellers have been few. Attention has been diverted to the forthcoming new Government loans. The 3 percent Conversion Loan 1986 has been steady around Rs. 64.15. The prices of selected State Government loans have hardened on institutional support.

Bombay

PRICES RISE ON BROAD FRONT

HECTIC BUYING IN STEEL SHARES

Wednesday Evening.

THE Bombay stock market has been cheerful during the past week. Share prices have hardened on a broad front because of fresh support, combined with nervous short-covering. Hectic buying in steel shares has helped improve the general tone of the market. Dalal Street has been encouraged by the prospect that the Tata Iron and Steel Company may improve on its previous dividend. Its dividend for the year ended March 1963 is likely to be declared soon. The optimism has been reinforced by the encouraging performance of the Company since the close of the last financial year ; higher production during June, compared with May, has been an additional stimulant.

Contrary to expectations, the new account started last Monday on a cheerful tone. The high margin requirements seem to have been taken in their stride. Because of easier money conditions, there has been no shortage of funds for *budla* transactions. The corporate news has, meanwhile, been good. The declaration of a maiden dividend by Zenith Steel has helped impart confidence. Operators have been cheered by the deliberations at the conference between the Central Finance Minister and the leading financial institutions held recently. It is expected that the margin against share advances may soon be liberalised by banks. The lull on India's northern borders has also been a helpful factor.

Tata Steel ordinary have soared to Rs. 143.25 and Indian Iron to Rs. 23.28. Among engineering shares, Tata Locomotive have recovered to Rs. 165.50 on replacement buying. Interest has been taken in Premier Construction, Mukand Iron and Alcock Ashdown. Motor-vehicle shares have improved. Hindustan Motors and Premier Automobiles have gained. Cotton mill shares have shown widespread gains. Prominent among them have been Century, Bombay Dyeing, Standard and India United ordinary, Gokak and Morarjee have recovered on replacement purchases.

Miscellaneous shares have moved up in sympathy with the general trend. Among cement shares, Associated Cement have gained on reports that the Company has arranged to sell its assets in Pakistan. Among steamship company shares, Scindia Steam have recovered on short-covering. Mining shares have been quiet, although Shivrajpur Syndicate have gained somewhat. In the sugar section, Belapur and Walchandnagar Industries have been steady.

Chemical shares have been steady and support has been extended to Tata Chemical. Bombay Burmah

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have improved. National Rayon have gained substantially on short-covering. An encouraging factor has been that support has broadened in cash scrip. Permanent Magnets, Synthetics and Chemicals, and Indian Dyestuff have attracted attention.

Turnover in bank shares has been small, but prices have been maintained. Among insurance shares, New India Assurance have been steady. Prices of selected electric company shares have been higher on balance. Ahmedabad and Tata Power have been steady.

Madras

LARGER TURNOVER IN SHARES

SECURITIES REMAIN STEADY

Tuesday Evening.

THERE has been considerable improvement in the Madras stock market during the past week due to firmer advices from Calcutta and Bombay. Turnover in clearing and cash scrip has increased. The restoration of power cuts has been an important stimulating factor. Operators have also been encouraged by the prospect that banks may soon raise their advances against shares.

Government securities have been steady and prices of selected State Government loans have been higher. Business in bank shares has been restricted. Selected electric company shares have been bought on yield consideration. Support has been extended to selected sugar shares. Good planting shares have hardened on prospects of higher dividends. Cotton mill shares have been dealt in cautiously. In the miscellaneous section, interest has largely been confined to selected chemical and cement shares.

In the banking section, Canara have been done at Rs. 80.50 and Indian Overseas at Rs. 142. Among electric company shares, South Madras have been taken at Rs. 10.35 on declaring a final taxable ordinary dividend of 6 percent. In the sugar section, Deccan have hardened to Rs. 9.95 and E.I.D. to Rs. 38.75.

Among planting shares, Blue Mountain have recovered to Rs. 2.47 and Consolidated Coffee to Rs. 18.50. Periakaramalai have been bought up to Rs. 3.43 on declaring a golden jubilee interim dividend of 2.5 percent. Interest has been taken in Thamarapally at Rs. 14.50, in Thirumbadi at Rs. 1.96 and in Ouchterlony at Rs. 3.90. Coorg have been done at Rs 5 on paying a taxable ordinary dividend of 15 percent. Balanoor have been quoted at Rs. 12 on paying a taxable ordinary dividend of 10 percent. Devon have come to hand at Rs. 12.66 on paying a taxable ordinary dividend of 10 percent.

Among textile shares, South India Viscose have recovered to Rs. 129 and Travancore Rayon to Rs 23. Lakshmi have been transacted at Rs. 142.50 and Madura at Rs. 31.50. Janardana have been taken at Rs. 69.50 on declaring a taxable ordinary dividend of 6 percent. Ramnarayan have been quoted at Rs. 93 on paying a taxable ordinary dividend of 10 percent instead of 7.5 percent as decided earlier. Rajapalayam have been taken at Rs. 160 on paying a taxable ordinary dividend of 16 percent.

Among miscellaneous shares, India Cement have been steady at Rs. 5.63 and Dalmia Cement at Rs. 13.50. Aluminium Industries have been done at Rs. 16.75 and Ashok Leyland at Rs. 7.45. Tube Investment have been taken at Rs. 235 and Spencer at Rs. 21.08. Ruby Rubber have been dealt in at Rs. 4.65 on the news that the Company will sell its Bangalore branch factory to the Manimala Estates Ltd for a sum of Rs. 3.41 lakhs.

THE WEEK'S TRANSACTIONS

[In the following list of stocks and shares in which transactions have taken place during the past week, the figures indicate Opening Quotations. Highest for the week, Lowest for the week, Closing Quotations and Quotations for the corresponding Closing Date a Year Ago. The last named is shown in parantheses and will not be given where such a quotation is not available.]

CLEARED SECURITIES

Birla Jute—Rs. 28/75—28/81—28/50—28/75—(33/25).

Burrakur Coal—Rs. 15/44—15/56—15/44—15/50—(17/81).

Dunlop Rubber—Rs. 31/00—31/87—30/87—31/75—(39/44).

Guest, Keen, Williams—Rs. 32/37—33/62—32/25—33/10—(39/37).

Hindustan Motor—Rs. 15/94—16/69—15/81—16/62—(19/19)

Howrah Jute—Rs. 18/75—19/12—18/75—18/87—(21/75).

Indian Aluminium—Rs 33/19—33/56—33/00—33/50—(38/19).

Do (New)—Rs. 15/00—15/00—15/00—15/00.

Indian Cable—Rs. 31/25—32/00—30/62—31/81—(35/62).

Indian Copper—Rs. 4/68—4/73—4/60—4/69—(4/88).

Indian Iron & Steel—Rs. 22/70—23/18—22/70—23/18—(25/58).

J. K. Cotton—Rs. 11/69—11/81—11/50—11/69—(19/12).

Jaipur Udyog—Rs. 11/69—11/69—11/37—11/50—(13/00).

Kesoram Industries—Rs. 21/62—21/69—21/37—21/69—(27/87).

Orient Paper—Rs. 34/60—34/80—34/40—34/40—(40/90).

Orissa Cement—Rs 14/00—14/00—13/90—14/00—(17/12).

Rohtas Industries—Rs. 10/87—11/25—10/87—11/12—(15/44).

Shree Gopal—Rs. 23/37—23/50—23/37—23/50—(25/50).

Textile Machinery—Rs. 23/70—23/80—23/50—23/60—(23/10).

GOVERNMENT SECURITIES

3% Loan (1986)—Rs. 64/15—64/25—64/00—64/15.

3% ,, (1964)—Rs. 98/90—98/90—98/90—98/90.

3% ,, (1970-75)—Rs. 87/80—87/80—87/80—87/80.

3½% ,, (1965)—Rs. 99/60—99/60—99/60—99/60.

3½% ,, (1969)—Rs. 97/00—97/00—97/00—97/00.

3½% ,, (1965)—Rs. 99/50—99/50—99/50—99/50.

3½% ,, (1968)—Rs. 99/00—99/05—99/00—99/05.

4% ,, (1972)—Rs. 99/40—99/43—99/40—99/43.

4% ,, (1981)—Rs. 98/53—98/57—98/53—58/53.

4% West Bengal (1968)—Rs. 97/75—97/75—97/75—97/75.

4½% Kerala (1974)—Rs. 98/25—98/25—98/25—98/25.

4½% Orissa (1972)—Rs. 96/00—96/65—96/00—96/65.

4½% Orissa (1974)—Rs. 98/35—98/55—98/35—98/55.

4½% West Bengal (1974)—Rs. 98/60—98/60—98/60—98/60.

4½% West Bengal (1964)—Rs. 98/75—98/75—98/75—98/75.

COTTONS

Basanti—Rs. 11/50—11/56—11/50—11/56—(8/50).

Bharat Commerce—Rs. 20/12—20/12—20/12—20/12—(24/25).

Bowreah—Rs. 22/06—22/06—22/00—22/00—(25/19).

Cawnpore—Rs. 6/12—6/16—6/12—6/16—(7/25).

Dunbar—Rs. 25/69—26/50—25/69—26/25—(29/56).

Elgin—Rs. 17/87—17/94—17/75—17/75—(19/44).

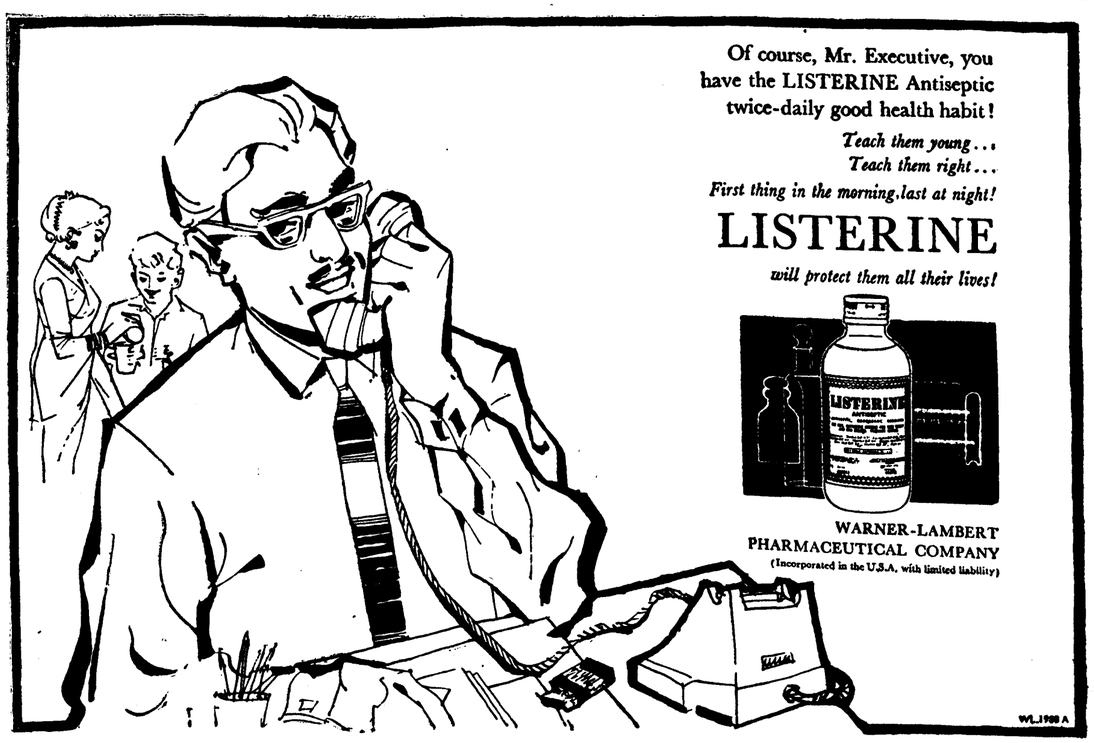
Jay Shree—Rs. 14/19—14/25—14/12—14/16—(14/94).

New Victoria (Pref.)—Rs. 2/37—2/37—2/31—2/31.

Shree Madhusudan (Pref.)—Rs. 79/00—79/00—79/00—79/00.

BANKS

Bank of India—Rs 113/00—113/00—113/00—113/00—(115/00).



Hindusthan Commercial—Rs. 13/25—13/25—13/25—13/25—(18/00).

United Bank of India (Rs. 10/ paid)—Rs. 7/31—7/31—7/31—7/31—(7/69).

United Commercial—65/00—66/00—64/00—66/00—(86/00).

COALS

Bengal—Rs. 260/00—261/00—260/00—261/00—(374/00).

Bhalgora—Rs. 4/75—4/84—4/75—4/84—(5/25).

Central India—Rs. 9/75—9/75—9/75—9/75—(11/06).

New Beerbhoom—Rs. 19/12—19/12—19/12—19/12—(12/25).

Oriental—Rs. 9/50—9/50—9/50—9/50.

Western Bengal—Rs. 8/81—8/81—8/81—8/81—(10/19).

JUTES

Agarpara—Rs. 10/00—10/00—10/00—10/00—(10/75).

Alliance—Rs. 121/00—125/50—121/00—125/50—(123/50).

Bally—Rs. 263/00—263/00—263/00—263/00—(299/00).

Barnagore—Rs. 198/00—199/00—196/50—196/50—(184/50).

Chitavalsah—Rs. 10/00—10/00—9/94—9/94—(12/06).

Champdany—Rs. 20/50—20/56—20/50—20/56.

Clive—Rs. 10/25—10/25—10/25—10/25—(9/00).

Cheviot—Rs. 21/50—21/62—21/50—21/56—(24/06).

Dalhousie (Pref.)—Rs. 93/00—93/00—93/00—93/00.

Fort Gloster (Pref.)—Rs. 109/00—109/00—109/00—109/00.

Ganges—Rs. 13/87—14/00—13/87—13/87—(14/37).

Gouripore (Pref.)—91/00—91/00—90/50—90/50—(86/00).

Hastings (Pref.)—Rs. 91/00—91/00—91/00—91/00.

Khardah—Rs. 19/00—19/00—18/75—18/75—(17/50).

Do (Pref.)—Rs. 75/50—75/50—75/50—75/50.

Lansdowne—Rs. 86/50—87/00—86/50—87/00—(142/00).

Naihati (2nd Pref.)—Rs. 84/50—84/50—84/50—84/50.

National—Rs. 22/94—22/94—22/94—22/94—23/50).

New Central—Rs. 12/81—12/91—12/75—12/94—(15/62).

Nellimarla—Rs. 11/81—11/81—11/81—11/81—(11/75).

Presidency—Rs 4/75—4/81—4/66—4/69—(5/50).

Reliance—Rs. 9/81—9/87—9/75—9/75—(7/69).

Waverley—Rs. 7/44—7/44—7/25—7/25—(6/31).

MININGS

Associated Mining (Pref.)—Rs. 29/00—29/00—29/00—29/00.

Metal Corpn.—Rs. 8/12—8/25—8/12—8/25—(11/81).

Orissa Minerals—Rs. 27/50—27/50—27/30—27/50.

CEMENTS

Ashoka—Rs. 7/44—7/44—7/37—7/37.

Assam Bengal—Rs. 3/31—3/31—3/31—3/31—(2/94).

Do (Defd.)—Re. 0/50—0/50—0/50—0/50—(0/37).

Bengal Potteries—Rs. 4/94—4/94—4/94—4/94—(6/62).

Dalmia (Bharat)—Rs. 12/37—12/75—12/37—12/56—(12/37).

Do (Defd.)—Rs. 3/03—3/03—3/03—3/03.

Sone Valley—Rs. 4/50—4/56—4/37—4/37—(4/97).

CHEMICALS

Alkali & Chemical—Rs. 31/87—32/00—31/62—31/62—(43.00).

Bengal (7½% Pref.)—Rs. 12/06—12/12—11/87—12/12.

Frank Ross—Rs. 2/19—2/19—2/19—2/19—(3/25).

Kanoria—Rs. 5/56—5/56—5/50—5/50—(4/94).

ELECTRICS

Calcutta—Rs. 14/25—14/44—14/25—14/31—(15/12).

Do. (Pref.)—Rs. 7/94—8/19—7/94—8/12—(8/37).

ENGINEERINGS

Bharat Ball Bearing—Rs. 13/06—13/06—13/06—13/06—(13/81).

Bhartia Elec. Steel—Rs. 13/00 x.d.—13/00—13/00—13/00—(11/75).

Burn & Co.—Rs. 564/00—580/00—561/00—580/00—(644/00).

Britannia Eng.—Rs. 9/56—9/56—9/19—9/19—(11/75).

Braithwaite & Co.—Rs. 30/19—30/19—30/06—30/06—(35/00).

Calcutta Steel—Rs. 14/37—14/37—13/81—14/25—(16/44).

Dalmia Iron—Rs. 10/62—10/87—10/62—10/87—(11/50).

Hindusthan Wire—Rs. 10/00—10/00—10/00—10/00—(11/50).

Indian Iron & Steel (Pref.)—Rs. 85/00—85/00—85/00—85/00.

Indian St. Wagon—Rs. 31/12—31/31—30/87—31/31—(34/37).

Jessop & Co.—Rs. 23/94—24/56—23/87—23/87—(22/50).

Kumardhubi—Rs. 8/12—8/25—8/12—8/25—(7/31).

Marshalls—Rs. 2/50—2/53—2/41—2/47—(3/37).

National Screw & Wire Pro.—Rs. 9/95—9/95—9/95—9/95.

Raymon—Rs. 4/87—5/50—4/87—5/50.

Textile Machinery (6½% Pref.)—Rs. 98/00—93/00—98/00—98/00—(96/50).

Wellman Incandescent—Rs. 6/25—6/44—6/19—6/44.

INSURANCES

New Asiatic—Rs. 7/81—7/81—7/69—7/69—(6/56).

Ruby General—Rs. 10/19—10/37—10/19—10/25—(9/56).

Triton—Rs. 124/00 x.d.—124/00—124/00—124/00—(127/00 x.d.).

MISCELLANEOUS

Asian Refractories—Rs. 6/00—6/62—6/00—6/62.

Asiatic Oxygen—Rs. 8/37—8/75—8/37—8/75.

Associated Battery—Rs. 23/56—23/56—23/37—23/37—(30/00).

Airways (India)—Rs. 4/12—4/12—4/12—4/12.

Aluminium Corpn.—Rs. 12/81—12/81—12/81—12/81—(17/12).

Angelo Bros.—Rs. 21/69—21/81—21/69—21/81—(22/56).

British Paints—Rs. 19/12—20/37—19/06—20/37.

Bharat Nidhi—Rs. 5/00—5/00—5/00—5/00—(7/75).

B. I. Corpn.—Rs. 8/06—8/19—8/06—8/19—(9/25).

Do. (Pref.)—Rs. 106/25—106/25—106/00—106/00.

Britannia Biscuit—Rs. 42/50—42/50—42/50—42/50—(44/00).

Clive Row Investment—Rs. 8/31—8/31—8/25—8/25—(7/62).

Calcutta Tramways—Rs. 10/94—10/94—10/87—10/87—(11/94).

Dr. Paul Lohmann—Rs. 11/06—12/00—11/00—12/00—(20/12).

English Electric—Rs. 12/00—12/44—12/00—12/44.

General Tyres—Rs. 8/00—8/06—7/81—8/00.

Goodyear India—Rs. 30/00—30/00—30/00—30/00—(45/19).

Gwalior Rayon—Rs. 44/25—44/25—44/00—44/00.

Hindustan Aluminium—Rs. 13/19—13/25—12/87—13/12—(16/50).

Hindusthan Development—Rs. 3/94—4/00—3/90—3/94—(6/19).

Hindustan Lever—Rs. 34/00—34/25—34/00—34/12.

Hindusthan Wire Products—Rs. 16/50—16/50—16/50—16/50.

Hindusthan Twyfords—Rs. 14/25—14/25—14/25—14/25—(15/87).

Indian Oxygen—Rs. 27/00—27/75—27/00—27/62—(46/25).

Indian Wood Products—Rs. 28/87—29/00—28/87—29/00—(32/25).

Imperial Tobacco—Rs. 10/19—10/19—10/19—10/19—(11/00).

Indian Tack & Nail—Rs. 11/75—11/87—11/75—11/87—(16/87).

Issac Holdens—Rs. 14/06—14/06—14/00—14/00—(16/62).

Jayshree Industries—Rs. 15/94—16/19—15/75—16/00—(17/19).

J. K. Synthetics—Rs. 10/06—10/56—10/06—10/56—(13/75).

Jardine Henderson—Rs. 85/50—86/00—85/50—85/50—(81/50).

Martin Burn—Rs. 26/12—26/12—26/12—26/12.

Do. (Pref.)—Rs. 85/00—87/00—85/00—87/00.

Madhya Pradesh—Rs. 8/19—8/44—8/19—8/44.

Metal Distributors—Rs. 4/12—4/37—4/12—4/28.

National Insulated Cable—Rs. 22/56—23/06—22/56—23/06—(29/87).

National Rubber Mfg.—Rs. 11/25—11/25—11/19—11/19—(12/19).

National Rolling & Steel Ropes—Rs. 19/25—19/25—19/12—19/25—(21/00).

National Tobacco—Rs. 10/81—10/81—10/75—10/75—(13/94).

Philips India—Rs. 27/25—27/50—27/12—27/50.

Phillips Carbon—Rs. 15/87—15/87—15/75—15/75.

Railis India—Rs. 113/00—114/00—113/00—114/00—(133/50).

Sirsilk—Rs. 9/25—9/31—9/06—9/06—(9/94).

Tungabhadra—Rs. 5/87—5/87—5/87—5/87.

Universal Electric—Rs. 9/06—9/25—9/00—9/25—(5/37).

Usha Martin Black—Rs. 13/37—13/50—13/12—13/19—(16/16).

Union Carbide—Rs. 38/62—39/56—38/62—39/56—(48/50).

Walford Transport (P.O.)—Rs. 2/19—2/31—2/16—2/31—(2/69).

OIL

Indo-Burma Petroleum—Rs. 21/50—22/12—21/50—21/87—(26/62).

PAPERS

Ashoke—Rs. 3/44—3/44—3/37—3/37.

Ballarpur—Rs. 16/81—17/00—16/81—17/00—(18/06).

Bengal—Rs. 27/81—27/94—27/75—27/94—(33/25).

India Paper Pulp—Rs. 16/44—16/50—16/44—16/50—(20/50).

Star—Rs. 8/25—9/37—8/25—8/50—(10/00).

Sirpur—Rs. 11/62—11/87—11/62—11/87—(13/00).

Straw Products—Rs. 9/25—9/25—9/25—9/25—(10/06).

Titaghur—Rs. 15/37—15/44—15/31—15/37—(40/00).

Do (P.O.)—Rs. 3/31—3/47—3/31—3/47—(4/00).

SHIPPINGS

India Steamship—Rs. 5/94—6/00—5/81—5/94—(6/94).

Port Shipping—Rs. 12/56—12/56—12/56—12/56.

REAL PROPERTY

Midnapore Zemindary—Rs. 10/00—10/00—10/00—10/00—(9/56).

SUGARS

Cawnpore—Rs. 9/12—9/12—9/06—9/06.

Raza Buland—Rs. 9/44—9/44—9/31—9/37—(9/06).

Ramnugger Cane—Rs. 26/37—26/37—26/37—26/37—(28/50).

Tulsipore—Rs. 4/10—4/10—4/10—4/10—(3/06).

TEAS

Beljan—Rs. 28/50—28/75—28/50—28/75.

Deejoo Valley—Rs. 60/00S.T.—60/00—60/00—60/00—(49/25).

Dufflaghur—Rs. 25/25—25/50—25/25—25/50—(28/75).

East India—Rs. 13/31—13/44—13/31—13/44—(18/87).

Eastern Cachar—Rs. 4/25—4/31—4/25—4/31—(3/81).

Huldibari—Rs. 12/50—13/31—12/50—13/31—(31/56).

Hantapara—Rs. 99/00—99/00—99/00—99/00.

Joonktoolie—Rs. 17/19—17/31—17/19—17/31.

Killcott—Rs. 14/37—14/37—14/37—14/37—(17/12).

Murphulani (P.O.)—Rs. 27/00—27/12—26/87—26/87 x.d.

Tezpore—Rs. 14/62—14/62—14/56—14/56 x.d.—(15/44).

DEBENTURE

5½% Burmah-Shell—Rs. 92/00—92/00—92/00—92/00.

London

SELECTIVE BUYING TONES UP SHARES

GOLD SCRIP IN DEMAND

London, 10th July.

IT was a satisfactory week on the stock market with prices responding to small but persistent selective buying. The event of the week, however, was the upheaval caused by the take-over bid for Burmah Oil by B.P. and Shell, the subsequent rejection by Burmah and then an immediate withdrawal of the bid. Dealings in the shares of Burmah were on a huge scale and price ranges were as wide as 10s for the "high" of 67s 6d after the bid, down to 55s on the withdrawal. However, there was a sharp recovery to 64s 10½d following an almost unanimous recommendation by the week-end Press of the shares, until Burmah disclosed its intentions regarding the Company's future. Equities made a satisfactory showing, but holidays were an influence on business while the fact that the stamp duty became operative at the end of the week caused some people to hold off, but many stocks were higher than a week ago. With Wall Street moving erractically, dollar stocks see-sawed, but with the dollar premiums moving up to 10½ percent the market became steadier after opening distinctly dull. Gold shares were wanted with some of the buying said to have been on U.S. account, but the demand was fairly general. Coppers were unsettled by the disappointing results of leading companies. Tins were quiet, rubbers showed little movement, but teas came into demand following better tea prices in London.

THE NEW INDIA ASSURANCE COMPANY LIMITED

CHAIRMAN'S SPEECH

Summary of the speech delivered by the Chairman, Mr. A. D. Shroff at the Annual General Meeting.

Addressing the shareholders of the New India Assurance Co. Ltd., at the 44th Annual General Meeting, on Wednesday, the 10th July, 1963, the Chairman, Mr. A. D. Shroff, expressed satisfaction at the better standards of conduct and understanding achieved in the General Insurance Industry in India due to the efforts of the Executive Committee of the General Insurance Council and increasing measure of co-operation amongst general insurers. He once again appealed to all Insurers, Indian and non-Indian, to pool their resources to make the Industry a strong and viable sector of the national economy.

Alluding to the crisis of confidence prevailing in Stock Exchanges in India, he referred to the heavy tax burden imposed by the Government, particularly the Super Profits Tax, and said that fears expressed by a number of experienced businessmen and industrialists at the time the proposal for the Super Profits Tax was made are unfortunately being completely confirmed by the behaviour of the new capital issue markets in India and reduction in Dividends declared by a number of Companies. He added that unless this ill-conceived new tax was aboiished, there would be a serious retardation in the industrial development of the country.

Gold Control Order

He further stated that Government's measures, including Gold Control Order and the Compulsory Deposit Scheme, have tended to create a sort of natural resistance and negative psychology as also to weaken the process of capital formation and to undermine the credit structure in the country. According to him, common sense understanding of human psychology suggested that the habits of thrift and saving cannot be fostered by measures of compulsion. Such measures of compulsion invariably invite resistance. He felt that the most effective mobilisation of people's savings could only be achieved through hard selling of the concept of savings. In this context he stated that the Life Insurance Corporation of India must adopt unorthodox measures to make a much larger contribution to national savings than it was doing at present. As regards the Unit Trusts, he opined that a Unit Trust, as a public sector monopoly, would not serve a real purpose.

(This does not purport to be a record of the proceedings of the Meeting.)

RESERVE BANK

ISSUE DEPARTMENT

(In 000's of Rupees)	Week Ended 5-7-63	28-6-63	6-7-62
Liabilities—			
Notes in Banking Dept.	23,69,66	40,11,54	23,77,19
Notes in Circulation	22,74,48,39	22,59,49,59	20,94,77,43
Total Notes issued	22,98,18,05	22,99,61,13	21,18,54,62
Assets—			
A. Gold Coin and Bullion	1,17,76,10	1,17,76,10	1,17,76,10
Foreign Securities	95,88,67	99,83,43	91,77,44
Total of A	2,13,64,77	2,17,59,53	2,09,53,54
B. Rupee Coin	1,13,88,59	1,15,31,87	1,14,79,32
Rupee Securities	19,70,64,69	19,66,69,73	17,94,21,76
Total	22,98,18,05	22,99,61,13	21,18,54,62

BANKING DEPARTMENT

Liabilities—			
Capital Paid-up	5,00,00	5,00,00	5,00,00
Reserve Fund	80,00,00	80,00,00	80,00,00
National Agricultural Credit (Long Term Operations) Fund	73,00,00	61,00,00	61,00,00
National Agricultural Credit (Stabilisation) Fund	8,00,00	7,00,00	7,00,00
Deposits—			
(a) 1. Central Govt.	73,36,74	65,07,26	48,15,53
2. State Govts.	9,00,36	14,49,12	25,19,39
(b) Banks :—			
(i) Scheduled Banks	96,77,07	94,32,88	1,05,55,83
(ii) State Co-operative Banks	3,29,58	6,84,45	3,65,06
(iii) Other Banks	2,17	36,95	1,78
(c) Others	2,07,02,12	1,56,48,62	1,93,42,09
Bills Payable	27,92,79	40,60,20	24,26,35
Other Liabilities	16,99,98	85,21,51	17,80,17
Total	6,00,40,81	6,16,45,99	5,81,06,20
Assets—			
Notes	23,69,66	40,11,54	23,77,19
Rupee Coin	2,15	1,32	2,60
Small Coin	1,83	1,62	3,10
National Agricultural Credit (Long Term Operations) Fund			
(a) Loans and Advances to :—			
(i) State Govts.	27,16,75	27,16,75	24,03,15
(ii) State Co-operative Banks	10,56,10	10,70,61	11,03,87
(iii) Central Land Mortgage Banks	...	...	...
(b) Investment in Central Land Mortgage Bank Debentures	3,14,83	2,84,88	2,09,06
National Agricultural Credit (Stabilisation) Fund			
Loans and Advances to State Co-operative Banks	...	...	...
Bills Purchased and Discounted :—			
(a) Internal	...	...	...
(b) External	...	...	...
(c) Govt. treasury Bills	64,57,91	54,01,21	58,30,35
Balances Held abroad	5,63,44	6,50,50	6,78,03
Loans and Advances to Govt.	42,54,72	30,94,00	13,85,00
Loans and Advances to :—			
(i) Scheduled Banks	83,00	1,17,22	2,40,82
(ii) State Co-operative Banks	1,25,44,87	1,28,64,51	1,19,53,74
(iii) Others	1,10,80	1,13,80	2,76,95,28
Investments	2,61,02,40	2,72,79,99	
Other Assets	34,62,35	40,37,84	41,34,71
Total	6,00,40,81	6,16,45,99	5,81,06,20

SCHEDULED BANKS

(In 000's of Rupees)	Week Ended 28-6-63	21-6-63	29-6-62
(I) Demand Liabilities—			
(a) Demand Deposits			
(1) From Banks	63,42,85	55,29,84	56,47,15
(2) From others	8,99,73,33	8,94,57,12	7,79,69,81
(b) Borrowing from Banks	30,85,57	29,06,61	24,21,31
(c) Others	59,37,41	57,28,08	58,16,35
(II) Time Liabilities—			
(a) Time Deposits			
(1) From Banks	35,30,83	22,71,82	24,89,26
(2) From others	12,35,25,84	12,28,70,62	12,31,96,34
(b) Borrowing from Banks	21,38,18	21,16,51	16,73,40
(c) Others	10,90,97	10,32,43	10,73,23
(III) Borrowing from State Bank—			
(a) Demand Liabilities	4,38,99	4,96,85	4,33,17
(b) Time Liabilities	10,97,00	10,97,00	12,01,00
(IV) Borrowing from Reserve Bank	1,48,62	1,36,12	1,56,55
(V) Cash	62,74,04	53,56,61	56,84,37
(VI) Balances with the Reserve Bank	91,89,94	84,99,76	91,40,10
(VII) Balances with other Banks in current account	26,18,74	21,34,11	24,20,79
(VIII) Money at call and short notice	58,48,55	56,37,55	50,67,00
(IX) Investments in Central and State Govt. Securities	6,52,97,77	6,42,81,97	6,07,07,14
(X) (a) Loans, Cash credits and Overdrafts	13,16,00,90	13,04,70,15	12,48,27,96
(b) Due from Banks	6,86,53	7,48,27	5,18,12
(XI) Inland Bills purchased and discounted	1,61,57,81	1,70,38,56	1,28,77,47
(XII) Foreign Bills purchased and discounted	51,97,91	46,81,08	42,29,02
(XIII) Total of X XI and XII	15,36,43,15	15,31,38,06	14,24,52,57

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THE CALCUTTA MONEY MARKET

ADVANCES INCREASE AGAIN

Wednesday, 10th July.

SURPRISINGLY, the general level of advances has increased again in the Calcutta money market during the past week. Most of the increase is accounted for by the iron, steel and engineering industries. The requirements of the jute and sugar mills have declined a little. But the credit given to the cotton and woollen mills, and to the foodgrains and seeds trade, shows little change. In the interbank market, conditions were fairly easy for the greater part of the week, and the call rate was quoted around 1¾ percent. Towards the close, however, the supply of funds has become tighter and the call rate has moved up to 2½ percent.

The exchange market has been moderately active. More tea bills have been seen, and the supply of gunny bills has been fair too. There has been a moderate demand for remittances. Sterling is stronger in relation to most of the important currencies except the Norwegian krone.

SILVER WAS STEADY IN CALCUTTA during the past week. The price advanced from the previous week's level of Rs. 259.50 to Rs. 260.25, quoted today for ready delivery. There was no business in forward silver and gold. The London and New York silver prices were 111½d and 129 cents.

DURING THE WEEK ENDED 5TH JULY, Government of India Treasury bills for Rs. 65,27,00,000 were sold in favour of the Reserve Bank.

TENDERS FOR RS. 2 CRORES OF 91-DAY Government of India Treasury bills were opened on 9th July. The total amount offered was Rs. 4 crores. Tenders at Rs. 99.420 percent were allotted 50 percent. The total amount accepted was Rs. 2 crores, the average rate of acceptance being Rs. 2.320 percent a year. Tenders for Rs. 2 crores of 91-day Government of India Treasury bills will be received at all centres up to the close of business on 15th July.

IT IS STATED THAT 91-DAY INTERMEDIATE Treasury bills will be sold from 10th July to 13th July at Rs. 99.436 percent. Sales can be stopped at any time without notice if the Government thinks it necessary. These bills sold from 3rd July to 6th July amounted to Rs. 4.10 lakhs only.

THE STATEMENT OF THE RESERVE Bank of India for the week ended 5th July, 1963, shows a rise of Rs. 14.98 crores to Rs. 2,274.48 crores in active notes while the total note issue was Rs. 1.43 crores smaller at Rs. 2,298.18 crores. The currency contraction was covered by reducing rupee coin from Rs. 115.32 crores to Rs. 113.89 crores in the paper currency reserve. A decline of Rs. 3.94 crores to Rs. 95.89 crores in foreign securities was offset by an equivalent increase in rupee securities to Rs. 1,970.65 crores. These changes were made by contra transfers of securities to the Banking Department in which balances held abroad fell by Rs. 88 lakhs to Rs. 5.63 crores. Deposits of the Central Government were Rs. 8.30 crores larger at Rs. 73.37 crores, while those of State Governments declined by Rs. 5.49 crores to Rs. 9 crores. Balances of scheduled banks were Rs. 2.39 crores bigger at Rs. 96.77 crores while their loans from the Reserve Bank fell from Rs. 1.17 crores to Rs. 83 lakhs of which advances against usance bills were the same at Rs. 9 lakhs. A rise of Rs. 50.53 crores to Rs. 207.02 crores in other deposits arose out of the transfer of the profit of the Reserve Bank from the item of other liabilities. Investments were Rs. 11.78 crores smaller at Rs. 261.02 crores. Ways and means advances stood at Rs. 42.50 crores, against Rs. 30.94 crores.

THE RETURN OF THE STATE BANK OF India for the week ended 28th June, 1963, shows a rise of Rs. 8.23 crores to Rs. 573.77 crores in total deposits. Investments in Government securities are up by Rs. 7.84 crores to Rs. 257.70 crores, while other authorised investments remain unchanged at Rs. 9.34 crores. Advances, including loans, cash credits, overdrafts and bills discounted and purchased have increased by Rs. 81 lakhs to Rs. 280.13 crores. Cash and balances are, in consequence, shown at Rs. 30.12 crores or Rs. 6.82 crores higher.

THE STATEMENT OF THE POSITION OF scheduled banks for the week ended 28th June, 1963, shows Demand and Time liabilities at Rs. 1,053.39 crores (Rs. 30.86 crores on account of borrowings from banks) and Rs. 1,302.86 crores (Rs. 21.38 crores), compared with Rs. 1,036.22 crores (Rs. 29.07 crores) and Rs. 1,288.91 crores (Rs. 21.17 crores), respectively, in the previous week. Cash and balances with the Reserve Bank have increased by Rs. 9.17 crores and Rs. 6.90 crores to Rs. 62.74 crores and Rs. 91.90 crores, respectively. There is rise of Rs. 10.16 crores to Rs. 652.98 crores in investments. Advances and bills discounted at Rs. 1,536.43 crores show an increase of Rs. 5.05 crores. The ratios to total liabilities of cash and balances, and of advances and discounts are, in consequence, shown at 6.6 percent and 65.2 percent, against 6 percent and 65.9 percent.

TREASURY BILL MATURITIES

Details of 91-day bills outstanding with the public on 12-7-63.

Issue Date	Maturity Date	Amount (000's Rs.)	Average Acceptance Rate
12-7-63	15-10-63	2,00,00	Rs. 2.320%
5-7-63	8-10-63	2,00,00	Rs. 2.340%
28-6-63	1-10-63	2,00,00	Rs. 2.345%
21-6-63	24-9-63	2,00,00	Rs 2.350%
14-6-63	17-9-63	2,00,00	Rs 2.354%
7-6-63	10-9-63	2,00,00	Rs 2.350%
31-5-63	3-9-63	2,00,00	Rs. 2.350%
24-5-63	27-8-63	2,00,00	Rs. 2.355%
17-5-63	20-8-63	2,00,00	Rs 2.360%
10-5-63	13-8-63	2,00,00	Rs. 2.354%
3-5-63	6-8-63	2,00,00	Rs. 2.350%
26-4-63	29-7-63	2,00,00	Rs. 2.349%
19-4-63	22-7-63	2,00,00	Rs 2.354%
11-4-63	14-7-63	2,00,00	Rs 2.360%

(Monthly Maturities 000's omitted)

July 1963	6,00,00
August, 1963	8,00,00
September 1963	8,00,00
October 1963	6,00,00
Total	28,00,00

CLEARING HOUSE RETURNS

Week	Calcutta	Bombay
	Rs. (Lakhs)	
5-7-63	89.70	99.50
28-6-63	91.14	1,05.90
21-6-63	86.25	1,06.23
14-6-63	83.05	98.47

THE CENTRAL BORROWING PROGRAMME

(BY A SPECIAL CORRESPONDENT)

AS expected, the Government of India announced the second phase of its borrowing programme on 1st July. In continuation of the conversion offer last May, two cash-*cum*-conversion loans of short and medium duration are to be floated on 22nd July for a sum of Rs. 225 crores. The loans are (1)a further tranche of the existing 4 percent 1969 loan at Rs. 99.50 for Rs. 100 (nominal) repayable on 8th May, 1969, and (ii) a 4 percent 1937 loan at par, repayable on 22nd July, 1973. The rates offered on the loans are slightly better than those offered last year, but the rise in the yield, in the context of further increases in interest rates in different sectors of the economy including Bank rate, appears far too insignificant.

For instance, the yield on the 4 percent loan issued at Rs. 99.50 works out to 4.10 percent, and this is slightly better than the return on last year's 3.75 percent 1968 loan at 3.90 percent. Likewise, the return on the 4½ percent 1973 loan comes to 4.25 percent and stands in contrast with the last year's 4 percent 1972 loan yielding a return of 4.10 percent. The rates are, however, comparable with the return on 4½ percent Defence Bonds 1972, which were closed on 30th April. Probably the Government has viewed the borrowing programme, although implemented in two stages, as a single phase as far as the interest rates are concerned.

An important feature of the borrowing programme is that it covers, unlike in the previous years, the borrowing requirements of the State Governments also. The consolidated loan flotation this year is prompted by the fact that of the State Governments, several are in the red, financially speaking, and their loans are now quoted at a substantial discount in the market compared with the Central loans. The redemption yields on State loans with seven to ten-year maturity are now ranging between 4.5 percent and 4.9 percent, compared with 4 percent and 4.2 percent on Central loans of comparable maturity. Administratively also, it must have been deemed convenient because the investors will be spared the embarrassment of being approached separately by each State Government.

The Reserve Bank has resumed, after the announcement of the borrowing programme, the sale of 4½ percent 1986 loan which had been suspended about a week before the announcement of the new loans. The absence of a long-term loan in the current series to suit the needs of institutional investors, *e.g.*, provident funds is probably responsible for the resumption of the suspended sale. It will be recalled that the Central Budget for 1963-64 made provision for a gross market borrowing of Rs. 393 crores. The conversion offer made by the Government of India early last May attracted an amount of Rs. 139 crores. A sum of Rs. 53 crores was collected by the 4½ percent 1986 loan, and another Rs. 86 crores by the 4 percent 1969 loan. The two loans, which are going to be floated on 22nd July will thus bring the total loan offer during the year to Rs. 364 crores, or short of the target fixed for 1963-64 by Rs. 29 crores.

This shortfall is expected to create no great difficulty. This is because the 4½ percent National Defence Bonds 1972 which remained open during April 1963, yielded a sum of Rs. 6 crores for 1963-64. Thus the actual shortage comes to Rs. 23 crores, and this is expected to be covered by the usual market operations. It is interesting to recall that the Reserve Bank has been able to dispose of Rs. 20 crores of the six-year and 23-year loans so far, notwithstanding the conversion of the big bloc of loans last May.

Share of States

The States' share has been fixed at Rs. 100 crores in the borrowing programme. The gross borrowings of the Centre, therefore, come to Rs. 293 crores. The States' re-payment obligations are around Rs. 39 crores, and the Central Government's liability on this account is Rs. 183 crores. The net borrowing by the State Governments, excluding the special overdraft liabilities (Rs. 61 crores) with the Reserve Bank, works out to Rs. 61 crores and that of the Central Government to Rs. 110 crores. Thus, the loan amount of the States will be just adequate to wipe out the special loan extended by the Centre to the States to clear the overdrafts with the Reserve Bank in 1963-64. It is obvious that the net contribution of the borrowing programme to State finances will be "nil" and correspondingly, the Central assistance has to be stepped up in other directions to prevent embarrassment to the States in the financial field. This will mean, in turn, more deficit financing by the Central Government over and above that provided in the Central Budget for 1963-64.

The gilt-edged market has been ruling firm with the return flow of funds into the banking system. The 4 percent loan 1969 which was issued on 8th May, is now quoted 5nP above the issue price of the second tranche of the loan. Similarly, the 4½ percent National Defence Bonds, 1972, are being done at a premium of 30nP in the market. With the intensification of the slack season, the return flow of funds is expected to gather further momentum before the close of the new loans. It may be noted here that the credit contraction in the slack month of June has been substantial and, in fact, more substantial than in the corresponding period of last year. Bank credit, which touched a peak of Rs. 1,601 crores on 12th April, 1963, came down to Rs. 1,593 crores on 3rd May, and since that date till 28th June showed a fall of Rs. 63 crores. The contraction of credit in the corresponding period of last year was much smaller at around Rs. 20 crores Aggregate deposits increased by Rs. 49 crores during the present slack season or slightly higher than in the like period last year and the tendency seems to be encouraging. The comfortable monetary conditions in the banking system found an echo in the call money market. The call money rate (Bombay) is currently quoted at ¾ percent. compared with 1¾ percent at this time last year with tenders all over.

The banks are, therefore, decidedly in a better position to subscribe to the new loans than they were last April. The banking system is statutorily required to adhere to a higher liquidity ratio (28 percent, compared with the present ratio of 20 percent) with effect from 16th September, 1964, and this might induce the banking system to extend wholehearted support.

Generally speaking, Indian banks maintain a liquidity ratio in excess of the legal minimum, but there are certain banks, especially the "big banks", which maintain just enough liquidity in terms of current requirements. These banks have to go in for more investment in Government securities. Cash subscriptions, according to market circles, from the banking system are placed around Rs. 50 crores, with the State Bank taking up about Rs. 20 crores of the estimated amount.

Support for L.I.C.

The L.I.C.—another major supporter of the Government borrowing programme—invests nearly 80 percent of its annual premium income in Government securities. Since the income of the Corporation has been swelling, it is anticipated that the support from that institution will be at least Rs. 30 crores. Other institutions, like general insurance companies and investment trusts, are expected to absorb a sizable sum. The new loans are likely to attract cash subscriptions of at least Rs. 100 crores.

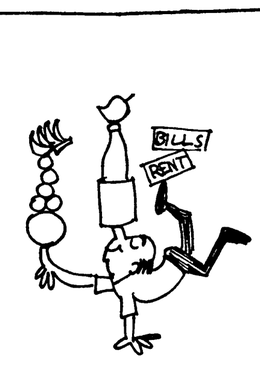
The new issues might assist a further firming up tendency in the gilt-edged market. Since there are no separate borrowings by States, it is likely that the State Governments' loans, which are currently quoted at a discount in comparison with the identical Central issues, might look up. But the addition of the new loans to the Government's debt might further step up the burden of the medium and short-dated debt which is already heavy at 70 percent of the total public debt. It might increase the Government's difficulties of repayment later, especially in the context of inflationary conditions in the economy.

BOOKS RECEIVED

Communist Economy under Change. (Published by Andre Deutsch Ltd, 105 Great Russell Street, London, W.C.1. Price 25s, pages 272.)

Corporate Management. (Published by M. C. Bhandari for the Association of Company Secretaries and Executives, 134/1 Mahatma Gandhi Road, Calcutta 7. Price Rs. 3, pages 26.)

The Law of Trade and Mechandise Marks. By S. Venkateswaran. (Published by D. K. De, Eastern Law House Private Ltd, 54 Ganesh Chunder Avenue, Calcutta 13. Price Rs. 50, pages 1,042.)



Have you tried balancing your budget?

I have—often!

It is no longer a case of balancing—it's just plain juggling!...Pay the milkman in full this month and the grocer on account so that the vegetable seller can be paid in part—the tailor will have to wait...and just when it seems to be working out—there are fees, doctor's bills and insurance premiums, not to mention taxes and compulsory deposits.

All of which remind me that I must somehow keep my insurance policy going—and take some more, if possible. I look at it like this: if I, with my regular income, can barely make both ends meet, how will my poor wife manage should the worst happen to me?

I must cut down on clothes? Perhaps. Less travelling, less entertainments, less parties, less festival expenses? Must talk to the wife.

ASP/LIC-E-38

E.C.M. DUTY ON TEA: DATE FOR CUT STILL TENTATIVE

By Malcolm Subhan

BRUSSELS.

WHEN discussing protracted negotiations between the Six and the U.K. for the suspension of their respective tariffs on tea, one willynilly falls back on *clichés*. "A storm in a teacup" would seem to describe rather accurately the objections raised by the French at the last meeting of the Council of Ministers; while the time-worn adage, "There's many a slip 'twixt the cup and the lip" no doubt makes a suitable moral to adorn this twice-told tale.

It is easy enough to joke about the cautious, pedantic manner in which the Community has managed the task of granting a tariff concession to which it had more or less committed itself a year ago. But the evidence of the various other agreements concluded by the Six—with Turkey, for instance—suggests that this in fact is how the Six negotiate. The number of conflicting interests which must be reconciled is so great that the progress of any negotiation is like that of a crab—sideways. As there is a lesson in this for those who want to conclude an agreement of any kind with the Community, a detailed account of the proceedings is perhaps not out of place.

To reverse the natural order and start at the end. The present position appears to be the following: the Common Market will suspend as from 1st January, 1964, and for a two-year period its tariff on loose tea and maté and reduce its tariff on tea in packets of less than 3 kilograms. The date is not definite, however: it seems to depend on whether the Convention of Association between the Six and their 18 African partners has meanwhile been ratified. "Seems to", because there is a certain amount of confusion in Community circles here as to whether the signature of the Convention or its ratification is the pre-condition to the suspension of the tariffs on tea and tropical hardwoods.

As matters stand, the Convention, which was initialled by the two sides last December, may be signed early in July. The only obstacle to its signature so far has been the absence of a Government in Italy; and while sceptics claim the present Italian Government will last only long enough to vote the provisional budget, it is nevertheless expected to sign the Convention as well. Ratification, on the other hand, will be a relatively long drawn-out affair, and certain Community officials feel it may be March before the Convention comes into force. The Council of Ministers apparently compromised on 1st January, 1964, as the date for the suspension of the two tariffs, largely because the Action Programme adopted in Geneva by the ministerial session of G.A.T.T. calls for the abolition of the tariffs on all tropical products by the end of this year.

When the question of suspending the tariff on tea was raised last year during the negotiations over Britain's entry into the Community, the Six agreed to it readily enough. With the break-down of the British negotiations the Indian reaction was to try to salvage as much as possible from the wreckage. It was suggested to the Dutch, who are the most addicted among the Six "to the cup that cheers but does not inebriate", that the Community could well afford to abolish the 18 percent tariff on tea even though Britain would not be joining the E.C.M.

The Dutch Proposal

Early in April, the Council of Ministers finally adopted a Dutch proposal that the Commission be authorised to negotiate with the U.K. a bilateral agreement for the suspension of their respective tariffs on tea and tropical hardwoods. It was agreed that the objective was to help the developing countries, not the U.K. or the Common Market. From the Indian point of view, the fact that tea and tropical woods had been linked together had certain disadvantages: if none of the 18 associated African States is particularly interested in tea, tropical hardwoods are another matter. (As it turned out, the Africans, invited by the Commission to give their point of view, refused to commit themselves in order not to compromise their position in the forthcoming tariff negotiations in Geneva. However, a large number of technical problems had to be solved before agreement on tropical woods could be reached between the Six and the U.K.)

The first official exchanges between the Six and the British took place in Geneva, towards the end of April. The latter wanted the suspensions to come into force as quickly as possible; the date first suggested was in fact 1st July. At the same time, the British proposed that the list be extended to include tea in packets, and essence of tea and maté, a South American beverage also prepared from the leaves of a shrub.

The common external tariff on tea in packets is even higher than the tariff on loose tea (24th percent as against 18 percent). The Six at once rejected the British proposal on the grounds that British packes would be the ones who would benefit primarily from it, although the Indians took the view that any measure which promotes the sale of tea is to be welcomed. (The Six eventually agreed to reduce their tariff from 24 percent to 5 percent. They also adopted the proposal to suspend the tariff on maté, but refused to extend the suspension to tea essence.)

Progress remained slow. The British delegation sought assurances which the Commission felt it could not give without first consulting the Council of Ministers. The British wanted the Community to affirm in writing that all six member States would suspend their tariffs from the date stipulated in the agreement. The point at dispute was a technical one. In principle, the Six had agreed to suspend the common external tariff on tea and tropical woods; but this Community tariff comes into force only at the end of the transitional period, five years hence, although the Six are committed to bringing their national tariffs into line with it in three stages. The British also sought a written undertaking from the Six that they would not increase their internal duties in order to compensate for the loss in revenue from the suspension of the tariff, nor introduce non-tariff measures, such as quota restrictions, thereby nullifyfying the effects of the suspensions.

Proposed Pact with U.K.

The Council of Ministers agreed to these various points when it met towards the end of May, and authorised the Commission to conclude a bilateral agreement with the U.K. along the lines set forth in its report. At the same time, the Council supported the Commission in its view that the assurances sought by the British did not concern tariff matters, strictly speaking, and could not, therefore, be the object of negotiations under the G.A.T.T. As these suspensions are to be consolidated in the G.A.T.T. after negotiations with the principal suppliers, the distinction is an important one from the Six's point of view. They offered, therefore, to give the necessary assurances in an exchange of confidential letters, which would be kept separate from the tariff agreement as such. As a result, the Commission was able to reach more or less complete agreement with the U.K. on a draft text. The Commission thereupon prepared a fresh report for the Council, in which it recommended 1st September, 1963, as the date on which the suspensions should come into effect.

It is at this point that the picture begins to blur. The Council of Ministers was originally scheduled to meet on 17th and 18th June. When it was discovered that all the foreign ministers would be in Rome for the funeral of Pope John XXIII, it was decided to limit the meeting to 18th June only, despite a relatively long agenda. When the question of the suspension of the Community tariffs was reached, the French representative raised two objections, both for the first time apparently.

The first was extremely technical, and was raised more to protect the French position in the future than anything else. The French representative argued that the suspensions should take place under Article 28 of the Treaty of Rome and not under Article 111. Article 28 stipulates that modifications or suspensions of the common external tariffs shall be decided upon by the Council "acting by means of a unanimous vote." Article 111, which relates to the adoption by the Community of a common commercial policy, states that a unanimous vote is only necessary during the first two stages of the transitional period—i.e., until the end of 1966. The French apparently were unwilling to create a precedent and, therefore, insisted that the Council suspend the tariffs in question under Article 28, even though the Commission had been authorised to negotiate with the U.K. under Article 111. The Council duly took this step, although it seems that with time running short, no reference was made to the draft agreement which the Commission had negotiated with the British.

French Stand on Duty Reduction

The French also linked the suspension of these tariffs to the ratification of the new Convention of Association, despite the vigorous protests of their partners. The Convention grants the African Associated States duty free entry for seven or eight tropical products, including tea, and provides at the same time for reductions to the common external tariff on these products of 25 percent to 40 percent. The French argued that the tariffs on tea and tropical woods should be suspended simultaneously with the tariffs on the other tropical products—once the new Convention comes into force. It was only as a compromise that they accepted the date of 1st January, 1964.

The British must now state whether they are prepared to accept this date. They may reject the enforced link between their bilateral agreement with the Six and the Convention of Association, as they are in fact entitled to do. According to officials at the Commission's headquarters here, all these problems should be settled during July, and the Council may even approve the draft agreement when it meets on 28th July. Meanwhile, the Six have agreed not to modify national tariffs on tea and tropical woods from 1st July.

ECONOMIC RESEARCH

- is an essential part of modern commerce. But it is
- not always easy to obtain. The ordinary business
- house does not usually possess the records, statistics
- and archives which are the raw material of research.
- CAPITAL'S RESEARCH & STATISTICAL DEPARTMENT
- has a long record of service to Chambers of Commerce,
- Industrial Associations and private business concerns.
- It does not undertake trade inquiries, but its facilities
- and advice are available for all kinds of research
- proper into the problems of Indian commerce
- and industry.
- CAPITAL'S RESEARCH & STATISTICAL DEPARTMENT
- has constructed and maintains a number of cost of living
- indices for various classes and communities in India
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- house its experience in
  - consumer market surveys
  - industrial prospecting
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P.O. Box 14, Calcutta-1, or 5, Mission Row, Calcutta, India.

THE FOREIGN EXCHANGE LAW GOVERNING EXPORTS

By Walter Kraft

India's need to increase her exports, and to obtain for them a fair return, is universally accepted. This article examines the legal machinery designed to ensure the latter without stultifying the former.

SECTION 12 of the Foreign Exchange Regulations Act authorises the Government to impose an important restriction on the export of goods from India. Its primary purpose is "to ensure that the full foreign exchange proceeds from exports are made over promptly to the Control through the authorised dealers". (*Outline of Exchange Control in India*, published by the Reserve Bank, Bombay, 1961). The way in which this restriction has been imposed is somewhat indirect, and one needs to look at the substance in order to appreciate the form fully.

The Notifications

By notifications No. 12 (17) F-1/47 of 4th August, 1947, as amended, the Central Government was pleased (such are Governments!) to prohibit the export of goods otherwise than by post either directly or indirectly to any place outside India (except as mentioned) unless a declaration supported by evidence, as prescribed under Section 12, was furnished by the exporter to the appropriate authority. The prohibition does not apply to certain classes of goods, i.e., samples and personal effects of travellers, ship's stores, transhipment cargo and certain Government goods, as well as goods despatched by air and certified not to involve any transaction in foreign exchange.

Similar Prohibition

By notification No. 12 (18) F-1/47 of the same date, a similar prohibition was imposed on the export of goods by post, unless certified not to involve any transaction in foreign exchange.

The Foreign Exchange Regulation Rules, 1952, implement these provisions, and prescribe what declarations have to be signed. These declarations are not, however, an end in themselves, as some appear to believe. They are a means to an end, which can only be gathered from taking the sections, the notification, and the Rules as a whole.

1. The object of the export must be a sale of the goods outside India. The goods may have been sold prior to the export, and may be exported for delivery to the buyer; or the goods may be unsold at the time of export, and may be exported for being sold abroad. Either alternative is permitted. Export for any other purpose, *e.g.*, by way of gift, or by way of loan, or on hire, is prohibited, except with the express sanction of the Reserve Bank. This is implicit in the whole legislation.

2. Section 12(2) provides that if goods are unsold at the time of export, they must be sold promptly after export: "the sale must not be delayed to an extent which is unreasonable, having regard to the ordinary course of trade." Rule 6 goes further than this, in providing that the proceeds of sale must be received within six months from the date of shipment, unless the Reserve Bank grants an extension.

3. Rule 5(1) provides that evidence may be required to show "that the exporter is a person resident in India, or has a place of business in India", which means, by the sort of reasoning running throughout this piece of legislation, that only persons who are resident in India, or have a place of business in India, are allowed to export goods to which the Section applies. This is obvious, since non-residents will be under no enforceable duty to remit the proceeds.

4. Rule 6 provides that all goods must be paid for and payment received in India within six months from the date of shipment, and no sale is permitted (without the Reserve Bank's consent) which does not provide for payment of the full price within that period.

5. Rule 7 and the second schedule provide in what currencies the price may be paid. The sale may be in rupees, but the proceeds must be received in the approved currencies, and no sale is permitted which does not provide for payment as prescribed.

6. Rule 5(2)(i) requires the exporter to supply such evidence as may be in his possession or power to show that the declared destination of the goods is their final destination. This is relevant for determining under Rule 7, the correct currency to be received.

7. Rule 5(2) (iii) requires the exporter to supply evidence "that the amount representing the full export value of the goods has been or will be paid to the exporter." Where the goods are sold at the time of export, the required evidence will consist of the contract of sale, or of an accepted bill, or of a letter of credit, or similar documentary evidence proving the sale, and the seller's entitlement to receive payment within the prescribed time and in the prescribed manner. Where the goods are not sold at the time of export, the required evidence will consist of the agreement appointing the consignee of the goods to be the exporter's agent to sell the goods and remit the proceeds.

8. To give further effect to the Rules, Section 12(2)(b) forbids the exporter to do, or refrain from doing any act (except with the Reserve Bank's permission) with intent to secure, among other things, that payment is made otherwise than in the prescribed manner, or that payment is delayed.

Full Export Value

What has to be declared under Section 12(1), and what must be paid within the time limited by Rule 6 and in the manner prescribed by Rule 7, is "the amount representing the full export value of the goods". This is the amount which, under Rule 5 (2) (iii) the exporter has to prove, "has been or will be paid to him." Where goods are sold at the time of export, the declaration must state the invoice price of the goods. This invoice price must be the same as the full export value of the goods, and Rule 5(2) (ii) provides that the exporter has to supply evidence to prove that it is. Rule 5(2) (ii) cannot apply if the goods are unsold at the time of export.

It may be convenient to consider first what "full export value" means in the case of goods which are unsold at the time of export. The prescribed forms require the exporter to declare,

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NGB/15C

for such goods, "that this is a fair valuation of the goods." What is required is evidently a fair estimate, as at the time of export, of what the goods are expected to fetch on a sale after export. It is, however, obvious that if the goods actually fetch more than the estimated figure, the exporter is under an obligation to procure remittance to India, not of the estimated and declared amount only, but of the full amount (subject to permitted deductions) for which the goods are actually sold. Section 12(2) (b) expressly forbids the exporter to do or refrain from doing any act with intent to secure that the full amount payable by the foreign buyer (subject to permitted deductions) is not received in the prescribed manner and within the prescribed time. Section 12 (6) provides that contracts with foreign buyers and other evidence may have to be produced to show that the full amount payable by the foreign buyer has been or will be paid as prescribed.

If an exporter, who has declared a fair valuation of goods exported unsold, must account for the full amount payable by the foreign buyer where this exceeds the declared value, he cannot be made to account for more than the full amount payable by the foreign buyer where this happens to be less than the declared value. There is no provision anywhere in the relevant legislation whereby the exporter is prohibited from selling below the declared fair valuation. The full export value of goods exported unsold must, therefore, be the price at which they are eventually sold. This price being unknown, and unknowable, at the time of export, a "fair valuation" is declared instead.

Just as there is no provision in the Foreign Exchange Regulations Act prescribing a price at which goods exported unsold may be sold abroad after export, so there is no provision in that Act prescribing the price at which goods may be sold for export. Therefore, the full export value of goods sold for export must also mean the full amount (less permitted deductions) actually payable by the foreign buyer. The legislator invented this expression, "full export value" evidently in order to have one expression cover two situations, namely, the value of goods exported sold, and the value of goods exported unsold. His effort resulted in nothing but confusion, but it is clear what was meant.

Powers of Reserve Bank

Section 12 (5) authorises the Reserve Bank, in cases where "the value as stated in the invoice is in its opinion less than the full export value," to detain the shipping documents until such time "as the exporter of the goods has made arrangements for the Reserve Bank to receive ... an amount which represents in the opinion of the Reserve Bank the full export value of the goods." What arrangements is the exporter meant to make? If the value as stated in the invoice is "the full amount payable by the buyer" and the exporter were nevertheless meant to make arrangements to obtain a higher price, possibly from some other party, the Section would give the Reserve Bank an arbitrary power to set aside international commercial contracts for the sake of expediency. This cannot possibly be the intention. If "the full export value" is equated with "the full amount payable by the buyer", the Section makes sense. It authorises the Bank to compel the exporter to have remitted to India the full amount which, in the opinion of the Bank, he is entitled to receive from his buyer under the contract of sale, without retaining any part of the price abroad and unaccounted for.

The term "the full export value" has been taken to imply that the price must represent the best one which was obtainable at the time of the sale in a *bona fide* transaction. This seems incorrect. The word "full" in the context means "the entire", and not "the highest", although taken by itself the expression is ambiguous and misleading. The invoice must state the *entire* sum payable by the buyer for the goods, without unauthorised deductions. The invoice price must represent the full consideration which the exporter receives from the buyer in exchange for the goods; otherwise, the transaction would not be a sale. Within these limits, it seems that exporters are free to market their goods in any *bona fide* manner, and at any *bona fide* price. They need not seek the highest priced markets, they need not vary their prices from day to day, and they need not eschew the middleman. The sales need not be in "customary wholesale lots" even if wholesale lots are "customary", nor are transactions between associated companies forbidden. Where the Indian exporter is a branch office of the foreign buyer, it can be argued that as a matter of law, there can be no sale and the export must be on a consignment basis. This will also be the position where the exporter and the foreign buyer are partners. If the exporter and the foreign buyer are two separate legal entities, not carrying on business in partnership, then the export may well be by way of sale, even though the foreign buyer is associated with the exporter through joint shareholding. This position may perhaps with advantage be modified by an appropriate amendment in the Rules.

Penalties for Contravention

Section 23 (1A) of the Foreign Exchange Regulations Act provides that "whoever contravenes any of the provisions of this Act or of any rule, direction or order made thereunder" is liable to penalties. Section 12(1) of the Act itself contains no provision which is capable of being contravened. It contains nothing but an authority to the Government to issue a notification. The Government has issued notifications under the authority of Section 12(1) whereby exports are prohibited unless covered by declarations as prescribed. Is this notification a rule, direction or order made under the Foreign Exchange Regulations Act, so as to make an unauthorised export an offence under Section 23(1A)? It is believed that the correct answer is in the negative.

Section 22 of the Act provides, among other things, that no person shall, when making any declaration to any authority or person for any purpose under this Act, give any information or make any statement which he knows or has reasonable cause to believe to be false, or not true, in any material particular. A declaration made in terms of Section 12(1) and the supporting evidence given in terms of Section 12(b) are certainly made and given for a purpose under the Act. If these are known to be false, or not to be true, or if the person making or giving them has reasonable cause to believe them to be false, or not true, in any material particular, an offence has been committed which is punishable under Section 23(1A). The burden of proof is on the prosecutor to show not only that they were actually false or untrue in a material particular, but also that the person concerned knew or had reasonable cause to believe that they were false or not true.

The Customs Act

Section 23A of the Foreign Exchange Regulations Act provides, among other things, that the restrictions imposed by sub-section (1) of Section 12 shall be deemed to have been imposed under Section 19 of the Sea Customs Act, and all the provisions of that Act shall have effect accordingly. A prohibition issued under Section 12(1), therefore, amounts to a prohibition issued under Section 19 of the Sea Customs Act. While the Sea Customs Act stands repealed, the notifications have been saved and survive. The provisions which now have effect are those of the Customs Act, 1962, relating to prohibited exports.

When is an export prohibited, and when is the actual or attempted export punishable under the provisions of the Customs Act 1962? The correct answer, it is submitted, is this: Exports are prohibited, unless the required declaration can truthfully be made, and unless the required declaration is actually made, and supported by the prescribed evidence. The question arises: Is an offence committed if a declaration is filed which is in the required form, but which contains mis-statements; or if evidence is submitted which is false or untrue? One view is that once a declaration is filed in proper form, and this declaration and the supporting evidence have been accepted by the Customs authorities as true and correct, the export is not a prohibited export for the purpose of the Customs Act, 1962. The opposite view is that if a declaration can be shown to contain a single error, it is not a proper declaration; the export is prohibited and the goods liable to confiscation, although leniency may be shown in cases of inadvertence not due to carelessness. The correct view, it is submitted, must be based on the provisions of Section 22 of the Foreign Exchange Regulations Act which forbids the making of declarations which the maker knows or has reason to believe to be false. Any declaration which does not offend against that Section is a declaration which complies with the provisions of Section 12(1); and a declaration which offends against the provisions of Section 22, cannot be a declaration which complies with the provisions of the Foreign Exchange Regulations Act, even if it is on the correct printed form, and even if its falsity is not immediately discovered.

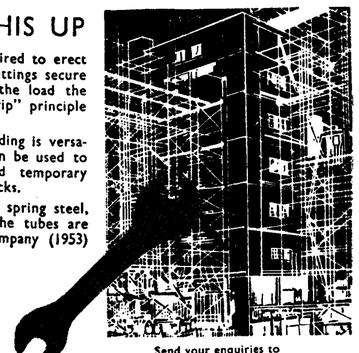
Genuine evidence to substantiate an offence of this kind is harder to come by than it is for almost any other kind of crime. *What has to be proved is that the exporter did not actually sell the goods at the price declared by him.* To prove that other exporters sold similar goods at higher prices is entirely irrelevant to the charge. The particular exporter may have had perfectly sound commercial reasons for selling at the particular price, or he may have misjudged the market completely, but nevertheless in good faith, or he may even have made a reckless gamble which failed. The sale may nevertheless have been a perfectly genuine sale at the declared price. The object of the offence is normally that the exporter accumulates undeclared funds abroad, free of Indian income tax, and the only circumstantial evidence of any value would be to show that this is what he is doing.

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IMPROVING THE PROCEDURE FOR INDUSTRIAL LICENSING

(FROM OUR NEW DELHI CORRESPONDENT)

THE Federation of Indian Chambers of Commerce and Industry, at its regional meeting in Hyderabad last month, expressed "grave concern over the sharp fall in joint ventures and declining trend in foreign collaborations". Although the emergency is likely to have affected the flow of external capital, the Federation felt that the special conditions imposed by the Government and the dilatory procedures followed had had a serious effect on foreign investment. The Federation supported its statement by some figures. A member of the Planning Commission has now written to the Central Ministry of Finance, suggesting single, unified control for industrial licensing. That there should be one contact point is not in dispute. What is being discussed is where this contact point should be located.

The Planning Commission's member has suggested, locating it in the Ministry of Finance itself. The other view is that it should be located in the Ministry dealing with industrial policy, which for the present is the Ministry of Commerce and Industry. It is, however, argued that such a solution would have been possible had the Ministry of Commerce and Industry been in overall charge of industries. It is also pointed out that the Ministry of Finance, which deals with foreign investment and taxation, is not fitted to deal with the problem.

It is generally agreed that Mr. L. K. Jha, with his wide knowledge, would have been an ideal person to handle this problem. Mr. Jha, however, is already overworked and it would be physically impossible for him to undertake additional responsibilities. The ideal solution, it is suggested, is to appoint a director-general for industrial licensing. He could provide the point of contact between Indian and foreign entrepreneurs.

Considering the administrative set-up and the number of agencies which deal with this problem, it is neither possible nor desirable to give one person the overall power to take final decisions. It should, however, be his main function to take such decisions as are within his delegated authority and to have final decisions taken by the appropriate persons. The Ministry of Commerce and Industry created a very similar post last year, and the experiment worked fairly satisfactorily. The emergency, following the Chinese aggression, disturbed this system, but it has been re-started since last month. A reform of procedure is urgently called for. Under the above scheme, a foreign collaborator would alone have a single point of contact. But the officer concerned would be helpless if the under-secretaries, say, in the Ministry of Finance, were to send for the parties to discuss issues on which they had no power to take any decision. What is needed is a manual of easily understood rules of procedure which are capable of speedy execution.

It will be recalled that by the end of the first year of the third plan, a number of licences in many industries were issued up to nearly the targeted capacity visualised under the plan. One result of this "leap forward" policy has been that many people, who had neither the experience nor the financial means, have addressed letters to foreign firms in capital exporting countries. This has created confusion among the foreigners, who have in some cases received a dozen letters from the same industry in India. Then again, in many cases, a foreigner finds that the particular industry in which he is interested, is either on the banned list or its capacity has already been taken up by outstanding licences. This may explain why the number of cases of foreign collaboration has fallen.

As already reported, the Government has been revoking licences. The number of licences revoked in the six months ended June 1963 is large. The case of the aluminium project in Mysore illustrates the point. For reasons already known, the project could not be implemented and the Government had to wait for two years, the statutory period, before revoking the licence. A fresh start is now being made. One way may be to find an Indian entrepreneur to collaborate with the U.S. firm of Reynolds. The alternative could be for an Indian firm to find another collaborator. In any case, this has had a dampening effect in the U.S.A. What is needed is some kind of preliminary screening concerning the suitability and capability of an Indian entrepreneur to start the industry when he applies for a licence.

As for a joint venture involving financial participation, the most important formality is getting Government approval for the terms of collaboration between the Indian entrepreneur and the foreign firm. It is found that this formality has in many cases taken a fairly long time with the result that, on the one hand, the foreign investor feels frustrated, and on the other, the project is delayed. It is, therefore, suggested that a broad framework of policy should be formulated, and the necessary authority for sanction should be delegated to the Ministries concerned. In exceptional cases which are not covered by such delegated authority or where there are special features requiring further consideration, a high-level inter-Ministry machinery may be created to take speedy decisions in cases involving foreign collaboration.

It is suggested that in the light of experience gained in the approval of collaboration agreements in over 1,000 cases, the Government may formulate broad principles concerning (a) financial participation, (b) rate of royalty for know-how, (c) consideration for know-how fees either in lumpsum or in the form of shares, (d) lumpsum consideration for research and development, (e) fees for design, engineering, etcetera, for important industries.

CEMENT

Bulk Movement Suggested

The technical group on rail transport has made its report on the movement of cement. It has suggested the bulk movement of cement in special rail wagons to be stored in silos and distributed in portable silos or drums. Such a scheme, it is claimed, will save packing and loss in transport, in particular through deterioration. The group has suggested that the scheme should be launched as an experiment in Delhi through the State Trading Corporation. The expenditure is placed at Rs. 80 lakhs.

TEXTILE INDUSTRY

Staple Fibre for Cotton

A proposal to make the use of staple fibre by the cotton textile industry compulsory is being considered here. The cost of staple fibre is 68nP a lb, compared with Rs. 2 a lb for cotton. A modest beginning can save £80 million a year, it is claimed.

BOKARO

Output Schedule

The following is the schedule of production for the Bokaro steel mill (in tons) as recommended by the U.S. team.

	First stage	Second stage	Third stage
Hot rolled sheets and strips ...	300,000	500,000	860,000
Cold rolled sheets and strips ...	250,000	600,000	1,000,000
Galvanised sheets ...	130,000	130,000	300,000
Plates ...	360,000	570,000	750,000
	1,040	1,800,000	2,910,000
Ingots ...	1,400,000	2,500,000	4,000,000

U.K. CREDIT

Negotiation on Use

Negotiations are going on concerning the utilisation of the £30 million credit the United Kingdom has offered to India towards financing the third year outlay of the current plan. Of this, £3.5 million is being used for importing steel from Britain. A portion of the loan will be earmarked to finance maintenance imports from the U.K.

Sir Norman Kipping of the Federation of British Industries, who came to India last cold weather, made some important observations on maintenance imports in his report on India. Sir Norman said: "The managements of Indian factories dependent on sterling maintenance supplies are, therefore, having to contend with a variety of difficulties, and from what we have seen are doing so in good heart and with ingenuity, for they understand the dilemma which has brought about this situation They are having to accept materials from unfamiliar sources and to varying specifications; they are having to press forward harder than ever to bring local supplies up to the quality standards they require; and they have a constant struggle to get licences for sterling supplies, ending up usually with 'too little and too late'.

"We, therefore, represented to the Government of India that a change of system would be desirable so that companies manufacturing products to which India gave priority and dependent on sterling supplies were given blanket licences of this kind. These representations were accepted in principle, subject to safeguards which, it was said, could be worked out in time for the procedure to be introduced in the April 1963, Red Book on import licensing policy.

"We have also requested that the cash allocations should be extended to companies having servicing organisations in India for the maintenance of, namely, machine tools, business machines, weighing machines, as this would be more economical than having each end-user carrying his own spares.

"Before coming to India we obtained particulars from a large sample of companies with factories or licence agreements in India, showing that they already found themselves restricted below their needs for efficient operation. In the course of our discussions with the Government of India, they agreed to measure the extent of this shortfall, concentrating on the metal-working and engineering factories in which dependence on sterling imports predominates. (In general, chemical works in India—with the possible exception of pharmaceuticals—can work satisfactorily from base materials of any origin).

"The estimates show that on the basis of the allocations made in 1962-63, the shortfall in the sum needed to finance the import of components, specialised raw materials and spare parts needed from Britain lies between £4 million and £10 million a year. The extent to which newly established capacity is taken into account, the range of industries covered and the degree of austerity assumed would determine the amount within this range. The average of £7 million should cover reasonable requirements.

"The possibility cannot be excluded that shortage of sterling may oblige the Indian Government to make still further cuts in the licence for maintenance imports in the coming licensing period. Any such event would be deplorable, but it would not, in our view, affect the rightness of the change in licensing procedure we have recommended. We are satisfied on the basis of a very large number of cross-checks that within the allotted level, whatever it may be, companies will be better off and will be able to turn a given amount of sterling to better use if given greater personal control of the use of their allotments.

"It was to be expected that dependence on sterling maintenance supplies would occur principally in British-based companies and those making products under British licence agreements. The study showed that in fact 75 percent of the total need arose from such companies, and the remainder from various other Indian companies."

It is likely that £1.75 million will be earmarked for maintenance imports by British-based industrial houses. A similar provision of 75 million deutschemarks has been made in the West German loan. The question of using the Dutch and Belgian credits is still presenting difficulties. The Dutch credit consists of 100 million guilders for three years, including 35 million guilders for export guarantee credits. So far, India has shown interest only in a dredger for Murmagao.

The Belgian credit was for one year. It has subsequently been ex-

tended to the end of 1963, to enable India to purchase coalmining machinery for which a mission went to Brussels.

PLANNING

Price Policy Failure

The Central Minister for Planning, Employment and Labour, Mr. Gulzarilal Nanda, usually admits mistakes. Speaking at a Press conference last week, he admitted that during the last 15 months, March 1962 to June 1963, there had been a rise in wholesale prices of more than 8 percent. Of this, he attributed 1 percent to new taxation and 7 percent to food articles such as rice, pulses, sugar and gur. He, however, added that in the final estimates, the impact of new taxes on prices might be even more. He was equally frank about controlling the price-line. According to him, the remedy lay in more and more consumers' co-operatives and fair price shops which were 959 and 51,000, respectively, in India at present. Here again, he admitted that it would take a long time to build up a network of co-operative consumer stores.

Referring to the recent publicity concerning the fourth five year plan, Mr. Nanda said that the Planning Commission, had neither determined any rate of growth for the five-year period ending March 1971, nor had it laid down any targets for development. Planning, however, was a continuing process. The Minister explained that arrangements for work on the long-term economic development plan and, more specifically, for preparation of the fourth plan, were considered by the Planning Commission last year. It was agreed that to begin with, planning groups should be set up for steel, coal, power, heavy engineering, basic chemicals fertilisers; transport and technical education for the preparation of the fourth plan. The question of setting up similar planning or working groups for other sectors was taken up recently with the Ministries concerned.

The broad terms of reference of these groups are: (i) to make a critical review of the progress of the programme and schemes in the third plan period; (ii) to assess, in the light of the current trends and other available data, the position likely to be reached at the end of the third plan period, and (iii) to formulate proposals for the fourth plan in the perspective broadly of a 15-year period, 1966-81, or more concretely of a 10-year period, 1966-76, as may be appropriate.

The present position concerning the setting up of working groups and the progress so far made on the work of preparation of the fourth plan is indicated below.

Industry: Planning groups have been set up for steel, machinery building industry, fertilisers and chemicals. For steel, a steering group has been set up. This group is assisted in its work by five subcommittees dealing with (i) economic and financial matters, (ii) raw materials and transport, (iii) technical studies, (iv) personnel and training and (v) indigenous equipment. To achieve a target of 18 to 19 million tons of steel at the end of the fourth plan, an additional initial capacity of 7.5 to 8 million tons has to be created. The various possibilities to bring about this extra capacity, including expansion of existing steel factories in the public and private sectors, are being examined. Techno-economic studies of two possible areas and an appraisal of steel demand are being undertaken.

On the machinery building industry, a planning group was constituted which has set up a sub-committee to ascertain machinery requirements in the fourth plan period. The planning group on the fertilizer industry considered the main studies which should be undertaken in connection with the planning of fertiliser production for the fourth plan, and also considered the immediate steps which need to be taken to meet the increased requirements of fertilisers in the first two years of the fourth plan. The estimates of requirements of fertilisers during the fourth plan period have been discussed by the planning group concerned, and the types and quantities of fertilisers for different zones are being worked out.

The planning group on basic chemicals has set up a number of technical sub-groups to examine the development programmes, and other related matters in specific sectors of the chemical industry. It is proposed to set up two other planning groups, one for light engineering industries, and the other, for non-ferrous metals.

As for other important industries, preliminary papers on the fourth plan programme will be drawn up by the officers concerned in the Ministries or the Technical Development Department, and these papers will then be placed before the development councils.

Minerals: The planning group on coal has discussed (a) the target for the fourth plan based on the requirement of various consuming industries, (b) a tentative fieldwise distribution for the additional production during the fourth plan and the pattern of production necessary for meeting the requirements of the steel plants, thermal power programme and the railways, and (c) broad features of the washeries' programme during the fourth plan. The production and preparation committee of the Coal Council is going into the details of fieldwise production, with particular reference to the steel programme, and work out the phased mine-wise production pattern both from the public and private sectors. The Ministry of Mines and Fuel has had discussions with the private sector of the coal industry with a view to assessing the latter's capacity to raise additional coal during the fourth plan period. After ascertaining the capacity of the private sector, the Ministry will take steps to solve any policy questions which may be involved in the private sector's programme.

Transport: With a view to enabling the Ministries concerned to collaborate effectively in studies pertaining to transport, a planning committee for transport has been set up. A joint technical group assists the Planning Committee with various studies and data.

Agriculture: In March 1962, the Ministry of Food and Agriculture set up four study groups on (i) cereals and pulses, (ii) commercial crops (including fruits and vegetables), (iii) fish, poultry, livestock and dairying, and (iv) forestry. A fact finding committee to study the method of collection of information and reporting on physical progress under different programmes and a crop planning committee were also set up. Some meetings of these study groups, the fact finding committee and the crop planning committee have been held. These study groups and committees will be co-ordinated with the working groups which are now being constituted.

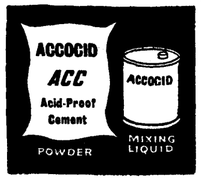
Working groups have been or are being set up also for (i) irrigation, flood control, drainage, anti-waterlogging, anti-soil-erosion and soil conservation schemes in river valley projects. (ii) power, (iii) communications, (iv) craftsman training, employment, etcetera. (v) health, town and country planning, medical and public health programmes and family planning, (vi) housing and urban and rural planning, (vii) construction service of voluntary organisations, (viii) social welfare and backward classes, (ix) general education, technical education, scientific research and cultural programmes, (x) khadi and village industries, small-scale industries and handloom, sericulture and handicrafts, (xi) financial resources, and (xii) international trade and development. All these planning groups are expected to submit their reports by March 1964.

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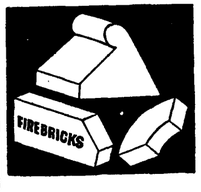
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ATOMIC POWER

U.S. Aid for Tarapur Plant

The U.S. Ambassador to India, Professor John Kenneth Galbraith announced last week that the United States had offered a foreign exchange loan of $80 million (Rs. 38.1 crore) to finance India's first atomic power station in Tarapur, on the Arabian Sea, 62 miles north of Bombay.

The Tarapur atomic power station scheme, which is being launched by the Indian Atomic Energy Commission, will have a capacity of 380,000 kW. When it is completed, it will be one of the largest sources of power of any kind in Asia. The energy will be supplied to the electricity systems of Maharashtra and Gujarat, which are to be inter-connected. The major industrial loads to be served are in Bombay and Ahmedabad.

The Rs. 38.10 crore ($80 million) foreign exchange loan will come from the U.S. Agency for International Development, and will have a term of 40 years, with no payments of principal for the first ten years. The loan will carry a credit charge of three-quarters of 1 percent. In addition, the U.S. Government will provide the initial uranium fuel charge, estimated to cost about Rs. 7.14 crores ($15 million), on a long-term, deferred payment basis. The total amount of U.S. foreign exchange assistance for the project will be Rs. 45.24 crores ($95 million). The total cost of the plant —less the initial fuel supply—is estimated at Rs. 54.33 crores, of which local costs of about Rs. 16.23, crores will be met by the Government of India.

The Planning Commission sanctioned a nuclear power plant in August 1958, and the project was ultimately included in the third five year plan It was listed among the projects presented to the recent meetings of the Aid India consortium for financing in the current year of the plan. In mid-1960, the decision to locate the plant in Tarapur was announced in Parliament. Competitive quotations to build the station were accepted from a number of countries in August 1961, and a preliminary letter of intent was issued to the U.S. firm of International General Electric in September 1962. The General Electric Company has had substantial experience in building atomic power plants.

The U.S. was officially asked to finance the Tarapur project in 1961, and a loan application was submitted in November 1962. Talks were held between representatives of the U.S. Government and the Indian Atomic Energy Commission throughout the following winter and spring. In its consideration of the proposal the Agency for International Development was assisted by the U.S. Atomic Energy Commission and the U.S. consulting engineering firm of Burns and Roe. An agreement on safeguards for the Tarapur plant has also been announced.

Noting that a very large number of technical, scientific and economic questions had to be resolved in preparation for this plant, Ambassador Galbraith again stressed the importance of such careful planning. "By resisting the temptation to hasty decision", he observed, "we can now be reasonably certain that this plant will be built to high technical standards and that the economic performance will be a credit to all concerned."

The 380,000 kW plant will consist of two 190,000 kW boiling-water type nuclear reactors. These reactors will be charged with slightly enriched uranium oxide (UO_2). They will generate high-pressure steam to turn two 1500-r.p.m. tandem compound turbine-generators. The electricity produced by the turbine-generators will be stepped up through the main plant transformer to the distribution system transmission voltage of 230 kilo volts. The station will also have associated electrical equipment, condensing plant, and waste disposal and de-contamination facilities.

The boiling-water nuclear reactors to be used in Tarapur are similar to units used in a number of power stations around the world although the Tarapur plant will incorporate all the latest technological advances. A single boiling-water reactor of 313,000 kW is being installed at Bodega Bay in California. Similar units of 237,000 kW and 150,000 kW, are being constructed. The 208 kilowatt boiling water type station in Dresdon, Illinois, has been in commercial operation since 1960.

When it is completed in mid-1967, the Tarapur plant will be, with the Hinkley Point plant in England, one of the two largest atomic power stations in the world. These will eventually be superseded by two plants now in the planning stage, one for the Consolidated Edison Company in New York City, and one in Wylfa Head in Wales.

In announcing the loan at a Press conference during last week, Ambassador Galbraith stated: "Successful completion of the Tarapur nuclear power facility will be a further demonstration of the prestige and leadership of India in atomic development in Asia. Indeed, it has been India's record of nuclear research and development through your Atomic Energy Commission which has given the United States the confidence to provde so much assistance to this huge and exciting project."

Just as the late Sir Shanti Swarup Bhatnagar established a chain of national laboratories, Dr. Homi Bhabha is equally determined to establish a chain of atomic power stations. The second one in Rajasthan has already been planned, and is awaiting some foreign power to finance it. The Central Minister of State, Mr. O. V. Alagesan, who is looking after the portfolio of his senior colleague since the resignation of Hafiz Mohammed Ibrahim, has announced that the Government is considering a proposal to establish a 600 mW atomic power station in Kalapakkam, near Madras. Canada and Russia are among the countries likely to aid the other projects. Dr. Bhabha should be deputed to canvass financial and technical support from other countries, such as France, the U.K. and Japan.

It is said that the cost of producing electrical energy from the Tarapur station will not be higher than that from a conventional station. Whether the commercial rate of interest on the capital equipment and uranium has been calculated to reach this conclusion, is not yet disclosed.

POWER

Appraisal by Foreign Expert

The international team's appraisal of India's long-term requirements of power is now at the discussion stage. One view, which is finding greater favour, appears to be to locate giant power generation stations in the vicinity of coalfields or coal washeries. Such a plan would obviate the need for transporting coal to long distances to feed power houses. The recent development in power transmission has made it possible to transmit power to long distances, it is explained. The sub-stations under the plan will be equal if not bigger, than a power house of average size.

FOREIGN EXCHANGE

New I.M.F. Line of Credit

The International Monetary Fund has entered into a new standby arrangement with the Government of India which authorizes drawings from the Fund up to the equivalent of $100 million over the next 12 months. This succeeds a similar arrangement between the Fund and the Government of India, which was announced in July 1962. Under that arrangement, which also authorised drawings up to $100 million, the equivalent of $25 million was drawn and subsequently repaid to the Fund. Net drawings from the Fund by the Indian Government so far amount to $250 million. India's quota in the Fund is $600 million, of which $77.5 million has been paid in gold.

SMALL COINS

Withdrawal from Circulation

With effect from 1st January, 1964, the Central Government will call in the following denominations of the anna-pie series: (1) cupro-nickel one anna coin, (2) copper double pice coin, and (3) copper and bronze single pice coin.

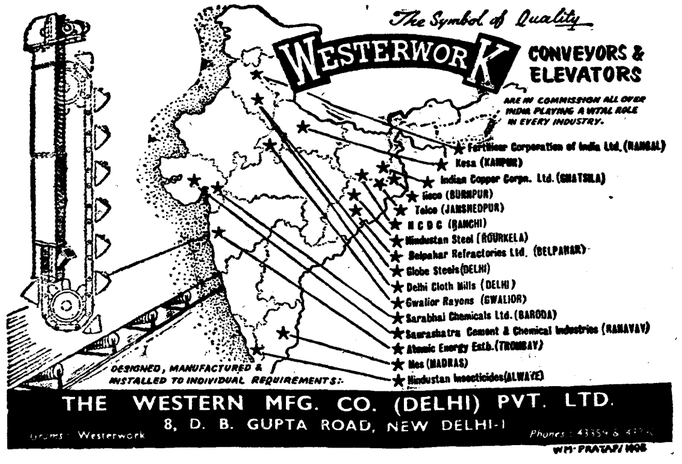
From that date, these coins will cease to be legal tender. They will, however, be accepted from the public until 30th June, 1964, at all offices of the Reserve Bank of India, at all agency banks of the Reserve Bank of India, conducting Government business and at all Government treasuries and sub-treasuries in payment of dues as well as for exchange. During the same period, namely, from 1st January, 1964 to 30th June, 1964, they will also be accepted at all railway offices and post and telegraph offices, but only in payment of dues such as for railway tickets, booking of goods by railways, postage stamps and other postal stationery, radio licence fees, etcetera.

Moreover, until further notice, these coins will continue to be accepted even after 30th June, 1964 only at the offices of the Issue Department of the Reserve Bank of India in Bombay, Calcutta, Madras. Kanpur, New Delhi, Bangalore and Nagpur.

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EXPANDING U.K. TRADE WITH COMMONWEALTH

(FROM OUR LONDON CORRESPONDENT)

IT is unrealistic to act as if change should not take place; it is anti-social to try to smother it; and it is criminal in the national interest to refuse to recognise that it is inevitable and to plan accordingly. Developing this argument in his presidential address to the Association of British Chambers of Commerce recently, Mr. T. H. Summerson referred to the cotton industry as providing a quotable example. In 1911, nearly one-quarter of the population of Lancashire was engaged in cotton manufacture. By 1951, under the impact of competition from India and Japan, the ratio of textile employment in that country had fallen to less than 14 percent. (During the same period, the numbers employed in metals and engineering had doubled, and, as a proportion of total employment, had risen from 9 percent to 15 percent.) Moreover, unsophisticated cotton piecegoods are the very antithesis of the type of export essential to maintain leadership. They have a high import and labour content, relative to their value; they face highly competitive conditions in export markets, and their profit levels are, therefore, low.

It was in recognition of this fact that legislation to assist the re-organisation of the cotton industry was introduced in 1959. Under its provisions, the Exchequer paid for two-thirds of the cost of removing surplus capacity and provided grants towards expenditure on approved re-equipment and modernisation. The argument leads remorselessly to one conclusion, which may be unpalatable to some. It is that if one wishes to be leader in the 1980s, one cannot afford to misapply the national effort by manufacturing goods which were profitable to the U.K. in the 1880s, but which are now only profitable when made in developing countries. That the Government should seek to shape industrial development is now generally accepted. The steps which it took towards rationalisation of cotton undoubtedly helped to solve a hitherto intractable problem.

However, Mr. Summerson felt that as business men, his audience should not wait for the Government, or anyone else, to solve their difficulties. It was up to them to look ahead and, where necessary, do their utmost to divert energies into those industries which will, once again, make the British people leaders. Since the war, with ever-rising tempo, invention and technological advance, as well as shifts in world demand, have produced profound changes in the structure of British industry, so that to-day, the electrical engineering, electronic, aircraft, motor and chemical industries contribute an increasingly large share of output and exports, and provide bigger opportunities for a highly skilled labour force. These are industries in which the U.K. has to strive to maintain its leadership; but in the heat of that struggle, she must still keep one eye on the future, because some of the products of these industries will inevitably become the cotton of the 1980s in their turn.

Planning for Future

It is as that "one eye on the future" that the National Economic Development Council, or Neddy, will play a big part. In its report—"Conditions Favourable to Faster Growth"—Neddy suggested that the Government and industry should work together to identify promising fields for research and development. One can only agree that it is not intelligent to pump money into research indiscriminately in the hope that some of it will be fruitful. Indeed, it is quite certain that a great deal of time and highly skilled energy have been wasted in the past by doing that. As for development, the country needs a more selective approach which rejects the assumption that almost any increase in investment is good, for it is essential to get it in the right fields and in amounts which bear a realistic relationship to the likely scale of effective demand. Neddy has, already, put in some useful work in this direction, but its recent report on export trends merely reviews the past and is not a particularly helpful guide to the future. One must hope the study by the National Institute for Economic and Social Research, to which the Neddy report refers, will give a better lead.

Looking through the Association's reports of 100 years ago, Mr. Summerson gets the impression of a dynamic and aggressive, almost belligerent, Association dragging a reluctant Government along behind it into ever-growing prosperity. He sometimes feels that to-day, the leaders of commerce and industry may appear too often as the champions of the *status quo*, interceding with the Government to protect certain sectors of the economy from "unfair" competition. After all, one industry can be subsidised only at the expense of another; and ultimately, leadership will go to the nation which has applied the right amount of effort in the right sector at the right time.

"There is no doubt whatsoever," he said, "that a long hard look must be taken both at industry as a whole and at our own businesses, in just the same way that Dr. Beeching has taken a long hard look at British Railways. The railways, being a service industry, have only an indirect influence on exports; but if such a re-appraisal is necessary for an industry which operates entirely within the United Kingdom, how much more necessary is it for productive industries, which must meet world competition, to make such a critical analysis. The Common Market is denied us, at least for the time being, and we now face the challenge of a global market with progressively falling tariffs and highly competitive imports. In such conditions it is more than ever imperative that we should make the maximum use of our resources."

Commonwealth Trade

Of many interesting contributions to the discussions of the conference, not the least important was a paper presented to the Overseas Group by the London Chamber. This opened: "The need for dynamic Commonwealth trade promotion is not new, it is not a consequence of the Brussels break-down, although that may have turned attention to it. It is not a question merely of Britain's interests or the booming of British exports. There is no need to argue the desirability of expanding Commonwealth trade."

The paper set out first to remind delegates of the existing position and secondly, to suggest what should be done both by individuals and by chambers of commerce to improve this. The paper recognised that the expansion of Commonwealth trade was basically dependent upon the expansion of world trade. However, even if the total volume of Commonwealth trade expanded, Commonwealth countries would not automatically benefit from the increasing opportunities in the markets of other Commonwealth countries. It is for this reason that dynamic trade promotion is necessary.

The rôle of the Federation of Commonwealth Chambers was referred to in the paper, which describes the main objectives of the Federation as being trade promotion, investment, education and research. The support of the A.B.C.C. for the Federation's work was sought, but it was also recognised that there was room for the Association to take its own initiative within the U.K. in order to stimulate the achievement of a dynamic Commonwealth trade promotion policy. It is the view of the Association that:

(1) For the past two years, led by the Government and aided by the Press, the United Kingdom has been conditioned towards accepting Europe both as a trading and economic partner in a very close and special sense. The impression has been gained, erroneously, in the Commonwealth that the emphasis on Europe has implied a diminishing interest in the Commonwealth countries as trading partners. It is the view of the Association that this is very far from the truth, and that positive steps must be taken to ensure that this is made clear both at home and abroad.

(2) The very real problems posed by the piecemeal industrialisation of under-developed countries are recognised. The disillusionment of some recently independent territories with the way in which their own industrialisation has been tackled is welcomed in the sense that, having learned that prestige industries did not necessarily contribute to the economic and, therefore, political advancement of their country, they might be able to advise and help other emergent territories in a way which the U.K. could not.

(3) The importance of stable markets and prices for primary products is paramount if a solution is to be found for the problem of uneconomic industrialisation. The Commonwealth sugar agreement is quoted as a desirable precedent in this context.

(4) The approach of France to her overseas territories is commended. Her maxim is trade not aid, and this has resulted in the development of healthy economies unhampered by exchange problems, and in a close and happy relationship between France and her territories.

(5) Whilst strict bilateralism in trade cannot be advocated, yet the Association feels that more attention should be paid by the Government, and in particular, the Board of Trade, to the need to strike the best possible bargain for the U.K. in trade negotiations. With too many Commonwealth countries Britain has an adverse trade balance, which arises in no small measure from the free access to the U.K. market for Commonwealth goods which is not reciprocated.

(6) There is a real need to ensure that the Commonwealth Relations Office and the Colonial Office take into account commercial and economic aspects in their political negotiations.

(7) Whatever action is taken by the Government, industry and commerce cannot be discharged from the responsibility of making the right goods and selling them, and the Association urges that attention should be given to the vital importance of salesmanship in the trade link.

(8) The United Kingdom has demonstrated in practical terms for many years her willingness to trade with the Commonwealth by opening her doors on preferential terms to Commonwealth goods. She must continue to demonstrate this willingness in practical terms, perhaps by championing the establishment of world commodity agreements. She is entitled to expect recognition of her desire to trade by the Commonwealth countries themselves being more realistic and affording U.K. exporters reasonable entry to their markets.

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Jute

LULL IN GUNNY MARKET WORRIES INDUSTRY

THE lull in the raw jute and gunny markets during the past month has been worrying the industry and trade. Anxiety has been increased by reports that the jute acreage in India has risen by about 10 percent. The dullness in the gunny and fibre markets indicates that buyers are pausing. Reports from the U.S.A. say that bagmakers are drawing on their stocks and not replenishing their inventories by fresh purchases. Some of them want fresh orders so badly that they have had to accept U.S. Government business for sandbags without any manufacturing profit, merely to keep their workers engaged. Since the Indian mills are deriving a large part of their profits from hessian, any setback in U.S. consumption is likely to upset the industry. Other countries too are going slow with their purchases despite the low prices of sacking due to an abundance of supply in both India and Pakistan.

A comparison of the average prices of jute and gunnies in Calcutta at the end of June 1962 with those at the end of last week shows that the critical point has been reached and mills may have started losing. Against a price of Rs. 83.06 a quintal for Assam Bottoms in June 1962, 40in. 10oz. hessian was sold at Rs. 63.30 a 100 yards and B Twills at Rs. 132.90 a 100 bags. Now the corresponding prices are Rs. 71, Rs. 47.20 and Rs. 107.80. Thus, against a 14.6-percent fall in jute prices, hessian has declined by 25.5 percent and sacking by 19 percent. Against this background, it remains to be seen how long the industry can continue production at the maximum level.

Dullness in Fibre Market

In the fibre market sluggish conditions have persisted since the end of May. The mills had stocks amounting to more than 20 weeks' consumption in their warehouses, besides the J.B.S.A. stock of 750,000 bales. So they were not interested in the off-grade fibre offered by holders at a discount. The position was different a year ago. With an opening stock of 1.9 million bales in June 1962, mills purchased 441,000 bales during the month. The corresponding figures were 1.73 million bales and 332,000 bales for July and 1.51 million bales and 553,000 bales for August. The industry could extend active support to the fibre market because of the more remunerative price levels for gunny and the comfortable order-book position stretching far to the forward months.

Now the new crop has started coming to the upcountry markets at the rate of about 15,000 maunds a day. As a result, selling pressure has developed among operators and prices have sagged to new low levels, with Assam Bottoms quoted at Rs. 26.50 a maund for the old crop and at Rs. 28 for the new crop. Little business is being done. Cultivators are badly in need of money for going ahead with the sowing of *aman* paddy. So they are likely to emerge soon as keen sellers of fibre in the upcountry markets.

The I.J.M.A. has already asked its member-mills to extend maximum support to the market. But some in the trade wonder how far mills will be able to help considering that their jute stocks are large and the demand for jute goods is slack. Any insistence on compulsory purchases by mills is likely to create further complications unless the jute goods outlook improves. The State Trading Corporation's plans to purchase 2 million maunds through co-operatives are not likely to be of much help in halting the drift in prices.

Fourth Plan Target

The perspective planners have suggested a production target of 1.6 million tons of jute goods to be achieved by 1970-71, the last year of the fourth five year plan, it is learnt. This target is 300,000 tons higher than that for the third plan, and 578,000 tons more than the actual output of 1.02 million tons during 1960-61. The fourth plan target has been fixed after taking into account the possible rise in internal demand due to an increase in the production of agricultural commodities, cement, fertilisers and other goods, and in the overseas demand for jute manufactures.

During the second plan period, the industry could not achieve a modest target of 1.2 million tons, involving a small increase of 50,000 tons. In view of the progress made during the first two years of the third plan and the modernisation and diversification plans being implemented, the planners expect that the industry will be able to attain the fourth plan target. The output of jute goods now is about 1.2 million tons a year and the indications are that it may reach 1.3 million tons by 1965-66. Every effort is being made to install adequate balancing machinery of improved design. The broad loom capacity is being increased. With the installation of 227 such looms during the year, the total complement will rise to 2,250, with an output capacity of 135,000 tons of carpet-backing cloth a year on a three-shift basis.

As the achievement of the fourth plan target will depend on the availability of plentiful supplies of raw jute at reasonable prices, the fibre target has been set at 7.5 million bales, against 6.2 million bales for the third plan and 5.37 million bales produced in 1932-63. These figures exclude mesta, the production of which is estimated at 1.53 million bales in 1962-63. It is believed that the additional output of 1.3 million bales of raw jute can be achieved without increasing the acreage because the average output a hectare in India is only 6.33 bales; against 9.16 bales in East Pakistan. Improved farming practices have been introduced all over the jute-growing areas to step up the quality and yield of the fibre in India.

Promoting Exports

At its recent meeting in New Delhi, the Board of Trade expressed satisfaction with the progress of the jute industry's exports. The industry was advised to pay more attention to research on jute products and diversification programmes in order to expand the markets in non-traditional goods. It was complimented on having modernised more than 75 percent of its capacity. The Board pointed to the liberalisation of the foreign exchange allocations (amounting to Rs. 6 crores) in order to accelerate the industry's modernisation drive. It recommended that the industry and the Jute Commissioner should draw up a comprehensive programme for carrying out intensive research in jute goods and setting up a permanent exhibition of jute products in Calcutta.

The Board's recommendation that the Government should help the industry in promoting exports of jute sacking and bagging is construed as indicating a change in the official approach to the problem of fighting the competition from Pakistan. Trade and industrial circles are awaiting details of the nature and amount of such assistance with keen interest. They point out that a major hurdle for export promotion is that production costs are too high, with the floor price of fibre pegged at Rs. 30 a maund for Assam Bottoms and with labour charges increasing.

Jute Goods Stocks Rise

An I.J.M.A. statement shows a small increase of 100 tonnes in jute goods stocks, from 96,100 tonnes at the end of May to 96,200 tonnes at the end of June. Of this, sacking rose by 1,600 tonnes to 47,300 tonnes, while hessian fell by 100 tonnes to 32,300 tonnes and other goods by 1,400 tonnes to 16,600 tonnes. At the end of June 1962, the stocks were 80,200 tonnes, consisting of 24,800 tonnes of hessian, 39,100 tonnes of sacking and 16,400 tonnes of other goods.

The June stock figures indicate that practically the entire output during the month was absorbed. But June was a short month with 192 working hours, against 216 in May. There might, therefore, have been a small shrinkage in output. Market circles seem to have interpreted the rise in stocks bearishly. The pessimism is reinforced by the poor trend of overseas enquiries and business during the past month.

New Jute Mills in Burma

The Government of Burma proposes to set up a jute mill—the second in the country—in Rangoon to achieve increasing self-sufficiency in jute goods. Currently, Burma uses about 40 million jute bags for packing its farm produce. Of these, about 50 percent are produced within the country and the rest imported from India and Pakistan. A six-member Burmese team toured East Pakistan recently to study various aspects of the production of fibre and finished goods. Burma intends to grow more jute to meet the fibre demand of the two mills.

THE JUTE MARKETS

Manufactured Goods: Trading was devoid of interest in the jute goods market during the past week. Apart from stray covering in heavy goods and scattered business in hessian from the U.S.A. and Argentina, enquiries were rare. In sacking, a Government tender for Liverpools for the near position was reported towards the close. The I.J.M.A. gunny stocks figures for June had a bearish effect. But though the mills were keen on selling for all positions, they became reserved at the lower levels. The

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futures market was depressed in line with the general trend and prices tended to drop on tired long liquidation. But bear-covering at the bulges stemmed the downward movement partially. At the close, prices showed widespread losses. Turnover was small in the spot market and moderate in the futures market. The closing undertone was hesitant in both.

Wednesday's quotations were as follows:

	July	Aug.	Sept.	Oct.-Dec.	Jan.-March
40in. 7½oz.	34.40	34.45	34.45	34.25	34.10
40in. 8oz.	37.15	—	—	—	—
40in. 10oz.	46.95	46.75	46.45	46.25	45.90
B Twills	107.50	108.35	108.60	108.85	108.70
Cornsacks	110.50	111.25	111.25	111.50	111.00
Heavy Cees (Plain)	106.00	—	—	—	—
A Twills	132.50	132.50	132.50	133.60	132.50
Liverpools	122.50	122.50	122.50	122.50	122.50

Raw Jute: Conditions were subdued in the raw jute market during the past week. Mills showed little interest, while sellers were keen to dispose of their holdings of both old and new crop below the minimum levels. Sentiment was disturbed by reports of satisfactory crop conditions and an increase in the acreage under jute. Arrivals were about 20,000 maunds a day in the upcountry centres. Routine transactions were reported in small lots of selected grade fibre around Rs. 26.50 a maund, f.o.r. Calcutta, ready, for the old crop; and Rs. 28 a maund, f.o.r. Calcutta, July delivery, for the new crop. In the futures market, small business was transacted in Upper Assam White Bottoms for September at the floor level of Rs. 30 a maund. The undertone was hesitant.

Wednesday's quotations were as follows:

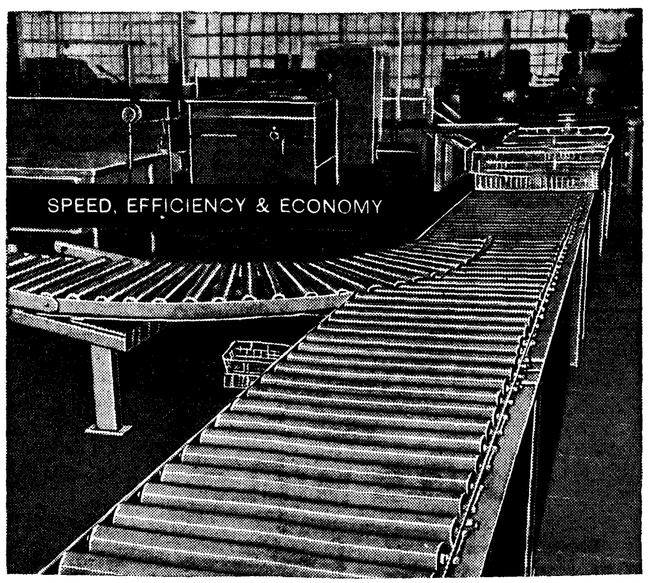
	Landed at Mills (Basis Bottoms) Current Prices		T.S.D. Minimum Prices	
	Rs. A Qtl.	Rs. A Md.	Rs. A Qtl.	Rs. A Md.
Assam-Agartala Jute	75.02	28.00	80.38	30.00
Northern Jute	73.68	27.50	79.04	29.50
Western Desal Jute	68.32	25.50	73.68	27.50
Selected Daissee	84.39	31.50	85.74	32.00
Assam-Agartala Tossa	80.38	30.00	83.05	31.00
Mesta:				
Assam Northern	66.98	25.00	72.34	27.00
Local Daissee	66.98	25.00	72.34	27.00
Bihar Dist.	60.28	22.50	66.98	25.00

I.J.M.A. STOCK FIGURES FOR JUNE

The Indian Jute Mills Association reports the total stocks of jute goods at the end of June 1963 as follows:

Description	30th June, 1963. 000 Metres (Lakh Yds.)	30th June, 1963. 000 Metric Tons (000 Tons)	31st May 1963 000 Metres (Lakh Yds.)	31st May 1963 000 Metric Tons (000 Tons)	Increase over (+) or decrease from (−) last month 000 Metres (Lakh Yds.)	Increase over (+) or decrease from (−) last month 000 Metric Tons (000 Tons)	30th June, 1962. 000 Metres (Lakh Yds.)	30th June, 1962. 000 Metric Tons (000 Tons)
Hessian cloth and bag	10.31.73 (11.28)	32.3 (31.8)	1 0.37.54 (11.35)	32.4 (31.8)	−5.81 (−7)	−0.1 (−0.0)	8.02.80 (8.78)	24.8 (24.4)
Sacking cloth and bag	10.36.10 (11.33)	47.3 (46.5)	10.16.27 (11.11)	45.7 (45.0)	+19.83 (+22)	+1.6 (+1.5)	8.45.07 (9.24)	39.1 (38.5)
Others		16.6 (16.3)		18.0 (17.7)		−1.4 (−1.4)		16.4 (16.1)
Grand Total		96.2		96.1		+0.1		80.3
(000 Metric Tons/Tons)		(94.6)		(94.5)		(+0.1)		(79.0)

N.B.—These figures are based on replies received and represent all members of the Association and Gagalbhai with estimates for two non-member mills. The figures in brackets are in British measures.



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THE U.K. JUTE MARKETS

FIBRE QUIET

(FROM OUR DUNDEE CORRESPONDENT)

ALTHOUGH the loose jute market in Pakistan was firmer past week, this was not reflected in the position in Dundee. Sellers continued to offer at or under the current E.P.C. levels without attracting much buying interest from spinners. The business taking place in Dundee was still mainly confined to spot parcels at fairly low prices. However, there was some movement in new crop Mill Hearts at £94 15s, but the quantity of jute involved was small.

Spinners have been holding large stocks of raw material and these are being allowed to run down as the feeling is that prices are more likely to fall than to rise. Although the Pakistani mills are buying steadily, there is very little movement taking place in new crop jute.

The raw jute market here was featureless, with both buyers and sellers pausing. New crop offers were lowest at £109 for Mill Lightnings, at £93 15s for Mill Hearts and at £81 for Grade Hearts, c.i.f. U.K., for August-September shipment. Grade Tossa-2/3 was named at £119 10s and Grade Tossa-4 at £106. Outport Tossa-2/3 was available at £97 10s and Outport Tossa-4 at £87 10s, September-October. New crop cuttings were at £55 for S.N.C. and at £46 10s for N.C.

Offers of old crop were still being quite freely made at £109 10s for Mill Lightnings, at £94 for Mill Hearts and at £77 10s for Grade Hearts. Grade Tossa-2/3 was at £119 and Grade Tossa-4 at £106 10s. Outport Tossa-2/3 ranged from £93 15s and Outport Tossa-4 from £84 for July-August shipment.

THE PAKISTANI JUTE MARKETS

NEW CROP PROSPECTS BETTER

(FROM OUR DACCA CORRESPONDENT)

BRIGHT sunny weather with occasional showers has continued and the midland crop shows every indication of being of the best class. Earlier reports of poor germination have not been confirmed, so an excellent midland crop both in points of quality and quantity may be expected in White and Tossa. This gives a general picture, but in the hard district areas and also in the Jessore area, Tossa has suffered from excessive water during June. This will mean a poor Tossa crop in those areas both in quality and quantity.

A recent inspection of the crop in various parts of the country confirms earlier comments about the lowland crop which is not only short and croppy because of earlier harvesting, but in some places, it has suffered from lack of sufficient steeping water which means that it will be even more croppy. Certainly, no quality baler will be interested in the early lowland crop.

Buying of cuttings at slightly enhanced rates continues by the same big baler, so that not much cuttings are available at present for ready delivery. In long jute, very little business is reported in the local market. Overseas buyers continue to buy piecemeal, and Czechoslovakia is reported to have been in the market for grades ranging from Export Hearts to Mill Firsts.

Commodity Markets

OPEN COFFEE AUCTIONS MAY BE REVIVED

(FROM OUR SOUTH INDIAN CORRESPONDENT)

THE Coffee Board might again start open auctions for exportable coffee. There was a majority decision in a recent Board meeting to go back to this system which had been abruptly dropped a few months ago. Open auctions were introduced early last year, in response to a long-standing demand of the growers and a section of the trade. This was more useful and popular, and served to get better prices for the exportable surplus, in the opinion of those who favoured this system. But the Board dropped the experiment after a year's trial, and went back to the old system of closed bids, which is now in vogue.

There are complaints from growers that the payment from the Coffee Board for the coffee they surrender to the pool is delayed inordinately. For instance, Mr. J. W. Lawrence, chairman of the Nilgiri Planters Association, said in his address to the latest annual general meeting of this association: "Our members are undergoing considerable hardship financially due to the 18 months delay in realising sale proceeds of coffee delivered to the Board's pool. There is no doubt that our coffee planters, a number of whom are small growers, whose production is 3 to 4 cwts. an acre, would be given relief in running their properties if the Coffee Board arranged immediate payments for coffee delivered to the pool and they would no longer have to resort to borrowing money to pay their production costs".

The coffee yields in the Nilgiris being poor, Mr. Lawrence appealed to the Coffee Board to develop a replanting programme so that the existing plants could be replaced by those of better strains. Until these replanted areas began yielding, subsidies might be given at the rate of Rs. 2,000 to Rs. 3,000 an acre. Nilgiri coffee had a reputation for its quality in the world market and if only yields were raised, demand for it could be maintained and it would serve to earn more of the much-needed foreign exchange.

World Coffee Agreement

The new long-term International Coffee Agreement may not have to wait for long to become operative in view of the recent formal notification of the U.S. intention to ratify it. This agreement, reached under U.N. auspices, is aimed at strengthening the control over coffee exports from producing countries by regulating imports into consuming countries. It also limits coffee imports by member countries from those outside the Agreement. There were doubts in the United States whether the Government had adequate powers to implement the provisions of the Agreement, but these having been set at rest, it is said that the Agreement will come into force at an early date.

Ratification by 20 coffee-exporting countries having at least 80 percent of exports, and by ten importing countries having a similar amount of imports, is required to provide life and force for this Agreement. It may, however, come into force provisionally when adequate notifications of intention have been received. Until recently, 24 exporting countries representing 88.7 percent of exports and 10 importing countries representing 26.8 percent of imports had either ratified the Agreement or declared their intention to do so. As the U.S. imports 51.7 percent of the world's coffee, that country's intention to ratify the agreement raises the total of importing countries to 11, representing 78.5 percent of imports. A number of other coffee importing countries are also said to be ready to ratify the Agreement. It is, therefore, felt that the Agreement will come into force provisionally in the next few weeks.

The administrative council of the Agreement is meeting towards the end of this month to decide the quota for the coffee year beginning from 1st October, 1963.

The U.S. Department of Agriculture in one of its latest report says that the world coffee crop for 1963-64 will be slightly less than in the previous year. Brazil's crop will show the effects of the 1962 frost. "The reduction in the State of Parana, because of this, will more than offset a much improved crop in the State of Sao Paulo. Except for frost damage, reports indicate optimum weather conditions in Brazil and many trees are making a good recovery", the report adds. According to this report, very little change is expected in Columbia's new crop. On the other hand, Ecuador is expected to have a larger crop in spite of drought conditions in the province of Manabi. Production continues upward in Peru. The report says that production in Africa would show an increase of 0.4 percent. Angola's new crop is expected to be at the same level as last year's, but Ivory Coast's crop probably would not reach last year's level. Prospects are good in Tanganyika. The 1963-64 Asian crop is expected to show some increase as Indian production is expected to be slightly larger than the previous year's. The exportable surplus of the Philippines will be comparatively small.

S.T.C. Buying Lemongrass Oil

The State Trading Corporation is opening purchasing depots in Cochin, Alwaye and Calicut in order to enter the lemongrass oil market. This measure would enable the producer to get the prices fixed by the Government recently. The price of lemongrass oil came down as exports were not materialising, and there was a tendency on the part of the foreign buyers to hold off. The Government stepped in to help the producer and fixed the floor and ceiling prices. There were no buyers for the commodity at the minimum prices fixed by the Government, so there was a stalemate in the market. The State Trading Corporation was asked to step in and lift the accumulated stocks at the prices fixed by the Government. The Corporation's officials visited Kerala recently and finalised arrangements for lemongrass oil buying by the corporation. An S.T.C. spokesman told newsmen that it would be open to all producers of lemongrass oil to tender their oil at any of the depots where after the normal tests and analysis, the oil would be accepted, and paid for at the rates prescribed by the Government of India. He added that it had been brought to the notice of the State Trading Corporation that a certain quantity of lemongrass oil already purchased from producers by the dealers still remained unsold. The Corporation was thinking in terms of providing some relief to them also, under the procurement scheme.

According to the S.T.C. spokesman, India produces about 1,500 tons of lemongrass oil a year out of which 80 to 90 percent is exported. This essential oil is largely used in the manufacture of synthetic Vitamin A. It is used in the manufacture of cosmetics and anti-mosquito lotions, too. Kerala is the principal producing centre of lemongrass oil in India.

Financial Assistance to Tea Industry Promised

(BY A SPECIAL CORRESPONDENT)

IT is heartening that the Governor of the Reserve Bank of India is reported to have advised the tea producers that the Government and the Reserve Bank are alive to the financial problems of the tea industry, and will render all possible assistance. The Governor is reported as saying that due to the emergence of a new situation last October, there was some flow of money into abnormal directions resulting in financial institutions receiving less in deposits, while the demand on scheduled banks increased. The present squeeze in money rates does not apply only to the tea industry, but to all industries.

From this month, the Agricultural Finance Corporation is in operation. This body will assist in meeting the cost of such items as extensions, replanting and replacements. These facilities will be made available to the tea industry through scheduled banks. The Governor also referred to the Refinance Corporation and stated that refinancing facilities would be available to any banking institution which advances money specifically for manufacturing and processing operations and not for agricultural operations. Although normally, this facility of refinancing is available on three to seven years' repayment terms, but, where so requested, the facility has been extended to ten years. He thought that the facility granted to scheduled banks to get the refinance against their commitments to the exporters of tea against purchase and shipping documents, should normally help the tea producers also to get their money quickly on the sale of tea. They should help tea estates who decide to export tea direct to any country.

The State Bank has agreed to share with the Tea Board the charge on the assets for advance to be made by the Board for plantation, replantation and replacement on a *pari passu* basis.

Rise in U.S. Imports

As the future prosperity of producing countries will depend on consumption, the north American countries received special attention on propaganda last year. It is interesting to note that as far as the U.S.A., is concerned, tea imports were a record at 128 million lbs; this shows a rise of 15½ percent, but consumption is not expected to show an equal rise. Tea drinking is going up, but not enough to account for the import figures, so 8 to 9 million lbs may be left in stock. The extra buying was apparently caused by the Chinese attack on India. In fact, the year's imports did not all go into consumption. Therefore, 1963 figures may show an easier trend.

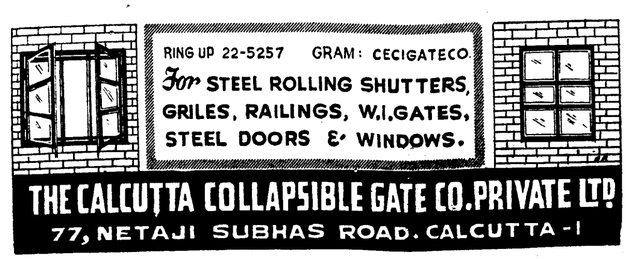
On the vital question of increasing world consumption, it is possible that new inventions will add to the popularity of tea. Much has been heard from the U.S.A. about instant tea. India, Ceylon and a firm in Scotland have been working on the idea and now the beverage in this form, is reported to be in competition with instant coffee. Africa is also reported to be experimenting with some form of instant preparation.

Some of the latest vending machines are reported to serve tea from freshly infused leaf, and the time factor is said to vary from 10 seconds to 1½ minutes. Such short infusion time suggests that C.T.C. type of manufacture is being used with dusts or powder. It is further suggested that at some future date, tea powders will be produced on tea estates.

Tea Output and Price Trends

Production in North India to end of June, it is estimated, is down by 15 million lbs, compared with the same date last year. Auctions, consequently, show better results with average price realised at Rs. 5.15 a kilo, compared with Rs. 4.66 on the same date last year. At London auctions, the January-May average of 4s 1d a lb compares with 4s 5d a lb in the same period last year.

At the latest London auction, on 1st July, north India supplied 9,690 chests of the 30,187 packages offered. Apart from poor liquoring teas, there was an improved demand for all descriptions. At the Calcutta auction on the same day, offerings amounted to 22,536 packages. There was a strong demand with plain Orthodox well supported at firmer rates.



COMPANY AND PUBLIC NOTICES

THE INVESTMENT & FINANCE COMPANY LIMITED

NOTICE is hereby given to the members of the abovenamed Company that an Annual General Meeting of the Company will be held at the Registered Office, Chartered Bank Buildings, Calcutta, on Friday, the 2nd August, 1963, at 11 A.M. for the following purposes:—

1. To consider and approve the Audited Accounts of the Company for the year ended 28th February, 1963, and to receive the Directors' and Auditors' Reports thereon.
2. To declare the Dividends recommended by the Directors.
3. To appoint a Director in the place of a retiring Director.
4. To appoint Auditors and fix their remuneration.

The Share Transfer Registers of the Company will be closed from the 19th July, 1963 to 2nd August, 1963, both days inclusive.

By Order of the Board,

BIRD & CO. (PRIVATE) LIMITED,
Secretary.

Registered Office:
Chartered Bank Buildings,
Calcutta, 25th June, 1963.

(a) A member entitled to attend and vote at this meeting may appoint a proxy to attend and vote instead of himself. A proxy need not be a member of the Company.

(b) The Dividends, if declared, will be paid on or after 13th August, 1963, to those Shareholders so entitled whose names appear in the Company's books on the 2nd August, 1963. or to their Mandatees. No application for Dividend Warrants will be necessary.

ALLAHABAD BANK
LIMITED
Established 1865
(Affiliated to The Chartered Bank)
REGISTERED OFFICE:
14, INDIA EXCHANGE PLACE,
CALCUTTA-1

Authorised Capital ... Rs. 3,00,00,000
Issued, Subscribed & Paid-up Capital ... Rs. 82,50,000
Reserves ... Rs. 1,28,25,000

FOREIGN EXCHANGE
BUSINESS TRANSACTED

*

CLEARING AND FORWARDING OF GOODS TO DESTINATION UP COUNTRY IS UNDERTAKEN BY THE BANK'S CALCUTTA OFFICE

J. Ritchie,
GENERAL MANAGER.

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THE GENERAL INVESTMENT & TRUST COMPANY LIMITED

NOTICE is hereby given to the members of the above named Company that an Annual General Meeting of the Company will be held at the Registered Office, Chartered Bank Buildings, Calcutta, on Friday, the 2nd August, 1963, at 11-05 A.M. for the following purposes:—

1. To consider and approve the Audited Accounts of the Company for the year ended 28th February, 1963, and to receive the Directors' and Auditors' Reports thereon.
2. To declare the Dividends recommended by the Directors.
3. To appoint a Director in the place of a retiring Director.
4. To appoint Auditors and fix their remuneration.

The Share Transfer Registers of the Company will be closed from the 19th July, 1963 to 2nd August, 1963, both days inclusive.

By Order of the Board,

BIRD & COMPANY (PRIVATE) LIMITED,
Secretary.

Registered Office:
Chartered Bank Buildings,
Calcutta, 25th June, 1963.

NOTE:—

(a) A member entitled to attend and vote at this meeting may appoint a proxy to attend and vote instead of himself. A proxy need not be a member of the Company.

(b) The Dividends, if declared, will be paid on or after 13th August, 1963, to those Shareholders so entitled whose names appear in the Company's books on the 2nd August, 1963, or to their mandatees. No application for Dividend Warrants will be necessary.

THE TITAGHUR JUTE FACTORY COMPANY, LIMITED

THE Directors of this Company have decided to pay Interim Dividends for the current year of 3% on the Ordinary Shares and at the rate of 6% per annum on the Preference Shares. These Dividends will be paid on 2nd August, less Income Tax at 7/9 per £.

The Transfer Books will be closed from 19th July to 2nd August inclusive.

P. WILLIAMS,
Secretary.

Dundee, 9th July, 1963.

THE SAMNUGGUR JUTE FACTORY COMPANY, LIMITED

THE Directors of this Company have decided to pay Interim Dividends for the current year of 3% on the Ordinary Shares and at the rate of 6% per annum on the Preference Shares. These Dividends will be paid on 2nd August, less Income Tax at 7/9 per £.

The Transfer Books will be closed from 19th July to 2nd August inclusive.

P. WILLIAMS,
Secretary.

Dundee, 9th July, 1963.

THE VICTORIA JUTE COMPANY, LIMITED

THE Directors of this Company have decided to pay Interim Dividends for the current year of 3% on the Ordinary Shares and at the rate of 6% per annum on the Preference Shares. These Dividends will be paid on 2nd August, less Income Tax at 7/9 per £.

The Transfer Books will be closed from 19th July to 2nd August inclusive.

P. WILLIAMS,
Secretary.

Dundee, 9th July, 1963.

MACNEILL & BARRY, LIMITED

NOTICE

NOTICE is hereby given that the Board of Directors of this Company has sanctioned payment of the Dividend on the Preference Share Capital of the Company for the half-year ended 30th June, 1963 at the rate of Rs. 2.289375 per cent.

Payment will be made on or after 1st August, 1963, to those Preference Shareholders whose names appear on the Company's Register on that date or in accordance with their instructions.

The Preference Share Transfer Books of the Company will be closed from the 29th July to 1st August, 1963, both days inclusive.

By Order of the Board,

A. N. MITRA,
Secretary.

2, Fairlie Place,
Calcutta-1,
9th July, 1963.

THE BRITANNIA BISCUIT CO. LTD.

NOTICE is hereby given that the Annual General Meeting (being the 72nd Ordinary General Meeting) of the Shareholders of the Britannia Biscuit Company Limited, will be held at the registered office of the Company, 15, Taratola Road, Calcutta-27 on Friday, the 16th August, 1963 at 10 a.m. for the following purposes:

1. To receive and consider the report of the Directors with Statement of Account and Balance Sheet, and to read the report of the Auditors thereon.
2. To declare Dividends.
3. To elect Directors.
4. To appoint Auditors and fix their remuneration.

The Share Transfer Books of the Company will be closed from the 1st August to 16th August, 1963, both days inclusive, and warrants for such Dividends as may be declared will be issued directly to the Registered Shareholders or their Mandatees whose names appear in the Company's Books on the 16th August, 1963 on or after the 26th August, 1963.

By Order of the Board,

A. P. CHANDA,
Director & Secretary.

15, Taratola Road,
Calcutta, 6th July, 1963.

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

COMPANY MEETINGS AND DIVIDENDS DECLARED OR PROPOSED

Name of Company	Date	I.S.T. Hours
Metal Box Co. of India Ltd. ..	17-7-63	12-30 p.m
Bombay-Burmah Trading Corpn. Ltd.	25-7-63	4-30 p.m.
Investment & Finance Co. Ltd. ..	2-8-63	11 a.m.
General Investment & Trust Co. Ltd. ..	2-8-63	11-05 a.m.
Britannia Biscuit Co. Ltd. ..	16-8-63	10 a.m.

DIVIDENDS DECLARED OR PROPOSED.—Investment & Finance Co. Ltd.—7¼ p.c. (f) (o), subject to tax; General Investment & Trust Co. Ltd.—5 p.c. (f) (o), subject to tax; Lakshmi Mills Co. Ltd.—20 p.c. (o), subject to tax; Burn & Co. Ltd.—25 p.c. (o), subject to tax; Samnuggur Jute Factory Co. Ltd.—3 p.c. (Int.) (o), less tax at 7/9 per £; Titaghur Jute Factory Co. Ltd.—3 p.c. (Int.) (o), less tax at 7/9 per £; Victoria Jute Co. Ltd. —3 p.c. (Int.) (o), less tax at 7/9 per £; Hindustan Machine Tools Ltd.—10 p.c.

HIDES AND SKINS

The market was quietly steady. Stocks of skins were higher, but those of hides were less than in the previous week.

Bazaar Sales

(Between 2nd July and 8th July, 1963)

Cowhides: Wet salted (Ord.) 28,400 pcs. on the basis of Rs. 8 to Rs. 12.25; Wet salted (Slaughtered) 21,500 pcs. on the basis of Rs. 10.50 to Rs. 16.50 and Rs. 19.50 to Rs. 28; Wet salted (Ord.) 7,000 pcs. on the basis of 90 nP a lb.

Goatskins: Wet salted (Patna, Daissee, Kustia) 43,100 pcs. on the basis of Rs. 230 to Rs. 240, Rs. 320 to Rs. 330 and Rs. 430 to Rs. 440; Wet salted (he-killed) on the basis of Rs. 3.75 and (she-killed) on the basis of Rs. 3.50 a piece; Muzafferpore 2,100 pcs. on the basis of Rs. 300 to Rs. 315; Purneah 2,100 pcs. on the basis of Rs. 510.

Bazaar Stocks

(8th July, 1963)

Cowhides: Wet salted 97,000 pcs.

Goatskins: Wet salted (Patna, Daissee. Kustia, Killed) 42,500 pcs.; Assam-Dinajpur 36,000 pcs.; Muzafferpore - Patna - Pakur - Purneah-Kissenganj 168,000 pcs.

SHELLAC UNCHANGED

During the week ended 9th July, the market was steady at the beginning, and unchanged at the close.

Shipments during June, were 18,586 packages.

	Rupees a package
Pure Buttonlac	88, 90 value
Lemon One Shellac	90 buyers
Lemon Two Shellac	94 sellers
Standard One Seedlac	76, 80 buyers
Pure TN Shellac	80, 84 sellers
Golden Kusmi Seedlac	66, 70 buyers
Kusmi One Seedlac	70, 74 sellers
Golden Bysacky Seedlac	60 buyers
Manbhum Fine Bysacky Seedlac	64 sellers
Fine Bysacky Seedlac	70 buyers
Genuine Bysacky Seedlac 5%	74 sellers
Grade One Class B Seedlac	56, 58 buyers
Grade Two Class B Seedlac	60, 62 sellers
	48 value
	32 value
	54 buyers
	58 sellers
	36 buyers
	40 sellers

"CAPITAL" STOCK AND SHARE LIST

THE INVESTORS GUIDE AND SHAREHOLDERS GAZETTE

BANKS

Wednesday, 10th July, 1963.

NAMES	Dividends per cent 1959	1960	1961	Paid-up per Share Rs.	Latest Market Quotations as available until 10-7-63 Rs.	3-7-63 Rs.	A year ago Rs.
Allahabad Bank P.	18	18	18	100	236/00	236/00	396/00
Bank of Baroda	14	17	17	50	88/00	86/00	92/00
Bank of India	16	20	20-20*	50	110/50	109/00	115/00
Central Bank of India	17-1/5	20 2/5	20-20*	25	56/00	55/00	63/00
Chartered Bank	15	15	15	£1	sh. 59/3	sh. 60/-	sh. 53/-
Hindusthan Commercial	Nil	Nil	Nil-Nil*	50	13/25	12/87	18/00
Hindusthan Mercantile	Nil	Nil	Nil	50	15/62	15/62	14/50
Hong Kong & Shanghai	£3	£3½	£3½	HK$25	£18½	£18⅞	£16½
Indian Bank	15	15	15-14*	100	158/50	158/50	175/50
Indian Overseas Bank	12	14	14-14*	100	142/00	142/00	164/00
Industrial Finance Corpn.	...	...	...	50	...	...	...
National & Grindlays Bank	12½	13½	14-16*	sh. 15	sh. 34/6	sh. 34/7½	sh. 34/-
Punjab National Bank	20	20	20	10	18/69	18/69	20/56
Union Bank of India	11 2/5	11 2/5	11 2/5	5	5/84	5/84	6/24
United Bank of India	4.3	4.3	6—6*	10	7/31	7/40	7/69
United Commercial Bank	11	12	12	50	66/00	66/00	86/00

*1962

JUTE MILLS

NAMES	Dividends per cent 1960	1961	1962	Paid-up per Share Rs.	Latest Market Quotations as available until 10-7-63 Rs.	3-7-63 Rs.	A year ago Rs.
Agarpara P.	10	2½	2½	10	10/00	10/06	10/75
Alexandra P.	44	15	...	100	300/00	300/00	305/00
Alliance P.	6	Nil	10	100	125/50	122/00	123/50
Anglo-India P.	20	7	10	100	224/00	224/00	232/00
Auckland P.	27	12	Nil	100	142/00	142/00	158/50
Baily P.	25	25	25	100	263/00	265/00	299/00
Barnagore P.	30	10	10	£5	196/50	198/00	184/50
Bengal P.	5	...	...	10	9/69	9/69	10/31
Birla P.	15	15	15	10	28/75	28/50	33/25
Budge Budge P.	10	Nil	...	100	155/00	155/00	163/00
Calcutta P.	...	...	...	10	8/12	8/00	8/00
Caledonian P.	12	5	...	100	200/00	200/00	212/00
Champdany P.	10	5	Nil	10	20/56	20/37	...
Cheviot P.	Nil	5	...	10	21/56	21/50	24/06
Chitavalsah P.	5	Nil	5	10	9/94	10/12	12/06
Clive P.	...	...	...	10	10/25	10/50	9/00
Dalhousie P.	5	1	Nil	100	145/00	145/00	130/00
Delta P.	7½	Nil	...	100	159/00	159/00	198/00
Empire P.	12½	7½	12½	10	14/69	14/69	16/50
Fort Gloster P.	25	10	12½	100	377/00	377/00	449/00
Fort William P.	22½	22½	10	10	26/00	26/00	27/50
Ganges P.	10	10	15	10	13/87	13/62	14/37
General Industrial	40	10	...	10	15/62	15/62	55/12
Gourepore P.	30	25	20	10	25/50	25/50	...
Hastings P.	6	6	6	100	128/00	128/00	124/00
Hooghly P.	10	...	...	10	18/87	18/87	27/25
Howrah P.	12½	10	Nil	10	18/87	21/50	21/75
Hukumchand P.	28½	28½	26⅔	7½	18/19	18/19	24/94
India	14	12	8	12½	18/19	18/19	16/94
Kamarhatty P.	5	Nil	...	100	191/00	191/00	186/00
Kankarrah P.	Nil	Nil	...	100	130/00	130/00	122/00
Kelvin P.	15	15	5	100	184/00	184/00	197/00
Khardah P.	20	5	12½	10	18/75	19/12	17/56
Kinnison P.	20	7½	Nil	100	148/00	148/00	152/50
Lansdowne P.	Nil	Nil	Nil	100	87/00	86/00	142/00
Lawrence P.	7	15	10	100	100/00	100/00	171/00
Megna P.	12	12½	Nil	10	13/12	13/12	14/25
Naihati P.	...	...	...	100	81/00	81/00	105/00
Naskarpara	...	...	...	10	9/06	9/06	8/50
National P.	7½	Nil	...	10	22/94	23/50	23/50
Nellimarla P.	5	5	15	10	11/81	11/31	11/75
New Central P.	15	15	Nil	10	12/94	12/75	15/62
Northbrook P.	30	30	20	10	27/12	27/12	35/00
Nuddea	5	5	5	50	55/50	55/50	61/50
Presidency	5	5	10	5	4/69	4/69	5/50
Rameshwara P.	Nil	Nil	Nil	10	9/75	9/94	7/69
Reliance P.	Nil	Nil	Nil	10	9/56	9/56	8/75
Samnugger P.	6	Nil	...	£1	10/50	10/50	10/50
Shree Ambica P.	5	5	Nil	10	25/00	25/00	37/00
Soorah P.	25	25	...	10	22/75	22/75	24/00
Titaghur P.	6	Nil	...	£1	10/50	10/50	10/50
Union P.	25	5	Nil	100	155/00	155/00	163/00
Victoria P.	5	Nil	...	£1	10/50	10/50	10/50
Waverley P.	30	30	60	1	7/25	7/44	6/31

COAL COMPANIES

NAMES	Dividends per cent 1960	1961	1962	Paid-up per Share Rs.	Latest Market Quotations as available until 10-7-63 Rs.	3-7-63 Rs.	A year ago Rs.
Amalgamated	10	12½	15	10	22/69	22/69	21/87
Bengal P.	25	21	...	100	261/00	270/00	374/00
Bengal Bhatdee	...	...	...	10	3/48	3/48	3/48
Bengal Nagpur	10	26	...	10	22/00	22/00	20/25
Bhalgora	...	...	...	10	4/84	5/00	5/25
Bharat Collieries P.	...	...	...	10	3/44	3/44	3/62
Bhuiasbararee	...	...	...	10	11/94	11/94	12/00
Bokaro & Ramgur	...	...	...	10	11/19	11/19	13/25
Borrea P.	15	15	...	10	23/87	23/87	23/50
Burrakur P.	13	13	13	10	15/50	15/56	17/81
Central India	8	10	10	10	9/75	9/87	11/06
Central Kurkend P.	...	...	...	10	3/87	3/87	7/00
Churulia	5	...	...	4	4/31	4/31	6/12
Dhemo Main	Nil	Nil	...	10	31/87	31/87	51/00
East Indian	7½	15	20⅔	£1	24/69	24/69	27/69
Equitable P.	15	10	...	10	14/25	14/25	14/00
Ghusick & Musilia	Nil	Nil	Nil	10	2/44	2/44	2/00
Guzdar Kajora	...	...	...	10	8/12	8/12	8/12
Hurriladih	...	...	...	10			
Karanpura Development	5	5	...	100	11/50	11/50	16/25
	15	15		10F			
Karanpura Collieries P.	7½	10	10	10	16/75	16/75	20/69
Kastras Jherriah	95	40	25	10	37/75	37/75	46/75
Khas Kajora P.	...	...	...	10	18/70	18/70	18/70
Mundulpur	...	...	...	10	2/69	2/69	2/69
Nazira	...	...	...	10	5/00	5/00	6/31
New Beerbhoom P.	10	10	...	10	19/12	19/75	22/19
New Manbhoom	7½	9	13	10	16/00	16/00	12/25
North West	20	20	...	10	19/75	19/75	19/75
				7½	18/00	18/00	17/50
Ondal P.	6	7½	...	10	12/00	12/00	15/00
Parasea P.	12	12	...	10	16/00	16/00	16/00
Pench Valley	10	10	10	10	18/00	18/00	16/75
Pure Sitalpur	...	...	...	10	8/00	8/00	8/00
Raneegunge	15	17	17	10	16/00	16/00	16/06
Rewa	30	20	...	10	28/50	28/50	29/12
Samla	10	...	...	10	11/25	11/25	8/87
Searsole	Nil	Nil	Nil	2½	1/22	1/22	1/94
Seebpore P.	42 6/7	42 6/7	...	5	45/00	45/00	45/00
Sendra	5	3½	...	10	5/75	5/75	7/69
South Karanpura	2½	Nil	Nil	10	8/06	8/06	9/50
Standard	15	10	...	10	13/12	13/12	16/00
Union	...	...	...	10	11/12	11/12	10/37
Western Bengal	6	7½	9	10	8/81	9/06	10/19
West Jamuria	Nil	Nil	...	10	4/09	4/09	9/37

COTTON MILLS

NAMES	Dividends per cent 1960	1961	1962	Paid-up per share Rs	Latest Market Quotations as available until 10-7-62 Rs.	3-7-63 Rs.	A year ago Rs.
Basanti P	**	**	**	10	11/56	11/50	8/50
Banga Luxmi	..	**	..	40	28/00	28/00	28/00
Bengal Nagpur P.	Nil	**	..	10	3/00	3/00	3/77
Bharat Commerce	5	15	..	10	20/12	19/87	24/25
Birla Cotton	10	20	20	10	33/00	33/00	30/00
Bowreah P	10	20	..	10	22/00	22/50	25/19
Cawnpore Textiles	7-1/5	10	..	5	6/16	5/12	7/25
Delhi Cloth & Genl P.	12	13	13	25	40/75	40/75	54/62
Dunbar	20	20	..	10	26/25	26/00	29/50
Elgin P.	11½	17½	17½	10	17/75	17/94	19/44
J. K. Cotton (Rayon) P.	12½	..	**	10	11/69	11/69	19/12
Jay Shree	10	10	**	10	14/16	14/31	14/94
Muir E	..	**	**	100	90/75	90/75	114/00
New Victoria P.	Nil	**	**	2½	1/37	1/37	1/53
Orissa Textiles P.	Nil	Nil	Nil	10	9/00	9/00	10/06
Rampoorla Cotton	3	Nil	**	10	12/00	12/00	11/00
	Nil	Nil	Nil	1	2/00	2/00	2/00
Swadeshi (Kanpur) P.	5	**	**	100	11/50	11/50	11/50
	5.51	**	**	10PO	7/25	7/25	8/66

BOMBAY COTTON MILLS

NAMES OF MILLS	Dividends per cent 1959	1960	1961	Paid-up per Share Rs.	Latest Market Quotations as available until 9-7-63 Rs.	2-7-63 Rs.	A year ago Rs.
Ahmedabad Advance P.	7	16	**	100	130/00	130/00	189/00
Apollo	..	..	..	2	1/98	1/92	2/20
Beharilal Ramcharan	Nil	Nil	..	100	70/00	68/00	64/00
Bombay Dyeing, etc.	14	14	14	25	59/80	57/00	57/40
Bradbury P.	10	10	25	50	150/00	150/00	190/00
Century	..	..	..	100	525/00	504/00	626/00
Central India P.	Nil	Nil	Nil	100	103/50	100/00	147/00
Coorla	..	..	..	100	142/50	140/00	160/00
Dawn	20	30	30	50	133/00	131/00	154/00
Edward Textiles	9	9	..	200	300/00	306/00	365/00
Elphinstone P.	14	18	22	50	96/00	99/00	122/00
Finlay	..	..	..	100	310/00	294/00	303/00
Gokak	..	..	**	100	158/50	154/50	192/50
Hindoostan	..	..	..	250	855/00	810/00	..
India United	..	..	..	10	23/00	22/92	22*03
	..	..	..	1Dd	2/62	2/46	3/26
Indian	..	..	..	250	761/25	761/25	..
Indore Malwa United	7	8½	10	100	192/00	192/00	179/00
Khatau Makanji P.	16	32	..	100	220/00	210/00	475/00
Kohinoor	9½	15	18	100	307/00	298/00	299/00
Lakshmi-Vishnu P.	Nil	5.7	6	100	92/00	92/00	135/00
Morarjee Goculdas P.	21½	21½	24—24*	100	394/00	375/00	400/50
Mysore Spg & Mfg P.	10	14	14	50	46/00	..	46/00
New City of Bombay	..	..	..	100	126/25	126/25	181/00
New Great Eastern P.	..	**	**	100	230/00	230/00	307/00
Phoenix	..	..	..	100	197/00	195/00	240/00
Sassoon & Alliance	Nil	Nil	..	10	11/76	11/76	14/00
Sassoon Spinning	25	17	20	10	42/00	42/00	60/00
Simplex	10	15	Nil	50	124/00	121/00	167/00
Shree Niwas P.	15	18	20	100	228/00	228/00	258/00
Svadeshi P.	14	17	..	100	239/00	230/00	269/00
Swan	..	..	..	100	275/00	265/00	300/00
Tata	10	20	..	25	55/00	53/20	65/00
Western India	..	..	**	250	785/00	785/00	802/50

* 1962

BOMBAY MISCELLANEOUS COMPANIES

NAMES	Dividends per cent 1959	1960	1961	Paid-up per Share Rs.	Latest Market Quotations as available until 9-7-63 Rs.	2-7-63 Rs.	A year ago Rs.
CEMENT ENGINEERING & METAL							
Associated Cement	11	12½	12—12*	100	144/25	139/25	157/25
ELECTRIC LTG POWER							
Ahmedabad Electricity	6¾	7	6	100	94/80	94/50	89/00
Andhra Valley Power P.	5	5½	5—5*	1000	1,025/00	1,015/00	1,015/00
Bombay Suburban Elec	..	..	..	100	103/50	103/50	103/25
Tata Hydro Elec. Power P.	5	5½	5—5*	100	106/00	106/00	113/00
Tata Power P.	5	5½	5—5*	1000	1,071/25	1,060/00	1,110/00
Alcock Ashdown	..	..	..	100	295/00	274/00	324/00
Josts Engineering	10	8	10—10*	50	58/00	58/00	96/50
Larsen & Toubro P.	12½	12½	18—14*	10	22/56	21/12	32/50
Mckenzies	12½	..	..	100	137/00	137/00	155/00
Premier Construction P.	..	**	**	30O	135/00	132/00	157/50
				31F			
Tata Eng. & Locomotive P.	9 9	12½	14½—14½*	100	267/00	251/00	355/00
Tata Iron & Steel P.	9 1	9 1	10 36 10 36*	75O	143/75	136/75	147/50
INSURANCE COMPANIES							
British India General	**	**	**	10	11/52	11/52	12/52
Jupiter General P.	..	..	..	15	9/20	9/20	12/00
New India	38	..	..	15	66/00	63/00	71/00
Vulcan	..	..	..	10	17/24	17/24	17/52
MISCELLANEOUS							
Belapur Sugar	**	**	**	50	190/00	175/00	228/00
Bombay Burmah Trading	19	30	33—33*	25	62/50	60/20	..
				100	243/75	243/75	264/00
Hindustan Lever	24	26	26—26*	10	35/25	33/75	47/25
Industrial Invt Trust	6	6½	6½	100	69/50	69/50	77/50
Kems (Chemists)	..	..	..	200	305/00	305/00	315/00
National Rayon	22	22	..	100	318/00	296/50	510/50
Scindia Steam Navign.	6½	8	3—3*	20	11/08	10/36	12/08
Shivrajpur Synd	50	80	Nil	10	26/00	19/00	35/50
Tata Chemicals P.	7½	6	6½—6½*	10	16/56	16/60	15/92
Tata Oil P	13	23	23—23*	25	64/00	59/50	78/00
Voltas	13	13	14 14*	100	242/00	229/00	280/50
Western India Match	16	16	16	100	250/00	241/00	290/00

*1962

TEA COMPANIES

NAMES	Dividends per cent 1959	1960	1961	Paid-up per Share Rs	Latest Market Quotations as available until 10-7-63 Rs	3-7-63 Rs	A year ago Rs
ASSAM GARDENS							
Anandabag	15	Nil	10	10	20/00	20/00	34/25
Amluckie P.	17½	30	32½	10	33/25	33/25	25/94
Baghmari	15	Nil	15	10	12/00	12/00	19/25
Barduar Tea	Nil	Nil	..	5	8/50	8/50	8/50
Basmatia	30	35	25	10	27/25	27/25	27/25
Bateli	30	30	..	5	18/50	18/50	19/00
Betjan	25	40	45	10	28/75	30/56	35/37
Bishnauth	13	13	13	10	17/56	17/56	18/06
Borokhat	5	Nil	12	10	13/70	13/70	13/70
Borpukr Jan P.	12½	15	15	10	14/25	14/25	16/12
Bor Sukhuri	Nil	Nil	Nil	10	11/75	11/75	9/37
Brooke Bond P.	12½	15	10—7½†	10	11/81	11/81	15/06
Dejoo Valley	40	15	20	10	60/00	52/50	49/25
Dessai & Purbuttia	Nil	Nil	10	100	189/00	189/00	151/00
Dhelakhat	20	12½	..	10	19/75	19/75	20/00
Dhunseri P.	23	20	15	10	13/87	13/87	16/00
Dibrugarh	30	40	40	10	31/25	31/25	33/44
Dimakusi P.	30	25	20	10	21/87	21/87	23/12
Duffiagbur	35	25	25	10	25/50	27/50	28/75
East India	10	Nil	Nil	10	13/44	14/25	18/87
Gillapukri	25	25	20	10	25/44	25/44	25/44
Gohpur	10	Nil	8	10	16/56	16/56	13/50

†1962

TEA COMPANIES—Contd.

NAMES	Dividends per cent 1959	1960	1961	Paid-up per Share Rs.	Latest Market Quotations as available until 10-7-63 Rs.	3-7-63 Rs.	A year ago Rs.
Grob	14	6	6	5	7/19	7/19	10/00
Hoograjuli (Assam)	25	20	20	10	27/12	27/12	24/44
Hoolungooree	20	10	7½	100	195/00	195/00	172/00
Jutlibari	10	30	30	10	31/50	31/50	32/00
Kingsley Golaghat P.	35	35	..	100	140/00	140/00	212/00
Kotamullai P.	Nil	Nil	Nil	5	10/31	10/31	10/44
Krishnabehari	10	15	8	10	10/50	10/50	10/12
Kyang Tea	Nil	Nil	..	10	8/06	8/06	8/06
Ledo	Nil	Nil	Nil	10	13/75	13/75	17/25
Maud Tea & Seed	7½	10	7½	10	14/81	14/81	14/81
Methoni	15	5	14	10	17/31	17/31	21/25
Moheema	10	Nil	..	10	11/50	11/50	11/50
Mothola	25	30	30	100	507/00	507/00	507/00
Murphulani (Assam)	20	5	15	10	26/50	26/50	26/50
	25	10.63	20.63	10	26/87	28/75	28/75
Naga Hills	5	10	10	10	22/25	22/25	20/25
Namburnadi	16	12	..	10	14/56	14/56	14/56
New Cinnatolliah	Nil	Nil	Nil	100	302/00	302/00	120/00
Rajgarh	35	40	13½	10	21/37	21/37	22/87
Sapoi	20	22½	20	10	18/31	18/31	18/31
Seajuli	17½	22½	15	10	21/12	21/12	22/50
Teloijan	25	25	25	10	22/00	22/00	27/75
Tengpani	17½	30	30	10	35/00	35/00	35/00
Tezpore P.	20	20	12½	10	14/56	15/50	15/44
Tongani	Nil	Nil	..	10	7/00	7/00	7/00
Tyroon	30	10	15	10	33/00	33/00	36/87
CACHAR							
Arcuttipore	Nil	Nil	**	10	7/00	7/00	7/00
Baitakhal	5	2½	..	10	8/06	8/06	6/69
Central Cachar	5	5	7½	100	72/00	72/00	77/50
Eastern Cachar	Nil	Nil	..	10	4/31	4/28	3/81
Kallinugger Khoreel	6	6	..	100	87/00	87/00	87/00
Hatikhira	5	Nil	8	10	9/12	9/12	11/37
Kunchanpore	Nil	Nil	..	10	6/00	6/00	6/00
Loobah	Nil	Nil	Nil	10	4/37	4/37	4/25
North Western	30	30	20	100	160/00	160/00	205/00
Pathemara	Nil	Nil	Nil	10	7/50	7/50	7/50
Roopacherra	Nil	Nil	10	10	13/62	13/62	13/62
Rungamattee	7½	5	5	50	53/50	53/50	50/00
Sonai River	Nil	Nil	..	10	9/12	9/12	9/12
DARJEELING							
Bloomfield	Nil	Nil	**	10	3/12	3/12	3/25
Chamong	Nil	Nil	10	10	9/00	9/00	10/25
Darjeeling Tea & Chin	Nil	30	..	100	197/00	197/00	195/00
Dilaram	5	8	..	100	102/50	102/50	102/50
Gielle	Nil	Nil	8 4/7‡	10	11/69	11/69	11/75
Lingia P.	12½	15	10	10	14/56	14/56	14/56
Longview	14	12½	..	10	11/00	11/00	11/00
Margaret's Hope	10	15	15	10	11/62	11/62	12/25
Mim	10	22½	20	100	191/50	191/50	191/50
Nagri Farm	20	30	25	10	29/19	29/19	25/44
Okayti	32½	25	25	100	600/00	600/00	605/00
Paxhok	10	10	..	10	20/00	20/00	20/00
Poobong	Nil	Nil	Nil	10	7/56	7/56	7/37
Pussimbing P.	Nil	Nil	Nil	10	7/12	7/12	7/25
Rungiee Rungliot	10	35	20	100	386/00	386/00	386/00
Seeyok	15	15	**	10	8/50	8/50	8/50
Singell	Nil	Nil	Nil	100	36/75	36/75	37/25
Singtom	5	2	..	10	3/50	3/50	4/50
Soom	30	50	40	10	35/00	35/00	49/87
Sungma	10	15	15	10	15/31	15/31	14/62
Teesta Valley	Nil	Nil	8 4/7‡	10	11/25	11/25	13/75
Tukvar	**	**	**	10	7/31	7/31	6/00
DOOARS							
Banarhat P.	32½	22½	21	100	233/00	233/00	273/00
Baradighi	25	30	25	10	23/25	23/25	26/06
Bhatkawa	10	15	15	10	18/00	18/00	17/37
Birpara P.	22½	17½	12½	100	160/00	160/00	160/00
Carron	15	20	5	100	145/00	145/00	145/00
Choonabhuti P.	30	32½	20	100	210/00	210/00	262/00
Ellenbarrie	5	5	5	100	184/00	184/00	179/50
Engo	Nil	60	30	100	136/00	136/00	136/00
Ethelbari	Nil	5	5	10	13/12	13/12	8/37
Gairkhata	12½	25	20	10	21/50	21/50	25/12
Gopalpur	9.24	12	2	25	19/50	19/50	20/00
Hantapara P.	12½	15	5	100	99/00	99/00	125/00
Hasimara P.	12½	17	18‡	10	12/50	12/50	31/56
Huldibari	22½	22½	19 2/7‡	10	13/31	12/62	30/37
Jaybirpara	5	10	Nil	10	11/75	11/75	13/50
Killcott	17½	25	15	10	14/37	16/25	17/12
Manabarrie	5	10	6	10	59/50	59/50	56/37
Nagaisuree	17½	25	15	100	140/00	140/00	169 50
New Dooars P.	32½	35	20	100	230/00	230/00	296/00
Oodlabari	10	12½	7½	100	14/00	14/00	14/00
Phaskowa	Nil	Nil	Nil	100	129/00	129/00	127/00
Rajabhat	Nil	Nil	Nil	10	12/12	12/12	12/25
Ranicherra	10	15	15	10	13/62	13/62	18/50
Rydak	30	25	20	10	23/62	23/62	26/75
Sarugaon	40	40	40	10	36/25	36/25	36/25
TERAI							
Atal	10	5	**	10	8/75	8/75	8/75
Belgachi	20	20	..	10	22/50	22/50	20/00
Gungaram	15	20	12½	100	131/00	131/00	158/00
Hansqua	17½	20	15	10	20/00	20/00	16/94
New Chumta	15	15	12 6/7‡	10	24/62	24/62	33/00
New Terai	15	22½	..	10	36/00	36/00	36/00
Pahargoomiah	25	20	**	10	15/00	15/00	31/12
Putinbaree	26	14	**	10	45/00	45/00	45/00
Tirribannah P.		40	**	10	49/00	49/00	49/00
CHITTAGONG							
Kodala	Nil	Nil	**	10	9/25	9/25	9/25
Kornafuli	Nil	Nil	..	10	13/06	13/06	13/06
Oodaleah	Nil	Nil	**	10	8/00	8/00	8/00
SYLHET							
Chundeecherra				10	26/00	26/00	23/50
Dauracherra	15	22½	22½	10	7/56	7/56	7/37
Kaliti	Nil	Nil	Nil	10	10/00	10/00	9/25
New Samanbagh P.	Nil	25	Nil	10	18/37	18/37	20/81
Patrakola	40	32½	40	100	120/00	120/00	137/50
Rajnagar	Nil	Nil	..	10	9/56	9/56	9/58
Teliapara	17½	22½	32½	100	99/00	99/00	99/00

‡ Hectares

MISCELLANEOUS COMPANIES

NAMES	Dividends per cent 1959	1960	1961	Paid-up per Share Rs.	Latest Market Quotations as available until 10-7-63 Rs.	3-7-63 Rs.	A year ago Rs.
MININGS							
Burma Mines	2 41/42	2 3/5	Nil	3½S	0/44	0/44	0/44
Chrestien Mica Industries P.	15	15	12½	10O	10/40	10/40.	11/37
	25	25	20	5Dd	8/85	8/85	8/85
Indian Copper Corporation	27	27	27	2s	4/69	4/70	4/88
Metal Corporation P.	Nil	Nil	..	10O	8/25	7/91	11/81
Orissa Mineral Development	36	36	28—20*	10	27/50	26/94	42/37
CEMENT, LIME, SLATE, ETC.							
Astoka Cement	4½	7	7-7*	10	7/37	7/31	8/12
Assam Bengal Cement	**	**	**	10O	3/31	3/25	2/94
				1Dd	0/50	0/47	0/37
Bengal Potteries	14 29/00	15	..	2½	4/94	5/50	6/62
Bisra Stone Lime	18.7	30	31—10*	..	35/00	35/00	35/50
Dalmia Cement (Bharat) P.	12	12	12	10O	12/56	13/31	12/37
				1Dd	3/03	3/00	2/00
Jaipur Udyog P.	Nil	6	8-8.36*	10	11/50	11/68	13/00
Kumardhubi Fireclay & Silica P.	18	18	18	10	18/45	18/45	18/45
Orissa Cement P.	11	15	15	10	14/00	13/75	17/12
Reliance Firebricks & Pottery	40	22	15—10*	5	22/75	22/75	22/75
Sone Valley Portland Cement	Nil	4	..	10	4/37	4/37	4/97
Sutna Stone & Lime	20	27½	30	10	35/00	35/00	37/00
CHEMICAL INDUSTRIES							
Alkali & Chemical Corpn. of (I)	9½	12	15—15*	10	31/62	31/87	43/00
Sathgate & Co. Ltd. P.	Nil	Nil	..	5	0/84	0/84	0/87
Bengal Chemical & Pharm. P.	7	7	10	100	97/00	97/00	103/00
Calcutta Chemical P.	18	18	18—18*	10	17/87	17/87	18/37
Frank Ross P	..	..	..	6	2/19	3/25	3/25
Smith Stanistreet P.	25	25	25—25*	5	12/25	12/25	16/44
ELECTRIC LIGHTING, POWERS							
Agra Electric Supply	10	11	11—11*	100	120/00	120/00	125/00
Bareilly Electric Supply	10	11	11—11*	10	14/37	14/37	12/06
Benares Electric Supply	10	11	11—11*	10	12/37	12/37	12/00
Bhagalpur Electric Supply	5	5	10—5*	10	6/06	5/00	6/06
Calcutta Electric Supply	8	8	7½—7½*	£1	14/31	14/31	15/12
Cuttack Electric Supply	6½	7½	10—10	10	11/87	11/87	12/62
Dishergarh Power Supply P.	7½	10	10—10*	100	88/00	88/00	94/00
Jhansi Electric Supply	6 1/5	..	..	10	5/90	5/90	6/00
Jubbulpore Electric Supply	9 1/5	10	10—10*	10	11/00	11/00	11/00
Mirzapur Electric Supply	5	..	..	9	12/00	12/00	7/56
Muzafferpore Electric Supply	10	12½	12½-12½*	10	11/50	11/50	11/75
Muttra Electric Supply	8	..	..	10	11/12	11/12	10/37
Patna Electric Supply	7½	10	10—10*	10	10/56	10/56	11/47
Shahjahanpur Electric P.	5	6½	6½—6½*	10	7/00	7/00	7/50
Sijua (Jherriah) Electric	7½	10	9—9*	10	8/25	8/25	9/06
United Provinces Electric	10	11	11—11*	100	115/50	115/50	127/00
Upper Jumna Valley Electric	12½	13½	13½-13½*	10	16/00	16/00	15/25

* 1962

MISCELLANEOUS COMPANIES—Contd.

NAMES	Dividends per cent 1959	1960	1961	Paid-up per Share	Latest Market Quotations as available until 10-7-63 Rs.	3-7-63 Rs.	Years ago Rs.
ENGINEERING & METAL							
Arthur Butler (Muzaffarpore) P.	...	...	...	10	14/94	14/94	13/00
Bhartia Electric Steel	15	10	10	10	13/00	14/50	11/75
Braithwaite India	22½	25	25	10	30/06	29/37	35/00
Bridge & Roof	30	30	30	10	52/25	52/25	52/25
Britannia Building & Iron P.	6	Nil	Nil—Nil*	10	3/65	3/65	3/65
Britannia Engineering P	10	10	10	10	9/19	8/81	11/75
British India Electric Cons.	25	45	20	10	33/12	33/12	50/00
Burn P (Engineering)	28½	28½	28½-28½*	100	580/00	558/00	644/00
Calcutta Steel	5	15	15	10	14/25	13/37	...
Dalmia Iron	...	10	10—10*	10	10/87	10/56	11/56
Guest, Keen, Williams	24	16	16	10	33/10	32/37	39/37
Hooghly Docking	12	Nil	Nil	50	108/00	108/00	111/00
Indian Iron & Steel P.	10	15	16—16*	10	23/18	22/62	25/38
Indian Malleable Casting	6	Nil	...	50	6/00	6/00	6/00
Indian Standard Wagon P.	7½	Nil	...	1Dd	1/75	1/75	2/15
	28½	28½	28½-28½*	10	31/31	30/62	...
Indian Steel & Wire Products	16½	23	24—23*	100	40/37	40/37	55/50
Industrial Containers	...	Nil	10	10	21/37	21/37	15/12
Jay Engineering	12	17 3/20	17 3/20—15*	10	21/06	21/06	...
J. K. Steel P.	12½	20	20—10*	10	14/12	14/12	15/87
Jessop & Co P.	8.58	8.58	8.58	10	23/87	24/25	22/50
Kumardhubi Engineering P.	10	10	11½	5	8/25	8/28	7/31
Marshall Sons (India)	10	Nil	Nil	2	2/47	2/56	3/37
National Iron and Steel	6½	Nil	Nil-Nil*	10	3/87	3/87	5/44
Saran Engineering	7½	6½	10—12½*	4	8/50	8/50	10/00
Steel Containers	...	30	20	10	29/50	29/50	22/00
Textile Machinery	30	10	10	10	23/60	23/60	23/10
SUGAR BREWERIES ETC.							
Balrampur Sugar	6	6	6—6*	2½	2/20	2/00	2/50
Belsund Sugar	18½	18½	10	7½	7/81	7/81	10/06
Bharat Sugar P.	...	...	...	10	13/00	13/00	13/00
Carew (Sugar) P.	Nil	Nil	Nil—Nil*	10	12/50	12/50	12/87
Cawnpore Sugar P.	Nil	Nil	Nil—Nil*	10	9/06	9/50	13/00
Champaran Sugar	15	15	12—Nil*	10	15/87	15/87	17/94
Durbhanga	20	4	Nil	10	8/06	8/06	10/00
Dyer Meakin (Breweries)	16	25	30	5	26/00	26/00	55/12
New Savan Sugar and Jur	...	...	...	10	3/62	3/62	5/19
Purtabpur Sugar P	Nil	...	...	10	11/50	11/50	11/50
Ramnugger Cane & Sugar P.	213/7	30	35—30*	10	26/37	26/37	28/50
Raza Buland	12½	12½	10	10	9/37	9/31	9/06
Ryam Sugar P.	...	...	...	10	5/20	5/20	8/06
Samastipur Central Sugar	...	...	...	10	9/62	9/62	9/62
Shree Krishna Gyanoday Sugar P	15	15	...	10	7/06	7/06	9/06
Shree Sitaram Sugar	...	...	...	10	7/12	7/12	7/12
Sitalpore Sugar	Nil	4	Nil-Nil*	10	6/12	6/12	6/62
United Provinces	15	15	...	10	10/62	10/62	14/72
Upper Ganges Sugar P.	72½	72½	72½-72½*	10	68/00	68/00	77/06
MISCELLANEOUS							
A Firpo (Restaurateur)	3½	7½	...	10	5/90	5/90	5/90
Aluminium Corporation P.	10	12	12—12*	10	12/81	12/97	17/12
Anderson Wright Ltd P.	10	11½	...	10	11/50	11/50	11/50
Angelo Bros.	20	25	22½-28*	10	21/81	21/75	22/56
Assam Match	18	18	20	10	28/75	28/75	28/87
Assam Saw Mills & Timber	Nil	Nil	Nil	3	2/87	2/87	2/94
Associated Battery	40	25	15-15*	10	23/37	23/75	30/00
Associated Hotels of India P.	Nil	Nil	10-10*	10	10/31	10/31	10/31
Balmer Lawrie & Co.	25	25	25	100	239/00	239/00	281/00
Bararee Coke	Nil	Nil	Nil-15*	10	20/87	20/87	25/00
Birla Investments P.	11	9½	10-10*	10	10/69	10/69	12/50
Britannia Biscuit P.	14	28	30—25*	10	42/50	42/12	44/00
British India Corporation P.	Nil	4	7	5	8/19	8/50	9/25
British Paints	10	12½	12½	10	20/37	18/75	23/00
Calcutta Silk Manufacturing P.	Nil	Nil	Nil	10	6/94	6/94	7/15
Clive Row Investment	10	6	7½	10	8/25	8/19	7/62
Duncan Brothers & Co Ltd P.	14	14	14	100	147/00	147/00	158/00
Dunlop Rubber Co (India) P.	21½	21½	20—15*	10	31/75	31/25	39/44
Eastern Investments Ltd. P.	14	14	14—12*	100	117/00	117/00	127/50
Electric Construction	6	10	10—10*	10	12/22	12/22	14/37
French Motor Car	12½	20	20	20	35/12	35/12	34/50
Ganges Rope	17	17½	20	100	236/00	236/00	231/00
General Investments Trust P.	3½	6	5—6*	75	43/00	43/00	43/00
Gillanders Arbuthnot & Co Ltd P	10	10	11-11*	10	13/50	13/50	14/50
Gladstone Lyall & Co Ltd P	Nil	4 2/5	4½	10	...	...	...
Godfrey Phillips (India) Ltd. P.	26	40	60	10	33/25	33/25	35/44
Great Eastern Hotel	6.	9	6	250	225/00	225/00	241/00
Hindustan Aluminium P.	...	Nil	...	10	13/12	13/37	...
Hindustan Motors P	6	9	12—12½*	10	16/62	15/81	19/19
Hindusthan Piltington	12	...	...	10	14/94	14/94	20/75
Hindusthan Twyfords P.	...	Nil	Nil-Nil*	10	14/25	14/37	15/87
Hoare Miller & Co Ltd	6	9	6	10	5/44	5/44	7/06
Imperial Tobacco	6	8	9—9*	10	10/19	10/25	11/00
Indian Aluminium Co Ltd P.	12	15	15-17½*	10	33/50	33/12	38/19
Indian Cable P.	15	22½	22½-22½*	10	31/81	30/37	35/62
Indian Oxygen	15	15	15—12*	10	27/62	25/75	46/25
Indian Rubber Manufacturers P.	15	20	30—30*	10	19/87	19/87	20/31
Indian Wood Products	25	30	30—30*	10	29/00	28/75	32/25
Isaac Holdens	...	...	Nil	10	14/00	14/00	16/82
Investments and Finance P.	5	7½	7½—7½*	100	55/00	55/00	55/00
J. K. Synthetics	...	...	8	10	10/50	10/00	...
James Wright P.	...	...	...	50	2/75	4/75	2/75
Jardine Henderson Ltd P.	...	...	...	1Dd	00/43	00/43	00/43
Jay Shree Industries P.	6	7	7—6*	100	85/50	86/00	81/50
Kesoram Industries P.	14	14	12½	10	16/00	14/44	17/19
	2½	5	12-12½*	10	21/69	21/37	27/87
Macfarlane & Co.	...	...	...	50	7/00	7/00	7/31
Macneill & Barry Ltd. P.	...	...	...	1Dd	2/31	2/31	2/50
Martin Burn Ltd P.	6	8	8	100	93/50	93/50	93/50
	27½	27½	27½-25*	10	26/12	25/37	28/31
McLeod & Co. P.	15	15	15	100	210/00	210/00	215/00
Metal Box Co. of India Ltd P.	10	10	10	10Dd	...	...	...
National Insulated Cable P.	17½	25*	25	10	49/87	49/87	64/75
National Pipe & Tubes P.	30	25	25—25*	10	23/06	22/00	29/87
National Rolling & Steel Rope	15	20	20—20*	10	25/94	25/94	31/81
National Rubber P.	10	13	15—15*	10	19/25	18/87	21/00
National Tobacco P.	8½	Nil	6½	10	11/19	11/56	12/19
New India Investment Corpn.	16	16	7	10	10/75	11/69	13/94
	8.7	8.7	...	75	65/00	65/00	70/00
Octavius Steel P.	12½	10	...	100	...	...	...
Philips India	12	12	12	10	27.50	27/00	33/62
Publicity Society	37½	10	75—75*	4	22/62	22/62	27/00
Rallis India P.	Nil	4	8½—8½*	100	114/00	116/00	135/50
Rohtas Industries P.	15	20	10—8*	10	11/12	10/81	15/44
Sirsilk P	...	Nil	...	10	9/06	9/25	9/94
Sen Raleigh Industries P.	8	8	8-8*	10	14/06	14/06	18/87
Shaw Wallace P.	15	15	15	10	15/37	15/37	23/75
Spencer's Hotel	14	2½	2½	5	0/94	0/94	0/94
Union Carbide	18	15	15	10	39/50	38/75	48/50
Watford Transport	15	30	30	1PO	2/31	2/37	2/69
	20	20	20	10	3/56	3/56	3/12
INSURANCE COMPANIES							
Concord of India	20	20	20	5	10/31	10/31	18/00
Hercules	20	22½	26½	10	24/19	24/19	25/17
Ruby General	10	10	13½	5	10/25	10/12	9/56
Standard General	...	...	...	10	6/00	6/00	8/00
Triton	45	45	50	25	124/00	132/00	127/50
FLOUR MILLS							
Bengal	45	40	25	10	23/12	28/12	31/50
Delhi P.	...	...	...	10	14/00	14/00	14/00
Ganesh P.	12½	...	...	12½	15/75	15/75	17/00
Hooghly	27½	15	Nil	10	19/75	19/75	19/75
United	62½	35	10	10	27/81	27/81	30/00
OIL COMPANIES							
Attock Oil	13½	13½	13½	£1	sh. 35/10½	sh. 36/1½	sh. 26½
Burmah Oil P.	...	2-3/5	...	£1	sh. 64/4½	sh. 65/6	sh. 40/-
Indo Burmah Petroleum P.	25	30	25	10	21/87	21/87	26/62
Ride Water Oil	22	30	35	10	25/25	25/25	25/50
PAPER MILLS							
Bengal P.	32	32	27½	10	27/94	28/00	33/25
India Paper Pulp	10	15	13—12*	10	16/50	16/75	20/50
Orient Paper P	15	22½	22½-22½*	10	34/40	34/50	40/90
Shree Gopal Paper P.	17 6/7	17-6/7	17-6/7	10	23/50	23/81	25/50
Sirpur P	6½	8½	8½	10	11/87	11/59	13/00
Star Paper P.	8	Nil	...	10	8/50	8/06	10/00
Titaghur P.	10	10	13-13*	2½PO	3/47	3/78	4/00
	25	25	20-10*	10AO	15/37	15/44	40/00
	25	25	20-10*	10BO	15/37	15/44	40/00
West Coast P.	Nil	6	7½	100	125/00	125/00	176/00
PRESSING COMPANY							
Camperdown	11	11	11	100	104/00	104/00	100/00
REAL PROPERTY STORAGE							
Bengal Bonded Warehouse	9	11	8—8*	A50C	1050/00	1050/00	610/00
				B62½	135/00	135/00	77/25
				C10C	122/00	122/00	122/00
				D12½	14/15	14/15	14/75
Calcutta Safe Deposit	...	...	...	100	7/87	7/87	7/25
Rumayan Properties P.	8½	6	...	100	11/00	11/00	11/00
	12½	Nil	...	10D	2/15	2/15	2/15
Midnapore Zemindary P.	Nil	Nil	Nil-Nil*	85	10/00	10/00	9/56
TRAMWAYS & STEAMER							
Bengal Assam Steamship P.	3	7½	7½	100	131/00	131/00	110/00
Calcutta Landing & Shipping	3½	3½	...	10	34/00	34/00	25/25
Calcutta Steam Navigation	10	10	Nil—Nil*	10	9/50	9/50	9/44
Calcutta Tramways P	4½	...	...	10	10/87	10/87	11/94
Fraser	Nil	Nil	...	£1	10/00	10/00	10/00
India General Nav. Railway P	Nil	Nil	...	10	39/00	39/00	63/75
India Steamship P.	10	10	Nil—Nil*	£10	5/94	6/00	6/94
Port Shipping	Nil	Nil	Nil	10	12/56	12/44	11/94

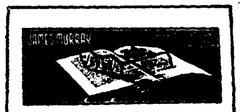
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THE CONTROVERSY ABOUT DECONTROLLING STEEL

THE proposal to decontrol steel remains, two months after it was mooted by the Ministry of Steel and Heavy Industry, in a nebulous stage. No one seems to know for sure quite what it is that the Minister, Mr. C. Subramaniam, wishes to achieve. A committee of the three major producers, which has now been asked to put forward comprehensive proposals for decontrol, has been left to decide on its own what aims to strive for. The directive given to it—not to upset price stability and plan priorities on the one hand, and to protect the interests of small and basic industries on the other—is too general to be of much help. Price stability and decontrol are in some ways contradictory concepts because the essence of relying upon the efficiency of allocation in a free market is to let prices reflect changes in demand and supply. That apart, producers can hardly settle on their own such issues as freight equalisation or the element of protection to be given to re-rollers. Nowadays, these are plainly matters subject to political decision.

The situation has made many wonder whether the Ministry has left the framework of policy undefined because Mr. Subramaniam is not yet ready to take a clear stand. In any case, his own judgment is hardly likely to suffice because several of his colleagues, and almost certainly the Planning Commission, will have a good deal to say before any major policy changes can be made. In the present political stalemate in New Delhi, it is perhaps futile to expect a firm lead. One can sympathise, therefore, with Mr. Subramaniam for having to stall for time until the political climate clears up and he can be sure of continuing his present association with steel. This may be one reason why the problem of decontrol has been dropped somewhat unexpectedly in the producers' lap, to rest there for a while until the Minister is ready to resume the initiative.

Before the details of decontrol can be usefully discussed, by the producers' committee or anyone else, it is necessary to outline the basic premises upon which the policy change is predicated. It has been suggested that supplies of some categories of steel—certain merchant mill products and light structurals—are now so plentiful that retail sales are at times made below the controlled prices. The continuation of either price or distribution controls is, therefore, unnecessary to protect the consumer, and it would be best to leave prices to adjust themselves to demand by putting these categories in the free market. While "distress sales" have undoubtedly taken place, this may well have been because of a sudden and purely temporary excess of supplies. In one instance, the Durgapur works—out to set a record—despatched very large quantities of a single section to the Calcutta market, which should normally have been distributed all over the country. Since destinational restrictions prevented upcountry despatches, the entire lot was pushed off to Calcutta, precipitating a crash in prices here. It would obviously be wrong to generalise about the demand-supply situation on the basis of such exceptional evidence. The disparity in prices between Calcutta and the more distant markets where steel arrivals continue to be erratic suggests that the surpluses arising from time to time reflect a malfunctioning of the transport system rather than an absence of demand.

Judging from the fact that consumers—both large and small—fear that prices will rise in the event of decontrol, the theory that demand and supply are now in balance cannot be accepted without close scrutiny. On this point, the Ministry has not so far offered enough information for reaching firm conclusions. Until evidence to the contrary is produced, one may assume from the fact that 850,000 tons of steel were imported in 1962 that supplies are still seriously short. Not all these imports consisted of the categories of flat products where a shortage is admitted, and which it is proposed to exclude from decontrol. Furthermore, in the coming months, the growth of public investment might well lead to an increase in construction activities and consequently in the demand for bars, rods and structurals. If so, the deficits may become bigger, which is the probable reason for the alarm expressed by consumers. Another reason for expecting a rise in the demand for these categories is that more non-project foreign aid is likely to be offered this year, which should make maintenance imports more freely available than in the recent past. The resulting growth in industrial production, and in economic activity, could be reflected in an increased offtake of steel. On this view of prospects, the assumption of plentiful supplies is to be seriously doubted.

This is not to suggest that controls should continue in their present form. Most people agree that the procedures need overhaul because they have clearly failed to allocate supplies according to rational priorities and also to maintain prices at the controlled levels. The Raj Committee's preliminary recommendations, well-received by both producers and consumers, suggest one way out which deserves to be given a fair trial. The basic concept underlying the Committee's suggestions is that production planning should be made the producers' collective responsibility, with the Iron and Steel Controller functioning only as an umpire to decide those few issues which the steelworks cannot settle on their own. Such self-regulation is greatly to be preferred because it would throw the responsibility for adjusting production to the pattern of demand upon the producers, where it rightly belongs. Implicit in the scheme is the adjustment of price differentials so that the real cost of productng a steel item is reflected in the price charged to the consumer. The present reluctance to roll certain uneconomic sections should then largely disappear, making it much easier to tailor production to actual demand. The Raj Committee's plea for allowing the price of steel to rise to its true economic level takes care of two major objections to the existing system of control. Mr. Khrushchev, at one extreme, and the World Bank, at the other, have declared that a lot of steel is wastefully used in India because its price is unrealistic in relation to the price of substitutes. If prices begin to reflect the real value that should attach to steel in the present conditions of scarcity, unnecessary consumption would automatically be

checked. Again, a rise in prices would restore to the steel industry a healthy level of profitability and enable it to finance its own future development to a far greater extent than is possible today.

Taking the Raj Committee's line of thought to its logical conclusion, one can argue that self-regulation by the industry should extend to the question of prices also. In other words, the responsibility for setting prices should be delegated to the producers instead of being borne by the Ministry. Formally, this would mean price decontrol, but in practice the Government would still retain an effective say, first through the agency of Hindustan Steel (which now accounts for 65 percent of the production); and, secondly, through the special powers which it would obviously wish to retain, in line with the practice in the U.K. Such delegation of authority has much to recommend it, not least because prices would become less of a political issue once the Minister is able to disclaim direct responsibility. Having disposed of the controversial price issue in this manner, the control over distribution remains to be considered. Here the answer for the present would be that controls should continue, so that essential users may enjoy the first call on available supplies. To argue that producers can be left to allocate supplies within the framework of a general directive regarding priorities is to miss the point that a choice often has to be made between two or more equally important end-uses. There is little justification, as has been shown, for the assumption that a surplus exists now or may develop in the future. That being so, the responsibility for maintaining priorities would remain with the Government.

MOBILISING BANK DEPOSITS

LEADING bankers have already started worrying about how they are going to supply the credit requirements of trade and industry during the next busy season (1963-64). The Indian Banks Association met *in camera* a few days ago to discuss the situation arising out of the slow growth of deposits since the onset of the emergency. It decided to discuss the trends with the Governor of the Reserve Bank, Mr. P. C. Bhattacharyya, and inform him of the banks' point of view. Later, a few prominent bankers, including Sir Homi Mody, Mr. Tulsidas Kilachand and Mr. A. D. Shroff, met the Governor. They are reported to have urged him to modify the two-tier system of interest rates; to abolish the "ceiling" on bank borrowings from the Reserve Bank in the coming busy season; to postpone the enforcement of the higher statutory liquidity requirement beyond 16th September, 1964; and to consider the difficulties of individual banks sympathetically. The Governor, it is understood, gave them a patient hearing and promised to look into the representation.

The bankers clearly feel that the slow growth of deposits requires attention immediately, that is, even in the trough of the slack season. But there are reasons to believe that the Reserve Bank does not share the anxiety fully. The latter seems to think that bank deposits will grow rapidly as the increased defence expenditure starts percolating back into the economy. This was made clear in its *Report on the Trend and Progress of Banking* (1962). The Reserve Bank is probably also worried that it cannot agree with the bankers without diluting the existing credit controls aimed at controlling inflationary pressure. The rise in prices, which has been causing anxiety since the presentation of the Central Budget for 1963-64, might be accentuated if the Reserve Bank relaxes its controls. The Reserve Bank perhaps also thinks that it is in a better position to judge the situation since it has access to fuller data. For instance, it knows more than the bankers do about the present trends in deficit financing, the size and pace of Government expenditure and the overall position in the banking system.

In assessing the situation, it is necessary first to take stock of developments during the past few months. In the 1962-63 busy season, in spite of numerous restrictions, the increase in bank credit turned out to be of the same order (Rs. 208 crores) as in the previous busy season (Rs. 213 crores). Expecting a sharp rise in bank credit, the Reserve Bank imposed on the eve of the 1962-63 busy season a ceiling on the accommodation banks could get from the Reserve Bank. The three-tier interest rate structure was changed into a two-tier one to make credit more costly. Banks were told to be cautious in lending against shares and gold, and in giving unsecured advances. Lastly, Bank rate was raised from 4 percent to 4½ percent with effect from 3rd January, 1963. The net effect of these changes was to make credit more costly and more difficult to obtain in the busy season.

But bank deposits lagged behind credit needs significantly because resources were diverted to the Exchequer to meet defence requirements. The aggregate deposits of scheduled banks, for instance, increased by only about Rs. 90 crores between November 1962 and April 1963, although they had gone up by Rs. 153 crores between November 1961 and April 1962. Notes in circulation during the 1962-63 busy season rose by Rs. 268 crores, whereas in the 1961-62 busy season the rise was Rs. 239 crores. The gap between resources and requirements during the 1962-63 busy season was bridged by securing accommodation from the Reserve Bank, which at one stage touched Rs. 83 crores. There was some liquidation of Government securities also. Certain big banks maintained the minimum liquidity cushion through borrowing in the call money market and lent every naya paisa in their tills, with the result that the credit-deposit ratio in some cases went up to 95 percent. On the whole, more credit was taken, and at higher rates of interest. It is to be noted here that the banks, taking advantage of the increase in Bank rate, raised the minimum rates of interest on advances to 6½ percent and the average rates of borrowing by 1 percent. The interest rates paid on deposits, on the other hand, were maintained almost at the 1958 levels in order to keep the increase in operating costs down to the minimum.

All this is broadly reflected in the bank results released over the past few days. The Bank of India and the Bank of Baroda have maintained their dividends on larger capital for the half-year after bearing the substantially higher costs of the branch expansion programme and higher taxation during the year. The Bank of Maharashtra has reported a sharp rise in deposits—an increase of 11 percent in the first half of 1963, against 5 percent in the corresponding period of the previous year. The Dena Bank has managed to maintain the dividend on larger capital, although the profit has fallen to Rs. 14 lakhs in the first half of 1963, against Rs. 17 lakhs in the corresponding period of 1962. According to some, the evidence suggests that the Reserve Bank has taken a sympathetic view of the credit needs of individual banks and permitted sizable relaxation in its controls. Various banks have been given special accommodation. The credit restrictions have also been relaxed for certain specified sectors like exports. On the whole, it is claimed, the Reserve Bank has operated its credit control policy in a flexible manner.

Since the current slack season commenced, the growth of deposits has gathered momentum. Since 26th April, deposits have increased by Rs. 55 crores (up to 5th July), or almost as much as in the corresponding period of 1962. Banks' borrowings from the Reserve Bank have touched a new low of Rs. 79 lakhs, against Rs. 83 crores at the peak of the 1962-63 busy season. The contraction in credit has been greater (Rs. 60 crores) in the current slack season than in the corresponding period of last year (Rs. 10 crores). The much larger credit contraction is responsible for the easy conditions in the money market. Inter-bank money rates touched ½ percent at one stage, against 6½ percent at the peak of the last busy season. Last year, at this time, the rate was around 1¾ percent.

The growth of deposits and the contraction of credit in the slack season has, therefore, been of the order of Rs. 115 crores. But bankers are afraid that the new borrowing programme and the compulsory deposit scheme will reduce their funds and stringency might return as soon as the new Government loans are subscribed. The Reserve Bank believes, however, that the tempo of defence and development expenditure has been gathering momentum, so the situation will ease before long. For instance, in the fiscal year 1962-63, deficit financing turned out to be Rs. 347 crores, instead of the Rs. 156 crores budgeted for. The larger dose of deficit financing did not, however, yield a commensurate increase in deposits. Mainly because of the diversion of resources for defence purposes, deposits in fact increased by only Rs. 192 crores, as compared with Rs. 225 crores in 1961-62, when deficit financing was Rs. 152 crores. But the higher level of expenditure envisaged in the 1963-64 Budget—nearly Rs. 800 crores more than last year—is bound to increase the pace of deposit growth in the next few months.

Taking the first half of 1963 as a whole, it is clear that the growth of deposits has not been commensurate with the scale of Budget expenditure. But apart from the temporary diversion of resources to the Exchequer (which resources might well come back to the banking system), the banks themselves are partly responsible for the slow growth of deposits. This is because bankers are reluctant to raise the interest rates on deposits to more realistic levels. In fact, some were thinking of increasing deposit rates, but the Reserve Bank's annual report on banking has made them change their mind and wait. At the same time, they have never had any hesitation in stepping up advances rates on the ground that interest rates generally have increased. The increase in the cost of credit has persuaded industrial houses increasingly to seek deposits from the public at rates of interest ranging from 6 percent to 7 percent. Such deposits were estimated by one source to total Rs. 25 crores in a few industrial houses alone. This trend is likely to continue unless bankers step up the interest rates on deposits, so the remedy for the situation really lies in their own hands. The Reserve Bank is unlikely to modify its dearer money policy before that is done.

OILSEEDS OUTPUT AND EXPORTS

IN spite of satisfactory weather conditions almost throughout the season, the production of the five major oilseeds in 1962-63—the second year of the third plan—is not expected to exceed 7.1 million tons, which is far short of even the second plan target of 7.6 million tons. Therefore, it is difficult to share the optimism expressed by the Central Minister for Agriculture, Dr. Ram Subhag Singh, in his inaugural speech at the recent annual meeting of the Central Organisation for the Oil Industry and Trade, that the third plan target of 9.8 million tons is not impossible to achieve. This will be difficult because more than 97 percent of the oilseeds crop is grown under uncertain rainfall conditions. Referring to the various measures for increasing oilseeds production, which the Government of India has taken in conjunction with the State Governments and the Indian Central Oilseeds Committee, Dr. Singh mentioned the integrated development schemes in 17 States at an estimated cost of about Rs. 2.66 crores. These schemes cover most of the feasible measures of extensive and intensive cultivation.

The Minister also referred to the package programme for increasing groundnut production. The programme aims at covering an area of 170,000 acres during the current plan period. In addition to the seven centres already sanctioned, it is proposed to set up another 24 package units for increasing the production of groundnuts. The package approach is also proposed to be extended to rapeseed, mustard and castor crops. Besides, there are other incentives which include subsidy for plant protection measures, subsidy for manures, additional allocation of fertilisers, extension of castor cultivation by free distribution of seeds exploitation of non-edible oilseeds, develop-

ment of red oil palm and tung plantations, etcetera. Yet, all said and done, a good crop of oilseeds, like most other crops, depends largely on timely and adequate rains, which makes all agricultural targets uncertain.

Considering the average oilseeds production over the past six or seven years, it is extremely doubtful whether the production will reach anywhere near the target of 9.8 million tons by 1965-66. It would be sheer wishful thinking to expect oilseeds production to rise by 2.8 million tons within the remaining three years of the plan. But looking to the increasing demand for oils and fats for a growing population in the country, the plan target does not seem ambitious. The problem of satisfying growing internal demand at reasonable prices is itself a very difficult one. It is complicated further by the pressing need for finding an exportable surplus in order to earn foreign exchange for the country.

The country's foreign exchange position calls for vigorous efforts to boost all exports. Oils and oilcakes have been leading items in the export schedule in the past. In 1955, India exported about 171,000 tons of groundnut oil, 71,000 tons of linseed oil and 43,000 tons of castor oil. Exports of castor oil reached an all-time record of 58,474 tons in 1960. In recent years, however, oil exports have suffered a severe setback because Indian oils were priced out. It was not that prices in India had risen more than in the other producing countries. But the rivals adopted new selling techniques and started offering their goods at prices which were lower than their internal prices. The Government of India has also taken certain measures in the recent past to stimulate vegetable oil exports; but if the results achieved have not been striking, it is because the Government's export policy has continued to lack imagination and boldness. Instead of boosting the export of castor oil and linseed oil, which are far less important than groundnut oil from the point of view of the domestic producer, the Government has been trying to stimulate the export of groundnut oil where the price disparity has been the widest. The continued disappointing export performance of castor oil in spite of rising world demand is a bad reflection on the country's export efforts. The Government has done little to exploit the export potential of castor oil, of which the country has a large surplus. It is also relatively easy to step up castorseed production.

The export performance of oilseeds, oils and oilcakes in 1962-63, however, shows a welcome improvement over the previous year's disappointing record when these items fetched no more than Rs. 25.11 crores, with groundnut extractions accounting for the bulk of the export earnings. The foreign exchange earned from oilseeds, oils and oilcakes in 1962-63 is much higher at Rs. 46.04 crores, of which as much as Rs. 31.79 crores are accounted for by groundnut extractions, Rs. 7.83 crores by groundnut oil, Rs. 4.29 crores by castor oil and Rs. 13 lakhs by linseed oil. The export of groundnut oil rose from 6.8 million kilograms to 57.7 million kilograms, that of castor oil from 24.9 million kilograms to 30.1 million kilograms and that of linseed oil from 400,000 kilograms to 700,000 kilograms. Spain was the biggest customer for Indian groundnut oil, followed by Hongkong, the U.K., Australia, West Germany, Burma, Morocco and the Netherlands. Russia occupied the first position concerning castor oil exports, followed by the U.K., Czechoslovakia and West Germany. Indian linseed oil went mainly to Czechoslovakia, West Germany and Pakistan. It is only oils which are posing a problem for the country. Oilcakes continue to do well, but measures need to be taken to assure the overseas buyers about the quality of the Indian products. The president of the Central Organisation for the Oil Industry and Trade, Mr. Ratilal M. Gandhi, has opposed the official move for quality control through preshipment inspection of export goods on the plea that this will cause unnecessary delays; the export trade in vegetable oils and oilcakes is being carried on on the basis of internationally recognised standards for several years. But it is no secret that the export market for Indian linseed cake has been lost mainly due to the uncertain quality of the stuff.

Current News and Comment

Credit for Exporters

The Ministry for International Trade has fixed an export target of Rs. 745 crores for 1963-64, against an actual export of Rs. 710 crores in 1962-63. Although the target is by no means ambitious, it is doubtful whether it can be reached considering that little has been done to remove the difficulties which have affected the export drive. The major handicap is that Indian products are too expensive, and so are being priced out of foreign markets. Since several items of production costs have been boosted by legislation or Government action, manufacturers find it difficult to quote competitive prices for their products. High prices apart, the export drive has been hampered by the lack of credit facilities for exports. Some half-hearted measures have been taken, but no attempt has been made so far to formulate a co-ordinated plan to provide export finance on a bigger scale. The provision of special export credit facilities by the Reserve Bank since March, and the supply of medium-term loans by the Refinance Corporation for Industry, have touched only the fringe of the problem. So the latest recommendations of the Study Group on Export Finance have evoked considerable interest. The eight-member group was headed by Mr. K. P. Mathrani, chairman of the Industrial Finance Corporation. While the recommendations look impressive on paper, it remains to be seen whether they will be implemented in time.

The Study Group has recommended to the Government that a scheme of credit guarantee should be evoked in consultation with the Reserve Bank to cover commercial banks against the losses they might incur in financing exports. It has suggested the establishment of an Export Credit and Guarantee Corporation to co-ordinate and strengthen the activities of the existing institutions in the field of export finance. The Study Group has also suggested that the Export Risks Insurance Corporation should be merged with the new Corporation which will undertake all the activities now carried on by the former. The E. R. I. C. at present takes on additional guarantee functions concerning exports and provides funds whenever the existing institutions are not in a position to provide them. The new Corporation would be owned wholly by the Government and modelled on the pattern of the Export-Import Bank of the U.S.A. The need for such a Corporation is clear because, with the increase in exports, Indian traders will soon require more long and medium-term credit facilities. An important handicap hitherto has been that Indian exporters have not been able to offer the same credit facilities to foreign buyers as their rivals do. A considerable proportion of international trade, especially in capital goods, is transacted on the basis of credit sales. Several countries have succeeded in increasing their sales because they have offered the facility of paying on instalment basis. Since efforts are being made to raise exports of Indian engineering products, it is essential that exporters should be able to offer competitive credit facilities to foreign buyers.

It is rightly recommended that export credit should be available cheaply. The Reserve Bank should provide funds for the purpose to commercial banks at a rate which is 1½ percent below Bank rate. The Refinance Corporation for Industry could also reduce its present interest rate of 5 percent in order to enable the ultimate borrower to obtain funds at 6 percent. If exporters are given cheaper credit, it will help them to offer better terms to foreign importers. Export credit is now provided on the basis of the f.o.b. value, which is often lower than the domestic price of a product. So the credit which an exporter gets is much less than what he can obtain by hypothecating the goods for sale in the domestic market. This inhibits export sales. If banks are to be encouraged to lend on the basis of domestic prices, it is necessary to give them two assurances. The first is that they will be adequately compensated in case the exporter defaults. The second is that they must be provided with sufficient credit facilities from the Reserve Bank.

The Study Group has endorsed the recommendation of the Mudaliar Committee that an import-export stabilisation fund should be set up to finance imports of essential commodities on a revolving basis. This fund could be used largely to finance imports of raw materials required by the export industries. The working of the latter has been greatly hampered by the shortage of imported raw materials. In fact, several export industries have suffered because growing idle capacity has raised unit costs.

Plea for Higher Cloth Prices

The cotton mill industry has long been worried by the growing pressure on its profits as a result of the rising costs of production and voluntary control over cloth prices. In their annual speeches, the chairmen of almost all the textile mills have made gloomy forecasts about the future outlook if cloth prices are not suitably increased to compensate for the rise in manufacturing costs stemming from additional fiscal imposts, enhanced wages and higher raw cotton prices. The Committee of the Indian Cotton Mills Federation decided at its recent meeting to approach the Government for raising cloth prices.

It took many other important decisions relating to the submission of a memorandum to the Powerloom Enquiry Committee, collection of exicse duty and the export incentive scheme. Among other things, the Committee has suggested that the excise duty on cloth manufactured both by mills and powerlooms should be collected at the yarn stage and the processing stage, but not at the loom stage. The current practice is to collect the duty at all the three stages. The Committee, however, would like to make suitable provisions for ensuring that the handloom sector is not burdened with any additional yarn duty. To meet the growing demand for yarn from the handloom sector, it has been decided that the supply of yarn from mills direct to the weavers' organisations should be stepped up. The Federation's representatives will meet the Textile Commissioner to discuss the matter and arrive at some satisfactory arrangement for supplying yarn to weavers' organisations.

The Federation has also decided to take part in the tariff enquiry which has been ordered by the Australian Government with the object of giving protection to indigenous sheetings. It will put forward the case of the Indian textile industry for exporting Indian sheetings to that country. It is sending a delegation to Moscow for the opening of the Indian Industries' Exhibition, which is scheduled for 20th July. The Federation will share the cost of the fashion shows of Indian textiles at the exhibition. It has borne the cost of putting up the cotton textile section of the exhibition, amounting to about Rs. 6 lakhs.

Fall in Raw Cotton Rates

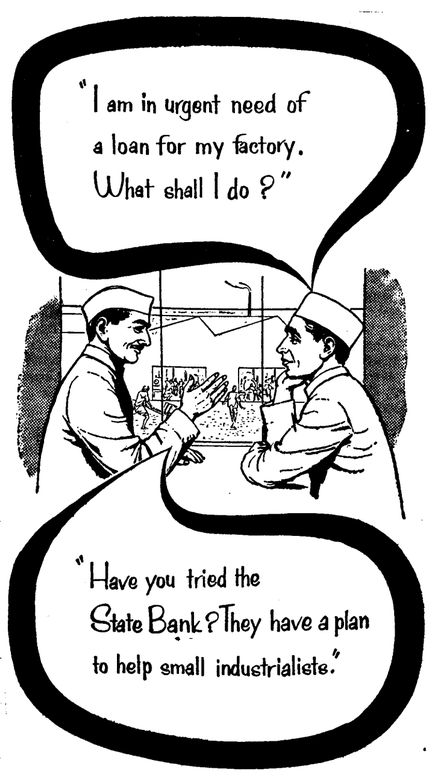
Cotton prices have fallen substantially over the past two-and-a-half months, and there is no indication yet that the downward trend is nearing its end. The August contract which touched a high

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of Rs. 748 (for three quintals) in April is now quoted around Rs. 689. In the ready section, where several varieties had been quoted at or above the ceiling, offers are now made at Rs. 40 to Rs. 50 a candy lower and the fall has been more pronounced in the inferior quality cottons. Several factors have contributed to the recent fall in prices. By far the most important of them is the upward revision of the 1962-63 crop estimate to around 5.60 million bales—an all-time high. Imports, although smaller than in the previous season, have been fairly satisfactory, and the figure for the current season is likely to exceed 850,000 bales. The recent barter agreement with the U.S.A. provides for the import of 300,000 bales (of 500 lbs each) of cotton in exchange for minerals. Mills are also being asked to lift staple fibre which the Government has imported at the instance of the Indian Cotton Mills Federation to augment the supplies of cotton.

While there has been a distinct improvement in the overall supply position, mill consumption of cotton has remained virtually static; in fact, it is slightly lower than in the preceding season. Total mill consumption during the first eight months of the season, September 1962 to April 1963, amounts to 3.8 million bales, comprising 3.1 million bales of Indian cotton and 668,000 bales of foreign cotton. The corresponding figures for the previous season were 3.1 million bales Indian and 700,100 bales foreign, making a total of 3.8 million bales. Stocks with the mills at the end of April were placed at 1.9 million bales, compared with 1.6 million bales at the end of April 1962, and on the basis of the current level of consumption, these stocks are sufficient to last for four months. Mills, therefore, are in no mood to make any further purchases, particularly when the weather news continues to be quite encouraging. Almost all the important cotton-producing areas seem well-satisfied with the progress of the monsoon. Of course, it is much too early to talk about cotton crop prospects.

The current fall in prices should not cause concern. In fact, it is welcome as it might help improve the industry's profit margin which has been badly squeezed by mounting costs. Besides, one cannot expect the entire crop to be marketed at the ceiling. If the new cotton crop turns out to be really good, cotton prices could be expected to keep below the ceiling prices. This should enable the authorities to restore freedom to the trade which has long been protesting against the supervisory scheme of marketing.



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Fresh Capacity in Sheet-rolling

In his address from the chair at the annual meeting of the Western India Sheet Rollers Association, in Bombay recently, Mr. P. R. Kamani severely criticised the Government of India's decision to permit the setting up of one more strip mill in the south. That individual applications for establishing strip mills should continue to be entertained in spite of the official policy of rejecting such applications without any reference to the Licensing Committee, seems rather surprising. There can be hardly any justification for establishing new units when the existing ones are being starved of raw material supplies. The Development Council for Non-ferrous Metals has estimated the demand for copper and brass sheets at 10,500 tons in 1965-66. The present demand, it is said, totals only 4,000 tons. Against this, the existing capacity of the sheet rolling industry is about 11,000 tons on a two-shift basis. With balancing equipment and diversification, the existing capacity is capable of manufacturing 22,000 tons a year.

The industry is fed to a considerable extent on imported raw materials. The foreign exchange shortage has naturally affected their supply. Imports of copper and zinc have recently improved, but the supply is still inadequate. Mr. Kamani says that if the Government had adopted a rational distribution of imported materials, it would not have been so very difficult to satisfy the demand of scheduled industries. In spite of the difficulties facing the industry, Mr. Kamani has great confidence in its future, especially for those units which have diversified their products. There has already been a considerable diversification of production and the industry is now producing strips up to 47 S.W.G. Mr. Kamani has suggested a phased programme for switching over from commercial to industrial rerolling by small units. He has also urged the members of the Association to step up their exports.

Export Plan for Motor-vehicles

An export promotion association for automotive products and internal combustion engines is likely to be set up shortly to promote the exports of motor-vehicles, tyres, tubes, batteries, diesel engines, internal combustion engines, air compressors, pumps and related products. A sub-committee appointed by the Government of India to prepare a scheme for promoting their exports has already submitted its report. The proposed association, it is said, will initially have a membership of 250. To operate the export guarantee scheme and to assist members who suffer losses in the course of the export business, the association will call for subscriptions from members. The rate will not exceed 1 percent of the turnover of each member in any one financial year. The basis and quantum of reimbursements to members will be determined by a committee. Contributions from members will take place only after actual exports have been effected.

The sub-committee has made several suggestions in its report. It has been suggested that manufacturers should be permitted to export in any financial year up to 10 percent of their sales within the country. The Government has been asked to specify how much could be exported without any reference to the authorities It has been suggested that the exporters should be allowed to pay commission on sales up to 5 percent to their foreign agents. Another suggestion relates to the setting up of a machinery to make available quick rebates on excise and Customs duties The sub-committee has recommended that a delegation of main manufacturers and ancillary producers should be sent abroad to study markets from the Middle East to the Far East.

The Indian motor-vehicle industry is still not fully developed. It is not merely that production is far short of domestic demand, which has risen considerably because of the defence build-up The industry is still dependent on imported materials. Considerable foreign exchange expenditure is necessary to enable it to go ahead with its expansion plans and for raising the indigenous content

of the vehicles. The country is unlikely to have anything like an exportable surplus in the near future. The value of exports of motor-vehicles and motor-vehicle products at present is negligible, being hardly Rs. 50 lakhs out of the industry's total turnover of about Rs. 140 crores. It will be too much to expect that the proposed export guarantee scheme will yield any significant result in the foreseeable future. Even when the country is able to develop an exportable surplus, exports will be difficult because of keen international competition.

Inspection of Insurance Accounts

Speaking from the chair at the annual general meeting of the New Great Insurance Co. of India Ltd, recently in Bombay, Mr. Tulsidas Kilachand voiced a widespread demand when he asked the Executive Committee of the General Insurance Council to relieve those companies who have voluntarily agreed to inspection, from this obligation, as certain companies have refused the administrative machinery permission to scrutinise their accounts. When the scheme was first mooted by the Executive Committee, it was understood, Mr. Kilachand pointed out, that all companies transacting insurance business in India would agree to inspection. It has now come to light that certain companies continue to withhold permission to scrutinise their accounts. Thus the country has two sets of insurers, namely, those whose books are subject to inspection by the administrative machinery and those whose books are not. This state of affairs was unsatisfactory, Mr. Kilachand stressed. It puts companies which are subject to inspection at a disadvantage as against the rest, and would lead to many complications in the actual working of the revised Code.

The solution to the problem lies in deleting some of the provisions of the existing Insurance Act, which complicate matters and which require artificial support in the form of the Code of Conduct, the administrative machinery, etcetera. Mr Kilachand felt that the entire Act should be reviewed, and a new one, simpler and solely connected with general insurance business based on the British law, should be enacted. If this is done, the companies would be able to reduce their expenses considerably, as there would be no longer any need for a Code of Conduct, administrative machinery, inspecting officers, etcetera, all of which add to the burden of insurers. The terms of commission fixed by the Insurance Act are artificial, in the sense that they have no relation to the market forces of supply and demand Since the Insurance Act pegs the payment of commission at fixed rates, supply and demand have to be artificially regulated to conform to the pegged price. It was suggested at one time that reduction in premium rates would reduce the surplus in the hands of insurers to such an extent that there would be no wherewithal to make payment in excess of the limits fixed under the Act After entering into a scheme of phased reduction in fire insurance rates, the insurers had to give this up as it was felt that there had been no appreciable impact on the buying and selling rates of insurance. A new system of inspection instead came into force, and it has so affected the working of the insurance companies that they feel that they are virtually required to relinquish management to an outside authority In fact, a system of dual control is slowly emerging now. This is proving detrimental to the development of the trade and a great anomaly in administration has arisen.

Developing Road Transport

There was a time when it used to be thought that road transport should serve mostly as a feeder to the railways in long-distance haulage of goods. The experience of the past few years has amply demonstrated that road transport has to play an important rôle in both short-distance and long-distance haulage of goods However, there has been no significant change in the Government's policy towards road transport The road operators have to bear an excessive tax burden experience shortage of lorries and face difficulties in obtaining licences and permits In view of this it is somewhat surprising that Mr. Raj Bahadur, Central Minister for Shipping, told the annual meeting of the Indian Roads and Transport Development Association in Bombay that the burden of taxation on the road transport industry could not be considered excessive. He said that "taxation is related to paying capacity" and if the transport industry pays heavily "it is obviously because it has higher profits and has so far been in a position to pay". One would like to know what other choice does the transport industry, or for that matter anyone else, have but to pay the taxes imposed by the Government. Representatives of the transport industry have been telling the Government in no uncertain terms that the burden of taxation on road transport is excessive and this is one of the reasons why it has not developed much. It is significant that, on average, a commercial vehicle in India pays a total tax, including on oil, of Rs. 3,200 a year, which is nearly 2½ times more than the corresponding levy in Britain and about seven times greater than that in the U.S.A. Another significant fact is that there has been a rise of more than 400 percent in Government revenues from motor-vehicles since the commencement of India's first plan; it is expected to increase by a considerable amount in the current financial year.

The need for developing road transport, not only for short distance haulage but also for long-distance, cannot be over-emphasised. At present, the railways are not able to handle more than three-fourths of the total long-distance traffic of about 200 million tonnes of goods a year. According to Dr. F. P. Antia, president, Indian Roads and Transport Development Association, the railways would not be able to carry 330 million tonnes of long-distance goods traffic by 1965-66, to which must be added another 75 million tonnes of goods traffic arising from the emergency. So it will be necessary to expand road transport in India many times its present capacity.

The road transport industry needs a greater supply of commercial vehicles than at present. It is encouraging that the production of motor-vehicles in India in 1962 increased by 6 percent to 56,967, and, according to Mr. R. G. Saraiya, president of the Indian Institute of Road Transport, the output of motor-vehicles by the end of the third plan may be 100,000 vehicles a year, consisting of 30,000 motor-cars, 60,000 commercial vehicles and 10,000 jeeps. This may fulfil the plan target. But even so, the road transport industry would not get an adequate supply of vehicles because of the greatly increased military demand. It is good that the foreign exchange allocation to the motor-vehicle industry has been increased and efforts are being made to step up production. But the production capacity for commercial vehicles will have to be considerably increased if a sufficient number of vehicles are to be made available to the road transport industry.

Rayon and Synthetic Fabric Exports

Exports of rayon and synthetic fabrics through the ports of Bombay, Calcutta and Madras in June are placed at 3.5 million metres, valued at Rs. 36.2 lakhs; they show a sharp fall of about 45 percent in terms of quantity and 42 percent in terms of value over the previous month's figures of 6.3 million metres valued at Rs. 62.7 lakhs. In June 1962, exports totalled 5.7 million metres, valued at Rs. 72.5 lakhs The June figure takes the total exports for the first half of the year to 31.2 million metres valued at Rs 3.02 crores, compared with 30.9 million metres, valued at Rs 3.22 crores in the corresponding period last year. Excepting Singapore and Ceylon exports to other destinations recorded sizeable falls. Singapore took 1.1 million metres valued at Rs. 8.92 lakhs against 352,000 metres valued at Rs. 2.08 lakhs In the case of Ceylon, exports were higher both in terms of quantity and value—446,000 metres, valued at Rs. 4.37 lakhs, compared with 373,000 metres worth Rs 3.12 lakhs in the previous month.

The value of shipments to other important destinations in June with the previous month's figures in brackets was: Canada Rs. 1.92 lakhs (Rs 3.11 lakhs), Kenya Rs 1.81 lakhs (Rs. 2.36 lakhs), Iraq Rs 1.66 lakhs (Rs. 6.91 lakhs), Northern and Southern Rhodesia Rs. 1.42 lakhs (Rs 4.19 lakhs), Nayasaland Rs. 1.38 lakhs (Rs. 2.77 lakhs), Aden Rs. 1.19 lakhs (Rs. 3.13 lakhs), Yugoslavia Rs. 1.16 lakhs (Rs. 78,000) and Iran Rs. 1.09 lakhs (Rs. 3.17 lakhs). Zonewise, exports for the January-May period show that out of the total worth Rs. 2.66 crores, the Asian zone accounted for Rs. 1.57 crores to be followed by Africa with Rs. 60.99 lakhs, America Rs. 21.15 lakhs, Europe Rs. 19.96 lakhs and Oceania Rs. 7.14 lakhs. The average price of exports realised in June works out to Rs. 1.04 a metre, against Re. 1 in May and 93nP in April. Southern Rhodesia, Sweden and Algeria did not figure among the buyers of Indian art silk fabrics in June. With the import ban on fabrics in Iran, only small quantities are going to that market against previous licences. After a lapse of several months, Morocco purchased small quantities of rayon fabrics from India.

Public Sector Management

There is something definitely wrong with the management of public enterprises in India as is shown by the delay in implementing the various schemes, slow increase in output, high production costs and poor quality of the products. It is, no doubt, true that some public enterprises are working quite satisfactorily, but many of them are inefficiently managed The Central Minister for Steel and Heavy Industry, Mr. C. Subramaniam, pertinently remarked in a recent speech in Ramachandrapuram near Hyderabad that in order to ensure the successful working of public enterprises they should be "emancipated from the stranglehold of Government administrative procedures". He pointed out that the "discipline of industry and business is different from politics and administration". It makes little difference whether such industrial and business units are in the private or the public sector. To secure freedom from official interference in the working of public enterprises, autonomous corporations were formed but they have not achieved this aim. The Appleby Committee, the Gorwala Committee and the Krishna Menon Committee all emphasised the importance of keeping public enterprises free from official interference, administrative procedures and red tape. From time to time the Prime Minister and other leaders too have emphasised this point.

The basic cause for the inefficient management of State enterprises is that the right type of men are not selected as managers. There was a time when it was believed that civil servants could manage any set-up. Although there has been some change in this line of thinking, civil servants continue to be appointed as managing directors and heads of public enterprises. Worse still is the appointment of politicians to such posts. The managers and heads of public enterprises often lack the necessary experience and knowledge of the work, and so are not able to take independent decisions. They are never sure whether their decision is right or wrong and are, therefore, willing to accept the 'advice" of ministers and departmental heads. Besides, those who owe their jobs to favouritism or nepotism cannot possibly remain free from interference. The remedy is to appoint independent persons with business and industrial experience as managers of public enterprises. There is undoubtedly a shortage of managerial talent in the country, but there is no reason why the public sector should not be able to get persons of calibre when private enterprises can get them.

Helping Small Industries

Some interesting points were raised at the *ad hoc* committee of the Conference of Small-Scale Industries in the western region which recently met in Bombay. A number of speakers pointed out that there was unconscionable delay and a lack of co-ordination in issuing licences to small units. It was pointed out that the latter were seriously handicapped by shortages of imported machinery, raw materials and other requirements. Foreign exchange allocations have been curtailed not only for the small-scale industries but also for other enterprises. However, the suggestion that the system of issuing block licences should be extended to the small units to enable them to make selective imports of raw materials deserves consideration. Unfortunately, small-scale industries account for about only 5 percent of India's

total exports. The Government has adopted the policy of linking the imports of raw materials and machinery to the export performance of industries. The small units which are unable to export more, thus stand to lose. The *ad hoc* committee did not consider measures to increase the exports of goods produced by the small sector.

A big problem faced by small industries is that in some cases, the idle capacity is as high as 50 percent. One of the reasons for this is that they are not able to produce goods of the right quality at competitive prices. It appears that the efforts so far made to improve the design and quality of goods produced by them have not yielded satisfactory results. Their production costs continue to be high. There is no doubt that small industries have a special significance for India's economy because the ratio of investment to output in their case is small and their employment potential is high. They also help in the exploitation of local resources. But some of them are not properly diversified while some others have grown haphazardly without correct planning. They have thus become a drag on the economy. It is necessary to remedy their defects if they are to become useful.

It was pointed out at the meeting that the decontrol of certain steel sections would affect the small engineering units by hampering the smooth flow of raw materials to them. The Raj Committee which went into this problem thoroughly, however, thought differently. There seems to be no reason why the small units should not get their steel requirements at reasonable prices after decontrol. The *ad hoc* committee's suggestion that 50 percent of all the relaxed categories of iron and steel should be allotted to the directors of industries in the States for distribution to the small industries is too big a demand.

Exporting Engineering Goods

A trade delegation sponsored by the Engineering Export Promotion Council recently toured the U.K. and west European countries to study the export prospects for Indian engineering goods. Mr. S. L. Kirloskar, chairman of the Engineering Export Promotion Council, led the team. In a report just published, the Council says that western Europe and the U.K. have the most dynamic markets in the world—"sophisticated, competitive, technically demanding and large in size whose potentialities are even greater." The scope for Indian engineering goods in these countries is at present limited, as this country is not in a position to supply a wide range of finished products, but given "specialised production, technical ability of a high order and first-class quality and salesmanship," the Indian exporters can expand their market there. The delegation is convinced that western Europe offers tremendous opportunities for both producer and consumer goods. Some of the products which European industries may require are steel castings for machine tools and machine-building industries and other components; tools dies, jigs and fixtures; free forgings; special purpose machines; producer goods of the second degree such as diesel engines, electric motors, switchgear, sewing machines, small tools, engineering as well as carpentry tools like cutters, twist drills, reamers, vices, and garage tools; and consumer goods such as steel folding furniture, specialised builders' hardware, coffers, ventilator fans, sanitary fittings, manhole covers and concrete reinforcing bars. The Council makes the remarkable suggestion that the image of India as a supplier of primary commodities needs to be changed by demonstrating the ability to produce quality prestige goods, such as the Rolls Royce car in the U.K.

The delegation makes a number of recommendations as to what the Indian manufacturers should do on their own, apart from the effort which is being made by the Central Government's Council for Trade with Western Europe or by other organised bodies. The industry must establish close personal contact with the buyers, and all communications with them should be in their languages. Individual firms must enter European markets on a permanent basis. The large firms who already have their organisations in Europe should strengthen them and keep them in good trim, and the smaller firms should take advantage of these to market their products. The Export Promotion Council must help the individual firms by organising joint market research and inspection arrangements for goods to be supplied to European markets. The Government, the delegation suggests, should help promote publicity for the trade by participating in fairs and exhibitions abroad, encourage joint ventures with European partics, and assist Indian firms wishing to undertake the manufacture of products which European countries require.

CORRESPONDENCE

A NEW COINAGE FOR BRITAIN

(To The Editor of "Capital")

Sir,

I was interested to read The Ditcher's comments on a new coinage for Britain. What is the harm in decimalising the present pound? A tenth of a pound then be one florin and a tenth of a florin would be a "new" penny. This penny would be nearly 2½ times the value of the current penny, but the farthing could be reintroduced. If inflation continues at the present rate, neither the "new" farthing nor the "new" half-penny will be required for very long.

Yours etcetera,

C. H. S. London

Quilon, South India, 10th July, 1963.

MAKING ALUMINIUM IN INDIA

THE rapidity with which this metal is being adapted to so many diversified uses ought to induce those seeking investment to exploit the several matrices furnishing it, known to abound in our mineral tracts. Here once more the eastern districts bid for notice. Aluminium is chiefly found in felspar, sandstone (in the transition stage between soft and indurated), clay, marl and the older slate. It occurs also in the overlay of the bright crystalline gray quartz in the southern low hills of Chota Nagpur and similar formations, being rather plentiful in what the uninitiated call clay slate, *id est* the coloured shale that forms a distinctive feature at the base of the hills in the N. Surma Valley, which crops out where the limestone formation takes an abrupt bend to the N.E. at the debouchure of the Lubah river, as also in the consolidated beds of whitish clay and even in the potters earth. In fact wherever these layers of clay-slate appear, aluminium may be found, though the cleaner these clays the less abundant the mineral, but as these shales generally rest on an underlay of sandstone it will be lighted on in a more concentrated form in the latter. In this condition it mostly appears as dull crystals and may be mistaken for iron or copper pyrites or even flint in a minute form. One aspect under which it presents itself frequently passes unnoticed where the shale denoting the presence of coal or petroleum shews up. In the gullies and ravines: in this it appears as lossely packed flakes very much resembling the layers in an old haystack and almost black in colour, a possible though not infallible indication of its presence is the salt-water holes which must not be confounded with the "licks," (the taste of the two being quite dissimilar) these are found in the neighbourhood of the railway bridge in Cachar near Katteegurrah and also among the scattered low hills through which the line runs in the South Sylhet district where shale is abundant.

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CAPITAL

23rd July, 1903

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A Ditcher's Diary

I ONCE FOUND MYSELF NEXT TO JOHN STRACHEY—about whose latest book I wrote only the other day—on a flight from Athens to London. It was not long before we started talking about an odd assortment of things; and it was fascinating to watch an active politician leave aside political platitudes and talk to a stranger like a human being. This was in 1958; he was working on *End of Empire*, a very far cry from *The Coming Struggle for Power*. The influence of the latter book on a whole generation can hardly be appreciated by the young of today who, as far as I can see, take little serious interest in politics. It was not so in the 'twenties and the 'thirties. Europe was full of unemployment; symptoms of fascism were already making themselves felt; and the forces of appeasement seemed entrenched. Came the Spanish civil war; and although today many are able to see that the communists used the mood of frustration for their own ends, I think it says something for the youth of the period that it reacted sharply to reaction. I do not need to be told of the mischief done by misplaced idealism; the Nazis were idealists too. Yet the cynical apathy, punctuated by enthusiasm over The Twist or something equally trivial, which I now see all around myself, has nothing at all to commend itself. This is where Strachey came in. He taught the young to think in impersonal terms, to think of social organisation rather than of individual careers. He saw the steady dissipation of the idealism of the Labour Party, culminating in the return of the Tories in 1951. He was distressed in the extreme and never lost his faith in the cause of socialism. How was affluence to affect idealism? Strachey turned to me rather sadly and said, "Isn't it funny? We demand full employment, get it and then lose the idealism that secured the prize for us. But the British affluence is artificial; and in old Dundee my meetings will be well attended again when unemployment returns." He hasn't been far wrong. One didn't have to share Strachey's socialistic ideas to see that the Labour Party was the richer for men like him. Eton, Oxford and then socialism—strange transformation it might seem to many; but Britain does seem to produce such apparent contradictions by the hundred. India has lost a friend in Strachey.

A HIGH MORAL TONE IS SUPPOSED BY SOME TO BE one of the things which distinguishes a good newspaper. So one would not have expected *The Times* to take any but the sternest of moral lines about recent events in Britain. Indeed, it has once again contrived to justify its old nickname of "The Thunderer", though I fear it has permitted its judgment to suffer in the process. It seems to be inclined to much the same theme as Lord Hailsham about the Profumo affair; that it is rather the moral concern of the whole British people than exclusively that of a particular political Party. There may be some truth in this, although I did consider Lord Hailsham's barefaced attempt to share the responsibility for Mr. Profumo's moral shortcomings and Mr. Macmillan's political ineptitude to be just about the finest example of insufferable impertinence I have ever known. What strikes me as wholly wrong is the way both these would-be arbiters of the British public's morals have tried to hoist off some of the blame on the "affluent society". Now this is just nonsense. In the first place, affluence is a matter of degree, and to equate it to any lack of public morality is to perpetrate a gross libel on all those countries who are more affluent than Britain, namely, the United States, Canada, Sweden, Switzerland, Australia and New Zealand. Not even, I should imagine, in their most indignant mood of moral magnificence would either *The Times* or Lord Hailsham wish to be guilty of that. And in the second place, to suggest that the morals of the British people are being corrupted by their first taste of the affluence which those sections of the community represented by Lord Hailsham, and catered for by *The Times*, have enjoyed for generations, is just about the ultimate in class prejudice and snobbery. Personally, even if lack of morality were a necessary concomitant of riches, I would still prefer to see a nation turn its back on poverty. But there is absolutely no evidence of any kind that it is. On the contrary, no greater spur to immorality exists than the desperation which comes from being irretrievably poor. It seems to me that "The Thunderer" is this time scourging its readers quite unnecessarily; it might do well to remember that a hair-shirt can as easily clothe hypocrisy as virtue.

SEVERAL FORMER U.S. AMBASSADORS TO INDIA HAVE remained good friends of this country after their return home; I am thinking of Sherman Cooper in particular and also of Ellsworth Bunker; and it is my hope that Professor John Kenneth Galbraith will be another such. Apart from his personal relations with President Kennedy, Professor Galbraith, when speaking for India, will no longer seem to be the appointed advocate of India. With his independent, academic status, he will seem the more convincing. How pro-Indian has he returned? I shall not attempt a clear answer, for Professor Galbraith is too intelligent and sophisticated a man to think in terms of black and white. It would be surprising, however, if he spent two years and more in New Delhi without finding a good deal to criticise in India's leaders and her administration. The need for diplomatic circumspection is no more; and I think he would do India much good by being occasionally frank. And I hope he will not be misunderstood in this country if he does criticise aspects of India. That remark of his, for instance, about India being open to persuasion only on things on which she has already made up her mind will be long remembered; and the point needed to be made. Mr. Galbraith's main contribution to diplomacy in New Delhi was, I think, a more intelligent articulation than hitherto. Whenever he spoke, he spoke well; his many lectures to academic bodies were on a higher intellectual plane than most diplomatists'. The Indian years must have been instructive for Professor Galbraith too; he must have seen at first hand that there is always a shadow to fall between the idea and the reality, the theory and the practice. As he returns to theory at Harvard, he will often reflect how the Indian economy itself has fallen between the two stools of theory and pragmatism. Did a closer view of Mr. Nehru lead to a certain disenchantment? We may never know. How is New Delhi awaiting Mr. Galbraith's successor, Mr. Chester Bowles? I am informed that the erstwhile silent sneer for the huckster is now less prevalent. Many indeed are the lessons the Chinese have taught this country, with more to come. With a little more realism earlier, the present abjectness would have been unnecessary.

NOT FOR A LONG TIME, PERHAPS, WILL CALCUTTA have pretensions to being a tourist centre of any importance; the filth of the city, the lack of amenities and the climate are against it. Yet it dismays one to think that even for the few visitors it manages to attract—mainly business men, or globe-trotters on their way to places like Kathmandu and Banaras—the shortage of hotel accommodation is desperate, and almost perennial. In the circumstances, the proposal that the Government should construct a "gigantic" new hotel in the heart of the city clearly has much to commend it, although I would say that the chief need is not so much for a large hotel as for a relatively cheap one. From this point of view, official ventures in hotel-building, confined so far mainly to New Delhi, have not been an unqualified success. They have done something to relieve the shortage of accommodation; but the Ashoka, for all its trappings of luxury, is expensive, and so is the Janpath. The result is that one of the main purposes they were intended to serve—to initiate a general reduction in hotel charges through State-sponsored competition—has never quite been fulfilled. In terms of the facilities and service provided, Calcutta's hotels are no whit superior to Delhi's; the general impression, on the contrary, is that they are a little worse. The threat from a new Government-owned hotel might well provide a spur

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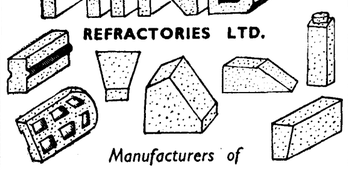
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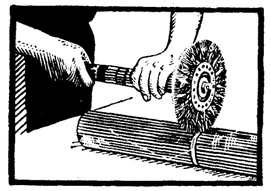
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to improvement. But unless the new hotel, apart from being big, is also more competitive in its charges to customers, the gain would be minimal. India's conception of the average tourist is still unfortunately coloured by visions of superannuated American tycoons or rich and lonely widows roaming round the world armed with purses full of dollars that are readily dispensed. In few sectors of the tourist industry is this conception more firmly embedded than in the hotel-owning fraternity. Western Europe's experience should by now have been impressive enough to demonstrate that the best dividends in tourism these days come from catering to the millions rather than the millionaires: the main justification for a new Government venture in hotel-building would lie in ensuring that such elementary lessons begin to be learnt.

ONE'S AUDITOR, I HAVE ALWAYS CONSIDERED, SHOULD be treated like one's dentist. That is, he should be carefully chosen in the first place, and then never sacked because the advice given is unpleasant or the treatment prescribed painful. The main difference, I suppose, is that if I decide to disregard my dentist's opinion, he is not thereupon entitled to make a public issue of it. Nor, for that matter, is he justified in proclaiming his professional competence to the world at large if I should choose to change him for somebody else. Which is all because my dentist is answerable to me personally, whereas my auditor, although I may have appointed him myself, is in fact responsible to my shareholders. It is this principle, that the responsibility of an auditor is to the shareholders and not primarily to the management, which has just been established by the outcome of the much-publicised dispute between the City of London Real Property Company and the London accounting firm of Turquand Youngs. It seems that C.L.R.P. recently acquired a rival company through the exchange of a newly-issued block of its own shares, nominally valued at £170,600, for the other company's shares valued on the market at £580,000. The directors of C.L.R.P. had the support of counsel and of their "consulting accountants" for their claim that the book value of the purchased shares should be shown as £170,600, whereas their auditors, Turquand Youngs, maintained that they must be included in the accounts at a figure of £580,000. It is a highly technical point, and neither side is entirely wrong. But the subsequent action of the C.L.R.P. board in deciding to make this difference of opinion the excuse for blocking the re-election of Tarquand Youngs clearly was wrong, and this despite the fact that relations between the directors and their auditors had been strained for some time, as the existence of a "consulting" firm reveals. Now C.L.R.P. has wisely climbed down, though no doubt still planning to rid itself of Messrs Tarquand Youngs by other means, and, at least ostensibly, for other reasons. An honourable outcome, you might say. I agree. But how many auditors would, I wonder, dare to stand out on a purely technical point of accounting, on the plea that as they are the custodians of the shareholders' interests they cannot be dismissed by the board of directors. Not many in India, I imagine. And all too few in Britain also. Yet without this kind of firmness, how can a shareholder's interests be safeguarded in the way they should be?

SHE WAS YOUNG, BLONDE AND VERY LOVELY. HER admirers, and there were many, told her that such beauty should not go unrecorded. So she went along to a well known Italian artist and asked his fee for painting a portrait of her—full length and in oils. The artist quoted a figure of 3,000 guineas and somewhat to his surprise the girl immediately sat down and wrote out a cheque which she handed to him. The artist took the cheque, looked at it, paused, and looked at it again. "Madam," he said, "you've made a mistake: I asked for 3,000 guineas —this cheque is made out for 5,000."

"No mistake," she replied. "You see, I want you to paint me in the nude."

The artist hesitated—obviously something was bothering him. Finally he made his decision. "Very well, I agree. But please may I keep my socks on? That's where I keep my brushes."

THE DITCHER

Guide for Investors

T.I.S.C.O. EARNS MORE, STEPS UP DIVIDEND

(BY OUR BOMBAY CORRESPONDENT)

THE stock market's optimism about a higher dividend from the Tata Iron and Steel Company Ltd for the year ended March 1963 has not proved misplaced. The directors of the Company have recommended a gross distribution of Rs. 11 a share, against Rs. 10.36 in the preceding year. The net dividend works out to Rs. 7.70 a share, against Rs. 7.25 in 1961-62. Tata Steel shares, which had improved from Rs. 143 to Rs. 146 in last Thursday's kerb dealings after the announcement of the dividend, were sold down to Rs. 141.50 in Friday's regular session, but they rallied later to around Rs. 144. The post-dividend setback did not reflect the market's disappointment over the modest increase in the dividend or over the Company's working results during the year. It was caused mainly by heavy corrective profit-taking; the preceding rise had been too steep to be continued without necessary technical adjustments.

The preliminary report on the Company's working results for 1962-63, shows that the two-million-ton expansion programme undertaken at a cost of over Rs. 110 crores has now begun to bear fruit. The total turnover has gone up by about 15.4 percent from Rs. 86.25 crores to Rs. 99.53 crores and the gross profit is up by nearly 16 percent from Rs. 19.49 crores to Rs. 22.58 crores. The rise in the gross profit, in fact, is much higher if necessary adjustment is made for the increase in the retention price pertaining to the previous years, which has been credited in the 1961-62 accounts.

After providing Rs. 37.48 lakhs (against Rs. 25.30 lakhs) for managing agents' commission, Rs. 11.66 crores (against Rs. 13.15 crores) for depreciation, Rs. 8.70 crores (against Rs. 6.78 crores) for development rebate reserve and Rs. 80 lakhs (against nil) for taxation, the net profit amounts to Rs. 1.05 crores, against a loss of Rs. 69.13 lakhs in the preceding year. The disposable surplus falls far short of the amount required for paying the proposed dividend. The directors have, therefore, transferred Rs. 1.26 crores (against Rs. 69.13 lakhs) from general reserve No. 1 and Rs. 2.59 crores (against Rs. 4.65 crores) from general reserve No. 2 representing taxed profits of previous years. They have transferred Rs. 4.90 crores to the dividend reserve, out of which they propose to draw Rs. 84.39 lakhs (the same) for paying the preference dividends and Rs. 4.04 crores (against Rs. 3.81 crores) for the ordinary dividend.

After providing for the proposed dividends, there remains a surplus of Rs. 32,000 to be carried forward, against Rs. 34,000 brought in. It might be noted here that for the first time in four years, the Company became liable to pay income tax in 1962-63. It has no liability for super profits tax for 1962-63, and it may not have to pay any super profits tax for the current year as well, although the tax liability is likely to be considerably higher than in 1962-63.

Indian Iron Pays the Same

THERE has been a fall in the price of Indian Iron shares from Rs. 23.50 to Rs. 23.04 due to the disappointment of Lyons Range with the dividend declared by the Company for 1962-63. A taxable ordinary dividend of 16 percent has been repeated, but the stock market, inspired by the higher dividend of the Tata Iron and Steel Co. Ltd, had expected that Indian Iron too would raise the distribution. There is, however, little logic in this argument because the conditions of the two companies differ in several respects. Besides, Indian Iron has been paying a higher percentage of ordinary dividend than Tata Steel for some time now.

Its dividend is more than four times covered and works out to a yield of about 7 percent at the present price for a share of Rs. 10 each. The net profit has been Rs. 9.12 crores, against Rs. 9.18 crores for 1961-62, after transferring Rs. 3.40 crores (against Rs. 3.35 crores) to depreciation. Taxaton is allocated Rs. 3.56 crores (against Rs. 3.96 crores) and reserves Rs. 3.64 crores (against Rs. 2.98 crores). The usual preference dividends have been paid.

The stock market's dividend hope was pitched higher in view of the bigger output during 1962-63. The production of pig iron rose from 1.19 million tons in 1961-62 to 1.29 million tons and that of steel ingots from 934,498 tons to 1 million tons. The production of salable steel was higher at 795.119 tons, against 736,970 tons. Although it is difficult to take a comprehensive view in the absence of detailed results, it is possible that the latest increase in the retention price of steel has not covered fully the rise in production costs. The growth prospects of the shares are evident since the Company is likely to undertake further expansion. The financial position is very impressive. An ordinary share capital of Rs. 12.44 crores is backed by reserves of more than Rs. 27.50 crores. In view of the prospect of expansion and the debt repayment obligations of the Company, the repetition of the ordinary dividend should be welcomed.

Good Prospects for T.E.L.C.O.

THE preliminary report on the working of the Tata Engineering and Locomotive Company for the year ended March 1963, suggested that the Company had not perhaps fared well. In spite of a record turnover, the directors have had to draw on the reserves to provide for the payment of the dividend which has been maintained at the previous year's level—Rs. 14.50 a share. In his statement to shareholders released along with the directors' report, the chairman, Mr. J. R. D. Tata, says that the year was a somewhat disturbed one, marred by shortages of materials, power and foreign exchange as well as the aftermath of the declaration of emergency. (Full text of the chairman's speech appears on a later page in this week's *Capital*). In spite of a 5 percent rise in the sales from Rs. 41.65 crores to Rs. 43.64 crores, the gross profit is down by about 7 percent from Rs. 6.17 crores to Rs. 5.73 crores. The directors attribute the lower profit to (1) the delay of about five months on the part of the Government in sanctioning an increase in the selling prices of diesel vehicles to compensate for the increased Customs duties and the higher cost of components, (2) a special rebate required by the Government on vehicles supplied for the defence services and (3) the new levy of super profits tax which claimed Rs. 23.50 lakhs during the year.

Out of the year's profit, the directors have provided Rs. 23.12 lakhs (against Rs. 18.33 lakhs) for managing agents' commission, Rs. 2.23 crores (against Rs. 2.20 crores) for depreciation, Rs. 1.85 crores (against (Rs. 1.88 crores) for taxation, including super profits tax liability of Rs. 23.50 lakhs and Rs. 27.47 lakhs (against Rs. 40.18 lakhs) for development rebate reserve, leaving a net profit of Rs. 1.16 crores, against Rs. 1.51 crores in 1961-62. The Company has had to withdraw Rs. 6 lakhs from the general reserve to provide for the payment of the proposed dividends which absorb Rs. 1.25 crores.

The production of diesel vehicles was only slightly better at 12,200 units, against 12,100 units in the preceding year. The directors state that the output would have been substantially higher but for the shortage of foreign exchange and scarcity of raw materials. Since October, except for a few chassis delivered to dealers, the entire production of vehicles of the Company is booked against orders from the defence department. The output of locomotives was lower at 63 units, against 72 units, while production of excavators increased from five to 31 and that of industrial shunters from one to 11. The demand for industrial shunters continues to be good and the indigenous content is now as high as 80 percent. The indigenous content of excavators is now 69 percent, and this is likely to be stepped up to 80 percent as soon as the additional equipment still to be delivered is commissioned. The paper and pulp machinery project has not so far made the expected progress. Although the present order book is not unsatisfactory, the directors do not anticipate any large-scale orders in the near future as the short-term prospects for the paper industry do not appear to be good. The output of forge shops, however, recorded a substantial increase during the year. The extension of this division to meet the entire requirements for the production of 24,000 T.M.B. vehicles is stated to be making good progress. The Company has entered into a ten-year technical aid agreement with Garringtons Ltd and Scottish Stamping and Engineering Co. Ltd—two associated British firms.

T.E.L.C.O. shareholders can certainly derive great comfort from the chairman's statement that "notwithstanding the minor setback in profits in the past year and the difficulties and uncertainties which we may have to face in the current year, the fact remains that the Company's capacity and financial strength continue to grow." The chairman has, however, cautioned the shareholders against undue optimism concerning the dividend. He is hopeful that the profit will prove to be adequate for the maintenance of dividend, but has added that much will depend, among other factors, on the Finance Minister's attitude towards the super profits tax and also on the level of production in the current year, which in turn depends to a large extent on the availability of raw materials and foreign exchange.

The chairman says that the Government has sanctioned the implementation of the second stage of expansion to raise the output of Tata Mercedes Benz vehicles from 18,000 to 24,000 a year. The Company has accordingly submitted a second application to A.I.D. for a further loan to cover the foreign exchange requirements of this part of the expansion. The appropriate method of securing rupee finance for the expansion programme is under consideration of the directors. Mr. Tata takes an optimistic view of the performance of the alloy iron foundry, in as much as the installation of the new equipment ordered from the U.S.A. under the A.I.D. loan will greatly increase the capacity and further improve its efficiency.

As some of the latest techniques and processes of foundry practice are being introduced, Mr. Tata is confident that the performance and quality of the foundry products will compare favourably with those of motor-vehicle foundries in other parts of the world. The chairman says that the Company is not inclined at this stage to take up any new venture. It has, however, decided to make an exception concerning a plant for the manufacture of press tools, dies and production devices. This project will be undertaken in collaboration with a German firm. The necessary licence for this plant has been obtained and negotiations are in progress for securing suitable land in the Poona region.

Williamson Magor Tea Group Results

THE results of the Willimson Magor group of tea companies for the year ended December 1962 show that the Bishnauth Tea Co. Ltd (an Assam garden) has increased the taxable ordinary dividend from 13 percent to 20 percent, absorbing Rs. 6.60 lakhs. At the present price of Rs. 17.56 a share of Rs. 10 each the yield is 11.4 percent. The profit has risen from Rs. 7.52 lakhs in 1961 to Rs. 15.21 lakhs, after providing Rs. 2.22 lakhs (against Rs. 2.37 lakhs) for depreciation. Taxation is allocated Rs. 9.50 lakhs (of which super profits tax is Rs. 66,000), compared with Rs. 3.30 lakhs in 1961. Development rebate reserve is allocated Rs. 4,500, leaving a carry-forward of Rs. 2 lakhs, against Rs. 2.86 lakhs brought in. The crop was 1.5 million kilograms, against 1.6 million kilograms, and the average sale price rose from Rs. 5.80 to Rs. 6.71 a kilogram. The 1963 crop estimate is 1.6 million kilograms at a cost of Rs. 5.52 a kilogram.

The East India Tea Co. Ltd (an Assam estate) has returned to the dividend list after an interval of three years. A taxable ordinary dividend of 10 percent has been declared to absorb Rs. 1 lakh. It offers a yield of 7.4 percent at the present price of Rs. 13.44 a share of Rs. 10 each. There has been a profit of Rs. 2.48 lakhs, after transferring Rs. 88,186 (against Rs. 89,000) to depreciation. Taxation absorbs Rs. 50,000 and development rebate reserve, Rs. 8,500. A sum of Rs. 1.50 lakhs is transferred to general reserve, leaving a carry-forward of Rs. 70,423, against Rs. 96,325 brought in. The crop declined from 525,798 kilograms to 494,612 kilograms, but the average sale price was higher at Rs. 6.30, against Rs. 5.76 a kilogram. The 1963 crop estimate is 527,000 kilograms at a cost of Rs. 5.68 a kilogram.

The Borpukhuri Tea Co. Ltd (an Assam garden) has increased its profit from Rs. 78,259 to Rs. 1.15 lakhs, after providing Rs. 40,992

(against Rs. 38,470) for depreciation. A taxable ordinary dividend of 10 percent has been declared against nil. It absorbs Rs. 45,000 and works out to a yield of 8.6 percent at the present price of Rs. 11.69 a share of Rs. 10 each. Taxation is allocated Rs. 16,500 and development rebate reserve Rs. 4,000. The carry-forward is Rs. 74,286, against Rs. 53,420 brought in. The crop declined from 265,021 kilograms to 258,733 kilograms, while the average sale price rose from Rs. 5.25 to Rs. 6.32 a kilogram. A crop of 290,300 kilograms has been estimated for 1963 at a cost of Rs. 5.26 a kilogram.

The profit of the Seajuli Tea Co. Ltd (an Assam garden) has improved from Rs. 1.31 lakhs to Rs. 3.62 lakhs, after transferring Rs. 37,143 (against Rs. 35,688) to depreciation. The taxable ordinary dividend has been doubled to 30 percent to absorb Rs. 74,700. The yield is 14.5 percent at the present price of Rs. 20.75 a share of Rs. 10 each. Taxation including a sum of Rs. 8,000 for super profits tax, is Rs. 2.27 lakhs (against Rs. 50,000). General reserve is allocated Rs. 1.50 lakhs, leaving a carry-forward of Rs. 74,945, against Rs. 1.18 lakhs brought in.

The crop was 207,643 kilograms, against 242,697 kilograms, and the average sale price increased from Rs. 5.56 to Rs. 7.36 kilogram. A crop of 221,000 kilograms has been estimated for 1963 at a cost of Rs. 5.53 a kilogram.

The Dimakusi Tea Co. Ltd (an Assam garden) has earned a profit of Rs. 2.65 lakhs, against Rs. 2.20 lakhs, after providing Rs. 67,061 (against Rs. 62,292) for depreciation. The taxable ordinary dividend has been increased from 20 percent to 25 percent absorbing Rs. 1.18 lakhs. It offers a yield of 11.4 percent at the present price of Rs. 21.87 a share of Rs. 10 each. Taxation is allocated Rs. 1.40 lakhs (against Rs. 90,000), general reserve Rs. 1 lakh and development rebate reserve Rs. 9,500. The crop declined from 301,383 kilograms to 297,513 kilograms, but the average sale price rose from Rs. 5.81 to Rs. 6.44 a kilogram. An output of 308,000 kilograms has been estimated for 1963 at a cost of Rs. 5.13 a kilogram.

The Nagri Farm Tea Co. Ltd (a Darjeeling garden) has increased the taxable ordinary dividend from 25 percent to 35 percent, including an *interim* of 10 percent, to absorb Rs. 1.05 lakhs. The yield works out to 12 percent at the present price of Rs. 29.19 a share of Rs. 10 each. The profit has risen from Rs. 2.68 lakhs to Rs. 6.06 lakhs, after providing Rs. 26,790 (against Rs. 25,904) for depreciation. Taxation is allocated Rs. 5.65 lakhs (against Rs. 1.20 lakhs), buildings reserve Rs. 1.75 lakhs (against Rs. 25,000), general reserve Rs. 1 lakh, repairs and renewals reserve Rs. 4,50,000 (against Rs. 25,000) and dividend equalisation reserve Rs. 50,000. The carry-forward is Rs. 1.47 lakhs, against Rs. 1.68 lakhs brought in. The crop was 214,750 kilograms, against 220,390 kilograms, and the average sale price rose from Rs. 7.14 to Rs. 9.03 a kilogram. The crop has been estimated at 221,400 kilograms for the current year at a cost of *Rs. 5.77 a kilogram.*



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Results of Duncan Tea Companies

THE results of the Duncan group of tea companies for the year ended December 1962 show that the Killicott Tea Company (a Dooars garden) has made a profit of Rs. 3.13 lakhs, against Rs. 3.32 lakhs for 1961, after providing Rs. 99,972, against Rs. 1.03 lakhs, for depreciation. A taxable ordinary dividend of 15 percent has been repeated to absorb Rs. 1.35 lakhs. The yield is 10.4 percent at the present price of Rs. 14.37 a share of Rs. 10 each. Taxation is allocated Rs. 1.28 lakhs (against Rs. 1.90 lakhs), revenue reserve Rs. 2 lakhs (against Rs. 9.25 *lakhs*) and development rebate reserve Rs. 2,500 (against Rs. 1,500). The carry-forward is Rs. 14,658 against Rs. 72,491 brought in. A sum of Rs. 50,000 has been transferred from development rebate reserve. The crop declined from 563,337 kilograms to 507,738 kilograms, but the average sale price rose from Rs. 4.23 to Rs. 4.50 a kilogram. The 1963 crop estimate is 520,000 kilograms at a cost of Rs. 21.70 lakhs.

The profit of the Ledo Tea Co. Ltd (an Assam garden) has declined from Rs. 1.49 lakhs to Rs. 14,202, after increasing depreciation from Rs. 70,205 to Rs. 77,532. The dividend has been passed. A sum of Rs. 1 lakh (against Rs. 1.29 lakhs) has been allocated to revenue reserve. The carry-forward is Rs. 8,744, against Rs. 54,264 brought in. The unsatisfactory results have been due to high production costs. The crop was 281,500 kilograms, against 279,777 kilograms and the average sale price increased from Rs. 5.15 to Rs. 5.30 a kilogram. A crop of 285,000 kilograms at a cost of Rs. 15.57 lakhs has been estimated for the current year.

The Dauracherra Tea Co. Ltd has produced satisfactory results because of the overall decline in the East Pakistani tea crop following drought. For the same reason the start of the current season too was unsatisfactory. Sufficient rainfall has been reported since and the crop prospects have improved considerably. The profit has been Rs. 8.01 lakhs, against Rs 4.03 lakhs, after providing Rs. 41,910 (against Rs. 30,819) for depreciation. A taxable ordinary dividend of 20 percent has been proposed to absorb Rs. 1.20 lakhs, but this dividend and those for previous years will be declared as soon as profits can be remitted from Pakistan. Taxation is allocated Rs. 8.35 lakhs (against Rs. 2.51 lakhs) and development rebate reserve Rs. 17,000 (against Rs. 1,500). There is a carry-forward of Rs. 30,452, against Rs. 58,039 brought in. The crop declined from 233,690 kilograms to 203,558 kilograms, but the average sale price rose from Rs. 4.97 to Rs. 8.17 a kilogram. The 1963 crop estimate is 218,000 kilograms at a cost of Rs. 9 lakhs.

The New Cinnatolliah Tea Co. Ltd (an Assam garden) has earned a profit of Rs. 5.91 lakhs, against Rs. 3.03 lakhs, after providing Rs. 62,414, against Rs. 51,722, for depreciation. A taxable ordinary dividend of 5 percent has been declared to absorb Rs. 25,000. At the present price of Rs. 455 a share of Rs. 100 each, the yield is 1.1 percent. There was no dividend for 1961. Revenue reserve absorbs Rs. 2.60 lakhs, against Rs. 1.25 lakhs, and development rebate reserve Rs. 12,500, against Rs. 10,500. The carry-forward is Rs. 11,827, against Rs. 52,034 brought in. The crop was 296,696 kilograms, against 290,978 kilograms and the average sale price was Rs. 7.64 a kilogram, against Rs. 5.98 a kilogram. An output of 290,000 kilograms has been estimated for 1963 at a cost of Rs. 15.59 lakhs.

The Kotamullai Tea Co. Ltd, which has estates in Assam, Travancore, and Cachar, has made a profit of Rs. 1.21 lakhs, against Rs. 2.06 lakhs, after providing Rs. 88,934, against Rs. 73,133, for depreciation. The dividend has again been passed. Development rebate reserve is allocated Rs. 12,500 and revenue reserve Rs. 1.20 lakhs. Taxation absorbs Rs. 24,000, against Rs. 45,000. A sum of Rs. 30,564 has been transferred from excess taxation provision in previous years. The carry-forward is 1,628, against Rs. 6,074 brought in. The crop was 488,346 kilograms, against 524,469 kilograms and the average sale price rose from Rs. 4.60 to R. 4.97 a kilogram. The 1963 crop estimate is 520,000 kilograms at a cost of Rs. 21.06 lakhs.

The Marybong and Kyel Tea Estates Ltd shows a profit of Rs. 1.56 lakhs, against a loss of Rs. 15,584 after providing Rs. 19,533, against Rs. 14,550, for depreciation. A taxable ordinary dividend of 2.5 percent a share of £1 each has been declared to absorb Rs. 5,009. Taxation is allocated Rs. 1.65 lakhs (against Rs. 60,000) and development rebate reserve Rs. 7,000 (against Rs. 3,500). A sum of Rs. 20,000 has been transferred from hail reserve. The carry-forward is Rs. 12,904, against Rs. 16,743 brought in. The crop was 120,353 kilograms, against 110,495 kilograms and the average sale price rose from Rs. 6.88 a kilogram to Rs. 8 a kilogram. A crop of 115,000 kilograms has been estimated for 1963 at a cost of Rs. 8.43 lakhs.

Thomas Duff Jute Group Does Well

THE Victoria Jute Co. Ltd, the Titaghur Jute Factory Co. Ltd and the Samnuggur Jute Factory Co. Ltd have decided to convert their paid-up shares of any kind into stocks transferable in units or multiples of such sum as the directors may from time to time determine. It is their intention to convert the £1 ordinary and preference shares into £1 stock unit. This conforms to the modern practice and the directors will complete the conversion as soon as possible. The results of the companies for the year ended December 1962 are published.

Samnuggur Jute has made a profit of £175,821, after providing £273,961 (against £11,817) for taxation, £34,680 (against £6,319) for development rebate reserve and £30,000 (against £10,000) for depreciation. There was a loss of £77,715 for 1961. A taxable ordinary dividend of 10 percent, including a final of 7 percent, has been declared which absorbs £36,750. General reserve and dividend equalisation reserve have been allocated £65,000 each. The carry-forward is £8,338, against £4,780 brought in.

Victoria Jute has made a profit of £173,749, after transferring £39,023 (against £5,797) to taxation, £7,920 (against £5,954) to development rebate reserve and £45,000 (against £10,000) to depreciation. The Company incurred a loss of £92,489 for 1961. A taxable ordinary dividend of 10 percent, including a final of 7 percent, has been declared to absorb £24,500. General reserve is allocated £85,000, modernisation of machinery reserve £20,000 and dividend equalisation reserve £35,000. The carry-forward is £8,551, against £4,814 brought in.

The profit of Titaghur Jute has been £211,646, after providing £43,698 (agains £10,446) for taxation, £19,148 (against £8,213) for development rebate reserve and £211,646 (against £10,000) for depreciation. A taxable ordinary dividend of 13 percent, including an interim of 3 percent has been declared which absorbs £47,775. General reserve receive £65,000, modernisation of machinery reserve £30,000 and dividend equalisation reserve £60,000. The carry-forward is £9,976, against £6,618 brought in.

Fair Prospects for New India

THE New India Assurance Co. Ltd did well in 1962, with the aggregate net premium income setting a new all-time record of Rs. 13.67 crores. From what the chairman, Mr. A. D. Shroff, said at the annual meeting, the Company is likely to do equally well, if not better, in the current year. (Extracts from Mr. Shroff's speech appeared in last week's issue of *Capital*). Mr. Shroff assured the shareholders that the Company would maintain the dividend on the increased capital following the *one-for-five* bonus issue. Referring to the "crisis of confidence" in the investment market, he said that the appreciation in the investments of New India Assurance which amounted to Rs. 1.12 crores at the end of 1961 had shrunk to Rs. 49 lakhs by the end of 1962, and the latest valuation shows that even this appreciation has also been almost wiped out. Not only have equity prices slumped heavily, but investments over a larger field have become practically frozen. Mr. Shroff urged the shareholders to realise that the factors contributing to the slump in the investment market were beyond the control of the management.

He blamed the "crisis of confidence" on the Government's fiscal policy, more particularly the super profits tax, and asserted that unless this ill-conceived tax was abolished, industrial development in the country would be seriously retarded. Mr. Shroff also criticised the compulsory deposit scheme on the ground that "habits of thrift and saving cannot be fostered by measures of compulsion." He felt that the most effective mobilisation of people's savings could only be achieved through hard selling of the concept of savings. In this context, he stated that the Life Insurance Corporation of India must adopt unorthodox measures to make a much larger contribution to national savings than it was doing at present. Unit trusts can be an effective agency, under Indian conditions, of mobilising substantial savings for the industrial development of the country. Mr. Shroff, however, added that the unit trust contemplated by the Government as a public sector monopoly would not serve the real purpose.

He stated that in spite of the present "crisis" of confidence, New India had continued to extend support to a large number of sound units through investment. This might result in some loss of income to the Company in the initial years, but it would have its compensation in the form of substantial capital appreciation later, said Mr. Shroff. Of course, much would depend on the Government's fiscal policy as well as on political developments.

Edward Textiles Cuts Dividend

EDWARD Textiles Ltd reports disappointing results for 1962. While sales including realisation from process work fell by only 9 percent from Rs. 2.86 crores to Rs. 2.61 crores, the gross profit fell from Rs. 16.07 lakhs to a mere Rs. 5.88 lakhs, and even this profit has been arrived at after taking credit for the profit of Rs. 14.83 lakhs realised on the sale of Hind Mills shares. After providing Rs. 9.09 lakhs (against Rs. 5.44 lakhs) for depreciation, Rs. 5.84 lakhs (against Rs. 4.47 lakhs) for development rebate, and providing for other prior charges, there is a loss of Rs. 9.41 lakhs, against a profit of Rs. 2.38 lakhs in the preceding year. The loss has been adjusted against the general reserve. The dividend has been reduced from Rs. 18 to 12 a share, subject to tax, and in order to provide for the payment of this dividend, the directors have transferred a sum of Rs. 2.04 lakhs from the general reserve.

The directors state in their report that the year was most difficult for the Company because of the implementation of the modernisation and rehabilitation programme. This programme is being financed partly by the Company's own resources and partly by a loan of Rs. 40 lakhs from the National Industrial Development Corporation, and by the proposed issue of preference shares worth Rs. 10 lakhs. The Company proposes to issue 5,000 9.3 percent taxable redeemable cumulative preference shares of Rs. 200 each at par. The Rs. 200-paid share of Edward Textiles is quoted nominally around Rs. 300.

Hindustan Dowidat Making Progress

THE directors of Hindustan Dowidat Tools Ltd state in their first annual report for the period 25th January, 1962, to 31st March, 1963, that the construction of the factory building is fast nearing completion under the supervision of a well-known firm of architects. There were some initial difficulties and delay in obtaining the initial power load needed for the construction of the factory. Besides, the absence of adequate pressure of power load on various occasions also caused minor delays in the fabrication work. In spite of all these hurdles, the factory buildings are expected to be ready by the end of July. Part of the machinery to be imported has already arrived at the site, and the remaining is expected to be received by the end of August. Orders for almost all the indigenous machinery have been placed and their delivery has started.

The cost of the project, it is expected, will exceed the original estimate due to the increases in the rates of Customs duty, sales tax and other taxes, increases in prices of materials and services because of the implementation of the new defence-oriented Budget. Trial production, it is expected, will start some time during the last quarter of the current year. The Company's accounts show that a sum of Rs. 1,58,897 has been spent on construction work. Amounts of Rs. 53,989 and Rs. 97,720 have been spent by way of preliminary and share issue expenses, respectively. The Rs. 7.50-paid share of Hindustan Dowidat is currently quoted around Rs. 7.

Same from New Standard Engineering

NEW Standard Engineering Co. Ltd has fared better in the year ended March 1963, although the increase in the gross profit is too small in relation to the rise in sales. While the sales are up by nearly 15 percent from Rs. 1.6 crores to Rs. 1.83 crores, the gross profit has risen by hardly 2.8 percent from Rs. 22.26 lakhs to Rs. 22.89 lakhs. The gross dividend has been maintained at 9 percent—Rs. 8 a share—but the net dividend works out to about Re. 1 higher because 8 percent of the gross dividend is being paid out of the special reserve created from tax-exempt profits and only 1 percent will be subject to tax deduction. The Company has made it clear that the recommendation concerning the dividend is provisional pending clarification of the income tax authorities. If the advice is not received in time, tax will be deducted at source at 30 percent. Further payment will be made to shareholders on the basis of the decision of the Central Board of Revenue.

The Company has also sought the advice of the Central Board of Revenue concerning the claim of the preference shareholders in tax exempt *profits under* Section 84 of the Income tax Act. Of the previous year's dividend, 4.5 percent was free of tax with the result that the net dividend worked out to Rs. 7.65 a share, compared with Rs. 8.70 for 1962-63.

From the year's gross profit, the directors have provided Rs. 8.48 lakhs (against Rs. 8 lakhs) for depreciation, Rs. 1.56 lakhs (against Rs. 1.73 lakhs) for development rebate, Rs. 5.10 lakhs (against Rs. 5.50 lakhs) for taxation and Rs. 75,000 (against Rs. 50,000) for general reserve. The proposed ordinary dividend absorbs Rs. 4.50 lakhs (the same) and preference dividend accounts for another Rs. 2.25 lakhs (the same), leaving a sum of Rs. 23,037 to be carried forward, against Rs. 11,838 brought in. The Company made additions to fixed assets totalling Rs 29.44 lakhs during the year, out of which Rs. 8.85 lakhs represented purchase of new machinery. The Rs. 100-paid share of New Standard Engineering is currently quoted around Rs. 165, offering a gross return of about 5.6 percent.

Bagalkot Cement Disappoints

BAGALKOT Cement Co. Ltd fared very badly in 1962, and the dividend had to be skipped for the third year in succession. Despite a small improvement in the sales from Rs. 1.51 crores to Rs. 1.57 crores, the gross profit dropped sharply from Rs. 40.91 lakhs to Rs. 22.81 lakhs. Although despatches of cement were slightly higher at Rs. 181,881 tonnes, against 178,738 tonnes, the production of both clinker and cement was down. The output of clinker declined from 176,225 tonnes to 154,256 tonnes and that of cement from 180,197 tonnes to 178,240 tonnes. The directors point out that the production was adversely affected during the period May to August on account of coal shortage and other reasons. The plant has, however, been working to its rated capacity since September 1962, and the performance during the current year so far holds out the promise of much better results. The increase in cement prices, effective from 1st June, 1963, will also be reflected in the working results for the current year. The directors have under consideration a proposal to announce an interim dividend for 1963.

From the year's profit, the directors have provided Rs. 20.95 lakhs (against Rs. 23.03 lakhs) for depreciation and made provision for other prior charges, leaving a modest surplus of Rs. 1.56 lakhs, against Rs. 16.29 lakhs in the preceding year. The provision for statutory development rebate reserve amounts to Rs. 1.50 lakhs, against Rs. 1,130. After making adjustments for the amounts recoverable from and refundable to the managing agents in pursuance of the resolution passed at the last annual general meeting, inclusive of the cost of drilling machines, the directors have carried forward Rs. 1 lakh. The directors point out that a complaint has been made against the managing agents by certain persons to the Mysore Government on the same matters as were dealt with in the shareholders' committee and the Government is investgating into the complaint. The Rs. 10-paid share of Bagalkot Cement is currently quoted around Rs. 7.32.

Testeels Skips Dividend

SHAREHOLDERS of Testeels Ltd who have gone without a dividend for three years can certainly derive consolation from the Company's improved performance during the year ended March 1963, which holds out the promise of their investments bearing fruit in the current year. In spite of a 10 percent fall in the sales from Rs. 52.75 lakhs to Rs. 47.44 lakhs, the Company's profit has shot up by as much as 155 percent from Rs. 3.17 lakhs to Rs. 8.08 lakhs. The directors, however, have decided to skip the dividend for the third year in succession and use the profits to wipe off the past losses amounting to over Rs. 5.51 lakhs and provide Rs. 70,000 towards depreciation up to March 1961. In addition, the directors have set aside for depreciation out of the year's profit a sum of Rs. 1.35 lakhs (against Rs. 1.32 lakhs). No provision has been made for statutory development rebate and development rebate for 1962-63, against Rs. 1.57 lakhs and Rs. 25,000, respectively, in the preceding year.

The volume of outstanding orders on the Company's books is reported to be satisfactory and sales during the current year, it is expected, will show an improvement over the previous year. All outstanding matters relating to the Kalyan establishment have been finally settled. The Dehgam plant has now become a compact unit covering all the activities relating to the chemical plant, fabrication, structural engineering and foundry engineering. During the year, a new structural shop was constructed and the plate shop was extended. The foundry installation has been completed and is expected to be commissioned shortly. The Company has on hand construction of a stress relieving furnace, and has on order a circular welding jig for the union melt welding machine.

The Japanese collaborators, Shin Mitsubishi Heavy Engineering Industries, have sent their experts for assisting further development of the plant and ensuring maximum utilisation of the existing capacity. The Company proposes to undertake the manufacture of electric hoists and light cranes for which a licence has been received. The Company is trying to secure the collaboration of a West German firm for manufacturing electric hoists and light cranes. It has been able to export a considerable number of components, valued at Rs. 1.92 lakhs. A rice bran oil extraction plant has been sold to East Germany and a further set of components for a second plant is expected to be exported during the current year. The Rs. 100-paid share of Testeels Ltd is currently quoted around Rs. 165.

Bank of India Pays the Same

THE Bank of India Ltd has declared an interim dividend of Rs. 4 a share, subject to tax, for the half year ended June 1963, which is the same as in the corresponding period of 1962. But the total amount to be distributed is higher at Rs. 32.40 lakhs, against Rs. 24 lakhs because of the increase in the paid-up capital

from Rs. 3 crores to Rs. 4.05 crores. The profit, subject to taxation, amounts to Rs. 47 lakhs, against Rs. 47.50 lakhs in January-June 1962. To this has been added Rs. 13.10 lakhs (against Rs. 29.16 lakhs) brought forward from the last account, making a total of Rs. 60.10 lakhs (against Rs. 76.66 lakhs). After providing for the proposed interim dividend, there remains a balance of Rs. 27.70 lakhs (against Rs. 52.66 lakhs) to be carried forward to the next account.

Calcutta Steel Cuts Dividend

IN their report for the year ended March 1963, the directors of the Calcutta Steel Co. Ltd point out that production has been hampered by the shortage of raw materials and power. Although the output of wire rods has been satisfactory, it has also suffered because of the shortage of billets. The Company has requested the Government of India for sanction to produce its own billets.

Its profit has been Rs. 14.47 lakhs, against Rs. 17.05 lakhs for 1961-62, after transferring Rs. 6.22 lakhs (against Rs. 5.27 lakhs) to depreciation, Rs. 35,768 (against Rs. 93,495) to development rebate reserve and Rs. 24 lakhs (against Rs. 19 lakhs) to taxation. The taxable ordinary dividend has been cut from 15 percent to 12.5 percent. It absorbs Rs. 12.50 lakhs and works out to a yield of 8.8 percent at the present price of Rs. 14.25 a share of Rs. 10 each. The dividend has had to be cut due to heavier taxation. General reserve is allocated Rs. 5 lakhs, leaving a carry-forward of Rs. 65.077, against Rs. 3.68 lakhs brought in.

Bank of Baroda Earns More

THE Bank of Baroda Ltd has maintained the interim dividend for the half-year ended June 1963 at Rs. 4 a share, subject to tax, (16 percent a year). But since the dividend is on the increased capital it involves a larger distribution, namely, Rs. 16 lakhs, compared with Rs. 12 lakhs for the corresponding period last year. The preliminary report on the bank's working results shows that it has done better than in the first half of 1962. After providing for taxation inclusive of super profits tax for 1962 and the first half of the current year, the bank's porfit amounts to Rs. 26.11 lakhs, against Rs. 25.41 lakhs in January-June 1962. Including the brought forward amount of Rs. 3.46 lakhs (against Rs. 3.02 lakhs), the total sum available for disposal comes to Rs. 29.57 lakhs (against Rs. 28.43 lakhs). The proposed dividend absorbs Rs. 16 lakhs (against Rs. 12 lakhs), leaving a balance of Rs. 13.57 lakhs (against Rs. 16.43 lakhs) to be carried forward to the next account.

Blundell Eomite to Expand

BLUNDELL Eomite Paints Ltd, Bombay, a subsidiary of Blundell-Permoglaze Ltd, London, has sought the permission of the Controller of Capital Issues to raise Rs. 28.60 lakhs from the public through the issue of 130,000 equity shares of Rs. 10 each at a premium of Rs. 12. The Company has also plans to raise Rs. 21 lakhs through a rights issue, and another Rs. 20 lakhs through debentures. Additional funds are required for financing the Company's expansion programme, which is estimated to involve a total outlay of Rs. 73.50 lakhs. The foreign exchange component, estimated around Rs. 14.65 lakhs, will be met from the subscription money of the parent Company.

The Company has acquired 27 acres of land in Kolshet village (Thana district). The present Mazgaon factory is to be shifted to the new site where arrangements for power and water have already been made After expansion, the Company will have an annual capacity of 4,000 metric tons of paints and enamels, 1,300 kilo litres of varnishes and 494 metric tons of resins. The present capital of the Company consists of 7,000 equity shares of Rs. 100 each, which, it is proposed, will be subdivided into shares of Rs. 10 each. The parent Company holds nearly 78 percent of the existing shares, and this holding will be reduced to 59 percent after the proposed public issue. The Company proposes to issue bonus shares in the proportion of two shares for each one held by capitalising Rs. 14 lakhs from the reserves which total Rs. 29.5 lakhs. The bonus issue will be followed by a one-for-one rights issue, raising the capital to Rs. 42 lakhs. The Company is doing well. Its turnover in the year ended June 1962 amounted to Rs. 1.70 crores on which it made a profit of about Rs. 25 lakhs, and declared a dividend of 80 percent.

Amrutanjan Results Impress

AMRUTANJAN Ltd reports excellent results for the year ended March 1963. As against an increase of 30 percent in the sales from Rs. 38.55 lakhs to Rs. 50.19 lakhs, the gross profits has shot up by as much as 167 percent from Rs. 4.72 lakhs to Rs. 12.62 lakhs. The dividend has been raised from 70 percent to 100 percent. The directors have provided Rs. 53,000 (against Rs. 45,000) for prior charges and Rs. 8.60 lakhs (against Rs. 2.18 lakhs) for taxation. The preference dividend absorbs Rs. 29,000 (the same) and ordinary dividend Rs. 2.50 lakhs (against Rs. 1.75 lakhs).

New Capital Issues

FIVE out of the seven companies which have been authorised to raise fresh capital will issue bonus shares. One of them is issuing a small part of its capital in equities as well. Out of the total of Rs. 99.05 lakhs for all the companies Rs. 32.36 lakhs will be in bonus shares. The following are the details:

Guest, Keen, Williams Ltd will issue 214,583 equity shares of Rs. 10 each at par. The shares will be issued to the Tata Iron and Steel Company Ltd in consideration of transfer by the latter of 15,606 fully paid-up equity shares of Rs. 100 each held in Sankey Electrical Stampings Ltd.

Sree Saraswaty Press Ltd, Calcutta, is issuing further capital of Rs. 5 lakhs, divided into equity shares of Rs. 10 each, on capitalisation of the Company's reserves to a like extent, to be issued as bonus shares to existing shareholders of the Company in the proportion of one such share for every equity share held.

Steam and Mining Equipment (India) Private Ltd, Calcutta, is to issue further capital of Rs. 5.50 lakhs, divided into 55,000 equity shares of Rs. 10 each, on capitalisation of reserves to a like extent, to be issued as fully paid-up bonus shares.

Cooper Engineering Ltd, Bombay, is raising further capital of Rs. 45.20 lakhs, divided in 45,200 equity shares of Rs. 100 each, for cash at par. The proceeds of the issue will be utilised for manufacturing turret lathes.

Kumergode Estates Ltd, Mangalore, is issuing further capital of Rs. 2 lakhs, divided into 100,000 ordinary shares of Rs. 2 each. On capitalisation of its general reserves to a like extent, it will be issued as bonus shares to existing shareholders in the ratio of one such share for every two shares held.

The New Shorrock Spinning And Manufacturing Co. Ltd, Ahmedabad, will issue capital for Rs. 14,10,625. Of this, Rs. 14,01,625 will be in bonus shares; Rs. 5,000 will be in 40 equity shares of Rs. 125 each to be sold in the market at the best price obtainable.

Rohit Mills Ltd, Ahmedabad, is to issue bonus capital of Rs. 5,85,000 on capitalisation of the Company's reserves to a like extent.

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81/5/63

The Stock Markets

LYONS RANGE DISAPPOINTED BY INDIAN IRON DIVIDEND

Wednesday Evening.

THE Calcutta stock market has shown mixed trends towards the close of the past week. The earlier buoyancy in steel shares has worn off following heavy profit-taking in Indian Iron. Lyons Range has reacted bearishly to the news that the Indian Iron and Steel Co. Ltd has maintained the taxable ordinary dividend at 16 percent for 1962-63. The expectation of a higher distribution was not based on sound premises. Considering the burden of heavier taxation and the debt repayment obligations of the Company, the maintenance of the dividend should be welcomed. Although it is not possible to make a correct assessment of the results in the absence of detailed figures from the profit and loss account, the disappointment has arisen from the fact that the net profit for 1962-63 shows little variation from that of 1961-62 despite a bigger output. It may be that the rise in production costs has not been adequately covered by the increase in the retention price of steel. After touching a high of Rs. 23.58, the price of Indian Iron has slipped back to Rs 23.06.

Sentiment has suffered somewhat in sympathy with the decline in steel shares, although turnover during the week has been fairly satisfactory. Business has been concentrated on selected clearing shares, indicating a lack of investment support. A redeeming feature has, however, been the absence of selling pressure. The improvement during the past few days has taken place largely because of professional support. It is encouraging that the market has taken the heavy margin requirements in its stride. The trend has again become sluggish because investors have been inclined to hold off. If the recent gains are consolidated, the trend should be steady for some time.

Contributing largely to the improvement has been the belief that the Government takes a serious view of the deterioration in investment confidence. It is difficult to say whether the Government will take any positive measures to revive the capital market. However, an indication is available from the sanction given to the issue of rights shares by Cooper Engineering at par. Only two years ago this Company was forced to issue rights shares at a substantial premium. So it looks as if the rules and regulations concerning capital issues will be liberalised.

In any case, the near-term trend is unlikely to be more bullish considering that a large volume of funds will be siphoned off by the Government loans the lists for which open on next Monday. Despite the temporary easiness in money supply because of the slack season, the stock market is not likely to get much support from banks. Due to the slow pace of deposit growth, banks are worried whether they will be able to satisfy the legitimate credit requirements of trade and industry during the next busy season. To what extent the Life Insurance Corporation will support the stock market after the new loans are subscribed, it is difficult to predict now.

There has been fair support for selected engineering shares, although the closing prices are somewhat lower than the highest levels touched earlier. Interest has been concentrated on Burn, Braithwaite, Guest, Keen, Williams, Texmaco and Jessop. Bhartia Electric Steel have met with scattered buying. Bank shares have been neglected. Cotton mill shares have been subdued since the prospect of an early increase in the prices of cloth is considered remote. Dunbar, J. K. Rayon and Bharat Commerce have been freely available. Little business has been done in coal shares and prices have shown no improvement; investors have been worried by the larger accumulation of stocks at pitheads. Burrakur, East Indian, Central India and New Beerbhoom have been transacted.

Turnover in miscellaneous shares has increased but profit-taking has reduced the prices towards the close. Hindustan Motors, Indian Aluminium, Indian Copper, Jaipur Udyog and Rohtas have been active among clearing shares. Interest has been taken in Alkali Chemical, Union Carbide, Associated Battery, Hindustan Aluminium, British Paints and National Insulated Cable. Electric company shares have been sluggish and scattered business has been transacted in Calcutta Electric. Among managing agency shares, Martin Burn and Jardine Henderson have been done. In the paper section, Orient and Sirpur have been active but Titaghur have been sluggish. Sugar shares continue to be freely offered without attracting buyers. Despite talk of a bigger output target for the 1963-64 season investors are worried about the profit outlook.

Jute shares have been hesitant because of the slow buying of jute goods by foreign countries. Barnagore, Fort Gloster, Birla and Ganges have been barely steady. Tea shares have met with bigger support on account of better auction prices. Interest has been taken in selected Assam and Dooars gardens.

Government securities have been steady but turnover has been small. Investors are waiting for the new Government loans. The prices of selected State Government loans have hardened following institutional support.

Bombay

WIDE FLUCTUATIONS IN PRICES

BIGGER DIVIDEND FROM TATA STEEL

Wednesday Evening.

THERE have been wide fluctuations in the Bombay stock market during the past week. At first, prices of selected shares were boosted on hectic speculative support on expectations of a higher dividend from the Tata Iron and Steel Company for 1962-63. When the dividend announcement came, there was heavy profit-taking although the Company fulfilled the market expectations by declaring a higher net ordinary dividend of Rs. 7.70, against Rs. 7.25 a share. The reaction was natural in that those who had bought earlier took the first opportunity to book their profits. The results of the Company are impressive. Turnover has risen from Rs. 86.25 crores in 1961-62 to Rs. 99.53 crores. The gross profit has shot up from Rs. 19.24 crores in 1961-62 to Rs. 22.21 crores.

Sentiment has been affected by the news that the Indian Iron and Steel Company has repeated a taxable ordinary dividend of 16 percent for the year ended March 1963. Towards the close, share prices have settled at the lower levels and selling pressure has abated. The possibility of the Government liberalising the rules governing capital issues has given rise to optimism. Cooper Engineering Ltd, for instance, has been permitted to issue rights ordinary shares in the proportion of one new share for every two held, at par. This Company had to issue rights shares in 1961 at a premium of Rs. 25 a share. Easier money conditions have also contributed to the steadiness.

Tata Steel ordinary have closed at Rs. 142.25 and Indian Iron at Rs. 22.96. Among engineering shares, Tata Locomotive have been steady on optimism concerning the working of the Company during the current year. Its expansion schemes, it is reported, have made satisfactory progress. Interest has also been taken in Mukand Iron, Alcock Ashdown and Premier Construction. Among motor-vehicle shares, Hindustan Motors and Premier Automobiles have reacted somewhat towards the close.

After a hectic rise earlier, cotton mill shares have softened towards the

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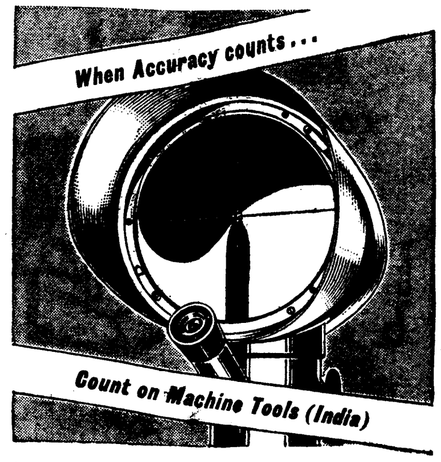
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close following heavy profit-taking. Investors fear that there will be no increase in the price of cloth in the near future. The profit outlook for the current year is not considered encouraging in view of the rising production costs. Century, Bombay Dyeing, Tata Mills, Standard, Gokak and India United ordinary have closed below their best levels touched earlier.

Miscellaneous shares have moved up in sympathy with the general trend. In the cement group, Associated Cement have improved on reports that the Company has sold its assets in Pakistan, and that arrangements are being made to repatriate the funds to India. Mining shares have been fairly steady, and Shivrajpur Syndicate have recovered. Among sugar shares, Belapur have hardened on prospects that sugar mills may get a rebate in the excise duty as a production incentive.

Steamship company shares have improved on balance. Scindia Steam have gained on hopes of a rise in freights. Chemical shares have been steady, and support has been extended to Tata Chemical. National Rayon have recovered on replacement buying. Interest has been taken in Gwalior Rayon. Bombay Burmah have improved. Turnover in cash shares has shown an appreciable improvement. Permanent Magnets, Synthetics and Chemicals, and Voltas have gained. Colour-Chem have been steady in response to the encouraging speech made by the chairman of the Company.

Scattered business has been done in banks shares, but fluctuations have been narrow. Bank of India and Central Bank have been bought. Among insurance shares, New India Assurance have been steady. Prices of electric company shares have hardened somewhat. Ahmedabad Electric and Tata Power have been transacted.

Madras

EQUITIES IMPROVE ON OUTSIDE SUPPORT

SELECTED PLANTING SHARES FAVOURED

Tuesday Evening.

THE Madras stock market has been steadier during the past week. Turnover has improved in clearing and cash shares and their prices on the whole have been higher. There has been increased support from outside centres. The restoration of power cuts has been a stimulating factor. Operators and investors have been encouraged by the prospect that the Government may take measures to restore confidence in the capital market.

Government securities have been steadier, and support has been extended to selected State Government loans. Scattered business has been done in bank shares. Canara have been taken at Rs. 80.50 and Indian Overseas at Rs. 142. Selected electric company shares have met with interest. West Coast have been transacted at Rs. 18.75. Although the prices of selected sugar shares have improved somewhat, turnover has been small. Deccan have been transacted at Rs. 9.95 and E.I.D. at Rs. 38.90.

There has been greater support for selected planting shares on dividend news and good crop reports. Blue Mountain have hardened to Rs. 2.53 and Cochin Malabar to Rs. 6.40. Business has passed in Consolidated Coffee at Rs. 18.35 and in Ouchterlony at Rs. 4.25. Periakaramalai have been placed at Rs. 3.87 and Balanoor at Rs. 12.00 on paying a taxable ordinary dividend of 10 percent. Coorg have been absorbed at Rs. 5.15 on declaring a taxable ordinary dividend of 15 percent.

South India Viscose have recovered smartly to Rs. 132.50 in the textile section. Travancore Rayon have hardened to Rs. 24.31. Business has been done in Lakshmi at Rs. 142.50 and in Madura at Rs. 31.50. Cauvery Spinning has been transacted at Rs. 16.25 on paying a taxable ordinary dividend of 10 percent. Tirupati have been bought at Rs. 11.65 on declaring a final taxable ordinary dividend of 10 percent. Bangalore Woollen have been steady at Rs. 233 and Buckingham at Rs. 263.

Miscellaneous shares have shown mixed trends. Support has been extended to Aluminium Industries at Rs. 17.75 and to Dalmia Cement at Rs. 13.50. But Ashok Leyland have been neglected around Rs. 7.45. India Cement have been bought at Rs. 5.67 and Mettur Chemical at Rs. 12.65. Travancore Chemical Manufacturing have been taken at Rs. 18.87 on paying a final taxable ordinary dividend of 10 percent, making 20 percent for the year. Seeshasayee Paper have hardened to Rs. 7.60 and Tube Investment to Rs. 235. Forest Industries have been transacted at Rs. 2.19 on declaring a taxable ordinary dividend of 12 percent. Kirloskar Electric have been steady at Rs. 20.00 and Spencer at Rs. 21.08. Madras Rubber have been quoted at Rs. 14.50 and Tube Suppliers at Rs. 10.00.

THE WEEK'S TRANSACTIONS

[In the following list of stocks and shares in which transactions have taken place during the past week, the figures indicate Opening Quotations. Highest for the week, Lowest for the week, Closing Quotations and Quotations for the corresponding Closing Date a Year Ago. The last named is shown in parantheses and will not be given where such a quotation is not available.]

CLEARED SECURITIES

Birla Jute—Rs. 28/62—29/62—28/19—29/50—(32/75).
Burrakur Coal—Rs. 15/50—15/50—15/44—15/44—(17/56).
Dunlop Rubber—Rs. 32/00—32/75—31/69 s.t.—32/62—(39/50).
Guest, Keen, Williams—Rs. 33/50—34/12—33/37—33/75—(39/25).
Hindustan Motor—Rs. 16/81—16/94—16/37 s.t.—16/56—(18/87).
Howrah Jute—Rs. 18/62—18/87—18/56—18/87—(21/31).
Indian Aluminium—Rs. 33/37—33/50—33/37—33/50—(37/75).
Indian Copper—Rs. 4/70—4/77—4/68—4/74—(4/86).
Indian Iron & Steel—Rs. 23/46—23/58—22/88—23/06—(25/76).
Indian Cable—Rs. 31/87—31/87—31/69—31/75—(35/94).
J. K. Cotton—Rs. 11/69—11/69—11/25—11/25—(18/75).
Jaipur Udyog—Rs. 11/62—11/62—11/50—11/56—(12/94).
Kesoram Industries—Rs. 21/37—21/75—21/31—21/69—(27/62).
Orient Paper—Rs. 34/50—36/15—34/40—36/15—(40/90).
Orissa Cement—Rs. 14/00—14/06—13/81—14/00—(17/00).
Rohtas Industries—Rs. 11/09—11/50—11/03—11/31—(15/31).
Shree Gopal—Rs. 23/25—23/37—23/25—23/37.
Textile Machinery—Rs. 22/75 x.d.—22/75 x.d.—22/40—22/70—(22/85).

GOVERNMENT SECURITIES

3 % Loan (1986)—Rs. 64/00—64/10—64/00—64/05.
3½ % „ (1965)—Rs. 99/60—99/60—99/60—99/60—99/60.
3¾ % „ (1968)—99/00—99/00—99/00—99/00.
3½ % „ (1963)—Rs. 99/65—99/65—99/65—99/65.
3¼ % „ (1964)—Rs. 99/70—99/70—99/70—99/70.
3½ % „ (1969)—Rs. 97/05—97/05—97/05—97/05.
4 % „ (1981)—Rs. 98/56—98/57—98/56—98/57.
4 % „ (1972)—Rs. 99/40—99/45—99/40—99/45.
4 % „ (1969)—Rs. 99/60—99/60—99/60—99/60.
4½% West Bengal (1974)—Rs. 98/75—99/25—98/75—99/25.
4½% Loan (1986)—Rs. 100/05—100/05—100/05—100/05.
4½% U.P. (1974)—Rs. 98/65—98/65—98/60—98/60.
4½% Andhra (1974)—Rs. 98/95—98.95—98/95—98/95.

BANKS

Punjab National—Rs. 19/00—19/00—18/87—18/94—(20/50).
United Bank of India (Rs. 10/- paid)—Rs. 7/25—7/44—7/19—7/37—(7/53).
Do. (Conty) (Rs. 20/-, Rs. 10/- paid)—Rs. 6/53—6/62—6/31—6/47.
United Commercial—Rs. 65/50—65/50—65/50—65/50—(87/00).

RAILWAY

Dehri Rohtas—Rs. 13/75—13/81—13/62—13/81.

COTTONS

Basanti—Rs. 11/50—11/56—11/37—11/37—(8/50).
Bowreah ('B' Pref.)—Rs. 86/00—86/00—86/00—86/00.
Dunbar—Rs. 25/87—25/87—25/87—25/87—(29/44).
Jay Shree—Rs. 13/87—13/87—13/87—13/87—(14/87).
Jiyajeerao—Rs. 10/75—11/00—10/50—11/00.
New Victoria—Rs. 1/31—1/34—1/31—1/34—(1/56).
Do. (Pref.)—Rs. 2/31—2/31—2/31—2/31—(3/09).
Swadeshi—(Pref.)—Rs. 71/00—71/00—71/00—71/00.

COALS

Amalgamated—Rs. 23/50—23/62—23/50—23/62—(21/87).
Bengal—Rs. 267/00—267/00—267/00—267/00—(347/00).
Bharat—Rs. 3/44—3/50—3/44—3/50—(3/25).
Karanpura—Rs. 15/00—15/00—15/00—15/00.
New Beerbhoom—Rs. 19/31—19/37—19/31—19/37—(21/69).
Oriental—Rs. 8/50—8/50—8/50—8/50.
Pench Valley—Rs. 17/62—17/75—17/62—17/75.
Selected Satgram—Rs. 120/00—124/00—114/00—115/00.
United—Rs. 11/00 x.d.—11/00 x.d.—11/00 x.d.—11/00 x.d.
Western Bengal—Rs. 9/00—9/06—8/90—8/90—(10/12).

JUTES

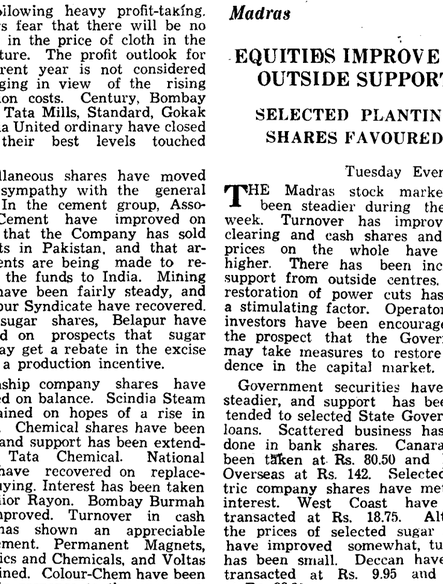
Agarpara—Rs. 10/12—10/12—10/12—10/12—(10/69).
Alliance—Rs. 131/00—137/00—129/00—137/00—(123/00).
Do. (Pref.)—Rs. 72/00—72/50—72/00—72/50.
Auckland—Rs. 142/00—142/00—142/00—142/00—(158/00).
Barnagore—Rs. 197/00—198/00—197/00—198/00—(186/00).
Chitavalsah—Rs. 10/12—10/12—10/00—10/00—(12/25).
Caledonian—Rs. 189/00—190/00—189/00—190/00—(212/00).
Champdany—Rs. 20/56—20/69—20/50—20/69.
Dalhousie—Rs. 130/00—130/00—130/00—130/00—(130/00).
Fort Gloster (1st Pref.)—Rs. 110/50—111/00—110/50—111/00—(96/50).
Ganges—Rs. 13/87—14/19—13/87—14/06—(14/06).
Hastings (Pref.)—Rs. 90/00—91/00—90/00—91/00.
Kanknarrah—Rs. 131/50—132/00—131/50—132/00—(119/00).
Kamarhatty—Rs. 186/00—188/00—186/00—188/00—(186/00).
Kelvin—Rs. 181/00—181/00—176/00—177/00—(197/00).
Khardah (Pref.)—Rs. 77/00—77/50—77/00—77/50.
Lansdowne (Pref.)—Rs. 98/50—98/50—98/50—98/50.
Megna—Rs. 13/19—13/19—13/19—13/19—(14/44).
Nellimarla—Rs. 11/12—11/12—11/00—11/06—(12/12).
New Central—Rs. 12/87—12/94—12/75—12/75—(15/37).
Nuddea—Rs. 55/00—55/00—55/00—55/00—(59/75).
National—Rs. 24/00—24/25—24/00—24/25.
Reliance—Rs. 10/00—10/00—9/75—9/75.
Do. (Pref.)—Rs. 116/50—116/50—116/00—116/00.

MININGS

Chrestien Mica (Defd.)—Rs. 7/00—7/00—6/87—6/87—(8/85).

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Metal Corpn.—Rs. 8/62—9/25—8/37—8/81—(11/69).

CEMENTS

Assam Bengal—Rs. 3/19—3/19—3/19—3/19—(2/94).
Do. (Defd.)—Re. 0/37—0/47—0/37—0/46—(0/37).
Bengal Potteries—Rs. 5/00—5/00—5/00—5/00—(6/45).
Dalmia (Bharat)—Rs. 12/44—12/50—12/44—12/50—(12/25).
Sone Valley—Rs. 4/37—4/50—4/37—4/50—(4/81).

CHEMICALS

Alkali & Chemical—Rs. 33/12—33/12—33/12—33/12—(42/94).
Bengal Chemical—Rs. 101/00—101/00—101/00—100/00—(103/00).
Phosphate—Rs. 126/00—127/00—126/00—127/00.

ELECTRICS

Calcutta—Rs. 14/62—15/00—14/62—15/00—(15/06).
Do. (Pref.)—Rs. 8/25—8/25—8/25—8/25.
Jubbulpore—Rs. 10/00—10/00—10/00—10/00—(11/00).

ENGINEERINGS

Bharat Ball Bearing—Rs. 13/06—13/19—13/06—13/12—(13/62).
Bhartia Elec. Steel—Rs. 13/19—14/06—13/19—14/06—(11/87).
Braithwaite & Co.—Rs. 30/56—31/00—30/25—31/00—(35/00).
Britannia Eng.—Rs. 9/12—9/44—9/12—9/44—(11/62).
Burn & Co.—Rs. 585/00—585/00—585/00—585/00—(680/00).
Binani Metal—Rs. 9/69—9/69—9/69—9/69—(11/12).
Calcutta Steel—Rs. 14/25—14/31—14/19—14/25—(16/37).
Escorts Ltd.—Rs. 18/06—18/06—18/06—18/06.
Hindusthan Wire—Rs. 9/94—10/62—9/94—10/19—(11/50).
Indian St. Wagon—Rs. 31/25—31/25—31/00—31/25—(34/75).
Indian Iron & Steel (Pref.)—Rs. 85/00—85/00—85/00—85/00.
J. K. Steel—Rs. 13/50—13/62—13/50—13/62.
Jessop & Co.—Rs. 24/25—25/00—24/00—25/00—(22/25).
Kumardhubi—Rs. 8/12—8/19—8/12—8/19—(7/44).
Marshalls—Rs. 2/62—2/66—2/44—2/56—(3/37).
Machinery Mfg. (Pref.)—Rs. 51/50—53/25—51/50—53/25.
National Iron & Steel—Rs. 4/25—4/31—4/19—4/31—(5/44).
Rayon—Rs. 5/31—5/81—5/31—5/62—(6/31).
Wellman Incandescent—Rs. 6/50—6/56—6/50—6/56.

FLOUR MILL

Bengal—Rs. 29/00—29/00—29/00—29/00—(31/50).

INSURANCES

New Asiatic—Rs. 8/00—8/00—7/94—7/94—(6/31).
Ruby General—Rs. 10/31 s.t.—10/44—10/19—10/44—(9/87).

MISCELLANEOUS

Airways (India)—Rs. 3/94—3/94—3/94—3/94.
Albion Plywood—Rs. 8/12—8/31—8/12—8/25—(9/12).
Aluminium Corpn.—Rs. 12/69—12/81—12/56—12/62—(17/69).
Asian Refractories—Rs. 6/56—6/62—6/56—6/62.
Associated Industries—Rs. 9/50—10/00—9/50—9/94—(10/62).
Asiatic Oxygen—Rs. 8/56—8/94—8/56—8/94.
Angelo Brothers—Rs. 21/87—21/87—21/87—21/87—(22/37).
Associated Battery—Rs. 23/56—23/56—23/50—23/56.
British Paints—Rs. 21/31—21/50—21/19—21/50—(23/00).
B. I. Corpn. Rs. 8/00—8/00—8/00—8/00—(9/00).
Calcutta Tramways—Rs. 10/94—11/00—10/94—11/00—(12/00).
Dr. Paul Lohmann—Rs. 12/25—12/25—12/25—12/25—(19/50).
English Electric—Rs. 12/12—12/75—12/12—12/56.
Electric Construction—Rs. 12/37—12/50—12/37—12/50—(14/44).
Goodyear India—Rs. 30/37—30/37—30/37—30/37—(44/87).
General Tyres—Rs. 7/75—7/94—7/69—7/94—(5/62).
Godfrey Phillips—Rs. 28/12—28/12—28/12—28/12—(35/44).
Hindustan Aluminium—Rs. 13/00—13/12—12/75—12/87—(16/06).
Hindusthan Development—Rs. 4/00—4/19—3/97—4/12—(6/25 s.t.).
Hindusthan Wire Products—Rs. 16/50—17/00—16/50—17/00.
Imperial Tobacco—Rs. 10/31—10/75—10/31—10/50—(10/75).
Indian Oxygen—Rs. 27/69—27/87—27/69—27/75—(44/50).
Isaac Holdens—13/81—13/94—13/69—13/94—(16/50).
Indian Plastics (Pref.)—Rs. 39/00—39/50—38/50—38/50.
Jardine Henderson—Rs. 85/50—85/50—85/00—85/00—(84/00).
Jay Shree Tea—Rs. 16/00—16/00—15/81—15/94—(17/06).
J. K. Synthetics—Rs. 10/44—10/62—10/44—10/62—(13/94).
Kesoram Industries (1st Pref.)—Rs. 109/00—109/00—109/00—109/00.
Martin Burn—Rs. 26/12—26/25—26/12—26/25—(28/56).
Metal Distributors—Rs. 4/37—4/37—4/37—4/37.
National Pipes & Tubes—Rs. 25/25—25/37—25/12—25/25—(30/37).
National Insulated Cable—Rs. 23/12—23/37—23/00—23/37—(28/56).
Rallis India—Rs. 115/00—115/00—114/00—115/00—(140/50).
Rohtas ('B' Pref.)—Rs. 55/50—55/50—55/50—55/50.
Shaw Wallace—Rs. 14/50—15/56—14/50—15/36—(20/25).
Sen-Raleigh—Rs. 13/87—14/25—13/87—14/25—(18/87).
Schrader Scovill Duncan—Rs. 14/50—14/50—14/50—14/50—(22/50).
Sirsilk—Rs. 9/25—9/25—9/06—9/12—(9/94).
Union Carbide—Rs. 39/62—40/50—39/62—40/00—(46/75).
Union Tobacco (Pref.)—Rs. 15/00—15/00—15/00—15/00.
Universal Cables—Rs. 9/22—9/28—9/22—9/25—(12/06).
Usha Martin Black—Rs. 12/87—13/62—12/87—13/62—(16/50).
Walford Transport—Rs. 3/69—3/75—3/69—3/75—(3/25).

OIL

Indo-Burmah Petroleum—Rs. 21/75—21/75—21/69—21/75—(26/75).

PAPERS

Ballarpur—Rs. 17/12—17/19—17/12—17/12—(18/31).
Bengal—Rs. 27/87—27/94—27/87—27/87—(33/12).
India Paper Pulp—Rs. 16/75—16/87—16/75—16/87—(20/50).
Sirpur—Rs. 11/87—12/37—11/87—12/31—(13/06).
Straw Products—Rs. 9/19—9/25—9/12—9/25—(10/09).
Seshasayee—Rs. 7/19—7/25—7/19—7/25.
Titaghur—Rs. 15/37—15/62—15/37—15/62.

REAL PROPERTY

Bengal Bonded Warehouse 'D'—Rs. 43/00—43/00—43/00—43/00.

SHIPPINGS

Calcutta Steam Nav.—Rs. 8/25—8/25—8/25—8.25—(9/44).
India Steamship—Rs. 5/84—6/25—5/81—6/12—(6/97).
Port—Rs. 12/87—12/87—12/87—12/87.

PRESSING

Hooghly Ganges Hydraulic (Pref.)—Rs. 44/00—44/00—44/00—44/00.

SUGARS

Balrampore—Rs. 1/97—2/00—1/97—2/00—(2/50).
Cawnpore—Rs. 9/12—9/12—9/12—9/12—(12/87).
Raza Buland—Rs. 9/00—9/00—9/00—9/00—(9/06).
Shree Krishna Gyanoday—Rs. 7/00—7/19—6/87—7/19—(8/94).
Tulsipore—Rs. 4/00—4/06—4/00—4/06.

TEAS

Baghmari—Rs. 13/12—13/25—12/94—13/06—(19/25).
Baradighi—Rs. 22/12—22/19—22/12—22/19—(26/06).
Bhatkawa—Rs. 16/44—16/75—16/44—16/56—(17/37).
Brooke Bond—Rs. 11/87—12/00—11/81—12/00—(15/06).
Dhunseri—Rs. 12/50—12/50—12/00—12/06—(16/00).
Grob—Rs. 7/50—7/69—7/50—7/69—(8/37).
Hasimara—Rs. 13/50—13/56—13/19—13/19—(31/56).
Huldibari—Rs. 13/37—14/00—13/37—13/69—(30/37).
Hantapara—Rs. 108/50—109/00—108/00—109/00—(125/00).
Jaibirpara—Rs. 10/50—10/62—10/50—10/62.
Methoni—Rs. 16/12—16/37—16/12—16/37—(21/25).
New Terai—Rs. 23/00—23/00—23/00—23/00.
Poobong—Rs. 7/12—7/19—7/12—7/19—(7/37).
Ranicherra—Rs. 13/37—13/56—13/37—13/56—(18/50).
Rydak—Rs. 24/00—24/00—24/00—24/00.
Tukvar—Rs. 7/31—7/31—7/25—7/25—(6/00).
Tezpore—Rs. 14/56—14/75—14/56—14/75—(15/31).

DEBENTURES

7 % Carew & Co. (1st Mortgage)—Rs. 100/00—100/00—100/00—100/00.
6 % Dunbar Mills—Rs. 99/75—99/75—99/75—99/75.
5½% ESSO Standard Refining—Rs. 94/50—94/62—93/00—93/00.

London

TRADING CONDITIONS QUIETER

SELECTIVE BUYING IN INDUSTRIALS

London, 17th July.

QUIETER conditions were the general experience over the past week in the stock market. There was little to induce buyers to open new commitments while talk of higher interest rate in the United States, the uncertain political outlook at home and holidays, were restraining influences. It was felt that many buyers were holding off in advance of the reduced stamp duty becoming operative, a view which was confirmed to some extent when on Monday many buyers were taking advantage of the cheaper dealing facility. There was some slackening later, but the firm undertone persisted. Although gilt-edged were at one time overshadowed by the threat of dearer money in the U.S.A., there was some investment demand and prices hardened. Dollar stocks moved in the wake of Wall Street where the trend was somewhat erratic, but generally towards lower levels. Industrial equities met with selective buying and among those receiving support were distillers whose dividend statement was due during the week, and Beechams, following the chairman's annual review. Tobaccos came into demand following Press comment to which investors responded well.

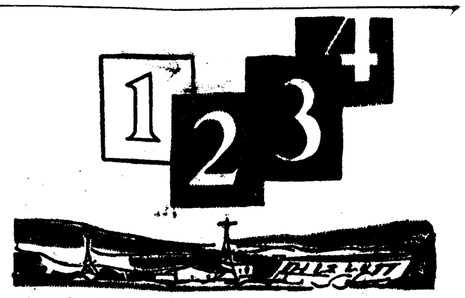
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RESERVE BANK

ISSUE DEPARTMENT

(In 000's of Rupees)	Week Ended 12-7-63	5-7-63	13-7-62
Liabilities—			
Notes in Banking Dept	15,34,81	23,69,66	14,14,86
Notes in Circulation	22,68,77,26	22,74,48,39	20,90,31,70
Total Notes issued	22,84,12,07	22,98,18,05	21,04,46,56
Assets—			
A. Gold Coin and Bullion	1,17,76,10	1,17,76,10	1,17,76,10
Foreign Securities	95,88,67	95,88,67	91,09,17
Total of A	2,13,64,77	2,13,64,77	2,08,85,27
B. Rupee Coin	1,14,80,61	1,13,83,59	1,15,60,53
Rupee Securities	19,55,66,69	19,70,64,69	17,80,00,76
Total	22,84,12,07	22,98,18,95	21,04,46,56

BANKING DEPARTMENT

Liabilities—			
Capital Paid-up	5,00,00	5,00,00	5,00,00
Reserve Fund	80,00,00	80,00,00	80,00,00
National Agricultural Credit(Long Term Operations)Fund	73,00,00	73,00,00	61,00,00
National Agricultural Credit (Stabilisation) Fund	8,00,00	8,00,00	7,00,00
Deposits—			
(a) 1. Central Govt.	90,94,17	73,36,74	53,26,63
2. State Govts.	5,69,01	9,00,36	17,46,47
(b) Banks :—			
(i) Scheduled Banks	89,71,65	96,77,07	83,51,56
(ii) State Co-operative Banks	4,21,16	3,29,58	1,97,38
(iii) Other Banks	5,03	2,17	2,17
(c) Others	2,06,84,96	2,67,02,12	1,92,22,37
Bills Payable	27,92,01	27,92,79	33,03,85
Other Liabilities	17,37,30	16,99,58	17,95,72
Total	6,08,75,29	6,00,40,81	5,57,54,65
Assets—			
Notes	15,34,81	23,69,66	14,14,86
Rupee Coin	3,35	2,15	1,58
Small Coin	2,17	1,03	3,34
National Agricultural Credit (Long Term Operations) Fund			
(a) Loans and Advances to :—			
(i) State Govts.	27,16,75	27,16,75	24,03,45
(ii) State Co-operative Banks	10,55,70	10,56,10	11,94,87
(iii) Central Land Mortgage Banks	...	...	...
(b) Investment in Central Land Mortgage Bank Debentures	3,14,83	3,14,83	2,70,16
National Agricultural Credit (Stabilisation) Fund			
Loans and Advances to State Co-operative Banks	...	...	...
Bills Purchased and Discounted :—			
(a) Internal	...	...	...
(b) External	...	...	...
(c) Govt. treasury Bills	62,25,42	64,57,91	74,69,38
Balances Held abroad	5,29,40	5,03,44	5,36,50
Loans and Advances to Govt.	54,86,92	42,51,72	14,13,65
Loans and Advances to :—			
(i) Scheduled Banks	1,77,32	83,00	2,25,40
(ii) State Co-operative Banks	1,18,33,05	1,25,44,87	1,17,94,68
(iii) Others	1,39,80	1,10,50	92,57
Investments	2,75,59,18	2,61,02,40	2,49,58,43
Other Assets	31,96,59	34,62,73	39,75,38
Total	6,08,75,29	6,00,40,81	5,57,54,65

SCHEDULED BANKS

(In 000's of Rupees)	Week Ended 5-7-63	28-6-63	6-7-62
(i) Demand Liabilities—			
(a) Demand Deposits			
(1) From Banks	61,37,27	63,42,85	52,25,38
(2) From others	9, 5,24,05	8,99,73,33	7,75,79,98
(b) Borrowing from Banks	28,42,45	30,85,57	19,08,78
(c) Others	59,27,20	59,37,41	56,95,02
(ii) Time Liabilities—			
(a) Time Deposits			
(1) From Banks	39,28,52	35,20,63	27,41,15
(2) From others	12,35,61,40	12,35,25,84	12,39,37,34
(b) Borrowing from Banks	22,97,84	21,36,18	17,45,19
(c) Others	10,81,30	10,90,57	10,37,15
(iii) Borrowing from State Bank—			
(a) Demand Liabilities	4,74,53	4,38,99	3,95,07
(b) Time Liabilities	11,15,00	10,97,00	13,01,00
(iv) Borrowing from Reserve Bank	70,35	1,48,62	1,48,25
(v) Cash	57,15,53	62,74,04	54,66,37
(vi) Balances with the Reserve Bank	97,76,41	91,89,94	1,08,51,86
(vii) Balances with other Banks in current account	21,33,44	26,18,74	19,32,81
(viii) Money at call and short notice	56,56,63	58,48,55	47,33,34
(ix) Investments in Central and State Govt. Securities	6,61,03,67	6,52,97,75	5,98,72,31
(x) (a) Loans, Cash credits and Overdrafts	13,15,94,42	13,16,00,90	12,45,15,25
(b) Due from Banks	6,78,91	6,86,53	7,11,52
(xi) Inland Bills purchased and discounted	1,61,84,59	1,61,57,81	1,30,15,11
(xii) Foreign Bills purchased and discounted	51,70,27	51,97,01	42,36,44
(xiii) Total of X XI and XII	15,36,28,19	15,36,43,15	14,24,78,32

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Money

THE CALCUTTA MONEY MARKET

FAIR DECREASE IN ADVANCES

Wednesday, 17th July.

THE general level of advances has shown a fair decrease in the Calcutta money market during the past week. The accommodation given to the iron, steel and engineering industries is noticeably smaller. There has also been a slight fall in the credit extended to the jute and sugar mills. Advances for cotton, and for the foodgrains and seeds trade, are unchanged. In the inter-bank market conditions have been very easy and the call rate is 1 percent.

The exchange market has been moderately active. The supply of tea bills has improved further, although the number of gunny bills remains about the same as before. There has been a fair demand for remittance. Sterling has eased in relation to most of the major currencies except the Danish kroner.

SILVER WAS STEADY IN CALCUTTA during the past week. The price advanced from the previous week's level of Rs. 260.25 to Rs. 262, quoted today for ready delivery. There was no business in forward. The London and New York prices were 111¾d and 129 cents. Gold was not transacted.

DURING THE WEEK ENDED 12TH JULY, Government of India Treasury bills for Rs. 221,43,50,000 were sold in favour of the Reserve Bank.

TENDERS FOR Rs. 2 CRORES OF 91-DAY Government of India Treasury bills were opened on 16th July. The total amount offered was Rs. 2,20,00,000. Tenders at Rs. 99.425 percent and above were accepted in full and those at Rs. 99.420 allotted 90 percent. The total amount accepted was Rs. 2 crores, the average rate of acceptance being Rs. 2.317 percent a year. Tenders for Rs. 2 crores of 91-day Government of India Treasury bills will be received at all centres up to the close business on 29th July.

IT IS STATED THAT 91-DAY Intermediate Treasury bills will be sold from 17th July to the 27th July at Rs. 99.436 percent subject to the conditions previously announced that sales can be stopped at any time without notice, if the Government thinks it necessary. These bills sold from 10th July to the 13th July amounted to Rs. 11 crores.

THERE WERE DECLINES of Rs. 14.06 crores to Rs. 2,284.12 crores in the total note issue and of Rs. 5.71 crores to Rs. 2,268.77 crores in active notes, according to the return of the Reserve Bank of India for the week ended 12th July, 1963. The currency contraction was adjusted by reducing rupee securities of the paper currency reserve by Rs. 14.98 crores to Rs. 1,955.67 crores. This was done by transferring securities to the Banking Department in which investments rose by Rs. 14.57 crores to Rs. 275.59 crores. Deposits of the Government of India were Rs. 17.57 crores bigger at Rs. 90.94 crores while those of other Governments fell by Rs. 3.31 crores to Rs. 5.69 crores. Balances of scheduled banks declined by Rs. 7.05 crores to Rs. 89.72 crores. Balances held abroad again fell by Rs. 34 lakhs to Rs. 5.29 crores. Loans to scheduled banks rose from Rs. 83 lakhs to Rs. 1.77 crores of which advances against usance bills were Rs. 94 lakhs (Rs. 9 lakhs). Ways and means advances stood at Rs. 54.87 crores, against Rs. 42.55 crores.

THE RETURN OF THE STATE BANK OF India for the week ended 5th July, 1963, shows a drop of Rs. 33 lakhs to Rs. 573.44 crores in total deposits. Investments in Government securities and other authorised investments are up by Rs. 5.04 crores and Rs. 1 lakh to Rs. 262.74 crores and Rs. 9.35 crores, respectively. Advances, including loans, cash credits, overdrafts and bills discounted and purchased have increased by Rs. 3.05 crores to Rs. 283.18 crores. Cash and balances are, in consequence, shown at Rs. 20.62 crores or Rs. 9.50 crores less.

THE STATEMENT OF THE POSITION of scheduled banks for the week ended 5th July, 1963, shows Demand and Time liabilities at Rs. 1,054.81 crores (Rs. 28.42 crores on account of borrowings from banks) and Rs. 1,307.69 crores (Rs. 22.98 crores), compared with Rs. 1,059.39 crores (Rs. 30.86 crores) and Rs. 1,302.86 crores (Rs. 21.38 crores), respectively, in the previous week. Cash has declined by Rs. 5.58 crores to Rs. 57.16 crores, while balances with the Reserve Bank have increased by Rs. 5.86 crores to Rs. 97.76 crores. There is a rise of Rs. 8.06 crores to Rs. 661.04 crores in investments. Advances and bills discounted at Rs. 1,536.28 crores show a drop of Rs. 15 lakhs. The ratios to total liabilities of cash and balances, and of advances and discounts are, in consequence, shown at 6.6 percent and 66.2 percent, against 6.6 percent and 65.2 percent.

TREASURY BILL MATURITIES

Details of 91-day bills outstanding with the public on 12-7-63.

Issue Date	Maturity Date	Amount (000's Rs.)	Average Acceptance Rate
19-7-62	22-10-62	2,00,00	Rs. 2.317%
12-7-62	15-10-62	2,00,00	Rs. 2.320%
5-4-63	8-10-63	2,00,00	Rs. 2.340%
28-6-63	1-10-63	2,00,00	Rs. 2.345%
21-6-63	24-9-63	2,00,00	Rs. 2.350%
14-6-63	17-9-63	2,00,00	Rs. 2.354%
7-6-63	10-9-63	2,00,00	Rs. 2.330%
31-5-63	3-9-63	2,00,00	Rs. 2.350%
24-5-63	27-8-63	2,00,00	Rs. 2.350%
17-5-63	20-8-63	2,00,00	Rs. 2.355%
10-5-63	13-8-63	2,00,00	Rs. 2.286%
3-5-63	6-8-63	2,00,00	Rs. 2.334%
26-4-63	29-7-63	2,00,00	Rs. 2.336%
19-4-63	22-7-63	2,00,00	Rs. 2.349%
			Rs. 2.354%

(Monthly Maturities 000's omitted)

July 1963	4,56,00
August 1963	8,00,00
September 1963	8,00,00
October 1963	8,00,00
Total	28,00,00

CLEARING HOUSE RETURNS

Week	Calcutta (Rs. Lakhs)	Bombay (Rs. Lakhs)
12-7-63	88,08	99,00
5-7-63	89,70	99,70
28-6-63	91,14	1,03,90
21-6-63	86,25	1,00,23

TATA ENGINEERING & LOCOMOTIVE CO. LTD.

STATEMENT OF THE CHAIRMAN MR. J. R. D. TATA

The following is the statement of Mr. J. R. D. Tata, Chairman of the Tata Engineering & Locomotive Co. Ltd., for the year 1962-63.

The year under review was a somewhat disturbed one for your Company marred by shortages of materials and foreign exchange as well as the aftermath of the declaration of the National Emergency. But for the shortage of steel, particularly flat products and specials, the output would have been appreciably greater.

In spite of this shortage, your Company was able to increase its turnover by about 5% over that of the previous year. The establishment of production of excavators and Diesel shunters has helped to diversify the range of products manufactured. The successful execution of these two projects as well as the completion of the detailed planning for the expansion of the Automobile, Foundry and Forge Divisions is a matter of satisfaction to your Directors as I am sure it will be to you.

Profits and Appropriations

In spite of an increase of Rs. 2 crores in the year's turnover, the gross as well as the disposable profits are lower than those of the previous year. The reasons for this setback, which were beyond the Company's control, have been explained in the Directors' Report. I am sure the shareholders will approve of the action taken by the Directors in drawing a sum of Rs. 6 lakhs from General Reserve No. 1, in order to make it possible to maintain the dividend on ordinary shares at the same level as in the previous year. I trust, however, that shareholders will not interpret such action as any kind of commitment in regard to next year's profits or dividend. It would naturally be the wish of the Directors to maintain the present rate of dividend, and I hope that profits will in fact prove to be adequate for the purpose. At the same time, it must be borne in mind that we live and operate in difficult and uncertain times in which our own wishes and intentions are necessarily conditioned by circumstances and developments beyond our control. Much will depend, amongst other factors, on whether the Finance Minister will find it possible or be willing to repeal the super profits tax, and also on the level of production we are able to achieve in the current year. This itself will depend, to a large extent, on the availability of raw materials and foreign exchange. Notwithstanding the minor setback in profits in the past year and the difficulties and uncertainties which we may have to face in the current year, the fact remains that your Company's productive capacity and financial strength continue to grow and its prospects therefore continue to be bright.

Expansion Programme

The shareholders are aware of the Company's expansion programme, referred to as the "C" Programme, intended to double the output of Tata Mercedes-Benz vehicles from 12000 to 24000 per year. As I said in my statement last year, the Government of India desired, in view of the critical foreign exchange situation, that this programme should be spread over two stages and that only the first stage—limited to an increase in capacity to 18000 units per year—should be taken in hand for the present. Accordingly, during the year under review, the Company submitted, with Government's approval, an application to the Agency for International Development for a loan of $ 13.65 million (Rs. 6.5 crores) for implementing the first stage of expansion. This loan has been approved by A.I.D. and an Agreement has been executed. Government have also released to the Company, as agreed, a sum of Rs. 1 crore of foreign exchange from "free sources" for import of special items to be purchased from West Germany.

Since the advent of the National Emergency, and in view of the accelerated demand for our products for defence purposes, Government have now decided that the second stage of expansion should be implemented as soon as possible. We are accordingly submitting a second application to A.I.D. for a further loan to cover the foreign exchange requirements of the second stage.

The most appropriate method of securing the Rupee finance for the contemplated expansions is receiving the consideration of your Directors.

Automobile Division

It is only in times of emergency such as the one we are now experiencing that the vital importance of an efficient and self-supporting automobile industry can be properly evaluated and appreciated. This emergency has also revealed weaknesses in the structure of the Indian automobile industry, particularly for meeting the requirements of the special types of vehicles needed for our Defence Services. There are reasons to believe that Government is now directing its attention towards eliminating some of these.

Immediately after the declaration of the Emergency, with a view to raising to the maximum the output of Tata Mercedes-Benz vehicles for the Army, additional shifts and overtime working were resorted to and the output was stepped up by as much as 20%. Unfortunately, this high rate of output could not be sustained for more than a couple of months as Government could not provide the additional foreign exchange required for the import of raw materials and components.

The first stage of the expansion from 12,000 to 18,000 vehicles per year has been planned in such a manner that the additional output will be secured sometime towards the end of 1964. Deliveries of plant and equipment from the United States are reasonably short, varying from 9 to 12 months. As all the buildings and services will have been completed by then, the Company will be in a position to secure additional output no sooner this equipment is installed.

Commercial vehicles continue to be in short supply. The position has become particularly acute as a result of the diversion of a major portion of our output for Defence purposes. During the Company's financial year 1962-63, the production of commercial vehicles in the country totalled 25,385, of which 12,200 or 48% were Tata Mercedes-Benz. The commercial vehicle target for the Third Plan has been set at 60,000 vehicles by 1965-66. but this, of course, will not be attained because there is just not enough capacity either with the main manufacturers or with the components' industry.

The Commercial Vehicles (Distribution and Sale) Control Order, which came into force in May, 1963, is evidence of the deteriorating position regarding the availability of commercial vehicles. The directions issued by the Controller of Commercial Vehicles result in 80% of our output being reserved for priority allocation by Government. Whilst the preference of the Government authorities for Tata Mercedes-Benz vehicles is a matter of gratification, the reservation of these vehicles for non-Defence purposes not only operates unfairly on our dealer organisation, but is also likely to influence adversely our long-term market position. These facts have been brought to the attention of the authorities and we are hoping that suitable modifications to the Control Order will be issued before long.

Our dealers, whose reasonable expectations of continued supply of vehicles has been greatly and unexpectedly upset, have shown a great deal of patience and loyalty to the Company. During the past several years, a first class sales and service organisation has been set up, the successful functioning of which depends on a steady supply of vehicles and spare parts. Not only has the vehicle supply to our dealers dwindled to a mere trickle, but the spare parts position also is becoming critical due to a decision of Government not to grant import licences to manufacturers even for such items which are not currently being produced in the country by component manufacturers.

The growth of the road transport industry has always had to contend with high taxes and duties, multiplicity of regulations and inadequacy of good roads. At present the magnitude of the tax burden on road transport is so great that a recent estimate made by the Indian Road Transport Development Association reveals that taxes and duties on goods transport average 6 Naye Paise per ton-mile or approximately equal to the average freight per ton-mile charged by the Railways. This industry whose growth is vital for the development of our nation will now suffer additionally from the non-availability of vehicles. The inescapable conclusion is that the vital importance of encouraging the vigorous growth of the automobile and road transport industries has yet to be appreciated by our Planners and Government. If there is any appreciation, it has certainly not been translated into any effective action upto now.

General Engineering and Foundries Divisions

The release of production facilities as a result of the planned reduction in steam locomotive output has made possible a worthwhile increase in the turnover of the General Engineering Division, the performance of which would have been very much better if operations had not been plagued by several handicaps which appear to have become an inherent part of the Indian engineering industry. Though our excavators, shunters and paper & pulp making machinery contribute significantly to the country's development and save a great deal of foreign exchange, the actual position is that engineering companies such as ours are unable to obtain any assurance of supplies of steel in adequate quantities and of the required types; numerous orders for steel placed over the past couple of years remain outstanding without even an indication of when we may expect deliveries. It has to be appreciated by the controlling authorities that for the effective utilisation of high grade engineering capacity put up at considerable cost by companies such as ours, it is vital that the flow of materials through the shops be planned in detail and long in advance of actual operations. The uncertainties created by material shortages result in the processing of uneconomic batches, frequent setting, low labour productivity and lock up of funds in works-in-progress. Such inefficient operations inevitably raise our costs and lead to a wastage of production facilities, which is as undesirable as idle plant and equipment, even though this may not be equally evident.

Discussions are in progress with Government regarding the continuance of manufacture of steam locomotives after the current order for 325 units which will be completed during the latter half of 1966. We have brought to the notice of the Railway Board that the new projects which we have undertaken are very high up on the list of foreign exchange savers and the increase in their output and the rapid growth in their indigenous content is dependent on the availability of the skilled men and machines to be progressively released by the reduction in locomotive production. We have drawn their attention to the fact that further large scale investment by the Railways in obsolete motive power such as the steam locomotive, which in any case will have to be prematurely retired, is not calculated to solve the nation's transport problem. We are pursuing this matter with Government.

In Jamshedpur, as in most of India, industrial production has been hampered by power shortages. The Company's Foundries Division has been particularly affected; frequent furnace shut downs due to power cuts have limited the tonnage of both the foundries to about the same levels as during the previous year. It is to be hoped that the additional power to be generated by a number of Government projects in eastern India will become available according to schedule so that the crippling effects of such shortages on industrial production can be avoided.

The installation in the Alloy Iron Foundry of the new equipment ordered from the U.S.A. under the A.I.D. loan will greatly increase its capacity and further improve its efficiency. Some of the latest techniques and processes of foundry practice are being introduced and it is confidently expected that the performance and quality of the foundry products will compare favourably with those of automobile foundries in other parts of the world.

New Projects

The execution of the projects undertaken recently and the implementation of our expansion programmes have fully extended our financial and managerial resources. Your Directors, therefore, consider as inadvisable at this stage any new venture which might detract from the major task to which we are fully committed. An exception has, however, been made in regard to a plant which we propose to set up with the technical collaboration of a German firm for the production of press tools, dies and production devices needed in increasing quantities by the repetitive engineering industry. Such an operation apart from saving and earning foreign exchange, will result in the development of those priceless assets—the skills and techniques required for designing and producing various types of production devices. This is a specialised field in which a beginning has scarcely been made in India, but one which forms an essential element in the country's engineering industry.

The Government of India have granted to the Company a licence to

establish such a plant. Though the location of the project has not yet been finalised, negotiations are in progress for securing suitable land in the Poona region.

Labour and Personnel

During the past years I have referred to one of our most important though intangible asset—our engineers, administrators and craftsmen. The attention that we have paid to the training and development of our personnel resources constitutes the principal assurance of our future vigorous growth. We have now over 700 persons on the Company's rolls who have obtained one or more University degrees in a wide range of technical, commercial and other subjects. The number of our engineering graduates exceeds 400, apart from over 1300 employees who hold engineering or technical diplomas and certificates. These constitute an asset that we must maintain and develop with as much care as we devote to our plant and equipment. It will continue to be the Company's policy to provide adequate compensation to its employees and to keep the avenues of promotion open for those who prove their ability to undertake greater responsibilities.

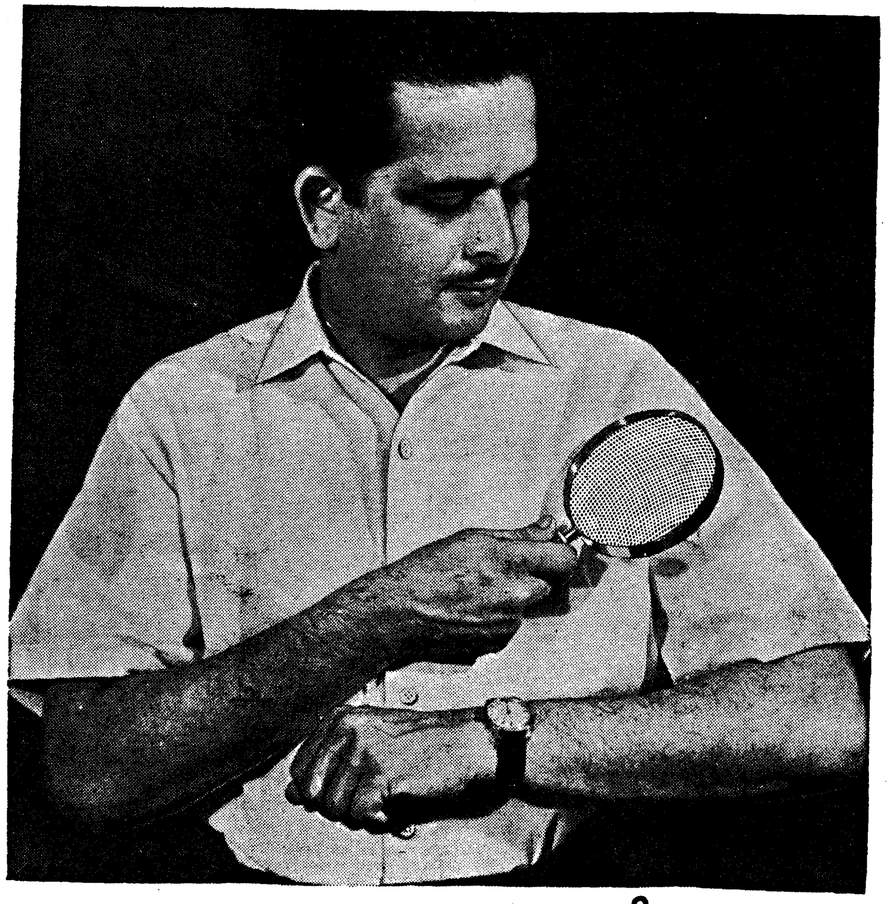
Our growth and expansion will continue to demand an increasing number of skilled and qualified personnel. The pool of trained and experienced men in the country is strictly limited and in view of our increased demand we shall need to establish in due course additional facilities for their training and development. Towards the end of the year under review there were under training at the Telco Works 473 trade apprentices and 125 graduate engineers and supervisors.

The labour situation at the Works continues to be satisfactory. There were no strikes and other disturbances to production during the year under review, although during May this year there was a stoppage of work in the Rear Axle Section of the Automobile Division resulting in a loss of 13,901 man-hours.

Your Company is taking active steps to build up a co-operative relationship with the recognised Union so that the productivity of our labour can increase and emoluments and conditions of work improve.

In conslusion, on behalf of the Directors and on your behalf, I would like to express my thanks to the Company's workers and staff for the results achieved during the year in the face of so many difficulties, only some of which I have mentioned.

Note: This does not purport to be a record of the proceedings of the Annual General Meeting.



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OIL INDIA LIMITED

(A 50 : 50 Cooperative Enterprise of the Government of India and The Burmah Oil Company for Prospecting, Drilling, Production Transport of Crude Oil from Upper Assam to Refineries in Gauhati, Assam and Barauni, Bihar)

STATEMENT OF THE CHAIRMAN SHRI KHANDUBHAI K. DESAI, M.P., TO THE SHAREHOLDERS ON THE OCCASION OF THE FOURTH ANNUAL GENERAL MEETING OF THE COMPANY HELD ON FRIDAY, 21ST JUNE, 1963. AT DULIAJAN, UPPER ASSAM.

GENTLEMEN: I have pleasure in presenting to you the Report of the Directors, and the Annual Accounts of the Company for the year 1962. Owing to certain restrictions imposed under the emergency, I regret that it has not been possible to circulate these Reports as usual.

GENERAL: 
The past year has been a most eventful one for our country due to the Chinese Aggression and their attacks on our NEFA border in October. This event has had its repercussions, both directly and indirectly on Oil India. Our oilfields are situated in the North-East corner of Assam. At the height of the emergency last year it became necessary to make arrangements for evacuation of the families of our personnel from the oilfields. I am glad to say that this was done smoothly and efficiently and within the shortest possible time. Subsequently, it has been possible to allow the families to return to their homes. Our staff, however, stuck to their posts through the period, and carried on with the motto "business as usual". I would like to pay here my tribute to the staff—labour, clerical and executve for the spirit of constancy they showed throughout.

Security precautions due to the emergency required, however, a certain diversion of our resources, and this has resulted in some slowing down of operations and of our construction works.

In a wider sphere the Chinese Aggression has highlighted the need to maximise our production of petroleum products both to save foreign exchange and as a vital necessity of our defence effort. As far as the Eastern area is concerned, steps are being taken by the Government of India to expand the capacity of Barauni and Gauhati Refineries by 1966 so that the total production of refined products in this area including also the Digboi Refinery could be increased to over 4½ million tons. Naturally Oil India would have to make every effort to increase the production potential of crude oil both in our existing oilfields as well as in the new areas for which we have been granted exploration licences in order to meet as much as possible of these increased requirements. The Oil and Natural Gas Commission will be making a similar effort in their own areas in Assam.

I would now like to refer particularly to some of the highlights which marked our activities during the past year.

ROYALTY & EXPLORATION: 
I am happy to say that the dispute regarding Royalty has been satisfactorily settled with the Prime Minister's award last November, which fixed this at a rate of Rs. 7.50 per ton and Oil India is now paying royalty on this basis. Soon after, we also obtained our prospecting licence for 1291 sq. miles in Area 'A'. Another application for exploration licence of 595 sq. miles is now pending before the authorities concerned. Arrangements for starting a seismic survey in the former area were taken in hand immediately, but this had to be postponed due to the Emergency. However, early in 1963, we decided to speed up the survey work and for this purpose, we were fortunate in obtaining the services of a seismic team from the Oil & Natural Gas Commission. The seismic survey started in March, 1963 and a considerable amount of work has already been done. Needless to say in the light of the latest requirements, these operations including drilling of test wells will have to be carried out on the most intensive scale possible and this question is now engaging the Management's attention. I would like here to express my thanks to the Oil & Natural Gas Commission and the Ministry of Mines & Fuel for their assistance in making this survey party available and also express our appreciation of the very good work done by the seismic team in this relatively short period.

OILFIELD OPERATIONS: 
Last year, 25 wells were drilled of which 19 were oil producers, 2 dry and 4 await further testing. Our progress in drilling was somewhat delayed, partly because of troubles in land acquisition during the middle of the year and later on with the slowing down of certain operations necessitated by the emergency. Owing largely to the assistance and cooperation given to us by the Assam Government and the local authorities, we were able to overcome the difficulties in regard to land acquisition and the work is now going on unhampered.

Oil India can claim credit for two "firsts" in our drilling programme. Recently we adopted the new technique of "Dual Completion" which would enable simultaneous production from two horizons in the same well. This is still more or less in an experimental stage though we have successfully drilled one dual well and the second one is in progress. Another new technique which OIL adopted is directional (deviated) drilling in order to tap oil resources under the bed of the Burhi Dihing river; and up to date we have successfully completed three wells through this method. This is the first time these techniques in oil drilling are being employed in India.

CRUDE CONDITIONING PLANT: Another major achievement of this year was the completion of the Crude Conditioning Plant in Nahorkatiya, the first one of its kind in any part of the world. The plant has been brought into commission from February, 1963, and conditioned crude is now being supplied to the Gauhati Refinery. A similar plant is under construction in Moran.

PIPELINES: 
The 16" sector of our pipeline was put into commission in March, 1962, and has been supplying crude continuously to the Gauhati Refinery. I am glad to say that the 14" sector is also now ready for commissioning with the completion of hydraulic testing in February, 1963. Actually this testing would have been completed even earlier, but was delayed due to a number of pipe failures which had to be rectified.

The 720 mile long pipeline connecting the oilfields in Nahorkatiya and Moran with the Government Refineries is now ready and supplies to the Barauni Refinery can start as soon as required. The final tele-communication facilities are expected to be completed by October, 1963, but sufficient facilities have been installed already to enable the pipeline to be commissioned and operated manually. The Burmah Oil Company (Pipe lines) Limited, which superintended the design and construction of the work and the contractors who participated in this effort deserve to be congratulated on a difficult job well done.

FINANCE: 
In the financial sphere the outstanding event was the flotation of our Rs. 30 crores debenture issue to finance the rupee cost of the pipeline. This is the largest single debenture stock so far put on the Indian Market and I would like to take this opportunity of placing on record our deep appreciation for the keen interest and invaluable guidance given by the Reserve Bank of India and the State Bank of India in making this debenture issue a success. In addition, I would also like to thank all the many other financial and banking institutions who also gave assistance in the issue.

A second major event related to the conversion of our Sterling overdraft of £10 million with the Bank of Scotland to a medium term loan. Arrangements have now been finalised for raising these funds partly by loan from banking institutions; and partly by debentures floated in London by The Burmah Oil Company Limited, and this amount will now be granted as a direct loan from the Bank of Scotland to Oil India repayable over a period of 15 years.

I should likely to refer briefly to our Profit and Loss Account for this year. Owing to certain recurrent troubles in the Refinery the offtake of crude by Gauhati was much less than anticipated. The commissioning of Barauni Refinery has also been delayed and it is now expected that the first stage will go on stream only in October-December, 1963. The result has been a corresponding curtailment in our sales of crude oil, the total being only 5,50,000 tons. Our unit costs of production excluding drilling and development costs have improved, the figures being Rs. 8/- per ton in 1962 as compared to Rs. 13/- per ton in 1961. On the other hand with the commissioning of the first stage of our pipeline and the creation of further assets in our oilfields, we have to make a much larger provision for depreciation than last year. After taking into account the price adjustment under the Second Supplemental Agreement, providing for full depreciation for assessed properties and transferring last year's surplus to the profit and loss account, we have recommended a final dividend of Rs. 90/- per share for the year 1962. An interim dividend of Rs. 40/- was declared and paid in December, 1962, and the remaining Rs. 50/- is now being paid. The net return on equity for 1962 will thus be 6¾% after deducting dividend tax.

GAS: 
A Special Sub-Committee set up for this purpose, with the representatives of the Assam Government has made a study of the problems connected with the production and supply of gas from our oilfields to potential consumers and has made certain recommendations which are now being considered by your Board. It is expected, however, that the actual demand for gas will only develop in about 2 years time when the State Electricity Supply Board, and the Fertilizer Factory at Namrup commence production, along with the development of other industries in this area. Meanwhile we have begun to supply gas requirements to some of the surrounding tea gardens in Assam and we are also continuing to sell our gas to meet the requirements of the Assam Oil Company.

STAFF: 
The year 1962 was the first year in which Oil India directly employed its own staff and became a distinct and separate organisation. As from January 1st, 1962, we had taken on our own pay rolls all the staff required who were hitherto employees of the Assam Oil Company Limited although the Assam Oil Company will continue to render certain residuary services under a new services agreement which we have concluded with them. As you would gather from what I have said, the year has been marked for Oil India by some notable achievements and I would like to record here my appreciation to all the staff for the loyal services rendered and the good work done by all the employees of the Company, during the year. I would also like to thank my colleagues in the Board for their active assistance and cooperation on all occasions. In particular, I would like to mention Mr. J. C. Finlay, Managing Director and Shri P. Govindan Nair, Financial Director, who have worked most closely together to make this year a successful year for Oil India Limited. I also take this opportunity of expressing my thanks to the Ministry of Mines & Fuel and the Government of Assam for their valuable assistance.

STATE WAREHOUSING OF FARM PRODUCE IN INDIA

By V. N. Hoon

ONE of the recommendations of the Rural Credit Survey Committee was the setting up of a chain of well-built, modern warehouses in the country, sponsored by the Government, for the storing of agricultural produce.* The main ideas were firstly, to provide scientific storage at reasonable rates for the benefit of producers and others, thereby eliminating the large amount of wastage in *kacha kothas* and unsuitable mandi godowns; secondly, to arrange against the goods stored, credit facilities at low rates of interest, thereby enabling the producers to avoid the heavy charges made on the advances given by the *mandi* middle men, moneylenders and *arhatias*, and at the same time, increasing their staying power to obtain the best price for their produce; and thirdly, to encourage the methods of standardisation and marking of goods, which would facilitate market transactions by samples or by quality markings and thus help in improving and stabilising the market prices.

As a result of these recommendations, Parliament passed in 1956 the Agricultural Produce (Development and Warehousing) Corporations Act, 1956, by which three kinds of corporate bodies were set up—the National Co-operative Development and Warehousing Board, the Central Warehousing Corporation and the State Warehousing Corporations—the former two with their head offices in New Delhi and one State warehousing corporation in each State.

Work-a-Day Difficulties

The Act which had set up these corporate bodies with a number of identical functions, was found to create difficulties in practical working as it related to warehousing and also the co-operative sector. The seeking of approval of the Board to the Central Corporation's programme of work and its Budget and estimates was cumbersome and rather superfluous as many members of the Board were the members of the board of directors of the Corporation also. As long as the Board and the Central Corporation were under the Central Ministry of Food and Agriculture, with the Secretary of the Ministry, (Department of Food) as the chairman, their mutual functioning somehow went on. But with the setting up of the Ministry of Community Development and Co-operation and the Board going under that Ministry, the differences of opinion came to a head not only in the plan and pace, but also in the areas of development. There was lack of co-ordination, for instance, in the allocation of centres at which the co-operative societies or the corporations could open their warehouses. The Central Government's share of 40 percent in the Central Corporation's capital was subscribed through the National Co-operative Board, which body had a predominant voice in the affairs of the Corporation. With the co-operative sector as its main concern, the Board naturally tended to view the affairs of the Corporation from its own standpoint. The Estimates Committee recognised the difficulty, but was not sure whether a separation of the Board from the corporations would achieve the necessary degree of integrated planning.

Eventually, however, there was a bifurcation, and as a result, the 1956 Act was replaced by two separate Acts in 1962—one relating to the Board as the National Co-operative Development Corporation, and the other, to the warehousing corporations. This was a definite improvement and some other alterations that had long been felt necessary in the old Act were also made. Mutual consultation between the Co-operative Board and the Central Corporation was, however, still necessary and for this, one member on the board of directors of the Corporation was provided to be nominated by the National Co-operative Development Corporation (as the Board was now called), and *vice versa* so as to ensure co-ordination in the expansion of warehousing activity, both in the co-operative and the corporate sectors. There will be no reason why this cannot now be achieved. The field for activity is country-wide, and there is ample scope for co-ordinated expansion in demarcated areas.

Development Plans

The Co-operative Board and the Central Warehousing Corporation had been formed in 1957, and by the end of 1959, practically all State warehousing corporations had also started functioning. They prepared their development plans for each five year plan period, having started practically in the middle of the second plan.

The Central Warehousing Corporation, in its existence of about three and a half years in the second plan period and two years in the third plan period, has done fairly well, considering the many difficulties it has had to encounter. In the second plan period, it advisedly went slow as it was a pioneering effort, and the producers, who are naturally conservative, and the others, had to be gradually weaned from the age-old practices of haphazard storage of produce in unsuitable godowns and shown the practical advantages of scientific storage and the other attendant facilities. It was a laborious and uphill task. The urge towards an ambitious programme of quickly constructing several large godowns was kept in check, and a modest start was made by opening about half a dozen warehouses in rented godowns at selected centres. The expansion in recent years has been rapid and the Corporation will very shortly reach the number of 90 warehouses of its own at different important centres, of which a small number is already located in its own well-constructed godowns. The constructions are designed to cater to the needs of the particular kind of commodities which are expected at particular centres. The State warehousing corporations, in their turn, likewise, started slowly on the same lines. They now have about 400 warehouses in their areas not covered by the Central Corporation.

Guarantees for Depositors

The Central Government guarantees the shareholders of the Central Corporation their capital and a minimum rate of dividend (at present 3½ percent), and the Central Corporation in turn guarantees the depositors or the lawful holders of the warehouse receipt any loss by fire, theft, etcetera, to their goods while in the custody of the warehouse. The persons who have taken advantage of the scheme so far are mostly the dealers who have readily recognised the advantages of scientific storage which keeps their produce safe, stacked properly in sound standard bags. They are also attracted by the advantage of drawing finances at cheap rates of interest against their stored goods from the banks. Greater publicity and effort are required for attracting the producers. The percentage of producer-depositors is so far low, but as the advantages of warehouse storage are being increasingly realised their number is slowly rising. The co-operative societies are also encouraged to bring their produce and a special rebate in the storage charge is allowed to them.

A warehouse receipt is issued to every depositor of goods in the warehouse, and it has been arranged with the State Bank and the other banks to give advances against the pledge of these receipts to their holders at very reasonable rates of interest. The Reserve Bank has allowed these advances outside the limits prescribed for foodgrains. The outstanding advances by the banks against the warehouse receipts at the end of March 1962 stood at over Rs. 9 crores, and have considerably gone up since then. The warehouse receipt is thus practically a negotiable instrument and is therefore, a very valuable document. It has now acquired considerable prestige in the market as a hallmark of correct produce (both as to quantity and quality) described in it, lying safely in scientific storage. The goods of each depositor are separately earmarked and further safeguarded by retaining marked and sealed samples for verification if the depositor or the holder of the receipt or the bank to whom the receipt has been hypothecated, so likes.

Targets and Achievements

The total combined targets, both of hired and constructed godowns, up to the end of the third plan period are for a capacity 1.3 million tons in 700 warehouses. As against these, the achievement up to date, both for the Central and the State corporations, is of over 550,000 tons in nearly 490 warehouses. Every effort is being made to increase the tonnage capacity by shifting the rented capacities into the Corporations' own constructed warehouses as these come up. The actual achievement cannot, therefore, be regarded as unsatisfactory; although, in the context of the country's total production of only foodgrains (which was about 79 million tons for 1961-62, and the surplus that could be stored for short and long periods), both the targets and the achievement are very inadequate indeed, even taking into account the Food Departments' godowns and the private godowns in the *mandies*. They but touch the fringe of the storage problem in India.

The Central Corporation has started making profits since the last two years, as also a few of the State corporations. But too much obsession with profit-making could rob the scheme of its benificence, and mar the enthusiasm required to carry out its objectives. It is not strictly a commercial venture, but is in the the nature of a public utility enterprise of a high order. However, when one talks of the so-called losses, one is apt to forget the invisible gains that these corporations give to the community. These are in the shape of servicing of the produce and saving of losses by deterioration from climatic conditions and bad storage and from rats, rodents and pests. So far, there has hardly been any complaint against deterioration of stocks in these warehouses.

Some of the difficulties which these Corporations had were those that a pioneering scheme of this type has inevitably to face, especially when interests of large numbers of wholesalers, dealers, middle men, commission agents and the *kacha kothawalas* are affected and seemingly jeopardised. Then there has been, and continues to be, a serious dearth of suitable and compact rented godown accommodation at reasonable rents, lack of suitable sites near the *mandis* for building godowns, and the proverbial government methods of red-tape and inertia in, for instance, expediting acquisition of sites. There has also been a serious short supply of building materials like steel and cement. Most of these difficulties, although real, are manmade and are capable of being overcome.

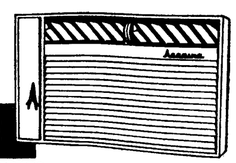
(To be continued)

* This is the first of a series of two articles.

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ASP/ACC—86

New Delhi

EQUIPMENT ORDERED FOR DURGAPUR EXPANSION

(FROM OUR NEW DELHI CORRESPONDENT)

SOME progress has been reported in placing firm orders for the expansion of the Durgapur steel works to 1.6 million tons a year capacity. The plant was originally designed and built to produce 1 million tons of steel a year by a British consortium, the Indian Steelworks Construction Company (I.S.C.O.N.). It was largely due to the co-ordinating work of this organisation that the Durgapur project has been spared the chaos which Hindustan Steel had to face at the Rourkela projects. Eventually, a co-ordinating agency had to be evolved for the expansion of the Rourkela steel plant. It has, therefore, been assumed that the Government will continue to use I.S.C.O.N. for co-ordinating the expansion work relating to the Durgapur steel mill, if at least 60 percent of the successful tenderers are members of the consortium. But it is not clear now whether the services of I.S.C.O.N. will be used, and if not, what other form of co-ordinating agency will be evolved for the expansion of the Durgapur steel works. The awarding of orders to non-members of I.S.C.O.N. has given rise to some apprehension. It may be added that the British Government, which has given credit for this expansion, has emphasised the need for a co-ordinating agency.

At least three orders have so far been placed with non-members of the consortium. These include the tender for the soaking pit won by Ofu-Lynx and that for the skelp mill won by another firm. Among member-firms, Head Wrightson will build the blast furnace and Wellman Smith Owen the steel-melting shop. The contract for the coke oven has gone to Coppee, a non-member, and not to Simon-Carves. Behind this decision lies an odd story of horse trading. Simon-Carves and Coppee, it is reported, were pitted against each other to reduce their quotations. Enquiries show that Hindustan Steel, which is responsible for the performance of the steel mill had originally recommended that Simon-Carves should build the coke oven as it had done earlier at Durgapur and elsewhere. The Ministry of Steel accepted this recommendation but, according to reports, it was vetoed by the Finance Minister himself. How the Finance Minister came into this purely technical matter, is not yet known. According to reports, the Finance Minister's main anxiety was to encourage a newcomer, namely Coppee, and thereby break the predominance of Simon-Carves.

Many ask whether it is fair to call tenders and then resort to horse-trading by telling one tenderer what the other has quoted. The practice, unless checked, will have far-reaching effects on the whole system of placing orders on the basis of global or regional tenders. The tenderers, knowing that they will have to reduce their quotations, will quote higher prices from the start. The practice is also detrimental to India's prestige. It is not a question of choosing one firm or another. It is a question of dealings as they are internationally understood. Such practices, if not given up, might have serious repercussions on the deal for the proposed Bokaro project.

There is yet another important matter. The orders for the expansion of the Durgapur plant have begun to be placed. It takes about 30 months from the date of placing an order to the commissioning of a new unit. On this basis, the expansion of the Durgapur Plant will not begin to bear fruit until 1965. By that time, the expanded Russian-built Bhilai steel mill may be in full production. And then, the Russians will be praised. In actual fact, the praise should go to the system under which there is only one supplier for the entire equipment. No tenders are invited and no haggling over prices is allowed.

FOREIGN INVESTMENT

Latin American Prospects

What is the attitude of U.S. companies towards investment in Latin America? Eighty companies responded last month to an exploratory *Vision* questionnaire sent to a representative group of major U.S. firms active in the Latin American field. The questions and answers are as follows:

What are the main stimulating factors today for your company's business in Latin America?

Economic growth 27; future potential 17; potential purchasing power eight; technological advance seven.

What are the main deterrents?

Political problems 39; economic problems 21; inflation 18; currency problems 14; import restrictions six.

Vision is a weekly magazine of New York, published in the Spanish and Portuguese languages.

INDIA

Climate for Foreign Capital

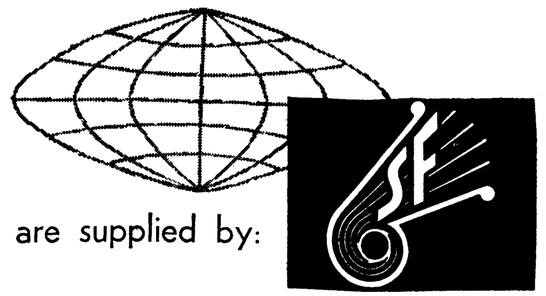
What is the climate for foreign investment in India? According to newspaper reports, the setback in capital issues noticed since the beginning of October 1962, continued during the quarter ended April-June 1963. As for the capital issues approved and actually floated in the market, two-thirds are quoted at or below par. Banks may not be able to meet industry's credit needs.

Newspapers have also reported a noticeable decline in the prices of stocks and shares. Side by side, labour costs and those of building materials have been increasing. Import restrictions continue to be as irksome as before. There are restrictions on remittances abroad. A monster petition for the nationalisation of banks, oil companies and the export trade is proposed to be presented to Parliament. There is political stability, but side by side, discontent in the ruling Party itself growing.

The reasons for the present state of affairs in the country are well known. They include high taxation, including the compulsory deposit scheme, the rising cost of living and the Government's gold policy, which have caused discontent. These partly explain why foreign collaboration cases have gone down, particularly since March this year. An entrepreneur may even tolerate procedural delays, however undesirable they may be. But a foreigner is hardly expected to invest his money in India if he is threatened with nationalisation, and if the return on

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Allyert. SF. 19

his investment is less than, say, in Africa.

The responsibility for the present state of affairs devolve on the Planning Commission which has refused to cut down the size of the plan, and on the Finance Minister, who instead of telling the Planning Commission how much money it can have after meeting the defence Budget, has placed unbearable burdens on the tax-payer in general and industries in particular. The Indian tax-payer can be made to pay whatever taxes are levied on him, but a foreign entrepreneur will be attracted to India only if there is the prospect of a reasonable return on his investment. The Federation of Indian Chambers of Commerce and Industry is blaming the wrong persons when it says that due to procedural delays, the rate of foreign collaborations has gone down in recent months.

PATENTS LAW

Changes Explained

The Government of India in a Press note says: "There seems to be a certain amount of misunderstanding about the purpose and effect of certain changes which have been made to the provisions of the Defence of India Rules in so far as they affect the Patents Law of the country. The object of the powers taken under the Defence of India Rules is not to extinguish the existing patent rights or to make them usable without appropriate compensation, but merely to ensure that in an emergency, there are no occasions for delay in production or scarcity supplies leading to exorbitant prices for essential items like drugs and medicines. So far, no such action has been taken under the Defence of India Rules in question. Similar emergency powers have been taken by different countries in times of war. The long-term policy concerning patents is a matter which is still under consideration, and will be the subject-matter of fresh regular legislation. Pending the introduction of such legislation, it has also been considered advisable not to register under the existing law any fresh patents in the field of drugs and medicines. This is also secured by the amendments that have been promulgated to the Defence of India Rules."

EXPORTS

Board of Trade Sets Targets

The Board of Trade, meeting in New Delhi last week "approved the target of Rs. 745 crores of exports" set for the current year. It has not, however, been disclosed how this target will be achieved. For, exports of Indian merchandise do not depend on the will and determination either of the Indian Government or even of Indian exporters. It solely depends on the purchasing power and the will of foreign consumers. This again depends on competitive prices, quality and delivery of Indian exports. A target, say, of "X" million lbs of tea, is fixed on the assumption that tea would become duty free and the present taxes on coffee would remain intact. The target would not be reached, if tea did not become duty free, or along with tea, coffee also became duty free. In other words, the high-sounding declaration that the Board of Trade has approved the target of Rs. 745 crores for the current year has little practical significance beyond that it expects exporters to make further efforts.

Reviewing the exports countrywise, the Board has favoured more concentrated efforts towards expanding exports to the major trading countries, namely, the U.K., the U.S.A., western Europe, east European countries, Australia, Canada and Japan. Along with this individual attention should also be paid to the countries of south east Asia and Africa where India has the advantage of proximity.

The Board noted with satisfaction the Government's resolutions constituting a marketing development fund of Rs. 3.8 crores and the appointment of a three-man high-powered committee to administer this fund. The marketing development fund would also give preferential assistance to exporters and export houses dealing with south east Asian and African countries. In this connection, the Board welcomed the recent agreements the Government has entered into with Ceylon, Burma, Indonesia, Iraq, Iran, Jordan, U.A.R. and other countries of west Asia. The Board also recommended that the Government should arrange at an early date a conference in New Delhi of Indian Government commercial counsellors and trade representatives in African countries to hold discussions with Indian exporters who have specialised in trade with Africa, with a view to devising means for a rapid expansion of trade with that region.

IRON ORE

Exports at A Loss

The chairman of the State Trading Corporation, Mr. Govind Narain, told a news Conference last week that 1963-64 would be the first year in which iron ore exports were likely to be made at a loss although the volume of exports was expected to reach a new high. Mr. Narain said that since the State Trading Corporation came into being in 1956-57, both the volume and value of iron ore exports had steadily risen until the trade came up against the present difficulties.

India's largest buyer of iron ore was Japan, which accounted for more than 50 percent. This position was likely to continue, and India had to appreciate the position of Japan, he said.

Explaining the revised terms of the contract with Japan, Mr. Narain said that in the beginning of 1963, Japan experienced a recession in steel as production outpaced sales. Although that country was in the last year of a three-year contract with India, it had difficulties in buying any more iron ore. India could insist on the contractual payment of 81s a ton of basic grade only at the risk of damaging future export prospects. Under the terms of a fresh agreement, India accepted the price of 74s. This was not bad considering that the Japanese buyers had had sellers offering them a price of 60s a ton of basic grade iron ore.

Mr. Narain said that the chief among the State Trading Corporation's problems was inadequate loading capacity at the ports. No port in India could take more than 10,000-ton ore-carriers except Madras, which could handle 15,000-ton carriers. In Madras, the best area in India, the maximum loading rate was 2,000 tons a day.

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INDUSTRIAL ADVISORY COUNCIL

Central Body Reconstituted

The Central Advisory Council of Industries has been reconstituted with the Central Minister of Commerce and Industry as chairman and 25 members representing industrial owners, employees, consumers and producers. The new Council will function for two years from the 5th July, 1963. The owners' interests are represented by Mr. Bharat Ram, president, Federation of the Indian Chambers of Commerce and Industry, Mr. A. R. Foster, president, Associated Chambers of Commerce of India; Mr. J. R. D. Tata, Bombay; Mr. K. K. Birla, Calcutta; Mr. K. Mahindra, Bombay, Mr. Arvind N. Mafatlal, Bombay; Mr. S. L. Kirloskar, Poona; Mr. T. S. Krishna, Madurai; Mr. B. V. D. Menon, Kalamasseri, Kerala; Mr. Neville N. Wadia, Bombay; Mr. Abhijit Sen, Calcutta; Mr. V. S. Kudva, Mangalore; Mr. K. C. Maitra, Bombay; Mr. N. M. Wagle, Bombay; J. V. Jardine Paterson, chairman, Indian Jute Mills Association, Calcutta; Mr. N. B. Prasad, Secunderabad.

Mr. S. R. Vasavada, general secretary, Indian National Trade Union Congress; Mr. Michael John, vice-president, I.N.T.U.C.; Mr. Manohar Kotwal, general secretary, Hind Mazdoor Sabha and Mr. K. G. Srivastava, secretary, All India Trade Union Congress, represent employees. Mr. M. P. Bhargava, M.P., Agra; Shrimati Raksha Saran, New Delhi and Mr. P. R. Ramakrishnan, M.P., Madras, are the representatives of consumers. Dr. A. Ramaswamy Mudaliar and Mr. N. Mahalingam, Pollachi, represent producers.

FOOD STORAGE

U.S. Loan for New Godowns

The U.S. Government has extended a grant of Rs. 1.8 crores to the Government of India from P.L. 480 rupee counterpart funds for the construction of 90 foodgrain storage godowns in different parts of the country. These godowns will have a total capacity of 1.8 million tons, and are being financed entirely by the United States. Last year, the U.S. Government granted Rs. 10.3 crores for this project. The third plan calls for doubling the existing foodgrain storage capacity to 5 million tons.

In addition to this rupee grant, the U.S. has already financed the import of two silo-*cum*-elevators, 50 prefabricated godowns and equipment for experimenting with new techniques of foodgrain storage. The silos are located in Hapur, Uttar Pradesh, and Calcutta. The Agency for International Development mission has also made available to the Government of India the services of a number of American technicians.

AGRICULTURE

Swiss Aid for Kerala Project

On the basis of a bilateral technical co-operation programme, the Federal Council of Switzerland has decided to grant a sum of 1,640,000 Swiss francs (Rs. 17.876 lakhs) covering the first phase of three years of an agricultural development project in Kerala. The present agreement covers only the first stage. The second stage can be taken into consideration if the first is successful. The first stage covers a pilot plant on Government land of about 500 acres in Munnar.

The commitments for the Munnar pilot plant will cover: (1) construction of a fodder station to explore the soil and to determine the most suitable kinds of grass seeds; (2) construction of a veterinary and sperm station for artificial insemination and the combat epidemics and parasites; and (3) construction of two cattle breeding farms, of 50 units each, to start cross-breeding experiments.

In addition, training courses will be held for agricultural advisers in Kerala in cattle breeding and fodder production. Preparatory experiments will be carried out at Peermade, about 1,000 meters above sea-level, for the second enlargement stage.

OVERSEAS BROADCASTING

U.S. Transmitter for A.I.R.

The Ministry of Information and Broadcasting last week announced the signing of an agreement under which the Government of India will purchase from the U.S. Government a powerful transmitter. All India Radio proposes to install the transmitter in the Calcutta region with a view to improving the signal and coverage of its external services to south east Asia. Payment for the transmitter and ancillary equipment with a total value of approximately Rs. 1 crore will be made in the form of airtime for relay of programmes by Voice of America to south east Asia. The actual time will be three hours during the optimum listening period.

E. C. A. F. E.

Economic Institute

Thirteen Asian countries and territories will jointly establish an Asian Institute of Economic Development and Planning in Bangkok. Its aim is to train Government officials who are responsible for the drafting and execution of national development plans. The Institute will be operated by the U.N. Economic Commission for Asia and the Far East (E.C.A.F.E.). The U.N. Special Fund will provide $2.4 million to finance the Institute, and the national Governments will contribute $1.1 million. Thailand, the host country, will pay the rent for the building where the Institute will be housed during the first five years. Thailand will also provide the land for the permanent building which is to be constructed later.

The first group of 30 students from all parts of Asia will arrive in Bangkok around the end of 1963. The number of students is to be increased to 40 in the second year and to 50 in the third year. Normally, the training courses will last nine months; however, it is also planned to hold short courses of not more than three months. The latter are to deal with specific development problems.

NAMES AND DATES

The fifth annual general meeting of the Calcutta Management Association was held on 12th July. The following office-holders were elected: President: Mr. H. K. S. Lindsay (managing director, Metal Box); treasurer: Mr. P. K. Sen (controller of branches, United Bank). The new members elected to the executive committee of the Association for 1963-64 were: companies: the State Bank and Guest, Keen, Williams; individuals: Mr. Prem Pandhi (Metal Box) Mr. Bhaskar Mitter (Andrew Yule), Mr. A. K. Sen (Indian Oxygen) and Dr. Ram S. Tarneja (Sahujain Services).



London

SYMBOLS TO REPLACE SIGNS ON ROADS IN BRITAIN

(FROM OUR LONDON CORRESPONDENT)

AFTER more than half a century of insularity in the signposting of her roads, continental-type traffic signs, using symbols, are to be introduced in Britain. This is one of the chief aims of the Traffic Signs Committee, which, under the chairmanship of Sir Walter Warboys, has been sitting for the past two years to review the whole incidence of road signs. The report has just been issued, and Mr. Marples, the Minister of Transport, has announced that its recommendations have been accepted in general by the Government. The Warboys Committee has recommended "radical and urgent modernisation" of the bulk of Britain's road signs and their replacement by the continental pattern, based on the protocol drawn up after the United Nations World Conference on Road Transport in 1949.

The main feature of the 1949 protocol signs is that, wherever possible, they use symbols instead of words. The Committee examined four other systems: American (which uses mostly words); African (largely based on the present British system); an international compromise between these and the European pattern, drawn up in 1953; and the present British system with enlarged signs. The system they have selected has been adopted by some 30 countries, including most of those in Europe. The Committee's main criticisms of present U.K. signs are:

(1) Roadside signs are too small to be readily recognisable and easily read by drivers travelling at normal speed.

(2) They do not have a simple, integrated appearance.

(3) The more important signs are not readily distinguishable from the less important at long range.

(4) They are often not effective at night.

(5) They are different from those used on the continent and only those who read English can fully understand them.

(6) They are often mounted too high, particularly in rural areas.

(7) They are often badly sited in relation to junction.

(8) There is insufficient continuity of place names on direction indicators.

The report states that madatory and prohibitory signs should be changed first, and that the aim should be to make the changeover uniform within two years. There would have to be an intensive publicity campaign.

The signs proposed, with some slight variations from the protocol list (for example, the list does not include a sign for a hump-backed bridge), have been designed by Mr. Jock Kinneir, who prepared the motorway sign system.

They include a "give way" sign to replace "slow, major road ahead"; the exclamation mark in a triangle, familiar to continental holiday-makers, which indicates an unspecified hazard", and minimum speed limit signs (white letters in a blue background) in case the powers given to the Ministry in the Road Traffic Act, 1962, should be used. The "halt" sign is replaced by the continental version, "stop", in an inverted red triangle. The new signs include many changes like arrows and crosses instead of such written instructions as "Kep Lft" and "No Right Turn."

Primary Routes

One of the Committee's main recommendations is the introduction of a system of primary routes. These would comprise main road routes between important centres, and would be clearly distinguished by the colour of their directional signs from other roads. Route indication signs will also be replaced. From primary routes—a new pattern of which is now being worked out by the Ministry—signs will be dark green, with white lettering for place names and yellow for road numbers.

Where minor roads join the new primary route system, "give way" signs and a new pattern of lines on the road will warn the driver on the minor road to take care. Thus, the primary routes will have priority over all traversing roads. The suggestions for road direction indicators include lower case lettering with initial capitals, because the Committee thinks its outline more familiar to the reading eye, and because it has advantages when site conditions restrict the width of sign.

The report suggests that road indication signs should, where possible, give a driver an idea of the shape of the junction ahead and the width of the roads. Since half the serious accidents on roads occur at or near junctions, the Committee recommends that minor and major roads should be clearly distinguished by new and emphatic carriageway markings at the mouths of minor roads, in addition to the "give way" or "stop" sign. The report regards the change as "a positive investment in road safety and better traffic flow," and would yield "appreciable economic dividends."

Roughly one and a half million signs will have to be replaced, and Sir Walter Warboys, the chairman of the Committee which drew up the report, said that he had allowed five years to complete the change-over because of the limited size of the sign-making industry. The cost, about £22 million, will be shared between the Ministry and local authorities in the proportion 60:40. The Secretary of State for Scotland is also in general agreement with the report.

A few days later, the Minister of Transport opened a demanstration of the new road signs produced by the Warboys Committee in Birmingham, and suggested that greater standardisation of signs throughout Europe might follow the Committee's report. Mr. Marples said he believed there were a good many new ideas and designs in the report in which other countries might be interested, and he was sending a copy of the report to all the Transport Ministers in Europe.

The Birmingham demonstration, which comprises 25 warning signs and 115 directional signs, along the A34 the main road into the city from Stratford-on-Avon and the Southeast, is the only one actually on the road at the moment. "The new directional signs are not only much better and clearer, but they introduce a new principle, which is to differentiate by coloured signs the best roads, other than motorways, from all others. The object is to help drivers, especially those on longer journeys. "When they use these primary routes, they will also be rely on being protected by 'stop' signs or by 'give way' signs from vehicles entering from side roads. Thus, our primary routes will have both continuity (going round city centres if they can, otherwise through them) and protection so that they become, in effect, priority routes."

The Noise Problem

Less welcoming has been the Government's reception of the report of the Committee under the chairmanship of Sir Alan Wilson, F.R.S., appointed by Lord Hailsham in April 1960, "to examine the nature, sources, and effects of the problem of noise and to advise what measures can be taken to mitigate it." The Government has accepted those recommendation on the need for more research, for spreading the results of research more widely, and for making the public aware of the need to avoid unnecessary noise, but has rejected the positive recommendation that grants be paid towards the cost of improving sound insulation of houses near London Airport "where aircraft noise is unreasonably high" and will take no decision on others requiring legislation if accepted, though meantime, it has undertaken to consult local authorities concerning them. Among the Committee's recommendations are:

Change in law: Local authorities should have power to serve an abatement notice where they are satisfied that a noise nuisance is likely to recur; they and the courts should be encouraged to deal with nuisance cases as quickly as possible; and there should be substantial increases in both maximum initial penalties and the maximum daily fines under the Noise Abatement Act. If noise caused by thoughtlessness and irresponsible behaviour is not reduced, consideration should be given to general legislation making it an offence for anyone in a public place to make unnecessary noise which might give reasonable cause for annoyance to other persons.

In towns: Deliveries of household stores and removal of garbage could be made quieter if containers were made of plastic rather than metal. Traffic should be canalised as far as possible into a number of main roads which, between them, would form a network through the town.

In buildings: 55dBA (decibels on the A scale) should be the upper limit to be tolerated in buildings in which communication by speech is of importance; with double-glazing on windows as a recommended method of noise reduction.

Motor-vehicles: Use of motor horns should be forbidden at all times in built-up areas except when necessary to avoid danger. Legislation should be introduced to provide that one year from the date of enactment, new vehicles should be so designed and constructed that their noise levels do not exceed 90dBA (motor-cycles) and 85dBA (other vehicles).

Railways: Recommended changes in the law would remove altogether the present exemption of railways authorities from proceedings of noise nuisance.

Hovercraft: Criteria for control of noise should be introduced as soon as possible.

Aircraft: It is recommended that the present day time noise limits for take-off should be progressively lowered proportionate to the increase in aircraft movement. Similar limits should be introduced for landings. Criteria should be established before any substantial increase in the use of helicopters or vertical take off aircraft over cities is permotted.

Industry: Planning authorities should consult the public health authority when considering applications for new factories. Noisy processes should be registered with a Minister whose inspectors would keep a check on sound levels.

Building sites: Contractors and local authorities should be encouraged to use enclosure for pneumatic drills, and all internal combustion engines used as prime movers should have efficient silencers. The noise from building sites between 7 a.m. and 7 p.m. should not exceed the level at which conversation in the nearest building would be too difficult with the windows shut.

Entertainment and advertising: More detailed restrictions on the use of icecream vendors' chimes should be introduced. Permission should required to hold motor-cycle scrambles, and pleasure fairs where annoyance may be caused.

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Jute

SPECIAL FUND TO IMPROVE QUALITY AND YIELD

TO encourage growers to improve the quality and yield of jute, the Government of India has decided to set up a special development fund of about Rs. 4 crores. Dr. Ram Subhag Singh, Central Minister for Agriculture, said in Patna during the weekend that it was proposed to concentrate on intensive development work in the four major jute-growing States of Assam, West Bengal, Bihar and Orissa. The programme includes extension of acreage, distribution of fertilisers and better seeds, and the provision of retting facilities. Dr. Singh confirmed that the Government had sought the co-operation of the Central Marketing and Inspection Bureau, the Indian Standards Institution and the Indian Central Jute Committee to introduce a uniform gradation of jute on the basis of quality. Scientific classification and sorting should help the growers to get a better price for the fibre. The I.C.J.C. and the I.J.M.A. have already done valuable work in this sphere.

The I.J.M.A. Programme

The I.J.M.A.'s programme of intensive cultivation with the help of improved seeds, fertilisers and better equipment in compact blocks has yielded good results in U.P., Assam, Bihar, West Bengal and Orissa. There has been a perceptible increase in the average yield an acre from 2.6 maunds to 3 maunds. So it has been decided to extend the scheme to some compact areas in Andhra Pradesh. The Jute Development Wing of the I.J.M.A. has succeeded in growing improved seeds in dry areas in Bihar and U.P. It distributed 1,000 maunds of such seeds last year. The target has been increased to 5,000 maunds for 1964-65. As Purnea used to supply seeds of inferior quality to the growing areas in north-eastern India, better seeds have been distributed at a subsidised rate from centres in Bihar. It is proposed to distribute the improved strains more extensively in this area. Pakistan, it is reported, has also commenced seed-growing experiments in Hyderabad (Sind) and in certain areas in West Pakistan.

Fall in Jute Goods Output

Working at the maximum level for 194 hours in June, against 216 hours during the previous month the mills reporting to the I.J.M.A and two non-member mills together produced 100,300 tonnes of jute goods against 104,900 tonnes in May. The output of hessian declined by 2,200 tonnes to 41,500 tonnes and that of sacking by 2,400 tonnes to 40,000 tonnes; the production of miscellaneous goods remained unchanged at 18,800 tonnes. In June 1962, the mills worked for 200 hours, producing 97,800 tonnes. Of this 37,600 tonnes were hessian, 46,000 tonnes sacking and 14,200 tonnes other goods.

Setback in U.S Consumption

A further setback in U.S. burlap consumption has been reported, the fall being from 76.2 million yards in May to 68.8 million yards in June. The latter figure, however, compares favourably with the total of 61 million yards for June 1962. The fall has had a bearish effect. Enquiries and business from the U.S.A. have decreased recently. It seems that buyers in that country are waiting for a further decline in prices U.S. burlap consumption during January-June this year totals 463.7 million yards, compared with 443.7 million yards in the corresponding period of 1962. The monthly averages are 77.3 million yards and 73.95 million yards, respectively. U.S. burlap stocks at the end of June have fallen to 295.9 million yards from 296.5 million yards at the end of May. At the June level of consumption, they will last for 4.3 months. At this time last year, the stock duration was 4.27 months on the same basis.

Decline in Gunny Exports

An I.J.M.A. statement shows that gunny exports from Calcutta have declined from 89,161 tonnes in May to 79,591 tonnes in June 1963. Hessian offtake has risen from 49,257 tonnes to 52,697 tonnes. But sacking exports have fallen sharply from 23,574 tonnes to 19,111 tonnes and exports of miscellaneous goods from 16,330 tonnes to 7,801 tonnes. Exports during April 1963 were slightly lower than in June. The total was 79,068 tonnes, comprising 52,153 tonnes of hessian, 20,583 tonnes of sacking and 6,332 tonnes of other goods.

The I.J.M.A. statistics for the 11-month period ended May 1963 show a 15.7 percent increase to 800,400 tonnes, from 690,900 tonnes for the corresponding period of 1961-62. Of this, hessian rose by 24.9 percent from 340,800 tonnes to 426,000 tonnes, and miscellaneous goods by 30.3 percent from 85,700 tonnes to 111,700 tonnes. Sacking offtake showed a small decline by 1 percent from 264,400 tonnes to 262,700 tonnes.

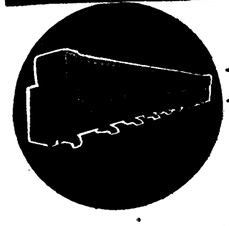
Rise in U.S. Hessian Offtake

Detailed figures available for the ten-month period ended April 1963 show that hessian offtake by the U.S.A. rose to 235,110 tonnes from 175,134 tonnes for the comparable period of 1961-62. Exports to Canada increased from 32,334 tonnes to 40,698 tonnes, to Argentina from 23,868 tonnes to 43,554 tonnes and to the rest of America from 12,750 tonnes to 17,034 tonnes. In Europe, shipments to the U.K. rose from 25,398 tonnes to 28,560 tonnes and to the Continent from 50,490 tonnes to 70,686 tonnes.

Exports of sacking increased to 250,206 tonnes from 230,214 tonnes. Supplies of heavy goods to Africa rose marginally from 77,112 tonnes to 77,826 tonnes, to the Far East from 28,968 tonnes to 32,028 tonnes and to the Middle East from 1,530 tonnes to 8,160 tonnes. In Europe, sacking supplies to the U.K. shrank from 7,344 tonnes to 5,814 tonnes, but offtake by the Continent rose from 18,054 tonnes to 24,072 tonnes. Shipments to Australia increased from 27,336 tonnes to 28,662 tonnes, but New Zealand's imports were 7,650 tonnes, against 9,894 tonnes.

Australian Complaints

Another complaint about split seams in the fertiliser sacks supplied by India has been made by the Australian Jute Goods Association. A random examination of various consignments of sacks received during a fortnight by a fertiliser manufacturing company revealed that supplies by two Indian mills showed faulty edge-sewing defects in 10.6 percent and 2.9 percent of the lots. In the case of supplies from two Pakistani



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mills, the proportions were 4.2 percent and 5.1 percent. Although the consignees have not claimed any damage for the defective lots, these complaints are harming the reputation of Indian goods in overseas markets. The consignors need to tighten up pre-shipment inspection.

THE JUTE MARKETS

Manufactured Goods: Opening on a subdued note, steady conditions gradually emerged in the gunny market towards the end of the past week. Lower levels and rumours of possible load-shedding on a large scale by the Calcutta Electric Supply Corporation put shorts on their guard. Scattered overseas enquiries came for small lots. Besides, there were rumours of some Government tenders. These revived the sagging market. The gunny stock figures for June issued by the I.J.M.A. removed fears about a possible sharp fall in offtake during the month. In fact, the entire output, although lower than in May, was despatched during June, which is generally considered to be a lean month. Better offtake during the week and more enquiries reinforced sentiment, which occasionally tended to sag due to the emergence of mills as keen sellers for all positions. Although the small decline in U.S. burlap consumption during June had a bearish effect on the trend, it seemed to have been offset by reports of fresh enquiries for hessian from the U.S.A. and a substantial Government tender. Business completed during the week included small hessian deals with the U.S.A. and Argentina, a woolpack order from Australia and an Indian Government tender for B Twills for ready and near-delivery positions. The futures market moved in sympathy with the spot goods market. Earlier during the week, prices nosedived on tired long liquidation and the hesitancy of bears to cover even at the low levels. But the trend was reversed towards the close when the spot market looked up and scattered covering helped prices close with small gains on balance. Turnover was moderate and the undertone steady at the close.

Wednesday's quotations were as follows:

	July	Aug.	Sept.	Oct.-Dec.	Jan.-March
40in. 7½oz.	34.60	34.80	34.60	34.60	34.45
40in. 8oz.	37.25	—	—	—	—
40in. 10oz.	47.75	47.60	47.35	46.90	46.50
B Twills	108.05	108.90	109.20	109.55	109.25
Cornsacks	110.80	111.75	112.00	112.25	111.75
Heavy Cees (Plain)	108.25	—	—	—	—
A Twills	132.50	132.50	132.50	133.00	132.50
Liverpools	122.75	122.75	122.75	123.00	122.75

Raw Jute: Dull conditions prevailed in the Calcutta raw jute market during the past week, although the Jute Commissioner's directive to the mills to lift a quota of 440,000 bales during July halted a further drift in the prices. Sentiment was affected by the low offtake by mills and reports of satisfactory crop conditions over a larger acreage. News of regular arrivals of the new crop in the upcountry markets induced selling pressure. From Saturday mills started buying against their quotas in the Calcutta and upcountry markets in selected grades for short and long delivery positions. Towards the close, sellers became hesitant to lower prices further. In the futures market, nominal transactions were reported in Upper Assam White Bottoms, September delivery, around the floor rate of Rs. 30 a maund. The turnover was moderate and the undertone steady at the close in the spot market.

Wednesday's quotations were as follows:

	Landed at Mills (Basis Bottoms) Current Prices		T.S.D. Minimum Prices	
	Rs. A Qtl.	Rs. A Md.	Rs. A Qtl.	Rs. A Md.
Assam-Agartala Jute	75.02	28.06	80.25	30.00
Northern Jute	73.68	27.50	79.04	29.50
Western Desal Jute	68.32	25.50	75.63	27.50
Selected Daisee	83.05	31.00	85.74	32.00
Assam-Agartala Tossa	80.38	30.00	83.05	31.00
Mesta: Assam-Northern	66.98	25.00	72.08	27.50
Local Daisee	66.98	25.00	72.34	27.00
Bihar Dist.	60.28	22.50	66.98	25.00

I.J.M.A. PRODUCTION FIGURES FOR JUNE

The Indian Jute Mills Association reports the production of jute goods in the month of June, as follows:

Description	Quantity
Gunny Bags	
(a) Hessian	
7,846 tonnes	(7,722 tons)
2,22,56 thousand metres	(2,42.4 lakh yds.)
1,77.1 lakh nos.	
(b) Sacking	
38,700 tonnes	(38,089 tons)
8,39.76 thousand metres	(9,18.4 lakh yds.)
3,92.5 lakh nos.	
Gunny Cloth	
(a) Hessian	
33,671 tonnes	(33,139 tons)
11,48,16 thousand metres	(12,55.6 lakh yds.)
(b) Sacking	
1,295 tonnes	(1,275 tons)
27,46 thousand metres	(30.0 lakh yds.)
Other Manufactures	
16,780 tonnes	(16,483 tons)
Total Production	
(All kinds)	
1,00,292 tonnes	(98,706 tons)

Summary

	June '63	May '63	June '62
	(000metres and 00,000 yds.)		
Hessian	13,70.79 (14,99)	14,39.11 (15,74)	12,45.94 (13,63)
Sacking	8,67.22 (9,48)	9,17.46 (10,03)	9,90.98 (10,84)
	(000 tonnes and tons)		
Hessian	41.5 (40.9)	43.7 (43.0)	37.6 (37.0)
Sacking	40.0 (39.3)	42.4 (41.7)	46.0 (45.3)
Others	18.8 (18.5)	18.8 (18.5)	14.2 (14.0)
Grand Total	1,00.3 (98.7)	1,04.9 (1,03.2)	97.8 (96.3)
Hours worked	194.0	216.0	200.0

N.B.—These statistics are based on replies received and represent all members of the Association and Gagalbhat with estimates for two non-member mills. The figures in brackets are in British units.

THE U.K. JUTE MARKETS

FIBRE EASIER

(FROM OUR DUNDEE CORRESPONDENT)

THE raw jute market was quiet in Pakistan, and offers made here tended easier. Shippers were very anxious for business, and although low prices were quoted in many instances, very little buying interest was shown by spinners. The fact that a considerable quantity of old crop jute is available both for shipment and ex-warehouse is not helping the position.

New crop offers were lowest at £124 10s for Mill Firsts, at £105 for Mill Lightnings, at £92 10s for Mill Hearts and at £78 10s for Grade Hearts, c.i.f. U.K. for August-September shipment. Grade Tossa-2/3 was available at £119 and Grade Tossa-4 at £106. Outport Tossa-2/3 ranged from £95 10s and Outport Tossa-4 from £85, September-October. There were sellers of new crop cuttings at £55 for S.N.C. and at £46 for N.C.

Named marks of old crop were available at £109 10s for Mill Lighnings, at £94 for Mill Hearts and at £77 10s for Grade Hearts. Grade Tossa-2/3 was at £119 10s and Grade Tossa-4 at 106 10s. Outport Tossa-2/3 was available at £93 10s and Outport Tossa-4 at £83 15s July-August.

The Siamese Jute market was quiet, and no alteration in prices took place. New crop grade A was offered at £1 10s and grade B at £66 10s, delivered mill Dundee for November-December shipment. The crop in Thailand was reported to be making satisfactory progress, and the possible yield in fibre should be in the region of 200,000 tons.

The Calcutta goods market was quiet and prices continued to fall. Quotations were at 71s for 40in. 10oz. and at 52s 3d for 7½oz. a 100 yards f.o.b. Calcutta for July shipment, at 71s 6d and 52s 6d August-September and at 70s 3d and 52s October-December. B Twills were at 165s, 166s 6d and 166s 9d for the respective shipment periods. A small business was taking place in imported goods here.

THE PAKISTANI JUTE MARKETS

FIBRE EXPORTS FALL

(FROM OUR DACCA CORRESPONDENT)

IT is interesting to note that finally, E.P.C. registrations for the season 1st July, 1962 to 30th June, 1963, total 3,843,447 bales, including 295,107 bales bought by India. During the previous season, the total was 4,886,548 bales, including 3,83,530 bales bought by India. If 900,000 and odd bales registered in June 1962, which should be deducted from the 1961-62 season and added to the 1962-63 figures, are taken into consideration, one finds that overseas buyers bought much more this season than in the previous one. Admittedly, much of this, possibly, as much as 150,000 bales, has still not yet been sold to the consumers. Nevertheless, the difference is large and reflects not so much an increased consumption as increased jute in store. That is to say, in 1961-62, overseas buyers bought hand to mouth, but this year, the large unsold position enabled them to replenish their stocks without raising the market, and also encouraged them to stock probably more than they have ever done before. This is not very encouraging for the baler, and is slightly offset by increased world consumption.

During the season which ended on 30th June, overseas buyers bought a total of 128,732 bales of mesta. This should not be added to the jute E.P.C. figures, because it is more than likely that it represents a shortfall of supplies from Siam.

The weather has continued to be favourable. Recent tours once again confirm that the quality prospect of the jat tossa crop is excellent. The quantity, in relation to white, will be even larger than expected. The northern and part of the district crop will also be fairly large, producing as usual little Dundee Tossa 2/3. There should, however, be a better proportion of Dundee Tossa 4 than last year. The hard district tossa crop, which produces better quality district tossa, has not prospered so well either in quantity or quality.

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Commodity Markets

CEYLON GAINS GROUND IN U.K. TEA MARKET

(BY A SPECIAL CORRESPONDENT)

IT has long been known that Ceylon teas have been gaining ground in the U.K. market at the expense of the Indian commodity. Last week's "London Note Book" by Mr. James Cowley has some interesting information to give. Mr. Cowley says, "Some chance words dropped at a Press conference held at India House by Mr. A. S. Bam, Chairman of the Indian Tea Board, led me to wonder what exactly British housewives get when they buy a packet of Indian tea. As none of my acquaintance has ever expressed a special liking for Ceylon tea, I sought an explanation of the seeming riddle from a knowledgeable Mincing Lane source. He confirmed that Ceylon's share of the U.K. tea trade was going up. Last year Ceylon shipped 176 million lbs to Britain, 17 million lbs more than in 1961 and 24 million lbs more than in 1960. (India's shipments last year were 270 million lbs.)

"Who drinks Ceylon tea anyway? The answer, which might surprise many British addicts, is, all of us. At least, a third of the contents of every quarter-pound packet of Indian tea we buy from our grocer came from Ceylon—or maybe from any one or more of a dozen sources ranging from Indonesia to Africa and beyond."

It is well known that since the second World War, Ceylon has made great progress with output and export of tea, but recently, the *Journal of the Ceylon Planters' Society* has struck a note of warning that looking at market trends, Ceylon will not be able to sell much of her conventional black tea in the coming 15 to 20 years. For world competition in tea is likely to be tough as African countries are planning to double their production every seven years and "our closest competitor, India, is having an ambitious programme of tea market expansion", the Journal says.

It states the only course of survival for the Ceylon tea trade, is to cater to the demands of tea consuming countries like the U.S.A. The remedy, according to this article, could be found in instant tea. If this is produced on a commercial scale, a market could be found in North American countries which alone would absorb 400 million lbs of black tea.

This last sentence appears to be wishful thinking since North American and Canadian imports are together much less than 400 million lbs.

In the last week's issue in these columns, this correspondent noted that the prospects of increasing India total exports in the near future appeared to be improving. When in Calcutta recently, Mr. Manubhai Shah, Central Minister for International Trade, gave assurance to the tea trade that the Government would give financial assistance for all sound propositions. Now from New Delhi comes news for tea and jute, together with tobacco, sugar, minerals and textiles.

As far as tea is concerned, the Board of Trade asked the tea associations and the Tea Board to submit a broad-based intensive replantation scheme for the next three years. It assured them that it would recommend to the Government some "built-in promotional and incentive assistance schemes" to make larger investments possible in quicker and well-planned replantation programmes. The Board emphasised that quicker replantation with new and better varieties was most important and should be given special attention.

It was also emphasised that the packaging of tea by competent firms already in the line and new firms with considerable experience of the tea trade should be encouraged, as also the marketing of small tea packets in selected countries, wherever such teas found larger and expanding markets.

Mr. Manubhai Shah is reported to have made a statement, which strikes one as curious. He said, "to the tea traders and planters there is no real barrier to tea promotion excepting the lack of determination to produce more." This correspondent, however, tries to keep sights on practical matters and there is no commonsense in producing too much of anything that cannot be made and sold at a profit. The present shortage in output from north India has again shown the importance of heeding the law of supply and demand.

London Auction Trends

Some 73,000 packages of tea were put up for sale at the Mincing Lane auctions last week. About half of this quantity was Ceylon tea. Improved interest was in evidence for the north Indian and other miscellaneous teas offered and prices for all descriptions, although showing some irregularity, generally tended dearer. There was a good demand for shipping space, and with north India's tea crop now coming forward, bookings will increase.

U.K. tea stocks last week showed a small decline at 140.4 million lbs, against 142.5 million lbs the previous week. The total afloat was given as 28 million lbs, of which only 5.4 million lbs was shipped from Calcutta.

Average prices recorded in London last week were 43.60d a lb, against 46.46d a year ago.

The crop from north India to the end of June was 103.74 million lbs, compared with 118.66 million lbs on the same date last year.

Price Support for Ginger Likely

(BY A SOUTH INDIAN CORRESPONDENT)

PROPOSALS are under way to extend the Central Government's price support scheme to the growers of ginger and sea island cotton. These crops are now grown mostly in Kerala, and their prices have fallen to levels uneconomic to their growers. The Government of Kerala has already taken up the matter with the Centre. It is understood from the State Government circles that the Centre is now examining the question of giving price support to these crops too.

Two other cash crops of Kerala, namely, cardamom and lemongrass oil, were recently brought under the price support scheme. Although the initial reaction was not encouraging, these commodities are now getting better prices. The Cardamom Development and Marketing Advisory Committee which met in Bangalore recently has recommended the following (minimum) prices for the cardamom crop of the new season beginning next month: grade 1 Rs. 20 a kilogram; grade 2 Rs. 18 a kilogram; grade 3 Rs. 16.50 a kilogram; grade 4 Rs. 14.50 a kilogram; grade 5 Rs. 13.50 a kilogram and grade 6 Rs. 10 a kilogram. In case the trade is not willing to lift the stocks at these prices, the growers can tender their stocks to the Government at these rates, which are expected to be approved by the Government. The Kerala Government is making arrangements to buy such stocks through the State Warehousing Corporation.

The State Trading Corporation has started buying lemongrass oil by opening depots at three centres—Cochin, Alwaye and Calicut. This is under the price support scheme. The minimum price fixed by the Go-

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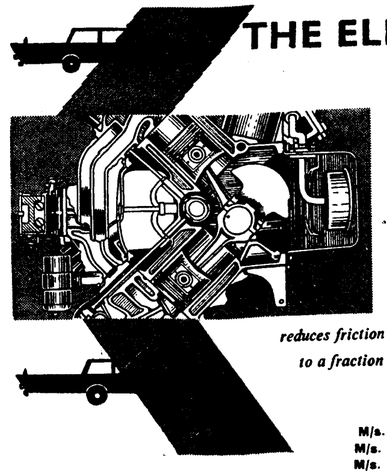
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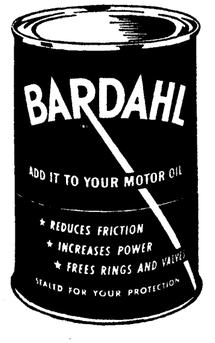
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vernment is Rs. 160 a 10 kilograms. With the entry of the S.T.C. into the market, lemongrass oil prices have started looking up. The private trade bought lemongrass oil last week-end at Rs. 137.50 a 10 kilograms, compared with Rs. 110 a 10 kilograms a week ago and Rs. 90 just before the Government intervened with its price support measure.

The regional manager of the S.T.C., Madras, has told the Press that the S.T.C. does not intend displacing the dealers and exporters of lemongrass oil who are already engaged in this trade. The S.T.C.'s rôle was limited to ensure that the producer, either through the traditional middle men or through the S.T.C., got the fair price even after allowing a marginal profit for the work of the middle man, wholesale dealer or exporter. The S.T.C. intends to function as an additional agency for procuring and exporting lemongrass oil rather than supplant the private trade in this field. It was officially stated that as on 2nd July, about 170 tons of lemongrass oil had been tendered at the S.T.C. depots by the dealers who could not sell them due to the slump in the market.

Rubber Replanting Scheme

The Kerala Government's ambitious rubber planting programme which was given pride of place in the third plan of the State will not reach anywhere near the target at the present rate of progress. The original scheme was to plant rubber in an area of 100,000 acres during the third plan period both in the public and private sectors, later revised to 650,000 acres. The target laid for the two Government-owned plantations was a total of 20,000 acres towards the end of the third plan. The most optimistic estimate at present is that it will be possible to plant 15,000 acres in the public sector. The Government has been encouraging rubber planting by making available Government lands to private individuals. This programme has been stifled by a dearth of land. It has not been possible to give more than 5,000 acres this way so far. A Government spokesman has said that unless and until the private forests in the Malabar area are taken over, the Government will not be able to do much in this field. In the Travancore-Cochin area, the availability of suitable lands with the Government is very limited. His estimate is that it may not be possible to distribute in all more than 15,000 acres to private individuals for rubber planting during the third plan period. Thus the total, both in the public and private sectors, will come to round about 30,000 acres.

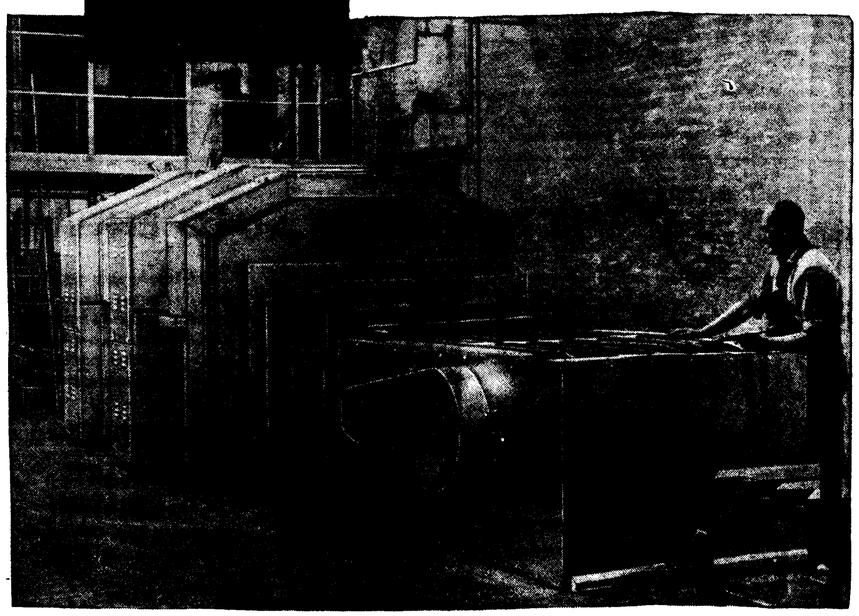
Mr. George John Ancheril, chairman of the Mundakayam Planters

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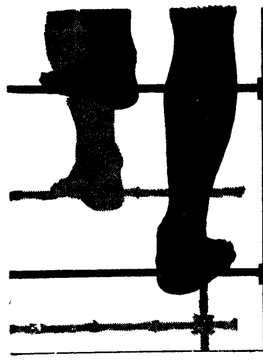
Association, told the annual general meeting of his association recently that the emergence of the synthetic rubber industry in India posed a "serious problem for the older, more conventional natural rubber industry of India". The rubber grower in the vast majority of cases was a small man and the rubber trees could not be hurried to mature and produce an economic yield with the same convenience or speed as a synthetic factory could be put up and its product brought to the market. The Barreily plant had just started production. Its capacity was originally fixed at 20,000 tons and has since been increased to 30,000 tons. The rubber growers did not know what facilities are being offered by the State and Central Governments for the supply of cheap power, power alcohol and such other concessions and what would be the eventual cost of production of synthetic rubber under these conditions, he said.

Continuing he said that the Government had repeatedly assured the planters of its policy of encouraging natural rubber development and exhorted the growers to take "full advantage" of the assistance offered or should ask for such assistance as they needed. The rubber products manufacturing industry is growing apace and its demand for raw rubber is now placed at over 300,000 tons within ten years. The rubber planting industry should be able to meet the major portion of the growing demand. Between 1950 and 1961, the area under rubber in India has gone up from 158,000 to 316,000 acres, a rate of growth unmatched by any other plantation crop. Much remains to be done, and producers are hoping that the past increase in acreage will begin to show results in heavier production during the coming years.

The chairman expressed the view that for a better future, planters have to cut down the existing poor-yielding rubber trees and to resort to replanting with high-yielding clones. The best procedure for achieving this objective, in his opinion, seems to be that the Government should assure the rubber growers that replanting subsidy will be open for a further period of at least 15 years. The small growers should be educated more on the benefits of replanting with high-yielding clones. Then alone would all the estates be able to do intensive tapping in the areas to be replanted and adopt a phased programme of replanting and expand with higher yielding varieties without visibily affecting normal progress in output, until the entire replanted areas begin to yield.

Aerial spraying of rubber trees against leaf diseases have become sufficiently popular, but the increasing cost might induce the estate owners to go back to the old system. It is said that when aerial spraying was introduced, the growers were given to understand that cost would go down as the acreage to be sprayed increased. But the experience this year has been that in spite of a substantial increase in acreage, the cost an acre has only increased. The cost has gone up from Rs. 50 an acre in 1961 to more than Rs. 65 an acre this year.

The Kerala Government has notified an amendment to the Agricultural Income Tax Rules to make an allowance for rehabilitation or replanting while computing agricultural income derived from rubber trees. The proposed allowance is Rs. 10 a 50 kilograms. The amendment would come into effect from 1st April retrospectively. This allowance is given by other States too.



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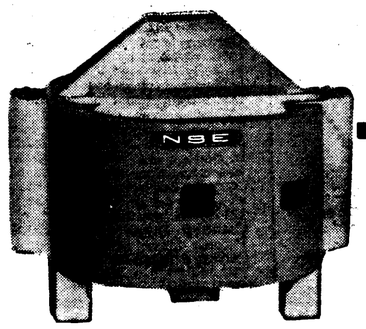
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COMPANY AND PUBLIC NOTICES

HOWRAH MILLS COMPANY, LIMITED

Notice of Annual General Meeting

NOTICE is hereby given that the One Hundred Thirty-eighth Annual General Meeting of the members of the abovenamed Company will be held at the Registered Office No. 4, Clive Row, Calcutta-1, on Wednesday, the fourteenth day of August, 1963 at 11-30 a.m. for the following purposes :—

1. To receive and consider the Audited Accounts for the year ended 31st March, 1963, the Balance Sheet as at that date and the Reports of the Board of Directors and Auditors thereon.
2. To declare dividends.
3. To appoint a Director in place of one retiring.
4. To appoint Auditors and to fix their remuneration.
5. **(As special business:** To consider and if thought fit to pass with or without modification the following resolution which will be proposed as a special resolution, viz:—

"That subject to the approval of the Central Government consent be and is hereby accorded to McLeod Russel & Company, Limited an associate of the managing agent as defined by section 2(3) of the Companies Act, 1956 and which maintains an office at 149, Leadenhall Street, London, E.C.3, England, for the purposes of its business of management and administration of several companies of which it is secretaries and agents, acting and continuing to act as agent with effect from the 1st March, 1964 until the 28th February, 1967 for the purchase in the United Kingdom and on the continent of Europe of goods from time to time required by the Company and to render services such as recruitment of technical personnel and execution of serious commissions entrusted to it from time to time by the Company at a remuneration by way of an allowance calculated at the rate of ten shillings per registered loom per annum on the Company's loomage registered with the Indian Jute Mills Association payable by quarterly instalments in arrear on the last working day of March, June, September and December of each year; provided that no further sums whether by way of reimbursement of expenses or otherwise be paid to it as such agent as aforesaid other than interest on the balance from time to time outstanding on current account at the rate of 5% per annum or such higher rate as may be agreed upon subject to a maximum rate of 2% above the State Bank of India Advance Rate; and provided further that such appointment may be terminated by either party giving the other not less than six months' previous notice in writing of intention so to do."

The expenses estimated at £40,000 per annum incurred by McLeod Russel & Company, Limited in maintaining its London office are in the nature of salary and wages of personnel, insurance, rates and taxes, fuel, light, maintenance and repair of the office premises furniture and equipment and items incidental thereto and the part which represents the proportion which may reasonably be attributed to the services rendered and work done on behalf of the Company will depend on the volume of the purchases effected and services rendered in relation to the total turnover in each year.

NOTICE is also given that the Share Transfer Books of the Company will be closed from the 1st August to 14th August, 1963, both days inclusive.

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

By Order of the Board,

JARDINE HENDERSON, LIMITED,
D. FORDWOOD,
Secretary,
Managing Agent.

4, Clive Row,
Calcutta-1.
21st June, 1963.

Note 1: The dividend if approved will be payable on and after 24th August, 1963 to those members whose names are registered in the books of the Company on 14th August, 1963.

Note 2: The explanatory statement required to be annexed to the notice convening the meeting pursuant to the provisions of section 173 of the Companies Act, 1956, is being forwarded to the members.

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ORISSA CEMENT LIMITED RAJGANGPUR

For information of Members:

THE Company had been advised by the Regional Director, Department of Company Law Administration, Calcutta, and also by its solicitors that a properly convened meeting of shareholders cannot be cancelled and that the announcement dated 19th June, 1963 regarding cancellation of the Thirteenth Annual General Meeting fixed for 28th June, 1963, published in newspapers, was ineffective. In this connection, the attention of the Company had been drawn to the decision reported in Volume II at pages 193-198 of the Law Report of the Chancery Division, 1906 [Smith v. Paringa Mines Ltd. (1906 S. 1102), Paringa Mines Ltd. v. Blair (1906 P. 744) and Paringa Mines Ltd. v. Boyle (1906 P. 748)]. In the circumstances, the Thirteenth Annual General Meeting was duly held on 28th June, 1963, as originally scheduled.

In view of the doubt, *inter alia*, regarding the adequacy of the notice of the meeting held on 28th June, 1963, Members decided at the said meeting to adjourn the meeting to a later date. The adjourned Thirteenth Annual General Meeting will be held at Rajgangpur, the Registered Office of the Company, on Monday, the 5th August, 1963 at 10 A.M. Notices of the adjourned meeting have been sent to all the Members by post.

For ORISSA CEMENT LIMITED.

For DALMIA AGENCIES PRIVATE LIMITED,
J. DALMIA,
Director
Managing Agents.

Dated: 5th July 1963.

CALCUTTA STEEL COMPANY LIMITED

NOTICE

NOTICE is hereby given that the Fourth Annual General Meeting of the Members of the Company will be held at the Registered Office of the Company at 4, Old Court House Street, Calcutta-1, on Monday, the 5th August, 1963 at 4-00 P.M. to transact the following business:—

1. To receive, consider and adopt the Directors' Report and the Audited Balance Sheet as on 31st March, 1963 and Profit and Loss Account for the year ended 31st March, 1963.
2. To declare a dividend.
3. To appoint a Director in place of Shri R. L. Bhartia who retires by rotation but being eligible offers himself for re-appointment.
4. To appoint a Director in place of Shri D. P. Goenka who retires by rotation but being eligible offers himself for re-appointment.
5. To appoint Shri S. N. Bhartia as director.

EXPLANATORY STATEMENT

Shri S. N. Bhartia holds office up to the Annual General Meeting under the provisions of Sec. 260 of the Indian Companies Act 1956, he having been appointed as an additional director by the Board of Directors under Article 92 of the Company's Articles of Association with effect from 24th October, 1962. The Company has received a notice in writing from a shareholder intending to propose Shri S. N. Bhartia's name as a director of the Company. Shri S. N Bhartia is agreeable to his reappointment as Director.

6. To appoint Auditors and fix their remuneration.

By Order of the Board,
R. N. BHOTIKA,
Secretary.

4, Old Court House Street,
Calcutta-1, the 24th day of June, 1963.

Note: (1) The Register of Members and Share Transfer Books of the Company will remain closed from 29th July to 5th August, 1963, both days inclusive.

(2) A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a member.

THE RELIANCE JUTE MILLS COMPANY, LIMITED

Notice of Annual General Meeting

NOTICE is hereby given that the One Hundred and Sixth Annual General Meeting of the members of the abovenamed Company will be held at the Registered Office No. 4, Clive Row, Calcutta-1, on Wednesday, the fourteenth day of August, 1963 at 12 O'clock noon for the following purposes:—

1. To receive and consider the Audited Accounts for the year ended 31st March, 1963, the Balance Sheet as at that date and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of one retiring.
3. To appoint Auditors and to fix their remuneration.

Notice is also given that the Share Transfer Books of the Company will be closed from the 1st August to the 14th August, 1963, both days inclusive.

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

By Order of the Board,
JARDINE HENDERSON, LTD.,
D. FORWOOD,
Secretary,
Managing Agent.

4, Clive Row,
Calcutta-1.
21st June, 1963.

THE INDIAN IRON & STEEL COMPANY LIMITED

NOTICE

AT a meeting of the Board of Directors held today the Directors have recommended payment of a gross dividend for the year ended 31st March 1963, of 16%, or Rs. 1/60 per share, on the Ordinary Share Capital, subject to deduction of tax at the appropriate rates. This dividend awaits sanction by the shareholders at the Annual General Meeting to be held on Tuesday, the 3rd September, 1963.

The net profit after provision of Rs. 3,40,18,269 for depreciation, Rs. 3,56,00,000 for taxation and net transfer of Rs. 3,64,01,226 to Reserves is Rs. 1,91,87,975. For the previous year the net profit was Rs. 2,24,90,390 after provision of Rs. 3,35,24,699 for depreciation, Rs. 3,95,50,000 for taxation and net transfer of Rs. 2,98,38,026 to Reserves.

The Ordinary Share Register and Transfer Books of the Company, as already announced will be closed from the 27th July, 1963 to 17th August, 1963, both dates inclusive, and the dividend if sanctioned will be paid on or after the 4th September, 1963, to those shareholders whose names appear on the Register of Members on the 17th August, 1963.

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

Registered Office,
12, Mission Row, Calcutta-1.
16th July, 1963.

OFFICE OF THE SUPERINTENDING ENGINEER, DELTA IRRIGATION CIRCLE, BHUBANESWAR.

CORRIGENDUM TO TENDER CALL NOTICE.

THE last date of receiving tenders for "Complete hoisting gear mechanism needed for 4 Nos. of Head regulator gates (45' × 12'), 4 Nos. Pocket sluice gates (60' × 26') and 6 Nos. of under sluice gates (60' × 14')" is hereby extended upto 26th August, 1963. Other conditions remained unaltered.

Sd/- B. MISRA,
Superintending Engineer,
Delta Irrigation Circle.

COMPANY MEETINGS AND DIVIDENDS DECLARED OR PROPOSED

Name of Company	Date	List Hours
Bombay-Burmah Trading Corpn. Ltd.	25-7-63	4-30 p.m.
Investment & Finance Co. Ltd. ..	2-8-63	11 a.m.
General Investment & Trust Co. Ltd. ..	2-8-63	11-05 a.m.
Orissa Cement Ltd.	5-8-63	10 a.m.
Calcutta Steel Co. Ltd. ..	5-8-63	4 p.m.
Howrah Mills Co. Ltd. ..	14-8-63	11-30 a.m
Reliance Jute Mills Co. Ltd. ..	14-8-63	12 noon
Britannia Biscuit Co. Ltd. ..	16-8-63	10 a.m.

DIVIDENDS DECLARED OR PROPOSED.—Maud Tea & Seed Co. Ltd—7½ p.c. (f) (o), subject to tax; Dibrugarh Co. Ltd—30 p.c. (o), subject to tax; Teloijan Tea Co. Ltd—25 p.c. (o), subject to tax; Margaret's Hope Tea Co. Ltd 15 p.c. (o), subject to tax; Indian Iron & Steel Co. Ltd—16 p.c. (o), subject to tax.

HIDES AND SKINS QUIET

The market in skins ruled quiet. Stocks of hides were less but those of skins were higher than in previous week.

Bazaar Sales

(Between 9th July and 15th July, 1963)

Cowhides: Wet salted (Ord.) 10,000 pcs. on the basis of Rs. 8 to Rs. 11.75; Wet salted (Slaughtered) 19,500 pcs. on the basis of Rs. 10 to Rs. 16.50 and Rs. 19.50 to Rs. 28; Wet salted (Ord.) 3,000 pcs. on the basis of 90 nP a lb.

Goatskins: Wet salted (Patna, Daissee, Kustia) 94,700 pcs. on the basis of Rs. 240 to Rs. 250, Rs. 315 to Rs. 325 and Rs. 410 to Rs. 425; Wet salted (he-killed) on the basis of Rs. 3.62 and (she-killed) on the basis of Rs. 3.37 a piece; Assam-Maldah 16,900 pcs. on the basis of Rs. 250 to Rs. 270 and Rs. 300; Purneah 5,800 pcs. on the basis of Rs. 280 to Rs. 300; Muzafferpore 18,500 pcs. on the basis of Rs. 300; Purneah 1,000 pcs. on the basis of Rs. 500.

Bazaar Stocks

(15th July, 1963)

Cowhides: Wet salted 89,000 pcs.

Goatskins: Wet salted Patna, Daissee, Kustia, Killed) 36,000 pcs.; Assam-Dinajpur 62,000 pcs.; Muzafferpore-Patna - Pakur-Purneah-Kissenganj 2,01,000 pcs.

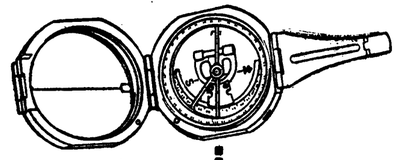
ANALYTICAL

Consulting and Technical Chemists

Soil, Water (including Bacteriological), Minerals, Oils, Fertilizers, Shellac, Foods and Drugs—Gold and Silver assayers.

R. V. BRIGGS & CO. PRIVATE LTD.

16, Old Court House Street, (West End Watch Co., Top Floor).



THE COMPASS
THAT POINTS DOWN

By studying rocks exposed on the earth's surface, the geologist can uncover evidence of rock formations that lie hidden thousands of feet under the ground. The clues he seeks in his search for areas where oil may have been trapped occur in irregularities and upheavals of rock. A rapid geological reconnaissance over a likely area can be made with a special compass which measures the slope, or dip, of the rock layers, and also the direction, or strike, in which they extend. With this data, and with other information resulting from geological surveys, a map is made of formations deep inside the earth.

The application of scientific skills is a cardinal aid to all oil prospecting, but other factors that contribute to success in the hunting grounds are a bold and adventurous spirit on the part of the searchers, a willingness to bear costly risks, and good luck.

B.O.C. *SKILLS EXPERIENCE LOCAL KNOWLEDGE*

THE BURMAH GROUP OF OIL COMPANIES

"CAPITAL" STOCK AND SHARE LIST

THE INVESTORS GUIDE AND SHAREHOLDERS GAZETTE

Official quotations of the Calcutta, Bombay, Madras, London Stock Exchange Associations and other sources.

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Figures given after stroke (/) mean Naye Paise.

Wednesday, 17th July, 1963.

GOVERNMENTS LOANS

Outstanding Amount Rs.	Interest Per cent	Year of issue	Repayable	Market quotations Rs.
GOVERNMENT OF INDIA				
2,48,91,07,000	3	1946	1986 or later	64/65
			At the option of the Government of India after 6 months notice	
8,93,33,000	3	1896-97		62/50
1,16,17,46,000	3	1938	1963-65	99/90
1,10,11,78,000	3	1943	1966-68	96/90
30,33,10,000	3	1950	1964	98/90
14,77,48,000	2½	1946	1976	83/50
1,15,05,83,000	3	1948	1970-75	87/86
1,58,17,94,000	3½	1954	1964	99/70
1,53,67,92,000	3½	1955	1965	99/60
58,05,92,000	3½	1958	1963	99/65
86,63,53,000	3½	1456	1974	95/60
56,99,30,000	3½	1957	1967	99/05
1,54,59,21,000	4	1957	1972	99/45
74,51,44,000	4	1958	1973	99/10
1,97,40,92,000	3½	1956	1967	98/80
1,56,58,41,000	3½	1958	1968	97/05
1,90,85,42,000	3½	1959	1969	97/05
81,06,39,000	4	1959	1979	98/40
82,65,41,000	3½	1960	1966	99/35
98,50,17,000	4	1960	1980	98/40
65,96,55,000	4	1961	1981	98/35
BOMBAY				
3,40,24,300	4	1952	1964	99/80
5,10,79,800	4	1953	1963	99/75
6,57,22,800	4½	1957	1969	98/50
6,58,20,700	4½	1958	1970	98/25
4,35,25,000	4½	1958	1971	98/25
MADHYA PRADESH				
2,03,28,800	3	1948	1964	98/00
MADRAS				
5,24,81,200	4	1952	1964	99/75
10,35,70,600	4	1953	1963	99/75
5,55,57,300	4½	1958	1970	97/25
UTTAR PRADESH				
1,55,31,200	3	1936	1961 60	93/25
5,89,15,900	4	1952	1964	99/75
5,58,25,400	4	1953	1963	99/75
7,65,58,900	4½	1958	1970	97/25
WEST BENGAL				
2,00,00,000	4	1952	1964	99/75
3,60,23,300	4	1953	1963	99/75
7,58,72,200	4	1955	1967	98/00
7,11,46,100	4	1956	1968	97/90
5,10,49,700	4½	1958	1970	98/50
7,69,69,400	4	1959	1971	97/60
7,00,00,000	4	1960	1969	97/75
73,07,21,000	4½	1961	1972	98/25
MYSORE				
2,95,85,200	4	1933	1953-63	100/50
3,83,47,200	4	1953	1963	99/75

PORT TRUST LOANS

Amount Rs.	Interest Per cent	Year of issue	Repayable	Market quotations Rs.
CALCUTTA				
90,24,300	4	1914	1974	98/25
76,90,100	4	1915	1975	98/25
68,02,300	3	1921	2nd 1981	82/00
1,50,00,000	6½	1921	2nd 1981	144/00N
£892,600	6	1925	1953-83	£61
£901,000	5	1924	1954-84	£61
4,24,00,000	4½	1957	1987	99/50
	4½	1958	1988	99/00
50,00,000	4½	1959	1989	99/00
1,50,00,000	4½	1961	1971	98/75
30,00,000	4	1921	1991	93/00
30,00,000	3½	1935	1965	99/00
50,00,000	3	1944	1974	83/50
50,00,000	3	1941	1-2-2005	72/00
	3	1945	1-2-1975	83/75
25,00,000	3	1938	1968-69	93/00
50,00,000	3	1946	2006	72/00
50,00,000	2½	1942	1977	78/50
50,00,000	2	1945	1975	83/00
50,00,000	3	1950	1980	81/00
50,00,000	3	1951	1981	80/50
50,00,000	4	1952	1962	100/00
50,00,000	4	1952	1982	97/50
30,00,000	4	1955	1985	97/25
77,00,000	4	1956	1986	97/25
1,00,00,000	4	1955	1965	99/50

IMPROVEMENT TRUST LOANS

Amount Rs.	Interest Per cent	Year of issue	Repayable	Market quotations Rs.
CALCUTTA				
50,00,000	4	1934	1964	99/25
35,00,000	3½	1935	1965	96/00
30,00,000	3	1936	1966	92/50
20,00,000	3	1938	1963-68	92/00
60,00,000	4	1952	1962	100/00
102,00,000	4	1956	1968	98/50
75,00,000	4½	1958	1968	101/00
BOMBAY				
£63				
£63				
£96½				
60,00,000	4	1902	1963	98/25
50,00,000	4	1904	1964	99/25
20,00,000	4	1905	1966	97/50
15,00,000	4	1905	1967	97/50
30,00,000	4	1908	1968	£95¼N
£566,800	4	1909	1965	£95¼N
£333,000	4	1911	1970	£100/00
25,00,000	4	1912	1972	95/00
13,00,000	4	1913	1973	95/00
50,00,000	4	1914	1974	95/00
25,00,000	4	1911	1976	95/00
66,00,000	4	1926	1945-80	119/50
25,00,000	4	1927	1961-70	99/75
10,00,000	3½	1936	1966	89/00

STERLING LOANS

Amount Rs.	Interest Per cent	Year of issue	Repayable	Market quotations Rs.
£892,600	5	1923	1953-83	£63
£901,000	5	1924	1954-84	£63
£835,100	5½	1932	1962	£96½

MADRAS

Amount Rs.	Interest Per cent	Year of issue	Repayable	Market quotations Rs.
28,48,275	3½	1947	1977	A
3,88,000	3	1947	1977	A
8,00,000	3	1949	1979	A

A=Held by the Govt of India

MUNICIPAL LOANS

Amount Rs	Interest Per cent	Year of issue	Repayable	Market quotations Rs.
CALCUTTA				
56,88,000	3½	1951	1966	98/50
10,00,000	5½	1932	1962	100/75N
33,91,000	3½	1935	1965	96/00
12,50,000	4½	1954	1979	100/00
30,00,000	3	1936	1960	93/00
47,50,000	3	1938	1968	92/50
21,10,000	3½	1941	1972	92/00
37,36,000	4	1952	1962	99/75
4,22,72,000	4	1955	1985	97/25N
1,67,32,000	4½	1958	1970	101/00N
73,36,000	4½	1956	1968	100/50
BOMBAY				
20,00,000	4	1913-18	1974	95/00
10,00,000	5	1920	1980	101/00
2,00,34,000	3½	1951	1966	89/00
8,25,00,000	3½	1947	1977	82/00
2,13,14,500	3½	1949	1979	82/00
4,00,00,000	3½	1950	1965	95/00
MADRAS				
15,00,000	3½	1951	1961	107/00
15,00,000	3½	1952	1962	107/50

2½% U.P. Zemindary Abolition Compensation Bono (per Rs 100) Rs 41/90*

*By eight instalments out inclusive of accrued interest.

These notes refer to the Debentures on the next page.

Option to repay at par on 6 months notice—

(a) Option to extend the redemption period for further 10 years

(b) at any time after.

(c) on or after 1-1-61.

(d) option to redeem at 2½% Prem after 14-5-64 and before 15-5-69

Option to repay on 6 months notice—

(e) at any time after 30-6-61 at 101%.

(f) at 101% between 1-1-61 & 31-12-64.

(g) at 102/8% after 30-6-5[illegible] but before 30-6-64.

(h) at any time after 30-6-65 at 101%

Option to repay on 3 months notice—

(i) at any time at 3% Premium

(j) at 1% Prem after 1-3-64 but before 1-3-67 and 1% Prem on or after 1-3-67

(k) at any time at par.

(l) at any time after 31-3-62 at the rate of 1% Premium.

(m) redeemable at 103% on 31-12-64 with option to redeem on any interest date at same premium after 30-6-59.

(n) at any time on two months notice—

(o) to be redeemed at a premium of 10% Rs 10,000 to be redeemed annually by drawing on 3 months notice with option to redeem all after 6 years from date of issue on 6 months notice. Option not exercised repayment to be made after full term

Option to repay

(p) at par after September 1960.

(q) at par on or after 1-12-59

(r) with option to redeem at 101% after 10 years or at 100/8% after 12 years

(s) Rs 3 lac Debentures to be redeemed annually by drawing from 1-6-58 with option to redeem at 100/8% between 1-6-57 to 1-6-61 and at 101% afterwards.

(t) with option to redeem at 101% after 10 years or at 100/8% after 12 years

(u) with option to redeem all or any of the Debts at 101% at any time after 31-3-64 and at 100/8% at any time after 31-3-66.

(v) Rs 80,000 are being redeemed annually repayment of Debentures commencing serially from No 1 to No 80 on 31-12-48

(w) Redeemable at any time at 2 per cent premium (a) on 6 months notice by the Company or (b) in the event of the security becoming enforceable or at par if the Corporation of Calcutta or Howrah purchase the undertaking on 1st January 1942 or every seventh year thereafter

(x) At par all or any of the Debts on 31st December 1964 or on any subsequent interest date

(y) Redeemable (a) at 102% on 1st October 1974 or in the event of voluntary liquidation of the undertaking being purchased or in the event of the Security becoming enforceable or (b) at 105% at any time after 31st March 1952 on 3 months notice from the Co. (c) also redeemable out of a sinking fund (commencing in 1938) by drawing at 102% or purchase at or under 102%

(z) Also redeemable out of a cumulative sinking fund of 1½% per annum commencing in 1945 by purchase at any price less than par or by annual drawing at par.

BANKS

NAMES	Dividends per cent 1959	1960	1961	Paid-up per Share Rs.	Latest Market Quotations as available until 17-7-63 Rs.	10-7-63 Rs.	A year ago Rs.
Allahabad Bank P.	18	18	18	100	236/00	236/00	396/00
Bank of Baroda	14	17	17	50	88/50	88/00	93/00
Bank of India	16	20	20-20*	50	114/00	110/50	116/00
Central Bank of India	17-1/5	20 2/5	20-20*	25	58/00	56/00	63/50
Chartered Bank	15	15	15	£1	sh. 58/-	sh. 59/3	sh. 54/6
Hindusthan Commercial	Nil	Nil	Nil-Nil*	50	13/25	13/25	₹7/25
Hindusthan Mercantile	Nil	Nil	Nil	50	15/62	15/62	14/50
Hong Kong & Shanghai	£3	£3½	£3½	HK$25	£18/8	£18½	£16½
Indian Bank	15	15	15-14*	100	158/50	158/50	175/50
Indian Overseas Bank	12	14	14-14*	100	142/00	142/00	164/00
Industrial Finance Corpn.	...	...	...	50	...	...	...
National & Grindlays Bank	12½	13½	14-16*	sh. 15	sh. 34/6	sh. 34/6	h. 34/4½
Punjab National Bank	20	20	20	10	18/94	18/69	20/50
Union Bank of India	11 2/5	11 2/5	11 2/5	5	6/04	5/84	6/44
United Bank of India	4.3	4.3	6—6*	10	7/37	7/31	7/53
United Commercial Bank	11	12	12	50	65/50	66/00	87/00

*1962

JUTE MILLS

NAMES	Dividends per cent 1960	1961	1962	Paid-up per Share Rs.	Latest Market Quotations as available until 17-7-63 Rs.	10-7-63 Rs.	A year ago Rs.
Agarpara P.	10	2½	2½	10	10/12	10/00	10/68
Alexandra P.	44	15	...	100	300/00	300/00	305/00
Alliance P	6	Nil	10	100	137/00	125/50	123/00
Anglo-India P.	20	7	10	100	224/00	224/00	232/00
Auckland P.	27	12	Nil	100	142/00	142/00	158/00
Bally P	25	25	25	100	263/00	263/00	308/00
Barnagore P.	30	10	10	£5	198/00	196/50	186/00
Bengal P.	5	...	...	10	9/69	9/69	10/31
Birla P.	15	15	15	10	29/50	28/75	32/75
Budge Budge P.	10	Nil	...	100	155/00	155/00	163/00
Calcutta P	...	...	...	10	8/12	8/12	8/00
Caledonian P.	12	5	...	100	190/00	200/00	212/00
Champdany P.	10	5	Nil	10	20/69	20/56	...
Cheviot P.	Nil	5	...	10	21/56	21/56	24/00
Chitavalsah P.	5	Nil	5	10	10/00	9/94	1'2/25
Clive P.	...	...	...	10	10/25	10/25	9/00
Dalhousie P.	1	1	Nil	100	130/00	145/00	130/00
Delta P.	7½	Nil	...	100	159/00	159/00	198/00
Empire P.	12½	7½	12½	10	14/69	14/69	16/25
Fort Gloster P.	25	10	12½	100	377/00	377/00	449/00
Fort William P.	22½	22½	10	10	26/00	26/00	27/50
Ganges P	10	10	15	10	14/06	13/87	14/06
General Industrial	40	10	...	10	15/62	15/62	55/12
Gourepore P.	30	25	20	10	25/50	25/50	...
Hastings P.	6	6	6	100	128/00	128/00	124/00
Hooghly P.	10	...	...	10	18/87	18/87	27/25
Howrah P	12½	10	Nil	10	18/87	18/87	21/31
Hukumchand P.	28½	28½	26½	7½	18/19	18/19	24/94
India	14	12	8	12½	18/19	18/19	16/94
Kamarhatty P.	6	Nil	...	100	188/00	191/00	186/00
Kankinarrah P.	Nil	Nil	...	100	132/00	130/00	119/00
Kelvin P.	15	15	5	100	177/00	184/00	197/00
Khardah P.	20	5	12½	10	18/75	18/75	17/56
Kinnison P.	20	7	Nil	100	148/00	148/00	152/50
Lansdowne P.	Nil	Nil	Nil	100	87/00	87/00	142/00
Lawrence P.	7	15	10	100	100/00	100/00	171/00
Megna P.	12	12½	Nil	10	13/19	13/12	14/44
Naihati P.	...	...	...	100	81/00	81/00	105/00
Naskarpara	...	...	...	10	9/06	9/06	8/50
National P.	7½	Nil	...	10	24/25	22/94	23/12
Neilimarla P.	5	6	15	10	11/06	11/81	12/12
New Central P.	15	15	Nil	10	12/75	12/94	15/37
Northbrook P.	30	30	20	10	27/12	27/12	34/50
Nuddea	8	6	5	50	55/00	55/50	59/75
Presidency	8	6	10	5	4/69	4/69	5/69
Rameshwara P.	Nil	Nil	Nil	10	9/56	9/56	8/62
Reliance P	Nil	Nil	Nil	10	9/75	9/75	7/69
Samnugger P.	6	Nil	...	£1	10/50	10/50	10/50
Shree Ambica P.	5	6	Nil	10	25/00	25/00	37/00
Soorah P	25	25	...	10	22/75	22/75	24/00
Titaghur P.	6	Nil	...	£1	10/50	10/50	10/50
Union P.	25	6	Nil	100	155/00	155/00	163/00
Victoria P.	5	Nil	...	£1	10/50	10/50	10/50
Waverley P.	30	30	60	1	7/25	7/25	6/12

COAL COMPANIES

NAMES	Dividends per cent 1960	1961	1962	Paid-up per Share Rs.	Latest Market Quotations as available until 17-7-63 Rs.	10-7-63 Rs.	A year ago Rs.
Amalgamated	10	12½	15	10	23/62	22/69	21/87
Bengal P.	25	21	...	100	267/00	261/00	374/00
Bengal Bhatdee	...	...	...	10	3/48	3/48	3/48
Bengal Nagpur	10	26	...	10	22/00	22/00	14/25
Bhalgora	...	...	...	10	4/84	4/84	5/18
Bharat Collieries P.	...	...	...	10	3/50	3/44	3/25
Bhulanbararee	...	...	...	10	11/94	11/94	12/00
Bokaro & Ramgur	...	...	...	10	11/19	11/19	13/25
Borrea P.	15	15	...	10	23/87	23/87	25/50
Burrakur P.	13	13	13	10	15/44	15/50	17/56
Central India	8	10	10	10	9/75	9/75	11/12
Central Kurkend P.	...	...	...	10	3/87	3/87	7/00
Churulia	3	...	4	10	3/06	3/06	3/06
Dhemo Main	Nil	Nil	...	10	4/31	4/31	6/12
East Indian	7½	15	20½	£1	31/87	31/87	50/00
Equitable P	15	10	...	10	24/69	24/69	28/06
Ghusick & Muslia	Nil	Nil	Nil	10	14/25	14/25	14/00
Gurdar Kajora	...	...	...	10	2/44	2/44	2/00
Hurriladih	...	...	...	10	8/12	8/12	8/12
Karanpura Development	5	5	...	100	15/00	11/50	16/25
	15	15	...	10F			
Karanpura Collieries P.	7½	10	10	10	16/75	16/75	20/69
Katras Jherriah	95	40	25	10	37/75	37/75	48/75
Khas Kajora P.	...	...	...	10	18/70	18/70	18/70
Mundulpur	...	...	...	10	2/69	2/69	2/69
Nazira	...	...	...	10	5/00	5/00	6/31
New Beerbhoom P.	...	...	...	10	19/37	19/12	21/69
New Manbhoom	7½	9	12	10	16/00	16/00	14/00
North West	20	20	...	10	19/75	19/75	19/75
				7½	18/00	18/00	17/50
Ondal P.	6	7½	...	10	12/00	12/00	15/00
Parasea P.	1½	1½	...	10	16/00	16/00	16/00
Pench Valley	10	10	10	10	17/75	18/00	17/25
Pure Sitalpur	...	...	...	10	8/00	8/00	8/00
Raneegunge	15	17	17	10	16/00	16/00	16/06
Rewa	30	30	...	10	28/50	28/50	29/12
Samla	10	...	...	10	11/25	11/25	8/87
Searsole	Nil	Nil	Nil	2½	1/22	1/22	1/94
Seebpore P.	42 6/7	42 6/7	...	5	45/00	45/00	45/00
Sendra	5	3½	...	10	5/75	5/75	7/69
South Karanpura	2½	Nil	Nil	10	8/06	8/06	9/50
Standard	15	10	...	10	13/12	13/12	16/00
Union	...	...	...	10	11/12	11/12	10/37
Western Bengal	6	7½	9	10	8/90	8/81	10/12
West Tamuria	Nil	Nil	...	10	4/09	4/09	9/37

COTTON MILLS

NAMES	Dividends per cent 1960	1961	1962	Paid-up per share Rs.	Latest Market Quotations as available until 17-7-63 Rs.	10-7-63 Rs.	A year ago Rs.
Basanti P.	...	...	...	10	11/50	11/50	8/50
Bangs Luxmi	...	...	...	40	28/00	28/00	28/00
Bengal Nagpur P.	Nil	...	...	10	3/00	3/00	3/56
Bharat Commerce	5	15	...	10	20/12	20/12	25/94
Birla Cotton	10	20	20	10	33/00	33/00	30/00
Bowreah P	10	20	...	10	22/00	22/00	24/87
Cawnpore Textiles	7-1/3	10	...	5	6/16	6/16	7/19
Delhi Cloth & Genl P.	12	13	13	25	41/87	41/87	52/75
Dunbar	20	20	...	10	26/25	26/25	29/44
Elgin P.	11½	17½	17½	10	17/75	17/75	19/37
J. K. Cotton (Rayon) P.	12½	...	...	10	11/25	11/69	19/75
Jay Shree	10	10	...	10	14/16	14/16	14/87
Muir K.	...	...	...	100	90/75	90/75	114/00
New Victoria P.	Nil	...	...	2½	1/37	1/37	1/56
Orissa Textiles P.	Nil	Nil	...	10	9/00	9/00	10/06
Rampoorla Cotton	3	Nil	...	10	12/00	12/00	11/00
	Nil	Nil	Nil	3	2/00	2/00	2/00
Swadeshi (Kanpur) P.	5	...	...	100	11/50	11/50	11/50
	5.51	...	...	10PO	7/25	7/25	7/78

BOMBAY COTTON MILLS

NAMES OF MILLS	Dividends per cent 1959	1960	1961	Paid-up per Share Rs.	Latest Market Quotations as available until 16-7-63 Rs	9-7-63 Rs.	A year ago Rs.
Ahmedabad Advance P.	7	16	...	100	130/00	130/00	189/00
Apollo	...	...	...	2	2/06	1/98	2/20
Beharilal Ramcharan	Nil	Nil	...	100	70/00	70/00	64/00
Bombay Dyeing etc.	14	14	14	25	59/50	59/80	67/40
Bradbury P.	10	10	25	50	150/00	150/00	190/00
Century	...	...	...	100	530/00	525/00	626/00
Central India P.	Nil	Nil	Nil	100	109/00	102/50	147/00
Coorla	...	...	...	100	142/50	142/50	160/00
Dawn	20	30	30	50	135/00	133/00	154/00
Edward Textiles	9	9	...	200	300/00	300/00	365/00
Elphinstone P.	14	18	22	50	103/00	96/00	122/00
Finlay	...	...	...	100	320/00	310/00	303/00
Gokak	...	...	...	100	170/00	158/50	192/50
Hindoostan	...	...	...	250	855/00	855/00	...
India United	...	...	...	10	22/84	23/00	22/08
	...	...	...	1Dd	2/66	2/62	3/36
Indian	...	...	...	250	761/25	761/25	...
Indore Malwa United	7	8½	10	100	192/00	192/00	...
Khatau Makanji P.	18	32	...	100	218/50	220/00	179/00
Kohinoor	9½	15	18	100	310/00	307/00	475/00
Lakshmi Vishnu P.	Nil	5.7	6	100	91/00	92/00	299/00
Morarjee Goculdas P.	21½	21½	24—24*	100	385/00	394/00	135/00
Mysore Spg & Mfg P.	10	14	14	50	45/50	46/00	400/50
New City of Bombay	...	...	...	100	130/00	126/25	62/00
New Great Eastern P.	...	...	...	100	230/00	230/00	181/00
Phoenix	...	...	...	100	210/00	197/00	307/00
Sassoon & Alliance	Nil	Nil	...	10	11/76	11/76	240/00
Sassoon Spinning	25	17	20	10	42/00	42/00	14/00
Simplex	10	15	Nil	50	123/00	124/00	60/00
Shree Niwas P.	15	18	20	100	239/00	228/00	167/00
Svadeshi P.	14	17	...	100	243/00	239/00	258/00
Swan	...	...	...	100	285/00	275/00	269/00
Tata	10	20	...	25	59/00	55/00	300/00
Western India	...	...	...	250	785/00	783/00	65/00
							802/50

* 1962

BOMBAY MISCELLANEOUS COMPANIES

NAMES	Dividends per cent 1959	1960	1961	Paid-up per Share Rs.	Latest Market Quotations as available until 16-7-63 Rs	9-7-63 Rs.	A year ago Rs.
CEMENT ENGINEERING & METAL							
Associated Cement	11	12½	12—12*	100	143/50	144/25	157/25
ELECTRIC LTG. POWER							
Ahmedabad Electricity	6½	7	6	100	98/00	94/80	89/00
Andhra Valley Power P.	5	5½	5—5*	1000	1,070/00	1,025/00	1,015/00
Bombay Suburban Elec	...	...	...	100	106/00	103/50	103/25
Tata Hydro Elec. Power P.	5	5½	5—5*	100	110/00	106/00	113/00
Tata Power P.	5	5½	5—5*	1000	1,112/50	1,071/25	1,110/00
Alcock Ashdown	...	...	...	100	293/00	295/00	324/00
Jost's Engineering	10	8	10—10*	50	60/00	58/00	96/50
Larsen & Toubro P.	12½	12½	18—14*	10	22/24	22/56	32/50
Mckenzies	12½	...	...	100	137/00	137/00	155/00
Premier Construction P.	...	...	...	30O 31F	139/50	135/00	157/50
Tata Eng & Locomotive P.	9 9	12½	14½—14½*	100	264/00	267/00	355/00
Tata Iron & Steel P.	9.1	9.1	10.36-10.36*	75O	142/75	143/75	147/50
INSURANCE COMPANIES							
British India General	...	...	...	10	11/52	11/52	12/32
Jupiter General P.	...	...	...	15	9/20	9/20	12/00
New India	38	...	...	15	65/00	66/00	71/00
Vulcan	...	...	...	10	17/24	17/24	17/52
MISCELLANEOUS							
Belapur Sugar	...	...	...	50	196/00	190/00	228/00
Bombay Burmah Trading	19	30	33—33*	25	61/80	62/50	...
				100	243/75	243/75	264/00
Hindustan Lever	24	26	26—26*	10	36/00	35/25	47/25
Industrial Invt. Trust	6	6½	6½	100	69/50	69/50	77/50
Kemi (Chemists)	...	...	...	200	305/00	305/00	315/00
National Rayon	22	22	...	100	319/50	318/00	510/50
Scindia Steam Navign.	6½	3	3—3*	20	11/72	11/08	12/08
Shivrajpur Synd	50	80	Nil	10	24/00	26/00	35/50
Tata Chemicals P.	7½	6	6½—6½*	10	16/84	16/56	15/92
Tata Oil P.	13	23	23—23*	25	63/50	64/00	78/00
Voltas	13	13	14-14*	100	240/00	242/00	280/50
Western India Match	16	16	16	100	234/00	250/00	290/00

*1962

TEA COMPANIES

NAMES	Dividends per cent 1959	1960	1961	Paid-up per Share Rs.	Latest Market Quotations as available until 17-7-63 Rs	10-7-63 Rs	A year ago Rs
ASSAM GARDENS							
Anandabag	15	Nil	10	10	20/00	20/00	34/25
Amluckie P.	17½	30	32½	10	33/25	33/25	25/94
Baghmari	15	Nil	15	10	13/06	12/00	19/25
Bardwar Tea	Nil	Nil	...	5	8/50	8/50	8/56
Basmatia	30	35	25	10	27/25	27/25	27/25
Bateh	30	30	...	5	18/50	18/50	19/06
Betjan	25	40	45	10	28/75	28/75	35/37
Bishnauth	13	13	13	10	17/56	17/56	18/06
Bokakhat	8	Nil	12	10	13/70	13/76	13/70
Bormah Jan P.	12½	15	15	10	14/25	14/25	16/12
Bor Pukhuri	Nil	Nil	Nil	10	11/75	11/75	9/37
Brooke Bond P.	12½	15	10—7½	10	12/00	11/81	15/06
Dejoo Valley	40	15	20	10	60/00	60/00	49/25
Jessai & Purbuttia	Nil	Nil	10	100	189/00	189/00	151/00
Jhelakhat	20	12½	...	10	19/75	19/75	20/00
Jhunseer P.	23	20	15	10	12/06	13/87	16/00
Jibrugarh	30	40	40	10	31/25	31/25	33/44
Jimakuan P.	30	25	20	10	21/87	21/87	23/12
Jutlaghur	35	25	25	10	27/50	25/50	28/75
Jutlaghur	10	Nil	Nil	10	13/44	13/44	18/87
Jillapukri	25	25	20	10	25/44	25/44	25/44
Jokpur	10	Nil	8	10	16/56	16/56	13/50

*1962

TEA COMPANIES—Contd.

NAMES	Dividends per cent 1959	1960	1961	Paid-up per Share Rs.	Latest Market Quotations as available until 17-7-63 Rs.	10-7-63 Rs.	A year ago Rs.
Grob	14	6	6	5	7/69	7/19	8/37
Hoograjuli (Assam)	25	20	20	10	27/12	27/12	24/44
Hoolungooree	20	10	7½	100	195/00	195/00	172/00
Jutlibari	10	30	30	10	31/50	31/50	32/00
Kingsley Golaghat P.	35	35	...	100	140/00	140/00	212/00
Kotamullai P.	Nil	Nil	Nil	5	10/31	10/31	10/31
Krishnabehari	10	15	6	10	10/50	10/50	10/12
Kyang Tea	Nil	Nil	...	10	8/06	8/06	8/06
Ledo	Nil	Nil	Nil	10	13/75	13/75	17/25
Maud Tea & Seed	7½	10	7½	10	14/81	14/81	14/81
Methoni	15	5	14	10	16/37	17/31	21/25
Moheema	10	Nil	...	10	11/50	11/50	11/50
Mothola	25	30	30	100	507/00	507/00	507/00
Murphulani (Assam)	20	5	15	10	26/50	26/50	26/50
	25	10.63	20.63	10	26/87	26/87	28/75
Naga Hills	8	10	10	10	22/25	22/25	24/50
Namburnadi	16	12	...	10	14/56	14/56	14/56
New Cinnatolliah	Nil	Nil	Nil	100	302/00	302/00	120/00
Raigarh	35	40	13½	10	21/37	21/37	22/87
Sapoi	20	22½	20	10	18/31	18/31	18/31
Seajuli	17½	22½	15	10	21/12	21/12	22/50
Teloijan	25	25	25	10	22/00	22/00	27/75
Tengpani	17½	30	30	10	35/00	35/00	35/00
Tezpore P.	20	20	12½	10	14/75	14/56	15/31
Tongani	Nil	Nil	...	10	7/00	7/00	7/00
Tyroon	30	10	15	10	33/00	33/00	36/87
CACHAR							
Arcuttipore	Nil	Nil	...	10	7/00	7/00	7/00
Baitakhal	5	2½	...	10	8/06	8/06	6/69
Central Cachar	5	5	7½	100	72/00	72/00	77/50
Eastern Cachar	Nil	Nil	...	10	4/28	4/28	3/94
Kallinugger Khoreel	6	6	...	100	87/00	87/00	87/00
Hattikhira	5	Nil	5	10	9/12	9/12	11/37
Kunchanpore	Nil	Nil	...	10	6/00	6/00	6/00
Loobah	Nil	Nil	Nil	10	4/37	4/37	4/25
North Western	30	30	20	100	160/00	160/00	205/00
Pathemara	Nil	Nil	Nil	10	7/50	7/50	7/50
Roopacherra	Nil	Nil	10	10	13/62	13/62	13/62
Rungamattee	7½	5	5	50	53/50	53/50	50/00
Sonai River	Nil	Nil	...	10	9/12	9/12	9/12
DARJEELING							
Bloomfield	Nil	Nil	...	10	3/12	3/12	3/25
Chamong	Nil	Nil	10	10	9/00	9/00	10/25
Darjeeling Tea & Chin	Nil	20	...	100	197/00	197/00	195/00
Dilaram	5	5	...	100	102/50	102/50	102/50
Gielle	Nil	Nil	8-4/7‡	10	11/69	11/69	11/75
Lingia P.	12½	15	10	10	14/56	14/56	14/56
Longview	14	12½	...	10	11/00	11/80	11/00
Margaret's Hope	10	15	15	10	11/62	11/62	12/25
Mim	10	22½	20	100	191/50	191/50	191/50
Nagri Farm	20	30	25	10	29/19	29/19	25/44
Okayti	32½	25	25	100	600/00	600/00	605/00
Pashok	10	10	...	10	20/00	20/00	20/00
Poobong	Nil	Nil	Nil	10	7/19	7/56	7/37
Pussimbing P.	Nil	Nil	Nil	10	7/12	7/12	7/25
Rungliee Rungliot	10	35	20	100	386/00	386/00	386/00
Seeyok	15	15	...	10	8/50	8/50	8/50
Singell	Nil	Nil	Nil	100	36/75	36/75	37/25
Singtom	5	2	...	10	3/50	3/50	4/50
Soom	30	50	40	10	35/00	35/00	49/87
Sungma	10	15	15	10	15/31	15/31	14/62
Teesta Valley	Nil	Nil	8 4/7‡	10	7/25	11/25	13/75
Tukvar	...	...	...	10	11/25	7/31	6/00
DOOARS							
Banarhat P.	32½	22½	21	100	233/00	233/00	273/00
Baradighi	25	30	25	10	22/19	23/25	26/06
Bhatkawa	10	15	15	10	16/56	18/00	17/37
Birpara P.	22½	17½	12½	100	160/00	160/00	160/00
Carron	15	20	5	100	145/00	145/00	145/00
Choonabhuti P.	30	32½	20	100	210/00	210/00	262/00
Ellenbarrie	5	5	5	100	184/00	184/00	179/00
Engo	Nil	60	30	100	136/00	136/00	136/00
Ethelbari	Nil	5	5	10	13/12	13/12	8/37
Gairkhata	12½	25	20	10	21/50	21/50	25/12
Gopalpur	9.24	12	2	25	19/50	19/50	20/00
Hantapara P.	12½	15	5	100	109/00	99/00	125/00
Hasimara P.	12½	17	18‡	10	13/19	12/50	31/56
Huldibari	22½	22½	19 2/7‡	10	13/69	13/31	30/37
Jaybirpara	5	10	Nil	10	10/62	11/75	13/50
Killcott	17½	25	15	10	14/37	14/37	17/12
Manabarrie	5	10	6	10	59/50	59/50	56/37
Nagaisuree	17½	25	15	100	140/00	140/00	169/50
New Dooars P.	32½	35	20	100	230/00	230/00	296/00
Oodlabari	10	12½	7½	100	14/00	14/00	14/00
Phaskowa	Nil	Nil	Nil	100	129/00	129/00	127/00
Rajabhat	Nil	Nil	Nil	10	12/12	12/12	12/25
Ranicherra	10	15	15	10	13/56	13/62	18/50
Rydak	30	25	20	10	24/00	23/62	26/75
Sarugaon	40	40	40	10	36/25	36/25	36/25
TERAI							
Atal	10	5	...	10	8/75	8/75	8/15
Belgachi	20	20	...	10	22/50	22/50	20/00
Gungaram	15	20	12½	100	131/00	131/00	158/00
Hansqua	17½	20	15	10	20/00	20/00	16/94
New Chumta	15	15	12 6/7‡	10	24/62	24/62	33/50
New Terai	15	22½	...	10	23/00	36/00	36/00
Pahargoomiah	25	20	...	10	15/00	15/00	31/12
Patrakola	40	32½	40	100	120/00	120/00	137/50
Rajnagar	Nil	Nil	...	10	9/56	9/56	9/38
Tellapara	17½	22½	32½	100	99/00	99/00	99/00
CHITTAGONG							
Kodala	Nil	Nil	...	10	9/25	9/25	9/25
Kornafuli	Nil	Nil	...	10	13/06	13/06	13/06
Oodaleah	Nil	Nil	...	10	8/00	8/00	8/00
SYLHET							
Chundeecherra				10	26/00	26/00	23/50
Dauracherra	15	22½	22½	10	7/56	7/56	8/00
Kaliti	Nil	Nil	Nil	10	10/00	10/00	9/25
New Samanbagh P.	Nil	25	Nil	10	18/37	18/37	20/81
Patrakola	40	32½	40	100	120/00	120/00	137/50
Rajnagar	Nil	Nil	...	10	9/56	9/56	9/38
Tellapara	17½	22½	32½	100	99/00	99/00	99/00

‡ Hectares.

MISCELLANEOUS COMPANIES

NAMES	Dividends per cent 1959	1960	1961	Paid-up per Share Rs.	Latest Market Quotations as available until 17-7-63 Rs.	10-7-63 Rs.	A year ago Rs.
MININGS							
Burma Mines	2 41/42	2 3/5	Nil	3½S	0/44	0/44	0/44
Chrestien Mica Industries P.	15	15	12½	10O	10/40	10/40	11/37
	25	25	20	5Dd	6/87	6/85	8/85
Indian Copper Corporation	27	27	27	2s	4/74	4/69	4/86
Metal Corporation P.	Nil	Nil	...	10O	8/81	8/25	11/69
Orissa Mineral Development	36	36	28—20*	10	27/50	27/50	42/37
CEMENT, LIME, SLATE, ETC.							
Ashoka Cement	4½	3	7-7*	10	7/37	7/37	8/12
				10O	3/19	3/31	2/94
Assam Bengal Cement	...	...	...	11Dd	0/46	0/50	0/37
Bengal Potteries	14 29/00	15	...	2½	5/00	4/94	6/45
Bisra Stone Lime	18.7	30	31—10*	...	35/00	35/00	35/50
Dalmia Cement (Bharat) P.	12	12	12	10O	12/50	12/56	1'2/25
				11Dd	3/03	3/03	2/00
Jaipur Udyog P.	Nil	6	6-8.36*	10	11/56	11/50	12/94
Kumardhubi Fireclay & Silica P.	15	15	15	10	18/45	18/45	18/45
Orissa Cement P.	11	15	15	10	14/00	14/00	17/00
Reliance Firebricks & Pottery	40	22	15—10*	5	22/75	22/75	22/75
Sone Valley Portland Cement	Nil	4	...	10	4/50	4/37	4/81
Sutna Stone & Lime	20	27½	30	10	35/00	35/00	37/00
CHEMICAL INDUSTRIES							
Alkali & Chemical Corpn. of (I)	9½	12	15—15*	10	33/12	31/62	42/94
Sathgate & Co. Ltd. P.	Nil	Nil	...	5	0/84	0/84	0/87
Bengal Chemical & Pharm. P.	7	7	10	100	101/00	97/00	103/00
Calcutta Chemical P.	18	18	18—18*	10	17/87	17/87	18/37
Frank Ross P.	...	...	...	6	2/19	2/19	3/38
Smith Stanistreet P.	25	25	25—25*	5	12/25	12/25	16/44
ELECTRIC LIGHTING, POWERS							
Agra Electric Supply	10	11	11—11*	100	120/00	120/00	124/50
Bareilly Electric Supply	10	11	11—11*	10	14/37	14/37	12/06
Benares Electric Supply	10	11	11—11*	10	12/37	12/37	13/00
Bhagalpur Electric Supply	8	8	10—8*	10	6/00	6/00	6/06
Calcutta Electric Supply	7	7	7½—7½*	21	15/00	14/31	15/06
Cuttack Electric Supply	6½	7½	10—10	10	11/87	11/87	12/62
Dishergarh Power Supply P.	7½	10	10—10*	100	88/00	88/00	94/00
Jhansi Electric Supply	31/5	...	...	10	5/00	5/00	6/00
Jubbulpore Electric Supply	31/5	10	10—10*	10	10/00	11/00	11/00
Mirzapur Electric Supply	8	...	...	9	12/00	12/00	7/56
Muzafferpore Electric Supply	10	12½	12½-12½*	10	11/50	11/50	11/75
Muttra Electric Supply	8	...	...	10	11/12	11/12	10/37
Patna Electric Supply	6½	10	10—10*	10	10/56	10/56	11/47
Shahjahanpur Electric P.	5	6½	6½—6½*	10	7/00	7/00	7/50
Sijua (Dherriah) Electric	7½	10	9—9*	10	8/25	8/25	9/06
United Provinces Electric	10	11	11—11*	100	115/50	115/50	127/00
Upper Jumna Valley Electric	12½	13½	13½-13½*	10	16/00	16/00	15/25

* 1962

MISCELLANEOUS COMPANIES—Contd.

NAMES	Dividends per cent 1959	1960	1961	Paid-up per Share Rs.	Latest Market Quotations as available until 17-7-63 Rs.	10-7-63 Rs.	years ago Rs.
ENGINEERING & METAL							
Arbur Butler (Manufacturers) P.	--	--	--	10	14/94	14/94	13/00
Bhartia Electric Steel	15	10	10	10	14/06	13/00	11/87
Braithwaite India	22½	25	25	10	31/00	30/06	35/00
Bridge & Roof	30	30	30	10	52/25	52/25	52/25
Britannia Building & Iron P.	5	Nil	Nil—Nil*	10	3/65	3/65	3/65
Britannia Engineering P.	10	10	10	10	9/44	9/19	11/62
British India Electric Cons.	25	45	20	10	33/12	33/12	50/00
Burn P (Engineering)	28½	28½	28½-28½*	100	585/00	580/00	680/00
Calcutta Steel	5	15	15	10	14/25	14/25	..
Dalmia Iron	--	10	10—10*	10	10/87	10/87	11/37
Guest, Keen, Williams	24	16	14	10	33/75	33/10	39/25
Hooghly Docking	12	Nil	Nil	50	108/00	108/00	111/00
Indian Iron & Steel P.	10	15	16—16*	10	23/06	23/18	25/76
Indian Malleable Casting	6	Nil	..	5O	6/00	6/00	6/00
Indian Standard Wagon P.	7½	Nil	..	1Dd	1/75	1/75	2/50
	28½	28½	28½-28½*	10	31/25	31/31	..
Indian Steel & Wire Products	16½	22	24—23*	100	40/37	40/37	55/50
Industrial Containers	..	Nil	10	10	21/37	21/37	22/00
Jay Engineering	12	17 3/20	17½-15*	20	21/06	21/06	..
J. K. Steel P.	12½	20	20—10*	10	13/62	14/12	15/87
Jessop & Co P.	8.58	8.58	8.58	10	25/00	23/87	22/25
Kumardhubi Engineering P.	10	10	11½	8	8/19	8/25	7/44
Marshall Sons (India)	10	Nil	Nil	8	2/56	2/47	3/37
National Iron and Steel	6½	Nil	Nil-Nil*	10	4/31	3/87	5/44
Saran Engineering	7½	6½	10—12½*	4	8/50	8/50	10/00
Steel Containers	..	30	20	10	29/50	29/50	22/00
Textile Machinery	20	10	10	10	22/70	23/60	22/85
SUGAR BREWERIES ETC.							
Bairampur Sugar	8	8	8—4*	2½	2/00	2/20	2/50
Belsund Sugar	18½	18½	10	7½	7/81	7/81	10/06
Bharat Sugar P.	..	..	..	10	13/00	13/00	13/00
Carew (Sugar) P.	Nil	Nil	Nil—Nil*	10	12/50	12/50	13/12
Cawnpore Sugar P.	Nil	Nil	Nil—Nil*	10	9/12	9/06	12/87
Champaran Sugar	15	15	12—Nil*	10	15/87	15/87	17/94
Durbhanga	20	4	Nil	10	8/06	8/06	10/00
Dyer Meakin (Breweries)	16	25	30	5	26/00	26/00	54/44
New Savan Sugar and Gur	..	--	..	10	3/62	3/62	5/19
Purtabpur Sugar P.	Nil	..	..	10	11/50	11/50	11/50
Ramnugger Cane & Sugar P.	213/7	30	35—30*	10	26/37	26/37	28/50
Raza Buland	12½	12½	10	10	9/00	9/37	9/06
Ryam Sugar P.	..	--	--	10	5/20	5/20	8/06
Samastipur Central Sugar	..	..	--	10	9/62	9/62	9/62
Shree Krishna Gyanoday Sugar P.	15	15	--	10	7/19	7/06	8/94
Shree Sitaram Sugar	..	..	..	10	7/12	7/12	7/12
Sitalpore Sugar	Nil	4	Nil-Nil*	10	6/12	6/12	6/62
United Provinces	15	15	..	10	9/25	10/62	14/72
Upper Ganges Sugar P.	72½	72½	72½-72½*	10	68/00	68/00	77/08
MISCELLANEOUS							
A Firpo (Restaurateur)	8½	7½	..	07	5/90	5/90	5/90
Aluminium Corporation P.	10	12	12—12*	10	12/62	12/81	17/69
Anderson Wright Ltd P.	10	11½	..	10	11/50	11/50	11/50
Angelo Bros.	20	25	22½-28*	10	21/87	21/81	22/37
Assam Match	18	18	20	10	28/75	28/75	28/87
Assam Saw Mills & Timber	Nil	Nil	Nil	3	2/87	2/87	2/94
Associated Battery	40	25	15-15*	10	23/56	23/37	29/75
Associated Hotels of India P.	Nil	Nil	10-10*	10	10/31	10/31	10/31
Balmer Lawrie & Co.	25	25	25	100	239/00	239/00	257/00
Bararee Coke	Nil	Nil	Nil-15*	10	20/87	20/87	23/37
Birds Investments P.	11	9½	10-10*	10	10/69	10/69	12/50
Britannia Biscuit P.	14	25	30—25*	10	42/50	42/50	44/00
British India Corporation P.	Nil	4	7	5	8/00	8/19	8/00
British Paints	10	12½	12½	10	21/50	20/37	23/00
Calcutta Silk Manufacturing P.	Nil	Nil	Nil	10	6/94	6/94	7/15
Clive Row Investment	10	6	7½	10	8/25	8/25	7/75
Duncan Brothers & Co Ltd P.	14	14	14	100	147/00	147/00	158/00
Dunlop Rubber Co (India) P.	21½	21½	20—15*	10	32/62	31/75	39/50
Eastern Investments Ltd. P.	14	14	14—12*	100	117/00	117/00	127/50
Electric Construction	5	10	10—10*	10	12/50	12/22	14/44
French Motor Car	12½	20	20	20	35/12	35/12	34/50
Ganges Rope	17	17½	20	100	236/00	236/00	231/00
General Investments Trust P.	3½	5	5—5*	75	43/00	43/00	43/00
Gillanders Arbuthnot & Co Ltd P.	10	10	11-11*	10	13/50	13/50	14/37
Gladstone Lyall & Co Ltd. P.	Nil	4 2/5	4½	10	28/12	33/25	35/44
Godfrey Phillips (India) Ltd. P.	36	40	40	10	225/00	225/00	241/00
Great Eastern Hotel	6	9	6	250			
Hindustan Aluminium P.	--	Nil	..	10	12/87	13/12	..
Hindustan Motors P.	6	9	12—12½*	10	16/56	16/62	18/87
Hindusthan Pilkington	12	..	..	10	14/94	14/94	20/56
Hindusthan Twyfords P.	--	Nil	Nil-Nil*	10	14/25	14/25	15/25
Hoare Miller & Co. Ltd.	5	6	6	10	5/44	5/44	6/75
Imperial Tobacco	8	9	9—9*	10	10/50	10/19	10/75
Indian Aluminium Co. Ltd. P.	12	15	15-17½*	10	33/50	33/50	37/75
Indian Cable P.	18	22½	22½-22½*	10	31/75	31/81	35/94
Indian Oxygen	15	15	15—12*	10	27/75	27/62	44/50
Indian Rubber Manufacturers P.	15	20	20—30*	10	19/87	19/87	20/31
Indian Wood Products	25	30	30—30*	10	29/00	29/00	32/25
Isaac Holdens	--	--	Nil	100	13/94	14/00	16/50
Investments and Finance P.	6	7½	7½—7½*	10	55/00	55/00	55/00
J. K Synthetics	--	--	8	10	10/62	10/56	..
James Wright P.	--	--	--	5O	2/75	2/75	2/75
Jardine Henderson Ltd P.	6	7	7—6*	100	85/00	85/50	84/00
Jay Shree Industries P.	14	14	12½	10	15/94	16/00	17/06
Kesoram Industries P.	2½	8	13-12½*	10	21/69	21/69	27/62
Macfarlane & Co.	--	--	--	50	7/00	7/00	7/31
Macneill & Barry Ltd. P.	--	--	--	1Dd	2/31	2/31	2/50
Martin Burn Ltd P.	7	6	6	100	93/50	93/50	93/50
	27½	27½	27½-25*	10	26/25	26/12	28/56
McLeod & Co. P.	15	15	15	100O	210/00	210/00	180/00
	10	10	10	10Dd	..	..	..
Metal Box Co. of India Ltd P.	17½	25*	25	10	49/87	49/87	64/75
National Insulated Cable P.	20	25	25—25*	10	23/37	23/06	29/56
National Pipe & Tubes P.	15	20	20—20*	10	25/25	25/94	30/37
National Rolling & Steel Ropes	10	13	15—15*	10	19/44	19/25	21/00
National Rubber P.	6½	Nil	6½	10	11/19	11/19	12/19
National Tobacco P.	16	16	7	10	10/75	10/75	13/94
New India Investment Corpn.	6.7	6.7	--	75	65/00	65/00	70/00
Octavius Steel P.	12½	10	..	100	..	..	..
Philips India	12	12	12	10	27/50	27/50	30/25
Publicity Society	37½	10	75—75*	4	22/62	22/62	27/00
Hallis India P	Nil	4	6½-8½*	100	115/00	114/00	140/50
Rohtas Industries P.	15	20	10—8*	10	11/31	11/12	15/37½
Sirsilk P.	--	Nil	..	10	9/12	9/06	9/94
Sen Raleigh Industries P.	8	8	8-8*	10	14/25	14/06	18/87
Shaw Wallace P.	15	15	15	10	15/56	15/37	20/25
Spencer's Hotel	24	2½	2½	2	0/94	0/94	0/94
Union Carbide	18	18	18	10	40/00	39/56	46/75
Walford Transport	15	30	30	1PO	2/31	2/31	2/69
	20	30	30	1O	3/75	3/56	3/25
INSURANCE COMPANIES							
Concord of India	20	20	20	5	10/31	10/31	18/00
Hercules	20	22½	26½	10	24/19	24/19	25/17
Ruby General	10	10	13½	5	10/44	10/25	9/87
Standard General	..	..	..	10	6/00	6/00	8/00
Triton	45	45	50	25	124/00	124/00	127/50
FLOUR MILLS							
Bengal	45	40	25	10	29/00	28/12	31/50
Delhi P.	..	..	..	10	14/00	14/00	14/00
Ganesh P.	12½	..	..	12½	15/75	15/75	17/00
Hooghly	27½	15	Nil	10	19/75	19/75	19/75
United	52½	35	10	10	27/81	27/81	30/00
OIL COMPANIES							
Attock Oil	13½	13½	13½	£1 sh.	36/10½ sh	35/10½ sh.	27/3
Burmah Oil P.	..	9-2/5	..	£1 sh.	64/10½ sh	64/4½ sh.	39/1½
Indo Burmah Petroleum P.	25	30	25	10	21/75	21/87	26/75
Tide Water Oil	22	30	35	10	25/25	25/25	25/50
PAPER MILLS							
Bengal P.	32	32	27½	10	27/87	27/94	38/12
India Paper Pulp	10	15	13—12*	10	16/87	16/50	20/50
Orient Paper P	15	22½	22½-22½*	10	36/15	34/40	40/90
Shree Gopal Paper P.	17 6/7	17-6/7	17-6/7	10	23/37	23/50	25/44
Sirpur P	6½	6½	6½	10	12/37	11/87	13/06
Star Paper P.	8	Nil	--	10	8/50	8/50	10/00
Titaghur P.	10	10	13-13*	2½PO	3/47	3/47	4/00
	25	25	20-10*	10AO	15/62	15/37	39/44
	25	25	20-10*	10BO	15/62	15/37	39/44
West Coast P.	Nil	6	7½	100	125/00	125/00	176/00
PRESSING COMPANY							
Camperdown	11	11	11	100	104/00	104/00	100/00
REAL PROPERTY STORAGE							
Bengal Bonded Warehouse	8	11	8—8*	A500	1050/00	1050/00	610/00
				B62½	135/00	135/00	77/25
				C10½	122/00	122/00	122/00
				D12½	14/15	14/15	14/75
Calcutta Safe Deposit	--	--	--	100	7/87	7/87	7/25
Humayan Properties P.	5½	6	..	10O	11/00	11/00	11/00
	12½	Nil	..	1Dd	2/15	2/15	2/15
Midnapore Zemindary P.	Nil	Nil	Nil-Nil*	85	10/00	10/00	9/56
TRAMWAYS & STEAMER							
Bengal Assam Steamship P.	8	7½	7½	100	131/00	131/00	110/00
Calcutta Landing & Shipping	3½	3½	..	10	34/00	34/00	25/00
Calcutta Steam Navigation	10	10	Nil—Nil*	10	8/25	9/50	9/44
Calcutta Tramways P.	8½	..	--	£1	11/00	10/87	12/00
Fraser	Nil	Nil	--	10	10/00	10/00	10/00
India General Nav. Railway P.	Nil	Nil	..	£10	39/00	39/00	63/50
India Steamship P.	10	10	Nil—Nil*	10	6/12	5/94	6/97
Port Shipping	Nil	Nil	Nil	10	12/87	12/56	11/94

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BRITAIN: ECONOMIC OUTLOOK AFTER PROFUMO

It is certainly too early yet to assess the full impact of the Profumo affair on the British economy. What can be said, though, is that so far it appears to have been remarkably small, bearing in mind that external confidence in the pound sterling and the strength of internal business sentiment are both to some extent dependent on a Conservative Government remaining in power. This is particularly true of the stability of the pound; as regards the internal economy, comparative stagnation reigned pre-Profumo, and has not yet seriously begun to disappear. Which may provide the clue as to why the affair has had so little apparent effect, despite its obvious threat to the Government's future and particularly to Mr. Macmillan's: the feeling about economic prospects in Britain was in such a state of cynical numbness that it has proved just as difficult to depress it any further as it has been for Mr. Maudling to revive it with his frequent doses of tax relief.

Eventually this may be seen to have been no bad thing. Nothing could have been more unfortunate than that the Profumo scandal should have come at a time when the British economy was on the move again, and then to have been the cause of a drastic setback. That might have killed the revival of business sentiment for many long months to come, and affected overseas confidence in sterling as well. As things are, the Conservative Government has a fair chance of riding out the storm on a modest wave of economic revival, provided nothing disastrous occurs during the next few months and provided Mr. Macmillan does not split his Party by clinging too tenaciously to office. Indeed, by underlining the need for new ideas, a new leadership and a new electoral image, the Profumo scandal may have helped rather than hindered the Conservatives' chances at the next general election. a fact which may or may not eventually prove a bull point for the British economy.

The London Stock Exchange did react sharply to the Profumo affair, although its recovery was fairly rapid. What seems to be holding it in check now is the persistence of political uncertainty, the volume of new issues, the slow rate of economic recovery and, of course, the approach of the holiday season. The prospects of a Labour Government appear to have been largely discounted; even the recent warning from Mr. Harold Wilson that restraint of wages would inevitably mean controls on profits, dividends, rents and capital gains as well, did not have the impact on the market which might have been expected. Nowhere is the weary phlegmatism in the face of the prospects of economic revival, which at present characterises the attitude in British industry and financial circles, shown more clearly than on the London Stock Exchange. It would be surprising if prices there were to show anything more than a slow and moderate advance until all electoral uncertainties are out of the way and the economic pattern for the future becomes clear for all to see.

The greatest economic disappointment for Britain this year, apart from the disaster at Brussels, has been the failure of the April Budget to achieve what was hoped of it. Why there should be this feeling is difficult to understand. The two chief aims of Mr. Maudling were to increase purchasing power so as to encourage consumption, and to concentrate that increase on the lower-paid members of the community so as to enlist the co-operation of the trade unions in a policy for wage restraint. With an election so close, the Chancellor could not possibly have been too serious about the latter objective. In the event the unions have thanked him kindly and reserved their co-operation for a Labour Government when that comes to power. On increasing the nation's spending, Mr. Maudling cannot have ignored the fact that the effect of his tax concessions would inevitably be delayed until the money actually arrived in the consumers' pockets. And that is only happening now, three months after the Budget. So as a major initiative in breaking Britain's economic log jam, Mr. Maudling's Budget has been a notable flop. Whether its long-term effects will be more decisive remains to be seen.

All this does not mean that there has been no economic progress whatever in Britain over the past year—the period during which positive measures have been taken to expand activity. It is true that April's index of industrial production was no higher than last November's, and that although retail sales increased during May, the level is still disappointingly low. But employment has been rising—a fact which suggest there may be something wrong with the picture as presented by the production index—and the mood of industry, as revealed in the latest survey by the Federation of British Industries, has decidedly improved during the past four months. Most important of all, perhaps, is that Britain's exports are rising and the balance of payments is still favourable. This is rather more than one could dare to hope for when the consequences of industrial expansion were being discussed a few months ago. Even now it is not being accepted as in any way permanent. Imports are expected to rise as the economy revives, even if, as has happened so far, most of the expansion is accounted for by the growth of exports. When this happens, there is no doubt that a change may be seen in the recent somewhat remarkable strength of the pound.

The most unfortunate aspect of the buoyancy of sterling is that it is due at least partly to the continued stagnation of the British economy, and that it is this which Government policy is chiefly aimed at ending There seems to be a contradiction in objectives here, but that is nothing unusual for an economy as finely balanced as Britain's is. The reconciliation of expansion at home with stability abroad will be the primary task of economic planning, but there is no sign that it is being tackled effectively yet. So the main reason why the pound has been strong recently is a bad one and, it is hoped, temporary as well. It is reassuring, therefore, that there are other reasons too. One of the most encouraging of these is the comparative cheapness of Britain's exports after two years of deflation at home and inflation among her competitors abroad, especially West Germany. Whether this advantage will survive economic recovery will

depend on the efficacy of the much-sought-after incomes policy, but it should serve Britain fairly well during the next few months.

There are two other important reasons why the pound has remained strong despite the shocks caused by the Profumo affair. The first of these is the improvement which has taken place in international borrowing techniques, thus making speculation that much more risky; and the lack of any satisfactory alternative. When an international holder of sterling finds that his chances of loss have been reduced by the credit backing which is now more readily available for the pound, and that no other currency offers any obvious opportunity for gain anyway, then he is likely to go on holding at least until the future becomes clearer. That is precisely what has been happening lately. The process has been helped to some extent by the British authorities' efforts to maintain the external discount rate while permitting the internal interest structure to move lower. But essentially the reason for the international popularity of the pound has been the unspectacular one that a profitable alternative has been lacking. There is no apparent reason why this should not continue for some time yet. The U.S. dollar is still under the cloud of an increasing balance-of-payments deficit, and the various west European currencies offer by no means the attractions they did a year or two ago. In this sense, at least, the prospects for the pound seem to be exceptionally favourable for a considerable period to come.

The picture of the post-Profumo economy in Britain, therefore, is not altogether a depressing one. With sterling still strong, the balance of payments favourable and the excess capacity in industry offering scope for considerable expansion without cost inflation, the stage would seem to be set for a modest recovery. Nothing that has happened as a result of the Profumo scandal has changed this. What it has done, of course, is to reduce the chances of a rapid revival in business confidence such as might have been expected to result in a wave of ambitious development and investment plans. This is certainly bad; if the long-awaited recovery is to prove anything more than yet another short-lived boom, it will have to be sustained by a massive increase in private investment. This would normally have been forthcoming as the natural sequence to improved output and demand, but with the uncertainties of the election ahead, it will probably not now be so. The Labour Party could help matters considerably at this stage, but it has two very good reasons for not doing. The first is that a rapid recovery now would reduce its own chances of winning at the polls, and the second is that any promises which might reassure investors would almost certainly lose it trade union support. This is not an easy dilemma for Mr. Wilson to resolve; and it is made all the more difficult by the fact that he himself well appreciates the need to take steps now if a more rapid economic growth rate is to be secured for the future.

Those who are looking for a sharp recovery in Britain when the dust of the Profumo affair has finally settled will probably be disappointed. The best that can reasonably be hoped for at the moment is a modest, though perhaps steady, improvement between now and the election. This might be accelerated by a number of events; the resignation of Mr. Macmillan and a fall in Labour's showing in the popularity polls are among the most obvious. But it is more likely to be susceptible to events acting in the opposite direction, and this just has to be accepted. So the main consequence of the Profumo scandal can be seen to be that it has caused the postponement of an election which might otherwise have been out of the way by this autumn. This could appear to be not too serious after all, but there is little doubt that such a judgment would be wrong. A period of difficulty and uncertainty probably still lies ahead for the British economy; it is considerable consolation that, with luck, the pound should remain reasonably strong throughout it.

TRADE WITH RUSSIA

SINCE *bonhomie* is an essential part of the international image Mr. Khrushchev has been carefully cultivating, his bubbling good humour at the opening of the Indian trade exhibition in Moscow was entirely in character. It would nevertheless be a mistake to overlook the fact that a Chinese delegation had left Moscow only a few hours earlier in high dudgeon. Without a doubt, the wily Mr. Khrushchev was rubbing in the points that the Russians had made to the Maoists during the talks by his many expressions of friendship for India. These political sidelights might have been less important if in the highly integrated Soviet society economic relations were not always subordinate to political aims. Mr. Khrushchev having decided to hold aloft the banner of peaceful co-existence as a contrast to Chinese belligerency, the world might well expect a major Russian effort to enlarge and strengthen trade relations. A period of sweet reasonableness could lie ahead in which the Russians with their usual thoroughness would set out to make themselves model trading partners not only of the non-aligned nations but also possibly of the West. The conciliatory Russian moves in the sphere of oil may be a pointer to this new mood in economic diplomacy.

For developing nations like India, struggling with serious balance of payments difficulties, opportunities for expanding trade are especially welcome. The structure of the Russian economy, with its emphasis on capital goods industries, leaves wide scope for the absorption of manufactured consumer goods that developing nations have been seeking markets for. In return, Russian industry can readily supply the plant and equipment for development programmes, providing thus a pattern of complementarity which it is not easy to duplicate elsewhere. In some instances, the equipment may not be as efficient or as economic as what the West can offer. But that is of little consequence in the present stage of growth in the underdeveloped countries where very different concepts of technical obsolescence must apply. Again, a price mark-up—assuming, of course, that fair comparisons can be made in the highly artificial conditions in which international trading often takes place today—need not be a deterrent since a machine tool 15 percent dearer is better than none at all. With imports from West fully up to the ceiling of what trade plus aid allows, the choice is often as simple as buying from rupee payment sources or going without. Differing technical ideas and specifications create difficulties. But import curbs are obliging industry to find ways of overcoming such snags as quickly and deftly as possible.

About 75 percent of India's imports from Russia have consisted of machinery and base metals needed for priority programmes of industrial development. Another 10 percent consist of chemicals, railway stores and transport equipment to meet equally essential needs. Although imports have gone up from Rs. 6 crores in 1955-56 to Rs. 55.5 crores in 1962-63, it does not seem to have taken away any trade from others but only supplemented what was obtained from traditional suppliers, including both ordinary commercial transactions and imports made under special credit arrangements. In fact, an analysis of India's trade with Russia shows that imports were smaller than the total possible if current earnings were pooled with available credits—the direct opposite of the position in the case of Indo-West German trade.

In the coming years, the total value of Indian imports from Russia is bound to rise as a result of the new trade pact and the credits which are being negotiated for fourth plan projects. Opportunities for expanding the flow of trade and investment need to be energetically explored. The political importance which the Russians attach to joint enterprises often brings a bonus which commercial arrangements made with western collaborators cannot normally be expected to match. Mr. Khrushchev's remarks at the Moscow exhibition last week, where he proudly compared Bhilai's performance with that of Durgapur and Rourkela, would seem to bear this out. The size of India's needs leaves her no choice but to make the most she can of Russia's interest while it lasts. There is much to be said for not putting all eggs in one basket but the situation need never arise. For one thing, Russian capability—although rising from year to year—can meet only a small part of India's total requirements. For another, collective western interest and participation in Indian development can be safely assumed to leave the Russians a long distance behind.

India's exports to Russia have increased steadily from Rs. 3 crores in 1955-56 to Rs. 38 crores last year—but not fast enough to cover the full value of the rising import bill. In 1962-63, the shortfall was as large as Rs. 17 crores; exports rose by 20 percent over the previous year but imports went up by 40 percent, with the result that the current trade deficit was doubled. The provision in the new trade agreement for larger exports of manufactured goods from India may help to reduce this unbalance. That must remain the hope because it would be wrong to depend only on traditional exports to bridge the gap. Even if Russia's demand for jute goods or tea were to shoot up, the short-term effect would be to raise export prices. However welcome the immediate impact on the terms of trade, high prices would be harmful to India's long-term interests in maintaining and widening markets. In the case of such items as jute goods, mica and tea, the threat from substitutes can be fought only by long-term price stability which makes a precipitate rise in demand almost as unwelcome as a sudden decline.

It would ill serve India's aims if this were allowed to happen because of poor programming of the exchanges with Russia. There is also the danger that traditional exports sent nominally to Russia may find their way into third countries at cut prices, despite the assurances that Mr. Manubhai Shah claims to have obtained from his counterpart in Moscow. Such dangers apart, the benefits of India's growing trade with Russia and her East European associates is well brought out by the export statistics of last year. The increase of Rs. 23 crores in exports to these countries more than offset the losses suffered in the Common Market countries and Japan. Without this increase, total earnings last year may well have shown a decline. The experience justifies the hope that the communist economies are expanding in a direction which raises their absorptive capacity for India's exports. This gives them special importance in the context of the current export drive.

TOO MANY POWERLOOMS

THE memorandum submitted by the Indian Cotton Mills Federation to the Powerloom Enquiry Committee could well be described as the revised and abridged edition of its booklet entitled *Third Plan Targets for Handlooms, Powerlooms and Mills* published in February 1961. The memorandum contains little that is really new. But this is hardly surprising because the mills have long been complaining bitterly about the unrestricted and clandestine growth of powerlooms in the decentralised sector. Not far inferior to some mills in technical efficiency, the powerlooms are virtually free from the burden of taxation and other financial obligations such as rising wage costs that weigh so heavy on the organised sector. They score over the handlooms by achieving eight to ten times their output, which gives them a big cost advantage. In addition, powerlooms make serious inroads into both the sectors by freely producing varieties which are reserved for the handlooms and are limited—in certain cases banned—for production by the mills.

The Federation contends that the powerlooms do not provide a larger employment potential than the mills. Nor are the wages and working conditions they ofter as favourable as in the organised sector. The Government loses heavily because the average duty borne by powerloom cloth is hardly 0.5nP a yard, against 30.6nP a yard on mill-made cloth. According to calculations made by the Federation, for every 100 million yards of cloth produced by powerlooms, labour loses about Rs. 40 lakhs by way of lower wages and the Central exchequer about Rs. 3 crores. The memorandum argues that, whether from the point of view of supplying better goods to the consumer at reasonable prices or making larger contribution to Government revenues or paying higher wages to labour, the performance of the powerlooms is poor. While conceding that powerlooms have their place in the economy, the Federation says that the size and structure of the industry are almost entirely governed by the advantages accruing to it from the manner in which the excise duty operates from time to time. The Federation makes the point that if the production of the handloom sector, for protecting which the mill industry has been subjected to many disabilities, has actually dwindled over the years, and if the Government cannot do anything to stop the invasion of powerlooms in the field reserved for handlooms, there can be no ground for continuing the disabilities of the mills.

The task before the Powerloom Enquiry Committee is far from easy. The difficulties are varied and complex. The chairman of the Committee, Mr. Asoka Mehta, has already hinted in some of his recent statements that the recommendations might not satisfy all the interests concerned, as they can at best be only of a tentative nature. As it is, no precise data are available about the number of powerlooms operating in the country and the quality and volume of their production. The Committee's findings will be awaited with keen interest since they will provide a basis for discussing problems in their proper perspective.

The Federation's memorandum, however, raises some controversial issues. It is certainly essential, as it points out, to lay down in clear terms the aims of the Government's textile policy while deciding the relative rôle which mills, handlooms and powerlooms should play. These aims, according to the Federation, are (1) offering the consumer better cloth at lower prices and (2) strengthening the export potential. Although the aims sound simple, the mills cannot take much credit for making a serious effort to realise them. Their concern for the consumer is in odd contrast to their persistent demand for an increase in cloth prices and their failure to raise output despite the comfortable supply of cotton this season.

The industry's record in the export trade too is disappointing. The memorandum says that "to the extent the mill-sector is allowed to produce more, the country's export potential will be increased". But, surely, exports are not suffering because an exportable surplus is lacking. Nor is there any official obstacle in the way of stepping up the output of cloth which is at present running far below the past ten years' average. It is true that the additional spindleage visualised under the third plan is not covered by a corresponding increase in the loomage, but the mill industry cannot explain away the complete stagnation in its cloth output due to lack of weaving capacity. It might be of interest to recall that the Indian Cotton Mills Federation, in its booklet *Third Plan Targets for Handlooms, Powerlooms and Mills*, had hinted at a possible shortage of cloth due to the failure of other sectors or through the defective assignment of targets. But in spite of mill production remaining virtually static, a glut developed during the last quarter of 1962 which could not be completely explained away in terms of the political uncertainties following the Chinese aggression.

Current News and Comment

Continuing Protection for Bicycles

The bicycle industry has been enjoying protection for over 16 years during which it has made appreciable progress. From a meagre 4,000 in 1947, the production of bicycles has kept rising steadily, and it reached the level of 1.175 million pieces in 1962. The industry has now attained self-sufficiency in components. Apart from meeting the entire requirements of the country, the industry has also been exporting its products. Bicycle exports were valued at Rs. 4.46 lakhs (3,664 units) in 1960, Rs. 11.89 lakhs (12,677 units) in 1961, and Rs. 3.17 lakhs (3,564 units) in 1962. Exports of components were valued at Rs. 2.70 lakhs in 1960, Rs. 5.14 lakhs in 1961 and Rs. 6.17 lakhs in 1962.

There are at present 18 factories in the large-scale sector with an installed capacity of 1.36 million bicycles a year. Of these, five are in the Punjab, three each in West Bengal, Uttar Pradesh and Delhi and one each in Maharashtra, Madras, Bihar and Assam. Besides, there are 145 units in the small-scale sector with an aggregate capacity of 832,000 bicycles a year. They are largely concentrated in the Punjab, Uttar Pradesh, West Bengal and Delhi. Production of bicycles in the large-scale sector was 1.053 million in 1960, 1.049 million in 1961 and 1.116 million in 1962, while the small-scale sector produced 228,000 in 1960, 148,000 in 1961 and 59,000 in 1962. There are some 24 units manufacturing only components, and licences for 13 more new units have been issued. All the bicycles are now available from indigenous sources.

The apparent consumption of bicycles, made up of indigenous sales plus imports (negligible) minus exports, amounted to 1.23 million in 1960, 1.18 million in 1961 and 1.15 million in 1962, thus showing a slackening of demand over the past three years. The current demand is estimated around 1.25 million, and it is expected to rise to around 1.50 million by 1965-66. Imports of bicycles have been banned since July 1957, and imports of components are restricted. Imports of components, which amounted to Rs. 1.15 crores in 1961, fell to Rs. 27.18 lakhs in 1962.

In spite of the fact that the industry has substantially increased its production over the years and has achieved efficiency in technical and managerial spheres, it has pleaded for continuing protection beyond 31st December, 1963. The existing rate of protective duty on bicycles is 65 percent *ad valorem* (preferential) or Rs. 80 a bicycle whichever is higher, the standard rate of duty being 10 percent more than the preferential rate. The rate of duty on components is 65 percent *ad valorem* (preferential) and 75 percent *ad valorem* (standard). For items on which excise duty has been levied, a countervailing import duty has also been added. Further, a surcharge of 10 percent has been levied on all import duties under the Finance Act, 1963.

Opening the public enquiry into the question of continuing protection to the industry beyond the current year, the chairman of the Tariff Commission, Mr. K. R. P. Aiyangar, recently outlined the progress made during the past 16 years of protection and urged the manufacturers to keep an effective check on the domestic prices of bicycles, which seems to have become all the more necessary in view of the declining trend in consumer demand over the past few years. Check over prices is also necessary to step up exports. Bicycles, said Mr. Aiyangar, had good export possibilities and the Government was already giving incentives to stimulate exports. But he added that if a stable export market had to be built, the industry must strive its utmost to improve the quality of its products and make all possible economies in production. Fuller use of capacity is necessary for effecting such economies, and this is possible only if the industry is assured of regular and abundant supplies of raw materials. The industry is still dependent on imports for its requirements of trips, free cutting bars and wires and chromium anodes. Most of the consumable stores including chemicals for polishing, brazing, electro-plating and heat treatment required by the bicycle industry have to be imported. The industry has been also complaining about inadequate and irregular supply of a number of imported raw materials.

Mr. Aiyangar stated that the bicycle industry which requires about 200 different components, appeared to offer enough scope for the small-scale sector. It was considered desirable to earmark a portion of these components for the small units. But the latter are said to be facing difficulties in obtaining essential components and raw materials, and they also lack the requisite testing and other facilities for improving quality. Mr. Aiyangar advocated the bringing together of the large-scale and small-scale sectors and aiming at a common production programme in order to ensure a healthy and organised development of the industry.

The spokesmen of the industry stated that efforts to reduce costs were being neutralised by the increase in taxes, rise in the prices of raw materials and power charges. These factors have undermined the industry's competitive position in foriegn markets. The industry has pointed out that, if protection were to be discontinued, it should be allowed to import components freely. Imported components are cheaper than those available from indigenous sources. Mention needs to be made of T. I. Cycles of Madras which has opposed the industry's plea for continuing protection. T. I. Cycles thinks that the industry is now sufficiently strong to stand on its own feet—a view shared by many outside the industry. Outside competition is completely shut out because of the ban on bicycle imports.

Cotton Textile Exports

Shipments of cotton piecegoods from Bombay port, which accounts for nearly 90 percent of these exports from India, are provisionally estimated at 35.74 million yards, valued at Rs. 2.8 crores. The June figures raise the total shipment during the first six months of the current year to 231.90 million yards valued at Rs. 17.3 crores. The corresponding figures for 1962 are 224.69 million yards valued at Rs. 18.1 crores. Thus, while the quantity of cloth exported is higher, the value realised is lower; this appears to be very largely due to the compulsory scheme of exports. The average price realised during the first half of the current year works out to 74.6nP a yard, compared with 80.6nP a yard in the corresponding period last year. There has, however, been a welcome improvement in the average price realised since the turn of the year, from around 70nP a yard in January to 74.8nP in May, and further to 78nP in June.

Shipments of mill-made cotton piecegoods effected from Bombay during January-May 1963 comprised 114.98 million yards of grey cloth valued at Rs. 7.9 crores, 33.33 million yards of white valued at Rs. 2.5 crores and 49.85 million yards of coloured goods valued at Rs. 4.4 crores.

Cloth Output Running Low

The production of cloth by Indian mills in May is provisionally placed at 412 million yards, compared with 400 million yards in the preceding month and 423 million yards in May 1962. The May figure—the highest since January—raises the total for the first five months of the current year to 1,994 million yards, compared with 2,085 million yards in the corresponding period of last year. The monthly average for the current year works out to 399 million yards, which compares with the 1962 average of 416 million yards and is well below the past ten years' average of 419.7 million yards. The production has to be stepped up to around 492 million yards a month if the organised sector is to achieve its third plan target of 5,800 million yards. The industry's current performance is in odd contrast to its earlier demand for a higher share in the total plan target of 9,300 million yards. The poor cotton harvest in 1961-62 had been blamed

India's Resources
are Precious
WASTE NOT,
WANT NOT

for the setback in cloth production last year, even though domestic supplies were supplemented by fairly large imports from abroad. But the industry cannot offer any convincing explanation for the continued low level of cloth output this year as the supply position of cotton has continued to be fairly comfortable because of the record crop of 5.6 million bales in 1962-63 and reasonably large imports.

Can it be that the industry does not find it worthwhile to step up production because of the declining profit margin resulting from the voluntary control over cloth prices and mounting production costs? Or is it that the organised mill sector is finding it difficult to compete with the powerlooms in the decentralised sector? Judging from the civil deliveries of cotton yarn produced by the mills, there are strong indications of a much bigger increase in the production of cloth, especially of finer varieties, in the decentralised sector than what the official figures indicate. The unregulated growth of powerlooms has been a source of constant irritation to the cotton mill industry. An enquiry into the various aspects of the powerloom industry is already in progress and its findings are awaited with keen interest.

While cloth output during January-May 1963 is considerably lower than during the same period in the previous year, yarn production is slightly better. The May figure of 165 million lbs—the highest since January—raises the total for the first five months of the year to 794 million lbs, compared with 790 million lbs in the same period last year. Stocks of cloth with the mills at the end of May totalled 303,800 bales (of 1,500 yards each), compared with 312,600 bales at the end of April. Unsold stocks fell from 165,800 bales to 153,800 bales, but there was an increase of 3,200 bales from 146,800 bales to 150,000 bales under "sold but delivery not taken".

Motor-car Insurance Premiums Up

Indian comprehensive insurance rates for private motor-cars are scheduled to go up, rather steeply, from 1st August, 1963. Loss experience in this business during the past few years has been given as the reason for changing the existing rates. The Tariff Committee of the Insurance Association of India, which is responsible for administering the premium rates, has put its seal of approval on the recommendations of the local regional councils. With a view to offsetting in some measure the increased premiums, the new rates will be subject to a higher no-claim discount which may go up to 50 percent for five consecutive no-claim insurance years instead of the present maximum of 33⅓ percent for three consecutive no-claim years.

The no-claim bonus will also be effective from 1st August. No waiting period is required, that is, if an insured has not made any claim for five consecutive insurance years and if his policy is due for renewal on 1st August, 1963, he will be entitled to the 50 percent discount from that date, and it will not be necessary for him to have two more claim-free years to earn the proposed maximum discount. It has been suggested that the proposed revised rates are more commensurate with past experience, and having regard to the fact that the increased premium will be partly offset by higher no-claim discounts, the new basis of rating is more realistic.

It will be recalled that Indian comprehensive rates for public carriers went up steeply in 1960. The last increase in private motor-car comprehensive rates took place in 1958. Several reasons have contributed to the unsatisfactory loss experience. For one thing, enhanced repairing charges, increased prices of parts on account of heavy duties and higher manufacturing costs, have contributed in no small measure to claims outstripping premiums. For another, India's antiquated roadways, which had not been designed to withstand the present volume of traffic, have been responsible for many collisions and accidents. For the insurers too, the cost of running the business has gone up in every item during the past few years. All these have led to the enhancement of the premium rates. The only consolation for the insuring public perhaps is that they will have a no-claim discount of 50 percent, which, it is stated, is the highest in the world.

India is not the only country which is increasing the motor-car comprehensive insurance rates. The U.K. rates too will be raised from October 1963, the proposed increase in basic premium rates ranging from 10 percent to 30 percent for private motor-cars. The U.K. no-claim discount for a period of five years will go up to only 40 percent, and not 50 percent as in India. In both countries the claim-free policyholders will, it is claimed, be paying less than what they are currently paying to insurance companies. The new rates, therefore, are likely to ensure better care in the handling of motor-cars and should benefit, by and large, owner-drivers.

Indian fire rates, however, have been cut to the extent of at least 35 percent by a phased premium reduction. The last reduction in the series took place in 1962. In the U.K., where the loss ratio continues to be heavy, fire premium rates have been put up. Fire losses in 1962 reached an all-time high of £55.6 million, that is, £16.5 million more than in the previous year, and double the loss suffered five years ago. The trend during the first five months of the current year shows no improvement. In fact, the fire losses for the five-month period are estimated at over £30 million, representing a 25-percent increase over the figure for the corresponding period in 1962.

British insurers, anxious to reverse the trend of claims outstripping premiums, have raised the fire premium rates by 15 percent. It shows that even a highly industrialised country like the U.K., with one of the best fire protection systems, has not been able to avoid mounting losses; industrial complexes, with all the improvements in the fire protection system, are still vulnerable to accidental fire hazards. The present premium rate structure in India may show sizable profits for insurers, but it must not be taken as good for all time. With the progress of industrialisation and the consequent need for intricate handling of machinery, large fire losses are possible. It would have been better for Indian insurers to take these future possibilities into account rather than base their calculations on the present dispersal of risks where the bulk of the premium comes from scattered shops and godowns. But this may not be so in the future.

Textile Exports to Eastern Europe

A six-member team headed by the Director-General of Cotton Textiles Export Promotion Council, Mr. H. A. Sujan, is now on a study tour of east European countries to find out how best to stimulate the offtake of Indian cotton textiles by these countries. Although exports of cotton fabrics to eastern Europe have been showing an upward trend of late, they remain far short of the targets set by the Government under the trade agreements with these countries. The performance looks very disappointing in the context of the impressive increase in India's total exports to eastern Europe. India's total sales to these countries increased from Rs. 63.8 crores in 1961 to Rs. 93.2 crores in 1962 but of this cotton piecegoods accounted for no more than Rs. 4.87 million. In terms of quantity, cotton textile exports to east European countries increased from 840,000 yards in 1961 to 3.03 million yards in 1962, but the target for 1962 had been fixed very much higher around 30 million yards.

Out of the 3.03 million yards exported last year, Russia took 980,000 yards, Yugoslavia 790,000 yards, Hungary 620,000 yards, East Germany 560,000 yards and Czechoslavakia 80,000 yards. Exports to Rumania were negligible, and Poland did not figure among the buyers of India textiles. The target for 1963 has been set at 40.5 million yards, but it seems doubtful whether cloth exports to eastern Europe will show any spectacular improvement over last year's performance. Exports during the first quarter of the current year are placed at only 1.29 million yards (valued Rs. 2.03 million), and the provisional figure for shipments from Bombay port, which accounts for the bulk of the business, for the second quarter is estimated around 690,000 yards. Shipments to Russia in the first quarter are placed at 230,000 yards, valued at a little over Rs. 10 lakhs. Exports to east European countries consists mainly of printed cloth for shirting, grey and printed drills, bleached sheetings, chintz, domestics and negligible quantities of voiles and mulls.

Using Better Farm Implements

The Central Minister for Agriculture, Dr. Ram Subhag Singh, told the Conference on Manufacture and Popularisation of Improved Agricultural Implements in New Delhi last week that the achievement of a 30 percent rise in foodgrain production during the Third Plan period would depend, among other things, on the use of superior agricultural implements by farmers. At present the demand for tractors is about 10,000 a year, but internal production in 1963 may be only 3,600 and in 1964 6,000. It is only after two or three years that production might increase to 7,500. The country has, therefore, to depend on imported tractors which cost a good deal of foreign exchange.

There is a shortage of small tractors in India. Dr. Singh said that if they could be produced in the country and priced at Rs. 2,000 to Rs. 2,500, many cultivators would make use of them and agricultural production could be increased. Although three firms have been licensed for manufacturing small tractors of up to 10 horse-power none of them has yet started working. As for bigger tractors, only three out of the five firms licensed have come into existence. The situation can be remedied, not by cancelling the licence of the firms which could not progress, as was suggested by Mr. Shriman Narayan, member of the Planning Commission, but by removing their difficulties. The main difficulties are the shortages of iron and steel and of imported machinery and equipment. Unless their supplies improve, it will not be possible to increase the production of tractors or, for that matter, of harvesting machines, threshers and other agricultural implements.

The high cost of agricultural machinery makes it impossible for the average cultivator to use them. Besides, repairing facilities are not easily available in most parts of the country. A large number of tractors unfortunately lie idle for long periods because of the lack of repairing facilities. It has also been found that imported tractors and ploughs are not suitable for Indian conditions, since deep ploughing removes the moisture from the soil. It is, therefore, necessary to devise implements which are suitable for Indian conditions in order to make them popular. It is to be hoped that the proposed Agricultural Implements Board, which will include representatives of the Government, the Planning Commission, the State Trading Corporation, manufacturers of agricultural machinery, co-operative societies and farmers, will devise methods not only for increasing the production of agricultural machinery but also for popularising them with the cultivators. It has been suggested that this Board should arrange to supply tractors and other machinery to farmers on hire-purchase and ensure that at least one workshop is opened in each district for their repair and maintenance. As Mr. S. K. Dey, Minister for Community Development stated at the Conference, it is also necessary to train the extension workers and *gram sevaks* in the use of agricultural machinery so that they could help the cultivator in using them. It is especially necessary to promote research to evolve the type and design of implements, which will be suitable for various parts of the country, since differences in soil conditions and manpower utilisation do not make it possible to use standardised machinery efficiently. The Board will also have to ensure that the village artisan is encouraged to produce improved varieties of ploughs, sickles and other implements and he is supplied with adequate quantities of iron and steel. Only a few cultivators can use tractors, threshers and other modern machinery, while the majority will have to depend on improved varieties of old implements.

Consolidation of Holdings

The small size of agricultural holdings caused by fragmentation is one of the main causes of low productivity in India. Some interesting points have been brought out in a review of the progress of consolidation of holdings in the June 1963 issue of the *Reserve Bank of India Bulletin*. Although nearly 7 million acres of land were consolidated during 1961-62, the first year of the third plan, against the total plan target of 30 million acres, the total area of land consolidated since the inception of the movement up to the end of March 1962 is only 36½ million acres. Some idea of the slow progress of the movement is obtained from the fact that the area so far consolidated in U.P., Madhya Pradesh, Rajasthan and Mysore is only 17¾ percent, 10½ percent, 8¼ percent and 4¾ percent of the net sown area, respectively. In Andhra Pradesh, Bihar, Maharashtra and Gujarat very little progress has been made. While in the other States there has been no progress whatsoever.

Madras and Kerala have no legislation for consolidating holdings and preventing fragmentation; Assam, Jammu and Kashmir, Orissa and West Bengal have such laws, but they have not yet been implemented. It is not that the problem of fragmentation is less serious in these States. In Assam, for example, holdings of less than 10 bighas (3.2 acres), occupying 1,527 acres or 12 percent of the total area, are divided into 7,246 fragments. This gives an average of 0.2 acre a fragment. Progress has been made only in Punjab and U.P. In fact, of the 7 million acres consolidated in the first year of the third plan, nearly 5 million acres are in the two States. In Punjab as much as 94.7 percent of the net sown area has been consolidated. It is to be hoped that the other State Governments will expedite the process. The experience of Punjab and U.P. shows that if the initiative is left to the farmer the progress of consolidation will be very slow. It is, therefore, necessary that the Government officials in charge of this work should take the initiative.

The laws in Madhya Pradesh, Assam and West Bengal are defective in so far as they do not provide for consolidation at the Government's initiative. The cultivators, either because of ignorance or for sentimental reasons, are usually opposed to consolidating their holdings and cause too much delay if they cannot altogether prevent it. It is, therefore, necessary to provide against too much delay. In most of the States, the Governments have not placed experienced and efficient officials in charge of this work. As the U.P. Government did in the beginning, it would be worthwhile for the other State Governments to send their consolidation officials to study the work done in Punjab. An important reason for the success in Punjab and U.P. is that there consolidation operations are regarded as part of "an integrated programme of village development", whereas in the other States like Maharashtra, Gujarat, Bihar, Madhya Pradesh, Orissa, West Bengal and Assam consolidation operations are confined to "mere regrouping of fragmented holdings to form compact holdings". It is not suggested that the work of consolidation is easy. There are difficulties such as in valuation of land, payment of compensation, distribution of the consolidated land and prevention of re-fragmentation. But these difficulties can be overcome, as have been done in Punjab and U.P.

Finances of Local Bodies

The two-day conference of U.P. municipal corporations in Lucknow last week discussed problems which are of interest to local bodies all over the country. The conference highlighted the fact that the financial position of municipal corporations has deteriorated because, although their responsibilities have increased, their revenue has not increased in the same proportion. Taking into account all the local authorities in the country—city corporations, port trusts and municipalities—the total outlay on revenue and capital account in 1961-62 was budgeted at Rs. 242 crores, against total receipts of Rs. 203 crores. This left a gap of Rs. 39 crores, against Rs. 24½ crores in 1960-61 and only Rs. 1¼ crores in 1959-60. It is worthy of note that in 1961-62 most of the gap of Rs. 39 crores was accounted for by city corporations. Their receipts from rates and taxes now account for only two-fifths of total receipts, against more than half in 1958-59. The local bodies have been trying hard to raise additional revenues, but the scope for this is strictly limited.

The Lucknow conference recommended that the State Government should give the municipal corporations of Kanpur, Agra, Varanasi, Allahabad and Lucknow the revenues it realises from the cities in the form of electricity duty, entertainment tax and motor-vehicle tax and also a share in the sales tax. The Local Taxation Enquiry Committee also emphasised the need for giving local bodies a share in the taxes which the State Governments realise by way of entertainment tax and motor-vehicles tax. However, nothing has been done by the States on the plea that their requirements are high and they cannot afford to share the tax revenues with the local bodies. But since many of the welfare activities are financed by local bodies, it is only fair that they should get a share in the revenues raised from these taxes. Otherwise the local bodies will continue to depend on loans and other assistance from the State Governments.

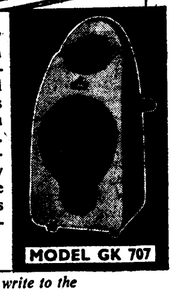
Sales Tax Assessment

The order passed by Mr. Justice Manchanda of the Allahabad High Court in a writ petition by a firm of Moradabad, Jagdish Saran and Sons, against a sales tax assessment order brings out an interesting point. The writ application was made against the assessment order of the sales tax officer, Moradabad, and the judge (appeals) sales tax, passed in 1960. The petitioners had sold their business to another firm named Nand Kishore Ajai Prasad for about Rs. 24,800; the sales tax officer included this sum in the gross turnover of the petitioner for levying the tax. The judge (revisions) sales tax also came to the conclusion that the sum received as a result of the transfer of business by a firm could not be excluded from its gross turnover. However, in an earlier case—Sri Ram *versus* Commissioner of Sales Tax 14 S.T.C.

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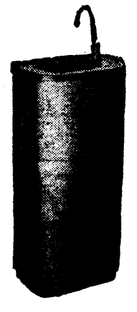




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275—a division bench of the Allahabad High Court had laid down that the sale proceeds of a business were not to be included in the turnover of the firm on which sales tax was payable under Section 3 of the Act and it did not matter whether the sales tax was a single point tax or a multi-point one. In view of the earlier decision of the Allahabad High Court Mr. Justice Manchanda reversed the order of the judge (appeals) which confirmed the assessment order of the sales tax officer.

It has been often pointed that in order to prevent tax evasion, it is necessary that the assessing officers should be impartial and sympathetic. In the present instance the assessee firm won the case, but there was no decision about costs and it took such a long time for the matter to be settled. The U.P. Government should look into the matter and find out the circumstances under which the mistake in interpreting the law was made, in spite of the High Court ruling in a similar case. Apart from the High Court ruling the meaning of "sale" should not have been so difficult to decide. This is not the first case in which the meaning of "dealer" and "sale" has been misinterpreted by sales tax officers. If there is some defect in the wording of the Act, it should be removed.

Rehabilitating U.K. Cotton Mills

The Lancashire cotton industry is by no means happy with the situation which is facing it at the moment. This was brought out at a recent meeting with the president of the U.K. Board of Trade, when Mr. Frank Rostron, chairman of the Cotton Board, spoke frankly of the urgent need for new and better Government policies to meet the serious situation with which the industry was now confronted. He said that the upturn in trade which the U.K. cotton industry had been anticipating for well over a year had not so far materialised. The normal cyclical pattern has become distorted and it is clear that this has arisen from the perpetual threat on the imports side. The measures so far taken by the U.K. Government do not add up to a solution of Lancashire's difficulties. There is no doubt that the ceiling on imports from the Commonwealth countries and the quotas in the case of other countries have been pitched far too high. Thus, at the present crucial stage in the industry's attempts to modernise itself, to reorganise its structure and to re-equip, any increase in demand is reflected in increased imports from abroad. Even if the ceilings are reasonable—and no one in the industry will agree that they are—it will be impossible to have stability unless certain other measures are taken.

Mr. Rostron suggested the following measures to improve the prospects for the industry : (a) The limitation of import by categorisation. As matters stand at present, huge volumes of imports relate to particular classes of goods, causing acute disruption and wide price variations in the affected sections of the U.K cotton industry. Other countries have not hesitated to limit imports by categories. The U.S.A., for instance, has already taken over 70 effective actions under the "G.A.T.T. long-term arrangement, against 17 different countries on a categorised basis. Imports into the U.K. represent over 30 percent of domestic requirements, against about 5 percent in the U.S.A.

(b) A revision of the Commonwealth-content qualification for entry is also necessary. No other country is in the same position as the U.K. in that foreign and Commonwealth cloth can enter in the form of made-up goods from such a country as the Republic of Ireland without paying any duty, merely because 25 percent additional value has been attached to it. The Commonwealth-content qualification should be raised to 50 percent and the added value should all be attached in one country and not, as at present, on a composite basis.

(c) There should be a greater willingness on the part of the Government to make use of the provisions of the "G.A.T.T. long-term arrangement." The latter held out a great hope of securing stability against imports from countries other than the Commonwealth, but the U.K. Government has shown itself extremely reluctant to invoke it against western countries. Britain has argued that it is inapplicable against the E.F.T.A. countries . This means presumably, that Portugal, for example, may become the Hongkong of the European Free Trade Area.

(d) Steps should be taken to make the U.K. anti-dumping legislation more effective. Britain's anti-dumping legislation has proved in the past to be remarkably slow in operation and ineffective, so it should be drastically overhauled.

(e) A thorough revision of the Ottawa Agreements of 1932 should be made. If Britain had entered the European Common Market, it would have meant that the duty-free principle, which had existed intact since Ottawa, would have been breached for the first time. The industry cannot understand why this principle should now apparently revert to its previous sacrosanct status. No industry is more conscious than the cotton industry of the arguments in favour of helping the developing countries—indeed, no industry had made a larger contribution—but it has a legitimate grievance when the same treatment is accorded to such countries as Canada, which has at least as high a standard of living as in the U.K.

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LORD CURZON

THE London *Times* is responsible for the rumour that Lord Curzon has been offered a two years extension of his present office after the expiry of the customary five years. Probably His Excellency is waiting and watching to see how the political cat is to jump at home before he finally makes up his mind on the question. If that be so, it may be a few months yet before he tells us his present secret. There is not the least hurry or curiosity on the part of the public to know. But the unexpected may happen any day after Parliament is prorogued next month. It is an unfailing sign that a dissolution is not far off, when Cabinet Ministers send messages to their own party managers (as Mr. Balfour has lately been doing) in the constituencies that they need not be in any hurry to select candidates for the General Election. "No, No, please don't put him under the pump." A nod is as good as a wink at any time. If the present Cabinet intend to fix the Viceroyalty of India by keeping on Lord Curzon or by sending out the Earl of Pembroke, there is not much time to lose in coming to a decision. There is a good story going round at home which ought to provoke a good deal of mirth in the high places of India. Here it is: An American globe-trotter, dining with a gentleman in Calcutta, was asked if Americans were interested in India. The American assured him that such was the case, and said : "One day I met a lady I knew in the cars, and I handed her a newspaper in which was a paragraph headed 'India and Lord Curzon'. She settled down to read it with close attention. I remarked to her, 'You seem interested in that item about India. 'Yes', she said, 'I am. When that young man came out here and married Mary Leiter I always said she would make something of him—and she has."

FROM

CAPITAL
30th July, 1903

A Ditcher's Diary

LAST WEEK'S ANNOUNCEMENT ON SOME MINIMAL nominal changes in the Central Cabinet could hardly have been less thrilling. Mr. K. C. Reddy had been a "gonner" a long time ; and the other alterations may or may not mean the beginning of a precise portfolio for Mr. T. T. Krishnamachari. In case, however, Dr. K. L. Rao has been brought in less for his Andhra origin than for his engineering experience, the benefit may accrue not only to the crucial Ministry of Irrigation and Power but also to the country's political thinking as a whole. In all the years since independence the assumption has been that a Minister is chosen for the "popular touch" he is supposed to have, for having been elected while the actual work is done by bureaucrats and experts. I was surprised, agreeably, to read somewhere the other day that a large proportion of Mr. Khrushchev's Cabinet consists of men and women with recognised technical qualifications. It was possible, for instance, for Mr. Malenkov to take over a large power project after his political death : here political rejects can only become Governors. Dr. K. L. Rao is said to be a distinguished engineer ; and I do hope he will set a different sort of example for his colleagues. Let him, I suggest, refuse to lay foundation stones or open school buildings ; let him spend more time on work sites than in the secretariat ; let his notes consist more of diagrams and things than of verbiage. Be that as it may, let us remember the essential insignificance of the recent changes. Even on Friday morning Mr. A. K. Sen was said to be distraught that he had not been given something besides or other than Law ; Mr. S. K. Patil still seemed unconvinced that it was time for him to leave Food to someone else ; Mr. Manubhai Shah still seemed inconsolable that he had not been elevated to Cabinet rank, whatever that may mean. Mr. Nehru seems to enjoy such uncertainties all round him ; he seems almost to thrive on his colleagues' unconcealed discontent. I suppose this kind of ministerial disarray makes for the Prime Minister's own political security ; on the administration the effect has been just about disastrous. All around, one senses the prevalence of that dangerous malaise which the French call *immobilisme*. Moving up are only prices.

QUITE APART FROM THE FACT THAT I HAVE NO reason to be happy over a united international communist front, I rather admire the way the Russians and the Chinese recently stuck to their respective, irreconcilable points of view. The inner contradictions of communism have long been clear to all but the faithful ; but the Russo-Chinese differences need not be looked at in ideological terms at all. The very bourgeois criterion—clash of national interests—will explain most of the row, although the jargon of Marxism-Leninism has been used by both. The Soviet Union has in the last 46 years built quite a society which it does not want to see destroyed in a nuclear war. China has nothing comparable to lose and can, therefore, afford to gamble with the future of mankind of which such a sizable part is Chinese. Why then is Chinese dogmatism, so obviously suicidal, gaining the adherence of more and more national communist parties, as reported from Tokyo the other day? Again, it is easily explained. The Soviet Union is and looks relaxed, while China is burning with ideological fervour ; and this enthusiasm always appeals to people who have not yet attained power. Even as India after her independence concentrated on development and appeared indifferent to the fate of the Asians and Africans still in bondage, the Soviet Union is now a "have" country and seems insufficiently sympathetic to communist aspirations in the world outside. The Russians look selfish, while the Chinese are crying their hearts out for the poor Congolese and the poor Cubans and the poor Yemenis. Since the Chinese are not expected to do much with their unbounded sympathies, while everyone wants a steel plant or something from the Russians, you will see how easy it is for the Chinese to collect admiration here, there and everywhere. The impertinence with which the Chinese apparently demanded the removal of Mr. Khrushchev was in the event matched by the Russian leader's superb nonchalance ; but the confrontation remains. The danger is that there are men in the Kremlin who share the Chinese view ; and Mr. Khrushchev has to be wary of them. You see, the communist world is no more stable than the non-communist ; but then tension is the very breath of life. Tenacity with the Chinese postulates a Russian willingness for a *détente* with the West ; but the West would be foolish to crow and get tough.

THE NUCLEAR TEST BAN TALKS IN MOSCOW WERE rather appropriately timed, I thought. They opened the day before the eighteenth anniversary of the first explosion of an atomic bomb ever : that was at Almogordo, New Mexico. Since then there have been over 400 detonations, and I am enough of a cynic to believe that there are going to be many more yet. I cannot see France, for example, feeling herself bound by anything agreed in her absence in Moscow, and certainly China seems unlikely to halt her drive for membership of the nuclear club. So have these Moscow talks really been important? Personally, I am beginning to wonder whether a ban on testing will have any significance at all in reducing the risks of nuclear war, and I am sure this suspicion is behind much of Russia's new-found enthusiasm for accommodation with the West. The point we have to face is that nuclear weapons are already so well developed by Russia and the United States, if not by Britain as well, that there is little need for further testing. Even now it is possible for these Powers to destroy their enemies a dozen times over ; and there is simply no point in striving for the means of doing it more often than that. Now the competition between them is centred on the means of delivery, and that is something which no mere test ban is going to curb. So, apart perhaps from permitting a gradual fall in the level of radioactivity in the atmosphere, I cannot myself see that there is much to be gained if the three major nuclear Powers stop their testing. Not that I wish to discount this single important advantage ; although I would have felt considerably safer if the need to stop the testing of rockets and other missiles had also been conceded. But I suppose one cannot expect too much all at once. In fact, there is much to be thankful for that the Russians have been prepared to go as far as they have. And why should they be? Well, let us just say that if the Chinese have been responsible, as we all suspect, then it is no more than they have already achieved in changing other entrenched attitudes among their neighbours.

A COLLEAGUE IN LONDON WRITES : THE STATE VISITS to Britain of Dr. Radhakrishnan and the King and Queen of Greece were separated by only a week or two. But what an extraordinary contrast there appears to have been in the degree of success each achieved. The President of India was publicly welcomed, féted and personally extolled, despite his distinctly un-monarchical image ; whereas the only admiration which seems to have been expressed outside the usual formal addresses about a real live pair of crowned heads was for their nerve at insisting on the visit in the first place. When we add the fact that for the first time in more than 150 years, members of the British Royal Family have been booed in the streets of London, it is no wonder that some of Britain's most responsible newspapers have been asking, in all seriousness, whether or not the people are becoming tired of royalty as an institution. That is something I very much doubt, although it does seem that there may be a growing feeling that the Queen's advisers are becoming too far out of touch with public opinion. They could have foreseen the resentment which would inevitably be aroused by

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a controversial visit which appeared to have no other justification than as a family call by one royal personage on another. Certainly there seems to have been no enthusiasm for it in political circles either in Britain or in Greece. The demonstrations in London were communist-inspired, that I am prepared to believe. And the lengths to which some of the young hooligans went were probably responsible for any small public sympathy the Greek visitors received But it was surely not seriously to be expected that the British people would cheer enthusiastically for a woman who was once a member of the Hitler youth, and only a few years ago was supporting her husband in denouncing British soldiers as murderers in Cyprus and in honouring the leader of the terrorist organisation there—a man who was eventually so extreme that he was disowned by the very people in whose name he had been fighting. Memories are not as short as all that. So the general reaction that the whole occasion was a tiresome waste of good public money, and an unnecessary burden on the energies of the police, is not altogether surprising. Yet none of these criticisms were heard about Dr. Radhakrishnan's visit; then, the general opinion seemed to be that the money was well spent and the inconvenience worth while. This is a tribute to the esteem in which India and the personality of her President are held in Britain. But it would also appear to indicate that the British no longer have quite the affection they used to have for royalty as such, or the same appetite for royal occasions.

I ONCE WENT TO A BENGALI WEDDING; AND BIG IT was. (The bride, I remember, was a rare combination of grace and glamour, two qualities that are usually mutually exclusive.) For the majority of the guests, however, the marriage was far less important than the feast; and that's where confusion reigned. Everybody seemed in charge of everything and nobody in command. A kept screaming for *hilsa*—delicious in mustard—and B instantly wanted mutton curry while C would be content with nothing but *dahi* for his section of the feasters. The noise was beyond measure; none of the items so urgently indented arrived until minutes later. The confusion rather than the noise came back to mind when I read of who had done what about All India Radio's agreement with the Voice of America. The Prime Minister had apparently approved of the deal in principle at some point; he seemed like the father of the bride at the wedding who knew of the marriage arranged but did not know what the dowry agreed upon was. The External Affairs Ministry seemed to scream that, since there was a law on the subject, no dowry was permissible; the A.I.R.-V.O.A. marriage must be a case of strings without aid. The Ministry of Information and Broadcasting did not seem to know whether it was the bride or the bridegroom; it behaved, alternately, coyly and impetuously; it kept arguing that the marriage must take place and that the marriage was nothing more than a commercial transaction. In any event, it is being argued now, the marriage will not be consummated until two years later, for the transmitter cannot be installed earlier than that. So Trans Mitter, a common enough Bengali surname, is now making more noise than it is likely to when it is on the air. What it is saying is that nobody in Delhi knows who is doing what and he himself has only the faintest of clues. The enthusiasm of the two or three people who put the deal through in such unseemly haste is no easier of explanation than the outraged modesty of others who, having received a good deal of military aid from the U.S.A., are now aghast at the prospect of identification with the V.O.A. Again the whole situation is Bengali, as you will agree if you remember that woman in a novel by Sarat Chandra Chatterji in which she, a *brahmin*, brags that although she had been living for 18 years with a man of inferior caste she had never allowed him into her kitchen!,

THE ATTRACTIVE BLONDE WALKED INTO THE DENTIST'S surgery almost shaking with fright. The dentist did his best to soothe her, but without much success. As she sat down she ventured, "You know, I think I would rather have a baby than have a tooth drilled."

"Madam," said the dentist, "I suggest you make up your mind before I adjust this chair."

THE DITCHER

IMPRESSIVE RESULTS FROM BRITANNIA BISCUIT

THE Britannia Biscuit Company Ltd has made record sales amounting to Rs. 5.08 crores during the year ended March 1963, against Rs. 4.28 crores in 1961-62 So the profit has jumped from Rs 72.75 lakhs to Rs. 86.52 lakhs, after providing Rs. 9.99 lakhs, against Rs 8.61 lakhs, for depreciation. Taxation has, however, absorbed a bigger sum of Rs. 59 lakhs, of which the super profits tax accounts for Rs. 15.20 lakhs. The tax provision was only Rs. 38.26 lakhs for 1961-62. In view of the reduced net profit and the need to set aside funds for replacement and expansion, the directors have cut the taxable ordinary dividend from 25 percent to 21 percent, including an interim of 6 percent. It is covered more than six times and works out to a yield of 4.9 percent at the present price of Rs. 42.50 a share of Rs. 10 each. Development rebate reserve is allocated Rs. 1.49 lakhs (against Rs. 1.98 lakhs), debenture redemption reserve Rs. 1.50 lakhs (the same) and general reserve Rs. 12.80 lakhs (against Rs. 13.76 lakhs). The carry-forward is Rs. 6,999, against Rs. 2.84 lakhs brought in.

The directors point out that heavy taxation has reduced the capacity of the Company to finance capital projects and long-term expansion schemes. They have, nevertheless, made strenuous efforts to extend its activities. Innovations and improved manufacturing techniques have helped to improve the results. Ancillary equipment costing Rs. 8 lakhs have been installed. They say that the project for establishing a biscuit factory in the south could not be proceeded with because the Government would not give the necessary industrial licence. Since it has become urgent to increase the output in order to reduce unit costs, it is to be hoped that the Company will be allowed to expand

Steps have been taken to develop the bread trade of the Company. Efforts are being made to increase the export of its products, but there is keen competition in overseas markets. If the Company is to compete effectively in foreign markets, it should be permitted to import the necessary equipment.

Jardine Jute Companies Do Well

THE results of the Jardine Henderson group of jute mills for the year ended March 1963 are much better than in 1961-62. The Howrah Mills Company Ltd has increased its profit sharply from Rs. 10.94 lakhs to Rs. 57.39 lakhs, after providing Rs. 7.84 lakhs for depreciation, although the working was hampered by a lock-out. The directors say that the industry has been working at the maximum level of production, but the output has been affected by the absence of sufficient spinning capacity and the shortage of power.

As for current prospects, the margin of profit has shrunk, following the recession in the price of jute goods. Competition from the Pakistani mill industry has been keen in sacking because the former enjoys the advantages of cheaper fibre and export subsidy. Although the Indian mills have diverted as many looms as possible from sacking to hessian, the continued erosion of the overseas sacking market should cause a good deal of concern. As for raw jute, it is to be regretted that the Government has not discouraged the production of low-quality fibre by reducing the minimum prices for the lower grades. The demand for high-quality jute, especially for carpet-backing cloth, will continue and remunerative prices will be paid for this fibre.

A taxable ordinary dividend of 10 percent has been declared, which is covered more than nine times; the yield is 5.3 percent at the present price of Rs. 19 a share of Rs. 10 each. There was no dividend for 1961-62. General reserve is allocated Rs. 84,335, debentures stock sinking fund reserve Rs. 2 lakhs, taxation Rs. 30 lakhs (of which super profits tax is Rs. 5.87 lakhs) and development rebate reserve Rs. 54,953. Sales were Rs. 3.51 crores, against Rs. 4.11 crores. A battery of four circular looms, two cone winders and a pre-beaming machine has been installed and experimental production has begun. Sacking production on two of the looms has reached a satisfactory level, but difficulty has been experienced on the two looms used for trial production of hessian bags. A new second drawing frame has been installed. This should increase the supply of sliver to the third drawing frames and improve operational efficiency.

The Reliance Jute Mills Company Ltd has made a profit of Rs. 17.65 lakhs, against Rs. 7.32 lakhs, after providing Rs. 92,798 for depreciation. A sum of Rs. 13.86 lakhs has been transferred from provision for contingencies. Taxation absorbs Rs. 1.55 lakhs (against Rs. 1.64 lakhs) and general reserve Rs. 4.85 lakhs. The credit balance of Rs. 25.41 lakhs has been used to wipe off the outstanding debit balance. The dividend has again been passed.

The Company's income continues to arise from the leasing of its godowns to the Government and the sale of its loom-hour entitlement. The directors reopened the mills in September 1962 and began reconditioning the machinery. From March 1963 the manufacturing operations have begun to show small monthly profits On 26th April, 1963, the managing agents gave notice of their resignation from office The resignation will become effective on 31st October, 1963 The managing agents have already disposed of their entire shareholding in the Company.

Results of McLeod Tea Group

THE results of the McLeod group of tea companies for the year ended December 1962, show that the Dibrugarh Tea Co. Ltd (an Assam garden) has earned a profit of Rs. 5.70 lakhs, against Rs. 5.16 lakhs in 1961, after providing Rs. 89,684 (against Rs. 94,818) for depreciation. The taxable ordinary dividend has been reduced from 40 percent to 30 percent to absorb Rs. 1.35 lakhs. The yield is 9.6 percent at the present price of Rs. 31.25 a share of Rs. 10 each. Taxation, including a sum of Rs. 11,712 for super profits tax, is Rs. 3.27 lakhs (against Rs. 2.26 lakhs). Buildings and machinery reserve is allocated Rs. 1.25 lakhs (against Rs. 1.50 lakhs) leaving a carry-forward of Rs. 22,945, against Rs. 24,232 brought in. The crop was 301,917 kilograms, against 305,738 kilograms and the average sale price rose from Rs. 6.23 to Rs. 6.68 a kilogram. The 1963 crop estimate is for 330,200 kilograms at a cost of Rs. 12.66 lakhs The Tea Board has agreed to grant a long-term loan of Rs. 5.99 lakhs for expanding the plantation.

The Teloijan Tea Co. Ltd (an Assam estate) has maintained a taxable ordinary dividend of 25 percent, absorbing Rs. 1.50 lakhs. The yield works out to 11.8 percent at the present price of Rs. 21.12 a share of Rs. 10 each. The profit has improved from Rs. 2.51 lakhs to Rs. 5.19 lakhs, after providing Rs. 1.15 lakhs (against Rs. 1.10 lakhs) for depreciation. Taxation, of which super profits tax is Rs. 6,172, amounts to Rs. 2.70 lakhs (against Rs. 1.12 lakhs). Buildings and machinery reserve absorbs Rs. 75,000, leaving a carry-forward of Rs. 6,325, against Rs. 524 brought in. The crop was 390,802 kilograms, against 373,286 kilograms and the average sale price rose from Rs. 4.99 to Rs. 5.61 a kilogram. A crop of 381,000 kilograms has been estimated for 1963 at a cost of Rs. 14.64 lakhs. The Company has been sanctioned a loan of Rs. 4.49 lakhs by the Tea Board for carrying out extensions to the plantation.

THE profit of the Amluckie Tea Co. Ltd (an Assam garden) has been Rs. 3.08 lakhs, against Rs. 3.41 lakhs, after transferring Rs. 89,302, (against Rs. 86,033), to depreciation. The taxable ordinary dividend has been reduced from 10 percent to 7.5 percent to absorb Rs. 33,428. The yield is 3.8 percent at the present price of Rs. 20 a share of Rs. 10 each. Taxation is allocated Rs. 1.53 lakhs (against Rs. 1.44 lakhs) and buildings and machinery reserve Rs. 86,454 (against Rs. 1.40 lakhs). The crop declined from 424,104 kilograms to 413,012 kilograms, but the average sale price increased from Rs. 4.81 to Rs. 5.67 a kilogram. The crop for 1963 has been estimated at 471,700 kilograms at a cost of Rs. 17.62 lakhs. The Tea Board has agreed to give a loan of Rs. 4.93 lakhs to the Company for expanding the plantation.

The Sungma Tea Co. Ltd (a Darjeeling garden) has made a profit of Rs. 4.82 lakhs, against Rs. 2.78 lakhs, after providing Rs. 66,396, (against Rs. 62,007) for depreciation. The taxable ordinary dividend has been increased from 15 percent to 20 percent to absorb Rs. 1.25 lakhs. It works out to a yield of 13.1 percent at the present price of Rs. 15.31 a share of Rs. 10 each. Taxation, including a sum of Rs. 7,250 for super profits tax, is Rs. 2.14 lakhs, against Rs. 1.36 lakhs. Development rebate reserve is allocated Rs. 5,555 (against Rs. 240) and general reserve Rs. 1.65 lakhs (against Rs. 50,000). There is a carry-forward of Rs. 16,503, against Rs. 49,166 brought in. The crop fell from 195,487 kilograms to 189,392 kilograms, while the average sale price rose from Rs. 7.32 to Rs. 9.58 a kilogram. The 1963 crop estimate is 206,800 kilograms at a cost of Rs. 11.37 lakhs.

Tezpore Tea Earns More

THE Tezpore Tea Co. Ltd (an Assam garden) has maintained a taxable ordinary dividend of 12.5 percent for the year ended December 1962, which absorbs Rs. 2.48 lakhs. The yield works out to 8.5 percent at the present price of Rs. 14.75 a share of Rs. 10 each. The profit has risen sharply from Rs. 4.76 lakhs to Rs. 8.36 lakhs, after providing Rs. 1.81 lakhs, against Rs. 1.63 lakhs, for depreciation. Taxation absorbs Rs. 4.81 lakhs, of which super profits tax is Rs. 15,914. The tax provision for 1931 was Rs. 2.22 lakhs. General reserve is allocated Rs. 50.000. development rebate reserve Rs. 72,318 and capital reserve Rs. 5.70 lakhs. The carry-forward is Rs. 20.902, against Rs. 25,600 brought in.

It is proposed to extend the area under tea to 2,290 acres by 1966-67. The Company has introduced C.T.C. manufacture. Capital expenditure was Rs. 8.79 lakhs, of which a sum of Rs. 4.63 lakhs was incurred for conversion to C.T.C. manufacture. The crop declined from 37,161 maunds to 28,763 maunds. The 1963 crop estimate is 28,500 maunds at a cost of Rs. 48,44 lakhs. A capital expenditure of Rs. 6.02 lakhs is likely to be incurred in 1963,

Dhunseri Tea Cuts Dividend

THE Dhunseri Tea Co. Ltd (an Assam garden) has earned a profit of Rs. 2.14 lakhs for the year ended December 1962, compared with Rs. 2.13 lakhs in 1961, after transferring Rs. 1.08 lakhs, (against Rs. 1.02 lakhs), to depreciation. The taxable ordinary dividend has been cut from 15 percent to 10 percent to absorb Rs. 70,000. The yield is 8.3 percent at the present price of Rs. 12.06 a share of Rs. 10 each. Taxation is allocated Rs. 75,000 (against Rs. 1 lakh), general reserve Rs. 60,000 (against Rs. 2.40 lakhs) and development rebate reserve Rs. 10,000 (against Rs. 8,000). The carry-forward is Rs. 20,499, against Rs. 4,308 brought in. The crop of Dhunseri estates declined from 388,269 kilograms to 368,591 kilograms. The average sale price increased from Rs. 4.44 to Rs. 5.13 a kilogram. The production of the Dhendai Estates was 186,100 kilograms, against 244,530 kilograms, and the average sale price rose from Rs. 4.72 to Rs. 5.06 a kilogram. A crop of 370,000 kilograms at a cost of Rs. 3.48 a kilogram has been estimated for Dhunseri estate for 1963. The crop estimate of Dhendai is 250.000 kilograms at a cost of Rs. 3.92 a kilogram.

Expansion Plan of National Rubber

THE National Rubber Manufacturers Ltd has outlined its programme for further expansion, which has been approved by the Government. The output capacity for bicycle tyres will be raised from 2.4 million to 4 million a year. The capacity for producing industrial V-belts and fan-belts will be increased from 840,000 to 1.4 million a year. These products are being manufactured by the Company largely for Goodyear India Ltd, according to the technical assistance agreement with the latter.

It is proposed to manufacture 1,200 tons of reclaimed rubber. The move will save for the Company the high

costs of importing reclaimed rubber. It will also enable it to use its own rejections and waste rubber, and thus effect substantial savings. The manufacture of PVC fire-resistant conveyor belting will also be undertaken. When the expansion schemes are completed, the Company's turnover should rise sizably. A large part of the new products is expected to be exported.

Good Prospects for Colour-Chem

THE shareholders of Colour-Chem are very happy with the management of the Company, as it started paying dividend from the very second year of its existence—a rare performance indeed. The Company's past record has been excellent and notwithstanding the uncertainties concerning the supply of raw materials and their rising costs, the shareholders have little reason to fear that the Company will not be able to maintain its progress in the future. The chairman, Mr. Ramniwas R. Ruia, has assured shareholders that the Company's working in the current year so far has been satisfactory, with monthly sales running around Rs. 25 lakhs.

The demand for the Company's products continues to be good and the customers appear well satisfied with the quality of the products. Of course, the Company has its difficulties arising mostly out of restricted imports because of the foreign exchange shortage. It has so far been able to absorb higher costs of raw materials by increased production and maintain prices at the 1959 level according to an understanding with the Government. But the chairman has warned that this may not be possible in future with the cost of raw materials showing a steep rise following the cut in the Company's own actual users' licences and the consequent necessity to depend on textile industry's import entitlements which had to be purchased at a premium of 60 percent. The present situation has, however, one advantage, in that the Company will be able to effect larger imports and the shortage of raw materials will ease to that extent.

The chairman indicated that the Company's German collaborators were working on plans to diversify the production and for widening the scope of the activities. But since these plans have yet to take a final shape, Mr. Ruia was unable to satisfy the shareholders' curiosity concerning the details of the diversification plans visualising the manufacture of phthalocyanine green and intermediates for pigment powder and emulsion. The chairman counselled patience to shareholders who pleaded for a higher dividend and/or bonus issue. Mr. Ruia was unwilling to make any commitment concerning a possible rights issue for raising funds for financing the Company's expansion schemes, but he assured the shareholders that whatever is decided will be in the best interests of the Company. He informed them that last year's entire dividend of Rs. 12 a share would be exempt from tax and that the same position might hold good for the current year as well. The Company's taxation liability last year had increased by Rs. 23 lakhs to Rs. 64.29 lakhs, out of which Rs. 14.78 lakhs were for super profits tax. In spite of that, the net profit had increased. The company's income tax assessments is complete up to 1961-62. The Rs. 100-paid share of Colour-Chem is currently quoted around Rs. 365.

Citric India to Raise More Funds

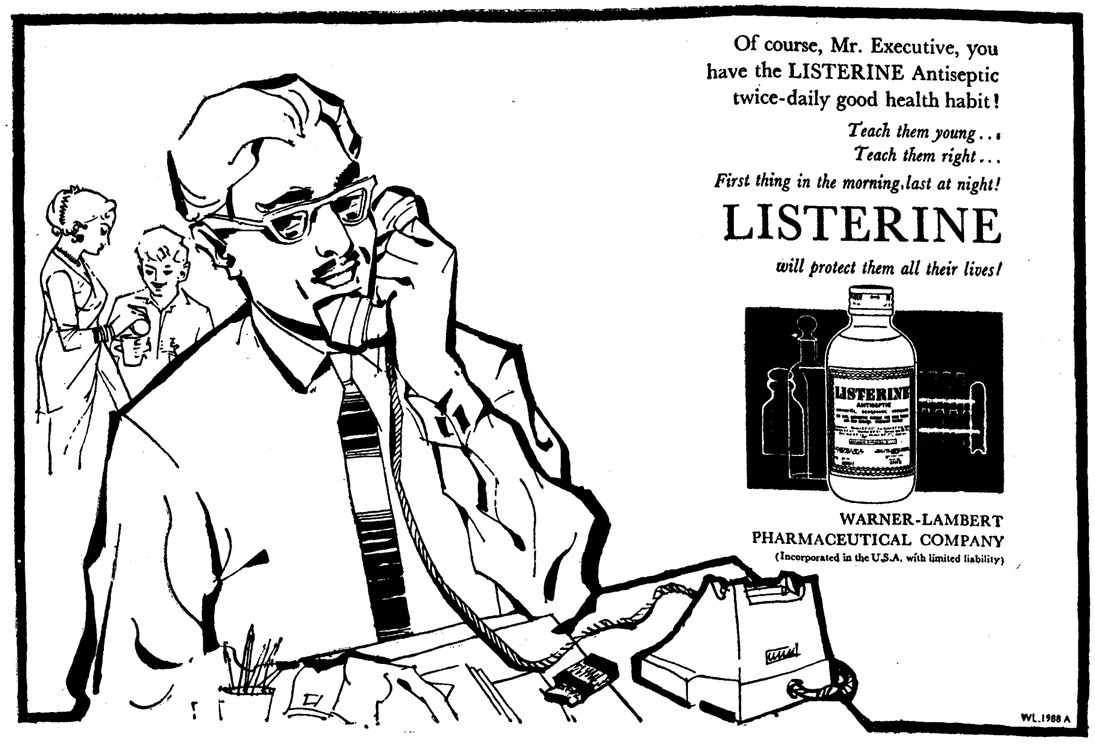
THE reconstituted board of directors of Citric India Ltd is engaged in raising additional finance by the issue of further equity shares to existing shareholders and redeemable preference shares to the public. Negotiations are also in progress for raising further medium-term finance from banks. This was disclosed by Mr. G. D. Somani, who presided over the extraordinary meeting of the Company on 20th July, in the absence of the chairman, Mr. M. R. Ruia. Additional finance has become necessary because the capital cost of the Company's project has gone up far beyond the original estimate of Rs. 90 lakhs. The chairman has attributed the increase in the cost of the project to the nature of the process of manufacturing citric acid, increase in import duty from 10 percent to 22½ percent and increases in the prices of steel, cement and other construction materials. But all these factors cannot fully explain the steep rise in the capital cost of the project from Rs. 90 lakhs to Rs. 1.5 crores. One is inclined to believe that the original estimate was a gross underestimate.

The Company recently issued and offered to shareholders 10,000 equity shares of Rs. 100 each at par. Mr. G. D. Somani and Maharajkumar Prithviraj, directors of the Company, have jointly and severally agreed to take up at par the whole or part of this rights issue remaining unsubscribed by the shareholders. Considering that the Company's Rs. 100-paid share is currently quoted around Rs. 75, the shareholders could hardly be expected to show much interest in the rights issue. However, with the reconstitution of the board which now includes Mr. G. D. Somani and Maharajkumar Prithviraj, the Company is unlikely to experience any big difficulty in raising the requisite funds necessary for the successful implementation of the project

In his speech, the chairman has assured the shareholders that the Company will start trial production in the first quarter of 1964 and the plant will attain its rated capacity within six months thereafter. Mr. Ruia has stated that the work on the fermentation and production buildings was interrupted by lack of adequate funds while the other sections of the buildings are complete. The erection of the main plant and machinery will be taken up very shortly and in the meantime, the laboratory and pilot plant have started functioning. As the Company could not get electricity from the Maharashtra Electricity Board, it had to make its own arrangements for generating power.

Ahmedabad Jupiter Mills Maintains

LIKE several other cotton textile mills, the Ahmedabad Jupiter Spinning, Weaving and Manufacturing Co. Ltd has fared badly in 1962 although the dividend has been maintained at Rs. 33 a share of Rs. 125. Sales of cloth, yarn and waste are up by about 65 percent from Rs. 2.37 crores to Rs. 3.91 crores, and closing stocks are higher at Rs. 1.14 crores, against Rs. 21.7 lakhs, but the gross profit is down by nearly 11 percent from Rs. 55.52 lakhs to Rs. 49.07 lakhs.



It must be noted here that the results for 1961 and 1962 are not strictly comparable because of the amalgamation of the Hind Mills Ltd, Bombay, with Ahmedabad Jupiter from 1st July, 1962. The figures relating to 1961 represent those of Ahmedabad Jupiter Mills only, while the figures for 1962 also include the working of the Hind Mills from 1st July.

Allocations of the year's profit include depreciation Rs. 21.14 lakhs (against Rs. 12.40 lakhs), development rebate reserve Rs. 3.37 lakhs (against Rs. 3.46 lakhs), taxation Rs. 11.25 lakhs (against Rs. 17 lakhs) and reserve for doubtful debts Rs. 30,000 (against Rs. 1,221). No provision has been made for development reserve and general reserve which received Rs. 1.15 lakhs and Rs. 8.50 lakhs, respectively, in 1961. After providing for the proposed dividends which absorb Rs. 10.23 lakhs (against Rs. 9.30 lakhs), there remains a balance of Rs. 52,498 to be carried forward, against Rs. 26,843 brought in.

The directors state that the programme of renovation and modernisation of the mills is in progress. The Company spent last year Rs. 6.35 lakhs towards the construction of buildings and Rs. 24.3 lakhs on machinery and equipment for purposes of expansion and replacement. The Company had a financial liability of Rs. 46.47 lakhs concerning orders for machinery at the end of 1962. The Company has received a licence for 7,200 spindles under the expansion scheme and order for these spindles has already been placed. It has also received permission to install 192 automatic looms under the replacement scheme.

Tata Oil Earns More

THE impressive rise in the shares of Tata Oil Mills from Rs. 56.50 to Rs. 66.50 within about a fortnight of the release of the preliminary report on the Company's working during the year ended March 1963, reflects the market's full satisfaction with the past year's performance and its optimistic reckoning of the Company's future prospects. Indeed Tata Oil fared very well in 1962-63, with its sales and other income rising by about 15 percent from Rs. 11.19 crores to Rs. 12.89 crores and the gross profit increasing by nearly 27 percent from Rs. 55.78 lakhs to Rs. 70.81 lakhs. Although the dividend is lower at 22 percent, against 23 percent, the distribution among the equity shareholders is higher at Rs. 17.84 lakhs, against Rs. 16.12 lakhs because of the increased capital.

The directors' report and the attached chairman's statement to shareholders hold out the promise of better results in future because of the expansion and diversification of the Company's activities and modernisation of its plants and equipment. The directors state in their report that the Company's combined sales of laundry and toilet soaps improved by 8 percent and reached 29,500 tonnes. The laundry soap units at all the three factories worked very nearly to capacity. The Company has set aside a certain percentage of its soap production to meet the defence needs since last December. Sales of refined glycerine fell by 6 percent due to the non-availability of crude glycerine from other producers and the Company's output of crude glycerine is still insufficient to keep its refineries in full operation. The crushing operations of the oil mills slightly exceeded the previous year's tonnage, in spite of reduced imports of copra.

The solvent extraction plant in Bombay worked to full capacity throughout the year on mowra and groundnuts. The deoiled meals found a steady sale internally as well as in export markets. The sale of "Pakav" registered only a small increase of 3 percent, but the hydrogenation plants in both Tatapuram and Sewri worked to full capacity to meet the need for hard fat for the soap plants. The rate of growth in the sales of toilet products was somewhat lower than in the previous years. The Company had to increase the prices of some of its products following the steep rise in the prices of raw coconut oil. The aggregate value of the Company's exports amounted to Rs. 1.16 crores, against Rs. 71 lakhs in the preceding year.

The chairman, Mr. J. R. D. Tata, has stated that the Company is taking full advantage of the facility to import machinery and spare parts under the export incentive scheme to modernise the plants. The laundry soap plant in Bombay has been completely modernised, and the Calcutta plant partially. The Ghaziabad factory will have a modern laundry soap plant from the start. The modernisation of the plant in Tatapuram will be taken in hand after the Company has gathered some experience of the operation of the fatty acid plant which is expected to go into production there shortly and where soap will be made from fatty acids. Steps are also being taken to modernise the oil refinery and the deodorisation units of the *vanaspati* plant in Tatapuram, which are more than 30 years old.

Kirloskar Oil Engines Cuts Dividend

KIRLOSKAR Oil Engines Ltd reports encouraging results for the year ended March 1963, with both sales and profits recording substantial improvement over the previous year's figures. Sales are up by about 20 percent from Rs. 3.95 crores to Rs. 4.72 crores and the gross profit has increased by nearly 14 percent from Rs. 1.03 crores to Rs. 1.18 crores. But in view of the steep rise in the tax liability from Rs. 37 lakhs to Rs. 61 lakhs, the directors have thought it advisable to recommend lower dividends, which, however, do not mean any hardship to the shareholders as the total distribution is still higher because of the increased capital—preference as well as ordinary. The equity capital was raised by the one-for-two bonus issue in May 1962, and the additional preference shares issued in 1961 are eligible to the full dividend for 1962-63. The ordinary dividend has been reduced from 16 percent to 12 percent, and the preference dividend from 10 percent to 8 percent.

Kirloskar Pneumatic Earns More, Pays Less

THE directors of Kirloskar Pneumatic Co. Ltd have recommended a dividend of 10 percent for the year ended March 1963, against 12½ percent paid in the preceding year. The dividend for 1962-63 is, however, on the increased capital as raised by the conversion of the convertible preference shares and by the increase in the paid-up value of new shares issued in 1961-62. The new shares were Rs. 50 paid-up last year, and at the end of March 1963, they were Rs. 75 paid-up. Since then, they have become fully paid-up.

The working results of the Company for 1962-63 show a considerable improvement over the previous year's performance. Sales are up by about 18 percent from Rs. 1.43 crores to Rs. 1.68 crores, and the gross profit has risen by nearly 19 percent from Rs. 23.48 lakhs to Rs. 27.91 lakhs. Allocations include depreciation Rs. 4.60 lakhs (against Rs. 5.38 lakhs), development rebate Rs. 1.86 lakhs (against Rs. 1.64 lakhs), taxation Rs. 10.23 lakhs (against Rs. 8.14 lakhs), development reserve Rs. 1.50 lakhs (the same), general reserve Rs. 1 lakh (the same), machinery replacement reserve Rs. 1 lakh (the same) and taxation reserve Rs. 1 lakh (the same). The Rs. 100-paid share of Kirloskar Pneumatic is quoted around Rs. 267.50.

Lakshmiratan Sales Up, Profit Down

IN spite of the 10.5 percent rise in the sales from Rs. 80.45 lakhs to Rs. 93.15 lakhs, the gross profit of Lakshmiratan Engineering Works Ltd for the year ended September 1962, shows a fall of 9 percent from Rs. 11.83 lakhs to Rs. 10.77 lakhs. The setback in the profit is attributed mainly to the poor performance of the Bombay factory, where, apart from the rise in production costs as a result of higher prices of raw materials, production was hampered by the shortage of essential raw materials. There was also a curtailment of production of diesel engines at the Faridabad factory due to a fall in demand.

The directors, however, state in their report that demand for diesel engines has been showing signs of increase during the current year and the factory in Faridabad has reached the production of 300 engines a month. The Bombay factory has also increased the production of high draft conversion material for ring frames, the demand for which has continued to grow and over-reached the production capacity. Efforts are being made to increase production of these ring frames. The Kanpur factory has been doing well. There was a general increase in the production of ring frames and the Company supplied 36 ring frames in 1961-62. During the current year, it has already supplied so far 38 ring frames. The Company has started the production of automatic looms at the Kanpur factory in collaboration with Toyoda Automatic Looms Works Ltd of Japan. It has so far supplied 12 looms. In view of the demand for pirn change looms, the Company proposes to take up the production of these looms with the permission of the Japanese collaborators.

Out of the 1961-62 gross profit of Rs. 10.77 lakhs, the directors have provided Rs. 9.56 lakhs (against Rs. 7.56 lakhs) for depreciation and Rs. 49,673 (against Rs. 2.08 lakhs) for development rebate reserve. After adjusting the small loss of Rs. 10,196 brought forward, the directors have carried forward Rs. 71,276. The preference dividend has been skipped, and arrears of preference dividend up to the end of the year amount to Rs. 3.60 lakhs. It might be mentioned here that at an extraordinary meeting held in October 1962, the preference shareholders had agreed to accept Rs. 40 a share, subject to tax, in lieu of the arrears of dividend amounting to Rs. 70 a share, free of tax. The Rs. 10-paid of Lakshmiratan Engineering is quoted nominally around Rs. 5.24.

Central Bank Repeats

THE Central Bank of India Ltd has maintained the *ad interim* gross dividend of Rs. 2.40 (net Rs. 168) a share for the half year ended June 1963. The net profit of the bank before taxation for January-June 1963 is slightly higher at Rs. 89.79 lakhs, compared with Rs. 88.43 lakhs in the same period last year. With a sum of Rs. 93,249 brought forward from the previous year, the disposable surplus amounts to Rs. 90.72 lakhs. The proposed interim dividend will absorb Rs. 30.28 lakhs, leaving Rs. 60.44 lakhs to be carried forward to the next half-year's account subject to taxation.

Star Textile Engineering Earns More

THE directors of State Textile Engineering Works Ltd have recommended a gross dividend of Rs. 8 a share for the year 1962. The new shares issued to the public in 1962 will get proportionate dividend on the amount paid-up. The Company had declared a dividend of Rs. 25 a share for 1961 when it was a private limited concern. The preliminary report on the Company's working results in 1962 shows a marked improvement over the previous year. Sales are up from Rs. 46.60 lakhs to Rs. 81.59 lakhs, and gross profit has increased from Rs. 5.23 lakhs to Rs. 7.75 lakhs.

Aryoday Mills Disappoints

THE Aryoday group of mills—Aryoday Spinning and Weaving and Aryoday Ginning and Manufacturing—reports disappointing results for the year ended March 1963. The gross profit of Aryoday Spinning and Weaving Co. Ltd has declined sharply from Rs. 34.05 lakhs to Rs. 16.71 lakhs. The directors have recommended a gross dividend of Rs. 25 a share on the increased capital (11,973 equity shares), against Rs. 35 a share paid in 1961-62 on 7,000 equity shares.

The gross profit of Aryoday Ginning and Manufacturing Co. Ltd has declined from Rs. 24.92 lakhs to Rs. 11.27 lakhs. The directors have recommended a gross dividend of Rs. 20 a share, against Rs. 30 a share, including bonus of Rs. 5, paid in the previous year. The proposed dividend absorbs Rs. 3.46 lakhs, against Rs. 5.40 lakhs. The preference dividend absorbs another Rs. 86,000.

Outlook for Oriental Insurance

PRESIDING over the annual general meeting of the Oriental Fire and General Insurance Company Ltd held last week, Mr. B. K. Kaul, chairman, mentioned that 1962 was virtually the first full year's working of the integrated Company. (A fuller version is printed on a later page in this issue of *Capital*.) The National Fire and General Insurance Company Ltd and the Asiatic Government Security Fire and General Assurance Company Ltd were amalgamated with Oriental Fire and General Insurance Company in 1962. He hints at the possibility of expansion in the Company's overseas business. It has been conducting the emergency risks insurance scheme on a no-profit basis as the sole agent appointed by the Government.

The working of the Company during 1962 has been satisfactory. The distributable balance has risen sharply from Rs. 20.50 lakhs in 1961 to Rs. 44.69 lakhs in 1962. A taxable dividend of 6 percent has been declared. The Company's financial position has been strengthened. Against a paid-up capital of Rs. 1.10 crores, reserves amount to Rs. 46.68 lakhs. There are also other additional reserves. The net total premium income rose from Rs. 4.34 crores to Rs. 4.92 crores. The investments of the Company amount to nearly Rs. 3.99

crores; the total depreciation on these investments has been fully covered by an investment reserve.

Hindustan Wires Sales and Profit Up

THE Hindustan Wires Ltd has done well for the year ended March 1963. Sales rose from Rs. 44.45 lakhs for 1961-62 to Rs. 87.16 lakhs, although its working has suffered from power shortage. There has been a profit of Rs. 10.16 lakhs, against Rs. 3.04 lakhs, after providing Rs. 1.45 lakhs, against Rs. 81,235, for depreciation. An ordinary dividend of 6 percent, free of income tax and super tax, has been declared absorbing Rs. 3 lakhs. The share is being quoted at par. Development rebate reserve is allocated Rs. 3.93 lakhs (against Rs. 1 lakh) and general reserve Rs. 4 lakhs. The carry-forward is Rs. 32,525, against Rs. 9,166 brought in.

The Company has been executing several important defence orders. Equipment worth Rs. 13.41 lakhs have been received and are being installed. This will help increase the production of high tensile wires. The Company's application for manufacturing 5,000 tons of prestressed concrete has been sanctioned by the Government. This is in addition to the licence for producing 4,200 tons of tyre bead wire. Technical collaboration for manufacturing tyre bead wire has been arranged with Kobe Steel Works Ltd of Japan. Machinery worth Rs. 35 lakhs will be imported under a yen credit for the purpose. An agreement to import the equipment has been signed subject to the approval of the Governments of India and Japan. The tyre bead wire project will cost about Rs. 1.27 crores. The Industrial Finance Corporation has agreed to give a loan of Rs. 54 lakhs to the Company for the scheme.

Premier Mills Pays Less

A MARKED fall in the net profit by about Rs. 8 lakhs, compared with that of the previous year, and a decline in sales, feature the trading results of the Premier Mills Ltd for the year ended March 1963. The net profit for the year amounts to Rs. 23,43,243, after providing Rs. 9,88,168 for depreciation, against the previous year's profit of Rs. 31,48,603 after providing Rs. 9,05,953 for depreciation. With the amount of Rs. 24,186 brought forward, the total surplus available for appropriation comes to Rs. 23,67,429.

The provision for taxation amounts to Rs. 13,25,000 (against Rs. 15,25,000). A sum of Rs. 200,000 is transferred to development rebate reserve (against Rs. 100,000). A sum of Rs. 200,000 is transferred to general reserve (against Rs. 400,000). Gratuity reserve gets Rs. 50,000 (against Rs. 100,000) and donations amounted to Rs. 75,000 (against Rs. 50,000). Sales tax for prior years amounted to Rs. 10,045.

The directors have recommended a lower dividend of 20 percent (against 25 percent), and this dividend accounts for Rs. 500,000 (against 625,000). The balance of Rs. 7,384 is carried forward.

Interim Dividend from Indian Bank

THE net profit of the Indian Bank Ltd for the half-year ended June, 1963 is Rs. 8,96,000 after providing for income tax and super profits tax. The profit for the corresponding period last year was Rs. 8,29,000. Deposits have risen to Rs. 49 crores from Rs. 44.87 crores. The Directors have proposed to pay an interim dividend and bonus of 7 percent on the paid-up capital. After transferring Rs. 1,80,000 to the reserve fund, the carry-forward will be Rs. 2,37,700.

The Indian Bank is the only south Indian Bank, which has been authorised to receive deposits under the Compulsory Deposit Scheme.

Titaghur Jute

THE Titaghur Jute Factory Co. Ltd has provided a sum of £30,000 as depreciation for 1962 instead of £211,646 as was printed in the previous issue of *Capital*.

New Capital Issues

THE Controller of Capital Issues has authorised six companies to issue capital totalling Rs. 3.55 crores. One of them is issuing part of its shares to Indians abroad and one is a new company. Two companies are having foreign collaboration. One is issuing bonus shares while another is raising debentures. The details are as follows:

Bharat Auto Parts Manufacturers (Private) Ltd, Gujarat, is to issue Rs. 50 lakhs capital. It is divided into 4,000 equity and 1,000 preference shares, each of Rs. 1,000 each. The shares will be issued for cash at par and the proceeds utilised in the establishment of a factory in Karamsad (Gujarat) for the manufacture of automobile spare parts. Shares of the value of Rs. 45 lakhs will be issued to Indian nationals resident in Africa.

East India Pharmaceutical Works Ltd, Calcutta, is raising fresh capital of Rs. 11 lakhs divided into 110,000 equity (bonus) shares of Rs. 10 each on capitalisation of the general reserves.

International Tractor Company of India Ltd, is raising Rs. 1.50 crores equity capital in shares of Rs. 10 each. This is in supersession of the previous consent dated 20th November, 1962, for Rs. 1 crore capital. Shares of the value of Rs. 25.50 lakhs will be issued to International Harvester Co. Chicago (U.S.A.), against capital goods. The money will be used for the manufacture of tractors, implements, etcetera.

Assam Coke Oven and Briquette Co. Ltd, a Company proposed to be incorporated in Assam, has been given consent to issue capital of Rs. 20 lakhs, divided into 200,000 equity shares of Rs. 10 each for cash at par. The capital will be utilised in installing soft coke and Bee-hive coke manufacturing units near Cherrapunji (Assam).

Industrial Plants Ltd, Calcutta, will issue capital of Rs. 75 lakhs for cash at par. The capital is divided into Rs. 55 lakhs in equity and Rs. 20 lakhs in 9.3 percent preference shares. The capital is required for the manufacture of machine tools in collaboration with Hitachi Machinery Co. of Tokyo.

Modi Sugar Mills Ltd, Modinagar, is to issue capital of Rs. 50 lakhs divided into 5,000 debenture units of Rs. 1000 each carrying interest at 7 percent a year for cash at par. The proceeds of the issue will be used for financing the manufacture of steel castings and M. S. special alloy wire.

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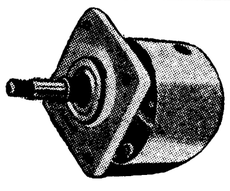
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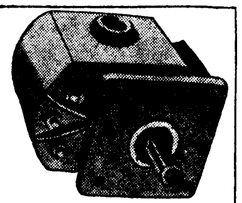
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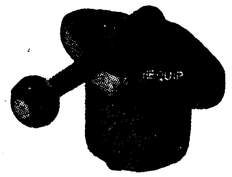
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The Stock Markets

BUSINESS CONCENTRATED ON CLEARING SHARES

Wednesday Evening.

THE tone of the Calcutta stock market has been steady towards the close of the past week, although share prices fluctuated widely earlier on alternate bouts of buying and selling. The clearing on Wednesday passed off smoothly and carry-forward charges have been moderate. Business has been concentrated on clearing shares since support has largely been professional in character. Lyons Range has been cheered by several favourable factors. Firstly, the minor reshuffle in the Central Cabinet has removed a good deal of uncertainty. Secondly, the political situation has taken a turn for the better in that there has been a lull in the Sino-Indian conflict. It is generally thought that China will not take any aggressive action for the time being. Meantime, India's defence preparations have been reinforced by assistance from friendly foreign countries, especially the U.S.A. and the U.K. On Tuesday sentiment was aided by rumours that China might accept the Colombo proposals *in toto*. The news has since been contradicted by the Government of India. Thirdly, various corporate rumours have been backed by interested buying.

In any case, the improvement has largely been due to a healthier technical position. There has been evidence of shortages of scrip following the closure of books by several companies. In view of the improvement since the resumption of forward trading nearly two months ago, the stock exchange authorities have decided to ask the Government for relaxing the margins on trading. It has been argued that the carry-forward and interim margins, in particular, have hindered activity. Unless the margins are sufficiently relaxed, business will not expand. Since they have been imposed in order to restrain speculation, the Government will have to consider carefully whether it would be appropriate to relax the restrictions under present circumstances. There is no doubt that support hitherto has been largely professional. Investment support has been conspicuous by its absence. This is why share prices have not moved further up.

Judging by current indications, it looks as if the trend is not likely to improve quickly. The new Government loans, the lists for which opened last Monday, will siphon off a considerable volume of funds. In view of bigger demands for credit from trade and industry, banks are not expected to supply much credit to the stock market. This apart, a Press report that the Government of India may soon take steps to restrict the use of blank transfers is significant. If the system of blank transfers were to be discouraged, the marketability of shares would suffer. Despite these unfavourable developments, the prices of several shares have fallen sufficiently low to become attractive investment propositions. Hence there is scope for discriminating purchases.

Indian Iron have improved further after an earlier fall because of hopes that the Government is likely to take a more realistic attitude towards regulating the prices of commodities. Among engineering shares, attention has centered on Guest, Keen, Williams, Burn, Braithwaite, Jessop and Texmaco. Interest has been lacking in coal shares since the Government has not yet moved to increase the price of the fuel. Scattered business has been done in Burrakur, Pench Valley, Amalgamated and Central India. Cotton mill shares have been subdued because investors are not hopeful of any increase in the prices of cloth and yarn. J. K. Rayon have recovered somewhat on short-covering.

The prices of selected miscellaneous shares have improved in the absence of pressure. Hindustan Motors, Indian Copper, Indian Cable, Indian Aluminium and Dunlop Rubber have been prominent. The disappointment over the cut in the dividend of Hindustan Motors seems to have been overcome. Alkali Chemical, Union Carbide, British Paints, Associated Battery and Indian Oxygen have been steady. National Insulated Cable and Hindustan Aluminium have recovered on replacement buying. Among managing agency shares, Martin Burn and Balmer Lawrie have been steady. Bank shares have genrally been neglected. Electric company shares have met with stray buying. Calcutta Electric have been transacted. Among new shares, Isaac Holden, Phillips Carbon, India Carbon and Asiatic Oxygen have recovered. Sugar shares have improved somewhat on prospects of bigger production during the 1963-64 season. Cawnpore have gained. In the paper section, Orient have been firm on influential support. Interest has been taken in Sirpur.

Birla have been prominent in the jute section because of interested buying. Barnagore, Champdany, Ganges, Union and Anglo-India have been supported. Tea shares have met with stray buying. Interest has been concentrated on good Assam and Dooars garden. Government securities have been steady, although turnover has been small. Attention has been diverted to the new loans. The prices of selected State Government loans have hardened on account of institutional buying.

Bombay

PRICES STEADY AFTER INITIAL EASINESS

TECHNICAL POSITION IMPROVES

Wednesday Evening.

THE Bombay stock market has been steady towards the close of the past week after an easier spell earlier. Prices of selected clearing shares have recovered appreciably on hectic support, combined with short-covering. Operators have been inclined to interpret bullishly the recent political developments. It is believed that India's defence preparations have progressed much because of the assistance given by the U.S.A. and the U.K. The possibility of any further Chinese aggression in the near future is considered unlikely. The minor changes in the Central Cabinet have removed the earlier uncertainties.

Meanwhile, the technical position of the market has improved and bears have been forced to cover their open positions because of the shortage of several selected scrip. The fact that the stock market authorities have decided to approach the Government to relax the restrictions on margins, has been an additional stimulant. It is argued that the existing margin requirements have restricted business; now that the stock market has become more stable, there is no need for continuing the margins in their present form. Corporate news has also been somewhat favourable in that the Government is likely to relax the rules governing capital issues.

Tata Steel ordinary have recovered to Rs. 145 on optimism concerning

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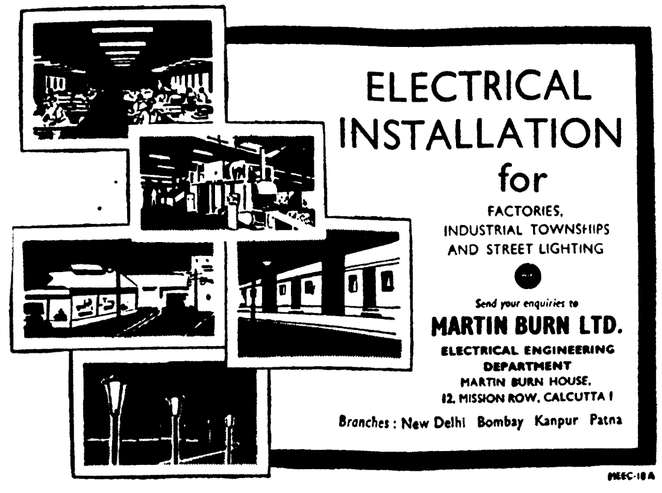
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the possibility of decontrol of steel. Indian Iron have gained at Rs. 23.48 on short-covering. Among engineering shares, Tata Locomotive have been prominent on replacement buying induced by the prospect of expansion and diversification of activities. Larsen and Toubro, Mukand Iron, Premier Construction and Alcock Ashdown have met with support. Among motor-vehicle shares, Hindustan Motors have recovered in spite of a cut in the dividend. Premier Automobiles have been steady.

Prices of selected cotton mill shares have improved after an earlier fall. Kohinoor have been fancied on rumours of a bonus issue. Bombay Dyeing have also gained on hopes of a bonus issue. Century have recovered on short-covering. Support has been extended to Tata Mills and Svadeshi on corporate rumours. India United ordinary, Gokak and Morarjee have been steady.

Prices of miscellaneous shares have moved up in sympathy with the general trend. Among cement shares, Associated Cement have been bought on reports that the Company has sold its assets in Pakistan. In steamship company shares, Scindia have gained on hopes of an increase in freight. Among mining shares, Shivrajpur Syndicate have recovered on replacement buying. The prospect of an increase in production during the next season has induced support for selected sugar shares such as Belapur, Phalton and Walchandnagar Industries.

Chemical shares have been steady. Tata Chemical have improved on expectations of good results. Indian Dyestuff and Polychem have been steady. Among rayon shares, National Rayon have gained; so have Gwalior Rayon. Business in cash shares has been small and the trend has been mixed. Voltas have been steady, but Synthetics and Chemicals have lost on profit-taking. Routine business has been transacted in bank shares. Bank of India and Central Bank have been dealt in. New India have been prominent in the insurance section. Prices of selected electric company shares have improved on balance. Ahmedabad and Tata Power have been done.

Madras

EQUITIES SOFTEN TOWARDS CLOSE

SECURITIES REMAIN STEADY

Tuesday Evening.

THE trend in the Madras stock market has turned softer towards the close of the past week after initial steadiness. There has been some profit-taking, and support from outside sources has lessened somewhat towards the close. Government securities have been steady and prices of selected State Government loans have improved because of institutional support. Business in sugar shares has been small and fluctuations have been narrow.

Selected planting shares have met with broadening support in view of dividend prospects and good crop reports. Good tea and coffee shares, in particular, have attracted attention. Cotton mill shares have met with scattered support. Turnover in miscellaneous shares has been small and buying has been confined largely to selected cement and engineering shares.

Among banks, Indian have been done at Rs. 161.50 and Canara at Rs. 81.75. In electric supply companies, Kumbakonam have been transacted at Rs. 11.10 on paying a taxable ordinary dividend of 10 percent. Negapatam have come to hand at Rs. 11.40 on declaring a taxable ordinary dividend of 10 percent. Among sugar shares, E.I.D. have been steady at Rs 38.19 and Deccan at Rs. 9.95.

In the planting section, Blue Mountain have declined to Rs. 2.45 on uncertainties about the working of the Company's fertiliser department, Cochin Malabar have changed hands at Rs. 6.40 on paying a taxable ordinary dividend of 20 percent. Consolidated Coffee have been done at Rs. 18.20 and Ouchterlony at Rs. 4.64. Business has passed in Periakaramalai at Rs. 3.77 and in Nilambur at Rs. 13.45 on payment of a taxable ordinary dividend of 10 percent. Devon have changed hands at Rs. 12.66 and Kil Kotagiri have been transacted at Rs. 5.88. Peermade have been steady at Rs. 20.77 and Nonsuch at Rs. 24.50.

Among cotton textile shares, South India Viscose have reacted to Rs. 131.50. Travancore Rayon have been transacted at Rs. 24.50. Business has passed in Lakshmi at Rs. 141 and in Madura at Rs. 31.50. Cauvery Spinning have come to hand at Rs. 16.25 on repeating a taxable ordinary dividend of 15 percent. Business has been done in Kamala at Rs. 81.70 on maintaining a taxable ordinary dividend of 6 percent. Interest has been taken in Ramakrishna at Rs. 233.90 and in Bangalore Woollen at Rs. 233.

In the miscellaneous section, Dalmia Cement have been steady at Rs. 13.50 and India Cement at Rs. 5.65. Aluminium Industries have improved to Rs. 18, but Ashok Leyland have been quiet around Rs. 7.35. Mettur Chemical have been done at Rs. 12.65. India Steel Rolling have been bought up to Rs. 11 on declaring a taxable ordinary dividend of 10 percent. R.E.M. Company have been firm at Rs. 19.25 on repeating a taxable ordinary dividend of 18 percent.

Kirloskar

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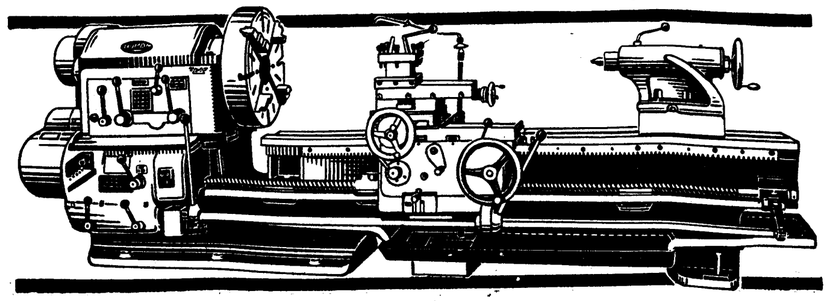
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THE WEEK'S TRANSACTIONS

[In the following list of stocks and shares in which transactions have taken place during the past week, the figures indicate Opening Quotations. Highest for the week, Lowest for the week, Closing Quotations and Quotations for the corresponding Closing Date a Year Ago. The last named is shown in parantheses and will not be given where such a quotation is not available.]

CLEARED SECURITIES

Birla Jute—29/62—29/75—29/00—29/37—(32/62).
Burrakur Coal—Rs. 15/50—16/00—15/50—16/00—(17/62).
Dunlop Rubber—Rs. 33/12—33/12—32/69—33/12—(39/50).
Guest, Keen Williams—Rs. 33/75—33/94—33/37—33/56—(38/00).
Hindustan Motor—Rs. 16/66—16/75—16/37—16/62—(19/94).
Howrah Jute—Rs. 19/00—19/00—18/69—18/69—(21/00).
Indian Aluminium—Rs. 33/62—33/75—33/37—33/37—(37/44).
Indian Aluminium (New)—Rs. 15/25—15/25—15/12—15/12.
Indian Copper—Rs. 4/72—4/93—4/72—4/90—(4/87).
Indian Iron & Steel—Rs 23/08—23/48—22/44—23/40—(25/84).
Indian Cable—Rs. 32/00—33/12—32/00—33/00—(36/00).
J. K. Cotton—Rs. 11/37—12/06—11/31—11/75—(18/62).
Jaipur Udyog—Rs. 11/56—11/56—11/50—11/50—(13/69).
Kesoram Industries—Rs. 21/87—22/25—21/56—22/00—(27/62).
Orient Paper—Rs. 36/20—36/70—35/95—36/20—(40/30).
Orissa Cement—Rs. 14/06—14/50—13/97—14/31—(17/25).
Rohtas Industries—Rs. 11/25—11/41—11/12—11/31—(15/25).
Shree Gopal Paper—Rs. 23/25—23/81—23/19—23/81—(25/12).
Textile Machinery—Rs. 22/85—23/65—22/65—23/50—(23/00).

GOVERNMENT SECURITIES

3 % Loan (1966-68)—Rs. 97/15—97/30—97/15—97/25.
3 % „ (1964)—Rs. 98/90—98/90—98/90—98/90.
3 % „ (1986)—Rs. 64/12—64/12—64/05—64/05.

3 % „ (1970-75)—Rs. 88/00—88/0—8/00—88/00.
3½% „ (1968)—Rs. 99/00—99/05—98/95—99/05.
3½% „ (1967)—Rs. 98/86—98/95—98/86—98/95.
3½% „ (1964)—Rs. 99/70—99/70—99/70—99/70.
4 % „ (1969)—Rs. 99/55—99/55—99/55—99/55.
4 % „ (1972)—Rs. 99/50—99/50—9/50—99/50.
4 % „ West Bengal (1971)—Rs. 97/70—97/70—97/70—97/70.
4½% Rajasthan (1974)—Rs. 98/95—98/95—98/95—98/95.
4½% Andhra (1974)—Rs. 98/95—98/95—98/95—98/95.
4½% West Bengal (1974)—Rs. 99/35—99/35—99/35—99/35.
4½% U.P. (1974)—Rs. 98/90—98/90—98/90—98/90.
4½% Orissa (1972)—Rs. 97/10—97/10—97/10—97/10.
4½% „ (1974)—Rs. 98/95—98/95—98/90—98/90.

RAILWAY

Bankura-Damodar—Rs. 29/50—30/00—29/50—30/00—(29/00).

BANKS

Punjab National—Rs. 19/06—19/19—19/00—19/19—(20/50).
United Bank of India (Rs. 10/- paid)—Rs. 7/31—7/37—7/31—7/31—(7/37).
Do. (Conty Rs. 20/-) (Rs. 10/- paid)—Rs. 6/50—6/56—6/50—6/56.
United Commercial—Rs. 66/50—66/50—66/00—66/00—(88/00).

COTTONS

Basanti—Rs. 11/25—11/50—11/25—11/50—(8/37).
Bharat Commerce—Rs. 19/62—20/12—19/62—19/87—(25/31).
Bengal Nagpur—Rs. 3/00—3/06—3/00—3/06—(3/56).
Cawnpore—Rs. 6/06—6/19—6/06—6/19—(7/00).
Jay Shree—Rs. 14/00—14/12—13/81—14/00—(15/12).
Maharaja Shree Umaid—Rs. 165/00—165/00—165/00—165/00.
New Victoria—Rs. 1/37—1/44—1/31—1/37—(1/56).
Do. (Pref.)—Rs. 2/25—2/25—2/25—2/25.
Swadeshi (P.O.)—Rs. 7/31—7/34—7/31—7/31—(7/78).

COALS

Amalgamated—Rs. 23/87—24/87—23/87—24/87—(21/06).
Bengal—Rs. 267/00—274/00—267/00—274/00—(344/00).
Bharat—Rs. 3/56—3/56—3/53—3/56—(3/25).
Central India—Rs. 9/81—9/87—9/56—9/56—(11/12).
Karanpura Collieries—Rs. 14/50—15/00—14/00—15/00—(20/69).
New Beerbhoom—Rs. 19/37—19/37—19/25—19/25—(22/69).
Selected Satgram—Rs. 114/00—115/00—114/00—115/00.
Samla—Rs. 10/00—10/00—10/00—10/00—(7/75).
United—Rs. 11/00—11/06—11/00—11/06.
Western Bengal—Rs. 9/00—9/00—8/69—8/84—(10/09).
West Jamuria—Rs 4/00—4/00—4/00—4/00—(9/37)

JUTES

Anglo-India—Rs. 219/00—223/00—219/00—221/00—(223/00).
Auckland—Rs. 145/00—149/00—145/00—149/00—(158/00).
Do (5½% Pref.)—Rs. 75/00—75/00—75/00—75/00—(73/00).
Alliance—Rs. 130/00—150/50—130/00—150/00—(123/00).
Budge Budge—Rs. 144/00—144/00—144/00—144/00—(149/50).
Bally—Rs. 263/00—272/00—263/00—272/00—(308/00).
Do. (Pref.)—Rs. 111/00—111/00—111/00—111/00—(96/00).
Bengal (Pref.)—Rs. 70/00—70/00—70/00—70/00—(65/00).
Champdany—Rs. 21/00—21/50—21/00—21/31.
Cheviot (Pref.)—Rs. 97/00—98/00—97/00—98/00—(90/50).
Dalhousie—Rs. 130/00—132/00—130/00—132/00—(130/00).
Delta—Rs. 150/00—150/00—150/00—150/00—(186/00).
Empire—Rs. 16/12—16/31—16/12—16/31.
Ganges—Rs. 14/00—14/31—14/00—14/31—(13/87).
Gourepore—Rs. 25/12—25/12—25/12—25/12.
Hastings (Pref.)—Rs. 91/00—91/50—91/00—91/50—(83/00).
India—Rs. 17/75—17/75—17/50—17/50—(16/94).
Kamarhatty—Rs. 187/00—191/00—187/00—191/00—(178/00).
Kanknarrah—Rs. 130/00—130/00—130/00—130/00—(115/00).
Do. (Pref.)—Rs. 75/00—75/00—75/00—75/00—(100/00).
Kelvin—Rs 178/00—178/00—177/00—177/00—(185/00).
Kinnison—Rs. 144/00—144/00—143/00—143/00—(146/00).
Megna—Rs. 13/06—13/12—13/00—13/12—(14/31).
New Central—Rs. 12/81—13/00—12/81—12/87—(16/00).
Northbrook—Rs. 27/12—27/25—27/12—27/25—(34/87).
National—Rs 24/25—24/37—24/25—24/37—(23/25).
Nuddea—Rs. 53/50—54/50—53/50—54/50—(60/00).
Nellimarla—Rs. 11/96—11/96—11/01—11/25—(12/12).
Presidency—Rs. 4/81—4/81—4/75—4/75.
Reliance—Rs. 10/00—10/00—9/44—9/50—(7/69).
Waverley—Rs. 8/56—8/56—8/56—8/56.
Union—Rs. 158/00—160/00—158/00—160/00—(163/00).

MININGS

Assam Sillimanite—Rs. 8/37—8/50—8/37—8/50—(14/94).
Karanpura Development—Rs. 10/69—10/75—10/69—10/75—(16/25).
Metal Corpn.—Rs. 8/75—8/81—8/50—8/81—(11/75).

CEMENTS

Ashoka—Rs. 7/56—7/75—7/50—7/69—(8/12).
Bengal Potteries—Rs. 4/97—5/00—4/97—5/00—(6/50).
Dalmia (Bharat)—Rs. 12/50—12/62—12/50—12/62—(12/50).
Do. (Defd.)—Rs. 3/00—3/00—3/00—3/00—(2/00).
Do. (Pref.)—Rs. 8/06—8/06—8/06—8/06—(8/25).
Sone Valley—Rs. 4/31—4/44—4/25—4/25—(4/78).

CHEMICALS

Alkali & Chemical—Rs. 33/69—33/87—33/69—33/87—(42/00).
Bengal Chemical—Rs. 98/00 S.T.—98/00—98/00—98/00—(103/00).
Phosphate—Rs. 160/00—167/00—160/00—167/00.

ELECTRICS

Calcutta—Rs. 14/81—15/00—14/75—14/94—(15/19).
Do. (Pref.)—Rs. 8/25—8/25—8/25—8/25—(8/37).
Jubbulpore—Rs. 11/19—11/19—11/12—11/12—(11/00).
Patna—Rs. 10/62—10/62—10/56—10/62—(11/44).
Shahjahanpur—Rs. 7/00—7/06—7/00—7/06—(7/50).

ENGINEERINGS

Bhartia Electric Steel—Rs. 13/94—13/94—13/94—13/94—(12/50).
Britannia Building & Iron—Rs. 3/69—3/69—3/50—3/50—(3/65).
Britannia Eng.—Rs. 9/50—10/37—9/50—10/25—(10/87).
Bharat Ball Bearing—Rs. 13/06—13/31—13/06—13/25—(13/81).
Binani Metal—Rs. 9/50—9/50—9/50—9/50—(11/37).
Burn & Co.—Rs. 589/00—595/00—589/00—595/00—(670/00).
Calcutta Steel—Rs. 14/25—14/25—14/19—14/25—(16/50).
Dalmia Iron—Rs. 10/75—10/87—10/75—10/81—(11/44).
Hindusthan Wire—Rs. 10/00—10/00—10/00—10/00—(11/50).
Indian St. Wagon—Rs. 31/69—31/87—31/37—31/50—(34/25).
India Machinery—Rs. 5/37—5/50—5/37—5/50.
Do. (Pref.)—Rs. 59/00—59/00—59/00—59/00.
Jessop & Co.—Rs. 24/87—25/12—24/81—24/81—(22/25).
J.K. Steel—Rs. 13/50—14/25—13/50—14/25—(15/81).
Kumardhubi—Rs. 8/25—8/25—8/12—8/19—(7/06).
Machinery Mfg.—Rs. 18/75—18/75—18/50—18/50.
Do. (Pref.)—Rs. 53/75—53/75—53/75—53/75.
Marshalls—Rs. 2/90—2/90—2/87—2/87—(3/37).
National Iron & Steel—Rs. 4/30—4/81—4/50—4/81—(5/44).
National Screw & Wire Pro.—Rs. 9/94—9/94—9/94—9/94.
Wellman Incandescent—Rs. 6/12—6/19—6/12—6/19.

INSURANCES

Concord of India—Rs. 10/37—10/37—10/37—10/37—(18/00).
New Asiatic—Rs. 7/94—8/00—7/87—8/00—(6/37).
Ruby General—Rs. 10/50—10/50—10/34—10/44—(10/00).

MISCELLANEOUS

Aluminium Corpn.—Rs. 12/69—13/19—12/62—13/00—(17/00).
Asian Refractories—Rs. 6/62—6/69—6/62—6/62.
Asiatic Oxygen—Rs. 8/94—8/94—8/75—8/75.
Associated Battery—Rs. 24/56—24/62—24/37—24/62—(29/50).
American Refrigerator—Rs 7/56—7/56—7/50—7/50—(8/50).
Angelo Brothers—Rs. 21/94—22/06—21/87—21/87—(21/31).
Associated Hotels (Pref.)—Rs. 53/00—53/00—53/00—53/00—(49/75).
Balmer Lawrie—Rs. 252/00—253/00—252/00—253/00—(257/00).
Bararee Coke—Rs. 21/00—21/06—21/00—21/06—(23/81).
B. I. Corpn.—Rs. 8/06—8/12—7/87—7/87
Calcutta Tramways—Rs. 10/94—11/50—10/94—11/37—(12/00).
Clive Row Investment—Rs. 8/25—8/62—8/25—8/62—(7/87).
Dunlop Rubber (1st Pref.)—Rs. 104/75 x.d.—104/75—104/75—104/75—(106/25).
East Anglia—Rs. 9/69—9/69—9/69—9/69.
Electric Construction—Rs. 12/50—12/62—12/44—12/44—(14/19).
English Electric—Rs. 12/87—13/50—12/62—13/44.
Gwalior Rayon—Rs. 44/00—44/00—44/00—44/00—(56/50).
Gillanders Arbuthnot—Rs. 13/50—14/12—13/50—14/06—(14/37).
Goodyear India—Rs. 30/75—30/75—30/50—30/62—(42/75).
General Tyres—Rs. 7/65—7/84—7/62—7/81—(5/62).
Hila Tea Estate—Rs. 5/72—5/75—5/72—5/75.
Hindustan Aluminium—Rs. 13/25—13/50—13/19—13/50—(16/50).
Hindusthan Development—Rs. 4/06—4/31—4/00—4/31—(5/81).
Hindusthan Twyfords—Rs. 14/62—14/62—14/56—14/62—(15/31).
Hindusthan Wire Products—Rs. 17/12—17/12—17/00—17/00—(14/50).
Hindusthan Pilkington Glass—Rs. 15/25—16/25—15/25—16/25—(20/44).
Hindusthan Ice—Rs. 2/00—2/00—2/00—2/00.
Imperial Tobacco—Rs. 10/81—11/00—10/50—10/62—(11/19).
India Forge & Drop Stamping—Rs. 4/87—4/87—4/87—4/87.
Indian Oxygen—Rs. 27/50—27/62—27/37—27/50—(44/50).
Isaac Holdens—Rs. 14/34—14/50—14/19—14/50—(16/31).
Jardine Henderson—Rs. 85/00—85/50—84/50—84/50—(80/00).
Do. (Pref.)—Rs. 55/00—55/00—54/00—54/50—(55/75).
Jay Shree Industries—Rs. 16/12—16/37—16/12—16/37—(17/00).
J. K. Synthetics—Rs. 10/69—10/81—10/56—10/81—(14/12).
Kettlewell Bullen (2nd Pref.)—Rs. 60/00—61/00—60/00—61/00.
Madras Rubber—Rs. 15/00 x.r.—15/00—15/00—15/00.
Martin Burn—Rs. 26/25—26/62—26/25—26/62—(29/25).
Metal Distributors—Rs. 4/75—4/81—4/50—4/66.
Macfarlane & Co. (Defd.)—Rs. 2/12—2/19—2/12—2/19—(2/50).
Macneill & Barry (Pref.)—Rs. 52/00—52/00—52/00—52/00—(52/50).
Madhya Pradesh—Rs. 8/56—8/56—8/56—8/56.
National Pipes & Tubes—Rs. 25/25—25/62—25/25—25/62—(30/50).
National Insulated Cable—Rs. 23/12—23/69—23/12—23/50—(29/25).
National Rubber Mfg. (Pref.)—Rs. 69/00—71/00—69/00—69/00.
Phillips Carbon Black—Rs. 16/50—16/50—16/50—16/50—(23/12).
Philips India—Rs. 27/75—27/75—27/75—27/75—(29/50).
Rallis India—Rs. 116/00—121/00—116/00—121/00—(142/00).
Rohtas ("B" Pref.)—Rs. 56/50—57/00—56/50—57/00—(54/50).
Shaw Wallace—Rs. 16/56—17/12—16/50—17/00—(20/12).
Sirsilk—Rs. 9/31—9/37—9/19—9/31—(9/87).
Union Carbide—Rs. 40/25—40/25—40/25—40/25—(46/50).
Universal Cables—Rs. 9/81—10/00—9/44—9/62—(12/00).
Usha Martin Black—Rs. 13/62—13/62—13/62—13/62—(16/40).
Universal Electric—Rs. 9/00—9/00—9/00—9/00.
Walford Transport—Rs. 3/75—3/81—3/69—3/81—(3/25).

PAPERS

Bengal—Rs. 27/94—28/37 S.T.—27/87—28/00—(33/12).
India Paper Pulp—Rs. 17/19—17/75—17/12—17/37—(20/56)
Shree Gopal Paper (2nd Pref.)—Rs. 97/00—97/25—96/75—97/25.
Star—Rs. 8/81—9/00—8/75—9/00—(10/00).
Sirpur—Rs. 12/25—12/44—12/19—12/44—(14/12).
Star Products—Rs. 9/12—9/25—9/12—9/25—(9/91).
Titaghur—Rs. 15/94—16/19—15/94—16/06—(39/12).

SHIPPINGS

India General Navgn.—Rs. 53/50—53/50—53/50—53/50—(63/50).
India Steamship—Rs. 6/12—6/19—6/00—6/00—(6/91).
Port Shipping—Rs. 12/81—13/06—12/81—13/06—(11/94).

SUGARS

Belsund—Rs. 8/25—8/25—8/25—8/25—(10/06).
Carew & Co.—Rs. 10/75—10/81—10/69—10/75—(13/12).
Cawnpore—Rs. 9/75—10/75—9/75—10/75—(12/50).
Darbhanga—Rs. 8/12 S.T.—8/75—8/06 S.T.—8/65—(9/12).
Raza Buland—Rs. 9/44—9/69—9/44—9/56—(9/06).
Samastipore Central—Rs. 6/00—6/00—6/00—6/00—(9/62).
Shree Krishna Gyanoday—Rs. 7/25—7/75—7/12—7/75—(9/00).
U.P.—Rs. 9/50—9/62—9/50—9/62—(14/72).

PRESSING

Bhagwati Pressing—Rs. 5/50—5/62—5/50—5/62.

TEAS

Baitakhal—Rs. 6/81—6/87—6/81—6/87—(6/69).
Bor Pukhuri—Rs. 10/81—10/87—10/69—10/75—(9/37).
Brooke Bond—Rs. 11/62—11/75—11/62—11/75—(14/56).
Baghmari—Rs. 13/87—14/00—13/87—14/00—(19/25).
Birpara—Rs. 156/50—156/50—156/50—156/50—(160/00).
Central Cachar—Rs. 74/00—75/00—74/00—74/50—(73/00).
Gielle—Rs. 1/25—11/37—11/25—11/37.
Grob—Rs. 7/62—8/00—7/62—7/94—(8/37).
Gohpur—Rs. 15/25—15/25—15/19—15/19.
Hasimara—Rs. 13/50—13/62—13/37—13/62.
Huldibari—Rs. 13/69—13/94—13/62—13/87—(30/37).
Jaybirpara—Rs. 10/50—10/75—10/50—10/69—(13/50).
Kornafulli—Rs. 9/25—9/31—9/25—9/31.
Methoni—Rs. 16/25 S.T.—16/31—16/06—16/19—(21/25).
Nagri Farm—Rs. 27/00—27/37—27/00—27/25 x.d.—(25/44).
Ranicherra—Rs. 13/62—13/62—13/62—13/62—(18/50).
Rungamattee—Rs. 50/50—51/00—50/50—51/00—(50/00).
Rydak—Rs. 24/25—24/25—24/25—24/25.
Sungma—Rs. 13/94—13/94—13/75—13/87—(14/62).

DEBENTURES

6½% Dunlop Rubber—Rs. 98/50—98/50—98/50—98/50—(104/50).
6½% New Central Jute—Rs. 100/00—100/00—100/00—100/00.
6½% Indian Aluminium—Rs. 95/25—95/25—95/25—95/25.
5½% Kamarhatty Jute—Rs. 90/00—90/00—89/00—89/50—(90/00).

London

SHARES QUIETER ON U.S. MOVES

TEA SCRIP IN DEMAND

London, 24th July.

THE outstanding event of the past week was undoubtedly President Kennedy's move to bring about an improvement in the U.S. balance of payments position. Otherwise, there was little to influence the market apart from company statements and the latest, and not unexpected action, by the directors of Burmah Oil to justify their rebuffing of the B.P. Shell bid. The rise in American discount rate had been largely discounted so that its actual announcement had little influence on gilt-edged stocks, although prices eased a trifle, but the President's foreign securities tax proposal brought a sharp fall in those leading equities usually favoured by American investors and although the measure—even in a modified form—was expected to meet with considerable opposition in Congress, there was no recovery in prices. The behaviour of Wall Street where prices tend to move lower each day, caused demand for dollar stocks to contract. Teas met with renewed demand on consideration of the good prices at the London auctions, but rubbers showed little movement.

STUDY GROUP REPORT ON EXPORT FINANCE

THE second study group on export finance was set up by the Government of India on 31st May, 1962. It was in March 1961 that the first study group (known as the Kapur Committee) submitted its report suggesting several measures for liberalising and improving facilities relating to export credit. But even before the ink was dry on the recommendations of the first study group, the second group with Mr. K. P. Mathrani of the Industrial Finance Corporation, New Delhi, as its chairman was constituted.

Curiously enough, the second study group included several members of the first study group. The former examined once again the same witnesses such as bank representatives, trade bodies and Government officials as the first group and has produced a report recommending far-reaching changes in the institutional mechanism which were not suggested by the first group. It is difficult to believe that there were such far-reaching changes in the pattern of India's exports within the short span of one year. What reasons precisely prevented the first group to view the problem from every possible angle before making its recommendations is known only to those members who were common to both the bodies.

There are no two opinions on the urgency of improving the export earnings. This country's external earnings are at the rock bottom level. At the same time, the superimposition of the needs of defence over those of development, following the declaration of the emergency, has made a larger flow of imports imperative. That the calculation of import requirements for the third plan (Rs. 3,650 crores for maintenance imports) erred on the wrong side is evident. For instance, the domestic output of steel did not expand sufficiently to permit a drastic cut in steel imports with the result that the actual outlay on them in the first two years of the third plan amounted to Rs. 194 crores, compared with Rs. 230 crores provided in the original calculations.

The same kind of unwarranted optimism was witnessed in fertilisers, chemicals and other goods. In order to finance maintenance imports only, India's export effort during the third plan would have to be around Rs. 740 crores a year or Rs. 3,700 crores. As against these targets, this country's export earnings averaged about Rs. 612 crores in the second plan period; in the first two years of the third plan, 1961-62 and 1962-63, they were Rs. 661 crores and Rs. 695 crores, respectively. A sum of Rs. 16 crores was added to the country's export earnings by the annexation of Goa in 1962-63. The actuals for the first two years, excluding the contribution from Goa, which was not taken into account in fixing the original third plan export target, came to Rs. 1,370 crores leaving a balance of Rs. 2,330 crores to be covered in the next three years. The Board of Trade has fixed a target of Rs. 745 crores, including the exports from Goa, for 1963-64, and it is evident that the figure falls short of what the circumstances demand. Compared with the disappointing performance, the Planning Commission has fixed an export rate of Rs. 1,300 crores to Rs. 1,400 crores, or twice the present level by the end of the fourth plan. The study group naively assumes that it is possible to lift the exports to the desired level by sustained efforts of the business community and the Government.

Reserve Bank Credit

Broadly speaking, the Reserve Bank now gives credit up to 180 days, as compared with 90 days before, against usance bills on the security of promissory notes of scheduled banks; the Bank has exempted packing credits and usance bills from the purview of its credit controls; such credit is provided at the Bank rate of 4½ percent; importers in foreign countries are enabled to obtain credit for medium periods, that is, up to a period of five years through the Refinance Corporation for Industry; the Exports Risks Insurance Corporation has been permitted to cover preshipment risks of advances made by private organisations other than banks. This was done at the instance of the Kapur Committee and it is only recently that the Reserve Bank and State Bank Acts and the provisions governing the Refinance Corporation were amended. It is, therefore, surprising that the Mathrani Committee was asked to examine the adequacy of institutional arrangements providing export finance; the policy of concessional rates of interest by various lending institutions; and whether it is necessary to set up an export finance corporation.

It must be remembered here that there might be other bottlenecks in improving India's exports, but finance is not certainly one of them. The traditional exports, which account for the bulk of the trade, are financed by commercial banks through short-term devices like the letter of credit and existing channels are more than adequate. The question of providing medium and long-term finance arises in the case of exports of engineering goods and capital equipment. The financing of engineering goods, which are yet insignificant, is taken care of by the provision of medium-term facilities made available by the Refinance Corporation for Industry. The export of capital equipment requiring long-term finance does not arise in the foreseeable future because with vast industrialisation programmes inside the country whatever is produced will be required for domestic needs. It is again not prudent to imagine, as the second study group had assumed, that India would be able to compete with advanced western countries with whose assistance it is setting up its own industries. The question of exporting capital equipment to developing countries on a big enough scale does not arise during the next few plans.

It is likewise difficult to support the assumption of the second study group that it will be possible to find new markets in Africa, south east Asia and Latin America. These countries are closely aligned either to west European powers or Japan or China (mainland) in trade relations. It is the powerful competition from the advanced countries in price, quality and delivery which lies behind the poor export performance. In the years to come, if at all, these tendencies would gather further momentum. When a sheltered market is expanding at home, it is difficult to induce the Indian industrialists and business men to sell abroad whatever might be the inducements. It is plain that no major increase in exports will be achieved without a substantial readjustment in the domestic economy. This will in turn involve an increase in agricultural and industrial output at a rate fast enough to satisfy the growing domestic market and yet leave sufficient surplus to export abroad to touch the targets visualised. The several ideological hurdles which hamper production have to be removed if production is to be expanded at a fast rate.

Engineering Goods Exports

It is against this background that the Mathrani committee's approach requires to be seen. It approached the question on the assumption that there will be quick diversification of export trade, that is, India will export before long adequate quantities of engineering goods and capital equipment to new markets in Africa, south east Asia, and Latin America. The group assumed, therefore, that the creation of an institutional framework obtaining in foreign countries like the Export-Import Bank, Washington, in the field of export financing is a vital necessity in the next few years so that Indian exporters do not stand unfavourably with their counterparts in western countries. The study group recommended the setting up of a new institution to be known as the Export Credit and Guarantee Corporation. The institution will co-ordinate and supplement the activities of existing institutions. To provide some basis for such a corporation, to start with, the E.R.I.C. will be amalgamated with the new body. It will have an authorised capital of Rs. 10 crores, of which Rs. 5 crores is to be issued and paid-up. The Corporation will be wholly owned by the Government.

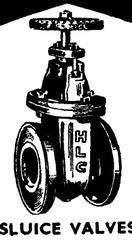
While considering the existing credit facilities as adequate and the cost reasonable, the second study group felt that it would be desirable to give preshipment and postshipment credit to banks at 1½ percent below Bank rate—now it is provided at Bank rate—so that Indian exporters will be able to offer better competition abroad. It has also been suggested that banks should be enabled to extend to exporters the difference between the internal and external prices of credit documents through the provision of risk guarantee. Now the difference is given by banks as a personal advance to the exporter on his own guarantee. The suggested guarantee might cover up to 25 percent of the f.o.b. value of goods exported. Such a guarantee will be continuously in operation. It will be somewhat on the lines of the guarantee scheme evolved for small industries by the Reserve Bank.

Stabilisation Fund

The second study group suggested that the new institution set up would give suitable performance guarantees in connection with the problem of medium and long-term credit. The group is in favour of the import-export stabilisation fund suggested by the Mudaliar Committee. Probably, the object is that the fund will be administered by the new body. It is relevant to note that the State Bank has already moved in the field. It is now providing bank guarantee for a loan in foreign currency to a company for importing raw materials on the understanding that repayment will be made out of the exports of finished goods. The other banks have shown anxiety to conclude their own arrangements with the correspondents abroad.

The broad pattern of credit facilities, as it is being evolved, is quite satisfactory and there seems to be no need to disturb the institutional arrangements evolved over a period of time. It seems advisable to watch the pattern of export trade before devising institutional arrangements without such diversification. It is relevant to remember once again, in spite of the risk of repetition, that export performance is stagnating not for want of credit but because of other factors like uneconomic production, poor quality, an even-widening and sheltered domestic market and the inability of production—agricultural and industrial—to expand at a faster rate than domestic needs. It is these factors which require attention and the provision of finance can await the developments in export field.

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THE CALCUTTA MONEY MARKET

MODERATE FALL IN ADVANCES

Wednesday, 24th July.

THERE has been a moderate decrease in the general level of advances in the Calcutta money market during the past week. This has arisen from the slight decrease in the accommodation given to jute and sugar mills, and to the foodgrains and seeds trade. There has been a slight increase in the advances to the iron, steel and engineering industries. In the interbank market, conditions have hardened and the call rate quotes 3½ percent.

The exchange market has been active. The supply of tea bills is good and that of gunny bills moderate. The demand for remittance has been moderate. Sterling, after fluctuating within narrow limits, shows nominal gains against the Canadian dollar, deutschemark and the Dutch guilder.

SILVER WAS STEADY IN CALCUTTA during the past week. The price closed at Rs. 274.50 for ready delivery. There was no business in forward. The price was quoted at 111½d in London and at 129 cents in New York. Gold was not transacted.

DURING THE WEEK ENDED 19TH JULY, Government of India Treasury bills for Rs. 172,82,75,000 were sold in favour of the Reserve Bank.

IT IS STATED THAT 91-DAY Intermediate Treasury bills sold from 17th July to 20th July, amounted to Rs. 4.01 crores.

DECLINES OF RS. 31.19 CRORES TO Rs. 2,237.58 crores in active notes and of Rs. 27.31 crores to Rs. 2,256.51 crores in the total note issue were notable features of the return of the Reserve Bank of India for the week ended 19th July, 1963. The currency contraction was covered by reducing rupee securities of the paper currency reserve by Rs. 29.36 crores to Rs. 1,926.31 crores. This was done by transferring securities to the Banking Department in which investments rose by Rs. 42.50 crores to Rs. 318.17 crores. Deposits of the Government of India fell by Rs. 35.99 crores to Rs 54.95 crores, while those of State Governments rose by Rs. 10.13 crores to Rs. 15.82 crores. Balances of scheduled banks increased by Rs. 19.79 crores to Rs. 109.51 crores. Their loans from the Reserve Bank declined from Rs. 1.77 crores to Rs. 47.10 lakhs of which advances against usance bills were Rs. 9 lakhs (Rs. 94 lakhs). Ways and means advances stood at Rs. 23.67 crores. against Rs. 54.87 crores.

THE RETURN OF THE STATE BANK OF India for the week ended 12th July, 1963, shows a rise of Rs. 1.12 crores to Rs. 574.56 crores in total deposit. Investments in Government securities are up by Rs. 19.17 crores to Rs. 281.91 crores, while other authorised investments remain unchanged at Rs. 9.35 crores. Advances, including loans, cash credits, overdrafts and bills discounted and purchased have fallen by Rs. 9.75 crores to Rs. 273.43 crores. Cash and balances are, in consequence, shown at Rs. 20.32 crores or Rs. 30 lakhs less.

THE STATEMENT OF THE POSITION OF scheduled banks for the week ended 12th July, 1963, shows Demand and Time liabilities at Rs. 1,051.52 crores (Rs 27.51 crores on account of borrowings from banks) and Rs. 1,314.97 crores (Rs. 21.35 crores), compared with Rs. 1,054.81 crores (Rs. 28.42 crores) and Rs 1,307.69 crores (Rs. 22.98 crores), respectively, in the previous week. Cash and balances with the Reserve Bank have decreased by Rs 3.70 crores and Rs. 10.50 crores to Rs 53.46 crores and Rs. 87.20 crores, respectively. There is a rise of Rs. 29 99 crores to Rs. 691.03 crores in investments. Advances and bills discounted at Rs. 1,522.74 crores show a drop of Rs. 13.54 crores. The ratios to total liabilities of cash and balances, and of advances and discounts are, in consequence, shown at 5.9 percent and 64.3 percent, against 6.6 percent and 66.2 percent.

THE FOLLOWING IS A STATEMENT OF the cash balances of the Central Government on the last day of March 1963:

	Rs.
(1) At the Reserve Bank of India (A)	1,09,95,61,000
(2) At Treasuries in India	(–)1,11,12,000
(3) In England (sterling converted at 18d the rupee)	52,88,000
Total	1,09,37,37,000

(A) Represents net of cash in treasuries and remittances in transit.

TREASURY BILL MATURITIES

Details of 91-day bills outstanding with the public on 2-8-63.

Issue Date	Maturity Date	Amount (000's Rs.)	Average Acceptance Rate
2-8-63	5-11-63	2,00,00	...
19-7-63	22-10-62	2,00,00	Rs. 2.317%
12-7-63	15-10-63	2,00,00	Rs. 2.320%
5-7-63	8-10-63	2,00,00	Rs. 2.340%
28-6-63	1-10-63	2,00,00	Rs. 2.345%
21-6-63	24-9-63	2,00,00	Rs. 2.350%
14-6-63	17-9-63	2,00,00	Rs. 2.354%
7-6-63	10-9-63	2,00,00	Rs. 2.350%
31-5-63	3-9-63	2,00,00	Rs. 2.350%
24-5-63	27-8-63	2,00,00	Rs. 2.355%
17-5-63	20-8-63	2,00,00	Rs. 2.360%
10-5-63	13-8-63	2,00,00	Rs. 2.354%
3-5-63	6-8-63	2,00,00	Rs. 2.350%
26-4-63	29-7-63	2,00,00	Rs. 2.349%

(Monthly Maturities 000's omitted)

July 1963	2,00,00
August, 1963	8,00,00
September 1963	8,00,00
October 1963	8,00,00
November 1963	2,00,00
Total	28,00,00

CLEARING HOUSE RETURNS

Week	Calcutta	Bombay
	Rs. (Lakhs)	
19-7-63	90.25	1,07.96
12-7-63	88.08	99.00
5-7-63	89.70	99.50
28-6-63	91,14	1,05,90

RESERVE BANK

ISSUE DEPARTMENT

(In 000's of Rupees)	Week Ended 19-7-63	12-7-63	20-7-62
Liabilities—			
Notes in Banking Dept.	19,22,97	15,34,81	16,30,62
Notes in Circulation	22,37,58,20	22,68,77,26	20,60,76,21
Total Notes Issued	22,56,81,17	22,84,12,07	20,77,06,83
Assets—			
A Gold Coin and Bullion	1,17,76,10	1,17,76,10	1,17,76,10
Foreign Securities	95,26,14	93,88,67	89,34,17
Total of A	2,13,02,24	2,13,64,77	2,07,10,27
B Rupee Coin	1,17,48,34	1,14,80,61	1,18,13,43
Rupee Securities	19,26,30,59	19,55,66,69	17,51,83,13
Total	22,56,81,17	22,84,12,07	20,77,06,83

BANKING DEPARTMENT

Liabilities—			
Capital Paid-up	5,00,00	5,00,00	5,00,00
Reserve Fund	80,00,00	80,00,00	80,00,00
National Agricultural Credit(Long Term Operations)Fund	73,00,00	73,00,00	61,00,00
National Agricultural Credit (Stabilisation) Fund	8,00,00	8,00,00	7,00,00
Deposits—			
(a) 1. Central Govt.	54,95,38	90,94,17	49,32,64
2. State Govts.	15,82,48	5,69,01	14,28,17
(b) Banks :—			
(i) Scheduled Banks	1,09,51,25	89,71,65	1,06,84,19
(ii) State Co-operative Banks	2,51,55	4,21,16	1,73,89
(iii) Other Banks	4,15	5,03	2,15
(c) Others	2,07,04,62	2,06,84,96	1,93,63,50
Bills Payable	31,18,29	27,92,01	35,80,64
Other Liabilities	17,39,75	17,37,30	18,05,70
Total	6,04,47,47	6,08,75,29	5,72,70,88
Assets—			
Notes	19,22,97	15,34,81	16,30,62
Rupee Coin	2,28	3,33	1,87
Small Coin	2,13	2,17	3,58
National Agricultural Credit (Long Term Operations) Fund			
(a) Loans and Advances to :—			
(i) State Govts.	27,16,75	27,16,75	24,03,45
(ii) State Co-operative Banks	10,52,60	10,55,70	11,89,76
(iii) Central Land Mortgage Banks	...	...	...
(b) Investment in Central Land Mortgage Bank Debentures	3,50,57	3,14,83	2,82,84
National Agricultural Credit (Stabilisation) Fund			
Loans and Advances to State Co-operative Banks	...	...	...
Bills Purchased and Discounted :—			
(a) Internal	...	...	...
(b) External	...	...	...
(c) Govt. treasury Bills	55,51,47	63,25,42	67,45,20
Balances Held abroad	6,28,59	5,29,40	4,51,33
Loans and Advances to Govt.	23,66,82	54,86,92	17,69,59
Loans and Advances to :—			
(i) Scheduled Banks	47,10	1,77,32	63,30,00
(ii) State Co-operative Banks	1,11,07,46	1,18,33,05	1,15,22,76
(iii) Others	1,43,86	1,39,80	92,57
Investments	3,18,16,56	2,75,59,18	2,75,63,01
Other Assets	27,38,07	31,96,59	35,51,00
Total	6,04,47,47	6,08,75,29	5,72,70,88

SCHEDULED BANKS

(In 000's of Rupees)	Week Ended 12-7-63	5-7-63	13-7-62
(i) Demand Liabilities—			
(a) Demand Deposits			
(1) From Banks	54,84,43	61,87,27	50,82,67
(2) From others	9,09,56,79	9,05,24,05	7,79,98,82
(b) Borrowing from Banks	27,50,55	28,42,45	19,43,70
(c) Others	59,57,01	59,27,20	55,77,04
(ii) Time Liabilities—			
(a) Time Deposits			
(1) From Banks	38,01,77	38,28,52	25,89,18
(2) From others	12,44,84,64	12,35,61,40	12,06,86,49
(b) Borrowing from Banks	21,34,76	22,97,84	31,72,52
(c) Others	10,76,17	10,81,30	10,09,83
(iii) Borrowing from State Bank—			
(a) Demand Liabilities	5,16,57	4,74,93	4,13,81
(b) Time Liabilities	13,00,50	11,15,00	13,50,00
(iv) Borrowing from Reserve Bank	1,57,40	79,35	2,18,65
(v) Cash	53,46,05	57,15,53	51,74,43
(vi) Balances with the Reserve Bank	87,20,43	97,76,41	89,54,19
(vii) Balances with other Banks in current account	20,42,26	21,33,44	17,98,93
(viii) Money at call and short notice	58,47,40	56,56,63	45,73,03
(ix) Investments in Central and State Govt. Securities	6,91,02,91	6,81,03,67	5,78,65,92
(x) (a) Loans, Cash credits and Overdrafts	13,03,94,86	13,15,94,42	12,44,14,20
(b) Due from Banks	8,95,22	6,78,91	6,85,11
(xi) Inland Bills purchased and discounted	1,58,32,70	1,61,84,59	1,25,40,59
(xii) Foreign Bills purchased and discounted	51,50,75	51,70,27	42,58,70
(xiii) Total of X Xi and Xii	15,22,73,53	15,36,28,19	14,18,96,60


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Calcutta, Bombay, Kanpur, Delhi, Madras.


STATE WAREHOUSING OF FARM PRODUCE IN INDIA

By V. N. Hoon

IT is true that, even with several storage agencies functioning, there is still a shortage of good storage accommodation in the country*. There are the Government of India godowns—bins, silos and huge warehouses—for storing Government-procured and Government-imported foodgrains. There are the State Governments' godowns for storing their locally procured foodgrains or those allotted by the Central Government. Then there are the warehouses of the Central and the State Warehousing Corporations and the godowns of the co-operative societies. In the private sector, there are the godowns of the local dealers, who have been playing a vital, although not very healthy part in the country's rural and *mandi* economy. With so many agencies at work, there is bound to be wasteful overlapping if sufficient care is not taken clearly to define the functions and the geographical and economic areas of working of each agency and their dovetailing into one another.

The Central and the State Governments' godowns are meant to store only the Governments' foodgrains and no other agricultural produce. At one time it was envisaged that the warehousing corporations will take over this function and run the Government godowns on a strictly commercial basis. But the Government was unwilling to agree for a number of reasons; and in view of the huge quantities of foodgrains imported in recent years under P.L. 480 and the heavy programme of construction of large silos, bins, etcetera, that the Government has already undertaken, the likelihood of the Government agreeing to making over this tremendous responsibility to the corporations has receded into the background.

Responsibility of Government

The Government has not only to undertake heavy storage, which involves a large-scale turnover, but also a large-scale programme of movement of foodgrains from one part of the country to another. However, the Government has been making over, where possible, a part —although a very small part—of its foodgrains storage to the Central and the State warehousing corporations. But this is more in the way of a gesture of goodwill and of helping the corporations to tide over their teething troubles, rather than as a matter of sustained and expanding policy. As far as the co-operative sector is concerned, its godowns, which are necessarily small-sized, cater to the members of the co-operative societies, who are mostly producers. There need be no difficulty in demarcating the co-operatives' area of storage work. Their godowns would spread in the villages, with perhaps apex godowns at the bigger villages or the *tehsil* level, where there is no godown of the warehousing corporation, which could be advantageously used.

The remaining area in the country, which would still be vast, could be taken up by the warehousing corporations. Unfortunately, there has been a tendency to wrangle over the centres not only between the warehousing corporations and the co-operatives, but also between the Central and the State Warehousing Corporations. That leads to confusion, unhealthy competition and carping criticism. There is no reason why there could not be an integrated development.

The Central Corporation has an all-India basis. The idea was that it would set up or construct large warehouses with capacity of 10,000 tons or over each in the main distributing centres and the biggest *mandis*. The capacity of the State corporations' godowns was visualised at 5,000 to 10,000 tons each, and their field would be other fair-sized *mandis* in semi-urban areas and the district headquarters in their respective States. The Central Corporation, however, got into serious difficulties. It could not get suitable godowns of the requisite size nor could it quickly construct its own godowns.

The novelty of the scheme launched on almost uncharted seas itself excercised a check on too extravagant a start. Its capacity target was brought down to 5,000 tons a godown to start with; but in actual practice, even this was not found possible (except at half a dozen places) and it had to go down to 1,500 tons and even below. Similar was the fate with the 5,000 to 10,000 tons target of the State Corporations. That went down to an average of below 500 tons. The result was that, for reasons beyond the Corporation's control, the scheme made a slow headway and the very lowering of godown capacity gave rise to a spirit of competition for sites, centres and *mandies*; and where a State Corporation grabbed a centre (which the Central Corporation thought was suitable for itself), the Central Corporation could hardly do anything and check the State Corporation.

Management of State Bodies

The State Corporations, with their own boards of directors, are separate corporate bodies; and even though half of the directors are nominated by the Central Corporation (and half by the State Government), the general superintendence and management of the State Corporations are their own affair. They take their own decisions, which sometimes do not integrate with the policy of the Central Corporation.

For example, in the selection of centres, in the fixation of storage rates, etcetera. One cannot help thinking that, instead of making them independent units like this, with a rather remote and indirect control by the Central Corporation, if the State corporations had been established as branches of the former, with a centralised control, matters would probably have worked out more smoothly. Administrative, financial and technical control from the Centre would have been more economical and the incidence of overheads would have been very much less. The economics of running the warehouses would have been worked out on a uniform basis and development of warehousing in the country would have been completely integrated. Although very desirable, perhaps it is too late to make this change now, as happens in all such cases where vested interests get entrenched.

It would obviously mean another change in the warehousing corporations' law. If such a change cannot be made, surely it cannot be beyond human ingenuity to devise rational methods of avoiding mutual bickering and overlapping by demarcation of the fields of activity. However severely limited by the slow processes of setting up the godowns and of acquisition of sites, there is more than enough scope for the Central and the State Corporations and the co-operatives for creating suitable storage capacity in the country.

Demarcating Functions

The rational future trend would seem to be that with the existing set-up, the Central Corporation may devote itself more and more to specialised storage, leaving it to the State Corporations to undertake all other storage that is not highly specialised. That would also avoid any unhealthy trends of competition. Specialised storage for the Central Corporation would include cold storage, dehumidification in godowns, heating arrangements where necessary, etcetera, and the commodities for specialised storage would be like potatoes, turmeric, groundnuts, oilseeds, oils, cotton and cottonseeds, ginger, *gur*, jaggery and sugar, mustard, fish, fruits, eggs, fowl and fresh vegetables, milk products, coffee, tea and tobacco. Ordinary storage for the State corporations could be of all foodgrains, pulses, grams, chillies, coriander, linseed, pepper and cardamom and also fertilisers, agricultural implements, etcetera.

Cold storage and other specialised storage require highly technical knowledge, training and experience not only in the handling of commodities but also in the constructional designs of the warehouses. They would also require very much larger financial outlay, and could, therefore, be more appropriately undertaken by the Central Corporation with its greater resources. It would be uneconomic for a co-operative society or a State Corporation, with their limited resources, to build even small units for specialised storage. Along with specialised storage, the Central Corporation would continue to act as the mentor to the State corporations in the technical and financial sides of storage and in constructional designing. The Central Corporation has rightly in the recent past made over, after investigation, those centres to the State Corporations which did not have very large business potential, but were suitable for the State Corporations' economy. It would be for the State corporations to reciprocate both concerning centres for specialised storage and large business potential, and make these over to the Central Corporation.

A rational functional division between the storage agencies could, therefore, be as follows: (1) Government godowns for procured and imported foodgrains; (2) Central warehouses for specialised storage at the main producing, distributing and exporting centres; (3) State warehouses for storage of foodgrains and other commodities not requiring specialised treatment at the bigger *mandis* and (4) co-operative societies for storage in the villages and the rural areas.

Nature of Storage

After all, there is hardly a real, overall surplus of foodgrains in the country. So whatever comes into the warehouses, may be termed as either surplus for a relatively short period or as transit storage. In the surplus producing areas, these short periods would be lengthened and may extend from three to six months in the case of foodgrains, and for longer peiods in the case of cash crops. Therefore, the economy of a warehouse has to be built on a relatively short-term storage.

Also, there is the Government's policy of procurement of foodgrains and price fixing, which would appear to militate against their storage in the warehouses. If there is large-scale procurement, the procured grain would go into the Government's godowns, and there would hardly be any surplus left for warehousing by the producers and others. There would be no incentive left to wait for an interplay of market conditions of demand and supply for a better price when prices are fixed.

There is also the fact that with the imposition of ceilings on the holdings of agricultural land, large-scale cultivation is for the present dying out and large surpluses are not produced. The small area holder could hardly produce that quantum of surplus. Co-operative farming may be the answer; but so long as servicing co-operatives or servicing by Government for co-operative farming does not take place, the disadvantage of small-scale cultivation will continue to affect the economy of warehousing.

Limited Activity

Warehousing of agricultural produce by these corporations is an innovation that must have a far-reaching effect on the rural economy of the country. But its expansion and usefulness will be in proportion to the insistence on scientific methods of storage in properly-built, modern godowns and to the ready help rendered to the producer or the cultivator to induce him to bring his produce to the warehouse against which he may get a ready advance, so that he may bide his time for a favourable market and get the best price for his labours. Meanwhile, his commodity would be in safe and experienced hands, secure from theft, pilfering and deterioration.

So far, except storage, no other functions described under the Act have been undertaken by the corporations; for instance, facilities for transport of produce to and from the warehouse. Bullock-cart economy may seem to be cheap, but it is cumbersome, wasteful of time and energy and not conducive to bringing large custom to the warehouses. If these other functions are taken up, the benefits of warehousing will grow rapidly.

(*Concluded*)

* This is the last of a series of two articles on this subject. The first appeared in last week's issue of *Capital*.



THE ORIENTAL FIRE & GENERAL INSURANCE CO., LTD.

THE CHAIRMAN, MR. B. K. KAUL'S ANNUAL REVIEW

Speech delivered by the Chairman, Mr. B. K. Kaul, I.C.S., at the Fifteenth Annual General Meeting of the Shareholders on Wednesday, the 17th July, 1963.

The Report, Accounts and Balance Sheet for the year ended 31st December 1962 are already in your hands and, with your approval, I propose to take them as read. Before we proceed to consider these for adoption, I would like to review some of the points which had a bearing on your Company's working during the year.

The year 1962 witnessed an unprovoked and treacherous attack on India's northern borders by the forces of the Chinese People's Republic. The Government of India declared a state of emergency in the country and initiated steps to prepare the nation for the defence of the country and for the shift in the country's economy to cater to the defence needs on a priority basis. On the insurance front, the emergency resulted in the Parliament passing the Emergency Risks (Goods) Insurance Act, 1962, and the Emergency Risks (Factories) Insurance Act, 1962.. On 26th December 1962, your Company was appointed by Government as its sole Agent in connection with the Schemes which were framed under these Acts and which came into force from 1st January 1963. As a result, the Company had to make arrangements throughout India at an extremely short notice for accepting applications and dealing with queries from the public in connection with the Emergency Risks Insurance Schemes. A very considerable amount of detailed work had to be done within a few days in setting up procedures and making arrangements at as many as 163 centres all over India and in preparing material for the purpose of explaining the Schemes to the public and answering their queries. I am glad to report that with the unstinted efforts put in by the officers and the staff of the Company, we were able to complete the necessary arrangements in time. During the first two quarters of 1963, the Company received over 2,50,000 applications under these Schemes and dealt with innumerable inquiries from the public and with voluminous correspondence relating to the Schemes.

I may mention here that this work is being done by the Company entirely on a non-profit basis. I am sure that Members will derive a feeling of satisfaction from our having been able to contribute in this manner to the defence effort and the requirements of the Emergency.

On the international scene, the recent years have witnessed the granting of independence to some of the territories in which your Company operates. Tanganyika and Uganda became independent on 6th December 1961 and 9th October 1962 respectively. As you will be aware, Kenya will be attaining independence in December next. We join in welcoming these countries to the comity of free nations.

I am also glad to note that the agreement to launch the Federation of Malaysia covering Singapore, Malaya, North Borneo and Sarawak has been reached very recently. I have every hope that the Federation will bring increased strength and prosperity to the people of these territories and in turn will provide further scope for insurance.

Working after Amalgamation

Coming now more particularly to ourselves, the year 1962 may be termed our real first full year of working as an integrated entity after the passing of the Bombay High Court Orders in December 1961 regarding amalgamation of the National Fire & General Insurance Co. Ltd., and the Asiatic Government Security Fire & General Assurance Co. Ltd., with your Company.

The process of amalgamation was completed very smoothly both in India and abroad. We are functioning in India through a set up of five Regional Offices at Bombay, Calcutta, Delhi, Kanpur and Madras which control, in turn, Divisional, Branch, Sub-branch and Inspectorate offices at a total of 85 centres in the country. The working of the Regional Offices is co-ordinated by the Central Office functioning at Bombay.

The foreign operations of the "Oriental Fire" before amalgamation were of a limited character and these have widened considerably with the accession to the now combined organisation, of the foreign operational centres of the "National Fire" and the "Asiatic". Our activity abroad is not yet very large and we are exploring the possibilities of expansion in this field. As, however, there are considerable changes taking place in the political as well as economic character of many of the foreign territories where such possibilities exist, we are progressing in the matter of expansion with caution. The present can therefore be considered only a formative stage for our foreign organisation.

Turning now to the results of the year's working, you will be gratified to note the increase in the balance for appropriation from Rs. 20.50 lacs for 1961 to Rs. 44.69 lacs for 1962.

The net total premium of all departments increased from Rs. 434.30 lacs in 1961 to Rs. 492.29 lacs in 1962, showing a rise of about Rs. 58 lacs, i.e., 13.35% over the previous year's figure. This increase was made up of Rs. 46.5 lacs from business effected in India and Rs. 11.5 lacs from business outside India. Considering the market conditions in India and abroad, this rise may be considered satisfactory.

Claims-Premiums Ratio

The ratio of net claims to net premiums in 1962 was 34.83% for the Fire Department as compared to 28.97% for the year 1961. The increase in the Fire claims ratio was mainly due to the adverse experience abroad arising out of some large fires. On the Miscellaneous side, the trend of rise in Motor accidents and their costs contributed to the increase in claims ratio from 48.56% in 1961 to 57.79% in 1962. Despite these increases, the claims ratios for both these departments can be considered satisfactory. On the Marine side, the general market experience continued to be unsatisfactory particularly in the Cargo section. The claims ratio in our case, however, has shown a small decrease from 96.45% in 1961 to 93.26% in 1962.

The overall ratio of commission and expenses of management to net premiums has been maintained around 32.5%, which is very satisfactory.

The Company is liable to payment of Super Profits Tax in respect of this year's profit and the estimated tax liability has been provided in the Accounts.

Our investments as at 31st December 1962 aggregated to about Rs. 399 lacs and the total depreciation in these investments was of the order of Rs. 6.65 lacs and is fully covered by the Investment Reserve. Considering that the total investments of the "Oriental Fire", "National Fire" and "Asiatic" as on 31st December 1960 were only about Rs. 175 lacs and that we invested Rs. 224 lacs in the course of 1961 and 1962, it will be seen that the depreciation of Rs. 6.65 lacs is very nominal in the light of the great fall which took place in prices of shares and securities during the last few months of 1962. The policy of the Company of exercising the utmost care and prudence in making investments during the period when the prices of most Ordinary Shares continued to be unrealistically high, has now paid us dividends in keeping down the depreciation to a very nominal value even under the present difficult circumstances. Whilst as a result of our policy, we did not make large book appreciations in our investments, we have neither been required to provide for large amounts by way of depreciation.

Better Financial Strength

As in the past year, your Directors have recommended a dividend of 6% (subject to deduction of tax at prescribed rates) on the paid-up value of the shares. In doing so, they have kept in mind the desirability of strengthening the reserves of the Company. Against the paid-up capital of Rs. 110 lacs, we now have reserves totalling Rs. 46.68 lacs (excluding investment reserve and dividend reserve). We have also additional reserves for unexpired risks of Rs. 3 lacs each in the Fire and Miscellaneous departments in excess of the reserves maintained on the required basis of 50% of the premium income for the year. The financial strength of the Company has, I am happy to say, increased considerably after amalgamation.

Coming to staff matters, your Company signed a new agreement on 1st June 1963 with the Staff Union. The agreement provides, amongst other benefits, for merger of Dearness allowance by an amount ranging Rs. 47 to Rs. 55 per month in the basic salary of the employee, and of the linking of the Dearness Allowance scale with the All India Working Class Consumers' Price Index (Base 1949=100). This agreement is the first of its kind in the General Insurance Industry and marks a departure from the old practice of having an arbitrary system of Dearness Allowance. The agreement applies retrospectively from 1st July 1962 and the relevant increase in the Management Expenses for the year 1962 has been fully provided for in the accounts.

In conclusion, I take this opportunity to express my thanks to our clients and well-wishers both in India and abroad who have continued to extend us their support. I also thank the officers, staff and development officials of the Company for their loyalty and good work.

N.B.: This does not purport to be a record of the proceedings of the Annual General Meeting.



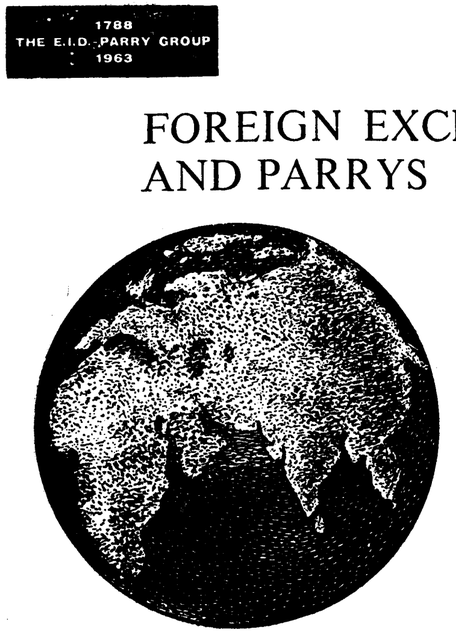
Our fleet of nineteen modern freighters offers fast, regular and dependable service between

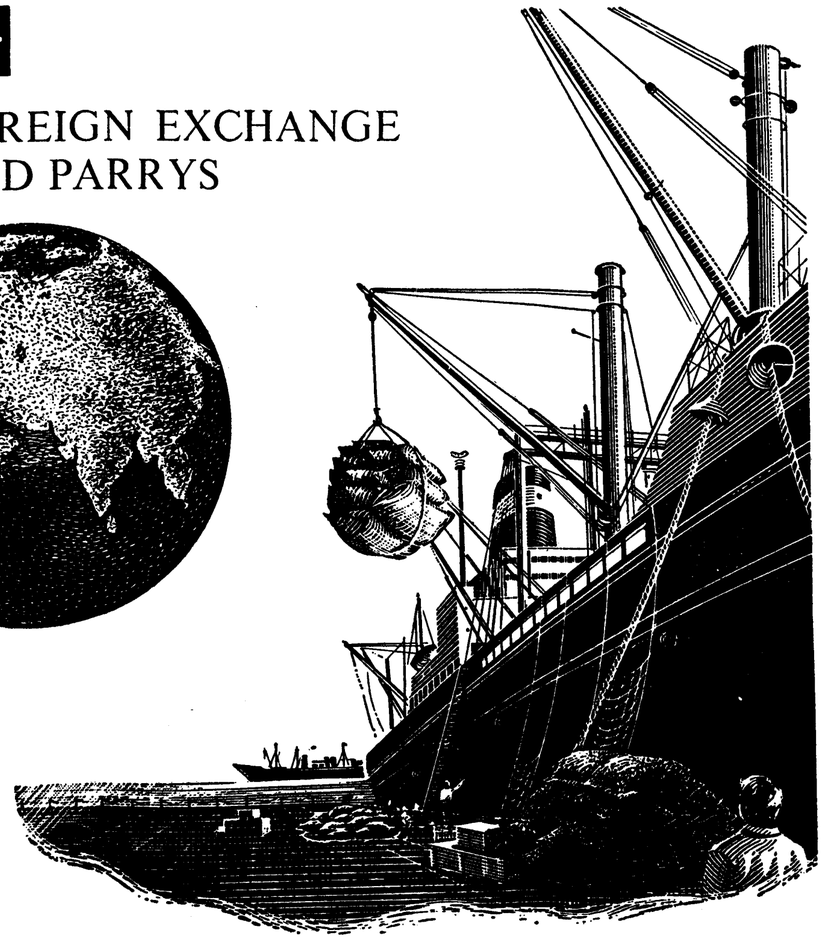
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THE E.I.D. PARRY GROUP
1963

FOREIGN EXCHANGE AND PARRYS





FOREIGN EXCHANGE*—the most important factor in the country's economy today—is also the most important factor in the E.I.D.—Parry Group's plans for brighter and better tomorrows.

The production of fertilisers provides a good example of the E.I.D.—Parry Group's contribution towards increased food production and towards conserving foreign exchange by reducing the volume of fertiliser imports. In 1962/63 the Government have set aside no less than Rs. 40 crores for the import of fertilisers to meet the deficiency between indigenous production and total demand. During the same period the E.I.D.—Parry Group will produce and distribute about 200,000 tons of fertilisers, which figure will be further increased by expansion programmes during the Third Plan Period.

Other manufactures of this Group of nine companies of substance include sugar, confectionery, sanitaryware, light railway equipment, acids, chemicals, carbonic acid gas, industrial and potable alcohol.

THE E.I.D.—PARRY GROUP, MADRAS

* *The Foreign Exchange Bill for The Third Five-Year Plan is more than Rs. 1,900 crores.*

PLAY YOUR PART IN THE NATIONAL DEFENCE EFFORT

PDs/PP/3-B II

New Delhi

WIDENING SCOPE FOR FOREIGN CONSULTANCY FIRMS

(FROM OUR NEW DELHI CORRESPONDENT)

A MEETING under the chairmanship of Professor M. S. Thacker, will shortly be convened in New Delhi to review the principles which have been adopted for allowing the establishment in India of consultancy, design and related services by foreign firms in the light of experience gained, and with reference, in particular, to the following:

(1) What are the fields in which scope exists for setting up a technical consultancy organisation?

(2) What should be the scope of activities of the organisation, namely, whether it should be limited to technical consultancy and design only, or whether it should extend to undertaking turn-key jobs also?

(3) What are the safeguards to be observed to see to it that foreign exchange is not spent abroad on jobs which can be undertaken in India by Indian organisations?

In 1961 a number of applications were received from reputed foreign firms for setting up technical consultancy organisations in India in various engineering fields. In a series of discussions, in which the representatives of the Economic Ministries participated, the basic principles to be taken into account while considering the grant of approval to such firms were evolved. These principles were also given wide publicity by the Indian Investment Centre.

On this basis, nine cases have so far been approved. It is learnt that with the exception of Simon-Carves and Hydrotherm, in all the cases, the approval is limited to the firm undertaking consultancy and design services only. Some of the firms which have already been licensed, as well as others whose applications are pending, have represented that unless they are permitted to undertake turn-key jobs, their ventures, besides being uneconomic, will not permit them to offer the best service to their customers. The proposed review has, therefore, become necessary.

CENTRAL CABINET

Some Readjustments

Readjustments in the Central Council of Ministers, following the resignations of three Cabinet Ministers, were announced last week. Mr. K. D. Malaviya and Hafiz Mohammed Ibrahim, had already resigned. The Minister of Commerce and Industry, Mr. K. C. Reddy, resigned last week on "grounds of health."

The Prime Minister has taken no replacements for these vacancies in the Cabinet. For the present at least, the co-ordinating portfolio of Commerce and Industry has been abolished, and the Ministry has been bifurcated into the Ministries of International Trade and Industries which continue to remain the charge of Messrs Manubhai Shah and Nityanand Kanungo, respectively, both of whom hold the status of Ministers of State. Mr. Kanungo, in addition to Industries, will hold charge of the Department of Company Law Administration.

The Ministry of Irrigation and Power was entrusted to a newcomer, Dr. K. L. Rao, who has been appointed a Minister of State. Mr. O. V. Alagesan, who has been a Minister of State in the Ministry of Irrigation and Power, has been transferred in the same capacity to the Ministry of Mines and Fuel.

Vital Ministries dealing with subjects for which constitutionally the Centre is responsible, such as those of Commerce and Industry and Mines and Fuel, will no longer be represented in the Central Cabinet, while those dealing with subjects which have been transferred to the States will continue to enjoy membership. The continuous chopping and changing of the Ministry of Industry should be viewed with some concern. The Presidential order allocating the subjects to the various Ministries has entrusted the jute and textile industries to the Ministry of International Trade on the plea that they are export-orientated. Under the plan to diversify exports, light industries have also become export-orientated industries, so by the same logic they should have been allocated to the same Ministry. The sugar industry too should have gone to the Ministry of International Trade, the commodity having entered the export market already. It will thus be seen that no attempt has been made to streamline and rationalise the administration.

The Central agricultural teams, which recently completed a round of visits to the States, have, it is understood, reported on the lack of co-ordination among the various agencies dealing with farm production. The teams, it is learnt, have suggested the appointment of a co-ordinating committee representing the Ministries of Agriculture, Community Development and Irrigation, etcetera. As against this a co-ordinating Ministry like Commerce and Industry which was created because the old system of having separate Ministries for Commerce and Industry had failed, has been abolished.

The chaos this rearrangement will create can be visualised by the fact that heavy industries including fertilisers are under one Minister, industrial policy and licensing under another, the Development Wing under a third, import policy under a fourth and capital issues control under a fifth. An entrepreneur applying for a licence to set up, say, a seamless pipes factory will apply to the Ministry of Heavy Industries. This application will be forwarded to the Development Wing, which is under the Ministry of Defence and Economic Co-ordination. In due course, it will be forwarded to the Ministry of Industries for the grant of an industrial licence. Thereafter, it will be dealt with by the Ministry of Finance for the grant of foreign exchange to import capital goods. The Company Law Department in between may have to be consulted. Thereafter, it will be left to the tender mercies of the Ministry of Commerce now called the Ministry of International Trade for the grant of import licences not only of capital goods, but also for raw material not available in India.

The Planning Commission and the Federation of Indian Chambers of Commerce and Industry have been urging that the administration should be streamlined in order to evolve a single contact point machinery. But what has been done is to enlarge the scope of procedural delays. It is, however, learnt that some Cabinet Ministers and, in particular, the Minister of Heavy Industries, Mr. C. Subramaniam, are not satisfied with these arrangements. Two suggestions have been made. Firstly, industrial policy and licensing should be placed under the Ministry of Defence and Economic Co-ordination, and secondly, in determining the requirements of maintenance imports, the Ministries of Heavy Industries, Industries and Steel should have a final say, and legitimate complaints of any unit would be referred to the Ministry of Economic Co-ordination for decision. The question of final allocation of subjects to be dealt with by three Ministries, namely, Heavy Industries, Industries and Commerce, or International Trade, may need revision.

RAILWAYS

More Goods Carried

Some idea of the non-stop rise in the goods traffic carried by the Indian railways could be had from the fact that in the first five year plan period, the total originating tons of goods traffic carried by the railways rose from 91 million tons in 1950-51 to 114 million tons in 1955-56. The latter figure of traffic in 1955-56 was thus greater than the maximum peak traffic of 97 million tons of overall un-partitioned railways during the second World War. By 1960-61, the end of the second five year plan, the goods traffic had risen to 154 million tons.

The target originally planned for the third five year plan was 245 million tons, revised subsequently to 250 million tons. Present anticipations are that this may go up to 260 millions tons. In 1961-62, the first year of the third five year plan, the volume of traffic handled by the railways rose to 158 million tons. In 1962-63, the second year of the third five year plan, the volume of traffic increased to 175 million tons.

The table below summarises the figures:

Originating tons of goods traffic (in million tons)

Year		
Peak goods traffic carried by the railways in undivided India	97	
1950-51	91	
1955-56	114	Average rate of growth during the first five year plan, 4.6 million tons a year.
1960-61	154	Average rate of growth during second five year plan, 8.0 million tons a year.
1961-62	158	Increase in the first year of the third five year plan, 4 million tons.
1962-63	175	Increase in the second year of third five year plan, 17 million tons.

BOKARO

Raw Materials Survey

Two representatives of the U.S. Agency for International Development have arrived in New Delhi to undertake a survey of the raw material potential required for the proposed Bokaro steel mill. This is in modification of an earlier plan to send out a whole team for this appraisal.

BRAND NAMES

Adopting Foreign Labels

The question of foreign brand names is being reappraised. It is felt that the policy so far followed has been too rigid, and needs revision. A foreign brand name may not be permitted if it is considered detrimental to an old and established Indian industry. It should, however, be allowed if it ensures larger consumer acceptance.

The Government is committed to discourage monopolies. Competition improves the efficiency of an undertaking and the quality of its goods. The case of the lamp industry illustrates the point. What are called G.L.S. lamps have been in short supply, and even the essential requirements have not been adequately met. To introduce competition and increase the capacity, the Government recently approved the scheme of the Mysore Lamp Company to increase its output by installing additional equipment in collaboration with International General Electric. The foreign collaborator, however, wanted to manufacture lamps under its own brand name. To this also, the Government has agreed.

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1962-63	175	Increase in the second year of third five year plan, 17 million tons.

By lifting 17 million tons of traffic more than in the previous year, the railways have greatly surpassed the previous record of the 10 million-ton increase in any one year attained at any time during the first two plan periods or at any other time.

A feature of special importance in the overall improvement in railway operation is that coal movement has contributed 46 percent and the general goods traffic 35 percent to the increased tonnage lifted in 1962-63. This achievement in the transport of goods during the year is additional to the emergency movements of defence material and personnel, which the railways effected, at a very short notice, with practically no interruption to, or curtailment of the normal passenger service or the flow of civil supplies. During the peak months of the emergency, the Northeast Frontier Railway transported 65 percent more traffic than in normal times, and the wagon ferry across the Ganga at Khejuriaghat serving the B.G. route to Siliguri trebled its throughput.

The daily average of originating loading excluding repacking, transhipment, etcetera, in terms of four-wheeler wagons on broad gauge as well as metre gauge during the first two years of the third five year plan is given below:

Average daily loading	1961-62	1962-63	Percentage increase
Broad gauge (all commodities including coal)	15,454	17,143	10.9
Coal	9,957	6,624	11.2
Metre gauge	6,547	6,740	2.9

Although the average loading of coal during 1962-63 amounted to 6,624 wagons a day, the actual load-

ing during March 1963 had come up to 7,254 wagons a day. In this connection, the following extract from the Planning Commission's half-yearly review of the third five year plan from October 1962 to March 1963, may be of interest: "There has been a significant improvement in the rail transport position generally, and coal movements particularly, during the period under review The average daily loading on the railways has shown a marked increase. The average daily loading of coal increased from 6,723 wagons in October 1962 to 7,254 wagons in March 1963. The railways are currently meeting fully the demands for coal loadings from the various coalfields."

To handle effectively and economically the fast increasing freight and passenger traffic, it became necessary to modernise the type of traction and rolling stock. This involved a switchover in certain selected sections with heavy density, from steam to diesel and electric traction. Programmes relating to electrification have made good progress in the first two years of the third plan. Electrification has been completed on 524 route miles, bringing the total route mileage electrified on the railways to 758. The fleet of diesel locomotives has grown from 100 in 1959 to 352 at present. In 1962-63, over 23 percent of the total net ton miles of rail traffic carried was hauled by diesel and electric locomotives.

Effective utilisation of its assets in track and rolling stock has been the keynote of railway planning and progress in the successive five year plans. That the large investments channelled into expansion of the railway system have been put to use efficiently is borne out by the fact that while the net ton miles of traffic carried by the railways more than doubled itself in the last ten years or so, this has been achieved with an increase in the number of wagons and locomotives of barely 55 percent and 47 percent, respectively, and with an addition of only 11 percent in the total mileage of tracks. Taking all investments together, equated at 1938-39 prices, the increase in the total capital has been under 40 percent in the same period.

Before the beginning of the first five year plan, the railways were largely dependent on imports for all their rolling stock and practically all their other equipment. Since then, considerable progress has been made in both establishing and promoting the indigenous manufacture of railway stores, plant and equipment. For quite some time now, the railways have either themselves manufactured or obtained their entire requirement of steam locomotives, wagons, passenger coaches, mechanical signalling and train lighting equipment within the country. In certain categories of components and equipment such as steel castings, medium and heavy forgings, wagon couplers, roller bearings and electrical signalling gear, the indigenous capacity generated tends to fall short of the requirements and the railways' constant endeavour is to reduce, if not eliminate, the gap by the end of the third five year plan.

Wagon production has risen from 3,700 units a year in 1950-51 to 12,000 units in 1960-61. During 1961-62, the first year of the third five year plan, the total number of wagons manufactured was a little over 19,000. During 1962-63, the actual production amounted to 25,869 wagons in terms of four-wheelers.

Within five years of its construction in 1950, the Chittaranjan Locomotive Works realised its output target of steam locomotives, which has now been stabilised at 168 a year. The manufacture of electric locomotives commenced at these works last year. Twenty direct current locomotives have already been built, and work is at present in hand on three alternate current locomotives. By 1965-66, it is hoped that 138 alternate current locomotives will be turned out from Chittaranjan locomotive works. A steel foundry with a capacity of 10,000 tons of steel castings a year is also being established at Chittaranjan, and production is scheduled to start next year.

At the integral coach factory in Perambur, which was established in 1955, the target of production of 350 units a year was reached in 1959. By the introduction of double-shift working, production has since been raised to 600 coaches a year from 1962. This factory has since taken up the manufacture of, besides the conventional coaches, electrical multiple unit stock for use in the suburban services on broad gauge and metre gauge.

In addition to the integral coach factory, the Hindustan Aircraft Ltd, Bangalore, and a firm in the private sector in Calcutta (Jessop) are between them producing 300 to 350 passenger coaches a year. For intercity passenger services in non-electrified areas, where urbanisation is becoming increasingly manifest, diesel rail cars are being designed for manufacture at Hindustan Aircraft Ltd.

A new factory is being set up in Varanasi for manufacturing diesel locomotives. The work is making good progress and the factory, it is expected, will go into production in 1964 and reach its desired level of 150 units a year in 1967-68.

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MACHINE TOOLS

Productivity in Russia

One of the latest reports of the National Productivity Council on on the machine building industry in Russia and Czechoslovakia is a useful document. Some of the recommendations made by the team are not endorsed by the workers' representatives. The recommendations relate to the linking of wages to production and productivity, suggest that the workers should not get automatic annual increments and that trade unions should not be allowed to fall into the hands of irresponsible leadership.

As for linking wages to productivity, the workers' representatives in a minute of dissent state as follows: "In the conditions obtaining in India this recommendation is unacceptable to the trade union movement. In Russia and Czechoslovakia, the socialist system of production ensures that the product will be utilised for the common good of all, and wages are only one part of return which workers get. Constant reduction in prices, elaborate and cheap housing facilities, medical aid, educational facilities, recreational and holiday arrangements, provisions for cultural activities, etcetera, all contribute to the well-being of the workers and ensure a real wage which increases much more rapidly than nominal wages. In India, at present, all these facilities are either totally or practically non-existent. Available data show that in the past years, productivity has outstripped real wages by as much as double.

"Apart from this in the prevalent conditions in industry in which there is no standardisation of jobs, or wages, where patterns, tools, machines and materials are also not standardised and where piece-rates are often changed arbitrarily by the employer, the real meaning of linking wages to productivity will be only to increase the exploitation of the workers. There is no minimum fall-back wage in India, no unemployment insurance, no old age pension, and retrenchment benefits are meagre. This contrasts sharply with conditions in Russia and Czechoslovakia.

"In view of this we feel that this recommendation is not warranted by the prevailing conditions in India. All trade union organisations are opposed to it, and, in fact, if an attempt is made to enforce it, the workers will be forced to resist it."

As against this, the majority have cited the observations of the Russian team, which visited India in 1961. The team had suggested that wages should be linked to productivity. The Indian productivity team says: "This is in the interest of the workers themselves in as much as they can earn money according to their skill and output. This principle has been established all over the world, specially in Russia and Czechoslovakia where workers earn more money by producing more norms which are periodically revised with the change of techniques. It is also in the national interest that wages are linked with productivity in order to curb inflation. In India it is found that wage increase without linking it with production, gives rise to increase in costs resulting in inflation of prices. With the increase in wages the cost of living also increases with the result that no benefit accrues to the working class."

Mr. Khrushchev in a speech to tractor workers had also stated that if wages were not linked with production, the Russian workers would not have anything to buy from the increased roubles they would get. The majority have added that the so-called exploitation of workers by employers is not a fact now due to the various measures taken to safeguard the interests of the working class, and a few small employers who may disregard these laws, cannot be taken as representing the whole industry. The unanimous recommendations are as follows:

(1) A central agency should be set up to translate into English the technical literature already available and published from time to time in other languages.

(2) Russian language study courses should be introduced in schools and colleges.

(3) For effective maintenance of machines, each industrial unit should have a maintenance section adequately staffed and equipped to foster maintenance-consciousness.

(4) Similarly, each unit should have a design office adequately staffed and equipped for the preparation of designs. For this purpose, a machine building section, either as part of tool room or as a separate unit, should be set up in each plant for making its own special purpose machines.

(5) The development and installation of special purpose machines in factories should be encouraged.

(6) A continuous supply of skilled operatives and technicians is essential and properly organised apprenticeship training schemes and educational and training facilities for adult workers should be provided throughout the country.

(7) Safety-consciousness must be inculcated among workers at every stage. All levels of management should observe the principle of "safety first", and top management must associate itself closely with the prevention of accidents.

POWER

Supply Lagging Behind

The view that in India, the energy sector is being developed less rapidly than the economy as a whole was expressed last week by Professor E. Austin Robinson of the Royal Economic Society, Cambridge, at the first meeting of the Energy Survey Committee.

Professor Robinson observed that the energy sector was lagging behind the economy as a whole, and he believed that there was some advantage when the energy sector was ahead of the economy. He, however, pointed out that the energy sector was one of those in which investment to be made was very high, and, therefore, the danger was that if the energy sector was expanded faster in the economy, the country might have to use very scarce resources. He thought that it would be extraordinary to keep the energy investment rightly in balance with the growth of the economy.

According to preliminary figures made available to him, Professor Robinson stated that while the demand in 1950-51 of commercial energy was 37.8 million tons of coal equivalent, it rose to 66.1 million tons of coal equivalent in 1960-61. The demand for non-commercial energy in 1950-51 was 7,486 million tons of coal equivalent and rose to 98.1 million tons of coal equivalent in 1960-61.

According to Professor Robinson's paper, the estimates of energy consumption suggested that during the decade 1950-51 to 1960-61, the demand for total energy rose by about 39 percent. "If on the crudest of bases, that rate of growth were continued the demand for energy in 1965-66 would be 184.3 million tons of coal equivalent, in 1970-71 271.1 million tons of coal equivalent and by 1975-76 it would rise to 256.2 million tons of coal equivalent."

PORTS

Development Plans

The port of Bombay is being expanded by four additional deep-water berths in the Alexandra docks, and a new landing-place for ferry-boats near the Prince's dock to make room for three deepwater berths. The Ballard pier will be extended by 750 feet to allow the construction of another berth. The main channel will be deepened to 32 feet.

The port of Madras will receive new ore handling equipment with a handling capacity of 3 million tons a year and at a cost of Rs. 2.5 crores.

The Indian Government plans to expand and modernise the port of Marmugao in Goa at a cost of Rs. 24.71 crores.

GOVERNMENT CARGO

Seeking Freight Concessions

A three-man delegation, led by the Chief Controller of Chartering, has left for the U.S.A. to negotiate concessions in freight rates for Government cargoes. Under an agreement with the U.K.-Continent-India-Pakistan Conference of September 1962 the quantum of rebate accruing on Government cargoes imported from the U.K. and north Continent was enhanced from 10 percent to 15 percent, resulting in a foreign exchange saving of about Rs. 50 lakhs a year.

The tonnage of Government cargoes allocated to Indian shipping has increased from 158,974 tons (13.3 percent) in 1960 to 329,260 tons (38.2 percent) in 1962, against the corresponding tonnage of cargoes lifted by foreign shipping totalling 1,034,337 tons and 532,775 tons, respectively.

FOREIGN TRADE

Agreement with Jordan

An agreement to develop and strengthen trade and economic relations between Jordan and India was signed last week. The main items of export to Jordan are tea, engineering goods, electrical goods, textiles and jute goods. Rock phosphate is the major item of import from Jordan.

The volume of trade (both ways) between India and Jordan has increased from Rs. 22.38 lakhs in 1959 to Rs. 1.47 crores in 1962. The export of tea from India increased from Rs. 10.45 lakhs in 1960 to Rs. 41.12 lakhs in 1962.

PRINTING MACHINERY

Survey of Demand

The panel, which was appointed by the Government of India in June 1962 to investigate and report on the printing machinery industry in the country, has submitted its report. It has assessed the demand for printing machinery at Rs. 7.5 crores by the end of the third plan and Rs. 12 crores a year by the end of the fourth plan. Output in the country in 1961 was worth only Rs. 10 lakhs. The panel has recommended that the sizes of printing machines to be developed in the country should be such as to conform to the international sizes of paper, with adequate margin. Other considerations in determining the types of machines to be developed are the raw materials used in the manufacture of paper, the increase in the demand for more colours in printing, the wide variations in the circulation demands of newspapers arising out of the use of a large number of regional languages and the lack of power in rural areas. The panel has specifically recommended that the manufacture of the following types of printing machinery should be encouraged: (1) Platen presses (other than cylindrical inking type); (2) cylinder machines; (3) rotary machines; and (4) proof presses.

The panel has also stated that production could be made economical if certain components and sub-assemblies such as feeders, guillotines and machines for wire stitching, board shearing, composing, folding, perforating, book sewing and numbering, are developed by ancillary units to cater to the needs of the industry as a whole.

The Government of India has generally accepted the recommendations of the panel, and is taking steps to implement them.

TRACTORS

Ban on Imports

Due to foreign exchange shortage, no import of tractors is allowed at present except from Russia and east European countries. Arrangements have been made for the import of 1,800 tractors from Russia during 1963, and the possibilities of arranging imports from some east European countries are being explored. Five firms in India have been given licences for the manufacture of larger types of tractors in 12-45 D.B.H.P., the demand for which is expected to rise to about 10,000 a year by 1965-66. Three firms have been licensed to manufacture smaller tractors of 10 D.B.H.P. Three other firms have already started production of wheel tractors. The number of wheel tractors likely to be produced in the country by the end of 1963 is placed at 2,461 and at 3,600. By 1966, indigenous production, it is hoped, will meet the demand for agricultural tractors in full.

The Defence Department has already taken up production of the "Komatsu" type high horse-power crawlers with the collaboration of a Japanese firm. Power threshers are being manufactured in Ludhiana, Punjab, and Ahmednagar, Maharashtra. The possibility of manufacturing power tillers, chaff cutters and tractors was also discussed by a conference in New Delhi last week.

It is explained that there has been a phenomenal increase in the demand for improved agricultural implements in the last ten years. The demand is still rising.

WAREHOUSING

More Goods for Storage

Warehouses established by the Central and State warehousing corporations have been empowered to accept for storage agricultural produce, namely, foodstuffs including edible oilseeds, cattle fodder including oilcakes and other concentrates, raw cotton whether ginned or unginned and cottonseed, raw jute and vegetable oils, seeds, manures, fertilisers and agricultural implements. There have been persistent demands for inclusion of certain other commodities also. The Government of India has examined the desirability of extending the scope of warehousing so as to enable the depositors to offer for storage a wider range of articles of interest to agriculturists. The Government has now issued orders by which depositors can offer for storage iron and steel (metal), iron and steel structurals, insecticides, fungicides and weedicides, rubber, portland cement, coir fibre and coir products, textiles, paper and pulp including paper products and leather, leather goods and pickers in the warehouses of Central and State warehousing corporations, in addition to the articles offered so far.

London

CAUTIOUS OPTIMISM ON U.K. ECONOMIC OUTLOOK

(FROM OUR LONDON CORRESPONDENT)

THE economic indicators continue to make a good showing. Output and exports both show encouraging buoyancy, giving rise to "cautious optimism" in business circles, and to some extent, these movements have been bolstered rather than suppressed by the surprising moves in the matter of capital spending, even though this has been declining overall. A further rise in exports during June has raised U.K. shipments in the first half of 1963 to 6 percent above the level of a year ago. After allowing for seasonal factors, exports in the second quarter of this year were 3 percent up on the first quarter.

These figures were described by Mr. Frederick Erroll, the President of the Board of Trade, as "very pleasing." He pointed out that exports in the second quarter alone have risen to over £1,000 million. This was, he said, "a most important contribution to the present strength of the balance of payments. Seasonally adjusted, exports in June were £345 million, re-exports £14 million, and imports £401 million. This left a "trade gap" of £42 million, against £41 million in May. Exports were a new record except for last March, when the figure was inflated by arrears caused by the freeze-up in January and February.

Imports in June were the highest since November 1960. This is partly a statistical illusion. Sugar imports are booked at the high world price while the U.K. pays for most of its sugar exports at a much lower Commonwealth price. In addition, imports of fuel have been rising. Bearing in mind the sugar price distortion, imports in the first six months of this year were nearly 4½ percent higher than in the first half-year of 1962. Mr. Erroll said that "we must expect further rises in imports as we bring in the materials needed to support the growing economy." But it appears from the figures that the current balance of payments in the second quarter has probably been in surplus at least as much as in the first quarter.

Higher Industrial Output

Industrial output expanded in May faster than usual for the time of year. The index of production covering all industries, adjusted to remove the effects of seasonal influences, was 118, compared with 117 in April (1958=100). The seasonally adjusted figure, which went up because of an expansion in a wide range of industries, is the highest ever recorded. The previous peak was 117 in September. The figures suggest that the Chancellor's hope for a steady but not spectacular growth has begun to be realised. Treasury officials at any rate believe that a movement other than just a recovery from the severe winter is taking place. They find support in the fact that the average output for the three months from March to May is slightly higher than any three months last year. On the other hand, production is still running less than 2 percent above the corresponding month of 1962. This is in spite of the target of 4 percent set by the National Economic Development Council.

The figures now published contain another hopeful feature. This is because Treasury statisticians have recalculated figures since January 1962, so as to make the adjustment for seasonal factors accurate. The effect has been to increase many of them so that in retrospect the decline last winter does not appear too pronounced as originally thought. The exceptionally severe winter seems to have thrown the normal formula for making seasonal adjustments out of step.

ALL INDUSTRIES INDEX OF PRODUCTION

Month	Unadjusted 1957-1963		Seasonally Adjusted 1962-1963	
January	111	108	113	109
February	118	116	114	113
March	121	122	115	116
April	114	116	114	117
May	120	122	116	118
June	117		116	
July	109		115	
August	100		116	
September	120		117	
October	121		116	
November	121		116	
December	111		113	

1958=100.

The "All Industries" index includes mining, building and public utilities as well as manufacturing. The seasonally adjusted index for manufacturing alone was 118 in May, also a record, compared with 117 in April.

Fall in Capital Spending

On the other hand, final figures for the first quarter of this year confirm preliminary indications of a further fall in capital spending by British industry. Compared with the fourth quarter of 1962, there has been a decline in volume of about 5 percent thus continuing the downtrend which has persisted since capital expenditure reached a peak in the third quarter of 1961. Undoubtedly, the latest downturn was influenced to some extent by the severe weather, especially as regards new building work, but the figures suggest that even ignoring this factor, there would have been a falling off.

Capital spending by manufacturing industry, seasonally adjusted, shows a drop of about 8 percent, compared with the fourth quarter of 1962, although within this group, there was a notable exception in the "engineering, shipbuilding and metal goods" categories. Here, the first quarter figures show a rise, after seasonal adjustment, for the first time since the middle of 1961, which may well mark a turning point in this sector. Final estimates of the volume of the fixed capital expenditure of the distributive and service industries show that there was no significant change in the first quarter of this year.

For all industries, the 5 percent decline in capital expenditure in the first quarter of 1963 reflects a reduction of about 8 percent in spending on plant and machinery, and of about 4 percent in outlays on new building work, only slightly offset by increased spending on vehicles. Further evidence that there has been some rise in industrial activity comes in the latest survey of the National Association of British Manufacturers. The results of this survey, the Association says, confirm the forecast made three months ago that there would be a general improvement in production in the second quarter of the year.

It qualifies this statement, however, by saying that "there is no suggestion of a boom in the economy." A number of firms attributed the improvement to a recovery from the bad conditions of the winter months and to other seasonal influences. The Association also believes that political uncertainties have had a depressing influence on trade. All in all, it sees the mood of industry as "one of cautious optimism only."

The detailed results of the N.A.B.M. survey show that 43 percent of the 502 firm reported increases in production, 46 percent showed no change and 11 percent recorded a fall. The number reporting a drop in output is the lowest since these surveys were started. But the Association draws attention to the large percentage of firms showing no change. Substantially more firms reported increases in home orders than in export orders. On home orders, 45 percent of returns showed a rise, 38 percent no change and 17 percent a fall. On export orders, only 30 percent showed a rise, 54 percent recorded no change and 1½ percent a fail. This is not necessarily at variance with the buoyancy that exports as a whole have displayed in recent months; many small firms which do not export directly supply others which do.

Unchanged Costs

Among industries, engineering, building and vehicles showed most marked improvements; paper and textiles were the least satisfactory. Firms in the Midlands and London are, surprisingly, said to have done relatively less well than those in the Manchester and Liverpool areas and in South Wales. Yorkshire came out worst, while for Scotland and the north east "a substantial improvement" is recorded. Practically no firms reported a drop in costs, while 54 percent recorded increase. Complaints of higher costs were most frequent in textiles, chemicals and the miscellaneous industries; firms in engineering and vehicles showed least concern about costs. Most firms, on the other hand, said there had been no change in selling prices —only 10 percent reported increases while 11 percent said prices had fallen. Firms which reported that they had taken no more labour slightly outnumbered those which had reduced their labour force, but 70 percent said there had been no change. There were a few complaints of shortage of skilled labour —mainly in London, the Midlands and Yorkshire.

Forecasts of production for the coming months were mainly that the rising trend would continue. Rising production was expected by 28 percent of the firms, 53 percent thought there would be no change. Only 9 percent forecast a fall. Unofficial surveys should always be treated with caution, if only because their coverage is relatively narrow and may be unrepresentative. Even so, this one includes firms of all sizes and in a wide range of industries, so is worthy of more serious acceptance as a guide to what may be expected.



Jute

NEED TO EXPAND MARKET FOR GUNNY

THE year 1962-63 is important in the history of the jute industry for various reasons. It was during this year that the industry could, for the first time since partition, work at the maximum level, being assured of adequate supplies of fibre at an economic price. There was a big increase in the installed capacity and diversification of production, following the progress in rationalisation, renovation and modernisation. Low fibre prices helped the industry to work at a profit, despite the increases in the costs of power, fuel, replacements and accessories and wages. Furthermore, the industry could also offer its products at competitive prices.

According to the I.J.M.A.'s monthly statements, the production of jute goods rose from 1.07 million tonnes in 1961-62 to a record figure of 1.22 million tonnes in 1962-63. Hessian rose from 414,300 tonnes to 514,900 tonnes, sacking from 508,500 tonnes to 532,800 tonnes and miscellaneous goods from 146,200 tonnes to 170,500 tonnes. Total despatches showed an increase of 12.8 percent, from 1.06 million tonnes to 1.19 million tonnes.

The export offtake reached an all-time peak of 875,700 tonnes from 772,400 tonnes in the previous year. Of this, hessian increased by 22.9 percent—from 378,300 tonnes to 465,100 tonnes. Exports of other goods went up by 28.6 percent—from 99,800 tonnes to 128,400 tonnes. However sacking registered a small decline of 4.2 percent from 294,300 tonnes to 282,200 tonnes. Internal consumption rose from 287,000 tonnes to 319,500 tonnes. Hessian intake increased from 41,500 tonnes to 46,400 tonnes, sacking from 211,600 tonnes to 237,000 tonnes and other goods from 33,900 tonnes to 36,100 tonnes.

Completion of the industry's modernisation and broad loom installation schemes will pose the problem of finding outlets for a much larger tonnage of jute goods. As there is little prospect of any appreciable increase in internal consumption, the industry will have to concentrate on stepping up exports substantially. It must not only retain its existing markets and capture the lost ones but also develop new markets. Unless this is done, it will be left with larger stocks of fibre and jute goods, which will adversely affect both the mills and the farmers.

Export Promotion Efforts

In order to ensure that trading opportunities are not lost by default, the I.J.M.A. has been taking steps to attend to all overseas enquiries. It has set up a standing committee to deal with matters relating to export promotion. All enquiries for odd constructions and even small quantities of gunny are being circulated to members. The Calcutta Jute Fabrics Shippers Association is also likely to set up a committee on the same lines.

The I.J.M.A. committee has been formed following the concern expressed by the Government over the poor offtake by the west European countries, particularly France. In some cases, the import quotas issued by them to India could not be fully used. The Government felt that unless India could fulfil the quotas neither the Government nor the industry could press the E.E.C. countries for larger quotas in future.

Arrangements are also being made to send trade delegations to the east and west European countries to explore the possibilities of stepping up exports. Mr. Manubhai Shah, Central Minister for International Trade, is of the view that there are bright prospects for stimulating the export of jute goods to those countries.

The Government of India has asked the industry to increase its foreign exchange earnings at least by Rs. 15 crores this year. The industry has been urged to draw up an intensive research programme to develop new uses for jute and jute products. The Government has a plan to set up a market development fund shortly.

Falling Gunny Prices

The industry is worried over the steady fall in the prices of jute goods. Prices of ready goods ruled around Rs. 112.50 for B Twills and Rs. 50.50 for 40in. 10oz. hessian during April and early May, and rose to Rs. 117.75 and Rs. 53.75 on fears of protracted power shortage on 11th May. They fell to Rs. 107.40 and Rs. 47 two months later on 11th July, and closed around Rs. 108.80 and Rs. 47.30 on 20th July. Despite the lower prices, the offtake has not registered any improvement.

U.S. burlap consumption has declined in May and June. However, the fall is not so bad in view of the fact that consumption during January-June 1963 was higher than in the comparable period of 1962. U.S. bagmakers are using their stocks to meet current requirements without replenishing their inventories. It is reported that ready stocks are plentiful in the market and about 4,300 bales of jute goods are being offered at well below July replacement prices in all North American and Gulf ports following "distress" sales by a prominent speculator. Larger manufacturers are anxious to reduce their stocks because of fewer orders in their books.

It is stated that unless the market in the forward positions drops to very attractive levels, the U.S.A. is not likely to enter the market in a big way. In the circumstances, the U.K. Board of Trade's move to cut the 20 percent mark-up on at least some jute goods imported into Britain to 5 percent has not produced any reaction in the market. The concession has been allowed following a suggestion by the U.K. Jute Goods Association and the Indian Jute Mills Association.

An I.J.M.A. deputation is likely to wait on Mr. D. S. Joshi, Special Secretary to the Central Ministry of International Trade, to discuss the falling price trend and explore possibilities of stabilising it at an economic level. In order to revive confidence in the market, it has been suggested that minimum prices should be fixed for heavy goods transacted in the futures market. Another suggestion is that the industry should revert to the normal working of 48 hours a week from the present 49 hours. An agreement among mills has been proposed to discourage the sale of jute goods at the present levels.

Raw Jute Arrivals

Arrivals of raw jute into Calcutta and mill stations during June were lower at 281,210 bales, against 358,770 bales for the corresponding month of 1962, according to the Bengal Chamber of Commerce and Industry. Arrivals of Indian jute fell from 347,450 bales to 271,750 bales during the month under report. Imports of Pakistani fibre were lower at 9,460 bales, against 11,320 bales. During the entire 1962-63 jute season raw jute arrivals declined to 7,007,250 bales from 7,139,310 bales in 1961-62. Of this, 6,736,730 bales (against 6,738,380 bales) came from India and 270,520 bales (against 400,930 bales) from Pakistan.

Ceylon to Set Up Jute Mill

Ceylon has decided to set up a jute mill for using kenaf, which grows in abundance on the island. The Ceylon Institute of Scientific and Industrial Research investigated the technical aspects of extracting and processing the fibre. It has been claimed that bags made of kenaf are durable for packaging purposes. Besides, they have a better look and finish.

THE JUTE MARKETS

Manufactured Goods: Divergent trends prevailed in the manufactured goods market in Calcutta during the past week. Sacking opened on a subdued note but gathered momentum on reports of an Indian Government tender for about 7,000 bales of B Twills for July-August delivery. September and far forward positions recorded small gains in sympathy and on scattered covering. Hessians lost pace due to lack of interest. Towards the close, a part of the loss was recouped on due date covering. Fair freight bookings from the Argentine produced a mild stimulus to the sentiment. Among the transactions during the past fortnight may be mentioned scattered sacking deals for 2,000 bales to 3,000 bales for July-August with Argentina, about 4,000 bales for July shipment with Chile, and 6,000 bales to 8,000 bales of Heavy Cees for immediate shipment with Indonesia and about 10,000 bales of Cornsacks for August-November shipment with the Sudan. Barring small transactions in ready and near positions in hessian, the U.S.A., the U.K. and European countries were virtually absent from the market. The futures market continued to be influenced by the trend in the spot market. Sacking prices rose following frantic bear covering and large purchases by a couple of leading shippers. But the gains were partially trimmed later. Hessian continued to be neglected though there was little evidence of selling pressure. Stray transactions were reported in November futures. Towards the close, sacking finished firm

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with a gain on balance, while hessian turned softer and was marked a shade lower. Fluctuations were wide in the former and narrow in the latter. Turnover was fair in sacking and small in hessian.

Wednesday's quotations were as follows:

	July	Aug.	Sept.	Oct.-Dec	Jan.-March
40in. 7½oz.	34.55	34.70	34.70	34.70	34.25
40in. 8oz.	37.00	—	—	—	—
40in. 10oz.	47.20	47.20	47.00	46.60	46.15
B Twills	108.45	109.25	109.45	109.60	109.40
Cornsacks	111.20	112.00	112.25	112.40	112.60
Heavy Cees					
(Plain)	108.50	—	—	—	—
A Twills	132.25	132.75	132.75	132.75	132.50
Liverpools	122.75	122.75	122.75	122.75	122.50

Raw Jute: The raw jute market remained steady during the week following scattered mill purchases against the July quota. Selling pressure was held in check and holders were not inclined to discount prices further. Business was reported in selected grades of the old and new crops at slightly higher prices. Turnover was moderate and the undertone firm at the close. In the upcountry markets, daily arrivals of new crop came down to around 20,000 maunds following heavy rains which affected the movement of goods from the growing areas to the agency stations. Harvesting and retting operations were in full swing and the quality of the fibre satisfactory. It is estimated that the 1963-64 crop will be well over 7.5 million bales.

Wednesday's quotations were as follows:

	Landed at Mills (Basis Bottoms) Current Prices		T.S.D. Minimum Prices	
	Rs A Qtl.	Rs. A Md.	Rs. A Qtl.	Rs. A Md.
Assam-Agartala Jute	75.02	28.00	80.38	30.00
Northern Jute	73.68	27.50	79.04	29.50
Western Desal Jute	68.32	25.50	73.68	27.50
Selected Daissee	83.05	31.00	85.74	32.00
Assam-Agartala Tossa	80.35	30.00	83.05	31.00
Mesta: Assam-Northern	66.98	25.00	72.34	27.00
Local Daissee	66.98	25.00	72.34	27.00
Bihar Dist.	60.28	22.50	66.98	25.00

U.S. BURLAP CONSUMPTION AND STOCKS

U.S. burlap consumption during June was 7,400,000 yards less than during May 1963, but was 7,500,000 yards more than June a year ago. Average monthly consumption during the first six months is 3 million yards monthly more than the comparable period of 1962. Last month's bag cut-up was 47.8 million yards and piecegoods deliveries 21.0 million yards, compared with 46.8 million yards and 14.5 million yards, respectively, in 1962. U.S. spot stocks and afloats increased slightly by 200,000 yards. At 295.9 million yards, 175.5 million yards were spots and 120.4 million yards were afloats. Spot stocks continued to increase, while afloats stocks decreased. Appearing below are two tables which include the June figures, (1) based on member reports to the Textile Bag Manufacturers Association and the Burlap and Jute Association and (2) projected to represent the estimated consumption and stocks for the entire industry (all figures in million yards).

U.S. burlap consumption (as reported to T.B.M.A.)

	1963	1962
Jan.	61	82
Feb.	78	69
Mar.	75	67
Apr.	68	62
May	65	64
June	60	56
Total	407	400
Mo. Av.	68	67
July		57
Aug.		65
Sept.		64
Oct.		69
Nov.		70
Dec.		66
Total		791
Mo. Av.		66

U.S. burlap consumption (estimated industry total)

	1963	1962
Jan.	68	88
Feb.	89	78
Mar.	85	75
Apr.	77	70
May	76	73
June	69	61
Total	464	445
Mo. Av.	77	74
July		63
Aug.		73
Sept.		71
Oct.		75
Nov.		77
Dec.		74
Total		878
Mo. Av.		73

U.S. burlap stocks (as reported to T.B.M.A.)

	1963	1962
Jan.	266	200
Feb.	256	215
Mar.	261	222
Apr.	254	213
May	252	199
June	251	207
July		204
Aug.		207
Sept.		204
Oct.		203
Nov.		223
Dec.		239

U.S. burlap stocks (estimated industry total)

	1963	1962
Jan.	306	241
Feb.	304	254
Mar.	304	259
Apr.	300	250
May	296	234
June	296	241
July		237
Aug.		243
Sept.		236
Oct.		249
Nov.		261
Dec.		277

THE U.K. JUTE MARKETS

FIBRE REMAINS DULL

(FROM OUR DUNDEE CORRESPONDENT)

THE Pakistani E.P.C. values of the higher grades of white jute were reduced by £3 to £5 a ton last week, but this made no difference to the position in Dundee as sellers were already discounting the official rates. The E.P.C. values of all grades of white jute except Mill Reds and Mill Firsts are now at minimum export price levels. Spinners in Dundee showed no interest as they were looking for still lower prices. Occasional transactions took place in spot fibre, but the prices which had to be accepted were very low. In fact, there was a seller of passed quality Grade Tossa-4 at £100. Spinners are still holding large stocks of raw jute, and this applies to the Continent as well as to the U.K.

Offers were being made at £124 for Mill Firsts, at £105 for Mill Lightnings, at £91 10s for Mill Hearts and at £78 for Grade Hearts, c.i.f. U.K. for August-September shipment. Grade Tossa-2/3 was at £119 and Grade Tossa-4 at £105 10s. Outport Tossa-2/3 was now available at £93 10s and Outport Tossa-4 at £83 10s, September-October. Many sellers were asking more than the above rates, and the market here was very irregular. Offers of old crop were being freely made, and prices were in line with the above rates for new crop.

The Siam jute market was firm, but no change in prices took place. Grade A was offered at £71 10s and Grade B at £66 10s, delivered mill Dundee for November-December. Although the crop was expected to yield in the region of 200,000 tons this season, shippers were refusing to reduce their rates.

The Calcutta goods market was firmer possibly due to the Indian Government showing interest in sackings. Demand from the U.K. was small. Quotations were at 72s 6d for 40in. 10oz. and at 53s 3d for 7½oz. a 100 yards f.o.b. Calcutta for July shipment, at 72s 3d and 53s 6d August-September and at 71s 3d and 52s 9d October-December. B Twills were at 165s 9d, 167s 6d and 168s 3d for the respective shipment periods.

Demand for yarns and cloth in Dundee was of small size. Further meetings have taken place between the industry and the Board of Trade concerning the future of the mark-up on imported jute goods. The industry is taking a very serious view of the situation and every endeavour will be made to get the Government to alter the latter's ideas about reducing protection to the home industry.

Buying interest was still shown in the wide cloths for the tufted carpet trade and further movement took place in tarpaulins. Although there was an easier trend in raw jute values, prices of yarns and cloth remained firm and the quoted rates were to be paid in all instances.

DUNDEE JUTE WORKERS SEEK PROTECTION

A demand that the British Government reaffirm the decision of previous Governments to ensure adequate protection for Britain's jute industry was made at a recent emergency meeting of Dundee jute workers. A resolution viewing with the gravest alarm Board of Trade proposals to reduce still more the level of protection to the industry was passed unanimously. The resolution, which will be sent to the President of the Board of Trade and the Scottish Secretary, said the proposals would bring tragedy to thousands of jute workers and have catastrophic effects on the whole economy of Dundee. The jute workers would not stand by idly while Scotland's second industrial city became a ghost town strangled by red tape. Mr. G. M. Thomson, Labour M.P. for Dundee, East, said the Board of Trade had a secret plan to mutilate the Dundee jute industry and destroy upwards of 6,000 jobs. The President of the Board of Trade would have been in a much stronger position if he had first produced a new motor-car industry or something of that scale for Dundee.

THE PAKISTANI JUTE MARKETS

GOVERNMENT POLICY ANNOUNCED

(FROM OUR DACCA CORRESPONDENT)

HEAVY rains throughout the country have slowed down operations in the ports and have encouraged exaggerated newspaper reports, but have had a good effect on jute. In the loose jute market, arrivals last week were still fairly small, and although the condition was good, quality for this time of year should be better. There were not many buyers, but one group was buying heavily to the full extent of the small arrivals. Despite this, the market was weak and for the time being showed no signs of improvement.

In the pucca bale market, there was absolutely nothing to report, and the big cuttings operator was no longer interested except in T.C. for ready delivery at discount prices. From overseas, very little business was reported.

Pakistan's new jute policy for 1963-64 follows the pattern of last year's policy in all essentials except that first, for small shippers other than those mentioned in a Press note and the Jute Marketing Corporation, the minimum export prices will be £2 less than those fixed for large exporters. Secondly, the Government has decided to fix maximum export quotas for the big shippers whose exports exceed a certain quantity "to be determined by the Ministry of Commerce on the recommendations of the Jute Board." The main features of the new policy are as follows:

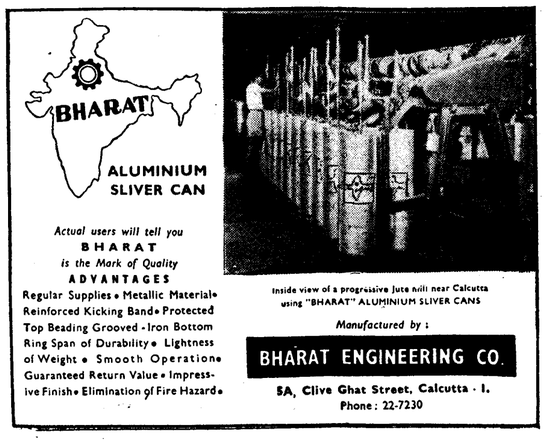
Statutory minimum prices at growers' level and the buffer stock scheme will continue as in the previous year. The Jute Marketing Corporation will remain under the control of the East Pakistani Government and will continue as the agent of the Jute Board for the buffer stock operations.

The existing practice of purchasing buffer stock at prices 10 percent below the minimum will continue. If at the end of the season, the accounts of buffer stock operations show a profit, an undetermined portion thereof after deducting a reasonable amount for reserves to meet future contingencies, will be made over to the Provincial Government for disbursement to the growers by way of relief. The Jute Board-guaranteed repurchase scheme will continue "with such modifications as the Board may consider necessary."

The minimum export prices and the export price check system will continue. Six Pakistani small shippers and the Jute Marketing Corporation will be given a price advantage of £2 a ton both in the minimum export prices, and in the export price check, but the advantage will not be available to Pakistani small firms in which any partner or director of a big shipper has a sizable financial interest.

With a view to preventing the concentration of the jute trade in the hands of a few individuals or firms, the Central Government will fix minimum export quotas for the big shippers—those whose exports exceed a certain quantity to be determined by the Ministry of Commerce on the recommendations of the Jute Board. These quotas will be based generally on the shippers' past performance. Export of mesta will be allowed on the same basis as during last year.

The export duty on raw jute and cuttings and cut ropes will continue as at present. The possibility of bringing all anti-smuggling agencies in East Pakistan under one control will be carefully examined by the Central and Provincial authorities.



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Commodity Markets

LOWER SOUTH INDIAN TEA CROP

(BY A SPECIAL CORRESPONDENT)

IF the official view as to future consumption proves to be correct, tea is in for a good year. The south Indian crop for the half-year ended 30th June, shows a small fall from last year, which is somewhat unusual. Rain and floods continue to interfere with plucking and despatches from north Indian gardens. Nevertheless, a week ago there were signs of irregularity in the prices for common teas and again at Sale No. 7, held on 15th July, the demand for leaf teas was less general than in recent auctions. With less tea from south India, increasing domestic consumption, and U.K. stocks normal, why are "commons" still difficult to sell?

After many statements and counter-statements relating to the entry of tea into the Common Market, it has now been reported that the Council of Ministers of the Six have decided to suspend the tariff on tea as from 1st January, 1964 for a two-year period. This will provide the Tea Board with an opportunity to advertise and promote tea exports to that region.

The chairman of the Indian Tea Board can be counted on to initiate suitable propaganda if allowed sufficient funds. It is understood that two or three tea centres will be opened within the Common Market. But what is the good of that among 220 million people?

The U.K. is a tea drinking country and special tea houses in London, Edinburgh or elsewhere may help to increase consumption, but one house each in Paris, Dusseldorf and Milan, hardly sounds enterprising. In France tea in the afternoon used to be fashionable, but the aim is surely to popularise the beverage among the millions of industrial workers. The E.C.M. is a vast potential market. Can it be tapped in two years of grace with India's cost of production constantly mounting? It is a fairly safe bet that labour wages will soon receive another boost. Then there remains the surplus labour problem which in due course will be aggravated by a higher birth rate.

Progress of Replanting

In recent annual market reports one of Calcutta's leading tea brokers mentioned that gardens were likely to find fertilisers in short supply this year, but there has been so much reference to the 900 million lbs target being attained by replanting and new planting with special seedlings and clones and scientific application of irrigation, that it comes as rather a shock to accept the fact that results depend on the vagaries of the weather and the three-year period 1961, 1962 and 1963 will probably show no progress in output.

To secure crops in 1963, large areas should have been laid under seedlings five to six years ago. Here is the record of land under tea.

1955	320.5 hectares
1957	325.3 hectares
1959	330.8 hectares
1961	333.3 hectares

This shows an increase of 12,740 hectares over seven years, say, about 31,000 acres (1 hectare = 2.471 acres). If modern science and research achieved results, this land should yield at least 12 maunds of made tea an acre, or, say, about 30 million lbs, but, of course, only about half of this new tea will be in bearing this year. So a practical man remains puzzled by the constant exhortation to planters to produce. If they could do so they would, for if more tea is wanted in the world it would pay the planter to make it, but once again the law of supply and demand must be watched. Although the Calcutta auctions are only offering comparatively small quantities, prices have already started to ease. This correspondent learns that to-date Russian buying has provided a useful support, while some of the big export buyers are waiting for larger offerings. Auctions have been running with about 25,000 packages, but next month, supplies may rise to 70,000 packages every Monday.

U.K. tea stocks continue to fall, and for the week ended 12th July were reported at 137.87 million lbs, compared with 140.42 million lbs a week earlier. Deliveries were 9.25 million lbs, and landings were 6.70 million lbs. Auction prices during the week were 44.69d last week compared with 43.62 in the previous week and 44.42d in the same period last year.

The fall in stocks is mainly due to small arrivals from north India. The drop usually tapers off during August, and September.

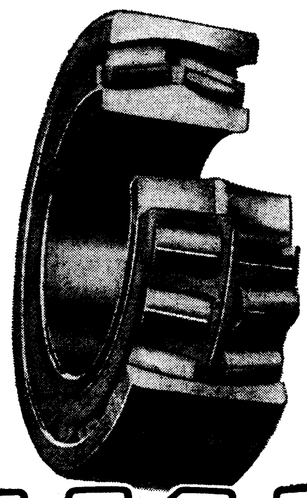
Cotton Textile Production and Trade Depressed

COTTON textile production in the non-communist world as a whole remained relatively depressed in the first quarter of 1963, according to the latest issue of the U.K. Cotton Board's *Quarterly Statistical Review*. Following the drop of 1 percent in 1962 below the 1961 level, cotton yarn output in those countries for which regular statistics are available was about 4 percent smaller in the first quarter than in the same period of last year. Once again, the decrease compared with a year earlier, was geographically widespread, covering the U.K., much of continental Western Europe, the U.S.A., Japan and India. However, there are reports from a number of countries of possible recovery from the recession.

So far, there have been no signs of any recovery in world trade in cotton fabrics. Exports from the main non-communist exporting countries in 1962 were about 5 percent less than in 1961 and in the first quarter of 1963, they were not only seasonally smaller than in the preceding quarter, but about 8 percent less than in the corresponding period of 1962. The only major exporting countries whose exports in the first quarter are known to have been greater than a year earlier are India and Pakistan.

Exports of man-made fibre fabrics from the principal non-communist exporting countries, after their 5 percent expansion in 1962, fell seasonally in the first quarter of 1963, but were probably slightly greater in total than in the corresponding period of last year. There were increases in exports, compared with a year earlier from the European exporting countries, including the U.K.; in contrast, Japanese exports were smaller than in the first quarter of 1962.

There was an unwelcome increase in U.K. imports of cotton goods in the first quarter of the year. Imports of cotton yarn totalled 9.8 million lbs, compared with 7.6 million lbs in the preceding quarter and 9.7 million lbs in the first quarter of last year; arrivals in April and May, totalling 7 million lbs, were running at an even higher rate than in the first quarter. Main features of the first quarter's figures were the big increases in imports from Spain and India. Imports from Pakistan also increased, but it is understood that these have not exhausted the



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MIDDLE CLASS COST OF LIVING INDEX NUMBER FOR CALCUTTA

(Base : August 1939)

THE Middle Class Cost of Living Indices, by groups, have now been brought up to June 1963. As compared with May, the June index for Food reveals a rise of 6 points, while those for Fuel & Lighting, Clothing and Miscellaneous remain unchanged at 308, 602 and 317 points, respectively.

Combining all the factors, the Middle Class Cost of Living Index for Calcutta shows that the cost of living increased by 4 points during June 1963.

Middle Class Cost of Living Index Number for Calcutta. Prices in August 1939=100

Groups	Weights	GROUP INDICES												
		June 1962	July 1962	Aug. 1962	Sept. 1962	Oct. 1962	Nov. 1962	Dec. 1962	Jan. 1963	Feb. 1963	Mar. 1963	Apl. 1963	May 1963	June 1963
Food ..	53.6	551	555	563	568	573	573	562	550	553	563	578	578	586
Fuel and Lighting ..	4.4	291	299	299	299	299	299	299	299	299	307	304	308	308
Clothing ..	12.4	592	592	596	598	598	598	598	598	598	598	602	602	602
Miscellaneous ..	29.6	310	310	311	311	311	311	311	311	311	314	317	317	317
Combined Index ..	100.0	473	476	481	484	487	487	481	474	476	482	491	492	496

Compiled and constructed by the Statistical Department of "Capital"

Food quota for 1962 and 1963. Imports of cotton piecegoods increased to a level of 175 million square yards in the first quarter, compared with 148 million in the preceding quarter, and 147 milion in the corresponding quarter of last year; the total of 108 million square yards entering in April and May indicates a decline in the rate of import, however. The biggest increases in the first quarter were in supplies from India, Pakistan China (almost entirely for re-export) and Portugal. There was also a substantial increase in the volume of made-up goods imported from Hongkong and India. Imports from Pakistan and Hongkong in the first quarter were at an annual rate well in excess of the permitted ceilings, which from one point of view is slightly reassuring. It has been suggested that much of the first quarter increase in imports was speculative, the importers hoping for an improvement in the price level.

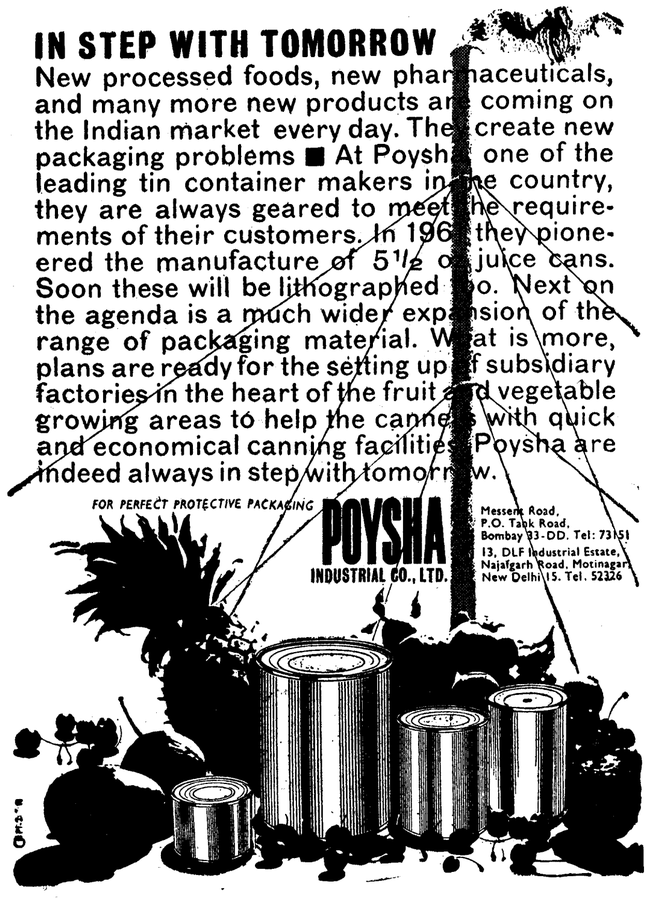
Output of cotton yarn and cloth in Japan remained at a very depressed level in the first quarter of this year and was less than that in the corresponding period of 1962. In contrast, with the exception of filament viscose fabrics, the production of man-made fibre textiles in the first quarter was either equal to or greater than production in the first quarter of last year, the biggest advances again being in the synthetics. The stringent curtailment of activity in the cotton sector of the textile industry continued in the second quarter, but it is understood that stocks have been much reduced and that the bottom of the current recession may now have been reached. However, the basic problems of the industry remain; excess capacity, competition from man-made fibres and the need for stabilisation of export prices.

Industry in India

Activity in the Indian cotton industry continued to be relatively depressed in the first quarter of this year as accumulated stocks in the mills were run down. Cotton yarn production was about 2 percent less than in the same quarter of 1962, while mill production of cotton cloth showed a drop of about 6 percent over the same period. Although output fell by a comparatively small margin in 1962, the financial results of many mills were severely affected as profits were squeezed between rising costs and controlled prices.

The measures taken to make the export of cotton textiles compulsory seem to have had some effect as far as volume is concerned. Thus exports or cotton piecegoods expand from 116 million yards in the second quarter of 1962 to 129 million in the third quarter and 152 million in the fourth quarter. Even so, it is reported that shipments fell short of what they theoretically should have been if all mills had fulfilled their commitments. The cost has been heavy, too. Thus it is reported that while exorts in the first quarter of this year were greater in volume than a year earlier, they were considerably smaller in value. It appears that price-cutting by mills anxious to fulfil their export obligations has completely nullified the intended expansion in earnings of foreign exchange. The increase in shipments in the final quarter of 1962, compared with a year earlier, was directed largely to the U.K., the U.S.A. and the Sudan.

The output of the Hongkong industry appears to have fallen somewhat in the course of last year, presumably because of difficulties in export markets. More recently it has been reported that dyeing and bleaching activity has been cut by as much as half because of drought.



COMPANY AND PUBLIC NOTICES

THE BRITANNIA ENGINEERING CO. LTD.

Annual General Meeting

NOTICE is hereby given that the Share Transfer Books of the Company will be closed from 30th July to 14th August, 1963, both days inclusive and that the Annual General Meeting will be held on the latter date.

By Order of the Board,
McLEOD & CO. LTD.,
Sd/- S. K. CHATTERJEE,
Acting Secretary.
Managing Agents.

Registered Office:
McLeod House,
3, Netaji Subhas Road.
Calcutta-1.
Dated, 17th July, 1963.

McLEOD AND COMPANY, LIMITED

Annual General Meeting

NOTICE is hereby given that the Share Transfer Books of this Company will be closed from 5th to 14th August, 1963, both days inclusive and that the Annual General Meeting will be held on the latter date.

By Order of the Board,
McLEOD & CO. LTD.,
S. K. CHATTERJEE.
Acting Secretary.

Registered Office:
"McLeod House",
3, Netaji Subhas Road.
Calcutta, 17th July, 1963.

OFFICE OF THE SUPERINTENDING ENGINEER.
DELTA IRRIGATION CIRCLE,
BHUBANESWAR.

CORRIGENDUM TO TENDER CALL NOTICE.

THE last date of receiving tenders for "Complete hoisting gear mechanism needed for 4 Nos. of Head regulator gates (45' × 12'), 4 Nos. Pocket sluice gates (60' × 26') and 6 Nos. of under sluice gates (60' × 14')" is hereby extended upto 26th August, 1963. Other conditions remained unaltered.

Sd/- B. MISRA.
Superintending Engineer,
Delta Irrigation Circle.

CORRIGENDUM
Howrah Mills Company Limited.
Re: Notice of Annual General Meeting

Referring to the notice which appeared in this column in the issue dated 18th July, 1963, please read "various" instead of "serious" in Agenda No. 5 in line No. 33.

COMPANY MEETINGS AND DIVIDENDS DECLARED OR PROPOSED

Name of Company	Date	I.S.T. Hours
Bombay-Burmah Trading Corpn. Ltd.	25-7-63	4-30 p.m.
Investment & Finance Co. Ltd. ..	2-8-63	11 a.m.
General Investment & Trust Co. Ltd. ..	2-8-63	11-05 a.m.
Orissa Cement Ltd.	5-8-63	10 a.m.
Calcutta Steel Co. Ltd.	5-8-63	4 p.m.
Howrah Mills Co. Ltd.	14-8-63	11-30 a.m.
Reliance Jute Mills Co. Ltd. ..	14-8-63	12 noon
Britannia Biscuit Co. Ltd. ..	16-8-63	10 a.m.

DIVIDENDS DECLARED OR PROPOSED.—Britannia Biscuit Co. Ltd.—15 p.c. (o) (f), subject to tax; Bararee Coke Co. Ltd.—15 p.c., subject to tax; Reliance Jute Mills Co. Ltd.—Nil; Howrah Mills Co. Ltd.—10 p.c. (o), subject to tax.

HIDES AND SKINS

The market in hides was steady. Stocks in skins were higher, but those of hides were less than in the previous week.

Bazaar Sales

(Between 16th July and 22nd July, 1963)

Cowhides :—Wet salted (Ord.) 7,000 pcs. on the basis of Rs. 9 to Rs. 12.62, Wet salted (Slaughtered) 45,000 pcs. on the basis of Rs. 10.50 to Rs. 16.50 and Rs. 19.50 to Rs. 28; Wet salted (Ord.) 2,000 pcs. on the basis of 90nP. a lb.

Bazaar Stocks

(22nd July, 1963)

Cowhides :—Wet salted 78,800 pcs.

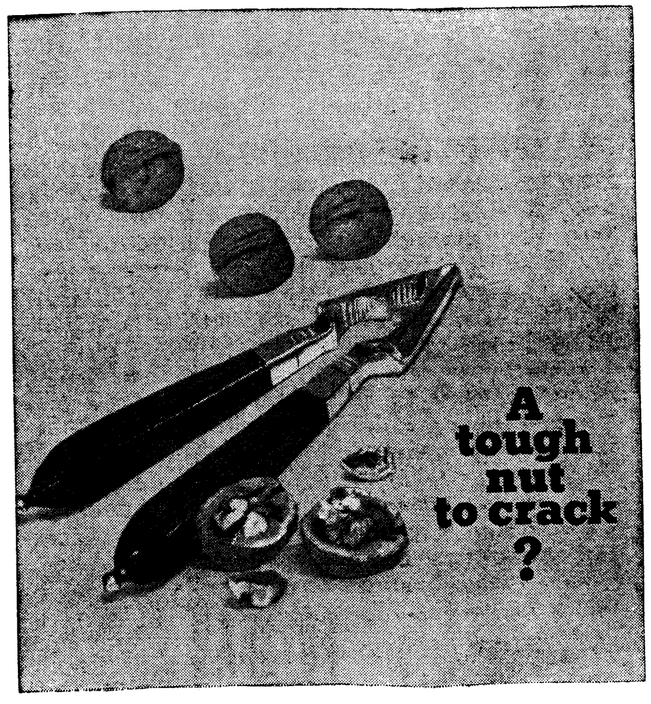
Goatskins :—Wet salted (Patna, Daissee, Kustia, Killed) 21,000 pcs.; Assam Dinajpur 80,000 pcs.; Muzafferpore-Patna-Pakur-Purneah-Kissenganj 2,22,000 pcs.

SHELLAC STEADY

During the week ended 23rd July, the market was steady.

	Rupees a package
Pure Buttonlac	92 to 98 value
Lemon One Shellac	94 to 100 buyers
	98 to 104 sellers
Lemon Two Shellac	84 to 90 buyers
	88 to 92 sellers
Standard One Shellac	72 to 76 buyers
	76 to 80 sellers
Pure T. N. Shellac	62 to 68 buyers
	66 to 70 sellers
Golden Kusmi Seedlac	90, 92 value
Kusmi One Seedlac	80, 82 value
Golden Bysacky Seedlac	72 to 78 buyers
	76 to 82 sellers
Manbhum Fine Bysacky Seedlac	60 to 68 buyers
	64 to 70 sellers
Fine Bysacky Seedlac	50 value
Genuine Bysacky Seedlac 5%	36, 38 buyers
	40 sellers
Grade One Class B Seedlac	56 value
	56 to 60 buyers
	58 to 62 sellers
Grade Two Class B	40 to 44 buyers
	44, 46 sellers

Shipments during July until 10th were 5,305 packages.





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"CAPITAL" STOCK AND SHARE LIST

THE INVESTORS GUIDE AND SHAREHOLDERS GAZETTE

Official quotations of the Calcutta, Bombay, Madras, London Stock Exchange Associations and other sources.

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Wednesday, 24th July, 1963.

GOVERNMENTS LOANS

Outstanding Amount Rs.	Interest per cent	Year of issue	Repayable	Market quotations Rs.
GOVERNMENT OF INDIA				
2,48,91,07,000	3	1946	1986 or later	64/05
8,93,33,000	3	1896-97	At the option of the Government of India after a months notice	62/50
1,16,17,46,000	3	1938	1963-65	99/90
1,10,11,78,000	3	1943	1966-68	97/25
30,33,10,000	3	1950	1964	98/90
14,77,48,000	2½	1946	1976	83/50
1,15,05,83,000	3	1948	1970-75	88/00
1,58,17,94,000	3½	1954	1964	99/10
1,53,67,92,000	3½	1955	1965	99/60
58,05,92,000	3½	1958	1963	99/65
86,63,53,000	3½	1456	1974	95/60
56,99,30,000	3½	1957	1967	99/05
1,54,59,21,000	4	1957	1972	99/50
74,51,44,000	4	1958	1973	99/10
1,97,40,92,000	3½	1956	1967	98/95
1,56,58,41,000	3½	1958	1968	97/65
1,90,85,42,000	3½	1959	1969	97/05
81,08,39,000	4	1959	1979	98/40
82,65,41,000	3½	1960	1966	99/35
98,50,17,000	4	1960	1980	98/40
65,96,55,000	4	1961	1981	98/57
BOMBAY				
3,40,34,300	4	1952	1964	99/80
5,10,79,800	4	1953	1963	99/75
6,57,22,800	4½	1957	1969	98/50
6,58,20,700	4½	1958	1970	98/25
4,35,25,000	4½	1958	1971	98/25
MADHYA PRADESH				
2,03,28,800	3	1948	1964	98/00
MADRAS				
5,24,81,200	4	1952	1964	99/75
10,33,70,600	4	1953	1963	99/75
5,55,57,300	4½	1958	1970	97/25
UTTAR PRADESH				
1,55,31,200	3	1936	1961 66	93/25
5,89,13,900	4	1952	1964	99/75
5,58,25,400	4	1953	1963	99/75
7,65,58,900	4½	1958	1970	97/25
WEST BENGAL				
2,00,00,000	4	1952	1964	99/75
3,60,23,300	4	1953	1963	99/75
7,58,72,200	4	1955	1967	98/00
7,11,46,100	4	1956	1968	97/90
5,10,49,700	4½	1958	1970	98/50
7,69,69,400	4	1959	1971	97/70
7,00,00,000	4	1960	1969	97/75
73,07,21,000	4½	1961	1972	98/25
MYSORE				
2,95,85,200	4	1933	1953-63	100/50
3,83,47,200	4	1953	1963	99/75

PORT TRUST LOANS

Amount Rs.	Interest per cent	Year of issue	Repayable	Market quotations Rs.
CALCUTTA				
90,24,300	4	1914	1974	98/25
76,90,100	4	1915	1975	98/25
68,02,300	3	1921	2nd 1981	82/00
1,50,00,000	6½	1921	2nd 1981	144/00N
£892,600	5	1923	1953-83	£61
£901,000	5	1924	1954-84	£61
1,24,00,000	4½	1957	1987	99/50
	4½	1958	1988	99/00
50,00,000	4½	1959	1989	99/00
1,50,00,000	4½	1961	1971	98/75
30,00,000	4	1931	1991	93/00
80,00,000	3½	1935	1965	99/00
50,00,000	3	1946	1976	83/50
50,00,000	3	1945	1-2-2005	72/00
	3	1945	1-2-1975	83/75
25,00,000	3	1938	1963-68	93/00
50,00,000	3	1946	2006	72/00
50,00,000	2½	1947	1977	78/50
50,00,000	3	1948	1978	83/00
50,00,000	3	1950	1980	81/00
50,00,000	4	1953	1963	100/00
50,00,000	4	1953	1983	97/50
90,00,000	4	1955	1985	97/25
77,00,000	4	1956	1986	97/25
1,00,00,000	4	1959	1969	99/50

Amount Rs.	Interest per cent	Year of issue	Repayable	Market quotations Rs.
BOMBAY				
36,50,000	4	1904	1964	98/00
35,00,000	4	1905	1965	96/00
15,00,000	4	1906	1967	96/00
44,00,000	4	1907	1968	96/00
75,00,000	4	1908	1968	96/00
40,00,000	4	1909	1970	92/00
56,00,000	4	1910	1971	92/00
75,00,000	4	1911	1972	92/00
STERLING LOANS				
£892,600	5	1923	1953-83	£63
£901,000	5	1924	1954-84	£63
£835,100	5½	1932	1962	£96½
MADRAS				
28,48,275	3½	1947	1977	A
9,88,000	3	1947	1977	A
8,00,000	3	1949	1979	A

IMPROVEMENT TRUST LOANS

Amount Rs.	Interest per cent	Year of issue	Repayable	Market quotations Rs.
CALCUTTA				
50,00,000	4	1934	1964	99/25
35,00,000	3½	1935	1965	96/00
30,00,000	3	1936	1966	92/50
20,00,000	3	1938	1963-68	92/00
80,00,000	4	1952	1962	100/00
1,02,00,000	4	1956	1968	98/50
75,00,000	4½	1958	1968	101/00
BOMBAY				
50,00,000	4	1903	1963	98/25
50,00,000	4	1904	1964	98/25
20,00,000	4	1906	1966	97/50
15,00,000	4	1907	1967	97/50
30,00,000	4	1908	1968	£95¼N
£566,600	4	1909	1969	£95¼N
£333,000	4	1910	1970	£100/00
25,00,000	4	1912	1972	95/00
13,00,000	4	1913	1973	95/00
50,00,000	4	1914	1974	95/00
25,00,000	4	1916	1976	95/00
55,00,000	6	1920	1945-80	119/50
25,00,000	4	1927	1961-70	99/75
10,00,000	3½	1936	1966	89/00

MUNICIPAL LOANS

Amount Rs.	Interest per cent	Year of issue	Repayable	Market quotations Rs.
CALCUTTA				
66,88,000	3½	1951	1966	98/50
10,00,000	5½	1932	1962	100/75N
33,91,000	3½	1935	1965	96/00
72,50,000	4½	1954	1979	100/00
60,00,000	3	1936	1966	93/00
47,50,000	3	1938	1968	92/50
41,10,000	3½	1942	1978	92/00
87,36,000	4	1952	1962	99/75
2,22,72,000	4	1955	1985	97/25N
1,67,32,000	4½	1958	1970	101/00N
73,36,000	4½	1958	1968	100/50

Amount Rs.	Interest per cent	Year of issue	Repayable	Market quotations Rs.
BOMBAY				
20,00,000	4	1913 18	1974	95/00
3,25,00,000	5	1920	1980	101/00
2,00,34,000	3½	1951	1966	89/00
8,25,00,000	3½	1947	1977	82/00
2,13,14,500	3½	1949	1979	82/00
4,00,00,000	3½	1950	1965	95/00

Amount Rs.	Interest per cent	Year of issue	Repayable	Market quotations Rs.
MADRAS				
15,00,000	3½	1951	1961	107/00
10,00,000	5	1921	1981	107/50

2½% U.P Zemindary Abolition Compensation Bond (per Rs. 100) Rs 41/90*

*Ex eight instalments but inclusive of accrued interest.

These notes refer to the Debentures on the next page.

Option to repay at par on 6 months notice—

(a) Option to extend the redemption period for further 10 years.

(b) at any time after.

(c) on or after 1-1-61.

(d) option to redeem at 2½% Prem after 14-5-64 and before 15-5-69.

Option to repay on 6 months notice—

(e) at any time after 30-6-61 at 101%.

(f) at 101% between 1-1-60 & 31-12-64.

(g) at 102/8% after 30-6-55 but before 30-6-64.

(h) at any time after 30-6-65 at 101%.

Option to repay on 3 months notice—

(i) at any time at 3% Premium.

(j) at 1% Prem. after 1-3-64 but before 1-3-67 and 1% Prem. on or after 1-3-67.

(k) at any time at par.

(l) at any time after 31-3-62 at the rate of 1% Premium. (If at same rate apart as).

(m) redeemable at 103% on 31-12-64 with option to redeem on any interest date at same premium after 30-6-59.

(n) at any time on two months notice—*

(o) to be redeemed at a premium of 10% Rs. 70.000 to be redeemed annually by drawing on 3 months notice with option to redeem all after 6 years from date of issue on 6 months notice. Option not exercised repayment to be made after full term.

Option to repay.

(p) at par after September 1960.

(q) at par on or after 1-12-60.

(r) with option to redeem at 101% after 10 years or at 100/8% after 12 years.

(s) Rs. 1 lac Debentures to be redeemed annually by drawing from 1-6-56 with option to redeem at 100/8% between 1-6-57 to 1-6-60 and at 101% afterwards.

(t) with option to redeem at 101% after 10 years or at 100/8% after 13 years.

(u) with option to redeem all or any of the Debts at 101% at any time after 31-3 64 and at 100/8% at any time after 31-3-66.

(v) Rs. 60.000 are being redeemed annually repayment of Debentures commencing serially from No. 1 to No. 60 on 31-12-45

(w) Redeemable at any time at 5 per cent premium (a) on 6 months' notice by the Company or (b) in the event of the security becoming enforceable or at par if the Corporation of Calcutta or Howrah purchase the undertaking on 1st January 1945 or every seventh year thereafter.

(x) At par all or any of the Debts on 31st December. 1960 or on any subsequent interest date.

(y) Redeemable (a) at 103% on 1st October. 1974 or in the event of voluntary liquidation of the undertaking being purchased or in the event of the Security becoming enforceable or (b) at 105% at any time after 31st March 1953 on 6 months notice from the Co. (c) also redeemable out of a sinking fund (commencing in 1936) by drawing at 102% or purchase at or under 102%.

(z) Also redeemable out of a cumulative sinking fund or 1½% per annum commencing in 1943 by purchase at any price less than par or by annual drawing at par.

JOINT STOCK COMPANIES' DEBENTURES

Amount Authorised Rs.	Amount Outstanding Rs.	Rate of Interest per cent	NAME OF COMPANIES	year of Issue	MARKET PRICE 24-7-63	MARKET PRICE 17-7-63	A year ago Rs.	Interest payable	Principal Repayable	Remarks
			(CALCUTTA) COAL							
60,00,000	60,00,000	6½	Bengal	1961	100/00	100/00	105/25	1st May 1st Nov.	31-10-75	(XX)
30,00,000	30,00,000	6	Bharat Collieries	1944	90/00	90/00	90/00	30th April 31st Oct.	30-6-64	..
20,00,000	20,00,000	4½	Burrakur	1947	85/00	85/00	82/50	30th June 31st Dec.	30-6-67	(G*)
50,00,000	50,00,000	5½	Equitable	1953	98/00	98/00	100/00	1st July 1st Jan.	14-12-68	(z*)
			COTTON MILL							
4,00,000	4,00,000	6	Bengal Nagpur	1897	85/00	85/00	84/50	10th May 10th Nov.	15-11-66	(D)
			JUTE MILLS							
15,00,000	12,00,000	5½	Agarpara	1939	92/00	92/00	92/25	1st Oct 1st April	31-3-69	..
15,00,000	15,00,000	4	Auckland	1945	78/00	78/00	88/00	30th June 31st Dec.	31-12-64	(F)
9,00,000	6,00,000	5½	Alexandra	1939	91/00	91/00	90/50	30th June 31st Dec.	30-6-69	(g)
10,00,000	10,00,000	5½	Bengal (2nd Mortgage)	1940	95/50	95/50	90/00	30th June 31st Dec.	30-6-65	(b)
12,00,000	10,69,000	5	Chitavalsah	1951	88/50	88/50	88/50	30th June 31st Dec.	30-6-66	(e)
25,00,000	20,48,000	5½	Dalhousie	1954	90/00	90/00	95/50	31st March 30th Sept	31-3-69	(u*)
10,00,000	8,86,000	5	Empire	1951	90/00	90/00	95/50	15th Jan 15th July	15-7-66	(e*)
25,00,000	25,00,000	5½	Fort Gloster	1952	98/00	98/00	99/50	31st March 30th Sept.	30-9-66	(Q*)
30,00,000	30,00,000	5½	Howrah	1955	92/50	92/50	93/50	31st March 30th Sept.	31-3-70	(N)
25,00,000	25,00,000	5	Kinnison	1949	90/00	90/00	90/00	30th June 31st Dec.	31-12-64	(f*)
25,00,000	13,04,000	5½	Kamarhatty	1955	89/50	89/00	90/00	30th June 31st Dec.	30-6-70	(h*)
25,00,000	25,00,000	5½	Naihati	1952	90/00	90/00	85/50	30th June 31st Dec	31-3-67	(l*)
5,00,000	5,00,000	6½	Nellimarla	1939	92/00	92/00	90/00	14th Nov 14th May	14-3-74	(d)
20,00,000	20,00,000	4	Northbrook	1945	85/00	85/00	85/00	30th June 31st Dec.	31-12-64	(B)
25,00,000	25,00,000	5	Reliance	1950	81/00	81/00	85/00	31st March 30th Sept.	30-9-65	(M*)
12,00,000	12,00,000	5½	Union	1937	95/50	95/50	95/50	31st March 30th Sept.	31-3-67	..
10,00,000	10,00,000	6½	Waverley	1925	80/00	80/00	80/00	31st Jan. 31st July	31-7-72	..
			MISCELLANEOUS							
80,00,000	19,80,000	4½	Associated Hotels of India	1948	850/00	850/00	850/00	1st Jan 1st July	31-12-62	(v)
10,00,000	10,00,000	5	Aluminium Corporation of India Ltd	1948	92/00	92/00	92/00	1st Jan. 1st July	31-12-65	(U)
5,00,000	5,00,000	4½	Bareilly Electric Supply Co. Ltd.	1949	88/00	88/00	88/00	30th June 31st Dec.	31-12-64	(m*)
12,00,000	12,00,000	4½	Benares Elec. Ltd & Power Co. Ltd	1949	90/00	90/00	90/00	30th June 31st Dec.	31-12-64	(m*)
1,00,00,000	90,00,000	5	Buckingham & Carnatic Co. Ltd.	1952	100/00	100/00	100/00	1st April 1st Oct.	1-4-72	(T*)
5,00,000	5,00,000	5½	Britannia Engineering	1945	94/00	94/00	94/00	30th June 31st Dec.	31-12-69	(g)
6,00,00,000	6,00,00,000	5½	Burmah-Shell Refineries Ltd.	1954	92/00	92/00	92/25	1st March 1st Sept.	1-9-69	(K*)
2,66,00,000	2,32,89,400	5½	Calcutta Electric Supply Corporation	1950	92/00	92/00	98/00	1st Jan 1st July	1-1-70	(*)
£350,000	£325,280	5	Calcutta Electric Supply Corporation	1900	£66/00	£66/00	£90	1s Jan 1st July	..	(w)
£250,000	£157,788	4½	Calcutta Tramways	1933	£74/00	£74/00	£90	1st April 1st Oct.	1-10-74	(y)
19,50,000	17,50,000	5	Calcutta Tramways	1938	98/00	100/00	95/00	1st June 1st Oct	1-6-63	(a)
5,50,000	4,00,000	6½	Carew & Co.	1941	95/00	95/00	98/00	1st March 1st Sept.	28-2-70	(l)
21,00,000	21,00,000	5½	Carew & Co. (2nd Mortgage)	1915	85/00N	85/00N	90/00	1st Feb. 1st August	1-2-64	..
26,00,000	26,00,000	5	Chowringhee Properties	1945	80/00	80/00	80/00	1st Feb. 1st August	1-2-64	..
25,00,000	19,29,000	4½	Chowringhee Properties (2nd Mortgage)	1936	82/00	82/00	82 50	1st July 1st Jan	1-7-86	(A)
1,00,00,000	1,00,00,000	6½	Clive Buildings	1946	86/00	86/00	84/00	31st March 30th Sept.	1970	(p)
1,30,00,000	1,04,55,000	6½	Dalmia Cement	1950	98/50	100/00	104/50	1st Jan. 1st July	1-1-73	(b*)
1,00,00,000	1,00,00,000	6½	Dunlop Rubber Co. (I) Ltd.	1958	98/50	100/00	104/50	1st Jan. 1st July	1-1-73	(W*)
25,00,000	25,00,000	4	Dunlop Rubber Co (I) Ltd.	1945	90/00	90/00	90/00	30th June 31st Dec.	31-12-70	(x)
1,00,00,000	97,80,000	5½	Gourepore Electric Supply	1954	98/00	98/00	100/50	1st Jan 1st July	30-6-69	(t*)
20,00,000	20,00,000	5½	Indian Cable Co. Ltd	1954	92/00	92/00	96/00	31st Dec	31-12-69	(D*)
10,00,000	10,00,000	4	Kumardhubi Fireclay & Silica Works	1946	84/00	84/00	84/00	31st May 30th Nov.	31-5-71	(O)
6,50,000	6,50,000	6	Kumardhubi Engineering Works Ltd	1945	85/00	85/00	85/00	30th June 31st Dec.	31-12-74	(*)
45,00,000	45,00,000	4	Katakhal Lala Bazar Railway	1947	410/00 P note	410/00 P note	532/00P note	30th June 31st Dec.	31-12-72	(I*)
1,00,00,000	75,00,000	5	McLeod & Co Ltd (Con Notes)	1951	85/00	85/50	84/00	1st April 1st Oct.	1-4-71	(P*)
12,00,000	12,00,000	4	Macneill & Barry Ltd	1946	85/00	85/00	82/00	30th June 31st Dec.	30-6-66	(S)
20,00,000	20,00,000	5	National Tobacco Co India Ltd	1949	96/00	90/00	90/00	31st May 30th Nov.	1-12-64	(V)
1,00,00,000	1,00,00,000	6	Patna Electric Supply Co. Ltd	1946	91/00	91/00	99/00	30th June 31st Dec.	31-12-69	(a*)
6,00,00,000	4,00,00,000	5½	Rohtas Industries Ltd	1953	95/00	95/00	95/00	1st May 1st Nov.	1-5-68	(H)
10,00,000	10,00,000	5½	Esso Standard Ltd	1944	£64N	£64N	£64N	Jan & July	15-7-66	(E*)
£200,000	£200,000	4½	Shree Gopal Paper Mills Ltd	1905	91/00	91/00	91/00	1st Jan 1st July	..	..
15,00,000	11 40,000	5	Shahdara (Delhi) Saharanpur Rly	1941	90/00	90/00	90/00	1st Jan 1st July	30-6-76	(K*)
30,00,000	30,00,000	4½	Sitha Therriah	1949				31st March 30th Sept.	31-12-64	(C*)
			United Provinces Elec Supply Co Ltd.							(*m)
			TEA							
2,50,000	2,50,000	6	Baitakhal	1943	95/00	95/00	95/00	30th June 31st Dec.	1-7-63	..
			(BOMBAY)							
1,00,00,000	98 28 000	4	Andhra Valley Power Supply	1940	98/50	98/50	98/50	1st April 1st Oct.	1952	..
60,00,000	50,00,000	4	Tata Power	1941	86/00	86/00	86/00	..	1951-55	..

(Continued from foot of previous page)

(A) Repayable at par by 1986 by annual Drawings on 1st July each year May repay the issue in full after 30th June. 1961 on 6 months' notice.

(B) Repayment at par on 31st Dec.. 1964 with the option of repayment on 31-12-54 or any subsequent interest date at a prem of 2%.

(C) Rs. 56.000 to be redeemed at par annually by drawing.

(D) With option to redeem any part at 101% after 31-12-64 and at 100½ after 31-12-66.

(E) Rs 80 Lacs will be redeemed annually by drawings from 1st May. 1964 onwards. The Co. has option to redeem all Debentures at 101% on 1st May. 1963 on 6 months notice.

(F) Option to redeem all or any of the Debentures at a premium of Re. 1/- per cent by giving one month's notice on the 31st December. 1954 or any subsequent interest date.

(G) May be redeemed on 30th June. 1957 at a premium of 5% or on 30th June. 1962, at a premium of 1%.

(H) May be redeemed at a premium of Rs. 20/- per debenture (i.e. 2%) if redeemed earlier than 31st Dec.. 1955 on 3 months' notice.

(I) The Company has option to repay all or any at par by giving notice for 6 months expiring on any interest date after 30th Sept.. 1955 At any time on or after 1st Oct.. 1957 the holders may convert each note of Rs. 500/- into 25 ordinary shares to take effect on 1st Oct. in each year on giving 15 days' notice prior to such day.

(J) May be redeemed at 101% at any time after 31st March. 1963 and at 100½% on any time after 31st March. 1955.

(K) Rs. 1.600.000 Debentures will be redeemed at par annually by drawing from 1-9-65. Any Debenture outstanding on 1-9-69 will be redeemed on that date with option to redeem all Debentures at 101% on 1-9-64.

(L) Any time on 6 months notice.

(M) At par in September 1960.

(N) May be redeemed at the end of 1965 or thereafter at 101%.

(O) Option to repay at par on or after 31st May. 1961.

(P) Redeemable at par on 31st Dec.. 1972 with option to redeem at par at any time on 6 months' notice after 30th June. 1958. At any time after 31st Dec. 1948 each note of Rs. 500/- may be converted into two ordinary shares of Rs. 100/- each ranking for dividend from 1st January following

(Q) With option to redeem annually Rs. 2,00.000/- at par after 31-3.58 by drawing or by purchase in the open market.

(R) May be redeemed annually at par by drawing after 10th year also the whole issue at 101% on or after 31-3-63.

(S) (Option to repay at par one month's notice). At any time after 1st October. 1956.

(T) (Option to repay at par on 6 months' notice) after 1-1-67.

(U) (Option to repay on 3 months notice). At any time after 31st December. 1960.

(V) May be redeemed at par on 30-6-56 or any subsequent interest date on one month's notice.

(W) After giving six months' notice.

(X) Rs. 5,00.000 will be redeemed each year from and after 1964.

* These Debentures are registered and are transferable by transfer Deeds.

JOINT STOCK COMPANIES PREFERENCE SHARES

Dividends are cumulative and shares carry a Preferential claim on the property for the payment of capital and on the profits for dividend except in case of companies marked otherwise. Months against names of companies indicate approximately times of payment of dividends. T means that dividend tax is deducted at source.

Year of Issue	NAMES	Amount Issued In 000's Rs.	Rate per cent	Paid-up per Share Rs.	Market Quotations 24-7-63 Rs.	A year ago Rs.
	BANK					
1901	Allahabad Bank (May Nov.)	15.00	6	100	98/50	95/00
	COALS					
1896-97	Borrea (June Dec.)	4.00	6½	100	84/00	83/00
1901-19	Burrakur (Jan July)	22.98	7	100	93/00	95/50
1946	Burrakur (June Dec.)	4.50	6T	10	6/00	7/25
1895	Equitable (May Nov.)	4.00	6	100	80/00	79/00
1931	Khas Kajora (March Sept.)	1.93	5	10	6/87	6/95
1920	New Beerbhoom (Jan July)	2.00	7	10	10/25	9/50
1898-90	Ondal (June Dec.)	2.00	5½	100	85/00	64/10
	COTTONS					
1902	Ahmedabad Advance (Apr Oct.)	10.00	5	100	70/00	72/00
1834	Bangalore (Jan July)	6.00	6	100	98/44	106/63
1938	Basanti (Oct.)	5.00	6½	10	7/00	7/25
1896	Bengal-Nagpur (Apr Oct.)	3.00	7	100	48/00	49/50
1900	Bowreah "A" (Apr Oct.)	6.00	8	100	114/00	110/00
1909	Bowreah "B" (6) (1) (Apr Oct.)	6.00	7	100	86/00	73/00
1919	Bradbury "B" (Jan Dec.)	14.85	7	50	60/50	47/00
1920	Buckingham & Carnatic (Jan July)	21.30	7½	100	109/00	118/00
1928	Cambodia (July)	1.00	7	100	83/63	90/00
1912	Central India (Apr Oct.)	50.00	5	500	409/50	402/50
..	Delhi Cloth & General (Oct.)	20.00	4½	25	16/63	16/63
1912	Elgin (May Nov.)	11.00	8	100	113/00	110/50
1943	Elgin "B"	10.00	5	10	6/50	7/25
1919	Elphinstone (May Nov.)	25.00	7T	100	79/00	73/00
1919	Kesoram (June Dec.)	20.00	7	100	107/50	107/50
1925	Khatau Makanji (Nov.)	10.00	6	100	83/00	77/00
1937	Kothari (Nov.)	12.00	6	10	8/76	8/60
1900	Muir (Feb. Aug.)	30.00	6	100	122/00	116/00
1913	New Great Eastern (Mar.)	8.00	5½	200	107/00	107/00
1920	New Victoria (Apr Oct.)	16.06	6	5	2/25	3/09
1933	Palani Andavar (Mar.)	2.00	7	50	118/64	121/82
1935	Svadeshi (Bombay) (May)	15.00	5	100	82/00	87/00
1927	Swadeshi (Cawnpore) (Mar.)	35.00	6	100	71/00	68/00
1931	Vasanta (Apr. Oct.)	3.00	6½	100	92/04	95/00
1903	Vishnu (Apr.)	16.00	7	500	385/00	385/00
	JUTES					
1927	Agarpara (Jan. July)	10.00	7	100	66/50	90/50
1905	Alexandra (Feb Aug.)	9.00	7	100	85/50	86/00
1895	Alliance (March Sept.)	15.00	6	100	72/50	65/00
1917	Anglo-India (May Nov.)	40.00	7	100	97/00	94/00
1909	Auckland (July Jan.)	10.00	5½	100	75/00	73/50
1945	Auckland (July Jan.)	15.00	4½	100	57/00	56/00
1918	Bally (Jan July)	20.00	7	100	111/00	96/00
1896	Barnagore (Oct Dec.)	£200	5T	£5	38/00	38/00
1940	Bengal (June Dec.)	10.00	5½	100	70/00	65/00
1919	Birla (June Dec.)	23.64	7½T	100	78/50	81/50
1894	Budge Budge (May Nov.)	9.00	7	100	90/50	90/50
1934	Calcutta (Jan. July)	6.00	6½	100	59/00	59/00
1915	Caledonian (June Dec.)	10.00	7	100	93/00	90/00
1919	Cheviot (June Dec.)	10.00	7	100	98/00	90/50
1928	Chitavalsah (Mar Dec.)	5.00	7	100	89/00	89/00
1900	Clive (First) (May Dec.)	8.00	6	100	52/00	56/50
1905	Clive "A" (Second) (May Dec.)	8.00	7	100	62/00	67/00
1903-13	Dalhousie (July Jan.)	11.76	7	100	93/00	88/50
1897	Delta (June Dec.)	5.00	6	100	64/75	70/00
1912	Empire (Jan. July)	10.00	7	100	91/00	89/50
1890-93	Fort Gloster (Jan. July)	14.00	7	100	111/00	94/50
1948	Fort Gloster (2nd)	7.00	5	100	65/50	65/50
1911	Fort William (May Nov.)	10.00	7	100	115/00	80/80
1916	Ganges (June Dec.)	6.00	8	100	106/00	105/00
1895-04	Gourepore (June Dec.)	26.50	6	100	90/50	85/00
1935	Hastings (Aug Feb.)	25.00	6	100	91/50	83/50
1913	Hooghly (July)	11.76	10	10	11/06	10/87
1890	Howrah (Jan. July)	8.75	7	100	90/50	90/00
1903-06	Howrah "A" (Jan July)	17.50	7	100	91/00	91/00
1919	Hukumchand (June Dec.)	40.00	7	100	95/00	93/00
1898-04	Kamarhatty (Apr Oct.)	16.00	6	100	73/00	73/50
1900	Kanknarrah (Apr Oct.)	10.00	6	100	75/00	100/00
1935	Kedarnath (Jan July)	2.00	7	100	90/00	90/50
1907	Kelvin (Mar Sept.)	10.00	7	100	93/00	91/50
1895-09	Khardah (May Nov.)	9.00	6	100	77/50	77/00
1900-13	Kinnison (July Jan.)	15.00	7	100	98/50	90/00
1905	Lansdowne (July Jan.)	15.00	7	100	98/50	89/50
1912	Lawrence "A" (July Jan.)	5.00	7	100	95/00	90/00
1906-07	Lawrence "B" (July Jan.)	10.00	5½	100	70/50	62/00
1905-06	Naihati (July Jan.)	7.50	7	100	112/00	100/00
1945	Naihati (July Jan.)	10.00	4½	100	84/50	84/12
1917	National (May Nov.)	5.00	7	100	87/00	88/50
1939	Nellimarla (Apr Oct.)	5.00	6	100	76/00	76/00
1915	New Central (Jan July)	33.00	7	100	92/50	83/00
1908-09	Northbrook (July Jan.)	15.00	7	100	72/25	70/75
1935	Rameshwara (Jan July)	7.00	6	10	12/00	9/62
1906-12	Reliance (Jan July)	20.00	7	100	116/50	84/00
1928	Shree Ambica (Mar. Sept.)	11.70	7½	100	90/00	90/00
1920	Soorah (Feb Aug.)	10.00	7	100	96/00	99/50
1901-02	Union (July Jan.)	6.00	7	100	97/00	88/00
1913	Waverley (Mar Sept.)	7.50	5	50	40/00	40/50
	MISCELLANEOUS					
1937	Alkali & Chemical (Mar. Sept.)	31.00	5	100	87/50	85/00
1938	Aluminium Corpn (Oct.)	20.00	6	100	92/00	92/00
1944	Aluminium Corpn (Oct.)	20.00	5	100	62/00	68/00
1949	Anderson Wright (Dec.)	20.00	4½	100	66/62	53/00
1917	Andhra Valley Power (May Nov.)	49.34	7T	1,000	996/25	985/00
1919	Arthur Butler (Mar.)	1.30	7	10	12/00	14/00
1916	Asstd. Hotels of India (Mar Sept.)	21.67	7T	100	53/00	49/75

Year of Issue	NAMES	Amount Issued In 000's Rs.	Rate per cent	Paid-up per Share Rs.	Market Quotations 24-7-63 Rs.	A year ago Rs.
1895	Bengal Assam Steamship (Nov.)	3.00	7	60	47/00	47/00
1926	Bengal Chemical (Aug.)	6.25	7½	10	12/12	11/62
1889	Bengal Paper Mill (Mar Sept.)	2.00	7	50	46/50	46/50
1923	Bengal Paper Mill "A" (Mar. Sept.)	4.00	7	100	98/00	98/00
1936	Birds Investments (Dec.)	24.00	5½T	100	53/37	54/00
1962	Braithwaite & Co	40,00	9T	100	107/00	..
1918	Britannia Biscuit (Feb Aug.)	15.00	8	10	11/00	11/00
1920	British India Corporation (Feb.)	81.00	8	100	106/00	107/00
1995-99	Burn Eng (1st & 2nd) (Feb Aug.)	13.00	7	100	116/00	109/00
1903-5	Burn Engineering (Feb Aug.)	15.00	6	100	103/00	99/00
1909-11	Calcutta Electric Supply (Mar. Sept.)	£1,900	5	£1	8/25	8/37
1937	Calcutta Silk Manufacturing (July Jan.)	2.00	6	100	70/00	49/12
1906	Calcutta Tramways (Jan July)	£250	5T	£1	8/25	7/94
1938	Carew & Co (Jan.)	8.00	6½	100	72/00	80/00
1905-24	Cawnpore Sugar Works (Feb Aug.)	10.00	8	100	104/50	118/00
1940	Chrestien Mica Industries Ltd.	30.00	5½T	100	40/00	40/50
1937	Dalmia Cement (Bharat)	35.00	6	10	8/06	8/25
1916	Delhi Flour Mills (Oct.)	90.00	7T	100	101/00	101/00
1935	Deshergarh Power Supply "A" (Jan)	16.00	5	100	72/00	73/00
1940	Duncan Brothers & Co Ltd	45.00	4	100	56/00	56/00
1926	Dunlop Rubber "First" (Jan July)	30.00	8	100	104/75	106/25
1936	Dunlop Rubber "Second" (Apr.)	40.00	5½T	100	72/25	75/00
1897	East India Distilleries (Jan July)	£200	7	20st	18/90	16/50
1908	General Investment & Trust (Feb Aug.)	1.00	5	100	56/00	56/00
1947	General Investment & Trust (Feb Aug.)	1.00	6T	100	48/00	48/00
1946	Gillanders Arbuthnot (Apr. Oct.)	25.00	5T	100	55/00	57/50
1946	Gladstone Lyall & Co Ltd.	15.00	6T	100	60/00	60/00
1948	Godfrey Phillips India Ltd.	30.00	5½T	100	60/75	56/00
1940	Gwalior Sugar (Redeemable) (Dec.)	6.75	7	100	62/00	62/00
1940	Gwalior Sugar (Dec.)	5.00	7	100	62/00	62/00
1936	Humayan Properties Ltd (Nov.)	12.00	6	10	6/81	6/60
1936	Indian Aluminium (Mar Sept.)	40.00	5T	100	67/50	65/00
1927	Indo Burma Petroleum (Jan. July)	50.00	7T	100	76/00	79/00
1899	India General Navg & Railways	£244	6	£10	75/00	78/25
1923	Indian Cable Co. (Nov.)	12.88	6	10	31/75	31/75
1918	Indian Standard Wagon (Aug or Sept.)	19.66	7	100	116/50	114/00
1936	Indian Iron & Steel	2,69.95	5	100	85/00	85/00
1936	Investment and Finance (Feb Aug.)	2.00	5	100	69/00	69/00
1935	Investment and Finance (Feb Aug.)	2.00	6T	100	60/00	60/00
1937	James Wright (Jan July)	1.30	6	50	14/00	14/00
1937	Jardine Henderson Ltd.	50.00	5½T	100	54/50	55/75
1941	Jessop & Co	10.00	5	100	75/50	74/00
1915	Kumardhubi Engineering (June)	12.00	5	100	68/00	71/00
1915	Martin Burn Ltd.	30.00	5	100	87/00	82/50
1946	McLeod & Co.	10.00	5T	100	45/00	47/25
1930	McLeod & Co.	40.00	5	100	59/75	61/00
1936	Mettur Chemical & Industrial (Sept.)	20.00	6	10	9/25	9/70
..	Metal Box Co of India Ltd.	30.00	6T	100	77/50	84/00
1938	Mysore Chemical Mfg (Sept.)	2.00	6	10	7/83	7/83
1942	National Tobacco (June Dec.)	25.00	5	100	66/50	67/00
1944	National Tobacco (Jan Dec.)	20.00	4½	100	57/50	61/50
1917	Poona Electric Supply Co. Ltd (June Dec.)	4.00	7	100	99/50	101/00
1935	Premier Construction "First" (Apr.)	10.00	6¼T	100	72/00	73/00
1936	Premier Construction "Second" (Apr.)	15.00	6¼T	100	75/00	68/50
1922	Purtabpore (Sugar) (Oct.)	6.00	10	10	10/56	10/56
1936	Ramnugger Cane & Sugar (Aug.)	4.00	6	100	82/00	86/00
1933-36	Rohtas Industries (April)	20.00	7	100	95/00	103/00
1935	Rohtas Industries "B" (April)	86.00	4½	100	57/00	54/50
1944-48	Shaw Wallace & Co. Ltd.	75.00	6T	100	58/50	58/00
1936	Shree Gopal Paper	7.50	8	100	103/00	107/00
1936-38	Shree Krishna Gyanoday Sugar "A" (Oct.)	6.00	6	100	62/00	62/00
1937	Shree Krishna Gyanoday Sugar "B"	12.00	5	100	70/00	65/00
1918	Smith Stanistreet (Chemists) (Nov.)	5.00	10	50	62/50	62/50
1933	South Behar Sugar (Oct.)	5.00	9	100	20/50	20/50
1897	Spencer & Co. "A" (Provisions) (Jan July)	23.20	6½T	10	6/69	7/36
1923	Spencer & Co "B" (Provisions) (Jan July)	36.80	8½T	10	9/55	10/29
1936	Star Paper (Apr. Oct.)	10.00	5	100	65/90	65/90
1925	Surat Electricity (April)	5.00	6½	100	104/00	107/00
1939	Tata Chemicals (Nov.)	60.00	5	100	93/50	85/00
1910	Tata Hydro Electric Power (Sept Mar.)	89.28	7	100	101/00	98/00
1906	Tata Iron & Steel (First) (Nov.)	75.00	6T	150	124/00	134/00
1918	Tata Iron & Steel (Second) (May)	6,93.82	7½T	100	105/75	103/75
1919	Tata Power (May Nov.)	86.97	7½	1,000	1,023/75	1,025/00
1928	Titaghur Paper Mills (Mar. Sept.)	11.50	8	100	117/00	107/00
1936	Titaghur Paper Mills "2nd" (Mar Sept.)	15.00	4½	100	66/50	70/00
1934	Vellore Electric (Sept. Mar.)	1.25	6	10	5/81	5/81
	TEAS					
1903	Amluckie (May Nov.)	75.00	7	10	21/96	21/96
1901	Banarhat (Jan.)	4.00	6½	100	91/00	75/08
1900	Birpara (Jan.)	1.00	8	100	104/00	104/00
1947	Brooke Bond Estate India Ltd.	35.00	6T	100	56/00	58/00
1914	Choonabhutti (Jan.)	2.00	6½	100	90/50	92/64
1901	Dimakusi (June Dec.)	70.00	8	10	9/50	9/50
..	Dhunseri	1.20	10	10	7/00	7/00
1894	Gielle (Sept.)	2.00	6	100	50/00	50/00
1901	Hantapara (Jan.)	50.00	8	100	89/84	89/84
1904	Hasimara (Mar.)	3.00	7	100	86/50	89/00
1897-99	Kingsley Golaghat (Dec.)	2.40	6	100	85/00	85/00
1929	Moheema (May Nov.)	3.20	6	10	5/21	6/25
1907	New Dooars (Jan.)	2.00	6½	100	91/00	74/82
1903	New Samanbagh (Nov.)	1.00	8	100	90/50	90/50
1888	Okayti (Dec.)	50.00	7	100	84/50	84/00
1914	Peermade (July)	1.50	6	100	82/77	82/77
1916	Pussimbing (Jan.)	2.05	7	100	89/50	89/00
1909	Sonai River (May)	1.00	8	100	66/00	66/00
1932	Tezpore (Jan.)	2.06	8	10	7/25	10/12
1922	Tirrihannah (May Nov.)	1.00	10	10	11/46	11/46

BANKS

H indicates that Share capital is half paid O., C. and Dd. indicate Ordinary, Contributory and Deferred Shares respectively. P next to the name of the company indicates that the company also has Preference Shares. Figures in "accounts closed" column indicate the months of the calendar year in which accounts are closed. For Managing Agents refer to the Key (last page) under the numbers indicated.

Paid-up Capital Ordinary Rs.	Reserve & other Funds Rs.	Cash & Securities Rs.	Net Profits including taxation Rs.	Carry forward Rs.	Accounts closed	NAMES	Dividends per cent 1960	1961	1962	Paid-up per Share Rs.	Latest Market Quotations as available until 24-7-63 Rs.	17-7-63 Rs.	A year ago Rs.
67,50,000	1,23,75,000	27,37,97,908	22,49,414†	6,09,614	12	Allahabad Bank P.	18	18	..	100	236/00	236/00	396/00
2,00,00,000H	2,09,33,260	36,87,47,482	63,19,169	4,16,722	12	Bank of Baroda	17	17	16	50	91/70	88/50	98/00
4,05,00,000H	4,11,50,000	43,61,96,153	1,11,53,496	13,09,847	12	Bank of India	20	20	20	50	113/00	114/00	118/00
2,62,86,350H 52,50,000	5,10,34,368	86,24,48,298	1,79,95,826	93,249	12	Central Bank of India	20-2/5	20	20	25	59/00	58/00	63/50
£6,600,000	£7,150 000	£141,890,310	£990,238	£540,648	12	Chartered Bank	15	15	..	£1	sh. 58/3	sh. 58/-	sh. 54/3
1,25,00,000H	10,00,000	3,70,50,489	9,68,909	17,401	12	Hindusthan Commercial	Nil	Nil	Nil	50	13/25	13/25	17/25
50,00,000H	2,85,000	94,21,660	1,68,130	28,888	12	Hindusthan Mercantile	Nil	Nil	..	50	15/62	15/62	15/00
HK$79,046,125	£240,000,000	£184,516,882	HK$45,789,942	HK$2,462,897	12	Hong Kong & Shanghai	£3¾	£3¾	£3 1/5	HK$25	£19	£18 5/16	£16
71,79,795 16,60,000	75,44,583	20,13,31,335	15,25,151	143,787	12	Indian Bank	15	15	14	100	161/50	158/50	176/00
75,00,000	78,36,660	14,65,60,072	43,80,498	2,22,933	12	Indian Overseas Bank	14	14	..	100	140/00	142/00	161/50
5,00,00,000	74,41 264	2,23,84,659	7,80,776	21,25,000	12	Industrial Finance Corpn.	..	..	..	50	..	..	..
£5,703,000	£5,250,000	£121,505,208	£714,730	£316,941	12	National & Grindlays Bank	13¼	14	16	sh 15	sh. 35/6	sh. 34/6	sh. 33/9
1,99,63,820	2,36,56,382	79,55,83,097	1,13,83,168	15,20,907	12	Punjab National Bank	20	20	20	10	19/19	18/94	20/50
60,00,000	60,00,000	1,52,610,719	18,13,132	1,45,390	12	Union Bank of India	11-2/5	11-2/5	..	5	6/08	6/04	6/44
2,68,67,461	95,00,000	27,07,57,575	21,20,312	3,26,006	12	United Bank of India	4.3	6	6	10	7/31	7/37	7/37
2,23,33,937	3,03,00,000	44,63,32,187	73,32,625	25,151	12	United Commercial Bank	12	12	12	50	66/00	65/50	86/00

† Excluding taxation

JUTE MILLS

Paid-up Ordinary Capital Rs.	No. of Looms	Net Block Account Rs.	Reserve & other Funds Premiums & Forfeited Shares if any Rs.	Cash & Securities Rs.	Net Profits including taxation Rs.	Carry forward Rs.	Accounts closed	Mg. Agts., Secretaries etc.	NAMES	Dividends per cent 1960	1961	1962	Paid-up per Share Rs.	Latest Market Quotations as available until 24-7-63 Rs.	17-7-63 Rs.	A year ago Rs.
60,00,000	879	99,19,361	66,42,500	3,92,646	59,794	79,587	3	79	Agarpara P.	10	2½	2½	10	10/12	10/12	10/37
6,00,000	446	30,57,138	21,01,100	6,26,077	22,41,118	32,706	12	165	Alexandra P.	44	15	42½	100	300/00	300/00	305/00
30,00,000	1,264	48,84,147	8,04,850	5,70,976	11,43,880	58,837	6	165	Alliance P.	6	Nil	10	100	150/00	137/00	223/00
49,20,700	2,561	1,04,15,434	89,25,000	63,22,567	20,60,933	2,75,227	3	63	Anglo-India P.	20	7	10	100	221/00	224/00	232/00
40,00,000	810	61,70,400	26,57,703	4,56,210	—5,54,726	—5,02,872	3	21	Auckland P.	27	12	Nil	100	149/00	142/00	158/00
20,00,000	959	57,59,081	35,02,335	12,05,050	13,67,235	60,074	3	22	Bally P.	25	25	25	100	272/00	263/00	308/00
£275,000	1,889	£410,570	£828,859	£53,073	—£89,216	£1,042	3	128	Barnagore P.	30	10	10	£5	198/00	198/00	186/00
45,00,000	600	29,61,854	15,46,700	8,93,663	5,85,851	1,33,355	6	235	Bengal P.	5	..	..	10	9/69	9/69	10/31
1,59,56,210	1,373	5,25,85,505	3,35,31,987	90,84,701	96,65,712	1,08,070	3	22	Birla P.	15	15	15	10	29/37	29/50	32/62
36,00,000	991	48,65,076	14,32,140	1,42,233	37,69,101	30,613	10	2	Budge Budge P.	10	Nil	12	100	144/00	155/00	149/50
7,47,380	602	12,59,648	4,17,958	1,73,320	61,970	48,461	6-12	62	Calcutta P.	..	..	..	10	8/12	8/12	8/00
18,00,000	616	38,26,710	28,17,882	36,75,352	1,72,996	11,777	11	440	Caledonian P.	12	5	..	100	190/00	190/00	212/00
29,58,200	1,400	83,84,378	99,79,201	17,71,641	36,62,731	22,643	3	304	Champdany P.	10	5	Nil-40*	10	21/31	20/69	..
38,58,750	630	67,05,590	72,45,112	12,64,351	41,57,638	1,02,122	11	2	Cheviot P.	Nil	5	25	10	21/56	21/56	24/00
30,15,000	500	53,11,479	40,65,400	13,38,874	12,49,444	61,455	7	165	Chitavalsah P.	5	Nil	5	10	10/00	10/00	11/87
16,00,000	959	13,80,489	25,12,433	1,35,556	1,51,574	18,647	3	318	Clive P.	..	..	..	10	10/25	10/25	9/00
31,49,200	766	52,19,772	12,23,514	3,57,222	—61,738	—62,456	3	21	Dalhousie P.	1	1	Nil	100	132/00	130/00	130/00
56,00,000	779	1,14,91,098	68,77,425	3,58,234	38,24,413	28,674	11	2	Delta P.	7½	Nil	12	100	150/00	159/00	186/00
15,00,000	500	35,23,149	39,20,700	9,41,963	7,63,955	40,327	7	165	Empire P.	12½	7½	12½	10	16/31	14/69	16/25
63,00,000	1,884	1,68,88,474	87,06,518	7,52,017	26,14,782	14,938	3	138	Fort Gloster P.	25	10	12½	100	377/00	377/00	449/00
21,00,000	1,014	48,31,660	24,95,369	12,86,910	4,99,648	7,033	3	231	Fort William P.	22½	22½	10	10	26/00	26/00	27/50
84,32,100	1,709	1,20,88,547	40,93,282	5,26,122	41,38,028	1,89,764	3	367	Ganges P.	10	10	15	10	14/31	14/06	13/87
43,20,000	607	1,06,89,025	37,97,205	1,14,364	19,55,516	16,522	12	359	General Industrial	40	10	13	10	15/62	15/62	55/12
24,00,000	1,394	1,02,44,325	74,30,537	45,41,712	12,24,172	49,518	3	19	Gourepore P.	30	25	20	10	25/12	25/50	..
40,00,000	1,078	70,83,967	9,23,473	53,86,439	5,68,002	1,01,636	3	234	Hastings P.	6	6	6	100	128/00	128/00	124/00
16,80,000	720	28,41,207	25,26,234	12,67,575	9,69,386	38,329	3	356	Hooghly P.	10	..	..	10	18/87	18/87	27/25
65,62,500	1,940	69,79,752	46,00,997	9,34,173	57,39,425	..	3	128	Howrah P.	12½	10	Nil-10*	10	18/69	18/87	21/00
52,50,000	2,272	1,31,00,000	38,55,000	23,48,290	27,19,471	57,366	3	35	Hukumchand P.	28¾	28¾	26¾	7½	18/19	18/19	24/94
87,30,000	790	93,29,345	38,24,567	36,11,862	7,44,969	3,18,900	3	353	India	14	12	8	12½	17/50	18/19	16/94
43,20,000	1,797	52,63,977	32,17,016	8,71,993	54,54,653	14,157	12	128	Kamarhatty P.	5	Nil	20	100	191/00	188/00	178/00
54,00,000	1,527	47,44,758	13,48,482	6,39,910	59,38,810	11,179	12	128	Kanknarrah P.	Nil	Nil	10	100	130/00	132/00	115/00
28,00,000	703	53,93,372	56,73,800	13,28,826	45,353	47,758	5	165	Kelvin P.	15	15	5	100	117/00	177/00	185/00
54,00,000	1,630	85,81,995	26,08,764	5,41,356	16,20,587	59,933	3	382	Khardah P.	20	5	12½	10	18/75	18/75	16/94
48,00,000	1,250	70,14,861	46,11,711	24,80,797	—22,59,826	—21,89,282	3	106	Kinnison P.	20	7	Nil	100	143/00	148/00	146/00
24,48,000	931	33,87,827	Nil	3,63,702	—15,64,671	—6,84,149	3	21	Lansdowne P.	Nil	Nil	Nil	100	87/00	87/00	142/00
28,00,000	840	22,22,258	1,36,90,180	42,99,026	7,57,111	1,38,282	3	21	Lawrence P.	7	15	10	100	100/00	100/00	171/00
81,65,200	1,294	1,26,96,079	34,55,037	3,47,488	—17,83,515	—4,26,297	3	353	Megna P.	12	12½	Nil	10	13/12	13/19	14/31
29,98,900	615	76,99,875	12,04,575	2,94,057	10,35,634	—13,08,719	3	101	Naihati P.	..	..	..	100	81/00	81/00	105/00
20,00,000	425	10,79,854	15,55,000	26,11,429	3,36,343	17,816	4-10	107	Naskarpara	..	..	..	10	9/06	9/06	8/50
35,00,000	532	1,58,24,441	73,10,449	9,33,117	33,24,937	9,507	10	378	National P.	7½	Nil	10	10	24/37	24/25	23/25
26,25,000	816	33,46,239	35,71,072	10,72,888	14,01,865	61,184	7	165	Nellimarla P.	3	6	15	10	11/25	11/06	12/12
1,56,00,000	1,765	8,08,96,118	2,42,19,122	26,20,231	—18,53,066	15,530	3	335	New Central P.	15	15	Nil	10	12/87	12/75	16/00
16,79,880	567	51,13,896	51,70,911	4,86,781	10,14,322	32,186	3	21	Northbrook P.	30	30	20	10	27/25	27/12	34/87
66,79,500	1,092	1,00,63,618	42,63,296	5,77,179	4,25,754	65,041	3	19	Nuddea	8	6	5	50	54/50	55/00	60/00
25,00,000	400	26,00,000	12,61,704	7,07,186	7,54,830	37,324	7	165	Presidency	8	6	10	5	4/75	4/69	5/44
20,00,000	305	44,84,547	2,99,013	1,14,563	8,36,262	—3,60,855	3	166	Rameshwara P.	Nil	Nil	Nil	10	9/56	9/56	8/62
49,50,000	1,276	56,06,891	6,89,006	40,16,382	17,64,511	..	3	128	Reliance P.	Nil	Nil	Nil-Nil*	10	9/50	9/75	7/69
£600,000	2,013	£1,501,838	£1,191,136	£265,726	£175,821	£8,338	12	64	Samnugger P.	6	Nil	10	£1	10/50	10/50	10/50
30,00,000	911	47,47,618	15,81,656	27,81,388	2,13,128	3,184	3-9	61	Shree Ambica P.	9	6	Nil	10	25/00	25/00	37/00
14,00,000	401	21,82,940	17,16,854	14,69,644	15,77,802	26,425	12	166	Soorah P.	25	25	25	10	22/75	22/75	24/00
£600,000	1,794	£1,390,914	£1,181,938	£351,277	£211,646	£9,976	12	64	Titaghur P.	6	Nil	13	£1	10/50	10/50	10/50
35,98,600	1,326	37,69,632	37,88,568	11,91,543	1,70,129	18,317	3	21	Union P.	25	6	Nil	100	160/00	155/00	163/00
£400,000	1,331	£1,338,747	£932,577	£189,510	£173,749	£8,551	12	64	Victoria P.	6	Nil	10	£1	10/50	10/50	10/50
2,50,000	465	6,47,472	8,20,000	6,95,642	6,79,756	66,272	5	165	Waverley P.	30	30	60	1	8/56	7/25	6/12

* 1963

COAL COMPANIES

O., Po., F and Dd Indicate Ordinary Preferred Ordinary. Founders and Deferred Shares respectively. 'P' next to the name of the company indicate that the company also has Preference Shares. Figures in "accounts closed" column indicate the months of the calendar year in which accounts are closed. For Managing Agents refer to the Key (last page) under the numbers indicated.

Paid-up Capital Ordinary Rs.	Net Block Account Rs.	Reserve & other Funds Premiums & Forfeited Shares if any Rs.	Cash & Securities Rs.	Net Profits including taxation Rs.	Carry forward Rs.	Accounts closed	Mg. Agts. Secretaries etc.	NAMES	Dividends per cent 1960	1961	1962	Paid-up per Share Rs.	Latest Market Quotations as available until 24-7-63 Rs.	17-7-63 Rs.	A year ago Rs.
25,50,000	58,52,284	43,77,800	3,90,484	16,40,057	39,096	6-12	315	Amalgamated	10	12½	15	10	24/87	22/62	21/06
1,20,00,000	3,15,46,304	2,44,30,490	36,03,088	86,68,875	10,42,254	3	236	Bengal P	25	21	..	100	274/00	267/00	344/00
4,49,350	4,37,382	1,30,132	91,796	43,397	4,471	10	2	Bengal Bhatdee	..	..	..	10	3/48	3/48	3/48
2,25,000	3,06,216	6,45,835	5,19,015	1,55,638	16,129	12	368	Bengal Nagpur	10	26	..	10	22/00	22/00	14/25
15,97,000	23,27,321	4,87,308	63,982	2,62,417	21,275	12	..	Bhalgora	..	..	..	10	4/84	4/84	5/18
40,00,000	67,23,620	2,75,000	21,19,681	11,80,816	2,120	9	152	Bharat Collieries P.	..	..	..	10	3/56	3/50	3/25
7,15,000	14,96,845	11,02,672	64,329	—3,06,406	—4,92,536	6	335	Bhulanbararee	..	..	..	10	11/94	11/94	12/00
16,00,000	38,87,275	16,18,636	7,185	1,21,936	—79,196	12	362	Bokaro & Ramgur	..	..	..	10	11/19	11/19	13/25
7,50,000	19,13,792	22,77,003	12,32,439	5,26,414	33,647	12	106	Borrea P.	15	15	..	10	23/87	23/87	23/50
90,92,480	2,32,19,267	1,46,53,383	33,70,740	37,97,832	90,768	6	21	Burrakur P.	13	13	13	10	16/00	15/44	17/62
49,97,000	50,93,754	6,86,120	6,35,532	16,11,088	3,58,023	3	166	Central India	8	10	10	10	9/56	9/75	11/12
8,00,000	18,69,439	12,97,490	98,040	6,357	214	12	..	Central Kurkend P.	..	..	..	10	3/87	3/87	7/00
6,00,000	..	1,55,159	6,05,872	63,765	7,043	12	106	Churulia	3	..	..	4	3/06	3/06	3/08
16,00,000	25,01,305	Nil	19,429	—6,45,261	—5,39,034	12	444	Dhemo Main	Nil	Nil	..	10	4/31	4/31	6/12
£240,000	£868,390	£561,905	£13,858	£288,462	£6,234	4	128	East India	7½	15	20¾	£1	31/87	31/87	50/00
29,63,700	1,42,23,054	1,18,76,888	27,65,725	10,14,185	33,594	12	19	Equitable P.	15	10	..	10	24/00	24/69	28/06
15,00,000	21,00,420	41,000	26,500	920	—6,24,344	3	307	Ghusick & Muslia	Nil	Nil	Nil	10	14/25	14/25	14/00
6,50,000	4,21,847	Nil	12,025	10,370	—14,705	12	20	Guzdar Kajora	..	..	..	10	2/44	2/44	2/00
8,00,000	5,43,022	..	16,702	—10,172	—3,65,025	12	393	Hurriladih	..	..	..	10	8/12	8/12	8/12
15,00,000O 5,00,000F	23,47,952	27,81,955	39,74,704	3,95,071	1,40,029	12	21	Karanpura Development	5 15	5 15	..	10O 10F	10/75	15/00	16/25
20,00,000	34,15,535	9,86,018	3,72,692	8,92,065	32,810	2	21	Karanpura Collieries P.	7½	10	10	10	15/00	16/75	20/69
14,88,460	20,68,761	16,01,825	8,75,590	8,29,962	1,11,842	1	2	Katras Jherriah	95	40	25	10	37/75	37/75	48/75
1,38,400	6,75,000	95,000	11,80,294†	49,776	1,918	6-12	337	Khas Kajora P.	..	..	..	10	18/70	18/70	18/70
5,65,750	5,95,833	Nil	9,780	—1,60,535	—16,47,497	3	372	Mundulpur	..	..	..	10	2/69	2/69	2/69
7,48,240	3,46,525	2,50,000	7,62,941	1,28,839	94,963	12	347	Nazira	..	..	..	10	5/00	5/00	6/31
31,97,210	61,58,848	34,47,233	3,39,307	9,75,812	93,645	10	2	New Beerbhoom P.	16	10	..	10	19/25	19/37	22/69
9,90,340	9,04,373	5,21,710	75,374	4,12,216	43,822	3	202	New Maubhoom	7½	9	12	10	16/00	16/00	13/75
1,15,000 1,57,500	7,05,719	4,31,409	40,364	1,44,042	15,045	12	441	North West	20	20	..	10 7½	19/75 18/00	19/75 18/00	19/75 17/50
7,50,000	1,33,788	13,22,645	22,85,007	1,91,515	45,060	12	106	Ondal P.	6	7½	..	10	12/00	12/00	15/00
8,34,000	23,69,066	1,52,212	4,78,984	1,79,344	589	12	207	Parasea P.	1¼	1⅓	..	10	16/00	16/00	16/00
15,75,000	32,93,192	24,59,125	4,11,055	5,41,674	64,253	3	236	Pench Valley	10	10	10	10	17/75	17/75	17/50
2,50,000	5,62,405	7,500	11,530	2,003	18,581	6-12	5	Purr Sitalpur	..	..	..	10	8/00	8/00	8/00
33,58,900	50,26,723	40,85,000	1,26,141	11,54,576	35,781	3	370	Raneegunge	15	17	17	10	16/00	16/00	16/00
13,50,000	25,32,135	20,80,190	18,89,318	13,18,197	41,523	12	236	Rewa	20	20	..	10	28/50	28/50	29/12
37,50,000	74,38,430	38,61,070	1,69,086	12,37,914	26,993	12	48	Samla	10	..	..	10	10/00	11/25	7/75
2,50,000	4,47,534	74,281	10,748	—19,279	—4,27,396	1	353	Searsole	Nil	Nil	Nil	2½	1/22	1/22	1/94
2,80,000	10,74,006	12,23,716	10,17,267	5,13,147	67,383	12	2	Seebpore P.	42 6/7	42 6/7	..	7	45/00	45/00	45/00
8,00,000	6,203	4,54,648	13,04,570	78,390	1,540	12	106	Sendra	5	3½	..	10	5/75	5/75	7/69
17,50,000	28,29,652	10,02,341	50,728	2,66,373	2,926	8	21	South Karanpura	2½	Nil	Nil	10	8/06	8/06	9/50
8,00,000	1,30,001	15,48,969	26,78,255	1,84,925	38,908	12	106	Standard	15	10	..	10	13/12	13/12	16/00
2,50,000	4,36,300	3,23,000	36,660	1,37,973	1,77,952	12	..	Union	..	..	..	10	11/12	11/12	10/37
49,98,000	63,57,150	6,09,055	2,69,620	11,72,192	1,19,162	3	166	Western Bengal	6	7½	9	10	8/84	8/90	10/09
7,00,000	26,06,335	Nil	47,091	—6,51,403	—6,23,711	12	444	West Jamuria	Nil	Nil	..	10	4/00	4/09	9/37

COTTON MILLS

Paid-up Capital Ordinary Rs.	Number on Spindle	Looms	Net Block Account Rs.	Reserve & other Funds Premiums & Forfeited Shares if any Rs.	Cash & Securities Rs.	Net Profits including taxation Rs.	Carry forward Rs.	Accounts closed	Mg. Agts. Secretaries etc.	NAMES	Dividends per cent 1960	1961	1962	Paid-up per Share Rs.	Latest Market Quotations as available until 24-7-63 Rs.	17-7-63 Rs.	A year ago Rs.
15,00,000	14,108	356	14,06,683	3,15,002	12,59,541	26,012	41,532	12	49	Basanti P.	..	..	..	10	11/50	11/50	8/37
7,11,280	36,000	932	17,17,120	2,20,369	30,842	3,66,177	47,818	8	27	Banga Luxmi	..	..	..	40	28/00	28/00	28/00
27,00,000	31,476	624	17,77,373	..	93,872	—6,24,150	—6,86,163	12	223	Bengal Nagpur P	Nil	..	..	10	3/06	3/00	3/56
50,00,000	..	..	1,66,35,360	49,94,800	52,56,090	28,04,759	17,588	12	394	Bharat Commerce P.	5	15	15	10	19/87	20/12	25/31
39,95,950	38,764	992	60,94,300	1,21,02,782	53,37,204	39,77,025	1,67,525	3	22	Birla Cotton	10	20	20	10	33/00	33/00	30/00
33,60,000	43,136	841	1,00,69,568	40,37,060	2,04,094	21,74,042	1,94,107	12	138	Bowreah P.	10	20	15	10	22/12	22/00	24/50
30,00,000	22,000	510	32,89,583	62,22,574	9,41,816	13,74,402	49,055	12	25	Cawnpore Textiles	7 1/5	10	10	5	6/19	6/16	7/00
8,78,33,535	1,97,348	3,307	6,72,37,739	6,96,27,768	77,61,228	3,08,40,769	4,03,436	6	238	Delhi Cloth & Genl. P.	12	13	13	25	42/12	41/87	52/75
38,00,000	43,049	518	61,51,892	54,80,125	1,40,191	32,83,543	1,03,713	12	138	Dunbar	20	20	15	10	26/25	26/25	29/44
63,00,000	54,000	1,200	95,39,870	2,10,49,560	93,81,545	70,11,091	89,499	9	389	Elgin P.	11¼	17½	17½	10	17/75	17/75	19/50
1,25,00,000	..	..	3,48,97,571	56,34,321	85,50,730	19,28,764	1,22,795	12	158	J. K. Cotton (Rayon) P.	12½	..	..	10	11/75	11/25	18/62
49,18,000	6,272	202	51,44,000	24,71,500	4,76,536	28,42,100	87,266	12	22	Jay Shree	10	10	..	10	14/00	14/16	15/12
30,00,000	38,000	1,825	47,44,548	52,19,301	92,65,055	18,77,941	—7,77,290	12	208	Muir P.	..	..	..	100	90/75	90/75	114/00
35,11,583	78,848	1,367	47,49,840	3,96,960	1,09,256	12,73,361	—63,55,495	12	237	New Victoria P.	Nil	..	..	2½	1/37	1/37	1/56
48,00,200	..	..	1,08,10,352	78,144	2,34,188	12,34,741	—22,17,524	3	399	Orissa Textiles P.	Nil	Nil	..	10	9/00	9/00	10/06
19,47,750O 5,00,000Dd	23,196	795	15,49,229	80,773	2,37,475	3,38,087	..	6	4	Rampooria Cotton	3 Nil	Nil Nil	.. Nil	10 1	12/00 2/00	12/00 2/00	11/00 2/00
17,50,000O 1,57,50,000Po	1,14,836	2,077	4,48,79,351	2,63,83,071	2,15,81,189	76,20,241	5,044	12	333	Swadeshi (Kanpur) P.	5 5.51	.. ..	.. ..	10O 10PO	11/50 7/31	11/50 7/25	11/50 7/78

TEA COMPANIES

O., Po. and Dd. indicate Ordinary. Preferred Ordinary and Deferred Shares respectively. P. next to the name of the company indicates that the company also has Preference Shares. Figures in "accounts closed" column indicate the months of the calendar year in which accounts are closed. For Managing Agents refer to the Key (last page) under the numbers indicated.

Paid-up Capital Ordinary Rs.	Net Block Accounts Rs.	Reserve & other Funds Rs.	Acreage under Tea	Outturn and Average Price per Kg./lb. realised for crop 1960 Kgs.	1960 Rs.	1961 Kgs.	1961 Rs.	Estimate 1962 Kgs.	Net Profits including taxation Rs.	Accounts closed	Mg. Agts., Secretaries, etc.	NAMES	Dividends per cent 1959	1960	1961	Paid-up per Share Rs.	Latest Market Quotations as available until 24-7-63 Rs.	17-7-63 Rs.	A year ago Rs.
												ASSAM GARDENS							
4,45,700	15,18,849	15,50,949	879	308,034	5.24	424,104	4.81	442,700	3,53,660	12	165	Anandabag	15	Nil	10	10	20/00	20/00	25/94
7,00,000	12,88,670	8,07,423	501	321,178	6.85	311,077	6.58	..	3,99,567	12	88	Amluckie P.	17½	30	32½	10	33/25	33/25	34/25
5,50,000	15,79,312	14,43,241	573	260,179	5.37	353,284	5.32	362,900	95,556	12	165	Baghmari	15	Nil	15	10	14/00	13/06	19/25
1,80,000	3,62,618	1,69,284	315	123,695*	1.56	..	..	..	—78,494	12	349	Barduar Tea	Nil	Nil	..	6	8/50	8/50	8/50
7,65,000	15,19,743	10,56,055	154†	264,700	7.21	313,600	6.01	290,000	4,49,454	12	2	Basmatia	30	35	25	10	27/25	27/25	27/25
4,95,900	6,73,519	5,67,320	..	335,928*	4.25	..	..	..	2,93,848	12	345	Bateli	30	30	..	5	18/50	18/50	19/00
6,40,000	11,89,778	11,78,262	610	415,786	6.32	408,269	6.56	..	536,924	12	88	Betjan	25	40	45	10	28/75	28/75	32/75
33,00,000	40,22,201	18,08,333	1,407†	1,375,572	5.95	16,30,448	5.80	15,47,300	7,67,609	12	279	Bishnauth	13	13	13	10	17/56	17/56	18/06
6,00,000	10,99,605	4,27,428	479	154,572	6.30	2,23,909	5.90	2,43,125	2,07,619	12	202	Bokakhat	8	Nil	12	10	13/70	13/70	13/70
7,50,000	11,90,141	10,08,335	450	299,916	5.58	303,665	5.00	3,13,900	2,34,694	12	165	Bormah Jan P.	12½	15	15	10	14/25	14/25	16/12
4,50,000	7,82,300	2,32,500	234†	210,026	5.30	265,021	5.25	2,90,300	78,333	12	279	Bor Pukhuri	Nil	Nil	Nil	10	10/75	11/75	9/37
35,00,000	66,10,893	13,07,736	1,163†	12,15,847	5.31	14,26,351	5.27	..	5,94,471	6	127	Brooke Bond P.	12½	15	10—7½‡	10	11/75	12/00	14/56
1,20,000	7,81,585	8,10,487	307	116,318	5.63	173,277	5.19	192,300	1,13,633	12	165	Dejoo Valley	40	15	20	10	60/00	60/00	49/25
8,40,000	12,97,869	7,95,318	540†	376,082	5.70	543,624	5.68	515,318	541,972	12	128	Dessai & Purbuttia	Nil	Nil	10	100	205/00	189/00	151/00
17,53,440	22,29,324	10,53,350	179†	294,761	6.64	..	..	..	3,54,091	12	214	Dhelakhat	20	12½	..	10	19/75	19/75	20/19
7,00,000	19,16,176	7,90,000	553†	591,938	5.32	632,799	4.58	627,000	2,12,986	12	365	Dhunseri P.	23	20	15	10	12/06	12/06	16/00
4,50,000	15,91,840	15,10,975	458	293,229	6.51	3,05,738	6.23	3,12,100	303,585	12	165	Dibrugarh P.	30	40	40	10	31/25	31/25	33/44
4,73,400	10,12,800	7,43,000	675†	283,650	6.19	301,383	5.81	308,000	2,25,939	12	279	Dimakusi P.	30	25	20	10	21/87	21/87	23/12
7,00,000	14,27,900	13,39,500	266†	388,343	6.18	464,799	5.77	454,000	393,106	12	279	Dufflaghur	35	25	25	10	27/50	27/50	28/75
10,00,000	20,53,400	9,68,000	479†	366,144	5.68	525,798	5.76	539,000	188,604	12	279	East India	10	Nil	Nil	10	13/44	13/44	18/87
5,03,760	13,75,770	6,44,277	191	344,520	4.95	3,58,797	..	..	1,94,850	12	354	Gillapukri	25	25	20	10	25/44	25/44	25/44
6,76,000	12,89,800	5,77,500	224†	220,227	6.19	254,919	5.81	2,62,000	93,109	12	279	Gohpur	10	Nil	5	10	15/19	16/56	13/50
23,29,085	55,16,400	35,83,224	1,034†	975,452	5.54	1,079,309	4.98	11,321	63,288	12	202	Grob	14	6	6	5	7/94	7/69	8/37
5,00,000	10,51,765	7,53,498	197	307,199	4.79	3,58,885	..	..	1,82,327	12	354	Hoograjuli	25	20	20	10	27/12	27/12	24/44
8,70,000	24,12,514	14,38,299	542†	463,500	5.69	483,000	5.69	525,000	87,730	12	2	Hoolungooree	20	10	7½	100	195/00	195/00	172/00
9,00,000	15,74,647	10,51,189	949	506,565	6.52	5,39,472	5.99	..	5,82,815	12	88	Jutlibari	10	30	30	10	31/50	31/50	32/00
2,40,000	16,48,698	15,08,170	490	4,36,672	5.39	..	..	..	3,43,662	12	236	Kingsley Golaghat P.	35	35	..	100	140/00	140/00	212/00
1,80,000	17,88,233	23,500	491	440,797	5.11	524,469	4.69	520,000	2,19,061	12	63	Kotamullai P.	Nil	Nil	Nil	5	10/31	10/31	10/31
5,00,000	10,69,938	3,02,818	140†	150,866	5.81	1,73,581	5.29	1,86,000	94,422	12	41	Krishnabehari	10	15	8	10	10/50	10/50	10/12
2,00,000	1,81,000	21,000	71	229,767	..	..	..	..	5,158	12	236	Kyang Tea	Nil	Nil	..	10	8/06	8/06	8/06
6,50,000	12,20,327	8,50,278	268†	229,767	5.53	279,777	5.15	285,000	153,230	12	63	Ledo	Nil	Nil	Nil	10	13/75	13/75	17/25
8,00,000	11,51,913	1,30,098	144	2,09,795	5.72	2,28,707	4.96	2,24,000	1,31,878	12	..	Maud Tea & Seed	7½	10	7½	10	14/81	14/81	14/81
10,00,000	15,48,292	13,75,000	262†	285,908	6.00	382,580	5.68	384,674	3,87,218	12	202	Methoni	15	5	14	10	16/19	16/37	21/25
4,80,000	9,43,489	30,000	286†	68,951	4.59	..	..	..	—36,789	12	..	Moheema	10	Nil	..	10	11/50	11/50	11/50
1,50,000	2,71,599	13,65,825	135	68,951	..	83,921	..	..	72,274	12	138	Mothola	25	30	30	100	507/00	507/00	507/00
1,75,000O 2,00,000Po	14,31,493	8,49,447	156†	122,300	5.87	182,900	6.01	200,000	2,22,943	12	2	Murphulani (Assam)	20 25	5 10.63	15 20.63	10 10	26/50 26/87	26/50 26/87	26/50 28/75
4,00,000	5,99,355	6,84,758	554	337,198	4.63	319,104	4.51	345,000	2,07,239	12	143	Naga Hills	5	10	10	10	22/25	22/25	24/50
5,35,000	9,31,834	3,98,379	447†	246,382	4.79	..	..	..	1,78,991	12	..	Namburnadi	16	12	..	10	14/56	14/56	14/56
5,00,000	7,84,180	1,35,500	298†	163,289	6.84	290,978	5.98	240,000	3,02,699	12	63	New Cinnatolliah	Nil	Nil	Nil	100	302/00	302/00	101/00
6,00,000	12,46,354	7,17,592	157†	187,100	6.00	216,600	5.31	216,600	1,75,136	12	2	Rajgarh	35	40	13½	10	21/37	21/37	22/87
9,00,000	23,07,580	2,66,937	429†	531,473	4.73	632,808	..	..	2,97,941	12	354	Sapoi	20	22½	20	10	18/31	18/31	18/31
2,49,000	6,24,100	5,35,000	207†	203,694	6.24	242,697	5.56	220,000	1,31,236	12	279	Seajuli	17½	22½	15	10	21/12	21/12	22/50
5,98,000	16,64,283	14,42,974	500	350,366	5.70	373,286	4.99	390,100	1,43,989	12	165	Teloijan	25	25	25	10	22/00	22/00	27/75
8,00,000	11,92,725	6,72,053	540	339,133	6.86	348,111	6.59	..	4,61,762	12	88	Tengpani	17½	30	30	10	35/00	35/00	35/00
19,82,800	33,61,383	16,92,483	2,407	2,816,560*	2.17	2,972,880*	1.92	249,600*	4,76,239	12	236	Tezpore P.	20	20	12½	10	14/75	14/75	15/31
7,50,000	13,02,672	4,34,925	363†	267,677	4.53	..	..	..	1,22,530	12	95	Tongani	Nil	Nil	..	10	7/00	7/00	7/00
5,20,000	35,29,595	27,60,165	1,050	480,745	5.90	590,423	5.14	638,700	1,73,399	12	165	Tyroon	30	10	15	10	33/00	33/00	36/87
												CACHAR							
3,00,000	3,31,837	5,000	348†	93,975	4.42	..	..	..	—4,314	12	..	Arcuttipore	Nil	Nil	..	10	7/00	7/00	7/00
4,00,000	6,54,409	3,37,709	190†	158,348	4.45	..	..	..	25,985	12	35	Baitakhal	5	2½	..	10	6/87	8/06	6/69
11,00,000	20,49,762	9,06,106	596†	380,752	4.90	545,645	4.26	541,552	2,38,932	12	128	Central Cachar	5	5	7½	100	74/50	72/00	73/00
7,00,000	6,64,780	Nil	278†	122,864	4.63	..	..	..	—43,057	12	383	Eastern Cachar	Nil	Nil	..	10	4/28	4/28	3/94
4,50,000	3,35,089	3,30,000	637	214,640	1.95	..	..	..	34,716	12	384	Kallinugger Khoreel	6	6	..	100	87/00	87/00	87/08
12,00,000	18,22,020	13,75,800	2,208	525,805	4.43	723,716	3.84	725,747	2,92,144	12	202	Hattikhira	5	Nil	8	10	9/12	9/12	11/37
3,60,000	4,07,626	55,975	252	82,903	4.65	..	..	..	—1,29,393	12	63	Kunchanpore	Nil	Nil	..	10	6/00	6/00	6/00
5,63,690	5,22,836	57,990	223†	133,364	4.60	166,156	3.81	163,293	49,257	12	202	Loobah	Nil	Nil	Nil	10	4/37	4/37	4/25
7,00,000	22,63,650	15,44,553	2,220	570,970	4.08	477,747	4.48	620,000	2,61,240	12	..	North Western	30	30	20	100	160/00	160/00	205/00
2,59,050	5,47,919	1,238	531	194,142	4.63	271,967	3.85	263,083	1,14,040	12	202	Pathemara	Nil	Nil	Nil	10	7/50	7/50	7/50
2,60,000	8,86,044	4,60,292	638	272,635	4.96	326,670	4.40	319,400	91,920	12	165	Roopacherra	Nil	Nil	10	10	13/62	13/62	13/62
5,25,000	11,99,745	11,88,100	722	237,869	4.95	307,903	3.94	290,000	1,04,322	12	63	Rungamattee	7½	5	5	50	51/00	53/50	50/00
4,00,000	7,06,042	2,94,472	283†	165,158	4.26	..	..	..	69,977	12	..	Sonai River	Nil	Nil	..	10	9/12	9/12	9/12
												DARJEELING							
3,99,750	7,28,177	6,033	563	85,684	6.00	..	..	..	55,959	12	101	Bloomfield	Nil	Nil	..	10	3/12	3/12	3/25
2,79,900	3,73,000	1,55,000	165†	82,007	7.75	82,803	8.66	84,000	1,11,516	12	279	Chamong	Nil	Nil	10	10	9/00	9/00	10/25
3,75,900	3,96,896	2,95,050	400†	281,993	5.69	..	..	..	2,73,543	12	139	Darjeeling Tea & Chin.	Nil	30	..	100	197/00	197/00	195/00
2,00,000	2,34,125	1,98,148	195†	72,236	8.12	..	..	..	73,853	12	200	Dilaram	5	8	..	100	102/50	102/50	102/50
4,00,000	5,44,022	3,06,013	218†	135,248	6.85	135,642	7.33	300,000*	1,39,209	2	74	Gielle	Nil	Nil	8 4/7‡	10	11/37	11/69	11/75
7,00,000	9,20,900	1,75,770	427†	303,781	6.79	290,326	6.62	301,500	1,36,053	12	279	Lingia P.	12½	15	10	10	14/56	14/56	14/56
10,32,000	21,69,194	13,43,500	679†	450,432	5.10	..	..	..	1,40,204	12	95	Longview	14	12½	..	10	11/00	11/00	11/00
4,00,000	4,76,047	4,58,479	816	177,545	7.60	174,261	6.94	181,500	59,454	12	165	Margaret's Hope	10	15	15	10	11/62	11/62	12/25
1,59,000	3,43,396	3,88,059	187†	99,400	8.33	101,900	8.21	100,000	77,616	12	2	Mim	10	22½	20	100	191/50	191/50	191/50
2,99,900	5,84,000	5,89,500	279†	216,838	6.80	220,390	7.14	199,600	2,97,308	12	279	Nagri Farm	20	30	25	10	27/25	29/19	25/44
4,00,000	3,43,236	2,71,500	205†	101,478	9.95	99,223	8.77	1,00,000	1,36,841	12	390	Okayti	32½	25	25	100	600/00	600/00	605/00
3,30,000	4,80,579	2,40,150	331†	201,208	5.62	..	..	..	81,710	12	..	Pashok	10	10	..	10	20/00	20/00	20/00
3,00,000	3,77,190	50,000	478	111,914	6.62	127,797	5.77	120,000	61,927	12	63	Poobong	Nil	Nil	Nil	10	7/19	7/19	7/37
2,05,000	4,94,037	2,10,202	228†	92,188	6.20	111,154	5.62	116,960	81,123	12	361	Pussimbing P.	Nil	Nil	Nil	10	7/12	7/12	7/25
1,40,000	2,95,184	5,53,000	341	106,900	7.00	105,192	8.02	95,000	61,455	12	63	Runglee Rungliot	10	35	20	100	386/00	386/00	386/00
8,00,000	4,26,511	3,65,458	155†	101,790	6.41	..	..	..	1,04,105	12	385	Seeyok	15	15	..	10	8/50	8/50	8/50
6,25,000	7,66,878	10,578	464†	136,071	5.95	133,674	6.55	..	21,845	12	398	Singell	Nil	Nil	Nil	100	36/75	36/75	37/25
9,00,000	10,68,124	15,485	232†	129,079	5.88	..	..	..	1,29,297	12	101	Singtom	5	2	..	10	3/50	3/50	4/50
3,00,000	4,83,600	5,39,140	219†	152,998	7.44	166,630	7.38	159,700	2,72,302	12	279	Soom	30	50	40	10	32/75	35/00	49/87
6,25,000	12,55,512	11,31,507	745	196,711	7.96	195,487	7.32	206,838	1,47,602	12	165	Sungma	10	15	15	10	13/87	15/31	14/62
3,20,000	10,00,491	8,66,517	290†	210,684	8.33	220,000	6.08	480,000*	65,563	2	74	Teesta Valley	Nil	Nil	8 4/7‡	10	11/25	11/25	13/75
5,01,350	..	..	1,666	..	..	..	..	..	..	12	..	Tukvar	..	..	..	10	7/25	7/25	6/00

‡ 1962

TEA COMPANIES—Contd.

O., Po., C. and Dd indicate Ordinary, Preferred Ordinary, Contributory and Deferred Shares respectively. P next to the name of the company indicates that the company also has Preference Shares. Figures in "accounts closed" column indicate the months of the calendar year in which accounts are closed. For Managing Agents refer to the Key (last page) under the numbers indicated.

Paid-up Capital Ordinary	Net Block Accounts	Reserve & other Funds	Acreage under Tea	Outturn and Average Price per Kg./lb. realised for crop 1960		1961		Estimate 1962	Net Profits including taxation	Accounts closed	Mg. Agts. Secretaries, etc.	NAMES	Dividends per cent 1959	1960	1961	Paid-up per Share	Latest Market Quotations as available until 24-7-63	17-7-63	A year ago
Rs.	Rs.	Rs.		Kgs.	Rs.	Kgs.	Rs.	Kgs.	Rs.							Rs.	Rs.	Rs.	Rs.
												DOOARS							
27,00,000	55,60,730	32,07,760	1,023†	1,498,000	5.11	1,551,500	4.51	1,525,000	11,55,236	12	2	Banarhat P.	32½	22½	21	100	233/00	233/00	273/00
12,00,000	23,85,571	21,47,404	436†	721,583	5.20	724,364	4.69	682,400	6,62,191	12	128	Baradighi	25	30	25	10	22/19	22/19	26/06
9,00,000	17,32,113	18,96,100	1,112	558,147	4.94	593,617	4.42	580,604	2,94,647	12	386	Bhatkawa	10	15	15	10	156/50	160/00	160/00
9,00,000	21,64,171	19,54,000	555	543 381	5.32	666,763	4.37	600,000	4,10,050	12	63	Birpara P.	22½	17½	12½	100	145/00	145/00	145/00
9,00,000	11,78,375	9,70,500	243†	305,122	5.01	299,250	4.17	295,000	1,08,467	12	63	Carron	15	20	5	100	210/00	210/00	262/00
6,00,000	11,78,375	9,70,500	365†	5,33,300	5.15	514,200	4.45	530,000	2,23,622	12	2	Choonabhuti P.	30	32½	20	100	184/00	184/00	179/00
9,00,000	21,98,098	14,50,681	365†	171,106	5.00	219,480	4.05	203,200	79,168	12	63	Ellenbarrie	5	5	5	100	136/00	136/00	136/00
3,00,000	5,34,585	5,17,500	197†	134,440	4.20	162,265	3.73	160,000	1,15,877	12	397	Engo	Nil	60	30	100	13/12	13/12	8/44
1,20,000	3,31,260	3,17,245	265	134.440	4.20	162,265	3.73	160,000	1,15,877	12	397	Ethelbari	Nil	5	5	10	13/12	13/12	8/44
4,90,000	8,16,062	70,656	180	218,696	3.96	224,026	..	..	50,788	12	354	Ethelbari	12½	25	20	10	21/50	21/50	25/12
7,50,000	10,03,911	7,97,827	900	523 656	5.03	533,092	4.88	..	3,52,027	12	88	Gairkhata	9.24	12	2	25	19/50	19/50	20/00
14,00,000	27,43,996	19,20,969	418†	1,122,800*	2.11	1,094,000*	1.71	..	—1,19,268	12	387	Gopalpur	12½	15	5	100	109/00	109/00	102/00
36,00,000	49,19,787	40,85,000	1,034†	1,401,804	4.99	1,433,022	4.07	1,390,000	5,19,303	12	63	Hantapara P.	12½	17	181	10	13/62	13/19	31/56
32,00,000	64,79,513	76,71,749	2,314†	2,787,460	5.73	28,49,021	5.54	3,012,569	29,24,415	3	74	Hasimara P.	22½	22½	19 2/7†	10	13/87	13/69	30/37
8,25,000	20,48,832	22,92,078	611†	890,959	4.52	889,068	4.02	..	3,32,189	2	74	Huldibari	5	10	Nil	10	10/69	10/62	13/50
7,00,000	7,79,456	5,13,133	246†	215.100	4.91	190,300	4.48	..	—1,53,219	12	2	Jaybirpara	17½	25	15	10	14/37	14/37	17/12
9,00,000	18,44,954	20,36,500	377†	539,462	5.09	563,337	4.23	520,000	3,87,639	12	63	Killcott	5	10	6	10	59/50	59/50	56/37
2,00,000	10,41,117	5,27,720	246†	244,220	3.96	2,47,991	..	..	—67,780	12	354	Manabarrie	17½	25	15	100	140/00	140/00	169/50
9,60,000	17,91,264	22 58,500	1,129	542,139	5.10	603,619	4.07	490,000	4,66,532	12	63	Nagaisuree	32½	35	20	100	230/00	230/00	296/00
14,00,000	28,28,996	21,33,698	471†	812,200	5.28	784,700	4.31	750,000	4,53,104	12	2	New Dooars P.	10	12½	7½	100	14/00	14/00	14/00
6,40,000	8,40,172	6,77,528	284†	291.297	4.14	307,645	3.89	308,400	1,58,909	12	363	Oodlabari	Nil	Nil	Nil	100	129/00	129/00	127/00
2,50,000	4,03,726	3,11,000	330	112,988	4.90	100,575	4.22	116,100	—78,071	12	63	Phaskowa	Nil	Nil	Nil	10	12/12	12/12	12/25
6,00,000	9,02,274	5,77,334	764	357,499	4.82	363,864	4.36	362,900	67,304	12	165	Rajabhat	10	15	15	10	13/62	13/56	18/50
7,65,000	16,33,948	16,37,050	1,635	457,276	4.96	503,838	4.32	534,100	2,37,892	12	165	Ranicherra	30	25	20	10	24/25	24/00	26/75
14,92,800	34,73,433	28,87,329	713†	854,415	5.21	921,964	4.79	1,008,645	4,75,864	12	128	Rydak	40	40	40	10	36/25	36/25	36/25
3,46,000	9,56,428	9,68,534	278†	300,700	4.79	400,500	4.10	..	3,60,822	12	44	Sarugaon							
												TERAI							
4,50,000	13,66,318	1,61,700	627	2,17,325	4.93	..	..	..	1,50,753	12	101	Atal	10	5	..	10	8/75	8/75	8/15
5,00,000	2,61,415	6,10,382	223	2,40,454	3.83	..	..	..	2,98,178	12	345	Beigachi	20	20	..	10	22/50	22/50	20/00
13,44,000	17,81,100	25,47,000	433†	6,99,341	4.85	794,331	4.07	6,70,000	531,984	12	63	Gungaram	15	20	12½	100	131/00	131/00	158/00
5,00,000	10,87 941	12,09,500	214†	2,61,270	4.84	288,960	4.29	2,54,000	2,10,540	12	63	Hansqua	17½	20	15	10	20/00	20/00	16/94
3,00,000	5,94,258	8,71,307	472	2,53,883	4.72	275,784	4.10	275,784	15.355	2	74	New Chumta	15	15	12 6/7†	10	24/62	24/62	33/50
4,50,000	5,14 996	5,51,400	442†	3,99 412	5.05	..	..	..	3,14,780	12	139	New Terai	15	22½	..	10	23/00	23/00	36/00
5,85,000	7,31,628	10,29,030	407†	4,00,643	5.04	..	..	..	2,69,729	12	139	Pahargoomiah	25	20	..	10	15/00	15/00	31/12
1,00,000	2.27 050	2,24,244	119	94 461	4.39	..	..	..	43.136	12	63	Putinbaree	26	14	..	10	45/00	45/00	45/00
2,20,000	8,34,600	10,76,160	549	9,121*	2.02	..	..	..	2,85,088	12	165	Tirrihannah P.	30	40	..	10	49/00	49/00	49/00
												CHITTAGONG							
1,25.000	83.465	4,22.450	206†	1,19.459	5.03	..	..	..	23.045	12	139	Kodala	Nil	Nil	..	10	9/25	9/25	9/25
2,40.000	1,37 058	2,42.992	397†	1,30 648	5.12	..	..	..	12.742	12	139	Kornafuli	Nil	Nil	..	10	9/31	13/06	13/06
2,00,000	1,51.925	3,95,000	216†	1,24.798	5.02	..	..	..	1,26,040	12	139	Oodaleah	Nil	Nil	..	10	8/00	8/00	8/00
												SYLHET							
3,00.000	11.41.512	8.41 647	617	1,64 340	5.14	276.309	4.48	2.90.300	339,312	12	..	Chundeecherra	Nil	Nil	Nil	10	26/00	26/00	28/50
6.00.000	8,76.636	13.11.051	554	164.602	5.66	2,33.890	4.97	1.94.690	4,42.596	12	63	Dauracherra	15	22½	22½	10	7/56	7/56	8/00
2,46.050	3.50.022	Nil	479	88.302	5.00	1,26,336	4.28	1.34 264	24.933	12	358	Kaliti	Nil	Nil	Nil	10	18/37	18/37	20/81
5,59.930	8.72.647	14.67.800	1.030	9,16.480*	2.40	11.42.720*	1.99	10.40.000	344,758	12	236	New Samanbagh P.	Nil	25	Nil	10	18/37	18/37	20/81
36,00.000	48.80.181	15,27.644	4,128	11.23.657	5.40	19.52.002	5.00	18.51.000	42.44.455	12	63	Patrakola	40	32½	40	100	120/00	120/00	130/00
3.20.000	3.93.671	1.46.290	724	2,65.920*	2.22	..	..	..	—179.428	12	236	Rajnagar	Nil	Nil	..	10	9/56	9/56	9/56
9.00.000	17.77.865	25.89.827	1,182	3.06.754	5.57	4,18.826	5.01	4.07.080	625.281	12	63	Teliapara	17½	22½	32½	100	99/00	99/00	99/00

†Hectares. ‡1962

MISCELLANEOUS COMPANIES

Paid-up Capital Ordinary	Net Block Accounts	Reserve & other Funds Premiums & Forfeited Shares if any	Cash & Securities	Net profits including taxation	Carry forward	Accounts closed	Mg. Agts. Secretaries, etc.	NAMES	Dividends per cent 1960	1961	1962	Paid-up per Share	Latest Market Quotations as available until 24-7-63	17-7-63	A year ago
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.							Rs.	Rs.	Rs.	Rs.
								MININGS							
£2 369.796	..	£218 681	£2,781 590	£12,559	£174,204	12	153	Burma Mines	2 3/5	Nil	Nil	3½S	0/44	0/44	0/44
30,00.000O	37.08.889	32.94.468	34.05.355	15.96.846	13,914	12	312	Chrestien Mica Industries P.	15	12½	..	10O	10/40	10/40	11/25
15,00.000Dd									25	20	..	5Dd	6/87	6/87	8/85
£1.371.300	£1,758.381	£225.873	£755.274	£1.057.163	£72.310	12	68	Indian Copper Corporation	27	27	..	2s	4/90	4/74	4/87
50.00.000	51,72.031	10.43.352	53.971	5.66.976	14.41.622	3	343	Metal Corporation P.	Nil	..	..	10O	8/81	8/81	11/75
20.00.000	46.05.415	67.67.431	55.46.956	13,17,757	38.801	6	21	Orissa Mineral Development	36	28	20	10	27/50	27/50	42/37
								CEMENT, LIME, SLATE, ETC.							
59.90.843	1,64.85.110	12.01.831	18.510	7,17 476	14 996	3	381	Ashoka Cement	7	7	7	10	7/69	7/37	8/12
43.14.600O	41.51.412	21.43.429	29.64.072	1.70.813	6,44,675	3	80	Assam Bengal Cement	..	..	..	10O	3/19	3/19	3/00
70,976Dd												1Dd	0/46	0/46	0/37
55.23.146	98.02.889	19,71.396	66,723	24.46.663	1.703	12	156	Bengal Potteries	15	..	..	2½	5/00	5/00	6/50
40.00.000	73.55.750	28.31.157	3,76.724	23.10.445	50,122	3	21	Bisra Stone Lime	30	30	10	10	35/00	35/00	35/50
1,66,00.000O	1,86,81,933	99,52.704	1,90.71,398	1,16,81,256	..	12	123	Dalmia Cement (Bharat) P.	12	12	12	10O	12/62	12/50	13/50
5,00,000Dd												1Dd	3/00	3/03	2/00
2,50,00,000	5 94,43,463	94,05,545	5,54,170	65,02.100	4,94 598	3	335	Jaipur Udyog P.	6	8	8.36	10	11/50	11/56	13/69
30.00.000	65.85.756	48.53.199	5.16.752	26.19.499	34.654	12	21	Kumardhubi Fireclay & Silica P.	18	18	..	10	18/45	18/45	18/45
2,25,00.000	3.77.58,590	1,36,03,808	30,93,905	98.75.491	..	12	362	Orissa Cement P.	15	15	10	10	14/31	14/00	17/25
6.00.000	20.07.006	21.78.065	17.41 738	4.85 806	30.441	2	223	Reliance Firebricks & Pottery	22	15	10	10	22/75	22/75	22/75
75.00.000	63,53,090	32,76,500	2.04.361	16.83,364	7,167	12	357	Sone Valley Portland Cement	4	6	8	5	4/25	4/50	4/78
9.64,520	19.00.054	10.46.690	6,23.484	10,16,971	23.403	12	3	Sutna Stone & Lime	27½	30	..	10	35/00	35/00	37/00

MISCELLANEOUS COMPANIES—Contd.

O., Po., C. and Dd. indicate Ordinary, Preferred Ordinary, Contributory and Deferred Shares respectively. P. next to the name of the company indicates that the company also has Preference Shares. Figures in "accounts closed" column indicate the months of the calendar year in which accounts are closed. For Managing Agents refer to the Key (last page) under the numbers indicated.

Paid-up Capital Ordinary	Net Block Accounts	Reserve & other Funds Premiums & Forfeited Shares if any	Cash & Securities	Net Profits including taxation	Carry forward	Accounts closed	Mg. Agts. Secretaries, etc.	NAMES	Dividends per cent 1960	1961	1962	Paid-up per Share	Latest Market Quotations as available until 24-7-63	17-7-63	A year ago
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.							Rs.	Rs.	Rs.	Rs.
								CHEMICAL INDUSTRIES							
62.00.000	5,93.45.653	1,96,10.273	4,78.066	71,72,056	1,37.284	9	121	Alkali & Chemical Corpn. of (I)	12	15	15	10	33/87	33/12	42/00
2,45,00.000A															
20,00.000	18.48.048	15,681	6,958	—2,50,346	—8,53,536	12	442	Bathgate & Co. Ltd. P.	Nil	..	..	5	0/84	0/84	0/87
15.00.000O	76,41.344	68.84.605	21,11,440	18,06.053	1,30.717	3	245	Bengal Chemical & Pharm. P.	7	10	..	100	98/00	101/00	103/00
11.08.900A															
22,54.700B															
15,00,000	36.34,102	22,82,883	19,49,050	12,04,892	6,978	6	377	Calcutta Chemical P.	18	18	18	10	17/87	17/87	18/37
4.95.000	99.022	Nil	41.554	72.146	2.560	2	129	Frank Ross P.	..	..	..	6	2/19	2/19	3/25
20,00,000	11,71.084	16,07,251	9,33,133	11,60,256	92,801	6	191	Smith Stanistreet P.	25	25	25	5	12/25	12/25	16/44
								ELECTRIC LIGHTING, POWERS							
19.99.600	1,15,72,761	51.20.883	27,74,218	4,56,810	52.889	3	32	Agra Electric Supply	11	11	11	100	120/00	120/00	124/50
8,00.000	29,33,899	15,51,802	8,09.008	2,00,631	25,623	3	32	Bareilly Electric Supply	11	11	11	10	14/37	14/37	12/25
17.00.000	1,03,03.450	52,26,411	19,58,483	4,34.454	41,730	3	202	Benares Electric Supply	11	11	11	10	12/37	12/37	13/00
5.91.360	15,65.473	807,902	2.70.659	1,36,558	£100,524	3	90	Bhagalpur Electric Supply	8	10	8	5	6/00	6/00	6/08
£4.262,646	£21.040.641	£10.815,240	£173,698	£1,599.019	63.899	3	202	Calcutta Electric Supply	7	7½	7½	£1	14/94	15/00	15/19
6.60.040	22.18.493	7.17.141	32,604	151.465	4,27,783	3	2	Cawnpore Electric Supply	7½	10	10	10	11/87	11/87	12/62
43.20.000	66.87.445	29,73,446	41,87,140	14,42,862				Cuttack Electric Supply	10	10	10	100	88/00	88/00	94/00
								Dishergarh Power Supply P.							
5.34.640	17,29,086	96,513	95.409	65.283	3,590	3	168	Jhansi Electric Supply	..	..	..	10	5/90	5/90	6/00
22.49.550	66,50,848	29,21,749	5,35,563	2,69,909	33,302	3	32	Jubbulpore Electricity Supply	10	10	10	10	11/12	10/00	11/00
4.95.000	6.70.324	2,24,149	1,09,770	46.495	39.015	3	258	Mirzapur Electric Supply	..	..	..	9	12/00	12/00	7/56
5.82.390	24,50,815	6,87,284	3,48,986	2,22,292	22,258	3	202	Muzafferpore Electric Supply	12½	12½	12½	10	11/50	11/50	11/75
6.99.700	13.47.574	1.14.377	2,15,991	83.864	18.988	3	329	Muttra Electric Supply	..	..	..	10	11/12	11/12	10/37
35.07.380	98.50.374	48.67.678	3,95.468	12,96.460	1,27,542	3	202	Patna Electric Supply	10	10	10	10	10/62	10/56	11/44
9.10.000	8,77,208	2,86,692	3,19.022	1,58.667	17.201	3	202	Shahjahanpur Electric P.	6½	6½	6½	10	7/06	7/00	7/50
16.80.000	24.13.949	16.03.685	9,75,497	458.680	3.975	3	21	Sijua (Jherriah) Electric	10	9	9	10	8/25	8/25	9/06
56.00.000	2.03.16.819	80.84.613	25,53.868	11.08.426	92.879	3	32	United Provinces Electric	11	11	11	100	115/50	115/50	127/00
5,00,000	21,74,345	14,00,467	7,69,903	1,92,745	33.674	3	32	Upper Jumna Valley Electric	13½	13½	13½	10	16/00	16/00	15/25
								Arthur Butler (Muzafferpore) P.	..	..	..	10	14/94	14/94	13/00
6.00.000	6.61.485	63 426	1,48 213	8.93 398	—1,52.122	12	300	Bhartia Electric Steel	10	10	12½	10	13/94	14/06	12/50
50.00.000	36,87,587	44,13,221	72,862	34,13,246	5,246	12	31	Braithwaite & Co. (India)	25	25	14	10	31/00	31/00	34/75
1,00.00.000	1,53,20,721	94,55,491	65.84.179	1,06,44,579	2,757	12	289	Bridge & Roof	30	30	30	10	52/25	52/25	52/25
12,00,000	62,65,971	50,43,274	7,42,812	21,52,136	..	12	24	Britannia Building & Iron P.	Nil	Nil	Nil	10	3/50	3/65	3/65
19.88.670	33,58,748	1.09.796	1,86.939	1,80,146	—611,196	12	192	Britannia Engineering P.	10	10	..	10	10/25	9/44	10/78
50.00.000	97.94.575	47.45.365	1.14.934	11.48.142	1,11,267	12	165	Britannia India Electric Cons.	45	20	15	10	33/12	33/12	50/00
25,00,000	20.95,656	18.18.384	24,752	1'4,07,837	..	12	24	Burn P. (Engineering)	45	20	15	10	595/00	585/00	670/00
84.00.000	3,58,68,539	2,99,02,509	74,40,547	1,42,69,633	..	4	32	Burn P. (Engineering)	28½	28½	28½-25*	100	14/26	14/25	16/50
1,00.00.000	57,61,970	17,65,495	8,43,845	38,47,174	65,077	3	437	Calcutta Steel	15	15	15-12½*	10	10/81	10/87	11/44
80.00.000	1,12.20.938	24,00.000	2,06,672	22.94.248	1.09.021	9	434	Dalmia Iron	10	10	10	10	33/56	33/75	38/00
4,00.00.000	6,63,01,978	6,98,32,755	2,11,42,172	1,27,55,590	..	12	227	Guest, Keen, Williams	16	14	14	10	108/00	108/00	110/00
12,50,000	19,72,898	6,45,100	27,549	3,79,960	5,801	12	32	Hooghly Docking	Nil	Nil	12½	50	23/40	23/06	25/84
82,44,08.990	63,85,01,942	27,24,83,378	2,11,93,832	9,18,78,416	24,72,163	8	32	Indian Iron & Steel P.	15	16	16	10	6/00	6/00	6/00
3,85.000O	11.52.812	14,001	1,82.994	—4,15.836	—4,03.294	8	223	Indian Malleable Casting	Nil	..	..	5O	6/00	6/00	6/00
1,54.000Dd												1D	1/75	1/75	2/50
77.97.000	50.88.821	87.57.038	63.89,397	1,71.88,152	24,064	8	32	Indian Standard Wagon P.	28½	28½	28½-20*	10	31/50	31/25	..
96.79,740O	3,27,37,933	2,72.79.486	1,63.11.480	39.84.802	2,31,048	3	122	Indian Steel & Wire Products	23	24	23	10O	40/37	40/37	55/50
12.00.070	7,75,186	3,56,629	2,872	9,92,071	..	12	24	Industrial Containers	Nil	10	10	10	21/37	21/37	22/00
1,51,83,863	2,75,25,083	1,27,78,829	11,63,784	56,79,346	9,036	3	443	Jay Engineering	17 3/20	17 3/20	15	10	21/06	21/06	..
40.00.000	59,72,635	35,85,700	10,46,960	20,45,860	86,647	6	132	J. K. Steel P.	8.58	8.58	8.58	10	14/25	13/62	15/81
2,04,00,000	3,50,50,970	2,30,16,815	78,81,184	1,52,79,678	51,159	10	290	Jessop & Co. P.	10	11½	15	3	24/81	25/00	22/25
27,64.800	61.46.982	53.04.910	97,324	21.99.856	3,088	11	21	Kumardhubi Engineering P.					8/19	8/19	7/06
10,50,000	3,74,383	19,18,004	4,14,975	—8,36,768	—5,63,688	6	170	Marshall Sons (India)	Nil	Nil	Nil	2	2/87	2/56	3/37
49.96.000	61,94,985	13.58,398	3,83.036	2,56,716	—4,42.917	3	192	National Iron and Steel	Nil	Nil	Nil	10	4/81	4/31	5/44
6,00,000	10,13,254	18.86.375	1,40.370	6,90.089	11.859	6	25	Saran Engineering	8½	10	12½	4	8/50	8/50	10/00
14.00.070	8,16,570	12,38,002	2,56.891	20,72.177	..	12	24	Steel Containers	30	20	20	10	29/50	29/50	22/00
1,50,00,000	2,73,21,766	61,37,433	13,28.341	52,01,525	62,642	12	22	Textile Machinery	10	10	..	10	23/50	22/70	23/00
								SUGAR, BREWERIES, ETC.							
14.00.000	17,29.860	10,85,148	39,573	1,10,785	15,763	6	371	Balrampur Sugar	8	8	4	2½	2/00	2/00	2/50
29,23,537	25,58,707	11,43,842	10,86,872	5,09,358	7,767	9	234	Belsund Sugar	18½	10	6 2/3	7½	8/25	7/81	10/06
32.00.000	6,64,327	13,51,513	18,14,343	1,94,561	2,330	6	316	Bharat Sugar P.	..	..	..	10	13/00	13/00	13/00
32.00.000	45,72,835	43,34,048	27,81,820	33,71,567	3,71,540	3	69	Carew (Sugar) P.	Nil	Nil	Nil	10	10/75	12/50	13/12
30,00,000	90,08,963	59,84,997	6,94,684	—21,74,424	—25,45,362	10	28	Cawnpore Sugar P.	Nil	Nil	Nil	10	10/75	9/12	12/50
18.00.000	27,85,833	46,06,937	9.09.574	—978,687	—9,07,232	6	295	Champaran Sugar P.	15	12	Nil	10	15/87	15/87	17/94
38,01,380	25,88,250	31,90,540	1,79,345	4,77,197	1,97,076	6	295	Durbhanga	4	Nil	5	10	8/65	8/06	9/12
27,56,355	1,31,99,222	1,76,30,095	24,30,790	1,00,50,837	12,604	3	116	Dyer Meakin. (Breweries)	25	30	..	5	26/00	26/00	56/00
11.00.000	6,45,722	3,75,000	10,90,564	95.437	62,205	6	140	New Savan Sugar and Gur	..	..	..	10	3/62	3/62	5/25
9.00.000	19.47.931	23.02.870	2.05.743	2,86.458	4.006	10	400	Purtabpur Sugar P.	..	..	..	10	11/50	11/50	11/50
16.59.820	41.29.938	57,22,889	2,532	8.47.183	79.042	8	1	Ramnugger Cane & Sugar P.	30	35	30	10	26/37	26/37	27/75
65.00.000	51,91,073	36,97,845	15,35,449	19.41.864	10,384	10	52	Raza Buland	12½	10	10	10	9/56	9/00	9/06
6.00.000	4,07.238	1,72,778	3,77,846	6,24.492	13.204	6	25	Ryam Sugar P.	..	..	..	10	5/20	5/20	8/06
11.99.000	22,10,161	18,54,067	2,09,163	—2,24,407	—2,20,853	6	..	Samastipur Central Sugar	..	..	..	10	6/00	9/62	9/62
39,99,000	67,63,903	25,93,624	21,94,759	16,75,658	34,778	8	235	Shree Krishna Gyanoday Sugar P.	15	..	..	10	7/75	7/19	9/00
7,94,500	13,54,258	11,65,175	11,16,368	1,90,057	7,991	6	140	Shree Sitaram Sugar	..	..	..	10	7/12	7/12	7/12
9,99,950	17,83,543	67,398	2,82,356	—6,97,343	—6,89,998	6	94	Sitalpore Sugar	4	Nil	Nil	10	6/12	6/12	6/62
16,00,000	42,22,843	19,40,304	2,03,163	—11,15,414	—9,17,147	9	341	United Provinces	15	5	Nil	10	9/62	9/25	14/72
8,00,000	90,57,769	67,09,675	9,18,326	37,10,125	25,765	6	316	Upper Ganges Sugar P.	72½	72½	72½	5O	68/00	68/00	77/00

*1963

MISCELLANEOUS COMPANIES—Contd.

O., Po., C. and Dd indicate Ordinary Preferred Ordinary Contributory and Deferred Shares respectively P next to the name of the company indicates that the mpany also has Preference Shares Figures in "accounts closed" column indicate the months of the calendar year in which accounts are closed. For Managing Agents refer the Key (last page) under the numbers indicated.

Paid-up Capital Ordinary Rs.	Net Block Accounts Rs.	Reserve & other Funds Premiums & Forfeited Shares if any Rs.	Cash & Securities Rs.	Net Profits including taxation Rs.	Carry forward Rs.	Accounts Closed	Mg. Agts. Secretaries etc.	NAMES	Dividends per cent 1960	1961	1962	Paid-up per Share Rs.	Latest Market Quotations as available until 24-7-63 Rs.	17-7-63 Rs.	A year ago Rs.
								MISCELLANEOUS							
8,00,000	3,65,800	2,09,907	5,89,590	1,44,140	2,623	10	85	A Firpo (Restaurateur)	7½	10½	5	10	5/90	5/90	5/90
93,75,000	4,66,28,334	219 40 381	9,97,266	21,39,820	1,20,991	3	132	Aluminium Corporation P.	12	12	12	10	11/50	11/50	11/50
20,00,000	42,19,616	16,50,000	52,45,373	9,56,934	60,514	12	382	Anderson Wright P.	11½	..	..	10	21/87	21/87	21/31
30,00,000	13,34,003	43,57,426	25,11,996	21,50,119	2,34,634	8	268	Angelo Bros.	25	28½	28	10	28/75	28/75	28/87
30,00,000	20,74,660	33,58,937	16,15,347	24,27,878	12,842	12	204	Assam Match	18	20	..	3	2/87	2/87	2/62
13,99,998	20,17,690	19,73,119	31,224	2,57,148	10,925	9	343	Assam Saw Mills & Timber	Nil	Nil	15	10	24/62	23/56	29/50
1,18,00,000	53,91,481	93,43,093	59,95,725	50,77,803	7,18,123	8	391	Associated Battery	25	15	10	10	10/31	10/31	10/31
20,00,000	43,09,876	44,17,208	43,55,171	7,61,605	1,22,491	3	204	Associated Hotels of India P.	Nil	19					
80,01,400	46,97,674	1,20,07,997	93,50,429	51,62,806	..	12	396	Balmer Lawrie & Co.	25	25	25	100	253/00	239/00	257/00
12,00,000	5,51,855	12,52,902	6,77,227	10,64,446	..	3	128	Bararee Coke	Nil	Nil	15-15*	10	21/06	20/87	23/81
44,00,000	.	9,27,823	68,58,981	2,87,091	50,926	9	160	Birds Investments P.	9½	10	10	10	10/69	10/69	12/50
68,95,530	1,16,23,032	83,79,866	8,27,110	86,51,567	6,999	3	50	Britannia Biscuit P.	25	30	25-21*	10	42/50	42/50	44/00
3,25,00,000	71,55,454	2,19,19,061	1,50,51,719	1,34,25,907	2,53,254	12	33	British India Corporation P.	4	7	9	5	7/87	8/00	9/12
50,00,000	21,88,677	40,58,031	9,91,498	24,64,559	27,856	12	392	British Paints	12½	15	10	10	21/50	21/50	22/25
5,00,000	6,83,781	1,65,739	1 54 429	2,63,717	5,201	3	213	Calcuta Silk Manufacturing P.	Nil	Nil	..	10	6/94	6/94	7/15
1,38,80,000	..	14,77,426	1,78,29,586	15,08,523	2,46,740	12	2	Clive Row Investment	8	7½	7½	10	8/62	8/25	7/75
90,00,000	24,68,979	1,27,43,000	1,98,66,116	35,58,709	2,42,095	12	169	Duncan Brothers & Co P	14	14	14	100	147/00	147/00	158/00
4,50,00,000	6,09,38,229	5,05,74,162	11,32,452	3,30,38,275	25,88,011	12	96	Dunlop Rubber Co (India) P.	21½	20	15	10	33/12	32/62	39/50
76,89,000	..	63,98,196	1,76,05,602	1,11,25,276	1,32,549	12	21	Eastern Investments P.	14	14	12	100	117/00	117/00	127/50
60,93,490	64,20,000	20,22,000	1,61,547	19,35,092	12,311	10	388	Electric Construction	10	10	10	10	12/44	12/50	14/19
30,00,000	28,94,555	27,23,508	19,90,832	15,65,118	2,10,371	3	51	French Motor Car	20	20	..	20	35/12	35/12	34/50
14,00,000	20,83,841	18,85,308	38,577	11,59,599	17,856	12	19	Ganges Rope	5	5	5-5†	75	43/00	43/00	43/00
2,25,000	..	76,065	5,16,267	51,428	4,826	2	21	General Investment & Trust P.	10	11	11	10	14/06	13/50	14/37
65,00,000	32,50,865	50,30,906	1,51 99,383	28,70,850	8 524	12	209	Gillanders Arbuthnot & Co P.	9 2/5	..	..	10	..	..	..
40,00,000	17,89,681	7,21 344	36,90,302	5,43,666	1,68,102	3	105	Gladstone Lyall & Co P	40	40	30	10	28/12	28/12	35/44
40,00,000	34,79,636	31,88,500	1,29,460	46,28,030	38,310	12	310	Godfrey Phillips (India) P.	9	6	..	250	225/00	225/00	241/00
30,00,000	43,74,366	17,66,560	1,66,432	1,09,512	794	3	225	Great Eastern Hotel							
4,68,75,000	3,08 48 439	..	2,33,36 909	2,11 555	2,11,555	12	438	Hindustan Aluminium P.	Nil	..	..	10	13/50	12/87	16/50
7,91,91,750	5,13,91,659	1,97,01 491	4,19,55,625	3,13,19,271	1,26 139	3	22	Hindustan Motors P	9	12	12½	10	16/66	16/56	19/94
80,00,000	66,37,267	16,00,000	39,09,797	28,38,718	1,31,125	10	..	Hindusthan Pilkington	..	..	..	10	16/25	14/94	20/44
39,64,650	46,43,081	Nil	2,27,855	—15,184	1,66,274	3	211	Hindusthan Twyfords P.	Nil	Nil	Nil	10	14/62	14/25	15/31
35,20,000	23,35,537	16,00,000	24,48,098	3,91,968	36,500	12	294	Hoare Miller & Co.	6	6	..	10	5/44	5/44	6/56
15,16,00,000	8,38,68,674	9,87,38,292	2,17,80,428	3,21 94 827	24,56,089	3	325	Imperial Tobacco	8	9	9	10	10/62	10/50	11/19
4,00,23,880	13,64,77,942	4,53,66,220	60,96,109	2,40,34,073	56,98,466	12	293	Indian Aluminium P.	15	15	17½	10	33/37	33/50	37/44
2,35,77,700	1,61,90,633	2,47,87,168	99,57 176	1,37,75,998	50,15,117	3	34	Indian Cable P.	22½	22½	22½	10	33/00	31/75	36/00
3,64,00,000	5,56,27,815	1,22,35,821	44,62,878	1,35,49,869	17,61,389	9	366	Indian Oxygen	15	15	12	10	27/50	27/75	44/50
8,27,970	8,82,919	12,42,783	10,99,551	12,01,372	53,791	3	223	Indian Rubber Manufacturers P.	20	30	38	10	19/87	19/87	20/37
20,00,000	2,57,217	27,98,665	29,32,360	21,71,601	3,26,125	9	88	Indian Wood Products	30	30	30	10	29/00	29/00	32/25
74,89,150	72,05,408	..	2 48 602	—8 28 789	—14 68 4'	12	63	Isaac Holdens	..	Nil	..	10	14/50	13/94	16/3
5,00,000	..	3,15,956	11,39,628	1,17,622	12,910	2	21	Investments and Finance P.	7½	7½	7½-7½†	100	65/00	55/00	55/0
72,62,500	23,44,049	64,37,500	3,02,73,819	6,00,318	44,050	6	439	J K Synthetics	..	3	..	10	10/81	10/62	14/12
5,87,500C	2,28,843	Nil	5,88,284	—1,19,242	—1,18,804	12	281	James Wright P.	..	..	..	5O	2/75	2/75	2/75
1,17,500D								Jardine Henderson P.	..	..	..	1Dd	00/43	00/43	00/43
2,00,00,000	59,52,034	74,40,360	5,22,38,926	16,43,783	4,49,956	3	39	Jay Shree Industries P.	7	7	6	100	84/50	85/00	80/00
37,46,830	1,62,75,030	73,74,126	6,46,513	37,33 223	18,455	12	22	Kesoram Industries P.	14	12½	..	10	16/37	15/94	17/00
1,99,81,750	8,81,41,369	3,32,78,328	49,57,935	1,00,74,268	43,454	3	22	Macfarlane & Co.*	5	12	12½	10	22/00	21/69	27/62
5,34,000O	3,17,363	6,02,958	3,21,617	—14,078	—4,849	3	133	Macneill & Barry P.	..	..	..	50	7/00	7/00	7/31
66,000Dd								Martin Burn Ltd. P.	..	..	..	1Dd	2/19	2/31	2/30
1,50,00,000	1,07,01,720	99,61,347	2,91,71,046	33,69,977	43,205	12	334	McLeod & Co P.	8	8	7½	100	93/50	93/50	93/50
1,47,12,250	70,44,126	1,22,48,546	2,05,42,132	78,17,248	2,44,687	9	309	Metal Box Co of India P.	27½	27½	25	10	26/62	26/25	29/25
40,00 000O	18,23 673	80,84 814	2,67 07,892	14,08 964	2,00 538	12	282	National Insulated Cable P.	15	15	..	100	210/00	210/00	180/00
5,00,000D								National Pipes & Tubes P.	10	10	..	10Dd	..	..	..
1,61,00,000	2,76,53,533	2,38,95,151	41,04,252	1,23,59,734	38,785	3	167	National Rolling & Steel Ropes	25	25	19	10	49/87	49/87	64/75
90,00,000	78,16,868	16 89 17 95	3,89,821	68,52,668	1,73,335	3	7	National Rubber P.	25	25	25	10	23/50	23/37	29/25
30,00,000	22,68,464	34,26,465	18,44,015	22,10,080	52,804	9	7	National Tobacco P.	20	20	20	10	25/62	25/25	30/50
40,00,000	37,29,364	39,77,435	31,24,718	20,63,112	35,985	6	7	New India Investment Corpn.	13	15	15	10	19/44	19/44	21/00
80,00,000	69,05,819	16,52,447	4,31,939	11,41,474	75,633	12	375		Nil	6½	8	10	11/19	11/19	12/19
79,97,000	77,87,804	1,29,48,132	28,35,366	17,51,943	3,61,143	12	79		16	7	7	10	10/75	10/75	12/44
23,31,600	1,014	13,02,891	9,90,509	6,26,950	40,378	12	35		6.7	..	..	75	65/00	65/00	70/00

MISCELLANEOUS COMPANIES—Contd.

O., Po and Dd. indicate Ordinary. Preferred Ordinary and Deferred Shares respectively. P. next to the name of the company indicates that the company also has Preference Shares. Figures in "accounts closed" column indicate the months of the calendar year in which accounts are closed. For Managing Agents refer to the Key (last page) under the numbers indicated.

Paid-up Capital Ordinary Rs.	Net Block Accounts Rs.	Reserve & other Funds Premiums & Forfeited Shares if any Rs.	Cash & Securities Rs.	Net Profits including taxation Rs.	Carry forward Rs.	Accounts Closed	Mg. Agts. Secretaries etc.	NAMES	Dividends per cent 1960	1961	1962	Paid-up per Share Rs.	Latest Market Quotations as available until 24-7-63 Rs.	17-7-63 Rs.	A year ago Rs.
								MISCELLANEOUS (Contd.)							
60,00,000	6,74,367	66,56 843	85,18 613	12,27,365	2,77,718	12	321	Octavius Steel P.	10	..	..	100	..	..	..
2,20,00,000	1,99,24,542	89,30,483	25,74,107	1,20,21,148	1,39,632	12	364	Philips India	12	12	13	10	27/75	27/50	29/50
2,86,200	31,000	5,62,800	2,80,533	4,74,296	82,858	3	145	Publicity Society	10	75	75	4	22/62	22/62	27/00
3,25,00,000	86,77,634	14,24,127	1,33,25,576	44,48,355	3,23,563	8	332	Rallis India P.	4	8½	8½	100	121/00	115/00	142/00
5,00,00,000	8,03,38,621	2,57,80,000	1,14,05,040	49,28,459	5,08,029	8	335	Rontas Industries P.	20	10	8	10	11/31	11/31	15/25
94,27,380	5,55,68,835	Nil	14,04 497	3,60,253	37,513	9	22	Sirsilk P	Nil	..	..	10	9/31	9/12	9/87
70,00,000	2,31,09,587	58,67,480	20,33,664	23,36,729	13,552	9	376	Sen Raleigh Industries P.	8	8	8	10	14/25	14/25	18/37
75,00,000	1,02,89,547	55,43,000	1,78,35,987	41,86,452	5,57,492	12	278	Shaw Wallace P.	15	15	7½	10	17/00	15/56	20/12
3,00,000	3,33,174	23,169	90,501	17,483	1,739	12	111	Spencers Hotel	2½	2½	..	2	0/94	0/94	0/94
2,80,00,000	5,74,94,906	3,16,49,275	38,74,069	1,86,24,531	4,44,246	12	301	Union Carbide	18	18	12½	10	40/25	40/00	46/50
2,10,200PO	5,18,268	24,12,476	10,86,208	13,99,207	3,87,027	12	195	Walford Transport	30	30	..	1PO	2/31	2/31	2/69
8,40,800O									20	20	..	1O	3/81	3/75	3/25
								INSURANCE COMPANIES							
13,50,000	6,89,803	61,56,126	1,56,73,630	5,94,228	32,703	12	174	Concord of India	20	20	20	5	10/37	10/31	18/00
24,00,000	1,43,152	95,20,456	1,36,84,067	17,38,669	20,229	12	248	Hercules	22½	26½	26½	10	24/19	24/19	25/17
32,00,000	7,51,382	1,15,82,907	2,08,14,578	12,75,071	4,95,149	12	88	Ruby General	10	13½	..	8	10/44	10/44	10/00
8,00,000		21 62,072	27,92,606	51,893	12,241	12	..	Standard General	..	..	..	10	6/00	6/00	8/00
5,75,000	25,990	73,52,563	99,05,303	7,07,189	1,95,530	12	39	Triton	45	50	..	25	124/00	124/00	127/50
								FLOUR MILLS							
12,00,000	4,11,000	29,55,620	6,63,425	10,87,621	1,80,000	12	24	Bengal	40	25	25	10	29/00	29/00	31/50
5,60,000	6,51,040	2,47,038	2,17,808	1,05,473	1,26,880	10	97	Delhi P.	..	..	..	10	14/00	14/00	14/00
48,90,137	47,18,433	77,72,310	56,85 368	53,61,767	4,07,338	9	175	Ganesh P.	..	..	..	10	13/50	15/75	17/00
9,00,000	4,53,646	4,52,302	8,883	2,19,375	32,614	12	236	Hooghly	15	Nil	Nil	10	19/75	19/75	19/75
5,00,000	2,77,355	6,61,791	25,812	2,25,689	6,571	11	236	United	35	10	7½	10	27/81	27/81	30/00
								OIL COMPANIES							
£2,900,001	£2,383,591	£1,700,442	£507,506	£1,073,511	£100,742	12	249	Attock Oil	13½	13½	..	£1	sh. 39/4½	sh.36/10½	sh. 2'/9
£82,419,080	£35,843,366	£12,750,000	£13,148,421	£18,446,063	£582,661	12	52	Burmah Oil P.	9 2/5	..	..	£1	sh. 66/-	sh.64/10½	sh. 38/9
1,00,00,000	69,29,364	1,75,25,203	2,84,68,306	54,63,502	1,19,330	12	249	Indo Burmah Petroleum P.	30	25	22½	10	21/75	21/75	26/62
6,00,000	3,20,016	9,89,137	4,92,803	4,47,005	12,113	10	2	Tide Water Oil	30	35	35	10	25/25	25/25	25/50
								PAPER MILLS							
58,50,000	1,09,71,994	63,55,637	10,43,959	47,17,412	50,816	12	436	Bengal P.	32	27½	20	10	28/00	27/87	33/12
88,20,000	1,18,96,097	84,80,934	10,29,515	23,47,414	46,493	3	2	India Paper Pulp	15	13	12	10	17/37	16/87	20/56
1,57,83,688	6,50,00,000	3,92,78,014	59,38,470	1,41,20,011	2,25,579	8	22	Orient Paper P	22½	22½	22½	10	36/20	36/15	40/30
1,25,51,920	3,84,89,769	1,77,04,218	90,74,618	1,15,62,333	73,294	12	140	Shree Gopal Paper P.	17 6/7	17 6/7	17 6/7	10	23/81	23/37	25/12
2,18,55,240	4,62,89,369	72,10,000	6,79,140	33,33,899	99,729	6	22	Sirpur P	6½	8½	..	10	12/44	12/37	14/12
1,00,00,000									Nil	Nil	Nil	10	9/00	8/50	10/00
10,00,000A	4,41,41,480	8,52,298	5,66,797	—1,17,823	56,480	9	36	Star Paper P.							
4,37,500PO									10	13	13	2½PO	3/78	3/47	4/00
66,00,000AO	4,96,82,144	3,30,31,629	21,85,452	—11,38,443	58,939	6	106	Titaghur P.	25	20	10	10AO	16/06	15/62	39/12
66,04,800BO									25	20	10	10BO	16/06	15/62	39/12
1,50,00,000O	4,95,97,051	85,00,000	1,73,752	68,44,196	17,196	6	373	West Coast P.	6	7½	..	100	125/00	125/00	176/0
								PRESSING COMPANY							
4,30,000	1,81,531	1,45,000	5,34,786	65,294	24,928	7	326	Camperdown	11	11	..	100	104/00	104/00	100/00
								REAL PROPERTY STORAGE							
10,00,000A												A500	1,050/00	1,050/00	610/00
1,25,000B												B62½	135/00	135/00	77/25
2,00,000C	14,75,599	7,71,511	6,55,848	1,14,879	3,609	4-10	73	Bengal Bonded Warehouse	11	8	8	C100	122/00	122/00	122/00
25,000D												D12½	14/15	14/15	14/75
7,42,150	11,68,346	4,23,135	33,823	81,259	3,142	3	6	Calcutta Safe Deposit	..	..	..	100	7/87	7/87	7/25
1,00,00,780O	19,85,068	9,01,590	13,43,273	3,81,779	1,33,593	9	432	Humayan Properties P.	6	..	..	10O	11/00	11/00	11/00
2,00,000Dd									Nil	..	..	1Dd	2/15	2/15	2/15
7,99,00,000	13,373	Nil	13,17,910	—85,757	—21,89,035	4	2	Midnapore Zemindary P.	Nil	Nil	Nil	85	10/00	10/90	9/50
								TRAMWAYS & STEAMER							
20,00 000	29,74,805	27,13,587	10,28,887	3,59 472	11,765	10	2	Bengal Assam Steamship P.	7½	7½	..	100	131/00	131/00	110/00
6,25,000	5,18,823	7,61,818	11,59,093	5,18,780	5,967	10	69	Calcutta Landing & Shipping	3½	7½	22	10	34/00	34/00	24/50
12,60,000	23,78,412	13,83,110	42,995	28,490	—42,629	6	393	Calcutta Steam Navigation	10	Nil	Nil	10	8/25	8/25	12/00
£700,000	£2,937,715	£1,560,682	£315,682	£105,509	£1,407	12	93	Calcutta Tramways P.	..	..	..	£10	11/37	11/00	63/50
6,04,880	6,97,987	6,58,706	33,440	1,35,098	—657	3	139	Fraser	Nil	..	..	10	10/00	10/00	6/91
£655,880	£1,970,808	£432,856	£419 913	—£80,988	—£84,854	8	631	India General Nav. & Railway P.	Nil	..	..	10	53/50	39/00	9/44
2,47,50,000	16,80,59,821	1,57,51,780	1,36,10,394	—41,42,006	—41,42,006	3	291	India Steamship P.	10	Nil	Nil	10	6/00	6/12	10/00
14,08,220	13,34,804	74,870	7,951	—62,391	—4,09,480	12	..	Port Shipping	Nil	Nil	..	10	13/06	12/87	11/94

BOMBAY COTTON MILLS

O., Po., C. and Dd indicate Ordinary. Preferred Ordinary. Contributory and Deferred Shares respectively. 'P' next to the name of the company indicate that the company also has Preferred Shares. Figures in "accounts closed" column indicate the months of the calendar year in which accounts are closed. For Managing Agents refer to the Key (last page) under the numbers indicated.

Paid-up Capital Ordinary	Number of		Net Block Account	Reserve & other Funds	Cash & Securities	Net Profits including taxation	Carry forward	Accounts closed	Mg. Agts. Secretaries etc.	NAMES	Dividends per cent 1960	1961	1962	Paid-up per Share	Latest Market Quotations as available until 23-7-63	16-7-63	A year ago
Rs.	Spindles	Looms	Rs.	Rs.	Rs.	Rs.	Rs.							Rs.	Rs.	Rs.	Rs.
40,00,000	48,652	1,016	1,28,56,156	46,70,828	20,69,878	10,39,744	26,620	..	269	Ahmedabad Advance P.	16	,,	,,	100	130/00	130/00	170/50
50,00,000	48,254	896	20,17,010	9,99,960	10,78,394	1,49,501	2,24,486	12	229	Apollo	..	,,	,,	100	71/00	70/00	59/00
40,00,000	41,135	980	43,32,511	11,42,781	4,76,501	1,42,728	..	3	350	Beharilal Ramcharan	Nil	,,	,,	25	61/80	59/50	66/90
2,50,98,000	2,03,942	4,911	6,03,86,319	3,79,10,818	45,17,329	72,20,563	69,669	12	199	Bombay Dyeing, etc.	14	14	,,	50	140/00	150/00	185/00
10,00,000	35,052	648	32,07,773	34,59,612	5,45,173	10,89,180	1,37,996	3	262	Bradbury P.	10	25	,,	100	540/00	530/00	609/00
1,27,75,700	1,18,296	2,760	4,98,32,541	3,26,61,468	25,80,078	80,66,350	9,53,042	12	22	Century	Nil	Nil	,,	100	113/00	109/00	138/00
46,87,500	1,15,188	2,062	3,08,53,158	10,75,722	32,81,429	20,50,911	—69,69,939	6	269	Central India P.	..	..	,,	100	142/50	142/50	169/00
26,00,000	24,916	719	37,34,829	32,52,434	1,01,653	1,46,029	1,28,751	6	68	Coorla	30	30	,,	50	140/00	135/00	159/00
28,00,000	43,512	..	33,97,504	29,03,230	5,19,246	23,98,267	2,06,873	12	262	Dawn	9	..	,,	200	290/00	300/00	349/00
34,00,000	49,164	920	30,75,487	37,59,286	14,81,779	18,79,601	—2,29,973	12	260	Edward Textiles	18	22	,,	50	102/00	103/00	107/00
29,98,050	47,700	886	1,30,16,691	50,97,407	2,85,110	31,72,674	1,36,630	12	59	Elphinstone P.	,,	,,	,,	100	325/00	320/00	300/00
50,00,000	63,212	784	85,32,658	71,62,852	16,838	4,09,432	37,155	12	241	Finlay	,,	,,	,,	100	167/00	170/00	186/00
39,04,700	77,966	..	19,75,309	43,25,176	23,64,706	12,85,523	85,195	12	56	Gokak	,,	,,	,,	250	855/00	855/00	,,
12,00,000	40,856	1,116	64,14,595	68,13,239	10,75,932	4,27,954	5,195	3	305	Hindoostan	,,	,,	,,	10	23/00	22/84	3/48
2,00,00,000 / 60,00,00,000	2,48,870	6,498	4,41,45,022	3,84,70,022	31,82,629	1,32,22,197	5,89,816	12	15	India United	,,	,,	,,	1Dd	2/52	2/66	22/60
9,00,000	47,824	1,202	75,60,490	61,57,161	4,26,274	,,	,,	3	305	Indian	,,	,,	,,	250	761/25	761/25	..
50,00,000	50,074	1,426	43,26,958	23,00,000	27,35,146	24,86,863	26,590	12	103	Indore Malwa United	8½	10	,,	100	190/00	192/00	175/00
59,85,000	65,260	1,514	1,07,21,545	82,79,165	25,00,707	76,87,297	38,751	6	149	Khatau Makanji P.	32	,,	,,	100	223/75	218/50	455/00
1,00,00,000	1,20,504	1,840	1,38,52,384	1,07,07,211	9,13,088	38,39,253	1,555	12	146	Kohinoor	15	18	..	100	318/00	310/00	299/50
89,60,000	49,880	1,369	1,26,36,356	62,49,272	7,11,717	—21,14,041	—10,60,896	12	83	Lakshmi Vishnu P.	5.7	6	Nil	100	90/00	91/00	133/50
51,75,000	71,652	1,620	1,31,30,107	72,11,813	63,197	50,67,194	1,09,099	6	104	Morarjee Goculdas P.	21½	24	24	100	388/00	385/00	390/00
39,58,250	50,480	500	55,13,433	39,56,794	22,08,037	2,05,250	Nil	2	261	Mysore Spg. & Mfg. P.	14	14	,,	50	49/50	45/50	51/00
24,00,000	45,944	432	23,52,760	7,45,700	10,79,000	15,67,753	8,456	12	..	New City of Bombay	,,	,,	,,	100	160/00	130/00	181/00
30,00,000	46,884	1,029	22,27,098	25,72,444	27,32,568	12,48,697	153	12	..	New Great Eastern P.	,,	,,	,,	100	230/00	230/00	278/00
48,00,000	54,244	728	53,94,222	35,02,899	1,54,21,523	21,027	27,380	12	119	Phoenix	...	,,	,,	100	215/00	210/00	242/00
10,00,000	9,520	277	13,17,604	2,78,222	9,963	3,22,456	—1,07,771	12	257	Sassoon & Alliance	Nil	,,	,,	10	11/76	11/76	14/88
75,40,000	96,488	2,127	1,86,66,252	1,46,91,699	9,65,923	52,69,671	30,196	12	339	Sassoon Spinning	17	20	,,	10	46/50	42/00	58/00
50,40,000	49,840	1,258	1,26,34,913	22,64,619	1,37,279	—1,24,423	—5,86,457	3	379	Simplex	15	Nil	,,	50	121/00	123/00	163/50
90,00,000	77,436	1,640	1,44,03,087	87,99,257	95,30,537	61,50,016	1,06,435	12	327	Shree Niwas P.	18	20	,,	100	240/00	239/00	258/00
1,00,00,000	65,040	2,000	1,68,10,102	1,05,78,408	19,38,911	24,20,000	24,523	12	269	Svadeshi P.	17	,,	,,	100	240/00	243/00	264/50
36,00,000	40,328	649	56,94,838	71,73,330	7,774	8,20,551	26,062	12	341	Swan	..	,,	,,	100	282/50	285/00	285/00
65,57,875	63,248	1,800	1,81,82,529	61,75,268	10,05,865	31,74,545	26,322	12	269	Tata	20	,,	,,	25	56/50	59/00	62/50
12,00,000	45,508	1,308	62,07,441	12,11,933	31,81,227	52,10,985	8,027	3	205	Western India	,,	,,	,,	250	785/00	785/00	802/50

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BOMBAY MISCELLANEOUS COMPANIES

Paid-up Capital Ordinary	Net Block Accounts	Reserve & other Funds Premiums & Forfeited Shares if any	Cash & Securities	Net Profits including Taxation	Carry Forward	Accounts closed	Mg. Agents Secretaries etc.	NAMES	Dividends per cent 1960	1961	1962	Paid-up per Share	Latest Market Quotations as available until 23-7-63	16-7-63	A year ago
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.							Rs.	Rs.	Rs.	Rs.
								CEMENT							
19,36,49,908	26,78,49,366	10,52,33,092	4,94,54,294	7,57,20,456	65,991	7	53	Associated Cement	12½	12	12	100	147/00	143/50	153/50
								ELECTRIC LTG. POWER							
8,74,77,100	11,61,05,785	1,36,05,785	30,82,878	78,42,905	638			Ahmedabad Electricity	7	6	,,	100	97/80	98/00	89/80
3,02,77,000	9,34,77,781	1,23,89,917	32,52,570	52,28,395	36,154	3	146	Andhra Valley Power P.	5½	5	5	1000	1,070/00	1,070/00	1,030/00
1,74,99,700	2,14,85,122	39,32,485	5,79,834	19,21,739	45	3	267	Bombay Subarban Elec.	..	..	,,	100	105/50	106/00	104/00
2,39,99,975	7,17,76,350	1,39,56,841	51,65,971	60,68,808	27,536	3	146	Tata Hydro Elec. Power P.	5½	5	5	100	109/00	110/00	112/50
5,15,36,000	17,59,03,832	3,61,11,341	57,28,753	1,22,80,113	29,988	3	267	Tata Power P.	5½	5	5	1000	1,131/25	1,112/50	1,120/00
								ENGINEERING & METAL							
33,42,200	17,06,292	44,16,374	1,54,08,311	5,79,666	1,35,820	12	268	Alcock Ashdown	,,	,,	,,	100	294/00	293/00	317/00
6,00,000	2,88,390	4,73,722	16,18,228	1,48,734	2,147	3	115	Jost's Engineering	8	10	10	50	60/00	60/00	96/50
1,10,00,000	1,16,50,921	43,23,121	75,17,436	40,26,365	1,50,895	3	351	Larsen & Toubro P.	12½	18	14	10	23/20	22/24	27/75
11,00,000	1,03,70,225	3,45,914	..	..	1,016	7	283	Mckenzies	,,	,,	,,	100	136/50	137/00	155/00
2,50,000O / 1,31,250F	5,834	1,00,53,052	1,79,52,042	3,35,178	59,102	12	284	Premier Construction P.	,,	,,	,,	300 / 33F	155/00 ..	139/50 ..	152/00 ..
7,99,97,300	16,18,43,951	3,03,75,403	18,14,244	3,78,39,743	3,61,752	3	269	Tata Eng. & Locomotive P.	12½	14½	14½	100	270/50	264/00	328/50
27,55,65,204	1,09,05,81,817	29,28,64,147	9,76,72,406	6,08,86,595	34,084	3	269	Tata Iron & Steel P.	9.1	10.36	10.36	750	146/00	142/75	147/00
								INSURANCE COMPANIES							
20,00,000	,,	23,84,913	95,96,033	4,24,629	1,18,606	12	297	British India General	,,	,,	,,	10	12/00	11/52	12/52
18,74,940	25,01,134	2,88,61,155	2,61,49,442	38,951	4,65,316	12	65	Jupiter General P.	,,	,,	,,	15	9/50	9/20	12/00
1,42,42,125	23,46,782	8,80,68,899	9,41,74,741	92,81,250	44,28,397	12	179	New India	,,	,,	,,	15	66/00	65/00	67/50
15,99,270	..	29,41,860	59,86,789	6,06,803	3,81,242	12	255	Vulcan	,,	,,	,,	10	17/24	17/24	18/00
								MISCELLANEOUS							
70,49,650	41,70,604	1,23,53,608	1,09,82,038	67,94,850	3,00,263	9	42	Belapur Sugar	,,	,,	,,	50	196/00	196/00	230/00
89,25,000 / 42,00,000	3,32,42,226	3,91,11,720	2,03,23,186	1,01,08,049	2,03,146	5	285	Bombay Burmah Trading	30	33	33	25 / 50	62/00 61/80 .. 243/75 243/75		.. 252/50
8,24,36,000	4,66,81,360	3,67,07,011	23,74,064	4,77,27,501	53,585	12	91	Hindustan Lever	26	26	12	10	37/00	36/00	45/25
99,99,250	3,754	20,08,796	1,44,31,515	3,91,499	30,418	12	299	Industrial Invt. Trust.	6½	6½	,,	100	69/50	69/50	75/00
11,99,900	13,82,957	1,34,142	14,05,223†	98,232	16,942	8	87	Kemp (Chemists)	..	,,	,,	200	305/00	305/00	315/00
2,41,12,100	7,40,36,031	2,03,71,160	27,33,067	1,69,61,608	4,41,151	12	352	National Rayon	22	,,	,,	100	344/00	319/50	498/50
11,27,98,680	25,25,08,055	11,58,24,547	11,18,89,983	48,75,907	2,82,649	6	198	Scindia Steam Navign.	3	3	3	20	12/40	11/72	11/60
20,86,850	61,89,784	6,93,280	3,30,490	—11,30,191	—7,04,525	11	146	Shivrajpur Synd.	80	Nil	,,	10	21/00	24/00	33/50
3,02,33,705	6,11,37,864	58,26,418	25,12,521	16,94,201	4,550	6	269	Tata Chemicals P.	6	6½	6½	10	17/36	16/84	14/92
70,07,475	1,82,93,580	61,03,586	40,41,890	38,79,799	10,154	3	269	Tata Oil P.	23	23	23	25	67/00	63/50	71/70
2,55,00,000	1,16,85,362	1,08,92,603	71,80,468	1,37,48,151	2,91,854	3	360	Voltas	13	14	14	100	249/00	240/00	268/50
2,75,00,000	2,71,29,042	2,32,60,865	1,47,82,908	1,39,56,381	82,645	12	274	Western India Match	16	16	16	100	249/00	254/00	265/00

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SOUTH INDIA PLANTATION COMPANIES

P., Po. and Dd. indicate Ordinary. Preferred Ordinary and Deferred Shares respectively. P. next to the name of the company indicates that the Company also has Preference Shares. Figures in "accounts closed" column indicate the months of the Calendar year in which accounts are closed. For Managing Agents refer to the Key (last page) under the numbers indicated.

Paid-up Capital Ordinary	Net Block Account	Reserve & other Funds	Acreage	Outturn and Average Price per kg/lb realised for crop 1960 Lbs.	Rs.	Net Profits	Accounts closed	Mg. Agts. Secretaries etc.	NAMES	Dividends per cent 1959	1960	1961	Paid-up per share Rs.	Latest Market Quotations as available until 23-7-63 Rs.	16-7-63 Rs.	A year ago Rs.
Rs.	Rs.	Rs.				Rs.										
6,75,000	16,06,067	1,50,000	1,992	7,996cwt	9.58	1,19,757	3	401	Amalgamated P.	7½	10	,,	10	10/36	10/36	11/06
2,50,000	12,57,795	5,72,253	878	1,12,000	1.48	70,011	12	402	Anandam P.	15	15	,,	10	14/19	14/19	15/24
3,25,000	6,09,131	1,50,000	402	1,28,902	1.47cts	3,501	2	403	Athimattam	Nil	Nil	..	2	0/78	0/78	0/80
10,98,990	13,90,078	4,83,841	1,630	225,168†	4.39	4,11,290	3	287	Balanoor P.	15	15	12	10	12/00	12/00	12/91
3,00,000	3,73,936	2,35,000	319	76,517cwt	3.2	27,863	5	404	Balmadies P.	7½	7½	..	5	1/65	1/65	1/90
17,32,230	13,36,710	3,36,253	977	3,59,531	1.65cts	63,110	5	270	Be Be P.	5	Nil	,,	5	2/07	2/07	2/50
84,00,000	1,15,75,030	26,08,425	1,329	7,16,244†	4.84	12,42,823	6	141	Blue Mountain	12½	12½	10—10*	2	2/50	2/53	2/31
14,00,100	19,05,883	12,45,700	1,336	7,58,097†	4.19	7,16,036	3	210	Chembra Peak	15	20	20—20*	2	4/45	4/50	3/40
26,91,279	47,43,806	19,53,790	8,050	11,59,898†	,,	15,14,112	2	210	Cochin Malabar P.	15	17½	20—20*	3	6/40	6/40	6/40
22,50,000	39,31,709	30,58,661	2,710	19,48,320	,,	8,71,249	6	405	Coffee Lands P	25	6	..	10	15/00	14/00	14/60
71,55,000	1,15,74,494	63,44,278	7,001	60,81,120	..	25,60,562	6	406	Consolidated Coffee P.	25	20	,,	10	18/20	18/35	18/10
5,66,420	21,24,818	12,20,975	372	4,04,655†	26.13	2,55,424	9	203	Coonoor P.	20	17½	,,	10	18/50	18/50	23/00
4,80,000	10,36,448	4,76,798	432	3,53,888	1.52	1,19,880	3	407	Coorg P.	20	20	,,	2	5/15	5/15	4/15
6,00,000	11,82,508	2,17,761	1,026	1,57,785	1.47	46,942	3	12	Cottanad Plantation P.	15	10	,,	10	9/31	9/31	10/00
6,00,000	8,89,831	4,80,155	345	3,25,310†	2.66	1,25,313	12	212	Devashola (Nilgiri)	25	20	..	10	24/39	24/39	26/05
6,74,650	9,14,544	3,31,040	450	1,38,386†	4.26	1,36,712	3	287	Devon P.	15	15	12	10	12/66	12/66	12/66
7,50,000	3,38,952	1,26,500	197	1,12,936†	2.66	28,121	12	408	Emerald Valley	8	..	,,	5	6/35	6/35	5/55
4,50,000	3,64,462	20,000	278	82,830	..	40,424	12	409	Gokul	9	10	,,	2	1/76	1/76	1/92
25,00,000	42,82,150	17,77,500	1,465	17,21,550	2.04	2,13,414	12	410	Haileyburia P.	12½	15	,,	10	11/60	11/73	12/24
11,85,700	28,02,058	10,77,705	1,528	9,59,804	1.67	3,60,461	2	402	Kailas	20	22½	..	2	5/60	5/60	5/05
5,00,000	11,83,359	8,86,159	465	2,92,200†	4.64	4,14,877	3	210	Kalasa Tea Produce	15	20	25	2	5/60	4/25	3/47
17,17,076	27,90,278	9,40,446	741	4,46,673	5.17	5,88,691	10	210	Kil Kotagiri P.	35	25	25	2	5/88	5/87	4/65
5,00,000	9,11,259	1,21,604	267	305,757	2.31	96,485	12	203	Lucky Valley	10	10	10	10	11/25	11/25	10/40
13,50,000	17,31,286	4,85,241	1,691	6,70,174	1.48	2,09,136	3	411	Malankara	16	15	,,	10	15/44	15/44	16/90
40,50,000	74,75,217	14,33,242	4,013	740,800†	4.47	13,89,961	3	270	Midland Rub. & Prod. P.	10	12½	12½	10	10/75	10/50	10/27
14,06,250	33,53,804	7,45,346	1,587	9,98,596	2.90	1,60,000	3	402	Nilgiri P.	5	8	..	10	8/80	8/80	9/10
23,10,000	22,24,327	57,73,357	1,057	13,82,095	..	14,10,257	6	14	Nonsuch	20	20	20	10	24/50	23/90	22/25
6,50,000	7,07,991	5,71,464	610	1,35,230†	..	1,41,776	3	210	Ossoor	15	15	..	2	3/06	3/06	2/67
19,45,980	34,53,670	25,53,533	1,498	5,77,573	4.84	6,27,924	10	210	Ouchterlony	15	13	12	2	4/63	4/56	3/58
14,88,960	26,94,604	16,87,314	679	8,45,700	2.68	7,40,158	6	203	Parkside Neilgherry	27½	27½	22½	10	25/87	25/75	22/25
17,00,000	27,36,576	12,82,318	1,563	10,83,565†	4.20	11,29,838	12	9	Peermade P.	22½	22½	25	10	20/77	20/77	19/15
6,00,000	7,90,316	3,35,530	1,167	3,83,268	1.50	1,65,244	2	259	Peninsular	20	20	..	10	20/70	20/70	22/10
57,94,880	75,03,172	30,24,711	3,724	23,32,142†	..	26,86,596	3	210	Periakaramalai	12½	13½	20	2	3/75	3/93	3/32
13,50,000	45,61,480	9,28,404	2,827	798,833†	3.30	9,83,709	6	270	Rajagiri Rub. & Prod. P.	20	20	20	10	18/25	17/55	21/90
2,00,000	3,14,567	1,53,963	711	3,320cwt	1.32	1,18,791	3	412	Rajendra P.	50	25	..	5	9/80	9/80	11/12
1,25,000	1,90,373	15,000	216	,,	,,	43,141	3	413	Swinton	7½	12½	,,	2	2/82	2/82	2/82
10,00,000	20,71,384	2,48,373	1,454	4,30,695	1.51	63,263	3	172	Teekoy P.	6	Nil	..	10	6/45	6/45	5/40
9,15,300	13,14,493	10,80,000	2,227	2,45,549†	3.76	1,27,943	9	210	Thirumbadi	7	7	12	1	2/03	1/98	1/47
6,00,000	6,51,402	46,742	1,307	2,23,794	3.21	80,950	12	414	Travancore Rubber	10	13	..	10	9/66	10/50	11/41
41,00,000	70,55,954	15,07,686	5,028	12,05,890†	..	11,13,227	12	9	Travancore Rub & Prod. P.	7½	9	10	10	10/00	9/10	9/65
20,00,000	23,48,701	1,36,000	3,028	6,38,402	1.00	2,02,762	12	271	Tropical Plantation	8	8	..	25	18/20	17/87	17/35
15,75,000	24,78,11	16,00,000	1,267	9,63,293	2.16	1,00,000	12	410	Twyfords	10	10	..	10	8/25	8/40	9/20
21,93,280	30,03,223	17,04,089	3,638	8,28,976†	5.11	12,85,658	3	250	United Nilgiri	19½	21	22	10	20/34	20/34	20/25
8,80,010	9,26,839	2,82,051	952	4,94,400	1.50	2,20,096	12	415	Vaikundam	25	30	..	10	29/45	29/45	31/70
47,25,000	54,71,548	32,96,030	2,344	11,30,431	1.78	12,73,061	5	157	Waterfall Estates P.	12½	12½	..	2	2/30	2/23	2/13
6,95,000	12,64,609	6,35,454	971	1,65,429	1.78	88,225	3	416	Woodland P.	5	10	,,	10	7/85	7/85	7/85

† Kgs. * 1962

SOUTH INDIA COTTON MILLS

Paid-up Capital Ordinary	Number on Spindles	Looms	Net Block Account	Reserve & other Funds Premiums & Forfeited Shares if any	Cash & Securities	Net Profits including taxation	Carry forward	Accounts closed	Mg. Agts. Secretaries etc.	NAMES	Dividends per cent 1959	1960	1961	Paid-up per share	Latest Market Quotations as available until 23-7-63	16-7-63	A year ago
Rs.			Rs.	Rs.	Rs.	Rs.	Rs.							Rs.	Rs.	Rs.	Rs.
1,21,50,000	46,240	1,157	1,12,36,515	1,80,16,667	58,73,591	68,01,756	2,53,358	12	..	Bangalore W. C. Silk P.	10	10	18—18*	100	233/00	233/00	245/00
1,78,47,800	1,20,288	2,758	3,99,41,906	4,11,85,586	32,05,619	1,02,53,184	2,05,182	12	..	Buckingham & Carnatic P.	10	10	18—18*	100	263/50	263/50	264/00
20,00,000	28,000	,,	22,72,373	31,406	96,302	7,68,513	42,421	12	43	Cambodia P.	Nil	9	..	10	12/37	13/00	13/00
35,99,600	23,864	,,	74,98,712	89,35,014	8,68,959	20,95,517	..	12	188	Coimbatore Cotton	8	12	16	100	168/00	162/00	171/00
20,76,900	72,832	407	47,91,212	7,98,681	22,227	—7,52,342	—10,23,340	6	46	Coimbatore Spg & Wvg.	..	..	..	50	68/50	68/50	76/00
67,20,000	30,512	200	1,14,76,461	27,14,571	11,08,775	13,45,625	29,146	12	141	Kothari Textiles P.	10	10	6	10	9/30	9/30	10/87
1,06,50,000	1,10,800	,,	1,41,26,625	84,90,160	2,06,207	71,93,831	19,391	3	186	Lakshmi	12	20	30	50	141/00	142/50	153/00
1,75,02,480	5,00,000	,,	3,19,71,388	5,21,72,932	67,88,400	1,57,67,400	12,44,769	12	108	Madura	12½	15	15	15	31/25	31/50	33/85
60,00,000	24,252	603	14,89,091	29,77,275	59,12,326	31,05,185	45,412	3	29	Mettur Industries	25	30	30-22½*	100	264/00	278/00	400/00
6,00,000	20,137	Nil	3,36,608	6,00,000	24,24,908	7,39,437	2,687	12	60	Palani Andavar P.	..	..	,,	10	202/75	202/75	215/00
21,00,000	48,974	270	43,85,330	43,50,000	11,97,728	16,77,243	91,696	12	47	Vasanta P.	16	20	,,	100	276/00	276/00	290/00

* 1962

SOUTH INDIA SUGAR MILLS

O.. Po.. F. and Dd indicate Ordinary, Preferred Ordinary, Founders and Deferred Shares respectively 'P' next to the name of the company indicate that the company also has Preference Shares. Figures in "accounts closed" column indicate the months of the calendar year in which accounts are closed. For Managing Agents refer to the Key (last page) under the numbers indicated.

Paid-up Capital Ordinary	Net Block Account	Reserve & other Funds Premiums & Forfeited Shares If any	Cash & Securities	Net profits	Carry forward	Accounts closed	Mg. Agts. Secretaries etc.	NAMES	Dividends per cent 1959	1960	1961	Paid-up per share	Latest Market Quotations as available until 23-7-63	16-7-63	A year ago
	Rs.	Rs.	Rs.	Rs.	Rs.							Rs.	Rs.	Rs.	Rs.
30,00,000	62,64,264	26,55,000	5,52,490	10,92,779	22,959	9	417	Andhra P.	20	..	..	10	17/36	17/36	21/00
40,00,000	80,62,883	12,61,424	1,58,472	13,46,266	1,40,987	6	218	Cauvery P.	Nil	6	8	100	107/00	106/00	103/00
39,84,000	72,41,268	44,98,500	8,38,760	19,41,784	1,02,809	5	218	Deccan Sugar	25½	25½	12—18*	5	9/65	9/95	9/95
£1,127,700	£3,463,073	£2,075,782	£414,795	£648,473	£21,999	9	319	E.I.D.—Parry	28 4/7	21 3/7	21 3/7*	£1	39/00	38/90	40/00
63,97,650	45,80,752	15,25,348	64,67,521	12,34,057	3,17,077	9	418	Indian Sugar P.	12½	14	10	10	15/25	15/25	15/12
32,45,572	1,22,66,623	18,99,861	1,51,052	5,99,416	2,090	6	419	Jeypore P.	10	8	..	10	23/90	23'/90	22/00
10,52,200	2,87,27,773	1,23,75,000	31,53,982	20,76,426	91,745	6	420	K. C. P.	15	..	..	10	6/95	6/95	6/85
80,00,000	1,69,284	Nil	47,90,533	—8,756	—8,756	6	141	Kothari	..	Nil	Nil	10	47/75	47/75	53/40
21,79,280	56,84,219	1,13,46,596	50,30,701	1'2,10,353	25,953	6	264	Mysore	30	30	30—30*	10	7/40	7/40	6/95
30,00,000	35,93,381	11,41,000	10,12,037	4,88,902	1,46 736	4	218	Travancore P.	10	10	..	10	95/00	70/00	80/60
25,00,000	45,00,640	61,40,000	58,68,569	30,54,529	11,19,844	3	320	United Breweries	60	60	60—25*	10			

* 1962

SOUTH INDIA MISCELLANEOUS COMPANIES

Paid-up Capital Ordinary	Net Block Account	Reserve & other Funds Premiums & Forfeited Shares If any	Cash & Securities	Net profits	Carry forward	Accounts closed	Mg. Agts. Secretaries etc.	NAMES	Dividends per cent 1959	1960	1961	Paid-up per share	Latest Market Quotations as available until 23-7-63	16-7-63	A year ago
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.							Rs.	Rs.	Rs.	Rs.
1,00,00,000	86,99,116	39,83,750	10,36,603	19,80,945	1,52,818	3	421	Aluminium Industries	12½	18	..	10	18/00	17/75	23/65
71,02,270	91,13,952	4,21,545	6,36,276	8,56,859	22,879	12	16	Andhra Cement P.	10	..	..	10	9/60	9/60	9/90
3,02,87,658	1,59,93,383	25,63,610	1,84,894	30,01,343	20,076	12	422	Ashok Leyland	8	8	..	5	7/35	7/45	8/10
1,00,00,000	17,47,081	49,33,435	2,75,867	19,86,813	4,39,222	12	423	Binny	10	12½	..	100	300/00	300/00	364/85
7,50,000	5,45,587	56,538	41,650	93,226	—1,46,143	12	270	Brunton & Co.	Nil	..	..	10	5/10	5/10	5/40
24,99,000	40,82,511	3,52,644	62,031	3,35,186	4,810	12	424	Enfield P.	5	5	..	10	8/97	8/97	10/72
2,24,44,750	321,08,642	66,66,496	73,60,475	51,28,679	1,38,608	3	425	India Cement P	9	11	9—12*	5	5/65	5/67	6/20
23,82,732	16,92,196	2,50,222	93,924	2,16,808	2,977	12	230	Indian Steel Rolling P.	7	..	..	10	11/00	10/65	11/70
80,00,000	1,40,17,097	30,38,801	23,06,408	19,71,130	11 275	3	263	Mettur Chemical Industries P.	6¾	12½	12½-13¾*	10	12/65	12/65	12/95
24,81,220	12,69,939	10,47,778	17,48,674	3,48,641	8,514	3	233	Mysore Chem & Fert.	5	10	10	10	7/75	7/75	10/25
8,00,000	5,20,889	4,52 189	2,18,413	2,33,791	85,187	3	151	Mysore Chemical Mfgs. P.	20	20	..	10	17/75	17/75	21/75
6,56,250	5,13,585	9,38,696	6,374	1,23 899	3,146	3	426	Mysore Lamp P.	16	20	..	10	34/10	34/10	34/00
25,00,000	55,50,342	37,12,500	2,43,864	14,29,395	36,663	3	226	Mysore Paper	12½	15	15	10	13/60	13/80	14/00
10,00,000	7,56,329	3,16,884	29,32,342	75,422	622	3	201	Mysore Tobacco	12½	10	..	10	9/85	9/85	8/44
10,00,000	6,54,848	8,02,000	2,60,194	4,84,835	1,51,607	3	218	Parrys Conf.	20	20	..	1	3/45	3/35	5/00
40,00,000	82,50,079	1,03,14,883	40,58,627	23,52,432	10,74,117	6	221	Spencer (Provisions)	18	18	18—18*	10	21/08	21/08	23/18
47,00,000	86,53,610	20,65,000	51,902	7,85,966	3,869	12	427	Standard Motors P.	9	9	..	10	11/62	11/62	16/62
11,56,300	5,95,547	14,04,007	16,66,624	4,19,707	41,732	9	428	T. Stanes P.	27½	32½	..	10	29/05	29/05	31/00
39,84,400	42,58,650	13,07,759	26,027	6,92,616	932	4	429	Textool	15	15	..	100	145/75	145/75	149/00
8,50,00,000	4,17,90,907	15,68,314	45,93,964	1,12,69 691	12,03,238	6	430	Tube Investments	10	10	10	100	235/00	235/00	277/00

* 1962

LIGHT RAILWAY AND ROPEWAY COMPANIES

Paid-up Capital Ordinary	Gross Block Accounts	Reserve & other Funds	Net Earnings	Carry Forward	Accounts closed	Mg. Agts Secretaries etc.	NAMES	Dividends per cent 1960	1961	1962	Paid-up per share	Latest Market Quotations as available until 24-7-63	17-7-63	A year ago
Rs.	Rs.	Rs.	Rs.	Rs.							Rs.	Rs.	Rs.	Rs.
17 24 000	18,02,732	12,576	—2,52,424	..	3	165	Ahmedpur Katwa	1.90	1.90	1.75	100	29/00	29/00	29/50
21,69,800	34 93,819	6,11,706	3,03,621	2,918	3	32	Arrah Sasaram	5	5	5	100	27/00	27/00	30/50
34,00,000	35,33,840	21,816	—4,66,034	..	3	165	Bankura Damoodar	1.90	1.90	1.75	100	30/00	27/25	29/00
17,80,000	20,25,854	10,772	—3,07,176	..	3	165	Burdwan Cutwa	1.90	1.90	1.75	100	29/00	29/00	29/00
31,00,000	28 10,290	44,296	1,72,713	1.480	3	32	Chaparmukh-Silghat	2.90	2.90	2.80	100	35/00	35/00	30/00
4,75,000	1,48,268	5,33,369	1,35,796	3,691	3	296	Cherra Chhatak Ropeway	9	12	12	5	5/75	5/75	5/75
2,47,650	2,28,169	59,790	42,389	4,003	3	101	Darjeeling Ropeway	..	..	..	10	9/00	9/00	8/00
40,00,000	49,60,137	14,51,000	19,14,361	35,051	3	335	Dehri Rohtas	17	20	15	10	13/81	13/81	18/37
11,49,700	15,85,943	8,500	59,013	1,489	3	32	Futwah Islampur	1.90	1.90	1.90	100	28/70	28/70	28/70
16,00,000	49,13,938	13,57 712	1,70,485	3,022	3	32	Howrah Amta (P)	6	5	4½	100	40/50	40/50	46/00
6,00,000	13,66,352	5,14,960	62 731	4,225	3	32	Howrah Sheakhala	6	5	4½	100	45/00	45/00	40/00
8,91,100	11 74,348	15,024	73,560	160	3	165	Katakhal Lala Bazar	3.50	3.10	1.90	100	41/00	41/00	41/00
15,00,000	60,91,311	18,08,821	1,11,807	6,893	3	32	Shahdara (Delhi)	6	3	..	100	40/50	40/50	50/75

MANAGING AGENTS, MANAGING DIRECTORS, DIRECTORS OR SECRETARIES WITH THEIR RESPECTIVE ADDRESSES.

1. Anderson Wright Ltd.—7, Wellesley Place. Calcutta.
2. Andrew Yule & Co., Ltd.—8, Clive Row Calcutta
3. S. N Beri—6, Middle Road, Hastings. Calcutta.
4. Hazareemull, Heeralall—148, Cotton Street. Calcutta
5. Amritlal Ojha & Co., Ltd.—"Security House" Netaji Subhas Road. Calcutta.
6. Alcock, N. C.—Hultsdrot Mills. Colombo.
7. Associated Industrial Development Co. (Private) Ltd.—"Nicco House", Hare Street, Calcutta-1.
8. Agarwala. S. L.—Indian Insurance Building. Old Cantonment Road, Dehra Dun.
9. Aspinwall & Co. (Travancore) Ltd.—Alleppey.
10. Aryan Planter Agency—P-12, Chowringhee Square Calcutta.
11. Allum Bharucha & Co.—214. Hornby Road Bombay.
12. Associated Planters Private Ltd.—25, General Patters Road. Madras.
13. Antony. M K.—Alleppey.
14. Harrison and Crossfield Ltd.—Cochin.
15. Agarwal & Co.—E. D Sassoon Building. Dougall Road. Ballard Estate, Bombay
16. Andhra Eng. Co., Ltd.—22/422, Danavaypeta Rajahmundry.
17. Amte & Co.—Hubli.
18. B. M. Krishan—Sri Jayachamaraja wadiyar Road Bangalore-2
19. Macneill and Barry Ltd.—2. Fairlie Place Calcutta.
20. Ojha Brothers Ltd.—Security House. Netaji Subhas Road. Calcutta.
21. Bird & Co (Private) Ltd.—Chartered Bank Buildings. Calcutta.
22. Birla Bros Private Ltd.—8. India Exchange Place. Calcutta.
23. Babulal & Co., Ltd.—13. Syed Salley Lane. Calcutta.
24. Balmer Lawrie & Co., Ltd —21. Netaji Subhas Road Calcutta
25. British India Corporation Ltd.—Sutherland House. Kanpur.
26. R. L. Thompson. Agraharam Road. Bangalore-2.
27. Bengal Textile Agency Ltd.—11, Clive Row. Calcutta.
28. Swadeshi Enterprise Ltd.—41. Chowringhee Road Calcutta.
29. Beardsell, W A. & Co. Private Ltd.—Second Line Beach. Madras.
30. Bhagyalakshmi & Co.—Dehali Road, Udamalpet Dt. Coimbatore.
31. Rameshwar Tantia—1 & 2, Old Court House Street, Calcutta.
32. Martin Burn Ltd.—12. Mission Row, Calcutta.
33. K. M. Wilcox—Sutherland House, Kanpur.
34. Sir John Brown—9. Hare St. Calcutta.
35. Ramdutt Ramkissendas—6. Brabourne Road Calcutta.
36. Bajoria & Co.—27. Brabourne Road, Calcutta
37. Birla. L. N.—8. Royal Exchange Place, Calcutta.
38. Birla B. M.—"India Exchange", Calcutta-1.
39. Sir John Brown—4. Clive Row, Calcutta.
40. Bhargava R. K.—Mohalla Masjid Bagh Badshanagar.
41. Biharilal Lahoty—161-1, Harrison Road Calcutta.
42. W H Brady & Co., Ltd.—Brady House. 12-14, Veer Nariman Road. Bombay-1.
43. Brijlal Bilasrai & Co.—Aga Khan Buildings. Dalal Street. Fort Bombay.
44. Punam Chand Batia—18. Circular Garden Reach Road Calcutta.
45. Chakravarti Sons & Co.—23. Canning Street. Calcutta.
46. G. L. Purushotham Naidu—24. Krishnaswamy Mudaliar Road. Coimbatore.
47. Chetty. R. K. S. & Bros.—Singanallur, Coimbatore-5.
48. S. R. Poddar—33. Netaji Subhas Road, Calcutta.
49. Calcutta Agency Ltd.—24. Netaji Subhas Road. Calcutta.
50. Chanda. A. P.—15. Taratola Road, Calcutta.
51. Shoobridge. F. G.—234-3. Lower Circular Road Calcutta.
52. R. A. R. Mackay—175. West George Street. Glasgow C.3.
53. Cement Agencies (Private) Ltd.—131, Queen's Road Fort Bombay.
54. Consolidated Elec. Agencies—17-B, Elphinstone Circus. Fort. Bombay.
55. K. S. R. Iyer—Imperial Bank Buildings. Bank Street. Fort Bombay.
56. Chinoy F. M. & Co. Ltd.—Radio House. Apollo Bunder Bombay.
57. Cumberbatch & Co.—Colombo.
58. Cowasjee Jehangir & Co., Ltd.—Ready Money Mansion. Churchgate Street, Fort. Bombay
59. N. K. Jalan—Kamini Chamber 22 Nicol Road. Ballard Estate. Bombay.
60. Chandrie & Co., Ltd.—Madras.
61. Bagaria More Co., Ltd.—5, Clive Row, Calcutta.
62. Dayaram & Sons—9, Old Court House Street. Calcutta.
63. Duncan Brothers & Co., Ltd.—31. Netaji Subhas Road. Calcutta.
64. Duff Thomas & Co.—2 and 3. Clive Row Calcutta.
65. Dass Bros.—29 and 30. Strand Road. Calcutta.
66. A. K. Das—15. Netaji Subhas Road. Calcutta.
67. Day. P. E.—Alderman's House. Bishopsgate. London. E.C.2.
68. Hari Brothers Private Ltd.—Scindia House New Delhi
69. Dadabhoy Sir M. B.—Kampte Road. Civil Lines Nagpur.
70. N. D. Bangur—14. Netaji Subhas Road. Calcutta.
71. B. C. Roy—Hindusthan Buildings 4, Chittaranjan Avenue Calcutta
72. Duffa. J. C. & Co., Ltd.—National Bank Buildings. Netaji Subhas Road, Calcutta.
73. C. C. Dey—23. Netaji Subhas Road. Calcutta.
74. Davenport & Co Private Ltd.—6. Church Lane. Calcutta.
75. Desai. R. M.—14. Nicol Road. Ballard Estate. Fort. Bombay
76. Dodwell & Co., Ltd.—Glennie Street, Slave Island. Colombo.
77. Darragh Small & Co., Ltd.—Alleppey.
78. Dadabhoy B. A. & Co—Ilaco House. Sir Phirozeshab Mehta Road Bombay.
79. B. N. Elias & Co. Private Ltd.—1 and 2, Old Court House Corner Calcutta.
80. Eastern Corpn. Ltd.—7, Wellesley Place. Calcutta.
81. Ebeling A. F.—Rawalpindi.
82. Poddar. P. L.—135. Canning Street. Calcutta.
83. Pratapsingh Mathuradas—9. Wallace Street. Fort Bombay.
84. S. B. Industrial Development Co. Ltd.—12. Old Court House Street. Calcutta.
85. A. Firpo, Jr.—18/2. Chowringhee, Calcutta.
86. Forbes, Forbes Campbell Ltd.—Forbes Buildings. Home Street. Fort. Bombay.
87. S. V. S. Iyer—88C. Old Prabhadevi Road. Bombay-28.
88. Gillanders Arbuthnot & Co., Ltd.—Clive Buildings. Netaji Subhas Road. Calcutta.
89. Gladstone Lyall & Co., Ltd.—4, Fairlie Place. Calcutta.
90. R. C. Bowker—"Victoria House". Calcutta.
91. P. L. Tandon—India House. Fort Street. Bombay.
92. Govan Bros. (Rampur) Private Ltd.—4, Scindia House. New Delhi.
93. Govan Bros Ltd.—Malhotra Building, Queensway. New Delhi.
94. R. K. Deva—93-A. Dharamtalla St., Calcutta.
95. Daga & Co., Ltd.—9. Royal Exchange Place. Calcutta.
96. M. L. Bezon—57B. Free School Street, Calcutta-16.
97. Govan R. G. & Co.—Scindia House, Connaught Circus. New Delhi.
98. Turnbull R. W.—P-4. Mission Row Extension. Calcutta.
99. Abinash Chandra Das—Jalpaiguri.
100. Guha, Nalini Kumar—18/11/1-B Raja Raj Ballav Street. Calcutta.
101. Purushottamlall—5. Clive Row, Calcutta.
102. George, A. V. & Co., Ltd.—Ancheril, Bank Bldgs Kottayam. Travancore.
103. Kundila, G. Seksaria—139. Meadow Street Fort Bombay.
104. Gopikisan Piramal—Soparibaug Road, Parel Bombay-12
105. P. S. G. W. Parish—Gillander House, Netaji Subhas Road Calcutta.
106. F. W. Heilgers & Co. (Private) Ltd.—Chartered Bank Buildings Calcutta.
107. Howrah Trading Co., Ltd.—8, Dalhousie Square East. Calcutta.
108. A. & F. Harvey Ltd.—Madurai.
109. Holmes Wilson & Co., Ltd.—"Stephen House" Calcutta.
110. R. G. Khanna—Solan Brewery Simla.
111. Hotel (Control) Private Ltd.—4 & 4/1, Wellesley Place. Calcutta.
112. Glass, L. O. H.—Bilbao House 36 New Broad Street. London. E.C.2.
113. B. P. Khaitan—14. Netaji Subhas Road. Calcutta.
114. Harrison & Crossfield Ltd.—Calcutta.
115. P. V. Braddeley—The Great Social Buildings. Sir Phirozeshah Mehta Road Fort. Bombay
116. K. G. Khanna—Solan Brewery (H.P.),
117. Hari Sons—Aviur (Cochin State).
118. Hormusjee Sons & Co.—605. Girgaum Road. Dhobi Talao. Bombay-2.
119. Ramnarayan Sons Ltd.—Bombay.
120. Industrial Financing Co.—63. College Street. Calcutta.
121. Imperial Chemical Industries (India) Private Ltd.—24. Chowringhee, Calcutta.
122. Indra Singh & Sons Private Ltd.—7, Wellesley Place. Calcutta.
123. Hari Brothers Private Ltd.—Scindia House. New Delhi-1.
124. R. Raja Rao—Honnawal Road. Shimoga.
125. Iyer. I. R. Anantharam & Bros Ltd.—Pushpagiri Trichur
126. N Sirur & Co Private Ltd.—70, Forbes Street. Fort Bombay
127. J. P Hannay—2. Metcalfe St. Calcutta.
128. Jardine Henderson Ltd.—4. Clive Row. Calcutta.
129. S S Bhimwal—7. Chowringhee Road. Calcutta.
130. Jhajharia Bros. Ltd.—138. Harrison Road Calcutta.
131. Jain. N K. & Co Ltd.—"Devashram", Arrah. Shahabad.
132. J. K. Industries (Private) Ltd.—7. Council House Street. Calcutta.
133. James & Co. Ltd.—25. Netaji Subhas Road. Calcutta.
134. Jute Industries Ltd.—4. Lyons Range. Calcutta.
135. John. V. C.—Kottayam. Travancore State
136. Jones. H. Edwin—Oriental Building. Bombay Elec. House. Ahmedabad.
137. John. Kurian—Kottayam. Travancore State.
138. Kettlewell Bullen & Co. Ltd.—21, Strand Road. Calcutta.
139. Kilburn & Co. Private Ltd.—4. Fairlie Place. Calcutta.
140. Karamchand Thapper & Bros. Private Ltd.—Thapar House. 25. Brabourne Road. Calcutta-1.
141. Kothari & Sons Agency Private Ltd.—Armenian Street Madras.
142. R. Suryanarayan Rao—Channapatna. Mysore State.
143. S. L. Dhanuka—P-15. Bentinck Street. Calcutta.
144. Khaitan. D. & Sons—14. Netaji Subhas Road. Calcutta.
145. P. S. Nilkantan—1, Waterloo Street. Calcutta.
146. Killick Industries Ltd.—Home Street, Fort. Bombay.
147. Kanga. R. D.—Electric House, Post Fort. Bombay.
148. Kurian. John—Alleppey.
149. Khatau Makanji & Co.—6. Ballard Road Fort. Bombay.
150. Killick A. S.—2-6. 2nd Line Beach. Madras.
151. S. Ramanathan—Chickbanavar P.O., Bangalore Dt.
152. Broken Hill Secretariat Ltd.—31. Dover Street. London E.C.2.
153. Low E. V. & Co. Private Ltd.—3, Synagogue Street. Calcutta.
154. Lomas, J. E. W.—19. St. Swithin's Lane. London E.C.4.
155. Bharat Ram Bhagat & Co.—45, Tangra Road. Calcutta.
156. Hind Agents Ltd.—Indu House. 15, Dougall Rd. Ballard Estate. Bombay.
157. Kothari Mehta & Co. Private Ltd.—Armenian Street. Madras.
158. Padampat Singhania—Kamla Tower, Kanpur.
159. Lala Gurusharan Lall—Guraru Dist. Gaya.
160. Lovelock & Lewes—4. Lyons Range Calcutta.
161. Lobia D. D.—173. Harrison Road, Calcutta.
162. G. E. Solomon—Dare House, Parry's Corner Madras.
163. Mackinon Mackenzie & Co. Private Ltd.—16. Strand Road. Calcutta.
164. L. R. Anantaram Iyer & Bros Ltd.—Pushpagiri. Trichur.
165. McLeod & Co. Ltd.—3. Netaji Subhas Road Calcutta.
166. Hindusthan Investment Corporation Ltd.—15. India Exchange Place, Calcutta.
167. B. Barker—'Barlow House' 55C, Chowringhee Road. Calcutta.
168. Moona Lall & Sons—120/1. Civil Lines Jhansi.
169. K P. Goenka—31. Netaji Subhas Road, Calcutta.
170. Marshalls (Direction) Private Ltd.—33/1. Netaji Subhas Road. Calcutta.
171. W E. Maiden—P.O. Lohat. Dist. Darbhanga.
172. East India Agencies Private Ltd.—Palai Kerala State.
173. Moulton G. S. & Co (India) Ltd—11 and 12. Esplanade Mansions. Calcutta.
174. N. M. Cole—8. Clive Row. Calcutta.
175. Satya Narain Gupta—Subzimandi Delhi.
176. Moton & Co.—Maung Pauley St., Rangoon.
177. R. B. Marshall—1, Humayan Place, Calcutta.
178. Madura & Co. Ltd.—Cochin.
179. A. D. Shroff—New India Assurance Bldgs. Mahatma Gandhi Road. Fort. Bombay.
180. Mafatlal Gagalbhai & Sons—Rustam Bldgs 29, Churchgate Street Fort. Bombay.
181. Murphy C.—Rampart Row. Fort, Bombay.
182. Mehta. Chunilal V. & Co., Ltd.—Queen's Mansions. Prescott Road Bombay.
183. Sir V. N. Chandavarkar—Standard Buildings. Hornby Road Fort. Bombay.
184. Mysore Industrial Development Co.—33. Gandhinagar. Bangalore City.
185. Mascarenhas B. M.—Platform Road, Bangalore City.
186. Naidu G Kuppuswamy & Co.—Pappanaikenpalayam. Coimbatore.
187. Best & Co. Ltd.—The Hyderabad Laminated Products Ltd., Secunderabad-3.
188. R. Beema Naidu & Co.—Singanallur, Coimbatore.
189. Naidu A. G. Guruswamy & Co.—Peelamedu. Coimbatore.
190. Naidu P. S. Govindaswami & Sons—Coimbatore.
191. K. Mookerjee—18. Convent Road. Entally. Calcutta.
192. B. D. Agarwalla—Stephen House, 4. Dalhousie Square. Calcutta.
193. Kesarmal Manocha—529/1. Hall Bagh, Amritsar.
194. G. V. Swaika—"Pollock House" 18/B, Brabourne Road. Calcutta.
195. R. R Alyer—71. Park Street. Calcutta.
196. Srinivasan S D.—7, Council House Street. Calcutta.
197. Narsindas Lachmandas Ltd.—Raipurwa. Kanpur.
198. Dharamsey M Khatau—Scindia House, Dougall Road. Ballard Estate. Bombay.
199. Nowrosjee Wadia & Sons (Private) Ltd.—Neville House. Ballard Estate, Bombay.
200. Dooduawala & Sons—5, Muktaram Babu Street. Calcutta-7.
201. R. Arunachalam—17. Richmond Road. Bangalore-1.
202. Octavius Steel & Co., Ltd.—14. Old Court House Street. Calcutta.
203. Matheson Bosanquet & Company Ltd. Belmount. Coonoor Nilgiris
204. Oberoi Hotels (India) Private Ltd.—17. Chowringhee Calcutta.
205. Oakley Bowden & Co. Ltd.—15, Armenian Street Madras
206. Ogale Glass Works Ltd.—43 Gandhinagar Bangalore City.
207. Deepchand Kisehenlal—25, Netaji Subhas Road. Calcutta.
208. Indian Textile Syndicate Ltd.—Kanpur.
209. E. R. Elliot Lockhart—4. Fairlie Place. Calcutta.
210. Peirce Leslie & Co., Ltd.—6/222. Beach Road Calicut. Kerala.
211. R. L. Somany—2, Wellesley Place, Calcutta.
212. P. G. Krishna Iyer—Mount Pleasant, Coonoor Nilgiris.
213. Poddar, K. N.—37. Vivekanands Road Calcutta.
214. James Warren & Co., Ltd.—31, Chowringhee Road Calcutta.
215. Parkins Ltd —Kottalam.
216. Parikh, O. & Co.—26. Apollo Street, Fort. Bombay.

MANAGING AGENTS, MANAGING DIRECTORS, DIRECTORS OR SECRETARIES WITH THEIR RESPECTIVE ADDRESSES.

117. L. C. Kanoi—P-8. Mission Row Extension Calcutta.
118. Parry & Co., Ltd.—Dare House. Parry's Corner Madras.
119. India Sugar Agencies Ltd.—Mangalore.
220. Price, R. G. N.—National Bank Bldgs., Madras.
221. Z. R. Irani—1/153. Mount Road. Madras.
222. Chrestien Mica Industries Ltd.—4, Lyons Range Calcutta.
223. R. N. Agarwala—4, Lyons Range, Calcutta.
224. Lohia Brothers Ltd.—138, Canning Street. Calcutta.
225. Roy, B. K.—1, 2 and 3, Old Court House Street Calcutta.
226. M. D. Shivananjappa—Kampegowda Road. Bangalore 9.
227. W. Morrice—41, Chowringhee Road, Calcutta-16.
228. Ramnarain Sons Ltd.—Bank Street, Fort Bombay
229. Rajputana Textile (Agencies) Ltd.—Delisle Road. Chenchpoka. Bombay.
230. Rajam, C.—Oriental Bldgs. Armenian Street. Madras.
231. Ramamurthy, A.—Ravakhada (Orissa), Koraput Dist.
232. Ratnams Ltd.—Pugalur Trichinopoly.
233. T. Shamanna—1129. Vani Vilasa Road, Mysore.
234. Bangur Bros. Ltd.—14. Netaji Subhas Road. Calcutta
235. Soorajmull Nagarmull—8. Dalhousie Square East. Calcutta.
236. Shaw Wallace & Co., Ltd.—4/5 Bankshall Street. Calcutta.
237. Srivastava, J. P. & Sons—Kanpur.
238. Bharat Ram Charat Ram Private Ltd.—Bara Hindu Rao. Delhi.
239. A. R. Kalairaja Chettiar—Coimbatore.
240. A. K. I. K. M. Narayanan Nambodripad—Kallai Malabar.
241. Singh, Ranjit—Lucknow.
242. N. L. Roy & Co.—9, Royal Exchange Place. Calcutta.
243. Shyamlal Agarwal—9, Dalhousie Sq. East. Calcutta.
244. Sovaram Keshavdeo—15, Netaji Subhas Road Calcutta.
245. Dr. B. N. Ghose—6, Ganesh Avenue, Calcutta-13.
246. Sundaren, S.—Indian Mercantile Chambers. Nicol Road Bombay.
247. Singhania Padampat—Kamala Tower, Kanpur.
248. E. K. Srinivasan—16, Hare Street, Calcutta.
249. Steel Bros. & Co., Ltd.—Gillanders House. Netaji Subhas Road Calcutta.
250. T. Stanes & Co.—Coimbatore.
251. Southern India Plantations Agency Ltd.—Coonoor.
252. Saha, Bahuballav—18/11/1B, Raja Raj Ballav Street. Calcutta.
253 R. B. Pradhan—Empire House. 214, Hornby Road Bombay.
254. Sindia, M. Ramchandra Rao—3rd Road. Chamarajpet Bangalore City.
255. Setalvad J. C.—73, Oppo. Churchgate Station. Fort. Bombay.
256. Scindia Steam Navigation Co., Ltd.—Ballard Estate. Bombay.
257. Ramnath A. Podar—Podar Chambers, Parsee Bazer St., Fort. Bombay
258. Swedish Match Co.—Nicol Road. Ballard Estate. Bombay.
259. S. Ramashramony Aiyer—Trivandrum.
260. Puranmal Bubna Sons—Indu House. Dougall Road. Ballard Estate Bombay.
261. N. Sirur & Co. Private Ltd.—70, Forbes Street. Fort. Bombay
262. Ramnarayan Sons Ltd.—Bank Street, Fort. Bombay.
263. Seshasayee Bros. Private Ltd.—Mettur Dam R.S.
264. V. Venugopal Naidu—Sir Jayachamaraja Wadiyar Road Bangalore-2.
265. Shree Hanuman Invt. Co. Ltd.—173, Harrison Road. Calcutta.
266. Talukdar, B. S. Amlasadarpur. Nadia (West Bengal).
267. Tata Hydro-Elec. Agency, Ltd.—34, Bruce Street Bombay.
268. Turner Morrison & Co., Ltd.—6, Lyons Range. Calcutta.
269. Tata Industries Private Ltd.—Bombay House Bruce Street. Fort. Bombay.
270. Thomas, A. V. & Co. Ltd.—Alleppey. drum.
271. Thomas, P. T.—Kottayam (Kerala State).
272. Thomas, M. K. & Co., Ltd.—Trivandrum.
273. Tayabjee, O. S.—159, Gunfoundry Rd., Hyderabad (Deccan).
274. A. Hydari and S. Gothberg—Indian Mercantile Chambers. Nicol Road, Ballard Estate, Bombay.
275. United Eastern Agencies—Bombay House. Bruce Street. Fort Bombay.
276 United Agencies Ltd.—Punalur
277. Villiers Private Ltd.—F-3. Clive Buildings. Calcutta
278. S. M. Smith—4 Bankshall St., Calcutta.
279. Williamson Magor & Co., Ltd.—4, Mangoe Lane Calcutta.
280. Whitman, M. M. C.—Mayo Road, Rawalpindi.
281 N. K. Jhajharia—22, Chittaranjan Avenue Calcutta
282. C. Hockley—3. Netaji Subhas Road, Calcutta.
283. P. R. Jhunjhunwala—Sewrie. Bombay-15.
284. Walchand & Co., Ltd.—Ballard Estate, Fort. Bombay
285. Wallace & Co.—9 Wallace Street, Bombay.
286. Wilkinson, A.—117/119, Esplanade Road Bombay.
287. Young India Agencies Private Ltd.—175/1, Mount Road Madras-2.
288. Dass Group Private Ltd.—29. Strand Road. Calcutta.
289. Y. S. Fayat—4. Clive Row. Calcutta-1,
290. K. S. Basu—63. Netaji Subhas Road, Calcutta.
291. Lionel Edwards (Private) Ltd.- 21, Old Court House Street. Calcutta
292 R. N. Jhunjhunwalla & Co., Ltd.—9, Ezra Street Calcutta.
293. J. F. Horwood—31, Chowringhee Road, Calcutta
294 R. L. Rampuria—5, Fairlie Place, Calcutta.
295 Premnath & Sons, Ltd.—New Delhi.
296. S. N. Pantia—1 & 2, Old Court House Corner Calcutta
297. F. B. Mehta—Mehta House. Apollo Street. Bombay.
298 L. S. Vaidyananthan—Oriental Buildings Bombay.
299. Kishore M. Premchand—61. Apollo Street. Fort. Bombay.
300. Madanlall Kakarania—P-23/24. Radha Bazar Street Calcutta-1.
301. Jennis Roy Galloway—1 & 3. Brabourne Road Calcutta-1.
302. Mitra Mondal—Khatauli, Dt. Muzaffarnagar.
303. G. S. Shroff—2. Hardinge Avenue, New Delhi.
304. James Finlay & Co., Ltd.—2, Netaji Subhas Road. Calcutta.
305. Thackersey Mooljee & Co.—16. Apollo Street. Fort. Bombay.
306. Jatia Brothers Ltd.—21, Rupchand Roy Street Calcutta.
307 Bhatter's Agency Ltd.— 18. Netaji Subhas Road Calcutta.
308. The Hyderabad Constructions Co., Ltd.—Kothagudium Collieries. Singareni P.O., Deccan.
309. T. Leslie Martin-12. Mission Row. Calcutta.
310. D. S Barron—Chakala Andheri P.O., Bombay.
311. Pyne & Sons—23A. Netaji Subhas Road Calcutta
312. Ram Kumar Agarwalla & Sons.—4, Lyons Range Calcutta.
313. Bullion Co., Ltd.—, Canning Street, Calcutta
314. Brooke Bond India Ltd.—2. Metcalfe Street Calcutta
315. Anderson Wright (Ramgarh) Ltd.—7, Wellesley Place Calcutta
316 The Cotton Agents Private Ltd.—14. Radha Bazar Lane. Calcutta-1
317. Bird & Co. (Pakistan) Ltd.—Narayanganj.
318. Shree Krishna Investment Co. Ltd.—1-B Halwasiya Road. Calcutta
319. H. V. R. Iengar—Dare House. Parry's Corner. Madras.
320. F. W. J. Penn—32. Grant Road Bangalore-1.
321. B. Ghosh—14, Old Court House Street, Calcutta.
322. Messrs. Tata Sons Ltd.—New India Assurance Buildings Mahatma Gandhi Road Fort Bombay-1.
323. Anderson Wright & Co.—7, Wellesley Place. Calcutta
324. Indo Corporation Private Ltd.—5, Swinhoe Street. Calcutta-19
325. Brian Granger Pearson—Virginia House. 37, Chowringhee Calcutta
326. B. L. Pyne—14. India Exchange Place, Calcutta.
327. Marwar Textiles (Agency) Ltd.—Wauldby Road. Fort Bombay-1
328. John Taylor & Sons (India) Ltd.—Mysore Corgram, South India.
329 Sri G. D. Bhagat—15. Shib Thakur Lane. Calcutta
330 Mahindra & Mahindra Ltd.—Gateway Building Apollo Bunder Bombay
331. N. L. Roy & Sons—Canning Street, Calcutta
332 M. P. A. Paspatti—16 Hare Street, Calcutta
333. Mungturam Jaipuria—Swadeshi House, Civil Lines Kanpur.
334. H. Mackay Tallack—2. Fairlie Place. Calcutta
335. Sahu Jain Ltd.—11. Clive Row, Calcutta
336. Tulsidas Kilachand—Scindia House, Dougall Road Bombay
337. Beriwala & Co.—63, Netaji Subhas Road. Calcutta.
338. D. R Sons Ltd.—Hornby Road. Fort, Bombay.
239 M. G. Investment Corpn. Ltd.—Mafatlal House. Backbay Reclamation. Bombay-1.
340. K. O. Cheriyan—Travancore.
341. N. L. Kanoria—India Exchange, Calcutta-1.
342 O. N. Chatterjee—2. Royal Exchange Place. Calcutta.
343. Indra Singh—135. Canning Street, Calcutta-1.
344. V. J. Pilani—Victoria Bunder. Colaba.
345. The National Tea Corporation—130, Cotton Street Calcutta
346. Seshasayee Brothers (Travancore) Ltd.—Eloor Factory Alwaye.
347. Tantia Brothers Private Ltd.—1 & 2, Old Court House Corner Calcutta.
348 M. D. Jalan—62. Ballygunge Circular Road Calcutta-19
349. Seth. Sohanlal Murarka—19 Circular Garden Reach Calcutta-23.
350. K. Agarwal—Empire House. Dr. Dadabhoy Naoroji Road Fort Bombay.
351. L. & I. (Management) Private Ltd.—L. C. House. Dougall Road. Ballard Estate. Bombay
352 Chinai And Co. Private Ltd.—Sadhana Rayon House Dr. Dadabhai Naoroji Road Bombay-1.
353. N. K. Jhajharia—14 Netaji Subhas Road. Calcutta.
354. L. C. Kanoi—P-8. Mission Row Extension. Calcutta
355. T. R. Jalan—16. Strand Road. Calcutta.
356. R. Bajoria—10. Clive Row. Calcutta.
357. A. K. Jain—11. Clive Row Calcutta.
358. L. P. Goenka—14 Old Court House Street. Calcutta-1.
359. G. D. Kothari—15. India Exchange Place. Calcutta
360. R. F. S. Talyarkhan—Volkart Building, 19, Graham Road, Bombay-1.
361. N. K. Bose—85, Netaji Subhas Road. Calcutta
362. Dalmia Agencies Private Ltd.—Rajgangpur (Orissa)
363 G. L. Nahata—14. Old Court House Street. Calcutta
364. W. A. C. H. Bosschaart—7 Justice Chandra Madhab Road. Calcutta-20.
365. S. L. Dhanuka & P. L. Dhanuka—5 Mission Row Calcutta.
366. A. K. Sen—48/1. Diamond Harbour Road Calcutta-27
367 Lakshmipat Singhania—7, Council House Street Calcutta.
368 Kalyanji Mavji & Company—14, Netaji Subhas Road. Calcutta
369. P. L. Batia—7. Canning Street, Calcutta
370. Pannalal Saraogi—8. Lyons Range. Calcutta-1
371. P. L. Sarogi—58. Sir Hariram Goenka Street. Calcutta-7.
372. H. K. Newar—9. Brabourne Road. Calcutta
373. C. L. Maheswari—Shreeniwas House. Wauldby Road Fort Bombay
374. Talukdar Law & Co. Private Ltd.—4, Chittaranjan Avenue Calcutta-13.
375. K. N. Mookerjee—Leslie House. 19, Chowringhee Calcutta-13.
376 K. D. Ganguli—Mercantile Buildings. Lalbazar Calcutta
377 K. C. Dass & B. Maitra—35. Panditia Road Calcutta-20
378 R. N. Goenka—18-A. Brabourne Road. Calcutta
379 S. R. Damani—30. Clerk Road. Bombay-11
380 British India Corporation Ltd.—Sutherland House Kanpur
381 S. P. Jain—Dalmianagar Bihar
382 B. P. Kedia—7 Wellesley Place. Calcutta-1
383 W. H. G. Baird—9. Brabourne Road. Calcutta
384. Punam Chand Batia—19. Circular Garden Reach Road. Calcutta-23.
385. G. P. Kanoria—6. Clive Row Calcutta.
386 D. N. Jalan—'McLeod House' 3. Netaji Subhas Road Calcutta.
387 Shibendra Sankar Sarbadhyksha—Jalpaiguri
388 A. V. Birla—9 Kaliprasanna Singhee Road Calcutta-2
389 British India Corporation Ltd.—Kanpur.
390. T. Ratan—16/3. Chowringhee Road, Calcutta-13
391. R. M. Cox—59-C. Chowringhee Road. Calcutta-20.
392. A. V. Niblett—32. Chowringhee Road. Calcutta-16
393. Khatau M. Shethia—14. Netaji Subhas Road Calcutta-1
394. B. M. Birla—India Exchange, Calcutta-1.
395. W. F. Malden—Lohat Darbhanga.
396. D. Manson—21. Netaji Subhas Road, Calcutta.
397. N. M. Bhuwalka—135. Canning Street, Calcutta
398. Hoare Miller & Co., Ltd.—5. Fairlie Place. Calcutta.
399 B. Patnaik & Co. Private Ltd.—P.O. Chowdwar Cuttack
400. R. K. Kanoria—9. Brabourne Road. Calcutta-1.
401. K. V. Venkitasubramoney Iyer—Seetagundy Estate Sitharkunda P.O.. Palghat. Dist. Kerala State
402. A. V. George & Co. Ltd.—Ancheril Bank Buildings Post Box 1. Kottayam Kerala State.
403. Mathew Sebastian—Thodupuzha, Kerala State.
404. Planting Agencies Private Ltd.—Oriental Buildings. Armenian Street. Madras-1
405 The Consolidated Coffee Estates (1943) Ltd.—Pollibetta Coorg.
406. C. I. Machia—Pollibetta S. Coorg.
407. Srinivas Agencies—Coimbatore-2.
408 K. N. Krishna Iyer—22. Royapettah High Road Madras-14
409. Young India Agencies Pvt. Ltd.—Monorama Bldgs. K. K Road Kottayam (Kerala State).
410. Parkins Private Ltd.—Kottayam.
411. Johnsons Estates & Agencies (Private) Ltd.—Malankara Bldgs., Kodimatha. Kottayam, Kerala
412. Associated Planters (Pvt.) Ltd.—25, General Patters Road Madras-2.
413. J. R. Motishaw—Mercantile Bank Building 16. First Line Beach. Madras-1.
414. K. V. Mathew—Kottayam, Kerala State.
415. K. Ramachandran—Pattom Palace, P.O. Trivandrum-4.
416 N. Kunjukrishna Pillai— T. C. 6/750, Patton Palace P.O Trivandrum-4
417. Rango Rao & Co.—Venkatarayapuram, Tanuku West Godavari Dist., Andhra Pradesh
418 The India Sugar Agencies Private Ltd.—139 Meadows Street. Fort Bombay-1.
419. R. S. Industrial Corporation Private Ltd.—Rayagada Koraput Dist., Orissa State
420. V. Ramakrishna Sons (Private) Ltd.—38 Mount Road Madras-6
421. Seshasayee Brothers (Travancore) Pvt. Ltd.—1 Ceramic Factory Road Kundara (Kerala)
422 Sir A. Ramaswamy Mudaliar—Ennore, Madras
423 P. J. M. Leigh—7. Armenian Street. Madras-1
424 K. R. Sundaram Iyer—Tiruvottiyur, Madras-19
425 Essen Private Ltd.—175/1. Mount Road, Madras-2
426. J. L. D'sa—Old Tumkur Road Malleswaram Bangalore-12
427 The Standard Motor Co. (India) Pvt. Ltd.—29 Mount Road Madras-2
428. E. H. Stanes—6/33 Race Course Road. Coimbatore-1
429 Balasundaram & Co.—Satyamangalam Road Ganapathy P.O. Coimbatore-6.
430 A. M. M. Arunachalam—52/53 Jehangir Street Madras-1.
431 J. M. Parsons—2. Fairlie Place Calcutta-1
432 Mahabir S. J. B. Rana—1. Humayan Place Calcutta
433 G. N. Sam & Co.—Senthottam Sowripalyam P.O. Coimbatore-4
434. G. Keiriwal—Raigangpur Dist Sundergarh Orissa State
435 D. C. Ghosh & Co. (Agents) Private Ltd.—11 Government Place East. Calcutta
436 N. D. Bangur.—14. Netaji Subhas Road Calcutta
437. R. N. Bhotika—4. Old Court House St., Calcutta
438 Birla Gwalior Private Ltd.—Industry House 159 Churchgate Reclamation, Bombay-1
439 R. S. Baipai.—Kamala Tower Kanpur.
440. R. L. Jatia—9 Brabourne Road Calcutta-1
441. S. K. Agarwalla—24. Netaji Subhas Road. Calcutta-1
442 S. P. Choumick—17, 18 & 19. Old Court House Street Calcutta
443 Madan Mohan Lall Shri Ram Ltd.—D.C.M. Premises Bara Hindi Rao. Delhi-6
444. I. R. Jalan—2. Brabourne Road. Calcutta-1.

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Dhrangadhra Chemical Works
Hilla Tea Estates
Hindustan Wired Glass
India Cements
Indian Overseas Bank
Lakshmi Mills
McLeod
North-Western Cachar Tea
Permanent Magnets
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BORDER NEWS DISTURBS THE STOCK MARKETS

THE moderate recovery in the stock markets which began about three weeks ago, and which was facilitated by the earlier decision to resume forward trading in shares, has been suddenly interrupted during the past few days. Operators are shaken by reports that there is an unusually heavy concentration of Chinese troops along the northern border, and that the Chief of India's Army Staff has had to cut short his visit to North America in order to return home and cope with a potentially dangerous situation. The markets have been extremely sensitive to such developments ever since the Chinese launched their attack in October last year. The border conflict is likely to be the main influence on investment sentiment for a long time to come, especially since no solution is in sight. But, assuming that fighting does not start again, it is unlikely that heavy selling pressure will develop. This is, firstly, because the technical position of the markets has become healthier as the load of floating stocks has been reduced. Secondly, investors are reassured by the news that India's air defences will be strengthened by the supply of radar and other equipment from the U.S.A. and the U.K.

The situation nevertheless remains delicate, and that is why the decision of the stock exchanges to ask the Government to relax the existing margin restrictions is premature. When forward trading in shares was permitted about a couple of months ago, the Government stipulated extensive margin requirements in order to check overtrading and speculation. The experience since then has been satisfactory, in that trading has been disciplined and sharp fluctuations in prices have been prevented. If the margins have restrained the expansion of business, that is a good reason for continuing rather than scrapping them. The recovery which has taken place so far has not yet been consolidated. The markets continue to be vulnerable, so it is important to enforce measures which will check excessive trading.

A major weakness revealed by the recent trends is that business has been concentrated largely on clearing shares, which indicates that speculators have been predominant. It is true that in a recovery movement professionals usually take the lead. But in the present case their buying has unfortunately not been followed by support from genuine investors. The latter are hesitant—and for good reasons. The outlook for company profits and dividends is discouraging. The latest reports of several companies show that although turnover and gross profits have increased, after-tax profits have declined quite sharply due to heavier taxation, especially the super profits tax. A number of companies have, therefore, found it difficult even to maintain their dividends. The growth prospects of the shares have suffered too, since economic progress during the first two years of the third plan has been extremely disappointing. Achievements have fallen far short of targets and the record of agricultural production has been particularly dismal. The growth of industrial output has slowed down. Since the money supply has meanwhile been increased substantially by the heavy outlay on development and defence, the economy is suffering from inflation.

Against this already bearish background, the results of the recent meeting of the Advisory Committee on Capital Issues Control in Bombay have disappointed operators. The Advisory Committee is in favour of maintaining the controls over capital issues as before. Operators had thought that the controls would be liberalised in order to revive the capital market. The optimism arose after a meeting between the Central Finance Minister and representatives of the leading financial institutions, where it was generally agreed that steps should be taken to promote a recovery in shares. The hope was reinforced when Cooper Engineering, of Bombay, was allowed to issue rights shares at par. (The same Company had to issue rights shares at a substantial premium two years ago.) The Advisory Committee has apparently taken the view that the present policy of the Government on rights issues is flexible enough to deserve support. No attention has been paid to the objection that the policy of forcing a company to issue rights shares at a premium is wrong in principle because it should really be the company's own business to decide whether rights shares should be issued at par or at a premium. Any benefit that shareholders get by subscribing for rights shares on terms of their choice is merely a reward for the risk of investing their funds. The control over the premium for rights shares might have had some justification at a time when it was necessary to restrain speculation. But now that the capital market has become sluggish, the restrictions deserve to be removed.

The Advisory Committee's recommendation that companies should be allowed to get their rights issues underwritten is also difficult to support for a number of reasons. Firstly, the cost of underwriting will not be small. Secondly, if a rights issue has to be underwritten, it reflects poorly on the confidence shareholders have in their company. Thirdly, the underwriting of rights issues is not likely to serve the long-term interests of investors, since rights shares might pass into the hands of an underwriter for no better reason than that existing shareholders are short of cash at the time of the issue. Finally, the root of the trouble is that subscription to rights shares is discouraged when they are issued at a premium. An important recommendation made by the Advisory Committee on Capital Issues Control is that the ceiling for interest rates on debentures should be raised from 7 percent to 7.5 percent. Considering that interest rates generally have risen and that companies have found it difficult to sell ordinary and preference shares, an increase in the interest rates on debentures would be justified. But such a move would have bearish implications for equity shares since the ordinary dividend yields in many industries are less than the ceiling proposed for debenture interest rates.

The near-term trend in the stock market in any case is unlikely to be upward. If the gains of the past few weeks can be consolidated, the

undertone should remain steady. But no great burst of activity is likely. As the prices of several good shares have declined, there is scope for discriminating purchases. Support from the Life Insurance Corporation will probably not be substantial for some time yet since it has just invested large sums of money in the new Government loans. The tendency to look upon the Corporation as a saviour whenever the stock market is seized with panic is unfortunately reviving. It seems that the lessons of the Mundhra scandal have not yet been learnt. The fact is that the Corporation is the custodian of the policyholders' money; its investment policy must be framed to serve their interests faithfully. Unless security, yield and growth prospects are assured, there is no reason why it should buy particular stocks and shares. In no circumstances does the Corporation have any political obligation to compensate for the Government's fiscal blunders. Its purchases by themselves cannot relieve the prevailing gloom in the stock markets at a time when investment confidence has been shaken by such fundamental factors as heavy taxation, rising production costs, credit restrictions and the irrational price control policies adopted by the Government.

THE COAL SURPLUS

THE surplus that has unmistakably emerged in coal, as shown by the rising pithead stocks, raises several important issues of policy. Coal output, now running at the rate of 68 million tons a year, is well below the phased year-by-year goals formulated by the Planning Commission in the context of the target of 97 million tons set for 1965-66. The emergence of a surplus, despite this shortfall in production, must mean that demand estimates were greatly exaggerated by consumers —by no means unusual in a situation of shortage. Secondly, the slowing down of economic growth since the beginning of the third plan has also had its effect in aggravating the unbalance. In the absence of fuller information, it is difficult to say which of the two factors is the more important, but one may assume that both have contributed equally to the present impasse.

While the slow-down in economic growth is the result of a number of complex factors which it may not have been possible to foresee, there is little justification for the failure to make more realistic estimates of demand. Each industry's requirements can presumably be ascertained by reference to past consumption, for which fairly complete records should exist in the case of a controlled commodity like coal. Allowing for the effect of technological changes on demand patterns, it should be possible to determine accurately the consumption norms, and consequently the total volume of demand related to the likely levels of production in the consuming industries. The fact that serious errors have been made in carrying out this exercise throws doubt on the whole system of planning, and must inevitably lead to scepticism about the flood of forecasts emanating from Yojana Bhawan. It will not do to argue that the mining industry's knowledge of markets should have supplied a corrective, since the relationship that should normally exist between producers and consumers has been totally distorted by years of control.

Admittedly, the surplus reflected in mounting stocks is only in the aggregate. The better qualities of coal—both coking and non-coking—are still in short supply. The tremendous expansion in production over the past decade has left the better grades untouched, which indicates that most mines have already attained the optimum rate of output in these categories from existing workings. It also shows that the incentive to raise better grades has not been sufficient because price differentials, despite recent changes, do not compensate fully for the extra effort and outlay needed to improve quality. The additional production that may be expected under a more rational price system will remain a matter for speculation, but there is no denying that the pattern of coal production has suffered a great deal from New Delhi's inability to appreciate the need for a new approach to the industry's problems.

Coal is, and will remain, India's principal industrial fuel in spite of any marginal shift to oil. While this is the starting point for the formulation of a coherent fuel policy, the fact that only a small proportion of the total reserves are of the better grades has also to be taken into account. This implies making an intelligent use of the technological possibilities to limit the supply of the better grades to the industries where it is needed, and where it will do the maximum good. Administrative prescriptions alone cannot achieve the objective because of the political pressures that allocation by official decree invariably generates. The same end may be attained more quickly and with far less fuss by allowing prices to reflect the true scarcity value. Once this is done, the consumer will have a strong incentive to use coal more efficiently, and take only the grade that he really must have.

A study of fuel efficiency carried out by a two-man team of experts, brought from Britain by the Government of India, has shown the possibilities in this direction. The team's findings confirm the impression that a lot of good coal is wastefully used because it is available under the present system of prices at a rate only slightly above the *middle grades*. The conclusion lends weight to the industry's plea for widening the range of prices by widening the differentials, both to encourage the quest for quality at the producing end and to rationalise consumption. The World Bank, which has now acquired a stake in the private coal industry's viability, has taken much the same view in urging an increase of up to 20 percent in the price of the top grades.

Since coal production has now reached a level where shortages have been eliminated, it may seem to New Delhi that there is no longer any urgency attaching to the industry's claims for price incentives. This would be a serious misreading of the situation on several counts. One is that demand will, even at the present slower rate of growth, rise to something like 80 million tons by the end of the third plan, which calls for a production of at least 12 million tons above the current level. While the National Coal Development Corporation's new collieries will undoubtedly be making some contribution in another two years, output in the private sector will have to rise to 61 million tons as planned if a shortage is not to recur. More than its aggregate contribution, it is the private sector which will have to meet the demand for the better grades. It is the qualitative aspect which New Delhi has to keep in mind if it is seriously concerned about coal supplies to essential consumers. As things stand today, private sector producers may be asking themselves whether the expansion to which they are committed is really necessary. The sluggishness of demand has introduced an element of uncertainty which may seem to make investment in coal even more unattractive than it is under the present price system. If the rate of growth suffers in these circumstances, shortages will develop again once demand starts to pick up. One present indications, a spurt in demand is likely from the end of 1966, when the current expansion of the steel plants and the installation of new power plants is completed. Since supplies cannot be increased overnight, this implies that current expansion programmes have to be pursued to create, in good time, the output potential needed three or four years hence. The policy implication is clear—that the country may have to pay dearly once again for any complacency engendered by the current coal surplus.

A CHECK ON PROFITS

A PROPOSAL by Britain's National Incomes Commission, in its second report, that profits shall be treated as an essential element in a national incomes policy has been resisted by the Federation of British Industries, and the ensuing controversy has raised some doubts about the principle of an incomes policy itself. Why not allow incomes to find their "natural" level within the framework of a general economic policy? The N.I.C. does not propose simple restraint of profits. It intends that profits shall be related to productivity: that if a company's productivity increases more than 3 percent or 3½ percent a year, the increase above that level shall be used not to raise profits but to lower prices. The F.B.I. replies that a profits policy will do more harm than good if it does not "take account of the nature of profits or of their functions in a progressive economy".

Debates of this kind will become more lively in Britain as the opposing political factions line up for the general election (which will probably take place next year, though the economic trend may persuade the Government that this year, about October, would be favourable). Both the major parties, it appears, will try to demonstrate the virtues of economic regulation. The Socialists will insist, and the Conservatives will probably concede, that profits and dividends must not be left free if wages are restrained. But restraint will probably be accepted as a general policy, not as a subject of specific legislation; and experience shows that general policies that are not formally enforced are not always effective. However, the emphasis on specific restraints is not wholly approved by economists. They prefer to emphasise the virtues of flexibility. And they believe that a financial policy that prevents inflation will avoid the need for specific restraints. The N.I.C. has been commended for recognising the importance of prices. But in economic conditions where competition is keen, the natural tendency to reduce prices will automatically restrain the rising trend of profits, in general.

Around the London Stock Exchange the idea of restraining profits specifically, and indiscriminately, is anathema. The most prosperous companies, the companies whose shares are most consistently favoured, are not those that charge high prices but those that become more and more efficient and are therefore able periodically to reduce their prices If beyond a certain point all the benefits of efficiency are to be passed on through prices, not retained as profits, the incentive to promote efficiency will be weakened, and the efficiency that could further reduce prices in the future will be lacking. The Stock Exchange regards restraint of dividends as only slightly less objectionable. It is, of course, different in principle, in that undistributed profits—unlike the notional profits that might have been earned but were not—actually exist, are the property of the shareholders, and, if properly employed, will increase profits in the future. But indiscriminate retention of profits distorts the flow of capital and thus distorts production. Britain had years of experience of dividend limitation after the last war, and economists believe that some of her subsequent troubles are attributable to the underdevelopment of some companies and the overdevelopment of others that it caused.

The essence of the argument against dividend limitation is that each company has its own requirement of self-financing capital and that if it is compelled to retain profits in excess of that requirement, its shareholders are deprived not only of income that they can spend but also of income that they can invest, so the capital market is deprived of resources that expanding companies could advantageously employ. (The same objection is applicable to unnecessary retention of profits by companies with overcautious directors; but that is a problem that the companies' shareholders can solve—if they make enough fuss.) Politicians argue that such objections are unrealistic because restraints on profits and/or dividends are intended not for any direct advantage but as a demonstration of equity. The workers' unions cannot be persuaded to limit their wage demands unless they can be convinced that equivalent sacrifices are accepted by, or imposed upon, the shareholders.

Some economists believe that the advantages of wage restraint have been exaggerated. Last year wages rose less in Britain than in continental Europe, but Britain did not noticeably improve her competitive position in world markets. This year there is evidence that she is improving her competitive position, not by relatively reducing her

wage costs but by improving her efficiency. It is arguable that future policy should positively emphasise efficiency, not negatively emphasise restraint. Efficiency is the surest means to reduce prices; and if also it increases incomes—employees' and shareholders' alike—so much the better. Efficiency will not solve the problem of relative wages in the era of modern technology: the problem of widening differentials between skilled and unskilled workers. Nor will restraints solve that problem. It is a social problem, and it must be treated as such.

CREDIT POLICY DEFENDED

A STRONG defence of the Reserve Bank's credit policy was offered by the Governor, Mr. P. C. Bhattacharyya, in his address at the tenth anniversary dinner meeting of the Bombay Bankers last Thursday. The address seemed to reflect official concern over the increasing criticism of the Bank's policy. The credit policy, said Mr. Bhattacharyya, was guided by two main aims. One was to create enough credit for genuinely productive activity, and the other was to help check inflationary pressures. It was also important, he added, to eliminate the wasteful use of finance and to promote the soundness of the economy. While nobody disagrees with these objectives, the question is how far the central banking authorities have succeeded in achieving them. Many banks are known to be opposed to the tiered system of lending rates but, according to Mr. Bhattacharyya, it represents a worthy compromise between the obligations of the Reserve Bank as lender of last resort and its duties as controller of credit. The Governor contended that the restrictions on the availability of Reserve Bank credit and the raising of the cost of credit had been operated in such a manner as to enable banks substantially to meet the credit requirements of the country during the 1962-63 busy season with due regard to the needs of defence and development.

Few financial observers are inclined to share Mr. Bhattacharyya's view that the credit requirements of the economy have been satisfactorily met and that the credit restraints have helped to curb less essential demands. Mr. Bhattacharyya claimed that were it not for the vigilance and safeguards against excessive borrowings, the total expansion of credit would have been greater with inevitable repercussions on prices and, on a longer view, on the progress of the development effort. But this claim is easily countered by pointing to the steady rise in prices since the beginning of 1963. The fact is that a large part of the economy is still non-monetised, and organised banking finances only 45 percent or 55 percent of the country's internal trade. In such circumstances, as the central bankers ought to know, monetary restraints can do little to restore the economic balance when there is a shortage of real resources.

That the credit-deposit ratio of scheduled banks should have reached the high level of 82 percent during the last busy season (1962-63) is an indication of the severe strain on the resources of the banking system. According to the Reserve Bank Governor, the liquidity problem has stemmed not from an excessive expansion of bank credit in the busy season but from an inadequate contraction of the bank credit during the 1962 slack season and the slow growth of deposits. However, that does not make the situation less disturbing. With the development of the economy, the credit requirements of industry and trade will increase. The new statutory requirements for liquidity will also exert some pressure on the resources of the banking system. As Mr. Bhattacharyya pointed out, the bankers' problem now is not so much one of seeking new borrowers as of securing the resources to meet the credit requirements of the private and public sectors.

The banking system has to face the challenge of how best to meet all demands for productive credit and yet to avoid any excess in credit expansion which might tend to push prices up. The pressure on banks will increase if deposits continue to grow at the present rate even though that rate, according to Mr. Bhattacharyya, is by no means abnormally low. The need for maximum mobilisation of the community's savings in the form of bank deposits can scarcely be over-emphasised. On its success in attracting deposits will depend the banking system's ability to meet the growing credit requirements of the economy. It would, however, be too optimistic to expect the increase in deposits to keep pace with the demand for funds because the compulsory deposits scheme and heavy taxation have seriously undermined the community's ability to save. The situation is likely to be further complicated by the deteriorating political situation because of the possible increase in the preference for liquidity. Reports about the heavy concentration of Chinese troops along the northern borders have already caused panic in the stock markets and an atmosphere of political uncertainty is not conducive to the growth of bank deposits.

Mr. Bhattacharyya's suggestion that banks should co-operate in lending both working and long-term capital for big individual projects deserves careful consideration. Such co-operation will not only relieve an over-extended liquidity position in some banks, but also help a particular bank to limit its commitment for any one party. Happily, there are precedents in this field and some experience has been built up. An extension of such co-operative operations would be of considerable help in meeting the problem of large individual demands for bank credit for genuinely productive purposes. No less welcome is the Reserve Bank Governor's advice to banks to be more flexible in adopting new practices and techniques of lending in the industrial sphere.

Current News and Comment

Cloth Output and Stocks

The output of cloth by Indian mills in June is provisionally placed at 393 million yards, compared with 411 million yards in May and 418 million yards in June last year. The June figure raises the total for the first half of the current year to 2,386 million yards, against 2,503 million yards in the same period last year. The production of yarn in June is placed at 158 million lbs, compared with 165 million lbs in the preceding month and 155 million lbs in June 1962. Yarn output in the first half of the current year amounts to 952 million lbs, which shows a small improvement over the January-June 1962 figure of 945 million lbs. The production performance of the mills is disappointing because unlike in the preceding season, the supply position of cotton this season has been distinctly comfortable. Stocks of raw cotton with the mills are reported to be fairly large—sufficient to last for nearly three-and-a-half months. Mills cannot complain about experiencing any difficulty in securing their supplies of raw materials since the turn of the year. Can it be that mills are restricting their output of cloth because they are hopeful of an upward revision of cloth prices? The Indian Cotton Mills Federation is known to have made a strong plea to the Government for an increase in cloth prices to compensate for the all-round increase in manufacturing costs.

Stocks of cloth with the mills at the end of June totalled 311,200 bales (of 1,500 yards each), against 303,800 bales at the end of May. While there has been an increase of 10,400 bales in the stocks under "sold but delivery not taken", unsold stocks are down by 3,000 bales from 153,800 bales to 150,800 bales. Stocks of cloth have increased during June, but yarn stocks with the mills have declined from 79,500 bales (of 400 lbs each) to 73,200 bales. Unsold stocks are down from 38,300 bales to 35,100 bales, and "sold but not lifted" stocks are lower at 38,100 bales, against 41,200 bales at the end of May. Stocks of both cloth and yarn are considered to be quite normal.

Job Opportunities in Community Blocks

Although, out of the 5,223 community development blocks into which rural India has been divided, about 5,150 blocks have so far been allotted covering nearly 99 percent of the population, the employment opportunities provided by the community development programme have not increased as much as was expected. According to a survey by the Planning Commission, by the end of March 1963, the rural works programme has provided jobs only to 78,000 persons at a cost of Rs. 1.6 crores. At this rate it is expected that not more than 750,000 additional jobs would be provided by the end of the third plan in the rural areas, against a target of 2.5 million additional jobs. The poor result so far achieved is surprising in view of the fact that the community development programme covers a large field, including animal husbandry, fisheries, minor irrigation and land improvement, rural arts, crafts and industries, health and rural sanitation, education, communications and housing. All of them are labour-intensive and should have provided new employment opportunities to landless and casual labour. Although the number of wage-earners in the community development areas is smaller than in other places, the survey has revealed that the scope for self-employment of agricultural labourers has increased somewhat because of the development activities. But it appears that the advantage derived by landless labourers has been rather limited.

An important point which emerges from the survey is that, whereas there has been an improvement in production and employment in some blocks, there has been either no significant improvement or a deterioration in others. It is quite possible that these differences have been due not so much to the operation of the community development programme as to "other forces of economic transformation" in the rural areas. A more detailed enquiry may help to find out the causes for such differences and to devise methods to remove them so that the backward blocks may be levelled up.

The working of community projects is hampered by administrative bottlenecks. It is necessary to ensure that official and non-official agencies work in harmony in order to maximise production. An important reason for the failure of agricultural production progammes at the block level has been the multiplicity of workers—the village level worker, the co-operative supervisor, the assistant agricultural inspector, the stockman, etcetera—who are not able to work in harmony and with a common purpose. For quite some time the State Governments have realised the harm which the multiplicity of workers has caused, but nothing has so far been done to set things right. The Government departments dealing with the various problems of agricultural production seem to be working without any co-ordination. Another shortcoming, which has reduced the effectiveness of community development programmes, is that use has not always been made of improved techniques of production and superior tools.

India's Resources
are Precious
WASTE NOT,
WANT NOT

Toning Up the Capital Market

In spite of some revival in recent weeks, the Indian capital market continues to be dull and

depressed. In a speech in Bombay, Mr. Dhirajlal Maganlal, vice-president of the Indian Merchants Chamber, recently stated that there has been a fall of nearly Rs. 400 crores in the market value of shares and securities quoted at the various stock exchanges as a result of the Chinese aggression and the taxation policy adopted by the Government to meet the emergency. Another indicator of the dullness in the capital market is that business in the seven stock exchanges in the country has been only 10 percent to 25 percent of what it was a year ago. The adverse investment climate has affected the rate of economic growth. In the past few months the rise in prices and the consequent increase in the cost of living, the compulsory savings deposit scheme and the unprecedented increase in both individual and corporate taxation have together reduced the people's capacity to save. It is quite likely that there might be an increase in institutional savings but, since they constitute only about 5 percent of the total savings, a decline in individual savings is bound to retard capital formation in the country.

The importance of Mr. Maganlal's speech lies in his suggestions to accelerate the rate of capital formation and to tone up the stock market. Savings are important, but still more important is the channelling of the savings into industrial investments. For this purpose it is necessary to start unit investment trusts in the country. There are at present about 600 financing bodies and holding companies in India which call themselves investment trusts, but they are not "unit" trusts and do not perform that function for the small investor. For some time now there has been a proposal to start a unit trust in the public sector. But since the management of such an institution calls for special qualities of initiative, understanding of the working of corporate enterprises and extensive contacts with business executives in the country, it will be advisable to start a number of unit trusts in the private sector. Under the existing income tax law, the shareholders of such investment trusts will be subject to double taxation. This anomaly will have to be removed. The super profits tax has done much harm to the process of capital formation and has been partly responsible for scaring investors away from the stock markets. Many companies have been compelled to reduce their dividend rates because of the incidence of this tax. It should either be scrapped altogether or toned down. Mr. Maganlal also suggested that, to the extent of holdings of shares in new companies, the wealth tax on companies should be removed.

Mr. Maganlal further pointed out that in 1961 the Indian capital market was at its best, but then the Government imposed a system of interim margins on stock exchanges along with some other restrictions and the Reserve Bank issued directives to banks to impose a minimum margin of 40 percent on advances against shares and bonds. Many investors pledge their shares in existing companies with banks to obtain funds in order to invest in the shares of new companies. The high minimum margin of 40 percent imposed by banks on advances against shares has made this method of investment difficult. In order to encourage the capital market, Mr. Maganlal has rightly suggested that the Reserve Bank should relax the minimum margins; it would be more in conformity with the prevailing conditions to lay down a minimum margin of 25 percent or so on advances against shares.

Ferrous Scrap Exports

Exports of ferrous scrap from India in June amounted to 25,023 tonnes, compared with 26,051 tonnes in the preceding month and 4,721 tonnes in June 1962. The June figure raises the total quantity of scrap shipped from the country during the first half of this year to 122,603 tonnes, compared with 77,350 tonnes in the corresponding period of 1962. Shipments during January-June 1961 and 1960 were 198,155 tonnes and 174,072 tonnes, respectively. Export performance during July is reported to be fairly satisfactory. Although there has been a modest setback in overseas prices over the past few weeks, demand, it is said, has been maintained at a satisfactory level. The easier trend in prices is attributed to increased competition following the entry of Russia into the scrap export trade, the offer of superior grade scrap by all exporting countries and the reduction in scrap prices in the principal Japanese market. While the export trade does not anticipate any noteworthy recovery in foreign prices in the immediate future, exporters seem fairly optimistic about the level of overseas demand. To take advantage of the demand, the trade wants encouragement for upcountry collection by introducing concessional railway freight and compensation for the export loss on inferior grades of scrap, which amounts to about Rs. 30 a ton at the current level of export prices.

Sugar Control

The new control measures introduced under the Sugar Control Order 1963 have so far made no perceptible impression on sugar prices. In the past wholesalers were licensed and the market received its supplies through them. Under the present measures, stringent restrictions have been imposed on the licensed wholesale dealers whereby they cannot sell sugar to those who are not registered as retailers with them. Wholesalers will have to display prominently the prices of all varieties of sugar stocked by them and keep a record of the supplies made to each retailer, the prices charged and the date of sale. The permissible margin for wholesalers is 1½ percent in the case of cash sales and 2 percent in the case of credit transactions. The retail distribution has been left within the purview of the State Governments, which may introduce a system of identity cards to enable consumers to draw a fixed quantity of sugar and foodgrains from fair price and other shops.

By merely controlling the wholesale prices, the sugar problem cannot be tackled. Due partly to defective distribution of the available supplies and partly to the nervousness of the consumers, who are keeping reserves of sugar, an artificial scarcity has been created in the market. So prices have gone up. In view of this, the tightening of control measures and the use of the Defence of India Rules to curb profiteering and blackmarketing are not likely to succeed. The Central Government has clearly stated that, although the enforcement of the control measures is the responsibility of the State Governments, its inspectors would be used to detect irregularities and malpractices in the trade. The weakness of the control measures arises from the fact that they depend for their success on the integrity, efficiency and alertness of the officials. It has been the experience all over the world that the Government machinery should be efficient in order to make price and distribution controls effective, otherwise the situation only turns worse. An increase in supplies either through larger production or through imports, as in the case of foodgrains, is the only effective method of stabilising the prices of essential commodities like sugar, wheat and rice. Controls are at best palliatives.

CORRESPONDENCE

STATE WAREHOUSING OF FARM PRODUCE

(To The Editor of "Capital")

Sir,

Mr. Hoon, while reviewing "State Warehousing of Farm Produce in India" in *Capital* of 18th July, writes: "The Reserve Bank has allowed these advances outside the limits prescribed for foodgrains." This is so only concerning new warehouses established on or after 1st April, 1962. In terms of the Reserve Bank's directive of 23rd January, 1963, as amended by the directives of 11th March and 16th May, while keeping advances against all foodgrains (excluding wheat) including advances against warehouse receipts within the overall ceiling limits, average aggregate levels of advances other than those against warehouse receipts shall not exceed the levels in the corresponding two-month period of the previous year. This permits a little additional level of credit against warehouse receipts.

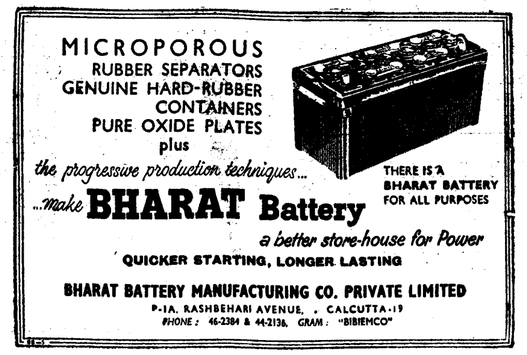
Yours etcetera,
R. K. Sinha

Muzaffarpur, 22nd July, 1963.

INDIA AND FREE TRADE

THE people of India are indebted to Lord Northbrook for raising the interesting debate in the House of Lords on the 10th ultimo, which we print in another column, upon the question of India's position with reference to the proposed new fiscal departure in England. It, of course, transpired that India had not been considered and, needless to say, had not been consulted. India is one of the most striking and consistent apostles of free trade. Her industries not only receive no protection but her cotton manufactures are handicapped by an excise duty equivalent to the Customs import duty on foreign manufactured goods. Such a case is without parallel in the world. Of course it could only have been adopted because Indian interests are always subordinated to the philanthropic desires of Manchester. It is unfortunate that Mr. Robertson should have issued his Review of the Trade of India so early, because a chapter on the incidence of India's foreign trade would have been of considerable interest at this juncture. We gather from his review that the United Kingdom supplies 66 percent of the value of imports, the Continent of Europe 15 percent and the United States 1½ percent. Of the 15 percent contributed by the Continent, Russia supplies 3 percent and this is represented by petroleum. Similarly the great bulk of the imports from the United States is petroleum also. It thus appears that only 12 percent of the value of the import trade of India is contributed by the Continent of Europe, and it would be interesting to know how much of that 12 percent could be supplied by Great Britain. It is perfectly clear that she has the great bulk of the import trade.

FROM
CAPITAL
6th August, 1903



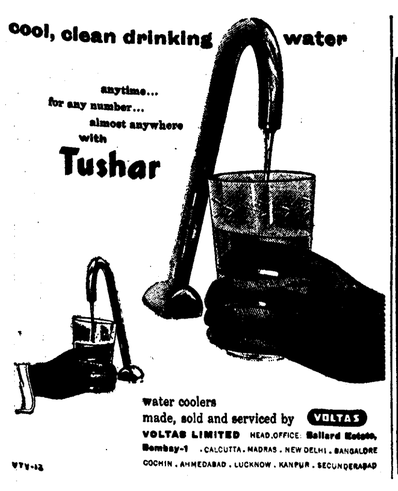
A Ditcher's Diary

SOME COMMENTATORS, I FIND, HAVE BEEN DEMANDING that New Delhi give the people its assessment of the magnitude of the Chinese threat and spell out its methods of dealing with it. It is true enough that few countries are less informed of the state of their defences than India. Yet it seems too much to expect that the Government of India will oblige. Surely it cannot say what its precise information is on the Chinese build-up along the Himalayas without giving away to the enemy data useful to him. I have never tried to be a political or military astrologer; so I do not know what the Chinese may be up to. But the time may have come to divide the problem into two parts, military and political. On the first, preparedness must continue to grow; this much is obvious. But it should be clearly understood, and this is where politics comes in, that the Chinese are unlikely to stand by and watch India acquire greater and greater military strength and do nothing about it. (India did not view U.S. military aid to Pakistan with indifference.) Where do we go from here? While political inhibitions within the country and its Government may or may not hinder greater military aid from the West, the external limitations do not appear to have been sufficiently widely recognised. It is necessary to mention another limitation, this from the West. Having for years played down the threat from China, New Delhi now affects to be disappointed that its current military assessments are not accepted without examination in Washington and London. Also, India's internal limitations may not proceed solely from political inhibitions but also from physical factors. To mention these limitations is not to advocate a policy of weakness and appeasement. Far from it. But it is dangerous to go round saying, as an air force officer is reported to have said to Rawle Knox of the *Daily Telegraph*, that the Indian Air Force should bash up the Chinese before they complete their build-up. Such talk from the Prime Minister not so long ago provided the Chinese with at least a pretext for doing what they did. Nobody can want a repetition of that. Talking can be as effective a weapon as some others lately imported; not the kind of talking the officer indulged in, though.

THE ONE MAN WITH ALL THE REASONS IN THE WORLD to disapprove of detailed reporting of the Ward trial—yes, Mr. "Jack" Profumo—has not yet done so. But see how many simple-minded people he has from Charing Cross to Chowringhee to do it for him! Maybe I haven't got a particularly clean mind, said to be a handicap in journalism; maybe my stomach is strong enough to take in worse stuff than the juicy details of the lives of Miss Christine Keeler and Miss Mandy Rice-Davies. I still believe that most newspaper readers have in the last few days turned first to the Ward story and then to Mr. Nehru on the third plan. And it is among such readers that you may find a majority of the people who have been writing angrily about purveying pornography. It seems as yet unestablished that Dr. Stephen Ward's flat contained a two-way mirror. What the public hates is to be held before it any kind of mirror. Yes, even in affluent societies pretty girls go awhoring. Yes, even in Britain's still in many ways Victorian society "top people" tolerate low friends with interesting acquaintances. Yes, in the underworld of espionage morality does not enjoy priority number one. Such is the truth; and why not know it? Remains the ancient Athenian question of corrupting the youth, leading to Socrates's cup of hemlock. Fortunately, this journal does not have to report court cases. Even more fortunately, this journal is not read by adolescents. But what is a daily paper to do? Think of that small fraction of their readership which consists of children whose minds have not been trained by their parents to have a healthy attitude to sex and other facts of life? I find the demand preposterous. That some politicians have objected to detailed coverage of the Ward trial does not surprise me one bit; most people in that profession —second oldest?—would rather have things suppressed than published. But the public should know that by inciting editors to suppress news it deprives itself of its best source of information, the sort of information without which it is ill equipped to judge its rulers. There's nothing, absolutely nothing, like—exposure.

IT HAS LONG BEEN A CONVICTION OF MINE THAT THE true frontier of India—that is, the line which must be watched for intrusions from outside—stretches from south of Sydney at one end, up through Singapore, then along China's border with Burma and the watersheds of the Himalayas and the Sulaimans, across the coasts of Persia and Arabia and then down the east coast of Africa at least as far as Durban. This may sound rather startling, but it is no longer merely a piece of fanciful *realpolitik*, not since the Chinese forcefully underlined the fact that such old-fashioned concepts as "spheres of influence" still have tremendous significance in ensuring this country's defence. It has always seemed to me that India's sphere of influence must include the whole of the Indian Ocean, a strategic concept which, so far, only the Indian Navy seems to have grasped. I do not think President Soekarno has, considering his decree that the Indian Ocean be renamed the Indonesian Ocean. Now I agree that it would be a mistake to take this piece of weird geo-nationalism too seriously; Dr. Soekarno is, after all, only one among a horde of picturesque and flamboyant despots who have been thrown up by modern nationalist movements. Generally speaking, their significance can be judged from the fact that their antics are usually in inverse proportion to the size and importance of the countries they lead. But certainly Dr. Soekarno is one of the most dangerous from India's point of view. He is in tenuous control of a country whose population is almost half ours. He has flirted with communism in his time for reasons which have exceeded the usual one of its being understood as necessary to gain economic aid and political support from the United States. And although his policy on Malaysia appears to have been at least temporarily frustrated, he has been spectacularly successful in gaining his ends over West New Guinea, even though it has involved breaking faith with the United Nations. Altogether a character to be watched, one might say—particularly if his implied ambitions in the Indian Ocean and his antagonism towards Malaya cause him to draw too close to China.

AT A TIME WHEN AMATEUR GROUPS IN CALCUTTA are moving increasingly towards the serious theatre, there is some merit, I suppose, in the Dramatic Club of Calcutta maintaining the balance by concentrating on the light-hearted and the inconsequential. John Chapman's *Dry Rot*, staged by the D.C.C. at the New Empire last week in aid of Dr. Graham's Homes, is not exactly the best possible choice from the latter category. But for busy amateurs occasionally able to spare a little time for acting, it has the advantage of being relatively undemanding in terms of talent and rehearsals; and, in its own way, it can be entertaining too. The story of *Dry Rot*, qualitatively, is dry rot, which perhaps is the main justification for what otherwise appears to be a rather irrelevant title. To the extent that there is a story at all, it centres on the antics of three goons conspiring to make a fortune by switching horses before a race. The conspiracy is hatched in a small country hotel in England newly taken over by a retired colonel and his wife (ex-India); predictable jokes abound, and so do improbable situations, in a comedy in which the humour is anchored firmly to the level of low slapstick. Condemned to cope with drama of this calibre, Terence Rochford gave a competent performance as Alfred Tubbe, the bluff and hearty bookmaker who leads the trio of goons. Colonel Wagstaff and his family were stiff—in parts stiff enough to suggest that they might have walked all the way back from



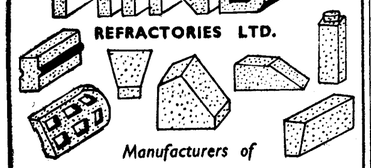




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India. But Mike Griffiths and Doreen Lack gave an amusing display of dimwits coo-ing themselves into romance; and Basil Gill was brilliant in his Anglo-Saxon caricature of gallic eccentricity. On the whole, Margaret Anderson's production was a fair effort, which might have been improved with a little more pace in the earlier scenes. If she had some difficulty, as I did, in coping with John Chapman's humour, it may not have been entirely her fault; buffoonery, after all, is a poor substitute for wit even in the most unambitious of light comedies.

WHILE NOT A NAYA PAISA OF GOVERNMENTAL expenditure should go unscrutinised, I do not quite see why the West Bengal Assembly should have got so worked up this week over the few rupees the Government of West Bengal may have spent on its extension of hospitality to Acharya Vinoba Bhave. Perhaps it was not necessary to make the Acharya a guest of State; perhaps the Opposition was within its rights to consider the Acharya an undesirable guest. Yet the debate lacked decorum. Similar questions have in the past been asked in the Lok Sabha, always leading to some embarrassment and no great saving of public funds. The fact is that when I present a friend with a gift I first take the price tag out; and now Acharya Vinoba Bhave will be made to feel, as the late Lady Mountbatten and some others were earlier made to feel, that perhaps his acceptance of Mr. P. C. Sen's invitation cost the people too much, or so their elected representatives think. This takes the grace out of hospitality. The point has been made elsewhere that in the current emergency the Acharya performs a very useful public function by being able to say a thing or two which need saying but cannot be said by others. I am inclined to agree. The channels of criticism are not exactly multiplying in this country; and the lack is only partially justified by the conflict with China. I hear from Delhi that the A.I.R.-V.O.A. deal has rendered Mr. Gopala Reddi's position somewhat vulnerable; I also hear that some of Mr. Reddi's "unfriends" do not mind the deal so much as his unmilitant Hindi policy. Nothing in Indian politics is what it seems; there are wheels within wheels within wheels. I have a horrible feeling that the objections to Acharya Vinoba Bhave's visit stemmed from factors and motives which may have nothing to do with possible disapproval of the Acharya as a public figure.

THE PROBLEM OF KEEPING ONE'S SCIENTISTS FROM migrating abroad to wherever their talents are accorded the greatest scope, the best remuneration and the highest social esteem seems to be becoming increasingly serious in Britain, as it is in India. The loss there is to the United States, and since the multi-occupational Lord Hailsham made such a fool of himself by suggesting the cause was the inadequacy of the U.S. educational system, it has been obvious that something would have to be done about it. So in Britain the drive to stop the "brain drain" is on, although the remedies proposed up to now promise to be no more effective than those seen in this country. More money for research is an obvious one; so is the provision of better university appointments and training awards. The Labour Party has even announced plans for a stronger and more independent Ministry of Science, although not, significantly, for putting it in the charge of a scientist rather than merely the socialist equivalent of an amateurish layman like Lord Hailsham. In fact, almost everything has been promised except higher salaries, a form of inducement to which somehow insufficient importance is always attached. All very heartening for the scientists, perhaps; but I doubt if it is going to be enough. Personally, I think such ideas miss the real point, which is that scientists will always tend to move from a society in which their status is low to one where it is higher. Unless they are able to assume the position to which their importance entitles them, and are not prevented from doing so either by social tradition and prejudice, as in Britain, or by complete indifference, as in India, they are bound to be frustrated and inclined to move elsewhere.

THE DITCHER

Guide for Investors

BIRLA JUTE EARNS MORE, PAYS SAME

THE Birla Jute Manufacturing Co. Ltd has done well during the year ended March 1963. The gross profit has substantially risen, but the impact of taxation including the super profits tax, has been so heavy that the distributable amount for shareholders has been cut. The jute mills have worked satisfactorily because of an abundant supply of fibre, and its low price in relation to the prices of goods. During the current year, the overseas demand for jute goods has declined so far, but the directors hope that the demand from developing and communist countries will rise in due course. So the mill industry is expected to work at the maximum level of production throughout 1963-64. Pointing out that Pakistani competition has been growing, they hope that suitable incentives will be given to the Indian industry to face up to the danger.

The Company has increased the number of broad looms to 64. As for the cement plant in Satna, it has worked satisfactorily and produced 221,477 tons. The entire equipment for expansion of the factory is being erected and production may begin towards the end of 1963. The output should rise to 1,750 tons a day, when the expansion is completed. The Company has obtained a licence to build a new cement factory in Chittorgarh with a daily capacity of 600 tons. Provisional orders for the plant have been placed, and output may begin in the middle of 1965. The project may cost Rs. 2.75 crores. The staple fibre spinning mill with 30,000 spindles has done well. It has been decided to build a factory for producing oxygen and acetylene gas and orders for machinery are being placed. Production may begin in April 1964.

Sales rose from Rs. 9.30 crores in 1961-62 to Rs. 10.45 crores. The gross profit has improved from Rs. 1.60 crores to Rs. 2.07 crores. Taxation absorbs a higher sum of Rs. 60 lakhs including super profits tax, compared with Rs. 42 lakhs. A taxable ordinary dividend of 15 percent has been maintained to absorb Rs. 23.93 lakhs. The yield amounts to 5.1 percent at the present price of Rs. 29.50 a share of Rs. 10 each. Depreciation is allocated Rs. 67.43 lakhs, against Rs. 63.62 lakhs, development rebate reserve Rs. 14.11 lakhs, against Rs. 4.33 lakhs, general reserve Rs. 30 lakhs, against Rs. 17.82 lakhs, and development and rehabilitation reserve Rs. 3.10 lakhs.

McLeod Pays More

MCLEOD and Co. Ltd has increased its profit from Rs. 14.09 lakhs in 1961 to Rs. 25.29 lakhs for the year ended December 1962, after providing Rs. 1.24 lakhs (against Rs. 1.19 lakhs) for depreciation. The improved results are due to a better dividend income because considerably higher incomes have been received from the managed jute, tea and engineering companies. The insurance and miscellaneous departments have done well, but the shipping department has produced disappointing results.

The taxable ordinary dividend has been increased from 15 percent to 18 percent absorbing Rs. 8.48 lakhs, so the yield amounts to 8.7 percent at the present price of Rs. 206 a share of Rs. 100 each. Taxation is allocated Rs. 7.75 lakhs (against Rs. 2.68 lakhs), convertible notes redemption reserve Rs. 2 lakhs (the same), investment reserve Rs. 1.25 lakhs, general reserve Rs. 3 lakhs and development rebate reserve Rs. 5,554. The carry-forward is Rs. 2.35 lakhs, against Rs. 2.01 lakhs brought in.

India Cements Cuts Dividend

THE directors of India Cements Ltd have recommended a dividend of 9 percent, less tax, for the year ended March 1963, compared with 12 percent paid in the preceding year. Although the rate of dividend has been reduced considerably, the total amount distributed among the equity shareholders is almost about the same because of the increased capital. The preliminary report on the working of the Company during 1962-63 shows a small setback in the gross profit from Rs. 91.62 lakhs to Rs. 85.84 lakhs. After providing Rs. 37 lakhs (against Rs. 40.33 lakhs) for depreciation and Rs. 24 lakhs (against Rs. 23.50 lakhs) for taxation, the net profit amounts to Rs. 24.84 lakhs, against Rs. 27.79 lakhs in 1961-62. After taking into account the previous year's balance of Rs. 1.39 lakhs (against Rs. 1.19 lakhs), refund of taxes and coal subsidy relating to earlier years amounting to Rs. 1.22 lakhs (against Rs. 68,000) and transferring Rs. 11.31 lakhs (against Rs. 5 lakhs) for rehabilitation and development reserve and general reserve, the disposable surplus amounts to Rs. 38.76 lakhs, against Rs. 34.66 lakhs.

Appropriations include donations Rs. 3.47 lakhs (against Rs. 1.17 lakhs), rehabilitation, research, modernisation and development reserve Rs. 4.49 lakhs (against Rs. 2.07 lakhs) and reserve for development rebate Rs. 35,000 (against Rs. 87,400). The proposed ordinary dividend absorbs Rs. 26.75 lakhs (against Rs. 26.93 lakhs) and preference dividend accounts for Rs. 2.22 lakhs (the same). After making all these appropriations, there remains a surplus of Rs. 1.47 lakhs to be carried forward, against Rs. 1.119 lakhs brought in. The Rs. 5-paid share of India Cements is currently quoted around Rs. 5.60.

Polychem Maintains Dividend

IN spite of a 20 percent increase in the sales from Rs. 1.64 crores to Rs. 1.97 crores, the gross profit of Polychem Ltd for the year ended March 1963, is slightly down from Rs. 39.52 lakhs to Rs. 38.42 lakhs. The profit has been arrived at after providing Rs. 5.93 lakhs (against Rs. 4.95 lakhs) for sole selling agents' commission. The directors point out that sales would have been still higher but for the large stocks of materials allowed to be imported. From the year's profit, the directors have provided Rs. 6.30 lakhs (against Rs. 7.06 lakhs) for depreciation, Rs. 17 lakhs (against Rs. 15.50 lakhs) for taxation, Rs. 2.44 lakhs (against Rs. 22,939) for development rebate and written off Rs. 5,739 (against Rs. 34,445) towards expenses on the issue of new equity shares. The net profit amounts to Rs. 12.69 lakhs, against Rs. 16.74 lakhs in 1961-62. No provision has been made for the general reserve which had received Rs. 6 lakhs in the preceding year and allocation to the dividend equalisation reserve has been reduced from Rs. 3 lakhs to Rs. 2 lakhs. The directors have created a dividend reserve with an allocation of Rs. 12 lakhs out of which will be paid the ordinary dividend at the rate of 15 percent (the same) absorbing Rs. 8.40 lakhs (against Rs. 6.94 lakhs) and preference dividend amounting to Rs. 3.33 lakhs (the same), leaving a sum of Rs. 9,000 to be carried forward, against Rs. 1.19 lakhs brought in.

The directors state that the Company's polystyrene plant operated satisfactorily during the year and plans have been implemented for simultaneous production of both the general purpose as well as high impact materials at the plant. Facilities have also been augmented to meet the growing demand for the coloured materials. The erection of the styrene monomer and alcohol plant has been completed and both the plants are expected to be commissioned shortly. The directors add that the progress of work on these two projects would have been achieved as planned but for the delays caused in receiving the foreign and indigenous equipment and the required approvals of various Governments and local authorities concerned. The capital expenditure incurred during the year was Rs. 32.35 lakhs including that on building under construction and machinery under erection. Since 31st March, 1963, further amounts totalling Rs. 11 lakhs have been borrowed from the I.F.C., making a total borrowing of Rs. 93.37 lakhs. A sum of Rs. 15 lakhs has since been borrowed from the Bank of Baroda. The Rs. 50-paid share of Polychem is quoted around Rs. 140.

Universal Cables Skips

UNIVERSAL Cables Ltd has passed the dividend for the year ended March 1963, because the directors want to conserve resources for expansion. The equipment for making paper-insulated lead-covered power cables has been received, and will soon be installed. The production may begin towards the close of 1963. The Company has obtained a licence for manufacturing thermo-plastic power cables with an output of 240 miles a year. A licence for producing aluminium redraw rods with an annual capacity of 3,000 tons has been obtained. Industrial licences have been received for producing paper capacitors and industrial condensors. The directors are negotiating for foreign collaboration for the capacitor-making project. There is a profit of Rs. 4.68 lakhs. Bringing in Rs. 5,609, there is an available balance of Rs. 4.74 lakhs. Depreciation absorbs Rs. 40,976, development rebate reserve Rs. 42,000, general reserve Rs. 2 lakhs and taxation Rs. 1.65 lakhs. The carry-forward is Rs. 25,594.

Bally Jute Pays the Same

THE Bally Jute Company Ltd has raised its gross profit from Rs. 20.64 lakhs in 1961-62 to Rs. 38.19 lakhs for the year ended March 1963. A taxable ordinary dividend of 2[illegible] percent has been repeated to absorb Rs. 5 lakhs. It offers a yield of 9.2 percent at the present price of Rs 272 a share of Rs. 100 each. Depreciation is allocated Rs. 6.39 lakhs against Rs. 6.90 lakhs, development rebate reserve Rs. 80,000, against Rs 18,000, general reserve Rs. 4.50 lakhs and taxation, including super profits tax, Rs. 19.70 lakhs, against Rs. 6.90 lakhs. The Company has obtained a licence to install 80 broad looms and the necessary equipment has started arriving. Production may start towards the close of 1963, and the project will cost about Rs. 70 lakhs.

Bararee Coke Maintains

IN their report for the year ended March 1963, the directors of the Bararee Coke Co. Ltd mention that they are considering schemes to expand the output of coke and by-products. They have also plans to diversify their by-products output. The production of hard coke rose from 59,540 tons in 1961-62 to 62,483 tons. The sulphate of ammonia and the sulphuric acid plants worked fairly well. Although efforts are being made to reduce production costs, only marginal success is likely to be achieved in view of the old age of the equipment.

The profit has risen from Rs. 8.62 lakhs to Rs. 10.12 lakhs, after providing Rs. 69,757 for depreciation. A taxable ordinary dividend of 15 percent has been maintained which is more than five times covered and offers a yield of 7.1 percent at the present price of Rs. 21.06 a share of Rs. 10 each. Taxation including a sum of Rs. 1.55 lakhs for super profits tax, absorbs Rs. 7 lakhs (against Rs. 3.17 lakhs). Development rebate reserve is allocated Rs. 120 (against Rs. 3,457), deferred repairs reserve Rs. 1.50 lakhs (against Rs. 1 lakh) and general reserve Rs. 80,889 (against Rs. 50,110).

North-Western Cachar Tea Halves Dividend

THE North-Western Cachar Tea Co. Ltd has earned a profit of Rs. 6.13 lakhs for the year ended December 1962, compared with Rs. 2.61 lakhs for 1961, after providing Rs. 1.29 lakhs (against Rs. 1.59 lakhs) for depreciation. The taxable ordinary dividend has, nevertheless, been halved to 10 percent, although the ordinary share capital has, meanwhile, been raised from Rs. 7 lakhs to Rs. 12.60 lakhs by the issue of bonus shares. The dividend absorbs Rs. 1.26 lakhs and works out to a yield of 6.3 percent at the present price of Rs. 160 a share of Rs. 100 each. Taxation is allocated Rs. 3.27 lakhs (against Rs. 1.53 lakhs), development rebate reserve Rs. 7,500 and revenue reserve Rs. 1.50 lakhs. The carry-forward is Rs. 5,355, against Rs. 2,358 brought in. The crop amounted to 5,783 quintals against 5,708 quintals and the average sale prices of all estates were higher than in 1961. For 1963, the crop has been estimated at 5,800 quintals at a cost of Rs. 8.50 lakhs.

Rameshwara Jute Pays Nil

THE Rameshwara Jute Mills Ltd shows a trading profit of Rs. 20.68 lakhs for the year ended March 1963, compared with Rs. 8.36 lakhs for 1960-61. Depreciation, including a sum of Rs. 5 lakhs for previous years, absorbs Rs. 10.64 lakhs, but there is still unabsorbed depreciation for Rs.

7.37 lakhs. Development rebate reserve is allocated Rs. 2.28 lakhs (against Rs. 2.25 lakhs) and taxation Rs. 3.90 lakhs (against Rs. 200). The outstanding debit balance of Rs. 3.61 lakhs has been wiped off leaving a credit balance of Rs. 25,500 to be carried forward. The dividend has again been passed. The Company has a contingent liability of Rs. 4.20 lakhs for arrears of preference dividends up to March 1963.

The directors expect bumper crops in India and Pakistan during 1963-64. Considering that Indian mills have stocks of raw fibre equivalent to nearly five months' consumption, the disposal of the new crop will present a serious problem. Since the Government has fixed the minimum price of raw jute at a higher level than in Pakistan, fibre smuggled from that country is likely to press on the Indian supplies.

Britannia Engineering Sales, Profit Up

THE directors of the Britannia Engineering Co. Ltd take an optimistic view of the Company's expansion prospects in their report for 1962. The wagon division in Mokameh has done well and produced 675 wagons for the railways. The production of cone-winders in collaboration with foreign parties has begun. Machines are being produced and supplied to the jute industry. The factory for producing road rollers has been completed, and the output rose from 95 in 1961 to 150 in 1962. It is hoped to increase the output further with a 100-percent indigenous content when more equipment is installed. The steel foundry is expected to start producing by the middle of next year. It is estimated that about 4,005 tons of steel castings will be produced a year.

Sales rose from Rs. 2.72 crores to Rs. 3.52 crores and the profit has increased from Rs. 11.48 lakhs to Rs. 24.17 lakhs, after providing Rs. 12.19 lakhs (against Rs. 9.05 lakhs) for depreciation. A taxable ordinary dividend of 10 percent has been maintained on the capital which was doubled by a rights share. The dividend absorbs Rs. 10 lakhs and works out to a yield of 9.6 percent at the present price of Rs. 10.44 a share of Rs. 10 each. Taxation absorbs Rs. 9.10 lakhs (against Rs. 4 lakhs). Development rebate reserve gets Rs. 3.70 lakhs (against Rs. 2.62 lakhs). The carry-forward is Rs. 5,115, against Rs. 1.11 lakhs brought in.

Hilla Tea To Diversify Output

THE Hilla Tea Estates and Industries Ltd (a Dooars garden) has again passed the dividend for the year ended December 1962. The Company has made only a small profit of Rs. 3,547, after providing Rs. 53,603 (against Rs. 37,735) for depreciation. There was a loss of Rs. 10,416 for 1961. A sum of Rs. 6,800 has been set apart for development rebate reserve. The directors point out that a sum of Rs. 18,208 representing the loss on the sale of the previous year's crop has had to be set off against the earnings for 1962. The crop was 3,334 quintals and the average sale price amounted to Rs. 4.38 a kilogram, against Rs. 3.86 a kilogram. A crop of 3,629 quintals has been estimated for 1963. Replanting has been undertaken and the directors are considering the adoption of C.T.C. manufacture. The present name of the Company has been adopted in place of the former name in view of the decision of the directors to diversify its activities to include production of instant tea, chemicals, wastewood products and engineering equipment, especially for manufacturing tea.

Central Cachar Tea Profit Down

THE Central Cachar Tea Co. Ltd has reduced the taxable ordinary dividend from 7.5 percent to 5 percent for the year ended December 1962 to absorb Rs. 55,000. The yield amounts to 6.7 percent at the present price of Rs. 74.50 a share of Rs. 100 each. The profit has declined from Rs. 2.39 lakhs for 1961 to Rs. 1.74 lakhs for 1962, after providing Rs. 84,685 (against Rs. 82,223) for depreciation. Taxation absorbs Rs. 1.35 lakhs (against Rs. 1.32 lakhs), development rebate reserve Rs. 4,583 (against Rs. 1,840) and general reserve Rs. 1.56 lakhs (against Rs. 50,000). The crop declined from 545,645 quintals to 454,449 quintals. A crop of 353,060 quintals has been estimated for 1963 at a cost of Rs. 3.75 a kilogram. The disappointing results have been due to drought. It has been decided to dispose of the Burnie Brass estate.

Roopacherra Tea Suffers Loss

THE Roopachetra Tea Co. Ltd (a Cachar garden) has incurred a loss of Rs. 1.72 lakhs for the year ended December 1962, after providing Rs. 61,384 (against Rs. 65,674) for depreciation. For 1961 there was a profit of Rs. 92,257. The dividend has been passed. Bringing in Rs. 6,331 and setting aside a sum of Rs. 1.486 for development rebate reserve, a debit balance of Rs. 1.69 lakhs has been carried forward.

The crop declined from 326,670 kilograms to 195,018 kilograms. Although the average selling price has gone up from Rs. 4.40 to Rs. 4.62 a kilogram, the directors point out that 150 acres of tea were badly affected by floods and must be considered a total loss. Out of this 35 acres have already been sown with high-quality jute seed and this will be followed by paddy crop. It is proposed to plant Ramie on spare lands and they hope that it will be a profitable side-line crop. The 1963 tea crop has been estimated at 250,400 kilograms at a cost of Rs. 9.50 lakhs.

Punjab National Bank Repeats Interim

THE directors of the Punjab National Bank Ltd propose to maintain the interim dividend for the half year ended June 1963 at 10 percent, that is, Re. 1 a share of Rs. 10. The net profit of the bank for January-June 1963, amounts to Rs. 50.19 lakhs, compared with Rs. 49.55 lakhs in the corresponding period of 1962. But the profit has been arrived at after providing for corporation tax and super profits tax for the whole of 1962 and for the first half of the current year. After bringing in Rs. 15.21 lakhs (against Rs. 10.38 lakhs) the directors propose to utilise Rs. 20 lakhs for the payment of the dividend, leaving a sum of Rs. 45.40 lakhs to be carried forward to the next half year's account.

More from Dejoo Valley

THE Dejoo Valley Co. Ltd (an Assam garden) has made a profit of Rs. 2.85 lakhs for the year ended December 1962, compared with Rs. 1.16 lakhs for 1961, after providing Rs. 49,430 (against Rs. 47,606) for depreciation. The taxable ordinary dividend has been increased from 20 percent to 30 percent absorbing Rs. 36,000. The yield works out to 5.7 percent at the present price of Rs. 52.50 a share of Rs. 10 each. Taxation absorbs Rs. 1.48 lakhs (against Rs. 25,100), development rebate reserve Rs. 1,665 (against Rs. 766) and buildings and machinery reserve Rs. 1.20 lakhs. There is a carry-forward of Rs. 3,613, against Rs. 23,610 brought in.

The crop was 200,496 kilograms, against 173,277 kilograms, but the average sale price rose from Rs. 5.19 to Rs. 5.90 a kilogram. The 1963 crop estimate is 199,600 kilograms at a cost of Rs. 7.97 lakhs. The Tea Board has agreed to give a long-term loan of Rs. 3.77 lakhs for expansion in planting.

Radio and Electricals Does Well

THE working results of Radio and Electricals Manufacturing Co. Ltd for the year ended March 1963, show a considerable improvement over the previous year's performance. The profit, after poviding for all expenses of management, depreciation and bonus, has increased by nearly 21 percent from Rs. 31.24 lakhs to Rs. 37.84 lakhs. With the amount of Rs. 41,536 brought forward and with a sum of Rs. 3 lakhs transferred from dividend equalisation reserve and including Rs. 3.31 lakhs being excess provision made in previous years for income tax together with other excess provisions amounting to Rs. 62,270, the disposable surplus amounts to Rs. 45.19 lakhs, compared with Rs. 31.77 lakhs in 1961-62.

Allocations include donations Rs. 1.01 lakhs (against Rs. 2,600), reserve for bad and doubtful debts Rs. 36,696 (against nil), development rebate reserve Rs. 3.58 lakhs (against Rs. 23,600), taxation, including super profits tax. Rs. 5.43 lakhs, Rs. 17.53 lakhs (against Rs. 16 lakhs), dividend reserve (including amount transferred from dividend equalisation reserve) Rs. 10.50 lakhs (against Rs. 6.57 lakhs) and general reserve Rs. 6.75 lakhs (against Rs. 8.50 lakhs). The proposed 18 percent dividend, subject to tax, absorbs Rs. 7.43,469. After making all these appropriations and some minor adjustments, there remains a balance of Rs. 2,987 to be carried forward, against Rs. 41,536 brought in. The Rs. 5-paid share of the Company is quoted around Rs. 3.25.

Bharat Fertiliser Share Offer

BHARAT Fertiliser Industries Ltd which is setting up a modern fertiliser granulating plant in Thana (Bombay) with an annual capacity of 11,000 tons on a single shift basis, is offering 12,500 equity shares of Rs. 100 each for public subscription. The list will open on 5th August, and will close on 12th August or earlier, but not before 7th August. The entire public issue has been underwritten. The Company's project is nearing completion and it is expected to go into production by the end of this year. The project is estimated to cost Rs. 33 lakhs and it is proposed to be financed by the equity capital of Rs. 25 lakhs and a loan of Rs. 8 lakhs from the I.C.I.C.I. The Company has been marketing manually prepared mixed fertilisers in the States of Maharashtra and Gujarat for many years, and has, therefore, a ready organisation for selling compound granulated fertilisers which it intends to put on the market from the coming year.

Talking to newsmen, the chairman, Mr. Ratilal M. Gandhi, stated that the Company's products would have an assured market in agriculturally advanced States like Maharashtra which had decided to give, from April 1963, a subsidy of Rs. 50 a ton to the farmers using mixed fertilisers manufactured according to the agreed formulae. Barring some unforeseen circumstances, the Company hopes to be able to pay a reasonable dividend from the very first year of the commissioning of the plant to full capacity. The Company which had been converted from a private into a public limited company in November last, has an authorised capital of Rs. 50 lakhs and its paid-up capital amounts to Rs. 10 lakhs. It is now proposed to raise further capital of Rs. 15 lakhs—all in equity shares of Rs. 100 each. Of this, shares worth Rs. 2.50 lakhs are being taken up by the directors and their friends. The remaining 12,500 shares are now being offered for public subscription. The entire foreign equipment worth Rs. 5.85 lakhs required for the project has already been received at the site. The Company's board of directors includes Mr. Ratilal M. Gandhi (chairman), Mr. Khushal K. Shah, Mr. M. L. Apte, Mr. Chandrakant T. Sanghvi, Mr. N. G. Thakkar, Mr. D. V. Sanghvi, Mr. Jashbhai V. Patel, Mr. Dayabhai M. Patel and Mr. Chinubhai B. Patel (managing director).

Dhrangadhra Chemical Results Impress

THE Dhrangadhra Chemical Works Ltd reports excellent results for the year ended March 1963, which have encouraged the directors to step up the dividend from Rs. 6 to Rs. 8 a share (Rs. 100-paid) and that, too, on the increased capital as raised by the rights issue of Rs. 43 lakhs in 1961. The increased dividend is thus on an equity capital of Rs. 1.08 crores, compared with Rs. 64.50 lakhs in the previous year. The preference dividend, too, is on a large capital. Of the 60,000 preference shares, 13,000 shares which had been entitled to the dividend in 1961-62 only for part of the year are entitled to the full year's dividend in 1962-63. The total distribution by way of dividends amounts to Rs. 13.28 lakhs, against Rs. 8.16 lakhs in the preceding year.

The increase in the dividend seems fully justified by the Company's impressive performance during the year. As against a 10 percent rise in the sales from Rs. 3.91 crores to Rs. 4.30 crores, the gross profit has shot up by as much as 75 percent from Rs. 52.60 lakhs to Rs. 92.29 lakhs. Improvement is due both to higher production and increased efficiency of the soda ash as well as caustic soda units. The production of soda ash recorded an increase of 30 percent and that of caustic soda of 11.5 percent over the previous year. The output, it is stated, would have been still higher but for the four major shut-downs as a result of which the Tuticorin plant could not be operated fully.

Allocations include depreciation Rs. 34.70 lakhs (against Rs. 31.61 lakhs), development rebate Rs. 1.06 lakhs (against nil) and general reserve Rs. 46 lakhs (against Rs. 2.30 lakhs). After providing for the proposed dividends and making certain minor adjustments, there remains a surplus of Rs. 1.75 lakhs to be carried forward, against Rs. 5.73 lakhs brought in. In view of the arrears of depreciation, the Company has no liability for taxation.

The directors expect the Company to show still better results in the current year and they take an optimistic view of the future in view of the various expansion schemes which

ne Company has on hand. As part f the expansion of the caustic soda nit, the Company installed ten ells towards the end of 1962 and the alance of 20 cells in April 1963. This ill raise the capacity of the caustic oda plant from 80 tonnes to 140 tonnes a day. The expanded plant ould not be started before July 1963 ecause of the power restriction imposed by the Madras State Electricity Board.

This restriction has since been removed and the plant is currently roducing about 110 tonnes a day and t is expected to reach its full capacity within a month. The Company as signed an agreement with a well-nown Japanese firm for the import f plant and machinery under the econd yen credit for setting up a liquid chlorine plant with an installed capacity of 60 tonnes a day. The final approval of the agreement y the Government is now awaited. The Company proposes to finance his project out of its own resources nd by borrowings from banks. As or the manufacture of poly vinyle hloride and calcium carbide, the ew undertaking, Plastic Resins and hemicals Ltd, sponsored by Dhrngadhara Chemical has signed a collaboration agreement for technical now-how and supply of plant and achinery with reputed Japanese irms. This agreement also is awaiting the Government's approval. The s. 100-paid share of Dhrangadhra hemical is currently quoted around s. 104.

Hindustan Wired Glass Project Cost Rises

THE directors of the Hindustan Wired Glass Manufacturing Co. Ltd state in their report for the year nded March 1963, that the project will now cost Rs. 1.08 crores—Rs. 30 lakhs more than the original estimate due to the rise in the cost in civil works, addition of some more units, ncrease in import duty, excise and ction, etcetera. This additional cost will be met by borrowing from banks. The Company has arranged for a term-loan of Rs. 24 lakhs from the I.C.I.C.I., out of which a sum of Rs. 14 lakhs had been drawn up to the end of March 1963. The balance of Rs. 10 lakhs has also been drawn since then. The civil works of the Company's main units of the factory are almost complete and erection of machinery is in progress. The diesel sets will be commissioned shortly. There has been some delay in procuring materials required for civil construction and other various indigenous items. The strike at the New York port also delayed the shipment of machinery. The directors are, however, hopeful that the Company will go into production in the last quarter of 1963.

The Company's foreign collaborator, Mississippi Glass Company, is taking keen interest in the early establishment of the plant and is rendering all possible help. The U.S. firm has subscribed to the shares of Hindustan Wired Glass to the extent of Rs. 10.80 lakhs in cash and these shares have been allotted to it in terms of the collaboration agreement. It has supplied to the Company plans and specifications for construction of special machinery and equipment. It has also made available training to the Company's technicians at its works in the U.S.A. and has agreed to send a representative to supervise the erection and running of the plant, ensure production of a minimum 75 percent of the licensed capacity, etcetera. In consideration of fulfilling these conditions of the agreement the Company proposes to issue further shares of the value of Rs. 1.20 lakhs to the foreign collaborator. The Company's working results for 1962-63 show a loss of Rs. 95,565 (against Rs. 1.21 lakhs) after providing Rs. 23,762 (against Rs. 6,550) for depreciation, Rs. 21,300 (against Rs. 72,000) for taxation and transferring a sum of Rs. 2.97 lakhs to works under construction accounts. The works under construction is estimated at Rs. 33.86 lakhs, while fixed assets are valued at Rs. 28.78 lakhs as on 31st March, 1963. The Rs. 100-paid share of Hindustan Wired Glass is currently quoted around Rs. 133.

Aluminium Industries Cuts Dividend

THE directors of Aluminium Industries Ltd have recommended a final dividend of 60nP a share, which makes a total dividend of 15 percent for the year ended March 1963 (against 18 percent). Although the profit for the year is much higher than that for the previous year, the dividend has been reduced to 15 percent because of the sharp increase in the provision for taxation. According to preliminary figures, the profit for the year amounts to Rs. 55,39,720 after providing for depreciation, but before taxation, compared with the previous year's profit of Rs. 41,36,766. Including Rs. 3,27,446 brought forward from the previous year, the total amount available for appropriation comes to Rs. 58,67,166. Of this, the provision for taxation amounts to Rs. 39,50,000, which includes the S.P.T. liability of Rs. 11 lakhs (against Rs. 18,20,000). A sum of Rs. 69,250 has been transferred to development rebate reserve (against Rs. 4,91,000) and Rs. 1,00,000 to general reserve (against nil). Dividend equalisation reserve gets Rs. 2,00,000 (against nil). The total dividend of 15 percent for the year absorbs Rs. 15,00,000 (against Rs. 18,00,000). The balance of Rs. 47,916 has been carried forward.

Indian Overseas Bank Profit Up

THE net profit of the Indian Overseas Bank Ltd for the half year ended June 1963, subject to audit, amounts to Rs. 22,79,064 after including a sum of Rs. 2,03,043.60 brought forward from the previous year's account. The net profit for the corresponding period of last year was Rs. 22,06,467.

Ruby General Insurance Results

THE Ruby General Insurance Co. Ltd has declared a taxable ordinary dividend of Rs. 1.25 a share of Rs. 25 each (of which Rs. 8 has been paid-up), absorbing Rs. 5 lakhs. The yield amounts to 11.9 percent at the present price of Rs. 10.50 a share. The profit is Rs. 30.36 lakhs. Bringing in Rs. 4.95 lakhs, there is an available balance of Rs. 35.31 lakhs for distribution. General reserve is allocated Rs. 3.50 lakhs, dividend equalisation reserve Rs. 5 lakhs, investment reserve Rs. 4.70 lakhs and taxation reserve Rs. 17 lakhs. The net profit of the fire department has been Rs. 16.43 lakhs, while that of the miscellaneous department Rs. 4.17 lakhs. The marine department has earned a profit of Rs. 1.31 lakhs.

Progress of Ashok Paper Mills

IN their report for the year ended December 1962 the directors of Ashok Paper Mills Ltd point out that the Company has derived an income of Rs. 2.05 lakhs largely from the deposit of funds which were not required immediately. After providing Rs. 44,245 for depreciation and Rs. 1.02 lakhs for taxation, there is a balance of Rs. 58,142 which has been used to reduce the outstanding debit balance of Rs. 1.58 lakhs. The total expenditure of Rs. 10.33 lakhs on the project has been transferred to capital account. The construction of the paper mill has advanced satisfactorily. They, nevertheless, mention that the Darbhanga Sugar Co. Ltd will not be able to supply 18,000 tons of bagasse because it has not been permitted to import the necessary equipment to do so. Hence Ashok Paper has decided to use bamboo as the main raw material. Messrs Empacel, the foreign collaborator, will supply the equipment to produce 60 tons of paper a day instead of 50 tons as previously arranged, but the cost of the machinery will be the same.

Shamsher Cable Share Offer

SHAMSHER Sterling Cable Corporation Ltd proposes to raise additional capital of Rs. 35 lakhs in order to finance its expansion plan for manufacturing plastic-coated and rubber-coated wires. Of this, shares worth Rs. 10 lakhs will be taken up by Showa Electric Wire and Cable Co. Ltd and Mitsui and Co. Ltd, both of Japan. The proposed investment by the Japanese firms will be made out of the rupee funds which Mitsui and Company, the predecessor of the present Mitsui and Co. Ltd, has held in India as frozen assets. Showa Electric, one of the foremost cable manufacturers in Japan, is already providing the necessary technical assistance to Shamsher Sterling Cable Corporation. The proposed issue will raise the Company's capital from Rs. 30 lakhs to Rs. 65 lakhs. Shares of the value of Rs. 25 lakhs are to be offered for public subscription in the near future.

Atlas Cycle Repeats Again

THE Atlas Cycle Industries Ltd reports encouraging results for 1962. Despite a small setback in sales from Rs. 3.07 crores to Rs. 3.01 crores, the Company's gross profit shows a rise of about 14 percent from Rs. 18.99 lakhs to Rs. 21.65 lakhs. The setback in the sales was not due to lack of demand for the Company's product, but due to its inability to execute all the orders because of frequent restrictions on railway bookings. The production of bicycles was up from 206,139 to 214,147, and the output could have been still better but for the difficulty in obtaining essential raw materials in sufficient quantities. The ordinary dividend has been maintained at 15 percent for the fourth year in succession. Allocations include depreciation Rs. 4.98 lakhs (against Rs. 5.01 lakhs), taxation Rs. 10.80 lakhs (against Rs. 8.25 lakhs) reserves Rs. 2.19 lakhs (against Rs. 2.01 lakhs) and dividends —preference and ordinary—Rs. 3.74 lakhs (against Rs. 3.72 lakhs). The directors expect the current year's results to show an improvement over the previous year's performance.

Ceramic Magnets from Permanent Magnets

PERMANENT Magnets Ltd has received a licence for manufacturing a new product—Hard Ferrite (Ceramic) Magnets, with an annual capacity of 180 tons. The market for this product has been expanding because of the increasing consumption by manufacturers of house service meters, dynamos, toys and gift articles, besides by industrial users. Marketing of the product, therefore, is unlikely to present any problem to the Company. The raw materials required will be primarily indigenous and ferric oxide has already been sent to the foreign collaborators for test. The Company expects to receive the import licence for machinery shortly. The new project will be taken up as soon as the preliminary formalities are over. The Company's plant in Borivli for the manufacture of cast alloy magnets has been in commercial production since January last. The Rs. 100-paid share of Permanent Magnets is currently quoted around Rs. 160.

Lakshmi Mills Cuts Dividend

A MARKED fall in the net profit and sales and a cut in the dividend by 5 percent when compared with the previous year's, feature the working results of Lakshmi Mills Co. Ltd for the year ended March 1963. The net profit for the year amounts to Rs. 49,43,285, after providing Rs. 23,52,574 for depreciation and deducting other prior charges. This net profit compares with the previous year's Rs. 57,94,800 after providing Rs. 22,52,212 for depreciation and other charges. Adding to the year's net profit a sum of Rs. 14,269 brought forward from the previous year the total available for appropriation comes to Rs. 49,57,554. Out of this, the directors have provided a sum of Rs. 21 lakhs for taxation (against Rs. 25 lakhs), and donations Rs. 75,467 (against Rs. 44,922). The provision for development rebate reserve amounts to Rs. 5,65,000 (against Rs. 5,17,500). Gratuity reserve gets Rs. 70,000 (against nil). The proposed dividend at 20 percent (against 25 percent) will absorb Rs. 21,30,000 (against Rs. 26,62,500). The balance of Rs. 17,087 is carried forward.

New Capital Issues

THE Controller of Capital issues has authorised 11 companies to raise capital aggregating over Rs. 5.31 crores. A twelfth company, whose capital is in sterling, has been authorised to issue units of stock as bonus shares. Two companies need money for acquiring ships. One is a new company and another is a State enterprise. One concern is offering part of its issue to its foreign collaborator on rights basis. Another is to raise part of its capital through public subscription. Four companies are issuing bonus shares. One is issuing equity plus cumulative preference shares, three equity plus preference shares and three equity shares. The consents of the Controller of Capital Issues is valid for 12 months in all cases. The following are the details:

Indian Copper Corporation Ltd, Calcutta, is to issue 6,856,500 units of stock of 2 shillings each as fully paid-up bonus shares on capitalisation of reserves to the extent of £685,650 in the ratio of one bonus share or two units held.

Ashok Leyland Ltd, Madras, is raising further capital of Rs. 55,25,000 divided into 11,05,000 equity shares of Rs. 5 each, for cash at par. Of this, shares of the value of Rs. 33,15,000 will be offered to the U.K. collaborators on rights basis, against imported plant and machinery at par. The capital will be used in the phased progressive manufacture of Leyland heavy duty commercial vehicles and diesel engines.

Chettinad Cement Corporation Ltd, a new company incorporated in Madras, has been given consent to issue capital of Rs. 280 lakhs. The capital is divided into 230,000 equity

shares of Rs. 10 each and 50,000 (9 percent free of company's tax but subject to deduction of all taxes at source at the prescribed rates) cumulative preference shares of Rs. 100 each, to be issued for cash at par. The capital will be for setting up a new industrial undertaking near Kapur in Madras State, for the manufacture of portland cement.

Thakur Shipping Company Ltd, Bihar, is to issue capital of Rs. 1 crore divided into Rs. 20 lakhs in 9.3 percent preference shares and Rs. 80 lakhs in equity shares. The capital is required for buying ships from abroad for which a sum of Rs. 5.25 crores is necessary.

Chowgule Steamship Private Ltd, Maharashtra, has been given consent for the issue of further capital of Rs. 40 lakhs, divided into 40,000 equity shares of Rs. 100 each, to be issued privately for cash at par. The money will be used for the construction of three passenger-*cum*-cargo steamers under construction in Yugoslavia.

The Orissa Forest Corporation Ltd, a State Government undertaking, is to raise further capital of Rs. 10,00,000 divided into 10,000 equity shares of Rs. 100 each for cash at par to be subscribed privately. The money is needed for scientific exploitation of the forest resources of the State.

Max-Designs And Process Works Private Ltd, Bombay, is to issue capital of Rs. 1,72,500 divided into 1,725 equity shares as bonus shares by capitalisation of the Company's reserves to a like extent.

Electro Metallurgical Works Private Ltd, Bombay, is issuing further capital of Rs. 1,00,000 divided into 1,000 equity shares of Rs. 100 each. On capitalisation of the Company's general reserves of a like extent, the capital will be issued as fully paid-up bonus shares to the existing shareholders of the Company.

Sarvaraya Textiles Ltd, Kakinada (A. P.), is to issue further capital of Rs. 12 lakhs, divided into 120,000 equity shares of Rs. 10 each, to be issued for cash at par. The money will be spent on new spinning unit to be set up at Visakhapatnam, having a capacity of 12,000 spindles.

South Punjab Electricity Corporation Ltd, Rohtak, is to issue further capital of Rs. 6,29,920. This is divided into 62,992 equity shares of Rs. 10 each to be issued as bonus shares in the ratio of 1:1, on capitalisation of the Company's undistributed profits and reserves to a like extent.

The Indo-Ceylon Dental and Surgical Company Ltd, Madras, is to issue further capital of Rs. 35,440 divided into 3,544 equity shares of Rs. 10 each. On capitalisation of the Company's general reserves to a like extent, it will be issued as fully paid-up bonus shares to the existing shareholders of the Company.

Madanapalle Spinning Mills Ltd, Andhra Pradesh, is raising Rs. 25 lakhs, divided into 40,000 equity shares of Rs. 50 each, and 5,000 preference shares of Rs. 100 each, to be issued for cash at par. Of this, shares of the value of Rs. 18 lakhs (Rs. 13 lakhs in equity shares and Rs. 5 lakhs in preference shares) will be offered for public subscription by prospectus. The money will be spent in financing a new spinning mill having a capacity of 12,000 spindles in Madanapalle. (A.P.).

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The Stock Markets

BORDER DEVELOPMENTS CAUSE SHAKE-OUT

Wednesday Evening.

THERE has been a major shake-out in the Calcutta stock market during the past week. Share prices have toppled down on nervous selling, following reports about the concentration of Chinese troops along the northern border. Bulls have been frightened by the sharp decline and they are keen on lightening their commitments. Bears have meanwhile been aggressive and sold heavily.

Even at the present low levels there is no support. Business has been concentrated on clearing shares. The investors have held back since the economic outlook is far from encouraging. The earlier improvement due to favourable corporate news proved short-lived. The decision of Indian Aluminium to issue bonus shares by capitalising reserves in the proportion of one bonus share for every three held had created a temporary flutter last week.

Judging by indications it does not appear that the trend will take a turn for the better until the political situation improves. There has been growing concern about the shortage of funds. A large number of new issues floated recently have met with a poor response. In the case of many companies the shares have had to be taken up by the underwriters. So it is asked whether the Government should not take active measures to restore confidence in the capital market. As for support from the Life Insurance Corporation, it cannot but be marginal, at least for the time being, since a large part of its resources have already been invested in new Government loans. It has been suggested that financial institutions like the Industrial Finance Corporation, the Industrial Credit and Investment Corporation and the L.I.C. should take vigorous steps to provide more capital to industry.

Indian Iron have nose-dived because of heavy selling pressure. Even the prospect of an increase in the retention price of steel has not inspired confidence. The earlier support for selected engineering shares has fizzled out. Guest, Keen, Williams, Burn, Jessop, Indian Standard Wagon and Texmaco have declined.

Jute shares have been easier due to the absence of overseas demand for jute goods. Investors have turned cautious because the profits of mills have shrunk; there has been an appreciable decline in the prices of gunnies while fibre prices have been artificially maintained at a high level. Birla, Champdany, New India, Howrah and Ganges have been offered at lower prices. Cotton mill shares have lacked support because of the discouraging outlook for mill profits. Production costs have risen sharply, while the prices of cloth and yarn have been moving downward due to the slow offtake of piecegoods. J. K. Rayon, Bharat Commerce and Dunbar have been sold freely.

Miscellaneous shares have weakened all-round because of heavy selling pressure. Among clearing shares, Indian Copper, Hindustan Motors, Dunlop Rubber and Kesoram have lost. Indian Aluminium have closed below the best level touched earlier. Indian Cable are sluggish, although bigger profits have been earned. Interest has declined in Alkali Chemical, Union Carbide, British Paints and Associated Battery. The prices of new shares have fallen on a predominance of sellers. Hindustan Aluminium, Phillips Carbon, Isaac Holdens and Asiatic Oxygen have been quoted lower. Electric supply companies have been subdued. Stray business has been transacted in Calcutta Electric. There has virtually been no interest in bank shares. Managing agency shares are weaker on balance. Martin Burn, Balmer Lawrie and Jardine Henderson have lost. Among paper shares, Orient have reacted on pressure. Sirpur have fallen. Sugar shares have been difficult to deal in because the investors have not been impressed by the prospect of higher output during the 1963-64 season.

Coal shares have been neglected and prices have declined. Reports about bigger accumulation of pithead stocks have frightened the investors. Burrakur, Central India and Amalgamated have been quoted lower. There have been a few transactions in tea shares. It is difficult to attract investors even by discounting the current prices because of the border news.

Government securities have been steady, although subscriptions for the new loans have amounted to Rs. 226.17 crores. Cash subscriptions have totalled Rs. 207.03 crores and conversions Rs. 19.14 crores. The total amount due for repayment was Rs. 48 crores, of which Rs. 9 crores was on account of the Central Government and Rs. 39 crores on account of the State Governments. Two loans were offered for subscription last week—a further tranche of 4 percent loan 1969 at Rs. 99.50 percent and 4½ percent loan 1973 at par. The loans opened on 22nd July and closed on 26th July, 1963.

Bombay

PANICKY SELLING IN DALAL STREET

SHARE PRICES FALL ON BROAD FRONT

Wednesday Evening.

NEAR-PANIC conditions have prevailed in the Bombay stock market during the past week. Nervous long liquidation, combined with short-selling, has depressed share prices on a broad front. Operators are panicky on reports of a heavy concentration of Chinese troops along the northern border. Towards the close, almost everybody has turned out to be a seller. Bulls have been nervous and they have tried to lighten their commitments at every stage. Reports of the slow offtake of cotton piecegoods have weakened sentiment earlier.

Earlier during the past week, support emanated largely from optimism concerning the relaxation of restrictions on margins But margins have already been imposed on sellers in the case of some scrip since their prices have fallen by more than 10 percent below the past clearing rate. Operators had also expected that the Government might soon take steps to revive confidence in the stock market.

Tata Steel ordinary have fallen sharply to Rs. 136.25 and Indian Iron to Rs. 22.48. Among engineering shares, Tata Locomotive, Mukand Iron and Alcock Ashdown have lost considerably. Motor-vehicle shares have been quiet. Hindustan Motors and Premier Automobiles have been quoted lower. Cotton mill shares have shown widespread losses. Century, Bombay Dyeing, Simplex, Kohinoor and India United ordinary have touched new lows. Standard and Svadeshi have been somewhat steady on knowledgeable support.

Miscellaneous shares have moved down in sympathy with the general trend. Among cement shares, Associated Cement have lost on profit-taking. In the sugar section, Belapur have been somewhat steady on hopes of bigger production during the next season. Phalton and Walchandnagar Industries have been quiet. Among shipping shares, Scindia Steam have reacted on pressure. Mining shares have been quiet, and Shivrajpur Syndicate have been offered freely. Bombay Burmah have declined on a predominance of sellers.

Chemical shares have lost, and Tata Chemical have been quoted lower. Indian Dyestuff and Polychem have lost on balance. Scattered support has been forthcoming for Tata Oil and Voltas. Turnover in cash shares has been negligible. Synthetics and Chemicals, and Per-

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manent Magnets have been sold at lower prices.

Nominal business has been done in bank shares. Bank of India, Central Bank and Bank of Baroda have been dealt in. In the insurance section, New India Assurance have been somewhat steady. Electric supply company shares have been softer on balance. Ahmedabad, Bombay Suburban and Tata Hydro have been quoted lower.

Madras

BIG DECLINE IN TURNOVER

OPERATORS WORRIED BY BORDER NEWS

Tuesday Evening.

THE Madras stock market has turned quiet towards the close of the past week because of lower advices from the Calcutta and Bombay stock markets. Turnover has shrunk considerably in the absence of support from outside interests. Business in clearing shares has been nominal since operators have been worried about the developments along the northern border.

The earlier support for selected tea and rubber shares has vanished towards the close. The sharp reduction from 20 percent to 12 percent in the ordinary dividend of Cochin Malabar has made the investors cautious. The scrip has declined to Rs. 6.40. Blue Mountain have reacted to Rs. 2.47 and Consolidated Coffee to Rs. 18.20. Kailas have been quoted at Rs. 5.65 on declaring a final taxable ordinary dividend of 15 percent. Business has been done in Periakaramalai at Rs. 3.53 and in Peermade at Rs. 20.77. Ouchterlony have been offered down to Rs. 4.40, but Thamarapally have met with support up to Rs. 16.00.

Among bank shares, Indian have been steady at Rs. 161.50 on payment of a taxable ordinary dividend of 7 percent, including a bonus of 2 percent for the half-year ended June. Indian Overseas have been quoted at Rs. 140. Scattered business has been transacted in electric company shares. Negapatam have been steady at Rs. 11.40 on declaring a taxable ordinary dividend of 10 percent. Among sugar shares, E.I.D. have been steady at Rs. 39 on paying an interim taxable ordinary dividend of 7-1/7 percent, but Deccan have been somewhat easier at Rs. 9.95.

Cotton mill shares have lacked support and business has been negligible. Among clearing shares, South India Viscose have reacted to Rs. 125 and Travancore Rayon to Rs. 24.37. Lakshmi have slipped back to Rs. 141 and Madura to Rs. 31.25. Cauvery Spinning have been taken at Rs. 16.25 on declaring a taxable ordinary dividend of 10 percent. Business has passed in Rajapalayam at Rs. 160 on payment of a taxable ordinary dividend of 16 percent. Tirupati have come to hand at Rs. 11.65 on declaring a taxable ordinary dividend of 10 percent. Buckingham have been done at Rs. 263.50 and Bangalore Woollen at Rs. 233. Ramakrishna have met with scattered buying at Rs. 217.80, but Kothari have been easier at Rs. 9.30.

Miscellaneous shares have drifted downwards on a predominance of sellers. Aluminium Industries have declined to Rs. 17.75, although the Company has declared a final taxable ordinary dividend of 60nP a share. Ashok Leyland have been easier at Rs. 7.30. In the cement section, India Cement have been bought at Rs. 5.55 on declaring a taxable ordinary dividend of 9 percent. Dalmia Cement have been quoted up to Rs. 12.25. Among engineering shares, Indian Steel Rolling have been steady at Rs. 11 on paying a taxable ordinary dividend of 9 percent.

In the chemical section, F.A.C.T. have been sold freely down to Rs. 7 on passing the dividend and Mysore Chemical Manufacturers have been taken at Rs. 17.75. Among paper shares, Mysore have been quoted at Rs. 13.85 on declaring a taxable ordinary dividend of 12 percent and Seshasayee Paper have met with support up to Rs. 7.25. Radio and Electrical Manufacturing have been taken at Rs. 3.25 on declaring a taxable ordinary dividend of 18 percent. Tubes and Malleables have been quoted at Rs. 10 on paying a taxable final ordinary dividend of 7.5 percent. Kirloskar Electric have been quiet at Rs. 20 and Madras at Rs. 14.75. Spencer have come to hand at Rs. 21.08 and Textool at Rs. 154.

Government securities have been steady and support has largely been confined to selected State Government loans. Turnover has, nevertheless, been small due to the absence of sellers.

THE WEEK'S TRANSACTIONS

[In the following list of stocks and shares in which transactions have taken place during the past week, the figures indicate Opening Quotations. Highest for the week, Lowest for the week, Closing Quotations and Quotations for the corresponding Closing Date a Year Ago. The last named is shown in parantheses and will not be given where such a quotation is not available.]

CLEARED SECURITIES

Birla Jute—Rs. 29/56—29/69—27/44—27/50 —(32/75).

Burrakur Coal—Rs. 15/50—15/62—15/00— 15/19—(17/37).

Dunlop Rubber—Rs. 32/50—33/00—30/87— 31/12—(40/00).

Guest, Keen, Williams—Rs. 33/75—33/75— 30/56—30/75—(38/37).

Hindustan Motor—Rs. 16/69—16/75—15/34 —15/56—(20/37).

Howrah Jute—Rs. 18/25—18/25—18/25— 18/25—(20/87).

Indian Aluminium—Rs. 33/44—36/12— 33/37—34/75—(37/56).

Do. (New)—Rs. 15/00—17/00—15/00— 16/25.

Indian Cable—Rs. 33/06—33/75—32/25— 32/25—(36/06).

Indian Copper—Rs. 4/91—4/95—4/32—4/70 —(4/97).

Indian Iron & Steel—Rs. 23/54—23/58— 22/12—22/30—(26/36).

J. K. Cotton—Rs. 11/81—11/87—11/00— 11/19—(18/50).

Jaipur Udyog—Rs. 11/62—11/75—11/25— 11/25—(13/62).

Kesoram Industries—Rs. 22/06—22/06— 19/37—19/62—(28/37).

Orient Paper—Rs. 36/20—36/20—33/80— 34/00—(41/20).

Orissa Cement—Rs. 15/19—15/25—14/50— 14/56—(17/37).

Rohtas Industries—Rs. 11/31—11/31— 10/37—10/44—(15/12).

Shree Gopal Paper—Rs. 23/25—23/25— 23/25—23/25—(25/37).

Textile Machinery—Rs. 23/65—23/75— 22/20—22/60—(23/35).

GOVERNMENT SECURITIES

3 % Loan (1986)—Rs. 64/05—64/15—63/90 —64/15.

3 % „ (1970-75)—Rs. 88/00—88/00— 88/00—88/00.

3 % „ (1966-68)—Rs. 97/26—97/26— 97/26—97/26.

3½% „ (1967)—Rs. 98/80—98/80— 98/80—98/80.

3½% „ (1964)—Rs. 99/70—99/75— 99/70—99/75.

3½% „ (1966)—Rs. 99/35—99/35— 99/35—99/35.

3½% „ (1965)—Rs. 99/50—99/50— 99/50—99/50.

3½% „ (1968)—Rs. 98/95—98/95— 98/95—98/95.

4 % „ (1969)—Rs. 99/45—99/45— 99/40—99/40.

4½% „ (1972)—Rs. 100/69—100/69— 100/69—100/69.

4 % U.P. (1968)—Rs. 98/25—98/25— 98/25—98/25.

4 % West Bengal (1968)—Rs. 98/25—98/25 —98/25—98/25.

4 % Andhra (1967)—Rs. 98/30—98/30— 98/30—98/30.

4½% Loan (1986)—Rs. 100/00—100/10— 100/00—100/10

4½% Madras (1974)—Rs. 99/00—99/05— 99/00—99/08.

4½%Orissa (1974)—Rs. 98/90—99/00— 98/90—99/00.

4½% Behar (1974)—Rs. 99/00—99/00— 99/00—99/00.

4½% West Bengal (1974)—Rs. 99/30—99/33 —99/30—99/33.

4½% U.P. (1974)—Rs. 99/00—99/00— 99/00—99/00.

BANKS

Allahabad—Rs. 262/00—262/00—262/00— 262/00—(396/00).

Bank of Baroda—Rs 87/00—88/00—87/00— 88/00.

Hindusthan Commercial—Rs. 13/25—13/25 —13/25—13/25—(17/25).

United Bank of India (Rs. 10 paid)— Rs. 7/31—7/37—7/25—7/31—7/37.

Do. (Conty. Rs. 20) (Rs.10 paid)— Rs. 6/69—6/69—6/50—6/56.

United Commercial—Rs. 66/25—66/25— 65/50—65/50—(88/00).

RAILWAYS

Chaparmukh Silghat—Rs. 40/00—40/00— 40/00—40/00.

Dehri Rohtas—Rs. 13/94—14/06—13/87— 13/94—(18/50).

Howrah-Amta—Rs. 46/00—46/00—46/00— 46/00.

Shahadara (Delhi) Saharanpur—Rs. 52/00 —52/00—52/00—52/00.

COTTONS

Bowreah—Rs. 21/19—21/25—21/19—21/25 —(26/00).

Bharat Commerce—Rs. 20/25—20/37—20/25 —20/37—(26/12).

Bengal Luxmi—Rs. 30/00—30/50—30/00— 30/50—(28/00).

Cawnpore—Rs. 6/00—6/19—6/00—6/06— (7/00).

Dunbar—Rs. 26/25—26/25—26/25—26/25— (30/50).

Elgin—Rs. 17/00—17/75—16/62—17/62— (19/94).

Jay Shree—Rs. 14/00—14/00—14/00— 14/00—(15/50).

Jiyajeerao—Rs. 11/00—11/00—11/00— 11/00.

New Victoria—Rs. 1/37—1/37—1/37—1/37 —(1/56).

Swadeshi (P.O.)—Rs. 7/25—7/31—7/19— 7/19—(8/19).

COALS

Amalgamated—Rs. 24/50—24/50—24/12— 24/25—(21/06).

Central India—Rs. 9/75—9/87—9/31—9/35 —(346/00).

Pench Valley—Rs. 17/37—17/25—17/37— 17/31—(17/50).

Raneegunge—Rs. 15/12—15/12—15/12— 15/12—(15/00).

Samla—Rs. 10/00—10/00—10/00—10/00— (7/75).

Selected Satgram—Rs. 113/00—116/00— 113/00—115/00.

South Karanpura—Rs. 7/94—8/00—7/94— 8/00—(9/06).

Seebpore—Rs. 34/75—34/75—34/75—34/75 —(45/00).

Western Bengal—Rs. 8/56—8/72—8/50— 8/56—(10/25).

JUTES

Agarpara—Rs. 10/25—10/25—9/94—9/94— (10/62).

Alliance—Rs. 148/00—150/00—122/00— 122/00—(223/00).

Do. (Pref.)—Rs. 72/50—72/50—72/50— 72/50.

Auckland—Rs. 145/00—145/00—145/00— 145/00—(158/00).

Do. (4½% Pref.)—Rs. 57/00—57/00— 57/00—57/00.

Anglo-India (Pref.)—Rs. 99/00—99/00— 99/00—99/00.

Barnagore—Rs. 197/00—199/00—197/00— 199/00—(187/00).

Budge Budge—Rs. 143/00—143/00—143/00 —143/00—(149/50).

Caledonian—Rs. 189/00—189/00—189/00— 189/00—(212/00).

Champdany—Rs. 20/56—20/56—20/56— 20/56.

Clive (6% Pref.)—Rs. 69/00—69/00—69/00 —69/00.

Do. (7% Pref.)—Rs. 74/00—74/00—74/00 —74/00.

Delta—Rs. 153/00—153/00—140/50—140/50 —(186/00).

Empire—Rs. 16/00—17/06—16/00—17/06— (16/94).

Fort William—Rs. 24/44—24/50—24/44— 24/50—(26/00).

Fort Gloster—Rs. 370/00—370/00—370/00— 370/00—(449/00).

Ganges—Rs. 14/25—14/41—13/87—13/87— (14/06).

Hukumchand (Pref.)—Rs. 98/00—98/00— 98/00—98/00.

Howrah ("A" Pref.)—Rs. 91/00—91/00— 91/00—91/00—(90/50).

Hooghly (Pref.)—Rs. 10/94—11/00—10/94 —11/00.

Kamarhatty—Rs. 187/00—188/00—187/00— 188/00—(174/00).

Do. (Pref.)—Rs. 80/00—81/00—80/00— 81/00.

Kanknarrah—Rs. 131/00—131/00—131/00— 131/00.

Do. (Pref.)—Rs. 80/00—81/00—80/00— 81/00.

Kelvin—Rs. 170/00—188/00—170/00—188/00 —(185/00)

Do. (Pref.)—Rs. 100/00—100/00—100/00 —100/00—(90/00).

Khardah—Rs. 18/75—18/75—18/75—18/75— (16/94).

Kinnison (Pref.)—Rs. 98/00—98/00—98/00 —98/00.

Megna—Rs. 13/12—13/19—12/44—12/50— (14/25).

Nellimarla—Rs. 11/01—11/12—11/01— 11/12—(12/12).

New Central—Rs. 12/87—12/94—12/44— 12/50—(15/81).

Do. (Pref.)—Rs. 92/00—93/00—92/00— 92/00.

National—Rs. 23/44—23/50—23/25—23/25— (24/87).

Nuddea—Rs. 54/50—54/50—54/50—54/50— (61/75).

Presidency—Rs. 4/87—4/87—4/75—4/75— (5/62).

Reliance—Rs. 9/25—9/50—9/25—9/31— (7/69).

Do. (Pref.)—Rs. 117/50—118/00—117/50 —118/00.

Union—Rs. 160/00—161/00—160/00—161/00.

Waverley—Rs. 8/50—8/62—8/50—8/62— (6/12).

MININGS

Assam Sillimanite—Rs. 8/25—8/25—7/62— 7/62—(14/62).

Metal Corpn.—Rs. 9/25—9/25—8/00—8/12 —(12/19).

Orissa Minerals—Rs. 27/50—27/50—27/50 —27/50—(42/37).

CEMENTS

Ashoka—Rs. 7/69—7/75—7/69—7/75— (8/69).

Assam Bengal—Rs. 3/06—3/15—3/06—3/06 —(3/00).

Bengal Potteries—Rs. 5/06—5/06—5/06— 5/06—(6/19).

Dalmia (Bharat)—Rs. 12/50—12/50—12/31 —12/31—(13/94).

Sone Valley—Rs. 4/31—4/44—4/00—4/03— (5/00).

CHEMICALS

Alkali & Chemical—Rs. 34/37—34/37— 34/37—34/37—(44/87).

Bengal Chemical—Rs. 102/00—102/00— 102/00—102/00—(103/00).

Dhrangadhra—Rs. 97/50—97/50—97/50— 97/50.

Smith Stanistreet—Rs. 12/00—12/25—12/00 —12/25—(16/44).

ELECTRICS

Agra—Rs. 118/00—118/00—118/00—118/00 (124/50).

Calcutta—Rs. 14/81—15/00—14/75—14/75— (15/12).

Do. (Pref.)—Rs. 8/25—8/31—8/25—8/31.

Jubbulpore—Rs. 11/19—11/25—11/19— 11/19—(11/00).

Patna—Rs. 10/50—10/50—10/50—10/50— (11/44).

U.P.—Rs. 118/00—118/00—117/00—117/00— (126/50).

INSURANCES

Hercules—Rs. 22/37—22/56—22/37—22/56 —(25/17).

New Asiatic—Rs. 7/75—7/75—7/56—7/56 —(6/50).

Ruby General—Rs. 10/37—10/56—10/37— 10/37—(10/19).

ENGINEERINGS

Arthur Butler—Rs. 14/94—14/94—14/94— 14/94—(13/00).

Braithwaite & Co.—Rs. 31/50—31/50— 29/12—29/25—(35/00).

Britannia Eng.—Rs. 10/12—10/44—9/94— 9/94—(11/31).

Bharat Ball Bearing—Rs. 12/84—12/90— 12/84—12/90—(14/75).

Binani Metal—Rs. 9/50—9/50—9/44—9/50 —(11/37).

Burn & Co.—Rs. 572/00—572/00—572/00— 572/00—(690/00).

Dalmia Iron—Rs. 11/00—11/00—10/56— 10/56—(11/44).

Hindusthan Wire—Rs. 10/44—10/44—10/44 —10/44—(11/62).

India Machinery—Rs. 5/78—5/78—5/78— 5/78.

Indian Malleable Casting (Defd.)—Rs. 1/44 —1/44—1/44—1/44—(2/50).

Indian Standard Wagon—Rs. 30/87—31/25 —30/87—31/06—(34/75).

Indian Iron & Steel (Pref.)—Rs. 84/00— 84/00—84/00—84/00—(85/50).

Indian Steel & Wire—Rs. 38/87—39/00— 38/87—39/00—(55/50).

Jay Engineering—Rs. 21/12—21/12—20/94 —20/94—(27/62).

Jessop & Co.—Rs. 25/00—25/19—23/56— 24/19—(22/37).

J. K. Steel—Rs. 14/31—14/37—13/44— 13/44—(16/12).

Kumardhubi—Rs. 8/25—8/25—7/69—7/69 —(7/50).

Machinery Mfg.—Rs. 21/00—21/12—19/94 19/94—(25/37).

National Iron & Steel—Rs. 4/75—4/75— 4/40—4/50—(5/00).

Raymon—Rs. 5/56—5/62—5/56—5/62.

Textile Machinery (1st Pref.)—Rs. 85/00 85/00—85/00—85/00.

Do. (6½% Pref.)—Rs. 102/00—102/00 —102/00—102/00.

Wellman Incandescent—Rs. 5/94—6/06— 5/87—5/87.

MISCELLANEOUS

Aluminium Corpn.—Rs. 13/37—13/37— 12/94—12/94—(17/44).

Asiatic Oxygen—Rs. 8/75—8/84—8/31— 8/37

Associated Battery—Rs. 24/62—24/62— 23/44—23/44—(29/87).

Associated Hotels (Pref.)—Rs. 54/00—54/00 —54/00—54/00.

Angelo Brothers—Rs. 22/12—22/12—21/62 —22/12—(22/00)

B. I. Corpn.—Rs. 7/81—8/06—7/75—7/81— (9/31).

Do. (Pref.)—Rs. 106/00—107/00— 106/00—106/50.

Birds Investment—Rs. 10/62—10/75—10/62 —10/75—(12/50).

Britannia Biscuits—Rs. 42/75—42/75— 42/75 42/75

Calcutta Tramways—Rs. 11/12—11/12— 10/69—10/69—(12/00).

Clive Row Investment—Rs. 8/62—8/66— 8/56—8/62—(8/00).

Dr. Paul Lohmann—Rs. 10/50—10/50— 10/50—10/50—(19/50).

Duncan Brothers (Pref.)—Rs. 65/50— 65/50—56/50—56/50—(54/00).

East Anglia Plastics—Rs. 10/87—10/87— 10/37—10/37—(17/75).

Electric Construction—Rs. 12/87—13/19— 12/75—12/94—(14/81).

English Electric—Rs. 13/50—13/75—13/31 —13/31.

Eastern Investment—Rs. 104/00—106/00— 104/00—106/00.

Gillanders Arbuthnot—Rs. 14/06—14/12— 13/75—13/87—(14/62).

Gwalior Rayon—Rs. 41/12—41/12—41/12— 41/12—(61/00).

Hindustan Aluminium—Rs. 13/44—13/56— 12/31—12/31—(16/69).

Hindusthan Development—Rs. 4/37—4/44 —3/94—3/94—(5/87).

Hindusthan Twyfords—Rs. 14/62—14/62— 14/62—14/62—(15/12).

Hindusthan Pilkington Glass—Rs. 16/9— 16/31—16/19—16/31—(20/50).

Hindusthan Wire Products—Rs. 17/25— 17/25—17/25—17/25.

Hilla Tea—Rs. 5/60—5/60—5/60—5/60.

Imperial Tobacco—Rs. 10/37—10/37—10/37 —10/37—(11/31).

Indian Tack & Nail—Rs. 11/50—11/50— 11/00—11/06—(17/06).

Isaac Holdens—Rs. 14/00—14/00—13/81— 13/87—(16/87).

Jay Shree Industries—Rs. 16/44—16/50— 16/00—16/00—(17/00).

J. K. Synthetics—Rs. 10/81—11/06—9/62— 10/06—(14/62).

Martin Burn—Rs. 26/75—26/87—26/50— 26/37—(29/87).

Metal Distributors—Rs. 4/50—4/56—4/19 —4/22.

Metal Box—Rs. 45/00—45/12—44/87— 45/12—(64/75).

National Insulated Cable—Rs. 23/37— 23/37—22/37—22/37—(30/81).

National Pipes & Tubes—Rs. 25/56—25/62 —25/00—25/00—(31/69).

National Tobacco—Rs. 10/87—10/87—10/56 —10/56—(12/44).

National Rubber Mfg.—Rs. 11/12—11/12— 10/69—10/69—(11/75).

National Standard Duncan—Rs. 41/00— 42/00—41/00—42/00.

Phillips Carbon Black—Rs. 16/06—16/12— 16/06—16/12—(24/81).

Philips India—Rs. 27/62—27/62—27/37— 27/37—(30/00).

Rallis India—Rs. 118/00—121/00—118/00 121/00—(162/00).

Raymond Woollen—Rs. 120/60—120/60— 120/60—120/60.

Sirsilk—Rs. 9/25—9/31—8/81—9/00— (10/12).

Shaw Wallace—Rs. 15/75—15/87—15/75— 15/81—(20/50).

Schrader Scovill Duncan—Rs. 15/00— 15/00—14/50—14/50—(23/50).

Star Co.—Rs. 81/00—81/00—81/00—81/00.

Universal Cables—Rs. 9/62—9/75—9/50— 9/50—(11/81).

Usha Martin Black—Rs. 13/19—13/25— 13/19—13/25—(16/81).

Union Co.—Rs 78/00—78/00—78/00—78/00.

Union Carbide—Rs. 39/25—39/25—39/25— 39/29.

OILS

Indo-Burma Petroleum—Rs. 21/87—21/87 —21/62—21/87—(26/87).

Tide Water—Rs. 27/12—27/12—27/12— 27/12—(23/25).

PAPERS

Ashok—Rs. 3/62—3/69—3/62—3/69.

Bengal—Rs. 27/81—27/81—27/62—27/69— (32/50).

India Paper Pulp—Rs. 17/56—17/62—16/87 —16/87—(20/75).

Sirpur—Rs. 11/87—12/00—11/31—11/31— (14/00).

Straw Products—Rs. 9/25—9/25—9/19— 9/25—(10/00).

Titaghur—Rs. 16/19—16/25—15/19—15/25.

PRESSING

Hooghly Ganges Hydraulic (Pref.)— Rs. 44/00—45/00—44/00—45/00.

SHIPPINGS

India General Navgn.—Rs. 41/50—41/50— 41/50—41/50—(63/50).

India Steamship—Rs. 6/12—6/31—6/00— 6/06—(7/00).

Port Shipping—Rs. 13/06—13/12—13/06— 13/12—(12/06).

SUGARS

Cawnpore—Rs. 9/75—9/81—9/75—9/81— (12/50).

Carew & Co.—Rs. 10/81—10/94—10/81— 10/87—(13/12).

Darbhanga—Rs. 8/75—8/75—8/12—8/12 — (9/12).

Raza Buland—Rs. 9/50—9/62—9/50—9/62.

Shree Krishna Gyanoday—Rs. 7/81—7/81 7/75—7/75—(9/12).

SAW MILL

Assam Saws—Rs. 2/60—2/60—2/56—2/56— (2/69).

TEAS

Brooke Bond—Rs. 11/62—11/69—11/50— 11/50.

Bhatkawa—Rs. 16/31—16/37—16/31—16/37 —(16/56).

Baitakhal—Rs. 6/50—6/56—6/50—6/56— (6/69).

Banarhat—Rs. 216/50—216/50—216/50— 216/50—(273/00).

Dhelakhat—Rs. 18/75—18/94—18/62— 18/62—(20/19).

Central Cachar—Rs. 82/00—82/00—82/00— 82/00.

Hantapara—Rs. 109/00—109/00—109/00— 109/00—(103/00).

Hasimara—Rs. 13/50—13/50—13/25—13/25 —(14/31).

Huldibari—Rs. 13/25—13/31—13/25—13/31 —(30/37).

Namburnadi—Rs. 12/75—12/87—12/75— 12/87—(14/53).

New Dooars—Rs. 220/00—220/00—220/00— 220/00—(169/50).

Ranicherra—Rs. 13/81—13/81—13/81— 13/81—(16/62).

Rungamattee—Rs. 50/25—50/25—50/25— 50/25—(50/00).

Soom—Rs. 32/75—32/75—32/75—32/75— (49/87).

Sungma—Rs. 13/87—13/94—13/87—13/94— (14/62).

Teesta Valley—Rs. 12/00—12/00—11/87— 11/87—(13/75).

Tukvar—Rs. 7/31—7/31—6/94—7/00— (6/00).

Tezpore (Pref.)—Rs. 7/06—7/06—7/06— 7/06.

DEBENTURE

5½% Alexandra Jute—Rs. 92/00—92/00— 91/00—91/00.

London

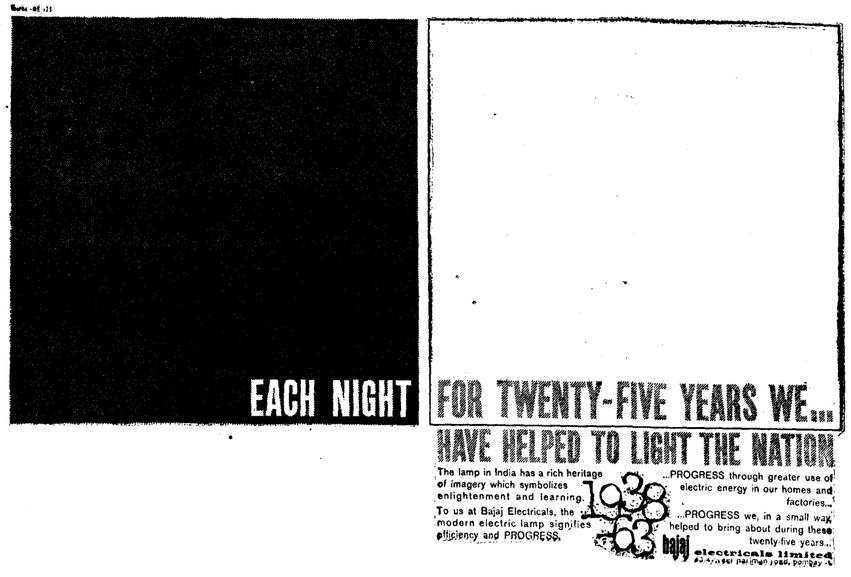
HOLIDAYS RESTRICT ACTIVITY

SELECTIVE DEMAND FOR EQUITIES

London, 31st July.

WITH the holiday season approaching its peak, there was little inclination on the part of investors to open new commitment during the past week, and the turnover in business dwindled on most days. However, until last Monday, when sentiment was upset by reports of growing tension on the Sino-Indian border, there had been a good selective demand, much of which had been stimulated by encouraging economic trends and good company news. That there is no lack of funds for investment has been well illustrated by the overwhelming subscription to attractive new issues which have made their appearance. Some of these have been many times oversubscribed. Gilt-edged were meeting with a good demand at one time, but interest waned in the last day or two, and prices eased.

Dollar stocks moved in the wake of Wall Street and Canadian stocks were rather erratic. Equities gave a fairly good account of themselves, and there was no lack of good features. Imperial Tobacco went ahead on the good interim statement, but ran back later on talk of an intensification of the Government's anti-smoking campaign. Hoovers and Thorns reflected their satisfactory statements and in stores Debenhams were wanted while Marks and Spencer improved on the Company's decision to revalue the properties. Gold shares saw a certain amount of activity, but it failed to last and the market was now quieter. Charterеds were a firm feature in coppers, at one time. Oils see-sawed and Burmahs and Attock fell away on the reports of tension in the east. Tins and teas fell sharply for the same reason, but rubbers held steady following comment on the profit-earning potential of the companies by reducing costs.



GOVERNOR DEFENDS RESERVE BANK CREDIT POLICY

(BY A SPECIAL CORRESPONDENT)

PRESIDING over the annual celebrations of Bombay Bankers last week, Mr. P. C. Bhattacharyya, Governor of the Reserve Bank of India dealt with some of the problems which are uppermost in the minds of the banking community. A few days ago, it will be recalled, some leading bankers called upon him to express their fears about the slow growth of deposits and the desirability of relaxing credit restrictions in the 1963-64 busy season. They had urged that the ceiling on bank borrowings from the Reserve Bank should be removed, the statutory liquidity rule should be put off beyond 16th September, 1964, and that the difficulties of individual banks should be considered sympathetically. Besides giving an almost point-by-point reply to the issues raised by the bankers, Mr. Bhattacharyya has given a few hints as to what the Reserve Bank considers to be the right solution to some of the problems.

In view of the emergency, the Governor has admitted that the banking system is faced with a variety of growing demands. The problem before bankers now is not to find fresh profitable outlets for funds, but to find adequate funds to meet the growing credit needs. Unquestionably, the pressure on bank liquidity is growing, and is accentuated by the rise in prices. As experience shows, there has been no absolute shortage of liquidity in the sense that the growth in money supply has lagged behind the increase in production. Against an increase of about 50 percent in real income in the last decade, the rise in money supply was nearly 60 percent. So the economy was never starved of liquidity but it has suffered from latent inflation. The steady rise in prices and the cost of living are indicators that the flow of money incomes, in the aggregate, has not fallen short of the growing requirements. The liquidity problem faced by the banking system in the 1962-63 busy season was due to the smaller contraction of credit in the 1962 slack season and the relatively slow growth of deposits (Rs. 101 crores in 1962-63, against Rs. 158 crores in 1961-62) in the 1962-63 busy season.

Credit Restraint Necessary

In the context of the pressure on the liquidity of banks, the Reserve Bank's policy of restraining credit might have looked odd, but this was inevitable because "the Bank has to take note of the dual necessity of generating enough credit to meet genuine requirements of productive activity and keep a watchful eye on current indicators of inflationary pressures." If the Reserve Bank had not exercised caution, the total expansion of credit would certainly have been excessive, with consequent inflationary effect on prices. The Bank operated its policy in a flexible and judicious manner, although it raised the cost of credit and placed restrictions on its availability. No genuine productive or defence requirement was starved of credit.

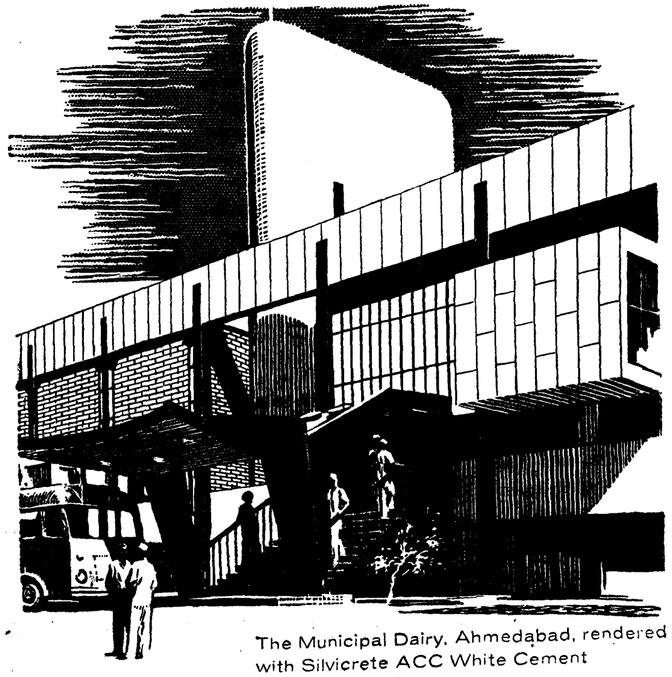
While the Reserve Bank has recognised the obligation to help banks in difficulty as a lender of the last resort, it cannot, in view of the inflationary pressures in the economy, allow indiscriminate credit expansion. It is not true to say that the Reserve Bank's monetary policy leaves the unorganised sector untouched. The impulses generated by the monetary policy are communicated to the unorganised sector *via* the indigenous bankers and the shroffs although a certain amount of money may be floating on the fringe, without finding its way into the organised units. If one looks at the liquidity of the banking system as a whole, the position is not bad. But this is not to deny that the position of a few units in the banking system is pretty fully extended. The Governor of the Reserve Bank has pointed out in no ambiguous terms that the existing situation does not warrant any liberalisation of monetary and banking policies. The problem is confined only to particular units and, therefore, requires a more selective approach.

Mr. Bhattacharyya has laid stress on the point that the banker is primarily a trustee of the depositor. The new statutory requirements for liquidity are intended to provide a sound basis for future expansion of banking and, in spite of some pressure which they are likely to exert, they are necessary. This rules out any postponement of the higher liquidity requirements beyond 16th September, 1964. The Governor, however, is of the opinion that the contraction of credit during the current (1963) slack season has been satisfactory and if the growth of deposits continues at the present rate, the problem would be simpler. The bankers' efforts to open more branches and the speedy and steady improvement in the range and quality of services will also before long ease the situation.

Co-operative Lending

Mr. Bhattacharyya has suggested that banks should explore the possibility of co-operation in meeting the working capital requirements of big projects. This is a solution aimed mainly at rectifying the over extended position of the big banks. It would help not only to limit the commitment of a bank in relation to a particular party but also provide relief to those whose position is overextended. He has also hinted that some banks have set the ball rolling in this direction and what is required now is a wider propagation of the idea. The practice of joint lending although not quite common in India is widespread in West Germany and the U.S.A. There is, however, an important difference between credit conditions in this country and those in other countries. Generally speaking, there is more customer honesty abroad. Under these circumstances to what extent it will be possible to experiment with the idea on a big scale, requires to be explored. It should, however, be noted that the Governor has referred to the need for co-operation in financing only the big projects; these compare favourably with similar enterprises abroad.

There is, however, one point in Mr. Bhattacharyya's address, which is likely to induce a complacent view among bankers. His analysis shows that there is no reason to worry about the rate of resource accretion in the banking system. It is, therefore, possible that the bankers might postpone indefinitely the issue of raising the rate of interest on deposits. While the dearer money policy has come to stay, depositors are not benefiting. This is because the Reserve Bank has been implementing the policy in small doses. One expected the Governor to be more explicit on the question of stepping up the interest rates on deposits. If the rate of interest on deposits is raised, the growth of deposits would gather momentum.



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THE CALCUTTA MONEY MARKET

SUBSTANTIAL FALL IN ADVANCES

Wednesday, 31st July.

THERE has been a substantial fall in the general level of advances in the Calcutta money market during the past week. The accommodation given to the iron, steel and engineering industries has decreased sharply, while the credit requirements of the jute and sugar mills are also a good deal smaller. Advances for the storage of foodgrains and seeds are down slightly, although cotton credit is almost unchanged. In the inter-bank market, conditions have been fairly easy, with the call rate quoting 2 percent.

The exchange market has been quite active. More tea bills have been seen, but the supply of gunny bills has been moderate. The demand for remittance is fair. Sterling shows a mixed trend after narrow fluctuations and has closed with nominal gains against the Canadian, West German and Dutch currencies.

SILVER WAS QUIET IN CALCUTTA IN the past month due to lack of buying. The price dropped from the previous week's level of Rs. 274.50 to Rs. 271.25, quoted today for ready delivery. There was no business in forward. The London and New York prices were 111¼d and 129 cents. Gold was not transacted.

DURING THE WEEK ENDED 26TH JULY, Government of India Treasury bills for Rs. 16,88,50,000 were sold in favour of the Reserve Bank.

TENDERS FOR RS. 2 CRORES OF 91-DAY Government of India Treasury bills were opened on 30th July. The total amount offered was Rs. 2 crores only. Tenders at Rs. 99.420 percent were accepted in full. The total amount accepted was Rs. 2 crores, the average rate of acceptance being Rs. 2.320 percent a year. Tenders for Rs. 2 crores of 91-day Government of India Treasury bills will be received at Bangalore, Bombay, Calcutta, Kanpur, Nagpur and New Delhi centres up to the close of business on 5th August and at Madras centre up to 11 a.m. on 6th August. Successful tenderers should make payment on 9th August at all centres.

IT IS STATED THAT 91-DAY INTERmediate Treasury bills will be sold from 31st July to 3rd August at Rs. 99.436 percent. Sales can be stopped at any time without notice if the Government thinks it necessary. These bills sold from 22nd July to 27th July amounted to Rs. 1,13,25,000.

THERE WERE DECLINES OF Rs. 29.24 crores to Rs. 2,208.34 crores in active notes and of Rs. 22.40 crores to Rs. 2,234.41 crores in the total note issue according to the return of the Reserve Bank of India for the week ended 26th July, 1963. The currency contraction was adjusted by reducing rupee securities of the paper currency reserve by Rs. 25 crores to Rs. 1,901.31 crores. This was done by transferring securities to the Banking Department in which investments rose by Rs. 13.39 crores to Rs. 331.56 crores. Subscriptions to the new loans helped raise deposits of the Central Government by Rs. 94.32 crores to Rs. 149.27 crores while State Governments' deposits fell by Rs. 6.71 crores to Rs. 9.11 crores. Balances of scheduled banks were Rs. 25.73 crores smaller at Rs. 83.78 crores following subscriptions to the new loans. Their loans from the Bank fell from Rs. 47 lakhs to Rs. 34.70 lakhs of which advances against usance bills were the same at Rs. 9 lakhs. Ways and means advances stood at Rs. 29.16 crores, against Rs. 23.67 crores.

THE STATEMENT OF THE POSITION OF scheduled banks for the week ended 19th July, 1963, shows Demand and Time liabilities at Rs. 1,061.35 crores (Rs. 26.49 crores on account of borrowings from banks) and Rs. 1,329.56 crores (Rs. 23.04 crores), compared with Rs. 1,051.52 crores (Rs. 27.51 crores), and Rs. 1,314.97 crores (Rs. 21.35 crores), respectively, in the previous week. Cash has fallen by Rs. 1.40 crores to Rs. 52.06 crores, while balances with the Reserve Bank have increased by Rs. 16.12 crores to Rs. 103.32 crores. There is a rise of Rs. 6.05 crores to Rs. 697.08 crores in investments. Advances and bills discounted at Rs. 1,509.18 crores show a fall of Rs. 13.56 crores. The ratios to total liabilities of cash and balances, and of advances and discounts are, in consequence, shown at 6.5 percent and 63.1 percent, against 5.9 percent and 64.3 percent.

THE RETURN OF THE STATE BANK OF India for the year ended 19th July, 1963, shows a rise of Rs. 7.34 crores to Rs. 581.90 crores in total deposits. Investments in Government securities are up by Rs. 3.74 crores to Rs. 285.65 crores, while other authorised investments remain unchanged at Rs. 9.35 crores. Advances, including loans, cash credits, overdrafts and bills discounted and purchased have fallen by Rs. 4.14 crores to Rs. 269.29 crores. Cash and balances are, in consequence, shown at Rs. 25.26 crores, or Rs. 4.94 crores higher.

TREASURY BILL MATURITIES

Details of 91-day bills outstanding with the public on 2-8-63.

Issue Date	Maturity Date	Amount (000's Rs.)	Average Acceptance Rate
2-8-63	5-11-63	2,00.00	Rs. 2.320%
19-7-63	22-10-62	2,00.00	Rs 2.317%
12-7-63	15-10-63	2,00.00	Rs. 2.320%
5-7-63	8-10-63	2,00.00	Rs. 2.340%
28-6-63	1-10-63	2,00.00	Rs. 2.345%
21-6-63	24-9-63	2,00.00	Rs 2.350%
14-6-63	17-9-63	2,00.00	Rs. 2.354%
7-6-63	10-9-63	2,00.00	Rs 2.350%
31-5-63	3-9-63	2,00.00	Rs. 2.350%
24-5-63	27-8-63	2,00.00	Rs. 2.355%
17-5-63	20-8-63	2,00.00	Rs 2.360%
10-5-63	13-8-63	2,00.00	Rs 2.354%
3-5-63	6-8-63	2,00.00	Rs 2.350%

(Monthly Maturities 000's omitted)

August, 1963	8,00.00
September 1963	8,00.00
October 1963	8,00.00
November 1963	2,00.00
Total	26,00.00

CLEARING HOUSE RETURNS

Week	Calcutta Rs. (Lakhs)	Bombay
26-7-63	91.12	.....
19-7-63	90.25	1,07.96
12-7-63	88.06	99.00
5-7-63	89.70	99.50

RESERVE BANK

ISSUE DEPARTMENT

(In 000's of Rupees)

	Week Ended 26-7-63	19-7-63	27-7-62
Liabilities—			
Notes in Banking Dept.	25,49,87	19,22,97	27,90,55
Notes in Circulation	22,08,91,34	22,37,58,20	20,36,72,83
Total Notes issued	22,34,41,21	22,56,81,17	20,64,63,38
Assets—			
A. Gold Coin and Bullion	1,17,76,10	1,17,76,10	1,17,76,10
Foreign Securities	95,26,14	95,26,14	96,34,17
Total of A	2,13,02,24	2,13,02,24	2,14,10,27
B. Rupee Coin	1,20,07,56	1,17,48,34	1,20,56,59
Rupee Securities	19,01,31,41	19,26,30,79	17,29,96 62
Total	22,34,41,21	22,56,81,17	20,64,63,38

BANKING DEPARTMENT

Liabilities—			
Capital Paid-up	5,00.00	5,00.00	5,00.00
Reserve Fund	80,00.00	80,00.00	80,00.00
National Agricultural Credit (Long Term Operations) Fund	73,00.00	73,00.00	61,00.00
National Agricultural Credit (Stabilisation) Fund	8,00.00	8,00.00	7,00.00
Deposits—			
(a) 1. Central Govt.	1,49,26.69	54,95,38	54,57,51
2. State Govts.	9,10,91	15,82,48	25,58,75
(b) Banks :—			
(i) Scheduled Banks	83,71,90	1,09,51,25	1,01,03,99
(ii) State Co-operative Banks	2,05,33	2,51,55	2,02,42
(iii) Other Banks	4,23	4,15	2,03
(c) Others	2,09,62,99	2,07,04,62	2,07,62,78
Bills Payable	32,57,54	31,18,29	35,73,10
Other Liabilities	17,74,22	17,39,75	19,76,49
Total	6,70,19,81	6,04,47,47	5,99,37,07
Assets—			
Notes	25,49,87	19,22,97	27,90,55
Rupee Coin	2,51	2,28	1,87
Small Coin	2,34	2,43	3,90
National Agricultural Credit (Long Term Operations) Fund			
(a) Loans and Advances to :—			
(i) State Govts	27,16,75	27,16,75	24,03,45
(ii) State Co-operative Banks	10,51,20	10,52,60	11,85,47
(iii) Central Land Mortgage Banks	...	...	...
(b) Investment in Central Land Mortgage Bank Debentures	3,54,60	3,50,57	2,82,84
National Agricultural Credit (Stabilisation) Fund			
Loans and Advances to State Co-operative Banks	...	...	...
Bills Purchased and Discounted :—			
(a) Internal	...	...	...
(b) External	...	...	...
(c) Govt. treasury Bills	92,02,47	55,51,47	54,91 97
Balances Held abroad	5,55,81	6,28,59	6,76,61
Loans and Advances to Govt.	29,15,85	23,66,82	10,01,67
Loans and Advances to :—			
(i) Scheduled Banks	34,70	47,10	63,05
(ii) State Co-operative Banks	1,17,27,08	1,11,07,46	1,14,62,27
(iii) Others	1,56,80	1,43,83	92,37
Investments	3,31,55,60	3,18,16,56	3,10,58,75
Other Assets	25,94,23	27,38,07	34,23,70
Total	6,70,19,81	6,04,47,47	5,99,37,07

SCHEDULED BANKS

(In 000's of Rupees)

	Week Ended 19-7-63	12-7-63	20-7-62
(i) Demand Liabilities—			
(a) Demand Deposits			
(1) From Banks	52,59,25	54,84,43	51,04,45
(2) From others	9,20,14,96	9,09,59,79	7,86,48,02
(b) Borrowing from Banks	26,49,30	27,50,55	15,46,86
(c) Others	62,11,14	59,57,01	57,23,91
(ii) Time Liabilities—			
(a) Time Deposits			
(1) From Banks	36,24,97	38,01,77	25,53,90
(2) From others	12,59,92,19	12,44,84,64	12,36,09,84
(b) Borrowing from Banks	23,04,01	21,34,76	15,62,33
(c) Others	10,34,88	10,76,17	9,79,39
(iii) Borrowing from State Bank—			
(a) Demand Liabilities	2,71,77	5,16,57	3,75,34
(b) Time Liabilities	12,85,50	13,00,50	14,82,00
(iv) Borrowing from Reserve Bank	46,82	1,57,40	68,05
(v) Cash	52,05,82	53,46,03	49,29,42
(vi) Balances with the Reserve Bank	1,03,31,68	87,20,43	1,00,61,40
(vii) Balances with other Banks in current account	20,91,67	20,42,26	18,89,85
(viii) Money at call and short notice	62,61,45	58,47,40	47,36,01
(ix) Investments in Central and State Govt. Securities	6,97,08,22	6,91,02,91	6,20,04,99
(x) (a) Loans, Cash credits and Overdrafts	12,87,53,50	13,03,94,86	12,27,77,35
(b) Due from Banks	8,53,01	8,95,22	7,20,23
(xi) Inland Bills purchased and discounted	1,60,96,19	1,58,39,70	1,23,63,64
(xii) Foreign Bills purchased and discounted	52,13,76	51,50,75	44,77,56
(xiii) Total of X XI and XII	15,09,18,46	15,22,73,53	14,03,38,80

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A NEW PHASE IN AGRICULTURAL DEVELOPMENT

By Varuna

The establishment of the Agricultural Refinance Corporation may help production not only of the major crops but also in related sectors such as dairy farming, poultry development and pisciculture. The Corporation could do much to encourage large-scale production in the subsidiary sectors by organised private enterprise.

THE Agricultural Refinance Corporation, which was inaugurated in Bombay by the Central Finance Minister recently, will fill an important lacuna in the system of farm credit by providing long-term finance. It is welcome for another reason too: its functions include the provision of finance for various types of plantations on the one hand, and for orchards, dairy and poultry farms, and pisciculture on the other. While plantations have received some attention from the authorities and already get financial assistance from scheduled banks, relatively little attention has so far been paid to financing the activities in allied sectors. There are, of course, programmes for developing fruit, dairy, poultry and fish farming—programmes which are being implemented with varying degrees of efficiency by the State Governments. However, no organised effort has been made so far to help these activities by providing them finance on a scale and for a term which would make it possible for entrepreneurs to take up projects in these sectors on a sufficiently large and organised scale.

An increase in the output of fruit, meat, dairy products, poultry, eggs, vegetables and fish is of the utmost importance for meeting the rise in demand for these supplementary foods within the country. As the incomes of the people increase, they will need more of these products. Availability of adequate supplies of these products will help the economy in many ways. It will relieve, to some extent, the pressure on the supplies of cereals. At the same time, it will mean a definite improvement in the diet of the people, and consequently their health and efficiency. It also mean an increase in employment opportunities, and a substantial flow of incomes into the community.

Export Potential

It is, however, the export aspect which deserves special attention. There is a large and growing demand abroad for these products. It is mainly because the country has not been able to expand their production that it has so far been unable to exploit the foreign markets. As in some other spheres, increasing the exports of these commodities is primarily a matter of expanding the output. The products concerned must, of course, be properly processed, packed and marketed. For this purpose, it may also be necessary to create sufficient facilities for processing and packing these products and to make suitable arrangements for marketing them abroad. This should not, however, be difficult and should probably be expected to follow the growth of large supplies of these products within the country.

It is clear that attention must be concentrated on increasing the output of these various food products. There are two approaches to the problem. One is that which has been followed for supplying milk to Bombay from the Kaira district of Gujarat. The other is to encourage organised enterprise to take up large-scale production in these sectors as a business proposition and thus bring to them the efficiency and drive which they have so far lacked. In Kaira district, an increase in milk production was stimulated by organising the sale of the product and thus creating a high and steady demand for it. The prospect of earning a high income by selling his products regularly at attractive prices will stimulate the farmer to work harder and invest more to increase his output. It will, of course, be necessary to provide financial assistance to him, but the amount that each farmer may require will be relatively small. It should be possible to handle this through the co-operative credit societies because of the support they receive from the apex co-operative institutions and the Reserve Bank. The requirement being essentially of long-term nature, it may also be possible for the Agricultural Refinance Corporation to refinance credits made available by apex institutions to the primary co-operatives for projects involving development of a particular type over a large area. Long-term finance may also be needed for large projects complementing a scheme of this kind, which calls for development of a particular productive activity over an entire area.

However, considerable organisational effort will be necessary before a whole district can be galvanised into productive effort in this manner. Wherever an effort of this kind is warranted, it should certainly be made. The financial assistance required for these efforts should be made easily available. However, if increase in the production of these items is to depend on the success of the authorities in persuading thousands of individual farming families to step up the scale of their operations or to take up production for the first time, it is extremely unlikely that there will be a sufficiently large rise in output.

Large-scale Production

If a rapid increase in output is to be achieved, it will be necessary to encourage organised, large-scale production by the private sector in these fields, as is being done in industry. There is no reason why these activities in the agricultural sector cannot be treated on par with industry. A policy of this kind is implicit in the powers and functions of the new Agricultural Refinance Corporation.

Very large projects involving a capital of up to Rs. 50 lakhs can now be easily undertaken in this field. Such large projects would naturally fall within the purview of the organised sector. A score of large enterprises, organised perhaps in the corporate form and raising substantial capital of their own in the form of equity, could, with the assistance provided indirectly by the Agricultural Refinance Corporation, substantially raise the production of poultry and eggs, vegetables, fish and the wide varieties of fruit grown in the country. Similarly, rabbit farming for both meat and fur, or farming of some of the fur animals for whose skins there is a world market, could also be undertaken by organised private enterprise. The same is true of frog farming. In each case, the country could hope to earn substantial amounts of foreign exchange. Problems of quality control would be considerably eased.

Rôle of Organised Enterprise

The introduction of organised private enterprise into these sectors is implicit in the functions of the Agricultural Refinance Corporation. There needs, however, to be a wider recognition of the basic change in policy implied by it. Conscious implementation of the new policy could in fact bring about a revolution in the agricultural sector, at least as far as the subsidiary activities are concerned.

There need not be any conflict between the policy of encouraging co-operative production in these fields by thousands of farmers in a particular district and the encouragement of large-scale production by the organised private sector. As a matter of fact, these two approaches could be tried side by side and could be through suitable arrangements, also made complementary to each other wherever possible.

ECONOMIC RESEARCH

- is an essential part of modern commerce. But it is
- not always easy to obtain. The ordinary business
- house does not usually possess the records, statistics
- and archives which are the raw material of research.
- CAPITAL'S RESEARCH & STATISTICAL DEPARTMENT
- has a long record of service to Chambers of Commerce,
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- proper into the problems of Indian commerce
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- has constructed and maintains a number of cost of living
- indices for various classes and communities in India
- and Pakistan. It offers the industrialist and business
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P.O. Box 14, Calcutta-1, or 5, Mission Row, Calcutta, India.

New Delhi

WORLD BANK MISSION REPORTS ON INDIAN ECONOMY

(FROM OUR NEW DELHI CORRESPONDENT)

A WORLD Bank mission has made some well-considered suggestions to the Government of India for the more rapid and orderly growth of the economy. The main findings are contained in the following paragraph:

"Whatever the solutions, the problems discussed in this report have a direct bearing on the central issue at stake. The growth of population must be curbed if India is to have any chance of securing a tolerable minimum standard of living for the mass of her people. The present rate of expansion in agricultural production must be at least doubled—such was indeed the objective of the third plan, but it obviously will not be reached. Ways have to be found of improving the efficiency of industry and securing a more rational allocation of resources for future industrial investment, and it is difficult to see how this can be done within the limits set by a political democracy without a radically different approach on the part of the Government to questions of incentives, controls and prices. Continued external assistance, with greater emphasis in future on non-project assistance, will be needed to maintain the momentum of industrial expansion. At the same time, India has to increase her exports very substantially in the long run if she is to make a success of her present plans for development."

The mission visited India during the last cold weather season to evaluate this country's economic progress in general, and particularly the progress achieved during the first two years of the third five year plan. The report also enables the aid-giving countries to decide the amount, type and conditions of financial assistance they should offer. It has, for example, laid special emphasis on the untied aid which India needs to sustain her economy.

From the time of the famous, and now forgotten, letter of Mr. Eugene Black to India's Finance Minister, the World Bank has been sending each year missions to evaluate India's progress with the avowed object of helping this country secure more aid from the consortium of friendly western countries. The missions have often offered India advice which has seldom been seriously considered. This time, too, the mission has offered some valuable suggestions in its report suitable extracts from which are reproduced below:

"In the nature of things, no one can hope to present an entirely objective assessment of what India has achieved, of her successes and failures. In one sense, it is remarkable that the Government has been able to hold the country together and carry through a programme of economic development involving large increases in taxation without serious political disturbance or infringement of essential political liberties. Few governments in history have had such daunting problems to tackle or have tackled them with such a high sense of responsibility. Communalism has been held in check, English has been retained alongside Hindi as an official language, the Government has given the lead in instituting a campaign for family planning, women have been encouraged to participate more fully in the life of the country, efforts have been made to break down the caste system, educational opportunities have been widely expanded and a beginning has been made with the transformation of the traditional village society through land reforms and the community development programme. From an economic point of view, these are all changes in the right direction, and though it is easy enough to find fault with what has been done and to demonstrate the limited effectiveness of Government policy, the record as a whole is impressive.

"For all this, the results so far achieved are painfully inadequate to the need. The sheer size and poverty of India are its greatest problems. It has been calculated on the basis of quite moderate assumptions about population increase and income distribution that, in order to provide the poorest 20 percent of the population with an average per capita income of Rs. 20 a month by 1975, the economy as a whole must maintain an annual rate of growth of 7 percent over the next 12 years. In other words, the present rate of growth would have to be nearly doubled. This may be considered unrealistic, yet no one could fairly regard the goal as excessive.

Balanced Regional Development

"Another objective of Government which is in conflict with the aim of securing more rapid economic growth is expressed in the policy of 'balanced regional development.' This is a perfectly understandable policy, and up to a point, may be part of the price that has to be paid for maintaining the Union. But the fact should be recognised that, if the limited resources available for investment are to be dispersed widely over the country instead of being concentrated on the projects and areas where they will yield the highest economic returns, the growth of the economy as a whole must be impeded. Numerous examples can be quoted of wasteful investments resulting at least in part from the desire to advance particularly backward areas and to ensure a 'fair' allocation of resources between different States and regions. The location of the first Government oil refinery in Nunmati in Assam is a classic case. Other instances are to be found in the proposals for having a new fertiliser plant and a new public sector industrial project in each State (although these have not been fully implemented), in plans for the development of certain ports, in the State and central programmes of highway construction, and in the extension of the package programme for foodgrains from the original seven districts to 17.

"The aim of maximising employment and the aim of maximising output come into conflict in all countries. In India, for obvious reasons, the conflict is particularly sharp. The creation of more jobs for the unemployed and under-employed was singled out as a principal objective of the third plan. It is true that in practice investment in the plan, particularly in the public sector, has been concentrated on industries which are generally capital-intensive and provide comparatively little employment in relation to the value of their output. At the same time, however, considerable effort and expenditure are devoted to maintaining or expanding employment in the small-scale sector. For example, expenditure during the second plan on khadi and village industries is estimated at Rs. 87.5 crores (Rs. 68.6 crores for khadi, Rs. 18.9 crores for other industries), and provision for further expenditure of Rs. 92 crores has been made in the third plan.

"The protection of inefficient, labour-intensive techniques in village industries (for example, in cotton spinning and the manufacture of matches) acts as a drag on efficiency and output in the organised sector, reduces the volume of savings available for investment elsewhere and slows down the overall pace of development. Similar consequences follow from attempts to freeze levels of employment in organised industry and to discourage the introduction of modern equipment. Restrictions on the retrenchment of labour, which almost everywhere have the Government's support, have been a powerful factor making for rigidity and inefficiency. Incidentally, production and price controls tend to have similar effects. Consequently, a disturbingly large number of inefficient producers are being kept in existence at considerable cost to the community when they should be encouraged to go out of business.

"A different sort of problem arises out of what can only be described as excessive concern for the rights of private property owners and the protection given to these under the law. Development projects are frequently held up for long periods by difficulties over acquisition of land and compensation of the existing owners. This has been one of the main obstacles to schemes for slum clearance and urban development in Calcutta; it has also been a cause of delay in starting several of the important industrial projects in the third plan. The way in which property owners in the United States can be dispossessed to make room for new highways or other public services stands out in striking and ironic contrast to the situation in India. The mission is now qualified to comment in detail on the legal aspects of this matter, but we would suggest that it merits urgent consideration by a judicial commission to see what new legislation would be needed to give the Government more effective powers to take over private property, subject to appropriate compensation. Meanwhile, advantage should be taken where possible of the defence regulations to bypass time-consuming legal processes where these are holding up development.

Emphasis on Heavy Industries

"India has deliberately made a choice in favour of building up large-scale, generally capital-intensive industries such as iron and steel, heavy engineering, fertilisers, oil refining and basic chemicals. The wisdom of this choice has been widely debated in India and outside. In part, the argument is academic. Choice of techniques in modern industry is fairly limited, and it would be difficult to find a meaningful pattern of development that would satisfy the advocates of more labour-intensive forms of production. A programme oriented towards the production of capital goods is better suited to India's needs than the expansion of consumer goods industries whose products would be beyond the reach of the vast majority of the population at present levels of income. India's resources of iron ore and coal in any case offer her natural advantages for the production of iron and steel which have made this the focus of her industrial development.

"It is becoming increasingly clear, however, that the process of industrialisation will be more difficult, slower and more expensive than assumed when the third plan was prepared. The number of projects undertaken by the public sector—in heavy industry, petroleum and coal, for example—is greater than the public sector is yet really capable of managing efficiently, and the restrictions on private enterprise starting new ventures in various basic industries has limited the scope for the participation of private capital, including foreign capital, in the financing of India's development. A tendency towards excessive use of capital has been encouraged by low interest rates and by the natural desire of foreign collaborators to erect impressive plants and to promote sales of their equipment, components and spare parts. The organisation and management of public enterprises is being gradually improved, but too many civil servants are still being employed in top positions, and the methods of personnel selection leave much to be desired. Only gradually is it coming to be recognised that industrial management is a professional job requiring special experience and expertise, and that work in any industry like steel, heavy engineering or oil should be generally regarded as a life career. The number of changes in recent years in top management positions in public industrial enterprises has been a source of much confusion and inefficiency.

High Production Costs

"Costs of production in manufacturing industry in India are generally high compared with more advanced industrial countries. Some of the reasons for this are temporary, others of a more lasting nature.

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Lack of ancillary industries frequently means that a firm has to make for itself components and tools which in other countries would be bought from outside. In many industries, of which motor-vehicles is one, the level of production in any one firm is still too small to permit full advantage to be taken of economies of scale. The problem has been aggravated by the deliberate policy of encouraging the establishment of small and medium-sized units in preference to large ones. This policy stems from a deep-seated and historically well justified suspicion of 'big business', allied with a fear of what is usually termed excessive concentration of economic power. Such a policy is out of place in India today, and tends to hamper efficiency, while doing very little in practice to weaken the hold of the big financial groups who still directly or indirectly control a large segment of organised industry.

"Capital costs in the newer industries are inevitably high, particularly when setting up a new plant means building a new town, as it often does. Equipment imported from abroad is liable to be all the more expensive when it is financed out of aid tied to particular sources of procurement, since suppliers take advantage of this situation to raise their prices. On the other hand, labour costs in India should be lower than in more advanced countries. It is by no means clear, however, that they always are. A steady upward pressure on labour costs is accentuated by the influence of the trade unions, and when profits are so heavily taxed or when there is no particular incentive to make profits as in public sector enterprises, firms have little incentive to resist this pressure. Unless labour costs a unit of output can be kept well below the levels prevailing in other countries, there is little prospect of the newer industries becoming competitive or of older industries, like cotton textiles, holding their position in world markets. It goes without saying that, unless the established industrial countries are prepared to allow India the comparative advantage which she ought to derive from lower labour costs, India cannot hope to achieve a reasonable balance of trade with these countries.

Industrial Location

"Indian planning has tended to neglect the space dimension in economics. Despite much talk of 'balanced regional development' and the need to tackle the formidable problems of congestion and overcrowding in the big cities, there has been no comprehensive and well thought out policy of industrial location. On the one hand, there are the factors that favour the cumulative concentration of industrial investment in a few strategic places; the need, for example, to economise on transport investment and transport costs; the advantages of having a large market for industrial products capable of supporting economic units of production and a pool of skilled and semi-skilled labour on which new industries can draw; the attractions of the big city for the entrepreneur, particularly in so far as contacts and the exchange of ideas are easier in an established business community; and all the external economies that concentration provides. On the other hand, account has to be taken of the rôle which industry can play in opening up the traditional rural society to new ideas and encouraging social change —a consideration which favours dispersing industrial investment more widely over smaller towns and villages, so that the economic and other ties between the urban and industrial areas can be as close as is technically feasible.

"Part of the trouble lies in the uneasy choice which India has made between a centrally planned economy and a decentralised economy guided essentially by market forces within the broad framework of policies laid down by the Government. The way in which industry is controlled is of greater significance than the way in which it is owned.

"Some degree of planning is clearly needed, and complete decontrol is out of the question. But at present, there appears to be too much centralisation of control in the hands of officials—and committees of officials—who are neither supplied with accurate and up-to-date information about what is happening in the economy nor are professionally qualified to take the decisions expected of them. The Planning Commission functions essentially as a co-ordinating body without executive responsibility, and neither the Planning Commission nor the Ministries responsible for economic affairs have at their disposal enough specialists to form technical and economic planning groups capable of working out and supervising the execution of industrial plans. Such groups are certainly needed, whatever the type of planning adopted, and a start has been made by establishing two survey groups for electric power and energy. Use is being made of a private consulting firm for planning the development of the iron and steel industry. Hindusthan Steel and the Fertiliser Corporation of India have been gradually building up their planning and design staffs. All this is helping to provide a basis for better planning in future.

The strengthening of the planning machinery and the improvement of economic statistics are both necessary if controls are to be operated sensibly. But however good the machinery, there is an overwhelming case for simplifying the controls. Controls over prices are the obvious place to start. If the price mechanism is allowed to function more freely as a guide to the allocation of resources, it will reduce the need for elaborate physical controls.

Lack of Proper Price Policy

"Price relationships in India have got more and more out of line with reality as a result of a piecemeal approach to price fixation, the lack of any clearly thought out and coherent price policy and insufficient appreciation of the difference between real costs and money prices. Goods for which prices are subject to control include iron and steel, coal, fertilisers, cement, paper, motor-vehicles, tyres, certain basic chemicals and a wide range of other industrial commodities. Cotton textiles are subject to a system of voluntary price control operated by the industry. Goods and services provided by the Government at subsidised prices include power, irrigation and certain forms of transport.

"In general, one must assume that prices fixed at levels below those which would prevail in a more or less free market economy will tend to encourage consumption at the expense of savings and investment (except to the extent that indirect taxes are added to the prices paid to producers). Low prices will also tend to discourage production, reduce the incentive to invest in expansion and encourage wasteful use of resources. The policy of controlling prices in key industries, while prices in less important industries have been left free, is particularly difficult to justify. It has had the effect in India of diverting capital away from the priority sectors where the need for expansion is greatest. Thus the coal and cement industries have both experienced difficulty in attracting capital for development in recent years. Price controls have probably also had something to do with the reluctance of private capital to exploit the opportunities for investment in fertiliser production, notwithstanding the fact that promoters have been assured by the Government that prices will be fixed on what is essentially a cost-plus basis. In the case of coal, it is difficulties over local finance which have been primarily responsible for the long delays in utilisation of the $35 million World Bank loan signed in 1961 for the expansion of the private sector.

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Given the choice, the Indian investor tends to steer clear of the basic industries which are under close Government control and prefers to put his money into new ventures in chemicals and engineering where prospects of making profits are very much brighter.

"Price controls have tended to introduce an undesirable rigidity into the economic system just at a time when patterns of costs, production and demand are changing rapidly, and continuous adaptation is required. Prices once fixed are very difficult to alter since vested interests become entrenched behind them. Nor can anyone conceivably have the knowledge and foresight needed to establish the right prices, or to change them promptly in response to new conditions. The cost-plus formula which is the normal basis for price fixation is singularly unconducive to efficiency.

"There is growing recognition in India that the prices fixed for basic commodities such as coal, iron and steel and cement are too low. Several upward revisions in coal and steel prices have been made during the past two years, but these have been too small to have much effect. Further price increases are now under consideration. There appears to be a very strong case for raising substantially the prices of the better qualities of coal, if not for removing controls over coal prices altogether. Railway freight rates on coal and other bulk commodities also need to be increased, electric power rates should be raised substantially, and much higher retention prices should be paid to the iron and steel plants in both public and private sectors.

Idle Industrial Capacity

"The inadequate and erratic supply of imported materials, components and spares is the most obvious and immediate restraint on industrial output. No reliable assessment exists of the extent to which industrial capacity in India is at present under-utilised, but it is clear that much equipment is lying idle for lack of spare parts and that a good many firms have at one time or another in the past two years been compelled to slow down production or been prevented from expanding because of difficulties in obtaining some imported items. Imported materials which are reported to be particularly scarce include special steels, steel sheet, copper, lead and various types of chemicals. Stocks of spare parts and accessories in the motor-vehicle industry are totally inadequate in relation to the number of vehicles now on the roads (or immobilised for repair). Because of the uncertainty of supplies, established manufacturers try to hold larger stocks of imported items than would otherwise be necessary, and this makes it difficult for the newcomer, or for the small firm, to obtain a share of whatever is available. It is in fact usually the fairly small private manufacturer who suffers most severely from the shortage of imports.

"The production of a whole plant can be dislocated or an expansion scheme held up for lack of a minor item, the need for which has been overlooked by the licensing authorities. Two examples may be quoted which came directly to the mission's attention. One of the three large bicycle producers in India was nearly forced to close down altogether some months ago because it was unable to obtain a small quantity of potassium cyanide, and the works manager had to pay a special visit to Delhi to get the necessary allocation. A small manufacturer of canned food products in Bombay, with foreign sales of around $100,000 a year, had to give up a scheme for doubling his exports because he could not obtain a licence to import a machine costing less than $6,000.

"While there is no chance of getting rid of import licensing in the foreseeable future, the pressure on the licensing controls can be eased by raising the price of imports through taxation or a change in the exchange rate. A step in this direction was taken in this year's Budget by the levying of a general surcharge of 10 percent on all import duties and by the raising of import duties on a number of items including mineral oils, machinery, iron and steel products, raw cotton, rubber, palm oil, cinema films, tobacco, dyes, hardware, electrical apparatus and motor-vehicle parts. For example, the general rate of duty on machinery was increased from 15 percent to 20 percent.

Poor Export Performance

"The most serious criticism of Government export policy is perhaps the failure to take full advantage of the opportunities for developing exports of agricultural and mineral products. Agricultural policy has not been export-oriented, and little thought has been given to ways in which agricultural exports might be increased. An even more expensive weakness in planning has been the delay in arranging for the mining and transport of additional supplies of iron ore. Three years ago, the Government was assuming that 4 million tons of iron ore could be exported in 1960-61 and more than this in 1961-62. In fact, the quantities shipped, apart from Goa, have shown very little increase over the past three years, remaining around the 1959 level of 3 million tons a year. The recession in the Japanese steel industry has introduced a further unfavourable factor into the situation, and India is now facing increasingly severe competition in supplying the Japanese market.

"Internal prices of many of the goods which India exports are out of line at present exchange rates with world prices. Such goods fall into two main categories—agricultural products, where inefficient methods of Indian agriculture have resulted in high costs (namely, groundnut oil and sugar); and the newer industrial manufactures, where at the present stage of development the high cost of imported equipment and components and the small scale on which production is organised usually more than offset any advantages that may be derived from 'cheap' labour (and, as previously noted, Indian labour is by no means always cheap). Manufacturers can usually obtain a considerably better price at home than abroad for such products as bicycles, sewing machines, electric fans, metal containers, dry batteries and diesel engines, all of which are being exported. It is, of course, a common practice in other manufacturing countries for firms to sell abroad at prices which cover only their marginal costs and which are well below the prices charged in the home market. India is by no means exceptional in this respect. But the trend of industrial costs in India is a matter for real concern.

Lack of Good Hotels

"More and better hotel accommodation is the first essential. India has very few hotels which come up to international standards, and many of those which call themselves first-class are unable to provide the standards of service, comfort and *cuisine* which the international traveller has come to expect. Foreign management, which is one of the answers to this problem, has not been encouraged. The Government has been reluctant to invest its own money in hotel construction unlike countries such as Greece and the United Arab Republic which have been much more successful in improving tourist amenities in recent years. Nor have private entrepreneurs been offered the special inducements and official support that are needed if they are to be persuaded to invest their capital in what is otherwise liable to be an unprofitable business—especially when there is little money to be made out of drinks, which elsewhere are usually the main source of the hotelier's income. A new first-class hotel in Delhi, started as a private venture some years ago, has been left half-completed because of financial difficulties, while foreign visitors are being regularly turned away from the other hotels in the capital or provided with makeshift accommodation.

Steep Increase in Taxation

"The further steep increase in indirect taxation and the need for the upward adjustment of prices of many basis goods and services should result in a fairly general increase in the cost of living. There is always the danger that this may lead to another twist in the wage-price spiral, particularly when the pay of public employees and most industrial workers is directly linked with the cost of living index. The disadvantages of such linking arrangements in a situation like the present are obvious enough, and the Government will have to exert all its powers of persuasion to avert a cost-push type of inflation in the modern sector of the economy. Its chances of success will depend on the quality of its own leadership and on the readiness of the industrial community to accept sacrifices for defence. But whatever the risks of price increases in the immediate future, we believe that it would be a shortsighted policy to try to suppress inflation by maintaining artificially low prices in such industries as iron and steel, coal, rail transport and electric power. The paramount needs in these industries are to expand production and to mobilise savings for future development. Price controls may disguise, but they do not reduce, real cost; indeed, they tend to have the opposite effect.

"One of the most questionable decisions that the Government has taken in an effort to economise in foreign exchange is to tighten the restrictions on travel abroad by Indian nationals. Foreign travel by business men and students is potentially one of the most invigorating influences to which the economy can be exposed. The savings likely to be achieved by the latest restrictions are comparatively unimportant. The mission would strongly urge that the Government's policy in this matter be reconsidered.

"As far as imports of industrial materials and fertilisers are concerned, the mission considers that the Government's estimate of requirements in 1963-64 is, if anything, on the conservative side. In the absence of a detailed industry-by-industry study, it is quite impossible for anyone to say exactly what increases in these imports will be needed to ensure full utilisation of existing industrial capacity, but it is clear that the expansion of industrial production is already seriously hampered by import restrictions, and the likely rise in demand for iron and steel, non-ferrous metals, petroleum and fertilisers during the coming years will exceed any foreseeable increase in domestic production."

MOTOR-CAR MANUFACTURE

Survey of Progress

The Central Minister for Heavy Industries, Mr. C. Subramaniam, is planning to set up a committee to examine the progress of the motor-vehicle industry, particularly relating to the manufacture of cars. As the World Bank report has pointed out, the production of a whole car under one umbrella has led to its high costs. It is only in recent years that some ancillary industries have been developed. When these industries go into full production, some reduction in costs may be possible. The bigger snag is the low rate of production. In fact, some of the well-known foreign manufacturers did not show any enthusiasm for the small car project because of the small size of the Indian market.

There is, therefore, a growing realisation that the Indian policy for making motor-vehicles is unrealistic and is wrongly conceived. Some of the South American countries have permitted freedom to foreign entrepreneurs to set up car manufacturing plants provided they do not import any components, after, say, five years. This brought in not only self-supporting units, but also competition, which compelled motor-car manufacturers to reduce prices by cutting costs and even profits.

Three other features of Indian manufactured cars have been specially stressed. Firstly, their durability. It is felt that the Indian manufacturer has adopted the American method under which an article is produced, say, for one year's usefulness. The Americans can, however, afford to change their cars every year. It is not possible to do so for the majority of car users in India. Secondly, this country's economy does not require a new model every year. What is, therefore, being planned is to evolve an Indian model of a car, which would remain unaltered, say, for ten years. This will also mean an equal assurance of durability. Thirdly, in order to reduce prices, it is felt that the manufacture of cars should be on a bigger scale than has so far been attempted in India. The personnel of the Committee now proposed to be set up may have some foreign experts, probably, from the U.K. and West Germany. An early decision is expected.

INDUSTRIAL LICENSING

Procedure to be Reviewed

The Central Ministry of Industries is planning to set up a small committee to review the procedure for industrial licensing and make recommendations for such amendments as are considered necessary. The committee, it is learnt, will include the Secretary of the Ministry of Industries, Mr. S. Ranganathan; the Secretary, Ministry of Economic Affairs, Mr. L. K. Jha; the Special Secretary, Ministry of Defence and Economic Co-ordination, Mr. T. Swaminathan; the Joint Secretary, Ministry of Heavy Industries, Mr. R. V. Raman; the president of Associated Chambers of Commerce, Mr. A. R. Foster and the President of the Federation of Indian Chambers of Commerce and Industry, Mr. Bharat Ram.

PARLIAMENT

New Legislative Business

Thirteen new Bills are being introduced in the coming session of Parliament starting from 13th August. Among them is the Press Council Bill, 1963, to provide for the establishment of a Press Council so as to preserve the liberty of the Press and the standards of newspapers.

Three Bills relate to excise or income tax. The Customs and Central Excise (Amendment) Bill, 1963, is for levying duty on all goods exported or imported or produced by State Governments irrespective of the nature of their end-use. The

Central Excise and Salt (Amendment) Bill will amend the parent Act so as to bring in certain changes in the tariff descriptions. The Income tax (Amendment) Bill seeks to alter the provisions of the Income-tax Act, 1961, in the matter of development rebate. Through the Dakshin Bharat Hindi Prachar Sabha Bill, 1963, the Sabha is to be declared an institution of national importance.

Two Bills relate to Delhi. They are, the Delhi Development (Amendment) Bill, 1963, and the Slum Areas (Improvement and Clearance Amendment) Bill, 1963. The Government will also seek powers through the Public Premises (Eviction of Unauthorised Occupants) Amendment Bill, 1963, to expedite the removal of unauthorised squatters from Government lands. To make the provisions of the Food Adulteration Bill more stringent, an amendment will be brought through the Prevention of Food Adulteration (Amendment) Bill, 1963.

Proposed labour legislation includes the Industrial Disputes (Amendment) Bill, 1963, which seeks to give effect to the recommendations of the Indian Labour Conference and the Standing Labour Committee and the Personal Injuries (Compensation Insurance) Bill, 1963, which will impose on employers a liability to pay compensation to workmen sustaining personal injuries. It also provides for the insurance of employees against such liability. Other Bills are the Antiquities (Export Control) Amendment Bill, which seeks to remove certain lacunae experienced in the working of the parent Act, and the code of Civil Procedure (Amendment) Bill, 1963, which raises the exemption limit of attachment of salaries and will extend the benefit of Section 80 of the Act to the State of Jammu and Kashmir.

ECONOMIC TRENDS

N.C.A.E.R. Survey

The National Council of Applied Economic Research has introduced a new annual feature in the shape of a review of economic and financial conditions of India. The object is to bring out a new issue in January each year, which will review the economic and financial conditions in the year immediately preceding and will indicate the prospects of the Indian economy in the year that has just commenced. The present review, however, covers two years 1961-62 and 1962-63.

According to this review, a decline in national income from an annual growth rate of 7.1 percent in 1960-61 to 2.2 percent in 1961-62 (in real terms) indicates a slackening in the tempo of economic development. With an annual rate of rise in the population around 2.2 percent, there was no net increase in *per capita* income in 1961-62. The information available so far indicates that the rate of growth of national income may go up slightly in the year 1962-63; but it is unlikely that it will reach the 7 percent increase in the annual rate of growth.

The small increase in national income in 1961-62 is largely accounted for by the poor agricultural output in 1961-62, which remained stationary against an increase of 8.9 percent in 1960-61 when the weather had been unusually favourable. To realise the plan objective of obtaining a quick rise in national income, a short-term "crash" programme for agricultural development has been recommended in the review. The purpose of this "crash" programme will be to raise yields as much as possible within a period of a year or so.

It was not only the rate of growth of agriculture that got a setback in the first year of the third plan, but the rate of growth of industrial production in 1961 was also lower than in the previous year. Industrial production in the second year of the third plan has also lagged behind the targets, because of scarcity of foreign exchange for importing raw materials and other intermediate products, shortage of transport facilities and of non-availability of sufficient power for running the wheels of industry. It is doubtful whether in the remaining years the shortfall can be made up. For the moment, the review suggests fuller utilisation of existing capacities and maximum production, through working double and triple shifts. The basic and heavy industries should have first priorities for development, and particular attention should be given to alloy and special steels, non-ferrous metals, engineering components and electronics and chemicals including plastics.

There is not much scope for cutting down imports to solve the payments difficulties because India will need more foreign exchange for defence preparation, for strengthening the industrial base of the economy and to build up economic overheads in the form of more power and transport. The obvious way out of the payments difficulties is, therefore, to make an all-out effort to push up export earnings to pay for imports. But, it is doubtful whether India's exports can catch up with the trade deficits, at least in the short run, in spite of the vigorous export drive now launched.

There is continuing tremendous pressure on both wholesale and retail prices in the current year because of stepping up of Government outlay both for defence and development purposes. Some of the measures in the annual Budget, 1963-64, for example, enhanced duties on kerosene oil, soaps and other articles of consumption, are bound to lead to some increase in prices. In addition, the shortage of foreign exchange will lead to diversion of resources from the production of consumer goods to defence and export purposes, resulting in restricted availability of several consumer goods for civilian use. Higher taxation and compulsory savings in the 1963-64 Budget will, however, mop up considerable extra income generated by greater economic activity and expenditure necessitated by the "emergency". But, on balance, it appears that there will be an increase in prices in 1963-64, which may reach serious proportions unless strict price control measures coupled with rationing of some products could effectively be implemented.

INDO-BURMESE TRADE

Mr. Shah for Rangoon

The Central Minister of International Trade, Mr. Manubhai Shah, and the Secretary, Ministry of Commerce, Mr. D. S. Joshi, are soon leaving for Rangoon to discuss plans for expanding Indo-Burmese trade. The question of Indo-Burmese collaboration for setting up some industries in Burma will also explored, so also the question of importing some additional quantities of rice.

BHILAI STEEL WORKS

Expansion Under Way

The expansion programme of the Bhilai steel plant to increase the production capacity from 1 million tons to 2.5 million tons of steel ingot a year is likely to be completed by the end of 1965, it is learnt. Work on the expansion programme, which began about a year ago, includes the setting up of more coke oven batteries, blast furnaces and open hearth furnaces, further development of the existing mills and addition of a new wire rod mill. Expansion of power generation and other facilities is also under way.

According to the detailed time-table already prepared for the progress of the work, the first new unit, to be commissioned by the end of this year itself, will be a group of soaking pits in the blooming mill. This will be followed by the opening of other units, one after another.

Under the expansion programme, the Bhilai steel plant will have three more coke oven batteries of 65 ovens each, in addition to the existing three batteries. There will be two more blast furnaces (1,719 cubic meters each) in addition to the existing three furnaces (1,033 cubic meters each). Also, there will be four more open hearth furnaces, each with a capacity of 500 tons. An existing 250-ton furnace will also be converted to 500-ton capacity. In all, there will be ten open hearth furnaces after the expansion. The new wire rod mill will increase the number of Bhilai's mills to five. When the expansion programme is completed, Bhilai will produce 2.5 million tons of ingot steel a year, which will be rolled into 1,965,000 tons of finished and semi-finished products. The new wire rod mill will produce 400,000 tons of wire rods annually.

It is understood that during the 1 million-ton stage construction, the services of about 900 Russian specialists were used at Bhilai. As Indian engineers have now acquired considerable experience, it is proposed to invite only 240 Russian specialists for the expansion work and 30 specialists for the suppliers design supervision group. Meanwhile, the iron ore mine in Rajhara and the limestone quarry in Nandini, which supply raw materials to Bhilai, are also being developed further.

This official hand-out does not say that orders for the expansion of the Rourkela steel mill were placed in the first months of 1963, and those for the expansion of the Durgapur steel mill are still in the process of being placed. As the supplier for equipment in the case of the Bhilai steel mill is the same authority as has given credit for it, the orders for its expansion could be placed as soon as the project report was mutually accepted. The credit for the speedier expansion of the Bhilai steel mill is due to the Government-to-Government deal, under which credit is given in the shape of equipment and know-how.

ECONOMIC PLANNING

Working Groups Formed

Planning and working groups have been formed in the Central Ministry of Food and Agriculture for the preparation of long-term economic development plans up to the end of the fifth plan, and more specially, for the preparation of the projects for the fourth plan. This follows a recent proposal by the Planning Commission that such groups may be set up with the following terms of reference:

(1) to make a critical review of the progress of the programmes and schemes in the third plan;

(2) to assess, in the light of current trends and other available data, the position likely to be reached at the end of the third plan period; and

(3) to formulate proposals for the fourth plan broadly in the perspective of the 15-year period 1966-81 or more concretely of a ten-year period, 1966-76.

In the Food Department of the Ministry, there will be a policy group to co-ordinate proposals for the Department as a whole and also consider other aspects concerning food policy in relation to the fourth plan. There will also be four working groups, one each for (a) fisheries, (b) food processing (including subsidiary foods), (c) storage and warehousing and (d) sugar and sugarcane. The Food Secretary will be the chairman of the policy group.

The Department of Agriculture will have one planning group which will co-ordinate proposals for the Department as a whole, and also consider other policy aspects concerning the agricultural sector in relation to the fourth five year plan. The Agricultural Secretary will be its chairman. There will also be 24 working groups. The Agricultural Secretary will head the working groups relating to foodgrains production; land and water utilisation and crop planning; price incentive and subsidies for agricultural production; agricultural marketing; and plan implementation, pattern of assistance and progress.

The other working groups in the Department of Agriculture relate to demand projections; commercial crop production, horticulture; animal husbandry and livestock development; dairying; forests; land reforms and resettlement of landless workers; minor irrigation (including drainage); soil conservation and land reclamation; manures and fertilisers; improved seeds; improved agricultural implements and machinery; plant protection; agricultural research, agricultural administration and personnel and education and training; agricultural extension and package programmes; agricultural statistics; agro-economic research and farm management studies; and agricultural credit.

The working groups will consider all the important aspects like consumption, export trends, projected demand, production targets, programmes and estimates of various inputs, personnel, training, finance, marketing research and extension and legislative measures. The reports of the working group are expected to be made available to the Planning Commission by the end of this year.

EXPORT MARKETS

Fund for Development

The Government of India has recently set up a marketing development fund for meeting the expenditure on schemes and projects for developing markets abroad for Indian products. The fund, administered by a three-man committee, will, to begin with, consist of Rs. 3.8 crores provided for in the current year's Budget. To utilise this fund, which is to play a great part in the export effort, a code of grants-in-aid has been formulated. The code gives the export promotion councils, commodity boards, export promotion advisory committee, export houses and other institutions and exporters, all information about the grants which the Government of India will provide to them for specific programmes connected with the export effort.

Among the programmes and activities for which grants will be available from the Government are trade delegations, study teams, market and area surveys, commodity surveys, export publicity, commercial intelligence, advertisements abroad, documentary films and opening of foreign offices. The quantum of grants-in-aid for these activities differs according to the nature of the work. In the case of trade delegations and study teams, the fund may grant 50 percent of the expenditure.

For market studies, out of the total expenditure incurred in conducting commodity surveys within the country for determining export potential and market studies abroad, the fund may grant 75 percent to 100 percent where the studies are sponsored or undertaken by universities and institutions recognised by the fund for this purpose; two-thirds where the studies are sponsored or undertaken by an approved organisation; and 50 percent for studies undertaken by a recognised export house with the prior approval of the fund.

In the case of export publicity and information, the fund may grant about 75 percent of the net expenditure on publications, including journals, directories, brochures, pamphlets and folders. There are varying rates of grants for advertisements abroad, public relations and for making publicity films. For opening foreign offices, the fund may grant 75 percent of the total expenditure of the first two years and 50 percent of the third year in the case of offices which are opened by an approved organisation. Where the foreign office of an export house agrees to function also on behalf of an approved organisation, the fund may grant one-quarter of the amount spent on accommodation and staff for the first three years.

STATE STEEL PLANTS

Study of Operations

The Central Ministry of Steel and Heavy Industries has decided to set up a three-man committee to make a comprehensive study of the steel plants in the public sector. The committee will consist of Mr. S. Ratnam, formerly Secretary, Central Finance Ministry, (chairman) and Mr. B. S. Sindhu, retired Member (Engineering), Railway Board, and Mr. U. Ananda Rau, retired special chief engineer, P.W.D., Madras, (members). The terms of reference of the committee are as follows:

(i) To study the problems connected with the setting up of the first phase of the three steel works of Hindustan Steel Ltd in the public sector, namely, the 1 million ton plants in Bhilai, Rourkela and Durgapur, with particular reference to the agreements with consultants, project reports, contracts, and arrangements made for the training of personnel. The principal object of the study will be to draw lessons from the past with a view to suggesting measures for avoiding similar difficulties in future.

(ii) To examine in particular the contracts for civil engineering work of the blast furnaces and rolling mills at Rourkela, and more generally the other contracts entered into by Hindustan Steel Ltd in the past.

(iii) To examine the increase in estimates of the cost of the power plant at Rourkela.



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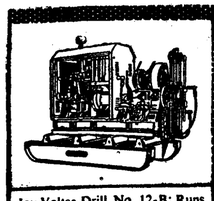
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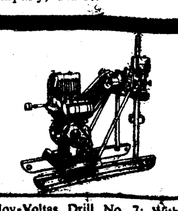
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U.K. INCOMES BODY PLEADS FOR PROFITS CONTROL

(FROM OUR LONDON CORRESPONDENT)

AN important contribution to the continuing public debate on incomes policy is made by the National Incomes Commission in its second report—this time covering three agreements in the electrical, domestic engineering and exhibition contracting industries. Any assessment of the Commission's pronouncements must, of course, take into account the sad fact that the unions still refuse to take any part in its enquiries. But, despite this, the report remains an interesting and fair-minded document which responsible employers and union leaders should make it their business to read.

The conclusion to which the N.I.C. has now come is that profits must come more into the picture. A scrutiny of the pricing, profit margins and dividends of the construction industry—of which both the principal industries involved in the present enquiry and the industries covered in the Commission's first report are part —would be "highly relevant." The report recognises the validity of the point that profits are subject to the forces and risks of competition, unlike negotiated wages and salaries. But it does not accept that this competition is adequate in the construction industry. A survey is, therefore, needed; the Commission's vain attempts to extract the required information from the industry suggest that new powers may be necessary to obtain it.

As a political exercise designed to reawaken union interest in the National Incomes Commission all this has obvious attractions. It is no surprise that the Chancellor, who puts the question of incomes restraint near the centre of his thinking, has given the report a warm welcome and has agreed that "new steps" are needed to get details of profits. The report deals with agreements reached in March and February this year in the electrical contracting, in the heating, ventilating and domestic engineering, and in the exhibition contracting industries. It finds that two of the agreements are not in the national interest, but rules that one is. This was an agreement in the electrical contracting industry, which provided an increase of 9½d an hour for journeyman electricians spread over three years, plus a non-contributory sickness scheme in the first year, and a reduction in the working week from 42 to 40 hours in the second year.

The Commission rejects the employers' contentions that wage increases exceeding the standard of 3 to 3½ percent were justified because the agreement was long-term and contained no cost of living variation clause, and because electricians were highly skilled craftsmen for whom other industries competed. But the report continues: "The one circumstance which in our judgment may have the requisite quality (of mitigation) lies in the past history of time-wasting practices in this industry, which we accept as being of an exceptional degree, and in the prospect presented of their renunciation."

Wage Pacts

The Commission makes it clear, however, that while not ruling the agreement against the national interest, it does not approve of the way it was reached. "Time-wasting practices of the kind described to us should never have existed and their relinquishment should not require to be brought," it comments. The agreement in the exhibition contracting industry, which provided for a reduction in the standard working week from 42 to 40 hours from 11th March, 1963, accompanied by an increase of 4½d an hour, is condemned as being "substantially higher than the newly accepted range of 3 to 3½ percent."

The Commission says that the agreement could be justified only on the grounds of special circumstances, but since no evidence was put before it from either the employers or the union side, the "strong *prima facie* case against it was not displaced," and the Commission was, therefore, bound to find the agreement contrary to the national interest. In its report the Commission also condemns the agreement in the heating, ventilating, and domestic engineering industry, although in very moderate terms. The agreement was for three years, giving a 3½d an hour increase to craftsmen in the first year (3d to adult mates), a 3d an hour increase to craftsmen in the second year (2½d to adult mates), and a reduction of two hours in the working week to 40 hours without loss of pay in the third year.

The Commission concedes that "there is much in this agreement to commend it." But it adds: "The only trouble is that in the end, for the sake of agreement, both parties seem to have allowed themselves to lose touch with the requirements of the national interest and arranged to take for themselves in three years a benefit which, even on the basis of the new range of 3 to 3½ percent, should be spread over at least four."

The Commission describes the difficulties it found in trying to establish profit figures in the electrical contracting industry and in heating, ventilating and domestic contracting. The two employers' associations concerned declined to authorise the Commission to get information on turnover and profits of their members from facts already in the possession of the Board of Inland Revenue. Information from published sources also proved inadequate. Adding to this its feeling that the construction industry as a whole is "sheltered" from competition, the Commission concludes that "there is now an urgent case in the national interest for a representative survey of the policies and practices in relation to pricing, profit margins, and dividends in the separate branches of the construction industry, paticularly in view of the decade of further expansion on which this industry is about to embark."

No Enforcing Power

"Such a survey," the report goes on, "in the absence of voluntary agreement, requires an authority and a power of enforcement which we do not possess. Our experience of the two references relating to this industry which we have been directed to undertake has shown that unless such a survey is conducted, by whatever are the appropiate means, and the results are placed before us, we shall not have been given the evidence which we require to enable us to observe an important part of our terms of reference. We can reach and have reached findings on wage agreements in the industry which are based on clear evidence and which seek to take account of the national interest. These findings will not and cannot, in terms of an incomes policy, be affected by evidence on profits in the same industry.

"As we have already pointed out, however, increases in profits not justifiable in terms of an incomes policy can, like wages, by themselves lead to inflation. The margin which provides the source of such profits should be applied towards reduction in prices. Without proper evidence and findings on profits, there is a danger not only that our findings relating to wages will be regarded as one-sided, but that they will, again in terms of an incomes policy, reveal only a part of the picture."

In a general chapter on incomes policy, the Commission again takes up its theme that profits which exceed the terms laid down for an incomes policy should be used to lower prices "It is no less incumbent on employers than it is on workers not to appropriate an unfair share of the fruits of increased efficiency," the report says. If workers in their wages bargains conform with certain principles (also described in the report), "it is vital that their self-restraint should not be made a source of higher profits for their employers. "It should not be necessary to wait for the promised fiscal measures to impose restraint on profits: the signs should be visible from the outset in the trend of prices. It is the duty of employers and workers alike to extract no more than their proper rewards as indicated by the overall rate of increase in national productivity. If, in their own industry, there is then a balance of enhanced productivity outstanding, the prices of the products of that industry should be reduced and the benefit thereby dispersed to the community at large."

This is the Commission's way of tackling, among other things, the problem presented by profits which are not distributed but ploughed back into a business, but which thereby subsequently give rise to increased capital values, and thus in the end "provide a source for the exercise of spending power." The Commission's observations on profits will be welcomed by the trade unions, which have repeatedly asserted that wages cannot be considered in isolation from profits or other incomes. But the unions can be expected to continue their opposition to the Commission. They will not be satisfied until it is wound up, and they have a pledge from Mr. Wilson, the Opposition leader, that this will be done under the next Labour Government. The unions refused to attend the three hearings. At that concerning exhibition contracting even the employers were not present. The Chancellor, Mr. Maudling, welcomed the report and accepted its contention that more information on profits was necessary. He said he had begun discussions with the Federation of British Industries on the best way of tackling the problem. But the means the Chancellor has chosen to tackle the profits question seems to indicate a lack of urgency in his approach to the problem. It is understood that the F.B.I. will prepare a paper, probably through its economic directorate, which will be presented to its Grand Council for approval in the autumn, and then passed on to the Chancellor as an indication of industry's views.

Power to Find Facts

If the Chancellor had intended to make profits a matter of real urgency, he might have announced his intention to seek administrative or legislative powers to enforce the disclosure of information by business. This could be done by empowering the Board of Inland Revenue to disclose information on profits, confidentially to the N.I.C. In welcoming the Commission's views on the need for information on profits, the Chancellor said that a great deal of statistical information was already published. Most of it, however, was published under broad headings, "and I agree that for the future new steps will have to be taken to obtain a more detailed breakdown of the figures than trade associations are able to provide."

Mr. Maudling also declared that the report of the Commission showed the need for all parties to supply relevant information, and appealed for the co-operation of unions and employers' associations. "The Commission's report makes clear the direct and urgent interest of the consuming public in those matters and the consequent obligations of all parties concerned," he concluded If the Government—this Government or the next—means business about formulating a national incomes policy, one or other of its fact-finding agencies must be given powers to find facts. The National Incomes Commission has politely pointed out the need for such powers, but it does not follow that it is the right body to possess them. Indeed, the functions of the N.I.C. in relation to those of the National Economic Development Council become more and more obscure. How many incomes policies are there to be? And if the N.E.D.C is charged with giving advice about the economy generally, why are questions about incomes left to somebody else? The N.I.C.'s own report complains that wages cannot be studied in a vacuum: can incomes be studied at all without reference to the rest of the nation's economic life? Of course, they cannot The proper body for sponsoring fact-finding surveys about incomes is the N.E.D.C., and if the N.I.C. continues to exist at all, it should be as a specialised agency of the N.E.D.C. reporting to the Council. And if the N.E.D.C is authorised to enquire into the facts of British economic life, it should be given adequate powers to obtain the facts.

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Jute

BUMPER CROP MAY AGGRAVATE DIFFICULTIES OF MILLS

NEW Delhi's latest estimate, which places the current season's jute and mesta crop around 7 million bales, seems modest in view of a 10-percent increase in acreage and the favourable climatic conditions. Jute circles in Calcutta place the output around 7.5 million bales. So far, the plants have received timely sunshine and showers. Pest infestation has been checked. Adequate supplies of improved seeds and fertilisers have been arranged. There has been no flood damage. Retting water has also been available in plenty. The early crop, already harvested, is reported to be of fairly good quality.

The problem of marketing this crop has now come to the fore. The authorities have already fixed the minimum price at Rs. 30 a maund for Assam Bottoms, f.o.r., Calcutta, which seems rather high. In fact, during the previous season the official floor price of Rs. 30 was never realised and the fibre changed hands at prices Re. 1 or Rs. 2 lower than the minimum. Even the support from the State Trading Corporation could not help the market. The same conditions prevailed during this season too, and prices tended to sag to Rs. 26 until the Jute Commissioner issued a compulsory purchase quota of 440,000 bales for July. This halted the drift and prices have firmed up to around Rs. 28.50.

Smuggling from Pakistan

Another factor which has depressed fibre prices is the continuing inflow of contraband jute from across the border. Although the Government of Pakistan has imposed drastic restrictions on the cultivation of jute in the border areas, reports say that a bumper crop has been grown there. The shortage and high prices of foodgrains, the low prices of jute in Pakistan, are providing the incentives for clandestine barter trade. On a modest estimate, against the official import of 210,000 bales, mainly of cuttings, the contraband from Pakistan amounted to about 700,000 bales. Despite the fixing of a higher minimum export price by the Pakistani Government, the flow of contraband is likely to continue, upsetting the price-support plans of the Indian Government.

The Government of India has widened the network of jute co-operatives to implement the price-support scheme. The *ad hoc* committee of the National Agricultural Co-operative Marketing Federation has recommended that adequate circulating capital should be provided to the co-operatives to work the scheme. It has also urged the granting of priority to co-operatives in the allocation of wagons, weighment arrangements, inspection and warehousing facilities.

With the completion of the modernisation and rationalisation drive and the extension of broad loom capacity, the industry is well set for using more fibre. But it has problems of its own. Its warehouses are overflowing with stocks. A considerable amount of liquid resources has been tied up, adding to the real cost of the fibre in the shape of interest charges, insurance premiums, etcetera. In view of the tightness of the money market, it is difficult to get financial accommodation. The shortage and high prices of building materials rule out the chances of extending warehousing capacity. The erratic supply of power, the comparative lull in overseas business and the keen competition from Pakistan are some of the other problems the industry has to face.

Power-cut Threat

Calcutta is facing another threat of a power-cut following the D.V.C.'s notice to the Calcutta Electric Supply Corporation about the reduction of its present supply by 18 MW a day. The reduction has become necessary because the level of water behind the Rihand dam has gone down, causing a decline in the generation of power. So the Rihand authorities have curtailed their supply to the D.V.C. grid. The C.E.S.C. has requested consumers to minimise the use of energy. The maximum load drawn by the C.E.S.C. from the D.V.C. during recent months has been around 130 MW a day. The 14-percent power-cut will entail load-shedding, and affect the working of industries. The production of jute goods was not appreciably affected by the power-cut in May. This time the load-shedding will be less although it may continue for a longer period until the D.V.C. thermal power station in Bokaro is recommissioned.

U.P. Scheme for Jute Purchase

To extend price-support to jute, the U.P. Government is considering a scheme for State trading. The scheme aims at purchasing 500,000 maunds out of the likely marketable surplus of about 700,000 maunds. A sum of Rs. 1 crore may be provided for this purpose. It is proposed to cover the five principal markets in the State, including Lakhimpur-Kheri, which alone handles about 50 percent of the surplus. Jute collection, sorting and baling centres are to be set up in the interior areas to facilitate the movement of the crop to the final destinations. The three jute mills in the State will concentrate on the use of locally-grown fibre. U.P. had 162,400 acres under jute in 1962-63. During the current year East Bengal refugees resettled in the Terai area of Naini Tal district have sown jute on their lands. Profits from the jute extension scheme are proposed to be distributed to them as bonus.

THE JUTE MARKETS

Manufactured Goods: Barring small hessian business with Canada and the U.S.A., and scattered covering by shorts and shippers for the ready and near positions, trading was devoid of interest in the jute goods market during the major part of the past week. Towards the close, hopes of brisk business were aroused following reports of heavy Chinese troop concentrations on the northern border. Frantic covering was also induced by the threat of a protracted power-cut, so the market closed with a steady undertone. Earlier in the week, most mills were keen sellers for the forward positions and a substantial volume of business was transacted; this softened the price trend. Later on they became reserved. In the freight market, demand for overseas booking continued to be thin and was restricted to prompt shipments. The futures market moved in line with the spot market. Activities were restrained to some extent because of the limit imposed on trading in hessian August, which had exceeded the limit of 70 million yards imposed by the Forward Markets Commission. Hence hessian transactions were mainly of a squaring-up nature. In sacking August, interest seemed to be thin and prices fluctuated within narrow limits. Hessian and sacking November were transacted in small lots. At the close, there was a mild revival of interest on reports of a steady trend in the spot market and prices closed with a gain over the previous week's level.

Wednesday's quotations were as follows:

	Aug.	Sept.	Oct.-Dec.	Jan.-Mar.
40in. 7½oz.	35.70	35.70	35.45	35.19
40in. 10oz.	48.90	48.50	47.75	47.15
B Twills	110.85	111.00	111.25	111.00
Cornsacks	113.75	113.90	114.00	113.50
A Twills	134.00	134.00	134.25	134.00
Liverpools	124.00	124.25	124.50	124.25

Raw Jute: Steady conditions prevailed in the fibre market during the past week. Mills continued to lift jute from the Calcutta and upcountry markets against their July quota, which halted the drift in prices. Despite an increase in arrivals of the new crop in the upcountry and Cossipore markets, sellers became reserved expecting the issue of a fresh quota for August by the Jute Commissioner. At the end of the week, prices closed with an average gain of 50nP over the previous week's level. But they were still much below the official minimum of Rs 30 a maund, basis Assam Bottoms, ready f.o.r., Calcutta. In view of the prevailing shortage and the rising trend in foodgrain prices, jute circles feared that it would be difficult for the authorities to arrest a decline in fibre prices a month hence when large quantities of jute would come to the market. Middle men might step in and lift the jute at low rates in spite of the Governments' vigor-

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ous price-support schemes. The turnover was moderate and the undertone steady at the close.

Wednesday's quotations were as follows:

	Landed at Mills (Basis Bottoms) Current Prices		T.S.D. Minimum Prices	
	Rs A Qtl	Rs. A Md.	Rs. A Qtl.	Rs. A Md.
Assam-Agartala Jute	76.36	28.50	80.38	30.00
Northern Jute	75.62	28.00	79.04	29.50
Western Desal Jute	68.32	25.50	73.68	27.50
Selected Daissee	84.39	31.50	85.74	32.00
Assam-Agartala Tossa	80.35	30.00	83.05	31.00
Mesta: Assam- Northern	68.32	25.50	72.34	27.00
Local Daissee	68.32	25.50	72.34	27.00
Bihar Dist.	61.62	23.00	66.98	25.00

THE PAKISTANI JUTE MARKETS

IMPLICATIONS OF THE NEW POLICY

(FROM OUR DACCA CORRESPONDENT)

THE Government's new jute policy is but the first step taken by the Pakistani authorities towards nationalising the jute trade. The policy came into effect on 20th July. The 20 largest exporters of raw jute from Pakistan as well as any other shippers who are not 100 percent Pakistanis and are subsidiaries or in some way connected with the first 20, must sell jute at the new minimum prices. All other shippers, that is to say, small Pakistani shippers may sell jute abroad £2 below the minima. The jute Marketing Corporation is also allowed to sell £2 cheaper.

There has been a hue and cry about this new policy from overseas buyers, from local shippers of all categories and from the opposition newspapers. This system was forecast in these columns a year ago, and it means that provided the Jute Marketing Corporation can be run efficiently, it will, with the £2 advantage, gradually capture markets from foreign shippers until eventually it rises not merely to the level of exporting 2 million bales, but handles practically the entire raw jute export trade of Pakistan. To have introduced straightforward nationalisation would have completely disrupted the trade, would have meant disaster for shippers who would either get no compensation or who would get it very late or at a reduced valuation. Overseas buyers too might have felt put out.

The small non-Pakistani dealers who do not export, will obviously close down and leave the country. This will initially cause trouble because the areas they are in, are not attractive to Pakistani dealers. For a while, therefore, in these areas, there will be distress, and subject to the geographical situation, attempts will be made to smuggle jute out of the country. Gradually however, the Jute Marketing Corporation should be able to expand its internal organisation and set up buying agencies in these places. With the advantage of being allowed to buy 10 percent below minimum prices, there is no reason why the corporation should not be able to afford to expand rapidly to these remote areas when the only limitation will be the availability of suitable staff. Although it may be hard on the growers that the corporation buys 10 percent below minimum, the fact is that in these remote areas, the market now and frequently is more than 10 percent below the minima. In other areas, where the market is not 10 percent below the minima, the growers would simply not sell to the Corporation unless it is prepared to pay higher prices.

The non-Pakistani shippers in the first 20, will no doubt struggle to compete with the Jute Marketing Corporation. Some shippers have good enough connections and good enough reputations to be able to compete in some markets successfully. As long as the market is £2 or more below minima, the corporation being a Government organisation, will find it difficult to sell. Its rather big problem, however, will be to convince overseas buyers that in spite of the expansion of its organisation, they can still maintain a regular standard suitable to the requirements of the buyer. This will be a difficult task and will call for first-class management. On this depends the success or failure of the whole scheme.

It is also reported that a quota system is to be introduced, the aim being to restrict expansion of the large balers and to encourage the expansion of small balers and the Jute Marketing Corporation. The quota system is cumbersome and will not benefit the small shippers and is not likely to work. It is in fact an admission of weakness, in that it suggests that in spite of every effort being made to help the corporation, the authorities fear that the big shippers may still compete successfully. Details of the quota have not yet been announced, but they are likely to be based on restricting future shipments of the first 20 shippers to 80 percent of their past performances over the last three years. In fact, steps have already been taken to get the machinery moving to issue quotas for exports to India.

A most unfortunate aspect of the so-called new policy is the timing of its introduction and the raising of minimum prices. The new minimum prices are as follows: In brief, Export Firsts and above, Dundee Tossa 4s and above, S.N.C. and D.T.C. and S.M.R. have been raised by £2. Export Lightnings, Outport Tossa 2/3s, N.C. and T.C. have been raised £1. Simultaneously, those few grades such as Dacca Tossa 5s, Dundee Tossa 2/3s whose E.P.C.s were above the old minima have been reduced to the new minima so that the E.P.C.s and the new minima are now the same.

The timing of this new scheme is unfortunate for Pakistan in that it has come at a time when the overseas buyers are well stocked and are sitting out of the market. The overseas market was already in most grades several pounds below minima. To increase the minima now is inopportune, and it is hard to see the reasoning behind it, unless the authorities felt that by increasing the gap between the minimum prices and the market they made it too expensive for shippers to be able to sell.

Too much accent is placed on earning foreign exchange. This in itself is laudable under normal circumstances, but at present, it only means that the carryover will mount up from year to year until eventually the grower will not be able to sell his jute however little he grows. If the market is allowed to find its own level with reasonable price control, then each season's jute will be absorbed by overseas buyers and the country can start its new season in a healthy manner. This in the long run will benefit not only the growers but Pakistan.

The minimum prices fixed under the new policy are given below: Dundee Firsts £137; Dundee Hearts £120; Mill Firsts £105; Export Lightnings £86; Dacca Tossa 2/3 £133; Dacca Tossa 5 £104; Crack Tossa 2/3 £117; Dundee Tossa 2/3 £102; Outport Tossa 2/3 £91; Crack Daissee 2/3 £97; Dundee Lightnings £127; Mill Reds £112; Export Firsts £97; Export Hearts £73; Dacca Tossa 4 £120; Dacca Tossa 6 £97; Crack Tossa 4 £104; Dundee Tossa 4 £97; Outport Tossa 4 £80; Grade Daissee 2/3 £86; Superior N. C. £55; N. C. £41; Habi Jabi £42; T. C. £41; S. N. C. £48; Cut Ropes £38; W.R.S.-T.R.S. 53; and D. T. C. £48.

The overseas market appeared weak and dull and during the first fortnight of July, and 127,043 bales were registered for export. The U.K. was the largest buyer with 30,400 bales, and the U.S.A. bought 29,650 bales, mostly cuttings. Japan bought 11,030 bales and Czechoslovakia 10,975 bales. Burma bought 9,800 bales and France 8,741 bales. Italy bought 6,719 bales and Belgium only 4,800 bales.

During the same period, 1,963 bales of mesta were bought consisting of 1,000 bales cuttings and 963 bales of long mesta. The cuttings went to Japan and 500 bales of long mesta were sold to Italy and 463 bales were sold to Poland.

In the local market although prices vary from area to area, the market is depressed. For some reason which is not known, smuggling has fallen off which has weakened the market. In other areas, lack of buying by dealers through lack of licences, and lack of buying by shippers while they are considering the new jute policy, has also weakened the market.

After a spell of good weather, heavy rain has started again and the rivers are rising in many areas. There is a small possibility that there may be floods in certain jute growing areas. At this time of the year, the worst that floods can do is to reduce the quality of the standing tossa unless, of course, the floods cover the tops of the jute which is unlikely. In the local market, there have been little or no transactions and the general attitude is to wait and see.

BOOKS RECEIVED

Indian Plans: A Generalist Approach. By K. N. Bhattacharyya. (Published by P. S. Jayasinghe, Asia Publishing House, Calicut Street, Ballard Estate, Bombay 1. Price Rs. 15, pages 195.)

Small-scale and Household Industries in a Developing Economy. By M. C. Shetty. (Published by P. S. Jayasinghe, Asia Publishing House, Calicut Street, Ballard Estate, Bombay 1. Price Rs. 16.00, pages 232.)

Elements of Indian Income-tax. By R. N. Lakhotia. (Published by Asha Rani, for Asha Publishing House, 74/6A, Baghbazar Street, Calcutta 3. Price Rs. 6.00, pages 332.)

Practical Problems of Income-tax. By R. N. Lakhotia. (Published by Asha Rani, for Asha Publishing House, 74/6A, Baghbazar Street, Calcutta 3. Price Rs. 9.00, pages 380.)

Small-scale Industries of Mysore. (Published by V. G. K. Thathachary, Publications Division, National Council of Applied Economic Research, New Delhi 1. Price Rs. 12.50, pages 215.)

Inter-district and Inter-State Income Differentials, 1955-56 (Published by V. G. K. Thathachary, Publications Division, National Council of Applied Economic Research, New Delhi 1. Price Rs. 3.00, pages 33.)

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RUSSIA MAY IMPORT MORE INDIAN TEA

(FROM OUR SOUTH INDIAN CORRESPONDENT)

THERE are encouraging reports about the Indian exhibition now being held in Moscow. According to these, the exhibition will yield good dividends in the form of larger orders from Russia for Indian goods. Among the items widely mentioned are tea and cashewnuts. Premier Khrushchev showed a special interest in Indian cashewnuts when he visited the exhibition on the opening day. It is said that India will be able to almost double her exports of tea and cashewnuts to Russia as a result of this exhibition. The Indian Minister for International Trade, Mr. Manubhai Shah, who visited Moscow in connection with the inauguration of this exhibition, is reported to have secured a commitment for exporting tea and cashewnut for Rs. 2 crores more in each case. Russia is already a substantial buyer of several Indian agricultural products like tea, cashew and pepper.

There has been a perceptible improvement in the export of Indian cashew kernels during the first half of 1963. Shipments during this period amounted to 1.1 million cases of 50 lbs each. It is estimated that the exports this year will be 150,000 cases more than last year's 2.1 million cases, which itself was a record. A favourable factor from the point of view of the foreign buyers is the steadiness in prices noted this year, it is said.

There has been a significant increase in the Russian offtake of Indian cashewnuts. That country has bought more than 220,000 cases so far, against 230,000 cases in the whole of 1962. Russia has taken as much as 80,000 cases in the first week of July, and is expected to come again in a big way round about October to cover her requirements of the last quarter of the year. Exhibition orders will be over and above these normal purchases. The U.S.A. which is the largest buyer of Indian cashews bought 572,000 cases during the first six months of 1963, against 527,000 cases in the corresponding period of 1962, and 490,000 cases in the first half of 1961.

Prospects For Cashew

The present indications are that the cashew processing industry in India can look forward to a bright future with an expanding overseas market for its products. A major handicap with the industry is that it has to depend for the bulk of its raw material requirement on imports from Africa. India at present produces only less than one-third of the industry's requirement of about 200,000 tons of raw cashewnuts. Efforts have been going on under official patronage to expand cashew cultivation in India by making good use of the agricultural waste lands. According to one estimate, the area under cashew cultivation has increased by about 90 percent during the past one decade.

A sum of Rs. 1.9 crores has been provided in the third plan for the development of cashew cultivation. The programme is to bring under cultivation an additional 800,000 acres, particularly in Maharashtra, Orissa and Mysore. Planting will be concentrated on waste lands rather than in forest areas. Coffee cultivation is to be extended to new areas in India. Four States, Orissa, Madhya Pradesh, Maharashtra and Assam, have crossed the experimental stage in coffee cultivation and joined other producing States in south India, Mysore, Madras and Kerala, in the endeavour to produce more coffee for meeting the expanding home and export demand. Mysore and Madras are the largest producers with 66,566 acres and 60,000 acres respectively, under coffee cultivation at present. Coffee-growing in Andhra Pradesh is negligible, as the acreage is only 74. In 1959-60, Orissa had 23 acres, Maharashtra 185 acres, Madhya Pradesh 36 acres and Assam seven acres under experimental cultivation. Now these four States are having acreages which are roughly three times the 1959-60 figure, indicating that they have joined the ranks of regular producers. At present, the quality produced in these States is not superior, but is suitable for normal internal consumption.

The present situation is that India is producing hardly sufficient to meet the demand for export and internal consumption. In 1962-63, India exported 21,300 tonnes of coffee and earned Rs. 8 crores. The peak figure touched was 32,271 tonnes in 1960-61. Since the country joined the International Coffee Agreement, is has been allotted an export quota of 21,600 tonnes. Internal consumption is to the tune of 35,000 to 36,000 tonnes at present, and it shows signs of increasing by about 2,000 tonnes a year. Last season's production was 54,672 tonnes. Unless production keeps pace with the increasing demand either the home market will have to starve or the export programmes will suffer.

World coffee production for 1963-64 is estimated at 66 million bags with an exportable surplus of 52.3 million bags. This is only a very slight change from the previous season's crop, and again will exceed world requirements by about 4 million bags.

Tea Crop Down

Monsoon is very weak this year in south India so much so that plantation crops grown in this part of the country are being adversely affected. Fall in production is reported by tea estates. The south Indian tea crop which was running ahead that of last year earlier this year has failed to keep up the tempo due to inadequate rainfall and cut in electricity necessitated by dry weather. Power supply has been restored, but below average rainfall now experienced might retard production progress. The south Indian tea crop during the first half of 1963 is placed at 45 million kilograms, showing a slight decline over the previous corresponding period's output. A more serious fall is reported from north India where production to the end of June was only 47 million kilograms, against 53.8 million kilograms in the same period last year. The present trend in the country's tea output is thus not encouraging. It may be too early to make any firm forecasts concerning the final shape of the 1963 crop, but still it will be no wonder if India fails to show any improvement over the previous year's crop this year. The crop prospects for the other major producers like Ceylon are, however, considered good at present.

As in the case of coffee, it is now doubtful whether the South Indian tea estates will be able to achieve the third plan target of 408 million kilograms. Production suffered a setback of 10 million kilograms in 1962, compared with an output of 354 million kilograms in 1961. To achieve the target of 408 million kilograms by 1965, production will have to be stepped up by 65 million kilograms, or by about 22 million kilograms a year. Extension and rehabilitation programmes chalked out for the tea industry has made very little progress. Shortage of funds is mentioned as the main reason. The Tea Board introduced last year a scheme to extend financial assistance to needy tea planters. The Central Government provided Rs. 5 crores for this purpose and also indicated its willingness to consider the question of sanctioning additional funds. It is said that the Board could make very little progress in the implementation of this scheme.

According to one report, the Board has received about 130 applications for loans amounting to Rs. 6.16 crores, against an available amount of Rs. 5 crores. Of the total applications, the Board was not able to process about 35 applications for a total amount of Rs. 1.83 crores due to inadequate particulars provided by the applicants. Another 15 applications for a total sum of Rs. 50 lakhs have been rejected, while over a dozen applications have been withdrawn by their authors. Only 62 applications for a total sum of Rs. 3 crores alone

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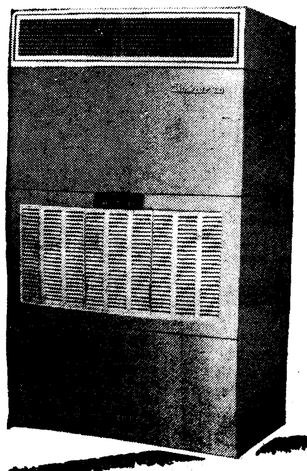


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have been accepted by the Board. Since the acceptance of the loan applications is to be followed by the execution of loan agreements, further delay at that stage comes in the way of successful loanees immediately obtaining the amounts sanctioned. It is said that only 31 applications for a total of Rs. 1.31 crores have passed all the hurdles, and only a small amount of Rs. 21.5 lakhs has been actually disbursed by way of first instalment against the committed amount of Rs. 1.31 crores. It is estimated that when the entire amount is disbursed, the scheme will help replantation and extension in about 15,000 acres.

New Process for Rubber

The Malayan Rubber Research Institute has perfected a process which will enable the budding of newly planted rubber seedlings in a much shorter time. According to a report bud grafting can now be carried out when the seedling root stock is three months old, instead of waiting for the nine months' growth normally required. This is called the green budding technique. The financial saving by the adoption of this technique when reckoned in terms of several acres over a large-sized estate will amount to something quite considerable. The upkeep expense can be halved and the trees would come into bearing six months earlier.

The American Spice Trade Association (A.S.T.A.) is advising the Indian shippers to pack pepper which has passed Indian Government inspection, in polythelene-lined bags during the monsoon season to avoid pepper taking on additional moisture during transit with a view to avoiding detentions in America for these reasons. The A.S.T.A. has welcomed the Government of India's scheme for compulsory preshipment inspection and quality control of black pepper along with cardamom and chillies from January this year. The regulations under this scheme which visualises that all the containers of these articles exported should bear the Agmark label, conform to the recommendations of the quality committee set up by the A.S.T.A. This committee was constituted by the A.S.T.A. after the wholesale detention of pepper shipped to America from India in 1952, on the ground that it was affected by mould and insects. The quality committee of the A.S.T.A. recommended packing of pepper in polythelene-lined bags. The practice followed by Indian shippers is to pack in double jute bags.

Prospects for Tea Crop Still Uncertain

(BY A SPECIAL CORRESPONDENT)

AT the time of writing, India's output remains on the low side. Figures of production by the major producing countries indicate normal trends.

Unless climatic conditions improve considerably, the Indian third five year plan target of 900 million lbs will not be realised. That may be a blessing, for it would seem that only by considerable additions of chemical fertilisers can the crop be materially augmented, and the tea planting community has drawn attention to the fact that much heavy fertilising would probably affect quality. The net result would then be too much poor tea produced at a high cost for sale at a low price.

On this vital matter of costs, Messrs J. Thomas Co. Private Ltd in their latest annual report have made it clear that producers should be allowed to make sufficient profit to plough back into their business, and in this correspondent's view, forcing nature is a doubtful long-term policy.

Quality and Crop

While wage boards sit and ponder as to what extent salaries should again be raised and as producers call for reductions of taxation and remission or refund of sundry charges necessary to put this country back into a world competitive basis in exports, the question of pay by results seems to go by default. Fifty years ago a good woman worker was paid by results, namely, the poundage of green leaf plucked every day, and that method was an incentive to work. Men did not overexert themselves on the estate, but factory labour in the busy season worked prodigiously. Today by contrast, most gardens carry surplus labour and it is reported that absenteeism frequently runs round 20 percent of the actual workers carried on a company's books. The question of a fair day's work in return for the daily wage is now before the Central Wage Board, and a sound decision might go some way in bringing down the cost of production. The Board of Trade has suggested that more aid should be given to the tea industry, for although there now seems to be a better trend in India's total export markets, tea and jute are the vital traditional foreign exchange earners of India; and with a little assistance, would probably yield results in tens of crores of rupees compared with only lakhs from new export lines.

This correspondent is aware that the Government has sundry schemes such as tea replanting subsidy and the rehabilitation programme. But these appear to aim at production whereas the sights should be set on costs. Quality and costs are the hallmarks for the sale of practically all commodities, and, as this correspondent continues to try and emphasise, there is no point in producing unwanted "Commons" at relatively high cost. It may be noted that apart from wages, the Plantation Labour Act, 1951, compels a plantation to provide: canteens, crèches, recreational and educational facilities, housing, sickness and material benefits including free medical aid and other comforts such as blankets and umbrellas.

News from Cochin shows that good teas are meeting with a ready enquiry, but the trend for commons remains irregular. The same tendency is reported from Calcutta, but news from London reports a firmer tone in Mincing Lane in the past few weeks. Only 46,000 packages were offered for sale. North Indian and African teas were firmer by ¼d to 1d a lb. There was some improved bidding for south Indian teas and those from Ceylon were well supported at firm to dearer rates.

In the 18th July issue of *Capital* it was reported that producers in Ceylon are somewhat agitated about future prospects of selling Ceylon's ever-increasing production. The manufacturing side of the industry also feels perturbed due to what it terms "drastic and thoughtless import restriction". Those difficulties are said to affect road transport as well as tea machinery. The Kandy District Planters Association has stated that "unless the position is rectified forthwith, retrenchment or stoppage of production is imminent". So unless one or both parties are exaggerating, the situation of excess crops recently expected may not mature because machinery capacity will be automatically curtailed by the shortage of replacements. However, it was officially notified on 22nd July that import quotas by Ceylon for 1964 will be published during December 1963.

COMPANY AND PUBLIC NOTICES

THE PUNJAB NATIONAL BANK LIMITED,

REGD. OFFICE: PARLIAMENT STREET, NEW DELHI.

Notice of Interim Dividend.

THE Directors of the Punjab National Bank Limited, New Delhi have decided to pay an interim Dividend for the current year at the rate of Re. One gross per share. The dividend will be payable at the Registered Office of the Bank at New Delhi on or after 9th September, 1963 to the shareholders whose names stand on the Register of Members as on 7th September, 1963.

The Transfer Books and Register of Members of the company will remain closed from 13th August, 1963 to 7th September, 1963 (both days inclusive).

By Order of the Board
of Directors,
MOHAN SINGH,
Offtg. General Manager.

Dated, 23rd July, 1963.

Note: Shareholders are requested to intimate change of addresses, if any, to the Bank immediately.

THE BIRLA JUTE MANUFACTURING CO., LIMITED

NOTICE is hereby given that the Annual General Meeting of the Shareholders of the Company will be held at the Registered Office of the Company, at 15, India Exchange Place, Calcutta, on Wednesday, the 25th September, 1963 at 4 P.M. for the following purposes:—

1. To receive and consider the Report of the Directors and to pass the audited accounts of the Company for the year ended 31st March, 1963.
2. To declare dividends on Preference, Second Preference and Ordinary Shares.
3. To elect a Director in place of Shri H. L. Somany, who retires by rotation, but being eligible, offers himself for re-election.
4. To appoint Auditors and to fix their remuneration.
5. As special business, to consider and if thought fit, to pass with or without modification, the following special resolutions:—

(i) "Whereas Messrs. Birla AG incorporated in Switzerland an associate of Messrs. Birla Brothers Private Limited, the Managing Agents of the Company, maintain an office in ZUG in Switzerland and WHEREAS the said Company is established to carry on business *inter alia* of acting as agents in Europe and other countries for purchase and sale of goods including stores, plant and machinery, etc. and propose to have dealings and business connections with parties all over Europe and other countries and operations on a large scale and Whereas their expenses of maintaining their office establishment are likely to amount approximately to Swiss Francs 200,000 per annum in the initial stages and Whereas expenses which can be attributed to the work to be done for and on behalf of the Company would depend on the value of purchases effected through the said Company in relation to their total turnover in each year, NOW it is hereby RESOLVED that Messrs. Birla AG be and are hereby appointed to act as buying agents and selling agents of the Company for periods of 3 years and 5 years respectively with effect from 1st October, 1963 in Europe and other countries on the following terms as to commission—

(a) for purchase of stores, etc. 5% of the invoice price;
(b) for purchase of plant and machinery—2½% of the invoice price; and
(c) for sale of goods manufactured / produced by the Company—2% of the invoice price.

Provided that if anything to be done in pursuance of the above arrangements requires the permission of the Central Government or the Reserve Bank of India, as the case may be, the same will be done in accordance with such permission.

(ii) "RESOLVED that the Company do hereby approve of the arrangement with Messrs. Birla AG who are associates of Messrs. Birla Brothers Private Limited, the Managing Agents of the Company, for utilising their services for employment of technical personnel and/or consultants, making arrangements for securing Know-How, credit facilities, attending to enquiries and generally to act as representatives of this Company as and when required for negotiations in Europe and other countries and for such services they be paid all expenses incurred and/or apportionable in respect of work done by them in each particular case provided that if anything to be done in pursuance of the above arrangement requires the permission of the Central Government or the Reserve Bank of India, the same will be done in accordance with such permission."

The Register of Members and Share Transfer Books of the Company will remain closed from the 4th September, 1963, to the 25th September, 1963, both days inclusive.

By Order of the Board,
Per Pro: BIRLA BROTHERS PRIVATE LTD.,
G. MAKHARIA,
Managing Agents.

Regd. Office:
15, India Exchange Place,
Calcutta.

Dated, the 24th July, 1963.

N.B. (i) The Directors have recommended the following dividends for the year subject to deduction of tax under the I.T. Act, 1961.

On Preference Shares:
@ 7.5% per annum (increased by 11% under the Preference Shares (Regulation of Dividends) Act, 1960, and after deducting Company's Income-tax).

On Second Pref. Shares:
@ 7.86% per annum.

On Ordinary Shares:
@ Rs. 1.50 per share.

If dividends on shares as recommended by the Directors are approved at the Meeting, THE DIVIDENDS WILL BE PAYABLE ONLY TO THE REGISTERED SHAREHOLDERS whose names are on the Company's Register on the 25th September, 1963, or to their order or to their Bankers. No application need be sent for dividends, as relative Dividend Warrants will be posted to such shareholders by the 15th October, 1963.

(ii) A member entitled to attend and vote at the above Meeting is entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a member.

(iii) **An Explanatory Statement in respect of items of above special business is being forwarded to the Members of the Company along with the convening Notice of the Meeting.**

THE KARANPURA COLLIERIES LIMITED

AT a meeting of the Board of Directors held on Thursday, the 25th July, 1963, the following Dividends were recommended for declaration at the Annual General Meeting to be held on 29th August, 1963, to be paid for the year ended 28th February, 1963, subject to deduction of Tax.

On Ordinary Shares at the rate of 10 per cent per annum.

On 9895 5½% Cumulative Preference Shares at the rate of 4.579 per cent per annum in accordance with the provisions of the Preference Shares (Regulation of Dividends) Act, 1960:

By Order of the Board,
BIRD & CO. (PRIVATE) LTD.,
Secretaries & Treasurers.

Registered Office,
Chartered Bank Buildings,
Calcutta, the 25th July, 1963.

DISHERGARH POWER SUPPLY CO., LTD.,

8, Clive Row,
Calcutta-1.

THE Board of Directors have today decided to recommend to the forthcoming Annual General Meeting of members the following dividends in respect of the year ended 31st March, 1963.

On the "A" Preference Shares at the rate of 6.50%.

On the "B" Preference Shares at the rate of 5.85%.

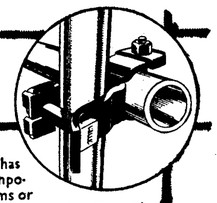
On the Ordinary Shares Rs. 10/- per share.

Tax will be deducted from these dividends before payment in accordance with the provisions of the Finance Act currently in force and the Warrants for the dividends, if declared, will be despatched to Shareholders on the date on which the Annual General Meeting is held.

30th July, 1963.

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BALLY JUTE COMPANY LIMITED

NOTICE is hereby given that the Annual General Meeting of the shareholders of the Company will be held at the Registered Office of the Company at 15, India Exchange Place, Calcutta on Wednesday, the 25th September, 1963 at 3 P.M. for the following purposes :—

1. To receive and consider the Report of the Directors and to pass the audited accounts of the Company for the year ended 31st March, 1963;
2. To declare dividends on Preference and Ordinary shares;
3. To elect Directors in place of Mr. H. J. Silverston & Shri R. N. Bangur, who retire by rotation, but being eligible, offer themselves for re-election;
4. To appoint Auditors and to fix their remuneration;
5. As special business to consider and if thought fit to pass with or without modification the following Special Resolutions:

(i) "Whereas Messrs. Birla AG incorporated in Switzerland, an associate of Messrs. Birla Brothers Private Limited, the Secretaries & Treasurers of the Company, maintain an office in ZUG in Switzerland and WHEREAS the said Company is established to carry on business *inter alia* of acting as agents in Europe and other countries for purchase and sale of goods including stores, plant and machinery, etc. and propose to have dealings and business connections with parties all over Europe and other countries and operations on a large scale and Whereas their expenses of maintaining their office establishment are likely to amount approximately to Swiss Francs 200,000 per annum in the initial stages and Whereas expenses which can be attributed to the work to be done for and on behalf of the Company would depend on the value of purchases effected through the said Company in relation to their total turnover in each year, NOW it is hereby RESOLVED that Messrs. Birla AG be and are hereby appointed to act as buying agents and selling agents of the Company for periods of 3 years and 5 years respectively with effect from 1st October, 1963 in Europe and other countries on the following terms as to commission—

(a) for purchase of stores, etc. 5% of the Invoice price;

(b) for purchase of plant and machinery—2½% of the Invoice price; and

(c) for sale of goods manufactured / produced by the Company—2% of the Invoice price.

Provided that if anything to be done in pursuance of the above arrangements requires the permission of the Central Government or the Reserve Bank of India, as the case may be, the same will be done in accordance with such permission.

(ii) "RESOLVED that the Company do hereby approve of the arrangement with Messrs. Birla AG who are associates of Messrs. Birla Brothers Private Ltd., Secretaries & Treasurers of the Company, for utilising their services for employment of technical personnel and/or consultants, making arrangements for securing Know-How, credit facilities, attending to enquiries and generally to act as representatives of this Company as and when required for negotiations in Europe and other countries and for such services they be paid all expenses incurred and/or apportionable in respect of work done by them in each particular case provided that if anything to be done in pursuance of the above arrangement requires the permission of the Central Government or the Reserve Bank of India, the same will be done in accordance with such permission."

The Register of Members and Share Transfer Books of the Company will remain closed from the 4th September, 1963 to 25th September, 1963, both days inclusive.

By Order of the Board,
Per Pro: BIRLA BROTHERS PRIVATE LTD.,
G. MAKHARIA,
Secretaries & Treasurers.

Regd. Office:
15, India Exchange Place,
Calcutta.
Dated, the 24th July, 1963.

N.B. (i) The Directors have recommended the payment of the following dividends free of income-tax payable by the company but subject to deduction of tax under the Income-tax Act, 1961.

On Preference Shares @ 10% per annum.

On Ordinary Shares @ Rs. 25/- per Share.

If the dividends on shares as recommended by the Directors approved at the Meeting, THE DIVIDENDS WILL BE PAYABLE ONLY TO THE REGISTERED SHAREHOLDERS whose names are on the Company's Register on the 25th September, 1963, or to their order or to their Bankers. No application need be sent for dividends as relative Dividend Warrants will be posted to such shareholders by the 15th October, 1963.

(ii) A member entitled to attend and vote at the above Meeting is entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a member.

(iii) **An Explanatory Statement in respect of the above items of special business is being forwarded to the Members of the Company along with the convening Notice of the Meeting.**

THE KARANPURA COLLIERIES LIMITED

NOTICE is hereby given to the members of the abovenamed Company that the Annual General Meeting of the Company will be held at the Registered Office, Chartered Bank Buildings, Calcutta, at 11 A.M. on Thursday, the 29th August, 1963 for the following purposes :—

1. To adopt the Profit and Loss Account of the Company for the year ended 28th February, 1963, and the Balance Sheet as at that date together with the Directors' and Auditors' Reports thereon.
2. To declare the Dividends recommended by the Directors.
3. To appoint a Director in the place of a retiring Director.
4. To appoint Auditors and fix their remuneration.

As Special Businesses

5. (a) To consider and, if thought fit, to pass with or without modification the following Resolution of which a notice has been received by the Company from a Shareholder under Section 257 of the Companies Act, 1956, which will be proposed as an Ordinary Resolution—

"That Mr. D. N. Kapur be and is hereby appointed a Director of the Company".

(b) To consider and if thought fit, to pass with or without modification the following resolution which will be proposed as a special resolution—

"That Article 161 of the Articles of Association of the Company be amended deleting the word "three" in line 4 and substituting therefor the word "six".

The Share Transfer Registers of the Company will be closed from the 14th August, 1963 to the 29th August, 1963, both days inclusive.

By Order of the Board,
BIRD & CO. (PRIVATE) LIMITED,
Secretaries & Treasurers.

Registered Office,
Chartered Bank Buildings,
Calcutta.
25th July, 1963.

NOTES: (a) A member entitled to attend and vote at this meeting may appoint a proxy to attend and vote instead of himself. A proxy need not be a member of the Company.

(b) The Dividends, if declared, will be paid on or after 15th September, 1963, to those Shareholders so entitled whose names appear in the Company's books on the 29th August, 1963, or to their mandatees. No application for Dividend Warrants will be necessary.

(c) The relative Explanatory Statements pursuant to Section 173 of the Companies Act, 1956, are being sent to all members.

TENDER CALL NOTICE

SEALED tenders are invited for supply of a dredger in complete shape as per specifications required. The tenders will be received upto 3 P.M. on 31.8.63 and will be opened in presence of tenderers. Detailed specifications and Drawings can be had from the Office of the undersigned on payment of Rs. 5/- per set.

Sd/- B. MISRA,
Superintending Engineer,
Delta Irrigation Circle,
Bhubaneswar.

COMPANY MEETINGS AND DIVIDENDS DECLARED OR PROPOSED

Name of Company	Date	I.S.T. Hours
Investment & Finance Co. Ltd.	2-8-63	11 a.m.
General Investment & Trust Co. Ltd.	2-8-63	11-05 a.m.
Orissa Cement Ltd.	5-8-63	10 a.m.
Calcutta Steel Co. Ltd.	5-8-63	4 p.m.
Howrah Mills Co. Ltd.	14-8-63	11-30 a.m.
Reliance Jute Mills Co. Ltd.	14-8-63	12 noon
Britannia Biscuit Co. Ltd.	16-8-63	10 a.m.
Karanpura Collieries Ltd.	29-8-63	11 a.m.
Bally Jute Co. Ltd.	25-9-63	3 p.m.
Birla Jute Manufacturing Co. Ltd.	25-9-63	4 p.m.

DIVIDENDS DECLARED OR PROPOSED.—McLeod & Co. Ltd—9 p.c. (o) (f), subject to tax; Bally Jute Co. Ltd—25 p.c. (o), subject to tax; Birla Jute Manufacturing Co. Ltd—15 p.c. (o), subject to tax; Rameshwara Jute Mills Ltd—Nil; Punjab National Bank Ltd—Re 1 (gross) (Int.) per share; Karanpura Collieries Ltd—10 p.c. (o), subject to tax.

SOUTHERN BANK LTD.
(SCHEDULED BANK)
Head Office
24, NETAJI SUBHAS ROAD, CALCUTTA.
'Phone 22-5988, 22-5989.
BRANCHES { BURRABAZAR, SHYAMBAZAR, BHOWANIPORE, BASIRHAT & KHULNA.
LOAN GRANTED ON APPROVED SECURITIES
All Sorts of Banking Business Transacted
Sj. N. BANERJEE, M.A.,
General Manager.



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"CAPITAL" STOCK AND SHARE LIST

THE INVESTORS GUIDE AND SHAREHOLDERS GAZETTE

Official quotations of the Calcutta, Bombay, Madras, London Stock Exchange Associations and other sources.

Figures given after stroke (/) mean Naye Paise.

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Wednesday, 30th July, 1963.

BANKS

NAMES	Dividends per cent 1959	1960	1961	Paid-up per Share Rs.	Latest Market Quotations as available until 31-7-63 Rs.	24-7-63 Rs.	A year ago Rs.
Allahabad Bank P.	18	18	18	100	262/00	236/00	396/00
Bank of Baroda	14	17	17	50	89/00	91/50	100/00
Bank of India	16	20	20-20*	50	111/00	113/00	118/50
Central Bank of India	17-1/5	20 2/5	20-20*	25	57/00	59/00	65/00
Chartered Bank	15	15	15	£1	sh. 59/-	sh. 58/3	sh. 55/1½
Hindusthan Commercial	Nil	Nil	Nil-Nil*	50	13/25	13/25	17/25
Hindusthan Mercantile	Nil	Nil	Nil	50	15/62	15/62	15/00
Hong Kong & Shanghai	£3	£3½	£3½	HK$25	£18	£19/-	£16½
Indian Bank	15	15	15-14*	100	161/50	161/50	176/00
Indian Overseas Bank	12	14	14-14*	100	140/00	140/00	162/00
Industrial Finance Corpn.	--	--	--	50	--	--	--
National & Grindlays Bank	12½	13½	14-16*	sh. 15	sh. 34/7½	sh. 35/6	sh. 34/4½
Punjab National Bank	20	20	20	10	19/19	19/19	20/50
Union Bank of India	11 2/5	11 2/5	11 2/5	9	5/88	6/08	6/40
United Bank of India	4.3	4.3	6—6*	10	7/31	7/31	7/37
United Commercial Bank	11	12	12	50	65/50	66/00	88/00

*1962

JUTE MILLS

NAMES	Dividends per cent 1960	1961	1962	Paid-up per Share Rs.	Latest Market Quotations as available until 31-7-63 Rs.	24-7-63 Rs.	A year ago Rs.
Agarpara P.	10	2½	2½	10	9/94	10/12	10/62
Alexandra P.	44	15	..	100	300/00	300/00	305/00
Alliance P.	6	Nil	10	100	122/00	150/00	233/00
Anglo-India P.	20	7	10	100	224/00	221/00	224/00
Auckland P.	27	12	Nil	100	145/00	149/00	158/00
Bally P.	25	25	25	100	272/00	272/00	303/00
Barnagore P.	30	10	10	£5	199/00	198/00	187/00
Bengal P.	6	..	..	10	9/69	9/69	10/31
Birla P.	15	15	15	10	27/50	29/37	32/75
Budge Budge P.	10	Nil	..	100	143/00	144/00	149/50
Calcutta P.	..	..	..	10	189/00	190/00	212/00
Caledonian P.	12	6	..	100	20/56	21/31	..
Champdany P.	10	5	Nil	10	21/56	21/56	24/06
Cheviot P.	Nil	6	..	10	10/00	10/00	11/94
Chitavalsah P.	8	Nil	6	10	10/25	10/25	9/00
Clive P.	..	..	..	10	132/00	132/00	130/00
Dalhousie P.	1	1	Nil	100	140/50	150/00	186/00
Delta P.	7½	Nil	..	100	17/06	16/31	16/94
Empire P.	12½	7½	12½	10	370/00	377/00	449/00
Fort Gloster P.	25	10	12½	100	24/50	26/00	26/00
Fort William P.	22½	22½	10	10	13/87	14/31	14/06
Ganges P.	10	10	15	10	15/62	15/62	65/12
General Industrial	40	10	..	10	25/12	25/12	..
Gourepore P.	30	25	20	10	128/00	128/00	124/00
Hastings P.	6	6	6	100	18/87	18/87	30/00
Hooghly P.	10	..	..	10	18/25	18/69	20/87
Howrah P.	12½	10	Nil	10			
Hukumchand P.	28½	28½	26½	7½	18/19	18/19	24/94
India	14	12	8	12½	17/50	17/50	16/94
Kamarhatty P.	6	Nil	..	100	188/00	191/00	174/00
Kankinarrah P.	Nil	Nil	..	100	131/00	130/00	113/00
Kelvin P.	15	15	5	100	188/00	117/00	185/00
Khardah P.	20	8	12½	10	18/75	18/75	16/94
Kinnison P.	20	7	Nil	100	143/00	143/00	146/00
Lansdowne P.	Nil	Nil	Nil	100	87/00	87/00	142/00
Lawrence P.	7	15	10	100	100/00	100/00	171/00
Megna P.	12	12½	Nil	10	12/50	13/12	14/25
Naihati P.	..	..	..	100	81/00	81/00	107/00
Naskarpara	..	..	..	10	9/06	9/06	8/50
National P.	7½	Nil	..	10	23/25	24/37	24/87
Nellimarla P.	8	6	15	10	11/12	11/25	12/12
New Central P.	15	15	Nil	10	12/50	12/87	15/81
Northbrook P.	30	30	20	10	27/25	27/25	34/87
Nuddea	8	6	5	50	54/50	54/50	61/75
Presidency	8	6	10	5	4/75	4/75	5/62
Rameshwara P.	Nil	Nil	Nil	10	9/56	9/56	8/44
Reliance P.	Nil	Nil	Nil	10	9/31	9/50	7/69
Samnugger P.	8	Nil	..	£1	10/50	10/50	10/50
Shree Ambica P.	9	6	Nil	10	25/00	25/00	37/00
Soorah P.	25	25	..	10	22/75	22/75	24/00
Titaghur P.	6	Nil	..	£1	10/50	10/50	10/50
Union P.	25	6	Nil	100	161/00	160/00	163/00
Victoria P.	6	Nil	..	£1	10/50	10/50	10/50
Waverley P.	30	30	60	1	8/62	8/56	6/12

COAL COMPANIES

NAMES	Dividends per cent 1960	1961	1962	Paid-up per Share Rs.	Latest Market Quotations as available until 31-7-63 Rs.	24-7-63 Rs.	A year ago Rs.
Amalgamated	10	12½	15	10	24/25	24/87	21/06
Bengal P.	25	21	..	100	274/00	274/00	346/00
Bengal Bhatdee	..	..	..	10	3/48	3/48	3/48
Bengal Nagpur	10	26	..	10	22/00	22/00	14/25
Bhalgora	..	..	..	10	4/84	4/84	5/18
Bharat Collieries P.	..	..	..	10	3/56	3/56	3/25
Bhutanbararee	..	..	..	10	11/94	11/94	12/00
Bokaro & Ramgur	..	..	..	10	11/19	11/19	13/25
Borrea P.	15	15	..	10	23/87	23/87*	23/50
Burrakur P.	13	13	13	10	15/19	16/00	17/37
Central India	8	10	10	10	9/35	9/56	11/12
Central Kurkend P.	..	..	..	10	3/87	3/87	7/00
Churulia	6	..	..	4	4/31	4/31	6/12
Dhemo Main	Nil	Nil	..	10	31/87	31/87	50/50
East Indian	7½	15	20½	£1	24/00	24/00	28/25
Equitable P.	15	10	..	10	14/25	14/25	14/00
Ghusick & Muslia	Nil	Nil	Nil	10	2/44	2/44	2/00
Guzdar Kajora	..	..	..	10	8/12	8/12	8/12
Hurriladih	..	..	..	10			
Karanpura Development	5	5	..	100 10F	10/75	10/75	16/25
	15	15					
Karanpura Collieries P.	7½	10	10	10	15/00	15/00	20/69
Katras Jherriah	95	40	25	10	37/75	37/75	48/75
Khas Kajora P.	..	..	..	10	18/70	18/70	18/70
Amalgamated	2/69	2/69	2/69
Bengal P.	5/00	5/00	6/31
Bengal Bhatdee	19/25	19/25	22/50
Bengal Nagpur	16/00	16/00	13/75
Bhalgora			
Bharat Collieries P.			
Bhutanbararee			
Bokaro & Ramgur	19/75	19/75	19/75
Borrea P.	18/00	18/00	17/50
Burrakur P.			
Central India	12/00	12/00	15/00
Central Kurkend P.	16/00	16/00	16/00
Churulia	17/31	17/75	17/50
Dhemo Main	5/00	5/00	5/00
East Indian	15/12	16/00	15/00
Equitable P.	28/50	28/50	29/12
Ghusick & Muslia	10/00	10/00	7/75
Guzdar Kajora	Nil	Nil	Nil	2½	1/22	1/22	1/94
Hurriladih	42 6/7	42 6/7	..	5	34/75	45/00	45/00
	5	5	..	10	5/75	5/75	7/69
Karanpura Development	2½	Nil	Nil	10	8/00	8/06	9/06
	15	10	..	10	13/12	13/12	16/00
Karanpura Collieries P.	..	..	..	10	11/12	11/12	10/37
Katras Jherriah	6	7½	5	10	8/56	8/84	10/25
Khas Kajora P.	Nil	Nil	..	10	4/00	4/00	9/37
Mundulpur	..	..	..	10	2/69	2/69	2/69
Nazira	..	..	..	10	5/00	5/00	6/31
New Beerbhoom P.	16	10	..	10	19/25	19/25	22/50
New Manbhoom	7½	9	12	10	16/00	16/00	13/75
North West	20	20	..	10	19/75	19/75	19/75
				7½	18/00	18/00	17/50
Ondal P.	6	7½	..	10	12/00	12/00	15/00
Parasea P.	1½	1½	..	10	16/00	16/00	16/00
Pench Valley	10	10	10	10	17/31	17/75	17/50
Pure Sitalpur	..	..	..	10	5/00	5/00	5/00
Raneegunge	15	17	17	10	15/12	16/00	15/00
Rewa	20	20	..	10	28/50	28/50	29/12
Samla	10	..	..	10	10/00	10/00	7/75
Searsole	Nil	Nil	Nil	2½	1/22	1/22	1/94
Seebpore P.	42 6/7	42 6/7	..	5	34/75	45/00	45/00
Sendra	5	3½	..	10	5/75	5/75	7/69
South Karanpura	2½	Nil	Nil	10	8/00	8/06	9/06
Standard	15	10	..	10	13/12	13/12	16/00
Union	..	..	..	10	11/12	11/12	10/37
Western Bengal	6	7½	5	10	8/56	8/84	10/25
West Jamuria	Nil	Nil	..	10	4/00	4/00	9/37

COTTON MILLS

NAMES	Dividends per cent 1960	1961	1962	Paid-up per share Rs.	Latest Market Quotations as available until 31-7-63 Rs.	24-7-63 Rs.	A year ago Rs.
Basanti P.	...	...	..	10	11/50	11/50	8/50
Banga Luxmi	...	...	..	40	30/50	28/00	28/00
Bengal Nagpur P.	Nil	...	..	10	3/06	3/06	3/56
Bharat Commerce	6	15	..	10	20/37	19/87	26/12
Birla Cotton	10	20	20	10	33/00	33/00	30/00
Bowreah P	10	20	..	10	21/25	22/12	26/00
Cawnpore Textiles	7-1/5	10	..	5	6/06	6/19	7/00
Delhi Cloth & Genl P.	12	13	13	25	41/31	42/12	52/75
Dunbar	20	20	..	10	26/25	26/25	30/50
Elgin P.	11½	17½	17½	10	17/62	17/75	19/94
J. K. Cotton (Rayon) P.	12½	...	...	10	11/19	11/75	13/50
Jay Shree	10	...	...	10	14/00	14/00	15/50
Muir P	...	...	...	100	90/75	90/75	114/00
New Victoria P.	Nil	...	...	2½	1/37	1/37	1/56
Orissa Textiles P.	Nil	Nil	...	10	9/00	9/00	10/06
Rampooria Cotton	3	Nil	...	10	12/00	12/00	11/00
Swadeshi (Kanpur) P	Nil	Nil	Nil	½	2/00	2/00	2/00
	5	...	...	100	11/50	11/50	11/50
	5.51	...	...	10PO	7/19	7/31	8/19

BOMBAY COTTON MILLS

NAMES OF MILLS	Dividends per cent 1959	1960	1961	Paid-up per Share Rs.	Latest Market Quotations as available until 30-7-63 Rs.	23-7-63 Rs.	A year ago Rs.
Ahmedabad Advance P.	7	16	...	100	130/00	130/00	170/50
Apollo	...	...	...	2	1/90	2/06	2/22
Beharilal Ramcharan	Nil	Nil	...	100	76/00	71/00	59/00
Bombay Dyeing, etc.	14	14	14	25	60/00	61/80	66/90
Bradbury P.	10	10	25	50	141/25	140/00	185/00
Century	...	...	...	100	504/00	540/00	609/00
Central India P.	Nil	Nil	Nil	100	103/00	113/00	138/00
Coorla	...	...	...	100	150/00	142/50	160/00
Dawn	20	30	30	50	136/00	140/00	159/00
Edward Textiles	9	9	...	200	290/00	290/00	349/00
Elphinstone P.	14	18	22	50	95/00	102/00	107/00
Finlay	...	...	...	100	310/00	325/00	300/00
Gokak	...	...	...	100	157/00	167/00	186/00
Hindoostan	...	...	...	250	855/00	855/00	..
India United	...	...	...	10	22/60	23/00	22/60
	...	...	...	1Dd	2/50	2/52	3/48
Indian Indore Malwa United	...	...	..	250	761/25	761/25	..
Khatau Makanji P.	7	8½	10	100	192/00	190/00	175/00
Kohinoor	16	32	..	100	210/00	223/75	455/00
Lakshmi-Vishnu P.	9½	15	18	100	301/00	318/00	299/50
Morarjee Goculdas P.	Nil	5.7	6	100	89/00	90/00	133/50
Mysore Spg & Mfg P.	21½	21½	24—24*	100	365/00	388/00	390/00
New City of Bombay	10	14	14	50	49/50	49/50	61/00
New Great Eastern P.	...	...	...	100	156/25	160/00	181/00
Phoenix	...	...	...	100	230/00	230/00	278/00
Sassoon & Alliance	...	...	...	100	205/00	215/00	242/00
Sassoon Spinning	Nil	Nil	..	10	11/76	11/76	14/88
Simplex	25	17	20	10	46/50	46/50	58/00
Shree Niwas P.	10	15	Nil	50	120/00	121/00	163/50
Svadeshi P.	15	18	20	100	232/00	240/00	258/00
Swan	14	17	..	100	231/00	240/00	264/00
Tata	...	...	...	100	280/00	282/50	285/00
Western India	10	20	..	25	52/20	56/50	62/50
	...	...	...	250	785/00	785/00	802/50

* 1962

BOMBAY MISCELLANEOUS COMPANIES

NAMES	Dividends per cent 1959	1960	1961	Paid-up per Share Rs.	Latest Market Quotations as available until 30-7-63 Rs.	23-7-63 Rs.	A year ago Rs.
CEMENT ENGINEERING & METAL							
Associated Cement	11	12½	12—12*	100	143/25	147/00	153/50
ELECTRIC LTG. POWER							
Ahmedabad Electricity	6¾	7	6	100	95/00	97/80	89/80
Andhra Valley Power P.	5	5½	5—5*	1000	1,072/50	1,070/00	1,030/00
Bombay Suburban Elec	...	...	...	100	104/00	105/50	104/00
Tata Hydro Elec. Power P.	5	5½	5—5*	100	109/00	109/00	112/50
Tata Power P.	5	5½	5—5*	1000	1,105/00	1,131/25	1,120/00
Alcock Ashdown	...	...	...	100	277/00	294/00	317/00
Jost's Engineering	10	8	10—10*	50	60/00	60/00	96/50
Larsen & Toubro P.	12½	12½	18—14*	10	22/40	23/20	27/75
Mckenzies	12½	...	...	100	136/50	136/50	155/00
Premier Construction P.	...	...	...	30O	140/00	153/00	152/00
				33F			
Tata Eng & Locomotive P.	9.9	12½	14½—14½*	100	253/00	270/50	328/50
Tata Iron & Steel P.	9.1	9.1	10.36-10.36*	750	136/25	146/00	147/00
INSURANCE COMPANIES							
British India General	...	...	...	50	184/00	196/00	230/00
Jupiter General P.	...	...	...	10	12/12	12/00	12/50
New India	38	...	...	15	9/20	9/50	12/00
Vulcan	...	...	...	15	52/50	66/00	67/50
	...	...	...	10	17/24	17/24	18/00
MISCELLANEOUS							
Belapur Sugar	...	...	...	50	184/00	196/00	230/00
Bombay Burmah Trading	19	30	33—33*	25	59/00	62/00	..
				100	243/75	243/75	252/50
Hindustan Lever	24	26	26—26*	10	36/50	37/00	45/25
Industrial Invt. Trust	6	6½	6½	100	74/50	69/50	75/00
Kemi. (Chemists)	...	...	...	200	252/00	305/00	315/00
National Rayon	22	22	...	100	307/00	344/00	498/50
Scindia Steam Navign.	6½	3	3—3*	20	11/20	12/40	11/00
Shivrajpur Synd.	50	80	Nil	10	19/52	21/00	33/50
Tata Chemicals P.	7½	6	6½—6½*	10	16/36	17/36	14/9
Tata Oil P.	13	23	23—23*	25	65/00	67/00	71/75
Voltas	13	13	14-14*	100	232/50	249/00	268/50
Western India Match	16	16	16	100	244/00	249/00	265/00

*1962

TEA COMPANIES

NAMES	Dividends per cent 1959	1960	1961	Paid-up per Share Rs.	Latest Market Quotations as available until 31-7-63 Rs	24-7-63 Rs	A year ago Rs
ASSAM GARDENS							
Anandabag	15	Nil	10	10	20/00	20/00	34/25
Amluckie P.	17½	30	32½	10	33/25	33/25	25/94
Baghmari	15	Nil	15	10	14/00	14/00	19/25
Barduar Tea	Nil	Nil	...	6	8/50	8/50	8/56
Basmatia	80	35	85	10	27/25	27/25	27/25
Bateli	30	30	...	5	18/50	18/50	19/00
Betjan	25	40	45	10	28/75	28/75	32/62
Bishnauth	13	13	13	10	17/56	17/56	18/06
Bokakhat	8	Nil	12	10	13/70	13/70	13/70
Bormah Jan P.	12½	15	15	10	14/25	14/25	16/12
Bor Pukhuri	Nil	Nil	Nil	10	10/75	10/75	9/37
Brooke Bond P.	12½	15	10—7½‡	10	11/50	11/75	14/[illegible]
Dejoo Valley	40	15	20	10	60/00	60/00	49/[illegible]
Dessai & Purbuttia	Nil	Nil	10	100	205/00	205/00	151/[illegible]
Dhekakhat	20	12½	..	10	18/62	19/75	20/[illegible]
Dhunseri P.	23	20	15	10	12/06	12/06	16/[illegible]
Dibrugarh	30	40	40	10	31/25	31/25	33/[illegible]
Dimakusi P.	30	25	20	10	21/87	21/87	23/[illegible]
Duffiaghur	35	25	25	10	27/50	27/50	28/[illegible]
East India	10	Nil	Nil	10	13/44	13/44	18/[illegible]
Gillapukri	25	25	20	10	25/44	25/44	25/[illegible]
Gohpur	10	Nil	5	10	15/19	15/19	13/[illegible]

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TEA COMPANIES—Contd.

NAMES	Dividends per cent 1959	1960	1961	Paid-up per Share Rs.	Latest Market Quotations as available until 31-7-63 Rs.	24-7-63 Rs.	A year ago Rs.
Grob	14	6	6	5	7/69	7/94	8/50
Hoograjuli (Assam)	25	20	20	10	27/12	27/12	24/44
Hoolungooree	20	10	7½	100	195/00	195/00	172/00
Jutlibari	10	30	30	10	31/50	31/50	32/00
Kingsley Golaghat P.	35	35	..	100	140/00	140/00	212/00
Kotamullai P.	Nil	Nil	Nil	5	10/31	10/31	10/31
Krishnabehari	10	15	8	10	10/50	10/50	10/12
Kyang Tea	Nil	Nil	..	10	8/06	8/06	8/06
Leda	Nil	Nil	Nil	10	13/75	13/75	17/25
Maud Tea & Seed	7½	10	7½	10	14/81	14/81	14/81
Methoni	15	5	14	10	16/19	16/19	21/25
Moheema	10	Nil	..	10	11/50	11/50	11/50
Mothola	25	30	30	100	507/00	507/00	507/00
Murphulani (Assam)	20	5	15	10	26/50	26/50	26/50
	25	10.63	20.63	10	26/87	26/87	28/75
Naga Hills	5	10	10	10	22/25	22/25	24/50
Namburnadi	16	12	..	10	12/87	14/56	14/56
New Cinnatolliah	Nil	Nil	Nil	100	302/00	302/00	101/00
Rajgarh	35	40	13½	10	21/37	21/37	22/87
Sapoi	20	22½	20	10	18/31	18/31	18/31
Seajuli	17½	22½	15	10	21/12	21/12	22/50
Teloijan	25	25	25	10	22/00	22/00	27/75
Tengpani	17½	30	30	10	35/00	35/00	35/00
Tezpore P.	20	20	12½	10	14/75	14/75	15/31
Tongani	Nil	Nil	..	10	7/00	7/00	7/00
Tyroon	30	10	15	10	33/00	33/00	36/87
CACHAR							
Arcuttipore	Nil	Nil	...	10	7/00	7/00	7/00
Baitakhal	5	2½	..	10	6/56	6/87	6/69
Central Cachar	5	5	7½	100	82/00	74/50	73/00
Eastern Cachar	Nil	Nil	..	10	4/28	4/28	9/94
Kallinugger Khoreel	6	6	..	100	87/00	87/00	87/00
Hattikhira	6	Nil	8	10	9/12	9/12	9/31
Kunchanpore	Nil	Nil	..	10	6/00	6/00	6/00
Loobah	Nil	Nil	Nil	10	4/37	4/37	4/25
North Western	30	30	20	100	160/00	160/00	205/00
Pathemara	Nil	Nil	Nil	10	7/50	7/50	7/50
Roopacherra	Nil	Nil	10	10	13/62	13/62	13/62
Rungamattee	7½	5	5	50	50/25	51/00	50/00
Sonai River	Nil	Nil	...	10	9/12	9/12	9/12
DARJEELING							
Bloomfield	Nil	Nil	...	10	3/12	3/12	3/25
Chamong	Nil	Nil	10	10	9/00	9/00	10/25
Darjeeling Tea & Chin	Nil	30	..	100	197/00	197/00	195/00
Dilaram	5	8	...	100	102/50	102/50	102/50
Gielle	Nil	Nil	8 4/7‡	10	11/69	11/37	11/75
Lingia P.	12½	15	10	10	14/56	14/56	14/56
Longview	14	12½	....	10	11/00	11/00	11/00
Margaret's Hope	10	15	15	10	11/37	11/62	12/25
Mim	10	22½	20	100	191/50	191/50	191/50
Nagri Farm	20	30	25	10	27/25	27/25	25/44
Okayti	32½	25	25	100	600/00	600/00	605/00
Pashok	10	10	..	10	20/00	20/00	20/00
Poobong	Nil	Nil	Nil	10	7/19	7/19	7/37
Pussimbing P.	Nil	Nil	Nil	10	7/12	7/12	7/25
Rungliee Rungliot	10	35	20	100	386/00	386/00	386/00
Seeyok	15	15	...	10	8/50	8/50	8/50
Singell	Nil	Nil	Nil	100	36/75	36/75	37/25
Singtom	5	2	..	10	3/50	3/50	4/50
Socm	30	50	40	10	32/75	32/75	49/87
Sungma	10	15	15	10	13/94	13/87	14/62
Teesta Valley	Nil	Nil	8 4/7‡	10	11/87	11/25	13/75
Tukvar	...	...	...	10	7/00	7/25	6/00
DOOARS							
Banarhat P.	32½	22½	21	100	216/50	233/00	273/00
Baradighi	25	30	25	10	22/19	22/19	26/06
Bhatkawa	10	15	15	10	16/56	16/56	16/56
Birpara P.	22½	17½	12½	100	16/37	156/50	190/00
Carron	15	20	5	100	156/50	145/00	145/00
Choonabhuti P.	30	32½	20	100	210/00	210/00	262/00
Ellenbarrie	5	5	5	100	184/00	184/00	179/00
Engo	Nil	60	30	100	136/00	136/00	136/00
Ethelbari	Nil	5	5	10	13/12	13/12	8/44
Gairkhata	12½	25	20	10	21/50	21/50	25/12
Gopalpur	9.24	12	2	25	19/50	19/50	20/00
Hantapara P.	12½	15	5	100	109/00	109/00	103/00
Hasimara P.	12½	17	18‡	10	13/25	13/62	14/31
Huldibari	22½	22½	19 2/7‡	10	13/31	13/87	30/37
Jaybirpara	5	10	Nil	10	10/69	10/69	13/50
Killcott	17½	25	15	10	14/37	14/37	17/12
Manabarrie	5	10	6	10	59/50	59/50	56/37
Nagaisuree	17½	25	15	100	140/00	140/00	169/50
New Dooars P.	32½	35	20	100	220/00	230/00	296/00
Oodlabari	10	12½	7½	100	14/00	14/00	14/25
Phaskowa	Nil	Nil	Nil	100	129/00	129/00	127/00
Rajabhat	Nil	Nil	Nil	10	12/12	12/12	12/12
Ranicherra	10	15	15	10	13/81	13/62	16/75
Rydak	30	25	20	10	24/25	24/25	26/75
Sarugaon	40	40	40	10	36/25	36/25	36/25
TERAI							
Atal	10	5	...	10	8/75	8/75	8/75
Belgachi	20	20	..	10	22/50	22/50	20/00
Gungaram	15	20	12½	100	131/00	131/00	158/00
Hansqua	17½	20	15	10	20/00	20/00	16/94
New Chumta	15	15	12 6/7‡	10	24/62	24/62	33/50
New Terai	15	22½	..	10	23/00	23/00	38/00
Pahargoomiah	25	20	...	10	15/00	15/00	31/12
Patrakola	40	32½	40	100	120/00	120/00	130/00
Rajnagar	Nil	Nil	..	10	9/56	9/56	9/56
Teliapara	17½	22½	32½	100	99/00	99/00	99/00
CHITTAGONG							
Kodala	Nil	Nil	...	10	9/25	9/25	9/25
Kornafuli	Nil	Nil	..	10	9/31	9/31	13/06
Oodaleab	Nil	Nil	..	10	8/00	8/00	8/00
SYLHET							
Chundeecherra				10	26/00	26/00	23/50
Dauracherra	15	22½	22½	10	7/56	7/56	8/00
Kaliti	Nil	Nil	Nil	10	10/00	10/00	9/25
New Samanbagh P.	Nil	25	Nil	10	18/37	18/37	20/81
Patrakola	40	32½	40	100	120/00	120/00	130/00
Rajnagar	Nil	Nil	..	10	9/56	9/56	9/56
Teliapara	17½	22½	32½	100	99/00	99/00	99/00

† Hectares

MISCELLANEOUS COMPANIES

NAMES	Dividends per cent 1959	1960	1961	Paid-up per Share Rs.	Latest Market Quotations as available until 31-7-63 Rs.	24-7-63 Rs.	A year ago Rs.
MININGS							
Burma Mines	2 41/42	2 3/5	Nil	3½S	0/44	0/44	0/44
Chrestien Mica Industries P.	15	15	12½	10O	10/40	10/40	11/00
	25	25	20	5Dd	6/87	6/87	8/85
Indian Copper Corporation	27	27	27	2s	4/70	4/90	4/97
Metal Corporation P.	Nil	Nil	..	10O	8/12	8/81	12/19
Orissa Mineral Development	36	36	28—20*	10	27/50	27/50	42/37
CEMENT, LIME, SLATE ETC.							
Ashoka Cement	6½	7	7—7*	10	7/75	7/69	8/69
Assam Bengal Cement	...	...	...	10O	3/06	3/19	3/00
				1Dd	0/46	0/46	0/37
Bengal Potteries	14 29/00	15	...	2½	5/06	5/00	6/19
Bisra Stone Lime —	18.7	30	31—10*	...	35/00	35/50	35/50
Dalmia Cement (Bharat) P.	12	12	12	10O	12/31	12/62	13/94
				1Dd	3/00	3/00	3/12
Jaipur Udyog P.	Nil	6	8-8.36*	10	11/25	11/50	13/62
Kumardhubi Fireclay & Silica P.	18	18	18	10	18/45	18/45	18/45
Orissa Cement P.	11	15	15	10	14/56	14/31	17/37
Reliance Firebricks & Pottery	40	22	15—10*	5	22/75	22/75	22/75
Sone Valley Portland Cement	Nil	4	..	10	4/03	4/25	5/00
Sutna Stone & Lime	20	27½	30	10	35/00	35/00	37/00
CHEMICAL INDUSTRIES							
Alkali & Chemical Corpn. of (I)	9½	12	15—15*	10	34/37	33/87	44/87
Sathgate & Co. Ltd. P.	Nil	Nil	..	5	0/84	0/84	0/87
Bengal Chemical & Pharm. P.	7	7	10	100	102/00	98/00	103/00
Calcutta Chemical P.	18	18	18—18*	10	17/87	17/87	18/37
Frank Ross P	..	..	..	6	2/19	2/19	3/25
Smith Stanistreet P.	25	25	25—25*	5	12/25	12/25	16/44
ELECTRIC LIGHTING, POWERS							
Agra Electric Supply	10	11	11—11*	100	118/00	120/00	124/50
Bareilly Electric Supply	10	11	11—11*	10	14/37	14/37	12/25
Benares Electric Supply	10	11	11—11*	10	12/37	12/37	13/00
Bhagalpur Electric Supply	6	8	10—8*	10	6/00	5/00	6/08
Calcutta Electric Supply	9	7	7½—7½*	£1	14/75	14/94	15/12
Cuttack Electric Supply	6½	7½	10—10	10	11/87	11/87	12/62
Dishergarh Power Supply P.	7½	10	10—10*	100	88/00	88/00	94/00
Jhansi Electric Supply	6 1/5	..	..	10	5/90	5/90	6/00
Jubbulpore Electric Supply	9 1/5	10	10—10*	10	11/19	11/12	11/00
Mirzapur Electric Supply	5	..	..	9	12/00	12/00	7/56
Muzafferpore Electric Supply	10	12½	12½-12½*	10	11/50	11/50	11/75
Muttra Electric Supply	8	..	..	10	11/12	11/12	11/00
Patna Electric Supply	7½	10	10—10*	10	10/50	10/62	11/44
Shahjahanpur Electric P.	5	6½	8½—6½*	10	7/06	7/06	7/50
Sijua (Dherriah) Electric	7½	10	9—9*	10	8/25	8/25	9/06
United Provinces Electric	10	11	11—11*	100	117/00	115/50	126/50
Upper Jumna Valley Electric	12½	13½	13½-13½*	10	16/00	16/00	15/25

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MISCELLANEOUS COMPANIES—Contd.

NAMES	Dividends per cent 1959	1960	1961	Paid-up per Share Rs.	Latest Market Quotations as available until 31-7-63 Rs.	24-7-63 Rs.	1 year ago Rs.
ENGINEERING & METAL							
Arthur Butler (Muzafferpore) P.	...	...	...	10	14/94	14/94	13/00
Bhartia Electric Steel	15	10	10	10	13/94	13/94	12/75
Braithwaite India	22½	25	25	10	29/25	31/00	35/00
Bridge & Roof	30	30	30	10	52/25	52/25	52/25
Britannia Building & Iron P.	6	Nil	Nil—Nil*	10	3/50	3/50	3/65
Britannia Engineering P.	10	10	10	10	9/94	10/25	11/31
British India Electric Cons.	25	45	20	10	33/12	33/12	50/00
Burn P (Engineering)	28½	28½	28½-28½*	100	572/00	595/00	690/00
Calcutta Steel	5	15	15	10	14/25	14/25	16/50
Dalmia Iron	...	10	10—10*	10	10/56	10/81	11/44
Guest, Keen, Williams	24	18	14	10	30/75	33/56	38/37
Hooghly Docking	12	Nil	Nil	50	108/00	108/00	111/00
Indian Iron & Steel P.	10	15	15—16*	10	22/30	23/40	26/36
Indian Malleable Casting	6	Nil	...	5O	6/00	6/00	6/00
Indian Standard Wagon P.	28½	28½	28½-28½*	10	31/06	31/50	34/75
Indian Steel & Wire Products	18½	22	24—23*	10O	39/00	40/37	55/50
Industrial Containers	...	Nil	10	10	21/37	21/37	22/00
Jay Engineering	12	17 3/20	17 9/20-15*	10	20/94	21/06	...
J. K. Steel P.	12½	20	20—10*	10	13/44	14/25	16/12
Jessop & Co P.	8.58	8.58	8.58	10	24/19	24/81	22/37
Kumardhubi Engineering P.	10	10	11½	6	7/69	8/19	7/50
Marshall Sons (India)	10	Nil	Nil	2	2/87	2/87	3/44
National Iron and Steel	6½	Nil	Nil-Nil*	10	4/50	4/81	5/00
Saran Engineering	7½	6½	10—12½*	4	8/50	8/50	10/00
Steel Containers	...	30	20	10	29/50	29/50	22/00
Textile Machinery	20	10	10	10	22/60	23/50	22/35
SUGAR, BREWERIES ETC.							
Bairampur Sugar	8	8	8—4*	2½	2/00	2/00	2/50
Belsund Sugar	18½	18½	10	7½	8/25	8/25	10/06
Bharat Sugar P.	...	...	...	10	13/00	13/00	13/00
Carew (Sugar) P.	Nil	Nil	Nil—Nil*	10	10/87	10/75	13/12
Cawnpore Sugar P.	Nil	Nil	Nil—Nil*	10	9/81	10/75	12/50
Champaran Sugar	15	15	12—Nil*	10	15/87	15/87	17/00
Durbhanga	90	4	Nil	10	8/12	8/65	9/12
Dyer Meakin (Breweries)	18	25	30	5	26/00	26/00	56/62
New Savan Sugar and Gur	...	...	...	10	3/62	3/62	5/25
Purtabpur Sugar P	Nil	...	...	10	11/50	11/50	11/50
Ramnugger Cane & Sugar P.	213/7	30	35—30*	10	26/37	26/37	27/75
Raza Buland	12½	12½	10	10	9/62	9/56	9/19
Ryam Sugar P.	...	...	...	10	5/20	5/20	6/06
Samastipur Central Sugar	...	...	...	10	6/00	6/00	9/62
Shree Krishna Gyanoday Sugar P.	15	15	...	10	7/75	7/75	9/12
Shree Sitaram Sugar	...	...	...	10	7/12	7/12	7/12
Sitalpore Sugar	Nil	4	Nil-Nil*	10	6/12	6/12	6/62
United Provinces	15	15	...	10	9/62	9/62	14/72
Upper Ganges Sugar P.	72½	72½	72½-72½*	10	68/00	68/00	77/00
MISCELLANEOUS							
A Firpo (Restaurateur)	3½	7½	...	01	5/90	5/90	5/90
Aluminium Corporation P.	10	12	12—12*	10	12/94	13/00	17/44
Anderson Wright Ltd P.	10	11½	...	10	11/50	11/50	11/50
Angelo Bros.	20	25	22½-28*	10	22/12	21/87	22/00
Assam Match	18	18	20	10	28/75	28/75	28/87
Assam Saw Mills & Timber	Nil	Nil	Nil	3	2/60	2/87	2/69
Associated Battery	40	25	15-15*	10	23/44	24/62	29/87
Associated Hotels of India P.	Nil	Nil	10-10*	10	10/31	10/31	10/31
Balmer Lawrie & Co.	25	25	25	100	253/00	253/00	244/00
Bararee Coke	Nil	Nil	Nil-15*	10	21/06	21/06	23/62
Birds Investments P.	11	9½	10-10*	10	10/75	10/69	12/50
Britannia Biscuit P.	14	26	30—25*	10	42/75	42/50	42/25
British India Corporation P.	Nil	4	7	5	7/81	7/87	9/31
British Paints	10	12½	12½	10	21/50	21/50	23/12
Calcutta Silk Manufacturing P.	Nil	Nil	Nil	10	6/94	6/94	8/00
Clive Row Investment	10	6	7½	10	8/62	8/62	7/15
Duncan Brothers & Co Ltd P.	14	14	14	100	147/00	147/00	158/00
Dunlop Rubber Co (India) P.	21½	21½	20—15*	10	31/12	33/12	40/00
Eastern Investments Ltd. P.	14	14	14—12*	100	106/00	117/00	126/00
Electric Construction	6	10	10—10*	10	12/94	12/44	14/81
French Motor Car	12½	20	20	20	35/12	35/12	34/50
Ganges Rope	17	17½	20	100	236/00	236/00	230/00
General Investments Trust P.	3½	5	5—5*	10	43/00	43/00	43/00
Gillanders Arbuthnot & Co Ltd P	10	10	11-11*	10	13/87	14/06	14/62
Gladstone Lyall & Co Ltd P	Nil	4 2/5	4	10	...	...	...
Godfrey Phillips (India) Ltd P.	26	40	40	10	28/12	28/12	35/44
Great Eastern Hotel	6	9	6	250	225/00	225/00	241/00
Hindustan Aluminium P.	...	Nil	...	10	12/31	13/50	16/69
Hindustan Motors P	6	9	12—12½*	10	15/56	16/66	20/37
Hindusthan Pilkington	12	...	...	10	16/31	16/25	20/50
Hindusthan Pwyfords P.	...	Nil	Nil-Nil*	10	14/62	14/62	15/12
Hoare Miller & Co Ltd	6	6	6	10	5/44	5/44	6/56
Imperial Tobacco	6	8	9—9*	10	10/37	10/62	11/31
Indian Aluminium Co Ltd P.	12	15	15-17½*	10	34/75	33/37	37/56
Indian Cable P.	15	22½	22½-22½*	10	32/25	33/00	36/00
Indian Oxygen	15	15	15—12*	10	27/50	27/50	45/37
Indian Rubber Manufacturers P.	15	20	20—35*	10	19/87	19/87	20/31
Indian Wood Products	35	30	30—30*	10	29/00	29/00	33/12
Isaac Holdens	...	...	Nil	100	13/87	14/50	16/87
Investments and Finance P.	5	7½	7½—7½*	10	55/00	55/00	55/00

NAMES	Dividends per cent 1959	1960	1961	Paid-up per Share Rs.	Latest Market Quotations as available until 31-7-63 Rs.	24-7-63 Rs.	1 year ago Rs.
J. K. Synthetics	...	...	8	10	10/06	10/81	14/62
James Wright P.	...	...	...	5O	2/75	2/75	2/75
Jardine Henderson Ltd P.	5	5	7—6*	100	84/50	84/50	82/00
Jay Shree Industries P.	14	14	12½	10	16/00	16/37	17/00
Kesoram Industries P.	2½	5	12-12½*	10	19/62	22/00	28/37
Macfarlane & Co.	...	...	...	1Dd	2/19	2/19	2/50
Macneill & Barry Ltd. P.	7	8	8	100	93/50	93/50	93/50
Martin Burn Ltd P.	27½	27½	27½-25*	10	26/37	26/62	29/87
McLeod & Co P.	15	15	15	100O	210/00	210/00	180/00
	10	10	10	10Dd	...	...	...
Metal Box Co. of India Ltd P.	17½	25*	25	10	45/12	49/87	64/75
National Insulated Cable P.	20	25	25—25*	10	22/37	23/50	30/81
National Pipe & Tubes P.	15	20	20—20*	10	25/00	25/62	31/69
National Rolling & Steel Roper	10	13	13—15*	10	19/44	19/44	20/75
National Rubber P.	8½	Nil	6½	10	10/69	11/19	11/75
National Tobacco P.	18	16	7	10	10/56	10/75	12/44
New India Investment Corpn.	8.7	8.7	...	75	65/00	65/00	70/00
Octavius Steel P.	12½	10	...	100	...	...	...
Philips India	12	12	12	10	27/37	27/75	30/00
Publicity Society	37½	10	75—75*	4	22/62	22/62	27/00
Rallis India P	Nil	4	8½—8½*	100	121/00	121/00	162/00
Rohtas Industries P.	15	20	10—8*	10	10/44	11/31	15/12
Sirsilk P	...	Nil	...	10	9/00	9/31	10/12
Sen Raleigh Industries P.	8	8	8-8*	10	14/25	14/25	18/87
Shaw Wallace P.	15	15	15	10	15/81	17/00	20/50
Spencer's Hotel	24	2½	2½	8	0/94	0/94	0/94
Union Carbide	18	18	18	10	39/29	40/25	48/00
Walford Transport	15	30	30	1PO	2/31	2/31	2/69
	20	20	20	1O	3/81	3/81	3/31
INSURANCE COMPANIES							
Concord of India	20	20	20	5	10/37	10/37	18/00
Hercules	30	22½	26½	10	22/56	24/19	25/17
Ruby General	10	10	13½	5	10/37	10/44	10/19
Standard General	...	...	...	10	6/00	6/00	8/00
Triton	45	45	50	25	124/00	124/00	127/50
FLOUR MILLS							
Bengal	45	40	25	10	29/00	29/00	35/00
Delhi P.	...	...	...	10	14/00	14/00	14/00
Ganesh P.	12½	...	...	12½	13/50	13/50	17/00
Hooghly	27½	15	Nil	10	19/75	19/75	19/75
United	52½	35	10	10	27/81	27/81	30/00
OIL COMPANIES							
Attock Oil	13½	13½	13½	£1	sh. 34/9	h. 39/4½ sh	28/6
Burmah Oil P.	...	9-3/5	...	£1	sh. 61/9	sh. 66/- sh	38/9
Indo-Burmah Petroleum P.	25	30	25	10	21/87	21/75	26/87
Tide Water Oil	22	30	35	10	27/12	25/25	23/25
PAPER MILLS							
Bengal P.	32	32	27½	10	27/69	28/00	32/50
India Paper Pulp	10	15	13—12*	10	16/87	17/37	20/75
Orient Paper P	15	22½	22½-22½*	10	34/00	36/20	41/20
Shree Gopal Paper P.	17-6/7	17-6/7	17-6/7	10	23/25	23/81	25/37
Sirpur P	6½	6½	6½	10	11/31	12/44	14/00
Star Paper P.	8	Nil	—	10	9/00	9/00	10/00
Titaghur P.	10	10	13-13*	21PO	3/87	3/87	4/00
	25	25	20-10*	10AO	15/25	16/06	39/00
West Coast P.	25	25	20-10*	10BO	15/25	16/06	39/00
	Nil	6	7½	100	125/00	125/00	178/00
PRESSING COMPANY							
Camperdown	11	11	11	100	104/00	104/00	100/0
REAL PROPERTY STORAGE							
Bengal Bonded Warehouse	9	11	6—6*	A500	1050/00	1050/00	610/00
				B62½	135/00	135/00	77/2
				C100	122/00	122/00	122/00
				D12½	14/15	14/15	14/7
Calcutta Safe Deposit	...	...	—	100	7/87	7/87	7/2
Humayan Properties P.	6½	6	...	10O	11/00	13/00	11/0
	12½	Nil	...	1Dd	2/15	3/15	2/1
Midnapore Zemindary P.	Nil	Nil	Nil-Nil*	85	10/00	10/00	8/50
TRAMWAYS & STEAMER							
Bengal Assam Steamship P.	9	7½	7½	100	131/00	131/00	110/00
Calcutta Landing & Shipping	25	25	...	10	34/00	34/00	25/37
Calcutta Steam Navigation	10	10	Nil—Nil*	10	8/25	8/25	7/75
Calcutta Tramways P	5½	...	—	£1	10/69	11/37	12/00
Fraser	Nil	Nil	—	10	10/00	10/00	10/00
India General Nav Railway P	Nil	Nil	—	£10	41/50	63/50	63/50
India Steamship P.	10	10	Nil—Nil*	10	6/06	6/00	7/00
Port Shipping	Nil	Nil	Nil	10	13/12	13/06	12/06

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CONTROVERSY OVER SHIPPING FREIGHT RATES

A STRANGE controversy is going on these days over the decision of the India-Pakistan-U.K.-Continent Shipping Conference to raise ocean freight rates on west-bound Indian cargo by 12½ percent from 1st August, 1963. In fact, the decision looks like a reasonable compromise between the claims of the Conference lines for an increase and the understandable fears of Indian shippers that exports might suffer in consequence. Some months ago, the Conference had proposed an increase of 15 percent. But after sounding the Government, along with commercial and industrial interests, the smaller rise of 12½ percent has now been decided on. It seems, therefore, that care has been taken to ensure that the adverse effects of a rise in freight rates are softened as far as practicable.

Some increase was justified on purely economic grounds. As the Conference lines have pointed out, the last general increase in freight rates took place in 1957. In 1958, freights were actually cut. In 1962, the freight rate for jute goods in particular was reduced. In the meantime, there has been a substantial rise in the operational costs of the shipping companies. Several items of costs have increased by more than 50 percent. The Government of India is to blame in large measure for the rise in operational costs because it has been lethargic about improving port facilities. Indian ports have become notorious for the slow turn-round of vessels. The Conference lines point out that they have to operate in such a way as to earn a fair return on the capital employed. But at the existing freight rates, there is a substantial deficit compared with the fair return. The latest move to raise freight rates will compensate partly, but not wholly, for the shortfall in the return on capital employed.

The Maritime Freights Commission, which was asked by the Government of India to investigate the claims of the Conference for a rise in freight rates, supported the case for an increase. But it recommended an increase of only 7½ percent for two years in the first instance. From the scanty reports available so far, it does not look as if the Commission's figure was arrived at after proper scrutiny of the profit-and-loss accounts of the shipping companies. The companies nevertheless contend that even the latest increase of 12½ percent will not be sufficient to compensate for the deficit in the net return on capital employed. Whether this implies that a further increase might be demanded in the near future is anybody's guess. Anyway, it is difficult to resist the claim for an increase in principle in view of the steep rise in operational costs. The Government of India cannot be so hypocritical as to forget that there have been substantial rises in railway freights, road transport charges and coastal freights in recent years. Despite strong protests from trade and industry, the Government itself has contrived steadily to raise domestic freight rates and has thus helped make Indian goods more expensive in foreign markets.

The effects of the rise in freight rates announced by the Conference lines are likely to be marginal. Although the general increase amounts to 12½ percent, the Conference has fixed concessional freight rates for several commodities such as myrobalan extract, coir matting, canned provisions, oilcake, manioc meal and rice bran. Knowledgeable circles estimate that the increase, on average, will amount to 10 percent. In endorsing the recommendations of the Maritime Freights Commission, the Government of India has put forward a claim that several sensitive commodities should be exempted from the rise. But the suggestion is difficult to support on practical grounds, in the sense that it is difficult to pick out the so-called sensitive commodities. Some would say that almost every export commodity is sensitive, especially since agricultural products constitute the bulk of India's exports. If the Department of International Trade were to select a list of sensitive commodities, it would probably want to describe all exportable items as "sensitive". The Conference lines have already voluntarily given concessions on some commodities; the number could perhaps be expanded by negotiation.

Since the increase in freight rates is relatively small and shippers have been making fair profits on exports, there is no reason why the burden of the freight increase should be passed on to foreign buyers. It can be borne by the shippers themselves, who can compensate themselves for the loss by improving their turnover. In this way, any possible adverse effects of the freight increase will be minimised. Meanwhile, attention can be concentrated on promoting exports in a business-like manner. It has to be remembered that the high price of Indian commodities is due largely to the cost inflation at home. The unit production costs of several commodities have risen as the proportion of idle capacity in factories has increased. The rise in wages, and in transport and raw material costs, has posed a serious problem. Modernisation has been retarded by a tax policy which impairs the capacity of companies to plough profits back into the business.

Although there is considerable justification for the increase just announced, there is no reason why constant efforts should not be made to persuade Shipping Conferences to keep freight rates as low as practicable. The Indian Government has recently succeeded in getting concessions from U.S. shipping companies for its own imports and for the imports made by State Governments and public sector undertakings. Private imports which are financed largely by foreign aid may also benefit from these concessions. Although the rise in freight rates will involve an increase in foreign exchange expenditure, the size of the increase should not be exaggerated. Under the pooling system, Indian shipping companies have been allotted a fair percentage of the liner trade, so part of the benefit arising from the freight rise will accrue to them. If India wants to spend less foreign exchange on freight, the answer lies in expanding the domestic tonnage more quickly. It is encouraging to find that the shipping target set for the third plan will be exceeded. But what is more important is that India should concentrate on increasing her tanker tonnage which has

hitherto been a major drain on her foreign exchange resources. More liberal chartering of tramps might also help, especially since it will take time to increase the liner tonnage.

FIDDLING WITH FOOD

FEW people can have any clear idea of the sense and purpose underlying last week's comedy wherein Mr. S. K. Patil first offered, and then was persuaded not to press, his resignation from the Food and Agriculture Ministry and the Central Cabinet. Reports from New Delhi indicate that the prologue to the farce was enacted last month, just before the ministerial reshuffle necessitated by the departure of Mr. K. D. Malaviya. Hafiz Mohammed Ibrahim and Mr. K. C. Reddy from the Cabinet. The Prime Minister, Mr. Nehru, felt at the time that Mr. Patil should be moved to the Railways Ministry, and Sardar Swaran Singh moved in the reverse direction, to Food and Agriculture. Mr. Patil, understandably, objected that unless the change was to be part of a major Cabinet reshuffle, it would imply a lack of confidence in his policies, especially since these had been subjected to severe criticism only a little earlier. Mr. Nehru, it seemed, saw the point and decided to drop the idea for the time being. But then, for some mysterious reason, it occurred to the Prime Minister last week that the game of musical chairs started a month ago had not quite been completed, so he wrote to Mr. Patil suggesting that he exchange portfolios with Sardar Swaran Singh. Whereupon Mr. Patil did what Congressmen nowadays rarely do—handed in his resignation.

It is not easy to decipher what Mr. Nehru's aim might have been in originally recommending the change, inviting the rebuff implicit in refusal, then repeating the recommendation, and acquiescing in a second rebuff. Dark rumours have been heard to the effect that the moving spirit behind the machinations was Mr. G. L. Nanda, Minister for Labour, Employment and Planning, and deputy chairman of the Planning Commission—who is desperately looking round for scapegoats to carry the blame for the failure of the third plan. According to other rumours, the Patil-Swaran Singh exchange was meant to be of no great significance: the Congress Party being short of ministerial talent, the Prime Minister has no option but to try and give his Cabinet a "new look" periodically by redistributing portfolios according to the laws of the roulette wheel. But, uncharitable as these explanations might seem in their suggestion of personal failure, frustration and jealousies, it does appear likely that one point of policy and principle was involved. It was that Mr. Nanda and the Planning Commission—happy in the knowledge that they have no direct responsibility for the weaknesses of the food administration—were in favour of rationing and controls as an answer to the food shortage. Mr. Patil, on the other hand, while recognising the need for stricter regulation, felt that the regulation should remain far short of rationing in view of the well-known deficiencies of India's food-dispensing bureaucracy.

In this argument, there can be no doubt that Mr. Patil was right; and from that narrow point of view, it is satisfying that he was ultimately prevailed upon not to press his resignation. In any case, the precise advantage to be gained by moving Sardar Swaran Singh to the Food and Agriculture Ministry was never very clear. He does not have the organisational drive that Mr. Patil is (or was) reputed to have (was, that is, until he arrived in the Food and Agriculture Ministry). Nor is Sardar Swaran Singh's political stature in dealing with the Congress Party or State Governments greater than Mr. Patil's—an important consideration where food policies have to be chosen and implemented. The main purpose the former might have served is that he would probably have been more pliable in accepting the views of Mr. Nanda and the Planning Commission. But considering that the latter entities are themselves to a large extent responsible for the crisis in food and agriculture, that could hardly have been counted as a major gain for the country.

In a speech delivered last Friday at a joint meeting in New Delhi of State Ministers for Agriculture and Community Development, Mr. Patil gave some idea of the reasons for the crisis. The essence of his complaint was that the Planning Commission merrily goes on fixing ambitious targets for agricultural production, but the money required to fulfil those targets is not forthcoming and procedural delays constitute a formidable handicap. The result is that, because the resources provided are inadequate, a target of only 8.4 million acres now looks feasible for minor irrigation, instead of the 9.5 million acres mentioned in the third plan. In the case of soil conservation, the achievement is likely to be only 8 million acres, as against the target of 11 million acres. Plant protection measures have suffered because the foreign exchange available for importing equipment and pesticides is far less than was originally expected. Finally, perhaps the most serious failure is that the supply of fertilisers has remained well below the annual targets; there seems to be almost no hope at all that the production target for fertilisers will be achieved by the end of the third plan.

All these are symptoms of one fundamental deficiency—that while ministers and their cohorts interminably parrot ancient *clichés* about the importance of agriculture, in reality they care little for it. Mr. Nehru set the fashion 15 years ago by announcing that the Government was going to tackle the food problem "on a war footing." But it was perhaps not wholly uncharacteristic of his achievement that, within two years of those famous words having been spoken, India found herself on the verge of famine from which she was saved only by a massive American wheat loan. The subsequent years have seen the same story repeated: tall talk and hearty self-congratulation after a good monsoon, followed by excuses, mutual recrimination and yet another American wheat loan after a not-so-good monsoon. The way to deal with this situation is not to pat the Central Food and Agriculture Minister on the back when the crops are satisfactory, and to kick him out when they are not: the way to deal with it is for the Prime Minister first of all to demonstrate through action, not words, that agriculture is being given a priority second only to defence. The anomaly has to be remedied where the Planning Commission goes on framing fancy schemes, while the Food and Agriculture Ministry goes on looking in vain for the authority and the money to implement them. Most important of all, perhaps, the indifference or inefficiency of State Governments in putting through programmes for helping the farmers has to be corrected. All these measures call for major political decisions inspired by the Prime Minister himself. The realisation has to dawn that India's food shortage stems from organisational and political failures as much as from anything else: it cannot be relieved by a periodic round of musical chairs in the Central Cabinet.

PRIVATE STEEL EXPANSION

THE announcement by the chairman, Mr. J. R. D. Tata, that further expansion is contemplated at the Jamshedpur works of the Tata Iron and Steel Company is welcome on several counts. In the first place, it should provide concrete evidence to sensitive U.S. senators that public sector expansion need not come in the way of private enterprise contributing as fully as possible to the growth of Indian steel manufacturing capacity. Secondly, Jamshedpur has unique locational advantages in that fewer ton-miles are required to assemble raw materials there than at any other steel plant site, existing or prospective. This advantage deserves to be fully exploited, and not merely for the cost benefits that it will bring to the Jamshedpur steelworks. Thirdly, the Tata plant has reserves of capacity in its rolling mills which should be fully utilised so as to achieve low-cost expansion. All three factors, it is important to emphasise, relate to the overall national interests quite apart from the considerations which a privately-owned enterprise working for a profit must keep in view. Judged in terms of the latter, Jamshedpur's expansion is equally valid because additional capacity at low cost realises the economies of scale upon which the success of many industries depends.

Every country expanding steel capacity has to try to achieve a balance between new units at "green field" sites and the expansion of existing works. The latter is not only less expensive (for the simple reason that "green field" sites call for heavy initial investment), but also makes development more manageable. In India, striking this balance is more difficult because of the rate at which steel capacity must expand to meet the economy's rising needs. Expansion alone obviously will not suffice, but even so the task for the future can be lightened by building new plants from the start with maximum provision for expansion. This means providing space for additional facilities in the plant layout and laying on services and utilities in a manner which would facilitate additions to meet future needs. It also means choosing basic equipment like the primary rolling mill with a built-in reserve of capacity to the extent justified by demand prospects. Both these principles are illustrated by Jamshedpur's experience, where the plant site has accommodated a 20-fold expansion since it started as a 100,000-ton unit in 1911 and still has space for another million tons of capacity. In India's special circumstances, where expansion outside the existing plant area may have run into political difficulties after the 1948 Industrial Policy Resolution, the flexibility of Jamshedpur's layout has indeed been providential. In equipment as well, Jamshedpur now stands to benefit from the fact that a 2 million ton blooming mill was installed during its last expansion programme (taking total capacity to 3 million tons) when the immediate requirement would have been met by equipment half that size. There is a lesson here to bear in mind while making the investment and technical decisions on the new steel nucleii which have to be started.

The Jamshedpur announcement completes the picture of the rôle that the private sector expects to play during the fourth plan. Indian Iron has already received approval for the first part of its programme to double capacity and may yet decide to telescope the second part with the first in order to launch a more comprehensive programme of development. For both Tata Steel and Indian Iron, the decision to go ahead will eventually depend on the outlook for steel prices. At their present level, the returns seem to be too low to justify asking shareholders for the very large sums that further expansion will require. In fact, as both the Raj Committee and the World Bank agree, present prices fail to cover replacement costs by a wide margin, the effect of which must be an uncompensated erosion of assets to the grave detriment of their owners' interests. Fortunately for the steel companies, whether publicly or privately owned, New Delhi appears now to recognise that steel prices should be allowed to reflect the true costs both to stimulate the industry's growth and to promote the long-term interests of the consumer. If this more realistic view should finally overcome the resistance it has encountered in some quarters, it will mark a turning point not only in steel but also in all the other key sectors where the precedent will certainly be used to great effect. Given a level of prices which permit reasonable profitability, there is no doubt that both the private-sector plants will wish to go full steam ahead with the expansion programmes now in view.

Between them, Burnpur and Jamshedpur can contribute an additional two million tons, certainly by 1970-71 but possibly earlier. That still leaves a big gap between the 9 million tons of capacity expected to be installed as a result of the current expansion of the three State steel plants, and the target of 18 million tons for 1970-71 to which the Cabinet is understood to have given its approval. How much of this 7-million ton gap will be filled by the new steelworks in Bokaro is still somewhat uncertain since the decision on its size and its phasing depends to a considerable degree on the terms that the Americans set, provided of course they finally decide to assist in its construction. The feasibility study carried out by the U.S. Steel Corporation for A.I.D. accepted the Indian view that Bokaro should be designed as a 4 million ton plant, in terms of the ultimate capacity of its rolling mills. U.S. Steel suggested, however, a phasing of construction to yield an interim production of 1.4 million tons in the first stage and 2.5 million tons in the second stage before the full 4 million tons was attained in almost 20 years. This slow unfolding of an urgently-needed project is unlikely to be acceptable to the Indian Government, but it remains to be seen how far it will be able to make its wishes prevail.

In the light of the Government's declared intention to proceed with Bokaro with U.S. aid or without, one may assume that this plant will make some contribution towards the fourth plan target. The residual gap will have to be filled partly by expansion and partly by new units such as those proposed in Neyveli, Goa and Bailadilla. Considering expansion first, Bhilai will again be in the best position to go ahead because, as things stand, it will be the first to complete its current expansion. The prospects look fairly good for Bhilai going up to 4 million tons, even though the blooming mill may not be able to do more than 3.5 million tons. This broad intention has already been voiced by both Indian and Russian spokesmen, and the investment requirements should come up for discussion when talks on aid for the fourth plan begin. As for Rourkela and Durgapur, it seems too early to start talking of further expansion when even the current one has yet to get fully under way. Looking at it, however, only from the technological standpoint, both plants may go up to 2.5 million tons, as appears to have been indicated in the studies made by Hindustan Steel for their current expansion. There thus seems a fair possibility of getting something like another 3 million tons from the three State plants over and above the capacity that will be in existence at the end of the current plan. This should set the sights for the number and size of new units on which work is to be started during the fourth plan. A case for a unit in Goa can be made irrespective of the domestic supply-demand picture since it is assumed that it will be built mainly to meet export demand and will be financed by credits granted against long-term purchase contracts.

The actual decisions need not be made until a clearer picture of the financial aspects of the fourth plan and its physical targets is available. This will show whether the country should in fact take on the sizable task of adding 9 million tons of steel capacity in five years or should be content to lower its sights to something more easily manageable. Mr. Tata has expressed himself in favour of a target of 15 million tons although several demand estimates place requirements at the higher level of 18 million tons. It is premature to start a controversy at this early stage and, in any case, there is no harm done in getting the preliminary planning exercises going on the basis of a higher figure, which will make the final decisions easier to make.

Current News and Comment

Planning and Economic Management

As Director of the Centre of International Studies at the Massachusetts Institute of Technology, Professor Max Millikan has been in close touch with developments in India through the studies the Centre has sponsored on various aspects of the Indian economy. This has enabled him to interpret with authority the aims of Indian planning to U.S. policymakers, serving often to remove misapprehensions which may have otherwise done the country great damage. His views on the current state of the economy are, therefore, of great interest, and the Calcutta Management Association is to be commended for persuading him to attend its two-day conference held at the beginning of this week. In Professor Millikan's view, the Indian economy is approaching the take-off stage, but it may not get off the ground unless development is accelerated to build the required momentum. Although he was disinclined to offer cut-and-dried prescriptions, he seemed to be recommending that India's fourth plan should aim at a rate of growth of about 5 percent a year. On the assumption that each additional unit of output will call for three units of capital investment, this implies the economy ploughing back something like 15 percent of the total income each year. At the end of the second plan, the annual rate of investment had reached the level of 10 percent or 11 percent, but this was only possible because a third or a quarter of the resources were provided by foreign aid. By the end of the third plan, the planners have counted upon the rate going up to 14 percent but this seems unlikely to be achieved on present indications.

What Professor Millikan would like to see is India achieving the rate she had hoped for by making a larger effort during the fourth plan. In his judgment, it is unlikely that this country will get foreign aid much above the current level of about $1,000 million from the West. He advocated, therefore, relying upon domestic resources to find the extra investment which a larger effort would require. In a regimented economy, this extra could be squeezed out of the consumer by depressing standards of living. Such a choice was not open, however, to a free society which believed in planning by consent. The only alternative was to strive for an improvement in productivity by bringing better standards of administration and management to bear on all economic activities. In this context, he underlined the need for using scarce foreign exchange to the best advantage.

Professor Millikan's plea for more ambitious planning seemed, at first sight, to miss the fact that the shortage of foreign exchange has become the most serious impediment to growth. He appeared, however, to be arguing that foreign exchange would have been less of a bottleneck if planned projects had not been grievously delayed by poor management. This view is valid as the case of steel readily illustrated. Had the three new plants come into production as scheduled, a large part of the outgo on steel imports—averaging Rs. 100 crores a year—might have been saved in the last two years. In the case of these plants, the delays were clearly administrative, but one might argue that other import-saving projects like the heavy engineering complex in Ranchi or fertiliser plants were held back because credits for the purchase of capital goods were initially not forthcoming. Professor Millikan and others of his view might not accept the argument as conclusive, and would take the stand that the allocation of foreign exchange should have from the start been more judiciously made.

A debate over past priorities is today largely beside the point, except to reinforce the plea for using foreign exchange to the best advantage. In this matter, business opinion will readily agree that industrial development should follow a proper order of priorities as was belatedly attempted last year when a short list of 21 industries was drawn up for the licensing of capital goods. But what of the wastage of foreign exchange implicit in licensing new units when the additional production can be more economically (and quickly) obtained through the expansion of existing ones? What, again, about the drain on resources caused by the undue emphasis on regional development? In many instances, the distortions stem from political compulsions, and not from any lack of economic common sense. These compulsions are present, perhaps in varying degrees, in all economies, but specially so in a newly independent, federal State subject to centrifugal pressures. Friends of India—more so those like Professor Millikan who come from countries where political give and take has developed into a fine art—will be less than realistic if they miss out this dimension of economic policy-making in this country.

India's Resources
are Precious
WASTE NOT,
WANT NOT

Progress of Rural Industries

Inaugurating the recent two-day conference on rural industries in New Delhi, the Prime Minister, Mr. Nehru, said that the progress of rural industries in India had been poor. This, along with the rapid rise in population, has been responsible for the increase in the unemployed labour force at a much faster rate than was estimated in the third plan. But the progress of rural industries in all parts of the country has not been equally slow. As Mr. Nehru pointed out, the progress of rural industries in Punjab, especially in Ludhiana district, had been "commendable" while in rural Madras conditions were quite "exciting" and in the eastern districts of U.P. and the whole of Bihar they were "very depressing". Although rural industries, like other industries, have had to face the shortage of raw materials, electric power and transport as well as financial difficulties, the main causes for their slow growth appear to be the shortage of entrepreneurial talent and organising capacity and the poor planning of rural industries by the Planning Commission and State Governments. A precise definition of what constitutes a rural industry is not, in fact, yet available. In his speech, Professor D. R. Gadgil called for a clear definition before the industrialisation of rural areas could be expected to make the desired progress.

The problem is not as simple as may appear at first sight. Mr. Jayaprakash Narain's suggestion that in order to be successful rural industrialisation should be accelerated by the Khadi and Village Industries Commission and Professor Gadgil's suggestion that small industries with a high employment potential should be started in rural areas to take advantage of the available local raw materials will not really solve the problem. The problem is not only one of starting such industries but also of making them viable units producing quality products. Except where such small industries have been started to supply the ancillary needs of large-scale enterprises, they have generally failed to make much headway. Besides, the problem is as much to provide additional employment opportunities to people in rural areas as to increase the income of artisans and other skilled persons in rural areas. This objective will be served better if some modern large-scale units are set up as far as possible in rural areas and not in or around big towns and cities.

The Planning Commission and the Government have mainly relied for rural industrialisation on co-operatives. But for various reasons, the co-operative movement has failed to tackle this problem. So Professor Schumacher's suggestion that "area development corporations" should be set up by the Government to take care of rural industries deserves careful consideration. These corporations should, in the first instance, undertake an industrial survey of the rural area under their charge. They will then devise practical ways and means of bringing about the industrialisation of such areas. Furthermore, efforts should be made to evolve "intermediate technology"—methods and techniques which are neither very sophisticated nor hopelessly tied down to primitive modes of production—for use by rural industries so that their costs of production might be reduced, productivity a labourer increased and the quality of output improved without either involving too heavy a capital investment or reducing the employment potential of rural industries. It should be possible to accelerate rural industrialisation if concentrated and centralised efforts are made in right earnest.

Raising Productivity through Work Study

At its annual meeting last December, the Associated Chambers of Commerce passed a resolution

hitherto been a major drain on her foreign exchange resources. More liberal chartering of tramps might also help, especially since it will take time to increase the liner tonnage.

FIDDLING WITH FOOD

FEW people can have any clear idea of the sense and purpose underlying last week's comedy wherein Mr. S. K. Patil first offered, and then was persuaded not to press, his resignation from the Food and Agriculture Ministry and the Central Cabinet. Reports from New Delhi indicate that the prologue to the farce was enacted last month, just before the ministerial reshuffle necessitated by the departure of Mr. K. D. Malaviya. Hafiz Mohammed Ibrahim and Mr. K. C. Reddy from the Cabinet. The Prime Minister, Mr. Nehru, felt at the time that Mr. Patil should be moved to the Railways Ministry, and Sardar Swaran Singh moved in the reverse direction, to Food and Agriculture. Mr. Patil, understandably, objected that unless the change was to be part of a major Cabinet reshuffle, it would imply a lack of confidence in his policies, especially since these had been subjected to severe criticism only a little earlier. Mr. Nehru, it seemed, saw the point and decided to drop the idea for the time being. But then, for some mysterious reason, it occurred to the Prime Minister last week that the game of musical chairs started a month ago had not quite been completed, so he wrote to Mr. Patil suggesting that he exchange portfolios with Sardar Swaran Singh. Whereupon Mr. Patil did what Congressmen nowadays rarely do—handed in his resignation.

It is not easy to decipher what Mr. Nehru's aim might have been in originally recommending the change, inviting the rebuff implicit in refusal, then repeating the recommendation, and acquiescing in a second rebuff. Dark rumours have been heard to the effect that the moving spirit behind the machinations was Mr. G. L. Nanda, Minister for Labour, Employment and Planning, and deputy chairman of the Planning Commission—who is desperately looking round for scapegoats to carry the blame for the failure of the third plan. According to other rumours, the Patil-Swaran Singh exchange was meant to be of no great significance: the Congress Party being short of ministerial talent, the Prime Minister has no option but to try and give his Cabinet a "new look" periodically by redistributing portfolios according to the laws of the roulette wheel. But, uncharitable as these explanations might seem in their suggestion of personal failure, frustration and jealousies, it does appear likely that one point of policy and principle was involved. It was that Mr. Nanda and the Planning Commission—happy in the knowledge that they have no direct responsibility for the weaknesses of the food administration—were in favour of rationing and controls as an answer to the food shortage. Mr. Patil, on the other hand, while recognising the need for stricter regulation, felt that the regulation should remain far short of rationing in view of the well-known deficiencies of India's food-dispensing bureaucracy.

In this argument, there can be no doubt that Mr. Patil was right; and from that narrow point of view, it is satisfying that he was ultimately prevailed upon not to press his resignation. In any case, the precise advantage to be gained by moving Sardar Swaran Singh to the Food and Agriculture Ministry was never very clear. He does not have the organisational drive that Mr. Patil is (or was) reputed to have (was, that is, until he arrived in the Food and Agriculture Ministry). Nor is Sardar Swaran Singh's political stature in dealing with the Congress Party or State Governments greater than Mr. Patil's—an important consideration where food policies have to be chosen and implemented. The main purpose the former might have served is that he would probably have been more pliable in accepting the views of Mr. Nanda and the Planning Commission. But considering that the latter entities are themselves to a large extent responsible for the crisis in food and agriculture, that could hardly have been counted as a major gain for the country.

In a speech delivered last Friday at a joint meeting in New Delhi of State Ministers for Agriculture and Community Development, Mr. Patil gave some idea of the reasons for the crisis. The essence of his complaint was that the Planning Commission merrily goes on fixing ambitious targets for agricultural production, but the money required to fulfil those targets is not forthcoming and procedural delays constitute a formidable handicap. The result is that, because the resources provided are inadequate, a target of only 8.4 million acres now looks feasible for minor irrigation, instead of the 9.5 million acres mentioned in the third plan. In the case of soil conservation, the achievement is likely to be only 8 million acres, as against the target of 11 million acres. Plant protection measures have suffered because the foreign exchange available for importing equipment and pesticides is far less than was originally expected. Finally, perhaps the most serious failure is that the supply of fertilisers has remained well below the annual targets; there seems to be almost no hope at all that the production target for fertilisers will be achieved by the end of the third plan.

All these are symptoms of one fundamental deficiency—that while ministers and their cohorts interminably parrot ancient *clichés* about the importance of agriculture, in reality they care little for it. Mr. Nehru set the fashion 15 years ago by announcing that the Government was going to tackle the food problem "on a war footing." But it was perhaps not wholly uncharacteristic of his achievement that, within two years of those famous words having been spoken, India found herself on the verge of famine from which she was saved only by a massive American wheat loan. The subsequent years have seen the same story repeated: tall talk and hearty self-congratulation after a good monsoon, followed by excuses, mutual recrimination and yet another American wheat loan after a not-so-good monsoon. The way to deal with this situation is not to pat the Central Food and Agriculture Minister on the back when the crops are satisfactory, and to kick him out when they are not; the way to deal with it is for the Prime Minister first of all to demonstrate through action, not words, that agriculture is being given a priority second only to defence. The anomaly has to be remedied where the Planning Commission goes on framing fancy schemes, while the Food and Agriculture Ministry goes on looking in vain for the authority and the money to implement them. Most important of all, perhaps, the indifference or inefficiency of State Governments in putting through programmes for helping the farmers has to be corrected. All these measures call for major political decisions inspired by the Prime Minister himself. The realisation has to dawn that India's food shortage stems from organisational and political failures as much as from anything else: it cannot be relieved by a periodic round of musical chairs in the Central Cabinet.

PRIVATE STEEL EXPANSION

THE announcement by the chairman, Mr. J. R. D. Tata, that further expansion is contemplated at the Jamshedpur works of the Tata Iron and Steel Company is welcome on several counts. In the first place, it should provide concrete evidence to sensitive U.S. senators that public sector expansion need not come in the way of private enterprise contributing as fully as possible to the growth of Indian steel manufacturing capacity. Secondly, Jamshedpur has unique locational advantages in that fewer ton-miles are required to assemble raw materials there than at any other steel plant site, existing or prospective. This advantage deserves to be fully exploited, and not merely for the cost benefits that it will bring to the Jamshedpur steelworks. Thirdly, the Tata plant has reserves of capacity in its rolling mills which should be fully utilised so as to achieve low-cost expansion. All three factors, it is important to emphasise, relate to the overall national interests quite apart from the considerations which a privately-owned enterprise working for a profit must keep in view. Judged in terms of the latter, Jamshedpur's expansion is equally valid because additional capacity at low cost realises the economies of scale upon which the success of many industries depends.

Every country expanding steel capacity has to try to achieve a balance between new units at "green field" sites and the expansion of existing works. The latter is not only less expensive (for the simple reason that "green field" sites call for heavy initial investment), but also makes development more manageable. In India, striking this balance is more difficult because of the rate at which steel capacity must expand to meet the economy's rising needs. Expansion alone obviously will not suffice, but even so the task for the future can be lightened by building new plants from the start with maximum provision for expansion. This means providing space for additional facilities in the plant layout and laying on services and utilities in a manner which would facilitate additions to meet future needs. It also means choosing basic equipment like the primary rolling mill with a built-in reserve of capacity to the extent justified by demand prospects. Both these principles are illustrated by Jamshedpur's experience, where the plant site has accommodated a 20-fold expansion since it started as a 100,000-ton unit in 1911 and still has space for another million tons of capacity. In India's special circumstances, where expansion outside the existing plant area may have run into political difficulties after the 1948 Industrial Policy Resolution, the flexibility of Jamshedpur's layout has indeed been providential. In equipment as well, Jamshedpur now stands to benefit from the fact that a 2 million ton blooming mill was installed during its last expansion programme (taking total capacity to 3 million tons) when the immediate requirement would have been met by equipment half that size. There is a lesson here to bear in mind while making the investment and technical decisions on the new steel nucleii which have to be started.

The Jamshedpur announcement completes the picture of the rôle that the private sector expects to play during the fourth plan. Indian Iron has already received approval for the first part of its programme to double capacity and may yet decide to telescope the second part with the first in order to launch a more comprehensive programme of development. For both Tata Steel and Indian Iron, the decision to go ahead will eventually depend on the outlook for steel prices. At their present level, the returns seem to be too low to justify asking shareholders for the very large sums that further expansion will require. In fact, as both the Raj Committee and the World Bank agree, present prices fail to cover replacement costs by a wide margin, the effect of which must be an uncompensated erosion of assets to the grave detriment of their owners' interests. Fortunately for the steel companies, whether publicly or privately owned, New Delhi appears now to recognise that steel prices should be allowed to reflect the true costs both to stimulate the industry's growth and to promote the long-term interests of the consumer. If this more realistic view should finally overcome the resistance it has encountered in some quarters, it will mark a turning point not only in steel but also in all the other key sectors where the precedent will certainly be used to great effect. Given a level of prices which permit reasonable profitability, there is no doubt that both the private-sector plants will wish to go full steam ahead with the expansion programmes now in view.

Between them, Burnpur and Jamshedpur can contribute an additional two million tons, certainly by 1970-71 but possibly earlier. That still leaves a big gap between the 9 million tons of capacity expected to be installed as a result of the current expansion of the three State steel plants, and the target of 18 million tons for 1970-71 to which the Cabinet is understood to have given its approval. How much of this 7-million ton gap will be filled by the new steelworks in Bokaro is still somewhat uncertain since the decision on its size and its phasing depends to a considerable degree on the terms that the Americans set, provided of course they finally decide to assist in its construction. The feasibility study carried out by the U.S. Steel Corporation for A.I.D. accepted the Indian view that Bokaro should be designed as a 4 million ton plant, in terms of the ultimate capacity of its rolling mills. U.S. Steel suggested, however, a phasing of construction to yield an interim production of 1.4 million tons in the first stage and 2.5 million tons in the second stage before the full 4 million tons was attained in almost 20 years. This slow unfolding of an urgently-needed project is unlikely to be acceptable to the Indian Government, but it remains to be seen how far it will be able to make its wishes prevail.

In the light of the Government's declared intention to proceed with Bokaro with U.S. aid or without, one may assume that this plant will make some contribution towards the fourth plan target. The residual gap will have to be filled partly by expansion and partly by new units such as those proposed in Neyveli, Goa and Bailadilla. Considering expansion first, Bhilai will again be in the best position to go ahead because, as things stand, it will be the first to complete its current expansion. The prospects look fairly good for Bhilai going up to 4 million tons, even though the blooming mill may not be able to do more than 3.5 million tons. This broad intention has already been voiced by both Indian and Russian spokesmen, and the investment requirements should come up for discussion when talks on aid for the fourth plan begin. As for Rourkela and Durgapur, it seems too early to start talking of further expansion when even the current one has yet to get fully under way. Looking at it, however, only from the technological standpoint, both plants may go up to 2.5 million tons, as appears to have been indicated in the studies made by Hindustan Steel for their current expansion. There thus seems a fair possibility of getting something like another 3 million tons from the three State plants over and above the capacity that will be in existence at the end of the current plan. This should set the sights for the number and size of new units on which work is to be started during the fourth plan. A case for a unit in Goa can be made irrespective of the domestic supply-demand picture since it is assumed that it will be built mainly to meet export demand and will be financed by credits granted against long-term purchase contracts.

The actual decisions need not be made until a clearer picture of the financial aspects of the fourth plan and its physical targets is available. This will show whether the country should in fact take on the sizable task of adding 9 million tons of steel capacity in five years or should be content to lower its sights to something more easily manageable. Mr. Tata has expressed himself in favour of a target of 15 million tons although several demand estimates place requirements at the higher level of 18 million tons. It is premature to start a controversy at this early stage and, in any case, there is no harm done in getting the preliminary planning exercises going on the basis of a higher figure, which will make the final decisions easier to make.

Current News and Comment

Planning and Economic Management

As Director of the Centre of International Studies at the Massachusetts Institute of Technology, Professor Max Millikan has been in close touch with developments in India through the studies the Centre has sponsored on various aspects of the Indian economy. This has enabled him to interpret with authority the aims of Indian planning to U.S. policymakers, serving often to remove misapprehensions which may have otherwise done the country great damage. His views on the current state of the economy are, therefore, of great interest, and the Calcutta Management Association is to be commended for persuading him to attend its two-day conference held at the beginning of this week. In Professor Millikan's view, the Indian economy is approaching the take-off stage, but it may not get off the ground unless development is accelerated to build the required momentum. Although he was disinclined to offer cut-and-dried prescriptions, he seemed to be recommending that India's fourth plan should aim at a rate of growth of about 5 percent a year. On the assumption that each additional unit of output will call for three units of capital investment, this implies the economy ploughing back something like 15 percent of the total income each year. At the end of the second plan, the annual rate of investment had reached the level of 10 percent or 11 percent, but this was only possible because a third or a quarter of the resources were provided by foreign aid. By the end of the third plan, the planners have counted upon the rate going up to 14 percent but this seems unlikely to be achieved on present indications.

What Professor Millikan would like to see is India achieving the rate she had hoped for by making a larger effort during the fourth plan. In his judgment, it is unlikely that this country will get foreign aid much above the current level of about $1,000 million from the West. He advocated, therefore, relying upon domestic resources to find the extra investment which a larger effort would require. In a regimented economy, this extra could be squeezed out of the consumer by depressing standards of living. Such a choice was not open, however, to a free society which believed in planning by consent. The only alternative was to strive for an improvement in productivity by bringing better standards of administration and management to bear on all economic activities. In this context, he underlined the need for using scarce foreign exchange to the best advantage.

Professor Millikan's plea for more ambitious planning seemed, at first sight, to miss the fact that the shortage of foreign exchange has become the most serious impediment to growth. He appeared, however, to be arguing that foreign exchange would have been less of a bottleneck if planned projects had not been grievously delayed by poor management. This view is valid as the case of steel readily illustrated. Had the three new plants come into production as scheduled, a large part of the outgo on steel imports—averaging Rs. 100 crores a year—might have been saved in the last two years. In the case of these plants, the delays were clearly administrative, but one might argue that other import-saving projects like the heavy engineering complex in Ranchi or fertiliser plants were held back because credits for the purchase of capital goods were initially not forthcoming. Professor Millikan and others of his view might not accept the argument as conclusive, and would take the stand that the allocation of foreign exchange should have from the start been more judiciously made.

A debate over past priorities is today largely beside the point, except to reinforce the plea for using foreign exchange to the best advantage. In this matter, business opinion will readily agree that industrial development should follow a proper order of priorities as was belatedly attempted last year when a short list of 21 industries was drawn up for the licensing of capital goods. But what of the wastage of foreign exchange implicit in licensing new units when the additional production can be more economically (and quickly) obtained through the expansion of existing ones? What, again, about the drain on resources caused by the undue emphasis on regional development? In many instances, the distortions stem from political compulsions, and not from any lack of economic common sense. These compulsions are present, perhaps in varying degrees, in all economies, but specially so in a newly independent, federal State subject to centrifugal pressures. Friends of India—more so those like Professor Millikan who come from countries where political give and take has developed into a fine art—will be less than realistic if they miss out this dimension of economic policy-making in this country.

India's Resources
are Precious
WASTE NOT,
WANT NOT

Progress of Rural Industries

Inaugurating the recent two-day conference on rural industries in New Delhi, the Prime Minister, Mr. Nehru, said that the progress of rural industries in India had been poor. This, along with the rapid rise in population, has been responsible for the increase in the unemployed labour force at a much faster rate than was estimated in the third plan. But the progress of rural industries in all parts of the country has not been equally slow. As Mr. Nehru pointed out, the progress of rural industries in Punjab, especially in Ludhiana district, had been "commendable" while in rural Madras conditions were quite "exciting" and in the eastern districts of U.P. and the whole of Bihar they were "very depressing". Although rural industries, like other industries, have had to face the shortage of raw materials, electric power and transport as well as financial difficulties, the main causes for their slow growth appear to be the shortage of entrepreneurial talent and organising capacity and the poor planning of rural industries by the Planning Commission and State Governments. A precise definition of what constitutes a rural industry is not, in fact, yet available. In his speech, Professor D. R. Gadgil called for a clear definition before the industrialisation of rural areas could be expected to make the desired progress.

The problem is not as simple as may appear at first sight. Mr. Jayaprakash Narain's suggestion that in order to be successful rural industrialisation should be accelerated by the Khadi and Village Industries Commission and Professor Gadgil's suggestion that small industries with a high employment potential should be started in rural areas to take advantage of the available local raw materials will not really solve the problem. The problem is not only one of starting such industries but also of making them viable units producing quality products. Except where such small industries have been started to supply the ancillary needs of large-scale enterprises, they have generally failed to make much headway. Besides, the problem is as much to provide additional employment opportunities to people in rural areas as to increase the income of artisans and other skilled persons in rural areas. This objective will be served better if some modern large-scale units are set up as far as possible in rural areas and not in or around big towns and cities.

The Planning Commission and the Government have mainly relied for rural industrialisation on co-operatives. But for various reasons, the co-operative movement has failed to tackle this problem. So Professor Schumacher's suggestion that "area development corporations" should be set up by the Government to take care of rural industries deserves careful consideration. These corporations should, in the first instance, undertake an industrial survey of the rural area under their charge. They will then devise practical ways and means of bringing about the industrialisation of such areas. Furthermore, efforts should be made to evolve "intermediate technology"—methods and techniques which are neither very sophisticated nor hopelessly tied down to primitive modes of production—for use by rural industries so that their costs of production might be reduced, productivity a labourer increased and the quality of output improved without either involving too heavy a capital investment or reducing the employment potential of rural industries. It should be possible to accelerate rural industrialisation if concentrated and centralised efforts are made in right earnest.

Raising Productivity through Work Study

At its annual meeting last December, the Associated Chambers of Commerce passed a resolution

which urged that in view of the national emergency, standards of productivity should be raised all round. Productivity can be most effectively increased and true economic costs lowered, the resolution emphasised, by the full and efficient utilisation of plant and machinery and by the adoption of realistic schemes of incentive payments based on expert study of the work concerned, and the replacement, wherever possible, of bonus payments by scientifically-designed incentive schemes. For the attainment of these ends, Assocham advocated a national campaign. As part of its own effort, the Chambers sponsored the visit of Mr. Russell Currie, president of the European Work Study Federation and a pioneer of work study in Britain and Europe, who came to India also as a guest of the Government. His visit—the second—stimulated considerable interest in the question of raising industrial productivity in India. He led discussions on these questions in Calcutta, Delhi, Madras, Bangalore and Bombay, through the good offices of the productivity councils and management associations and the Employers Federation of India. Some of the ideas which formed the basis of those discussions are contained in a booklet just published by Associated Chambers. Modern work study, the booklet explains, has moved a long way from the limited concepts of time and motion study. The new science is broadly divided into two branches—method study and work measurement. The former is concerned with improving ways of doing work and covers such matters as buildings and workplace layout, plant and equipment design, manpower and materials handling, standardised methods, safety standards and working environment. The latter is concerned with the application of techniques designed to establish the time for a qualified person to carry out a specified job at a defined level of performance: in other words, the evaluation of the work content of a job. The booklet explains the basic principles and procedures for the application of these branches of work study to all spheres of industrial activity. In a foreword, the Assocham president, Mr. A. R. Foster, hopes that this booklet will help spread a better understanding of what is involved, and how productivity can increase the national wealth.

Investment of Co-operative Funds

On the occasion of the latest meeting of the Reserve Bank's Standing Advisory Committee on Agricultural Credit recently in Bombay, some notes were prepared by the officials of the Bank on the administration of farm credit for the Committee's consideration. One of the notes reviewed investment trends of co-operative funds in the shares of other co-operative institutions. It was stated that of the total investment of central co-operative banks, about 93 percent had been invested in Government and trustee securities, fixed deposits and in the shares of apex banks. The investment of apex co-operative banks had been always fully in Government and other securities, or in fixed deposits with other banks. A good portion had gone to shares of institutions promoted in partnership with the Government, while a substantial part had been invested in marketing societies, consumer stores, ginning and pressing factories, printing presses, and other undertakings.

The most significant items, however, were in the shares of sugar factories and spinning mills. The total investments of all apex and central banks in the sugar factories as on 30th June, 1961, amounted to Rs. 52.64 lakhs. Subsequent to that date, four more banks, invested a further amount of Rs. 4.50 lakhs in these shares, raising the total to Rs. 58.14 lakhs. The total investment of central co-operative banks in the shares of spinning mills as on 30th June, 1961, amounted to Rs. 7.93 lakhs. After that date, two more banks invested a further sum of Rs. 2.50 lakhs in these mills, bringing the total to Rs. 10.43 lakhs. In this connection, the note pointed out that intrinsically, such investments by co-operative financing institutions were unsound, and they should be discouraged "both as a matter of principle and for important practical considerations." The bulk of the resources of the apex and central banks consist of borrowed funds of a short-term nature. It is, therefore, not prudent for these banks to lock up funds in long-term investments. It may not also be advisable for the banks to invest their funds in such shares because, in view of the difficulty of marketing them, banks would be unable to draw on them in times of emergency. The Standing Advisory Committee after a full discussion of the question agreed with the suggestions contained in the note. It added that it would also be improper for these institutions to get their funds locked up in the shares of other co-operatives organised for such purposes as production, marketing and transport. Care should be taken to see that investments were made in easily realisable assets, the Committee stressed.

Making Income Tax Assessment

While it is the duty of the Income Tax Officer to see that no income escapes tax liability, he has strictly to comply with legal provisions. He has also to be sympathetic to the assessee in order to ensure that while the Government gets the due revenue, the assessee is not subjected to undue hardship. An important case which has a special bearing on this point recently came up before a division bench of the Allahabad High Court consisting of the Chief Justice, Mr. M. C. Desai and Mr. Justice R. S. Pathak. The facts of the case are that under Section 13 of the Income Tax Act, the Income Tax Officer had assessed Messrs Beni Prasad Vishwanath Prasad of Varanasi, dealing in cloth and silk goods, for 1946-47 on an estimate of income made by him. A cash credit entry of Rs. 20,000 was subsequently discovered in the account books of the firm. So the amount was added by the Income Tax Officer to his own estimate of the firm's income for 1946-47 for the purpose of assessment. This was done on the ground that this income arose from "sources within the knowledge and not disclosed to the department".

There was no conclusive evidence whether the sum of Rs. 20,000 arose from the silk and cloth business or from some other source. The Income Tax (Appellate) Tribunal referred to the High Court the question whether on the facts and circumstances of the case, there was any ground to hold that the sum of Rs. 20,000 was income of the assessee from some other source and was not income included in the assessed income as estimated by the Income Tax Officer on the rejection of the account books of the assessee firm. If it was found that the income of Rs. 20,000 was from the silk and cloth business, the Income Tax Officer would not be justified in including it in the firm's income as estimated by him because in that case, the income of Rs. 20,000 would already be covered by his estimate. But if the income was proved to arise from some other source, the Income Tax Officer would be fully justified in adding it to his estimate of the firm's income for assessment of the tax.

The Court concluded that since the Income Tax Officer had treated the income of Rs. 20,000 as being the income from an undisclosed source merely because the source was not known to the income tax authorities, it could not be said that the income was not from the silk and cloth business whose income had been estimated by the I.T.O. The division bench of the High Court stated that this income might have arisen from the silk and cloth business or from some other business or in fact from a source under another head of income altogether.

But there was an important legal point in this case. The I.T.O. had added this income of Rs. 20,000 to the firm's taxable income as it was credited in the firm's books within the period for which the assessment had to be made. The firm's explanation as to the source of the income was unacceptable to him. The division bench of the Court held that the fact of the income having been credited to the accounts of the firm and the further fact that the assessee's explanation as to the source of the income had been found unacceptable or even false did not justify the presumption that the cash and credit entry was the firm's assessable income. This means that the I.T.O.'s rejection of the firm's explanation about the source of its income did not create any presumption concerning the latter. Unless it could be proved conclusively that the income arose from a source other than the silk and cloth business for which the I.T.O. had estimated the income, he was not justified in adding this income to the firm's taxable income. Since the judgment of the Allahabad High Court differed from those of some other High Courts in similar cases and since an important legal question was involved, the division bench of the Allahabad High Court considered it a fit case for appeal to the Supreme Court.

Raising Industrial Output

In his presidential address at the annual general meeting of the Merchants Chamber of Uttar Pradesh recently in Kanpur, Mr. P. D. Singhania criticised the lack of a sense of urgency in the Government's working in spite of the emergency. He found from his experience that it took, on average, about 26 months before any project could be cleared through the Licensing Committee, the Capital Goods Committee, the Controller of Capital Issues, the ministries and the import control authorities. As a result, industrial expansion has virtually come to a standstill. Even the use of existing capacity is hampered by shortages of raw materials, stores, power and transport. Both the Government and industry should co-operate in speeding up production without going into controversies about the shares of the public and private sectors. "Once production in increasing measure gathers momentum, natural forces of demand and supply, will ultimately take care of social justice, which, it must be remembered, cannot be secured any more by legislation, however well-meaning it may be, than by actual physical output of goods and services."

Apart from using existing capacity fully, it is necessary to establish new capacity in order to step up production and offset the inflationary effects of increased Government spending. The corporate sector is now subject to pressure from two directions. If the Government's fiscal policy has greatly curtailed its earnings, the monetary policy of the Reserve Bank has restricted the supply of bank credit even for productive purposes. Apparently the credit restrictions have been imposed to arrest the rising trend of prices, but in effect they are curtailing production and thus adding to the pressure on prices. Mr. Singhania pointed out that the fiscal levies imposed by the Government, the rising cost of transport and other allied factors had pushed up prices. Credit restrictions are not the answer. As things are, the industries which were set up during the last three years and which are now going into production will find it extremely difficult to get working capital. If production is hampered thereby, shortages will continue and prices will keep rising. Mr. Singhania also pleaded for scrapping the increase in the import duties on industrial raw materials. If there was any justification for keeping import duties low in 1957, it is all the more important that they should remain low now. A rise in the duty on raw materials will naturally be reflected in the prices of finished goods. This argument is also true in the case of excise duties.

Raw Materials for Plastics

The plastics industry in India has made a remarkable progress over a period of ten years. Its production has increased from 725 tonnes in 1951-52 to 10,600 tonnes in 1960-61. But the industry's progress could have been still better but for the shortages of raw material and imported machinery, precision tools, moulds and dyes. The situation has deteriorated since the state of emergency was declared because of reduced imports of machinery and the diversion of the indigenous output of plasticisers to the making of D.B.P. for defence requirements. But the observations of the Central Minister for Industry, Mr. Nityanand Kanungo, at the All-India Plastics Manufacturers Conference in Bombay that imports of finished plasticisers would be made not only from the rupee payment area but also under the A.I.D. programme, created the hope that the third plan target of 74,000 tonnes would be achieved and that in the future it would be possible to produce a still larger output of plastic goods. Four units have already been licensed for making machinery required by the industry and two of them are soon expected to go into production. It is also expected that with the development of the petro-chemicals industry, the supply of cheap raw materials will increase. The industry's output is in great demand not only in India, but also in foreign countries. If the industry concentrates on the production of those goods which could really be substitutes for some engineering construction materials, as is possible, there will be a much increased demand for plastics goods produced in India.

Like other industries, the plastics industry in India suffers from excessive taxation. There is not only a 60 percent Customs duty on imported raw materials, but also an excise duty of 24 percent on the industry's products. According to Mr. Kalyan Sen, chairman of the reception committee of the Association, the Government is collecting a revenue of Rs. 1.50 crores from the industry, against the budgeted amount of Rs. 40 lakhs. This shows that there is ample scope for reducing the incidence of taxation on the industry without upsetting the Government's finances. The difficulties of the smaller units have been accentuated by the discriminatory policy of the State Trading Corporation which prefers large-scale units to small producers for the distribution of imported P.V.C. resin powder.

Increasing Sugar Production

The sugar industry in Madras, Mysore and Maharashrta is not faced with the same degree of competition from the *gur* and *khandsari* industry for the available sugarcane supplies as in U.P., Bihar and Punjab. The yield of sugarcane an acre there is also much higher than in northern India. But the industry in Maharashtra and the south is suffering from some identical difficulties as that in the north. Unless the Government grants some tax relief to the industry and provides some incentives for increasing production, the output of factory sugar in India is not likely to reach the target of 3.3 million tons in 1963-64 and 4 million tons by the end of the third plan period. In view of this, the statement which Mr. S. K. Patil, Central Food Minister, made at the annual general meeting of the Deccan Sugar Factories Association in Bombay that the Government would provide incentives to the sugar industry for higher production "the like of which it has not seen before" is very much to be welcomed. But it would have been better if the Central Food Minister had given a more definite idea of the nature of incentives. In any case, its policy should be finalised much before the next crushing season starts so that the sugar factories might get full advantage of the incentives to be provided by the Government.

In most parts of the country the crushing season usually starts from 15th November. In 1963-64, it might be necessary to start the crushing season a month earlier, i.e., on 15th October, 1963, not only because the existing sugar stocks with the industry might not last longer but because it is necessary to have a longer crushing season to increase the output of factory sugar. But since the recovery of sugar in the early period might not exceed 7 percent, against the average of at least 9½ percent in the entire crushing season, it would be necessary to provide incentives to sugar factories which start early crushing operations on the same lines as in the 1959-60 crushing season, but at a more generous level in view of the higher production costs. The ex-factory prices of sugar fixed by the Government on the basis of the Tariff Commission's recommendation have proved uneconomic to the industry. Strangely enough, when consumers all over the country have paid higher prices for sugar than ever before, sugar factories, it is claimed, have not benefited from the higher prices. In spite of the increase of Re. 1 subsequently allowed by the Central Government in the ex-factory prices for U.P. and Bihar mills, the fixed prices are said to be uneconomic. The Association's president, Mr. M. L. Apte, pointed out that the ex-factory price of Rs. 109.85 fixed for the Maharashtra factories did not compensate them for the higher production costs. Besides, it was lower than the ceiling of Rs. 115 on *gur* prices fixed by the State Government. In order to be able to increase sugar production in 1963-64, the Government will have to fix more economic ex-factory sugar prices and will have to take care that *gur* and *khandsari* prices are not higher so that the supply of sugarcane might not be diverted from factories to the *gur* and *khandsari* units.

Although it is the Government's declared policy to encourage the growth of co-operative sugar

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factories, Mr. Apte said that joint-stock sugar companies were finding it difficult to get an adequate supply of sugarcane because of the drive of co-operative sugar factories. If this condition is allowed to continue, the balance between the joint-stock companies and co-operative sugar factories will be disturbed which will affect the production of sugar in the country. Another point which Mr. Apte raised was that whereas in the past sugar factories with a cane crushing capacity of 1,000 tons were considered optimum, now optimum units would be those with a crushing capacity of 1,500 to 2,000 tons.

CORRESPONDENCE

C. L. R. P. SHARE ISSUE

(To The Editor of "Capital")

Sir,

The particulars given by the Ditcher in the issue of your journal dated 18th July concerning the issue of shares worth £170,600 (face value) by the City of London Real Property Company for the acquisition of the assets of another company, valued in the market at £580,000, are interesting. Had the sum of £580,000 been paid in cash there is no doubt that the same would have appeared on the assets side of the balance-sheet. But as for the objection that the block of shares could have been placed on the market and the proceeds likewise accounted for, an important point to remember is that the shares placed on the market at one time, are not likely to have fetched the said sum of £580,000. On the other hand, what went out of the Company's hands was shares of the face value of £170,000, and it appears correct to hold that only this sum should enter the balance-sheet. Moreover, the liability on account of dividends, etcetera, is for £170,000 only. Further, the figures in the balance-sheet remain "un-inflated," a conservative and cautious step in contrast with the present-day practice of several companies to revalue the block account and to exhibit larger sums on the two sides of the balance-sheet.

All things considered, there appears to be more justification for the course adopted by the Company with the concurrence of its counsel and of the consulting accountants than for the other view. That the Company has on competent advice rejected the view of its auditors is no reason for the two quarreling with each other and insisting on separation unless there had been other grounds of differences brewing for some time justifying separation as the best course. Aftar all, the Company's auditors should bear in mind that they cannot have everything their own way and be prepared to tolerate legitimate differences of opinion.

Yours etcetera,
K. V. Iyer.

Madras, 31st July.

FREIGHT RISE RESENTED

(To The Editor of "Capital")

Sir,

The decision of the Karmahom Conference Lines to fix the general freight rise on west-bound cargo at 12.5 percent with effect from 1st August is both surprising and unfortunate. Surprising, because this completely disregards the recommendation by the Maritime Freight Commission which has been accepted by the Government of India. And unfortunate, because the increase has been effected at a time when the country is making an all-out effort to step up exports in order to earn the badly needed foreign exchange. Informed observers have, in fact, been critical even of the 7.5 percent rise recommended by the Freights Commission as the Commission does not seem to have thoroughly examined all the relevant basic factors. Its assertions that "there is no doubt that the costs of operation have been steadily increasing since 1957 when the Conference had announced its last general increase in freight rates", cannot carry conviction unless it can be established after a thorough check-up of the expenditure side that the Conference Lines have not been faring well. The Commission's attempt to justify the case for higher freight rates by referring to the increase in India's road, railway and coastal shipping freights is hardly convincing. It is regrettable that it should have recommended an increase in freight without making a scientific study of the rates charged by the Conference for different kinds of cargo carried by it to different countries. Such a study might prove to be quite revealing. Enquiries in informed circles indicate that the Conference Lines quote net freight to shippers of other countries whereas Indian shippers have long been pleading in vain for the abolition of the deferred rebate system. Why this invidious discrimination? The decision of the Conference Lines to increase the freight by much more than that approved (unwittingly perhaps) by the Indian Government is an indication of the Government's helpless—hopeless might be more appropriate—position. Apart from the fact that freight constitutes nearly 10 percent of the value of total exports, the concessions achieved by India from the Continental countries through long-drawn-out negotiations are virtually nullified by the freight rise.

While recommending the 7.5 percent freight rise the Maritime Freights Commission had suggested that the sensitive commodities like cotton piecegoods, cotton yarn, coir products, oilcakes, vegetable oils, engineering goods and specific categories of ore should be excluded from the revised freight structure. Under the rates fixed by the Karmahom Lines, only myrobalan extract and coir matting are to be exempt from the higher freight; crushed bones and canned provisions will be subject to an increase of 7.5 percent; oilcakes will pay an additional 8 percent, while the freight on rice bran will rise by 9 percent and that on manioc meal by 4 percent. Little consolation can be had from the fact that the Conference Lines have decided to increase the freight by 12.5 percent instead of the original 15 percent flat increase. If the 2.5 percent concession was about all that the Conference was to concede and that, too, after the Government of India's acceptance of the Freights Commission's ill-advised recommendation of the 7.5 percent increase, then it was hardly necessary for the Conference to carry on protracted discussions with the Indian shippers and the Government. It is time the Government adopted a really firm attitude towards the Conference Lines. And the least it can do is to dissociate itself from the Conference. The other private shipping companies which are members of the Conference should also leave the Conference to protest against the recent freight rate increase which is bound to hit the country's export trade. It also emphasises the all-too-obvious need to expand Indian tonnage and to secure a larger share of the country's foreign trade.

Yours etcetera,
D. P. S.

Bombay, 4th August.

ECONOMIC RESEARCH

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UNNATURAL DEATH

The tribute of human life exacted by the wild animals and snakes year by year in India during the past quarter of a century is remarkable in this respect, viz., that the yearly figures approximate to each other with marvellous regularity. So much is this the case that if any one were to predict that in Bengal, during the present year, 1,600 persons will be killed by wild animals, and 11,000 by snakes he would run the risk of being a true prophet. In Bengal in 1901, there were 1,631 killed by wild animals (491 by tigers, 151 by leopards, 521 by jackals, and the remainder by other beasts), and 11,343 by snakes, the yearly average during the past 25 years being 1,540 by wild beasts, and 10,000 by snakes. In 1901 the tigers and other wild animals in India killed 10 people every day, and the snakes no fewer than 62. Out of a total of 26,461 killed last year in India, the share of Bengal was 12,974. The tribute exacted from the cattle by these wild animals and snakes is about three times the number of contribution from humanity. Wild animals killed 78,896 cattle in 1901, and snakes 9,123. The respective figures for Bengal were 24,710 and 850. The annual average for India during the past 10 years works out at 84,383 cattle killed by wild animals, and 7,212 by snakes. The average number of cattle so killed every day in 1901 was a little over 240, or 10 during every hour, day and night, all the year round. The Government spend about one lakh of rupees every year in rewards for the destruction of wild animals and snakes. In 1901, 14,301 wild animals were destroyed, including 19 elephants (reward Rs. 100), 1,361 tigers (Rs. 36,642), 4,181 leopards (Rs. 41,520), 2,611 wolves (Rs. 9,421), 1,380 bears (Rs. 7,849), 569 hyaenas (Rs. 988), other animals 4,180 (Rs. 432). 70,093 snakes were killed, and the rewards amounted to Rs. 2,978, being at the rate of about 8 pies each. The marvellous thing is that when the figures for 1902 are published, they will not differ a great deal from those now given. It may be mentioned that the number of licences in force, which have been issued under the Indian Arms Act for the purpose of Destruction of Wild Animals, or of Protection of Crops, stands at present at 41,249.

FROM
CAPITAL
13th August, 1903

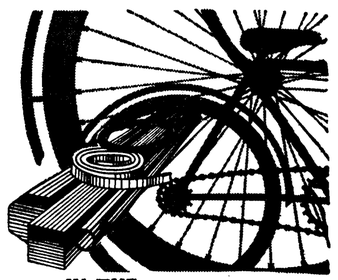
A Ditcher's Diary

You never know what the newspapers will be up to when they have no hard and solid news to serve. Yesterday morning was typical. First I read that the Boothalingam mission to Moscow had been successful. Good, I said, and then couldn't think of a recent Indian mission anywhere that hadn't been reported at the time as similarly successful. Then I read that Mr. R. K. Nehru, Secretary-General of the Ministry of External Affairs, had explained in Moscow the implications of the latest Chinese moves on the border. How, please tell me, how do I explain something that I myself do not know? New Delhi has lately reported a massive concentration of Chinese troops all along the border. As to its implications, we have had nothing but a political speech or two from Mr. Nehru, Prime Minister (and not S.-G. of M. of E. A.), and Mr. Chavan, Defence Minister. Neither said anything of substance, as indeed they could not, for it is never easy to "unscrew" the inscrutable Chinese. Against this background of uncertainty, perfectly understandable, we are told that India would not agree to talk with China, even if she accepted the Colombo proposals, while the Chinese show of force continued. Now this is what Mr. R. K. Nehru is said to have told Moscow. Mark you, this represents a material change in India's declared policy, which is that India will talk the moment Peking accepts the Colombo proposals with their clarifications. I haven't got all the facts before me; so I do not know whether a change in policy is, or is not, justified. What amazes me is the manner in which crucial decisions are handed out to the Indian public. The general impression in New Delhi had been that Mr. R. K. Nehru, a harmless bureaucrat at his best, had been given a free round-the-world trip before his retirement, due in months. Even he could not have believed that he had been sent out on an important mission. Yet on his return to the capital he breezily makes an important policy statement which, I should have thought, nobody had a right to make except the Prime Minister. No, the whole China policy must be thought out more clearly, as far as the circumstances permit, and New Delhi only weakens its case by seeming many-voiced, two-faced and without a single mind.

It is awfully difficult to place the life and death of Stephen Ward in perspective. I think he was slightly mad, the madness consisting mostly of a pathological degree of euphoria. Right to the moment of the judge's summing up, which I thought was unusually hostile, Ward must have believed that he would, after all, get away with it, even as "Jack" Profumo thought that he had only to threaten libel action to silence everyone. It seems to me more than likely that we have not heard the last of the affair; it is astonishing how some well-known names are mentioned quite freely, and credibly, in private conversation in London; and few private things remain private forever. We in India, however, read foreign news in vain if we do not constantly bear the Indian frame of reference in mind. In too many have I noticed a certain smugness, usually expressed in the fatuous phrase "it couldn't happen here". So far as India is concerned, Stephen Ward has died in vain if the complacency persists widely. It is simply not true that sex plays no part at all in Indian politics. I would not know to what extent security may be involved too. Perhaps not much, because India has few secrets that everyone does not know already; and I read a report last week that India's military intelligence is only now being organised. (In 1947 the late Sardar Patel is believed to have disbanded military intelligence for fear of *putsches*!) In spite of the battered image of British politics at the moment, they are probably cleaner and more moral, in the narrowest sexual connotation, than almost anywhere else in the world. For all their moralising and *khadi*, Indian politicians in general are not a very clean lot; and the general atmosphere of high hypocrisy makes the spectacle more unappetising. Although Mr. Nehru has laid it down that Ministers are not to be held responsible for the doings of their relations, I really cannot see the difference between a Minister putting money into his own bank account and his wife's or brother's or son's. The recent reference to a Minister's son's fleet of air-conditioned cars does not appear to have been contradicted or followed up. Despite Wards and Keelers, in Britain it would have been.

The name of the *Ghanaian Times* is not one of those I would include in my list of the world's best newspapers, and I do not attach too much importance to its recent attack on President Kennedy's "Peace Corps". I never much liked the idea behind the Corps myself, having always regarded it as another amusing example of that intriguing conviction among Americans that everything would be all right with the world if only everybody could be taught to behave as they do; but the Ghanaians' discovery that the Corps is an instrument of imperialism is quite simply absurd. Ghana is becoming rather tiresome in her habit of finding a western imperialist under every bush while maintaining an attitude of friendly understanding towards other imperialists, such as the Russians and the Chinese. But that is something we are used to by now, and in fact I am digressing. What I started out to say was that although I can appreciate that there may be great personal advantages for the youths concerned in undertaking a spell of manual work in the under-developed parts of the world before embarking on their careers, I can see little benefit for the host countries themselves. At best, with their limited practical training and ignorance of local conditions, the jobs of which they are capable could be done equally well by the native inhabitants. At worst, they could simply exacerbate an already difficult local unemployment problem and perhaps implant a resentment which was not there previously. My preference has been for the alternative and, so far, mainly British method of technical assistance, although I do feel there has not yet been nearly enough of it, perhaps because it has not been easy to get recruits. But there might be a change soon, because I see that steps are being taken to tackle that characteristically British prejudice which holds that once a man has set foot on foreign soil he thereby automatically renders himself totally unfit for future employment in his own country. Of course, even technical assistance has its limits—any technical expert who has worked in an under-developed country will tell you about the grateful peasant or artisan who has thanked him profusely and politely for the simple improvements suggested to the traditional way of doing things, then has quietly gone on with the old methods as soon as his back has been turned. But this is infinitely better than letting loose bands of untrained, over-enthusiastic and tiresomely idealistic youths in countries they know nothing about and among people to whom their attitude is all too often insufferably patronising. Besides, as the *Ghanaian Times* points out, what would happen if all the communist countries decided to do the same thing?

You've got to hand it to him: Mr. Nehru has a way with resigners. As I read of Mr. S. K. Patil resigning and then not resigning after all, I thought of the many resignations Mr. Nehru has handled in his sixteen years of Prime Ministership. First the L.I.C. furore; out goes Mr. T. T. Krishnamachari, only to come back a few years later. The resignations of Messrs Krishna Menon, Malaviya and Ibrahim are too recent to need detailed recalling. But the real parallel is General Thimayya's resignation, which was spirited away as deftly as Mr. S. K. Patil's. In the end you didn't even know whether they had resigned or they hadn't. Sheer political wizardry I call it. We have been told that Mr. Patil's food policy, such as it is, was under criticism. We didn't really need to be told this, for Mr. G. L. Nanda had obliged us with his views on it some time ago. What I suggest is that policy has little or nothing to do with arrivals in and



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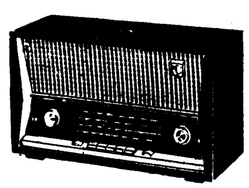
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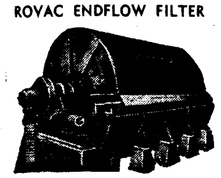
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departures from the Nehru Government, which is being reconstructed piecemeal without the leader taking many or any of the decisions. In Mr. Patil's resignation and its subsequent withdrawal some may be tempted to see yet another bout of the ceaseless interplay of Right and Left; it is in theory possible that Mr. Nehru first backed the "Leftist" Nanda and then backed out in favour of the "Rightist" Patil. Little has been heard lately of the alleged unbalance between the Right and the Left in the Nehru Cabinet after the reluctant departures of Messrs Menon and Malaviya; but one has to read only *Patriot* and *Century* to know that the battle has not been given up. Nor is there any reason why it should be. What is disturbing in it all is that the Prime Minister's foreign policy of non-commitment is reflecting itself on the internal scene, with no less harm done. In some recent comments from the capital I noticed a certain Leftist impatience with Mr. Nehru; why isn't he firmer with the avowed conservatives in his Government? I understand the impatience which, it is not very well known, is fully shared by the Right too. Mr. Nehru will probably claim that it only shows how right and impartial he is. Impartiality, let me add, is only a partial virtue in leaders—and I do not mean the leading articles in a Calcutta contemporary.

THE TRUE PROPHET OF THE TWENTIETH CENTURY, IN my view, was not Karl Marx, nor even Lord Keynes; it was Henry Ford. I have occasionally found people to agree with me, although on visits to Britain and western Europe, where their traffic problems are choking them, I did meet rather more who would cheerfully have joined me in burning him in effigy. Nevertheless, I cannot let the one-hundredth anniversary of his birth go by without paying some tribute to this remarkable man who, I often feel, has a great deal to teach under-developed countries. For one thing, he was the tradition-breaker *par excellence*, and there can be no economic growth without breaking from tradition not once, nor even twice, but in a constant and continuing process. He was also a great exponent of mass production as a method of cutting costs, although he was by no means a pioneer in this, except perhaps for motor-cars. And, as we all know, mass-production is something which can be used just as easily—in fact Ely Whitney did it—for pouring out implements to destroy life as to enrich it. But what I feel was Ford's great personal contribution to humanity was the use of mass-production techniques for supplying a wholly consumer market, thus establishing the primary principle that a modern economy is intended to serve its consumers, not the other way round. I often think this point is not sufficiently appreciated in under-developed countries, where the emphasis is on building industry to serve the interests of the State rather than the individual and his needs. I know that most industrialising nations are at present passing through a peculiar transitional period. But it is the principle which is important: and there *is* an alternative to the types of economies which provide either fabulous wealth for a few private individuals or allow ambitious politicians to build powerful industrial empires. Quite simply, it is one which works according to the needs of the consumer and is moulded and changed by his desires. The establishment of this principle, strangely enough, was the unique contribution of the union-hating Henry Ford, whose own personal attitude to over-fastidious consumers is still enshrined in those immortal words that they could choose any colour of car they liked as long as it was black.

EVEN THE MOST RESPECTABLE OF BRITISH NEWSpapers occasionally lapse into complete nonsense about India. Thus Pendennis in the *Observer* recently discussing a new razor-blade sharpener, which it is claimed will make a blade last six weeks, said it should be available within the month: "But not in shops that sell razor-blades apparently. That would be asking too much. Demand is likely to be strong abroad—in places like Calcutta where, for reasons of status, white collar workers are obliged to shave more often than under the British Raj." I have heard many blessings claimed for British rule, but never before that it obliged me to shave less.

THE DITCHER

Guide for Investors

OUTLOOK FOR INDIAN IRON EXPANSION

THE statement of Sir Biren Mookerjee, chairman of the Indian Iron and Steel Co Ltd, dealing with the Company's working for the year ended March 1963, has highlighted two important points. (A full text is printed on a later page in this issue of *Capital*). Firstly, the Burnpur works has achieved the rated output capacity of 1 million tons of steel. The profit for 1962-63 has not been impressive compared with that for 1961-62, but it needs to be pointed out that in the latter year, the profit figure was inflated by a special factor such as the retrospective rise in the retention price of steel. A net sum of Rs. 88.51 lakhs accrued on this account. Secondly, the growth prospects of the Company have been frankly discussed.

Transport is among the main difficulties facing the present working of the Company. The irregularity in the movement and the supply of unsuitable types of wagons have posed a constant problem. The supply of inferior coal is another major difficulty. It is, therefore, creditable that in spite of these hurdles the factory has achieved 90 percent of the rated capacity. It is unfortunate that in fixing the retention price of steel, the Government has given no credit for this performance. The retention price allowed is lower than that recommended by the Tariff Commission. As a result, the Company has lost gross earnings of nearly Rs. 4.05 crores for two years. Since the Government insists on the attainment of 100-percent output capacity, the Company has been forced to do so by sacrificing quality. A doctrinaire attitude towards producing more by sacrificing quality may do a great deal of harm to the industry in the long run. In steel production, it is of the utmost importance to pay attention towards maintenance. This may involve some loss of production, but it should be permitted.

Sir Biren's observations on expansion prospects have been cautious. The Burnpur works has the potential for a further output of about 1 million tons of steel. This expansion has to be achieved in two stages. The first phase aims at increasing the output capacity by 300,000 tons. In the second phase, a further 700,000 tons can be produced. The first stage of the expansion has been approved by the Government in principle. The World Bank has also indicated its interest in the first phase of the expansion.

Whether the expansion scheme will be finally launched will depend on the availability of sufficient metallurgical coal. The Company will have to arrange for the supply on its own responsibility. Whether Indian Iron can do so will depend on the success of the Chasnalla project which has been undertaken for developing the coal-bearing properties of the Company. For this project, a foreign exchange loan of $19.5 million has been negotiated with the World Bank. The Company is now worried about the rupee cost of the project. The requirements of internal finance for this scheme have risen sharply by nearly Rs. 4.59 crores due to the lack of Government support in the matter of land acquisition. The severe 1963-64 Budget has caused the prices of several materials and services to rise. This apart, a substantial part of the earnings has been lost as the retention price of steel has been fixed at an unremunerative level.

The working of the Kulti foundries faces a big problem since the Government has asked the Company to cut the supply of pig iron from Burnpur to Kulti in order to divert it to other foundries and pipe-manufacturers. As a result of the shortfall in the pig iron supply, the earnings of the Kulti foundries may decline by about Rs. 55 lakhs a year. In addition, there is likely to be a great deal of unemployment and labour unrest.

Commenting on the move to decontrol the distribution and price of steel, Sir Biren has welcomed it in principle, but he feels it is difficult to work the proposed scheme of decontrol under the present circumstances, since there is an overall shortage of the commodity in relation to present demand. The industry is, therefore, considering whether a modified control system on a voluntary basis can be substituted for the existing Government control.

The Company has increased the production of pig iron from 1.19 million tons to 1.29 million tons. The output of steel ingots has risen from 934,498 tons to 1 million tons, and that of salable steel from 736,970 tons to 795,120 tons. The profit has amounted to Rs. 9.12 crores compared with Rs. 9.19 crores for 1961-62, after transferring Rs. 3.40 crores (against Rs. 3.35 crores) to depreciation. The taxable ordinary dividend of 16 percent has been maintained, which is more than twice covered and offers a yield of 7.1 percent at the present price of Rs. 22.38 a share of Rs. 10 each. Taxation absorbs Rs. 3.56 crores (against Rs. 3.96 crores), development rebate reserve Rs. 22.14 lakhs (against Rs. 21.57 lakhs) and general reserve Rs. 3.64 crores (against Rs. 3 crores). There is no balance to carry forward on the profit and loss account, compared with Rs. 24.72 lakhs brought in. The directors comment that "following upon the fixation of the steel sales retention prices for the two-year period ended 31st March, 1962, the Company has again been placed in the unsatisfactory position of being compelled to continue its operations without knowledge of the ultimate value of its sales, the previous retention prices, subject to escalation on certain counts, having been continued as provisional only from 1st April, 1962, and the future position at the date of this report being still more obscure in view of current deliberations regarding the possible discontinuance of Governmental control over the selling prices and distribution of steel."

There is a provision of Rs. 6 lakhs for super profits tax. The directors point out that although as a result of the prudent policy followed in the past in the matter of building up reserves of the Company and spreading depreciation claimable for taxation purposes, the possible liability to super profits tax for the year is small, they find difficulty in reconciling the position that any question of the earning of super profits should arise in the case of an industry whose selling prices are subject to statutory control.

As for the formation of a subsidiary Company under the name of IISCO-Stanton Pipe and Foundry Co. Ltd to manufacture spun iron pipes and specials in collaboration with Stanton and Staveley Ltd of England, the project has made progress. It has been approved by the Government of India.

Tata Steel Considering Expansion Proposal

THE statement of the chairman of the Tata Iron and Steel Company, Mr. J. R. D. Tata, which has been released along with the directors' report for the year ended March 1963, provides a pleasant contrast to his statements in the past few years. (The full text of the statement appears on a later page in this issue of *Capital*). There is no criticism of the Government's policy on steel retention prices which figured prominently in the previous year's statement. On the contrary, the chairman has complimented the Minister for Steel and Heavy Industries on taking a lead in reviewing the Government's approach to the complicated and difficult problem of steel distribution and pricing. Nor is there any reference to the unsatisfactory quality of raw materials, especially coal.

The chairman rightly takes credit for the vast sums spent on modernisation and expansion of the Company's plant. In the field of industry, says Mr. Tata, an enterprise which fails to grow and to replace old plant and machinery with new equipment must inevitably decline and ultimately die. The chairman has stated that the Company has accepted, in principle, its willingness to play its part in the expansion of the steel industry as a whole, provided such an expansion could be financed without undue strain on its resources and would safeguard the interests of its shareholders. The matter is still in an exploratory stage and no decision is likely to be taken for some time. The chairman has stated that according to the preliminary studies a further expansion of something between 500,000 tons and 1 million tons of steel ingot a year could be undertaken economically within the existing plant area. The cost of 1-million-ton scheme is likely to exceed Rs. 100 crores, at least half of which would be in foreign exchange. The chairman has assured shareholders that in considering the question of further expansion, the management will be guided solely by the technical and economic soundness of the project, the financial stability of the Company, the interest of the country, and the interest of the shareholders.

Mr. Tata has stated that the Government is considering the possibility of abolishing wholly or in part the statutory control over the steel prices and distribution which has been in force since 1941. The representatives of the industry, he says, have informed the Government that they will welcome decontrol provided at the same time steps are taken to ensure that the transition is a smooth one and that reasonable prices are fixed which will be fair to both the consumer and the producer. Mr. Tata adds that if the steel industry is allowed to conduct its own affairs in future, under a carefully thought-out scheme which will safeguard the public interest, a progressive step will have been taken to the advantage of all concerned and of the country as a whole.

The chairman has held out the promise of better results in the near future. He has assured shareholders that every effort will continue to be made to run the plant to its full capacity of which over 90 percent was achieved in 1962-63. The erection of the tonnage oxygen plant will be completed shortly, and it should be in operation before the end of the year.

The directors in their report say that although the year's profits show a gratifying increase over those of the previous year, the net return on the total invested capital is still hardly adequate for the legitimate needs of a highly capital-intensive industry which is continually in need of larger funds for expansion and modernisation. They believe that any substantial improvement in the return on the capital invested must come from a more favourable price structure which would enable the Company to service past loans and provide a modicum of funds for expansion, while meeting the legitimate requirements of the shareholders in the matter of dividends.

The arrears of development rebate brought forward from previous years have been fully absorbed in the year's profits and a small assessable profit has arisen for the first time since 1957-58. A sum of Rs. 80 lakhs has, therefore, been provided for income tax and corporation tax, there being no liability for super profits tax. The Company repaid a further amount of Rs. 4 crores to the World Bank, bringing down the outstanding amount of the loan to Rs. 36.3 crores. Borrowings from local banks have also been reduced, bringing down the total outstandings to Rs. 44.6 crores, compared with Rs. 54.1 crores at the start of 1962-63, and Rs. 76.5 crores in 1959 when the figure was at its highest.

The construction of the factory of the new Company, Tata-Robins-Fraser Ltd, has started and equipment is being ordered. This factory is expected to begin production in the second half of 1964. The Company was promoted in collaboration with Hewitt-Robins Inc. of the U.S.A., Fraser and Chalmers Engineering Works and the General Electric Company Ltd of the U.K., and the Associated Cement Companies Ltd

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for the purpose of manufacturing materials handling and processing equipment and for undertaking turn-key contracts for the designing and erection of conveyor systems and the like.

Salable steel production during 1962-63 was about 93 percent of the target planned under the 2-million-ton programme. Pig iron production increased from 1.61 million metric tons in 1961-62 to 1.81 million metric tons in 1962-63, an increase of 7.2 percent. Steel ingot output rose from 1.61 million metric tons to 1.71 million metric tons, showing an increase of 9.5 percent and salable steel rose by 7.2 percent from 1.31 million metric tons to 7.41 million metric tons. In terms of percentages of the T.M.P. target, pig iron production reached 91.5, steel ingots 88.5 and salable steel 92.7. The increase in output is partly due to the improvement in raw material supplies during the year. The Company started receiving washed coal from the Government's coal washery in Bhojudih from October last. The production of the medium and light structural mill went up from 149,000 tons to 171,000 tons, while the output of merchant mill No. 2 increased by about 30,000 tons.

Hindustan Motors Earns More, Pays Less

HINDUSTAN Motors Ltd has done well during the year ended March 1963. The output of motor-cars and lorries has improved in spite of the various difficulties, such as the shortages of foreign exchange, power, components and spares. The U.S. Agency for International Development has granted a loan of $15.8 million to the Company for raising the production of components and increasing the lorry output capacity. Orders for the necessary plant and machinery are being placed. The Company has also negotiated a loan of Rs. 60 lakhs from the Commonwealth Development Finance Company of the U.K. The directors hope to complete this project in 1964.

The Government has permitted the Company to increase its lorry-making capacity to 15,000 vehicles a year. The programme for manufacturing Bedford diesel and petrol engines has also been sanctioned. The heavy engineering division has made substantial progress. Shovels, dumpers and bull-dozers are being produced. The output of scrapers and cranes has begun. The U.S. Agency for International Development has been approached for a loan to import equipment for making shovels. The working of this division, it is expected, will improve during the current year.

As for the manufacture of motor-cars and lorries, the outlook is considered good, but it should be remembered that the shortage of components and raw materials will continue. The directors have stressed the fact that costs continue to rise, but the increases have not been adequately covered by the selling prices of the products. The Company has been executing a large number of orders for the Defence Department.

Although the profit has improved from Rs. 3.13 crores in 1961-62 to Rs. 3.50 crores in 1962-63, after providing Rs. 71.50 lakhs (against Rs. 73 lakhs) for depreciation and Rs. 9.75 lakhs (against Rs. 11.50 lakhs) for development rebate reserve, the taxable ordinary dividend has been cut from 12.5 percent to 11.5 percent due to the impact of heavier taxation. Tax provision has been raised from Rs. 1.52 crores to Rs. 2.23 crores. The dividend absorbs Rs. 93.13 lakhs, and the yield works out to 7.3 percent at the present price of Rs. 15.75 a share of Rs. 10 each. General reserve is allocated Rs. 25 lakhs (against Rs. 50 lakhs), leaving a carry-forward of Rs. 3,043, against Rs. 1.26 lakhs brought in.

Orissa Cement Cuts Dividend

THE profit of the Orissa Cement Ltd has fallen from Rs. 1.61 crores in 1961 to Rs. 1.42 crores for 1962 in spite of an increase of nearly 10 percent in sales. The ordinary dividend has been reduced from 15 percent to 10 percent, but it will not be subject to deduction of tax at source since the distributable profit has been exempted from income tax. Commenting on production incentives given by the Government in his chairman's address at the annual general meeting of the Company held in Rajgangpur, Orissa State, last Monday, Mr. J. Dalmia thinks (a full text is printed on a later page in this week's *Capital*) that they are of little help. A Company will qualify for the production incentive if it produces in excess of a specified output. Since the latter has been fixed at a high level, several companies are unlikely to qualify for the incentive. As for the increase in the retention price of cement allowed to the Company, it has fallen below expectations since it does not cover the rising production costs adequately.

Referring to the refractory industry, he points out that the installed capacity has been excessive. The supply of refractory has exceeded demand. The requirements of the steel industry for refractories have declined due to two factors. Firstly, the rise in steel production has been less than was anticipated. Secondly, the demand of the steel industry has diminished due to the technological advancement in steel-making. Orissa Cement has, nevertheless, been able to do well in the refractory line of its business, because it has developed the production of special types.

Ruby General Insurance Does Well

PRESIDING at the annual general meeting of the Ruby General Insurance Co. Ltd, held recently in Calcutta, Mr. B. M. Birla, chairman, referred to the satisfactory progress which the Company has made during the past few years. (A full text is printed on a previous page in this issue of *Capital*.) The premium income has risen from Rs. 70.38 lakhs in 1952 to Rs. 1.85 crores in 1962. It has made a profit of Rs. 13.36 lakhs for 1962, after providing for taxation. Mr. Birla mentioned that although the private insurance companies had offered their services to the Government to work the emergency risks insurance scheme, the latter preferred to work the scheme through the General Insurance Company, a subsidiary of the Life Insurance Corporation. He maintained that it would have been convenient for the insuring public and economical to the Government, had other general insurance companies been authorised to undertake this work. As for the super profits tax, he requested the Government to allow the reserves for unexpired risks of general insurers to be treated as free reserves for computing the total capital under the Super Profits Tax Act.

Lukwah Tea Earns More

THE Lukwah Tea Co. Ltd (an Assam garden) has increased its profit from Rs. 3.88 lakhs in 1961 to Rs 9.14 lakhs for the year ended December 1962. A taxable ordinary dividend of 15 percent has been declared. This absorbs Rs. 1.20 lakhs. Taxation is allocated Rs 5.65 lakhs (against Rs. 1.52 lakhs), general reserve Rs. 2 lakhs and development rebate reserve Rs 4.580 (against Rs 17,525). The carry-forward is Rs. 78,852, against Rs. 85,387 brought in. The crop was 612,629 kilograms, and the average sale price amounted to Rs 5.98 a kilogram. It is proposed to set up a new factory to manufacture tea. The directors are also considering a scheme for large-scale new plantation and replantation.

Singell Tea Skips Again

THE Singell Tea Co. Ltd (a Darjeeling garden) has made a profit of Rs. 47,720 for the year ended December 1962, compared with one of Rs. 21,845 for 1961, after providig Rs. 22,694 (against Rs. 20,035) for depreciation. The dividend has again been passed, but the debit balance has been reduced to Rs. 5.80 lakhs. The crop amounted to 138,742 kilograms, against 133,674 kilograms, and the average sale price rose from Rs. 6.20 a kilogram to Rs. 6.51 a kilogram.

Machinery Manufacturers Pays More

THE Machinery Manufacturers Corporation Ltd has produced excellent working results for the year ended 31st March, 1963, according to the preliminary statement released recently. The directors have recommended an increase in the dividend from 12.5 percent to 15 percent. Production and despatch of cards showed an increase of about 15 percent over the previous year's performance. Sales were substantially higher by about 36 percent, rising from Rs. 1.491 crores to Rs. 2.03 crores, and the gross profit jumped by more than 47.5 percent from Rs. 37.55 lakhs to Rs. 55.43 lakhs. The directors have raised the provision for depreciation from Rs. 9.61 lakhs to Rs. 10.27 lakhs, but that for development rebate reserve has been lowered from Rs. 3.50 lakhs to Rs. 1.91 lakhs. The Company had no tax liability in the previous year, but for 1962-63 the directors have set aside as much as Rs. 17 lakhs for income tax and super profits tax. Allocations include Rs. 3.50 lakhs (against 5.50 lakhs) for gratuity and Rs. 17.30 lakhs (against Rs. 10 lakhs) for general reserve. The proposed dividend on equity shares will absorb Rs. 4.52 lakhs (against Rs. 3.51 lakhs) and that on preference shares Rs. 2.10 lakhs (against Rs. 4.38 lakhs) for the years 1960-61 and 1961-62.

Bajaj Electricals Expanding

BAJAJ Electricals Ltd, which celebrated its silver jubilee last month, has achieved further expansion in its business and that of its associates and subsidiaries during the year ended March 1963. Hind Lamps, in which the Company holds 50 percent interest, showed a further considerable increase in the production of fluorescent tubes and lamp components. Allied Lamp Exporters, another concern in which the Company has a fair interest, exported about 900,000 lamps and over 80,000 fluorescent tubes. The Company is awaiting the Government's approval to its proposal to invest Rs. 13 lakhs in Matchwel Electricals (India) Ltd with a view to expanding further its fan business. The transformer business of the Company, too, showed improvement with sales rising to Rs. 1.53 crores from the previous year's level of Rs. 1.15 crores. Bajaj Electricals will not, however, be required to invest in a company to be established in India by N. V. Philips of Holland for the manufacture of tungsten filament, molybdenum wire and allied products, as it has been decided that the project will be undertaken by Philips India Ltd alone, which will supply these components to the Indian lamp industry. Construction of a factory for the manufacture of instruments is to start soon in Poona.

In his statement released with the annual report, Mr. Kamalnayan Bajaj, chairman, has forecast an acute shortage of electric lamps and tubes in the years to come since he feels that light-consciousness in the country is spreading and the demand for lighting material is on the increase. He has estimated the demand by 1965-66 for the lighting materials around 90 to 100 million lamps and 5 to 6 million tubes, besides miniature and the oher special types of lamps. The present production, acording to Mr. Bajajj, is in the neighbourhood of 55.5 million lamps and 3.2 million tubes a year.

Nickel Sulphate from Indian Copper

RELIABLE reports indicate that the Government of India has approved, in principle, the scheme submitted by Indian Copper Corporation Ltd for the manufacture of 260 tonnes of high purity nickel sulphate a year. Indian Copper is installing an electrolytic copper refining plant and it has a proposal to recover the small amount of nickel associated with copper ore and finally to manufacture nickel sulphate. The capital equipment for the project is estimated at Rs. 28.2 lakhs of which Rs. 13.1 lakhs will be spent on imported machinery. At present, nickel sulphate is manufactured indigenously by four organised firms and a large number of small-scale units. As against the total installed capacity of about 700 tonnes a year, indigenous production is placed around 200 to 250 tonnes a year. The country's requirements of nickel sulphate are estimated around 300 tonnes a year.

The import of nickel sulphate is at present banned in order to enable the maximum utilisation of the domestic installed capacity. Imports are restricted because of the foreign exchange scarcity. It is said that the manufacturing process to be employed by Indian Copper will be a detailed one, and will enable the manufacture of very high purity nickel sulphate which will be free from objectionable impurities like cobalt, zinc, etcetera. The manufacture of 260 tonnes of nickel sulphate will amount to a recovery of about 60 tonnes of nickel metal which will mean a saving of foreign exchange of about Rs. 6 lakhs a year. With the increasing demand of nickel electroplating for various engineering manufactures, the demand for nickel sulphate is rapidly increasing.

Sidhpur Mills Pays Less

FOLLOWING a sharp fall in the profit of Sidhpur Mills Co. Ltd during the year ended March 1963, the directors have reduced the dividend from 12 percent to 8 percent which, however, is payable on the capital as enlarged by the Rs. 4.90

lakhs issue. Gross profit has come down from Rs. 15.83 lakhs to Rs. 7.62 lakhs. Out of this, depreciation absorbs Rs. 4.92 lakhs (against Rs. 9.56 lakhs). Provision for depreciation in the preceding year included arrears to the tune of Rs. 4.60 lakhs. Allocations include Rs. 25,600 (against 1.24 lakhs) to the statutory development rebate reserve and Rs. 50,000 (the same) to the gratuity reserve. No amount has been earmarked for general reserve which had been allocated Rs. 1.65 lakhs previously. The proposed dividends will take away Rs. 1.60 lakhs, compared with Rs. 1.81 lakhs a year ago, and the surplus sum of Rs. 8,888 is to be carried forward, against Rs. 14,300 brought in.

In their annual report, the directors say that with a view to improving the quality of the products and making them more competitive in the home and export markets, the Company's modernisation scheme is being continued. Due to the difficulties in obtaining adequate and regular supplies of coal, the management proposes to convert two boilers to oil firing. The conversion is already in progress and all the boilers will be switched over to oil firing in due course.

Travancore Chemicals Cuts Dividend

THE directors of Travancore Chemical and Manufacturing Co. Ltd have recommended a final dividend of 10 percent on ordinary shares for the year ended March 1963, making a total of 20 percent for the year (against 22½ percent). Although the pre-taxed profit and sales for the year are higher than those of the previous year, the net profit is lower than that of the previous year due to a higher tax provision, including Rs. 2.25 lakhs for the super profits tax.

The net profit for the year amounts to Rs. 4.51 lakhs, after providing Rs. 2.28 lakhs for depreciation, Rs. 41,272 for development rebate, Rs. 7.05 lakhs for income tax and super tax, and Rs. 2.25 lakhs for the super profits tax. The previous year's net profit was Rs. 4.94 lakhs, after providing Rs. 2.04 lakhs for depreciation, Rs. 58,229 for development rebate and Rs. 5.20 lakhs for taxation. Total sales for the year amounted to Rs. 73.30 lakhs, against Rs. 70.69 lakhs for the previous year. Adding to the year's net profit of Rs. 4.51 lakhs, a sum of Rs. 26,251 brought forward from the previous year and Rs. 5,900 being the excess provision for taxes in 1961-62, the total available surplus comes to Rs. 4.83 lakhs. The interim dividend of 10 percent on ordinary shares and the interim tax-free preference dividend of 3⅛ percent absorbed Rs. 2.13 lakhs. The proposed final ordinary dividend of 10 percent and the final tax-free preference dividend of 3⅛ percent will absorb Rs. 2.13 lakhs. A sum of Rs. 50,000 (against nil) is transferred to general reserve. The balance of Rs. 6,516 is carried forward.

The directors state that the preference capital of Rs. 3 lakhs is repayable at par at any time after 31st July, 1963, at the option of the Company by giving three months' notice. The directors have decided to repay the preference capital on 1st August, 1963. They add in their report that in spite of the shortage of some raw materials, total sales during the year increased due to increased production and sales of certain chemicals at the Alwaye factory. The production of chlorate of potash at the Kundara factory also increased due to the availability of extra power. The Company has also obtained a licence for importing electrical equipment for further increasing the production of chlorate for which there is good demand at present.

Nil from Puthutottam Estates

DUE to a marked decline in the profit for the year ended March 1963, the directors of the Puthutottam Estates Ltd have passed the dividend for the year (against 7½ percent). The net profit for the year amaunts to Rs. 52,296, after providing for depreciation and all charges and Rs. 46,000 for taxation. The previous year's net profit was Rs. 1.16 lakhs, after meeting all charges and providing for depreciation, and after setting aside Rs. 85,000 for taxation. With Rs. 52,850 brought forward from the previous year, the total comes to Rs. 1.05 lakhs which is carried forward.

Against an estimate of 147,000 kilograms, the tea crop for the year amounted to 164,896 kilograms. A major portion of the tea crop was sold during the year. The net average sale price works out to about to Rs. 3.61 a kilogram. The Arabica coffee crop amounted to 182 tonnes and 710 kilograms, against an estimate of 210 tonnes. This was because of the marked dropping of berries due to adverse weather. The Robusta coffee crop amounted to 62 tonnes and 287 kilograms, against an estimate of 100 tonnes. The increase in wages and salaries and the payment of gratuity to an unusually large number of workers who resigned, were reflected in the working results. As the Puthutottam coffee plants have become very old, they will have to be replanted over a reasonable period for ensuring optimum yields. For 1963-64, the tea crop is estimated at 150,000 kilograms, Arabica coffee at 210 tonnes and Robusta coffee at 85 tonnes.

Balanoor Tea Profit Up but Dividend Down

WITH a substantial rise in coffee crop and a modest fall in tea crop during the year ended March 1963, Balanoor Tea and Rubber Co. Ltd, has earned a higher profit. But the dividend has been reduced to 10 percent from 12 percent, as the provision for taxation has substantially increased. The net profit for the year amounts to Rs. 3,62,103 (against Rs. 3,34,006) after meeting all expenses and after providing Rs. 33,803 (against Rs. 37,891) for depreciation. With the amount of Rs. 48,095 brought forward from the previous year, the total comes to Rs. 4,10,198. Out of this, provision for taxation amounts to Rs. 1,80,000 (against Rs. 76,000). Short provision for income tax in the previous year has absorbed Rs. 4,998. A sum of Rs. 50,000 has been transferred to dividend equalisation reserve (against Rs. 75,000).

The dividend at 7½ percent on preference shares accounts for Rs. 20,700. The proposed dividend at 10 percent on ordinary shares has absorbed Rs. 1,09,899. After these appropriations, there is a balance of Rs 44 601 which has been carried forward to the next year.

The tea crop for the year amounted to 254,836 kilograms, against the previous year's crop of 260,310 kilograms. The all-in-cost of production was higher at Rs. 3.34 a kilogram, against Rs. 3.04 a kilogram last year. The average sale price was lower at Rs. 4.29 a kilogram, against Rs. 4.58 a kilogram. The coffee crop amounted to 166 tonnes, against 124 tonnes. The rubber crop was 13,990 kilograms, against 16,023 kilograms. The tea crop estimate for 1963-64 is 275,000 kilograms, while the coffee crop is estimated at 220 tonnes. The rubber crop is estimated at 15,500 kilograms.

Devon Tea Reduces Dividend

A LOWER tea crop and a marked increase in the cost of production have led to a fall in the profit of Devon Tea and Produce Co. Ltd, for the year ended March 1963. The profit amounts to Rs. 1,78,933 (against Rs. 1,95,062, after providing Rs. 41,689 (against Rs. 28,936) for depreciation. With a sum of Rs. 30,350 brought forward from the previous year, the total comes to Rs. 2,09,283. Provision for taxation amounts to Rs 72,000 (against Rs. 80,000). A sum of Rs. 30,000 has been transferred to dividend equalisation reserve (against nil).

The dividend on preference shares at 7½ percent accounts for Rs. 16,660. The proposed dividend of 10 percent on ordinary shares (against 12 percent) will absorb Rs. 67,465. The balance of Rs. 23.158 is carried forward to the next year.

The tea crop for the year was 178,500 kilograms, against 190,192 kilograms. The all-in-cost of production was Rs. 3.47 a kilogram, against Rs. 2.98. The average sale price was lower at Rs. 4.22 a kilogram, against Rs. 4.47. The coffee crop amounted to 79.73 tonnes, against 56.10 tonnes. The tea crop for 1963-64 is estimated at 190.000 kilograms, and the coffee crop at 114 tonnes. Devon Plastics unit has been working satisfactorily. The turnover during the year increased to Rs. 7.5 lakhs from Rs. 1.90 lakhs last year.

Cochin Malabar Earns Less

COCHIN Malabar Estates Ltd has reported a sharp fall in its gross profit from Rs. 18.10 lakhs in 1961-62 to Rs. 11.18 lakhs for the year ended 28th February, 1963, forcing the directors to cut the dividend by 8 percent to 12 percent. The shrinkage in the profit has been caused mainly by the decline in the rubber crop from 11.60 lakh kilograms to 11.05 lakh kilograms and the increase in the estate cost of production from 248.79 cents to 283.69 cents a kilogram. At the same time, the all-in-cost of production went up from 296.83 cents to 326.08 cents a kilogram.

Provision for depreciation has been raised from Rs. 1.53 lakhs to Rs. 1.73 lakhs, while that for taxation is lower at Rs. 4.68 lakhs (aganst Rs. 8.92 lakhs.) A sum of Rs. 25,000 (against Rs. 1.30 lakhs) has been set apart for the rehabilitation reserve. The preference and equity dividends take away Rs. 3.40 lakhs (against Rs. 5.46 lakhs). The directors have also provided Rs. 51,000 towards shortfall in the provision for Mysore agricultural income tax after taking into account the profit of Rs. 14,380 on disposal of fixed assets. The surplus sum of Rs. 28,851 is to be carried forward, against Rs. 23,405 brought in.

New Capital Issues

EIGHT companies have been authorised to raise capital totalling about Rs. 12.72 crores. Of these, one is a new company and one is a Central Government undertaking. Three companies are raising part of their capital through public subscription and two are offering part of the share capital to their foreign collaborators. Five companies will issue equity shares, one debenture stock and two equity plus cumulative redeemable preference shares. The consent in all cases is valid for 12 months. The following are the details:

The Fertilizer Corporation of India Ltd, Delhi, a Central Government undertaking, has been accorded consent to issue further capital of Rs. 7.60 crores in equity shares of Rs. 1,000 each, for cash at par. The entire issue will be subscribed by the Central Government.

The Nagargali Cement Co. Ltd, Hubli, will issue capital of Rs. 1 crore divided into 1 million equity shares of Rs. 10 each for cash at par. Of this. 750,000 shares will be offered for public subscription. The money will be used for setting up a factory for the manufacture of Portland cement.

Graphite India Ltd. Calcutta, is to issue capital of Rs. 90 lakhs in equity shares of Rs. 10 each. The capital is required for the manufacture of various types of graphite and carbon products in collaboration with Great Lakes Carbon Corporation of the U.S.A. which will subscribe Rs. 25 lakhs.

The Indian Graphic Arts Equipment Co. Ltd, a new company to be incorporated in Madras State for doing business as manufacturers, dealers and assemblers of all types of printing presses and machinery for the graphic art, is issuing capital of Rs. 30 lakhs. This amount is divided into 300,000 equity shares of Rs. 10 each for cash at par. Out of this, shares for Rs. 15 lakhs will be offered to the Company's foreign collaborators Miehle-Goss-Dexter Incorporated of Chicago, U.S.A., against supply of plant and machinery.

In supersession of the consent granted previously for Rs. 25 lakhs, *Bellary Spinning and Weaving Co. Ltd*, has been given consent for a further issue of Rs. 26,85,500 divided into 26,855 equity shares of Rs. 100 each, to be issued for cash at par. Of these, not less than 14,700 shares will be offered for public subscription by prospectus. The capital will be used for setting up a spinning mill in Bellary (Mysore State).

Ahmedabad Electricity Co. Ltd will issue debenture stock of the value of Rs. 2 crores in units of Rs. 1,000 each at a rate of interest of 7½ percent for cash at par. The money will be spent in strengthening its distribution mains and other power service facilities.

Kalyan Pulp and Paper Mills Private Ltd, Bombay, is to issue capital of Rs. 34,93,000 divided into 299,300 equity shares of Rs. 10 each and 5,000 redeemable cumulative preference shares of Rs. 100 each, for cash at par. Out of this, equity shares worth Rs. 18 lakhs and all the preference shares will be offered for public subscription. The capital will be used for the establishment of a new project for the manufacture of pulp and paper.

Ajanta Textiles Ltd, Delhi, recently incorporated for manufacturing cotton yarn of various counts, will raise capital of Rs. 30 lakhs (inclusive of Rs. 15,040 already issued, subscribed and paid-up capital of the Company) divided into Rs. 25 lakhs in equity shares of Rs. 10 each and Rs. 5 lakhs in cumulative redeemable preference shares of Rs. 100 each carrying dividend at 9.3 percent a year for cash at par. The money will be used for financing the installation of 12,180 spindles duly licensed under the Industries (Development and Regulation) Act.

The Stock Markets

SHORT-COVERING BRINGS A MODERATE RALLY

Wednesday Evening

THERE has been a moderate rally in the Calcutta stock market during the past week. The selling pressure which developed after the news concerning the concentration of Chinese troops along the northern border has decreased. There has been a great deal of short-covering as bears are keen to book their profits. In the earlier shake-out, prices fell too sharply due to panic. But now buyers have picked up courage because the political news has not been too unfavourable during the past few days.

Operators are nevertheless chary of extending their commitments. Apart from the many uncertainties, clearing considerations have restrained activity. The clearing on Wednesday has passed off smoothly, and the carry-forward charges are moderate since the technical position has improved due to large selling by weak holders. Turnover has been confined largely to clearing shares.

Business in cash shares has been negligible. Sentiment has become steadier on reports of buying by the Life Insurance Corporation. Along with other financial institutions, it is expected to take greater interest in equity investment in the near future. Since the prices of several good shares have now moved down to attractive levels, the scope for discriminating purchases has increased. The near-term trend is likely to depend on the political news. Although India has strengthened her defences, the massing of Chinese troops along the northern border poses a major threat.

Indian Iron have recovered due partly to short-covering and partly to fresh support. The growth prospects of the shares have been outlined by the chairman of the Company in his statement, which has been circulated to the shareholders along with the report and accounts for 1962-63. The rise in the output of pig iron and salable steel, and in despatches, during July, compared with June, has been an additional stimulant. The production of pig iron has risen from 112,028 tons in June to 113,540 tons last month, while that of steel ingots has fallen from 86,413 tons to 83,553 tons. The output of salable steel has increased from 61.612 tons to 74,124 tons. Despatches of salable steel have improved from 68,910 tons to 73,838 tons. Among engineering shares, Guest, Keen, Williams, Burn and Jessop have recovered. Texmaco have improved on short-covering. Scattered interest has been taken in Britannia Engineering and Jay Engineering.

The prices of selected miscellaneous shares have hardened due to the absence of pressure. Indian Aluminium have been bought on prospects of a bonus issue. Indian Cable are steady on a good report. Indian Copper, Dunlop Rubber and Jaipur Udyog have gained. In managing agency shares, Jardine Henderson have spurted on knowledgeable buying. Electric company shares are neglected. Bank shares have been dull. New shares have weakened. Hindustan Aluminium and Isaac Holdens have been quiet. In paper section, Orient have recovered on short-covering, but Sirpur have been easier. Sugar shares are difficult to deal due to the absence of buyers.

Although turnover in jute shares has been small, there has been selective buying. Alliance and Champdany are steady. Interest has been taken in Ganges, Union and Barnagore. Birla have fluctuated narrowly. Coal shares are subdued on fears that the demand for the commodity has fallen. Stray business has been done in Burrakur, Amalgamated and Central India. J. K. Rayon have been a weak feature in the cotton mill section since the dividend has been skipped. Bharat Commerce, Dunbar and Elgin are easier. Only a few transactions have been reported in tea shares. Investors have held back due to the border news.

Government securities have been dull and turnover has been small. The new loans—the 4 percent 1969 and the 4½ percent 1973—have been quoted at a small discount. The 3 percent Conversion loan 1986 has moved down to Rs. 64.15. Selected State Government loans have hardened on institutional support.

Bombay

SHARE PRICES IMPROVE

SUPPORT FOR TATA STEEL

Wednesday Evening.

THE Bombay stock market has been steadier during the past week, although the highest gains have been pared towards the close on profit-taking. Share prices have hardened on a broad front because of replacement buying, combined with short-covering. The earlier panic created by the border developments has disappeared, although support has been extended on a cautious scale pending favourable news. Dalal Street has been impressed by the prospects for steel shares. The statement by the chairman of the Tata Iron and Steel Company, circulated with the report and accounts, has been interpreted bullishly. Since the industry has been asked to work out a scheme to replace the existing Government control on the distribution and price of steel by an agreement on a voluntary basis, it is believed that the private sector of the industry will benefit from the proposed arrangement. Investors have been impressed by the performance of the Company since it has begun to produce at its rated capacity. The equity purchases by the Life Insurance Corporation have provided an additional stimulus. The prospect of institutional support in the capital market is encouraging. Easier money conditions have also been a helpful factor.

Tata Steel ordinary have recovered to Rs. 137.75. Among engineering shares, Tata Locomotive, Larsen and Toubro, Alcock Ashdown and Premier Construction have gained. Mukand Iron have met with interested buying. Among motor-vehicle shares, Hindustan Motors have improved on a good report. Premier Automobiles have been steady.

Prices of selected cotton mill shares have hardened. Century, Bombay Dyeing, Kohinoor and Svadeshi have been prominent. Interest has been taken in India United ordinary, Morarjee and Standard.

Miscellaneous shares have moved up in sympathy with the general trend, but support has generally been selective. Among cement shares, Associated Cement have been steady. Sugar shares have been bought on prospects of bigger production during the 1963-64 season. The fact that production incentives may be given by the Government has helped restore confidence. Belapur, Walchandnagar Industries and Phalton have risen. Among steamship company shares, Scindia Steam have moved up on short-covering. Mining shares have generally been quiet, and stray business has been done in Shivrajpur Syndicate. Chemical shares have been steady. Tata Chemical have been taken on prospects of expansion. Indian Dyestuff have recovered on maintaining the dividend. Interest has been taken in Polychem. National Rayon have improved, as have Gwalior Rayon. Business in cash shares has been fairly heavy, and the prices of several scrip have been higher on balance. Synthetics and Chemicals have gained.

Bank shares have been quietly steady. Central Bank and Bank of India have been transacted. In electric supply company shares, scattered support has been extended to Ahmedabad and Tata Hydro.

Madras

TURNOVER IN SHARES SHRINKS

BORDER NEWS UPSETS OPERATORS

Tuesday Evening.

THE Madras stock market has turned quiet during the past week, and turnover has shrunk considerably. Business even in clearing shares has fallen off. Operators and investors have been shaken by the border developments. Easier advices from the Bombay and Calcutta stock markets have dampened enthusiasm.

Government securities have been steady, and support has been extended to selected State Government loans. Among banks, Indian have been bought up to Rs. 161. Selected electric company shares have been taken due to good dividends. Negapatam have been done at Rs. 11.40 and Vellore at Rs. 15.00. Turnover in sugar shares has been small, but the prices of selected shares have been more or less maintained. E.I.D. have been quoted at Rs. 39 and Deccan at Rs. 9.95.

Excepting discriminating support for selected tea and coffee shares on good crop reports, investors have been cautious. Cochin Malabar have declined to Rs. 5.90 on reducing the taxable ordinary dividend from 20 percent to 12 percent. Blue Mountain have been easier at Rs. 2.48 and Consolidated Coffee at Rs. 17.25. Ouchterlony have been quoted at Rs. 4.43 and Periakaramalai at Rs. 3.59. Balanoor have been taken at Rs. 12 on declaring a taxable ordinary dividend of 10 percent. Devon have come to hand at Rs. 12.66 on paying a taxable ordinary dividend of 10 percent. Mysore Coffee have been freely offered down to Rs. 4.12 on passing the dividend, while Coorg have attracted attention up to Rs. 5.15 on declaring a taxable ordinary dividend of 15 percent.

In the cotton mill section, South India Viscose have reacted to Rs. 126

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and Travancore Rayon to Rs. 23. Lakshmi have been available at Rs. 137, and Madura at Rs. 30.50. Kasthuri have been done at Rs. 20.75 on paying a taxable ordinary dividend of 6 percent. Business has been done in Bangalore Woollen at Rs. 233, and in Buckingham at Rs. 264.

Small activity has been seen in miscellaneous shares. Aluminium Industries have been sluggish around Rs. 17.56, although the Company proposes to issue 350,000 ordinary shares of Rs. 10 each to existing shareholders. Ashok Leyland have been quiet at Rs. 7.20, but Dalmia Cement have been steady at Rs. 12.25. India Cement have been bought at Rs. 5.50, but Mettur Chemical have fallen to Rs. 13. F.A.C.T. have been sold freely down to Rs. 7 on passing the dividend. Interest has been taken in Travancore Chemical Manufacturers at Rs. 19.10 on declaring a taxable final ordinary dividend of 10 percent. Mysore Stoneware have been taken at Rs. 12.45 on paying a taxable ordinary divident of 12.5 percent. Radio and Electricals have been steady at Rs. 3.25 on paying a taxable ordinary dividend of 18 percent. Tube and Malleables have been quoted at Rs. 10 on the payment of a final ordinary dividend of 7.5 percent. Support has been extended to W.I. Plywoods at Rs. 190 on declaring a taxable ordinary dividend of 15 percent. Madras Rubber have been quoted at Rs. 14.37 and Kirloskar Electric at Rs. 20.

THE WEEK'S TRANSACTIONS

[In the following list of stocks and shares in which transactions have taken place during the past week, the figures indicate Opening Quotations, Highest for the week, Lowest for the week, Closing Quotations and Quotations for the corresponding Closing Date a Year Ago. The last named is shown in parantheses and will not be given where such a quotation is not available.]

CLEARED SECURITIES

Birla Jute—Rs. 27/37—28/62—27/19—28/12 —(38/37).

Burrakur Coal—Rs. 15/50—15/69—15/31—15/50—(17/56).

Dunlop Rubber—Rs. 30/87—31/50—30/12 s.t.—31/00—(39/94).

Guest, Keen, Williams—Rs. 30/94—31/37—30/50—30/62—(38/06).

Hindustan Motors—Rs. 15/62—16/06—15/56—15/60—(20/19).

Howrah Jute—Rs. 18/12—18/12 -18/00—18/00—(20/37).

Indian Aluminium—Rs. 34/87—35/19—34/37—34/56—(37/19).

Do. (New)—Rs. 16/12—16/44—15/94—15/94.

Indian Copper—Rs. 4/70—4/80—4/72—4/75—(4/93).

Indian Iron & Steel—Rs. 22/34—22/34—22/02—22/02—(26/62).

Jaipur Udyog—Rs. 11/19—11/37—11/19—11/25—(13/19).

J. K. Cotton—Rs. 11/12—11/12—10/56—10/62—(17/12).

Kesoram Industries—Rs. 19/69—20/56—19/50—20/00—(28/44).

Orient Paper—Rs. 33/90—34/95—33/70—33/80—(42/05).

Orissa Cement—Rs. 14/56—15/00—14/50—15/00—(17/44).

Rohtas Industries—Rs. 10/31—11/09—10/19—10/81—(14/44).

Shree Gopal Paper—Rs. 23/00—23/00—22/50—22/50—(25/19).

Textile Machinery—Rs. 22/60—23/15—22/45—22/75—(23/05).

GOVERNMENT SECURITIES

2½% U. P. Zamindary (collected up to 30.6.63)—Rs. 49/00—49/00—49/00—49/00.

3% Loan (1986)—Rs. 63/75 s.t.—64/25—63/75 s.t.—64/25

3% „ (1970-75)—Rs. 88/00—88/15—88/00—88/10.

3% „ (1964)—Rs. 99/00—99/00—99/00—99/00.

3% „ (1966-68)—Rs. 97/45—97/45—97/45—97/45.

3½% „ (1964)—Rs. 99/70—99/70—99/70—99/70.

3½% „ (1967)—Rs. 99/10—99/10—99/10—99/10.

3½% „ (1967)—Rs. 98/80—98/80—98/80—98/80.

4% „ (1969)—Rs. 99/45—99/45—99/40—99/45.

4% U. P. (1968)—Rs. 98/20—98/20—98/20—98/20.

4% Mysore (1968)—Rs. 98/35—98/35—98/35—98/35.

4¼% Loan (1972)—Rs. 100/55—100/55—100/55—100/55.

4¼% West Bengal (1974)—Rs. 99/30—99/30—99/30—99/30.

4¼% Bihar (1974)—Rs. 99/00—99/00—98/80—99/00.

4¼% Orissa (1974)—Rs. 99/00—99/00—99/00—99/00.

BANKS

Punjab National—Rs. 19/50—19/50—19/50—19/50—(20/75).

United Bank of India (Rs 10/- paid)—Rs. 7/28—7/37—7/25—7/25—(7/00).

Do. (Conty Rs 20/-) (Rs 10/- paid)—Rs. 6/56—6/56—5/56—5/56—(6/94).

COTTONS

Aditya—Rs. 9/25—9/31—9/25—9/31.

Basanti (Pref.)—Rs. 7/25—7/31—7/19—7/19.

Bharat Commerce—Rs. 18/75—19/25—18/75—19/19 (27/81).

Bowreah—Rs. 20/00—21/50—20/00—21/50 (26/94).

Bengal Luxmi—Rs. 30/00—30/00—30/00—30/00.

Jiyajeerao—Rs. 11/00—11/00—11/00—11/00.

Jay Shree—Rs. 13/44—13/56—13/44—13/56.

New Victoria—Rs.1/31—1/31—1/31—1/31.

Do. (Pref.)—Rs. 2/50—2/50—2/50—2/50.

Rampooria—Rs. 12/50—13/00—12/50—13/00—(11/06).

Do. (Defd.)—Rs. 2/50—3/00—2/50—3/00—(2/00).

COALS

Amalgamated—Rs. 24/50—24/56—24/50—24/56—(21/87).

Bharat—Rs. 3/62—3/62—3/62—3/62—(3/25).

Central India—Rs. 9/50—9/56—9/50—9/56—(9/35).

Khas Kajora (Pref.)—Rs. 9/00—9/00—9/00—9/00.

Lakurka—Rs. 13/44—14/12—13/37—14/12.

Ondal—Rs. 13/50—13/50—13/50—13/50—(15/00).

Selected Satgram—Rs. 114/00—118/00—114/00—118/00

South Karanpura—Rs 7/75—7/81—7/69—7/81—(9/06).

United (Pref.)—Rs. 70/00—70/00—70/00—70/00.

Western Bengal—Rs. 8/75—8/81—8/75—8/81—(10/25).

JUTES

Alliance—Rs. 126/00—127/00—120/00—125/00—(223/00)

Anglo-India—Rs. 217/00—218/00—217/00—218/00—(225/00).

Agarpara (Pref.)—Rs. 95/50—96/50—95/50—96/50.

Champdany—Rs. 20/50—20/50—20/44—20/44.

Chitavalsah—Rs. 10/00—10/00—10/00—10/00—(11/81).

Delta—Rs. 141/00—141/00—140/50—140/50—(186/00).

Empire—Rs. 15/44—15/44—15/44—15/44—(16/94).

Do. (Pref.)—Rs 95/50—96/00—95/50—96/00.

Ganges—Rs. 13/50—13/69—13/50—13/56—(14/59).

Gourepore—Rs. 25/25—25/25—25/25—25/25—(25/12).

Hukumchand—Rs 19/50—19/50—19/50—19/50—(24/94)

Do. (Pref.)—Rs. 97/00—97/00—97/00—97/00.

Kamarhatty—Rs. 187/00—188/00—187/00—187/00—(174/00).





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Kinnison—Rs. 136/00—136/00—135/00—135/00—(146/00).

Kanknarrah (Pref.)—Rs. 80/00—81/50—80/00—81/50.

National—Rs. 23/75—23/75—23/75—23/75—(24/50).

New Central—Rs. 12/31—12/75—12/31—12/62—(13/50).

Do. (Pref.)—Rs. 92/00—93/50—92/00—93/50.

Nuddea—Rs. 55/75—60/50—54/00—60/00—(61/75).

Northbrook—Rs 28/25—28/25—28/25—28/25.

Presidency—Rs. 4/50—4/62—4/44—4/56—(5/44).

Rameshwara—Rs. 9/00—9/12—8/94—9/12—(8/44).

Do. (Pref.)—Rs. 11/75—11/75—11/50—11/56.

Reliance—Rs. 9/31—9/50—9/31—9/37—(7/19)

Do. (Pref.)—Rs. 118/00—118/00—118/00—118/00

Union—Rs. 155/00—156/00—155/00—156/00.

Do (Pref.)—Rs 98/00—98/50—98/00—98/50.

MININGS

Metal Corpn.—Rs. 8/25—8/25—8/00—8/06—(12/25).

Sutna Stone & Lime—Rs 25/00—25/12—25/00—25/12—(37/00).

CEMENTS

Bengal Potteries—Rs. 4/94—5/12—4/94—5/12—(6/19).

Dalmia (Bharat)—Rs. 12/37—12/37—12/03—12/12—(13/75).

Sone Valley—Rs. 4/12—4/12—4/06—4/12—(5/06).

ELECTRICS

Benares—Rs. 12/44—12/44—12/44—12/44—(13/00).

Bhagalpore—Rs 5/75—5/75—5/75—5/75.

Calcutta—Rs. 14/53—14/75—14/50—14/50—(15/25).

Do. (Pref.)—Rs. 8/19—8/19—8/19—8/19.

Shahjahanpur—Rs. 6/75—6/75—6/75—6/75—(7/50).

U.P.—Rs. 115/00—117/00—115/00—117/00—(126/50).

CHEMICAL

Kanoria—Rs. 4/90—4/90—4/90—4/90.

ENGINEERINGS

Binani Metal—Rs. 9/31—9/50—9/31—9/50—(12/00).

Britannia Engg.—Rs. 10/00—10/25—9/94—10/25—(11/44).

Braithwaite—Rs. 29/62—29/62—29/50—29/50.

Calcutta Steel—Rs. 13/56—13/56—13/56—13/56—(15/62).

Dalmia Iron—Rs. 10/81—10/81—10/69—10/69—(11/75).

Escorts—Rs. 17/75—17/81—17/56—17/69.

Indian Iron (Pref.)—Rs. 84/37—84/75—84/25—84/75.

Indian St. Wagon—Rs. 30/25—30/25—29/87—29/87—(34/87).

Jessop & Co.—Rs. 23/94—25/19—23/94—25/19—(22/25).

J. K. Steel—Rs 13/75—13/75—13/75—13/75—(16/62).

Jay Engg.—Rs. 20/75—20/75—20/75—20/75.

Kumardhubi—Rs. 7/69—7/75—7/69—7/75—(7/56).

Machinery Mfg.—Rs. 21/25—22/56—21/25—21/25 S.T.—(25/37).

Marshalls—Rs. 2/25—2/25—2/12—2/12—(3/44).

National Iron & Steel—Rs. 4/75—4/75—4/62—4/62—(5/00).

Raymon—Rs. 5/62—6/12—5/40—6/12

Textile Machinery (1st Pref.)—Rs. 84/50—84/50—84/00—84/00.

INSURANCES

New Asiatic—Rs 7/62—7/69—7/56—7/69—(6/50).

Ruby General—Rs. 9/31—9/31—9/19—9/23 x.d.—(10/25)

MISCELLANEOUS

Aluminium Corpn.—Rs 12/75—12/87—12/75—12/87—(17/50).

Asiatic Oxygen—Rs 13/37—13/56—13/28—13/56.

Associated Battery—Rs. 23/50—23/56—23/50—23/56—(30/37).

Angelo Brothers—Rs 22/62—22/75—22/62—22/69.

Albion Plywood—Rs. 7/12—7/12—7/12—7/12.

Britannia Biscuits—Rs 42/25—42/25—42/25—42/25—(43/25)

B. I. Corpn.—Rs. 7/69—7/69—7/62—7/62—(9/37).

Bararee Coke—Rs. 20/94—20/94—20/75—20/87.

British Paints—Rs. 19/94—19/94—19/94—19/94.

Calcutta Tramways—Rs. 11/00—11/00—11/00—11/00—(11/81).

Clive Row Investment—Rs 8/56—8/56—8/50—8/50—(8/06).

Dr. Paul Lohmann—Rs. 10/69—12/50—10/56—12/50—(22/75).

East Anglia Plastics—Rs. 9/31—9/31—9/31—9/31—(19/00).

English Electric—Rs. 12/87 S.T.—13/00—12/87—13/00.

Eastern Investment—Rs. 107/00—107/00—107/00—107/00—(126/00).

Electric Construction—Rs. 12/50—12/56—12/50—12/56.

Gillanders Arbuthnot—Rs. 13/81—13/87—13/69—13/87—(14/75).

General Tyres—Rs 7/44—7/50—7/44—7/50

Hindustan Aluminium—Rs. 12/69—12/87—12/56—12/56—(16/56).

Hindusthan Development—Rs. 4/06—4/06—4/06—4/06—(5/69).

Imperial Tobacco—Rs 10/25—10/31—10/25—10/31—(14/44).

Indian Wood Products—Rs. 28/50—28/50—28/50—28/50—(33/12).

Isaac Holdens—Rs. 13/81—13/87—13/75—13/75—(16/94)

Indian Oxygen—Rs 27/50—27/50—27/12—27/12—(48/50).

J. K Synthetics—Rs. 10/00—10/12—9/94—10/12—(14/62).

Jardine Henderson—Rs. 84/00—86/00—83/00—86/00—(85/50)

Metal Box—Rs 45/25—45/62—45/25—45/44

Mahindra & Mahindra—Rs 15/60—15/60—15/60—15/60

Martin Burn—Rs. 26/50—26/62—26/50—26/50—(32/37).

Metal Distributors—Rs. 4/19—4/37—4/19—4/31

National Tobacco—Rs. 10/19—10/31—10/00—10/00—(13/25).

National Insulated Cable—Rs 22/62—22/87—22/62—22/87—(31/37).

National Pipes & Tubes—Rs 24/75—25/25—24/75—25/25—(32/19).

Phillips Carbon Black—Rs 15/81—15/94—15/81—15/94—(25/00).

Ralis India—Rs 113/50—114/00—112/00—112/00—(157/00).

Sen Raleigh—Rs 14/50—14/50—14/50—14/50.

Shaw Wallace—Rs 16/00—16/19—15/75—16/19—(20/75).

Sirsilk—Rs. 8/87—9/06—8/81—8/81—(10/44).

Universal Cables—Rs. 9/35—9/35—9/35—9/35—(12/00)

Universal Electric—Rs 8/62—8/75—8/56—8/62—(5/37).

Usha Martin Black—Rs 12/25—12/50—12/12—12/25—(16/94)

OILS

Indo-Burma—Rs. 73/00—73/00—73/00—73/00.

Tide Water—Rs. 27/12—27/12—27/12—27/12—(23/25)

PAPERS

Ballarpur—Rs. 16/12—16/12—16/12—16/12—(18/31)

Bengal—Rs. 26/12—26/12—26/00—26/00—(32/69)

Do. (New)—Rs. 19/75—19/81—19/75—19/81.

India Paper Pulp—Rs. 15/50—15/62—16/50—16/62—(20/75).

Orient (2nd Pref.)—Rs. 62/50—62/50—62/50—62/50.

Sirpur—Rs. 11/62 S.T.—11/62—11/22—11/56—(13/69).

Straw Products—Rs 9/19—9/25—9/12—9/12—(10/12)

Star—Rs. 8/25—8/25—8/25—8/25.

Do. (7% 3rd Pref.)—Rs 81/50—81/50—81/50—81/50.

Titaghur—Rs 15/37—15/38—15/31—15/56—(41/31).

SAW MILL

Bengal Timber—Rs. 12/00—12/00—12/00—12/00.

SHIPPINGS

India General Navign.—Rs. 44/50—45/00—44/50—45/00—(63/50).

India Steamship—Rs. 6/09—6/19—6/06—6/19—(7/22).

SUGARS

Ramnugger Cane—Rs 26/25—26/31—26/12—26/12—(27/75).

Raza Buland—Rs. 9/75—9/75—9/75—9/75—(9/56).

Upper Ganges—Rs 62/00—62/00—62/00—62/00—(77/00).

U.P.—Rs. 9/06—9/06—9/00—9/00—(14/72).

TEAS

Baitakhal—Rs 6/31—6/37—6/25—6/37—(6/69).

Baradighi—Rs 22/12—22/19—22/06—22/06—(23/25).

Bateli—Rs. 17/50—17/50—17/50—17/50—(18/00).

Bhatkawa—Rs. 15/75—15/75—15/75—15/75—(16/56)

Dauracherra—Rs 7/62—7/62—7/62—7/62—(8/00)

Dhunseri—Rs. 11/62—11/75—11/62—11/75.

Ranicherra—Rs 12/75—12/75—12/75—12/75—(16/75).

Teesta Valley—Rs. 11/81—11/87—11/75—11/75—(13/75).

Tukvar—Rs. 6/87—7/00—6/87—7/00.

London

OPERATORS MORE CONFIDENT

SELECTIVE BUYING OF EQUITIES

London, 7th August.

ALTHOUGH holidays still kept business in check, the stock market looked somewhat more confident. Some people took a more optimistic view of the Government's prospects following recent favourable economic trends and encouraging statements from the Treasury and from individual Government leaders. The latest public opinion polls also made out a good case for Conservative victory. Also helping was the advance on Wall Street which pushed the Dow Jones industrial index through the 700 mark. Selling disappeared, and small selective buying of equities went on. Leaders like Turner and Newall, Dunlops, Sears Holdings, Associated Cement and Courtaulds were all back in favour after tending to drift lower in the early days of the week. Stocks did not always respond to reports of booming sales in the shops, but Debenhams were a good market. Dollar stocks were dull at one time, but the Wall Street advance caused an upward adjustment in prices. Gilt-edged were quiet, but small investment buying lifted prices slightly. Gold shares moved narrowly, and generally speaking, lacked a definite trend. Platinum shares were wanted after the Rustenburg profit forecast. Coppers were quiet. Tins were unsettled by the reported India-China border tension, but prices rallied well later. Teas also recovered after early dullness. Oils were inclined to ease, but looked steadier later.

SHELLAC DULL

During the week ended 6th August, the market was dull.

	Rupees a package
Pure Buttonlac	100 value.
Lemon One Shellac	106 to 100 buyers, 110 to 104 sellers,
Lemon Two Shellac	92 buyers, 96 sellers, 96 to 90 value.
Standard One Shellac	80 value.
Pure T.N. Shellac	70 value.
Golden Kusmi Seedlac	92 value,
Kusmi One Seedlac	82 value.
Golden Bysacky Seedlac	80 buyers, 84 sellers, 80 to 78 value.
Manbhum Fine Bysacky Seedlac	68. buyers, 72 sellers, 64 value.
Fine Bysacky Seedlac	56 buyers, 60 sellers, 56 value.
Genuine Bysacky Seedlac	40 buyers, 44 sellers, 40 value.
Grade One Class B Seedlac	64 buyers, 68 sellers, 64 value.
Grade Two Class B Seedlac	48 buyers, 52 sellers, 48 value.

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(HEAD OFFICE: CALCUTTA)

G. D. BIRLA

Chairman

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Paid-up ... Rs. 2,77,75,037

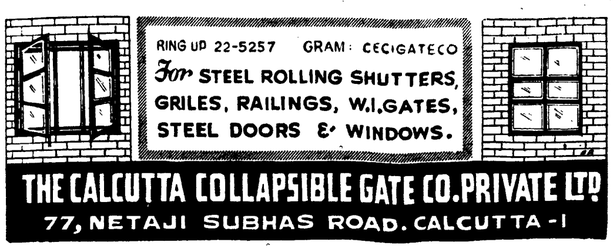
Reserve Fund & Other Reserves ... Rs. 3,03,00,000

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S. T. SADASIVAN

General Manager

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77, NETAJI SUBHAS ROAD. CALCUTTA-1

REVIVING CONFIDENCE IN THE CAPITAL MARKET

(BY A SPECIAL CORRESPONDENT)

PRICES on the Bombay Stock Exchange fell sharply on 31st July following reports of border intrusions by Chinese troops. Rates dropped by nearly 5 percent in a single session. Commenting on the nervousness of the stock exchanges, Mrs. Tarakeshwari Sinha, Central Deputy Finance Minister, observed in Surat the next day that "the Bombay Stock Exchange did not reflect a true picture of the country's economy." She deprecated the crisis mentality of share market operators. She took Indian business men to task for not boldly meeting the challenge facing the country. She made it clear that the Government of India cared very little about conditions in the investment market.

But obviously this view does not represent the attitude of the Government of India as a whole. The Finance Minister, his Secretary, Mr. L. K. Jha, and the Governor of the Reserve Bank are anxious to do all they can to improve the investment climate. A few days before Mrs. Sinha spoke in Surat, Mr. Bharat Ram, as the representative of industry and trade, had waited on the Finance Ministry. He requested officials to take immediate measures to restore confidence in the capital market and do something to end the dangerous stalemate in the new issues business. Mr. Jha reportedly conveyed the Government of India's anxiety about the trends in the investment market and the difficulty in raising equity capital for new issues. He is believed to have referred to the rôle of financial institutions such as the I.F.C. and the I.C.I.C.I. in reinforcing the confidence of the investor.

Proposed Official Measure

Mr. Jha also gave an indication that the Government of India might take some measures to revive the investment market, although the precise details were not given. It is no secret that the Finance Minister and the Secretary had detailed discussions on the subject with the Governor of the Reserve Bank, when the latter called on them on 23rd July, to discuss the economic situation. It is, therefore, clear that Government spokesmen are not consistent in their pronouncements on important economic issues. They blow "hot" and "cold" on the same subject within a few days. Obviously, there is no co-ordination and it is of paramount importance that at least on important issues, they should speak with one voice. Or else the public will be confused and will not know when and how to take a Government pronouncement seriously.

Two Proposals

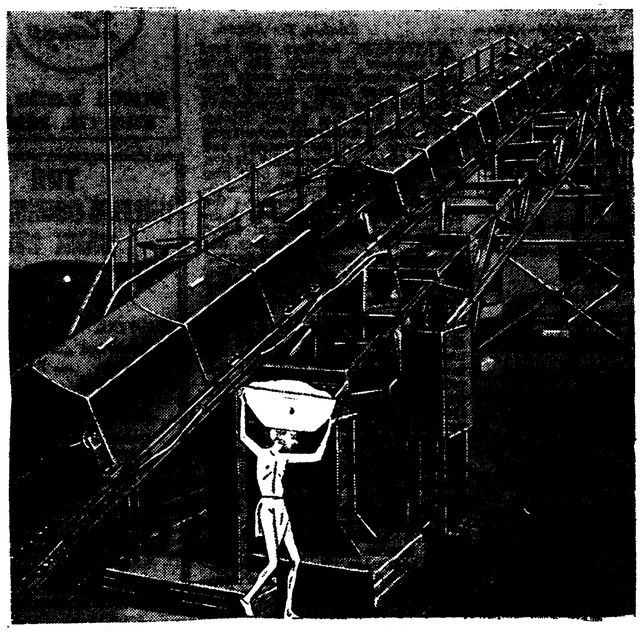
Among the several measures contemplated to tone up the capital market, two are prominent. One is the investment or unit trust to channel the savings of small investors into the investment market. A second proposal is to use the funds of the Life Insurance Corporation to support the capital market. Leading representatives of trade and industry are reported to have objected to the use of L.I.C. funds for the purpose. According to these critics, the Government decided to nationalise life insurance with the object of mobilising resources for promoting rapid development. The L.I.C. funds should be used, therefore, only for approved plan projects, just as the private sector might have done had there been no nationalisation of life insurance. The L.I.C. would be guilty of indulging in speculation and in misusing the funds entrusted to it by policyholders. The strong and critical reaction of certain well-known industrialists has certainly surprised the Government of India. The latest move seems to be to work out greater co-ordination in lending selective support to the investment market by the official lending institutions such as the I.F.C. and the I.C.I.C.I.

In a mixed economy, stock exchanges play an important rôle by mobilising savings for productive investment. If they are functioning as "speculative dens" without reflecting true economic conditions, as the Central Deputy Finance Minister has suggested, the best course would be to remove the abuses. The Government has already moved in this direction by imposing heavy margins on outstanding purchases and sales by both bears and bulls; credit has been regulated by the imposition of selective controls. The levy of super profits tax, to which all business men object, is mainly responsible for the depressed investment climate. A modification of the super profits tax without sacrificing the revenue might go a long way in restoring business confidence. Once the important rôle of stock exchanges is acknowledged, the Government must take measures to revive confidence. Half-hearted ones do more harm than good.

The setting up of unit trusts might help in stabilising the investment climate. An important point here is the time of the start. With compulsory deposits, heavier taxation and rising prices, it needs to be considered whether the present time is opportune for starting another venture for attracting public savings. Again, there is the question of getting the right type of personnel. The Government would do well to consider the experience or performance of existing investment trusts before venturing into the field.

Using L.I.C. Funds

There seems to be no valid reason for objecting to the use of L.I.C. funds for supporting new issues. When other Government-partnered institutions like the I.F.C. and the I.C.I.C.I. are supporting the new issues market by underwriting, there is no reason why the savings of the public should not be used to support selective new issues. The L.I.C.'s support to the market has become the main prop after nationalisation. To prevent the use of L.I.C. funds, on the ground that they belong to the public, in blue chips or in attractive new issues, would be to shut down an important avenue of productive investment for the Corporation. The L.I.C. will be losing an important outlet which would help in bringing down the cost of insurance policies and stepping up the bonus available for distribution among policyholders.



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THE CALCUTTA MONEY MARKET

FAIR INCREASE IN ADVANCES

Wednesday, 7th August.

THERE has been a fair increase in the general level of advances in the Calcutta money market during the past week. The accommodation given to the iron, steel and engineering industries is appreciably higher. The credit given to the jute mills remains almost unchanged. But advances for the sugar and cotton mills, and for the storage of foodgrains and seeds, are fractionally down. In the interbank market, conditions have eased and the call rate is quoted at around 3½ percent.

The exchange market has been fairly active. More gunny bills have been seen, and the supply of tea bills has been well maintained. The demand for remittance has been moderate. Sterling has strengthened in relation to most of the major currencies except the Belgian and Swiss francs and the deutschemark.

SILVER WAS QUIET IN CALCUTTA during the past week. The price fell from the previous week's level of Rs. 271.25 to Rs. 266.75 quoted today for ready delivery. There was no business in forward. The London and New York prices were 111½d and 129 cents. Gold was not transacted.

DURING THE WEEK ENDED 2ND AUGUST, Government of India Treasury bills for Rs. 124,67,25,000 were sold in favour of the Reserve Bank.

TENDERS FOR RS. 2 CRORES OF 91-DAY Government of India Treasury bills were opened on 6th August. The total amount offered was Rs. 3,05,00,000. Tenders at Rs. 99.425 percent were accepted in full, and those at Rs. 99.420 percent were allotted 65 percent. The total amount accepted was Rs. 2 crores only, the average rate of acceptance being Rs. 2.320 percent a year. Tenders for Rs. 2 crores of 91-day Government of India Treasury bills will be received at all centres up to the close of business on 10th August.

IT IS STATED THAT 91-DAY INTERMEDIATE Treasury bills will be sold from 7th August to 10th August at Rs. 99.436 percent. Sales can be stopped at any time without notice if the Government thinks it necessary. These bills sold from 31st July to 3rd August amounted to Rs. 2.71 crores.

ACTIVE NOTES ROSE BY Rs. 6.23 CRORES to Rs. 2,215.14 crores, according to the return of the Reserve Bank of India for the week ended 2nd August, 1963, while the total note issue was Rs. 42 lakhs smaller at Rs. 2,233.99 crores. A rise of Rs. 3.01 crores to Rs. 1,904.32 crores in rupee securities was offset by a decline of the same amount to Rs. 92.26 crores in foreign securities of the paper currency reserve. Deposits of the Government of India fell by Rs. 28.11 crores to Rs. 121.16 crores while those of State Governments rose by Rs. 23.68 crores to Rs. 32.79 crores due to the transfer of funds from the Central Government. Balances of scheduled banks were Rs. 3.12 crores smaller at Rs. 80.66 crores. Balances held abroad rose by only Rs. 42 lakhs to Rs. 5.98 crores in spite of transfer of securities from the Issue Department. Investments fell by Rs. 4.45 crores to Rs. 327.10 crores. Loans given to scheduled banks rose from Rs. 34.70 lakhs to Rs. 2.08 crores, of which advances against usance bills amounted to Rs. 59 lakhs (Rs. 9 lakhs). Ways and means advances were Rs. 11.31 crores, against Rs. 29.16 crores.

THE RETURN OF THE STATE BANK OF India for the week ended 26th July, 1963, shows a rise of Rs. 3.53 crores to Rs. 585.43 crores in total deposits. Investments in Government securities are down by Rs. 18.93 crores to Rs. 266.73 crores, while other authorised investments remain unchanged at Rs. 9.35 crores. Advances, including loans, cash credits, overdrafts and bills discounted and purchased have dropped by Rs. 6.51 crores to Rs. 262.78 crores. Cash and balances are, in consequence, shown at Rs. 24.70 crores or Rs. 56 lakhs less.

THE STATEMENT OF THE POSITION OF scheduled banks for the week ended 26th July, 1963, shows Demand and Time liabilities at Rs. 1,069.19 crores (Rs. 22.20 crores on account of borrowings from banks) and Rs. 1,313.09 crores (Rs. 22.43 crores), compared with Rs. 1,061.35 crores (Rs. 26.49 crores) and Rs. 1,329.56 crores (Rs. 23.04 crores), respectively, in the previous week. Cash and balances with the Reserve Bank have fallen by Rs. 61 lakhs and Rs. 23.99 crores to Rs. 51.45 crores and Rs. 79.33 crores. There is a drop of Rs. 9.91 crores to Rs. 687.17 crores in investments. Advances and bills discounted at Rs. 1,494.10 crores show a fall of Rs. 15.06 crores. The ratios to total liabilities of cash and balances, and of advances and discounts are, in consequence, shown at 5.5 percent and 62.7 percent, against 6.5 percent and 63.1 percent.

THE FOLLOWING IS A STATEMENT OF the cash balances of the Central Government on the last day of April 1963:

	Rs.
(1) At the Reserve Bank of India (A)	91,89,06,000
(2) At treasuries in India	(-)42,33,000
(3) In England (sterling converted at 18d the rupee)	40,63,000
Total	91,87,36,000

(A) Represents net of cash in treasuries and remittances in transit.

TREASURY BILL MATURITIES

Details of 91-day bills outstanding with the public on 9-8-63.

Issue Date	Maturity Date	Amount (000's Rs.)	Average Acceptance Rate
9-8-63	12-11-63	2,00,00	Rs. 3.320%
2-8-63	5-11-63	2,00.00	Rs. 3.320%
19-7-63	22-10-63	2,80.00	Rs. 3.317%
12-7-63	15-10-63	2,00.00	Rs. 3.320%
5-7-63	8-10-63	2,00.00	Rs. 3.340%
28-6-63	1-10-63	2,00.00	Rs. 3.345%
21-6-63	24-9-63	2,00.00	Rs. 3.350%
14-6-63	17-9-63	2,00.00	Rs. 3.354%
7-6-63	10-9-63	2,00.00	Rs. 3.350%
31-5-63	3-9-63	2,00.00	Rs. 3.332%
24-5-63	27-8-63	2,00.00	Rs. 3.356%
17-5-63	20-8-63	2,00.00	Rs. 3.360%
10-5-63	13-8-63	2,00.00	Rs. 3.354%

	(Monthly Maturities (000's omitted)
August, 1963	6,00.00
September 1963	8,00.00
October 1963	8,00.00
November 1963	4,00.00
Total	26,00.00

CLEARING HOUSE RETURNS

Week	Calcutta	Bombay
	Rs. (Lakhs)	
2-8-63	95.82	...
26-7-63	91.12	1.37.31
19-7-63	90.25	1.07.96
12-7-63	88.08	99.00

RESERVE BANK

ISSUE DEPARTMENT

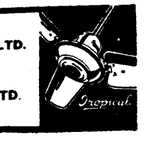
	(In 000's of Rupees)	Week Ended 2-8-63	26-7-63	3-8-62
Liabilities—				
Notes in Banking Dept.		18,84.85	25,49.87	18,72.15
Notes in Circulation		22,15,13.94	22,08,91.34	20,45,19.57
Total Notes issued		22,33,98.79	22,34,41.21	20,63,91.72
Assets—				
A. Gold Coin and Bullion		1,17,76.10	1,17,76.10	1,17,76.10
Foreign Securities		92,26.14	95,26.14	92,84.17
Total of A		2,10,02.24	2,13,02.24	2,10,60.27
B. Rupee Coin		1,19,64.79	1,20,07.56	1,19,82.73
Rupee Securities		19,04,31.76	19,01,31.41	17,33,48.72
Total		22,33,98.79	22,34,41.21	20,63,91.72

BANKING DEPARTMENT

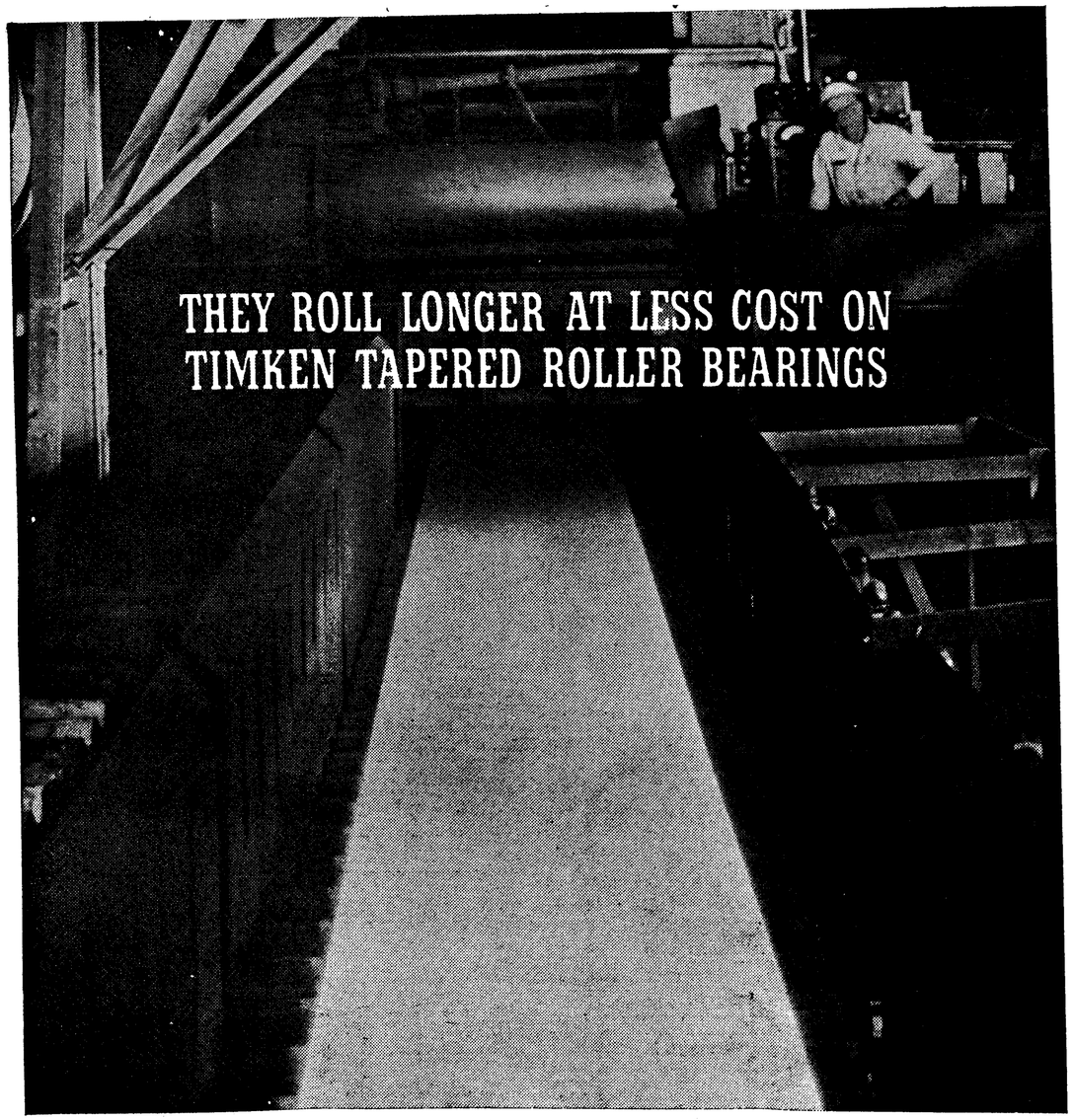
Liabilities—			
Capital Paid-up	5,00.00	5,00.00	5,00.00
Reserve Fund	80,00.00	80,00.00	80,00.00
National Agricultural Credit (Long Term Operations) Fund	73,00.00	73,00.00	61,00.00
National Agricultural Credit (Stabilisation) Fund	8,00.00	8,00.00	7,00.00
Deposits—			
(a) i. Central Govt.	1,21,16.37	1,49,26.69	49,08.35
ii. State Govts.	32,79.01	9,10.91	36,07.17
(b) Banks :—			
(i) Scheduled Banks	80,66.44	83,77.90	93,22.76
(ii) State Co-operative Banks	1,96.92	2,05.33	1,63.17
(iii) Other Banks	10.19	4.23	2.04
(c) Others	2,04,63.77	2,09,62.99	2,03,80.15
Bills Payable	36,46.18	32,57.54	29,97.94
Other Liabilities	20,55.76	17,74.22	19,24.21
Total	6,64,34.64	6,70,19.81	5,86,05.79
Assets—			
Notes	18,84.85	25,49.87	18,72.15
Rupee Coin	2,96	2,51	3,61
Small Coin	2,39	2,34	3,94
National Agricultural Credit (Long Term Operations) Fund			
(a) Loans and Advances to :—			
(i) State Govts.	27,16,59	27,16,75	24,03,29
(ii) State Co-operative Banks	10,37,81	10,51,20	12,18,07
(iii) Central Land Mortgage Banks	...	...	...
(b) Investment in Central Land Mortgage Bank Debentures	3,54,60	3,54,60	2,82,84
National Agricultural Credit (Stabilisation) Fund			
Loans and Advances to State Co-operative Banks			
Bills Purchased and Discounted :—			
(a) Internal			
(b) External	...	...	...
(c) Govt. treasury Bills	1,06,62.61	92,02.47	60,16.22
Balances Held abroad	5,98.19	5,55.81	6,21.72
Loans and Advances to Govt.	11,31.00	29,15.85	3,74.00
Loans and Advances to :—			
(i) Scheduled Banks	2,08.00	34.70	2,43.10
(ii) State Co-operative Banks	1,24,07.69	1,17,27.08	1,15,78.65
(iii) Others	1,55.80	1,56.80	92.57
Investments	3,27,10.80	3,31,55.60	3,05,36.60
Other Assets	25,61.35	25,94.23	33,59.03
Total	6,64,34.64	6,70,19.81	5,86,05.79

SCHEDULED BANKS

	(In 000's of Rupees)	Week Ended 26-7-63	19-7-63	27-7-62
(i) Demand Liabilities—				
(a) Demand Deposits				
(i) From Banks		53,45,74	52,59,25	49,01,50
(ii) From others		9,28,49,39	9,20,14,96	7,94,45,31
(b) Borrowing from Banks		22,80,34	26,49,30	20,39,28
(c) Others		65,03,64	62,11,14	54,55,41
(ii) Time Liabilities—				
(a) Time Deposits				
(i) From Banks		34,20,64	36,24,97	26,09,43
(ii) From others		12,46,24,48	12,59,92,19	12,41,40,36
(b) Borrowing from Banks		22,43,14	23,04,01	16,88,01
(c) Others		10,20,54	10,34,88	9,90,70
(iii) Borrowing from State Bank—				
(a) Demand Liabilities		4,53,21	2,71,77	4,53,47
(b) Time Liabilities		14,75,00	12,95,50	13,95,00
(iv) Borrowing from Reserve Bank		33,50	46,82	65,55
(v) Cash		51,44,89	52,05,82	49,46,36
(vi) Balances with the Reserve Bank		79,32,63	1,03,31,68	98,40,22
(vii) Balances with other Banks in current account		20,61,86	20,91,67	18,44,39
(viii) Money at call and short notice		56,75,55	62,61,45	53,63,89
(ix) Investments in Central and State Govt. Securities		6,87,16,55	6,97,08,22	6,54,99,93
(x) (a) Loans, Cash credits and Overdrafts		12,72,14,07	12,87,53,50	12,16,21,96
(b) Due from Banks		8,05,66	8,53,01	7,36,66
(xi) Inland Bills purchased and discounted		1,62,44,95	1,60,98,19	1,23,88,28
(xii) Foreign Bills purchased and discounted		51,45,09	52,13,76	46,64,05
(xiii) Total of X XI and XII		14,94,10,37	15,09,18,46	13,94,10,95



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THE TATA IRON AND STEEL COMPANY LIMITED

STATEMENT OF THE CHAIRMAN

The following statement by Mr. J. R. D. Tata, Chairman of the Tata Iron and Steel Company Limited, dealing with Company's working for the year ended March 31, 1963, has been issued to shareholders. The Annual General Meeting of the Company will be held on Thursday, August 29, 1963 at 4-30 p.m. at the Birla Matushri Sabhagar, 19, Marine Lines, Bombay 1.

To the Members,

The year under review has been a difficult one for India, overshadowed by the Chinese attack on our Northern Frontiers. While military operations, which ceased abruptly with the Chinese withdrawal in December 1962, left substantially unaffected the country's territorial integrity, the economic aftermath of the invasion has been a serious one. Although viewed in retrospect the limited Chinese attack on India may prove in the long run to have been a blessing in disguise for having swept away dangerous illusions and policies based on them, concerning China's avowed friendship for India, it has placed on us a grievous, and possibly permanent, burden of additional defence expenditure at a time when all our resources were required for economic development. With the realisation of our military unpreparedness against such a powerful and ruthless enemy, the need to strengthen and modernise our defence apparatus at the cost of a much larger part of total available resources, slender as they are, became inescapable.

The Finance Act has made only too clear to us all the magnitude of this new burden. While there is, I am sure, none amongst us who would deny the need to provide whatever funds are required to strengthen our defences, much concern and doubts have been expressed in regard to the specific provisions of the Act and particularly in regard to the Super Profits Tax. The matter was so fully argued and discussed both publicly and privately at the time that little purpose would be served by my using this occasion to repeat here what has been so thoroughly ventilated earlier. We can only hope that the Finance Minister who, much to his credit, gave the assurance that he would review this particular measure if it was found in practice to be detrimental to the country's economic growth, will, in fact, do so at a suitable opportunity. It is fortunate that, in our own case, the Super Profits Tax will place no burden on our Company, thanks to the large capital and reserves employed in our business.

Gratifying Progress

Coming to our own affairs, shareholders will see from the Directors' Report and the Accounts that the Company made gratifying progress during the year under review. Both output and profits have risen appreciably and the Company has now begun to reap the fruits of its heavy investment in money and effort undertaken over the last seven years.

I am particularly happy, that the improved results have made it possible for the Directors to recommend a slightly higher dividend on ordinary shares. The fact that the dividend in the hands of the shareholders is still considerably less than prior to the Expansion Programme is solely due to the change in the tax laws of the country since 1960, but that is a matter entirely beyond our control the burden of which would have been felt even if the Expansion Programme had not been undertaken. In fact, there is no doubt in my mind that had we not grasped the opportunity of doubling the capacity of our plant, the position of the shareholders would be less favourable than it is today and it would progressively deteriorate year by year as the plant got older and more costly to operate.

Shareholders will remember that, when the Expansion Programme was first mooted and some of them expressed serious doubts as to the wisdom of spending so much money on expansion, I pointed out that the Company's prosperity and, in fact, its ultimate survival would depend on its continued ability to remain competitive in the changed situation in the Indian Steel Industry as a whole which would emerge from its rapid growth and the creation of a number of large modern plants.

Competitiveness, in a controlled industry like ours, means, in essence, the ability to produce steel cheaper, or at least at no higher cost, than the rest of the industry. We could never have achieved this with a plant most of which was built after the first World War and which required an unduly large labour force in relation to its output. In any field of industry, an enterprise that fails to grow and to replace old plant and machinery with new and more efficient equipment must inevitably decline and ultimately die.

Modernisation and Expansion

I am sure that even our most sceptical shareholders are today glad that the Company embarked upon the Modernisation and Expansion Programme (MEP) and the Two Million Ton Programme (TMP) and I have no doubt that the wisdom of this step will become more evident as the years go by. I hope, at the same time, that they will realise that this process is a continuous one and that the Company, so long as it exists, can never afford to sit back and feel content that the modernisation and expansion achieved between 1956 and 1960 will be sufficient for ever after. We must be prepared not only to replace old plant and machines as they wear out and as new and better ones become available, but also to expand further if and when we are given the opportunity to do so on a sound and remunerative basis. Efficiency and low costs nowadays are increasingly linked with large-scale production. Whereas a few years ago, a million ton steel plant and, say, a thousand ton a day blast furnace were considered exceptionally large and efficient, today even a two million ton plant is small by world standards and a two thousand ton blast furnace is by no means amongst the largest built. In this heaviest of all industries particularly, the size of steel plants and of the individual items in them has grown continuously over the years not only in order to make more steel, but because, by the better and more efficient use of materials, power, transport and labour, they are able to produce at lower cost. In addition, technological advances and new processes have increased efficiency and lowered costs.

Those, therefore, who intend to remain shareholders of this great Company of ours must, in their own interests, be prepared to take a long term view and allow the Company to accept the additional burdens and responsibilities involved in continued modernisation and, wherever the opportunity occurs, in further expansion. For only by such means can we remain strong, efficient and competitive and can dividends be maintained or improved.

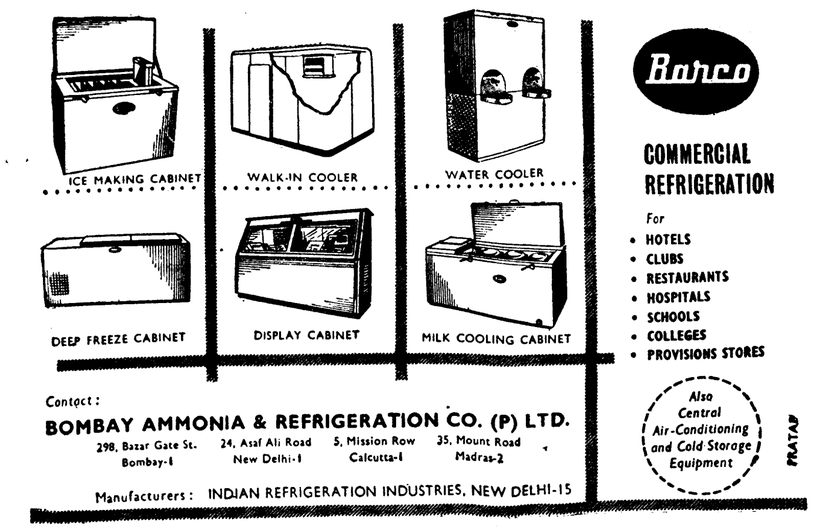
An opportunity for further modernisation and expansion may, in fact, come our way sooner than expected. As shareholders will have gathered from recent press reports, Government, in their advance planning of steel-making capacity in the Fourth Plan period, are considering a further expansion of capacity in the Private Sector in addition to that proposed for the Public Sector. We have been asked whether our Company would be interested in a further expansion at Jamshedpur and willing to undertake it during the Fourth Five-Year Plan. This matter is still at an exploratory stage and no decision is likely to be taken for a considerable time. The Management of your Company is at present engaged in a preliminary study of such a project. In the meantime, we have informed Government that we would in principle be willing to play our part in the expansion of the Indian steel industry as a whole provided such an expansion could be financed without undue strain on the Company's resources and would safeguard the interest of the shareholders.

Further Expansion

From the preliminary studies we have already made, it would seem that a further expansion of something between half a million and a million ingot tons could be undertaken economically within the existing plant area. In considering this matter, we will be guided solely by the technical and economic soundness of the project, the financial stability of the Company, the interests of the country and, by no means last, the interests of the shareholders.

The most important obstacle to surmount will be the question of finance. The cost of such a scheme, if for a million tons, would probably exceed Rs. 100 crores, at least half of which would be in foreign exchange. The World Bank, to which we still owe Rs. 34 crores, out of the Rs. 51 crores they lent us for the Two Million Ton Programme (TMP), would obviously be primarily concerned in such a scheme, whether they financed it themselves or not, and we would have to satisfy them that it could be undertaken without affecting our capacity to service their existing loans, let alone any fresh borrowing raised for the new Expansion Project.

Shareholders would probably look upon such a proposal from their own point of view and particularly the effect it would be likely to have on their dividends and on the market value of their shares. It is too early for me to give shareholders any indication of how these will be affected by a further programme of expansion. I can, however, assure them on behalf of my colleagues on the Board and



myself, that we will recommend a scheme of further expansion only if we are thoroughly satisfied that the project is technically and economically sound and that it can be undertaken on terms wholly fair, and even attractive, to the shareholders.

While on this subject, I may refer briefly to Government's plans for the expansion of the industry as a whole. While the present steel-making capacity of the five major plants in India is about six million ingot tons, the Planning Commission have estimated the country's requirements at ten million tons at the end of the Third Plan and eighteen million tons at the end of the Fourth Plan.

Because of the long time it takes to expand existing plants and to build new ones and the many and difficult problems involved in correspondingly increasing supplies of raw materials, coal, transport and power to cope with the increased output of steel, it is doubtful that these targets will be reached according to schedule.

Fourth Plan Target

It is my personal view that the maximum practical target that can be reached at the end of the Fourth Five-Year Plan will not exceed fifteen million tons which itself would be a considerable achievement and in my view adequate. Of the present firm decisions, taken, the proposed creation of the Bokaro plant is by far the most important. Some shareholders and others may have been surprised that, as Chairman of the largest producer in the Private Sector, I should have gone out of my way to support publicly the Bokaro project both in India and abroad. I am sure, however, that most people, including our shareholders, will approve of my action. India's economy and the standard of living of our people cannot grow without additional steel it is clear that the Private Sector, even if permitted to do so, would not be able to undertake on its own a programme of expansion at an average rate exceeding a million tons of new capacity per year.

Assuming a capital cost per ton of installed capacity of anything between Rs. 1,500 and Rs. 2,000 per ton, the sums involved are so enormous, as to be clearly beyond the present and foreseeable resources of the Private Sector. It would be both unreasonable and unpatriotic of anyone to place the interests of private enterprise above those of the nation as a whole, and I therefore had no hesitation in publicly supporting the Bokaro project, when it seemed that such support might help in allaying some of the doubts expressed in America in regard to aid for this project. I sincerely hope that the U.S. Government and Congress, who have contributed so generously upto now to India's economic development, will find it possible to give their support to this vital project.

Shareholders will also have learnt from press reports that the Government of India were considering the possibility of abolishing wholly, or in part, statutory control over steel prices and distribution which has been in force since 1941. With the increased availability of steel from the five major plants in the country and the gradual narrowing and, in some cases, disappearance of the gap between retention and selling prices, the situation in the country in regard to steel supplies has materially changed, and Government have decided to review the whole question of continued control over the steel industry.

The Minister for Steel and Heavy Industries is to be complimented on taking a lead in reviewing Government's approach to the complicated and difficult problem of steel distribution and pricing. It is also gratifying to find that, before coming to a final conclusion on the subject, he decided to seek the views of the industry. For this purpose the Minister called a meeting of the three main producers early in July 1963, at which the whole subject was tentatively explored.

In expressing their views and suggestions in Delhi, the representatives of the basic steel industry informed Government that they would welcome decontrol provided that, at the same time, steps were taken to ensure that the transition was a smooth one and that reasonable prices were fixed which would be fair to both the consumer and the producer.

Tentative Views

The meeting was purely of an exploratory character and no decision was taken. The tentative views expressed by the industry were sympathetically heard, and I am grateful to the Minister, who was good enough to preside over the meeting, for his fair-minded and pragmatic approach to the problem. The Minister asked the representatives of the three main producers to discuss the matter further amongst themselves and to place their considered views before Government as soon as possible.

At this early stage it would not be proper for me to express any views on the subject. I can only say that I personally believe that if the steel industry is allowed to conduct its own affairs in future, under a carefully thoughtout scheme which will safeguard the public interests, a progressive step will have been taken to the advantage of all concerned and of the country as a whole. I therefore hope that these constructive discussions will fructify.

I regret to report that the Special Alloy Steel Project, which the Company has had under consideration for the last three years, has had to be shelved for the time being for two reasons: First, it has been found impossible upto now to interest a foreign collaborator in participating in the project on the condition imposed by Government that the whole of the foreign exchange cost should be wholly provided by the foreign partner and, second, the Government of India have decided that this project should be transferred to the Public Sector. I can only regret this decision and hope it will be possible to revive our project at some time in the future.

In last year's Directors' Report and the Chairman's statement a reference was made to Government's request that we should increase the output of our coal mines by about 1.5 million tons of raw coal or 1 million tons of washed coal so as to become self-sufficient in coking coal supplies. The study of this project has taken longer than expected mainly because, owing to the prohibitively high estimates of cost first submitted to us, we had to have the matter re-examined by another firm of consultants whose preliminary techno-economic report has just been received. The estimates contained in this second report are, I am glad to say, substantially lower than in the first. Discussions on the subject have been initiated with the World Bank, who have taken a special interest in the development of the Indian coal industry, and I hope that by the time the next annual report is submitted to you, a satisfactory decision will have been taken.

Tonnage Oxygen Plant

I have nothing special to report in regard to the operations of the Company during the current year, of which four months have elapsed at the date of this statement. A further advance in production may be expected during the year, particularly as a result of the commissioning of the Tonnage Oxygen Plant which is to supply oxygen to SMS 3. The erection of this plant will be completed shortly and should be in operation before the end of the year. I must, however, point out once again that in such a complex industry as ours, involving the close co-ordination of many elements and factors beyond our control, continuous operation at hundred percent of capacity is not an easy task. I can assure shareholders, however, that every effort will continue to be made to bring the plant to its full production and efficiency of which over ninety percent was achieved by the end of the year under review.

In conclusion, I am sure the shareholders would like to join my colleagues on the Board and myself in thanking our officers, staff and workers whose sustained efforts over the past few years have been largely responsible for the continuous improvement in the performance of the Company.

Note: The above statement is not a document purporting to be a report of the proceedings of the Annual General Meeting.



THE INDIAN IRON AND STEEL COMPANY LIMITED

CHAIRMAN, SIR BIREN MOOKERJEE'S STATEMENT

The following statement by Sir Biren Mookerjee, Chairman of the Indian Iron & Steel Company Ltd., dealing with Company's working for the year ended 31st March 1963, has been issued to shareholders. The Annual General Meeting of the Company will be held on Tuesday, the 3rd September 1963, at 3 p.m. at the Royal Exchange Hall of the Bengal Chamber of Commerce & Industry, 6, Netaji Subhas Road, Calcutta-1.

The highlight of the year under review was the attainment by the Burnpur Works of a production of iron and steel approximating to the rated capacity of the plant, an achievement which reflects great credit on the entire operational staff, who have refused to admit defeat in the face of the many adverse circumstances with which they have had to contend.

Accounts

The effect on profits of the increase in production is not immediately apparent from the Profit & Loss Account. I should, therefore, perhaps point out that in the 1961-62 account there was included a sum of Rs. 2,28,51,875 arising from the retrospective increase in retention prices but relating to the year 1960-61. Against this has, however, to be set the adjustment of Rs. 1,40,01,141 relating to previous periods by which the value of the sales for 1961-62 had to be reduced by reason of the disallowance by Government of an element in the retention prices to compensate the interest chargeable on their Special Advance. The net special inclusion was accordingly Rs. 88,50,734 and if this is deducted from the gross profit of Rs. 9,18,78,416 shown for 1961-62, the comparative gross profit figure for that year becomes Rs. 8,30,27,682 in relation to the gross profit of Rs. 9,11,89,201 earned in 1962-63.

The 1963-64 Budget proposals in regard to the levy of a Super Profits Tax at penal rates on profits earned in excess of 6% on Capital and Reserves caused us grave anxiety, since in their original form they would have imposed on our Company a liability for the year exceeding Rs. 1 crore. As a result of widespread protest, these proposals were however subsequently considerably modified, the concessions primarily affecting us being the allowance of a deduction of 10% of total income in the computation of chargeable profits and the inclusion in Reserves of Development Rebate Reserve (in our case amounting to some Rs. 367 lakhs) not originally admissible. Although, in the result and in the circumstances explained in your Directors' Report, the possible immediate liability for the year is in our case now small, I cannot but regard the tax as ill-conceived. I say this for the reason that the tax can so readily operate to impose a penalty on efficiency and to constitute a positive disincentive to the expansion of the industries of Indian on which the entire future of the country depends.

Operating Conditions

You will be fully aware from my previous Statements of the difficult conditions under which operations are perforce carried on at Burnpur, the transport position, both as regards irregularity in the movement of wagons and the utilisation of wagons of unsuitable types, posing a constant problem in the handling of raw materials and the quality of purchased coal and limestone being a matter of the gravest concern. The position in regard to the latter materials was rendered still more acute by the commissioning of the remaining blast furnaces of the Hindustan Steel Limited during the year which led to a further deterioration in the quality of our supplies, the average ash content of our coal being 18.22% as against 18.01% for the previous year.

We are, in the matter of raw materials, contending against conditions far worse than those being experienced by the other producers due to our very small allotment of washed coal (about 8% of our requirements against nearly 100% in the case of all other producers) and might, therefore, with some justification boast of our production achievements in keeping with the example set in certain other quarters. I must, however, confess to some feeling of inquietude at the position which has been forced upon the industry by the apparent view of the Steel Ministry that quantity of production alone shall be the criterion of efficiency without regard to quality. For the two years ended 31st March, 1962, in our fight to maintain quality, we produced to approximately 90% of our rated capacity, about 80% of our outturn of saleable steel being of tested quality. This position was accepted by the Tariff Commission after full investigation and their recommendation as to the sales retention prices for the period based accordingly. Despite this and the fact that a basis of 90% capacity production constitutes also practically a world standard for the steel industry, these recommended prices, as I advised you last year, were cut by the Steel Ministry by no less than Rs. 19.50 per tonne, the major part of this reduction being made on the grounds that "the plant should have worked at 100% of capacity instead of 90% optimum mentioned by the Tariff Commission." The effect of the cut made by Government was in our case to impose on us a penalty by way of loss of gross earnings for the two-year period of no less than Rs. 405 lakhs. Faced with such a position where we have been penalised for our performance in place of the commendation we might justifiably have expected, we have had no option but with the greatest of reluctance to lower our standards, for the maintenance of which I have fought throughout my entire association of over thirty years with the Company, and the attainment of a production of 100% of rated capacity has been achieved only at the expense of a drop in the proportion of tested quality steel to about 60% of the total outturn, the rest being of commercial quality, with further reduction possibly still to come.

A consant drive for more and more production is fraught with many risks which, although apparently contrary to the views of those in authority, I cannot help but feel should not be taken, particularly having regard to the period of emergency through which the country is now passing. With the present quality of raw materials and the irregularity of their supply, the task of maintaining production is difficult enough in all conscience, for the efficient working of a steel plant is, in effect, a combination of art and science superimposed on an essential and fundamental background of rhythm. To the extent that more constants can be established so is the rhythm improved but where there are many and serious variables as now, then is the rhythm broken, this in turn cutting into production and quality—a set of conditions which the steel producer most dreads.

A modern steel plant is robustly built but nevertheless there are many delicate sections in it where constant care and vigilance is needed. Hence, maintenance must get the highest priority even at the cost of some loss in production. Just like the human body, where, although the stomach can stand a lot, the heart, brain and lungs are very delicate, so in a steel plant the Turbo-Blowers, the Ilgner Plant and the Cogging Mill are the vital points. Unless these are attended to regularly with special attention at the slightest sign of irregularity a major breakdown may ensure. The position is particularly hazardous in the case of our Indian steel mills where the holding of a large quantity of spares of all kinds is not possible owing to foreign exchange shortage and where any major breakdown could accordingly involve a prolonged and very serious loss in production. If, therefore, at the goad of the Steel Ministry capacity production must be obtained to avoid penalty, there is always the danger of chances being taken which might result in disaster. These are commonsense and practical matters allowing no scope for arbitrary decisions which, I suggest, should not have been and should not be made without the support of the highest expert advice available within or, if necessary, without the country.

Further Expansion

I advised you last year that dependent upon the availability of raw materials in general of the requisite quality and, in particular, of coking coal of reasonable ash content, there existed a potential for further expansion of the production capacity of the Burnpur Works by approximately one million tonnes of crude steel per annum and that such expansion for planning purposes had been phased into two parts. Phase I, which is that under immediate consideration, would cater for an increased annual production of some 300,000 tonnes of equipment ingot steel to be processed in the existing Rolling Mills, while Phase II, to follow in due course to accord with the overall planning of Government, would cover the balance increase of some 700,000 tonnes of crude steel, the form of final processing of which would be dependent upon the future requirements of the country. The World Bank has expressed its interest in the implementation of Phase I and the position so far as Government are concerned is that they have officially announced that there is no objection in principle to the further expansion of the Private Sector steel plants and have called for technical and financial reports in regard to this first phase of the Company's expansion programme.

It has been pointed out to Government that the availability of adequate quantities of good quality metallurgical coal is a prerequisite to any further expansion and that since Government have previously indicated that the Private Sector plants must make themselves self-sufficient in the matter of their coal requirements, the position, of necessity, hinges upon the ability of the Company to implement the Chasnalla Project for the development of the Company's coal-bearing properties, for the finance of the foreign cost of which a loan of $19,500,000 has been negotiated with the World Bank as reported last year. The difficulty in this matter lies, therefore, not in connection with the foreign cost which is fully covered by the loan, but in the finding of the finance necessary to cover the local cost of the Project in view of the fact that the position in this latter respect has gravely deteriorated since arrangements were concluded with the World Bank in December 1961.

This deterioration is due to two factors. Firstly, an increase of Rs. 459 lakhs in the estimate of such local cost caused by (a) lack of Governmental support in the matter of land acquisition which has necessitated the abandonment of the proposed open-cast mining section of the project and a compensatory enlargement at considerably greater expense of the deep-mining section and (b) the very heavy impact of the 1963-64 Budget on construction costs by reason of the enhancement of import and excise duties, higher freight charges and increase in the prices of various controlled commodities, together with the general rise in the cost of all materials and services that must inevitably follow under the present economy of the country. And secondly, the severe loss of earnings, to which I have earlier referred, caused by the drastic cut imposed by Government on the sales retention prices of steel that were recommended by the Tariff Commission.

Certain proposals by which the position could be covered have, however, been put forward to Government whose reply is awaited.

In view of the remarks made in the Report by your Directors you may perhaps question my present reference to the Chasnalla Project and I should therefore explain that since the date of that Report, an Order has been promulgated by Government under the Defence of India Rules, 1962, relaxing the provisions of Rue 52 in their application to the Company.

Kulti Foundries

To prejudice still further the financial position, another adverse factor has recently been introduced in the shape of attempt by the Steel Ministry to impose a cut on the supply of pig iron from Burnpur to Kulti and to divert supplies to such extent for the benefit of other and competing iron founders and pipe manufacturers despite the fact that at the time the agreed decision was reached some years ago to scrap the two obsolete blast furnaces at Kulti it was made clear to and accepted both by the Ministry of Commerce and Industry (at that time having jurisdiction in the matter of iron and steel) and the Planning Commission that the full requirements of Kulti must be met from Burnpur before any iron could be made available by the latter Plant to outside parties. The effect of the proposed cut, if imposed, would be a curtailment of operations at Kulti which, apart from rendering surplus 3,263 staff and workers involving payment of retrenchment compensation of approximately Rs. 20 lakhs, would result in a loss of earnings to the Kulti Foundries to the extent of some Rs. 55 lakhs per annum. Moreover, such a situation would inevitably lead to the gravest impairment of labour relations not only at Kulti but also at Burnpur, the possible result of which could be disastrous both to the Company and to the country.

The Company has naturally made the strongest representations in the matter the result of which is awaited and I may perhaps be forgiven if, in the face of the many adverse circumstances with which we have to contend, I confess to some feeling of frustration at times at the difficulties it would appear are unnecessarily and without due consideration thrown in the path of the Company in seeming discouragement of its efforts towards

the advancement of the industry of the country.

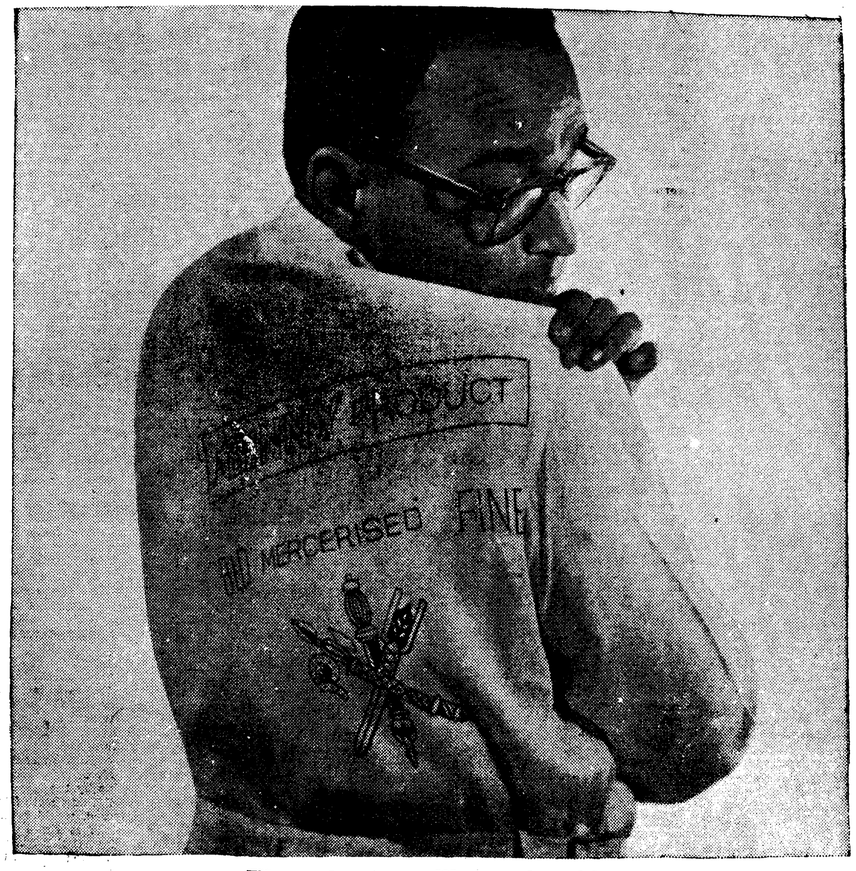
Decontrol

You will doubtless be aware that Government have presently under consideration the possibility of decontrol of the distribution and prices of steel. In this connection a meeting was convened in New Delhi by the Steel Minister on the 6th July, 1963 which was attended by the Chairmen of the Public and Private Sectors of the industry when the overall aspects of the matter were discussed. The relaxation of one of the multifarious Governmental controls over the industries of the country would naturally be welcomed. It must, however, be appreciated that the steel industry is not yet in a position to meet the full demands of the country and that the fullest and most effective utilisation of capacity must therefore be ensured, this involving the elimination of wasteful competition and the most economic usage of the over-strained railway transport system. It will be apparent, therefore, that in the interests of the country, the consumers and the industry, direct Governmental control would of necessity have to be replaced by some form of possibly modified control on a voluntary basis by the industry itself and the detailed joint proposals of the main producers in this connection are now being worked out for submission to Government.

Acknowledgements

In conclusion, I would express on behalf of the Board of Directors our appreciation of the services rendered by the General Manager, Mr. J. McCracken, his Executive Heads and the entire Staff and Workers of the Company who by their ability, determination and wholehearted effort have made possible the results that have been achieved.

Note: The above statement is not a document purporting to be a report of the proceedings of the Annual General Meeting.



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ORISSA CEMENT LIMITED

CHAIRMAN, MR. J. DALMIA'S REVIEW

Summary of the speech of the Chairman, Mr. J. Dalmia, delivered at the Thirteenth Annual General Meeting of the Company held at Rajgangpur (Orissa State) on 5th August, 1963.

Gentlemen,

I have great pleasure in welcoming you to the Thirteenth Annual General Meeting of your Company. Despite an increase of 10% in the gross sales, the profit earned by your company is lower at Rs. 142.20 lakhs compared to Rs. 160.59 lakhs in 1961 for the reasons discussed in the Directors Report. After a good deal of thought your directors decided in favour of strengthening the General Reserve by transferring Rs. 13.50 lakhs to the said reserve even though this necessitated a reduction in the dividend from 15% to 10%. I am, however, glad to inform you that the representation made by your company to the Central Board of Revenue for grant of tax concession pursuant to Sections 84 & 101 of the Income tax Act 1961 in respect of the profits from the various refractory plants has been successful. The total quantum of the tax exempt profit available amounts to Rs. 31,01,873/- and this being more than the dividend for the year 1962, no deduction of tax at source will be made from the said dividend. An amount of Rs. 6,17,873/- out of the tax exempt profit is carried forward and would be available for future dividends.

Incidentally, I would like to point out that the system of tax deduction at source from dividends and interest on Government securities is causing a great deal of hardship to the lower income groups, inspite of the provision in the law for grant of exemption certificates to persons whose income might be below the taxable limit. These people with low incomes are already finding it difficult to sustain themselves and their families especially with the persistent rise in the cost of living. They deserve to be assisted and I would urge the Finance Minister to consider and give exemption from tax deduction in respect of dividends of say Rs. 300/- or less to an individual shareholder.

As mentioned in the report of your Directors, on account of difference of opinion between the two Arbitrators, the dispute regarding electricity charges had been referred to the Umpire, Shri M. C. Mahajan, Ex-Chief Justice of India. The Umpire has given his award in which he has decided the basis to be adopted in computing the electricity charges to be paid by the Company. Actual calculations will take some time but the amount payable by your Company would work out to well below half the figure of Rs. 92.09 lakhs which has been shown in the Balance Sheet as Contingent Liability.

Incentive Scheme

I would now like to refer to the incentive Scheme introduced by the Government of India with effect from 1st January 1963, for maximising production in the cement industry. In the case of your company, the incentive would become payable at Rs. 5.50 per tonne for the extra tonnage, if any, produced in 1963 over 3,80,000 tonnes. The objective underlying the scheme is indeed commendable and I hope that this scheme which is valid only for the current year to begin with, would be made a regular feature of the price system so long as the retention prices are regulated by Government, I should like, however, to point out that the norm adopted for the purpose of this scheme, that is, the maximum production attained in any calendar year during 1960-1962 places at undeserved disadvantage those producers who kept up their efforts to maximise production and reached the optimum or near optimum level during any of the three years of the reference period. Worked on this basis, the incentive will be self-defeating and will cease to provide the continuous impetus necessary to make the scheme a success. A better and more workable method would be to relate the norm to the average production of each unit during the last three years. I am sure that with this and a few other minor modifications, the scheme would well serve its purpose by providing a positive incentive for all the cement units.

After examining the impact of various levies, which have been imposed from time to time since the cost investigation by the Tariff Commission, the Government has now allowed an increase of Rs. 2.75 nP. per tonne in the retention prices payable to the Cement Producers with effect from 1st June, 1963. The retention price payable to your company would now be Rs. 72.25 nP. per tonne. The increase falls short of the demand made by your company and covers partially the increased cost consequent on Governmental action. Moreover, this has not been given retrospective effect from 1.11.1961. I hope the Government would take a realistic view and would provide adequate relief to the Cement Producers for the actual increases in production costs due to Governmental actions, which are beyond their control.

The Refractory industry is today faced with certain crucial problems. The installed capacity of the Industry (excluding mortars and deadburnt magnesite) at the end of 1962, and as anticipated at the end of years 1963 and 1964 on the basis of figures discussed at recent meetings of the Panel on Refractories are 6,67,400 ; 8,31,700 ; 9,40,700 tonnes respectively and with the licences under active implementation and plants under construction, it may rise to about 12 lakh tonnes during 1965. This expansion of the Refractories Industry was based on the steel production capacity reaching a target of 10 million tonnes per annum by the end of the Third Five Year Plan. It appears, however, that by 1964-65 and perhaps even in 1965-66, the steel industry would not exceed a production rate of about 6 million tonnes per annum.

Refractory Requirements

I will now turn to the requirements for refractories, actual and anticipated. In 1962, the production which may be taken to represent approximately the demand of Fireclay, Silica and Basic refractories, was 5,32,787 tonnes i.e. 80% of the installed capacity. The requirements for 1964-65, when the steel industry may have a production rate of about 6 million tonnes per annum, would be 6,35,501 tonnes i.e. 67% of the installed capacity in 1964-65.

A consideration of these figures will show a progressive deterioration in the position of the industry when its overall unutilised capacity of 20% in 1962 would increase to 33% in 1964-65. If, as I have mentioned earlier, the installed capacity for fireclay, silica and basic bricks increases to 12 lakh tonnes during 1965, and the demand remains around the same level as in 1964-65, at only somewhat over 6 lakh tonnes, the industry would have an idle capacity of as much as 50%. This in itself would be disastrous. The Industry also cannot ignore the possibility that there is an over estimation in the rate of consumption of refractories per tonne of steel produced. This is particularly so in the case of basic refractories, as I had mentioned last year. We are further concerned with the indications that new capacity in the steel industry may be largely planned for making steel by the L.D. process or by other Oxygen processes where instead of the conventional basic refractories, only tar bonded dolomite bricks are required.

The changeover in the steel industry to all basic open hearth furnaces is taking place even more rapidly than was expected with a consequent rapid decline in the demand for silica bricks. I realise that while very major expansions are being planned in the capacity of the steel industry, the demand for refractories cannot remain at a constant level, linked only to the operational requirements of the steel industry. This will be increased appreciably by the constructional requirements for refractories, which might increase the demand by about 20%. It would be to the mutual benefit of both, the steel industry and the refractory industry, if the steel industry were to formulate and place its demands for refractories for constructional purposes well in advance so as to enable the refractory industry to utilise its capacity most gainfully and at the same time eliminate the risk of the steel industry having to import refractories which they are unable to get in the country at short notice. Even allowing for some inbuilt surplus in the capacity of the refractory industry, it is apparent from what I have said earlier that there can be no justification for any further expansions in the capacity of the refractory industry, for several years to come.

Special Types of Refractories

It is fortunate that your company has developed the manufacture of certain special types of refractories, such as, silica coke oven bricks, forsterite bricks, blast furnace bricks, burnt basic roof bricks, chemically bonded steel clad basic roof bricks, etc., which, to a great extent, were being imported hitherto. In this manner, we would not only be able to contribute to savings of foreign exchange but, would be able to equip ourselves better to meet the difficulties created by over-production in the industry.

Both the steel industry and the refractory industry would benefit if shapes and sizes of bricks are standardized as far as possible and common specifications are adopted for all the steel plants. This would not only facilitate manufacture but would enable supplies to be made at short notice. The adoption of the Indian Standard Specifications would also discourage any tendency to resort to imports of refractories according to certain foreign specifications. I am sure that the authorities concerned are fully alive to this problem and that they will continue to cut down still further whatever imports are taking place.

The difficulties in the procurement of the right type of raw materials for the industry, due to the mineral licensing policy and the manner of its implementation by certain States, continue to exist. I am happy to advise, however, that the importance of removing these difficulties is being given greater recognition by the Panel on Refractories. The tendency on the part of certain States to impose restrictions on the grant of mining leases for minerals to be used for industrial purposes outside their boundaries, also appears to be diminishing. There are, however, frequent delays in the disposal of mining lease and prospecting licence applications, but in view of the present emphasis on efficiency and economy in the country, we may hope that there will be more expeditious disposal of such cases.

The industry is grateful to the Geological Survey of India for the investigation which they have undertaken on finding new sources for the supply of important raw materials required by the industry, such as, high alumina plastic and non-plastic fireclays, chrome ores and bauxite.

At the Fourth Session of the Industrial Committee on cement held on 15th September, 1962, it was decided to appoint Tripartite Sub-Committee to consider in the light of the workload studies already carried out in the three cement factories, the question of undertaking similar workload studies in other cement factories and to recommend, interalia, the appropriate agency for carrying out such studies. The Sub-Committee has been constituted only recently after the lapse of nearly seven months and has yet to begin its labours. I would once again urge that these studies should be expedited so that the assessment of the workloads is completed well before the question of revision of the wage structure in the cement industry comes to be considered.

In the end, I would like to express on your behalf and on behalf of your directors our sincere appreciation of the services rendered by the workers, staff and officers of the company during the year under review.

N.B. This does not purport to be a report of the proceedings of the Thirteenth Annual General Meeting.

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CHAIRMAN, MR. B. M. BIRLA'S ADDRESS

The following Speech delivered by the Chairman, Mr. B. M. Birla at the Twenty-seventh Annual General Meeting held on Tuesday, the 30th July, 1963.

Gentlemen,

It gives me great pleasure to welcome you to the 27th Annual General Meeting of the Company. I hope you have noted with satisfaction the good results for the year under review.

The net premium has increased from Rs. 70,38,000/- in 1952 to Rs. 1,35,12,000/- in 1962 and the Capital and Funds from Rs. 76,83,000/- to Rs. 1,88,73,000/-.

Fire Department

The net premium income for the year amounts to Rs. 78,21,000/- as against Rs. 71,99,000/- during the year 1961. The Department has shown good increase in the premium income in spite of considerable reduction in rates from 1st July, 1962. The working has resulted in a profit of Rs. 16,43,000/-. The Reserve has increased from Rs. 35,99,000/- to Rs. 39,11,000/-.

Motor and Miscellaneous Department

The net premium income for the year is Rs. 93,07,000/- and shows a small reduction in comparison to the previous year due to the cautious underwriting policy followed by the Company, particularly in respect of Automobile business in foreign countries. The Department has shown a profit of Rs. 4,17,000/- and the Reserve now stands at Rs. 46,53,542/-.

I am glad that the Insurance Association has increased 'No Claim Bonus' to a maximum of 50% for a claim-free period of 5 years though the premium rates on Motor Cars had to be increased from 1st August, 1963 due to adverse claims experience.

Marine Department

The net premium income for the year is Rs. 13,84,000/- as against Rs. 15,78,000/- during the previous year. The reduction in premium income is in respect of business written outside India which mainly consisted of foreign Hull business where the results had not been good. The working for the year has resulted in a profit of Rs. 1,31,000/-. The Reserve amounts to Rs. 13,83,622/-.

General

The total premium income for the year amounts to Rs. 1,85,12,000/- as against Rs. 1,81,80,000/- in the previous year. The profit after reduction of tax at source and Provision for taxation amounts to Rs. 13,35,783/-. This has enabled your Directors to provide for additional reserves and recommend a Dividend of Rs. 1.25 nP. per share as against Rs. 1.05 nP. per share for the year 1961.

The Government has brought into force the Emergency Risks Insurance Acts for compulsory insurance of Factories and Goods during the period of emergency and has authorised only one General Insurance Company, which is the Subsidiary of the Life Insurance Corporation, to receive the application forms and to issue the Policies. It is regretted that the Government did not accept the offer of voluntary services by other General Insurers for the purpose. It would have been convenient for the insuring public and economical to the Government if all the General insurers were authorised to undertake this work.

The Government has introduced Super Profits Tax to meet the increased defence requirements. The Insurance Companies by the nature of their business should have been exempted from this tax. However, the Government should allow the reserves for unexpired risks to be treated as part of the Capital under the Super Profits Tax Act.

The voluntary measures by the executive Committee of the Insurance Association of India under the revised Code of Conduct for improving the working of the Insurance Industry are showing results but the success would depend on the extent of co-operation and support it would receive from the Insurance Companies themselves.

In concluding this review I wish to express our thanks to our Patrons for their continued support and to the Executives, Staff, Fieldworkers, Agents other representatives in India and abroad for their co-operation and devotion to duty which has enabled the Company to achieve these good results.

Note: This does not purport to be a record of the proceedings of the Annual General Meeting.

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NGB/46C

BOOKS RECEIVED

Communist Economy Under Change. (Published by Andre Deutsch Ltd. London W.C.1. Price 25s, pages 272. Review copy received from Rupa and Co., 15 Bankim Chatterjee Street, Calcutta 12.)

IRTDA News Letter Annual Number, 1963. (Edited and published by E. A. Nadirshah, for Indian Roads and Transport Development Association Ltd, 27 Bastion Road, Bombay Pages 64.)

Bombay Cotton Annual 1961-62 No. 43. (Published by the East India Cotton Association Ltd, Cotton Exchange, Marwari Bazar, Bombay 2 Price Rs. 7.50, pages 389.)

The Statistical Basis of Acceptance Sampling. By S. K. Ekambaram. (Published by P. S. Jayasinghe, Asia Publishing House, Calicut Street, Ballard Estate, Bombay 1. Price Rs. 11.50, pages 124.)

The Establishment of the Heavy Electrical Plant at Bhopal. By S. S. Khera. (Published by the Indian Institute of Public Administration, Indraprastha Estate, Ring Road, New Delhi. Price Rs. 5.00, pages 128.)

The Abolition of the Labour Appellate Tribunal. By B. S. Narula. (Published by the Indian Institute of Public Administration, Indraprastha Estate, Ring Road, New Delhi 1 Price Rs. 10.00, pages 390.)

Cases in Indian Administration. (Published by the Indian Institute of Public Administration, Indraprastha Estate, Ring Road, New Delhi 1 Price Rs. 7.50, pages 261.)

New Delhi

INDIA UNLIKELY TO EXPLORE FOR OIL IN IRAN

(FROM OUR NEW DELHI CORRESPONDENT)

SINCE the former Central Minister for Mines and Fuel, Mr. K. D. Malaviya, announced that the Oil and Natural Gas Commission would prospect for oil abroad, there has been a great deal of loose talk about India applying for the Iranian offshore concessions. In April 1963, the National Iranian Oil Company announced that it would declare two offshore Persian Gulf areas open for bidding by about 1st July, 1964. It was made clear that only officially qualified applicants, who were willing to participate in a prior seismic survey and share the cost, would be eligible to make their bids for offshore concessions. Apart from giving a cartographic description of the two areas which it intended to declare open next year, the Company outlined the legal procedure to be followed by an applicant interested in carrying out operations under the Iranian Petroleum Act of 1957. The interested parties, it was stated, "must communicate directly and only with Mr. Abdollah Entezan, chairman of the National Iranian Oil Company or his authorised nominee within the Company."

The statement added that "there are no unofficial discussions permitted prior to bidding nor any agreement negotiated through intermediaries. As first step, any potentially interested party must apply for the questionnaire to be filled in and returned not later than 10th June, 1963, to enable the Company to ascertain an applicant's competence. An applicant will be notified not later than 30th June whether he qualifies and, if so, will be informed of relevant procedure and given detailed information. All applicants recognised by the Company as eligible must participate in the seismic survey, expenses of which will be divided among them, in order to be eligible for bidding on the acreage after it is declared open."

It is obvious that the bidding will be stiff if the results of the seismic survey are thought to be promising. A condition for participation with the Company is that a foreign partner may be expected to place the Company's share of production as well as its own in the world market. This, however, may not be much of a snag for India, which reuires increasing quantities of crude oil. But the main issue to consider is whether the Oil and Natural Gas Commission has adequate foreign exchange and technical skill to undertake the project. Judging from the nature of the search for oil in India, where the Commission has had to employ foreign technicians to undertake even seismic surveys, exploration of oil abroad will be difficult, if not impossible. Meanwhile, India faces a chronic shortage of foreign exchange.

A message from Iran issued on 15th July states that some 20 companies have been approved by the National Iranian Company as "potentially acceptable bidders for offshore acreage." The list includes Phillips of the U.S.A., Italy's State-owned E.N.I., a German consortium, including D.E.A. and Wintershall and the French State-controlled B.R.P. and R.A.P. The list does not, however, include India's Oil and Natural Gas Commission.

In this connection, the latest report of the World Bank makes some interesting observations. It says: "Total public investment in oil development and exploration during the second plan is now estimated at Rs. 57 crores, of which over half was in foreign exchange. The published version of the third plan was rather vague about the amount of investment to be undertaken in the further development of oil resources. Specific provision was made in the 'physical programme' (but not in all cases to the full amount in the 'financial programme') for exploration expenditures of Rs. 115 crores; for the completion of the Nunmati and Barauni oil refineries (Rs. 31.5 crores) and for the construction of the new refinery in Gujarat (Rs. 30 crores); for the completion of the Assam crude pipeline and construction of a product pipeline linking Barauni with Delhi and Calcutta, together with some additional expenditure on the crude pipeline (Rs. 49 crores); for additional Government investment in Oil India (Rs. 9.50 crores); and for the capitalisation of the Indian Oil Company (Rs. 10 crores).

"This added up to a total of about Rs. 245 crores, of which just over Rs. 90 crores was assumed to be in foreign exchange. The allocation for exploration and production has since been raised to Rs. 202 crores, but it is most unlikely that this will all be spent. In fact, expenditures under this head during the first two years of the plan are estimated at only about Rs. 36 crores. Public expenditures on refining and distributing, on the other hand, will almost certainly be much larger than the plan allowed for.

"The Government's oil policies are based on the 1956 Industrial Policy Resolution which, subject to certain qualifications, reserved to the public sector the establishment of new units in most basic industries. Whatever the merits of these policies, there is no doubt that they have contributed significantly in the short run to the drain on India's foreign exchange resources. On the credit side, the firm line taken by the Government in its dealings with the oil companies has helped in bringing down oil prices and has enabled India to take full advantage of the present worldwide surplus of oil. The energetic action taken by the Government in exploration for oil has also produced valuable results. Against this, however, must be reckoned the cost of delays in exploiting the oil discovered a decade ago in Assam. If private industry had been left free to develop these resources, a production of 2 million or 2½ million tons of crude oil could have been achieved at least five years ago, against India's present production of less than 1 million tons a year from all sources. The public-sector programme for exploration, production and refining has also required the Government to borrow abroad on a large scale, in addition to raising local funds. Finance for this programme has been provided out of loans and credits from Russia, Rumania, Italy (E.N.I.), France, the United Kingdom and the Burmah Oil Company. The E.N.I. offered a credit of up to $100 million, but only $45 million has been accepted by the Indian Government, and quite a small part of this has been firmly committed to projects."

India is one of the few developing countries which has spent scarce foreign exchange on oil exploration. Even a country like Iran has called for tenders from non-Iranian companies to spend their own money in discovering oil for Iran. As for the E.N.I. credit, a portion of it has to be paid on signing the contract and the balance in instalments carrying a stipulated rate of interest. As it is, it will be the U.S.A. and the U.K. who will have to finance India to repay the E.N.I. loan, which is comparatively a short-term credit.

If India decides to carry on oil exploration for Iran, apart from the supply of technical equipment and personnel, the main problem will hinge on foreign exchange. Firstly, India has to find foreign exchange to pay for her share of the seismic survey and, with everything going in her favour, to find foreign exchange to carry on the search for oil. Even if this hurdle is crossed and oil is struck, India will have to find foreign exchange to pay for royalty and for Iranian crude to be marketed at prices to be fixed by the Iran Government.

All this seems promising on the assumption that the Aid-India Club will continue to pour in adequate foreign exchange resources to help India undertake the project. It is, however, interesting to note that Iran has constantly refused to include crude oil or petroleum products in its trade plans with India.

SMALL INDUSTRIES

N. C. A. E. R. Survey

A study of small-scale industries in Mysore was recently undertaken by the National Council of Applied Economic Research, at the request of the Mysore Government. The most important small-scale industry of the State is textiles. Next in importance come agricultural, engineering, forest, chemicals and mineral products industries and village industries and handicrafts.

The study has indicated that there is much scope for setting up more small-scale units based on agriculture, livestock, fisheries and forest resources. More factories will be required for the increased production of rice, groundnuts and other oilseeds, coffee, sugarcane and cotton. To cope with the increased demand for replacements and maintenance, small-scale engineering establishments will also become necessary. The Council has suggested the creation of units for the processing of rice bran to produce oil, use of cotton waste, processing of cotton into surgical cotton, manufacture of mango cereal flakes, vegetable curd and cashew apple juice, and a co-ordinated programme of horticultural development and bonemeal production. Since the State is deficient in tanning facilities, the introduction of 20 to 25 tanneries in the small-scale sector has also been recommended. Possibilities for producing tanned leather, glue, wool grease, etcetera, have been indicated. The immediate establishment of one fish oil and fish meal factory and another unit making fish glue have been recommended. In the forest sector, two wood preservation units, one in Mysore and another in Hubli, have been recommended.

The Council has recommended that soap producing units be encouraged to manufacture only special varieties of soap having restricted demand. It has recommended the establishment of a factory with 100 lbs of capacity to manufacture fine chemicals and four factories making creosote emulsions and disinfectants. The extraction of lemon grass oil, manufacture of paints, industrial rubber goods such as belts, elastic couplings, components of transport vehicles, latex foam products, rubber sheetings, etcetera, and the manufacture of formaldehyde using methanol as a by-product in making charcoal in Bhadravati have been suggested. According to the Council, the scope for mineral-based small industries is not much.

A number of ancillary industrial units manufacturing spare parts of textile machinery and transformers, studs, bearing caps, oil trays, chain pulley blocks, etcetera, have come up in the State. Large organisations like the Hindustan Machine Tools have led to the growth of a number of such units in industrial estates that have sprung up around them. The Council has emphasised the necessity for the planned development of these ancillary units and for the establishment of training centres.

Meanwhle, the international perspective team on small industries has strongly criticised the Government's policy of promoting the expansion of small industries regardless of the fuller utilisation of their existing installed capacity and unmindful of the priority allocation of foreign exchange and other economic considerations like proper location. The team is of the opinion that foreign exchange available for India's decentralised sector should be used mainly for maintenance imports rather than for the creation of additional capacity.

Sponsored by the Ford Foundation at the instance of the erstwhile Central Ministry of Commerce and Industry in 1962, the team says that, in the context of under-utilisation of capacity, the acute shortages of foreign exchange and raw materials, new units should be allowed to be set up only "in a special situation" arising out of "national interest."

"Restrictive policies as adopted in the present production programmes due to segmented licensing in the large and small industry sectors," the team points out, "are neither successful nor conducive to the growth of the decentralised sector. More careful licensing of large firm capacities would give small firms more equal opportunity in the market. The team also believes that positive action in the form of technical assistance to small firms and giving them equal access to raw materials would be more effective."

Moreover, the team has suggested that present efforts of the Central and State Governments to set up new small units should be subordinated to technical assistance programmes designed to make the existing units more efficient and productive.

The team's 129-page report recommends a phased programme towards a single price-tax system for all commodities, supporting an allocation system which will provide priority schedules for high priority end-products. An added advantage of such a mechanism, it feels, would be that the Government would receive in taxes part of the difference between controlled and open prices, which now go to speculators.

As an important stop-gap measure, the team has recommended specific revisions in the present system of allocations which will redress some of the current inequities of allocations and distribution between large and small firms.

The team has suggested an immediate review of the basic policies governing imported and domestic machinery as well as the inequitable allocation system for scarce raw

materials and imported components. "This had resulted in part from the facts that due to the segmented Government allocation system, allocations to small units were generally lower in relation to total capacity than allocations to larger firms producing the same products."

Again the division of allocation among the States is not in any sense based on scientific judgments related to development goals and allocations to individual firms by the State Directors of Industries are not based on any uniformly applied logical system.

As a consequence, the team has contended, small units have to buy a large share of their requirements at high prices in the black market than do large units, and are, therefore, at a competitive disadvantage. Despatches to small firms are also more uncertain and erratic and less related to needs than those of their large-scale competitors.

These findings, according to the team, are contrary to the declared policy of the Government of India which emphasises equal, if not preferential, advantage to small producers. The team has also severely criticised the existing administrative machinery employed for the development of the decentralised sector.

JUTE

Report of Expert Body

The Jute Committee, set up by the Central Ministry of Commerce and Industry last year, has recommended the establishment of a high-powered Jute Development Board under the control of the Ministry of Food and Agriculture for facilitating the effective implementation of the development programmes and for increasing the jute yield. The Board, in which the major jute growing States are proposed to be represented by their Secretaries of Agriculture, should, it is suggested, also look into marketing of jute, stabilisation of prices and transport. The Board should be associated with the Buffer Stock Agency and also with measures for stabilising the prices of jute manufactured goods.

The report notes that the internal consumption of jute goods has been steadily rising, the average annual rate of increase during the first and second plan periods being 15,200 tons and 17,600 tons, respectively. The internal consumption is expected to increase by about 30,000 tons a year in the remainder of the third plan period, reaching the level of 400,000 tons in 1965-66. The production target of jute goods for the third plan is 1.3 million tons and for the fourth plan 1.7 million tons. So the committee suggests that for the expansion of the industry, necessary planning should be taken in hand without delay.

The committee thinks that in view of the achievement of self-sufficiency in raw material and the rising internal and external demand for jute goods, there is no need for continuing the working time agreement under which the Indian Jute Mills Association controls the installation of additional capacity and the level of production.

For expansion, the Committee suggests that the first priority should be for existing uneconomic units. Those units which, although economic, can achieve additional economies by expansion, should come second, and the establishment of new units may be taken up on the basis of regional needs provided raw materials and other facilities are available.

Referring to the power shortage, the report says it is necessary to ensure that the working of this vital export industry is not hampered by the dearth of power in the short term. If by the end of the fourth plan period, the production of jute goods is to rise by 400,000 tons over the third plan target, the additional power requirement will be about 40 megawatts. This should be kept in view while planning for the power requirement of the Calcutta area in the fourth plan.

The committee considers that the area under jute and mesta in the third and subsequent plans should be stabilised around 2 million acres and 800,000 acres, respectively. The fibre production targets should be achieved by rapidly raising the yield an acre of both jute and mesta and not by encroachment in the area under foodgrains.

The report says that it should be possible by the end of the third plan to increase the average yield to 3.3 bales an acre. "For this, a fresh programme of saturation of all the jute growing areas with the best available seed within a period of about three years should receive priority and should be executed by the end of the third plan." The grant of increased subsidy, seed multiplication by registered growers outside main jute growing areas and payment of fair price to them, are among the other recommendations. The allotment of fertilisers for jute and mesta cultivation, it is emphasised, should receive priority.

The committee is of the opinion that with an increase in the production of specialities, the requirements of high grade long jute will rise. So if the output of the best qualities of Indian jute is not adequate more long jute may have to be imported. The import of limited quantities of cuttings is also recommended by the committee under certain conditions.

Fluctuation in Prices

Referring to the fluctuation in prices which has affected the competitive position of Indian jute manufactures in world markets, the committee says that the Government should have full operational control over any agency which may be entrusted with buffer stock operations and price support arrangements. It is necessary to ensure that in the peak marketing period each season, the purchase of jute by the mills matches the quantity of jute on offer. The committee also recommends that derivative prices corresponding to the "floor" prices at the Calcutta market should be fixed at all secondary markets and supported by buffer stock operations.

High priority should be given by the State Governments for the establishment of a series of "regulated markets" in the jute growing areas so that no jute grower has to take his jute more than five miles to reach such a market. Furthermore, co-operative jute marketing and warehousing organisations should be developed on a much larger scale than has hitherto been possible. Co-operatives should make buffer stock purchases as much as possible.

To minimise fluctuations in the prices of jute goods due to seasonal or short-term changes, the committee recommends the creation of a jute goods buffer stock. The same buffer stock agency could handle both the raw jute and jute goods buffer stock. The latter should restrict the fluctuations in jute and jute goods prices to, say, 5 percent either way. The Jute Development Board, which has been recommended to be set up, should come into the picture in relation to the jute goods buffer stock.

As for exports, it has been suggested that further efforts should be made to study and develop markets abroad in a systematic manner and on a long-term basis. In this connection, the Jute Commissioner's office should create an effective system of market intelligence for all the consuming countries. The committee says that there should be consultations between the Governments of India, Russia and east European countries to determine the extent to which India's production of jute goods can be co-ordinated with the five or seven year plans of each of these countries.

The total trade of India with west European countries constituted 8.9 percent of India's total exports of jute goods. The committee suggests that the effect of quota restrictions in these countries on Indian jute goods exports should be studied in detail so that effective steps can be taken to negotiate with these countries to increase India's share of the market for jute goods. Stressing the need for diversification and product development, the committee has recommended the creation of a product development cell in the Jute Commissioner's organisation under the supervision of an experienced jute technologist.

As there is considerable scope for expanding the export of carpet-backing cloth to Australia and western Europe, a detailed study has been recommended for making a reasonable forecast of the future demand for wide hessian. The possibility of manufacturing tufted carpets for exports should also be considered.

The committee endorses the recommendations made by the *ad hoc* committee on quality control and preshipment survey that the I.S.I. standards for jute manufactures should be finalised without delay and that there should be a procedure for inspection within the mills at the stage of production in accordance with the I.S.I. certification marks scheme.

Although the extent of competition other than from Pakistan is not immediately significant, the growth of production in all the competing countries should be closely watched so that effective steps may be taken in time to prevent the loss of export markets. The report says that in negotiations with the E.C.M., the objective must be for a nil tariff or a very low tariff on the export of sacking to western Europe.

Among the steps to reduce costs, the committee suggests that when the production of additional jute goods becomes necessary, it should be achieved by working more looms on a double shift basis. The Government should give every assistance, including foreign exchange, to enable the industry to replace worn out and obsolete carding equipment and to install high-speed winding equipment and pre-beamers, which improve both quality and output. Arrangements for giving loans for modernisation should be made.

The committee says that as the jute industry is an important foreign exchange earner, its need of foreign exchange should be given priority, and within the industry itself the highest priority should be given to the machinery manufacturers' requirements of capital goods and components.

The committee has recommended that as an incentive to export, a scheme may be worked out for import entitlements in relation to essential jute machinery.

FERTILISER PROJECT

Parry to Raise Dollar Loan

The Government of India has approved the scheme of Parry and Co. Ltd of Madras to raise a $27 million loan from the U.S. Export-Import Bank to finance its Visakhapatnam fertiliser project. Parry and Company has two U.S. firms as its collaborators.

BALL AND ROLLER BEARINGS

Requirements Estimated

The Central Ministry of Heavy Industries had a meeting with the manufacturers of ball and roller bearings last week. It was agreed at the conference to rationalise production, as far as it was feasible and practicable. A committee was set up for examining the problem of phasing the production of railway and motor-car ball bearings. An advisory panel for the industry was also set up.

The break-down of the estimated annual requirements of ball and roller bearings at the end of the third five year plan is as follows:

Consuming industry	Ball bearings up to 2in. dia bore	Above 2in. dia bore	Roller bearings	Total
Electric fans	3,500,000	—	—	3,500,000
Electric motors	600,000	—	—	600,000
Passenger cars	300,000	120,000	420,000	840,000
Commercial vehicles	1,020,000	—	1,518,000	2,538,000
Jeeps and station wagons	30,000	—	220,000	250,000
Motor-cycles and scooters	400,000	158,000	—	558,000
Diesel engines	5,500	49,500	4,600	59,600
Power-driven pumps	247,500	45,000	34,500	327,000
Tractor and earth-moving equipment	44,000	341,000	88,000	473,000
Textile machinery	675,000	9,000	279,000	963,000
Sugar machinery	75,000	—	—	75,000
Heavy machine building plant	821,700	91,300	51,000	964,000
Railway wagons, including coaches and locos	—	—	150,660	150,660
Miscellaneous industries, including machine tools, H.E.P.	650,000	331,000	50,000	1,031,000
	8,368,700	1,144,800	2,815,760	12,329,260

In addition, the replacement requirements have been estimated at 2.7 million bearings by 1965.

The present installed capacity is 3,270,500 bearings a year divided between two enterprises, on a three shift basis. Production in 1961 was about 3,228,000 bearings. A third unit has recently come into production.

In order to reach the production target of 15 million bearings by 1965, 11 enterprises have received industrial licences from the Government of India to set up new units or expand the existing ones.

Some of these companies have secured foreign collaboration, approved by the Government of India for the total production of around 10 million bearings a year. Actual production of some of the additional units is expected to start in 1963-64.

Year	Imports Value in Rs. 000,000	($ million)
1957	33.60	7.06
1958	20.80	4.37
1959	20.15	4.23
1960-61	36.88	7.74
1961-62	46.98	9.86

In 1961, the effective domestic demand for original equipment as well as spares was placed at 6,300,000 bearings. As the production was 3,228,000 bearings, it appears that almost 50 percent of the consumption of ball bearings was covered by imports.

As for the supply of raw materials, high carbon chromium steel bars, tubes and wires are still being imported. These materials are expected to become available within the country in two or three years when the alloy and tool steel plants, which are being established, start production.

The other important raw materials, namely, mild steel bars, plates and tubes used for nuts and sleeves of adapter bearings, mild steel wire, bar strips and rods for rivets and cages, etcetera, are available within the country. In addition, production materials and tools, like emery lapping compound, grinding wheels of special types and sizes, machinery spares, special alloy and tool steel for tools and dies and some chemicals like heat treatment salts, are imported.

The industry, being a comparatively new one in India, is protected by an import duty of 95 percent *ad valorem*. The protection will continue at least till 31st December, 1965. In this sheltered market, the demand is likely to outstrip supply for a number of years to come.

FREIGHT RATES

Rise on West-bound Cargoes

The Government of India asked the Maritime Freights Commission to examine the demand of the India-Pakistan-U.K.-Continent Conference for a general increase in freights of 15 percent on export cargoes from India, with effect from 1st August, 1963. The Commission consisted of Mr. Y. N. Sukthankar, as the president, and Mr. D. S. Joshi, Special Secretary to the Department of International Trade, and Dr. Nagendra Singh, Additional Secretary and Director General of Shipping, Central Ministry of Transport and Communications, as members. It held discussions with the representatives of the Conference following the latter's discussions with trade interests, such as exporters, shippers, etcetera. The Commission submitted its report to the Government on 17th July.

After taking into consideration the points made by the Conference representatives and Indian shippers and the recommendations made by the Maritime Freights Commission, the Government has come to the conclusion that requirements of the situation will be met by a general increase of 7½ percent in the existing freight rates on India's west-bound cargoes. The increase of 7½ percent will, however, be subject to two provisos, namely, that no further general increase in freight rates will be made for a period of at least two years and that certain "sensitive commodities" should be exempted from such increase. The following are the "sensitive commodities": cotton piecegoods, cotton yarn, coir fibre, yarn and carpets, mats and mattings, oilcakes, vegetable oils, coffee, hides and skins (tanned and dressed), engineering goods, kyanite ore, magnesite and chrome ore and ferro-manganese.

PETROLEUM PIPELINES

New Contract Signed

A contract was signed here last week between the Indian Refineries Ltd and S.N.A.M., one of the State-owned E.N.I. companies of Italy, for the construction of two petroleum product pipelines in eastern India. The value of the total contract is about Rs. 11.33 crores. The foreign exchange cost of about Rs. 5.30 crores will be met out of the credit of $100 million which E.N.I. had offered to the Government of India in August 1961 for various oil projects.

The first line, 530 kilometre long, will start from Haldia and terminate at the Barauni refinery. The second line, 680-kilometre long, will start from the Barauni refinery, and end in Kanpur.

This is the fifth contract signed in accordance with the credit agreement. Two of the contracts are for drilling in the Ganga valley and Punjab, the third is for the construction of the Gauhati-Siliguri product pipeline and the fourth for the construction of oil gas pipelines in the Gujarat area.

U.S.A.

Aid for Promoting Exports

The U.S. Government has extended dollar and rupee grants totalling Rs. 25 lakhs to the Government of India for promoting exports. Under the project, a team of five industrial and commercial experts and a number of short-term specialists will be assigned to the Engineering Export Promotion Council. The specialists, whose services will be made available by the U.S. Agency for International Development, will undertake a demonstration study of modern techniques for improved sales by the engineering industry in all world markets.

In recent years, the Indian engineering industry has increased its exports. But it is felt that, with the adoption of the latest marketing techniques, it could make a higher contribution towards earning foreign exchange for India.

E.C.M.

Tea Duty Abolition

The agreement between Britain and the six European Common Market countries to abolish all tariffs on tea and tropical hardwoods from the end of this year was warmly welcomed in London. A U.K. Foreign Office spokesman described it as "an encouraging example" of co-operation between Britain and the "Six" in the interests of the less-developed nations. The agreement will initially run for two years—from 1st January, 1964 to 31st December, 1965. The spokesman said, however, that "we hope to see it turned into a permanent elimination of tariffs as a result of further negotiations in G.A.T.T.

The agreement was originally worked out during the Brussels negotiations for Britain's entry into the European Common Market. The fact that it has now been possible to pursue the matter and complete an agreement to cut tariffs in this way is regarded as most encouraging. Throughout the negotiations, the British Government kept in close touch with the Commonwealth countries most concerned with the export of tea and tropical hardwoods, and the agreement had received its strong support. The signing of the agreement, the Foreign Office spokesman said, will take place at a mutually convenient date to be fixed with the Community's concurrence.

MEDICAL RESEARCH

U.S. Grants Announced

The U.S. Government's Department of Health, Education and Welfare, has sanctioned four grants totalling Rs. 1,558,090 for medical research in India under P.L. 480. Grants go to the Indian Council of Medical Research (I.C.M.R.) in New Delhi (Rs. 600,000 for three years), the National Association for the Blind in Bombay (Rs. 500,000 for three years), Saugar University in Madhya Pradesh (Rs. 56,800 for one-and-a-half years) and the Madras Medical College (Rs. 401,290 for five years). Assistance to the I.C.M.R. is for planning, supervision and execution of the virus research programme at the Virus Research Centre, Poona. The National Association for the Blind will use its grant to conduct research aimed at expanding employment opportunities for the blind. A workshop established in Bombay will also help train the adult blind for specific vocations.

Sugar University will use its grant to study and assess Barpali village service operations in the light of India's community development programme. The Barpali Thana, in Orissa, has been engaged in the development work of 52 villages since 1952, when it was established by the American Friends Service Committee, a U.S. voluntary organisation, as a ten-year demonstration community development pilot project.

At Madras Medical College, Dental Wing, research workers will investigate causes or conditions which lead to oral calculus, an extraneous bony-like substance which attacks tooth. The study is aimed at developing either a cure or prophylaxis against this serious cause of tooth deterioration and loss.

FARM IMPLEMENTS

New Board Set Up

The Government of India has set up an Agricultural Machinery and Implements Board. It will keep under constant review the programme of indigenous manufacture, servicing and maintenance of tractors, power tillers and implements, plants protection equipment, forestry tools, etcetera. It will advise the Central Government on the import of agricultural machinery and euipment. It will devise measures for fair and equitable distribution of improved agricultural implements and spare parts at reasonable prices and ensure adequate and timely supply of raw materials for their manufacture.

GOA

Road Development Programme

The 1963-64 expenditure on roads in Goa is placed at Rs. 1 crore, against Rs. 42 lakhs in 1962-63. The road plan drawn up for Goa for the remaining period of the third plan largely aims at improving the existing roads by widening the carriageway, upgrading the surface, strengthening or reconstructing weak bridges and bridging some river crossings. Considerable progress has already been made in improving roads in the mining areas.

Ten major bridges and 30 minor bridges, destroyed or damaged by the Portuguese during the Goa operations have been restored or reconstructed at a total cost of Rs. 69 lakhs. Work on the construction of a bridge over the river Mondavi in Panjim at a total cost of about Rs. 86 lakhs is being started. The construction of bridges over the Damanganga and the creek in Tad are also being considered.

NEPAL

Talks on Transit Trade

At the invitation of the Government of India, a Nepalese delegation led by Mr. Yadu Nath Khanal, the Royal Nepalese Ambassador, visited Delhi from 26th July to 2nd August, 1963, and had talks with officials of the Government of India concerning transit facilities required by Nepal, and other matters connected with the latter's trade. These talks took place in an atmosphere of cordiality, friendship and mutual understanding.

The delegation stated that the Nepal Government would require transit facilities from Radhikapur the East Pakistan-India border and Wagah on the West Pakistan-India border. The Government of India would be willing, they were informed, to provide the necessary arrangements and facilities required by Nepal for the flow of its transit trade, within the framework of the Indo-Nepal Trade and Transit Treaty of 1960. The Nepal Government was requested to indicate the expected volume of trade, its wagon requirements and the points of destination, etectera, so as to enable the authorities in India to determine the character and quantum of facilities to be provided.

The bond system provided for in the Indo-Nepal treaty to regulate Nepal's transit trade was also discussed. The Nepalese delegation stated that as it stood in the way of the normal development of that country's transit trade, the bond system should be abolished. The Indian delegation assured its Nepalese counterpart that within the framework of the Indo-Nepal treaty, the Government of India would do everything possible to facilitate Nepal's trade and to remove any practical difficulties arising out of the operation of the bond system. The two delegations agreed to resume the discussion on the bond system in Kathmandu during the talks scheduled for October 1963.

The Indian delegation stated that some of the tariffs of the Nepal Government seemed to discriminate against India, and that the rates of import or export duties on some goods coming from or going to India had been increased by the Nepal Government contrary to what, in the view of the Government of India, was contemplated in the treaty. The Nepalese delegation contended that the Nepal Government had observed, and was, indeed, anxious to observe the provisions of the treaty and assured the Indian delegation that rectification, where necessary, would be promptly effected. It was agreed that there should be further exchange of information on this matter.

Nepal's needs of iron and steel goods, galvanised iron sheets, etcetera, and the ways and means of supplying the same from India were considered at some length. The Nepalese delegation was assured that India would continue to try to meet Nepal's requirements to the full, in spite of shortages in India and her own pressing requirements.

It was agreed that as envisaged in the Treaty of Trade and Transit between Nepal and India, periodic consultations should take place between the Nepal Government and the Government of India at regular intervals, and that delegations of the two countries should meet for this purpose, once every quarter, in Delhi or Kathmandu. The Indian delegation has accepted the Nepal Government's invitation to visit Kathmandu for the next series of talks in October 1963.

London

MOVE TO FORM SINGLE BODY FOR U.K. EMPLOYERS

(FROM OUR LONDON CORRESPONDENT)

THE lack of a single organisation capable of speaking with authority for the whole body of employers and the management side of industry, in the sense that the General Council of the Trades Union Congress can speak for the workers, has made itself increasingly felt as efforts to achieve national policies in the economic field have developed. Hitherto, employers have spoken with three voices—and not always to the same purpose—namely, through the Federation of British Industries, the British Employers Confederation and the National Association of British Manufacturers. For years there has been talk of amalgamation between these three bodies, but nothing has come of it. Now, however, a measure of agreement has been reached which might well result in providing this long-felt want.

The past decade or so has seen much development in the determination of the Government to control the national economy. In the context of a national incomes policy, this involves discussion—and may lead to action—simultaneously affecting wages and other forms of income, or prices. The present is a time of great change—in the pattern of world trade, the pace of technological development and the need to compete in the face of these changes, and the adoption of a policy of economic growth. The need for study of these great questions and the offer of wise leadership to all industry by a single strong organisation is now a constructive necessity.

It has now, therefore, been decided by the governing councils of the B.E.C. and the F.B.I., and by the regional chairmen of the N.A.B.M., to take steps to define the shape of a single new national industrial organisation to take the place of the three existing organisations whose existence would terminate on the formation of the new body. Their decision has been given this form in order to rise above the structural difficulties which might otherwise prove insuperable. It is, therefore, proposed not to ask any joint working party of the existing organisations to draft the constitution of the new body, but to commission for this purpose two distinguished professional personalities who would take evidence from the existing organisations and from other quarters. Mr. Henry Benson, and Sir Sam H. Brown have agreed to accept appointment as joint commissioners for the purpose of proposing the constitution of such an organisation. In order to give the commission as much freedom as possible, its terms of reference are to suggest how to create a new body having the following purposes:

(1) to provide for industry the means of formulating, making known and influencing general policy concerning economic, fiscal, commercial, labour, social and technical questions, and to act as a national point of reference for those seeking industry's views;

(2) to develop the contribution of industry to the national economy; and

(3) to encourage industry's efficiency and competitive power, and to provide advice, information and services to British industry to that end.

Governing Councils

The governing councils of the existing organisations will in due course be invited to study the recommendations of the commission, and if necessary to make such modifications as would make the proposals acceptable to them. Thereafter, they will be invited to appoint committees or individuals to prepare detailed plans for setting up the new organisation, and the winding up of the old organisations.

The employers, who have been much criticised in the past for not representing a single front to the trade unions, are in this case offering a lesson to the unions. They have recognised the "structural difficulties" of reorganising in any form other than one involving the complete submersion of their own identities as probably "insuperable," and have acted accordingly. The unions in their own current structural rethinking have so far shown themselves far less bold.

Almost all aspects of industry except labour relations are dealt with by the F.B.I. which represents 8,500 firms and 300 trade associations. Labour relations are the province of the B.E.C., most of whose members also belong to the Federation. The N.A.B.M. is perhaps the least known of the three organisations. It represents some 5,000 individual manufacturing firms, and tends to cater for the smaller companies, although it has some of the biggest firms in the country among its members. The N.A.B.M. will probably try to ensure that three particular policies become part of the scheme for the new organisation. These are: a strong regional emphasis, equality among members, and individual service to members (especially to small firms).

It is not thought likely that the Commission could report before the end of this year, or the fusion of the F.B.I., B.E.C. and N.A.B.M. result before the end of next year. It will, of course, be after the report is made that problems can be expected to arise. The individual organisations will have to thrash out their attitude to it, and decide whether to accept or reject its recommendations. None of the three organisations at present represents in any way the management side of nationalised industry. It will be up to the Commission to decide whether this deficiency should be made good in the new body.

It appears that the decision to press for the formation of the new body originated in talks between Sir Cyril Harrison, formerly president of the F.B.I., and Mr. John Hunter, president of the B.E.C., when they met at conferences of the National Economic Development Council at the beginning of this year. The only overt hints that talks were, or should be, going on came in a speech by the Minister of Labour, Mr. John Hare, earlier this year, and Sir Cyril Harrison's presidential address to the F.B.I. in April.

Agreement proved sufficiently easy, however, to reuire only two meetings between the B.E.C. and the F.B.I. for a paper, "a national industrial organisation," to be produced. The paper, setting out the need for the new unified body, was ratified by the councils of the B.E.C. and the F.B.I. on the same day, and by the regional chairmen of the N.A.B.M. on 3rd July. Three arguments which the F.B.I. council accepted at their meeting were the need for "a single voice," efficiency, and an "indivisible policy." Its members were told that for 45 years, they had been tackling labour, economic and commercial matters in separate rooms, whether in their own companies or in sectional or national organisations. It had finally become plain that this could not go on.

The basic reason for this was the policy of full employment, for no Government could stand aside from the social consequences of economic fluctuations. The interplay of wages, profits, prices, productivity, spending, exports, and investments was inevitable. It was nonsense to think they could any longer be kept in separate compartments. They had to be studied, debated, and if need be negotiated, together.

Mr. George Woodcock, general secretary of the T.U.C., congratulated the three organisations, saying: "It's a move of which I heartily approve." He thought it would very much improve the ability of employers to deal with modern problems. There are still hurdles to be surmounted, but the road has been opened to the establishment of a new force in national life. It will be a powerful force, able to influence directly the actions of the whole "ownership" side of private industry. The extent to which nationalised management may be drawn into it is, no doubt, one of the matters yet to be decided. If the new body can represent nationalised employers as well as private industry, it will be more powerful still.

The weight of such a body thrown on the side of a rational incomes policy, advising on the wise investment of national resources, on tax reform, and a host of other problems, could do incalculable good. But the extent to which it may work to the good of the whole community will depend on the sense of responsibility with which power is exercised. If the new body were to develop as a pressure group for sectional interests that are already powerful it might become extremely dangerous.

Dangers of Profit Control

The Federation of British Industries has just issued a carefully argued memorandum on the difficulty of bringing profits into a national incomes policy without doing damage to the economy as a whole. It announced that this had been submitted to the Government last December, as its comment on the terms of reference of the National Incomes Commission. At that time the Federation did not intend to publish it. Now, however, in view of the bearing of an incomes policy on profit trends and the topical importance given to the subject by the second N.I.C. report, it has decided to publish the memorandum.

The conclusion reads: "A national incomes policy must always be viewed in the light of the needs of general economic policy. The aim of general policy should be to promote economic growth on stable foundations. Keeping profits at all times in step with other incomes will thwart this aim. Keeping profits in step with other incomes in broad terms and over the long run may, on the other hand, be justifiable. But it will do damage to the economy if it is attempted by measures which do not take account of the nature of profits or of their functions in a progressive economy."

The Labour Party and the T.U.C. have hammered away at the Government on unemployment; Mr. Maudling has remorselessly showed the connection between the "stop-go" economics which cause unemployment and the lack of an incomes policy; the N.I.C. has argued, no doubt for its internal political reasons among others, the significance of profits in an incomes policy. Now the F.B.I. has decided that the positive case for profits must not go by default. It is a circular debate, but a fascinating one.

The F.B.I. complains of the ambiguity of the reference in the N.I.C. terms of reference to pricing, profit margins and dividends. It assumes that these policies are not to be "weighed in the balance" by the Commission except where it is necessary to satisfy other requirements in the terms of reference—that is, when considering a wage or salary increase. The F.B.I. is clearly determined that N.I.C. shall not turn into a court in which profits are the defendant.

The memorandum acknowledges that any effective national incomes policy must be concerned with all categories of income, and that profits and dividends must be included. But the purpose of an incomes policy are best served by a correct general economic and fiscal policy. The F.B.I. also expresses considerable doubt about the restriction "upon undue growth of aggregate profits resulting from restraint in earned incomes." It maintains that whether there is wage restraint or not, profits must be high enough to attract both domestic savings and overseas capital.

In conclusion, it sets out the disadvantages in all the most favoured methods of dealing with aggregate profits—price control, control of profit margins, manipulation of profits tax, or reduction of tariffs. From the general tone of this memorandum, it is clear that British industry intends to fight very hard against dealing with incomes in isolation; and that it thinks general economic policy—manpower, training and distribution of industry, one hopes, as well as fiscal and tariff policy—is much more important than any quasi-legalistic control of incomes on the N.I.C. model.

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'ute

INDUSTRY URGED TO SCRAP WORKING TIME AGREEMENT

THE report of the Srivastava Committee, issued by the Government f India last week, covers a wide eld. It deals with most of the major roblems arising in the production nd marketing of raw jute and jute oods. The report is an important locument which seeks to make a areful diagnosis of the various facors that have affected the consolidaion of the industry. While some of he recommendations closely follow he suggestions of the mills and the rade, quite a few appear to be evolutionary and will be rather lifficult to implement. Jute circles re awaiting further details about hem.

The suggestion about setting up a igh-powered jute development oard does not appear novel, inasnuch as the operations of the board vould closely resemble those of the ndian Central Jute Committee which s already functioning under the Central Food and Agriculture Minisry. Instead of having a separate oard, it seems advisable to extend he scope of activities of the I.C.J.C. vhich has already done commendable vork in this sphere. The responsiility of looking after the marketing nd stabilisation of jute prices, and rranging transport facilities, could erhaps be given to the I.C.J.C. also.

Working Time Agreement

The industry is likely to oppose trongly the Committee's suggestion or abolishing the I.J.M.A. Working Time Agreement. The I.J.M.A. laims that the Agreement is a useful nstrument for regulating the produc ion of jute goods in accordance with lemand and the availability of fibre. he Agreement has in the past been riticised as resembling a cartel. But he industry claims that, without it, here would have been unseemly and ut-throat competition among mills or gunny orders as well as fibre purhases. That would have been detrinental to the interests of the indusry, and would have retarded its fforts towards consolidation and liversification. With an assured supply of fibre and an improvement in narket prospects, the restrictions nder the Agreement have been radually relaxed. For several nonths now, the mills have been vorking to full capacity. The indusry would, therefore, probably like to et the Working Time Agreement ontinue so that it can be used in ime of need.

The necessity for setting up a uffer stock of jute goods was keenly elt by the trade some time ago, vhen jute goods prices were subject o violent fluctuations due to the hen high price of raw jute. But ince 1962-63 the prices of both have een moving within narrower limits, o the creation of a jute goods buffer tock appears unnecessary at the noment. Besides, foreign purchasers f Indian jute goods may sharply educe their normal stocks if they earn that an Indian buffer stock is lready there to help them get the oods at reasonable prices.

Another argument against the buffer stock scheme is that heavy investment will be required to work it. With its resources concentrated on he more urgent modernisation and liversification drive, the industry loes not seem to possess the surplus unds required for such a scheme. Bank finance is unlikely to be available at a reasonable rate of interest it this juncture. Hence, not much significance is likely to oe attached to this suggestion.

Fibre Requirements

There will be general agreement with the Committee's suggestion about assessing fibre requirements well ahead of sowing operations and fixing the minimum price at a level which bears some relation to the price of paddy. The promotional efforts of the Indian Central Jute Committee and the Indian Jute Mills Association are expected to improve the quality and length of the fibre, and thus reduce the industry's dependence on imports. But the industry will not be able to do away completely with the import of cuttings, which are required for batching purposes in the manufacture of sacking.

The fixing of derivative prices for raw jute, corresponding to the floor price in Calcutta, at the secondary markets and organising price support there through buffer stock operations will be difficult. The setting up of regulated markets in the growing areas "so that no grower has to take his jute more than five miles to reach a market" is hardly feasible from the administrative and economic points of view. The proposals for the sale of fibre by open bids, checking of weights and elimination of unfair practices in the markets will be generally welcomed.

The Srivastava Committee has suggested that the area under jute and mesta should be pegged around 2 million acres and 800,000 acres, respectively. The maximum output should be derived from this land by rapidly raising the yield to 3.3 bales an acre. A fresh programme for saturating all jute-growing areas with improved seeds should be executed within the third plan period. The Committee has recommended priority in the allotment of fertilisers for jute and mesta and a review of the present arrangements for the distribution of fertilisers in various States. It has also advised that a fresh examination should be made of the feasibility of allowing concessions in the price of fertilisers to remote and inaccessible areas in Assam, north Bengal and north Bihar in view of the high transport charges. These ideas seem rather academic and will be difficult to work out in practice.

The Committee's suggestion for drastic restrictions on speculative activities in the raw jute and jute goods markets by the Forward Markets Commission will be welcomed. But if the futures markets are to serve the purpose for which they have been set up, proper facilities will have to be given to both the mills and the trade to operate smoothly. While unhealthy speculation should be checked, hedging facilities should be offered to manufacturers and traders so that they can get adequate cover for their *bona fide* transactions.

Consumption Trends

The Srivastava Committee seems to have made some facile assumptions in drawing up its estimates of consumption trends and the export potential. The maximum effort has been made by the industry to streamline its equipment and diversify the range of production. So exports have improved. But in view of the keen competition from Pakistan and the growth of jute-manufacturing capacity in some major consuming countries, it may be too much to expect jute goods exports to rise from the 1962-63 level of 858,500 tons to 1.04 million tons by 1970.

The Committee has suggested that the industry should explore the prospects of exporting carpet backing to western Europe and Australia and of tapping the potentialities of the Continental, Asian, African and Latin American markets. It should also carry on experiments for the production of tufted carpets, for which there is keen demand in the richer countries.

As for home demand, the Committee's estimate of an annual increase of 30,000 tons in gunny consumption during the next two years appears to be rather optimistic. Some improvement can no doubt be made when the expanding cement industry uses new gunny bags for packing and the sugar and fertiliser industries raise their annual output. But the targets of 400,000 tons at the end of the third plan and 600,000 tons in 1970-71 seem too difficult to attain.

On the question of reaching an agreement with the E.C.M. countries, the four objectives suggested by the Committee will be difficult to achieve. Those countries are unlikely to react favourably to any claim for nil or very low tariffs or for a larger inflow of jute goods from outside the Common Market at the expense of the relatively high-cost goods turned out by the member-countries themselves. But they may be prevailed upon to relax the existing quota restrictions or to desist from introducing new countrywise or Common Market quotas.

Uneconomic Units

The suggestion about allotting first priority for expansion to the existing uneconomic units also seems unworkable. These units are unlikely to have the resources for expanding their capacity. The idea of setting up jute mills on a regional basis cannot be supported in view of the fact that such decentralisation will ignore basic economic considerations and will create long-term problems. The suggestion about ensuring adequate power supply to the jute industry

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while planning for the development of power facilities in West Bengal will be readily endorsed.

The industry will welcome the suggestion for giving the highest priority in foreign exchange allocations to manufacturers of jute mill machinery and equipment for importing essential components and parts. Such manufacturers have been trying to raise the proportion of indigenous components in the machinery they make. The recommendation about working out a scheme for import entitlements for essential jute machinery might be a useful export incentive.

Not much importance will be attached to the idea of setting up a Product Development Cell in the office of the Jute Commissioner. In a large industry, cost economy accrues from bulk production. Hence it is not always possible for mills to manufacture non-standard items in small lots unless there are many such orders or the prospects for such non-standard items are good. The Indian Central Jute Committee and the Indian Jute Mills Association are engaged in developing new products and processes. They have already done some work in this sphere by introducing new lines of production. Besides, they have also devised methods of removing defects in cornsacks, woolpacks and the like. These organisations should be offered all facilities to look after these developmental aspects.

The Srivastava Committee seems to have side-tracked the problem of competition from Pakistan although it has admitted its significance. In the report just published, it has made no suggestion for countering this menace. Some academic recommendations have been made on the need for keeping a close watch on the trend of production in competing countries through a proposed market intelligence organisation. Not much significance is likely to be attached to the idea of adopting a uniform costing practice, "leading to a system of inter-firm comparison of operational data, cost of production and marketing and utilisation of services". The industry has already achieved a high level of collaboration through the I.J.M.A. forum.

New Jute Purchase Quota

Mr. G. C. L. Joneja, Jute Commissioner, said in Calcutta on Saturday that the Government of India has been implementing the price-support scheme from the commencement of the current jute year. Against a compulsory purchase quota of 440,000 bales for July, the mills have been asked to lift 650,000 bales of fibre from the market during the current month. Of this, the I.J.M.A. mills will have to buy 600,000 bales and those outside the I.J.M.A. will take 50,000 bales. It is intended to lay emphasis on regulating monthly purchases in accordance with the flow of fibre arrivals. Although the price of jute has not yet touched the official floor level of Rs. 30 a maund, basis Assam Bottoms, f.o.r., Calcutta, the prevailing price of around Rs. 29 is satisfactory in view of the fact that upcountry prices too are almost in parity with the latter level.

It is claimed that the price-support machinery has been improved in the light of the experience gained during the previous season. The proportion of better grade fibre, it is reported, will be higher this year, thus reducing the chances of the inferior grades tending to pull prices down. In order to reduce storage difficulties, more warehouses have been built. The I.J.M.A. has been allotted 14,000 tonnes of cement for providing extra storage space for 200,000 bales of jute. Further quotas are likely to be issued for the purpose. As for transport arrangements are being made with the railways for the prompt movement of fibre from the growing areas to Calcutta.

Meanwhile, it is learnt that the State Trading Corporation proposes to hand over the buffer stock of about 300,000 maunds of raw jute to the mills soon before embarking on the purchase of 2.5 million maunds during 1963-64. Official circles have admitted that the overall cost incurred by the S.T.C. from the farmers' godowns to the Calcutta market was around Rs. 30.35 a maund. The possibility of the S.T.C. making any profit on buffer stock operations is ruled out.

Jute Delegation to Moscow

A six-man trade delegation sponsored by the jute industry will leave Calcutta on Friday for Moscow and east European countries. Led by Mr. M. P. Birla, the delegation will include four representatives of the I.J.M.A., one shipper and a Government nominee. They are Mr. D. P. Goenka; Mr. N. L. Kanoria, Mr. R. H. Morrison, Mr. H. S. Singhania and Mr. A. G. V. Subramaniam. After visting Moscow, the team will tour Poland, Rumania, Yugoslavia, Hungary, Czechoslovakia, Bulgaria and East Germany. In course of its two or three-week visit, it will try to forge new trade contacts.

I.J.M.A. Jute Development Plan

The Indian Jute Mills Association has drawn up a plan for improving the yield and quality of jute. The idea is to supplement the efforts of the Indian Central Jute Committee and the State Governments. Research and pilot trials have proved that yields can be increased by 50 percent or 100 percent by better farming techniques. These include the use of improved seeds, the application of proper types and doses of fertilisers, better agricultural practices and plant protection measures. The scheme will be operated by the Jute Development Committee of the Association under the supervision of the Jute Development Adviser and other specially trained staff. It will be worked in collaboration with the jute and mesta development programmes in the various States.

In organising the work on the present pilot scale, the jute and mesta-growing areas in India have been divided into eight zones. These are Jalpaiguri and Cooch Behar districts, Nadia and Murshidabad districts, Howrah and Hooghly districts, Assam, Bihar and Orissa for jute; and Uttar Pradesh and Andhra Pradesh for mesta. Two or three compact blocks with a total area of 450 acres will be chosen for the intensive cultivation of jute in each of the first six zones. U.P. and Andhra will each have one intensive cultivation block of 150 acres. Efforts will also be made for multiplying and distributing improved seeds.

After the selection of the concentrated blocks, all the farmers within the area will be organised and guided to adopt improved techniques of cultivation for maximising the output and improving the quality of the fibre. An experienced cultivator will be appointed in each block on a consolidated pay and T.A. of Rs. 100 a month to give training and guidance to the farmers in the area. Seeds will be supplied at subsidised rates. Line-sowing will be introduced and each block will be given 30 seed drills and 20 wheel hoes on loan. A subsidy of Rs. 8 an acre will be paid for the application of manures, as recommended by the Government or the I.J.M.A. The Association will provide two hand sprayers or a power sprayer and the necessary pesticides for the control of sporadic plant pests and diseases in each block. In the event of an epidemic, cultivators will seek the assistance of the State Governments. The sprayers will also be useful for sprinkling urea solution as fertiliser.

The seed multiplication and distribution programme has been taken up on the suggestion of the Government of India. It aims to meet the requirements of each intensive cultivation block, and will supplement the efforts of the Bihar Government to saturate Purnea and Saharsa districts. Surplus seeds from these areas are purchased by jute cultivators in north Bengal and Assam. An improvement in the quality of the surplus seeds will help the jute development programme. Besides, the I.J.M.A. will supplement the seed requirements of deficit areas. Multiplication work is also proposed to be taken up in the drier regions of Uttar Pradesh, Bihar, West Bengal and Orissa. The sale of such improved seeds is subsidised by the Central Government.

Crop Prospects

Earlier hopes of a very large crop during the current season may not be realised, according to the *Jute Bulletin* of the Indian Central Jute Committee. Excessive showers have stunted the growth of the white (*Capsularis*) jute plants in the northern districts of West Bengal and the lower part of the Assam Valley. The lowland crop in parts of Purnea district in Bihar has been affected by floods. The plants in the Daissee districts of West Bengal are progressing satisfactorily, with alternate sunshine and rain. In Orissa, Tripura and U.P., the crop is thriving.

THE JUTE MARKETS

Manufactured Goods: Divergent trends were noticed in the jute goods market during the past week. Sacking was buoyant on reports of substantial due-date covering, followed by brisk purchases against overseas orders. The outlook brightened as the Sudan entered the market with an enquiry for 200,000 A Twills for delivery up to December. Another tender from the same country for 2,000 bales of heavy goods was to be finalised next week. Cuba was booked for heavy shipments from August to December. Burma took more than 2,000 bales. Very good business in cornsacks and woolpacks was done with Australia. Against a monthly sailing of two steamers, three vessels were arranged for August. Indonesia too placed a substantial order. All these orders lifted sacking, so mills became reserved after booking fair business at the higher levels. In the futures market, sacking for August delivery scored a substantial gain on heavy bear-covering. Hessian was dull as U.S. buyers did not want to replenish their stocks at the current levels. It was reported that about 4,000 bales were offered at "distress" prices in various American coastal ports. Small transactions of a routine nature were reported. These included some due date and shipper covering—which caused a minor rally during midweek. But the emergence of mills and holders as keen sellers for all positions disturbed sentiment and the closing prices showed small losses from the previous week's level. The spot market influenced the trend in hessian futures, where prices nosedived at times on tired long liquidation. But short-covering at the lower levels averted a sharp fall and the market closed with a marginal gain. Turnover was fair in sacking and moderate in hessian. The undertone was steady in the former and hesitant in the latter.

Wednesday's quotations were as follows:

	Aug	Sept.	Oct.-Dec.	Jan.-Mar.	Apr.-June
40in. 7½oz	35.85	35.85	35.35	34.90	34.65
40in. 8oz.	38.35	—	—	—	—
40in. 10oz.	48.15	48.00	47.50	46.80	46.40
B Twills	112.10	112.10	112.00	111.40	111.00
Cornsacks	116.00	115.00	115.15	114.10	113.75
Heavy Cees					
(Plain)	111.75	111.75	111.75	111.25	111.00
A Twills	134.50	135.50	136.00	135.50	134.50
Liverpools	125.50	125.50	125.50	125.00	124.50

Raw Jute: Steady conditions prevailed in the Calcutta raw jute market throughout the past week. From the beginning, mills made brisk purchases of selected grade fibre for all positions in both Calcutta and the agency stations. The price was maintained around Rs. 29 a maund, basis new crop, Assam Bottoms, f.o.r., Calcutta, ready or near delivery. On Saturday, the Jute Commissioner announced the issue of a compulsory purchase quota of 650,000 bales for August—600,000 bales for the I.J.M.A. mills and 50,000 bales for others. Thereafter, prices rose to Rs. 29.50 for new crop Assam, Rs. 28.50 for Northern and Rs. 32 for Daissee, basis Bottoms. Turnover was fair and the undertone steady at the close. In the upcountry markets, good quality jute was arriving at the average rate of 50,000 maunds a day. The crop position was good in the Daissee areas, while scattered damage was reported from north Bengal and the lower Assam Valley. Mill agents were making sizable purchases against quotas and prices were firm, being slightly above Calcutta parity. About 350 wagons arrived in Cossipore during the week.

Wednesday's quotations were as follows:

	Landed at Mills (Basis Bottoms) Current Prices		T.S.D. Minimum Prices	
	Rs. A Qtl.	Rs. A Md.	Rs. A Qtl.	Rs. A Md.
Assam-Agartala Jute	79.04	29.50	80.38	30.00
Northern Jute	77.70	29.00	79.04	29.50
Western Desal Jute	71.00	26.50	73.68	27.50
Selected Daissee	85.73	32.00	85.74	32.00
Assam-Agartala Tossa	83.05	31.00	83.05	31.00
Mesta: Assam-Northern	69.66	26.00	72.34	27.00
Local Daissee	69.66	26.00	72.34	27.00
Bihar Dist.	62.95	23.50	66.98	25.00

THE PAKISTANI JUTE MARKETS

LITTLE ACTIVITY IN FIBRE

(FROM OUR DACCA CORRESPONDENT)

THERE was little activity in the market last week, when quotas were issued on the basis of the best performance ever for Pakistani shippers and the best performance of the last two years for non-nationals. Small shippers were given no quotas, but they may ship as much as they like.

There seemed to be no consistency in the system of issuing quotas, but the general picture which emerged was that for large British shippers, the quotas would be issued at between 80 percent and 84 percent of their best perfomance. Some other non-nationals received even more, and some Pakistanis received more than 100 percent.

The interesting thing, however, is that the quotas have been calculated for one year, and 60 percent of the quotas so calculated have been issued to 19 shippers for the period 1st July to 1st December, 1963. It is understood that if a shipper, even a non-national, wishes to exceed this quota, no difficulty will be placed in his way. On the other hand, if a shipper is unable to fulfil his quota by December, action will be taken against him.

With the local market below the minima and the overseas market well below the E.P.C., minimum, it was extremely difficult last week or balers to sell without infringing regulations. It would appear, however, that under the cover of a restricted quota, the authorities are, in fact, trying to force the big shippers to buy regularly so as to give some life to the dull market.

Commodity Markets

MADRAS PRODUCES MORE PLANTATION CROPS

(FROM OUR SOUTH INDIAN CORRESPONDENT)

THE Chief Minister of Madras, Mr. Kamaraj, exhorted the planters to produce more while inaugurating the tenth annual conference of the Association of Planters of the State of Madras held in Coonoor on 1st August. His Finance Minister, Mr. Bhaktavatsalam, referred to the Chinese aggression and said that the process of production should be geared to defence needs.

The chairman of the Association, Mr. J. R. Henshaw, said that in the new defence-oriented programme of growth and development in the country, the plantation industry was playing its part to the full and would continue to do so by earning foreign exchange and by achieving greater progress in production in spite of numerous handicaps. He said that the production of tea in Madras State topped 39 million kilograms in 1962, compared with 28 million kilograms in 1956 and this was an average annual increase of 4.75 percent over these years. In spite of adverse weather conditions, 8,185 tonnes of coffee were harvested in 1962-63, compared with only 7,762 tonnes in 1957-58, while the rubber crop in the State moved up to 2,568 tonnes in 1962. The export earnings from plantation products constituted 22.5 percent of the total in 1961-62, of which tea alone accounted for 18.5 percent.

Mr. Henshaw maintained that in terms of quantity, these notable gains in production showed the industry's awareness of the challenge of the times, but in real terms, the foreign exchange earnings had actually shown a downward trend. Export earnings from tea fell progressively from a peak of Rs. 148 crores in 1954-55 to Rs. 122 crores in 1961-62 in spite of a general increase in the quantity exported. Coffee exports fetched Rs. 7 crores in 1954-55 and Rs. 9 crores in 1961-62, while total earnings of the two crops fell from Rs. 160 crores in 1954-55 to Rs. 131 crores in 1961-62. "This trend certainly gives cause for concern, and, though circumstances have never been so propitious for exports as they are now, there is certainly no room for complacency", he added.

Referring to future growth prospects, he said that the recent G.A.T.T. arrangements under which the Six had agreed to waive import duty on tea gave India the same opportunities in these countries as if Britain had actually entered the European Common Market. It was possible that the situation might be further eased by the reduction or waiving of some of their local taxes which still made tea an expensive item in the countries concerned. The tea delegation which visited Australia, New Zealand and Singapore last year had found that those markets held out prospects for Indian tea, provided the Indian industry proceeded on certain lines. Mr. Henshaw felt that the abolition of export duty on tea by the Government of India this year was another positive factor.

World Coffee Pact

The signing of the International Coffee Agreement by India and the resultant prospects of increasing India's coffee exports to quota and non-quota countries was a hopeful and encouraging development, he said, and added that the demand for rubber in this country would hold out great opportunities for the rubber growers for some years to come.

Mr. Henshaw said that in spite of the encouraging export position, the planting community was fully alive to the fact that markets abroad were becoming more and more competitive, and that they could hold their own only if they met the demand for their teas at the desired standards of quality and at competitive prices. This was possible through economies in costs and efficiency in general working, and the progressive increase in production would show that the planters were fully conscious of this fact. The planting industry had been concentrating on research and new techniques in both field and factory and a considerable amount of work was being done on clonal selection and improved agricultural practices. "We are keen on improving the standards of quality in manufacture through technological research leading to the modernisation of our factories and we have put up a proposal to the U.P.A.S.I. for providing a nucleus for such research in their scientific station in the Anmallais when it starts functioning. This will require considerable financial assistance and I appeal to the Tea Board and to the Government of India for substantial aid to this project which is so vital to the future of south Indian tea", he added.

The chairman said that economies in costs must be achieved if the Indian products were to be competitive in the world markets and reasonable in price to the internal consumers. "The hard reality, however, is rising costs with prices more or less static, and we are naturally concerned over any fresh tax measure which takes away a sizable portion of the diminishig margin of profit. When there is no incentive for attracting fresh capital investment, the industry must rely on its own internal resources drawn from its rapidly diminishing returns", he said.

The first session of the International Coffee Council began in London on 29th July with 200 to 300 delegates and observers from some 50 Governments and international organisations of coffee-producing and consuming countries participating. The Council is the governing body of the new long-term International Coffee Agreement which came into force on 1st July, 1963. This pact embraces for the first time coffee producing countries as well as the consuming countries and replaces the Latin American-African Agreement which limited exports.

The main objectives of the new agreement which was negotiated by the United Nations Economic and Social Council are to achieve a reasonable balance between supply and demand, to alleviate hardship caused by burdensome surpluses and excessive price fluctuations of coffee and to assist in increasing the purchasing power of exporting countries by keeping prices at equitable levels and by increasing consumption.

Under this agreement, India has obtained an export quota of 21,360 tonnes for the period October 1962 to October 1963. The Chief Marketing Officer of the Indian Coffee Board has recently expressed his confidence that this quota will be fully used by India. The Coffee Board is now making an extensive propaganda for the popularisation of the Indian robusta coffee in Canada. The Coffee Board is still trying to obtain the services of a cup-taster from London for assessing and classifying the different grades of Indian coffee according to their quality. The cup-taster would taste different grades of coffee and award points on the basis of his assessment. Coffee of same tastes or same points would be bulked together, and exposed for sale. Present assessment is made by visual testing and this is considered to be an inperfect system.

Bonus for Workers

An *ad hoc* settlement has been reached in the matter of bonus for plantation workers in Madras State for 1962. The Association of Planters of the State of Madras has agreed to the suggestion of the Labour Minister. Mr. Bhaktavatsalam, that the bonus for tea estate workers should be on the basis of the bonus paid in previous years. The bonus for tea estates and mixed estates with 25 percent or more of tea had been fixed at 10 percent and for coffee estates of 150 acres and above, the bonus should be 4.5 percent, and below 150 acres 3.5 percent. Rubber estate workers are not covered by this agreement.

Rise in Synthetic Rubber

The Indian Rubber Industries Association has taken a very critical view of the "unexpected and abnormal rise" in the price of synthetic rubber produced in the country. According to the Association, the prices of the S.B.R. variety produced in India are double that of the imported material on the c.i.f. basis, and nearly 80 percent, including 22 percent duty, on the landed cost. The Association argues that it is strange that when the world prices of a similar product are declining the Indian prices are rising.

In a memorandum submitted to the Government of India, the Association has urged them to reduce the prices of locally made S.B.R. to the landed cost of the imported S.B.R. of a similar grade. In case it is found impossible, the industry would be willing to pay 10 percent more on the landed cost. The memorandum has urged the Government to examine the cost structure of the indigenous S.B.R. and said that if it was found that the cost of production is really high due to the higher prices of raw materials, the Government should devise ways and means to make available the raw materials at reasonable prices to the manufacturing unit. It has also suggested that synthetic rubber other than the styrene-butadiene type, as are not produced in India, should be allowed to be imported by the rubber products manufacturers. The memorandum points out that the rubber manufacturing industry in India today has a turnover of about Rs. 100 crores, with an outlay on raw materials of the order of about Rs. 40 to Rs. 45 crores and the raw rubber purchased is in the neighbourhood of about Rs. 20 crores. As a result of the high prices of the indigenous synthetic rubber, the industry will have to pay Rs. 1,850 more on every ton of Indian S.B.R. consumption.

Tea Consumption in U.K. Falls

(BY A SPECIAL CORRESPONDENT)

In spite of a useful reduction in stocks, consumption in the U.K. during 1962 was seriously below that of 1961. It fell from just over 10 lbs a head to 9½ lbs a head. Coffee and other beverages including beer made headway. Mr. Ronald Mann, chairman of the Tea Traders Association, London, speaking at the Association's annual dinner last month warned: "Statistics do not mean the same to everyone, but there seems wide agreement that young people are drinking less tea, and the combination of this with rising world production may be serious".

Mr. Mann added: "This age of speed, and automatic sales—and some dislike of disposing of tea leaves—may bring a change to instant tea, but for the present, I am sure that priority is to improve the quality of leaf tea simultaneously with a vigorous publicity campaign. All sections of the trade should co-operate in a publicity campaign which is surely an opportunity not to be missed". The campaign would not go forward unless it was expected to increase consumption here, he said. As the U.K. takes about half the world's export crops, the effect on their values should well repay the sterling exchange asked of any producer country as its share of the cost of the campaign.

"Some people question whether the excellent propaganda and advertising already done by certain interests leaves room for further profitable publicity of tea, but very large sums are spent on behalf of other national drinks. There seems to be some kind of 'snob value' in coffee."

Another point these young people emphasised was quality. What was particularly needed was to get rid of bad tea often served in public places, offices and works. He suggested a service of supervision. It seemed easier to make bad tea than bad instant coffee. "Producers also should be encouraged to make better tea and they should never be subject to a system of taxation which penalises quality and flavour: in the long-term, this must do harm to tea consumption, and I hope certain authorities will realise this."

Although reports from Mincing Lane indicate a rather better trend, auctions in India show that buyers anticipate ample supplies in the near future. Offering at Sale No. 9 held in Calcutta on 29th July met with a good general demand, but at a lower price level. Selected Assams, Dooars and B.O.P's were dearer, but most of the offerings were easier. C.T.C. came to a good market, but at easier rates, but flavoury Darjeelings were firm to dearer.

At the Colombo tea auction on the same date, there was a strong demand for good liquoring teas and plain to medium high-grown also sold better and only thin liquoring stalky teas were irregular.

It is reported that the Common Market Council of Ministers has approved an agreement with Britain, abolishing all duties on tea and tropical goods which will have duty-free entry into the "Six" by January 1964. The agreement will apply to all tea except in packets where there was a duty suspension up to 5 percent. The agreement will run for two years and may be renewable.

Last year, the U.S.A. imported a record quantity of tea, and it will be interesting to note how consumption shapes this year as June, July and August are the hottest months in the United States, and the Tea Council has launched a gigantic programme to attract Americans towards drinking more and more iced tea. The heads of the Tea Council refer to this programme as follows:

"In most countries of the world, consumer buying of tea shows little if any seasonal variation. Tea is considered a year-round beverage, all but a small portion of it is served as a hot drink and the patterns of consumption are quite similar month to month. Our U.S. Market differs sharply from this picture, and the reason, of course, is iced tea. According to recent estimates, iced tea now accounts for more than 40 percent of all tea consumed in this country, and the present growth trend can be accelerated even more in the future."

COMPANY AND PUBLIC NOTICES

THE INDIAN IRON AND STEEL COMPANY LIMITED

NOTICE

NOTICE is hereby given that the Annual General Meeting (being the Forty-Sixth Ordinary General Meeting) of the Company will be held at the Royal Exchange Hall of the Bengal Chamber of Commerce & Industry, Calcutta-1, at 3 p.m. on Tuesday, the 3rd September, 1963, for the following purposes :

1. To receive and adopt the Audited Accounts for the year ended 31st March, 1963, and the Directors' and Auditors' Reports thereon.
2. To declare a dividend for the year ended 31st March, 1963, on the Ordinary Share Capital. The dividend if sanctioned will be paid on or after the 4th September, 1963.
3. To appoint a Director in place of Mr. R. G. Edwards, who retires by rotation and is eligible for re-appointment.
4. To appoint a Director in place of Mr. A. D. Ogilvie who retires by rotation and is eligible for re-appointment.
5. To appoint a Director in place of Dr. N. N. Law who retires by rotation and offers himself for re-appointment.

   In this connection a Special Notice as defined in Section 190 of the Companies Act, 1956 has been received by the Company under Section 281 of that Act to move the following Resolution at the meeting :—

   "That Dr. N. N. Law be and is hereby appointed a Director of the Company and that it is hereby declared that the age limit laid down in Section 280 of the Companies Act, 1956, shall not apply to him."
6. To appoint Auditors and fix their remuneration.

Special Business

7. To consider and if thought fit to pass the following as a Special Resolution in clarification of the Special Resolution passed at the General Meeting of the Company held on the 11th December, 1962 : —

   "Resolved that the consent accorded pursuant to Section 314 of the Companies Act, 1956 to Mr. John McCracken, a Director of the Company, continuing to hold an office of Profit as General Manager of the Company's Works covered and was intended to cover the enjoyment by him of all such benefits as are or shall be admissible to all other overseas recruited staff of the Company of Non-Indian origin."

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

By Order of the Board.

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

Registered Office :
12, Mission Row,
Calcutta-1.
7th August, 1963.

Note : An Explanatory Statement is annexed to the convening notice issued to members of the Company.

THE IMPERIAL TOBACCO COMPANY OF INDIA LIMITED

The Directors have today decided to recommend to the shareholders at the Annual General Meeting, to be held on 26th September 1963, the payment of a final dividend for the year ended 31st March 1963 of 3% (subject to tax) which, together with the two interim dividends of 2½% (subject to tax), makes a total of 8% for the year (1962 9%).

The net profit for the year is Rs. 1,80,23,592 (1962 Rs. 1,46,32,531) after deducting all charges and expenses and after providing for taxation amounting to Rs. 2,62,37,010 (1962 Rs. 1,75,62,296).

The Directors also intend to declare a first interim dividend of 2% (subject to tax) in respect of the year ending 31st March 1964 (1963 2½%).

The impact of the 1963 Budget on the Company's business has been severe and the Directors have considered it prudent to recommend a reduction in the final dividend and to declare a lower first interim dividend.

The final dividend, if approved, and the interim dividend will be payable on 30th September 1963 to the shareholders whose names appear on the register on 26th September 1963. The share transfer books of the Company will be closed from 9th to 26th September 1963, both days inclusive, and transfers received in order at the office of the Company's Registrars (Jardine Henderson Limited, 4 Clive Row, Calcutta-1) up to 7th September 1963 will be in time to be passed for payment of the dividends to the transferees.

By Order of the Board.

B. GRANGER PEARSON.
Secretary.

Virginia House.
37, Chowringhee,
Calcutta.
1st August, 1963.

ESCORTS LIMITED

26, Faiz Bazar, Delhi 6.

NOTICE is hereby given that the Members Register and Transfer Books of Equity share capital of the Company shall remain closed from 12th to 17th August, 1962 (both days inclusive) in connection with the call of Rs. 2/- per share decided to be made by the Board of Directors in their meeting held on 31st July, 1963.

By Order of the Board,
P. L. JAITLY,
Secretary.

August 1, 1963.

OFFICE OF THE SUPERINTENDING ENGINEER DELTA IRRIGATION CIRCLE

TENDER NOTICE.

THE last date of receiving tenders for "complete hoisting gear-mechanism needed for 4 nos of Head Regulator Gates (45' × 12') 4 nos pocket sluice gates (60' × 26') and 6 nos of under sluice gates (60' × 14') is hereby extended up to 26th October, 1963. All the conditions remained unaltered.

Sd/- B. MISRA,
Superintending Engineer,
Delta Irrigation Circle.
Bhubaneswar, Orissa.

THE DEHRI ROHTAS LIGHT RAILWAY CO. LTD.

Regd. Office—Dalmianagar (Bihar)

NOTICE

THE Annual General Meeting of the Company will be held on Friday, the 30th August 1963 at 11-30 A.M. at the Registered Office of the Company at Dalmianagar to transact the following business :

1. To receive and adopt the Directors' Report and Audited Accounts of the Company for the year ended 31st March 1963.
2. To declare dividend.
3. To appoint a Director in place of Shri S. N. Banerjee, who retires by rotation and has attained the age of 65 years on 3rd March 1961 and to consider and, if thought fit, to pass the following resolution of which a special notice as required by Section 281 of the Companies Act, 1956, has been received by the Company and is hereby given by the Company to its members :

   "Resolved that pursuant to the provisions of Section 281 and other applicable provisions, if any, of the Companies Act, 1956, Shri S. N. Banerjee, who has attained the age of 65 years and retires by rotation be and is hereby reappointed a Director of the Company and it is hereby specifically declared that the age-limit for Directors prescribed under Section 280 of the said Act shall not apply to him."
4. To appoint Auditors for the current year and to fix their remuneration. Messrs. Lovelock & Lewes, retiring Auditors, being eligible, offer themselves for reappointment.

The Share Transfer Books of the Company will remain closed from 23rd August 1963 to 30th August 1963, both days inclusive.

For THE DEHRI ROHTAS LIGHT RAILWAY CO. LTD.,

For SAHU JAIN LIMITED,
A. K. JAIN,
Managing Director,
Managing Agents.

Calcutta,
15th July, 1963.

N.B. A member entitled to attend and vote at the meeting of the Company is entitled to appoint another person as his proxy to attend and vote instead of himself and the proxy need not be a member.

Explanatory statement relating to item No. 3 as required u/s 173 of the Companies Act has been forwarded to the members of the Company.

ESCORTS LIMITED

26, Faiz Bazar,
Delhi 6.

IInd CALL NOTICE

THE Board of Directors in their meeting held on 31st July, 1963 have decided to make second call of Rs. 2/- per share on 5,60,000 Equity shares, allotted on 27th January, 1962 and paid-up at Rs. 6/- per share at present. Notices to shareholders shall be despatched in due course. The amount is payable upto 30th September, 1963 either by a Demand Draft or cheque drawn on a Delhi or New Delhi Bank or by Money Order to the Company's Bankers, the National & Grindlays Bank Limited, H-Block. Connaught Circus, New Delhi. **No amount is to be sent to the Company direct.** Interest at the rate of 9% shall be chargeable with effect from 1st of October, 1963 on all amounts remaining unpaid in terms of this call till the date of actual payment.

By Order of the Board,
P. L. JAITLY,
Secretary.

August 1, 1963.

THE DELTA IRRIGATION PROJECT ORISSA

TENDER CALL NOTICE

SEALED tenders are invited for supply, erection and testing of 25 tons Gantry Crane for Mundali Weir and will be received upto 15th September, 1963 and will be opened at 3-30 p.m. on the same day in the presence of the tenderers.

The details of specifications will be had from the office of the undersigned on payment of Rs. 20/- (Rupees Twenty) only per set.

Sd/- B. MISRA,
Superintending Engineer,
Delta Irrigation Circle,
Keshari Nagar,
Bhubaneswar-1.

COMPANY MEETINGS AND DIVIDENDS DECLARED OR PROPOSED

Name of Company	Date	I.S.T. Hours
Howrah Mills Co. Ltd. ..	14-8-63	11.30 a.m
Reliance Jute Mills Co. Ltd. ..	14-8-63	12 noon
Britannia Biscuit Co. Ltd. ..	16-8-63	10 a.m.
Karanpura Collieries Ltd. ..	29-8-63	11 a.m.
Dehri Rohtas Light Railway Co. Ltd. ..	30-8-63	11-30 a.m
Indian Iron and Steel Co. Ltd. ..	3-9-63	3 p.m.
Bally Jute Co. Ltd.	25-9-63	3 p.m.
Birla Jute Manufacturing Co. Ltd. ..	25-9-63	4 p.m.

DIVIDENDS DECLARED OR PROPOSED.—Walford Transport Ltd.—30 p.c. (o) and 20 p.c. (p.o.), subject to tax; Indian Iron And Steel Co. Ltd.—16 p.c. (o), subject to tax; Imperial Tobacco Co. of India Ltd.—3 p.c. (f), subject to tax for year ended 31st March, 1963 and 2 p.c. (1st Interim), subject to tax for year ended 31st March, 1964.

HIDES AND SKINS UNCHANGED

The market showed a little change. Stocks of hides were less, but those of skins were higher than in the previous week.

Bazaar Sales

(Between 30th July and 5th August 1963)

Cowhides : Wet salted (Ord.) 7,500 pcs. on the basis of Rs. 9 to Rs. 12.62 ; Wet salted (Slaughtered) 25,000 pcs. on the basis of Rs. 10.50 to Rs. 16.50 and Rs. 19.50 to Rs. 28.

Goatskins : Wet salted (he-killed) on the basis of Rs. 3.37 and (she-killed) on the basis of Rs. 2.87 a piece.

Bazaar Stocks

(5th August, 1963)

Cowhides : Wet salted 77,800 pcs.

Goatskins : Wet salted (Daisee, Kustia, Killed) 43,500 pcs. ; Assam-Dinajpur 65,000 pcs. ; Muzafferpore-Patna - Pakur - Purneah - Kissenganj 239,500 pcs.

"CAPITAL" STOCK AND SHARE LIST

THE INVESTORS GUIDE AND SHAREHOLDERS GAZETTE

Official quotations of the Calcutta Bombay, Madras London Stock Exchange Associations and other sources
Figures given after stroke (/) mean Naye Paise.

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BANKS

Wednesday, 7th August, 1963.

NAMES	Dividends per cent 1960	1961	1962	Paid-up per Share Rs.	Latest Market Quotations as available until 7-8-63 Rs	31-7-63 Rs	A year ago Rs	NAMES	Dividends per cent 1960	1961	1962	Paid-up per Share Rs.	Latest Market Quotations as available until 7-8-63 Rs.	31-7-63 Rs.	A year ago Rs.
Allahabad Bank P.	18	18	‥	100	262/00	262/00	396/00	Indian Overseas Bank	14	14	14	..	140/00	140/00	162/50
Bank of Baroda	17	17	16	50	89/00	89/00	99/50	Industrial Finance Corpn	‥	‥	‥	50	‥	‥	‥
Bank of India	20	20	20	50	111/00	111/00	118/50	National & Grindlays Bank	13½	14	16	sh 15	sh.34/7½	sh. 34/7½	sh.33/7½
Central Bank of India	20 2/5	20	20	25	57/70	57/00	64/50	Punjab National Bank	20	20	20	10	19/50	19/19	20/75
Chartered Bank	15	15	..	£1	sh.59/1½	sh 59/-	sh. 55½	Union Bank of India	11 2/5	11 2/5	‥	9	5/96	5/88	6/44
Hindusthan Commercial	Nil	Nil	Nil	50	13/25	13/25	17/25								
Hindusthan Mercantile	Nil	Nil	..	50	15/62	15/62	15/00	United Bank of India	4.3	6	6	10	7/25	7/31	7/00
Hong Kong & Shanghai	£3½	£3½	£3 1/5	HK$25	£18½	£ 18	£16½								
Indian Bank	15	15	14	100	161/00	161/50	177/00	United Commercial Bank	12	12	12	50	65/50	65/50	88/00

*1962

JUTE MILLS

NAMES	Dividends per cent 1960	1961	1962	Paid-up per Share Rs.	Latest Market Quotations as available until 7-8-63 Rs	31-7-63 Rs.	A year ago Rs.	NAMES	Dividends per cent 1960	1961	1962	Paid-up Share per Rs.	Latest Market Quotations as available until 7-8-63 Rs	31-7-63 Rs	A year ago Rs
Agarpara P.	10	2½	2½	10	9/94	9/94	10/75	Hukumchand P.	28½	28½	26½	7½	19/50	18/19	24/94
Alexandra P.	44	15	42½	100	300/00	300/00	305/00	India	14	12	8	12½	17/50	17/50	16/94
Alliance P.	6	Nil	10	100	125/00	122/00	223/00	Kamarhatty P.	5	Nil	20	100	187/00	188/00	174/00
Anglo-India P.	20	7	10	100	218/00	224/00	225/00	Kankarrah P.	Nil	Nil	10	100	131/00	131/00	115/00
Auckland P.	27	12	Nil	100	145/00	145/00	158/00	Kelvin P.	15	15	5	100	188/00	188/00	185/00
Bally P.	25	25	25	100	272/00	272/00	303/00	Khardah P.	20	5	12½	10	18/75	18/75	16/94
Barnagore P.	30	10	10	£5	199/00	199/00	191/00	Kinnison P.	20	7	Nil	100	135/00	143/00	146/00
Bengal P.	5	..	..	10	9/69	9/69	10/31	Lansdowne P.	Nil	Nil	Nil	100	87/00	87/00	142/00
Birla P.	15	15	15	10	28/12	27/50	33/37	Lawrence P.	7	15	10	100	100/00	100/00	171/00
Budge Budge P.	10	Nil	12	100	143/00	143/00	149/50	Megna P.	12	12½	Nil	10	12/50	12/50	14/12
Calcutta P	..	..	..	10	8/12	8/12	8/00	Naihati P.	‥	‥	‥	100	81/00	81/00	107/00
Caledonian P.	12	5	..	100	189/00	189/00	212/00	Naskarpara	‥	‥	‥	10	9/06	9/06	8/50
Champdany P.	10	5	Nil-40*	10	20/44	20/56	..	National P.	7½	Nil	10	10	23/75	23/25	24/50
Cheviot P.	Nil	5	25	10	21/56	21/56	23/75	Nellimarie P.	8	6	15	10	11/12	11/12	12/12
Chitavalsab P.	8	Nil	8	10	10/00	10/00	11/81	New Central P.	15	15	Nil	10	12/62	12/50	15/50
Clive P.	‥	‥	..	10	10/25	10/25	9/00	Northbrook P.	30	30	20	10	28/25	27/25	34/87
Dalhousie P.	5	1	Nil	100	132/00	132/00	130/00	Nuddea	8	6	5	50	60/00	54/50	61/75
Delta P.	7½	Nil	12	100	140/50	140/50	186/00	Presidency	8	6	10	5	4/56	4/75	5/44
Empire P.	12½	7½	12½	10	15/44	17/06	16/94	Rameshwara P.	Nil	Nil	Nil	10	9/12	9/56	8/44
Fort Gloster P.	25	10	12½	100	370/00	370/00	449/00	Reliance P.	Nil	Nil	Nil—Nil*	10	9/37	9/31	7/19
Fort William P.	22½	22½	10	10	24/50	24/50	26/56	Samnuggar P.	6	Nil	10	£1	10/50	10/50	10/50
Ganges P.	10	10	15	10	13/56	13/87	14/59	Shree Ambica P.	5	6	Nil	10	25/00	25/00	37/00
General Industrial	40	10	13	10	15/62	15/62	55/12	Soorah P.	25	25	25	10	22/75	22/75	22/62
Gouripore P.	30	25	20	10	25/25	25/12	..	Titaghur P.	6	Nil	13	£1	10/50	10/50	10/50
Hastings P.	6	6	6	100	128/00	128/00	124/00	Union P.	25	6	Nil	100	156/00	161/00	163/00
Hooghly P.	10	..	..	10	18/87	18/87	30/00	Victoria P.	6	Nil	10	£1	10/50	10/50	10/50
Howrah P.	12½	10	Nil—10*	10	18/00	18/25	20/37	Waverley P.	30	30	60	1	8/62	8/62	6/12

* 1963

COAL COMPANIES

NAMES	Dividends per cent 1960	1961	1962	Paid-up per Share Rs.	Latest Market Quotations as available until 7-8-63 Rs	31-7-63 Rs	A year ago Rs.	NAMES	Dividends per cent 1960	1961	1962	Paid-up per Share Rs.	Latest Market Quotations as available until 7-8-63 Rs.	31-7-63 Rs.	A year ago Rs.
Amalgamated	10	12½	15	10	24/56	24/2a	21/87	Mundulpur	‥	‥	‥	10	2/69	2/68	2/69
Bengal	25	21	..	100	274/00	274/00	358/00	Nazira	..	..	..	10	5/00	5/00	6/31
Bengal Bhaidee	..	..	..	10	3/48	3/48	3/48	New Beerbhoom P.	16	10	..	10	19/25	19/25	23/37
Bengal Nagpur	10	26	‥	10	22/00	22/00	14/25	New Manbhoom	7½	9	12	10	16/00	16/00	13/75
Bhalgora	..	..	..	10	4/84	4/84	5/18								
Bharat Collieries P.	‥	..	..	10	3/62	3/56	3/25								
Bhulanbararee	‥	..	..	10	11/94	11/94	12/00	North West	20	20	‥	10	19/75	19/75	19/75
Bokaro & Ramgur	..	..	..	10	11/19	11/19	13/25					7½	18/00	18/00	17/50
Borree P.	15	15	‥	10	23/87	23/87	23/56								
Burrakur P.	13	13	13	10	15/50	15/19	17/56	Ondal P.	6	7½	‥	10	13/50	12/00	15/00
Central India	8	10	10	10	9/56	9/35	11/19	Parasea P.	1½	1½	..	10	16/00	16/00	16/00
Central Kurkend P.	‥	..	..	10	3/87	3/87	7/00	Pench Valley	10	10	10	10	17/31	17/31	17/50
Churulia	8	..	‥	4	3/06	3/06	3/06	Pure Sitalpur	..	..	..	10	8/00	4/00	4/00
Dhemo Main	Nil	Nil	..	10	4/31	31/87	6/12	Raneegunge	15	17	17	10	15/12	15/12	15/25
East Indian	7½	15	20§	£1	31/87	24/00	50/50	Rewa	20	20	‥	10	28/50	28/50	29/12
Equitable P.	15	10	..	10	24/00	14/25	28/25								
Ghusick & Musilia	Nil	Nil	Nil	10	14/25	2/44	14/00	Samla	10	..	‥	10	10/00	10/00	7/31
Guzdar Kajora	..	..	..	10	2/44	8/12	2/00	Searsole	Nil	Nil	Nil	2½	1/22	1/22	1/94
Hurriladih	‥	‥	‥	10	8/12		8/12	Seebpore P.	42 6/7	42 6/7	..	8	34/75	34/75	45/00
								Sendra	5	3½	..	10	5/75	5/75	7/69
Karanpura Development	5	5	‥	100	10/75	10/75	16/25	South Karanpura	2½	Nil	Nil	10	7/81	8/00	9/06
	15	15		10F				Standard	15	10	‥	10	13/12	13/12	16/00
Karanpura Collieries P.	7½	10	10	10	15/00	15/00	20/69	Union	‥	‥	‥	10	11/12	11/12	10/37
Katras Jherriab	95	40	25	10	37/75	37/75	48/75	Western Bengal	5	7½	9	10	8/81	8/56	10/25
Khas Kajora P	..	..	..	10	18/70	18/70	18/70	West Tamuria	Nil	Nil	‥	10	4/00	4/00	9/37

COTTON MILLS

NAMES	Dividends per cent 1960	1961	1962	Paid-up per share	Latest Market Quotations as available until 7-8-63 Rs	31-7-63 Rs	A year ago Rs
Basanti P	..	..	..	10	11/50	11/50	8/56
Bangs Laxmi	..	..	..	40	30/00	30/50	28/00
Bengal Nagpur P.	Nil	..	..	10	3/06	3/06	3/56
Bharat Commerce	5	15	15	10	19/19	20/37	27/81
Birla Cotton	10	20	20	10	33/00	33/00	30/00
Bowreah P	10	20	15	10	21/50	21/25	26/94
Cawnpore Textiles	7-1/5	10	10	6	6/06	6/06	7/50
Delhi Cloth & Genl P	12	13	13	25	40/87	41/31	52/25
Dunbar	20	20	15	10	26/25	26/25	31/75
Elgin P.	11¼	17½	17½	10	17/62	17/62	20/12
J. K. Cotton (Rayon) P.	12½	..	..	10	10/62	11/19	17/12
Jay Shree	10	10	..	10	13/56	14/00	15/56
Muir P	..	..	..	100	90/75	90/75	114/00
New Victoria P.	Nil	..	..	2½	1/31	1/37	1/59
Orissa Textiles P.	Nil	Nil	..	10	9/00	9/00	10/06
Rampoorta Cotton	8	Nil	Nil	10	13/00	12/00	11/00
	Nil	Nil	Nil	₹	3/00	2/00	2/00
Swadeshi (Kanpur) P	5	..	..	100	11/50	11/50	11/50
	5.51	..	..	10PO	7/19	7/19	8/19

BOMBAY COTTON MILLS

NAMES OF MILLS	Dividends per cent 1959	1960	1961	Paid-up per Share Rs.	Latest Market Quotations as available until 6-8-63 Rs.	30-7-63 Rs.	A year ago Rs.
Ahmedabad Advance P.	1	16	..	100	131/00	130/00	170/50
Apollo	..	..	..	2	1/96	1/90	2/22
Beharilal Ramcharan	Nil	Nil	..	100	76/00	76/00	59/00
Bombay Dyeing etc.	14	14	14	25	60/70	60/00	66/90
Bradbury P.	10	10	25	50	141/25	141/25	185/00
Century	..	..	..	100	524/50	504/00	609/00
Central India P.	Nil	Nil	Nil	100	107/00	103/00	138/00
Coorla	..	..	..	100	150/00	150/00	160/00
Dawn	20	30	30	50	135/50	136/00	159/00
Edward Textiles	9	9	..	200	290/00	290/00	349/00
Elphinstone P.	14	18	22	50	95/00	95/00	107/00
Finlay	..	..	..	100	315/00	310/00	300/00
Gokak	..	..	..	100	159/00	157/00	186/00
Hindoostan	..	..	..	250	855/00	855/00	..
India United	..	..	..	10	22/40	22/60	22/60
	..	..	..	1Dd	2/40	2/50	3/48
Indian	..	..	..	250	761/25	761/25	..
Indore Malwa United	7	8½	10	100	192/00	192/00	175/00
Khatau Makanji P.	16	32	..	100	220/00	210/00	455/00
Kohinoor	91	15	15	100	310/50	301/00	299/50
Lakshmi Vishnu P.	Nil	5.7	6—Nil*	100	89/00	89/00	133/50
Morarjee Goculdas P.	21½	21½	24—24*	100	371/00	365/00	390/00
Mysore Spg & Mfg P.	10	14	14	50	49/50	49/50	61/00
New City of Bombay	..	..	..	100	156/25	156/25	181/00
New Great Eastern P.	..	..	..	100	230/00	230/00	278/00
Phoenix	..	..	..	100	210/00	205/00	242/00
Sassoon & Alliance	Nil	Nil	..	10	11/00	11/76	14/88
Sassoon Spinning	25	17	20	10	46/50	46/50	58/00
Simplex	10	15	Nil	50	121/00	120/00	163/50
Shree Niwas P.	15	18	20	100	237/00	232/00	258/00
Swadeshi P.	14	17	..	100	240/00	231/00	264/00
Swan	..	..	..	100	285/00	280/00	285/00
Tata	10	20	..	25	53/70	52/20	62/50
Western India	..	..	..	250	785/00	785/00	802/50

* 1962

BOMBAY MISCELLANEOUS COMPANIES

NAMES	Dividends per cent 1960	1961	1962	Paid-up per Share Rs.	Latest Market Quotations as available until 6-8-63 Rs.	30-7-63 Rs.	A year ago Rs.
CEMENT ENGINEERING & METAL							
Associated Cement	12½	12	12	100	146/00	143/25	153/50
ELECTRIC LTG. POWER							
Ahmedabad Electricity	7	6	..	100	95/00	95/00	89/80
Andhra Valley Power P.	5½	5	5	1000	1,065/00	1,072/50	1,030/00
Bombay Suburban Elec	..	..	..	100	104/25	104/00	104/00
Tata Hydro Elec. Power P.	5½	6	5	100	109/00	109/00	112/50
Tata Power P.	5½	5	5	1000	1,097/50	1,105/00	1,120/00
Alcock Ashdown	..	..	..	100	285/00	277/00	317/00
Jost's Engineering	8	10	10	50	60/00	60/00	96/50
Larsen & Toubro P.	12½	18	14	10	22/88	22/40	27/75
Mckenzies	..	..	..	100	141/00	136/50	155/00
Premier Construction P.	..	..	..	300	144/00	140/00	152/00
				33⅓			
Tata Eng & Locomotive P.	12½	14½	14½	100	259/00	253/00	328/50
Tata Iron & Steel P.	9.1	10.36	10.36	750	139/50	136/25	147/00
INSURANCE COMPANIES							
British India General	..	..	..	10	12/20	12/12	12/52
Jupiter General P.	..	..	..	15	9/20	9/20	12/00
New India	..	..	..	15	52/00	52/50	67/50
Vulcan	..	..	..	10	17/24	17/24	18/00
MISCELLANEOUS							
Belapur Sugar	..	..	..	50	185/00	184/00	230/00
Bombay Burmah Trading	30	33	33	25	60/70	59/60	..
				100	243/75	243/75	252/50
Hindustan Lever	26	26	12	10	36/00	36/50	45/25
Industrial Invt. Trust	6½	6½	..	100	74/00	74/50	75/00
Kemi (Chemists)	..	..	..	200	305/00	252/00	315/00
National Rayon	22	..	..	100	319/50	307/00	498/50
Scindia Steam Navign.	8	3	3	20	11/56	11/20	11/60
Shivrajpur Synd	80	Nil	..	10	20/00	19/52	33/50
Tata Chemicals P.	6	6½	6½	10	16/60	16/36	14/92
Tata Oil P.	23	23	23	25	65/70	65/00	71/70
Voltas	13	14	14	100	240/00	232/50	268/50
Western India Match	16	16	18	100	244/00	244/00	265/00

TEA COMPANIES

NAMES	Dividends per cent 1959	1960	1961	Paid-up per Share Rs.	Latest Market Quotations as available until 7-8-63 Rs	31-7-63 Rs	A year ago Rs
ASSAM GARDENS							
Anandabag	15	Nil	10	10	20/00	20/00	34/25
Amluckie P.	17½	30	32½	10	33/25	33/25	25/94
Baghmari	15	Nil	15	10	14/00	14/00	19/25
Barduar Tea	Nil	Nil	..	5	8/50	8/50	8/56
Basmatia	30	35	25	10	27/25	27/25	27/25
Bateh	30	30	..	5	17/50	18/50	18/00
Betjan	25	40	45	10	28/75	28/75	32/62
Bishnauth	13	13	13	10	17/56	17/56	17/50
Bokakhat	8	Nil	12	10	13/70	13/70	13/70
Borman Jan P.	12½	15	15	10	14/25	14/25	16/12
Bor Pukhuri	Nil	Nil	Nil	10	10/75	10/75	9/37
Brooke Bond P.	12½	15	10—7½‡	10	11/50	11/50	14/62
Dejoo Valley	40	15	20	10	60/00	60/00	49/25
Dessai & Purbutia	Nil	Nil	10	100	205/00	205/00	141/00
Dhelakhat	20	12½	..	10	18/62	18/62	20/00
Dhunseri P.	23	20	15	10	11/75	12/06	15/00
Dibrugarh	30	40	40	10	31/25	31/25	33/44
Dimakusi P.	30	25	20	10	21/87	21/87	22/12
Duthaghur	35	25	25	10	27/50	27/50	28/75
East India	10	Nil	Nil	10	13/44	13/44	18/87
Jhilapukri	25	25	20	10	25/44	25/44	25/44
Joboni	10	Nil	..	10	15/19	15/19	13/50

‡1962

TEA COMPANIES—Contd.

NAMES	Dividends per cent 1959	1960	1961	Paid-up per Share Rs.	Latest Market Quotations as available until 7-8-63 Rs.	31-7-63 Rs.	A year ago Rs.
Grob	14	6	6	5	7/69	7/69	9/12
Hoograjuli (Assam)	25	20	20	10	27/12	27/12	24/44
Hoolungooree	20	10	7½	100	195/00	195/00	172/00
Jutlibari	10	30	30	10	31/50	31/50	32/00
Kingsley Golaghat P.	35	35	..	100	140/00	140/00	212/00
Kotamullai P.	Nil	Nil	Nil	5	10/31	10/31	10/31
Krishnabehari	10	15	8	10	10/50	10/50	10/12
Kyang Tea	Nil	Nil	..	10	8/06	8/06	8/06
Ledo	Nil	Nil	Nil	10	13/75	13/75	17/25
Maud Tea & Seed	7½	10	7½	10	14/81	14/81	14/81
Methoni	15	5	14	10	16/19	16/19	21/25
Moheema	10	Nil	..	10	11/50	11/50	11/50
Mothola	25	30	30	100	507/00	507/00	507/00
Murphulani (Assam)	20	5	15	10	26/50	26/50	26/50
	25	10.63	20.63	10	26/87	26/87	28/75
Naga Hills	5	10	10	10	22/25	22/25	24/50
Namburnadi	16	12	..	10	12/87	12/87	14/56
New Cinnatolliah	Nil	Nil	Nil	100	302/00	302/00	101/00
Raigarh	35	40	13⅓	10	21/37	21/37	22/87
Sapoi	20	22½	20	10	18/31	18/31	18/31
Seajuli	17½	22½	15	10	21/12	21/12	22/50
Teloitan	25	25	25	10	22/00	22/00	27/75
Tengnani	17½	30	30	10	35/00	35/00	35/00
Tezpore P.	20	20	12½	10	14/75	14/75	15/19
Tongani	Nil	Nil	..	10	7/00	7/00	7/00
Tyroon	30	10	15	10	33/00	33/00	36/87
CACHAR							
Arcuttipore	Nil	Nil	..	10	7/00	7/00	7/00
Baitakhal	5	2½	..	10	6/37	6/56	6/69
Central Cachar	5	5	7½	100	82/00	82/00	73/00
Eastern Cachar	Nil	Nil	..	10	4/28	4/28	3/94
Kallinugger Khoreel	6	6	..	100	87/00	87/00	87/00
Hattikhira	5	Nil	8	10	9/12	9/12	9/31
Kunchanpore	Nil	Nil	..	10	6/00	6/00	6/00
Loobah	Nil	Nil	Nil	10	4/37	4/37	4/25
North Western	30	30	20	100	160/00	160/00	205/00
Pathemara	Nil	Nil	Nil	10	7/50	7/50	7/50
Roopacherra	Nil	Nil	10	10	13/62	13/62	13/62
Rungamattee	7½	5	5	50	50/25	50/25	50/00
Sonai River	Nil	Nil	..	10	9/12	9/12	9/12
DARJEELING							
Bloomfield	Nil	Nil	..	10	3/12	3/12	3/25
Chamong	Nil	Nil	10	10	9/00	9/00	10/25
Darjeeling Tea & Chin	Nil	30	..	100	197/00	197/00	195/00
Dilaram	5	8	..	100	102/50	102/50	102/50
Gielle	Nil	Nil	8 4/7‡	10	11 69	11/69	11/75
Lingia P.	12½	15	10	10	14/56	14/56	14/56
Longview	14	12½	..	10	11/00	11/00	11/00
Margaret's Hope	10	15	15	10	11/37	11/37	11/62
Mim	10	22½	20	100	191/50	191/50	191/50
Nagri Farm	20	30	25	10	27/25	27/25	25/44
Okayti	32½	25	25	100	600/00	600/00	605/00
Pashok	10	10	..	10	20/00	20/00	20/00
Poobong	Nil	Nil	Nil	10	7/19	7/19	7/37
Pussimbing P.	Nil	Nil	Nil	10	7/12	7/12	7/25
Rungliee Rungliot	10	35	20	100	386/00	386/00	386/00
Seeyok	15	15	..	10	8/50	8/50	8/50
Singell	Nil	Nil	Nil	100	36/75	36/75	37/25
Singtom	5	2	..	10	3/50	3/50	4/50
Soom	30	50	40	10	32/75	32/75	49/87
Sungma	10	15	15	10	13/94	13/94	14/62
Teesta Valley	Nil	Nil	8 4/7‡	10	11/75	11/87	13/75
Tukvar	..	..	..	10	7/00	7/00	6/00
DOOARS							
Banarhat P.	32½	22½	21	100	216/50	216/50	273/00
Baradighi	25	30	25	10	22/06	22/19	23/25
Bhatkawa	10	15	15	10	15/75	16/56	16/56
Birpara P.	22½	17½	12½	100	156/50	156/50	151/00
Carron	15	20	5	100	145/00	145/00	145/00
Choonabhuti P.	30	32½	20	100	210/00	210/00	262/00
Ellenbarrie	5	5	5	100	184/00	184/00	179/00
Engc	Nil	60	30	100	136/00	136/00	136/00
Ethelbari	Nil	5	5	10	13/12	13/12	8/44
Garikhata	12½	25	20	10	21/50	21/50	25/12
Goopalpur	9.24	12	2	25	19/50	19/50	20/00
Hantapara P.	12½	15	5	100	109/00	109/00	110/00
Hasimara P.	12½	17	18‡	10	13/25	13/25	14/12
Huldibari	22½	22½	19 2/7‡	10	13/31	13/31	13/31
Jaybirpara	5	10	Nil	10	10/69	10/69	13/50
Killcott	17½	25	15	10	14/37	14/37	17/31
Manabarrie	5	10	6	10	59/50	59/50	56/37
Nagaisuree	17½	25	15	100	140/00	140/00	169/50
New Dooars P.	32½	35	20	100	220/00	220/00	296/00
Oodlabari	10	12½	7½	100	14/00	14/00	14/12
Phaskawa	Nil	Nil	Nil	100	129/00	129/00	127/00
Rajabhat	Nil	Nil	Nil	10	12/12	12/12	12/31
Ranicherra	10	15	15	10	12/75	13/81	16/75
Rydak	30	25	20	10	24/25	24/25	26/75
Sarugaon	40	40	40	10	36/25	36/25	36/25
TERAI							
Atal	10	5	..	10	8/75	8/75	8/15
Belgachi	20	20	..	10	22/50	22/50	20/50
Gungaram	15	20	12½	100	131/00	131/06	158/00
Hansqua	17½	20	15	10	20/00	20/00	16/94
New Chumta	15	15	12 6/7‡	10	24/62	24/62	33/50
New Terai	15	22½	..	10	23/00	23/00	36/00
Pahargoomiah	25	20	..	10	15/00	15/00	31/12
Patinbaree	26	14	..	10	45/00	45/00	45/00
Tirrihannah P.		40	..	10	49/00	49/00	49/00
CHITTAGONG							
Kodala	Nil	Nil	..	10	9/25	9/25	9/25
Kornafuli	Nil	Nil	..	10	9/31	9/31	13/06
Oodaleah	Nil	Nil	..	10	8/00	8/00	8/00
SYLHET							
Chundeecherra				10	26/00	26/00	23/50
Dauracherra	15	22½	22½	10	7/62	7/56	8/00
Kaliti	Nil	Nil	Nil	10	10/00	10/00	9/25
New Samanbagh P.	Nil	25	Nil	10	18/37	18/37	20/81
Patrakola	40	32½	40	100	120/00	120/00	148/00
Rajnagar	Nil	Nil	..	10	9/56	9/56	9/56
Teliapara	17½	22½	32½	100	99/00	99/00	99/00

‡ Hectares

MISCELLANEOUS COMPANIES

NAMES	Dividends per cent 1960	1961	1962	Paid-up per Share Rs.	Latest Market Quotations as available until 7-8-63 Rs.	31-7-63 Rs.	A year ago Rs.
MININGS							
Burma Mines	2 3/5	Nil	Nil	3½S	0/44	0/44	0/44
Chrestien Mica Industries P.	15	12½	..	10O	10/40	10/40	11/00
	25	20	..	5Dd	6/87	6/87	8/85
Indian Copper Corporation	27	27	..	2s	4/75	4/70	4/93
Metal Corporation P.	Nil	..	..	10O	8/06	8/12	12/25
Orissa Mineral Development	36	28	20	10	27/50	27/50	39/00
CEMENT, LIME, SLATE, ETC.							
Ashoka Cement	7	7	7	10	7/75	7/75	8/69
Assam Bengal Cement	..	..	..	10O	3/06	3/06	3/00
				10d	0/46	0/46	0/37
Bengal Potteries	15	..	..	2½	5/12	5/06	6/19
Bisra Stone Lime	30	30	10	..	35/00	35/00	35/50
Dalmia Cement (Bharat) P.	12	12	12	10O	12/12	12/31	13/75
				1Dd	3/00	3/00	3/12
Jaipur Udyog P.	6	8	8.36	10	11/25	11/25	13/19
Kumardhubi Fireclay & Silica P.	18	18	..	10	18/45	18/45	18/45
Orissa Cement P	15	15	10	10	15/00	14/56	17/44
Reliance Firebricks & Pottery	22	15	10	5	22/75	22/75	22/75
Sone Valley Portland Cement	4	6	8	10	4/12	4/03	5/06
Sutna Stone & Lime	27½	30	..	10	25/12	35/00	37/00
CHEMICAL INDUSTRIES							
Alkali & Chemical Corpn. of (I)	12	15	15	10	34/37	34/37	45/62
Sathgate & Co. Ltd. P.	Nil	..	..	5	0/84	0/84	0/72
Bengal Chemical & Pharm. P.	7	10	..	100	102/00	102/00	103/00
Calcutta Chemical P.	18	18	18	10	17/87	17/87	18/37
Frank Ross P	..	..	..	6	2/19	2/19	3/25
Smith Stanistreet P.	25	25	25	5	12/25	12/25	16/44
ELECTRIC LIGHTING, POWERS							
Agra Electric Supply	11	11	11	100	118/00	118/00	124/50
Bareilly Electric Supply	11	11	11	10	14/37	14/37	12/25
Benares Electric Supply	11	11	11	10	12/44	12/37	13/00
Bhagalpur Electric Supply	8	10	8	8	5/75	6/00	6/08
Calcutta Electric Supply	7	7½	7½	£1	14/50	14/75	15/25
Cuttack Electric Supply	7½	10	10	10	11/87	11/87	12/62
Dishergarh Power Supply P.	10	10	10	100	88/00	88/00	94/00
Jhansi Electric Supply	..	..	..	10	5/90	5/90	6/00
Jubbulpore Electric Supply	10	10	10	10	11/19	11/19	11/00
Mirzapur Electric Supply	..	..	..	9	12/00	12/00	7/56
Muzaffarpore Electric Supply	12½	12½	12½	10	11/50	11/50	11/75
Muttra Electric Supply	..	..	..	10	11/12	11/12	11/00
Patna Electric Supply	10	10	10	10	10/50	10/50	11/44
Shahjahanpur Electric P.	6½	6½	6½	10	6/75	7/06	7/50
Sijua (Jherriah) Electric	10	9	9	10	8/25	8/25	9/06
United Provinces Electric	11	11	11	100	117/00	117/00	126/50
Upper Jumna Valley Electric	13½	13½	13½	10	16/00	16/00	15/25

MISCELLANEOUS COMPANIES—Contd.

NAMES	Dividends per cent 1959	1960	1961	Paid-up per Share	Latest Market Quotations as available until 7-8-63 Rs.	31-7-63 Rs.	1 year ago Rs.
ENGINEERING & METAL							
Arthur Butler (Muzaffarpore) P.	..	..	..	10	14/94	14/94	13/00
Bhartia Electric Steel	15	10	10	10	13/94	13/94	12/75
Braithwaite India	22½	25	25	10	29/50	29/25	35/25
Bridge & Roof	30	30	30	10	52/25	52/25	52/25
Britannia Building & Iron P.	6	Nil	Nil—Nil*	10	3/50	3/50	3/65
Britannia Engineering P	10	10	10	10	10/25	9/94	11/44
British India Electric Cons.	25	45	20	10	33/12	33/12	50/00
Burn P (Engineering)	28½	28½	28½-28¾*	100	572/00	572/00	681/00
Calcutta Steel	5	15	15	10	13/56	14/25	15/62
Dalmia Iron	..	10	10—10*	10	10/69	10/56	11/75
Guest Keen, Williams	24	16	14	10	30/62	30/75	38/06
Hooghly Docking	12	Nil	Nil	50	108/00	108/00	111/00
Indian Iron & Steel P.	10	15	16—16*	10	22/92	22/30	26/62
Indian Malleable Casting	6	Nil	..	50	6/00	6/00	6/00
Indian Standard Wagon P.	7½	Nil	..	1Dd	1/44	1/44	2/00
	28½	28½	28½-28¾*	10	29/87	31/06	34/87
Indian Steel & Wire Products	16½	23	24—23*	100	39/00	39/00	55/50
Industrial Containers	..	Nil	10	10	21/37	21/37	22/00
Jay Engineering	12	17 3/20	17 7/32-15*	10	20/75	20/94	..
J. K. Steel P	12½	20	20—10*	10	13/75	13/44	16/62
Jessop & Co. P.	8.58	8.58	8.58	10	25/19	24/19	22/25
Kumardhubi Engineering P.	10	10	11¼	5	7/75	7/69	7/56
Marshall Sons (India)	10	Nil	Nil	2	2/12	2/87	3/44
National Iron and Steel	6¼	Nil	Nil-Nil*	10	4/62	4/50	5/00
Saran Engineering	7½	6¾	10—12½*	4	8/50	8/50	10/00
Steel Containers	..	30	20	10	29/50	29/50	22/00
Textile Machinery	20	10	10	10	22/75	22/60	23/05
SUGAR BREWERIES ETC.							
Balrampur Sugar	8	8	8—4*	2½	2/00	2/00	2/50
Belsund Sugar	18¾	18¾	10	7½	8/25	8/25	10/06
Bharat Sugar P.	..	Nil	Nil—Nil*	10	13/00	13/00	13/00
Carew (Sugar) P.	Nil	Nil	Nil—Nil*	10	10/87	10/87	13/12
Cawnpore Sugar P.	15	15	12—Nil*	10	9/81	9/81	12/62
Champaran Sugar	20	4	Nil	10	15/87	15/87	17/00
Durbhanga	16	25	30	5	8/12	8/12	9/06
Dyer Meakin (Breweries)	..	..	..	10	26/00	26/00	32/37
New Savan Sugar and Gur	..	..	..	10	3/62	3/62	5/25
Purtabpur Sugar P	Nil	..	..	10	11/50	11/50	11/50
Ramnugger Cane & Sugar P.	213/7	30	35—30*	10	26/12	26/37	27/75
Raza Bulano	12½	12½	10	10	9/75	9/62	9/56
Ryam Sugar P.	..	..	..	10	5/20	5/20	8/06
Samastipur Central Sugar	..	..	..	10	6/00	6/00	9/62
Shree Krishna Gyanoday Sugar P.	15	15	..	10	7/75	7/75	9/12
Shree Sitaram Sugar	..	..	..	10	7/12	7/12	7/12
Sitalpore Sugar	Nil	4	Nil-Nil*	10	6/12	6/12	6/62
United Provinces	15	15	..	10	9000	9/62	14/72
Upper Ganges Sugar P.	72½	72½	72½-72½*	10	62/00	68/00	77/00
MISCELLANEOUS							
				01	5/90	5/90	5/90
A Firpo (Restaurateur)	3¼	7½	..	..	12/87	12/94	17/50
Aluminium Corporation P.	10	12	12—12*	10	11/50	11/50	11/50
Anderson Wright Ltd P.	10	11½	..	10	22/69	22/12	23/06
Angelo Bros.	20	25	22½-28*	10	28/75	28/75	29/00
Assam Match	18	18	20	10	2/69	2/60	2/87
Assam Saw Mills & Timber	Nil	Nil	Nil	3	23/56	23/44	30/37
Associated Battery	40	25	15-15*	10	10/31	10/31	10/31
Associated Hotels of India P.	Nil	Nil	10-10*	10			
Balmer Lawrie & Co.	25	25	25	100	253/00	253/00	255/00
Bararee Coke	Nil	Nil	Nil-15*	10	20/87	21/06	24/12
Birds Investments P.	11	3¼	10-10*	10	10/75	10/75	12/50
Britannia Biscuit P.	14	25	30—25*	10	42/25	42/75	43/25
British India Corporation P.	Nil	4	7	5	7/62	7/81	9/37
British Paints	10	12½	12½	10	19/94	21/50	23/12
Calcutta Silk Manufacturing P.	Nil	Nil	Nil	10	6/94	6/94	7/15
Clive Row Investment	10	6	7½	10	8/50	8/62	8/06
Duncan Brothers & Co Ltd P.	14	14	14	100	147/00	147/00	154/00
Dunlop Rubber Co (India) P.	21½	21½	20—15*	10	31/00	31/12	39/94
Eastern Investments Ltd. P.	14	14	14—12*	100	107/00	106/00	126/00
Electric Construction	5	10	10—10*	10	12/56	12/94	14/87
French Motor Car	12½	20	20	20	33/12	35/12	34/50
Ganges Rope	17	17½	20	100	236/00	236/00	230/00
General Investments Trust P.	3½	5	5—5*	75	43/00	43/00	43/00
Gillanders Arbuthnot & Co Ltd P	10	10	11-11*	10	13/87	13/87	14/75
Gladstone Lyall & Co Ltd P	Nil	4 2/5	4¾	10	..	..	..
Godfrey Phillips (India) Ltd. P.	26	40	40	10	28/12	28/12	35/44
Great Eastern Hotel	6	9	6	250	225/00	225/00	241/00
Hindustan Aluminium P.	..	Nil	..	10	12/56	12/31	16/56
Hindustan Motors P	5	9	12—12½	10	15/69	15/56	20/19
Hindusthan Pilkington	12	..	..	10	16/31	16/31	20/50
Hindusthan Twyfords P.	..	Nil	Nil-Nil*	10	14/62	14/62	16/06
Hoare Miller & Co Ltd.	6	6	6	10	5/44	5/44	6/56
Imperial Tobacco	6	8	9—9*	10	10/31	10/37	11/44
Indian Aluminium Co. Ltd. P.	12	15	15-17½*	10	34/56	34/75	37/19
Indian Cable P.	15	22½	22½-23½*	10	32/25	32/25	35/94
Indian Oxygen	15	15	15—12*	10	27/12	27/50	48/50
Indian Rubber Manufacturers P.	15	20	30—36*	10	19/87	19/87	20/94
Indian Wood Products	25	30	30—30*	10	28/50	29/00	33/12
Isaac Holdens	..	..	Nil	100	13/75	13/87	16/94
Investments and Finance P.	6	7½	7½—7½*	10	55/00	55/00	55/00
J. K. Synthetics	..	..	6	10	10/12	10/00	14/62
James Wright P.	..	..	..	50	2/75	4/43	2/75
Jardine Henderson Ltd P.	6	6	7—6*	100	86/00	84/50	85/50
Jay Shree Industries P.	14	14	12½	10	16/00	16/00	17/25
Kesoram Industries P.	2½	5	12-12½*	10	20/00	19/62	28/44
Macfarlane & Co.	..	..	..	50	7/00	7/00	7/31
	..	..	..	1Dd	2/19	2/19	2/50
Macneill & Barry Ltd. P.	6	6	6	100	93/50	93/50	93/50
Martin Burn Ltd P.	27½	27½	27½-25*	10	26/50	26/37	32/25
McLeod & Co. P.	15	15	15	100	210/00	210/00	180/00
	10	10	10	10Dd	..	..	..
Metal Box Co. of India Ltd P.	17½	25*	25	10	45/44	45/12	56/12
National Insulated Cable P.	20	25	25—25*	10	22/87	22/37	31/37
National Pipe & Tubes P.	15	20	20—20*	10	25/25	25/00	32/19
National Rolling & Steel Ropes	10	13	15—15*	10	19/44	19/44	22/12
National Rubber P.	6½	Nil	6½	10	10/69	10/69	12/50
National Tobacco P.	16	16	7	10	10/00	10/56	13/25
New India Investment Corpn.	6.7	6.7	..	75	65/00	65/00	70/00
Octavius Steel P.	12½	10	..	100	..	..	..
Philips India	12	12	12	10	27/37	27/37	31/50
Publicity Society	37½	10	75—75*	4	22/62	22/62	27/00
Rallis India P	Nil	4	8½—8½*	100	112/00	121/00	157/00
Rohtas Industries P.	15	20	10—8*	10	10/81	10/44	14/44
Sirsilk P	..	Nil	..	10	8/81	9/00	10/44
Sen Raleigh Industries P.	8	8	8-8*	10	14/50	14/25	18/87
Shaw Wallace P.	15	15	15	10	16/19	15/81	20/75
Spencer's Hotel	14	2½	2½	2	0/94	0/94	0/93
Union Carbide	18	18	18	10	39/29	39/29	47/50
Walford Transport	15	20	20	1PO	2/31	2/31	2/69
	20	30	30	10	3/81	3/81	3/31
INSURANCE COMPANIES							
Concord of India	20	20	20	5	10/37	10/37	18/00
Hercules	20	22½	26½	10	22/56	22/56	25/17
Ruby General	10	10	13½	8	9/25	10/37	10/25
Standard General	..	..	..	10	6/00	6/00	8/00
Triton	45	45	50	25	124/00	124/00	127/50
FLOUR MILLS							
Bengal	45	40	25	10	29/00	29/00	35/00
Delhi P.	..	..	..	10	14/00	14/00	14/00
Ganesh P.	12½	..	..	12½	13/50	13/50	17/00
Hooghly	27½	15	Nil	10	19/75	19/75	19/75
United	52½	35	10	10	27/81	27/81	30/00
OIL COMPANIES							
Attock Oil	13½	13½	13½	£1	sh. 35/-	sh 34/9	sh.28/3
Burmah Oil P.	..	9-2/5	..	£1	sh. 61/4½	sh. 61/9	sh.39/-
Indo Burmah Petroleum P.	25	30	25	10	21/87	21/87	27/12
Tide Water Oil	22	30	35	10	27/12	27/12	23/25
PAPER MILLS							
Bengal P.	32	32	27½	10	26/00	27/69	32/65
India Paper Pulp	10	15	13—12*	10	16/62	16/81	20/75
Orient Paper P	15	22½	22½-22½*	10	33/50	34/00	42/05
Shree Gopal Paper P.	17 6/7	17-6/7	17-6/7	10	22/50	23/25	25/19
Sirpur P	6½	6½	6½	10	11/56	11/31	13/69
Star Paper P.	8	Nil	—	10	8/25	9/00	10/00
Titaghur P.	10	10	13-13*	2½PC	3/87	3/87	4/00
	25	25	20-10*	10AO	15/56	15/25	41/31
	25	25	20-10*	10BO	15/56	15/25	41/31
West Coast P.	Nil	6	7½	100	125/00	125/00	176/00
PRESSING COMPANY							
Camperdown	11	11	11	100	104/00	104/00	100/00
REAL PROPERTY STORAGE							
Bengal Bonded Warehouse	8	11	8—8*	A500	1050/00	1050/00	610/00
				B62½	135/00	135/00	77/25
				C100	122/00	122/00	122/00
				D12½	14/15	14/15	14/75
Calcutta Safe Deposit	..	..	..	100	7/87	7/87	7/25
Humayan Properties P.	8½	6	..	100	11/00	11/00	11/00
	12½	Nil	..	1Dd	1/15	2/15	2/10
Midnapore Zemindary P.	Nil	Nil	Nil Nil*	85	10/00	10/00	9/50
TRAMWAYS & STEAMER							
Bengal Assam Steamship P.	3	7½	7½	100	131/00	131/00	110/00
Calcutta Landing & Shipping	3½	3½	..	10	34/00	34/00	26/50
Calcutta Steam Navigation	10	10	Nil—Nil*	10	8/25	8/25	7/75
Calcutta Tramways P	5½	..	—	£1	11/00	10/69	11/81
Fraser	Nil	Nil	—	10	10/00	10/00	10/00
India General Nav. Railway P.	Nil	Nil	..	£10	45/00	41/50	63/50
India Steamship P.	10	10	Nil—Nil*	10	6/10	6/06	7/22
Port Shipping	Nil	Nil	Nil	10	13/12	13/12	12/06

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FOR SURVEYING INSTRUMENTS
PLEASE CONTACT
JAMES MURRAY
& COMPANY LIMITED
5, Old Court House St.,
Calcutta-1.
Phone: 23-2938.

CAPITAL

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PLEASE CONTACT
JAMES MURRAY
& COMPANY LIMITED
5, Old Court House St.,
Calcutta-1.
Phone: 23-2938.

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FOREIGN AID COMES, BUT PLAN IN A SHAMBLES

INDIA has good reason to be satisfied with the results of the meeting of the Aid-India Club held in Washington last week. At the original meeting held in Paris early in June, the members of the consortium had promised to give this country $915 million of aid for 1963-64, the third year of the third plan. It was expected at the time that the aid commitment would be increased subsequently, following a further review, but it was considered unlikely that a total of more than $1,000 million would be promised in the end. In fact, however, last week's meeting has brought new pledges amounting to $137.2 million. Added to the $915 million promised earlier, the final total of aid expected via the Club now comes to $1,052 million. This is still far short of the $1,255 million that India had said she wanted for 1963-64. But it had in any case looked unlikely for a long time that the request would be fully met.

For one thing, there was a widespread suspicion among India's friends that her request had been deliberately inflated on the assumption that, whatever the figure, it would inevitably be trimmed. For another, it was known that, regardless of what New Delhi might say, the amount of economic aid offered to this country would be affected by the military aid she was getting; in other words, the latter was not going to be treated as separate and supplementary to the former, however much the Government would have liked it to be so. In any case, the "shortfall" of $203 million compared with the sum India wanted is less serious than it looks. In addition to the $1,052 million coming via the Club, it is expected that another $60 million or so will be provided by certain members of the Club under a separate arrangement, although not on quite the same liberal terms. The ultimate "shortfall", on this calculation, should be less than $150 million, which is far smaller than even the optimists had thought likely two months ago.

The main credit for reducing the shortfall goes to the United States and the World Bank. The former has increased its June commitment by $60 million, and the latter has offered $25 million more. The United States in particular deserves India's gratitude. Her decision comes at a time when she is extremely worried about her external payments deficit, and has taken extraordinary measures to reduce the strain on the dollar. The decision seems to indicate, furthermore, that she is not sticking rigorously to the "matching principle", under which she would offer no more than the other countries taken together. The aggregate of their pledges is $372 million, whereas the United States has promised $435 million. It is possible, however, that for the purposes of the "matching principle" calculations, the former figure is being increased by the $60 million promised on harder terms outside the Club arrangements.

Against this background, the comments heard from New Delhi during the past week, to the effect that the United States has been ungenerous since she has offered no more than she did last year, represent familiar ingratitude. It may be true that if she had given more, other countries would have had an incentive to be generous too. But India can hardly afford to forget that she has done little to endear herself to U.S. Congressmen, who have been becoming increasingly critical of foreign aid programmes ever since the controversies over the Clay report, Bokaro and the Voice of America transmitter deal.

In the final analysis, the total amount of aid offered by a particular country, or by the members of the Aid-India Club together, is perhaps not so important. What may be more important are the terms on which the aid is given; the purposes for which it is meant; and the speed with which it can be used. Considering that the servicing of foreign debts already incurred is steadily increasing the strain on the balance of payments, it is gratifying that the aid just promised is to come on fairly generous terms. Just over half the total of $1,052 million will be in the form of grants or long-term loans at nominal rates of interest. All but $150 million of the remainder is expected to be in the form of loans with substantial grace periods and repayments extending over 15 years or more. The United States and the World Bank, once again, deserve most of the credit for ensuring that in this way the servicing of foreign aid will not place an impossible burden on India's external payments position.

The decision to increase the proportion of non-project assistance in the total of foreign aid represents another major move in the right direction. It is stated that about two-fifths of the total aid just pledged will probably be in this form, and can therefore be used for financing imports "required for the general support and development of the economy"—in other words, for maintenance imports. A very large proportion of the aid given will presumably still be tied to purchases from the country giving the aid. Nevertheless, the fact that a substantial proportion of it will not be tied to specific Indian projects represents an important gain. Industries in this country have long been starved of imported raw materials, components and spare parts. A large, and growing, proportion of their installed capacity has, therefore, been rendered idle. If the foreign aid just pledged enables non-project imports to be promptly liberalised, it could make a bigger contribution to the growth of industrial production than any other single factor.

From this point of view, it is a little disappointing that non-project assistance will be only two-fifths of the total. Two-fifths of $1,052 million is $420 million, or about Rs. 200 crores. It is doubtful whether the latter sum can do enough to relieve the shortage of maintenance imports at a time when (1) defence mobilisation has increased the demand for them; (2) part of the country's current export earnings, which ought to be used for maintenance imports, continue to be diverted to project imports; (3) the export effort is lagging; and (4) a large backlog has to be cleared, in the sense that dangerously depleted raw material stocks in many industries need to

be promptly replenished. It is true that in many countries, as in India until not so long ago, there was a marked bias in favour of aid tied to specific projects. Such tying often enabled the countries in question to keep a closer check on how the aid they gave was being used. It also enabled them to get rid of capital goods which they might otherwise have found difficult to sell. As far as India is concerned, however, her interest has long been clear: it is to ensure that the maximum possible proportion of aid is available for supporting the balance of payments rather than for financing individual projects. The interest has often been ignored by individual ministries eager to launch grandiose projects in building their own little private empires. But this is a tendency which it is the duty of the Finance Ministry firmly to resist.

The decisive argument against project aid, and in favour of non-project aid, is that India already has too much of the former—or at least more than she can digest. The country has for years been struggling along in a pathetic display of financial brinkmanship, with hardly any external reserves worth talking about. It is an astonishing tribute to the incompetence of the Government that with the exchange reserves almost drained out, and ministers running round the world with begging bowls, over Rs. 1,163 crores of foreign aid (excluding P.L. 480 and P.L. 665 aid) offered in the past has been lying unused (as on 31st March, 1963). As the severity of the exchange crisis has grown, the total amount of aid lying idle has not decreased, but increased; in the year ended March 1963 alone, it rose by no less than Rs. 284 crores. The fountains of crocodile tears which erupt in New Delhi whenever the news comes that the Aid-India Club has not promised all it was asked for should, therefore, be subject to one qualification. The qualification is that if the Government really got all the foreign aid it wanted, in the present state of its efficiency it probably would not know what to do with it. Getting less, in fact, offers an advantage in that the total figure of unused aid outstanding tends to decrease, and to that extent the discredit suffered by the Government is less.

During the past week, moans and groans have been heard to the effect that since the Aid-India Club is not going to give the entire amount of assistance India had asked for, the third five year plan is going to be wrecked. The fact unfortunately is that, except in Mr. Gulzarilal Nanda's imagination, the plan is already in a shambles, and there is not the faintest hope that it will be completed in time. Instead of being presented with complaints about stinginess, therefore, the Club should be complimented on its gullibility in believing that the plan still exists. Long after everybody else has finished with his review of the plan, the Planning Commission has started on its mid-term appraisal. Preliminary reports suggest that the main result of the appraisal is that the planners are clipping several of the most important targets, in much the same way as Mr. Hardy of Laurel and Hardy fame one day sat down to clip blades of grass on a golfing green with a pair of nail scissors. The one "target" which quite certainly will not be clipped is that relating to India's foreign aid requirements. The result is that all the foreign aid the planners said they wanted for completing a "big" plan will now be required for one perhaps only two-thirds the size. The Aid-India Club's reportedly growing dismay over the quality of Indian economic planning can, in the circumstances, hardly be surprising. The dismay is breeding a cynicism which could be more damaging for the five year plans than the supposed shortfalls in aid commitments which New Delhi has been bellyaching about.

TOWARDS FEWER CONTROLS

IT is a matter of opinion whether last week's seminar in New Delhi on the problems of public and private sector undertakings made any great contribution to the sum total of human knowledge. But it nevertheless deserves to be noted for a remarkable address delivered at its opening by Mr. C. Subramaniam, Central Minister for Steel and Heavy Industry. In this, Mr. Subramaniam asked for serious rethinking on the degree and variety of controls to which the economy is now subject. Industrial managers, he said, were devoting more time to getting across or around controls than to their real managerial responsibilities. Deploring this "painful and inexorable" fact, the Minister pleaded for a fresh and completely open-minded approach to the problem of controls in order to reduce the multiplicity of points and levels at which they operate.

It is part of a politician's professional training to tailor his remarks to suit his audience. One cannot, however, dismiss the speech on this ground because Mr. Subramaniam has given indications of living up to his own advice. He has taken the initiative to free the steel industry of some of the rigid controls under which it operates today. When he made the move, it was interpreted as a device to get out of the difficulties he had landed himself in by his arbitrary price award of last year. Although that may have been one of the motivating factors, it is becoming clear that Mr. Subramaniam has undergone what may be described as a change of heart. Close associates think that his recent exposure to the Erhard miracle has something to do with this change, which may be the starting point of a new line of thinking in the highest counsels of the Government.

Being identified with neither the so-called right nor left schools of thought, Mr. Subramaniam's view has a better chance of gaining acceptance, even though it must be something of a political liability that the World Bank has been saying much the same thing in its annual reports on the Indian economy. Neither Mr. Subramaniam, nor presumably the World Bank, is taking an ideological stand against controls. As he said in his address, India's meagre resources have to be carefully husbanded to make the most of them. The discipline implies planning, and consequently the allocation of scarce resources and materials according to a well-conceived scheme of priorities. Most observers accept the need for controls deriving from such planning, as Professor Max Millikan of the Massachusetts Institute of Technology pointed out when he dealt with the same issue in his recent address in Calcutta. It is not, therefore, a question of scrapping controls because "freedom" is intrinsically superior, but only of deciding how much control is really necessary.

When one gets down to making a decision, the task is seen to be far more complicated than would appear from the manner in which the whole issue tends to be debated. An example is provided by steel, where cntrolled prices have obviously inhibited expansion and seriously distorted the pattern of production. As Sir Biren Mookerjee has said, Burnpur's production of tested steel has gone down from 80 percent to 60 percent last year to achieve a larger overall tonnage to suit the price award. But can price control be really done away with to the point of allowing producers and consumers complete freedom? Some uses of steel are more essential than others, but must all be forced to pay the price dictated by the free market? Should consumers obtain their requirements from a plant of their choice or from the one nearest to them which will reduce the strain on transport? While discussing this, one might legitimately raise the issue whether steel should be sold at uniform prices throughout the country under a freight equalisation scheme hitherto worked by the Iron and Steel Controller. These are difficult questions, and it is not surprising that one section of the privately-owned steel industry thinks that the time is not opportune for decontrol. A similar difference of opinion exists in the coal industry. Some producers—frankly sceptical about the Government's ability to fix adequately remunerative prices—would like controls to go. But others, producing the grades which are actually in surplus, want to see these retained and the present ceiling price for Grade II converted into a statutorily fixed price.

Restoring freedom to the economy is not an easy thing to do, especially after years of controls which have created or aggravated unbalances. The transition will have to be gradual even with controls that may deserve to be scrapped. As for the others which may be continued, very careful thought will have to be given to the procedural requirements. Here again, the choice will be difficult to make because latitude may widen the scope for abuse and expose the whole system to ridicule. The danger is best seen in the case of company law where growing rigidity has come under fire from entrepreneurs at the same time as Parliament and public opinion are vociferously demanding the plugging of loopholes to prevent the dubious practices which have recently been exposed.

In a developing country where everything, including personal and corporate standards, is in a state of flux, laws and regulations need to be more explicit than in others where conventions and traditions can be relied upon to do part of the job. In this sense, freedom and maturity are synonymous—a point to be kept firmly in mind when one proceeds beyond polemics to making actual decisions. Another limitation should also be fairly obvious. No rule can ever be framed to cover all possible special circumstances, and a measure of discretion vested in the administering authority is the essence of good rule-making. But then this presumes there are a sufficient number of well-trained administrators able to exercise discretionary powers in a proper and constructive way. This is certainly not the case today in India where the administrative machinery is overstrained. Some relief may come if controls are reduced but it is fair to assume that experienced manpower will still be substantially short of needs. This is a point which Mr. L. K. Jha, Central Finance Secretary, made at the seminar but it does not seem to have been taken much notice of. Mr. Subramaniam's statement notwithstanding, the first thing to do is to accept the need for reducing controls as a general principle guiding all Government policy-making. Once this has been done—preceded presumably by a debate in Parliament to educate public opinion—it will be necessary to concentrate on a few urgent, high-priority sectors of the economy. For each of these, careful consultations between the Government, industry and consumers will be necessary to decide on the precise phasing and degree of decontrol.

CHANGING TERMS OF TRADE

ALTHOUGH a few commodities, notably sugar and tin, have behaved erratically recently, the general trend of commodity prices has been rising long enough to establish a basic change of trend, after the decade-long decline that followed the Korean boom. Prices of manufactured goods are comparatively stable. The relation between prices in the two broad categories, primary and manufactured goods, has changed in favour of primary goods. The effects of the change on international payments may be profound. Countries whose external trade is more or less evenly balanced between primary and manufactured goods will, of course, be affected less than countries whose imports or exports are predominantly the one or the other. The U.S.A.'s external trade, for example, is more evenly balanced than the U.K.'s. A large proportion of the U.K.'s imports is primary products (though she is a considerable importer of manufactures), and a larger proportion of her exports is semi-finished or finished manufactures (though she has restored her exports of coal to a considerable size). The terms of trade have turned decidedly against such countries as Britain, and many observers believe that this adverse movement will continue.

London's bankers are discussing the likely effects of this development on Britain's financial position, and on sterling. They recognise that favourable terms of trade have helped Britain through a difficult period in her financial affairs. But they do not, generally, believe that the change of trend will cause financial difficulties. Sterling is based not only on the finance and trade of the U.K. but on the finance and trade of the whole sterling area. The change in the terms of trade in the past year is adverse to the U.K., but generally favourable to the sterling countries abroad. The latter export mainly primary goods (though their exports of manufactures are increasing) and import mainly manufactured goods (though they are deficient of certain primary goods).

A simple assessment of the U.K.'s position would be rather discouraging. In the decade preceding the upturn of primary prices (in 1962) the overage price level of her imports was reduced by about 5 percent, despite the depreciation of money, and the average price level of her exports was raised by about 15 percent. On the basis of exports and imports each valued at, approximately, £4,000 million in 1962, it can be calculated that if the price levels had been the same last year as they were ten years before, the U.K.'s balance of payments would have been about £600 million worse than it was, in fact, in that single year. That figure is more than half of the sterling area's published reserves of gold and convertible currencies after the benefits of favourable terms of trade had accrued. Without those benefits, in the intervening period the reserve would, notionally, have disappeared long before 1962.

This reasoning is abstract. It disregards the big element of supplies from the sterling area in the total of the U.K.'s imports of primary goods, and the depressing effect of low primary prices on the sterling area's income from trade with non-sterling countries. And it assumes that the volume and the composition of the U.K.'s trade last year would have been the same is it was if prices had remained at the levels of ten years earlier. But the conclusion, though statistically unrealistic, is not meaningless. In conditions as they were in 1952-62 the U.K.'s balance of payments would have deteriorated critically if the relation between her export and her import prices had been unfavourable. However, the recovery of primary prices in the past year has changed the situation. The change is not yet obvious in the statistics of international trade, but there is no reason to doubt that the increase in primary producers' incomes will gradually increase their purchases from the manufacturing countries. And the timing of this increase is particularly opportune for Britain, formally excluded from the European Economic Community.

Most of the growth of international trade in the decade of declining primary prices is attributable to continental Europe and Japan. This year the growth of the E.E.C.'s external trade has been checked, and the gradual elimination of the E.E.C.'s internal tariffs is making the U.K.'s exports less competitive in the Community. The U.K.'s exports to the E.E.C. have increased rapidly, and last year they represented about a fifth of the U.K.'s total exports. Her exports to the European Free Trade Association have increased too, and last year they represented about an eighth of the total. The gradual elimination of the E.F.T.A.'s internal tariffs ensures further growth of this trade, but if the U.K. cannot maintain the recent rate of increase in her sales in the Community she needs expanding markets in the primary-producing territories to enable her to achieve the required increase in her total exports. The development of trade with "the eastern area" (Russia, China, etcetera), which 20 eminent British industrialists have advocated recently, will be facilitated by the rise in primary prices, as most of the goods with which the countries of that area earn sterling are primary goods.

The required increase in the U.K.'s exports over the five-year period of the current "plan" is rather more than 5 percent annually, to sustain an economic growth rate of 4 percent annually. That increase can probably be achieved. But when the National Economic Development Council calculated the requirement it did not allow for an appreciable deterioration in the terms of trade. In a competitive world Britain must not raise her export prices, and if her import prices are rising she must increase the volume of her exports more than the volume of her imports. But a comparatively rich country should not wish to enjoy the privilege of cheap imports indefinitely.

Current News and Comment

Company Finances Surveyed

The study of the finances of Indian joint-stock companies for 1962, published in the June issue of the *Reserve Bank of India Bulletin*, contains some interesting information. Although the figures are not up-to-date, the trend seems to have continued since. The present review begins a third series which will be continued till 1965 to cover the third plan period. The survey is based on 1,333 companies for 1960-61. The finances of large and medium-sized public limited companies were reviewed in the *Bulletin* from 1951 on the basis of the annual accounts of a sample of companies having a paid-up capital of more than Rs. 5 lakhs. For 1950-55, the sample included 750 companies and for 1955-60 it was enlarged to cover 1,001 companies. Like the preceding surveys, the present one does not include banking, insurance, investment, Government and non-profit companies and associations and companies limited by guarantee.

The study shows a decline in the rate of growth in production, sales, profits and capital formation in 1961, compared with 1960. There was a slowdown in the rate of progress in the agricultural and industrial sectors. The rise in agricultural production during 1961-62 was much smaller than in 1960-61. As a result, there was a shortage of raw materials. This, combined with severe import restrictions, held down industrial growth. The creation of additional industrial capacity in 1961 was smaller than in 1960, but in spite of this, there was a considerable rise in the idle capacity in industry. This was due to shortages of coal, power and transport. During 1961-62, industrial production rose by only 8.9 percent, compared with 13.1 percent in 1960-61 This, combined with a slight price increase, led to a small improvement in the value of production by 8 percent, against 15 percent. Sales income rose by 10 percent while manufacturing and other expenses increased by 8 percent.

The rate of growth of profit was halved to 7.4 percent in 1961, compared with 1960, because of a smaller sales turnover, combined with a slight reduction in the profit margin. As a result of the increase in corporation tax from 45 percent to 50 percent, tax provision rose from 38 percent to 43 percent of the profits. So the distributable profits declined after a steady rise during the preceding three years. Total dividends, nevertheless, were up partly due to an increase in the total paid-up capital. The profits ploughed back in business, therefore, fell by 8.6 percent, compared with a rise of 13.6 percent.

Gross capital formation was generally slower in 1961 than in 1960. As for the sources of finance, internal sources provided a larger proportion than external ones. There was a setback in the profitability of companies in the majority of industries. The ratio of gross profits to sales for all industries declined from 10.2 percent in 1960 to 10 percent in 1961. The ratio of gross profits to total capital employed was somewhat smaller at 10 percent, against 10.1 percent. The return of the equity capital—as measured by the ratio of profits after tax to net worth—declined from 10.9 percent to 10 percent. The average rate of return to the shareholders was, however, smaller. The ratio of dividends to paid-up capital declined from 11 percent to 10.9 percent. The financial position of companies showed a fairly satisfactory balance between their own and borrowed funds. The improvement in the debt-equity ratio was brought about by a greater rise in equity than in borrowed funds. The equity of the 1,333 companies as a whole rose by Rs. 93 crores while their debt increased by only Rs. 14 crores. So the debt-equity ratio moved down from 1:3.38 in 1960 to 1:3.51 in 1961. The ratio of total debt to tangible net worth moved up from 1:0.99 to 1.0.97 indicating an increase in the external obligations of companies *vis-à-vis* the shareholders' interests. This was the result of an increase of Rs. 137 crores in total debts to which bank borrowings contributed Rs. 50 crores and trade dues and other current liabilities Rs. 42 crores. Tangible net worth rose by more than Rs. 100 crores, to which Rs. 63 crores was contributed by reserves, current and non-current provisions. The paid-up capital increased by Rs. 38 crores, of which one-sixth was through bonus

Increasing Farm Production

The Planning Commission has decided to provide an additional sum of Rs. 85.5 crores for increasing agricultural production in the remaining period of the third plan. In 1961-62, the State Governments diverted nearly Rs. 10 crores from agriculture to other development projects, although the Planning Commission has laid down that Central assistance specifically granted for agriculture should not be used elsewhere. The provision of an extra amount of Rs. 85½ crores—Rs. 72 crores for bringing an additional 1 million acres of land under minor irrigation and Rs. 13½ crores for increasing the soil conservation target from 11 million acres to 11.7 million acres—should help the States in their drive to increase farm output. But finance is not the main difficulty here; foodgrains production, which has remained stagnant at about 79 million tons during the first three years of the plan, against the third plan target of 100 million tons to be achieved by the end of the plan period, did not suffer only because of financial difficulties. The shortfall in food production was mainly due to defective organisation of the food departments in the States and the multiplicity of official workers at the field level.

In a recent speech, the Central Food Minister, Mr. S. K. Patil, pointed out that the separate functioning of the food and agriculture departments in the States was preventing a co-ordinated effort to raise farm output. Another important reason for the failure of the agricultural programme is that the State Governments have put incompetent men in charge of the food and agriculture departments. Consequently, the implementation of the projects has been unsatisfactory. In many cases, the progress achieved is only on paper, and even though expenditure targets have been reached, there has not been a corresponding increase in agricultural production.

In implementing the third plan farm programme, the village level worker has a pivotal rôle. But as Mr. S. K. Dey, Central Minister for Community Development, recently pointed out, the worker is burdened with too much paper work, form-filling and red tape. He does not, therefore, have enough time to advise and persuade the cultivator to use better seed, more manure and better methods of production. Often the advice given by the village level worker is contradicted by the field workers belonging to the co-operative, agriculture, irrigation and other departments. Thus due to the multiplicity of workers at the field level, work suffers. In some States, an effort at co-ordination has been made by putting all the field workers under block development officers and by making it the specific responsibility of the district planning officer to co-ordinate their operations. But this has

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proved inadequate. It is necessary to reduce the multiplicity of workers at the field level and increase the number of village level workers to get results.

Another important cause of low production is the inadequate supply of agricultural machinery, cement, steel, coal dust and other commodities to the cultivator. The Planning Commission has, therefore, rightly decided that in future, additional foreign exchange will be made available for importing plant protection equipment and drilling machines for minor irrigation schemes and that the supply of cement, steel, coal and other essential materials to agriculturists will be given high priority, next only to defence.

In the third plan, the target for the use of nitrogenous fertilisers was fixed at 1 million tons, but at the present rate of consumption, the target would not be reached. The Planning Commission has, therefore, reduced the target for the last year of the third plan to 750,000 tons. An important decision of the Commission is that nitrogenous fertilisers will be imported to augment existing supplies.

Progress of General Insurance

The general insurance business in India has taken the fullest advantage of economic progress. This is evident from the fact that since 1954, the gross premium written in India has been steadily increasing. In 1961, the gross premium was estimated at Rs. 43.91 crores, compared with Rs. 23.88 crores in 1951. Speaking at the annual general meeting of the Indian Insurance Companies Association in Calcutta last week, Mr. D. Das Gupta, president, said that a significant feature of the progress was the reversal of the trend of general insurance lagging behind industrial production. The index number of general insurance registered a rise of 21.4 points in 1961, against one of 11.5 points in industrial production. But it is disconcerting that during the last few years, the ratio of fire insurance to the total business has been steadily declining. The periodical reduction in fire rates, according to Mr. Das Gupta, is a matter for concern. He added that further cuts in fire insurance rates would not be conducive to the development of general insurance. Motor rates have been raised recently, but it is necessary to see that the claims ratio does not catch up with the increase in the rates. The ratio of miscellaneous insurance to the total business has gone up from 31 percent in 1956 to 46 percent in 1961. It is evident from this that general insurers are not entirely dependent on conventional lines of business such as fire, marine and motor, but they are developing on a faster scale new lines of business such as erection, contractors' all risks, performance bonds, bank guarantee and credit guarantee insurances.

Mr. Das Gupta said that management expenses had gone up due to the payment of increased emoluments and other benefits to employees, rise in the cost of printing and stationery, increased postal and telephone charges, etcetera. Insurers are, therefore, hard put to it to keep management expenses within the prescribed limits. The overall expenses limits, the president said, were fixed about 12 years ago, so it is necessary to prepare a realistic formula in the context of changed conditions. Insurers realise the need for eradicating the undesirable practices in the industry, but the fact remains that the Code of Conduct, which was evolved in 1952 after a good deal of deliberation, has not been a success except for the payment of premium. Last year, the Executive Committee came out again with a comprehensive scheme which it considered necessary to put the industry on a sound footing. It would appear that in spite of the tightening up of the administrative machinery, the diversion of business, the prevention of which was one of the main objects of the Code of Conduct, is still prevalent.

Dealing with the emergency risks insurance schemes, Mr. Das Gupta said that the Government had appointed only one insurer—a subsidiary of the Life Insurance Corporation—to handle business for both factories and goods, although all the general insurers operating in India offered their services for the purpose on a no-profit basis. During the second World War, all general insurers in India handled war risks insurance successfully and their experience could have been freely drawn upon by the Government.

Protecting Cotton Textile Machinery

The cotton textile machinery manufacturing industry in India is of recent origin. In spite of the fairly good progress which it has made under protection for over 13 years, the industry is still in its infancy. From Rs. 7.66 crores in 1958, the value of textile machinery produced in the country rose to Rs. 15.4 crores in 1962 and the industry hopes to be able to reach the target of Rs. 36 crores by 1965-66, provided the supply of requisite raw materials is assured. But the supply of indigenous machinery continues to be far short of the demand. The total production of textile machinery during the third plan period is estimated around Rs. 129 crores, whereas the total requirements are estimated around Rs. 308.5 crores, made up of Rs. 281.7 crores for the cotton textile industry, Rs. 14.3 crores for art silk and Rs. 12.9 crores for the woollen industry. Stepping up domestic production to meet the industry's vast requirements for modernisation and rehabilitation is by no means the machinery manufacturers' only problem. There is a real danger that if the manufacturers of indigenous textile machinery do not intensify their research activity in order to be able to make new advances and improve the quality of their products, the new machines might soon become out of date.

The chairman of the Tariff Commission, Mr. K. R. P. Aiyangar, did well to emphasise this in his speech at the opening of the recent public enquiry into the question of continuing protection to the cotton textile machinery industry beyond 31st December, 1963. That is perhaps the only way to strengthen the cotton textile industry's competitive position in overseas markets. Mr. Aiyangar also hinted at the export potential of the industry. A beginning in that direction has already been made. In 1962-63, India exported textile machinery worth Rs. 19.03 lakhs.

Reviewing the progress of the cotton textile machinery industry in the recent past, Mr. Aiyangar observed that while there were 13 units engaged in the manufacture of protected items of cotton textile machinery in 1960, there are now 20 units registered with the Textile Commissioner. Two more units have recently been recommended for the issue of industrial licences to manufacture spindles, spinning rings and fluted rollers. The capacity of the industry for the production of ring frames in 1960 was 1,320, of spindles 940,000, of spinning rings 1.21 million, of fluted rollers 13,896 lines and of automatic looms 1,560. The existing capacity for these items stands at 2,480 ring frames, 1.04 million spindles, 1.42 million spinning rings, 12,072 lines of fluted rollers and 4,300 automatic looms. When all the licensed units start production, the total capacity will be of the order of 3,856 ring frames, 1.04 million spindles, 1.42 million spinning rings, 24,072 lines of fluted rollers and 5,100 automatic looms. Between 1960 and 1962, the production of ring frames rose from 1,127 to 1,571, of spindles from 540,000 to 720,000 and of automatic looms from 374 to 496. Production of spinning rings, however, fell from 300,000 to 290,000, and the output of fluted rollers was also lower at 11,216 lines, against 12,649 lines.

The main raw materials required for the textile machinery industry include pig iron of superior grades, steel items like bright drawn sections and coke. Except for some improvement in the case of coke, the supply position of other items has not recorded any noticeable change since 1960. Producers have generally expressed dissatisfaction with the supply position, quality and prices of raw materials which according to them has affected the production, quality and prices of finished products. Most of the consumers are of the view that the prices charged for the indigenous products are high compared with the prices of imported textile machinery, that after-sales service is poor and that the delivery period is too long. The present scheme of protection covers spinning ring frames, spindles, spinning rings, fluted rollers and automatic looms. The Tariff Commission, it is stated, has not received any request for the modification of the scope of protection. The protected categories of cotton textile machinery are currently assessed to duty at 10 percent *ad valorem*. Spindle inserts used in the manufacture of ring frames and doubling frames are subject to duties of 10 percent and 20 percent respectively: the industry has pleaded for a uniform duty of 10 percent.

Raising Tea Exports

In his presidential address at the annual general meeting of the Tea Association of India last Tuesday, Mr. S. R. Daga referred to the various burdens borne by the tea industry as a result of which production costs have gone up. Tea, being a major foreign exchange earner, it is necessary to improve its competitive strength. The Indian tea delegation, which visited the U.S.A. and Canada last year, found that India had lost substantial ground in the sales of common and low medium teas because of their high prices. The excise duty, which has been made non-refundable at the time of export, has been reflected in the cost of production. The relief granted by the abolition of the export duty has been considerably offset by the surcharge on excise duty. To worsen matters, the Assam Government has decided further to raise the rates of agricultural income tax. Mr. Daga stated that the industry would not be able to find resources to undertake development work and expand production if the present burdens in the shape of taxes, higher wages as a result of the Wage Board's recommendations and statutory obligation relating to the provision of industrial housing continued.

As for stepping up tea output, Mr. Daga stated that it was necessarily a long-term project since tea is an agricultural produce. The Plantation Finance Scheme which the Government has introduced would yield results in terms of larger production only towards the end of the fourth plan. The Planning Commission will have to fix the target for tea well in advance of the plan period. As a short-term measure to raise output, he suggested the provision of better irrigation facilities. To reduce the dependence on rains, tube-wells need to be sunk in the gardens in drought areas. Since the industry is already burdened with other commitments, Mr. Daga suggested that the Assam Government should help the industry in sinking tube-wells.

BAD TEA FROM U.S.A.

NOW that the Fiscal Policy is in everyone's mouth there is a great opportunity for the Indian Tea Association, as also the Tea Cess Committee, to press upon the Home Government the necessity for an Act to prevent the recurrence of what might be termed a crying scandal to all interested in the tea trade. Needless to say, we refer to the selling on the London market for tea rejected in America by the Customs authorities. We notice that a further shipment of these low class teas has been made from New York to London, and that the Ceylon Association has called the attention of the English Customs officials to the same, but they were powerless in the matter, and it behoves everyone connected with the industry to protest in the meantime, and afterwards insist upon an Act being passed to prevent the recurrence of such rejections finding their way into the British Household, bring the good name of the Indian and Ceylon tea into disrepute, for we have no doubt that, if this stuff is too bad to put into consumption as it is, it will be blended with a Ceylon or Indian to give it the taste of the fragrant herb of which it most probably is quite innocent. The Tea Cess Act was passed to secure means to push the sales of Indian tea and help it out of its present difficulties, but we think that the Committee might do worse than insist upon some Act being passed to stop rubbish being put on the market, which would make way for a better class of tea being supplied in the slums of London. We venture to believe that were this done the relief to the industry would eventuate in greater assistance than the amount already contemplated to be converted from blacks to greens.

FROM

CAPITAL

20th August, 1903

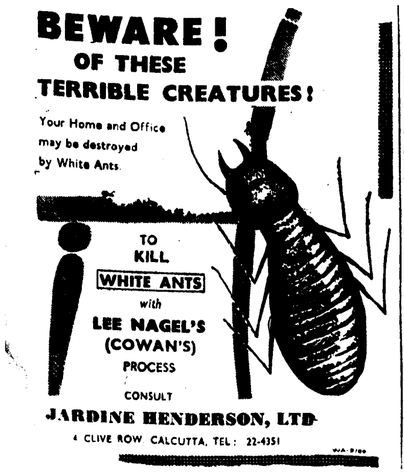
A Ditcher's Diary

COMING ALONG CHOWRINGHEE, ON FOOT, ON Wednesday morning, I was reminded, without needing to be, that another welcome Independence Day was round the corner. Also round the corner, this time literally, were three or four street urchins who insisted on pinning on me a national flag shoddily printed on paper. I hope I am not being unfair to them in saying that patriotic fervour perhaps played a lesser part in their activity than a certain greed for *baksheesh*. Being familiar with this sort of thing I did not take the matter seriously, although annoyed I was. A few minutes later a foreign tourist came out of a hotel: and he was similarly accosted. Fortunately, he got into a car fairly early; but I said to myself how disgusting the whole affair was. The foreigner might have been rude to the boys, who might then have promptly cried that he had insulted the Republic's flag. It would not have been difficult to collect a crowd in a matter of seconds: assault might have followed. I am not imagining things; I have seen such incidents in Calcutta. As I approached Esplanade, I saw a number of people selling national flags, this time in cloth, in various sizes. Some of them I found it difficult to recognise as the national flag. The wheel was out of place; the colours were weird. I must confess that these were distressing thoughts on the eve of Independence Day. It then occurred to me that here was an industry that could be usefully nationalised: the making of national flags should be a Government monopoly so that some standards could be maintained. Here, surely, is something in which individual creativity should not be allowed full play. These details apart, it was agreeable to see several ordinary people, obviously of modest means, buying the flags. What on earth, you may ask, were they celebrating? High prices? Chinese invasion? Corruption everywhere? I will not answer you. I will only say that there is something touching in common folk's capacity occasionally to feel for impersonal and unselfish things. Anyone who can think of Independence Day and forget for a while the million wholly justified complaints against his Government is a better man than you think. He has, for that moment, risen above himself; and I praise him. I feel likewise when I see a poor man buying a flower or helping the blind; he has then, as I was saying, risen above himself, something we all occasionally need to do and are better for it.

AN EXPERT ON CONTEMPORARY AMERICAN MORES tells me that the real boss in that great country no longer cares for the "yes-man": the man he wants around him is the "nodder", who silently conveys his consent to everything the Big Chief says. Mr. Kamaraj Nadar is anything but a "nodder"; but the "unique", "historic", "momentous" and what-have-you Kamaraj Plan is really a blank cheque for Mr. Nehru. I am not alarmed, though. As a "butcher" (Lord Attlee's term), Mr. Nehru is a poor performer; but I am convinced that, not for the first time, he has pulled off a superb political trick. To make it all appear otherwise, he will no doubt get rid of one or two innocents, known adherents of the Prime Minister, but the main ones to leave office will be those who would predictably have been sources of embarrassment to him during the parliamentary session that started on Tuesday. To remove Mr. Biju Patnaik, for instance, in the name of organisational work is to avert searching questions on him. It is too early to mention other names. What we will almost certainly not have is a homogeneous Cabinet at the Centre or in any State; and, again, it is difficult to accuse Mr. Nehru of inconsistency, for he has enunciated in advance a mish-mash philosophy of heterogeneity. As I write, I do not know which heads will fall. I am not, however, so naive as to believe that the whole exercise of the All India Congress Committee and the Congress Working Committee was in aid of the Congress Party which does indeed suffer from a variety of ailments but is still, electorally speaking, fairly strong. And what are political Parties for except to win elections? Yet the political manœuvre undoubtedly places upon the Prime Minister an impossible burden. I can well imagine the agonising moments he must be spending weighing the relative expendability of this colleague and that. After all, Mr. Nehru is an emotional man and by no means heartless. It was, however, good to be assured early on that his own application for *harakiri* had been rejected, as indeed it must be.

WHATEVER ELSE HE MAY OR MAY NOT BE MENTIONED in history for, former President Truman will always be remembered as the man who took the decision to drop the first atomic bomb. Whether he was right in doing so is something which has been the subject of speculation ever since, and it is not surprising that the eighteenth anniversary of Hiroshima has produced a fresh spate of it. In particular, it has brought the accusation that Mr. Truman acted against the advice of General Marshall, who favoured warning the Japanese first, and in ignorance of a petition signed by seven atomic scientists who had been working on the project. Why was he in such a hurry? He claims it was because he wanted to save the American lives which would undoubtedly have been lost in the invasion of Japan. In this I think he was fundamentally right. And I often wonder whether the world would be as keen as it is today to find some way of outlawing nuclear weapons if in fact it had never seen the effect of one actually used in war. This is not a flippant point; how much worse would it be today, when such weapons are so much more powerful than they were at Hiroshima, if some nation had a hankering after seeing just what one could do in the furtherance of its national ends? Personally, the thought dismays me far more than the memory of Hiroshima. Besides, are we not inclined to exaggerate just how much damage those first two atomic bombs caused? There was another eighteenth anniversary a few months ago: that of the bombing of Dresden. There, in the space of a day and a night, British heavy and American medium bombers killed over 130,000 people with conventional weapons using the terrible "fire-ball" technique, which causes a city to burn so fiercely that the air is denuded of oxygen and any person in the vicinity is quickly asphyxiated. A few months previous to that, again using conventional means, the R.A.F. had eliminated two-thirds of the huge city of Hamburg and killed over 300,000 people in three nights of raids. How does this compare with the damage done by the two atom bombs? Well, the deathroll at Hiroshima was about 70,000, just over half that of Dresden, and although I do not know what it was at Nagasaki, I doubt whether the two together came to half the Hamburg losses. So, for a comparatively small price in actual casualties compared with those due to bombing in Germany and, if I am right, in Tokyo too, the world was given a fright it has never forgotten. Grizzly arithmetic. But then, that is war.

THE AMOUNT OF ENERGY NEW DELHI EXPENDS ON the futile diplomatic exercise of assessing which Afro-Asian capital is, at a given moment, pro-Peking or pro-New Delhi must be fantastic. More useful it would be to enquire, in depth, the physical compulsions behind every country's foreign policy. Let it be said quite plainly that the complex issues involved in the Sino-Indian conflict are not as clearly understood elsewhere as they may be in Delhi; in Rangoon, Colombo and Djakarta it is simply not obvious that they must be on the side of the angel, which in New Delhi is identified as New Delhi. It is necessary to watch Rangoon in particular, for things are happening in Burma. General Ne Win may or may not be pink; he may or may not be turning red; I don't know. But both Rangoon and Colombo have good reasons to be on the right side of Peking, this apart from the understandable desire not to fall foul of a powerful neighbour. China buys the rice Burma must sell and then China sells that rice to Ceylon without which that island would starve. I am told by somebody who ought to know that there was once an opportunity for India to play that trading rôle with invaluable diplomatic dividends. India then,



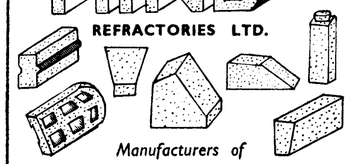




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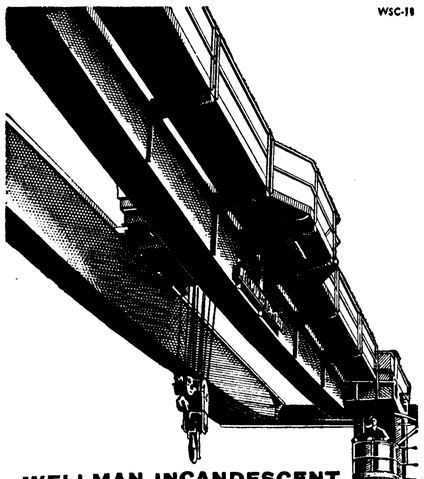
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I am told, took a wholly commercial view of Burma's offer and turned it down. An additional economic fact is that China buys from Ceylon the rubber the latter has to sell. Most countries now employ commercial attachés in their embassies abroad, something that would have been frowned upon in an earlier age of diplomacy. (Sir Harold Nicolson probably still disapproves of it.) But in the relations between one country and another there are so many factors that neglect of one may nullify the results obtained through other efforts. It is, for instance, important what kind of students you send to another country. India's External Affairs Ministry is young; it has some excellent people in the Foreign Service, including some experts. What it may be deficient in is the department of overall assessment and co-ordination, those anonymous desk men who read the reports and connect one with another. But then India has not had a full-time Foreign Minister yet. Whole-time Congressmen may be less urgently needed.

I HAVE LONG THOUGHT IT POSSIBLE THAT THE consequences of Britain's remaining outside the Common Market might be less serious than was at one time considered probable—at least by the pro-Market fanatics. British export trade statistics for the first half of 1963 seem to bear this out and in a special statement on the subject Sir William McFadzean, chairman of the U.K. Export Council for Europe, describes the results for the six months ended 30th June as "a great success story". It appears that exports to western Europe showed an increase of 12.4 percent compared with the same period in 1962 and now account for over 41 percent of all U.K. exports. The six Common Market countries are taking about 20 percent of all British exports, with West Germany in the rôle of Britain's best E.C.M. customer. Against this, the seven E.F.T.A. countries accounted for about 13 percent of Britain's world exports. Ironically enough, some of the improvement in Britain's position was achieved at the expense of France and in France itself rather than in third markets. Thus during the first five months of 1963, 50 percent more foreign motor-cars were sold in France, British manufacturers being particularly successful. France too has recently been very concerned about the trend of her exports and more and more economic studies are being devoted to her foreign trade which has been showing a declining net balance for some time past.

APART FROM PLAYING INTO RUSSIA'S HANDS BY laying herself open to a charge of insufferable hypocrisy, I cannot imagine what the United States thinks will be the result of her ban on arms to South Africa, however high-minded the motives. If she hopes thereby to make friends with and influence the "black" African countries, I suspect her subsequent experience there may be as disappointing as was India's when she was shopping around for moral support against the Chinese. Besides, it is not going to help the main problem of racialism in South Africa, the cause of which, I suspect, is quite simply fear. On the contrary, my guess is that the Government there will now go all out to manufacture its own small arms for internal suppression and, in its panic, neglect altogether to acquire the hardware necessary for defending the sea routes round the Cape, an omission which will benefit nobody in the free world, especially not India. I have always admitted quite frankly that I have no solution to suggest for the South African problem, unless it is to advocate greater virtue all round—and nothing could be more futile than that. I have an uneasy suspicion that South Africa will eventually dissolve in civil war, but I do not think an arms embargo will postpone the date or decisively affect the probable outcome. History has shown that such measures rarely achieve the results aimed at, and as often as not injure the party taking them or the one they are designed to benefit? If any proof were needed of this, there is no need to go further than the case of India's embargo on the export of jute goods to South Africa. What a wonderful boost that has been for the mills in Pakistan; and what a source of unemployment among the mill workers in Calcutta. And has it harmed South Africa? Well, has it?

THE DITCHER

Guide for Investors

DEPRESSING PROSPECTS FOR COAL INVESTORS

(BY A SPECIAL CORRESPONDENT)

COAL shares have been sluggish for a long time. The index for the shares has declined from 123.5 to 107.9 (base 1952-53 equals 100) in the course of the past year. At present, these shares are difficult to deal in, because buyers cannot be attracted even by discounting current prices. It has not been possible to judge the working of coal companies as they have been prohibited from publishing their balance-sheets because of the emergency, but the general belief is that the results have deteriorated. Notwithstanding increased output, the profitability in general has been held down by rising production costs. The paltry increases in the price of the commodity allowed from time to time, have been inadequate to cover the higher production costs.

The apathy of the investors has increased due to some disturbing developments in recent months. Firstly, the growing accumulation of pithead stocks at the collieries has caused concern. Several coal mines have been compelled to restrain production. Secondly, reports that several import licences for machinery and equipment have been surrendered to the Government, have disturbed sentiment. The anxiety has grown due to the fact that the demand for the commodity has appreciably declined over the past few months. In the absence of fuller information it is not possible to have an idea of the size of the fall in demand, but there is little doubt that the offtake of the commodity has fallen off. The slowdown in industrial growth has greatly contributed to the decline.

A New Delhi Press report has hinted at the Planning Commission being concerned about the fall in the demand for coal. After reviewing the progress of the industry during the first two years of the third plan, it would not be surprising if the Commission revised the targets for output and demand downwards for the later years of the plan. In any case, the production target of 97 million tons a year is unlikely to be achieved. The private sector has so far fulfilled its share of increasing production, while the performance of the State collieries has been disappointing.

The official view seems to be that an output target of 90 million to 92 million tons a year will be sufficient to take care of the demand at the end of 1966, while private interests are inclined to place it lower at 80 or so million tons a year. Whatever might be the cut in the output target eventually, it would be unfortunate if the World Bank loan were not fully used. The Bank has already sanctioned a foreign exchange loan of about Rs. 17 crores for the modernisation and expansion of the industry. A fair part of this sum still remains unutilised, since several collieries have not found the matching rupee finance. Although efforts have been made by the Government to persuade commercial banks to supply the necessary credit, the latter have not done so because of procedural difficulties. Several collieries are unable to produce the security necessary for bank loans. The laws and rules governing mining leases have made it almost impossible for them to offer any sort of tangible security.

The reluctance of some collieries to use the import licences for new machinery and equipment is understandable. The declining trend in coal consumption is one of the main disincentives. The fact that the fall has taken place despite an improvement in transport has led to the apprehension that the decline might not be a passing phase. The slower industrial growth has arisen out of basic weaknesses. Despite the bigger requirements of development and defence, idle capacity in industry has increased. There have been severe shortages of raw materials, power, spare parts and components. The incentive to produce more has been discouraged by the Government's unrealistic pricing policy. The coal industry, in particular, has been starved of funds by heavier taxation. The super profits tax has made a big dent on after-tax earnings. It is feared that the demand for coal may not pick up in the near future. In the circumstances, the collieries have been obliged to take a cautious view of their expansion prospects, so they are chary of undertaking the risks of additional investment.

This does not mean that there is no scope for increasing coal production. There has been a decline in the demand for inferior coal, but the supply of good grades is still behind requirements. Not only has industrial production fallen due to the shortage of good coal, but the quality of production has also deteriorated. The steel and power industries, in particular, have greatly suffered because of the shortage of superior grades. Considering that the supply of washed coal will increase only slowly, the demand for superior coal will be difficult to satisfy unless vigorous measures are taken to raise their output. All accessible seams of good coal have almost been exhausted. Hence deep-mining is necessary for raising these grades. As deep mining is adopted, working conditions become difficult and production costs mount up. Although the Government has offered to subsidise the working of difficult mines, the subsidy has so far given only a marginal benefit. Not only has financial assistance been meagre in proportion to actual costs incurred, but the good effects have been whittled down greatly by the cumbrous procedures relating to the grant of subsidy.

The problem of increasing the raisings of superior coal, therefore, deserves the closest attention of the authorities and producers. To subsidise production will only touch the fringe of the problem. The answer lies in making the output economically rewarding for the producers. At the present price, the production of superior coal has not been sufficiently remunerative. Unless the price is adequately raised, the collieries will not feel encouraged to produce more. Since some leading coal companies have already undertaken development schemes involving substantial funds, steps should be promptly taken to render their production economically remunerative. The projected expansion has naturally been based on a certain amount of raisings in order to hold down the unit production cost.

The industry has found it difficult to raise funds from the market due to the unattractive return obtainable from the capital employed. In view of several years of unprofitable working, coal companies by and large have almost exhausted their reserves. If the industry is to be placed on a healthy basis, its earnings must be sufficient to plough back adequate funds into the business. The shareholders must also be assured of a fair return. Unlike other industries, coal is a wasting asset so the investors need to be duly compensated for it.

No Rights Now from T. E. L. C. O.

REFERRING to the withdrawal of a small sum of Rs. 6 lakhs from the general reserve for the maintenance of the dividend for 1962-63, the chairman of the Tata Engineering and Locomotive Company, Mr. J. R. D. Tata, had cautioned the shareholders in his annual statement against interpreting "such action as any kind of commitment in regard to next year's profits or dividend." This led to some misgivings about the dividend prospect for the current year. These misgivings have now been removed as the chairman has assured the shareholders at the last annual meeting that they "need not worry over the dividend prospects because profits were expected to be enough for its maintenance even on the increased capital".

Referring to the Company's expansion programme, the chairman said that the full production of 18,000 lorries visualised under the first stage of the programme would be reached by the end of next year and the production of 24,000 lorries would be reached by 1965-66. The total cost of the expansion scheme would be around Rs. 21 crores, of which Rs. 13 crores would be needed for the first phase and Rs. 8 crores for the second phase. Half of this amount would be in foreign exchange. The second stage of expansion would be implemented as early as possible, and a second application to the Agency for International Development would be made for a further loan to cover the foreign exchange requirements. The question of raising the rupee finance for the expansion programme is engaging the attention of the management, but no decision is likely to be taken this year. Mr. Tata ruled out the issue of debentures or rights shares for the time being. He assured the shareholders that new shares would be issued only when it could be done without adversely affecting the interests of the shareholders—that is, without disturbing the current yield on the shares.

The chairman informed the shareholders that the manufacture of press tools, dies and production devices would cost over Rs. 1 crore. It will be spread over two or three years and the cost will be met from the Company's own resources. The plant will be located in the Poona region. The chairman disclosed that the Company's production during the first few months of the current year had shown a small improvement over that in the corresponding period last year. He also stated that the delay of about five months in the grant of an increase in the lorry prices had cost the Company Rs. 35 lakhs. The Government has reduced the priority allocation for the Company's T.M.B. vehicles from 80 percent to 60 percent of the total output. The Life Insurance Corporation holds about 6.5 percent of T.E.L.C.O.'s capital, as against 23 percent held by the Tata group of Companies. The Company is likely to get the tax benefit under Section 84 on Rs. 15 lakhs to Rs. 20 lakhs next year, against Rs. 24 lakhs this year.

Larsen and Toubro Earns More

LARSEN and Toubro Ltd reports encouraging results for the year ended March 1963 with its gross turnover up by nearly 30 percent from Rs. 5.71 crores to Rs. 7.41 crores, and the gross profit rising by about 20 percent from Rs. 59.12 lakhs to Rs. 70.25 lakhs. The dividend has been maintained on the enlarged capital; the new 550,000 ordinary shares are entitled to a proportionate dividend of 70nP a share, whereas the old 1.1 million equity shares will receive Rs. 1.40 a share (the same as in the preceding year). The equity dividend absorbs Rs. 19.25 lakhs, against Rs. 15.40 lakhs. Appropriations include depreciation Rs. 14.64 lakhs (against Rs. 12.20 lakhs), taxation Rs. 24.40 lakhs (against Rs. 21 lakhs), development rebate reserve Rs. 3.23 lakhs (against (Rs. 2.96 lakhs), general reserve Rs. 4.06 lakhs (against Rs. 2.50 lakhs) and dividend equalisation reserve Rs. 1 lakh (the same). Preference and ordinary dividends absorb Rs. 20.23 lakhs (against Rs. 16.38 lakhs), leaving a sum of Rs. 11,973 to be carried forward, against Rs. 1.51 lakhs brought in. The proposed dividends are being paid out of dividend reserve.

The directors state that the performance of the Powai workshops during the year was satisfactory. The output of industrial plant and equipment as well as electrical motor starters and switchgears continues to rise steadily. Careful planning, additions to plant and equipment and investments in subsidiary and associated companies have contributed to the all-round

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improvement in the Company's performance. Net additions to fixed assets during the year amounted to Rs. 42.05 lakhs, bringing the total cost of fixed assets to Rs. 1.921 crores. During the year, further investment in new or additional shares at par of associated and subsidiary companies amounted to Rs. 36.65 lakhs, raising total investment in such shares to Rs. 1.07 crores. The Company earned Rs. 2.22 lakhs (against nil) by way of dividends from subsidiary companies.

In his statement to the shareholders released along with the directors' report, the chairman, Mr. H. Holck-Larsen, has held out the hope of still better results in the future. The Company's primary and immediate aim, he says, is to consolidate and develop its existing activities to the maximum extent. The chairman points out that additions to manufacturing facilities coupled with increasing efficiency, have enabled the Powai workshops to further augment output of high quality engineering products. Production at the workshops has been nearly doubled in two years and the chairman looks forward to a further increase of about 40 percent in production during 1963-64. The outlook for associated and subsidiary companies is considered to be satisfactory. The chairman has revealed that the accounts relating to the Madras Harbour extension contract are in the process of settlement and the resulting profits will be reflected in the Company's accounts for the current year.

In addition to various new contracts of smaller magnitude, the Company has secured a contract valued at Rs. 1.4 crores from the Madhya Pradesh State Electricity Board for the installation of the thermal station in Korba. The work, already taken in hand, is expected to be completed in 1966. The authorised capital of the Company is proposed to be increased from Rs. 2 crores to Rs. 3 crores by the creation of 1 million new equity shares of Rs. 10 each. This is being done in order to make possible the issue of fresh capital as and when required. As against its present authorised capital of Rs. 2 crores, the Company's issued and paid-up capital amounts to Rs. 1.8 crores, made up of Rs 15 lakhs in preference shares and Rs. 1.65 crores in equity shares.

Gwalior Rayon Earns Less, Pays the Same

THE Gwalior Rayon Silk Manufacturing (Wvg.) Co. Ltd has maintained the taxable ordinary dividend for the year ended March 1933 at Rs. 2.50 a share (Rs. 10-paid). The preliminary report on the working of the Company during the year shows a small setback in its results compared with those of the previous year. In spite of an increase of 8.3 percent in the sales from Rs. 12.07 crores to Rs. 13.08 crores, the Company's gross profit is down by about 6.7 percent from Rs. 4.18 crores to Rs. 3.9 crores. The provision for depreciation has been stepped up from Rs. 43.60 lakhs to Rs. 83.89 lakhs, and allocation to the development rebate has been raised from a mere Rs. 9.56 lakhs to Rs. 1.13 crores because of the commissioning of the Company's rayon grade pulp plant in Kerala. The provision for taxation is only Rs. 1.30 lakhs, against Rs. 15.15 lakhs in the preceding year.

In view of the heavy provisions for depreciation and development rebate, the Company is said to be exempted from taxation. The provision of Rs. 1.30 lakhs is for arrears of wealth tax concerning previous years. Allocation to the capital redemption reserve has been maintained at Rs. 15 lakhs, but donations are substantially higher at Rs. 21.44 lakhs, including Rs. 12.07 lakhs for the National Defence Fund, aginst Rs. 5.83 lakhs in 1961-62. No provision has been made for the dividend equalisation reserve which received Rs. 25 lakhs in the preceding year and allocation to the general reserve has been reduced from Rs. 2.70 crores to Rs. 1.72 crores. The preference dividend at 8.57 percent absorbs Rs. 12.92 lakhs (the same) and the equity dividend Rs. 62.50 lakhs (the same). The equity dividend is being paid out of the general reserve. After making all these appropriations, there remains a surplus of Rs. 3.547 to be carried forward, against Rs. 7.41 lakhs brought in. The Company's gross block increased during the year from Rs. 11.74 crores to Rs. 14.76 crores, and the net block at the end of March 1963 amounted to Rs. 8.98 crores. The Company's rayon grade pulp plant started trial production in January 1963. The daily capacity of this plant is of the order of 150 tons. The Rs. 10-paid share of the Company is currently quoted around Rs. 41.

Bengal Chemical Expanding

THE observations on the expansion schemes of the Bengal Chemical and Pharmaceutical Works Ltd made by Dr. B. N. Ghose, chairman, in his statement at the annual general meeting in Calcutta last Wednesday, have been the main point of interest for shareholders. (A fuller version is printed on a later page in this week's issue of *Capital.)* The alum plant in Panihati, West Bengal, has almost been completed, and production will soon begin. When the additional 50-ton-a-day capacity of the sulphuric acid plant is completed, it will be possible to achieve greater economy. The expansion of the caffeine plant at the Maniktala factory has been undertaken. The production of either has oeen hindered by the shortage of raw materials. The coal tar business has not done well because crude tar has largely been used by producers as fuel. The shortage of imported and domestic raw materials has also restricted output. The work of setting up the Durgapur Chemicals Ltd has made progress. Although Bengal Chemical has been a promotor of this new Company, it will be a West Bengal Government undertaking.

Bengal Chemical has produced satisfactory results for the year ended March 1963, in spite of various difficulties. Sales rose by more than Rs. 15 lakhs, although the profit was held down by rising production costs. The ordinary dividend has been maintained at 10 percent, taxable. Sales of pharmaceutical products have shown an appreciable rise. Exports of the Company's products have improved by more than 25 percent. The directors hope to produce better results during the current year.

Kesoram Industries Pays More

THE ordinary shares of the Kesoram Industries and Cotton Mills Ltd have been steady around Rs 21.06 because of satisfactory results produced during the year ended March 1963. The taxable ordinary dividend has been increased from 12 percent to 13 percent to absorb Rs. 25.99 lakhs. *Pro rata* dividends have been paid on the new shares. The yield amounts to 6.2 percent as the present price. The trading profit has risen from Rs. 1.83 crores for 1961-62 to Rs. 2.01 crores for 1962-63. Depreciation is allocated Rs. 62.49 lakhs (against Rs. 69.43 lakhs), taxation Rs. 8 lakhs (against Rs. 36 lakhs) and development rebate reserve Rs. 39.21 lakhs (against Rs. 13.38 lakhs). General reserve absorbs Rs. 22 lakhs (against Rs. 19.52 lakhs) and dividend reserve Rs 40 lakhs. The carry-forward is Rs 26,969, against Rs. 43,454 brought in. The bigger development rebate reserve points to the substantial capital expenditure which the Company has incurred for several projects.

Walford Transport Repeats

IN their report for the year ended December 1962, the directors of the Walford Transport Ltd say that the working results during the current year may not be as good as those of the preceding years. Due to emergency, supplies for vehicle lines have been substantially reduced. The main line is jeep but all production from the plant since the close of 1962, has been taken over by the army. The Company has, meanwhile, been developing the engineering side of its business. Air-conditioning agency for the Rootes Tempair machine has been acquired for the State of West Bengal. As for the expansion programme, the directors say that the Company has taken steps to develop its business in Gauhati, Durgapur and Agartala.

The profit has declined from Rs. 13.99 lakhs in 1961 to Rs. 11.32 lakhs in 1962, after providing Rs. 59,854 (against Rs. 67,336) for depreciation. A taxable ordinary dividend of 30 percent has been maintained. This is more than four times covered and offers a yield of 7.9 percent at the present price of Rs. 3.81 a share of Re. 1 each. General reserve is allocated Rs. 1.95 lakhs, capital reserve Rs. 1.35 lakhs (against Rs. 2.31 lakhs) and development rebate reserve Rs. 2,134 (against Rs. 5,054). Taxation absorbs Rs. 7 lakhs (against Rs. 8.74 lakhs) and the super profits tax about 6.4 percent of the profit, before tax.

New Standard Engineering Does Well

THE preliminary report on the working of New Standard Engineering Company for the year ended March 1963, released along with the announcement of the dividend, showed that the Company had done better than in the previous year, with its sales rising from Rs. 1.60 crores to Rs. 1.83 crores and gross profit increasing from Rs. 22.26 lakhs to Rs. 22.89 lakhs. The directors observe in their final report that the grey iron foundry in Goregaon has been in production since May 1963. The Company has had some teething troubles in the operation of this foundry especially on account of refractory material. A beginning has been made with the construction work for the new machine shop, but in view of the present adverse conditions in the money market, further progress on this project has been slowed down.

With the revised agreement with the Polish suppliers of machinery, the directors expect that the import licence for plant and machinery will be received shortly which will help increase and improve the foundry capacity. The Company has received the first instalment of Rs. 20 lakhs from the I.C.I.C.I. out of a loan of Rs. 40 lakhs sanctioned by it for the Goregaon project. The manufacture of blow-room lines for textile mills have shown continued progress. The Company has started the manufacture of E.O.T. cranes, electric furnaces, higher capacity power hammers and drop forges. Negotiations have been successfully concluded with Wheelabrator Corporation of the U.S.A. and Tilghman's Ltd of the U.K. for the manufacture of shot blasting equipment.

The Company received some defence orders towards the end of the year under review which will be executed during the current year. Apart from this, orders in general have been well maintained and the order book is said to be satisfactory. With the increased shift of operations in Goregaon, streamlining of production in self-contained departments, better and more extensive training programme for engineers and workers, etcetera, the Company's manufacturing facilities are now built for high production potential which can be realised fully provided there are no bottlenecks on account of raw material or transport and assuming that there are sufficient orders on hand.

Universal Electrics Factory Installed

THE Universal Electrics Ltd has shown a net loss of Rs. 25,840 for the year ended March 1963, after transferring Rs. 2.03 lakhs to expenses under "construction period account" and Rs. 15,230 for depreciation. The construction of the house service meters factory has been completed, and the rated capacity is likely to be achieved soon. The Company has secured some orders for these meters. Preference shares for Rs. 1.50 lakhs have been allotted to the foreign collaborators for consideration other than cash. The dividend has been passed.

Triton Insurance Pays the Same

THE Triton Insurance Co. Ltd shows a credit balance of Rs. 5.06 lakhs for the year ended December 1962, compared with a balance of Rs 3.77 lakhs in 1961, after transferring Rs. 5 lakhs (against Rs. 3.30 lakhs) to taxation, Rs. 77,906 (against Rs. 8,085) to depreciation on investments and Rs. 25,000 to the National Defence Fund and meeting other charges. Bringing in Rs. 1.96 lakhs, the distributable balance amounts to Rs. 7.01 lakhs. The taxable ordinary dividend of 50 percent has been maintained, absorbing Rs. 2.88 lakhs. The yield amounts to 10.1 percent at the present price of Rs. 124 a share of Rs. 100 each, of which only Rs. 25 has been paid-up. General reserve is allocated Rs. 4.14 lakhs (against Rs. 1 lakh). The net premium of the fire department has amounted to Rs. 27.87 lakhs while that of the marine department has totalled Rs. 9.75 lakhs. The net premium of the miscellaneous department has amounted to Rs. 4.07 lakhs.

Passimbing Tea Skips Dividend

THE Passimbing Tea Co. Ltd (a Darjeeling garden) has earned a profit of Rs. 1.04 lakhs for the year ended December 1962, against Rs. 46,762 in 1961, after providing Rs. 7,000 (against Rs. 5,000) for depreciation. The ordinary dividend has been passed, but the usual preference dividends have been paid. Taxation absorbs Rs. 20,000 and the reserve fund Rs. 7,500. Dividend equalisation reserve is allocated Rs 10,000, leaving a carry-forward of Rs. 6,852. A loss of Rs. 30,616 was brought in.

The crop amounted to 116,997 kilograms, against 119,154 kilograms. The average sale price rose from Rs. 5.62 to Rs. 5.95 a kilogram. The 1963 crop has been estimated at 126,000 kilograms at a cost of Rs. 6 lakhs. The crop amounted to 25,572 kilograms up to 14th May, 1963.

Ethelbari Tea Earns More

THE Ethelbari Tea Co. (1932) Ltd (a Duars garden) has made a profit of Rs. 93,085 for the year ended December 1962, against Rs. 50,789 for 1961, after transferring Rs. 40,816 (against Rs. 8,300) to depreciation. A taxable ordinary dividend of 7.5 percent has been declared to absorb Rs. 36,750 at the present price of Rs. 13.12 a share of Rs. 10 each. The yield amounts to 5.7 percent. Taxation is allocated Rs. 50,000 (against Rs. 20,000) and development rebate reserve Rs. 891 (against Rs. 2,515), leaving a carry-forward of Rs. 13,738, against Rs. 8,295 brought in. The crop amounted to 264,389 kilograms. The directors expect a bigger production in 1963 since the garden has produced about 56,000 kilograms up to 15th June, 1963.

Indian Dyestuff Disappoints

ALTHOUGH the chairman of Indian Dyestuff Industries had given a clear hint about the squeeze on the Company's profit margin at the last year's annual meeting, the working results of the Company for the year ended March 1963 are perhaps worse than the market's worst expectations. While sales are down by only 8 percent from Rs. 2.58 crores to Rs. 2.38 crores, the gross profit has declined sharply by about 33.5 percent from Rs. 78.52 lakhs to Rs. 52.18 lakhs. Shareholders, however, have the consolation that the dividend has been maintained at 7 percent and that, too, on the increased capital of Rs. 1.87 crores (against Rs. 1.57 crores). This has been done in spite of the fact that the Company has had to provide a substantially larger sum for development rebate following the big increase in the gross block from Rs. 60 lakhs to Rs. 2.55 crores. The Company has, however, had to draw Rs. 8 lakhs from the general reserve to provide for the payment of the proposed dividends which absorb Rs. 15.77 lakhs, against Rs. 13.39 lakhs.

The ordinary as well as the preference dividend is on the increased capital. Out of the year's gross profit of Rs. 52.18 lakhs, the directors have set aside Rs. 16.18 lakhs (against Rs. 4.91 lakhs) for depreciation, Rs. 20.62 lakhs (against Rs. 49,000) for development rebate and Rs. 4.30 lakhs (against Rs. 33.70 lakhs) for taxation. After providing for the payment of the proposed dividend, there remains a modest surplus of Rs. 3,006 to be carried forward, against Rs. 30,134 brought in. The Rs 100-paid share of Indian Dyestuff is quoted around Rs. 300. As against the Company's gross block of Rs. 2.55 crores, total depreciation provided up to 31st March. 1963, amounts to no more than Rs. 36.45 lakhs.

Minerva Mills Pays Less

LIKE several other cotton textile mills, Minerva Mills Ltd also did not fare well in 1962. Its sales dropped by nearly 15 percent from Rs. 2.01 crores to Rs. 1.7 crores, and its gross profit at Rs. 9.28 lakhs showed a fall of about 13 percent from the previous year's figure of Rs. 10.74 lakhs. On top of this, the Company has had to provide a substantial sum of Rs. 2.37 lakhs for payment of additional wages and dearness allowance to workers, under an agreement, for the period 1st July, 1960, to 31st December, 1962. It has also had to provide Rs. 78,333 (against Rs. 62,308) for compensation to workers under the rationalisation programme during 1962 and prior to that year. These additional burdens have been met by writing back excess provision for depreciation amounting to Rs. 2.66 lakhs.

The directors have also been obliged to reduce the dividend from Rs. 5 to Rs. 3.50 a share of Rs. 100 which absorbs Rs. 1.04 lakhs (against Rs. 1.48 lakhs). Appropriations of the year's profits include depreciation Rs. 4.45 lakhs (against Rs. 6.16 lakhs), development rebate reserve Rs. 1.36 lakhs (against Rs. 44,500) and gratuity reserve Rs. 1.15 lakhs (against Rs. 1.17 lakhs). No provision has been made for taxation in view of the losses carried forward and unabsorbed depreciation allowances of the previous years. The proposed dividends, ordinary and preference, absorb Rs. 1.35 lakhs (against Rs. 1.72 lakhs) leaving a small surplus of Rs. 8,714 to be carried forward, against Rs. 23,774 brought in.

During the year, the Company availed itself of over two-thirds of the loan of Rs. 45 lakhs sanctioned by the N.I.D.C., and this enabled the Company to finance the purchase of many new machines under its programme of renovation and modernisation. Out of the 144 new automatic looms acquired for replacement, 117 have been installed and worked during the current year and the balance will be commissioned shortly. The Government has recently sanctioned an expansion of spindleage by 6,000 to feed the increased production of the automatic looms working three shifts. The mill is equipped with 39,398 spindles and 704 looms. The Rs. 100-paid share of the Company is currently quoted around Rs. 58.

Raghuvanshi Mills Repeats

RAGHUVANSHI Mills Ltd has maintained the dividend for the year ended March 1963 at Rs. 12 a share, subject to tax. The preliminary report shows that the Company's performance during 1962-63 has been quite satisfactory. The gross profit at Rs. 28.65 lakhs is virtually unchanged as the previous year's figure was only fractionally higher at Rs. 28.78 lakhs. The directors state that the Company has been continuing its policy of progressive modernisation of the plant and machinery. Against the order for 40 new cards, 30 cards have been received and the balance is expected to be received during the current financial year. Additions to the fixed assets during the year amounted to Rs. 12.06 lakhs and commitments for machinery valued at Rs. 6.82 lakhs had been made as at the end of the financial year. The Company was able to fulfil its export obligations.

Under the export promotion scheme, Raghuvanshi Mills receives entitlements for the import of machinery which is being used for the import of machinery required for sewing thread winding, wrapping, etcetera. The working of the mill, it is expected, will show further improvement because of the facilities concerning imports.

Appropriations of the year's profits include depreciation Rs. 8.34 lakhs against (Rs. 7.42 lakhs), taxation Rs. 10.75 lakhs (against Rs. 9.16 lakhs), development rebate reserve Rs. 1.38 lakhs (against Rs. 1.86 lakhs), gratuity reserve Rs. 50,000 (against Rs. 1 lakh), general reserve Rs. 70,000 (against Rs. 4.29 lakhs) and dividend reserve Rs. 5.10 lakhs against (Rs. 4.80 lakhs). The proposed dividend is to be paid out of the dividend reserve. After making various appropriations, there remains a balance of Rs. 3,621 to be carried forward, against Rs. 4.142 brought in. The Rs. 100-paid share of the Company is quoted around Rs. 140, offering a gross return of about 8.6 percent.

Share Offer by Indo-Swedish Pipe

THE Indo-Swedish Pipe Manufacturers Ltd which proposes to set up a factory in Agra for the manufacture of cast iron soil pipes by the modern spinning process is offering 25,000 equity shares of Rs. 100 each at par for public subscription to raise funds for the project. The list will open on 19th August and close on 30th August or earlier, but not before 21st August. The Company has secured the technical collaboration of A. B. Akers Styckebruk of Sweden whose process has been adopted by even the highly industrialised countries like the U.S.A., the U.K., West Germany and Japan. The proposed factory, it is expected, will go into production by about the middle of next year. The licensed capacity of the plant will be 24,000 tons of pipes and fitting a year on a single shift basis. The production would be 10,000 tons in the first year, rising to 24,000 tons in the third year. When in full production, the Company will have an annual turnover of about Rs. 1 crore.

The promoters expect the project to yield about 37.5 percent on the block of the Company; the profit margin on the sale of pipes is estimated between 10 percent and 11 percent. The Company does not expect any difficulties in marketing its products. The capital outlay on the project is estimated at Rs. 55 lakhs, which is proposed to be met by the issue of share capital of Rs. 35 lakhs, foreign exchange loan from the I.C.I.C.I. amounting to Rs. 15 lakhs and an unsecured loan of Rs. 5 lakhs from the managing agents—Bharat Combines Private Ltd, New Delhi.

The authorised capital is Rs. 1 crore—all in equity shares of Rs. 100 each. The promoters and directors have already subscribed for Rs. 10 lakhs which includes Rs. 2,54,500 taken up by Mr. Ole J. Bach, technical representative of the Swedish firm and a director of the Indian Company. The present issue consists of Rs. 25 lakhs and it has been completely underwritten. A sum of Rs. 25 a share is payable on application and a like amount on allotment. The balance will be collected in two calls. The Company has given a guarantee to the Government that it will export cast iron spun pipes worth Rs. 54 lakhs within five years of importing the machinery. The board of directors includes Mr. Hansraj G. Gupta (chairman), Mr. P. L. Kirloskar, Mr. Ram Prasad Khandelwal, Mr. M. M. Muthiah, Mr. K. C. Sood, Mr. Y. L. Agarwal, Mr. Bisheswar Nath Gupta, Mr Baij Nath Gupta and Mr. Sarda Shumshere Jung Bahadur Rana.

Greaves Cotton Fares Well

GREAVES Cotton and Co. Ltd has maintained the dividend for the year ended March 1963 at Rs 12 a share less tax, and the preliminary figures relating to the Company's working results indicate that it has fared better than in the preceding year. The turnover is higher at Rs. 7.85 crores, against Rs. 7.53 crores, and the gross profit also shows a small improvement from Rs. 52.56 lakhs to Rs. 54.53 lakhs. With Rs. 12,583 brought in from the previous year and including Rs. 1.35 lakhs transferred from the retiring gratuity reserve, the amount available for appropriations comes to Rs. 55 lakhs. Allocation to the development rebate reserve has been raised from Rs. 25,090 to Rs. 80,000, and the amount set aside for doubtful debts reserve is also higher at Rs. 50,000, against Rs. 20,000. Taxation accounts for Rs. 23 lakhs, against Rs. 22.25 lakhs and the general reserve gets Rs. 11.50 lakhs, against Rs. 10.10 lakhs. A sum of Rs. 20 lakhs has been transferred to the dividend reserve, out of which the proposed dividend is to be paid. The carry-forward is Rs. 20,000. The Rs. 100-paid share of Greaves Cotton is currently quoted around Rs. 130.

Hind Rectifiers Pays Maiden

THE 5 percent maiden dividend by Hind Rectifiers Ltd for the year ended March 1963, is well justified by the Company's encouraging performance during the year. According to the preliminary report, the net sales of the Company have increased by about 87 percent from Rs. 16.42 lakhs to Rs. 26.06 lakhs, and the gross profit has almost doubled from Rs. 1.56 lakhs to Rs. 3.10 lakhs. Allocations include depreciation Rs. 1.03 lakhs (against Rs. 1.14 lakhs), taxation Rs. 55,000 (against nil), general reserve Rs 12,000 (against nil), development rebate reserve Rs. 14,861 (against Rs. 88,000) and dividend reserve Rs. 60,000 (against nil). The proposed dividend which will absorb Rs. 52,470 is to be paid out of the dividend reserve.

The directors state that the Company received in February 1963 plant and machinery valued at Rs. 3 lakhs from Westinghouse Brake and Signal Co. Ltd, U. K. for the manufacture of silicon diodes. The Company has allotted equity shares worth Rs. 3 lakhs to the British firm in payment of the cost of the machinery. The Company has started the manufacture of 150 amps. silicon diodes. There is increasing demand for other sizes of diodes and to meet this demand, the Company has made an application to the Government for permission to expand substantially the range of production. The Rs. 5-paid share of Hind Rectifiers is quoted nominally around Rs. 4.16.

Burmah Oil Prospects

THE directors of Burmah Oil, in support of their rejection of the British Petroleum-Shell Petroleum proposals for dismembering and swallowing the group, have made two conventional moves. In their letter to stockholders, they have given notice of a dividend of not less than 2s 9d tax-free, 133 percent a £1 share, against 2s 3d, 114 percent, for 1962—and forecast a rising trend of profits up to 1966 and beyond. Burmah last year had an income after tax from sources other than its shareholdings in B.P. and "Shell" Transport of £5.9 million. "Some improvement" is expected this year and the estimate for 1966 is £8 million. These figures in themselves are almost enough to justify the rejection of the take-over bid terms—for which, incidentally, Burmah stockholders have reason to be grateful. Had they been accepted, Burmah's trading assets would have been sold at a gross earnings yield of 11 per-

cent on the 1962 figures and 15 percent on estimated earnings in 1966.

Had Burmah been "knocked down" to the two big oil Companies, the bargain would have been better even than these percentages suggest, as part of the assets they would have got will not oe contributing to earnings until after 1966. But the most unrealistic part of the B.P.-Shell approach was the suggestion that Burmah should treat its 24½ percent stake in B.P. as worth no more than the market value of the shares. If B.P. is as acutely concerned as it made out with the existence of this powerful block vote, it should have been prepared to pay a good premium to have the shares dispersed. The Burmah letter emphasises that the B.P. holding is "an integral and vital part" of the Company's operations.

Burmah's holding in "Shell," amounting to 3½ percent of the "Shell" equity and worth currently about 7s a Burmah share, is in a different category, being regarded as a "marketable investment" for use either as a means of raising development capital or in extremity perhaps as a legitimate defensive weapon. Meantime, dividends and capital distributions from "Shell" and B.P. will be passed on to Burmah stockholders. They may be supplemented by capital distribution from other sources and with increasing contributions from Burmah's trading income.

C. D. F. C. Loan For Sankey Wheels

COMMONWEALTH Development Finance Co. Ltd has agreed to make a secured loan of £225,000 and to subscribe for rupee equity shares to the value of £75,000 in Sankey Wheels Ltd, of Durgapur, West Bengal. Sankey Wheels Ltd is a new Company formed to manufacture lorry, jeep, car, animal-drawn vehicle and other types of wheels in Durgapur. It will receive technical assistance from Joseph Sankey and Sons Ltd, England, who has assigned to the new Company the benefit of its know-how and trade connection in the manufacture and sale of wheels in India. Joseph Sankey and Sons Ltd and Guest, Keen, Williams, Ltd, India (both subsidiaries of Guest, Keen and Nettlefolds Ltd, England) have a substantial shareholding in the new concern. The balance of the equity capital is being provided by public and private subscription in India. The total estimated cost of the project is about £2 million. The production of truck wheels is planned to start in 1964.

Velimalai Rubber Raises Dividend

AS the net profit of the Velimalai Rubber Co. Ltd for the year ended 28th February, 1963 is better than in the previous year, the Company has raised the dividend to 7 percent from the previous year's 5 percent. The net profit for the year amounts to Rs. 1,62,702.54 after providing for depreciation and other charges. The previous year's net profit was Rs. 1,29,371. With the amount of Rs. 361.37 brought forward, the total comes to Rs. 1,63,063.91. Out of this, tax provision comes to Rs. 55,000 (against Rs. 43,500) and Rs. 40,000 is transferred to debenture redemption reserve (against Rs. 40,000). The dividend on preference shares at 7 percent, subject to tax, amounts to Rs. 17,500. The ordinary dividend at 7 percent will absorb Rs. 42,000. After transferring Rs. 2,138.60 to rubber replanting reserve, the balance of Rs. 6,425.31 is carried forward to the next year. The rubber crop during the year amounted to 2,15,817 kilograms, against 1,72,774 kilograms for the previous year. The tea crop for the year amounted to 20,667 kilograms, against 23,925 kilograms. The directors state that tea crops are on the decrease as the tea area has been mostly brought under rubber. The estimated rubber crop for 1963-64 is put at 197,000 kilograms, and the tea crop is estimated at 19,000 kilograms.

Tirupati Cotton Cuts Dividend

THE gross profit of Tirupati Cotton Mills Ltd for the year ended March 1963 amounts to Rs. 8.82 lakhs, which is nearly 33 percent less than the previous year's figure of Rs. 13.06 lakhs. The setback in profits is attributed to high cotton prices, unremunerative ceiling prices of yarn and increases in other manufacturing costs. The dividend has been reduced from 12 percent to 10 percent but since the dividend for 1962-63 is on the increased capital, the total distribution among the shareholders is higher at Rs. 1.89 lakhs, against Rs. 1.55 lakhs. After providing Rs. 4.49 lakhs (against Rs. 4.62 lakhs) for depreciation, Rs. 2.32 lakhs (against Rs. 38,000) for development rebate and Rs. 72,000 (against Rs. 2.75 lakhs) for taxation, there remains a surplus of Rs. 91.000, against Rs. 4.49 lakhs in the preceding year.

The directors have had to transfer Rs. 1.25 lakhs from the general reserve and Rs. 50,000 from the deferred taxation reserve in order to provide for the payment of the proposed dividend. Donations and contributions to the Andhra Pradesh Congress Committee claim Rs. 35,513 (against Rs. 11,358) and a sum of Rs. 5,234 has been set aside for share issue expenses. No provision has been made for mortgage loan redemption reserve and general reserve which received Rs. 1.20 lakhs and Rs. 1 lakh, respectively, in the preceding year. After making various appropriations, there remains a surplus of Rs. 3,693 to be carried forward, against Rs. 19,718 brought in. The directors expect to receive an import licence for 30 blanket looms very shortly. Machinery, to be imported from Japan, is likely to be installed before the end of the current financial year. Orders for 9,000 spindles for the Company's expansion have been placed, but these spindles are expected to be received and installed only during the latter half of 1964. The cotton waste spinning plant has been installed and commissioned.

Mysore Paper Sales Up, Profit Down

DESPITE a small improvement in the sales from Rs. 1.20 crores to Rs. 1.23 crores, the gross profit of Mysore Paper Mills Ltd for the year ended March 1963 is down by about 8 percent from Rs. 20.04 lakhs to Rs. 18.41 lakhs. The dividend has been reduced from 15 percent to 12 percent, but this means no hardship to shareholders because the total distribution is larger as the dividend for 1962-63 is on the increased capital. Allocations include depreciation Rs. 6.04 lakhs (against Rs. 6.68 lakhs), development rebate Rs. 22,800 (against Rs. 50,200) and taxation Rs. 6 lakhs (the same). No provision has been made for gratuity reserve which received Rs. 50,000 in the preceding year. Instead, the directors have transferred Rs. 37,500 from the dividend equalisation reserve in order to provide for the payment of the dividend which absorbs Rs. 6.75 lakhs (against Rs. 5.47 lakhs). After all these appropriations, there remains a balance of Rs. 15,100 to be carried forward, against Rs. 38,432 brought in.

The directors point out that the pace of progress in the implementation of the expansion scheme to increase the production capacity to 18,000 tons a year is well maintained. The expenditure on development work till the end of the year amounted to Rs. 1.5 crores, against Rs. 60 lakhs at the end of the preceding year. The complete set of machinery for coal and oil fired boilers, soda recovery unit, evaporators and modern stock makers has been received and taken up for erection. About 30 percent of the paper-making machinery has been received at the site, and the remaining parts have been despatched. The Brown stock washing equipment and some parts of the pulp plant have also been received. The remaining parts are due for shipment shortly. The construction of the main factory buildings is progressing well in spite of some delay in securing adequate supplies of cement and the early start of monsoon. The directors hope that the bulk of the equipments will be erected, installed and taken to service by February 1964.

New Capital Issues

FIVE new capital issues have been authorised during the past week. One is a new company and one was established last year. Two companies are offering part of their capital to their foreign collaborators and one is raising capital to put part of it in the scrip of other companies. One company is issuing equity plus cumulative preference shares and the rest equities only. The consent for all is valid for 12 months. The following are the details:

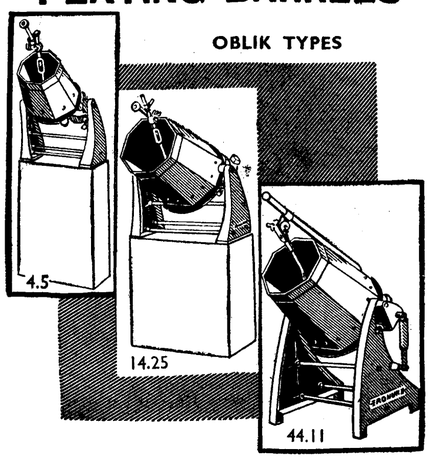
Deepak Insulated Cable Corporation Ltd, Bangalore, a new company, has been given consent for the issue of capital of Rs. 30 lakhs in equity shares of Rs. 100 each for cash at par. Of this, shares of the value of Rs. 20 lakhs would be issued to the public by prospectus. The money will be utilised for the manufacture of enamelled copper wires and double and triple paper cover copper wires and strips.

S. M. S. Investment Corporation (P) Ltd, Delhi is raising Rs. 20 lakhs equity capital in shares of Rs. 100 each to be issued at par. Half the shares will be issued for cash and another half for consideration other than cash. The money will be spent on acquiring land and constructing buildings on it as well as for purchasing scrips of other companies as an Investment Company.

Capstan Meters (India) Ltd, registered last year in the Union Territory of Delhi, is to issue capital of Rs. 25 lakhs (inclusive of Rs. 10 lakhs already issued). This capital is divided into 200,000 equity shares of Rs. 10 each and 5,000 comulative preference shares of Rs. 100 each, carrying dividend at 9.5 percent a year. Out of this issue, equity shares of the value not exceeding Rs. 6,66,670 will be offered to the foreign collaborators against supply of technical know-how, jigs, tools and fixtures and import of plant and machinery, the balance will be issued in India for cash at par.

Kutch Salt and Allied Industries Ltd, Bombay, will issue capital of Rs. 12,50,000 divided into 125,000 equity shares of Rs. 10 each at par. The shares will be offered to the public by prospectus.

Union Carbon India Ltd, will issue Rs. 1,55,35,000 (in supersession of the previous consent dated March 23, 1963, for issue of Rs. 1,62,50,000) in equity shares of Rs. 100 each of which not exceeding 40 percent would be issued to United Carbon Company, Houston, Texas (USA) and the remaining 60 percent issued in India. The money will be used for the manufacture of carbon black.

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The Stock Markets

BORDER NEWS CAUSES WIDE FLUCTUATIONS

Wednesday Evening.

THE Calcutta stock market has steadied after a week of wide fluctuations. Sentiment has been governed by political factors. Prices, especially of clearing shares, have fluctuated on alternate bouts of buying and selling due to the news about the northern border. The market seems to be getting used to hearing about Chinese troop concentrations along the border. If the Chinese do not attack, the trend may not deteriorate. Operators have consoled themselves with the thought that, in the event of an attack, India will be assisted by her friends. A good deal of uncertainty has, however, been caused by the prospect of changes in the Central and State Cabinets since it has been agreed that some leading ministers should resign from the Government in order to work for the Congress Party.

Lyons Range has been closely watching New Delhi's move to revitalise the capital market. From the scanty Press reports available so far, it does not look as if the measures will go far. The idea of encouraging financial institutions like the State Bank, the Life Insurance Corporation, the Industrial Finance Corporation and the Industrial Credit and Investment Corporation to provide more capital to industry has been welcomed. They have also been asked to take greater interest in underwriting new isssues. They seem to have been assured of bigger financial facilities if they have to hold the shares of new companies for a long period.

The principle of encouraging underwriting is sound, but it is doubtful whether institutional underwriting can restore confidence to the investment market. Although the observations about declining confidence made by Mr. B. K. Kaul, chairman of the Life Insurance Corporation, are based on wrong premises, there is no doubt that the progress of several new companies has been hampered by mismanagement and malpractices. The loss of confidence has emanated from some basic weaknesses. Investors have been discouraged by the poor prospects of dividend and growth. Since heavier taxation, including the super profits tax, has whittled down the distributable profits, companies have been unable to pay satisfactory dividends. The prospects of growth have suffered a serious setback because of various difficulties facing industry and trade.

The trend is not likely to change until the political and economic situation improves. Although the sanction of more foreign aid by the Aid-India Club last week has been welcomed, the slow-down in economic growth during recent months has been a major worry. Unless the shortages of power, transport and raw materials are relieved, foreign aid will not revitalise the economy.

Reports of intermittent purchases of ordinary shares by the Life Insurance Corporation have caused only temporary rallies. Considering the disillusionment of the Corporation about some new shares, its support for the stock market is likely to be more discriminating in future. The Corporation has no obligation to prevent booms and slumps in the stock market. Its duty is to serve the interests of the policy-holders. Hence it should buy and sell shares on purely economic considerations. Since support has been hesitant, there has been profit-taking at every bulge. Turnover has been largely confined to clearing shares and professional activity has been pronounced.

India Iron have been somewhat steadier, although the undertone has been hesitant. In the engineering section, attention has centred on Guest, Keen, Williams, Jessop, Texmaco and Burn. Britannia Engineering have been bought on hopes of expansion. Jute shares have generally been hesitant due to the sluggish overseas demand for gunny. Alliance have, nevertheless, been steady on influential buying. Birla have fluctuated narrowly as have Ganges. Business has been done in Champdany, Union, Lawrence, National, Howrah, and Kamarhatty. Coal shares have been subdued due to the growing accumulation of pithead stocks. Nominal business has been transacted in Burrakur, Amalgamated and Central India. Cotton mill shares have been offered freely. J. K. Rayon, in particular, have been weaker due to the passing of the dividend.

Turnover in the miscellaneous section has been confined largely to clearing shares. Active scrip have been Hindustan Motors, Indian Copper, Indian Aluminium, Indian Cable, Dunlop Rubber and Jaipur Udyog. Alkali Chemical and Union Carbide have been quiet. Among managing agency shares, Jardine Henderson have been steady on knowledgeable support. New shares have generally been weaker. Hindustan Aluminium and Isaac Holdens have been offered freely. Among paper shares, Orient have been active. There has been little interest in bank and electric company shares. Tea shares have been quiet due to the border news.

Government securities have been dull but quietly steady. Institutional support has been cautious and largely confined to short-dated stocks. The prices of selected State Government loans have been steadier due to the shortage of sellers.

Tata Steel Output

Messrs Tata Industries Private Ltd, managing agents for the Tata Iron and Steel Company Ltd, report that the approximate production of iron and steel at the steel works in Jamshedpur during July 1963 was: iron 159,700 metric tons; steel ingots 158,700 metric tons and salable steel 127,100 metric tons.

Bombay

L. I. C. PURCHASES AID SENTIMENT

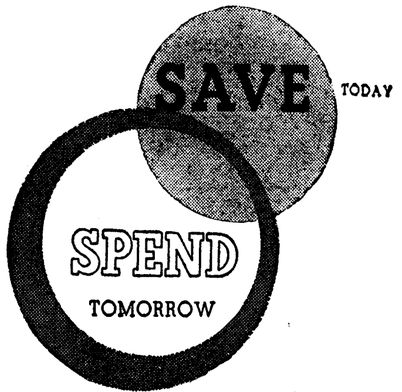
SELLING PRESSURE DECREASES

Wednesday Evening.

THE working of the Bombay stock market has been interrupted by holidays during the past week. Although share prices have closed on a steadier tone due to short-covering, the trend has been uncertain. Selling pressure has abated somewhat because of the absence of fresh news about the border situation and good corporate news. The decision of the Tata electric supply companies to pay higher dividends—1 percent more than in 1961-62—has created a good impression. Buyers have been cautious and they have generally tried to realise profit at every bulge. Whenever prices have risen, selling has been stimulated. There has been a general inclination to keep commitments light in view of various uncertainties. Political factors have contributed largely to the fluctuations. Operators are inclined to watch the border news closely. Purchases of ordinary shares by the Life Insurance Corporation have helped improve the prices of selected shares since the load of floating stocks has been reduced. Dalal Street seems to have been impressed by the move to provide additional financial facilities to industry through financial institutions like the Life Insurance Corporation, the Industrial Finance Corporation and the Industrial Credit and Investment Corporation.

Tata Steel ordinary have been steady around Rs. 139 due to satisfactory production in July. The prospect of expansion of Company's steel-making capacity has also produced a good effect. Among engineering shares, Tata Locomotive have been favoured following an encouraging statement by the chairman of the Company. Despite vari-

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ous difficulties, the Company is expected to produce satisfactory results during the current year. Scattered interest has been taken in Mukand Iron, Premier Construction and Larsen and Toubro. Among motor-vehicle shares, Hindustan Motors and Premier Automobiles have improved on the news that the motor-vehicle manufacturers have been given additional foreign exchange to permit a more liberal import of equipment.

Short-covering, combined with replacement buying, have helped raise the prices of cotton mill shares. Century and Kohinoor, in particular, have recovered. Interest has also been taken in Bombay Dyeing, Swadeshi, Tata Mills and Morarjee. India United ordinary have attracted interim margins from the buyers because the price of the scrip has risen by more than 10 percent over the past clearing rate.

Business in miscellaneous shares has been limited and fluctuations have been narrow. In the sugar section, Belapur and Walchandnagar Industries have been bought on prospects of bigger production during the coming season. Steamship company shares have generally been quiet. Scindia Steam and Great Eastern Shipping have been sluggish. In the cement section, Associated Cement have turned steady on rumours of a further rise in the price of the commodity. Mining shares have been subdued and Shivrajpur Syndicate have been offered freely. Chemical shares have been steady and support has been extended to Tata Chemical on hopes of expansion. Indian Dyestuff have recovered on short-covering. Among rayon shares, National Rayon have been quietly steady, but Gwalior Rayon have improved on maintaining the ordinary taxable dividend. Bombay Burmah have been steady on replacement buying. Turnover in cash shares has been negligible.

Routine business has been transacted in bank shares Central Bank, Bank of Baroda and Bank of India have been dealt in. In the insurance group, New India Assurance have been steady. The declaration of higher dividends by the Tata electric supply companies have helped improve the prices of electric company shares. Tata Hydro have met with support. Ahmedabad and Bombay Suburban have been steady.

Government securities have been steady, and support has been extended to selected State Government loans. In the banking section, Canara have been bought up to Rs. 81.75 and Indian at Rs. 161. Scattered interest has been taken in selected electric company shares. Cochin have come to hand at Rs. 12.12 and Karaikkal at Rs. 9.55. Selected tea and rubber shares have been bought because of dividends. The crop reports of tea companies have been generally satisfactory. Blue Mountain have been taken at Rs. 2.48, but Cochin Malabar have been offered down to Rs. 5.90. Periakaramalai have been steady at Rs. 3.64 on declaring a final taxable ordinary dividend of 12.5 percent, making 15 percent for the year.

Consolidated Coffee have been done at Rs. 17.25 and Ouchterlony at Rs. 4.57. United Nilgiri have met with support up to Rs. 20.34 on declaring a taxable final ordinary dividend of 15 percent, making 22.5 percent for the year. Interest has been taken in Thamarapally at Rs. 16, in Highland at Rs. 13.65, in Kalasa at Rs 4.15 and in Kil Kotagiri at Rs. 5.88.

Textile shares have generally lacked interest. South India Viscose have been quiet at Rs. 125 and Travancore Rayon at Rs. 23. Madura have been offered at Rs. 31 and Lakshmi at Rs. 137. Sarvaraya have been quoted at Rs. 10 on paying a taxable ordinary dividend of 8 percent. Business has been done in Bangalore Woollen at Rs. 233 and in Buckingham at Rs. 264. Rajalakshmi have come to hand at Rs. 91 and Rajapalayam at Rs. 160.

Limited turnover has been seen in miscellaneous shares. Steady features include Dalmia Cement at Rs. 12.25 and India Cement at Rs. 5.50. Mettur Chemical have been quoted at Rs. 12.60 and Ashok Leyland at Rs. 7.30. Aluminium Industries have been done at Rs. 17.50. Madras Machine Tool have been quoted at Rs. 100 on declaring a taxable ordinary dividend of 5 percent. Mysore Electrical Industries have come to hand at Rs. 176 on paying a taxable ordinary dividend of 12 percent. Mysore Stoneware have been steady up to Rs. 12.45 on declaring a taxable ordinary dividend of 12.5 percent.

Parry's Confectionery have improved to Rs. 3.35 on declaring a final taxable ordinary dividend of 8 percent, making 16 percent for the year. T. Stanes have been wanted up to Rs. 29.05 on declaring a taxable ordinary dividend of 23.5 percent. Kirloskar Electric have reacted to Rs. 18.12 and Madras Rubber to Rs. 14. Seshasayee Paper have been weaker at Rs. 7.25, but Travancore Chemical Manufacturing have been bought up to Rs. 19.10, since the Company has issued 50,000 ordinary shares of Rs. 10 each, at par, to the existing shareholders in the proportion of one new share for every four shares held.

Madras

CAUTIOUS TRADING IN SHARES

GILT-EDGED REMAIN STEADY

Tuesday Evening.

THE Madras stock market has been dull during the past week. The earlier improvement has disappeared towards the close because of unfavourable news about the northern border. Easier advices from the Calcutta and Bombay stock markets have also induced caution. Turnover in clearing shares has declined to almost a trickle and prices have generally been marked down.

THE WEEK'S TRANSACTIONS

[In the following list of stocks and shares in which transactions have taken place during the past week, the figures indicate Opening Quotations, Highest for the week, Lowest for the week, Closing Quotations and Quotations for the corresponding Closing Date a Year Ago. The last named is shown in parantheses and will not be given where such a quotation is not available.]

CLEARED SECURITIES

Birla Jute—Rs. 28/50—29/00—28/37—28/75—(33/19).
Burrakur Coal—Rs. 15/62—15/69—15/50—15/62—(17/50).
Dunlop Rubber—Rs. 31/06—31/44—30/81—31/25—(39/56).
Guest, Keen, Williams—Rs. 31/12—31/44—31/00—31/25—(37/75).
Hindustan Motors—Rs. 15/84—16/25—15/84—16/09—(20/12).
Howrah Jute—Rs. 18/00—18/31—18/00—18/12—(20/12).
Indian Aluminium—Rs. 35/00—35/25—34/81—34/81—(37/00).
Do. (New)—Rs. 16/12—16/12—16/12—16/12.
Indian Copper—Rs. 4/78—4/84—4/70—4/80—(4/90).
Indian Iron—Rs. 22/16—22/44—22/12—22/36—(26/54).
Indian Cable—Rs. 32/94—33/19—32/87—33/12—(36/75).
J. K. Cotton—Rs. 10/81—10/87—10/62—10/75—(17/19).
Jaipur Udyog—Rs. 11/25 S.T.—11/44—11/25—11/37—(13/00).
Kesoram Industries—Rs. 20/31—21/19—20/06—21/00—(28/19).
Orient Paper—Rs. 34/00—34/45—33/60—34/00—(41/65).
Orissa Cement—Rs. 13/94 x.d.—15/25 S.T.—13/91—14/00—(17/16).
Rohtas Industries—Rs. 10/81—11/31—10/81—11/31—(14/12).
Shree Gopal Paper—Rs. 22/37—22/44—22/25—22/25—(25/00).
Textile Machinery—Rs. 22/85—23/55—22/85—23/35—(22/85).

GOVERNMENT SECURITIES

3 % Loan (1986)—Rs. 64/25—64/45—64/25—64/35.
3 % „ (1966-68)—Rs. 97/50—97/50—97/50—97/50.
3 % „ (1970-75)—Rs. 88/50—88/53—88/40—88/40.
3½ % „ (1964)—Rs. 99/70—99/70—99/60—99/60 S.T.
3½ % „ (1965)—Rs. 99/55—99/55—99/55—99/55.
4 % „ (1969)—Rs. 99/45—99/45—99/45—99/45.
4½ % „ (1973)—Rs. 99/60—99/60—99/55—99/55.
4½ % Madras (1974)—Rs. 99/13—99/20—99/13—99/20.
4½ % U.P. (1974)—Rs. 99/25—99/25—99/25—99/25.

BANKS

United Bank of India—(Rs. 10/- paid)—Rs. 7/19 S.T.—7/37—7/19 S.T.—7/37—(7/56).
Do. (Conty Rs. 20/-)—(Rs. 10/- paid)—Rs. 6/12 S.T.—6/12—6/12—6/12—(7/06).
United Commercial—Rs. 65/50—66/50—65/50—66/50—(88/00).

COTTONS

Bengal Luxmi—Rs. 30/00—30/00—30/00—30/00—(28/00).
Bowreah—Rs. 21/75—21/75—21/75—21/75—(26/12).
Do. ("B" Pref.)—Rs. 87/50—88/00—87/50—88/00—(81/00).
Cawnpore—Rs. 6/12—6/12—5/94—6/00—(7/37).
Dunbar—Rs. 26/12—26/12—26/12—26/12—(32/00).
Jay Shree—Rs. 13/31—13/50—13/31—13/50—(15/50).
Jiyajeerao (Pref.)—Rs. 93/50—93/50—93/50—93/50.
New Victoria—Rs. 1/37—1/37—1/37—1/37—(1/56).
Swadeshi (P.O.)—Rs. 7/00—7/00—7/00—7/00—(8/19).
Do. (Pref.)—Rs. 71/00—71/00—71/00—71/00.

COALS

Amalgamated—Rs. 25/50—25/50—25/50—25/50—(21/87).
Bharat—Rs. 3/56—3/56—3/44—3/50—(3/25).
Bengal—Rs. 259/00—260/00—259/00—260/00—(351/00).
Central India—Rs. 9/50—9/50—9/50—9/50—(11/09).
Karanpura (Pref.)—Rs. 46/00—46/50—46/00—46/50.
New Manbhoom—Rs. 14/50—14/50—14/50—14/50—(13/75).
Selected Satgram—Rs. 118/00—118/00—117/00—117/00.
South Karanpura—Rs. 8/00—8/12—8/00—8/12—(9/06).
United Collieries (Pref.)—Rs. 80/00—80/00—80/00—80/00.
Western Bengal—Rs. 8/81—8/87—8/70—8/87—(9/62 x.d.).

JUTES

Agarpara—Rs. 9/81—10/00—9/81—10/00—(10/69).
Alliance—Rs. 131/00—136/00—125/00—128/00—(223/00).
Auckland (1st Pref.)—Rs. 77/00—77/00—77/00—77/00.
Budge Budge—Rs. 136/00—136/00—134/00—135/00—(157/00).
Clive (7% Pref.)—Rs. 63/50—63/50—63/50—63/50.
Champdany—Rs. 20/69—20/87—20/62—20/87.
Cleviot—Rs. 21/75—21/75—21/12—21/12—(23/87).
Fort Gloster—Rs. 355/00—355/00—355/00—355/00—(429/00).
Ganges—Rs. 13/44—13/56—13/37—13/50—(14/69).
Hukumchand—Rs. 20/25—20/37—20/25—20/37—(24/94).
Do. (Pref.)—Rs. 100/00—100/00—100/00—100/00.
Kamarhatty—Rs. 188/00—188/00—187/00—187/00—(174/00).
Kinnison—Rs. 135/00—135/00—135/00—135/00—(146/00).
Kanknarrah—Rs. 122/00—125/00—122/00—125/00—(115/00).
Lansdowne (Pref.)—Rs. 99/00—99/00—99/00—99/00.
Nellimarla—Rs. 11/06—11/06—11/06—11/06—(12/12).
Nuddea—Rs. 59/25—59/50—56/25—57/00—(61/75).
Naihati (4½% Pref.)—Rs. 82/00—82/00—82/00—82/00.
National—Rs. 23/12—23/25—23/12—23/25—(24/50).
New Central—Rs. 12/56—12/62—12/37—12/37—(14/37).
Presidency—Rs. 4/62—4/62—4/47—4/56—(5/50).
Reliance—Rs. 9/44—9/50—9/37—9/37—(7/19).
Do. (Pref.)—Rs. 115/00—118/00—115/00—118/00.
Soorah—Rs. 20/62—21/00—20/62—21/00—(22/50).
Waverley—Rs. 8/12—8/16—8/00—8/16—(6/12).

MINING

Orissa Minerals—Rs. 26/00—27/37—26/00—27/12—(39/00).

CEMENTS

Bengal Potteries—Rs. 5/25—5/44—5/25—5/44—(6/37).
Dalmia (Bharat)—Rs. 12/25—12/25—12/25—12/25—(13/37).
Do (Pref.)—Rs. 8/06—8/06—8/06—8/06.
Sone Valley—Rs. 4/16—4/25—4/16—4/25—(4/81).

CHEMICAL

Alkali & Chemical—Rs. 31/75—31/81—31/50—31/81—(44/75).

INSURANCE

Ruby General—Rs. 9/19—9/36—9/19—9/28—(10/25).

ELECTRICS

Bareilly—Rs. 12/50—12/50—12/50—12/50—(12/25).
Benares—Rs. 12/56—12/69—12/37—12/37—(13/00).
Calcutta—Rs. 14/50—14/62—14/44—14/62—(15/19).
Silua Jherriah—Rs. 8/37—8/50—8/37—8/50—(9/06).
Upper Jumna—Rs. 15/06—15/06—15/06—15/06—(15/25).

ENGINEERINGS

Bhartia Elec. Steel—Rs. 13/50—13/50—13/50—13/50—(12/69).
Braithwaite & Co.—Rs. 29/56—29/56—29/56—29/56—(34/62).
Britannia Eng.—Rs. 10/25—10/37—10/19—10/37—(11/31).
Britannia Building (Pref.)—Rs. 20/00—20/00—20/00—20/00.
Calcutta Steel—Rs. 12/87 x.d.—12/87—12/87—12/87—(15/25).
Escorts—Rs. 17/50—17/56—17/50—17/56.
Hindustan Wire—Rs. 10/12—10/12—10/12—10/12.
Indian Iron (Pref.)—Rs. 84/75—84/75—84/25—84/50—(85/25).
Indian Malleable (Defd.)—Rs. 1/81—1/81—1/81—1/81—(2/00).
J. K. Steel—Rs. 14/00—14/00—14/00—14/00—(16/56).
Jay Eng.—Rs. 21/00—21/06—20/94—20/94.
Jessop & Co.—Rs. 24/75—25/12—24/75—24/87—(22/44).
Kumardhubi—Rs. 7/69—7/69—7/57—7/62—(7/56).
Marshalls—Rs. 2/19—2/25—2/12—2/16—(3/44).
National Iron—Rs. 4/75—4/75—4/69—4/69—(5/00).
Textile Machinery (6½% Pref.)—Rs. 101/00—101/00—101/00—101/00.
Do. (1st Pref.)—Rs. 84/50—84/50—84/50—84/50.

MISCELLANEOUS

Albion Plywood—Rs. 7/44—8/00—7/44—8/00.
Aluminium Corpn.—13/12—13/19—13/12—13/19—(17/37).
Angelo Brothers—Rs. 22/75—23/00—22/62—23/00—(23/19).
Asiatic Oxygen—Rs. 13/56—13/62—13/56—13/62—(9/62).
Associated Battery—Rs. 23/44—23/75—23/44—23/75—(30/37).
Amalgamated Dev.—Rs. 51/00—51/00—51/00—51/00.
Balmer Lawrie—Rs. 248/00—248/00—248/00—248/00—(255/00).
Birds Investment (Pref.)—Rs. 52/50—52/50—52/25—52/25.
Bhartia Sons—Rs. 2/62—2/62—2/62—2/62—(2/75).
Bharat Nidhi—Rs. 5/00—5/00—5/00—5/00—(7/47).
Calcutta Tramways—Rs. 10/87—11/00—10/87—11/00—(11/81).
Clive Row Investment—Rs. 8/69—8/81—8/69—8/72—(8/25).
Dyer Meakin Breweries—Rs. 25/87—26/00—25/75—26/00—(32/50).
Electric Construction—Rs. 12/37—12/50—12/37—12/50—(14/50).
Eastern Investment—Rs. 107/00—107/00—106/00—106/00—(130/00).
General Tyres—Rs. 7/50—7/56—7/50—7/56—(6/00).
Gillanders Arbuthnot—Rs. 13/31—14/00—13/81—14/00—(15/25).
Goodyear India—Rs. 30/00—30/00—30/00—30/00—(45/00).
Gwalior Rayon—Rs. 42/50—42/50—42/50—42/50.
Hindustan Aluminium—Rs. 12/69—12/75—12/44—12/50—(16/37).
Hindustan Lever—Rs. 36/00—36/50—36/00—36/50.
Hindusthan Pilkington Glass—Rs. 15/75—15/81—15/75—15/81—(20/87).
Hindusthan Development—Rs. 4/06—4/12—4/06—4/12—(5/62).
India Carbon—Rs. 18/25—18/25—18/25—18/25—(26/87).
Imperial Tobacco—Rs. 10/50—10/50—10/44—10/50—(11/62).
Indian Wood Products—Rs. 29/25—29/25—29/25—29/25—(33/12).
J. K. Synthetics—Rs. 9/94—9/94—9/94—9/94.
Jay Shree—Rs. 16/50—16/50—16/50—16/50.
Jardine Henderson—Rs. 86/50—89/00—86/50—87/50—(81/00).
Kishore Trading—Rs. 56/50—56/50—56/50—56/50.
Kesoram Industries (1st Pref.)—Rs. 108/00—108/00—108/00—108/00.
Metal Distributors—Rs. 4/25—4/30—4/25—4/40.
Metal Box—Rs. 45/50—45/50—45/50—45/50—(55/87).
McLeod (1st Pref.)—Rs. 44/50—44/50—44/50—44/50.
National Tobacco—Rs. 10/00—10/19—10/00—10/12—(13/12).
National Insulated Cable—Rs. 23/12—23/12—23/00—23/00—(30/75).
National Standard Duncan—Rs. 44/00—44/00—44/00—44/00.
National Rolling & Steel Ropes—Rs. 18/69—18/69—18/69—18/69—(22/12).
National Rubber Mfg.—Rs. 10/69—10/81—10/69—10/81—(12/50).
Rohtas Industries ("A" Pref.)—Rs. 98/50—99/50—98/50—99/50—(103/50).
Shaw Wallace—Rs. 16/31—16/31—16/25—16/31—(20/31).
Sirsilk—Rs. 8/81—8/94—8/81—8/94—(10/25).
Spencer (8¼% Pref.)—Rs. 10/00—10/00—10/00—10/00.
Universal Cables—Rs. 9/31—9/37—9/25—9/37—(11/75).
Union Carbide—Rs. 38/75—38/75—38/75—38/75—(47/87).
Universal Electric—Rs. 8/50—8/56—8/50—8/56—(5/31).
Window Glass—Rs. 8/44—8/50—8/37—8/37.

PAPERS

Bengal—Rs. 26/25—26/25—26/25—26/25—(32/50).
Do. (New)—Rs. 19/75—19/75—19/75—19/75.
Indian Paper Pulp—Rs. 16/56—17/00—16/56—17/00—(20/75).
Sirpur—Rs. 11/44—11/56—11/44—11/50—(13/50).
Star—Rs. 8/50—8/87—8/25—8/87—(10/00).
Straw Products—Rs. 9/12—9/25—9/12—9/25—(10/12).
Seshasayee—Rs. 6/94—7/06—6/69—6/69.
Titaghur—Rs. 15/50—15/50—15/50—15/50—(41/00).
Do. (2nd Pref.)—Rs. 66/00—66/50—66/00—66/50.

SHIPPINGS

India Steamship—Rs. 6/15—6/22—6/00—6/22—(7/22).
India General Navign (Pref.)—Rs. 65/00—65/00—65/00—65/00.
Port Shipping—Rs. 13/25—13/37—13/19—13/37—(12/06).

PRESSING

Hooghly Ganges Hydraulic—Rs. 5/00—5/00—5/00—5/00.

SUGARS

Ryam—Rs. 5/00—5/10—5/00—5/00—(8/69).
Shree Krishna Gyanoday—Rs. 7/19—7/19—7/12—7/12—(8/81).

TEAS

Betjan—Rs. 27/62—28/75—27/62—28/75.
Central Cachar—Rs. 82/50—85/00—82/50—85/00—(73/00).
Dhelakhat—Rs. 18/69—18/81—18/69—18/81—(20/00).
Gopalpur—Rs. 20/00—20/00—20/00—20/00—(20/00).
Hasimara—Rs. 12/62—12.75—12/62—12/75—(14/31).
Kadambini—Rs. 16/50—16/50—16/50—16/50.
Lackatoorah—Rs. 15/00—15/00—15/00—15/00.
Nagri Firm—Rs. 27/12—27/25—27/12—27/25—(25/44).
Oodlabari—Rs. 13/00—13/19—13/00—13/19—(14/12).
Patrakola—Rs. 124/50—125/50—124/50—125/50—(148/00).
Ranicherra—Rs. 14/00—14/00—14/00—14/00—(16/75).
Teesta Valley—Rs. 11/75—12/00—11/69—12/00—(13/37).

DEBENTURE

4% Howrah Amta—Rs. 79/00—79/00—78/00—78/00.

London

WIDESPREAD RISE IN PRICES

INDUSTRIALS GAIN ON BROAD FRONT

London, 14th August.

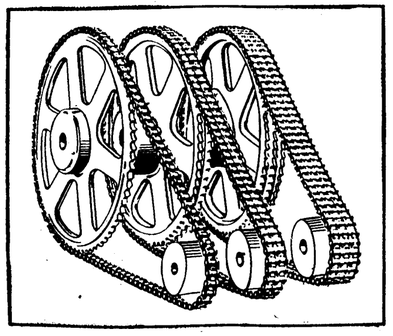
THE stock market gave an excellent account of itself during the past week. Although quieter and less confident conditions developed later, widespread gains were recorded, compared with previous levels. Rising optimism concerning the Government's election prospects was the main influence, but recent good company and economic news, the firmness of Wall Street and the improvement in East-West political relations also helped. The less confident conditions which developed later reflected some nervousness in front of the Startford by-election, profit-taking and a somewhat critical survey of Britain's Economic prospects by the Organisation for European Economic Co-operation and Development. The reaction, however, was very modest and gains were widespread, compared with previous levels. Gilt-edged were in demand and although below their best, recorded appreciable gains. War 3½ percent loan reached a new high. Industrials went ahead on a broad front and despite the reaction showed an extensive, and in places, appreciable rises. The leaders slipped back from their best levels, but were nearly higher on the week. Steels, properties and insurances particularly responded to the improvement in the Government's electoral prospects. Mining shares were subdued, and not greatly changed. Oils lost ground, on disappointment with the Royal Dutch Shell quarterly report. Rubbers and teas moved within narrow limits. Dollar stocks tended higher, but Canadian banks lost ground on the rise in the Canadian Bank rate.

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General Manager.

Money

NEW MEASURES TO ATTRACT DEPOSITS

(BY A SPECIAL CORRESPONDENT)

THE downward trend in scheduled bank deposits has started once again. During the week ended 2nd August, scheduled bank deposits fell by Rs. 13 crores to Rs. 2,162 crores. This decline occurred after the preceding week's fall of Rs. 5 crores, bringing the total deposit contraction during the fortnight to Rs. 18 crores. Between 26th April, when the current slack season commenced, and 2nd August deposits went up by Rs. 76 crores, against a rise of Rs. 87 crores during the corresponding period of 1962. The credit contraction has been much more during the current slack period (Rs. 102 crores) than during the corresponding period of last year (Rs. 44 crores). The combined impact of the credit contraction and the rather poor response to the recent Government borrowing programme by the banking system is responsible for the comfortable conditions in the money market.

The poor growth of bank deposits is due to factors such as the inadequacy of the prevailing interest rate and the increased use of direct deposits by companies. Instead of taking the right step, banks have been concentrating on relatively unimportant measures such as publicity, employment of lady receptionists and construction of posh interiors to catch the eye of the public and quick disposal of work across the counters, which is appreciated by the public, has been relegated to the background in most banks, especially, those in the public sector.

A Novel Device

Last week, a novel device was introduced by a leading scheduled bank in Bombay. It started an all-ladies branch in the premises it once occupied. The bank claims that it is the second one in the country to introduce an all-ladies branch. But the idea was first experimented with by the Pandyan Bank in Madurai and was later used by the Syndicate Bank in Bangalore. Thus, the Bombay bank's is the third such experiment in the country. Several other Bombay banks are planning shortly to open all-ladies branches in certain localities in the city. The idea is attractive from a publicity angle. Long ago, the Central Bank of India introduced a special counter for lady customers, manned exclusively by women employees. The new all-ladies branch, however, is an all-purpose office, dealing with deposits, advances and other service facilities, and is open both to men and women.

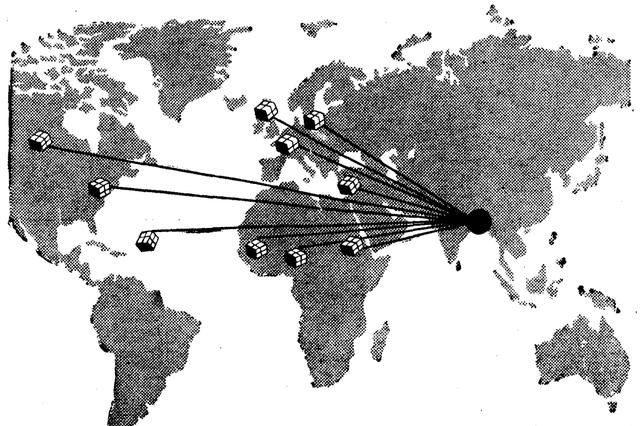
It remains to be seen how much business such a branch will attract. While in small cities or towns ladies may be necessary to attract women clients, it is doubtful whether this is the case in big cities. Besides, there is a certain element of risk in an all-ladies bank. The protection against robbery afforded by the *darwan* cannot be quite adequate. If additional security staff are to be posted, it will push up the operating expenses. There is yet another risk. If ladies with a nodding acquaintance with bank procedures are appointed—which will inevitably be the case, to begin with—there will be chances of loss through over-payments. It is necessary in the interests of banking itself that all-ladies branches should, to start with, function under the guidance of experienced male agents until the staff are thoroughly trained.

Liberalising the Facilities

Another method used to attract customers is to liberalise the facilities for depositors. Some banks have raised the number of savings account withdrawals without notice and without any limit on the amount drawable at a time to 120 or 140 in a year. A couple of years ago, some banks increased the number of withdrawals to 100 and no restriction was placed on weekly withdrawals. Since there is no restriction on the number of withdrawals under the Inter-Bank Agreement on Interest Rates, banks are taking advantage of this method to attract deposits. In effect, such savings accounts have become disguised current accounts. However, there has been no adequate increase in the savings deposits of such banks.

The type of publicity now used by banks give the impression that some consumer product is being advertised. The advertisements do not befit the serious business of banking. After all, it is educated people who deal with banks. They know their banks well. Again, in this country linguistic considerations do play a part in the choice of a bank. Thus, little can be achieved by the present methods of publicity.

OUR TOP TEN CUSTOMERS



The United Kingdom, the United States of America, Canada, Germany, Belgium, West Indies, Nigeria, Sierra Leone, Cyprus and Sudan, amongst others, have purchased from January to December 1962, 3,706,700 pairs of footwear

FROM Bata INDIA

THE CALCUTTA MONEY MARKET

SLIGHT DECREASE IN ADVANCES

Wednesday, 14th August.

THE general level of advances has decreased slightly in the Calcutta money market during the past week. There has been a small decline in the credit given to the sugar mills and to the iron, steel and engineering industries. Advances to the cotton and jute mills and to the foodgrains and seeds trade remain unchanged. In the interbank market, conditions have become tighter and the call rate is quoted at 4 percent.

The exchange market has been fairly active, with a good supply of tea bills. Gunny bills have been offered in moderate quantities. The demand for remittance has been fair. Sterling has eased in relation to the currencies of the U.S.A., Canada, West Germany, the Netherlands and Sweden. It shows nominal gains against the other important European currencies.

SILVER WAS STEADY IN CALCUTTA during the past week. The price rose from the previous week's level of Rs. 266.75 to Rs. 268.75, quoted today for ready delivery. There was no business in forward. The London and New York prices were 111¾d and 128.6 cents. Gold was not transacted.

DURING THE WEEK ENDED 9TH AUGUST, Government of India Treasury bills for Rs. 38.05 crores were sold in favour of the Reserve Bank.

TENDERS FOR RS. 2 CRORES OF 91-DAY Government of India Treasury bills were opened on 12th August. The total amount offered was Rs. 2 crores. Tenders at Rs. 99.420 percent were accepted in full. The total amount accepted was Rs. 2 crores, the average rate of acceptance being Rs. 2.320 percent a year. Tenders for Rs. 2 crores of 91-day Government of India Treasury bills will be received at all centres up to the close of business on 19th August. Successful tenderers should make payment on 23rd August or on 22nd August where Friday is a holiday. Other conditions are as usual.

IT IS STATED THAT 91-DAY INTERMEDIATE Treasury bills will be sold from 13th August to the 17th August at Rs. 99.436 percent, subject to the conditions previously announced that sales can be stopped at any time without notice if the Government thinks it necessary. These bills sold from 7th August to the 10th August amounted to Rs. 1.23 crores.

THERE WERE RISES OF Rs. 31.79 crores to Rs. 2,246.93 crores in active notes and of Rs. 23.78 crores to Rs. 2,257.77 crores in the total note issue, according to the return of the Reserve Bank of India for the week ended 9th August, 1963. The currency expansion was adjusted by increasing rupee securities by Rs. 27 crores to Rs. 1,931.32 crores and reducing foreign securities by Rs. 2 crores to Rs. 90.26 crores in the paper currency reserve. These changes were made by contra transfers of securities to and from the Banking Department. Hence investments fell by Rs. 52.62 crores to Rs. 274.49 crores, while balances held abroad were Rs. 89 lakhs smaller at Rs. 5.09 crores, despite transfer of securities from the Issue Department. Deposits of the Government of India declined by Rs. 19.72 crores to Rs. 101.44 crores and those of State Governments by Rs. 8.53 crores to Rs. 24.26 crores. Balances of scheduled banks were Rs. 3.59 crores larger at Rs. 84.25 crores. Their loans from the Reserve Bank rose from Rs. 2.08 crores to Rs. 3.17 crores, of which advances against usance bills were Rs. 2.10 crores (Rs. 59 lakhs). Ways and means advances stood at Rs. 9.65 crores, against Rs. 11.31 crores.

THE RETURN OF THE STATE BANK OF India for the week ended 2nd August, 1963, shows a drop of Rs. 8.10 crores to Rs. 577.33 crores in total deposits. Investments in Government securities are down by Rs. 5 crores to Rs. 261.73 crores, while other authorised investments remain unchanged at Rs. 9.35 crores. Advances, including loans, cash credits, overdrafts and bills discounted and purchased have increased by Rs. 2.04 crores to Rs. 264.82 crores. Cash and balances are, in consequence, shown at Rs. 20.60 crores, or Rs. 4.10 crores less.

THE STATEMENT OF THE POSITION OF scheduled banks for the week ended 2nd August, 1963, shows Demand and Time liabilities at Rs. 1,084.01 crores (Rs. 28.67 crores on account of borrowings from banks) and Rs. 1,288.11 crores (Rs. 19.37 crores), compared with Rs. 1,069.19 crores (Rs. 22.20 crores) and Rs. 1,313.09 crores (Rs. 22.43 crores), respectively, in the previous week. Cash has fallen by Rs. 1.83 crores to Rs. 49.62 crores, while balances with the Reserve Bank have increased by Rs. 2.15 crores to Rs. 81.48 crores. There is a rise of Rs. 4.84 crores to Rs. 692.01 crores in investments. Advances and bills discounted at Rs. 1,496.13 crores show an increase of Rs. 2.03 crores. The ratios to total liabilities of cash and balances, and of advances and discounts are, in consequence, shown at 5.5 percent and 63.1 percent, against 5.5 percent and 62.7 percent.

TREASURY BILL MATURITIES

Details of 91-day bills outstanding with the public on 16-8-63.

Issue Date	Maturity Date	Amount (000's Rs.)	Average Acceptance Rate
16-8-63	23-11-63	2,00,00	Rs. 2.320%
9-8-63	12-11-63	2,00,00	Rs. 2.320%
2-8-63	5-11-63	2,00,00	Rs. 2.320%
19-7-63	22-10-62	3,00,00	Rs. 2.317%
12-7-63	15-10-63	2,00,00	Rs. 2.320%
5-7-63	8-10-63	2,00,00	Rs. 2.340%
28-6-63	1-10-63	2,00,00	Rs. 2.345%
21-6-63	24-9-63	3,00,00	Rs. 2.350%
14-6-63	17-9-63	2,00,00	Rs. 2.354%
7-6-63	10-9-63	2,00,00	Rs. 2.350%
31-5-63	3-9-63	2,00,00	Rs. 2.350%
24-5-63	27-8-63	2,00,00	Rs. 2.355%
17-5-63	20-8-63	2,00,00	Rs. 2.350%

(Monthly Maturities (000's omitted).

August 1963	4,00,00
September 1963	8,00,00
October 1963	8,00,00
November 1963	6,00,00
Total	26,00,00

CLEARING HOUSE RETURNS

Week	Calcutta	Bombay
	Rs. (Lakhs)	
2-8-63	95.82	97.74
26-7-63	91.12	1.37.31
19-7-63	90.25	1.07.96

RESERVE BANK

ISSUE DEPARTMENT

(In 000's of Rupees)

	Week Ended 9-8-63	2-8-63	10-8-62
Liabilities—			
Notes in Banking Dept.	10,83,08	18,84,85	20,03,18
Notes in Circulation	22,46,93,44	22,15,13,94	20,63,70,91
Total Notes Issued	22,57,76,52	22,33,98,79	20,83,74,09
Assets—			
A. Gold Coin and Bullion	1,17,76,10	1,17,76,10	1,17,76,10
Foreign Securities	90,26,14	92,26,14	89,34,17
Total of A	2,08,02,24	2,10,02,24	2,07,10,27
B. Rupee Coin	1,18,42,52	1,19,64,79	1,19,64,00
Rupee Securities	19,31,31,76	19,04,31,76	17,56,99,82
Total	22,57,76,52	22,33,98,79	20,83,74,09

BANKING DEPARTMENT

Liabilities—			
Capital Paid-up	5,00,00	5,00,00	5,00,00
Reserve Fund	80,00,00	80,00,00	80,00,00
National Agricultural Credit (Long Term Operations) Fund	73,00,00	73,00,00	61,00,00
National Agricultural Credit (Stabilisation) Fund	8,00,00	8,00,00	7,00,00
Deposits—			
(a) 1. Central Govt.	1,01,43,99	1,21,16,37	58,23,35
2. State Govts.	24,25,89	32,79,01	23,15,16
(b) Banks :—			
(i) Scheduled Banks	84,24,62	80,66,44	89,37,97
(ii) State Co-operative Banks	2,13,15	1,96,92	2,07,64
(iii) Other Banks	2,21	10,19	2,04
(c) Others	2,04,24,31	2,04,63,77	2,04,64,04
Bills Payable	25,35,00	36,46,18	21,59,37
Other Liabilities	18,68,39	20,55,76	19,53,91
Total	6,26,37,56	6,64,34,64	5,71,63,48
Assets—			
Notes	10,83,08	18,84,85	20,03,18
Rupee Coin	3,72	2,66	2,91
Small Coin	2,64	2,39	4,48
National Agricultural Credit (Long Term Operations) Fund			
(a) Loans and Advances to :—			
(i) State Govts.	27,16,59	27,16,59	24,03,29
(ii) State Co-operative Banks	10,34,28	10,37,81	12,17,43
(iii) Central Land Mortgage Banks	...	...	...
(b) Investment in Central Land Mortgage Bank Debentures	3,54,60	3,54,60	2,84,90
National Agricultural Credit (Stabilisation) Fund			
Loans and Advances to State Co-operative Banks	...	...	...
Bills Purchased and Discounted :—			
(a) Internal	...	...	...
(b) External	...	...	...
(c) Govt. treasury Bills	1,27,22,91	1,06,62,61	70,08,37
Balances Held abroad	5,09,03	5,98,19	5,15,62
Loans and Advances to Govt.	9,65,00	11,31,00	6,59,00
Loans and Advances to :—			
(i) Scheduled Banks	3,17,25	2,08,00	1,82,25
(ii) State Co-operative Banks	1,29,36,39	1,24,07,69	1,16,21,83
(iii) Others	1,76,80	1,55,80	1,11,32
Investments	2,74,48,50	3,27,10,80	2,77,81,11
Other Assets	23,66,69	25,61,35	53,67,79
Total	6,26,37,56	6,64,34,64	5,71,63,48

SCHEDULED BANKS

(In 000's of Rupees)

	Week Ended 2-8-63	26-7-63	3-8-62
(i) Demand Liabilities—			
(a) Demand Deposits			
(1) From Banks	52,12,49	53,45,74	49,00,93
(2) From others	9,39,86,56	9,28,49,39	7,94,10,44
(b) Borrowing from Banks	28,67,46	22,20,34	21,67,08
(c) Others	63,34,27	65,03,64	51,89,32
(ii) Time Liabilities—			
(a) Time Deposits			
(1) From Banks	36,29,63	34,20,64	24,47,90
(2) From others	12,21,72,09	12,46,24,48	12,51,69,39
(b) Borrowing from Banks	19,30,83	22,43,14	18,35,06
(c) Others	10,72,23	10,20,54	10,71,21
(iii) Borrowing from State Bank—			
(a) Demand Liabilities	4,56,39	4,53,21	3,88,64
(b) Time Liabilities	14,00,00	14,75,00	13,15,00
(iv) Borrowing from Reserve Bank	2,04,50	33,50	2,41,10
(v) Cash	49,61,88	51,44,89	48,45,31
(vi) Balances with the Reserve Bank	81,47,62	79,32,63	92,96,04
(vii) Balances with other Banks in current account	20,51,73	20,61,86	19,15,70
(viii) Money at call and short notice	59,31,35	56,75,55	55,88,04
(ix) Investments in Central and State Govt. Securities	6,92,00,56	6,87,16,55	6,72,11,80
(x) (a) Loans, Cash credits and Overdrafts	12,74,32,03	12,72,14,07	12,11,96,51
(b) Due from Banks	8,06,45	8,05,66	6,10,26
(xi) Inland Bills purchased and discounted	1,62,93,37	1,62,44,95	1,29,62,09
(xii) Foreign Bills purchased and discounted	50,90,41	51,45,69	47,85,37
(xiii) Total of X, XI and XII	14,96,12,26	14,94,10,37	13,95,54,27

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CHAIRMAN, DR. B. N. GHOSE'S ADDRESS

Speech of Dr. B. N. Ghose, Chairman of Bengal Chemical & Pharmaceutical Works Ld., at the 63rd Annual General Meeting of the Company on Wednesday, the 14th August, 1963 at India Exchange Building, Calcutta.

Gentlemen,

It gives me much pleasure to welcome you on behalf of your Board of Directors as well as on my own to the 63rd Annual General Meeting of your Company.

The Annual Report and Accounts for the year ended 31st March, 1963 have been in your hands for sometime past, and with your approval I propose to take them as read.

The latter half of the year under review was somewhat disturbed by the unprovoked attack on the borders of the country by the Chinese aggressors. The Government of India declared a state of emergency in the country and endeavoured to take adequate steps to prepare its people, both psychologically and materially, to resist the aggression. The people of the country also rose to the occasion in this national crisis and their determination to meet the serious challenge to their integrity and solidarity has been reflected in the ready response which came spontaneously from the rich and the poor alike by way of contributions to National Defence Fund and in various other ways. Your Company too contributed in cash and kind to the National Defence Fund. It is gratifying to report that the employees have also voluntarily contributed their mite by paying one day's salary and wages.

Working Results

The working results of the Company during the year under review present a better picture than those in the last year. The sales of the Company recorded an increase of over Rs. 15 lacs as compared to last year, but the margin of profit was not as much as it was expected. This is due to various factors, chief amongst which are rising costs of raw materials, transportation charges, and various other levies by way of Central Excise Duties, Emergency Risks Insurance, etc. In our sincere attempt to hold the 'Price Line' as far as practicable in this national emergency we had even to curtail our margin of profits on many items. This will also account for lesser profit than was expected. Nevertheless your directors feel that conditions improving in future, they will be in a position to achieve better results and earn a more rational profit out of the Company's total turnover.

The Special Resolutions passed at the Extraordinary General Meetings in March this year will enable the Preference Shareholders to receive approximately the same amount of dividend as before. Your Directors also recommend that dividend on all classes of Ordinary Shares be maintained @ 10% as in the previous year for which they had to transfer a sum of Rs. 1,55,000/- from General Reserve No. I in view of the inadequacy of distributable profits for payment of dividend. It will not be out of place to add that it must have attracted your notice that Development Rebate Reserve which used to be provided for in the Appropriation A/c so long has this year been charged to Profit & Loss Account thereby reducing the profit by Rs. 1,05,918/-. You will be glad to note that the huge reserves with which your Company has been carrying on its business have taken it away from the operation of Super Profits Tax imposed by the Government of India in its last budget.

The trading operations of your Company during the year under review, have on the whole been satisfactory, but much below our expectations. In spite of the various difficulties experienced by the Company sales of its pharmaceutical products have shown a steady increase due to wider publicity, strengthening of field staff and planned distribution. But for certain circumstances beyond our control the sales volume would have been much higher.

Spurious Drugs

The publicity accorded to the widespread manufacture of spurious drugs within the country has been a blessing in disguise to your Company. The consumers have been cautious in their purchases and the dealers have realised the necessity of stocking goods of standard quality only. This has led to a larger demand for our products, particularly our medicinal preparations.

The setting up of the Drugs Enquiry Commission by the Govt. of West Bengal is a step forward to deal with the unscrupulous traders in the Drugs Industry. In a recent press report it was observed that a medical practitioner had made sweeping remarks before the Drugs Enquiry Commission regarding the quality of Indian drugs, condemning in general terms all indigenous medicinal products as substandard. This clear manifestation of 'slave mentality' is unfortunate. The hasty and ill-considered statement that drugs manufactured in India are all sub-standard is not correct. This will be evident from the deposition of a reputed medical practitioner of Calcutta before the Commission, who is stated to be of opinion that drugs manufactured in India are of standard quality and can favourably compete with any foreign product. As a matter of fact only a few specialised drugs are imported from abroad, and the rest are manufactured within the country.

You will be interested to know that your Company has been exporting its products for a pretty long time. Consistent with the policy of the Government of India to earn more foreign exchange by increasing the volume of exports your Company too has made considerable progress in expanding its foreign business against severe competition from other countries and in many instances selling below cost. The export trade of the Company has risen by more than 25% during the year under review. The amendment of the object clause of the Memorandum of Association of the Company at the earlier meeting by incorporating therein a suitable clause for recognition of the Company as an Export House, will enable the Company to enjoy wider scope in utilising import entitlement much to our advantage.

Expansion Schemes

The expansion schemes at Panihati are progressing satisfactorily. The Alum Plant is nearing completion and will soon be put to commission provided, of course, the foreign equipment indented for are duly received. On completion of the erection of the additional 50 ton/day Sulphuric Acid Plant better economy in production is expected.

Although under the Industries (Development & Regulations) Act, 1951, a tailor made production just sufficient to meet requirements of the country is envisaged, in actual fact, higher production units sanctioned in connection with industries like steel, fertilizer, etc. are making it difficult for merchant plants of Sulphuric Acid to work profitably in competition. This side of the picture has been lost sight of by the Govt. while granting industrial licences.

The development work in some new lines or expansion work in some of the existing lines are in progress, expansion of Caffeine Plant at Maniktala Factory has been taken up in hand to meet the increased demand. It is interesting to note in this connection that Government of India has been reported to have given up the Phytochemical project under Russian collaboration which was scheduled to produce 50 tons of Caffeine from tea waste. Reason adduced is high cost of production. The estimated cost of production under this collaboration scheme worked out to be 4 times that of imported Synthetic Caffeine and double that of your Company's sale price. Many are found to accuse in season and out of season the private sector for high cost and high profit but in the case of your Company it is just the reverse. Your Company has already applied to the Ministry of Commerce & Industry, Government of India for granting licence for this substantial expansion under the Industries (Development and Regulations) Act, 1951.

Your Company was pioneer in starting manufacture of Ether in this country. The abnormal price of denatured spirit in West Bengal and scanty supply of the same by the West Bengal Distilleries has practically put a halt to the manufacture of Ether.

I reported to you last year that reduction of Import Licence of Tallow had adversely affected our production of Soap so much so that we could not meet our contractual obligations within the country, not to speak of any exports. Restrictions on the Import of Tallow and essential oils and levy of excise duties, etc. have greatly affected our production of Soap.

You will please recall my review of the last year with regard to the Company's business in Road Tar. The situation has not shown any sign of improvement since then in spite of our best efforts. The use of Crude Tar as fuel by the producers accounts for its non-availability for distillation. Unless conditions take a favourable turn I am afraid prospect of this line of production appears very gloomy. The set-backs suffered by the Company in the field of Road Tar have seriously told upon its total business.

Raw Material Imports

The licensing position with regard to essential raw materials has deteriorated further as a result of the state of emergency following the Chinese aggression on India. In particular, the licences granted to us for aromatic chemicals, natural essential oils, perfumery items and other items for our medicinal preparations were reduced by about two-thirds. We hope, during the current licensing period, the authorities will meet the requirements of actual users more liberally. There were also regrettable short-falls in the supplies of some crude drugs' extracts from the Kashmir Govt. Laboratory, and from November 1962 the supply of Rectified Spirit for our pharmaceutical industry has also been inadequate and is causing anxiety. The definition of Patent and proprietory medicines as altered by the Finance Act has complicated the procedural matters further and there has been considerable increase in paper work. Under this definition (as incorporated in the Indian Customs Tariff) drugs conforming to B.P., B.P.C. or any other recognised pharmacopoeas have been made chargeable to higher Customs Duty, if there be any trade-name or other mark, symbol or monogram, etc. on the goods or contain the higher rate is being applied even to bulk consignment of drugs which are used as raw materials in pharmaceutical industries. This is certainly a very unsatisfactory state of affairs and we hope that the Central Board of Revenue will revert to the definition laid down in the Drugs Act.

In my opinion (as I have deposed before the Drugs Enquiry Commission) taxes and duties on drugs and pharmaceutical products should be withdrawn.

To add to all these, difficulty in getting coal continued during the year due sometimes to inadequate supply of wagon and sometimes to scarcity of coal. Chemical industry consumes more coal than pharmaceutical industry and distribution arrangement for the latter industry through licenced dumps has to some extent ensured supply of quantity at the sacrifice of cost and quality.

Frequent Load-sheddings

Frequent load-sheddings by the Calcutta Electric Supply Corporation have caused not only serious loss of man hours but have adversely affected materials and plants also. In continuous chemical plants sudden interruptions in the supply of power shorten the normal life-span of the plants. This is more dangerous and harmful to the Company in as much as it is extremely difficult and expensive now-a-days to procure replacements. In the case of pharmaceutical manufacture load-shedding will cause total loss of materials under process which have mostly to be discarded in the event of any interruption due to power failure.

The sales in your Bombay and Kanpur Branches are looking up and attempts are being made to further increase the turn-over and to make them better productive units.

You will find from the Profit & Loss A/c that the rates and taxes have increased. This is on account of the increased demand of the Calcutta Corporation for the extended portion of your City Office Building. The increase in the expenditure under head Propaganda Advertisement is in accordance with our declared Policy, and your directors believe that our intensive efforts in this direction will pay in the shape of increased sales year after year.

I am glad to report that the preliminaries with regard to formation of Durgapur Chemicals Ltd. are almost complete and new Company will soon be incorporated with your Company as one of the Promoters. As I have already stated, the proposed Durgapur Chemicals Ltd will be a Govt. of West Bengal undertaking.

From a review of the Company's affairs during 1962-63 you will find that despite various handicaps we had to face in the course of the business your Company's trading results have been better. We expect that the Company will be in a position to make a further headway if other extraneous circumstances do not stand in the way.

In conclusion, I add that I shall be failing in my duty if I do not express my gratitude to my colleagues for their helpful advice and mature guidance. The unstinted co-operation I have received from the members of the staff also accounts for another successful year of operation of your Company. Labour and management relations have, on the whole, been satisfactory throughout the year. I also acknowledge with thanks the patronage of our customers, stockists and distributors.

N.B. This does not purport to be the actual proceedings of the Annual General Meeting.

A TRADE AGREEMENT WITH THE COMMON MARKET

By Malcolm Subhan

BRUSSELS:

PARADOXICAL as it may seem, one of the reasons why the Six countries of the European Common Market are unwilling to authorise the E.C.M. Commission to hold even exploratory talks with India for concluding a trade agreement is that they want to assure themselves beforehand of their success. Negotiations with Israel or Iran are one thing, with the largest non-communist country in Asia another. It is not simply a question of size, however. The rôle which India plays in international affairs is such that the Six fear that an agreement which was received by India with little enthusiasm would only harm the Community.

Hence the recent decision of the Council of Ministers to ask the Commission for more detailed information relataing to India's trade with not only the Community but other industrialised countries also, and even with developing countries. The studies which were made during the British negotiations were from the viewpoint of an enlarged Community. The aim of the transitional arrangements was not to expand India's exports to the enlarged Community, but to safeguard her exports to the U.K. when she was no longer able to maintain her trade preferences. The aim of the present studies is not simply to determine the nature of the exchanges between India and the Six, but to see how their volume can be increased. After all, it can be shown that the offer of a zero tariff on products such as chutney and cricket balls loses much of its significance now that Britain has been shut out of the Community.

Similarly, a zero tariff on tea, to take the most important of the duty concessions offered last August, was of far greater value to India when she was threatened with the loss of duty-free entry into the U.K., than it is now. Although sales of Indian tea to the Common Market may rise, it remains to be seen whether the increase will be substantial. It is not merely a question of the exorbitant internal duties which are levied on tea by some E.E.C. countries; after all, similar duties are also levied on coffee and tobacco. The fact is that Europeans prefer coffee to tea (during the war, coffee even served as a black market currency), and the price element is less important for the affluent European housewife of today.

From the point of view of the Six, therefore, the problem of just what tariff concessions would help India is a real one. It is made more difficult by the fact that India's exports to the Common Market are not as varied as those to the U.K. Moreover, in the case of tropical products, the Six's hands are largely tied by the Convention with the associated African States; duty-free entry for such products from Asian countries is out of the question as long as the Convention remains in force.

The position concerning the less sophisticated manufactured goods such as textiles, sewing machines and bicycles is no less complicated for the Six. Although the governments of all industrialised countries today recognise the need to encourage such imports from the developing countries, they cannot ignore the protests of domestic manufacturers who feel themselves threatened by a flood of cheap Asian goods.

Any concessions on textiles, for instance, appear remote. The provisional arrangements for these goods concluded during the British negotiations were bitterly criticised by the industry, even though the arrangements conceded nothing to Indian and Pakistani demands except an assurance that their exports would not be allowed to fall below a certain level. Even the long-term textile agreement provides only for the progressive liberalisation of quota restrictions; it is silent on tariffs, although it is clear that there can be no substantial increase in Indian textile exports to the Common Market as long as the tariff remains at its present high level.

But for the Six, the determined opposition of local manufacturers is not the only obstacle which has to be overcome. Officials in Brussels feel that concessions intended to help India expand her exports of manufactured goods may in fact have the opposite effect, in that they may prove of greater advantage to other countries. A reduction in the Common Market tariff on, say, sewing machines would not apply to India alone, but would be extended under the most-favoured-nation clause to all third countries enjoying this privilege. The final result could, therefore, be a sharp increase in imports of sewing machines from Japan and Hongkong rather than from India.

Quotas for Developing Countries

The Six have nevertheless decided to examine carefully the proposal for quotas at preferential tariffs for the developing countries. The idea was first put forward within the Community some three years ago, but was quickly discarded as contrary to the principle of non-discrimination enshrined in the General Agreement on Tariffs and Trade. The proposal was sponsored by the Belgian Minister of Foreign Trade, Mr. Brasseur, when he addressed the Ministerial session of G.A.T.T. last May. It was also mentioned by Mr. Manubhai Shah in Geneva, and India has since asked the Six to grant certain preferential tariff quotas which would be open to all the developing countries. The Community's trade experts are to examine these various proposals during the coming months. According to unconfirmed reports, the Belgian proposal has considerable backing among the Six, but as the technical problems which have to be resolved are numerous, progress is bound to be slow.

Although the Commission is of the view that the various problems raised by the Indian *aide-mémoire* could well be examined in exploratory talks with India, the commercial advisers to the permanent representatives of the Six have preferred to do it by themselves. Hence, on their advice, the Council referred the matter back to the Commission for further information. Consequently, although the latter's report on the Indian *aide-mémoire* of 23rd April and its request for a mandate to hold exploratory talks were both before the Council, discussion was confined to the procedural aspects of the problem only.

It appears that India was included on the Council's agenda primarily at her own request; Indian circles took the view that once the problem of the Community's relations with India was put on the Council's agenda, the latter would sooner or later have to take a decision on it. As matters stand at present, the Commission is to provide the six member-Governments in September with the information which they are seeking. The Council hopes to take a decision in October on the Commission's request for a mandate to hold exploratory talks, although, at France's suggestion, the Indian Government will be told that the Council hopes to take a decision this autumn.

Two Schools of Thought

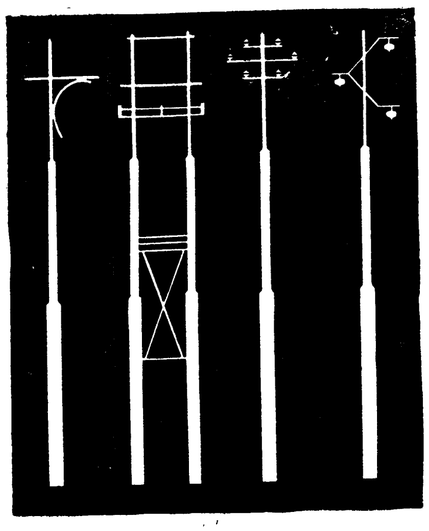
It is now a foregone conclusion that the decision will be a positive one. The fact is that there are two schools of thought within the Community on the advisability of acceding at this stage to the Indian request for commercial talks. The first, which is supported by the Commission, holds that a trade agreement with India could serve as the prototype, so to speak, of similar agreements with other developing countries. The second school argues that the Community should first establish the guiding principles of its policy *vis-à-vis* the developing countries, preferably within the framework of such multilateral negotiations as the forthcoming tariff and trade talks under the auspices of the U.N. and G.A.T.T. It is pointed out that failure to conclude an agreement satisfactory to the Indians could well harm the Community's relations with the developing countries generally.

These considerations have assumed undue importance largely because of the crisis through which the Community is passing. Since the abrupt termination last January of the negotiations with the British, the Six have found it virtually impossible to agree on the numerous problems which face them. A good deal of time and energy have in fact been spent on side issues, such as that of maintaining contacts as a Community with the British. At the same time, relatively minor problems, such as that of American poultry exports, have been given undue importance. Although the majority of the Six would be prepared to develop the Community's external relations until such time as they are able to agree among themselves on internal questions, the French oppose such a step. They claim that it would result in an unbalanced development of the Community.

Rôle of the Commission

Under these circumstances, the rôle of the Commission has grown more important. Although it has no decision-making powers (under the Rome Treaty the Commission proposes, the Council disposes) the Commission has redoubled its efforts to elaborate a community policy in every sector of economic activity. This is not to say that its proposals have been accepted by the Council—in a good many cases, the latter has simply postponed examining them.

This is the background against which the Commission's recent re-



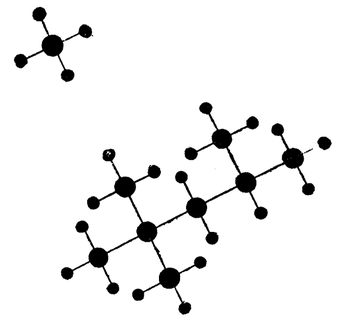
commendations on the Indian *aide-mémoire* must be seen. The situation prevailing within the Community is largely responsible for their tentative nature. The proposals speak, in fact, of "exploratory talks" rather than negotiations, and of a "commercial arrangement" rather than a trade agreement. At the same time, the Commission points out that, while the Six are under no obligation to grant India the concessions agreed to in the negotiations with the British, the examination of India's request for these concessions could be useful. In any event, exploratory talks with India may help the Community to adopt a common policy governing its economic relations with the developing countries.

As for the three measures proposed by the Commission, although none of them was mentioned during the recent session of the Council, they would certainly be presented by the Six in any negotiations with India. The first relates to the establishment of a joint committee on trade. Both India and the Common Market would be represented on the committee, which would submit proposals for developing trade between India and the Six. The draft agreement between Iran and the E.C.M. provides for just such a committee, although one of the reasons why the Council has not yet approved the draft agreement is that the Six cannot agree among themselves as to who shall represent the Community on this committee—the Commission or representatives of the member-States.

Tariff Suspensions

The Commission has also proposed tariff suspensions and other measures under the common commercial policy for inclusion in the proposed trade agreement with India. The proposals seem to owe something to the discussions last year for a comprehensive trade agreement with India and Pakistan once Britain had entered the Community. India has asked that the tariff suspensions should cover not only the products listed in the provisional agreement with the U.K. but also such items as pepper, unmanufactured tobacco, leather goods and cotton textiles.

Any negotiations between India and the Common Market can be expected to be long and difficult. The Council's refusal to embark on them without detailed preparation is a measure of the importance which it attaches to such negotiations. On the Indian side, this delay is being put to good use, so that the negotiations may finish relatively quickly after all. Indeed, certain officials at the Commission's headquarters feel that the first stage could be finished by the end of this year.



CHAIN LANGUAGE

Petroleum consists almost entirely of hydrocarbons — compounds of the elements hydrogen and carbon. In picture form one atom of carbon can be shown as ● and one of hydrogen as ●, the arms linking them together being a measure of their power to combine chemically. A simple combination, or molecule, is *methane* (top picture) which is the main constituent of natural gas. A more complex molecular structure is *iso-octane* (lower picture), used in making aviation spirit.

Hydrocarbons are present in crude oil in a great variety of patterns, differing not only in the number of atoms in their molecules but also in the way in which the atoms are bound together. Through the application of petroleum chemistry, the rings and chains can be separated, reassembled or rearranged in different ways to obtain a widely varied assortment of petroleum products. The plant where the processes take place is the oil refinery — a chemical laboratory on a giant scale.

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SHARING FINANCIAL RESOURCES IN A MIXED ECONOMY

By D. Bright Singh

The Government takes away too large a proportion of the community's savings, so private investment activity has been greatly hampered by the lack of financial resources.

IN a free enterprise economy which is planned and which functions within a democratic framework, it is important that the techniques adopted to mobilise and canalise savings conform to certain basic principles. Primarily in such an economy, in contrast to a centrally planned, authoritarian one, the strain of economic expansion on the community should be within limits. This is possible if (1) as between inflationary and non-inflationary methods of financing, as little reliance is placed on the former as possible; (2) there is provision for canalising proportionately larger resources out of the growing or expanding sectors of the economy: (3) there is a great element of spontaneity in the flow of resources into investment, and (4) the burden of savings and investment is distributed as equitably as possible among the different sectors.

Economic growth takes place because of the investment activity of mainly two parties—the Government or the public sector and private business. In order to finance investment, the Government raises its resources through taxation, deficit financing and borrowing. The first two methods involve direct or indirect restriction of consumption enforced through the authority of the State. The private business sector finances its investment from internal resources, that is, through reinvestment of profits and also by means of external borrowing and sale of securities, that is, by having recourse to the capital market. Here obviously, there is no element of compulsion.

The private sector, in other words, can invest only that part of the national savings which it can generate and which it can attract from the excess income earners. The extent to which reliance can be placed on internal financing depends on the efficiency of the business enterprise concerned, as well as on other circumstances which affect the size of profits. The availability of an organised capital market, the confidence of the community in the security of the business concerned, and its preparedness to invest its savings in risk ventures through the purchase of bonds and shares, all these affect the size of national savings which can be mobilised for investment by the private sector.

Ultimate Source

The ultimate source of investible resources for the Government as well as for private business is the aggregate savings of the community. Hence it is clear that normally, increased demand for national savings by one of these sectors should result in a contraction of the resources available for the other. So long as resources are limited in relation to the overall demand for investment, the two sectors have to be in competition with each other. The collection of larger real resources by the State through taxation, borrowing and deficit financing would not result in the curtailment of the resources available for investment in the private sector only if the State's economic activity brings about a proportionate increase in total national income. But if this is not possible, it is obvious that financing investment in the non-official sector would become increasingly difficult.

In India over the first two five year plan periods, the public sector outlay totalled Rs. 6,560 crores. This was financed to the extent of Rs. 5,282 crores, or 80 percent, out of internal resources—tax and non-tax revenues, borrowing and deficit financing. It is seen that with the progressive increase in the public sector outlay on economic development, greater reliance has been placed on the revenue resources of the State than on internal borrowings. Apart from development expenditure, the fact that the Centre and State Governments have come to rely increasingly on tax collections to meet their aggregate outlays, both development and non-developmental, is clear from the fact that the revenue collections of the States and the Centre together increased from Rs. 903 crores in 1951-52 to Rs. 1,999 crores in 1961-62, *i.e.*, by 121 percent which is more than double the rate of increase in national income.

In the context of a growing public sector, it is worthwhile to enquire how the private sector has fared in the matter of financing its programmes of expansion. It has been estimated that at current prices, the total investment in India during the first two five year plans was of the order of Rs. 10,110 crores—Rs. 5,210 crores in the public sector and Rs. 4,900 crores in the private sector. It should be remembered that although in the successive plans, the proportion of investment assigned to the private sector has been gradually reduced, yet in actual accomplishment, growth in this sector (if magnitude of investment is an indication of growth) has been more pronounced than was visualised in the plans. Investment in the private sector in the first plan period turned out to be Rs. 1,800, as against the expected Rs. 1,500 crores. Over the second plan, public sector investment (Rs. 3,650 crores) fell short of the estimate by about 4 percent while private sector investment (Rs. 3,100 crores) was higher than the estimate (Rs. 2,400 crores) by 29 percent.

Expansion of Activity

The financial aspect of investment in the private sector has to be examined now. Over the ten years covered by the first two five year plans, there was considerable expansion of activity in both the public and private sectors. According to the recent survey of savings in India conducted by the National Council of Applied Economic Research, New Delhi, the paid-up capital of all joint stock companies in the country increased from Rs. 628 crores to Rs. 1,300 crores between 1948-49 and 1957-58. But while the paid-up capital of non-Government companies increased from Rs. 613 crores to Rs. 1,036 crores that of Government registered companies showed a rise from Rs. 15.5 crores to Rs. 264 crores.

On the basis of data available for 1,001 large and medium-sized non-Government public limited companies and 333 private limited companies having paid-up capital of Rs. 5 lakhs and over, a recent Reserve Bank study[1] has made an estimate of capital formation for the entire corporate sector in the years 1956-60 as follows:

(Rs. crores)

	1956	1957	1958	1959	1960
Gross capital formation	355	346	227	206	352
Net capital formation	294	272	148	116	237

In the five years, gross capital formation in the corporate sector amounted to a little less than Rs. 1,500 crores, while net capital formation totalled something more than Rs. 1,000 crores. The Reserve Bank study shows that in the years under reference, the progress of the private limited companies was slightly better than that of the public limited companies. Production and sales of the former increased at an annual rate of 13 percent and 14 percent, while that of the latter increased at the rate of 12 percent and 11 percent, respectively. Profits before tax of the private limited sector rose at an annual average rate of 26 percent, while that of the public limited sector increased at the rate of 12 percent. However, because of the larger turnover of business, the expenditure-income ratio of the public limited companies was lower.

But the progress of the joint stock companies (non-Government) was maintained in these years only under great strain. The major adverse factors were increasing costs of production and taxation. In the case of the 1,001 public limited companies, the value of raw materials consumed and other manufacturing expenses, increased from Rs. 861.5 crores in 1955 to Rs. 1,310.7 crores; salaries and wages went up from Rs. 236.4 crores to Rs. 348.3 crores and employees welfare expenses from Rs. 18.0 crores to Rs. 32.2 crores. Payments on account of excise duty rose from Rs. 68.1 crores in 1955 to Rs. 180.7 crores in 1960; the aggregate tax provision was Rs. 50.4 crores in 1955 and Rs. 72.0 crores in 1960. Roughly, between 1955 and 1960, all these expenses went up by 50 percent. These studies also show that in recent years, there has been an increasing tendency on the part of both public limited as well as private limited companies to depend on external sources of finance, primarily, bank funds. Thus in the case of these 1,001 public limited companies, of the total external resources of Rs. 121 crores in 1960, borrowing from banks amounted to Rs. 58.4 crores and formed 21.0 percent of total sources of finance.

Pattern of Savings

As has been observed earlier, the ultimate source of funds for financing investment, whether it is in the Government sector or the private sector, is the same, namely, aggregate savings of the community. It is obvious that to the extent a larger and larger share of these savings is diverted to the public sector through internal borrowing and taxation, the resources available for the private sector will get restricted. Of the total savings in India, individuals' savings constitute about 81 percent or

[1] *Reserve Bank of India Bulletin* June 1962 pp. 840-870 and December 1962 pp. 1917-38.

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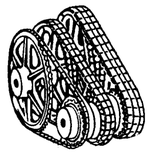
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82 percent, corporate savings amount to only a very small proportion (in contrast to developed countries) namely, 2 or 3 percent, while Government savings account for the balance of about 16 percent. In so far as private business has come to rely more and more on bank funds, it is clear that any obstruction to the free flow of private savings into the banking institutions would impose a serious limitation on the financial resources of private business.

It is a well-known fact that the resources of the banks are becoming inadequate to meet the growing demands of the economy. The implementation of the tax and compulsory savings and borrowing proposals of the Budget for 1963-64 is estimated to result in a diversion of resources to the extent of about Rs. 800 crores from the private sector. Between 1955-56 and 1961-62, total deposits of all scheduled banks in India increased from Rs. 1,043 crores to Rs. 1,917 crores, while total bank credit went up from Rs. 580 crores to Rs. 1,408 crores. The cash balances of these banks increased from Rs. 84.73 crores in 1955-56 to Rs. 105.04 crores in 1957-58, but have averaged only Rs. 121.15 crores in the five years 1957-58 to 1961-62. This has necessitated large borrowings from the Reserve Bank and also from the Refinance Corporation by the commercial banks. The continuing pressure on bank funds has resulted in the pushing up of their lending rate which, when recently Bank rate was raised to 4½ percent, went up to 6½ percent. The interest rate on deposits of commercial banks was maintained at 3 percent, but the State Bank's offer of 3½ percent is likely to raise the general rate on commercial bank deposits by ½ percent. All these reflect the growing strain on the financial resources of the economy as investment demand increases.

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Fields for State Enterprise

Obviously, the great need for accelerating the rate of growth of the economy makes it imperative that the rate of investment in both the public and private sectors is stepped up. But in view of the limited resources available in an under-developed economy like India's, it is of the greatest importance to consider seriously the question whether the resources are used in such a manner that each unit of investment is made to go as far as possible in accelerating the overall growth of the economy. In a mixed economy, the spheres of investment normally assigned to the State, are those in which the initial financial commitments are too large and are beyond the means of the private sector, in which the gestation period is too long to be attractive to private enterprise, in which a great degree of uniformity in administration and pricing is necessary and also those lines of investment and production which are of strategic and national importance. It may be presumed that in these spheres of activity, public enterprise is superior to private enterprise and for that matter, the assumption of the entrepreneur's rôle by the State is justifiable. These are investments of the expansionary type which are necessary to build up the socio-economic infra-structure of the economy.

But in addition to these, there are other fields of investment which do not help so much in expanding the capital base of the economy as in augmenting current output and income. They are by and large productive enterprises which bring about increased output of mostly final goods. Under this category would come the production of cement, rubber, iron and steel, and fertilisers, etcetera. Where labour and capital resources are available, private enterprise could be as efficient as public enterprise in such lines of productive effort. Even here, public enterprise is sometimes justified on the ground that private entrepreneurs are scarce in underdeveloped countries and free enterprise will not be forthcoming unless the initiative is taken by the State and the way shown to the private business sector. But this argument is quite unconvincing in those countries where private enterprise is not so scarce a factor as capital resources.

If in undertakings of this nature, private enterprise in normal circumstances can be expected to be quite efficient, there is need to examine whether it has ample scope to operate. The prime consideration in such investment schemes, it has to be remembered, is whether it contributes substantially to increased output. Commercial and business considerations which are irrelevant and perhaps even harmful for investments that aim at providing the basic overheads are of particular significance concerning those enterprises which are devoted to the production of final goods. Hence if it is found that overhead and administrative costs involved in similar enterprises in the two sectors are greater in the Government sector, or there is greater wastage of resources and time, or the quality of the final product is defective, then there is a strong case for transferring such enterprises to private hands. It is well known that public investments of an expansionary nature which aim at strengthening the capital base of the economy, have a large inflationary potential in so far as the gestation period is long and such investments in the short run release a large money income without proportionately increasing final output. But apart from this, even in the case of industrial or business enterprises, there is the possibility of inflationary consequences if the State's activity does not result in increased production to the extent that private enterprise could achieve.

Case for Private Enterprise

If for reasons of official delay, corruption, inefficiency or indifference on the part of officers in charge of executing such programmes, the outlays of the State are more than can be justified on commercial considerations, then the effect would be same as in the former case, because here also, the money incomes released would exceed the increase in real output. Wasteful expenditure would thus aggravate inflationary pressures because the increased money incomes would be immediately used for demanding final goods. In short, in the case of investments of this type, the cost-returns ratio is of particular significance as a means to guage the standards of efficiency and where it is clear that the ratio is higher in the public than in the private sector, there is sufficient reason to transfer it to the latter.

If then the State would make a strict delimitation of the area of its investment activity and restrict itself to those spheres where public enterprise has a decided advantage over the other, or where public enterprise alone is feasible, then the draft on the financial resources of the community by the State can also be correspondingly limited and larger financial resources can be made available to the non-Government sector. The burden of taxation can be eased and inflationary methods of financing can be considerably reduced or avoided altogether.

Since planning started in India, the problem of financing economic growth has been considered mainly in connection with the ways and means by which the State can mobilise enough resources to carry through its programmes of investment. But in view of the important rôle which the private sector plays in the productive effort of the economy, it is proper that in any scheme of financing economic growth, the problems and difficulties of the private sector should be as much taken into account as those of the public sector. It is important to find out whether by facilitating greater investment in the non-government sector, a more than proportionate increase in output cannot be secured. In this one has to be influenced more by practical economic considerations than by ideological ones. The primary question is whether this sector is contributing to national output as much as it can.

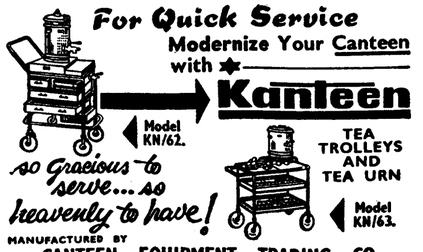
Apart from the various import and export restrictions, the difficulty of getting an adequate supply of raw materials, rapidly growing wage bill and the absence of a clear and unambiguious demarcation of the sphere of Government investment activity, the major deterrent to the expansion of the non-official sector is the scarcity of financial resources. Heavy taxation and the imposition of taxes of a vexatious nature have an obvious disincentive effect. Inflation and higher costs of production reduce internal resources available for investment. Any lowering of the dividend rates in order to maintain a high rate of reinvestment of profits would affect the attractiveness of investment in business for private individuals.

Inadequacy of Bank Finance

The narrowness of the savings margin of individuals, their lack of adequate information concerning investment opportunities and the absence of a well-developed capital market explain the timidity of private investors who are not prepared to invest their savings in industrial and business ventures. Lastly, commercial banks in India have been traditionally reluctant to advance funds for private enterprises and industrial undertakings. This attitude of commercial banks in turn has to be explained by the inadequacy of funds and their lack of confidence in the soundness of business enterprises. These deficiencies are characteristic of an under-developed economy and continue to exist because the economy continues to remain backward. They are the causes as well as the effect of economic underdevelopment. This vicious circle can be broken only if the State throws its weight into the task of building up the institutional and organisational structure necessary for economic growth.

Relaxation of the Government's investment activity would not mean any relaxation of the State's control over the economy. It only means shifting part of the State's attention and effort from the investment field to the earlier stage in capital formation, namely, organisation of the institutional framework and mobilisation and canalisation of savings. Many of the present means adopted to mobilise savings—such as extension of banking facilities to the villages, promotion of the insurance habit among all classes of income earners, popularising the small savings scheme, etcetera, can be further strengthened. Apart from these, new ways and means of enlarging individuals' saving have to be found. The State can regulate private investment activity by canalising the flow of national savings into desired channels through finance corporations and by controlling capital issues; it can enforce standards of quality and fix scales of output where necessary. Economic growth would then be a co-operative venture between the Government and the non-Government sectors each playing a distinctive rôle.

It has to be stressed that the problem of financing economic growth in a mixed economy relates to both the public and private sectors, and a sound scheme of financing would be the one which enables both the sectors to function efficiently and to contribute their maximum to the development of the national economy.

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AMENDING THE PATENT ACT: BILL BEING DRAFTED

[FROM OUR NEW DELHI CORRESPONDENT]

THE Government of India, it is learnt, has decided to amend the Indian Patent Act of 1911. Legislation is being drafted and will be introduced in Parliament during the winter session. The amendments will seek to reduce the period of patent rights from 15 to ten years, exclude food industries, drugs and medicines from the eligibility for patent rights in the future and limit the actual amount of royalty to 3 percent. The question whether the *status quo* should be maintained for the existing patents for food products, drugs and medicines, and if not whether there should be any compensation for their abrogation, is still being discussed. An aggrieved party, it is proposed, will not be allowed to appeal to courts of law. But the former may appeal to the Government, whose decision shall be final.

For some years, the Government has been considering the question of amending the law. A Patents Enquiry Committee was appointed in 1948. On the basis of its report, a Bill was introduced in Parliament in 1953. It was allowed to lapse, since there were some serious objections against the Bill.

In 1957, Mr. Justice N. Rajagopala Ayyangar was asked to submit a report to the Government on the revision of the patent law in India. In his report, which was published in 1959, Justice Ayyangar said that a country must be technically advanced to work the new inventions. He added: "It is further obvious, however, that the system will not yield the same results when applied to under-developed countries. I entirely agree with the views of the Patents Enquiry Committee that 'the Indian patent system has failed in its main purpose, namely, to stimulate invention among Indians and to encourage the development and exploitation of new inventions for industrial purposes in the country so as to secure the benefits thereof to the largest section of the public.'"

This was the view of the earlier Patents Enquiry Committee. Since then, following the three five-year plans, the conservation of foreign exchange has become a matter of primary importance. Justice Ayyangar, therefore, made it clear that "unless the law provided for measures to be taken to compel the patentees to work the invention within the country, and these measures were effective to achieve their purpose, the social cost involved in the grant of the patent was not offset by any benefit to the community. As for the possible advantage which might result by disclosure, it should be noted that most of the inventions patented by foreigners in this country are also patented abroad, and the theory, therefore, that but for patent protection, the invention would have been worked in secret and that the public would have been deprived of the knowledge of the invention has no relevance in the case of the large majority of patents granted in India.

Rewarding Investors

"Having made this appraisal of the effect of the patent system in India, the next question is whether the system should be continued. With all the handicaps which the system involves in its applications to underdeveloped countries, there are no alternative methods for achieving better results. At present, there is no country in the world which does not adopt the patent system of rewarding inventors, whatever differences in detail there might be in the laws of various countries due to local conditions or historical reasons.

"Even in a country which has adopted a socialistic economic system such as Russia, the law makes provision for the grant of patents in the same manner as in the rest of Europe. I need only add that a patent system on the same lines as is found in western Europe also prevails in the other socialist countries of eastern Europe, like Czechoslovakia, Poland, Hungary as also in Yugoslavia.

"As for inventions relating to chemical products, or products produced by chemical processes, I am clearly of the view that the interests of the country would be best served by confining patentability to the processes by which the products are obtained and to deny patents to the products either *per se* or in the qualified manner suggested in the Bill.

History of Law

"The reasons for this recommendation are based on (1) the history of the law relating to patents on chemical inventions in Europe during the past nearly 100 years and the lessons to be derived therefrom; (2) the experience of other countries somewhat similarly situated like India; and (3) the disadvantages to an under-developed country of permitting product claims for such inventions. It is still the experience of these countries that a system which provides for the refusal of patents for chemical products while permitting the grant of patents for new processes of manufacturing such products, is the one which encourages research and facilitates invention.

"I have considered the matter with the utmost care and have reached the conclusion that the chemical and pharmaceutical industry of this country would be advanced and the tempo of research in that field would be promoted if the German system of permitting only process claims were adopted. In this connection, I will recall the remarks of Dr. Van Ing as to the effect of the adoption of the German patent law of 1877 on the German chemical industry. I would accordingly recommend that the relevant provision in clause 3 might run as follows: 'No patent shall, after the commencement of the Act, be granted for inventions claiming substances produced by chemical processes including alloys but excluding glass.'

"I consider that to maximise the benefit, inventions relating to articles of food and medicine—and in the last category I would include insecticides, fungicides, etcetera,—should not be patentable as such but that, as in the case of substances produced by chemical processes, claims for the processes for their production should alone be patentable if they satisfy the other tests for patentability."

Meanwhile, several issues, mainly relating to matters of procedure, are being discussed here. It is suggested that a patent should be revoked if it is not worked for five years. A number of suggestions have been offered to make compulsory licensing easier. Compulsory licensing, it is pointed out, is resorted to when a patent is not worked within the specified period. Under the present law, there is considerable scope for procedural delays which the Government proposes to reduce. The latter also proposes to grant licences of right to anyone to work a patent, subject to the licensees paying a royalty for patents. It is also proposed to import patented drugs from the cheapest sources. It is pointed out that such important articles of daily use as medicines or food, which were vital to the health of the community, should be made available to everyone at reasonable prices and that no monopoly should be granted in relation to such articles.

There are several other matters which require equal or even greater consideration. Firstly, the state of public opinion prevailing in the country and ineffectiveness of the Governmental machinery for checking large-scale adulteration at present. Spurious drugs, as is well known, are being manufactured in the heart of Old Delhi without let or hindrance. As long as the Governmental machinery remains ineffective or lax, it would be dangerous to destroy the only safeguard which is now available for securing pure and unadulterated drugs and medicines. This is much more important in the case of life-saving drugs. Medical practitioners would, therefore, like to make an exception to some 20 life-saving drugs from the operation of the Bill. Lastly, it is more important to introduce legislation for fixing minimum charges for medical treatment than to cheapen drugs. A doctor normally charges, say, Rs. 5 for a penicillin injection costing six annas.

Thus, the problem is not as simple as the draft Bill of 130 clauses will make the people believe.

APPRAISAL OF THIRD PLAN

THE Planning Commission is at present engaged in a mid-term appraisal of the third five year plan. In a number of fields, hopes of rapid economic progress have not been fulfilled. The worst feature is the absence of any increase in agricultural production between 1961 and 1963. This was primarily responsible for the slow growth of national income in 1961-62—at 2.1 percent only, just over half the annual average for the second plan period. The latest estimates suggest that India's population is increasing at the rate of 2.4 percent, rather than the 2 percent or 2.2 percent on which the Commission's earlier calculations were based. The need for an even greater emphasis on increasing agricultural production is, therefore, becoming widely recognised, but the structure of India's agricultural economy, with its small units, the shortage of fertiliser and equipment, lack of incentives to greater production and difficulties of communication, is such that progress is unlikely to be spectacular. The increase in industrial production of about 8 percent in each of the two years is more encouraging. This increase might well have been higher but for inadequate supplies of raw materials and the shortage of power, steel, coal and transport. As a result, the engineering industries, in particular, are suffering from the under-utilisation of capacity. The following is a review of some of the important commodities and sectors made by the Planning Commission:

Tea: Weather conditions for the new crop have so far been favourable. Early rain over the tea garden districts of Assam will help produce a good crop this year. However, there have been difficulties in getting fertilisers to the tea garden areas and the manuring programme for the 1963 season may have suffered. With the considerable replanting that has been carried out in recent years, the industry is hoping that the all-India crop for 1963 may reach 780 million lbs. Export auctions in Calcutta during recent weeks have been quite brisk. There are hopes that the impending abolition of the European Economic Community's tariff on tea will help sales of Indian tea in Europe; but competition from other tea-producing countries is likely to be strong.

Coffee: The outlook for the new coffee season, which began on 1st July, is quite promising. The chairman of the Coffee Board has predicted an aggregate yield of 60,000 tons (35,000 tons of Arabica and 25,000 tons of Robusta), against 53,000 tons in the season just concluded. The industry is, however, less optimistic about exports, where prices have declined and India faces strong competition from other producing countries whose coffee is often of a higher quality.

Coal: The coal position is considered to be comfortable. Production in 1966 is expected to reach 92 million tons, which is regarded as adequate to meet the demand for coal. Nearly one-third of the World Bank loan of $35 million for the modernisation of private-sector collieries remains unused because of the inability of many of the smaller collieries to raise rupee counterpart funds. The Government has taken a number of steps to improve rupee credit facilities, but the basic difficulty is the unwillingness of the banks to accept installed mining machinery as security. The official time limit for loan applications has now expired, but it seems probable that a number of last-minute requests will be accepted.

The increased taxation imposed in the latest Central Budget is likely to make it more difficult for private collieries to undertake essential capital investment. The industry should, however, benefit from certain concessions announced by the Central Finance Ministry. The development rebate has been increased from 20 percent to 35 percent for the next three years, and import duties on certain types of coal mining machinery have been reduced by 15 percent. Coal output during the first four months of 1963 amounted to 23 million tons—3 million tons higher than in January-April 1962. The price of coal was raised by 6nP a ton from 1st June to cover the annual increase in the wage bill.

Power, transport and communications: Non-avilability of power supplies and breakdowns in existing systems have continued to hamper industrial production. In the south,

the delayed arrival of the south-west monsoon and the critical storage position in hydro-electric reservoirs has brought about the imposition from 20th June of a 100-percent cut in supplies to all non-continuous process industries in Madras State. Essential services are not affected. Much the same situation obtains in Kerala and to a lesser degree in Andhra Pradesh and Mysore States. Load shedding, which affects industrial users in West Bengal to some extent all the year round, was for short periods during the quarter seriously aggravated by plant failures at the Calcutta Electricity Supply Corporation's power station and at the Damodar Valley Corporation's undertakings in Durgapur. In Delhi, there have been constant interruptions in supplies due to minor plant failures.

The third 50 megawatt unit in the Neyveli thermal power-station (Madras) was commissioned in June. Loans have been announced by the International Development Association of $20 million to cover half the cost of the 120-megawatt thermal station in Kothagudem (Andhra Pradesh) and by the U. S. Agency for International Development of $16 million to cover a third unit of 125 megawatts at Chandrapura, Bihar, where two similar units are already being installed with U.S. loan assistance. A further $6 million has been authorised by the World Bank for importing machinery and plant for the Beas dam (Punjab). The 30-megawatt steam turbine for the Nellore thermal station is being obtained from Japan; International General Electric of the United States is supplying generating and transmission equipment worth $6 million for the first stage of the Sharavathi hydel project in Mysore State; Bulgaria has received orders worth Rs. 2 crores from the Madras State Electricity Board for the supply of cables, insulators and meters.

The Central Water and Power Commission has announced a shortfall of 245 megawatts in the installation of power generating capacity during the first two years of the third plan. A number of important projects, notably in the south, are well behind schedule. The commissioning of two 75-megawatt sets at the Durgapur thermal station later this year and the installation of the additional 50-megawatt alternator belonging to the Calcutta Electric Supply Corporation are expected to ease Calcutta's immediate power problems to some extent.

Railways: Technical experts from the French Railways, who are advising the Indian railways on electrification, have recently visited India to investigate progress on the signalling system and to assess the help needed. A group of Japanese firms are to supply, under a Japanese credit, 45 electric locomotives of 25 KV. A.C. type for the Eastern and Northern Railways. Part of a recent I.D.A. loan of $67.5 million is being used by Hindustan Aircraft Ltd, Bangalore, to undertake the manufacture of rail-cars with technical collaboration from Rolls Royce; the production of the first 120 diesel cars is expected to begin later this year.

Ports: The proposals put forward by the Commissioners for the port of Calcutta to increase various port charges (including pilotage fees and charges for certain cargoes) have been approved by the Government and are being put into effect. They are expected to result in an increase of Rs. 73 lakhs (£547,500) in revenue during the financial year 1963-64. Following the state of emergency, the Indian Government is understood to have revised the priority for completing Haldia, the satellite port for Calcutta, which is now to be functioning by 1967 (a year or two earlier than previously planned). Haldia is some 50 miles downstream from Calcutta, and is to handle vessels carrying bulk cargoes of coal, ore, oil and wheat which have too deep a draft to come up to Calcutta.

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The Orissa Government has announced that Rs. 1 crore was spent on the development of Paradip in 1962-63, and that Rs. 4.5 crores will be spent in each of the years 1963-64 and 1964-65. It is hoped that Paradip will eventually handle the export of 2 million tons of iron ore a year. Panambur, five miles north of Mangalore, has been selected by the Technical Experts Advisory Committee of the Central Ministry of Transport as a suitable location for the construction of an all-weather port in Mysore State. The total cost of the project is estimated at Rs. 15 crores (£11.3 million). Construction is expected to be completed by 1967.

Iron and steel: Total production of ingot steel during the 12 months ended March 1963 reached 5.3 million tons, against 4.3 million tons during 1961-62. The production target for the end of the third five year plan (1965-66) is 9.2 million tons a year, but the Central Steel Minister has said that this will not now be achieved until early in the fourth plan period. The long-term possibility of two large steel plants in south India—one in Salem and the other, in the Goa region—is being investigated. The Central Steel Minister has announced that India hopes to produce 18 million or 19 million tons of steel a year by the end of the fourth plan in 1970-71.

Fertilisers: Production at the two public-sector fertiliser factories in Sindri and Naya Nangal exceeded the 1962-63 target. However, the total fertiliser output at the end of the third plan period is expected to amount to only 475,000 tons, by comparison with the original target of 800,000 tons and the revised target of 650,000 tons. The shortfall can be attributed to delay in the building of other public-sector plants and to the inability of private firms to make use of their licences to build fertiliser factories when prices are not sufficiently remunerative to attract foreign collaboration.

Cotton textiles: In spite of export incentives and fixed targets for individual mills (12 percent of the cloth turnover and 3 percent of the yarn turnover), the value of cotton textile exports has continued to decline, although quantities have risen. In the first four months of 1963, exports earned Rs. 13.7 crores, against Rs. 14.2 crores in the corresponding period in 1962. Shipments rose from 169.6 million yards in January-April 1962 to 190.1 million yards in January-April 1963. This suggests that mills have cut their prices severely in order to meet export commitments.

F. I. C. C. I.

Discussion at the Seminar

The Federation of Indian Chambers of Commerce and Industry organised last week a three-day seminar on problems of private and public industrial undertakings. The Central Minister for Steel and Heavy Industries, Mr. C. Subramaniam, said in his inaugural speech: "I think the most important problem which industry faces in the country today can be summed up in one phrase 'controls in detail'. I believe that controls are necessary but where they interfere with efficient industrial management, they require a careful look. It is a painful but inexorable fact that today an industrial manager spends more time getting across or around controls than he does in the task of management. Many of these controls may have served useful purposes in the past but they have become too cumbersome and detailed for a developing industrial society such as ours. Let us remember that in the more mature societies with which we have to catch up, and maybe to compete, industrial managers operate with a greater degree of freedom. We have, therefore, to think seriously about altering our framework of detailed controls and reducing the multiplicity of points and levels at which they operate."

There were group discussions on the problems of finance, of management, of purchase and sales and of labour policy and corporate citizenship. The report of the steering committee on the problems of finance makes some interesting and valuable suggestions. It says:

"*Common problems:* Both the public and private-sector undertakings have to draw the resources from the same common pool. However, it will be wrong to assume that the resources are static and cannot be augmented, provided appropriate steps are taken in this direction. The financial resources available for industry depend on a number of factors, of which the most important one is the extent of savings in the hands of individuals and companies. Savings have to be increased. The pattern of use of these savings also influence the rate of industrial growth.

"By and large, the problems confronting the industrial undertakings in the two sectors are similar in that both have been unable to obtain the requisite finance for development. The solutions to these problems cannot always be identical. Even so, there are certain issues, such as the super profits tax, depreciation allowance, development rebate and the like which affect the capacity of undertakings in both the sectors as far as development is concerned. In this connection, mention may be made that the public-sector undertakings, although they do not seem to have difficulty in raising the initial capital which is provided by the Government, cannot go to the market to raise additional funds. The direct investment of savings of the public in Government undertakings raises a number of issues as also the important criterion of preference on the part of investor as between alternate investment. This matter requires further study.

Reviving the Capital Market

"*State of the capital market:* In the last few months, the capital market has continued to remain depressed and has discouraged flotation of new issues. A large number of companies have been hesitating to go to the market, even though all other arrangements have been finalised. Many of the good issues have not been fully subscribed, and industrial development measured in terms of investment has lost its pace. The depressed state of the capital market has been due to a variety of factors. The increase in taxation over the years, the decrease in the capacity and willingness to save, the frequent changes in Governmental policy, the hesitation in the mind of the investors to look upon the confidence in the future of their investments in industry, have all contributed to the present condition.

"A progressive capital market is an essential precondition to speed our programmes of industrial development. For this reason, it is essential to revive the health of the capital market. There are various ways of achieving the objective. It is possible to give a support to the market by investing funds of the financial institutions like the Industrial Finance Corporation, the Industrial Credit and Investment Corporation of India, the Life Insurance Corporation, etcetera, in good shares with high intrinsic value. This will generate a wider confidence in the shares of companies. The present trend indicates that the ratio of preference shares to equity capital has perceptibly increased showing a shift in public assessment of the relative profitability of equity shares. This trend has to be reversed, for otherwise it will upset the financial balance and entail additional costs to industry. The return on equity should be made more attractive. Also, it is essential that the Government should refrain from doing or saying anything which will create nervousness in the market. Rather, a more stable fiscal policy would improve the investment climate. Furthermore, the I.F.C., the I.C.I.C.I., etcetera, should underwrite shares in a greater measure than before and actively encourage new flotations. Their policy in this connection has to be more purposive in objective and more vigorously applied in practice.

"The other effective method suggested for reviving the capital market was to provide definite tax incentives like the restoration of initial depreciation allowance, the increase of development rebate to 25 percent, suspension of Section 23A of the Companies Act and the exemption of new shares from the wealth tax.

"*Controls on industrial financing:* There are other restrictive elements which have affected the source of finance to industry. The limitations imposed by the capital issues control relating to the debt-equity ratio, transferability of shares, premium on shares, etcetera, have reduced the ability of the companies to obtain finance in the present depressed conditions in the money market. These restrictions have to be reviewed.

"*Bank credit:* Although bank credit to industry has increased, it has not been commensurate with the needs. It is important that, in the first instance, deposits with banks are increased to enable them to play a more effective rôle to finance industry. This matter, it is felt, should receive the serious consideration of the banking authorities. At the same time, the quantum of bank deposits will ultimately depend upon the savings in the hands of the public.

Financing of Industry

"By and large, the financing of industry by the banking institutions is limited to short-term capital needs. It was suggested that the banks and other financial institutions should pool their resources to provide medium and long-term finance for industrial development.

"There are procedural delays involved in obtaining credit from banks experienced both by the public as well as private-sector industries. Banks have insisted on personal guarantees from private parties apart from the hypothecation of assets. In the case of public sector-undertakings, the guarantee of the Government is required, and these requirements create avoidable difficulties and delays.

"*Foreign capital:* Apart from the domestic resources, industry has to secure finance from foreign countries. This is necessary partly because the fructification of investment with the appropriate technique of production depends upon the availability of imported machinery and, sometimes, technicians for which finance has to be obtained from foreign investment. The rate of foreign collaboration has, however, in recent months perceptibly declined. This has been partly occasioned by the nature of taxation. But there are other factors like the procedural delays at Governmental level which inhibit initiative and generally discourage the foreign investor. For inducing foreign investors and technicians to take greater interest in India, it would be desirable to quicken the working of the control machinery and provide greater facilities to make investment in India more attractive.

"*Pricing policy:* Both in the public as well as in the private-sector industries, the present pricing policy has not been such as to generate adequate funds after providing for taxation, depreciation, etcetera, for further investment. The level of costs has increased while the regulated prices have not been such as to maintain the rate of profitability and the ability to accumulate reserves. The pricing policy has to be made more realistic and flexible to take account of changing conditions and developmental needs.

"*Inter-company investment:* Expansion of companies is a natural process of growth and for this purpose the companies accumulate capital by way of reserves which, at the same time, constitute a cushion against risk. Under the Companies Act and the Capital Issue Control, a company is restrained from diversifying its activities in other fields or making investment in other companies. This limitation makes the use of accumulated funds difficult, or sometimes impossible, and depresses the general rate of industrial growth.

"*Depreciation:* In the last 15 years or so, depreciation allowances have not been revised. The depreciation at present is based on the historic cost, and there is a vast difference between replacement cost and the accumulated depreciation reserves. It is necessary that this problem has to be reviewed and the industry enabled to find reserves to replace the obsolete capital goods. Also, it must be considered how the industry can get the depreciation benefit of working extra shift.

"*Suggested study:* The F.I.C.C.I. should undertake a study of the return on capital in developing countries and the level of savings to quicken the process of self-sustaining growth. In particular, a comparison should be made of the level of return on investment, the quantum of taxation, etcetera, and the consequent rate of growth achieved in different countries. This will help make an assesment of the factors which influence industrial progress, and also enable appropriate adjustments in India's monetary and taxation policies."

The Secretary to the Department of Economic Affairs, Central Ministry of Finance, Mr. L. K. Jha, made two speeches, explaining the Government's viewpoints. Mr. Jha felt that the current depression in the stock market was a temporary phenomenon and would disappear when the Government takes measures to revive the market. He hinted that credit institutions like the Industrial Finance Corporation, and the Industrial Credit and Investment Corporation of India, would enter the market in a bigger way to see to it that the depression did not retard industrial development.

Referring to the seminar's suggestion for relaxing the control on the debt-equity ratio in capital, Mr. Jha said that the ratio was determined by the Government as part of a long-term policy and should not, therefore, be altered to suit the exigencies of the present market conditions.

STOCK MARKET

Measures for Revival

The Government is taking active steps to revive the stock market and, in particular, give support to capital flotations. Governmental and semi-governmental financing agencies, such as the Industrial Finance Corporation, the Life Insurance Corporation and the Industrial Credit and Investment Corporation of India, have been advised not only to underwrite new issues but also to hold the shares until market conditions are stabilised. The L.I.C., as is well known, does not underwrite new issues but buy shares for investment. The State Bank of India, which has already been assisting small-scale industries, has likewise been advised to offer more active assistance to medium and large-scale industries even in financing their working expenses. The Reserve Bank will be looking afresh at the liquidity position before the busy season starts in October.

The present stagnation in the stock market is due to heavy taxation and the compulsory savings scheme introduced in the last Central Budget. Share values have slumped, making new flotations risky, if not impracticable. In fact, a number of new issues have proved unsuccessful, and underwriters have been unable to sell their holdings. The general confidence in investment in stocks and shares no longer exists. One view here is that although the speculative investor has disappeared, real investors preferring fixed returns through preference shares are not lacking. Another view is that high taxation, coupled with the compulsory savings scheme and the rising cost of living, hardly leaves any surplus with the people of the fixed income group to invest. All this has created an atmosphere of gloom in the stock market.

Side by side, the industrial system is short of working capital and the banking system is so overstrained as to have become ineffective, the only exception being the State Bank of India. This is the background to the remedial measures indicated earlier. The Government claims that its own expenditure will soon start greasing the wheels of the private sector, making money conditions easier. There have been reports that foreign investors have got over the original taxation scare and are beginning to renew their interest in India. It is claimed that no attempt will be made to nationalise industries by the "backdoor."

INDIAN INVESTMENT CENTRE

Reports of Expert Bodies

The Indian Investment Centre in New Delhi has announced that the two sub-committees of its Advisory Committee of Industrial Experts have finalised their reports. These include their recommendations on many engineering and chemical industries. The Centre will forward these reports to the Government for its consideration. As part of its service to Indian and foreign entrepreneurs, the Centre had, early in 1962, initiated a programme of industrial surveys and feasibility studies of specific industries enjoying high priority for development in the third five year plan. The main object of these studies is to locate specific areas where industrial development is now essential and feasible and where investment opportunities exist. The Central Minister for Economic and Defence Co-ordination, Mr. T. T. Krishnamachari, suggested that such a programme could profitably be linked with a study of those sectors in the industrial structure which are not developing according to schedule and that the Centre should seek the advice and guidance of such specialists and experts as have knowledge and experience in the fields in which they are now serving. Accordingly, the governing body of the Centre constituted an Advisory Committee of Industrial Experts and requested it (1) to undertake a study of the gaps in India's industrial structure; (2) examine why production in certain sectors was lagging behind and (3) indicate measures necessary to stimulate and increase production in order to achieve a more balanced industrial growth.

It was also suggested that a survey of different industries should be carried out specially with a view to selecting those products which were capable of being manufactured locally. This had a direct bearing on the development of medium and small-scale ancillary industries. The Advisory Committee had constituted two sub-committees: (1) The Committee on Raw Materials for Chemical and Process Industries; and (2) the Committee on Machinery and Machinery Parts. The former was to survey the field of the chemical industries and locate areas where production was lagging behind and also point out vital items of raw materials whose accelerated development was essential in the national interest. The Committee on Machinery and Machinery Parts concerned itself with the study of basic and raw materials, semi-processed materials, plant and machinery, and instruments as well as a number of other miscellaneous items. Both the sub-committees held meetings in Bombay and Delhi and submitted their final reports.

Both the committees have indicated a number of new opportunities for industrial development and investment. The Raw Materials Committee had examined in detail the scope for organising domestic production of raw materials, intermediates and ancillaries in important industries such as nitrogenous fertilisers; sulphur and pyrites, soda ash and caustic soda; viscose staple fibre supplementing cotton, newsprint, paper and paper board, paper pulp and dissolving grade pulp, non-ferrous metals, organic chemicals, synthetic dyes and drugs intermediates and anti-biotics and miscellaneous chemicals.

The Committee on Machinery and Machinery Parts had examined several metallurgical and chemical industries and has pointed out the opportunity for investment and technical assistance in a number of engineering industries such as machine tools, steel castings, steel forgings, stainless steels of different qualities, tool and alloy steels of selected qualities, printing and textile machinery, material handling equipment, ball and roller bearings, compressors, blowers, furnaces, foundry equipment, wood working machinery, industrial process control instruments, optical instruments, electro-magnets for lifting purposes and so on.

The Advisory Committee of Technical Experts included several senior officers of the Technical Development Directorate of the Central Ministry of Economic and Defence Co-ordination, as well as top executives of industries in India. The chairman of the Committee was Dr. A. Nagaraja Rao of the Heavy Engineering Corporation, Ranchi.

The Centre would release the findings and recommendations of the sub-committees as soon as they are finalised after discussion with the Government of India.

INDUSTRIAL UNITS

Fair Price Shops

The first meeting of the Standing Committee on Industrial Truce Resolution was held here under the chairmanship of Mr. Gulzarilal Nanda, Central Minister of Labour, Employment and Planning. Addressing the meeting, Mr. Nanda said that efforts would be made to set up about 1,500 fair price shops in all industrial units where more than 300 workers were employed. This would be done within about four weeks. The fair price shops would be eventually converted into industrial workers' stores. The representatives of employers agreed that these would be financed by employers. The meeting felt that this step would go a long way in holding the price line.

The Minister informed the committee that about 500 co-operative

stores had either been set up or were in the process of being set up exclusively for the benefit of industrial workers. Efforts would be made to ensure that construction workers also benefited from these. He also indicated that firm deterrent action would be taken against the profiteers under the Defence of India Rules. The meeting recommended that *ad hoc* State-level tripartite bodies should be set up in all States with the respective State Labour Ministers as the chairmen, on the lines of the Central Standing Committee on Industrial Truce Resolution.

The committee considered the constitution of tripartite arbitration councils at the Centre and State level to promote and propagate the principle of voluntary arbitration for the settlement of industrial disputes The main function of such councils would be to review periodically the extent of acceptance of voluntary arbitration by employers and workers. The committee decided to consider this matter further at its next meeting.

COMPANY LAW

Payments to Directors

According to a Press note, some cases have come to the notice of the Department of Company Law Administration where public limited companies have allowed certain monetary benefits purporting to be for past services rendered, such as gratuity, salary in lieu of leave, etcetera, to their retired managing or wholetime directors or managers, which they were not apparently entitled to receive according to their service contracts. The Department is of the view that such payments are not in conformity with the provisions of the Companies Act. If any public company or a private company, which is the subsidiary of a public company, proposes to make such payments, it would be well advised to seek the prior approval of the Central Government as if these payments amounted to an increase in the remuneration of the directors under Section 310 of the Companies Act, 1956.

AID PROJECTS

Checks on Results

According to an advice received here from West Germany, members of Parliament of industrial nations are pressing their Governments to demonstrate the success of development aid projects to taxpayers. West Germany has already introduced a system of checks of the success or failure of foreign aid projects. Government officials who are also development aid experts are making on-the-spot checks of the economic, social and technical success of individual projects. They have also to report to the Government if something has gone wrong and what problems have to be considered in future planning.

Mr. Walter Scheel, West German Minister for Economic Co-operation, has already discussed the problem with his U.S., French and British colleagues. Mr. Robert Carr, the U.K. Secretary for Technical Co-operation, who recently spent two days in Bonn, showed special interest in the German system of foreign aid checks. Britain, too, intends to use the results of such checks in future planning.

TELECOMMUNICATIONS

Allocations under Plans

The unrealistic approach of the Planning Commission to the development of tele-communication facilities is evident from the plan allocations. The first plan provided Rs. 40 crores, the second plan Rs. 53 crores and the third Rs. 63.5 crores for this purpose. Due to the rise in prices over the period, the allocations should be regarded as the same for the three plans. Against this, the trunk telephone traffic has been increasing by 2 percent a year and has been doubling itself in every three years. In local excanges, there is a growing waiting list.

TELEPRINTERS

Raising Factory Capacity

The Government has decided to double the capacity of its teleprinter factory from 1,200 pieces a year to 2,500 pieces a year. Meanwhile, Telex services are catching up. There are already over 600 on the waiting list in Delhi, Bombay and Calcutta. The number of units used a day are over 80.

COTTON TEXTILES

Talks on Dumping

The annual industry-to-industry negotiations of the cotton textile industry are due to commence in London in the middle of September. Mr. N. Wadia will lead the Indian delegation. The negotiations will largely relate to the "dumping" of certain categories of textiles, as alleged by Lancashire. From India's point of view, the "price war" has reduced the foreign excrange earnings from cotton piecegoods.

HEAVY DUTY VEHICLES

Demand Estimated

The Development Wing of the Central Ministry of Economic and Defence Co-ordination has placed the demand for heavy duty vehicles at 2,700 a year. Ashok Leyland is being permitted to raise its output to 2,000 vehicles a year.

BELGIUM

Plans for Using Credit

Belgian credit, it is expected, will be used in purchasing electric locomotives and three ships of 10,000 tons' capacity. The ships have been ordered by a private sector company. British shipping firms, it is reported, have also offered to supply ships to India on the usual long-term credit terms.

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PLANS FOR TRADE EXPANSION IN COMMONWEALTH

(FROM OUR LONDON CORRESPONDENT)

THE pattern of the Commonwealth is one of growth; growth in population and potential growth in standards of living. In the long run, the developing countries, with their vast populations, offer great scope and encouraging prospects for mutual trade expansion—prospects which will continue to improve as they move up the economic scale and the steady growth of their purchasing power gathers momentum. The very breadth of the gap between living standards in developed and developing countries is the measure of their market potential. One means of aiding this movement is for there to be frequent meetings between Commonwealth peoples at all levels. It is particularly important that business men from all parts of the Commonwealth should meet from time to time to discuss their problems and to refresh the ties of friendship.

Two bodies which hold these views, the Federation of Commonwealth Chambers of Commerce and the Royal Commonwealth Society, propose to work closely together within their powers to further trade links, and as a first step, they have worked out an agreement for joint membership. Since the joint membership scheme was launched, industrial firms trading with the Commonwealth have been invited to pay £100 a year subscription (for five years in the first instance) to join both the Federation and the Society. More than 40 firms have joined so far.

The sponsors of the association between the Federation and the Society hope to raise an additional £100,000 a year to finance economic research projects, commercial centres in Commonwealth countries, and the encouragement of conferences and personal contacts at all levels. "The interest which has been shown in the scheme has been very great," said Mr. Walter Drysdale, director of the Trade and Industry Committee of the Royal Commonwealth Society. "And it has not merely been confined to the City. Many industrial firms from the North and Midlands have agreed to come in on this."

There are certain things that cannot be done either by Governments for political reasons or by individual firms or organisations. Many of the functions of the Federation and the Royal Commonwealth Society fill this gap. Commonwealth business men should meet and discuss their mutual problems frequently. U.K. and Canadian business men have done so regularly for years. The Federation, in its new constitution, provides for representative committees in all Commonwealth countries to foster such bilateral discussions in which associate members will be invited to co-operate. Every two years, a major Congress is held by the Federation in the Commonwealth. The last was in London in May 1962. The next one will be in Trinidad in 1964.

The Federation has a worldwide network of chambers of commerce embracing in their membership all forms of business activity. An imaginative plan for the promotion of Commonwealth trade and investment can do much through this network to keep the Commonwealth a living force. Trade promotion will take many forms; following up proposals initiated by bilateral discussions; organising "Buy Commonwealth" campaigns; providing an advisory service on trade fairs and exhibitions; interchanging trade missions. The Federation's headquarters in London will provide a clearing house for information and investment opportunities for the benefit of members.

Research into Trade

Regular intra-Commonwealth representative committee discussions and specific business problems will call for research. This will be conducted by the Federation and the results will be available to members. Commercial education has always played a significant part in the Federation's work, while the Royal Commonwealth Society plays an important rôle in providing general education on Commonwealth affairs. The present need of the developing countries for technical and commercial training to provide skilled personnel for their expanding economies presents a special problem which the Federation, through its network of business and professional contacts, is well qualified to meet. The benefits of participation in this type of assistance are immediately apparent. The Federation can act as a co-ordinating organisation in promoting training facilities and this side of its work is being expanded as a service to developing countries, complementary to the assistance given by Commonwealth Governments.

The Federation is also engaged in the development of a scheme to provide certificates, recognised throughout the Commonwealth, of proficiency in commercial subjects. Every month a conference is held at the Royal Commonwealth Society headquarters. At these conferences, overseas representatives give up-to-date political and economic appraisals or the country concerned. The Federation proposes to work closely with the International Chamber of Commerce on the international plane, and will also co-operate with existing organisations for promoting international trade and assistance. The Royal Commonwealth Society has close connections with all Government departments concerned with the Commonwealth and, in particular, the High Commission offices.

The word "Commonwealth" has been repeated rather frequently in this article. No apology is offered for this. The Commonwealth, from the business standpoint, has a rewarding future. We cannot ignore the fact that the Commonwealth is a great power for good in the world, providing an example of how different races and creeds can work together for peace and the raising of standards of living. It is well to remember that the representatives sent overseas by British firms do more than sell goods. They are also ambassadors for Britain and do a great service in building respect and regard for this country.

Important Development

Since the original approach to commerce and industry to support the intensified activities of the Federation of Commonwealth Chambers of Commerce and the Royal Commonwealth Society in promoting Commonwealth trade, there has been a new and important development. The Federation of British Industries has agreed to join forces with the United Kingdom Committee of the Federation, which will be reshaped so as to link the two bodies closely and enable the Federation of British Industries to participate actively in its work. The reconstituted committee will now be the springboard from which to launch effective and co-ordinated initiative in building up Britain's trade with the Commonwealth.

The sponsors have been most encouraged by the interest shown in this venture and the support which it is receiving. However, reactions to the initial approach have disclosed a little uncertainty as to the aims of the new association. This new development emphasises that the primary purpose in seeking new financial support is to enable the Federation of Commonwealth Chambers of Commerce to play a more cogent rôle in trade promotion. The objects for which the United Kingdom Committee of the Federation needs this additional revenue are:

(a) the extension of trade promotional activities, particularly in the recently independent Commonwealth countries;

(b) the training of business personnel for the developing Commonwealth countries;

(c) specific projects in the field of economic research not covered by existing bodies;

(d) the encouragement of bilateral talks and conferences and personal contacts at all levels.

The extent to which these objects can be achieved must necessarily depend on the support which the present approach receives. An F.B.I. spokesman said: "We have been supporting the Federation in a number of ways in the past, but this closer association will enable us to support it more fully, and to take more interest in its activities". The proposed merger of the F.B.I. with other employers' organisations is not likely to have any effect on this association.

Training Overseas Officials

In a white paper of five crisply-worded pages, admirably combining brevity and enalightenment, the Department of Technical Co-operation has set out a sweeping programme for helping under-developed countries with the training of public servants. The scheme is the outcome of the Bridges report (published in March) which contained 16 specific recommendations.

The Minister in charge of the Department, Mr. Robert Carr, accepts all 16 points in principle. He reserves action pending further enquiry on some of them, but comes out strongly in favour of immediate, positive action of five of them. He proposes there should be:

(1) a "top level" British institution of public administration;

(2) a documentation centre in London;

(3) a training course in Britain for instructors from developing countries;

(4) a secondment programme for staffs of universities, government and nationalised industries here;

(5) compilation of a register of volunteers among British puolic servants willing to go overseas.

The white paper fairly radiates the determination of Mr. Carr and his Dirctor-General, Sir Andrew Cohen, together with the staff of the D.T.C. to swing into action. Phrases like "effective action" and "enthusiastic co-operation" set the pattern. Paragraph 10 contains the sentence: "This will be done"—surely a new high for directness and commitment in a Government white paper.

Referring to the report of the committee headed by Lord Bridges, and its 16 main proposals, Mr. Carr states that the British Government is "determined to give effect to them in the most practical way, with a full sense of urgency." He notes candidly, that it is not possible at this point to forecast the costs which will be involved, particularly as Whitehall must first enlist the co-operation of a host of outside bodies, beginning with local government and the universities. One specific expenditure that will have to be budgeted for is the proposal that when the D.T.C. brings over a number of civil servants to take a course in public administration, there should be a system whereby the British Government would underwrite the organising institution here against financial loss.

The white paper proposes two ways in which training might be offered to recipient countries on the spot, oy the despatch of experts from Britain. Public servants here would volunteer their names for a national register of those willing to do a tour of duty overseas; this would include experts in nationalised industry and local government. It will be British Government policy to see to it that heads of departments make such secondment feasible, and that a tour of duty is regarded as "a valuable part of a career in the public service." There is to be a preparatory course for such British instructors.

The second form of outward flow should be from the universities, it is stated. There is to be expansion of existing staffs in the field of public administration "as a matter of urgency," the cost being borne by the Exchequer, so that the universities in turn will be more readily able to offer memoers of staff on secondment to overseas governments.

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Commodity Markets

RISE EXPECTED IN RAW RUBBER OUTPUT

(FROM OUR SOUTH INDIAN CORRESPONDENT)

NATURAL rubber imports this year will be less than those of last year as domestic production has increased. The Rubber Board has recommended an import of only 20,000 tons, compared with 24,000 tons last year. The total requirement of the manufacturing industry this year is estimated at 80,000 tons including synthetic and reclaimed rubber. Home production of natural rubber will touch 35,000 tons in 1963, the Rubber Board estimates. Last year's production was to the tune of 32,000 tons. Although monsoon this year is below average and unfavourable for most tropical crops, rubber, it is said, has benefited. According to a Rubber Board estimate, a 20 percent increase in production can be expected if weather continues to be as favourable as it has been so far. The intermittent rains in the rubber growing belt of the south provide enough moisture in the soil for the rubber tree, and no tapping days have been lost as the rains have not been heavy and continuous.

With a view to helping the small growers in getting the statutory price for their rubber, the Rubber Board has decided to encourage the co-operative system of marketing. To begin with, six marketing societies will be established. The Board will provide them with a loan of Rs. 30,000 each. It is simultaneously taking measures to improve the quality of the small grower's rubber by opening smoke houses at important production centres. The Board will meet 50 percent of the cost of setting up these smoke houses, which are likely to cost Rs. 10,000 each. The first of these Rubber Board-sponsored smoke houses was formally inaugurated in Cheruvally in the Kottayam district last June. The small growers in the area can get their rubber sheets dried here. The Cheruvally smoke house is producing quality sheets. Four more smoke houses of a similar standard are being set up in other areas. The target set by the Rubber Board is 20.

The Rubber Board chairman, Dr. Rama Varma, told this correspondent that the Board had now no idea of entering the rubber market directly. Some time ago, when there was some difficulty for the small growers to sell their rubber at the statutory price, there was demand from a section of the growers that the Rubber Board should open its depôts at various production centres and purchase rubber at the controlled price. This was not acceptable for the Board in view of certain practical difficulties. The chairman and some others mentioned monopoly purchase by the Rubber Board as a more effective alternative. Ultimately, it was decided that the Board need not enter the market directly and it need only encourage co-operative marketing to help the small grower who alone had some difficulty in selling his produce. It may be recalled that the proposal to introduce the pool system of marketing or monopoly purchase by the Rubber Board met with stout opposition from the trade the manufacturers and a section of the growers. Some of these interests are even sceptical of the proposed co-operative marketing in view of the scandalous record of the co-operative movement in Kerala.

Rubber prices are falling in the world market. Singapore rates for natural rubber at present are said to be the lowest in nine years with No. 1 R.S.S. quoted below 70 Malayan cents a lb. The fall is attributed to a lessening of the political tension in the area and the larger quantities of forward deliveries offered from terminal markets. Buyers are said to be reluctant to enter the market with its weak appearance. In London, too, rubber prices have touched the lowest point for several years following the selling wave in Singapore. Despite the marking down, no selling pressure is reported.



Support for Coffee Pact

Reports from London say of growing support to the new long-term international coffee agreement. India has intimated her willingness to ratify this agreement. All coffee exporting countries have either ratified or expressed their willingness to ratify it. Most of the coffee-consuming countries, too, have extended their support to this agreement, which seeks to establish a machinery for stabilising coffee prices. Coffee, after oil, is the most important commodity in the world trade. It accounts for nearly 20 percent of the foreign exchange earnings of Latin America.

Last year, a five-year International Coffee Agreement was approved by the executive committee of the United Nations Coffee Conference. Some 54 countries have signed the agreement and 47 have ratified it or said they intended to. The agreement sets up a quota system for exports and stabilises a floor price designated at the average of prices in 1962. Delegates from more than 50 coffee exporting and consuming countries are now meeting in London, to work out permanent arrangements for running the agreement. This coffee conference which is the first of its kind, is expected to last until 24th August. Many procedural matters have to be ironed out including the appointment of the permanent staff and the executive director.

Coffee, like some other commodities, is in a big surplus position, and this has depressed prices for years. The present surplus is estimated at 73,000,000 bags of 132 lbs each. This compares with total imports of last year amounting to 46,750,000 bags, of which the United States took more than half. Prices last year averaged the lowest since 1949. For a key grade, Brazil Santos 4, the average New York spot price was 3.96 cents a lb. In 1954, when weather conditions drastically curbed production, the price averaged 74.71 cents a lb. In 1954, the average retail price in the United States was $1.11 a lb. By 1962, this had slipped to 63.9 cents a lb.

North Indian Tea Crop still Running Low

(BY A SPECIAL CORRESPONDENT)

THE latest figures for north India show that 195.372 million lbs have been produced up to end of July, compared with 205.6 million lbs on the same date last year. If weather favours growth, August and September may see a record output, but it seems unlikely that the 1962 crop figure will be exceeded. The last year's total crop was 261 million kilograms, compared with 1961's 272.2 million kilograms. North India looks unlikely to show progress as planned from 1961 to 1963, but favourable conditions may yet cause surprising results if the ground work has been completed. The authorities, it is said, are somewhat distressed that the tea crop figures so far remain disappointing.

Tea sold in Calcutta up to 30th July, 1963, was 10.526 million kilograms at the rate of Rs. 6.36 a kilogram, compared with 11.520 million kilograms at the rate of Rs. 5.99 a kilogram on the same date last year. Assam teas have fetched Rs. 7.06 a kilogram, against Rs. 6.58 a kilogram last year. Darjeelings have secured Rs. 8.37 a kilogram, against Rs. 8.25 a kilogram. Cachars have been better by 58nP compared with the rate at the corresponding period last year. Dusts have fetched Rs. 5.20 a kilogram, against Rs. 4.86 a kilogram last year.

Weather reports for July show that conditions in upper Assam are about normal, and useful rain has fallen. Weather in lower Assam is also favourable, but in the central area, it was abnormally wet and outturn much below normal. In north Cachar, it was wet and cold, but south Cachar had a good month and in central Dooars, rainfall is below normal. In eastern Dooars, output was about normal, but in the western section, wet and cold conditions restricted manufacture. Conditions in Darjeeling were wet with results about normal, but Terai reports a fall in production.

There was no auction in London on 5th August due to August bank holiday. Stocks in the U.K. warehouses as on 8th August were given as 133.3 million lbs, much the same as the week before. Deliveries were 8.4 million lbs, with landings only 6.2 million lbs. About 31 million lbs were reported afloat, of which only 9.3 million lbs was from Calcutta and practically nil from Pakistan.

Ceylon's Finance Minister, it is reported, has threatened to nationalise British owned tea estates, if Britain refuses to buy Ceylon tea. There seems to be some misunderstanding here. At the beginning of this century, this correspondent was expecting Ceylon tea imports to the U.K. in sundry London warehouses, and as it has recently been noted in these columns, Ceylon is making inroads into what was once almost a monopoly market for Indian teas. The threat to ship more to Russia and other communist countries will depend on price. One would have supposed that Ceylon would gain more from continuing amicable trade relations with Britain and one must wait and hope for sound judgment.

Australia is going ahead with its experimental tea production, and a small invoice has been shipped to London for sale. Experimental developments are taking place on the highlands of Papua. It is not expected that any serious increase to the world's supply will come from these areas and one must await further news as to quality. The teas were grown at an elevation round 2,500 feet to 2,000 feet, but climatic conditions are, it is thought, congenial up to about 6,000 feet. Plucking costs are reported to be high, so unless quality can be manufactured, world producers will not need to worry about overproduction from this part of the world.

The Central Ministry of Food and Agriculture today appears to be faced with the difficult question of whether to concentrate on making the rich districts much richer or to expend its resources on the large number of areas relatively less developed, and be satisfied with limited gains. After much hard thinking, expert opinion in the Ministry has lately been veering round to the view that if agriculture is to be pulled out of its present morass, efforts must be concentrated on the highly productive part of the country, roughly one-fourth of the total area, even if it entails a certain amount of neglect of the rest of it.

The experts' opinon is based on the hard fact that 80 out of 325 districts in India yield 75 percent of the country's total agricultural produce. It is these districts which are most responsive to improved methods of cultivation, and it is here, and not in the low production areas, that plans for doubling and trebling farm output must be applied.

Jute

EXCISE DUTY PROCEDURE PROVES TROUBLESOME

JUTE mills and shippers have been experiencing numerous difficulties over the collection and refund of the excise duty on jute goods. Since the introduction of the duty more than a year ago, many problems have arisen. Mills are facing difficulty in clearing non-hessian manufactures such as jute carpets, matting and webbing, yarn, twine or twist and jute felt reinforced with scrim, unless a higher rate of duty is paid. Mills say that they do not yet know the precise basis on which the duty is charged on these products.

Excise duty is also levied on selvedge yarn, paper cores and polythene sheets which are used in the production of some special purpose jute goods. It is claimed that these raw materials should be exempted from the impost since duty is paid on the weight of the finished product. Mills have also complained against the inequitable manner in which duty is levied on rot-proof, laminated and other processed products on the basis of the weight of the finished goods irrespective of their jute-content. It is contended that this practice places mills which have their own processing arrangements at a disadvantage in comparison with small unlicensed factories which procure jute goods from the market or from mills for processing in their establishments. So it has been suggested that duty should be levied on the jute-cloth content and not on the entire finished product.

Delay in Clearance from Bond

Due to the delays in issuing orders for clearance by the excise department, goods for export or for internal consumption are not promptly cleared. Any delay in the shipment of goods for due date steamers exposes them to the risk of being shut out from the vessels, and causes embarrassment to overseas customers. The I.J.M.A., it is understood, has urged the excise authorities to arrange for quick clearance of such goods from bond.

The present formalities relating to the export of samples are considered unsatisfactory. Permission to send such samples is given only after proving that the export has been made. Sometimes mills send the samples to shippers in India who transmit them to prospective foreign buyers. The samples thus despatched within India are not exempted from excise duty. It has been suggested that mills should be allowed to despatch samples of jute goods free of duty to shippers within and outside India on receiving merely an intimation that they are being exported.

The prevalent practice of recrediting the exporter's bond account once the goods are released and releasing the bond when it has expired creates difficulties for shippers. Long delays occur in complying with the complicated procedure. Meanwhile, the shipper has to keep paying commission at 1 percent a year on the amount of the bond countersigned by the bank. This means that the shipper, instead of paying bank commission on the value of the original bond, has to pay commission on that bond, and also on the second and subsequent bonds, until such time as they are released by the excise authorities. The Calcutta Jute Fabrics Shippers Association has suggested adopting the formalities in vogue in Bombay, according to which a bank guarantee for only a quarter of the face value of the bond concerning excisable commodities is accepted by the excise authorities. Separate representations, it is reported, have been made by the I.J.M.A. and the Calcutta Jute Fabrics Shippers Association to remove these difficulties.

Relieving Port Congestion

Gunny circles are concerned over the continued congestion in Calcutta port. The I.J.M.A. and the Calcutta Jute Fabrics Shippers Association have taken up the matter with the shipping conference and associations of overseas buyers. The shipping lines had suggested that cargoes should be registered with two steamers outside the docks on an experimental basis. But the C.J.F.S.A. maintained that the proposed system could give rise to even greater delays in that the lighters would still have to enter the docks after they had been registered, thus reducing the time available to the steamer for loading. It has written to the associations of overseas buyers to ascertain whether or not they would be willing to accept such registration at points to be nominated by the Commissioners for the Port of Calcutta as performance of the contract for two vessels on an experimental basis and whether they would agree to an amendment of the terms of the contract accordingly.

A second suggestion indicates that shippers in Calcutta should receive shipping instructions against end-month contracts from overseas buyers by the 15th of the month and for mid-month contracts by the end of the previous month. The C.J.F.S.A. has suggested a period of 12 clear working days between the receipt of instructions and the actual shipment of goods. The acceptance of this arrangement will relieve shippers and overseas buyers of a lot of inconvenience. As for Government cargo, the C.J.F.S.A. has requested the Director-General of Supplies and Disposals to agree to their movement by mid-month vessels. It has also suggested to the Bank line that the Argentine loader should be berthed during the mid-month.

Rise in Gunny Stocks

A sharp rise in gunny stocks from 96,200 tonnes at the end of June to 104,000 tonnes at the end of July is reported in a statement issued by the I.J.M.A. Last year also the stocks at the end of July rose to 86,300 tonnes from 80,300 tonnes at the end of June. The statement shows that hessian stocks have increased by only 100 tonnes to 32,500 tonnes, while sacking has risen by 5,700 tonnes to 52,900 tonnes and miscellaneous goods by 2,000 tonnes to 18,600 tonnes. At the end of July 1962, hessian stocks were much lower at 26,100 tonnes, sacking at 46,100 tonnes and others at 14,100 tonnes.

The increase reflects a lower offtake of jute goods during July which is considered a lean month. So the higher carryover did not have any bearish effect on prices. Sentiment was stimulated by the brisk demand for sacking and the hope that the U.S.A. would soon enter the market to replenish its hessian inventories.

Pakistan Eliminates Indian Traders

Indian traders seem to have been eliminated from Pakistan's internal jute trade. The licences of about 300 Indian traders have not been renewed this year by the Pakistan Jute Board. It is intended to replace them with Pakistanis. Addressing a Press conference in Narayanganj over the week-end, the vice-chairman of the Pakistan Jute Board said that about 40 percent of the country's jute export trade was still handled by Indian shippers. He said that about 600,000 bales of jute was smuggled to India. A high-powered committee has been set up to suggest measures to stop smuggling.

The Jute Board official stated that the market was dull at present because of the lack of foreign interest, which he attributed to the closure of the Dundee market for about a fortnight. Fibre stocks had accumulated with manufacturers. He expected the situation to improve by November. Pakistan's new jute policy, according to him, is aimed at ending the concentration of jute business in the hands of a few individuals and at helping small shippers to get a bigger share of the export trade. Under the policy, 19 big shippers have been allotted an export quota of 1.8 million bales for the next six months. If their purchases are bigger, they will be allotted extra quotas.

With about 1.41 million acres under jute, Pakistan's crop prospects are bright this season. Last year India imported about 200,000 bales of better quality fibre. If smuggling was stopped, the official said, India would have to import more from Pakistan. Speaking in Dacca, Mr. Waheeduzzaman, Pakistan's Commerce Minister, said that he proposed further to restrict jute cultivation during the next season in order to stabilise prices. According to him, effective steps have been taken to ensure a reasonable price to growers and the present position is quite comfortable.

THE JUTE MARKETS

Manufactured Goods: Buoyant conditions prevailed in the gunny market during the past week despite a sharp increase in the closing stocks at the end of July. Little fresh overseas booking for jute goods was intimated from the freight market. New business done during the period included a woolpack deal with Australia for November-December delivery, a Government tender for 2,000 bales of B Twills for ready and near positions and scattered U.S. business in hessian. Sentiment was stimulated by brisk covering by shorts and shippers against the large deal with Cuba for August-December positions and a spillover order for about 15,000 bales of cornsacks from Australia for August-September delivery. August shipments include

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about 15,000 bales for Cuba alone. Representatives of Polcargo, who carry out inspections on behalf of Cubatex, were in Calcutta. The group of mills entrusted with this order were busy turning out only heavy Cees. From the position of bookings, trade circles feared a shortage of B Twills at the end of August and September and the trend was expected to be firm. The U.S.A., the U.K. and the Continent were virtually out of the market. Barring scattered business in hessian, of a covering nature from the U.S.A., the higher levels discouraged buyers. But sentiment did not sag because of anticipation that despite the prevailing levels, overseas buyers would soon enter the market to replenish their stocks. Firmer fibre rates were yet another pointer that gunny prices might rise. As for the outlook, operators said that Pakistan being sold to capacity, a substantial number of overseas tenders now being negotiated were likely to come to India. They included fresh orders for cornsacks and woolpacks for August 1963 to March 1964 shipment to Australia, about 11,000 bales of grain sacks and 9,000 bales of cotton packs for Port Sudan, a tender for 10,000 bales of heavy Cees for Cambodia on a barter basis and some B Twills for October-November delivery for Egypt. Besides, an Indian Government tender for 10 000 bales of B Twills for August was also in the offing. In the futures market, sentiment continued firm in sacking due to brisk covering, punctuated by realising on a large scale at higher levels. Hessian ruled about steady in sympathy with the trend in heavy goods. Sacking spot and futures closed with a comfortable margin after wide fluctuations. Hessian was marked just a shade higher after minor price variations.

Wednesday's quotations were as follows:

	Aug	Sept.	Oct.-Dec.	Jan.-Mar.	Apr.-June
40in. 7½oz.	36.50	36.40	35.90	35.35	34.90
40in. 8oz.	39.:0	—	—	—	—
40in. 10oz.	48.95	48.80	48.25	47.25	46.75
B Twills	115.30	114.85	114.25	113.60	113.10
Cornsacks	118.45	118.00	117.00	116.35	116.00
Heavy Cees (Plain)	114.00	114.25	114.00	113.50	113.10
A Twills	136.00	137.00	137.50	137.00	136.00
Liverpools	127.00	127.50	128.00	127.50	127.00

Raw Jute: A steady trend prevailed in the raw jute market in Calcutta and the agency stations during the past week following brisk buying by mills and mill agents against the August quota of 650,000 bales. Transactions took place mainly in selected grades for all positions at hardening prices. By midweek prices firmed up to the official floor level in Bottoms grade, where they hovered till the close. Better fibre was in good demand even at a premium. The State Trading Corporation and the jute co-operatives were out of the market. In the upcountry markets, daily average arrivals increased to around 60,000 maunds and the offtake to about 50,000 maunds. Arrivals may increase when the rural roads, now covered with slime, become cartable in about a fortnight. Harvesting in the low-lying, early-sown areas was completed. Farmers were in great need of money for transplanting paddy seedlings. But in view of the brisk offtake, there was no evidence of selling pressure. No difficulty was experienced in moving fibre from the agency stations to the Cossipore market. About 400 wagons, mostly containing selected grade new crop fibre, arrived in Cossipore during the week. The offtake was more than 350 wagons. Enough storage facilities were available in the area.

Wednesday's quotations were as follows:

	Landed at Mills (Basis Bottoms) Current Prices Rs. A Qtl.	Rs. A Md.	T.S.D. Minimum Prices Rs. A Qtl.	Rs. A Md.
Assam-Agartala Jute	80.38	30.00	80.38	30.00
Northern Jute	79.04	29.50	79.04	29.50
Western Desal Jute	73.68	27.50	73.68	27.50
Selected Daissee	88.41	33.00	85.74	32.00
Assam-Agartala Tossa	85.74	32.00	83.05	31.00
Mesta:				
Assam-Northern	72.34	27.00	72.34	27.00
Local Daissee	72.34	27.00	72.34	27.00
Bihar Dist.	65.64	24.50	66.98	25.00

I.J.M.A. PRODUCTION FIGURES FOR JULY

The Indian Jute Mills Association reports the production of jute goods in July as follows:

Description	Quantity
1. Gunny Bags	
(a) Hessian	
8,126 tonnes	(7,998 tons)
2,42,02 thousand metres	(2,64.7 lakh yds.)
1,86.7 lakh nos.	
(b) Sacking	
41,804 tonnes	(41,143 tons)
8,93,60 thousand metres	(9,79.4 lakh yds.)
4,36.3 lakh nos.	
2. Gunny Cloth	
(a) Hessian	
37,656 tonnes	(37,061 tons)
12,78.42 thousand metres	(13,96.1 lakh yds.)
(b) Sacking	
1,219 tonnes	(1,200 tons)
27,12 thousand metres	(29.6 lakh yds.)
3. Other Manufactures	
20,140 tonnes	(19,822 tons)
4. Total Production	
(All kinds)	
1,48,945 tonnes	(1,07,224 tons)

Summary

	(000 metres and (0,000 yds.) July '63	June '63	July '62
Hessian	15,20.44 (16,63)	13,70.72 (14,99)	13,45.19 (14,71)
Sacking	9,22,72 (10,09)	8,67.22 (9,48)	10,26.08 (11,22)
	(000 tonnes and tons)		
	July '63	June '63	July '62
Hessian	45.8 (45,1)	41.5 (40,9)	41.2 (40,5)
Sacking	43.0 (42,3)	40.0 (39,3)	47.7 (47,0)
Others	20.1 (19,8)	18.8 (18,5)	14.6 (14,3)
Grand Total	1,08.9 (1,07.2)	1,00.3 (98,7)	1,03.5 (1,01.8)
Hours Worked	216.0	192.0	208.0

N.B.—These statistics are based on replies received and represent all members of the Association and Gagalbhai with estimates for two non-member mills. The figures in brackets are in British units.

THE U.K. JUTE MARKETS

FIBRE REMAINS WEAK

(FROM OUR DUNDEE CORRESPONDENT)

DURING the past three weeks, various alterations were made in the Pakistani raw jute prices. The minimum export prices of most grades were raised by £1 to £2 a ton, and shippers were put on a quota system. As from 1st August, freight rates between Pakistan and the U.K.-Continent were raised by 12½ percent, which is equal to an increase of £1 6s 9d a ton. However, this has made very little difference to the U.K. market, and sellers are still offering at well under Pakistani minimum export price levels.

Both buyers and sellers realise that a large crop of jute has to be marketed, and no matter what regulations the authorities bring into force, the law of supply and demand will have the last say. Some shippers are asking the official prices, and this is making the position here very irregular and a wide range of prices is quoted. However, the lowest quoted rates are not attracting spinners to any extent, and the business passing in raw jute for this time of year is very small. Most spinners are only securing their essential requirements and refuse to add to their stocks at present, because it is felt there is more chance of a price fall than a rise.

The lowest offers are at £122 10s for Mill Firsts, at £107 for Mill Lightnings, at £92 for Mill Hearts and at £78 10s for Grade Hearts, c.i.f. U.K., for August-September shipment. Grade Tossa-2/3 is available at £166 10s and Grade Tossa-4 at £105 10s. Outport Tossa-2/3 ranges from £95 10s and Outport Tossa-4 from £85 10s, September-October. Cuttings are steady at £56 for S.N.C. and at £47 for N.C. The Siam jute market has been quiet, but shippers are refusing to accept less than their quoted rates. Business in this type of fibre is limited. Grade A is named at £70 10s and grade B at £66 10s, delivered mill Dundee for November-December shipment

The Calcutta goods market became easier last week, after the recent firmer position. There was not much buying interest shown here at present and the position was quiet. Quotations were at 73s for 40in. 10oz. and at 54s 6d for 7½oz. a 100 yards f.o.b. Calcutta for August shipment, at 72s 9d and 54s 3d September and at 72s and 53s 6d October-December. B Twills were at 171s 6d for all shipment periods.

No final decision has been announced concerning the future of the mark-up on imported jute goods into the U.K., but it now appears that the new policy which has been decided at Cabinet level will be more favourable to the Dundee jute industry than was at first expected. Until full details are known, a certain amount of anxiety will exist in the trade.

THE PAKISTANI JUTE MARKETS

FIBRE OFFERED AT HEAVY DISCOUNTS

(FROM OUR DACCA CORRESPONDENT)

DURING the second fortnight of July, overseas buyers purchased 125,669 bales. The U.K. was the largest with 32,549 bales. Japan, always a cheap buyer, bought 11,604 bales. Spain bought 10,920 bales and Portugal 10,728 bales. The U.S.A. bought 9,825 bales which was mostly cuttings as was Argentina's purchase of 3,860 bales. France bought 8,075 bales and West Germany 6,452 bales. Belgium bought 6,425 bales and Holland 4,810 bales. The total figure is fairly large, but it would appear that this is deceptive. Reports indicate that most of the U.K.'s purchases are merely registrations of much earlier sales, and the figures for West Germany and Belgium represent the rate of buying more accurately.

Probably because of lack of interest overseas and fairly cheap prices here, sellers in Pakistan were reported to be offering at very heavily discounted prices. Export Lightnings were quoted at £77 f.o.b. sight. In the local market, there was some activity in cuttings, but very little else. As far as balers are concerned, the new quota system has not had any appreciable effect, and, in fact, in those areas, where one or two balers are buying freely, the reaction is one of surprise.

On the other hand, the authorities have asked the mills to support the market by maintaining a stock of 50 bales a loom throughout the season. This works out to approximately three months' stocks, and although mills do not always carry such heavy stocks, it will be no hardship for them to do so in the present weak market.

The loose jute market was rather confused. The absence of the non-Pakistani dealers has created rather distress conditions in the growing areas, but in the baling centres, this resulted in a shortage of imports which hardened prices somewhat. In other areas near the border, prices were stronger than they should be presumably because of smuggling. Generally, however, the loose jute sector was weak for want of buyers, but the growers appeared to have some holding power since imports from time to time fall off. One must assume that overseas buyers are slowly using up their stocks, and will have to show some interest sooner or later.

Although the condition of the crop gives no cause for complaint, the quality in most areas has been disappointing, and shows no signs of improvement. Shortly, the tossa crop may arrive.

I.J.M.A. STOCK FIGURES FOR JULY

The Indian Jute Mills Association reports the total stocks of jute goods at the end of July 1963 as follows:

Description	31st July, 1963 000 Metres (Lakh Yds.)	000 Metric Tons (000 Tons)	30th June, 1963 000 Metres (Lakh Yds.)	000 Metric Tons (000 Tons)	Increase over (+) or decrease from (—) last month 000 Metres (Lakh Yds.)	000 Metric Tons (000 Tons)	31st July, 1962 000 Metres (Lakh Yds.)	000 Metric Tons (000 Tons)
Hessian cloth and bag	10,51.76 (11.50)	32.5 (32.0)	10,31.73 (11.28)	32.4 (31.8)	+20.03 (+22)	+0.1 (+0.2)	8,37.23 (9.16)	26.1 (25.7)
Sacking cloth and bag	11,66.72 (12.76)	52.9 (52.1)	10,36.10 (11.33)	47.2 (46.5)	+1,30.62 (+1,43)	+5.7 (+5.6)	10,01.16 (10.95)	46.1 (45.3)
Others		18.6 (18.3)		16.6 (16.4)		+2.0 (+1.9)		14.1 (13.9)
Grand Total		1,04.0		96.2		+7.8		86.3
(000 Metric Tons/Tons)		(1,02.4)		(94.7)		(+7.7)		(84.9)

N.B.—These figures are based on replies received and represent all members of the Association and Gagalbhai with estimates for two non-member mills. The figures in brackets are in British measures.

Books

ECONOMICS OF SUGAR INDUSTRY

Marketing in an Underdeveloped Economy—the North Indian Sugar Industry. By Leon V. Hirsch. (Published by Prentice Hall Inc., Englewood, Cliffs, N.J., U.S.A. Pages 392.)

As a Ford Foundation scholar, Mr. Hirsch visited India to study and investigate the problems connected with the marketing of industrial products and concentrated his attention on the sugar industry. He visited different sugar mills in north India, and held discussions with millowners, leading wholesale dealers and retailers to find out details for his thesis.

The protection afforded by Indian Tariff Board in the 'thirties gave inducement to the expansion of the industry and the total consumption of sugar since then has shown a continuous rise, although with every upward fluctuation in price, there is a definite shift in consumers' preference for the less expensive *khandsari* and *gur*. The consumption of sugar in 1958-59 amounted to 2.1 million tons and the corresponding figures for *gur* and *khandsari* were 2.9 million tons and 300,000 tons. *Per capita* consumption of sugar doubled between 1933-34 and 1957-58, but it is still one of the lowest in the world.

The author maintains that contrary to general public opinion, which is misled by the price of sugar in export trade where it is frequently subsidised, the internal price of sugar in India is reasonable when compared with other domestic prices in the world. The sucrose content of the cane grown in this country is, however, very low, but the recovery rate of Indian sugar mills (80.4 percent in 1951) compares favourably with other countries.

A close study of production, price and Government interference in the postwar years shows that the industry is markedly responsive to economic stimuli (such as subsidy, reduction in excise duties or partial decontrol of prices). Complete price control, which restricts the profit margin immediately, leads to a reduction in output and a switchover to the production of *gur* or indigenous sugar which is usually left unaffected by State interference. A correct policy should suggest the regulation of price by building up a buffer stock and by curtailing speculative hoarding (through credit restrictions, etcetera), but sufficient incentive should be given to the producers to increase output.

The relationship between sugar mills and the selling agents and the activities of the sugar brokers have been discussed with factual evidence. The author has presented the subject lucidly The book rarely introduces economic jargon, and makes pleasant reading.

THE COMMUNIST ECONOMY

Communist Economy under Change. (Published for the Institute of Economic Affairs by Andre Deutsche Ltd. 105 Great Russell Street London W.C.1. Price 25s, pages 272).

This is a timely publication on the working of the socialist system in Russia, Poland and Yugoslavia. Dr. Margaret Miller who is an authority on the Russian economy, shows how the shadow of private enterprise prevails under Soviet centralised planning. An unofficial network of inter-enterprise relationship has been evolved by managers of individual plants with a view to assisting each other through personal influences. Such unofficial method of obtaining supply is often frowned upon and sometimes penalised, but it has not been possible to eradicate it altogether. It is strange but true that a considerable proportion of the supply of food and vegetables is still maintained by the private sector in Russia.

Russian economists like Professor Liberman of Kharkov University have criticised the undue emphasis given by Soviet planners on quantitative targets. They have stressed the need for measures to restore flexibility and individual incentive in the economy. The new regime has accepted these proposals to some extent.

In her article, Miss Piotrowicz shows how the imposition of the Russian type of centralised planning in Poland caused hardship, and distorted production and supply, and in Yugoslavia, the Russian system failed to work. Both countries later adopted varying degrees of decentralisation and abandoned attempts at forced collectivisation. In Yugoslavia, a decentralised socialist economy enjoys the official support of the Government. In Poland, however, a pragmatic approach has replaced dogmatism, and collectivisation, etcetera, are regarded as ultimate aims to be gradually realised in the long run. The book ends with an essay by Henry Smith on the deficiencies of the Marxist theory.

SMALL INDUSTRIES

Small Scale Industries of Mysore. (Published by the National Council of Applied Economic Research, New Delhi. Pages 215; price Rs. 12.50.)

The book embodies the report of the study conducted by the National Council of Applied Economic Research at the instance of the Government of Mysore on the small industries in the State. A mass of statistical data has been collected and analysed, and there are several tables and charts giving useful information. The book also gives valuable guidance. But one is struck by the lack of specialist approach to several problems facing small industries in Mysore and many things it says are rather commonplace. As for developing these industries, the study recommends an investment of Rs. 10.47 crores for the period 1961-71, which, according to its calculations, will result in an appreciable increase in employment opportunities. The study tends to get far too academic and is, therefore, of little practical value when it suggests production norms for various industries. For example, it is said that a unit producing screws should make at least 50.000 pieces a year for its operations to be economic. But the market for screws in the State is unlikely to absorb

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U. N. STATISTICAL GUIDE

Statistical Yearbook, 1962. (Compiled by the Statistical Office of the United Nations and published by the United Nations, New York, U.S.A. Price $(U.S.) 10, pages 687.)

The *Statistical Yearbook* compiled by the United Nations enjoys an old reputation as an excellent work of reference. The latest edition incorporates many changes and improvements which greatly increase its value. The tables on balance of payments have been revised completely. Furthermore, those on private consumption expenditure and gross domestic capital formation have been replaced by new ones on expenditure of gross national product and the distribution of national income. It is the aim of the *Yearbook* tables, the compilers say, to present for various countries time series which are as nearly comparable internationally as the available statistics permit. Any lack of comparability in the data is indicated in notes appended to various sections. Over 160 countries or territories submitted statistics on the various sectors of their economies, such as on agriculture, forestry, mining and quarrying and industry. Much of these data have been intelligently processed and presented in tabular form. With the co-operation of various Governments, the statistical coverage of the *Yearbook* has been improved and its territorial scope widened.

SUGAR ANNUAL

Indian Sugar Annual Number 1963. Edited by J. S. Mehta. (Published by the Indian Sugar Mills Association, Calcutta. Price Rs. 3, pages 192.)

The *Indian Sugar Annual*, published on behalf of the Indian Sugar Mills Association, provides much authentic data and information relating to this important industry. Several contributions deal with the problems of cane development and the technological aspects of sugar production. The usual statistical section provides data relating to the production, consumption and export of sugar in India and abroad. The first article, which is adapted from the presidential address of Mr. M. N. Pittle at the last annual general meeting of the Indian Sugar Mills Association, makes the extraordinary point that popular impression to the contrary notwithstanding, India is one of the cheapest sugar producers in the world. The impression that Indian sugar is costly, he explains, results from the fact that the country's sugar exports have to be subsidised. This is not due to the high cost of Indian sugar, but because of the extremely low prices which prevail in the world's free markets. Most countries exporting sugar have to do the same, and Mr. Pittie furnishes some statistical information in support of his case.

ECONOMIC WEEKLY

The Economic Weekly Special Number. Edited by Sachin Chaudhuri. (Published by Asian New Age Publishers, Bombay. Price Rs. 3, pages 210.)

This special number, which conforms to the usual high standards of the *Economic Weekly*, aims at focussing public attention on the failure of the third five year plan now half way through its course. The first article points out the numerous structural defects in the plan which would have made a reordering of the priorities and programmes necessary anyhow; the conditions of the emergency following the Chinese attack last October have now made it inevitable. Yet defence and development have to proceed hand in hand if the country's inner strength is to be preserved, without which no defence effort will be really effective. There are several articles on other aspects of development also—on the rôle of incentives in industrialisation, the rate of saving in India, the production of nuclear power, and strategic shortfalls in industry. Some contributions discuss foreign trade strategy in the take-off period, rupee payment arrangements and the lack of a proper plan for promoting cotton textile exports.

A whole section is devoted to the political setting in which the Government is compelled to make many conflicting decisions on political and economic matters, and the test to which the democratic principle of civilian control over the armed forces has been put. A contributor interestingly narrates the manner in which India's external relations are being carried on, and explains the reason why India is not popular with some of her neighbours despite all the good intentions of her neutralist foreign policy. Good fare on the whole for the students of Indian affairs.

INCOME DIFFERENCES

Inter-District and Inter-State Income Differentials—1955-1956 (Occasional papers No. 6) (Published by the National Council of Applied Economic Research, New Delhi. Pages 33, price Rs. 3.)

The object of this paper is to present the findings emerging out of the study of district incomes for the year 1955-56. The main discovery is that there is considerable inequality in income distribution by districts and that backward districts, although present in every State, are concentrated by and large in three or four States. The value of such a study lies in identifying not only the districts which are relatively backward, but also in indicating the proportions in which the different sectors of the economy contribute to the national income.

JOB SECURITY

Job Security of Industrial Workers in India. (Monograph No. 6) (Published by the Employers Federation of India, Army and Navy Buildings, 148, Mahatma Gandhi Road, Bombay 1. Pages 48, price Rs. 2.)

In the present monograph, an attempt has been made to prove with the help of facts and figures that the factory worker in India is not liable to lose his job on the slightest pretext, but by comparison with his fellow workers in the more advanced countries, he much enjoys a higher degree of security. The legal provisions concerned are well documented and the case-law is also produced, making it a reliable and useful publication.

SOCIAL WELFARE

Plans and Prospects of Social Welfare in India. 1951-61. (Issued on behalf of the Planning Commission. Published by the Publications Division, Government of India, Delhi 6. Pages 254, price Rs. 6.50.)

This is a companion piece to the two earlier publications, *Social Welfare in India* and *Social Legislation*, issued on behalf of the Planning Commission. The book reviews the progress of social welfare programmes during the first decade of planning in the country, and indicates the direction in which these programmes are to be carried forward during the third plan. It gives a basic insight into the welfare needs of the Indian society, discusses the relevant problems faced by official and non-official agencies and provides suggestions for dealing with those problems on the basis of actual experience. A proper evaluation of the progress achieved with the large amount of funds spent on these programmes would have made this publication more useful.

ECONOMIC YEARBOOK

Indian Economics Year Book. 1963. By Raj Narayan Gupta. (Published by Kitab Mahal (Wholesale Division) Private Ltd, 28, Faiz Bazar, Delhi. Pages 356, price Rs. 3.)

Mr. Gupta has given a mass of information on every aspect of the Indian economy, but a critical approach is lacking. It is not discussed whether a certain programme (family planning or aid to small industry) has yielded the desired results, and what was lacking in obtaining the ends. The recital of important subjects like foreign aid and the functioning of the Life Insurance Corporation is pedestrian.

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COMPANY AND PUBLIC NOTICES

HUKUMCHAND JUTE MILLS LTD.

Notice to Shareholders

NOTICE is hereby given that the next Annual General Meeting of the Shareholders will be held at the Registered Office of the Company, 9, Brabourne Road, Calcutta, on Friday, the 27th September, 1963, at 4 P.M. for the following purposes :—

1. To receive and pass the Directors' Report and Audited Accounts for the year ended 31st March, 1963.
2. To declare dividends.
3. To elect Directors in place of those retiring.
4. To appoint Auditors and to fix their remuneration.
5. As special business to consider and if thought fit to pass with or without modification the following :—

(a) **As Ordinary Resolution**

"Resolved that Rai Bahadur Moongtulal Tapuriah, a Director of the Company, retiring by rotation, whose age is over sixty-five years, be and is hereby reappointed a Director of the Company and that the age limit prescribed under section 280 of the Companies Act 1956 shall not apply to him."

(b) **As Special Resolution :**

Resolved that the Memorandum of Association of the Company be amended by adding the following clause as clause 7 (a) after clause (7) of the object Clause 7 (a)

To carry on, in all its branches the business of manufacturers, importers and exporters of and dealers in Caustic Soda, Chlorine Gas and other Chemicals including heavy chemicals and all products analogues to or connected therewith and to purchase and vend all materials raw, processed or otherwise and all articles in any way connected with the aforesaid business.

Dividends, if declared, will be paid to Registered Shareholders only.

The Share Transfer Register of the Company will be closed from the 16th September, 1963 to 27th September, 1963, both days inclusive.

By Order of the Board,

RAMDUTT RAMKISSENDASS.
Managing Agents.

9, Brabourne Road,
Calcutta,
The 8th August, 1963.

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

Explanatory Statements in connection with the special business will be sent to the individual shareholders.

INDIAN ALUMINIUM COMPANY, LIMITED

31, CHOWRINGHEE ROAD,
CALCUTTA-16.

NOTICE is hereby given that the Register of Members and Transfer Books of the Company will remain closed from August 26th 1963 to August 30th 1963, both days inclusive.

A meeting of the Board of Directors of the Company is tentatively fixed to be held on August 30th 1963 to consider a proposal to make the First Call, on 801,276 partly paid ordinary shares of the Company issued on February 4th 1963, amounting to Rs. 8.00 per share, of which Rs. 5.00 is to be credited as payment of the balance of the par value and Rs. 3.00 is to be applied towards the premium.

T. D. SINHA.
Secretary.

10th August, 1963.
Registrar's Office :
8, Clive Row,
Calcutta-1.
Post Box No. 150.

For a nominal charge, "Capital's Statistical Department can provide you with a certificate of share prices.

COMPANY MEETINGS AND DIVIDENDS DECLARED OR PROPOSED

Name of Company	Date	I.S.T. Hours
Britannia Biscuit Co. Ld. ..	16-8-63	10 a.m.
Karanpura Collieries Ld.	29-8-63	11 a.m.
Dehri Rohtas Light Railway Co. Ld. ..	30-8-63	11-30 a.m.
Indian Iron and Steel Co. Ld. ..	3-9-63	3 p.m.
Bally Jute Co. Ld.	25-9-63	3 p.m.
Birla Jute Manufacturing Co. Ld. ..	25-9-63	4 p.m.
Hukumchand Jute Mills Ld. ..	27-9-63	4 p.m.

DIVIDENDS DECLARED OR PROPOSED.—Gourepore Co. Ltd—20 p.c. (o), subject to tax; Nuddea Mills Co. Ltd—10 p.c. (o), subject to tax; Tata Iron and Steel Co. Ltd—Rs. 11 (o), per share, subject to tax; Simplex Mills Co. Ltd—Rs. 8 (o), per share, subject to tax; Minerva Mills Ltd—Rs. 3.50 (o), per share, less tax; Universal Electrics Ltd—Nil.

HIDES AND SKINS STEADY

The market was steady. Stocks were less than in the previous week.

Bazaar Sales

(Between 6th August and 12th August, 1963)

Cowhides : Wet salted (Ord.) 9,000 pcs. on the basis of Rs. 7.50 to Rs. 11; Wet salted (Slaughtered) 24,500 pcs. on the basis of Rs. 10.50 to Rs. 16.50 and Rs. 19.50 to Rs. 28. Wet salted (Ord.) 2,500 pcs. on the basis of 96nP a lb.

Goatskins : Wet salted (Patna, Daissee, Kustia) 50,900 pcs. on the basis of Rs. 225 to Rs. 250, Rs. 270 to Rs. 280 and Rs. 360 to Rs. 375: Wet salted (he-killed) on the basis of Rs. 3.50 and (she-killed) on the basis of Rs. 3 a piece: Assam 19,000 pcs. on the basis of Rs. 190 to Rs. 210.

Bazaar Stocks

(12th August, 1963)

Cowhides : Wet salted 68,000 pcs.

Goatskins : Wet salted (Patna, Daissee, Kustia, Killed) 25,000 pcs.: Assam-Dinajpur 93,000 pcs.; Muzafferpore-Patna - Pakur-Purneah-Kissenganj 225,000 pcs.

SHELLAC STEADY

During the week ended 13th August, the market was steady. The range of quotations was as follows :

	Rupees a package
Pure Buttonlac	Rs. 100 value.
Lemon One Shellac	Rs. 100 to 114 buyers. 104 to 118 sellers.
Lemon Two Shellac	Rs. 90 value. Rs 94 buyers. Rs 98 sellers.
Standard One Shellac	Rs. 80 value.
Pure T.N. Shellac	Rs. 70 value. Rs. 66 buyers. Rs. 70 sellers.
Golden Kusmi Seedlac	Rs. 92 value.
Kusmi One Seedlac	Rs. 82 value.
Golden Bysacky Seedlac	Rs. 78 value.
Manbhum Fine Bysacky Seedlac	Rs. 68 value.
Fine Bysacky Seedlac	Rs. 56 value.
Genuine Bysacky Seedlac	Rs. 40 value.
Grade One Class B Seedlac	Rs. 64 value. Rs. 64 buyers. Rs. 66 sellers.
Grade Two Class B Seedlac	Rs. 48 value.

Shipments during August until the 7th were 10,225 packages.

"CAPITAL" STOCK AND SHARE LIST

THE INVESTORS GUIDE AND SHAREHOLDERS GAZETTE

Official quotations of the Calcutta, Bombay, Madras, London Stock Exchange Associations and other sources.
Figures given after stroke (/) mean Naye Paise.

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Wednesday, 14th August, 1963.

BANKS

NAMES	Dividends per cent 1960	1961	1962	Paid-up per Share Rs.	Latest Market Quotations as available until 14-8-63 Rs.	7-8-63 Rs.	A year ago Rs.
Allahabad Bank P.	18	18	..	100	262/00	262/00	396/00
Bank of Baroda	17	17	16	50	88/00	89/00	99/50
Bank of India	20	20	20	50	108/00	111/00	119/00
Central Bank of India	20 2/5	20	20	25	55/20	57/70	64/50
Chartered Bank	15	15	..	£1	58/10½	sh.59/1½	sh. 55/3
Hindusthan Commercial	Nil	Nil	Nil	50	13/25	13/25	17/06
Hindusthan Mercantile	Nil	Nil	..	50	15/62	15/62	15/00
Hong Kong & Shanghai	£3½	£3½	£3 1/5	HK$25	£8 1/16	£18½	£16⅝
Indian Bank	15	15	14	100	161/00	161/00	177/00
Indian Overseas Bank	14	14	14	..	143/75	140/00	164/00
Industrial Finance Corpn.	..	..	..	50	..	..	..
National & Grindlays Bank	13½	14	16	sh. 15	sh. 35/-	sh.34/75	sh. 33/10½
Punjab National Bank	20	20	20	10	19/50	19/50	20/81
Union Bank of India	11 2/5	11 2/5	..	5	5/92	5/96	6/48
United Bank of India	4.3	6	6	10	7/37	7/25	7/56
United Commercial Bank	12	12	12	50	66/50	65/50	88/00

JUTE MILLS

*1962

NAMES	Dividends per cent 1960	1961	1962	Paid-up per Share Rs.	Latest Market Quotations as available until 14-8-63 Rs.	7-8-63 Rs.	A year ago Rs.
Agarpara P.	10	2½	2½	10	10/00	9/94	10/69
Alexandra P.	44	15	42½	100	300/00	300/00	305/00
Alliance P.	6	Nil	10	100	128/00	125/00	223/00
Anglo-India P.	20	7	10	100	218/00	218/00	225/00
Auckland P.	27	12	Nil	100	145/00	145/00	158/00
Bally P.	25	25	25	100	272/00	272/00	303/00
Barnagore P.	30	10	10	100	199/00	199/00	189/00
Bengal P.	5	..	..	£5	9/69	9/69	10/31
Birla P.	15	15	15	10	28/75	28/12	33/19
Budge Budge P.	10	Nil	12	100	135/00	143/00	157/00
Calcutta P.	..	..	..	10	8/12	8/12	8/00
Caledonian P.	12	5	..	100	189/00	189/00	212/00
Champdany P.	10	5	Nil-40*	10	20/87	20/44	..
Cheviot P.	Nil	5	25	10	21/ 12	21/56	23/87
Chitavalsab P.	5	Nil	5	10	10/00	10/00	11/81
Clive P.	..	..	..	10	10/25	10/25	9/00
Dalhousie P.	1	1	Nil	100	132/00	132/00	130/00
Delta P.	7½	Nil	12	100	140/50	140/50	186/00
Empire P.	12½	7½	12½	10	15/44	15/44	16/94
Fort Gloster P.	25	10	12½	100	355/00	370/00	429/00
Fort William P.	22½	22½	10	10	24/50	24/50	26/56
Ganges P.	10	10	15	10	13/50	13/56	14/69
General Industrial	40	10	13	10	15/62	15/62	55/12
Gourepore P.	30	25	20	10	25/25	25/25	..
Hastings P.	6	6	6	100	128/00	128/00	124/00
Hooghly P.	10	..	..	10	18/87	18/87	30/00
Howrah P.	12½	10	Nil—10*	10	18/12	18/00	20/12
Hukumchand P.	28½	28½	26⅝	7½	20/37	19/50	24/94
India	14	12	8	12½	17/50	17/50	16/44
Kamarhatty P.	5	Nil	20	100	187/00	187/00	174/00
Kankinarrah P.	Nil	Nil	10	100	125/00	131/00	115/00
Kelvin P.	15	15	5	100	188/00	188/00	185/00
Khardah P.	20	5	12½	10	18/75	18/75	17/62
Kinnison P.	20	7	Nil	100	135/00	135/00	146/00
Lansdowne P.	Nil	Nil	Nil	100	87/00	87/00	142/00
Lawrence P.	7	15	10	100	100/00	100/00	171/00
Megna P.	12	12½	Nil	10	12/50	12/50	13/87
Naihati P.	..	..	..	100	81/00	81/00	107/00
Naskarpara	..	..	..	10	9/06	4/06	8/50
National P.	7½	Nil	10	10	23/25	23/75	24/50
Nellimarla P.	8	6	15	10	11/06	11/12	12/12
New Central P.	15	15	Nil	10	12/37	12/62	14/37
Northbrook P.	30	30	20	10	28/25	28/25	37/00
Nuddea	8	6	5	50	57/00	60/00	61/75
Presidency	8	6	10	5	4/56	4/56	5/50
Rameshwara P.	Nil	Nil	Nil	10	9/12	9/12	8/44
Reliance P.	Nil	Nil	Nil—Nil*	10	9/37	9/37	7/19
Samnugger P.	6	Nil	10	£1	10/50	10/50	10/50
Shree Ambica P.	9	6	Nil	10	25/00	25/00	37/00
Soorah P.	25	25	25	10	21/00	22/75	22/50
Titaghur P.	6	Nil	13	£1	10/50	10/50	10/50
Union P.	25	6	Nil	100	156/00	156/00	163/00
Victoria P.	6	Nil	10	£1	10/50	10/50	10/50
Waverley P.	30	30	60	1	8/16	8/62	6/12

* 1963

COAL COMPANIES

NAMES	Dividends per cent 1960	1961	1962	Paid-up per Share Rs.	Latest Market Quotations as available until 14-8-63 Rs.	7-8-63 Rs.	A year ago Rs.
Amalgamated	10	12½	15	10	25/50	24/56	21/87
Bengal P.	25	21	..	100	260/00	274/00	351/50
Bengal Bhatdee	..	..	..	10	3/48	3/48	3/48
Bengal Nagpur	10	26	..	10	22/00	22/00	14/25
Bhalgora	..	..	..	10	4/84	4/84	5/18
Bharat Collieries P.	..	..	..	10	3/50	3/62	3/25
Bhutanbararee	..	..	..	10	11/94	11/94	12/00
Bokaro & Ramgur	..	..	..	10	11/19	11/19	12/75
Borrea P.	15	..	..	10	23/87	23/87	23/56
Burrakur P.	13	13	13	10	15/62	15/50	17/50
Central India	8	10	10	10	9/50	9/56	11/09
Central Kurkend P.	..	..	..	10	3/87	3/87	7/00
Churulia	6	..	..	4	3/06	3/06	3/06
Dhemo Main	Nil	Nil	..	10	4/31	4/31	6/12
East Indian	7½	15	20⅝	£1	31/87	31/87	52/00
Equitable P.	15	10	..	10	24/00	24/00	28/50
Ghusick & Muslia	Nil	Nil	Nil	10	14/25	14/25	14/00
Guzdar Kajora	..	..	..	10	2/44	2/44	2/00
Hurriladih	..	..	..	10	8/12	8/12	8/12
Karanpura Development	5	5	..	100	10/75	10/75	16/25
	15	15	..	10F			
Karanpura Collieries P.	7½	10	10	10	15/00	15/00	20/69
Katras Jherriah	95	40	25	10	37/75	37/75	48/75
Khas Kajora P.	..	..	..	10	18/70	18/70	18/70
Mundulpur	..	..	..	10	2/69	2/69	2/69
Nazira	..	..	..	10	5/00	5/00	6/31
New Beerbhoom P.	16	10	..	10	19/25	19/25	23/37
New Manbhoom	7½	9	12	10	14/50	16/00	13/75
North West	20	20	..	10	19/75	19/75	19/75
				7½	18/00	18/00	17/50
Ondal P.	6	7½	..	10	13/50	13/50	15/00
Parasea P.	1½	1½	..	10	18/00	16/00	16/00
Pench Valley	10	10	10	10	17/31	17/31	17/50
Pure Sitalpur	..	..	..	10	8/00	8/00	8/00
Raneegunge	15	17	17	10	15/12	15/12	15/37
Rewa	20	20	..	10	28/50	28/50	29/12
Samla	10	..	..	10	10/00	10/00	7/31
Searsole	Nil	Nil	Nil	8½	1/22	1/22	1/94
Seebpore P.	42 6/7	42 6/7	..	8	34/75	34/75	45/00
Sendra	5	5½	..	10	5/75	5/75	5/87
South Karanpura	8½	Nil	Nil	10	8/12	7/81	9/06
Standard	15	10	..	10	13/12	13/12	16/00
Union	..	..	..	10	11/12	11/12	10/37
Western Bengal	6	7½	9	10	8/87	8/81	9/62
West Jamuria	Nil	Nil	..	10	4/00	4/00	9/37

COTTON MILLS

NAMES	Dividends per cent 1960	1961	1962	Paid-up per Share Rs.	Latest Market Quotations as available until 14-8-63 Rs.	7-8-63 Rs.	A year ago Rs.
Basanti P	..	..	..	10	11/50	11/50	8/56
Banga Luxmi	..	..	..	40	30/00	30/00	28/00
Bengal Nagpur P.	Nil	..	..	10	3/06	3/06	3/56
Bharat Commerce	6	15	15	10	19/19	19/19	27/50
Birla Cotton	10	20	20	10	33/00	33/00	30/00
Bowreah P	10	20	15	10	21/75	21/50	26/12
Cawnpore Textiles	7-1/5	10	10	5	6/00	6/06	7/37
Delhi Cloth & Genl P.	12	13	13	25	40/81	40/87	52/25
Dunbar	20	20	15	10	26/12	26/25	32/00
Elgin P.	11½	17½	17½	10	17/62	17/62	20/12
J. K. Cotton (Rayon) P.	12½	..	..	10	10/75	10/62	17/19
Jay Shree	10	10	..	10	13/50	13/56	15/50
Muir P.	..	..	..	100	90/75	90/75	114/00
New Victoria P.	Nil	..	..	2½	1/37	1/31	1/56
Orissa Textiles P.	Nil	Nil	..	10	9/00	9/00	10/06
Rampoorla Cotton	3	Nil	..	10	13/00	13/00	11/00
	Nil	Nil	Nil	½	2/00	3/00	2/00
Swadeshi (Kanpur) P.	5	..	..	100	11/50	11/50	11/50
	5.51	..	..	10PO	7/00	7/19	8/19

BOMBAY COTTON MILLS

NAMES OF MILLS	Dividends per cent 1959	1960	1961	Paid-up per Share Rs.	Latest Market Quotations as available until 10-8-63 Rs.	6-8-63 Rs.	A year ago Rs.
Ahmedabad Advance P.	7	16	..	100	131/00	131/00	170/50
Apollo	..	..	..	2	1/94	1/96	2/22
Beharilal Ramcharan	Nil	Nil	..	100	78/00	76/00	59/00
Bombay Dyeing etc.	14	14	14	25	60/20	60/70	66/90
Bradbury P.	10	10	25	50	139/50	141/25	185/00
Century	..	..	..	100	517/00	524/50	609/00
Central India P.	Nil	Nil	Nil	100	104/00	107/00	138/00
Coorla	..	..	..	100	150/00	150/00	160/00
Dawn	20	30	30	50	136/50	135/50	159/00
Edward Textiles	9	9	..	200	290/00	290/00	349/00
Elphinstone P.	14	18	22	50	94/00	95/00	107/00
Finlay	..	..	..	100	312/00	315/00	300/00
Gokak	..	..	..	100	156/00	159/00	186/00
Hindoostan	..	..	..	250	855/00	855/00	..
India United	..	..	..	10	22/40	22/40	22/60
	..	..	..	1Dd	2/50	2/40	3/48
Indian	..	..	..	250	761/25	761/25	..
Indore Malwa United	7	8½	10	100	192/00	192/00	175/00
Khatau Makanji P.	16	32	..	100	212/50	220/00	455/00
Kohinoor	9½	15	18	100	303/50	310/50	299/50
Lakshmi-Vishnu P.	Nil	5.7	6—Nil*	100	89/00	89/00	133/50
Morarjee Goculdas P.	21½	21½	24—24*	100	370/00	371/00	390/00
Mysore Spg & Mfg P.	10	14	14	50	50/00	49/50	61/00
New City of Bombay	..	..	..	100	156/25	156/25	181/00
New Great Eastern P.	..	..	..	100	201/00	230/00	278/00
Phoenix	..	..	..	100	207/00	210/00	242/00
Sassoon & Alliance	Nil	Nil	..	10	11/00	11/00	14/88
Sassoon Spinning	25	17	20	10	46/50	46/50	58/00
Simplex	10	15	Nil	50	121/00	121/00	163/50
Shree Niwas P.	15	18	20	100	231/00	237/00	258/00
Svadeshi P.	14	17	..	100	235/00	240/00	264/00
Swan	..	..	..	100	285/00	285/00	283/00
Tata	10	20	..	25	53/70	53/70	62/50
Western India	..	..	..	250	785/00	785/00	802/50

* 1962

BOMBAY MISCELLANEOUS COMPANIES

NAMES	Dividends per cent 1960	1961	1962	Paid-up per Share Rs.	Latest Market Quotations as available until 10-8-63 Rs.	6-8-63 Rs.	A year ago Rs.
CEMENT ENGINEERING & METAL							
Associated Cement	12½	12	12	100	144/00	146/00	153/50
ELECTRIC LTG. POWER							
Ahmedabad Electricity	7	6	..	100	95/30	95/00	89/80
Andhra Valley Power P.	5½	5	5	1000	1,065/00	1,065/00	1,030/00
Bombay Subarban Elec	..	..	..	100	104/50	104/25	104/00
Tata Hydro Elec. Power P.	5½	5	5	100	110/75	109/00	112/50
Tata Power P.	5½	5	5	1000	1,127/50	1,097/50	1,120/00
Alcock Ashdown	..	..	..	100	279/00	285/00	317/00
Jost's Engineering	8	10	10	50	59/50	60/00	96/50
Larsen & Toubro P.	12½	18	14	10	22/76	22/88	27/75
Mckenzies	..	..	..	100	141/00	141/00	155/00
Premier Construction P.	..	..	..	30O	140/50	144/00	152/00
	..	..	..	3½F			
Tata Eng & Locomotive P.	12½	14½	14½	100	254/00	259/00	328/50
Tata Iron & Steel P.	9 1	10.36	10.36	75O	138/00	139/50	147/00
INSURANCE COMPANIES							
British India General	..	..	..	10	12/20	12/20	12/52
Jupiter General P.	..	..	..	15	9/20	9/20	12/00
New India	..	..	..	15	52/50	52/00	67/50
Vulcan	..	..	..	10	17/24	17/24	18/00
MISCELLANEOUS							
Belapur Sugar	..	..	..	50	186/00	185/00	230/00
Bombay Burmah Trading	30	33	33	25	59/50	60/70	..
				20	45/50	..	
Hindustan Lever	26	26	12	10	36/25	36/00	45/25
Industrial Invt. Trust	6½	6½	..	100	73/00	74/00	75/00
Kemi (Chemists)	..	..	..	200	252/00	305/00	315/00
National Rayon	22	..	..	100	312/50	319/50	498/50
Scindia Steam Navign.	3	3	3	20	11/48	11/56	11/60
Shivrajpur Synd	80	Nil	..	10	20/00	20/00	33/50
Tata Chemicals P.	6	6½	6½	10	16/48	16/60	14/92
Tata Oil P.	23	23	23	25	65/20	65/70	71/70
Voltas	13	14	14	100	237/00	240/00	268/50
Western India Match	16	16	16	100	239/00	244/00	265/00

TEA COMPANIES

NAMES	Dividends per cent 1959	1960	1961	Paid-up per Share Rs.	Latest Market Quotations as available until 14-8-63 Rs	7-8-63 Rs	A year ago Rs
ASSAM GARDENS							
Anandabag	15	Nil	10	10	20/00	20/00	34/25
Amluckie P.	17½	30	32½	10	33/25	33/25	25/94
Baghmari	15	Nil	15	10	14/00	14/00	19/25
Barduar Tea	Nil	Nil	..	6	8/50	8/50	8/50
Basmatia	30	35	25	10	27/25	27/25	27/25
Bateli	30	30	..	6	17/50	17/50	18/00
Betjan	25	40	45	10	29/75	28/75	32/62
Bishnauth	13	13	13	10	17/56	17/56	17/94
Borakhat	8	Nil	12	10	13/70	13/70	13/70
Borman Jan P.	12½	15	15	10	14/25	14/25	16/12
Bor Pukhuri	Nil	Nil	Nil	10	10/75	10/75	9/37
Brooke Bond P.	12½	15	10—7½‡	10	11/50	11/50	14/44
Dejoo Valley	40	15	20	10	60/00	60/00	49/25
Dessai & Purbuttia	Nil	Nil	10	100	205/00	205/00	141/00
Dhelakhat	20	12½	..	10	18/81	18/62	20/00
Dhunseri P.	23	20	15	10	11/75	11/75	16/00
Dibrugarh	30	40	40	10	31/25	31/25	33/44
Dimarkusi P.	30	25	20	10	21/87	21/87	21/94
Duffaghur	35	25	25	10	27/50	27/50	28/75
East India	10	Nil	Nil	10	13/44	13/44	18/87
Gillapukri	25	25	20	10	25/44	25/44	25/44
Gohpur	10	Nil	6	10	15/19	15/19	13/50

‡1962

TEA COMPANIES—Contd.

NAMES	Dividends per cent 1959	1960	1961	Paid-up per Share Rs.	Latest Market Quotations as available until 14-8-63 Rs.	7-8-63 Rs.	A year ago Rs.
Grob	14	6	6	5	7/69	7/69	8/81
Hoograjuli (Assam)	25	20	20	10	27/12	27/12	24/44
Hoolungooree	20	10	7½	100	195/00	195/00	172/00
Jutlibari	10	30	30	10	31/50	31/50	32/00
Kingsley Golaghat P.	35	35	..	100	140/00	140/00	212/00
Kotamullai P.	Nil	Nil	Nil	5	10/31	10/31	10/31
Krishnabehari	10	15	8	10	10/50	10/50	10/12
Kyang Tea	Nil	Nil	..	10	8/06	8/06	8/06
Ledo	Nil	Nil	Nil	10	13/75	13/75	17/25
Maud Tea & Seed	7½	10	7½	10	14/81	14/81	14/81
Methoni	15	5	14	10	16/19	16/19	21/25
Moheema	10	Nil	..	10	11/50	11/50	11/50
Mothola	25	30	30	100	507/00	507/00	507/00
Murphulani (Assam)	20	5	15	10	26/50	26/50	26/50
	25	10.63	20.63	10	26/87	26/87	28/75
Naga Hills	5	10	10	10	22/25	22/25	24/50
Namburnadi	16	12	..	100	12/87	12/87	14/56
New Cinnatolliah	Nil	Nil	Nil	100	302/00	302/00	101/00
Rajgarh	35	40	13½	10	21/37	21/37	22/87
Sapoi	20	22½	20	10	18/31	18/31	18/31
Seajuli	17½	22½	15	10	21/12	21/12	22/50
Telolijan	25	25	25	10	22/00	22/00	27/75
Tengpani	17½	30	30	10	35/00	35/00	35/00
Tezpore P.	20	20	12½	10	14/75	14/75	15/06
Tongani	Nil	Nil	..	10	7/00	7/00	7/00
Tyroon	30	10	15	10	33/00	33/00	36/87
CACHAR							
Arcuttipore	Nil	Nil	..	10	7/00	7/00	7/00
Baitakhal	5	2½	..	10	6/37	6/37	6/69
Central Cachar	5	5	7½	100	85/00	82/00	73/00
Eastern Cachar	Nil	Nil	..	10	4/28	4/28	3/94
Kallinugger Khoreel	6	6	..	100	87/00	87/00	87/00
Hattikhira	5	Nil	8	10	9/12	9/12	9/25
Kunchanpore	Nil	Nil	..	10	6/00	6/00	6/00
Loobah	Nil	Nil	Nil	10	4/37	4/37	4/25
North Western	30	30	20	100	160/00	160/00	205/00
Pathemara	Nil	Nil	Nil	10	7/50	7/50	7/50
Roopacherra	Nil	Nil	10	10	13/62	13/62	13/62
Rungamattee	7½	5	5	50	50/25	50/25	50/00
Sonai River	Nil	Nil	..	10	9/12	9/12	9/12
DARJEELING							
Bloomfield	Nil	Nil	..	10	3/12	3/12	3/25
Chamong	Nil	Nil	10	10	9/00	9/00	10/25
Darjeeling Tea & Chin	Nil	30	..	100	197/00	197/00	195/00
Dilaram	5	8	..	100	102/50	102/50	102/50
Gielle	Nil	Nil	8 4/7‡	10	11/69	11/69	11/75
Lingia P.	12½	15	10	10	14/56	14/56	14/56
Longview	14	12½	..	10	11/00	11/00	10/00
Margaret's Hope	10	15	15	10	11/37	11/37	11/62
Mim	10	22½	20	100	191/50	191/50	191/50
Nagri Farm	20	30	25	10	27/25	27/25	25/44
Okayti	32½	25	25	100	600/00	600/00	605/00
Pashok	10	10	..	10	20/00	20/00	20/00
Poobong	Nil	Nil	Nil	10	7/19	7/19	7/37
Pussimbing P.	Nil	Nil	Nil	10	7/12	7/12	7/25
Rungiee Rungliot	10	35	20	100	386/00	386/00	386/00
Seeyok	15	15	..	10	8/50	8/50	8/50
Singell	Nil	Nil	Nil	100	36/75	36/75	37/25
Singtom	5	2	..	10	3/50	3/50	4/50
Soom	30	50	40	10	32/75	32/75	49/87
Sungma	10	15	15	10	13/94	13/94	14/62
Teesta Valley	Nil	Nil	8 4/7‡	10	12/00	11/87	13/37
Tukvar	..	..	..	10	7/00	7/00	6/00
DOOARS							
Banarhat P.	32½	22½	21	100	216/50	216/50	273/00
Baradighi	25	30	25	10	22/19	22/19	23/62
Bhatkawa	10	15	15	10	16/56	16/56	16/56
Birpara P.	22½	17½	12½	100	156/50	156/50	151/00
Carron	15	20	5	100	145/00	145/00	145/00
Choonabhuti P.	30	32½	20	100	210/00	210/00	262/00
Ellenbarrie	5	5	5	100	184/00	184/00	184/00
Engo	Nil	60	30	100	136/00	136/00	136/00
Ethelbari	Nil	5	5	10	13/12	13/12	8/44
Gairkhata	12½	25	20	10	21/50	21/50	25/12
Gopalpur	9 24	12	2	25	20/00	19/50	20/00
Hantapara P.	12½	15	5	100	109/00	109/00	110/00
Hasimara P.	12½	17	18‡	10	12/75	13/25	14/31
Huldibari	22½	22½	19 2/7‡	10	13/31	13/31	13/37
Jaybirpara	5	10	Nil	10	10/69	10/69	13/50
Killcott	17½	25	15	10	14/37	14/37	17/31
Manabarrie	5	10	6	10	59/50	59/50	56/37
Nagaisuree	17½	25	15	100	140/00	140/00	169/50
New Dooars P.	32½	35	20	100	220/00	220/00	296/00
Oodlabari	10	12½	7½	100	13/19	14/00	14/12
Phaskowa	Nil	Nil	Nil	100	129/00	129/00	127/00
Rajabhat	Nil	Nil	Nil	10	12/12	12/12	12/12
Ranicherra	10	15	15	10	14/00	13/81	16/75
Rydak	30	25	20	10	24/25	24/25	27/00
Sarugaon	40	40	40	10	36/25	36/25	36/25
TERAI							
Atal	10	5	..	10	8/75	8/75	8/15
Belgachi	20	20	..	10	22/50	22/50	20/50
Gungaram	15	20	12½	100	131/00	131/00	138/00
Hansqua	17½	20	15	10	20/00	20/00	16/94
New Chumta	15	15	12 6/7‡	10	24/62	24/62	33/50
New Terai	15	22½	..	10	23/00	23/00	36/00
Pahargoomiah	25	20	..	10	15/00	15/00	31/12
Putinbaree	26	14	..	10	45/00	45/00	45/00
Tirrihannah P.		40	..	10	49/00	49/00	49/00
CHITTAGONG							
Kodala	Nil	Nil	..	10	9/25	9/25	9/25
Kornafuli	Nil	Nil	..	10	9/31	9/31	13/16
Oodaleab	Nil	Nil	..	10	8/00	8/00	8/00
SYLHET							
Chundeecherra				10	26/00	26/00	23/50
Dauracherra	15	22½	22½	10	7/56	7/56	8/00
Kaliti	Nil	Nil	Nil	10	10/00	10/00	9/25
New Samanbagh P.	Nil	25	Nil	10	18/37	18/37	20/81
Patrakola	40	32½	40	100	125/50	120/00	148/30
Rajnagar	Nil	Nil	..	10	9/56	9/56	9/56
Tellapara	17½	22½	32½	100	99/00	99/00	99/00

‡ Hectares.

MISCELLANEOUS COMPANIES

NAMES	Dividends per cent 1960	1961	1962	Paid-up per Share Rs.	Latest Market Quotations as available until 14-8-63 Rs.	7-8-63 Rs.	A year ago Rs.
MININGS							
Burma Mines	2 3/5	Nil	Nil	3½S	0/44	0/44	0/44
Chrestien Mica Industries P.	15	12½	..	10O	10/40	10/40	11/00
	25	20	..	5Dd	6/87	6/87	8/85
Indian Copper Corporation	27	27	..	2s	4/80	4/75	4/90
Metal Corporation P.	Nil	..	..	10O	8/06	8/06	12/37
Orissa Mineral Development	36	28	20	10	27/12	27/50	39/00
CEMENT, LIME, SLATE, ETC.							
Ashoka Cement	7	7	7	10	7/75	7/75	8/44
Assam Bengal Cement	..	..	..	10O	3/06	3/06	3/37
	..	..	..	1Dd	0/46	0/46	0/37
Bengal Potteries	15	..	..	2½	5/44	5/12	6/37
Bisra Stone Lime	30	30	10	..	35/00	35/00	35/50
Dalmia Cement (Bharat) P.	12	12	12	10O	12/25	12/12	13/37
				1Dd	3/00	3/00	3/12
Jaipur Udyog P.	6	8	8.36	10	11/37	11/25	13/00
Kumardhubi Fireclay & Silica P.	18	18	..	10	18/45	18/45	18/45
Orissa Cement P.	15	15	10	10	14/00	15/00	17/16
Reliance Firebricks & Pottery	22	15	10	5	22/75	22/75	22/75
Sone Valley Portland Cement	4	6	8	10	4/25	4/12	4/81
Sutna Stone & Lime	27½	30	..	10	35/12	25/12	37/00
CHEMICAL INDUSTRIES							
Alkali & Chemical Corpn. of (I)	12	15	15	10	31/81	34/37	44/75
Satngate & Co. Ltd. P.	Nil	..	..	5	0/84	0/84	0/72
Bengal Chemical & Pharm. P.	7	10	..	100	102/00	102/00	103/50
Calcutta Chemical P.	18	18	18	10	17/87	17/87	18/37
Frank Ross P.	..	..	..	6	2/19	2/19	3/25
Smith Stanistreet P.	25	25	25	5	12/25	12/25	16/44
ELECTRIC LIGHTING, POWERS							
Agra Electric Supply	12	11	11	100	118/00	118/00	124/50
Bareilly Electric Supply	11	11	11	10	12/50	14/37	12/25
Benares Electric Supply	11	11	11	10	12/37	12/44	13/00
Bhagalpur Electric Supply	8	10	8	5	5/75	5/75	6/08
Calcutta Electric Supply	8	8	7½	£1	14/62	14/50	15/19
Cuttack Electric Supply	8½	10	10	10	11/87	11/87	12/62
Dishergarh Power Supply P.	10	10	10	100	88/00	88/00	94/00
Jhansi Electric Supply	..	..	..	10	5/90	5/90	6/00
Jubbulpore Electric Supply	10	10	10	10	11/19	11/19	11/50
Mirzapur Electric Supply	..	..	..	8	12/00	12/00	7/56
Muzaffarpore Electric Supply	12½	12½	12½	10	11/50	11/50	11/75
Muttra Electric Supply	..	..	..	10	11/12	11/12	11/00
Patna Electric Supply	10	10	10	10	10/50	10/50	11/62
Shahjahanpur Electric P.	6½	6½	6½	10	6/75	6/75	7/50
Sijua (Jherriah) Electric	10	9	9	10	8/50	8/25	9/06
United Provinces Electric	12	11	11	100	117/00	117/00	126/50
Upper Jumna Valley Electric	13½	13½	13½	10	15/06	16/00	15/25

MISCELLANEOUS COMPANIES—Contd.

NAMES	Dividends per cent 1959	1960	1961	Paid-up per Share Rs.	Latest Market Quotations as available until 14-8-63 Rs.	7-8-63 Rs.	1 year ago Rs.
ENGINEERING & METAL							
Arthur Butler (Muzafferpore) P.	..	..	..	10	14/94	14/94	14/00
Bhartia Electric Steel	15	10	10	10	13/50	13/94	12/69
Braithwaite India	22½	25	25	10	29/56	29/50	34/62
Bridge & Roof	30	30	30	10	52/25	52/25	52/25
Britannia Building & Iron P.	6	Nil	Nil—Nil*	10	3/50	3/50	3/65
Britannia Engineering P	10	10	10	10	10/37	10/25	11/31
British India Electric Cons.	25	45	20	10	33/12	33/12	50/00
Burn P (Engineering)	28½	28½	28½-28½*	100	572/00	572/00	679/00
Calcutta Steel	5	15	15	10	12/87	13/56	15/25
Dalmia Iron	..	10	10—10*	10	10/69	10/69	11/81
Guest, Keen Williams	24	16	14	10	31/25	30/62	37/75
Hooghly Docking	12	Nil	Nil	50	108/00	108/00	111/00
Indian Iron & Steel P.	10	15	16—16*	10	22/36	22/92	26/54
Indian Malleable Casting	6	Nil	..	5O	6/00	6/00	6/00
Indian Standard Wagon P.	7½	Nil	..	1Dd	1/81	1/44	2/00
	28½	28½	28½-28½*	10	29/87	29/87	34/75
Indian Steel & Wire Products	16½	22	24—23*	10O	39/00	39/00	55/50
Industrial Containers	..	Nil	10	10	21/37	21/37	22/00
Jay Engineering	12	17 3/20	17 9/20-15?	10	20/94	20/75	..
J K Steel P	12½	20	20—10*	10	14/00	13/75	1'6/56
Jessop & Co P	8.58	8.58	8.58	10	24/87	25/19	22/44
Kumardhubi Engineering P.	10	10	11½	3	7/62	7/75	7/56
Marshall Sons (India)	10	Nil	Nil	2	2/16	2/12	3/44
National Iron and Steel	6½	Nil	Nil-Nil*	10	4/69	4/62	5/00
Saran Engineering	7½	8½	10—12½*	4	8/50	8/50	8/94
Steel Containers	..	30	20	10	29/50	29/50	22/00
Textile Machinery	20	10	10	10	23/35	22/75	22/85
SUGAR BREWERIES ETC.							
Balrampur Sugar	8	8	8—4*	2½	2/00	2/00	2/50
Belsund Sugar	18¾	18¾	10	7½	8/25	8/25	10/06
Bharat Sugar P.	..	..	..	10	13/00	13/00	13/00
Carew (Sugar) P.	Nil	Nil	Nil—Nil*	10	10/87	10/87	13/12
Cawnpore Sugar P.	Nil	Nil	Nil—Nil*	10	9/81	9/81	12/62
Champaran Sugar	15	15	12—Nil*	10	15/87	15/87	17/12
Durbhanga	20	4	Nil	10	8/12	8/12	9/06
Dyer Meakin (Breweries)	16	25	30	5	26/00	26/00	32/50
New Savan Sugar and Gur	..	..	..	10	3/62	3/62	5/25
Purtabpur Sugar P	Nil	..	..	10	11/50	11/50	11/50
Ramnugger Cane & Sugar P.	213/7	30	35—30*	10	26/12	26/12	27/75
Raza Sulano	12½	12½	10	10	9/75	9/75	9/56
Ryam Sugar P.	..	..	..	10	5/00	5/20	8/06
Samastipur Central Sugar	..	..	..	10	6/00	6/00	9/62
Shree Krishna Gyanoday Sugar P	15	15	..	10	7/12	7/75	8/81
Shree Sitaram Sugar	..	..	..	10	7/12	7/12	7/12
Sitalpore Sugar	Nil	4	Nil-Nil*	10	6/12	6/12	6/62
United Provinces	15	15	..	10	9/00	9/00	14/72
Upper Ganges Sugar P.	72½	72½	72½-72½*	10	62/00	62/00	77/06
MISCELLANEOUS							
A Firpo (Restaurateur)	3½	7½	..	07	5/90	5/90	5/90
Aluminium Corporation P.	10	12	12—12*	10	13/19	12/87	17/37
Anderson Wright Ltd P.	10	11½	..	10	11/50	11/50	11/50
Angelo Bros.	20	25	22½-28*	10	23/00	22/69	23/19
Assam Match	18	18	20	10	28/75	28/75	28/75
Assam Saw Mills & Timber	Nil	Nil	Nil	3	2/69	2/69	2/87
Associated Battery	40	25	15-15*	10	23/75	23/56	30/37
Associated Hotels of India P.	Nil	Nil	10-10*	10	10/31	10/31	10/31
Balmer Lawrie & Co.	25	25	25	100	248/00	253/00	255/00
Barasee Coke	Nil	Nil	Nil-15*	10	20/87	20/87	24/75
Birds Investments P.	11	9½	10-10*	10	10/75	10/75	12/50
Britannia Biscuit P.	14	25	30—25*	10	42/75	42/25	45/00
British India Corporation P.	Nil	4	7	5	7/62	7/62	9/81
British Paints	10	12½	12½	10	19/94	19/94	22/75
Calcutta Silk Manufacturing P.	Nil	Nil	Nil	10	6/94	6/94	7/15
Clive Row Investment	10	6	7½	10	8/72	8/50	8/25
Duncan Brothers & Co Ltd P.	14	14	14	100	147/00	147/00	154/00
Dunlop Rubber Co (India) P.	21½	21½	20—15*	10	31/25	31/00	39/56
Eastern Investments Ltd. P.	14	14	14—12*	100	106/00	107/00	130/00
Electric Construction	5	10	10—10*	10	12/50	12/56	14/50
French Motor Car	12½	20	20	20	35/12	35/12	34/50
Ganges Rope	17	17½	20	100	236/00	236/00	236/00
General Investments Trust P.	3½	5	5—5*	75	43/00	43/00	43/00
Gillanders Arbuthnot & Co Ltd P.	10	10	11-11*	10	14/00	13/87	1'5/25
Gladstone Lyall & Co Ltd P	Nil	4 2/5	4½	10	..	..	..
Godfrey Phillips (India) Ltd P.	26	40	60	10	28/12	28/12	35/44
Great Eastern Hotel	6	9	6	250	225/00	225/00	241/00
Hindustan Aluminium P.	..	Nil	..	10	12/50	12/56	16/37
Hindustan Motors P	9	9	12—12½*	10	16/09	15/69	20/12
Hindusthan Pilkington	12	..	..	10	15/81	16/31	20/87
Hindusthan Pwvtords P.	..	Nil	Nil-Nil*	10	14/62	14/62	15/50
Hoare Miller & Co Ltd.	6	6	6	10	5/44	5/44	6/50
Imperial Tobacco	6	8	9—9*	10	10/50	10/31	11/62
Indian Aluminium Co. Ltd P.	12	15	15-17½*	10	34/81	34/56	37/00
Indian Cable P.	15	22½	22½-22½*	10	33/12	32/25	36/75
Indian Oxygen	15	15	15—12*	10	27/12	27/12	47/00
Indian Rubber Manufacturers P.	15	20	30—36*	10	19/87	19/87	20/94
Indian Wood Products	25	30	30—30*	10	29/25	28/50	33/12
Isaac Holdens	..	..	Nil	100	13/75	13/75	16/37
Investments and Finance P.	6	7½	7½—7½*	10	55/00	55/00	55/00

NAMES	Dividends per cent 1959	1960	1961	Paid-up per Share Rs.	Latest Market Quotations as available until 14-8-63 Rs.	7-8-63 Rs.	1 year ago Rs.
J K Synthetics	..	..	8	10	9/94	10/12	14/25
James Wright P.	..	..	..	5O	2/45	2/75	2/75
	..	..	..	1Dd	00/43	00/43	00/43
Jardine Henderson Ltd P.	5	7	7—6*	100	87/50	86/00	81/00
Jay Shree Industries P.	14	14	12½	10	16/50	16/00	16/94
Kesoram Industries P.	2½	8	12-12½*	10	21/00	20/00	28/19
Macfarlane & Co.	..	..	..	50	7/00	7/00	7/31
	..	..	..	1Dd	2/19	2/19	2/50
Macneill & Barry Ltd. P.	7	8	8	100	93/50	93/50	93/50
Martin Burn Ltd P.	27½	27½	27½-25*	10	26/50	26/50	31/94
McLeod & Co P.	15	15	15	100O	210/00	210/00	180/00
	10	10	10	10Dd	..	..	..
Metal Box Co. of India Ltd P.	17½	25*	25	10	45/50	45/44	55/87
National Insulated Cable P.	20	25	25—25*	10	23/00	22/87	30/75
National Pipe & Tubes P.	15	20	20—20*	10	25/25	25/25	32/87
National Rolling & Steel Ropes	10	13	15—15*	10	18/69	19/44	22/12
National Rubber P.	6½	Nil	6½	10	10/81	10/69	12/50
National Tobacco P.	16	16	7	10	10/12	10/00	13/12
New India Investment Corpn.	8.7	8.7	..	75	65/00	65/00	70/00
Octavius Steel P.	12½	10	..	100	..	..	..
Philips India	12	12	12	10	27/37	27/37	31/50
Publicity Society	37½	15	75—75*	4	22/62	22/62	27/00
Rallis India P	Nil	4	8½—8½*	100	112/00	112/00	159/00
Rohtas Industries P.	15	20	10—8*	10	11/31	10/81	14/12
Sirsilk P	..	Nil	..	10	8/94	8/81	10/25
Sen Raleigh Industries P.	8	8	8-8*	10	14/50	14/50	18/87
Shaw Wallace P.	15	15	15	10	16/31	16/19	20/31
Spencer's Hotel	14	2½	2½	8	0/94	0/94	0/94
Union Carbide	15	15	15	10	38/75	39/29	47/87
Walford Transport	1½	20	20	1PO	2/31	2/31	2/50
	20	30	30	1O	3/81	3/81	3/37
INSURANCE COMPANIES							
Concord of India	20	20	20	5	10/37	10/37	11/50
Hercules	20	22½	26½	10	22/56	22/56	25/17
Ruby General	10	10	13½	5	9/28	9/25	10/25
Standard General	..	..	..	10	6/00	6/00	8/00
Triton	45	45	50	25	124/00	124/00	127/50
FLOUR MILLS							
Bengal	45	40	25	10	29/00	29/00	35/00
Delhi P.	..	..	..	10	14/00	14/00	14/00
Ganesh P.	12½	..	..	12½	13/50	13/50	17/00
Hooghly	27½	15	Nil	10	19/75	19/75	19/75
United	52½	35	10	10	27/81	27/81	30/00
OIL COMPANIES							
Attock Oil	13½	13½	13½	£1	sh. 34/9	sh 35/-	sh. 30/3
Burmah Oil P.	..	9-2/5	..	£1	sh. 62/6	sh. 61/4½	sh. 39/7½
Indo Burmah Petroleum P.	25	30	25	10	21/87	21/87	26/81
Tide Water Oil	22	30	35	10	27/12	27/12	23/25
PAPER MILLS							
Bengal P.	32	32	27½	10	26/25	26/00	32/50
India Paper Pulp	10	15	13—12*	10	17/00	16/62	20/75
Orient Paper P	15	22½	22½-22½*	10	34/00	33/80	41/65
Shree Gopal Paper P.	17 6/7	17-6/7	17-6/7	10	22/25	22/50	25/00
Sirpur P	6½	6½	6½	10	11/50	11/56	13/50
Star Paper P.	8	Nil	..	10	8/87	8/25	10/00
Titaghur P.	10	10	13-13*	2½PO	3/87	3/87	4/00
	25	25	20-10*	10AO	15/50	15/56	41/00
	25	25	20-10*	10BO	15/50	15/56	41/00
West Coast P.	Nil	6	7½	100	125/00	125/00	176/00
PRESSING COMPANY							
Camperdown	11	11	11	100	104/00	104/00	100/00
REAL PROPERTY STORAGE							
Bengal Bonded Warehouse	8	11	8—8*	A500	1050/00	1050/00	610/00
				B62½	135/00	135/00	77/25
				C10(	122/00	122/00	122/00
				D12½	14/15	14/15	14/75
Calcutta Safe Deposit	..	..	..	100	7/87	7/87	7/25
Humayan Properties P.	6½	6	..	10O	11/0(	11/0(	11/0(
	12½	Nil	..	1Dd	2/15	2/15	2/15
Midnapore Zemindary P.	Nil	Nil	Nil-Nil*	85	10/00	10/00	9/50
TRAMWAYS & STEAMER							
Bengal Assam Steamship P.	6	7½	7½	100	131/00	131/00	110/00
Calcutta Landing & Shipping	3½	3½	..	10	34/00	34/00	26/62
Calcutta Steam Navigation	10	10	Nil—Nil*	10	8/25	8/25	7/75
Calcutta Tramways P.	3½	..	..	£1	11/00	11/00	11/81
Fraser	Nil	Nil	..	10	10/0(	10/0(	10/0(
India General Nav Railway P.	Nil	Nil	..	£10	45/00	45/00	63/50
India Steamship P.	10	10	Nil—Nil*	10	6/22	6/10	7/22
Port Shipping	Nil	Nil	Nil	10	13/37	13/12	12/06

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REVIVING THE CAPITAL MARKET CORPSE

THE capital market in India has been in poor shape ever since the Chinese attack in October last year. The outbreak of armed hostilities started the slump. But although the fighting ended not long afterwards, the market was hit by the stiff Central Budget for 1963-64 before it had time to recover. The super profits tax, in particular, shook investment confidence although the later amendments softened its adverse effects a little. The combined effect of all these factors is shown by the fact that the index for ordinary shares has declined from 186.7 to 160.0 (base year 1952-53 equals 100) over the past year. Rather late in the day, New Delhi has begun to show signs that it is getting worried about the decline. Until recently, it took the complacent view that the fall was due only to speculation.

At the F.I.C.C.I. seminar on the problem of private and public-sector undertakings, held in New Delhi recently, the decline in investment confidence was debated at great length. Although Government spokesmen and representatives of trade and industry analysed the causes of the slump differently, they did generally agree that speedy action to restore confidence was necessary. The response to new issues has been poor in recent months. In fact, large proportions of several new issues have been left in the hands of the underwriters. It is noteworthy that for the greater part of 1962-63, the new issue market showed a fair measure of buoyancy. This is indicated by the fact that the August issue of *Company News and Notes*, published by the Department of Company Law Administration, draws several encouraging conclusions from a study of capital issues based on the prospectuses issued by companies during 1962-63. Firstly, entrepreneurs continued to favour raising capital through ordinary rather than preference shares. Secondly, subscriptions to shares by foreign collaborators rose sharply in 1962-63 compared with 1961-62, although the loans they gave were smaller. Thirdly, although the share subscriptions of domestic financial institutions declined, the decline was partly offset by an increase in the financial assistance given in the form of long-term loans to industry. Fourthly, the share capital covered a substantial part of all project costs. Fifthly, there was a steady fall in the incidence of underwriting commission and brokerage in relation to the cost of financing the projects; this was because several issues were not underwritten at all, in view of the strength of the capital market.

The question arises: why have these encouraging trends suddenly vanished after the 1963-64 Budget? There is no doubt that the progress of some new companies has been hindered by mismanagement and malpractices, as was recently pointed out by Mr. B. K. Kaul, chairman of the Life Insurance Corporation. His observations, however, might have been taken more seriously if he had indicated broadly which companies he had in mind. The number of such cases has not been exceptionally large, so mismanagement and malpractices cannot constitute an adequate explanation for the stagnation in the capital market. The stagnation is nevertheless extremely disturbing, considering that the lack of confidence in new shares has affected the prospects for foreign collaboration. Botanium Ltd has just had to abandon its project for manufacturing titanium dioxide because the foreign collaborator backed out of the scheme due to the levy of the super profits tax. In its latest report, the Indian Investment Centre has pointed to the decline in the number of foreign collaboration arrangements in recent months.

The Government's effort to revitalise the new issue market has made little impression, since New Delhi is reluctant to face up to the real cause of the deterioration in confidence. To begin with, the preoccupation with the new issue market alone is unrealistic, since the health of new shares is closely interlinked with the health of the stock market as a whole. The Government has suggested that financing institutions like the Life Insurance Corporation, the Industrial Finance Corporation and the Industrial Credit and Investment Corporation of India should take greater interest in underwriting new issues. It would, however, be wrong to push the Life Insurance Corporation into buying or selling shares; the interests of its policyholders first have to be fully safeguarded, which means that the investment policy cannot be guided by criteria other than those of security, yield and growth prospects. The impression that the L.I.C. has already blocked substantial sums in new projects, which have failed to progress according to schedule, reinforces the need for caution. In the case of the I.F.C. and the I.C.I.C.I. too, it seems that money cannot be "turned over" fast enough because it is blocked in new shares, so they have been assured of additional financial facilities from the Government. But more liberal underwriting will do little to restore confidence. Perhaps the best way the financial institutions can help industry now is by providing bigger loans rather than risk capital.

If the problems of the capital market are to be tackled seriously, the first thing to realise is that new shares and old shares always tend to move together. It is not possible to create a demand for new shares while the old ones continue to stagnate. Confidence in both has suffered for the same reasons—heavier taxation, especially the super profits tax, combined with a mood of economic despair. Investors realise that the Government requires more money for development and defence. But they are convinced that fiscal policy can be adjusted in such a way that it does the economy less harm. It is, for instance, evident now that to raise the corporation tax would have been much better than to impose the super profits tax. There is no justification for the falsehood that foreign investors have reconciled themselves to the super profits tax in its present form; they are under no obligation to invest funds in this country and it is unlikely that they will do so on any large scale.

Investors are not interested in buying shares because the outlook for corporate profits and dividends is discouraging. The latest reports of leading companies show that, in spite of bigger turnover and greater operational efficiency, after-tax profits have dropped sharply due to heavier taxation. As a result, most companies have found it difficult even to maintain their ordinary dividends.

Although present prices are low, the dividend yields of several blue chips are unattractive. In many cases, ordinary shares have begun to yield less than other types of investments. In fact, market rates of interest have risen above average rates of dividends. Yet, in the midst of a slump like the present one, the importance of dividend yields is much greater than it is normally, since investors may be compelled to hold the shares for a long time. The growth prospects of equity shares have suffered, not only because growth value is influenced by the dividend outlook but also because the arbitrary control over the issue of rights and bonus shares has weakened investors' morale. In the circumstances, confidence will not revive unless the fiscal and economic policies of the Government are modified so as to make equity investment in general more attractive.

STEEL AMBITIONS

THERE can be no doubt that India will need far more steel by the end of the fourth plan period in 1970-71 than the capacity now existing or in construction can provide. Two estimates of demand were already available, both of which indicated that the aggregate requirements in 1970-71 would be around 18 million ingot tons. A third set of estimates has now been prepared by the National Council of Applied Economic Research, which does little more than to ditto the earlier findings. One is, in fact, tempted to ask whether this further exercise was at all necessary. It must have been obvious from the start that it is impossible to forecast the demand for any basic commodity in India except by working backwards from investment and industrial targets prescribed by the planners. If the studies are based on the same set of targets, the broad conclusions cannot but be the same, which makes even corroboration (if that was, indeed, the purpose of calling upon the N.C.A.E.R. to carry out a reappraisal of demand) of doubtful value.

Although all three studies agree on the figure of 18 million tons as the effective demand in 1970-71, the forecast is nothing more than a working hypothesis. It is an approximation based on the premise that industrial and investment targets assumed for purposes of calculation will in fact be attained. This hope is belied by the current shortfalls in important steel-consuming sectors. Since further industrial growth during the fourth plan depends very largely on the achievements at the end of the third plan, blithe assumptions of an increase of 100 percent in industrial production between 1966 and 1971 are unrealistic, to say the least. After all, one can build only on a base which actually exists and not on paper targets that remain unrealised. The relevance of this point is readily illustrated by reference to a scarce resource like foreign exchange. Unless steel is actually available from domestic production in the quantities promised by the third plan targets, the gap in demand will result in a curtailment of construction and manufacturing, which will delay the realisation of the levels of output and economic activity being assumed for the fourth plan.

The alternative of imports is unlikely to offer a way out because neither export prospects nor the outlook for foreign aid warrant assuming any substantial relief from balance of payments difficulties. A large fourth plan must, therefore, have a proportionately smaller import content than the present. If so, the progress actually achieved in import substitution will be the crucial factor determining the rate of progress beyond 1965-66. Any rate of growth the planners may dream up will have no practical relevance in the face of this constraint. It follows, therefore, that an exercise in "looking ahead" (the N.C.A.E.R.'s favourite *cliché* of the moment) must start with an evaluation of the economy's physical potential for growth in terms of resources, rather than the quite pointless rehashing of data which it is passing off as an independent reappraisal of demand.

Planning from the demand end is by itself quite unrewarding, a point which the steering group on steel seems to have missed in proposing a capacity target of 21 million tons to yield an actual production of 18 million tons by the end of the fourth plan. Whatever the theoretical demand estimate, the relevant consideration must be the resources that can be set aside for steel development. At the meeting held two weeks ago in New Delhi, the investment required for steel development was estimated at over Rs. 2,200 crores, which works out to about one-eighth of the total investment—public and private—visualised for the fourth plan. This will constitute a far higher proportion than in the second plan, and of course much more than in the third. If that is not sufficiently daunting, one has only to take a look at the foreign exchange component of this investment—something of the order of Rs. 900 crores to Rs. 1,000 crores—to realise the absurdity of the programme proposed by the steering group.

The Minister for Steel and Heavy Industry, Mr. C. Subramaniam, has admitted that foreign aid or even commerical credits are unlikely to be available on anything like this scale. As he delicately put it in his address at the inauguration of Rourkela's expansion programme, he would not wish to throw such a large burden on friendly nations. He emphasised the need, therefore, to explore every possibility of reducing import needs for steel development. The possibilities have to be explored in any case, whatever the rate of growth adopted. Experience on Bokaro has shown that vague hopes of aid provide an insecure basis for launching development projects since the competitive urge to endow India with steel plants has all but disappeared. In concrete terms, the task is to assess how much can be done within the country and how soon. Here again it will be necessary to take a long, hard look at what may really be expected from projects like the Ranchi engineering complex rather than the promises based on paper plans.

Mr. Subramaniam has also talked of enlisting the help of private industry for equipment manufacture. The idea, at first sight, seems sound because there is no doubt that considerable fabricating capacity now exists in Indian heavy engineering units. But the installed capacity of the units is of little relevance while there are serious difficulties in using it fully due to the shortage of foreign exchange for importing components and raw materials. In many instances, domestic manufacture will suffer from the same import constraint that is forcing Mr. Subramaniam to rely upon it for his steel development programme. It is, of course, possible to argue that the available foreign exchange will be so used that the domestic manufacture of steel plant equipment will proceed unhindered. But to make any such assumption is to fly in the face of facts. In recent years, the Indian economy has had to put up with a larger import bill than was really necessary if domestic capacity could be more fully worked, but which in turn depended on the availability of either "free" foreign exchange or non-project aid.

India's Resources
are Precious
WASTE NOT,
WANT NOT

THE STRENGTH OF STERLING

THE gold and currency reserve of the sterling area increased by £7 million in July, to £976 million. As the increase was small, and as the reserve would have increased more in each of the three preceding months if special items were excluded, the movement in July may seem unworthy of comment. But the announcement during the month of the measures to strengthen the dollar might have weakened sterling and reduced the reserve; and normally around mid-year sterling enters a period of seasonal weakness. In the third quarter of this year, exceptionally, the attention of the financial world is focussed not on sterling but on the dollar. London is confident that the stability of sterling, which has been an unobtrusive but significant feature of the exchange markets in recent weeks, will be maintained through the difficult season. This confidence is the more remarkable as Britain's economic expansion, which sceptics believed a few months ago would weaken sterling, is now gaining momentum.

In international finance troubles seldom come singly. If economic expansion caused deterioration of the U.K.'s balance of payments, the pound would suffer not only from this cause but also from withdrawal of foreign funds invested in Britain. Alternatively, foreign confidence might be shaken by a change of Government in Britain. A recent assertion from the Conservative benches in the House of Commons that a socialist Government would inevitably devalue the pound was both inaccurate and foolish, and it was, of course, unequivocally denied by Mr. James Callaghan, who would presumably be Chancellor of the Exchequer in a socialist Government. Nevertheless, politics will not be entirely excluded from the world's assesment of sterling. Britons must blame themselves, mainly, for the talk of devaluation that caused serious weakness in the pound in the first quarter of this year. Their uninhibited discussion of the probable need to devalue the currency to achieve the increase in exports that the programme of economic expansion would require was naturally noticed abroad. Talk of this kind has subsided, although some people whisper that the wide gap between exports and imports that resulted from the last hapless venture in expansion developed mainly in the second year and that a similar pattern of events would indicate trouble next year. But the pattern is evidently not similar: the upsurge of consumer demand that characterised the expansion of 1958-60 has not been repeated in the present period, and there is a basic vitality in Britain's export trade now that was lacking in the former period

Information on the trade of the overseas sterling countries is collected more slowly, and the figures published by the U.K. Board of Trade in August relate to the first quarter of this year; but it is known that the favourable trend that developed then continued in the second quarter. The value of exports from these countries, which increased only slightly last year, was approximately 5 percent higher in the first quarter of this year than in the first quarter of last year. A comparable increase in imports of approximately 6½ percent (attributed principally to Australia) seems at first sight to indicate that the balance of payments of the overseas sterling area deteriorated. But in fact the strong upward trend of the area's imports in the second half of last year was checked, and slightly reversed, on a seasonally adjusted basis, in the first quarter of this year. The trade of these countries is a very important factor in the position of sterling, and it seems to be a decidedly favourable factor this year.

A potentially more important external influence (external from the U.K.'s point of view) is the policy of the United States. There is an evident discrepancy between American and non-American estimates of the effects of the new policy. American estimates that the rise in short-term money rates, the tax on foreign securities and the reductions in spending abroad, will reduce the U.S. external deficit from approximately $3,000 million to approximately $1,000 million, annual rate, within 18 months imply a much more violent upheaval in international finance than the foreign exchange markets have yet anticipated. The report of the Brookings Institution has made Americans aware of the risks involved, but there is no assurance that these risks will be averted in the comparatively short time available for fundamental changes in the world's financial structure.

The suggestion in the Brookings report that the dollar area and the sterling area might be, in effect, merged into a single *bloc* should be considered against this sombre background. London, it must be said, regards it with suspicion. Postwar American thinking has been generally hostile to the sterling area, and highly-placed Americans have said publicly that the pound is intrinsically inferior to the dollar. London believes that a merged *bloc* would be American-dominated and would gradually become an extended dollar *bloc*. By economising reserves and reducing external liabilities, it would stabilise both currencies, and with Scandinavian and Asian and other areas adhering, it could achieve monetary stability over a large part of the world. But it would arouse in millions of minds the suspicion of attempted "Anglo-Saxon dominance" that is associated particularly with President de Gaulle. Surely, if the spirit is willing, the International Monetary Fund can achieve more extensive stability with much less political risk. This monetary super-*bloc* will probably never be established. But close collaboration between the United States and the U.K. in monetary affairs is already developing—primarily, it seems, because neither country feels fully competent to manage a reserve currency without the co-operation of the other.

Current News and Comment

Rôle of Indian Investment Centre

The flow of foreign private capital depends as much on the conditions in capital-exporting countries as on the investment climate in capital-receiving countries. The Indian Investment Centre, which is still in its infancy, has been doing useful work in bringing about a better understanding among foreign investors of the investment opportunities in India. The chairman of the Centre, Mr. G. L. Mehta, points out in his latest annual statement that of the total number of enquiries assisted by the I.I.C. in the first two years of its operations (March 1961 to March 1963), 147 proposals by Indian and foreign entrepreneurs for collaboration in joint industrial ventures in India, have either been concluded or are being negotiated. Of these, 36 concluded agreements have received the Government of India's approval; 18 others have been concluded and submitted for approval, and 93 are at present in various stages of negotiation between the Indian and foreign parties. In the 36 joint ventures which have been concluded, 15 are from firms in the U.S.A., six from the U.K., five from Japan, three each from France and West Germany, two from Canada and one each from Belgium and Switzerland. The total capital outlay required for setting up these projects is estimated at Rs. 35.5 crores ($74.5 million) including local and foreign exchange requirements. Foreign equity investment amounts to about Rs. 2.5 crores ($5.3 million). The comparable estimates for the 18 projects for which agreements are awaiting the Government's approval are Rs. 7.11 crores ($15 million) for capital outlay and Rs. 93 lakhs ($2 million) for foreign equity investment.

During 1962-63, the Centre received 1,050 enquiries of various kinds from Indian and foreign entrepreneurs, compared with about 1,300 received in the preceding year. Enquiries from Indian entrepreneurs declined from 1,100 to 650, while those from foreigners increased from 170 to 400. Mr. Mehta attributed the fall in the number of enquiries to the unfavourable investment climate as a result of the uncertainties created by the Chinese aggression and the super profits tax. Besides, with the target capacity for various industries scheduled for development in the third plan almost fully licensed, the number of new licences issued during the year was fewer. The Centre received during the year 50 project proposals from firms which had obtained industrial licences. Of these, 28 project proposals were processed and sent to the Centre's New York office and representatives of the Centre in other capital exporting countries, who will seek collaborators for these projects covering a wide range of products.

Mr. Mehta's observations concerning the general attitude of foreign investors are significant. Foreign investors, he says, appreciate the need for planning in countries where resources are scarce. They realise that joint ventures based on continuing partnership between them and the nationals of the developing country are the most constructive form of new enterprise, so that they get equal treatment and earn the goodwill of the people whom they wish to serve. Foreign investors also recognise that they should impart modern technology and skills to the technical and managerial personnel in the developing countries to ensure the success of the new enterprises. Moreover, the governments of some capital-exporting countries have taken positive steps to reorient the attitude of investors in their countries and have offered fiscal incentives to encourage private investment in developing countries.

The U.K. has, for historical reasons, the largest percentage of foreign business investments in India and the interest of British entrepreneurs in the Indian market remains well sustained. British investors seem to think that the vast and expanding Indian market cannot be held by exports, but can only be cultivated through appropriate investments. The U.S.A. has been showing increasing awareness of the importance of India as a growing potential market. The U.S. Government has been actively promoting American private investment in developing countries. Some of the American firms, says Mr. Mehta, are critical of the Indian Government's fiscal policy, dilatory procedures and policies concerning licensing, capital structure and payment of royalties. The super profits tax is stated to have caused considerable concern among American investors.

In West Germany, the Government has set up a corporation for economic co-operation to assist medium and small entrepreneurs to invest in developing countries. The Government is also considering the question of an "investment guarantee" agreement between West Germany and India. Until recently, German industrial firms were inclined more to offer technical collaboration than to make investments. But they are now showing more interest in the latter proposition. French firms prefer to offer technical collaboration rather than to participate financially in joint ventures in India. This is because they like to invest in their own country, and only a few French firms have so far shown interest in Indian joint ventures. In other countries of western Europe, interest in India is relatively small which is due partly to lack of sufficient knowledge of conditions in this country.

Having regard to the fact that over 1,300 collaboration agreements during the past decade have received Government approval and hundreds of joint ventures are successfully operating and earning reasonably handsome profits, India has proved to be a good business risk for foreign investment. But the climate for international investment is sensitive and is influenced by a variety of factors. The chairman of the Investment Centre has rightly emphasised that the climate in the capital receiving countries should be made suitable for attracting private capital and techniques from abroad. As it is, the Indian capital market is virtually paralysed.

The political uncertainty following the Chinese aggression and the massive build-up of the country's troops along the northern borders of India and the Government's fiscal policy, especially the super profits tax, have led to a crisis of confidence and shares of many first-rate new companies are quoted around or below par. Indications are not lacking that the Government is seized of the situation and that it is anxious to tone up the investment market. But it seems unlikely that the market will be able to improve materially until India and China agree to settle the border dispute through peaceful means. It is difficult to assess quantitatively the Investment Centre's rôle by the number of joint ventures actually brought into being. The main function of the Centre is to generate interest among foreign firms and corporations on the basis of specific investment opportunities in India. It plays a significant rôle by providing authentic and up-to-date information to foreign firms on various aspects bearing on investment in this country. The Centre's programme of industrial surveys and feasibility studies on specific industries also should yield good results.

Law to Enforce Textile Standards

The Textiles Committee Bill, unanimously passed by the Lok Sabha recently, marks the beginning of a systematic effort to create quality consciousness in the textile industry and among consumers in the country. The need for quality control has long been recognised, but measures taken in the past were of a halting nature and had only limited effect. The new Law provides for the setting up of a textile committee with large statutory powers to ensure the production of standard qualities of textile goods—whether made wholly or partly of cotton, wool, silk, artificial silk or fibre—for internal marketing and export. The committee will evolve standard varieties of textiles and have them registered under suitable marks according to the Trade and Merchandise Marks Act, 1958. The Act also provides for the inspection of textiles and textile machinery at any stage of manufacture and also while in use at mill heads. It will undertake, assist and encourage scientific, technical and economic research in textile and textile machinery manufacturing industries.

Research and design would be an integral part of the activities of the committee which will be a high-powered body comprising representatives of the industry and labour as also technologists and economists. The Act empowers the Government to prohibit export or sale of any textiles or textile machinery which does not conform to the standards laid down by the committee. Any person contravening the order is punishable with imprisonment or fine or both. The committee's head office will be in Bombay with a chairman appointed by the Central Government. The Textile Commissioner will be the vice-chairman. The committee will operate a fund to be called the Textile Fund and will have financial assistance from the centre.

Replying to the debate on the Textiles Committee Bill, the Minister for International Trade, Mr. Manubhai Shah, stressed the all-too-obvious need to modernise and rehabilitate the industry which is essential for the production of quality fabrics. He urged the industry to give up its prejudices against the use of indigenous textile machinery which will now be subjected to stringent quality control. He also asked the industry not to concentrate on the production of grey cloth, but to try to sell bleached and finished cloth abroad. He saw a considerable scope for the sale of finished cloth to the rapidly developing ready-made garments industry abroad. The Minister for International Trade, however, conceded that previous export projections ranging between 800 million yards and 1,000 million yards were impracticable in the conditions now obtaining in the international market and that 500 million to 600 million yards was perhaps about all that India could hope to export.

The legislation for ensuring quality of textiles and textile machinery is welcome. The mill industry, however, is sceptical about the utility and the success of the Textiles Committee Act, unless production in the expanding decentralised sector is also brought under proper control. The mill industry also argues that the production of quality fabrics depends on its rehabilitation and modernisation which involves an investment far beyond the capacity of the mills. Oddly enough, the industry is seeking an upward revision of cloth prices when the need is to hold the price-line and strengthen the industry's competitive position in overseas markets. Considering that cloth prices have been pegged down at levels which prevailed in January 1961 whereas there has been an all-round increase in manufacturing costs since then, the industry's case for revision of cloth prices seems unassailable. But the view is widely shared that the system of voluntary price stamping has

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been reduced to a mere farce and that the industry has in effect been obtaining higher prices through minor alterations in the texture of fabrics.

Exporting to Japan

The World Trade Department of the Indian Chamber of Commerce has recently published an informative booklet on export promotion in Japan entitled *Opportunities in Japan*. Apart from discussing the official policy on export promotion, it surveys the export prospects of major Indian commodities which are usually bought by Japan. During 1953-61, Japan attained the biggest rate of growth in both industrial production and exports—243 percent in the former and 262 percent in the latter. The country's remarkable success in export promotion, the booklet says, is due to a combination of several factors. Apart from hard work and the determined efforts made by Japanese business men, various incentives, both direct and indirect, have been given to them to promote exports. Among the incentives, the more important are income tax relief, accelerated depreciation, long and short-term credit facilities, concessional rates of interest, export risks insurance, market research, inspection facilities, supply of raw materials from abroad with negligible import duty, concessions in railway freight, low shipping freight rates and the absence of export duty. The remission of income tax on export earnings, the booklet points out, has been a powerful incentive. Trading and manufacturing companies are allowed to deduct from their taxable income 1 percent and 3 percent of the proceeds from export and sale contracts, respectively, and the maximum amount deductible in either case is not to exceed 80 percent of the income arising from exports. A deduction of up to 50 percent of the proceeds is also allowed on the export of know-how. The Import and Export Policy Committee, it will be recalled, recommended somewhat similar incentives for exporters in India.

The Export-Import Bank in Japan plays a vital rôle by offering loans for the export of machinery and technical know-how, for the import of essential raw materials and for investment in overseas enterprises and joint ventures. It also gives credits on specific exports or imports or overseas investments supported by specific contracts between the Japanese and foreign interests concerned. Furthermore, the Japan External Trade Organisation, J.E.T.R.O., actively promotes exports in a number of ways. It is an official body working under the Ministry of International Trade, but enjoys a god deal of autonomy in carrying out its activities. J.E.T.R.O. maintains branches in Japan and research centres in other parts of the world; conducts intensive market research; collects commodity samples; assists in commercial transactions; explores new markets; promotes the export of new products; gives wide publicity to Japanese goods through films and other media; and advises small manufacturers and dealers to enter the export trade. The improvement in the quality of manufactures, the booklet argues, has mainly led to the rise in exports. American and European industrialists are reported to be fully satisfied with Japanese products and skill.

India should, therefore, emulate the Japanese example in increasing exports of her products. There is great scope for raising sales of Indian commodities to that country, the booklet says. Japan's total annual imports are of the order of Rs. 2,800 crores, but India's share is only about Rs 50 crores or nearly 2 percent. The study points out that, apart from traditional items like raw cotton and minerals, an attempt must be made to increase exports of Indian tea to Japan.

Investing U.K. Funds in Commonwealth

The current issue of *Barclays Bank D.C.O. Overseas Review* stresses in its editorial that, apart from any strictly materialistic considerations, there is the overwhelmingly important point that Britain is inevitably faced with the duty of playing a leading part in the development of the Commonwealth. Most members of the Commonwealth, it goes on, must be classed as underdeveloped and even the more developed, such as Australia, are still not able to generate a high enough level of domestic capital formation to achieve the maximum rate of economic growth.

Only Britain is a net exporter of long-term capital within the Commonwealth. But she cannot meet all the investment needs; neither is she capable of meeting more than a fraction of the requirements of the underdeveloped Commonwealth countries of grants and loans in the Government sector. The editorial draws the conclusion that investment and aid from other sources should be encouraged. But for the private sector, the U. K. share of investment in the less developed countries is likely to remain preponderant. The reason, thinks the *Review*, is that the private investor tends to shun the unknown, but is always alert for opportunities with which he already has economic and political links. Only the British investor is likely to be interested in direct investment in many of the underdeveloped parts of the Commonwealth; even in the larger and more advanced countries, he starts with advantages over others, of which the greatest is likely to be that he has a much wider knowledge and longer experience of the economic background. Many of the industrial schemes in Commonwealth countries are initiated by, or in co-operation with, British companies already established in those countries, as they reinvest a large share of their profits by expanding their business or embarking on new ventures. Investment in this way brings with it not only technical skill, but also a realistic approach.

All the underdeveloped Commonwealth countries, adds the *Overseas Review*, are anxious to attract foreign investment; the new Capital Investments Bill in Ghana, for instance, shows that country to be no exception. Nearly all offer tax incentives, and various reassurances for the future. There seems to be a strong case, thinks the *Overseas Review*, for a general Commonwealth agreement introducing greater uniformity on this question. The safeguards for the investor would be further strengthened by the mere fact that they were part of a general agreement, and the flow of British investment capital would be in this way stimulated. On the other hand, it would also be of benefit, particularly to the recipient countries, if competition in the offering of incentives ceased; there is often a danger that these may be too far-reaching, and divert investment to uneconomic schemes.

Categories for U.K. Cotton Imports

The President of the U.K. Board of Trade has agreed that a "reasonable measure of categorisation" is desirable for low-priced cotton imports into Britain. When this was disclosed in a written reply to a question in the House of Commons, it was welcomed by Lancashire members as a modest response to pressure from the industry and from them. The division of imports into separate categories will, for example, mean that the British market cannot in any one year be faced with a flood of cheap shirts from Hongkong, making up the whole of the Hongkong quota. The quota from each overseas country will have to be divided in reasonable proportions for each category. But the answer of the President of the Board of Trade suggests that the latter has still not accepted the idea of complete control. He has not mentioned any specific action to be taken by the Board, but has welcomed "the expressed intention of the Indian cotton textile industry to enter into early discussions with their British opposite numbers about the categorisation of imports." Officials from both Governments are expected to be present at these talks.

World Bank Loans

World Bank loans during the year ended June 1963 totalled $448.7 million, compared with $882.3 million in the previous year. These went to 19 countries including India, and brought the gross total of the Bank's loan commitments up to 30th June, 1963, to $7,121.5 million. Disbursements during the year amounted to $620.4 million, compared with $485.4 million in the preceding year. Cumulative disbursements up to 30th June, 1963, were $5,425.5 million. These figures show that the World Bank has become a major source of international capital for developing countries.

The Bank's gross income during the year ended 30th June, 1963, was $203.9 million excluding loan

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commissions, compared with $188.3 million in the previous year. Expenses which included $103.7 million for interest on bank borowings and other financial expenses totalled $121.2 million, compared with $118 million in the previous year. The Bank added $114 million—$82.7 million of net earnings and $31.3 million of loan commissions—to its reserves during the year ended 30th June, 1963. On that date, its supplemental reserve totalled $558.7 million and special reserve $254.9 million.

CORRESPONDENCE

SHORTAGE OF P. V. C. COMPOSITION

(To The Editor of "Capital")

Sir,

The paucity of P.V.C. composition is a problem created by the Government because of the ban on imports. The indigenous producer of P.V.C. meets only 10 percent of the domestic requirements. The quality of the indigenous P.V.C. does not compare well with the imported variety. The price is substantially more than the international rate. The productive efficiency is 30 percent less than the foreign manufacture. Delivery schedules are not kept. Complaints and grievances are not promptly attended to.

This anomalous and sorry situation has hit the industries which use P.V.C. composition. Cable manufacturers are one of them. Correspondence and personal calls have not produced any material benefit from the Government. It is, therefore, necessary that P.V.C. cable manufacturers, big and small, must unite and raise their voice in protest. To achieve this object, formation of an association is essential. Would the manufacturers, through their public relation officers or managers, send in their grievances or contact the undersigned at Thermo-Plastic Industries, 78, Kalachowki Road, Lalbaug, Bombay, to help in the formation of an association?

Yours etcetera,
Y. T. Parwatay

Bombay, 9th August.

BURMAH OIL ACTIVITIES

The Burmah Oil Co. during the past few years have been making enormous developments and extensions, and is now rapidly becoming one of the largest oil producers in the world. Up till a few years ago, it supplied only a small portion of the requirements of burning oil of Burmah. Now it supplies practically the whole of that country, its imports to Calcutta having exceeded, in the past two or three months, the total imports of all foreign oils. it is shipping oil largely to Madras, Bombay, Karrachee, and other Indian coast ports, and also to the Straits where it is competing with Sumatra oil. As against the total estimated consumption in India of about 120,000,000 gallons, it is now producing about 45,000,000 gallons, annually, and before long it will be in a position to supply all the requirements of this country, if not to export to Europe, as developments and extensions are still going on at a rapid pace. The Company have three tank steamers built to their own designs constantly running between Rangoon and Calcutta, and a fourth one of a capacity of about 4,500 tons, to be employed in the Bombay trade, is just approaching completion. In addition to these they employ a number of other vessels for carrying their tinned oil to other ports. They have also just begun the construction of a pipe line between their wells and Rangoon—a distance of about 400 miles—the cost of which is estimated at nearly £500,000. Their bulk oil installation at Budge Budge is now the largest in India, their tinning factory there gives a daily output of 20,000 tins which figure will, in 3 months' time, be increased to 30,000 tins, and they have now, either erected or in course of erection, over 70 tanks at different up-country stations on the eastern side of India. A similar installation at Bombay with a corresponding network of up-country tanks and depots, is now being arranged for to meet the requirements of the Western Presidency. So far the Company have only produced a cheap quality of oil as the crude they have been working has been of too high a specific gravity to permit of producing a superior oil, but some of the crude now being pumped is of a quality which gives hope of their being able before long to produce oils equal to any now in the market.

FROM
CAPITAL
27th August, 1903

A Ditcher's Diary

The *Gita* is quite firm and clear on the point: Yours is only the right to labour; it is not for you to think of the fruits thereof. Something of this spirit must have moved the 72 sponsors of the Lok Sabha's first-ever motion of no confidence against the only Government it has known, the Nehru Government. As I write, the debate grinds on, bringing little new and affecting the ultimate voting not at all. Yet there has been evident a new confidence in the Opposition, woefully divided and motley though it is. The Communists were in a quandary; in not wanting Mr. Nehru to go they probably represented the country's feeling in general. Their attack on Messrs Morarji Desai and S. K. Patil may also have echoed popular sentiment. But the obvious ambivalence towards the Government as a whole took away something from the Communists' criticism. In Acharya Kripalani's opening volley there was, I thought, a little too much of the "I-told-you-so" sort of spirit; but he was nowhere unparliamentary. Mr. Minoo Masani's reference to Djilas's *New Class* seemed rather beside the point. All in all, however, the no-confidence motion may have done no harm. It is always good for the Opposition to be able to let off steam. If the Government complains that, because of the motion, the "image" of the Government in general and Mr. Nehru in particular has been tarnished, as it doubtless has been, the Government has only itself to thank for it; the Opposition motion has only brought to the surface what has long been known. Whatever the inner feelings of Congressmen, they certainly put up a brave front in the Lok Sabha. Typical of this nonchalance was Mr. S. K. Patil, who has lately been criticised by the Prime Minister himself. There was, I thought, something theatrical about Mr. Patil's performance on Tuesday; the House may have been amused but it was not convinced. It is the Congress's imperviousness to criticism which I find irritating and dangerous. It does not betoken courage but a certain callousness and insensitivity, the two vices Mr. Nehru himself has never suffered from. His Party does; and this is not good either for itself or for the country's democracy.

I do not mind confessing that there are days when the morning papers are so destitute of news, as distinct from "wind", that I turn to All India Radio—in case something has happened since the papers were put to bed. I did so on Friday, Independence Day, at 8 a.m. And what do you think I heard? Mr. Nehru's speech at the Red Fort. Could the news be on other wave-lengths? It was not; nor any announcement at the time. The news came at 9 a.m., or so I gathered from a Bengali bulletin, also not on time that morning. As far as I know, the English bulletin is common between the domestic service and the external services. All India Radio claims a fairly large number of overseas listeners. What can they have thought when the news was not on at the usual hour? I know what I would have thought, knowing India only through All India Radio. The vision of a totalitarian country, with not one man daring to switch off the Prime Minister or delay his speech, would have been irresistible. Nothing could, of course, be less true. In spite of the emergency and a lot of other silly constraints, this country is still among the freest in the world; and most of the prevailing liberalism flows directly from the person of Mr. Nehru. All some A.I.R. official had to do was to submit it to the Prime Minister that news bulletins are something sacred, that a news bulletin takes precedence over every other kind of programme in any broadcasting house, and that it is very easy to lose overseas listeners by deviating from news schedules; and I have not the slightest doubt that the P.M. would have agreed to altered timings for the Red Fort ceremony. This is what is wrong with All India Radio. It has never shown any guts—either *vis-à-vis* the Government which strangles it or the public which ignores it. Many of the decisions in the Fielden or Bokhari era I did not agree with; but those were independent decisions. I cannot think of a single bold experiment in all the years since. Bad Information Ministers alone will not explain the failure of A.I.R.

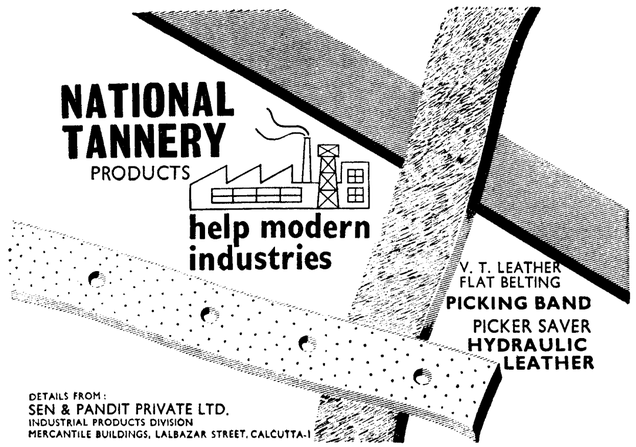
On a recent visit to London, it seemed to me that the annual tourist season there is not quite what it used to be. One minor reason may be that few Indians can now make the trip, so the city lacks the colour which all those gorgeous *saris* once gave it; the few Pakistani women one still sees are not numerous enough to make up for the loss. The weather, of course, is just as bad as ever; but in recent seasons there have been growing complaints about factors which are not quite so far beyond human control. For instance, London is now one of the most expensive cities in Europe, whereas a few years ago it was among the cheapest. Food is still reasonable enough in price, although English cooking has not improved, but the recent changes in the licensing laws seem to have made little real difference to the frustrations a thirsty tourist is prone to when he wants a drink at an odd hour, say, 3-30 in the afternoon. He is more apt to be cheated, too, than he was. In a recent survey made by some members of the staff of the B.B.C. it was found that only two taxi-drivers in five are reasonable about the tip demanded, and that the amount of short-changing that goes on in shops and restaurants is something which can only be avoided by those who are as familiar with Britain's medieval coinage as they are with the English language. Most of the hotels have nowadays adopted the invidious Continental system of putting a fixed percentage on the bill for service. This always in effect amounts to a surcharge, because not for a moment is the idea encouraged that tips are no longer necessary. Hotel prices are now so high that even the Americans are grumbling. Against all this, it is still a fact that London has the best public transport system in the world—although not now by any means the cheapest—and that makes sightseeing so much easier than in, say, Rome or Paris. And then there are the shows. There is a good crop this year, and one heard several people declare that a visit to London was worth while for the sake of these alone. I wonder, by the way, what is happening to the Americans these days? Apart from the usual breathtaking array of photographic equipment and the inevitable crew-cut, they are becoming practically indistinguishable from any other nationality. Gone are the hand-painted Hawaiian shirts and the bathing-beauty ties. It is all rather a pity; the colour might have helped make up for the absence of all those beautiful *saris*.

The proposal that India and Ceylon should co-operate in their propaganda to encourage tea consumption in Britain seemed a sound one to me. But Ceylon turned it down, or so I believe, because her share of the British market was already expanding at India's expense and in any case she had a head start in her own publicity activities. As good a reason as any, I suppose, although it may prove short-sighted in the long run. I say this because from figures I have just been studying, it is clear that Britain's *per capita* consumption of tea is not increasing in step with her standard of living. It was 9.3 lbs a head before the war, and it was standing at exactly the same figure in 1960. It was higher in 1961, at 9.9 lbs, but this might have been an exception, because it was down, on the basis of provisional figures, to 9.5 lbs in 1962. During the same period, the *per capita* consumption of coffee increased from the pre-war 0.7 lbs to a provisional 2.7 lbs in 1962. Now coffee is a more expensive drink than tea, and one would naturally expect its consumption to increase as living standards improve. But the impression I got from a recent market survey

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was that it is becoming more fashionable as a drink, and certainly an improvement of something like four-fold in consumption outpaces the rise which has taken place in Britain's living standards since the war. It also struck me that tea is beginning to acquire a rather outdated image. It is coming to be considered as primarily the drink of the labouring classes—who are diminishing rapidly in numbers—and the old-age pensioners—who are not increasing in wealth—and not of the young, "way out" set. At least outside the home, it also has a past of cracked cups, slopped table-tops and stewed-up brews to live down. Publicity could certainly help change all this, and no matter how well she feels she may be doing at the moment, Ceylon would surely gain from any joint arrangement. But I often wonder whether a little more aggressive and imaginative salesmanship would not help too. For instance, it is a fact that automatic vending machines have greatly increased the consumption of milk in Britain in recent years, and I know there are already some which dispense tea. But why not more of them; and why is there not a greater variety? Indeed, the question of variety and novelty could hold the key to the market. It is significant that the traditional beverages, tea and cocoa, show the least improvement in popularity since the war, whereas the newer ones, coffee and patent drinks, show the most.

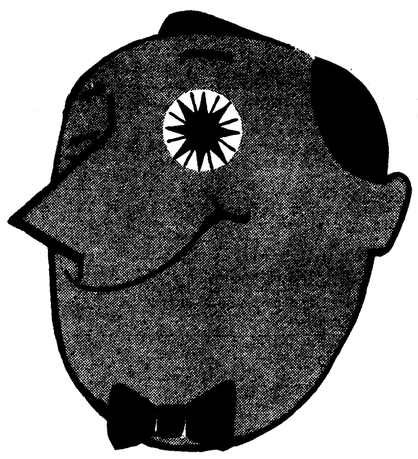
I WAS SADDENED TO READ THE OTHER DAY THAT SIR Harold Nicolson had retired from reviewing books for the *Observer*; he is going to be 77 in November. A man is certainly entitled to sign off at that age; but the feeling remains that nobody is quite going to fill his place. I was upbraided by friends when I appeared to back him, against W. H. Auden, for professorship of poetry at Oxford; somehow, I do not think the Georgian or Elizabethan period has produced an equal to this unashamed Edwardian. Discipline is not the first attribute one associates with King Edward VII and his reign; that, yet, is what I thought of when I saw one of those reviews by Harold Nicolson. His *Marginal Comment* in the *Spectator* had been just as gracious; and the going was graceful. Born in Persia, if I remember aright, Sir Harold remained curiously English; and he was accused of urbanity, as though it were a crime, mainly because his frame of reference was not exclusively English. As far as I know, he speaks and reads several foreign languages and does not consider them all inferior to English. Son of a diplomatist, he was one himself; hence a man of affairs and an M.P. for some time. He lost elections later; and nobody has written of electoral defeats more charmingly. With all this he combined a love of reading and writing, which may or may not have been the undoing of his career in the Foreign Service. (Is it possible that his dispatches were too learned?) What I am getting at is that his writing, be it an essay or a book review, gained immensely from his experience in the non-literary spheres of life. Writing is a full-time occupation all right; but what does one write about if one has not lived one's life or observed it elsewhere? The *Observer* and the *Spectator* were the papers for Sir Harold; he was, I think, ever the onlooker. But what an outsider! To his life and his writing he brought a degree of poise and balance that many would be better with. To write of Verlaine and Curzon with equal enthusiasm is not given to many; and I am sure Sir Harold has found ample things of interest for his years of ostensible retirement.

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ATLANTIS (EAST) LIMITED (Incorporated in England)

WTBR 5647

Guide for Investors

REVIVING CONFIDENCE IN THE INVESTMENT MARKET

(BY A SPECIAL CORRESPONDENT)

THE dull trend in the capital market, after the show of buoyancy in July, has created anxiety in official circles. The market was in fact shaping fairly well, trying to emerge from the earlier despondency. But the renewed Chinese threat on India's borders has created fresh misgivings. The bad days started roughly from the time of Chinese aggression last October, although activity had been subdued even before. The heavy tax burden introduced in the 1963-64 Central Budget, reflecting the strains of development and defence, affected sentiment. Although normalcy later appeared to have been restored, following the relaxation of the restrictions placed by the Stock Exchange authorities and the Government, price movements showed a lack of vigour which was essential for attracting fresh risk capital. Dear money, high taxation and the Chinese threat on the border have virtually created stagnation, from which the market is yet to recover. While official circles attribute the dull trend to political uncertainty arising out of the Chinese threat, industrialists as well as operators continue to blame high corporate taxation for the sluggishness.

The Government is obviously aware of the trend in share prices, since it is now thinking of ways and means to stimulate activity. New Delhi, it is reported, will ask the Industrial Finance Corporation and Industrial Credit and Investment Corporation of India to play a more liberal rôle in underwriting new issues. This could imply that the Government has completely ruled out any fiscal relief in the meanwhile. As long as the current emergency lasts, higher taxation will be inevitable, irrespective of its consequences on the tempo of development. In fact, the Government's present efforts in stimulating the capital market through larger underwriting and financial accommodation by quasi-government institutions imply that the authorities are prepared to do everything possible to stimulate the market, except through fiscal concessions. No doubt, the need for financial resources is obvious. Due to the sad experience of underwriters in recent issues and the growing reluctance of the average investor to take up new shares, the burden is to be shifted to stronger shoulders, such as those of the I.F.C. and the I.C.I.C.I. Meanwhile, if industrial units obtain adequate funds for either expansion or working needs, and if new companies are enabled to enter the market depending on the underwriting assistance of the I.F.C. and the I.C.I.C.I., it may be possible to maintain the tempo of industrial production to some extent. But it is doubtful whether this will help increase the flow of fresh equity capital from the investing public, as the average investor, unlike the underwriting institutions, is attracted only by adequacy of return and scope for capital appreciation.

The slackening tempo of economic growth, the lower profit margin for industry, the higher corporate taxation and the growing strain on the economy caused by defence and development have had an adverse effect on share prices. While some relaxation in monetary restrictions and other indirect measures will no doubt be useful and will indicate the possibility of ultimate action in the fiscal field, the near-term outlook for share prices is unlikely to be changed materially in the foreseeable future by half-hearted official measures.

Botanium Abandons Project for Titanium Dioxide

BOTANIUM Ltd, which had been sponsored by Nowrosjee Wadia and Sons (Private) Ltd, for undertaking the manufacture of titanium dioxide in collaboration with Laporte Industries Ltd, London, has decided to abandon the project after pushing it almost half way through. The directors state in their report for the year ended March 1963 that the project has been given up because the Company's plans have been seriously affected by the circumstances beyond their control. As a result of new taxation measures announced by the Central Government, such as the super profits tax, increased excise and import duties on certain items, it is estimated that the taxation burden on the Company even after first seven years of full production, will be considerably more than anticipated by the promoters. Careful calculations, it is stated, have shown that it would not be possible to pay reasonable dividends and plough back retained earnings to the same extent, as visualised, to undertake necessary expansion in order to attain the economic level of production. In view of the present depressed state of the capital market, it is considered impossible to place a proposal, such as this, before the public. The Company's foreign collaborators are also stated to be against going ahead with the project as the prospects of earning a reasonable return on the investment are no longer considered attractive.

In order to mitigate the hardship caused to those who have already invested their funds in the venture, the directors have decided to return the greater part of the paid-up capital or buy back the shares from those who wish to surrender them after the scheme of capital reduction has been put through. Laporte Industries of London has agreed to take back the "know-how" which had been transferred in consideration of the allotment to it of 300,000 equity shares of the face value of Rs. 30 lakhs as fully-paid shares. The Company's solicitors have advised that on these shares being returned to the Company, they should be cancelled with a consequent reduction of the authorised capital of the Company from Rs. 5 crores to Rs. 4.70 crores. At the same time, for the 760,100 shares of the face value of Rs. 10 each, which have been issued to the directors, their friends and associates and on each of which a sum of Rs. 5 has been paid-up, it is recommended by the directors that a sum of Rs. 4 a share should be returned to shareholders without, however, extinguishing or reducing liability on any of these shares. This will reduce the issued and subscribed capital of the Company to 760,100 equity shares of Rs. 10 each, on which only Re. 1 a share would be paid-up. The relevant resolutions will be placed before the members for their approval at the forthcoming annual general meeting.

The directors add that it is impossible to make any definite statement about the future of the Company. It will have as its assets the land which has been purchased. It has also done a great deal of preliminary work, and is well equipped to start a project of the kind at present contemplated, subject to a proper climate being created for carrying on its activities. While it may not be unreasonable to assume that the Company will resume working of the one or the other of the objects for which it was formed, yet when it would be possible to do so cannot be foreseen and no assurance can be given; nor can even a guess be made. All the agreements at present entered into will have to be re-negotiated.

The directors further add that if any of the shareholders are desirous of having their moneys repaid, the Company's managing agents—Nowrosjee Wadia and Sons (Private) Ltd—would be willing to purchase or cause to be purchased the shares of all the shareholders at the paid-up value of the shares, that is, at Re. 1 a share, after the scheme of capital reduction has been implemented. If the shareholders agree to sell their shares to the managing agents, they will not be called upon to share in the losses incurred by the Company during the last two years. Botanium Ltd has incurred a loss of Rs. 61,499 for the year ended March 1963, against Rs. 25,250 in the preceding year after providing Rs. 5,753 (against Rs. 1,319) for depreciation and Rs. 83,943 (against Rs. 32,765) for taxation. A debit balance of Rs. 86,749 is being carried forward.

Kumardhubi Engineering to Issue Bonus, Rights

THE ordinary shares of the Kumardhubi Engineering Works Ltd have improved to Rs. 8.25 a share of Rs. 3 each on good corporate news. The Company has decided to issue bonus shares in the proportion of two bonus shares for every three held by capitalising the share premium account and part of the reserves which amount to more than Rs. 53.03 lakhs, against an ordinary share capital of Rs. 27.65 lakhs. It has also decided to issue rights ordinary shares immediately after issuing bonus shares in the proportion of one new share for every two held. It is also proposed to increase the rate of interest on the existing Rs. 10 lakhs bearer debentures from 4 percent to 7 percent and to issue a fresh series of debentures up to Rs. 40 lakhs carrying an interest of 7 percent. The necessary applications will be made to the Government for its sanction.

The funds are being raised to finance the output capacity of the foundry and the structural shop. During the year ended November 1962, the Company showed excellent results in spite of the fact that the structural shop could not be fully used due to the shortage of steel. The Company's order-book has been satisfactory. The profit earned for 1961-62 amounted to Rs. 21.99 lakhs. The ordinary dividend at 15 percent absorbed only Rs. 4.15 lakhs. The ordinary share capital will rise to Rs. 69.14 lakhs when capital reorganisation is completed. Judging by the performance and the adequate dividend cover for 1961-62, the Company should have no difficulty in servicing the increased share capital.

Share Offer by Sankey Wheels

SANKEY Wheels Ltd which proposes to undertake the manufacture of wheels for commercial vehicles such as lorries, passenger buses, tractors and the like and of wheels for passenger cars, jeeps and animal-drawn vehicles, is offering 600,000 equity shares of Rs. 10 each at par for public subscription. The project is estimated to cost Rs. 2.52 crores, of which Rs. 1.30 crores will be spent on plant and equipment, Rs. 73 lakhs on land and buildings and Rs. 25 lakhs will be needed for working capital. The cost is to be met by the issue of share capital of Rs. 1.70 crores and loans from Commonwealth Development Finance Company and banks amounting to Rs. 82 lakhs.

Joseph Sankey and Sons Ltd of the U.K. which is one of the largest manufacturers of wheels in Europe, is collaborating in the venture. The manufacture of lorries is being undertaken with new plant largely being imported for the purpose, the foreign exchange for which is being provided by Commonwealth Development Finance Company Ltd of London, and Joseph Sankey. The factory will be located in Durgapur. The construction of the factory buildings, railway siding and other facilities is already under way, and it is expected, barring unforeseen contingencies, to start production of lorry wheels in 1964. The manufacture of car wheels will be carried on with plant transferred by Guest, Keen, Williams of Calcutta to the Company on 1st June, 1963. It is proposed to move this plant to Durgapur soon after the commencement of production of lorry wheels as more economic production can be achieved if both types of wheels are manufactured under one roof. But pending this, the plant has been hired to G.K.W. which firm has agreed to continue manufacture and to sell to the Company its entire production of wheels in accordance with the arrangements concluded. Apart from the demand for wheels by automotive manufacturers as original equipment in motor-cars, jeeps, lorries, buses, trailers, tractors and other such vehicles, the Company also expects to cater for the demand for replacement wheels, mainly for lorries.

When in full production by about the end of 1966, the Company is likely to have a turnover of about Rs. 7 crores. It has been licensed to manufacture 100,000 wheels for lorries and 50,000 wheels for motor-cars a year on a single shift basis. The promoters are optimistic about declaring a dividend within a few years of the Company going into production. The authorised capital of the Company is Rs. 2.50 crores—all in equity shares of Rs. 10 each. Shares worth Rs. 38.50 lakhs have been taken up by Joseph Sankey and Sons, Rs. 38.20 lakhs by Guest, Keen, Williams, Calcutta, Rs. 10 lakhs by Commonwealth Development Finance Company, Rs. 21.60 lakhs by Mr. Sant Singh Sahney and his sons and Rs. 1.70 lakhs by directors and their friends, making a total of Rs. 1.10 crores. Shares of the value of Rs. 60 lakhs are now being offered for public subscription. The board of directors includes Mr. Harry Ferguson Hodgson, Mr. C. C. Desai, Mr. K. C. Maitra, Mr. Ray-

mond Percival Brookes, Mr. William Morrice, Mr. Sant Singh Sahney and Mr. James Horatio Witton.

India Paper Pulp Does Well

THE improved results of the India Paper Pulp Co. Ltd. for the year ended March 1963, have largely been due to increased production of paper combined with a reduction in manufacturing costs. The output of finished paper has been 2,460 tons larger at 15,641 tons. This has been possible due to a rise in the production of pulp as a result of the installation of the forced circulation equipment in the digester plant. The directors have referred to high production costs. The royalty rates for bamboos in particular have increased sharply. Although high production costs have so far been partially offset by cuts in manufacturing expenses following the increased production of pulp and paper, the trend may not continue in future years. The sale of the mill's by-product, celex, has substantially contributed to the profit. Celex is being used by the refractory, cement, metallurgical, building and chemical industries in place of the imported sulphite lyes. The Company has received licences for importing equipment required for the expansion of the jute stick pulp factory. The project will be financed partly by a credit of Rs. 20 lakhs from the Industrial Credit and Investment Corporation of India and partly by the Company's own funds. In view of the need to raise the production of paper by a higher output from the existing units, the Company has been examining proposals for modification and adjustment to the existing equipment. The directors hope for a substantial rise in the paper output.

The profit has improved from Rs. 23.47 lakhs in 1961-62 to Rs. 40.65 lakhs in 1962-63, after transferring Rs. 13.87 lakhs (against Rs. 12.56 lakhs) to depreciation. The taxable ordinary dividend has been raised from 12 percent to 15 percent, including an interim of 5 percent. It is covered more than thrice and offers a yield of 8.8 percent at the present price of Rs. 17 a share of Rs. 10 each. Taxation, including Rs. 2.50 lakhs for the super profits tax, absorbs Rs. 22 lakhs (against Rs. 11.55 lakhs). Development rebate reserve is allocated R. 2.85 lakhs (against Rs. 76,858) and general reserve Rs. 2.75 lakhs (against Rs. 75,000), leaving a carry-forward of Rs. 28,615, against Rs. 46,493 brought in.

Macneill and Barry Jute Group Does Well

THE results of the Macneill and Barry group of jute mills for the year ended March 1963 have been satisfactory, since the prices of jute goods have been remunerative in relation to those of fibre. The Gourepore Company has operated with 110 broad-looms for producing carpet-backing cloth. The mill has been licensed to install 140 of these looms. The Company has made arrangements to obtain the necessary spare parts and replacements for the two pilot units of weaving equipment which have been installed. It has made adequate provision to cover the anticipated capital loss on the sale of the Gourepore Electric Supply Company undertaking to the Government of West Bengal. The directors have assessed the current prospects fairly optimistically, although they think that the profit will be smaller than in 1962-63 in view of the decline in jute goods prices.

The profit has risen from Rs. 12.24 lakhs for 1961-62 to Rs. 73.49 lakhs for 1962-63, after increasing depreciation from Rs. 11.91 lakhs to Rs. 14.75 lakhs. The taxable ordinary dividend of 20 percent has been maintained. This is covered more than seven times and offers a yield of 7.9 percent at the present price of Rs. 25.25 a share of Rs. 10 each. Taxation, including Rs. 9.30 lakhs for the super profits tax, absorbs Rs. 47.10 lakhs (against Rs. 4 lakhs). Development rebate reserve is allocated Rs. 4.83 lakhs (against Rs 2.70 lakhs), doubtful debts reserve Rs. 10,063, general reserve Rs. 6 lakhs and investment depreciation reserve Rs. 4.50 lakhs. The carry-forward is Rs. 29,659, against Rs. 49,518. Gunny sales rose from Rs. 5.55 crores to Rs. 6.19 crores.

The Nuddea Mills Co. Ltd has doubled the taxable ordinary dividend to 10 percent to absorb Rs. 6.68 lakhs. The yield amounts to 8.8 percent at the present price of Rs. 57 a share of Rs. 50 each. The profit has increased from Rs. 3.53 lakhs to Rs. 39.25 lakhs, after transferring Rs. 8.49 lakhs (against Rs. 8.71 lakhs) to depreciation. Taxation, including Rs. 45,000 for the super profits tax, absorbs Rs. 17.90 lakhs (against nil). A sum of Rs. 3.65 lakhs has been transferred from development rebate reserve. Building replacement reserve is allocated Rs. 6.73 lakhs, development rebate reserve Rs. 4.93 lakhs (against Rs. 47,122), investment depreciation reserve Rs. 50,000 and general reserve Rs. 7.25 lakhs. The carry-forward is Rs. 13,111, against Rs. 65,041 brought in.

Gunny sales amounted to Rs. 3.48 crores, against Rs. 3.40 crores. The Company has been licensed to install up to 40 wide looms. An application has been made to increase the number to 80 looms, and plans have been made to install 40 looms shortly. Production on these looms, which are to be installed in the south mill, will begin early next year. The Company has transferred Rs. 50,000 to investment depreciation reserve in order to cover the anticipated capital loss on the sale of the Gourepore Electric Supply Company undertaking to the State Electricity Board of West Bengal.

Mukand Iron and Steel Expanding

THE Mukand Iron and Steel Works Ltd did well during the year ended March 1963, with its sales rising from Rs. 4.73 crores to Rs. 6.46 crores, and the gross profit moving up from Rs. 61.43 lakhs to Rs. 67 lakhs. The directors' report and the chairman's statement to the shareholders hold out the promise of better results in the current and coming years because of the satisfactory progress of the expansion schemes. The directors state that the production at the Company's Kurla steel foundry rose from 6,280 tonnes in 1961-62 to 7,624 tonnes in 1962-63. The figure for the current year, it is expected, will reach 9,000 tonnes and 10,000 tonnes thereafter. The Kalwe unit, it is expected, will go into production in 1965-66. The construction of the factory on the 125-acre site has already started. Import licence amounting to Rs. 1.59 crores for plant and machinery is expected shortly. Final orders have been placed for the billet re-heating furnace and 20-tonne arc furnace and orders for the continuous casting plant and the mechanical part of the wire rod mill are at an advanced stage of finalisation. Quotations for the remaining equipment are in various stages of processing. The expansion of the cast iron foundry will be planned in conjunction with development of the Kalwe project.

The Company has made arrangements for the finance needed for its new plans. The Industrial Finance Corporation of India has sanctioned, in principle, a loan of Rs. 88 lakhs for expansion in Kurla. The Company's import licence applications for Rs. 37.42 lakhs have been cleared by the authorities. The I.C.I.C.I. has granted a foreign exchange loan equivalent to $1,680,000 in various foreign currencies. The Company has agreed to issue further equity shares worth Rs. 30 lakhs if and when the I.C.I.C.I. advises. Heads of terms have been signed with Commonwealth Development Finance Co. Ltd for a loan of £600,000, and a detailed agreement is at an advanced stage of finalisation.

The Company's subsidiary—Batala Engineering—has made good progress in the manufacture of machine tools. Three technical collaboration agreements have been signed with foreign manufacturers—two Italian and one Austrian. With a view to conserving resources, Batala Engineering has not declared any dividend for 1962-63.

The chairman, Mr. Kamalnayan Bajaj, points out in his statement to the shareholders that although billet supplies during 1962-63 were better at 60,841 tonnes, against 42,580 tonnes in 1961-62, the overall position is still far from satisfactory. The prospective availability of billets for the current year is not likely to be better than in the preceding year. He complains that the main producers are using greater quantities of billets without giving a fair share to the rerollers. Mr. Bajaj says that it would be a national waste to allow the main producers to increase their capacity while there was a good deal of unutilised capacity in the rerolling industry. The chairman feels that the decontrol of steel might inflate the prices of raw materials. He, therefore, suggests that billet prices should not be decontrolled until adequate supplies are assured. Mr. Bajaj says that the Company has received numerous enquiries for steel castings from abroad, but the prices offered are below cost. He has complained that while main producers of iron and steel receive a cash export subsidy, rerollers are denied a similar facility.

Hindoostan Mills Pays the Same

DESPITE a small increase of a little over 5 percent in the sales from Rs. 3.17 crores to Rs. 3.34 crores —an all-time record figure—the gross profit of the Hindoostan Spinning and Weaving Mills for the year ended March 1963, is down by about 25 percent from Rs. 51.03 lakhs to Rs. 38.22 lakhs. The profit margin, says the chairman, Mr. K. M. D. Thackersey, in his statement to the shareholders, has been squeezed between the rigidly fixed prices and the rising costs of manufacture. Emergency insurance risks premiums, additional imposts of excise and import duties on items of stores, raw materials and machinery, etcetera, have added to manufacturing costs.

After providing Rs. 12.14 lakhs (against Rs. 9.78 lakhs) for depreciation, Rs. 7.85 lakhs (against Rs. 1.37 lakhs) for development rebate and Rs. 8.50 lakhs (against Rs. 23,000) for taxation and deducting other prior charges, the net profit amounts to Rs. 7.72 lakhs, against Rs. 16.88 lakhs in 1961-62. Credit has been taken for a sum of Rs. 3 lakhs, being provisions no longer required. A sum of Rs. 3.44 lakhs has been transferred to general reserve No. 1, against Rs. 5 lakhs in the preceding year. Dividend reserve absorbs Rs. 5.18 lakhs (against Rs. 5 lakhs). The dividend has been maintained at Rs. 64 a share on 9,600 equity shares made up of Rs. 24 interim and Rs. 40 final. In the preceding year, the Company had paid an interim dividend of Rs. 48 a share on 4,800 shares and a final dividend of Rs. 40 a share on 9,600 shares. The interim dividend absorbed Rs. 2.30 lakhs and the proposed preference and ordinary dividends amounting to Rs. 4.68 lakhs are to be paid out of the dividend reserve. After making various appropriations, there remains a balance of Rs. 15,203 to be carried forward, against Rs. 35,161 brought in.

The directors state in their report that machinery worth Rs. 42.89 lakhs was received during the year, and most of it was erected during 1962-63. The Company has replaced 44 plain looms by 48 automatic looms. It has received further 27 automatic looms for replacement of 24 plain looms, against an undertaking to export 359,991 yards of cloth a year for a period of five years. Moreover, it has also replaced 19 old automatic looms by 21 automatic looms. Most of these looms have started working. The mills now have 1,129 looms, all automatic. The Company's mills worked three shifts throughout the year under report. The Company has given a guarantee of Rs. 2.50 lakhs a year for three years, and Rs. 36,000 a year for five years to the Government concerning exports to be effected against new machinery in addition to the amount of Rs. 8 lakhs mentioned in the previous year's report.

The Company exported cloth worth Rs. 99.29 lakhs during 1962-63, against Rs. 77.89 lakhs in the preceding year. This, says the chairman, is "a creditable performance when viewed against the background of the declining trend in the country's exports." Referring to the Indian Cotton Mills Federation's plea for flexible control of cloth prices which would make it possible to raise or lower prices as circumstances warrant, Mr. K. M. D. Thackersey has expressed the hope that the Government will take such decisions as will be conducive to the healthy growth of the industry. The Company paid a sum of Rs. 15.09 lakhs as bonus to its workers for 1959, 1960 and 1961. The Rs. 250-paid share of Hindoostan Spinning is quoted nominally around Rs. 855.

Western India Mills Pays Less

THE Western India Spinning and Manufacturing Co. Ltd—another mill belonging to the Thackersey group—has fared badly during the year ended March 1963. Despite an increase of about 6.6 percent in the sales from Rs 3.17 crores to Rs. 3.38 crores, the gross profit is down by nearly 25.6 percent from Rs. 30.55 lakhs to Rs. 22.74 lakhs. The directors have recommended a final dividend of Rs. 40 a share, making a total of Rs. 64 a share on 9,600 shares. In the preceding year, the Company paid an interim dividend of Rs. 48 a share on 4,800 shares, and a final dividend of Rs. 40 a share on 9,600 shares. Appropriations of the year's profit include depreciation Rs. 10.80 lakhs (against Rs. 9.66 lakhs), development rebate reserve Rs. 2.52 lakhs (against Rs. 1.44 lakhs), taxation Rs. 4.25 lakhs (against Rs. 12.50 lakhs), general reserve No. 1 Rs. 5,311 (against nil) and dividend reserve Rs. 2.08 lakhs (against nil). The interim dividend absorbed Rs. 2.30 lakhs. The proposed preference and final ordinary dividends amounting to Rs. 4.68 lakhs, are to be paid out of the dividend reserve.

After making various appropriations there remains a balance of Rs. 15,046 to be carried forward, against Rs. 34,813 brought in. The directors state that machinery of the value of Rs. 7.93 lakhs was received and that most of it was erected during the year. The Company has received permission to install 48 automatic looms in replacement of 46 plain looms, against an undertaking to export 639,984 yards of cloth a year for a period of five years. The Company's cloth exports during the year were valued at Rs. 65.64 lakhs, against Rs. 68.57 lakhs in the preceding year. The Company has paid Rs. 16.05 lakhs by way of bonus for 1959, 1960 and 1961.

Indian Manufacturing Disappoints

THE Indian Manufacturing Co Ltd. belonging to the Thackersey group of mills, reports disappointing results for the year ended March 1963. While sales are up by about 13.3 percent from Rs. 2.64 crores to Rs. 2.99 crores, the gross profit is down by nearly 30 percent from Rs. 38.74 lakhs to Rs. 27.45 lakhs. The mills worked two shifts throughout the year and the sales were a new all-time record. But the profit margin declined as a result of the marked increase in manufacturing costs.

Allocations of the year's profit include depreciation Rs. 7.91 lakhs (against Rs. 6.44 lakhs), development rebate reserve Rs. 3.09 lakhs (against Rs. 6,797), taxation Rs. 7.50 lakhs (against Rs. 17 lakhs), general reserve Rs. 10,000 (against Rs. 4.94 lakhs) and dividend reserve Rs. 4.97 lakhs (against Rs. 4.25 lakhs). The Company has declared a final dividend of Rs. 40 a share, which, together with the interim dividend of Rs. 24 a share, makes a total of Rs. 64 a share on 9,600 shares. The interim dividend in the preceding year had been paid on 7,200 equity shares. Although the dividend has been maintained, the total distribution is Rs. 6.14 lakhs, against Rs. 5.57 lakhs. Dividends, preference and ordinary, are to be paid out of the dividend reserve.

After various appropriations, there remains a balance of 9,350 to be carried forward, against Rs. 10,899 brought in. The Company's cloth exports during the year were valued at Rs. 90.37 lakhs, compared with Rs. 72.43 lakhs in the preceding year. It paid bonus amounting to Rs. 17.81 lakhs for the years 1959, 1960 and 1961. Machinery worth Rs. 4.36 lakhs was erected during the year. The Company has executed a bond in favour of the Government of India for Rs. 3.20 lakhs in consideration of the permission to install 48 automatic looms in replacement of 45 existing plain looms by which the Company has agreed to export 639,984 yards of cloth annually for five years. Taxation up to March 1962 has been paid by the Company. The Rs. 250-paid share of Indian Manufacturing is quoted nominally around Rs. 760.

Swadeshi Cotton Mills Skips Dividend

IN spite of an increase of about 20 percent in the sales from Rs. 9.65 crores to Rs. 11.62 crores, the gross profit of Swadeshi Cotton Mills Co. Ltd, Kanpur, for 1962 is down by a little over 11 percent from Rs. 92.32 lakhs to Rs. 81.84 lakhs. A substantial fall in the net profit as a result of the higher provision for depreciation has obliged the directors to skip the dividend for the second year in succession. The Company had declared a dividend of 5 percent in 1960. The provision for depreciation has been stepped up from Rs. 32.41 lakhs to Rs. 50.51 lakhs, which includes Rs. 9.15 lakhs provided in deference to the views of the Company Law Administration, on written down value for the amounts added on revaluation of the fixed assets in the past. The provision for development rebate amounts to Rs. 6.60 lakhs, against Rs. 12.45 lakhs, and taxation accounts for Rs. 19 lakhs, against Rs. 23 lakhs. Credit has been taken for a sum of Rs. 4.15 lakhs (against Rs. 46,244), being provisions made in the previous years but now no longer required. After providing for the preference dividend and making a few minor adjustments, there remains a surplus of Rs. 9.16 lakhs to be carried forward, against Rs. 13.99 lakhs brought in.

The directors state in their report that the trading conditions of the textile industry, particularly of mills producing coarse and medium cloth, were not favourable during the year. Like most other mills, the profit margin was squeezed by the all-round increase in manufacturing costs without any increase in cloth prices. The licence for the installation of 25,000 spindles in Maunath Bhanjan has been transferred at the Company's request to the Naini mills. The licence had to be transferred as the Company was unable to persuade the authorities for the grant of permanent exemption from the payment of *octroi* duty on the import of raw materials. The building for housing 13,200 spindles is nearing completion. Delivery of machinery has started and the spindles are likely to be commissioned early next year. There were prolonged labour troubles at the Company's Udaipur mills and it was only in the last quarter of the year that relations became normal. Against a licence for 3,040 spindles, 2,640 spindles have been installed and the present installed capacity of this unit is 17,600 spindles, against the licensed capacity of 18,040. The working results of this unit have been satisfactory both concerning production and efficiency.

The Rajasthan Government has recommended the grant of a licence for further 6,000 spindles. The results of the Pondicherry Mills were not up to expectations, mainly on account of the depressed trading conditions prevailing during the year. The Company has been modernising and renovating the plant and machinery of its Kanpur and Pondicherry mills and this has enabled the mills to introduce new varieties of cloth yielding better realisation. Additional machinery has also been installed in Naini and Udaipur. Additions to fixed assets of the Company of the total value of Rs. 57.05 lakhs were made during 1962-63.

Laxmiratan Engineering Does Better

PRESIDING over the latest annual meeting of Laxmiratan Engineering Works Ltd last week, the director, Mr. G. D. Puri, assured shareholders that barring some unforeseen circumstances, the board was hopeful of declaring a maiden dividend soon. The Company's working results for the current year, which ends on 30th September, are expected to improve considerably over the previous year's performance. The Company's sales for the first ten months of the current year are placed at Rs. 1.32 crores and the turnover for the full year is expected to be around Rs. 1.70 crores, compared with Rs. 93.15 lakhs in 1961-62. The Company's products have been well received due to their standard quality and the Company's order books were full.

The Kanpur factory is now turning out 25 ring frames and 50 looms a month. This factory's sales are likely to exceed Rs. 40 lakhs this year, against Rs. 13 lakhs in the preceding year. The factory is booked for one year of its production of ring frames and more orders are pouring in. The Company's Faridabad factory is now manufacturing about 325 diesel engines a month, against only 90 some months ago. Sales of diesel engines which had suffered a setback last year are reported to be picking up. Full production of 12 horse power engines has been started. The factory is booked up to June 1964. From October next, it will start manufacturing 400 diesel engines a month. The Company intends to complete the manufacturing programme concerning 16 to 48 horse-power engines which have a big market as stationary and marine engines. Production of ancillary items for the Company's products is being increased in range and value.

Its Bombay unit is also said to be progressing satisfactorily. Production of sealed compressors has been established, and trial units have been sent to manufacturers of air-conditioners and their reports are awaited. The manufacture of Kubota petrol engines is well on hand. These engines, it is expected, will be put on the market by January 1964. Production of spindles and high draft units has been stepped up. The Bombay unit, it is expected, will have a sales turnover of about Rs. 77 lakhs during the current year, compared with Rs. 37.64 lakhs in 1961-62. The Company has fully provided for depreciation to-date. Arrears of preference dividend amount to Rs. 3.60 lakhs. The Rs. 10-paid share of Laxmiratan Engineering is quoted around Rs. 5.36.

Rampur Distillery Fares Well

THE Rampur Distillery and Chemical Co. Ltd reports encouraging results for the year ended March 1963, and this has enabled the directors to recommend a dividend of 5 percent, that is, 50nP a share, subject to tax. The Company had skipped the dividend in 1961-62 and had paid 4 percent in 1960-61 and 3 percent in 1959-60. Sales have risen by about 35 percent from Rs. 19 lakhs to Rs. 25.61 lakhs, while the gross profit has shot up by as much as 150 percent from Rs. 1.83 lakhs to Rs. 4.54 lakhs. The directors attribute the improved results to higher production and better yield from molasses. The distillery ran for 261 days and processed 623,266 maunds of molasses producing 1,235,121 gallons of rectified spirit. The daily average production was higher at 4,732 gallons, against 3,660 gallons in the preceding year. The average yield of alcohol improved from 1.87 gallons to 1.98 gallons a maund of molasses.

Allocations of the year's profit include depreciation Rs. 1.05 lakhs (against Rs. 95,619), development rebate Rs. 14,500 (against Rs. 19,500), taxation Rs. 1.30 lakhs (against Rs. 29,600), general reserve Rs. 50,000 (against nil) and bad and doubtful debts Rs. 40,000 (against nil). After providing for the proposed dividend which absorbs Rs. 1 lakh (against nil), there remains a modest surplus of Rs. 419 to be carried forward, against Rs. 19,930 brought in.

The directors point out in their report that the power alcohol section worked at a loss which, however, was lower than in the preceding year. The loss in the denatured spirit section was also lower. The bonded warehouses section worked satisfactorily. The Company has placed order for a new oil-fired boiler. Firm orders for plant and machinery have been placed for the expansion of the distillery which is expected to be completed during 1964-65. The Company has applied to the U.P. Financial Corporation and to the State Bank of India for loans to finance the expansion scheme. The Rs. 10-paid share of Rampur Distillery is quoted nominally around Rs. 5.

Indian Steel Rolling Earns More, Pays Less

INDIAN Steel Rolling Mills Ltd reports satisfactory results for the year ended March 1963 although the dividend has been reduced from 10 percent to 9 percent. Sales are up by about 32 percent from Rs. 1.63 crores to Rs. 2.15 crores, and the gross profit has increased by 8.3 percent from Rs. 11.99 lakhs to Rs. 13.02 lakhs. Production, both in the rolling mills and in the wire mills, was satisfactory because of the satisfactory supply position of raw materials and improved transport of billets from the producing centres. Appropriations of the year's profits include depreciation Rs. 2.61 lakhs (against Rs. 2.40 lakhs), development rebate reserve Rs. 43,000 (against Rs. 55,000), taxation Rs. 5.20 lakhs (against Rs. 4.30 lakhs) and remuneration for technical assistance Rs. 1 lakh (against Rs. 1.01 lakhs). The proposed ordinary dividend absorbs Rs. 4.39 lakhs (against Rs. 4.88 lakhs) and preference dividend takes another Rs. 36,000 (the same). After making these allocations and a few minor adjustments, there remains a surplus of Rs. 19,483 to be carried forward, against Rs. 9,761 brought in.

The directors state that the erection of the new reheating furnace has been completed and it has been commissioned. It is expected that with better heating facilities, production will improve. The Company is also expected to benefit from the recent revision of "section extras" for light section rods in the range of 5 millimetre to 12 millimetre. The Government has released sufficient foreign exchange for the import of replacement equipments and orders have been placed with Demag A.G. of West Germany at a total cost of Rs. 10 lakhs which will be met from available resources. The I.C.I.C.I. has agreed to grant a loan of Rs. 25 lakhs partly in foreign exchange and partly in rupees for setting up a new four-stand continuous wire rod finishing mill for the production of wire rods and hoops. As soon as the import licences are received, orders will be placed with the suppliers for the various equipments connected with the project. The Rs. 10-paid share of Indian Steel Rolling is currently quoted around Rs. 11 cum-dividend.

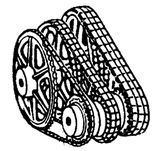
Satisfactory Progress by Globe Auto

THE Rs. 100-paid share of Globe Auto Electricals Ltd is quoted around Rs. 92. This discount reflects the depressed state of the investment market rather than the outlook for the Company which is making satisfactory progress. The managing director, Mr. Ratilal Zatakia, has stated that if all goes well, the Company will be able to declare a dividend for the financial year ending September 1964, the second year of its service. The annual turnover during this period is expected to reach Rs. 50 lakhs. The production of Marelli items will then be in full swing and about half the capacity for the projected Prestolite items will be brought into operation.

The Company has started the production of ignition coil, windshield wiper, ignition distributor and voltage regulators. It has entered into a number of annual contracts with the Defence Ministry and vehicle manufacturers. The Company's project for the manufacture of alter-

nator, starter motor and generators is going ahead according to schedule. The buildings are ready and the machinery from the foreign collaborators—Prestolite International Corporation of U.S.A.—as part of their equity participation has arrived in due time. The trial production of alternator has already started. The alternator pioneered by Prestolite is the first application of electronics in the field of the automobile electrical system and has many advantages such as light and compact design, longer battery life and low maintenance cost.

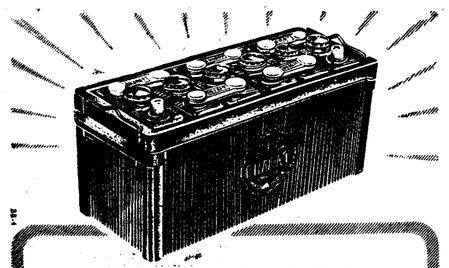
The current monthly output of ignition coils is placed at 1,500 numbers valued at Rs. 37,500, 1,500 windshield wipers valued at Rs. 90,000, 750 units of ignitions distributors valued at Rs. 37,500 and 750 units of voltage regulators worth Rs. 37,500. The indigenous percentage in Marelli items is expected to increase from 40 to 50 by the year-end. About one quarter of the total production of the Company is stated to be earmarked for defence. The percentage is expected to reach 40 next year and about 50 thereafter. The Government has been approached for sanctioning an additional capacity which would double the output of Marelli items within a year. Mr. Zatakia has said that when this expansion is completed, the capital outlay will go up from Rs. 80 lakhs to Rs. 1 crore. It is proposed to meet the additional outlay partly by way of share capital and partly by borrowings.

ROLLER CHAINS
E-SPROCKETS

R.B. TRADING COMPANY
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Coimbatore Kamala Mills Earns Less

IN spite of an increase in the sale of finished goods for the year ended December 1962, Coimbatore Kamala Mills Ltd reports a marked decline in the profit, compared with that of the previous year. Sales of finished goods amounted to Rs. 62.81 lakhs, compared with Rs. 57.62 lakhs. The profit amounts to Rs. 4.74 lakhs, after providing Rs. 88,343 for depreciation. The previous year's net profit was Rs. 8.63 lakhs, after providing Rs. 78,322 for depreciation. With Rs. 17,735 brought forward and Rs. 5,633 being the refund of tax on dividends, the total surplus available for appropriation amounts to Rs. 4.98 lakhs. Out of this, provision for taxation gets Rs. 1.53 lakhs (against Rs. 3.55 lakhs). Development rebate reserve accounts for Rs. 15,915 (against Rs. 13,853). The interim dividend on preference shares absorbed Rs. 17,691. The final dividend on preference shares amounts to Rs. 17,691. The ordinary dividend has been substantially cut, since only a dividend of 6 percent has been declared (against 19 percent), absorbing Rs. 36,729. A sum of Rs. 63,000 (against Rs. 1 lakh) is transferred to general reserve. The balance of Rs. 1,036 is carried forward.

The directors state in their report that the prices of cotton during the year were rising while the ceiling prices of yarn did not undergo any change till the revision was announced to come into effect from 6th February, 1963. Working expenses also increased due to the imposition of a tax on electric energy and the rise in wages. These factors have contributed to the lower profit of the Company. The construction of weaving extension for accommodating 268 looms and improvement of the spinning machinery are progressing well. The report says that for the Company's expansion programme as well as for the modernisation of the unit, all required auxiliary machinery have been purchased. One unit of Tokai combing machinery has been received from Japan and has been installed in the mills. The directors hope to produce quality combed yarn with this machinery.


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Kailas Rubber Maintains Dividend

THE Kailas Rubber Company Ltd reports satisfactory results for the year ended February 1963, and the total dividend has been maintained at 30 percent, subject to tax. The gross profit is slightly higher at Rs. 7.77 lakhs, against Rs. 7.45 lakhs in the preceding year. After providing Rs. 54,148 (against Rs. 57,284) for depreciation and Rs. 2.90 lakhs (against Rs. 2.75 lakhs) for taxation and deducting other prior charges, the net profit amounts to Rs. 3.60 lakhs, against Rs. 3.43 lakhs in 1961-62. The proposed 30 percent dividend absorbs Rs. 3.56 lakhs, leaving Rs. 22,903 to be carried forward, against Rs. 18,927 brought in. The rubber crop secured during the year was 426,265 kilograms at an estate cost of 174.75nP a kilogram, against an estimate of 402,000 kilograms at a cost of 181.70nP a kilogram. The sale price of rubber averaged Rs. 3.72 a kilogram. The rubber crop estimated for 1963-64 is 389,000 kilograms at an estate cost of 195.28nP a kilogram. The Rs. 2-paid share of Kailas Rubber is currently quoted around Rs. 5.65.

Fairbairn Lawson in India

THE chairman of Fairbairn Lawson Coombe, Barbour, Mr. W. Walker, says that the Company has a satisfactory textile machinery order-book, and that production at full capacity in this section is assured for a good time ahead. Because of stringent import conditions, however, the board has arranged for a well-known Indian company to manufacture certain textile machines in that country. Mr. Walker points out that a very high percentage of the Company's textile sales go to export markets where long credit terms are demanded. This naturally throws a considerable burden on the group's resources. Commenting on gearing and general engineering, he says that the gradual improvement anticipated last year was not forthcoming. He adds that it is difficult at this stage to forecast the future pattern. "Some improvement is indicated in the gearing order book, but general engineering continues at low sales." The Company's name is to be changed to Fairbairn Lawson.

Madras Motor and General Insurance

THE Madras Motor and General Insurance Co. Ltd. shows a balance of Rs. 10.95 lakhs for the year ended December 1962, compared with Rs. 10.24 lakhs for 1961, after allocating Rs. 9.60 lakhs (against Rs. 8 lakhs) for taxation and providing for other expenses. A dividend of 18.5 percent, subject to tax, has been declared to absorb Rs. 5.55 lakhs. General reserve is allocated Rs. 4.50 lakhs (against Rs. 3.25 lakhs), leaving a carry-forward of Rs. 37,630, against Rs. 35,487 brought in. The miscellaneous department has earned a premium income of Rs. 71.39 lakhs (against Rs. 59.28 lakhs). It has earned a revenue surplus of Rs. 12.20 lakhs. The net premium of the fire department has amounted to Rs. 5.97 lakhs (against Rs. 2.78 lakhs) and it has shown a surplus of Rs. 3.47 lakhs. The marine department has disclosed a loss of Rs. 6,896. The net premium has amounted to Rs. 2.17 lakhs (against Rs. 1.31 lakhs). The directors are now investing funds in ordinary and preference shares having growth potential and dividend pospects with a view to building up the investment income of the Company.

New Capital Issues

FOUR companies, of which two are new, have been authorised to issue capital aggregating Rs. 1.68 crores. All are issuing equity shares. Three companies will offer their shares for public subscription by prospectus. One company will issue part of its shares to its foreign collaborator. The consent is valid for 12 months in all cases. The following are the details:

Sri Ramakrishna Steel Industries Ltd, Coimbatore, a new company incorporated in Madras State, has been given consent to issue capital of Rs. 50 lakhs. It is divided into 50,000 equity shares of Rs. 100 each, to be issued for cash at par. (This is inclusive of 1,172 shares already subscribed by the signatories to the memorandum of association.) Out of these, such number of shares as would enable the Company's scrip to be listed on a recognised stock exchange, will be offered for public subscription by prospectus. The money will be used for establishing a new undertaking to be located in and around Coimbatore for the manufacture of 4,800 tons of steel casting a year.

Borax Morarji Ltd, Bombay, a new company, will issue capital of Rs. 30 lakhs divided into 60,000 equity shares of Rs. 50 each for cash at par. Out of this, shares of the value of Rs. 13.50 lakhs will be offered for subscription to Borax (Holdings) Ltd, London, and Rs. 7.50 lakhs to Dharamsi Chemical Company Ltd. The balance of Rs. 9 lakhs is to be issued to the public by prospectus. The capital will be used for the manufacture of borax and boric acid

Simon Carves India Ltd, Calcutta, (a subsidiary company of Simon Carves Limited, U.K.), is to issue capital of Rs. 60 lakhs divided into 600,000 shares of Rs. 10 each. Of this shares of the value of at least Rs. 24 lakhs will be offered for public subscription by prospectus at par. The balance of Rs. 36 lakhs will be issued to the foreign collaborator partly for cash and partly for consideration other than cash. The capital will be used for taking over a part of the assets of the Indian branch of the British Company.

Bajaj Electricals Ltd will issue additional capital of Rs. 27.50 lakhs in equity shares of Rs. 100 each to be issued for cash at par. The money will be used in providing working capital for the company and also in vesting in Matchwell Electricals Ltd

The Stock Markets

LISTLESS CONDITIONS PREVAIL IN CALCUTTA

Wednesday Evening.

THE stock market has been extremely dull during the past week. Holidays apart, activity has declined to almost a trickle. The trading ring has lacked the usual liveliness and brokers' books have been almost empty. Whatever business has been transacted has largely been confined to selected clearing shares. Fluctuations have been narrow, although any small offer has tended to reduce prices out of proportion in the absence of support. The fact that trading in Dalal Street was interrupted by holidays and the strike of the municipal workers, has been an additional deterrent. Activity has also been restrained by settlement considerations. The clearing on Wednesday passed off uneventfully. The carry-forward charges have been by and large, almost the same as in the previous settlement.

The stagnation has been due to the absence of fresh developments. The domestic political situation is considered fluid. Operators are inclined to wait and watch how many ministers' resignations are accepted. Although the no-confidence motion in the Lok Sabha has generated more heat than light, there is no doubt that the economic situation has deteriorated sharply. Lyons Range fears that labour unrest might be aggravated by the rise in living costs.

A disturbing factor is that even good corporate news has made little impression. The decision of the Kumardhubi Engineering Works to issue bonus and rights shares, for instance, has given rise to little enthusiasm. The prospect of a bonus issue by Anglo-India Jute has been virtually ignored. Support is restrained mainly by two factors. Firstly, the outlook for profits and dividends has been far from encouraging. Secondly, the shortage of funds has been felt. It is interesting to observe that the middle-income groups, which showed much interest in equities some time ago, have virtually disappeared from the investment scene. Not only have they suffered substantial capital losses on their holdings, but their resources have also been squeezed by heavier taxation, the Compulsory Deposit Scheme and rising commodity prices.

Indian Iron have been sluggish and have moved within a narrow groove. Except for Kumardhubi Engineering, which have met with scattered support, the prices of engineering shares have drifted lower in the absence of interest. Guest, Keen, Williams, Texmaco, Burn and Braithwaite have been transacted.

Turnover in miscellaneous shares has shrunk considerably. Business has largely been confined to clearing scrip. Towards the close, the prices have reacted due to absence of support. Hindustan Motors, Indian Aluminium, Indian Cable and Indian Copper have been barely steady. Alkali Chemical, Union Carbide, Goodyear India and Associated Battery have lost on balance. Among managing agency shares, Jardine Henderson have been active, although the price has declined towards the close due to profit-taking. New shares have been freely offered without attracting interest. Hindustan Aluminium, Isaac Holdens and Phillips Carbon have been quoted lower, but scattered interest has been shown in Asiatic Oxygen. In the paper section, Orient have been fairly active, although the closing price has been lower. Titaghur and Sirpur have been idle. The declaration of a higher dividend by India Paper Pulp has had little effect. Among cotton mill shares, J. K. Rayon have been subdued on producing disappointing results. The investors in cotton mill shares have been disturbed by the decline in the production of cloth and its exports. Sugar shares have been difficult to deal in, in the absence of buyers. Bank shares have been neglected. Electric and steamship company shares have been easier on predominance of sellers.

Although turnover in jute shares has been small, the prices have been fairly resilient due to an optimistic assessment of the prospect. Reports of bigger exports of jute goods during July have been interpreted bullishly. Hence the decision of the I.J.M.A. to continue the maximum level of production for the time being, has been calmly received by the investors.

Coal shares have been subdued in view of the decline in the demand for the commodity, combined with the growing accumulation of pithead stocks at collieries. Stray business has been done in tea shares and prices have tended to decline. Government securities have been dull but steady. Scattered support has been extended to short-dated stocks, but turnover has been small due to the absence of sellers. Interest has been taken in selected State Government loans.

Bombay

EQUITIES FLUCTUATE NARROWLY

L.I.C. PURCHASES HAVE LIMITED EFFECT

Wednesday Evening.

THE working of the Bombay stock market has been interrupted by holidays during the past week. It has also been affected by the strike of the municipal workers. Dalal Street has been perturbed by the labour unrest caused by the rising prices of commodities and the Compulsory Deposit Scheme. It is feared that unless steps are taken to settle the strike soon, it might affect industry elsewhere.

Turnover has been meagre and share prices have fluctuated narrowly. Bulls and bears have preferred to keep their commitments light in view of various uncertainties. The prospect of reshuffling the Central and State Cabinets is being watched closely. The purchases of selected ordinary shares by the Life Insurance Corporation had only temporary effects. The statement of Mr. B. K. Kaul, chairman of the Life Insurance Corporation, at the Ahmedabad Stock Exchange that the Corporation would take more interest in ordinary shares

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has helped to steady sentiment somewhat towards the close. Selling pressure has been restrained by the imposition of margins on sales.

Tata Steel ordinary have moved narrowly and closed around Rs. 137.75. Indian Iron have been sluggish around 22.32. Among engineering shares, Tata Locomotive have been steady on hopes of better working during the current year. Mukand Iron have been taken by knowledgeable quarters. Premier Construction and Alcock Ashdown have met with scattered buying. Among motor-vehicle shares, Hindustan Motors and Premier Automobiles have lost on balance despite the news that the motor-vehicle manufacturers have been allocated more foreign exchange for expansion.

Cotton mill shares have on the whole been dull. Century and Kohinoor have met with stray support. Investors have been disappointed over the decline in the output of cloth during the first half of 1963. Bombay Dyeing, Simplex, Svadeshi, Tata Mills and Standard have lost somewhat.

Miscellaneous shares have been idle and turnover has declined. In the cement section, Associated Cement have been barely steady. Among sugar shares, Belapur and Walchandnagar Industries have been taken on hopes of bigger production during the next season. Mining shares have been subdued, and Shivrajpur Syndicate have been freely offered. Steamship company shares have been active, and Scindia Steam have gained on short-covering induced by reports of good working during the current year. Chemical shares have been quietly steady. Tata Chemical have been maintained, while Indian Dyestuff have reacted on profit-taking. Bombay Burmah have been idle. National Rayon have been quiet, but Gwalior Rayon have been steady on maintaining the dividend. Business in cash shares has been negligible.

Routine business has been transacted in bank shares. Bank of India and Central Bank have been dealt in. Electric company shares have been steadier due to the fact that the Tata group of companies have increased the dividend by 1 percent. Ahmedabad Electric, Bombay Suburban and Tata Hydro have improved slightly.

Madras

QUIET CONDITIONS IN SHARE MARKET

SELECTIVE SUPPORT FOR STATE LOANS

Tuesday Evening.

THE Madras stock market has been quiet during the past week because of easier advices from Dalal Street. Since outside interest has been lacking, operators have been disappointed. Business in clearing shares has been negligible. Investors are inclined to await further developments along the northern border.

In Government securities, support has been extended to selected State Government loans. Among banks, Indian have been transacted at Rs. 161 and State Bank of Mysore at Rs. 141. In electric supply company shares, Vellore have been steady at Rs. 15 and West Coast at Rs. 17.35. Except for Deccan which have improved to Rs. 9.80, sugar shares have on the whole been weaker. E.I.D. have reacted to Rs. 38.15 and Mysore to Rs. 47.75.

Turnover in planting shares has shrunk although there has been no selling pressure. Ossoor have been steady at Rs. 3.30 on prospects of a bonus issue in the proportion of one for every two shares held. The Company has also declared a final taxable ordinary dividend of 10 percent, making 15 percent for the year. Blue Mountain have hardened to Rs. 2.51, but Cochin Malabar have been available at Rs. 5.80. Consolidated Coffee have changed hands at Rs. 17.35 and Periakaramalai at Rs. 3.62. Midland have been transacted at Rs. 11.30 on declaring a taxable ordinary dividend of 10 percent. Amalgamated Coffee have been done at Rs. 10.36 on paying a taxable ordinary dividend of 5 percent. Lingapur have been taken at Rs. 4.90 on declaring a taxable ordinary dividend of 10 percent making 15 percent for the year. Woodland have been dealt in at Rs. 7.85 on declaring a taxable ordinary dividend of 5 percent. Wartyhully have changed hands at Rs. 2.80 on declaring a taxable ordinary dividend of 7 percent, making 12 percent for the year.

Textile shares have been listless and prices have fluctuated narrowly. South India Viscose have been idle at Rs. 125 and Travancore Rayon have slipped back to Rs. 23. Lakshmi have been done at Rs. 137 and Madura at Rs. 31.25. Business has passed in Ramakrishna at Rs. 217.80 and in Sarada at Rs. 96. Anglo-French have been bought at Rs. 138 and Balarama Varma at Rs. 107.75.

Miscellaneous shares have been dull. Among cement shares, Dalmia have been transacted at Rs. 12.25 and India Cement at Rs. 5.60. Among chemical shares, Mettur have changed hands at Rs. 12.40 on maintaining a taxable ordinary dividend of 12.5 percent, including a final of 6.25 percent. Standard Motors have been done at Rs. 11.62 on declaring a taxable ordinary dividend of 6 percent. Business has passed in Central Scientific at Rs. 6.30 on the payment of a taxable ordinary dividend of 12 percent.

Forest Industries have come to hand at Rs. 2.20 on declaring a taxable ordinary dividend of 12 percent. General Paper have been dealt in at Rs. 10.75 on paying a taxable ordinary dividend of 12.5 percent. Mysore Tobacco have been taken at Rs. 9.85 on declaring a taxable ordinary dividend of 10 percent. Kirloskar Electric have reacted to Rs. 18.12, but Madras Rubber have been steady up to Rs. 14.50. Seshasayee Paper have declined to Rs. 7.12, while Textool have been steady up to Rs. 156. Interest has been taken in Spencer at Rs 20.15. Aluminium Industries have been dull at Rs. 17.50, so have been Ashok Leyland at Rs. 7.25.

THE WEEK'S TRANSACTIONS

[In the following list of stocks and shares in which transactions have taken place during the past week, the figures indicate Opening Quotations, Highest for the week, Lowest for the week, Closing Quotations and Quotations for the corresponding Closing Date a Year Ago. The last-named is shown in parantheses and will not be given where such a quotation is not available.]

CLEARED SECURITIES

Birla Jute—Rs. 28/62—28/62—28/25—28/37—(33/62)
Burrakur Coal—Rs. 15/50—15/50—15/50—15/50—(17/50).
Dunlop Rubber—Rs. 31/25—31/25—31/06—31/25—(40/06).
Guest, Keen, Williams—Rs. 31/12—31/19—30/69—31/19—(38/25).
Hindustan Motor—Rs. 16/06—16/22—16/00—16/22—(19/81)
Howrah Jute—Rs. 18/06—18/12—18/06—18/06—(20/50).
Indian Aluminium—Rs. 34/94—35/12—34/62—34/87—(36/81).
Indian Aluminium (New)—Rs. 16/37—16/37—16/12—16/12.
Indian Copper—Rs. 4/80—4/84—4/77—4/81—(4/70).
Indian Iron & Steel—Rs. 22/32—22/54—22/22—22/54—(26/76).
Indian Cable—Rs. 32/94—33/00—32/87—33/00—(37/25).
Jaipur Udyog—Rs. 11/47—11/50—11/37—11/44—(13/12).
J. K. Cotton—Rs. 10/75—10/87—10/56—10/56—(17/44).
Kesoram Industries—Rs. 20/81—20/91—20/62—20/87—(28/37).
Orient Paper—Rs. 34/10—34/10—33/70—33/90—(41/90).
Orissa Cement—Rs. 14/00—14/19—13/72—14/06—(17/31).
Rohtas Industries—Rs. 11/31—11/31—11/09—11/19—(14/37).
Shree Gopal—Rs. 22/25—22/25—22/25—22/25—(25/00).
Textile Machinery—Rs. 23/15—23/95—22/80—23/20—(22/95).

GOVERNMENT SECURITIES

3 % Loan (1986)—Rs. 64/25—64/50—64/15—64/50.
3 % „ (1970-75)—Rs. 89/05—89/05—89/05—89/05.
3½% „ (1967)—Rs. 98/90—98/90—98/90—98/90.
4 % U.P. (1968)—Rs. 98/25—98/25—98/25—98/25.
4 % U.P. (1967)—Rs. 98/25—98/25—98/25—98/25.
4½% Loan (1973)—Rs. 99/85—99/85—99/50—99/50.
4½% Madras (1974)—Rs. 99/15—99/15—99/15—99/15.
4½% Orissa (1974)—Rs. 99/05—99/05—99/05—99/05.
4½% Loan (1986)—Rs. 100/05—100/05—100/05—100/05.
4½% Kerala (1972)—Rs. 97/75—97/75—97/75—97/75.
4½% „ (1974)—Rs. 99/00—99/00—99/00—99/00.
4½% U.P. (1970)—Rs. 97/75—97/75—97/75—97/75.

BANKS

Allahabad (Pref.)—Rs. 97/00—97/50—96/50—96/50—(95/00).
United Bank of India (Rs. 10/- paid)—Rs. 7/31—7/44—7/31—7/37—(7/75).
Do. (Conty Rs. 20/-) (Rs. 10/- paid)—Rs. 6/50—6/56—6/44—6/44.

RAILWAY

Ahmadpur Katwa—Rs. 26/00—26/00—26/00—26/00—26/00.

COTTONS

Bengal Luxmi—Rs. 29/00—29/00—29/00—29/00—(28/00).
Bharat Commerce—Rs. 19/00—19/00—19/00—19/00—(28/69).
Elgin—Rs. 17/44—17/50—17/37—17/37—(20/12).
Jay Shree—Rs. 14/00—14/00—13/87—13/87—(15/25).
Jiyajeerao—Rs. 12/00—12/25—12/00—12/25.
New Victoria—Rs. 1/44—1/44—1/37—1/37—(1/62).
Do. (Pref.)—Rs. 2/52—2/52—2/52—2/52—(3/16).
Sutlej—Rs. 83/00—83/00—83/00—83/00.

COALS

Amalgamated—Rs. 25/50—25/50—25/00—25/00—(21/87).
Bharat Collieries—Rs. 3/44—3/56—3/37—3/50—(3/25).
Central India—Rs. 9/44—9/56—9/31—9/56—(11/12)
East India—Rs. 30/00—30/00—30/00—30/00—(52/25).
Equitable—Rs. 23/00—23/00—22/75—22/87—(28/50).
Pench Valley—Rs. 17/37—17/37—17/37—17/37—(17/50).
Raneegunge—Rs. 14/87—14/87—14/87—14/87—(15/37).
Sendra—Rs. 5/00—5/00—5/00—5/00—(5/87).
Selected Satgram—Rs. 117/00—118/00—117/00—118/00.
Western Bengal—Rs. 8/87—8/87—8/81—8/81—(9/56)

JUTES

Agarpara—Rs. 10/00—10/25—10/00—10/19—(11/06).
Alliance—Rs. 134/00—134/00—132/00—132/00—(223/00).
Anglo-India—Rs. 239/00—240/00—232/00—232/00—(220/00)
Budge Budge—Rs. 135/00—135/00—135/00—135/00.
Champdany—Rs. 20/94—20/94—20/94—20/94.
Chitavalsah—Rs. 9/75—9/75—9/75—9/75—(11/81).
Clive—Rs. 9/62—9/62—9/62—9/62—(9/00).
Dalhousie—Rs. 132/00—140/00—132/00—140/00—(130/00).
Empire—Rs. 17/00—17/00—17/00—17/00.
Fort Gloster—Rs. 375/00—375/00—375/00—375/00—(431/00).
Ganges—Rs. 13/50—14/56—13/50—14/56—(15/81).
Gondalpara—Rs. 13/87—14/00—13/81—13/81—(17/50).
Gourepore (Pref.)—Rs. 90/75—91/25—90/75—91/00—(86/00).
Hukumchand (Pref.)—Rs. 100/00—100/25—100/00—100/25—(93/00).
Hooghly (Pref.)—Rs. 11/12—11/12—11/12—11/12—(10/87).
Kelvin—Rs. 167/00—167/00—167/00—167/00—(185/00).
Kamarhatty—Rs. 186/00—192/00—186/00—190/00—(174/00).
Megna—Rs. 13/37—13/37—13/31—13/31—(14/06).
New Central—Rs. 12/44—12/62—12/37—12/44—(15/12).
Northbrook (Pref.)—Rs. 75/50—75/50—75/50—75/50—(70/50).
Nellimarla—Rs. 11/50—11/50—11/19—11/44—(11/81).
Presidency—Rs. 4/50—4/62—4/50—4/62—(5/50).
Rameshwara—Rs. 9/00—9/12—9/00—9/12.
Do. (Pref.)—Rs. 12/06—12/06—12/00—12/00—(9/62).
Reliance—Rs. 9/50—9/50—9/44—9/50—(7/00).
Do. (Pref.)—Rs. 118/00—118/00—118/00—118/00—(84/00).
Union—Rs. 160/00—160/00—160/00—160/00—(163/00).

MINING

Metal Corporation—Rs. 7/95—8/12—7/87—8/12—(12/75).

CEMENTS

Bengal Potteries—Rs. 5/06—5/31—5/06—5/25—(5/94).
Dalmia (Bharat)—Rs. 12/31—12/37—12/31—12/37—(13/62).
Sone Valley—Rs. 4/19—4/25—4/12—4/12—(4/75).
Kanoria—Rs. 5/31—5/31—5/25—5/25—(4/81).

CHEMICAL

Bareilly—Rs. 12/50—12/50—12/50—12/50—(12/25).
Calcutta—Rs. 14/50—14/62—14/50—14/62—(15/22).
Do. (Pref.)—Rs. 8/22—8/25—8/15—8/19.

ENGINEERINGS

Britannia Eng.—Rs. 9/37 s.t.—9/81—9/37—9/69—(11/56).
Burn & Co. (7% Pref.)—Rs. 115/50—115/50—115/50—115/50—(111/00).
Britannia Building & Iron (Pref.)—Rs. 40/00—40/00—40/00—40/00.
Binani Metal—Rs. 9/37—9/37—9/37—9/37—(11/50).
Calcutta Steel—Rs. 13/00—13/00—12/94—13/00—(15/16).
Dalmia Iron—Rs. 10/69—10/75—10/69—10/75—(11/75).
Escorts—Rs. 17/50—17/50—17/50—17/50.
Indian Iron & Steel (Pref.)—Rs. 84/50—84/50—84/25—84/50—(85/00).
Indian Standard Wagon—Rs. 29/94—30/06—29/94—30/06—(34/62).
Jay—Rs. 2/50—20/50—20/50—20/50.
Jessop & Co.—Rs. 24/62—24/75—24/00—24/00—(22/94).
J. K. Steel—Rs. 14/00—14/00—14/00—14/00—(15/62).
Kumardhubi—Rs. 8/25—8/35—8/06—8/31—(7/56)
Marshalls—Rs. 2/25—2/25—2/15—2/16—(3/44).
Machinery Mfg.—Rs. 21/50—22/00—21/25—21/50
National Iron—Rs 4/69—4/69—4/62—4/62.
Textile Machinery (6½% Pref.)—Rs. 101/00—101/00—101/00—101/00.
Wellman Incandescent—Rs. 6/06—6/19—6/06—6/19.

INSURANCE

Ruby General—Rs. 9/31—9/31—9/31—9/31—(10/25).

MISCELLANEOUS

Aluminium Corpn.—Rs. 13/00—13/50—13/00—13/50—(16/62).
Asiatic Oxygen—Rs. 13/50—13/81—13/50—13/75—(10/00)
Associated Battery—Rs. 23/87—24/00—23/25—24/00—(30/19).
Angelo Brothers—Rs 23/25—23/37—22/87—22/87—(23/31).
B. I. Corpn.—Rs. 7/69—7/75—7/50—7/69—(10/28).
Clive Row Investment—Rs. 8/62—8/75—8/62—8/75—(8/25).
Calcutta Tramways—Rs 10/81—10/81—10/81—10/81—(12/37).
Dyer Meakin Breweries—Rs 26/37—26/37—26/12—26/31—(34/00).
Dunlop Rubber (2nd Pref.)—Rs. 67/50—68/00—67/50—68/00—(75/50).
English Electric—Rs. 13/50—13/75—13/50—13/62
Electric Construction—Rs. 12/56—12/62—12/56—12/62—(14/50).
General Tyres—Rs. 7/50—7/56—7/50—7/56.
Gillanders Arbuthnot—Rs. 14/12—14/37—14/12—14/19—(15/25).
Goodycar India—Rs. 30/00—31/25—30/00—30/50—(45/12).
Gwalior Rayon—Rs. 44/00—44/00—44/00—44/00.
Hindusthan Twyfords (Pref.)—Rs. 97/00—97/50—96/50—96/50.
Hoare Miller—Rs. 5/19—5/37—5/19—5/37—(6/56).
Hindustan Aluminium—Rs. 12/50—12/56—12/50—12/56—(16/44).
Indian Aluminium—Rs. 66/75—66/75—66/75—66/75.
Imperial Tobacco—Rs. 10/50—10/62—10/50—10/62—(11/50).
Indian Carbon—Rs. 18/00—18/12—18/00—18/12—(26/25).
Indian Oxygen—Rs. 26/62—27/00—26/50—27/00—(46/50).
Indian Wood Products—Rs. 29/00—29/12—29/00—29/12—(33/12).
Indian Tack & Nail—Rs. 11/06—11/19—11/00—11/19—(16/75).
Isaac Holdens—Rs. 14/06—14/56—14/06—14/56—(17/06).
Jardine Henderson—Rs. 87/00—88/50—85/50—86/00—(81/00).
J. K. Synthetics—Rs. 10/00—10/12—9/75—10/12—(14/31).
Jay Shree Industries—Rs. 16/50—16/50—15/94—16/00—(17/19).
Madhya Pradesh Industries—Rs. 8/25—8/25—8/25—8/25.
Metal Distributors—Rs. 4/56—4/56—4/37—4/44.
National Insulated Cable—Rs. 22/69—23/00—22/56—22/56—(31/00).
National Rubber Mfg.—Rs. 10/56—10/56—10/56—10/56—(12/50).
National Tobacco—Rs. 10/25—10/25—10/12—10/12.
Shalimar Wires & Industries—Rs. 5/50—5/69—5/50—5/69.
S. S. Duncan—Rs. 13/75—14/00—13/75—14/00.
Sen-Raleigh Industries—Rs. 14/50—14/56—14/50—14/50—(18/87).
Shaw Wallace—Rs. 16/44—16/44—16/31—16/31—(20/19).
Sirsilk—Rs. 8/87—8/94—8/87—8/94—(10/00).
Union Carbide—Rs. 38/75—38/75—38/69—38/69—(48/00).
Universal Cables—Rs. 9/37—9/37—9/31—9/31—(11/75).
Usha Martin Black—Rs. 12/87—13/00—12/87—13/00—(16/25).
Window Glass—Rs. 8/50—8/50—8/50—8/50.

OIL

Indo-Burma Petroleum—Rs. 21/00—21/12—21/00—21/12—(26/19).

PAPERS

Ballarpore—Rs. 16/12—16/12—16/12—16/12.
Bengal—Rs. 26/31—26/31—26/31—26/31—(32/50).
India Paper Pulp—Rs. 16/50 s.t.—16/50—16/50—16/50—(20/75).
Sirpur—Rs. 11/50—11/50—11/50—11/50—(13/62).
Straw Products—Rs. 9/25—9/25—9/12—9/12—(10/12).
Seshasayee—Rs. 7/06—7/50—7/06—7/50—(7/94)
Titaghur—Rs 16/19—16/19—16/00—16/00—(38/25).

REAL PROPERTIES

Midnapore Zemindary—Rs. 10/31—10/37—10/31—10/37—(9/50).
Sahu Properties—Rs. 2/50—2/50—2/50—2/50—(2/75).

SAW MILL

Assam Saws—Rs. 2/56—2/56—2/50—2/50—(2/87).

SHIPPINGS

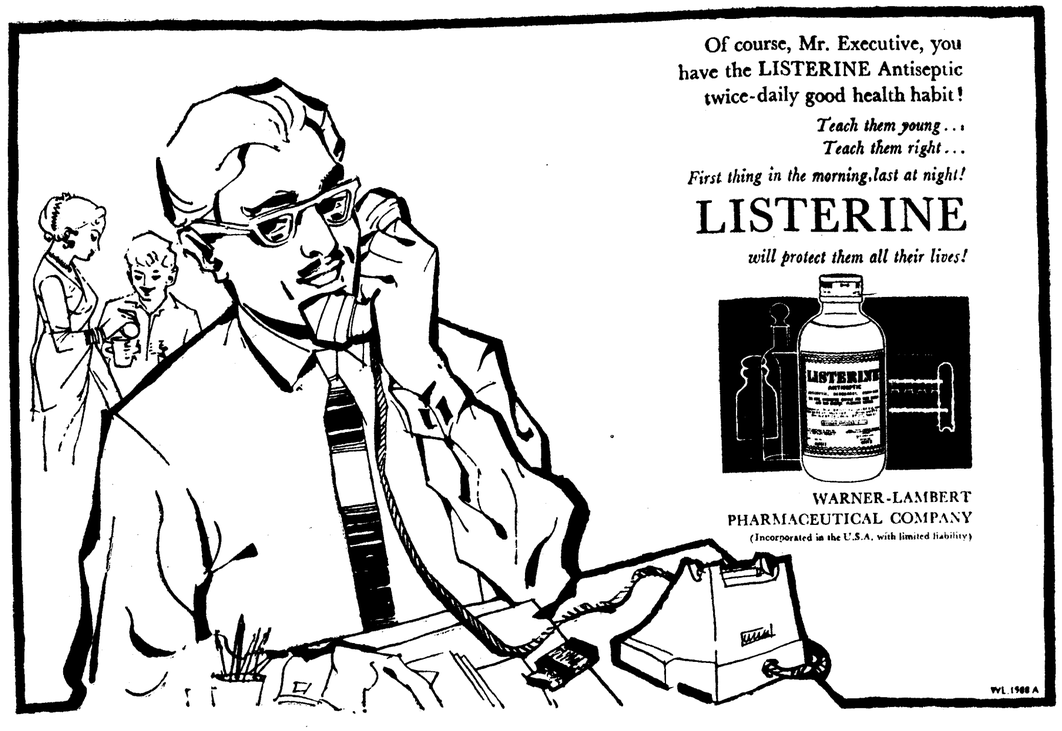
Bengal Assam Steamship—Rs. 135/00—135/00—135/00—135/00—(110/00).
India Steamship—Rs. 6/19—6/22—6/12—6/12—(6/94).
Port Shipping—Rs. 13/31—13/75—13/31—13/62—(12/06).

SUGARS

Cawnpore—Rs. 9/75—9/75—9/75—9/75—(12/69).
Carrew & Co.—Rs. 10/81—10/81—10/75—10/75—(13/12).
Ramnugger Cane—Rs. 26/37—26/50—26/37—26/50
Raza Buland—Rs. 9/75—9/75—9/75—9/75.

TEAS

Amluckie—Rs. 16/12—16/50—16/12—16/50.
Hasimara—Rs 12/69—12/69—12/56—12/62—(15/12)
Rajgarh—Rs 19/00—19/00—19/00—19/00.
Tezpore—Rs. 14/25—14/25—14/25—14/25—(15/87).



London

BUSINESS REMAINS AT LOW LEVEL

INDUSTRIALS UNSETTLED

London, 21st August.

QUIET, rather unsettled conditions prevailed in the stock market during the past week. Business remained at a low level throughout, and prices mostly fluctuated within narrow limits. The recent enthusiasm was dampened by the Government's poor showing in Stratford by-election, disappointing July trade figures, strike in the building industry and fall in sterling. Gilt-edged securities made fresh headway at one time, but prices turned easier when recent buying dried up and on balance, prices were only slightly better. Recently issued corporation stocks fell back on appearance of yet another large issue. A feature of foreign bonds was the start of dealings in new Japanese 6 percent bonds at a good premium. Dollar stocks made a mixed showing, while insurance, banking and property shares moved irregularly. A number of good features appeared in industrial equities, but generally, conditions were unsettled. Interest in leaders was small, and prices fluctuated narrowly, Unilever being an exception and a good feature after the Company's interim statement. Gold shares developed a distinctly firm trend on small buying which reflected currency fears while base metals were often better. Activity in Burmah was the main feature of oils, but the price was below the best. Teas attracted a little support, but rubbers were idle.

COMPANY MEETINGS AND DIVIDENDS DECLARED OR PROPOSED

Name of Company	Date	I.S.T. Hours
Karanpura Collieries Ltd. ..	29-8-63	11 a.m.
Dehri Rohtas Light Railway Co. Ltd. ..	30-8-63	11-30 a.m.
Indian Iron and Steel Co. Ltd. ..	3-9-63	3 p.m.
Bally Jute Co. Ltd.	25-9-63	3 p.m.
Birla Jute Manufacturing Co. Ltd ..	25-9-63	4 p.m.
Hukumchand Jute Mills Ltd. ..	27-9-63	4 p.m.
Indian Steel and Wire Products Ltd.	30-9-63	11-30 a.m.
Indian Cable Co. Ltd. ..	30-9-63	3 p.m.
India Steamship Co. Ltd. ..	30-9-63	3-30 p.m.

DIVIDENDS DECLARED OR PROPOSED.—Kesoram Industries and Cotton Mills Ltd.—13 p.c. (o), (gross); India Paper Pulp Co. Ltd.—10 p.c. (f), (gross).

HIDES AND SKINS STEADY

The market ruled steady. Stocks of skins were higher, but those of hides were less than in the previous week.

Bazaar Sales

(Between 13th August and 19th August, 1963)

Cowhides: Wet salted (Ord.) 7,000 pcs. on the basis of Rs. 7.75 to Rs. 11.75; Wet salted (Slaughtered) 19,500 pcs. on the basis of Rs. 10.50 to Rs. 16.50 and Rs. 19.50 to Rs. 28.

Goatskins: Wet salted (Patna, Daissee, Kustia) 54,100 pcs. on the basis of Rs. 225 to Rs. 250; Rs. 275 to Rs. 280 and Rs. 360 to Rs. 375; Wet salted (he-killed) on the basis of Rs 3.62 and (she-killed) on the basis of Rs. 3.12 a piece; Assam 27,500 pcs. on the basis of Rs. 215 to Rs. 230.

INSIST ON



CALCUTTA ELECTRIC LAMP WORKS LTD., CALCUTTA-1.

Money

DEPOSITING BANK FUNDS WITH BUSINESS HOUSES

(BY A SPECIAL CORRESPONDENT)

THERE was a surprising development in banking circles in Bombay in recent weeks. Certain big banks placed three days' notice money with some well-known business houses. The deposits were given at an interest of 4.50 percent, against the inter-bank call rate of 2½ percent and the prevailing Treasury bill rate of 2.3 percent. Bank credit has contracted sharply (by over Rs. 100 crores) since 26th April, and the increase in deposits during the current slack season so far, is also sizable at Rs. 75 crores. The rise in demand deposits has been considerable (Rs. 48 crores), so the banks concerned probably thought that the present arrangement was advantageous in the context of slackness in the demand for credit.

The proposition was financially attractive to the business houses also. The minimum rate at which they could borrow from banks was 2 percent above Bank rate or 6½ percent. Industrial houses are currently paying between 5 percent and 7 percent for direct deposits from the public, and such deposits are returnable within less than one year. The notice deposits are, technically speaking, recallable on demand after the stipulated period, but they are renewed again and again just as the banks do it among themselves. The estimate of such deposits, while not very accurate, is mentioned around Rs. 100 crores, or 5 percent of the total deposits with scheduled banks. It is considered by banks as not a significant factor to offer competition in their drive for deposits.

Since the prohibition of *budla* investment by scheduled banks under a Reserve Bank directive, the banks are left with no attractive short-term investment for their surplus funds, expecting Treasury bills. They should have normally invested such funds in Government securities, but this has proved unattractive in view of the restrictions on borrowing from the Reserve Bank against gilt-edged. The banks want to build a cushion with industrial houses. On the face of it, the arrangement is rather harmless.

Controversy over Deposits

Nevertheless, it has given rise to a controversy in banking circles. One section of bankers considers such deposits as call money and not advances, and, therefore, feels that the placing of idle balances as three days' notice money with business houses is in order. Another section does not agree with this interpretation. The latter considers it as advances "under the counter", and hence a clear violation of the inter-bank agreement on advances.

The inter-bank agreement on advances is, however, silent on the matter. The bankers probably never foresaw such a development as the agreement was discussed in the busy season when the demand for credit is heaviest. The bankers concerned themselves only with the lending of funds by banks to the public, and not with violations of the agreement among themselves.

What is the actual position of these advances or deposits? According to the balance-sheet interpretation, such advances or deposits are short-term investments and as such have to figure under "other investments" on the assets side of the balance-sheet. They do not constitute, as the agreement stands at present, any violation of the rules, and the bankers opposing the arrangement are, therefore, not on firm ground.

Avoiding Investment in Gilt-edged

While the arrangement cannot be questioned on constitutional grounds, it is not a desirable development, for it is helping banks to avoid investment in Government securities. It also contradicts the claim of banks that deposits are not gathering momentum and that demand for credit in the next busy season will pose special problems for them. On the other hand, it strengthens the hands of the Reserve Bank *vis-à-vis* the banking system, because the present development vindicates the stand taken by the Bank that the resources of the banking system are likely to grow more rapidly with the passage of time.



81/2/63

THE CALCUTTA MONEY MARKET

SMALL DECREASE IN ADVANCES

Wednesday, 21st August.

THE general level of advances has decreased a little in the Calcutta money market during the past week. The credit requirements of the sugar mills are down, but the accommodation given to the cotton mills, and to the foodgrains and seeds trade, remains unchanged. Advances to the jute industry, and to the iron, steel and engineering units, are slightly larger. In the interbank market, conditions have been easy, and the call rate is quoted at 1½ percent.

The exchange market has been active, with a large number of tea bills and a moderate supply of gunny bills. The demand for remittance has been fairly good. Sterling has weakened significantly in relation to the U.S. dollar, and fractionally in relation to the other important currencies.

SILVER WAS QUIETLY STEADY IN Calcutta during the past week. The price rose slightly from the previous week's level of Rs. 268.75 to Rs. 269.25, quoted today for ready delivery. The London and New York prices were 111⅛d and 128.6 cents. The price of gold of 14 carats was quoted at Rs. 65 a 10 grams, but no business was transacted.

DURING THE WEEK ENDED 16TH August, Government of India Treasury bills for Rs. 24,19,50,000 were sold in favour of the Reserve Bank.

TENDERS FOR RS. 2 CRORES OF 91-DAY Government of India Treasury bills were opened on 20th August. The total amount offered was Rs. 2 crores. Tenders at Rs. 99.420 percent were accepted in full. The total amount accepted was Rs. 2 crores, the average rate of acceptance being Rs. 2.320 percent a year. Tenders for Rs. 2 crores of 91-day Government of India Treasury bills will be received at all centres up to the close of business on 26th August.

IT IS STATED THAT 91-DAY INTERMEDIATE Treasury bills will be sold from 21st August to 24th August at Rs. 99.436 percent. Sales can be stopped at any time without notice if the Government thinks it necessary. These bills sold from 13th August to 17th August amounted to Rs. 1,43,25,000.

ACTIVE NOTES FELL BY Rs. 10.50 crores to Rs. 2,236.43 crores and the total note issue by Rs. 9.06 crores to Rs. 2,248.71 crores, according to the return of the Reserve Bank of India for the week ended 16th August, 1963. The currency contraction was adjusted by reducing rupee securities of the paper currency reserve by Rs. 10 crores to Rs. 1,921.32 crores. In the Banking Department, deposits of the Central Government fell by Rs. 44.08 crores to Rs. 57.36 crores and those of State Governments by Rs. 7.71 crores to Rs. 16.55 crores. Deposits of scheduled banks were Rs. 2.54 crores larger at Rs. 86.79 crores. Balances held abroad again declined by Rs. 81 lakhs to Rs. 4.28 crores, as did investments by Rs. 20.08 crores to Rs. 254.41 crores. Loans given to scheduled banks fell from Rs. 3.17 crores to Rs. 31.80 lakhs of which advances against usance bills amounted to nil (Rs. 2.10 crores). Ways and means advances stood at Rs. 13 crores, against Rs. 9.65 crores.

THE RETURN OF THE STATE BANK OF India for the week ended 9th August, 1963, shows a drop of Rs. 4 crores to Rs. 573.33 crores in total deposits. Investments in Government securities are up by Rs. 23.27 crores to Rs. 285 crores, while other authorised investments are down by Rs. 10 lakhs to Rs. 9.25 crores. Advances, including loans, cash credits, overdrafts and bills discounted have declined by Rs. 58 lakhs to Rs. 264.24 crores. Cash and balances are, in consequence, shown at Rs. 21.75 crores or Rs. 1.15 crores higher.

THE STATEMENT OF THE POSITION OF scheduled banks for the week ended 9th August, 1963, shows Demand and Time liabilities at Rs. 1,086.35 crores (Rs. 26.89 crores on account of borrowings from banks) and Rs. 1,283.63 crores (Rs. 18.09 crores), compared with Rs. 1,084.41 crores (Rs. 28.67 crores) and Rs. 1,288.11 crores (Rs. 19.37 crores), respectively, in the previous week. Cash and balances with the Reserve Bank have increased by Rs. 1.88 crores and Rs. 5.95 crores to Rs. 51.50 crores and Rs. 87.43 crores, respectively. There is a rise of Rs. 24.12 crores to Rs. 716.13 crores in investments. Advances and bills discounted at Rs. 1,496.64 crores show a rise of Rs. 51 lakhs. The ratio to total liabilities of cash and balances, and of advances and discounts are, in consequence, shown at 5.9 percent and 63.1 percent, against 5.5 percent and 63.1 percent.

TREASURY BILL MATURITIES

Details of 91-day bills outstanding with the public on 23-8-63.

Issue Date	Maturity Date	Amount (000's Rs.)	Average Acceptance Rate
23-8-63	26-11-63	2,00,00	Rs. 2.320%
16-8-63	23-11-63	2,00,00	Rs. 2.320%
9-8-63	12-11-63	2,00,00	Rs. 2.320%
2-8-63	5-11-63	2,00,00	Rs. 2.320%
19-7-63	22-10-62	2,00,00	Rs 2.317%
12-7-63	15-10-63	2,00,00	Rs. 2.320%
5-7-63	8-10-63	2,00,00	Rs. 2.340%
28-6-63	1-10-63	2,00,00	Rs. 2.345%
21-6-63	24-9-63	2,00,00	Rs. 2.350%
14-6-63	17-9-63	2,00,00	Rs. 2.354%
7-6-63	10-9-63	2,00,00	Rs. 2.350%
31-5-63	3-9-63	2,00,00	Rs. 2.350%
24-5-63	27-8-63	2,00,00	Rs. 2.355%

(Month) Maturities (000's omitted)

August 1963	2,00,00
September 1963	8,00,00
October 1963	8,00,00
November 1963	8,00,00
Total	26,00,00

CLEARING HOUSE RETURNS

Week	Calcutta Rs. (Lakhs)	Bombay (Lakhs)
16-8-63	65.30	71.03
9-8-63	.....	1,02.33
2-8-63	95.82	97.74
26-7-63	91.12	1,37.31

RESERVE BANK

ISSUE DEPARTMENT

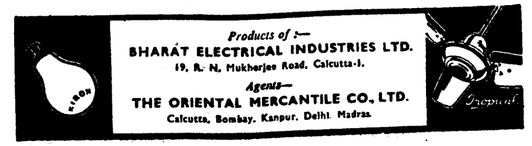
(In 000's of Rupees)	Week Ended 16-8-63	9-8-63	17-8-62
Liabilities—			
Notes in Banking Dept.	12,26,77	10,32,95	17,30,93
Notes in Circulation	22,36,43,42	22,46,93,44	20,74,06,62
Total Notes issued	22,48,70,19	22,57,76,52	20,91,37,60
Assets—			
A. Gold Coin and Bullion	1,17,76,10	1,17,76,10	1,17,76,10
Foreign Securities	90,26,14	90,26,14	89,34,17
Total of A	2,08,02,24	2,08,02,24	2,07,10,27
B. Rupee Coin	1,19,36,19	1,18,42,52	1,24,77,31
Rupee Securities	19,21,31,76	19,31,31,76	17,41,50,02
Total	22,48,70,19	22,57,76,52	20,91,37,60

BANKING DEPARTMENT

Liabilities—			
Capital Paid-up	5,00,00	5,00,00	5,00,00
Reserve Fund	80,00,00	80,00,00	80,00,00
National Agricultural Credit (Long Term Operations) Fund	73,00,00	73,00,00	61,00,00
National Agricultural Credit (Stabilisation) Fund	8,00,00	8,00,00	7,00,00
Deposits—			
(a) 1. Central Govt.	57,35,72	1,01,43,99	67,30,05
2. State Govts.	16,54,54	24,25,89	16,50,05
(b) Banks :—			
(i) Scheduled Banks	86,78,89	84,24,62	97,36,70
(ii) State Co-operative Banks	1,78,87	2,13,15	2,06,26
(iii) Other Banks	4,86	2,21	2,03
	2,03,12,28	2,04,29,31	1,60,14,94
(c) Others	33,23,72	25,35,00	24,41,94
Bills Payable	19,09,55	18,68,39	19,88,01
Other Liabilities			
Total	5,83,98,43	6,26,37,56	5,39,10,88
Assets—			
Notes	12,26,77	10,83,08	15,60,98
Rupee Coin	2,65	3,72	2,53
Small Coin	2,68	2,64	2,70
National Agricultural Credit (Long Term Operations) Fund			
(a) Loans and Advances to :—			
(i) State Govts.	27,16,59	27,16,59	24,03,29
(ii) State Co-operative Banks	10,28,78	10,34,28	12,03,39
(iii) Central Land Mortgage Banks	...	...	...
(b) Investment in Central Land Mortgage Bank Debentures	3,54,60	3,54,60	2,84,90
National Agricultural Credit (Stabilisation) Fund			
Loans and Advances to State Co-operative Banks	...	...	...
Bills Purchased and Discounted :—			
(a) Internal	...	...	...
(b) External	...	...	...
(c) Govt. treasury Bills	1,04,17,46	1,37,22,51	75,12,19
Balances Held abroad	4,27,63	5,08,03	5,67,70
Loans and Advances to Govt.	12,99,95	9,65,00	11,41,26
Loans and Advances to :—			
(i) Scheduled Banks	31,80	3,17,25	59,80
(ii) State Co-operative Banks	1,29,23,26	1,29,36,39	1,19,16,16
(iii) Others	1,62,30	1,76,80	1,12,57
Investments	2,54,41,34	2,74,48,58	2,37,70,63
Other Assets	23,62,62	23,66,69	33,72,78
Total	5,83,98,43	6,26,37,56	5,39,10,88

SCHEDULED BANKS

(In 000's of Rupees)	Week Ended 9-8-63	2-8-63	10-8-62
(i) Demand Liabilities—			
(a) Demand Deposits			
(1) From Banks	52,37,11	52,12,49	47,37,88
(2) From others	9,40,83,96	9,39,86,56	7,85,04,70
(b) Borrowing from Banks	26,88,63	28,67,46	18,70,74
(c) Others	66,25,09	63,34,27	52,23,01
(ii) Time Liabilities—			
(a) Time Deposits			
(1) From Banks	33,71,80	36,29,63	27,24,27
(2) From others	12,21,20,35	12,21,72,09	12,35,42,47
(b) Borrowing from Banks	18,08,57	19,36,83	20,04,52
(c) Others	10,61,83	10,72,23	12,33,48
(iii) Borrowing from State Bank—			
(a) Demand Liabilities	4,70,12	4,56,39	4,30,58
(b) Time Liabilities	14,40,00	14,60,00	13,43,27
(iv) Borrowing from Reserve Bank	3,11,25	2,04,50	1,76,00
(v) Cash	51,49,81	49,61,88	47,52,30
(vi) Balances with the Reserve Bank	87,43,30	81,47,62	91,36,72
(vii) Balances with other Banks in current account	19,39,90	20,51,73	19,19,06
(viii) Money at call and short notice	50,95,36	59,31,35	50,82,83
(ix) Investments in Central and State Govt. Securities	7,16,13,18	6,92,00,56	6,70,24,62
(x) (a) Loans Cash credits and Overdrafts	12,73,41,59	12,74,23,03	12,12,21,35
(b) Due from Banks	9,08,43	8,06,45	5,87,02
(xi) Inland Bills purchased and discounted	1,63,47,63	1,62,93,37	1,28,14,33
(xii) Foreign Bills purchased and discounted	50,65,92	50,90,41	47,97,26
(xiii) Total of X XI and XII	14,96,63,57	14,96,13,26	13,94,20,16



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J. RITCHIE
General Manager.

Commodity Markets

NEED TO RAISE TEA OUTPUT STRESSED

(BY A SPECIAL CORRESPONDENT)

THE president of the Tea Association of India, Mr. S. R. Daga, speaking at the annual meeting in Calcutta recently, said the country's tea production had not increased in recent years, but internal consumption had been going up, and exports showed a satisfactory trend. Therefore, every effort should be made to step up production. Mr. Daga, it is reported, has said that it is only towards the end of the fourth plan that more production can be expected, but one of the ways to get increased yields immediately is by effective irrigation of the tea areas. Mr. Daga recommended the sinking of tube wells but admitted that the cost would be beyond the capacity of many estates.

In contrast with the somewhat pessimistic forecasts made by this correspondent, it was cheerful to read that Mr. A. K. Roy, deputy chairman, Indian Trade Board said at the same meeting that not only he expected north Indian gardens to catch up with the deficit, but that India will go ahead near to the 1961 crop record, namely, 372 million kilograms. As pointed out previously, this would have been possible if good groundwork had been done in the past few years, but if record output levels could be reached this month as well as in September and October, then part of the deficit may be made up.

The last output figures from the major producing countries of the world showed the 1963 crop at 470 million lbs, against 473.8 million lbs in 1962, and 462.0 million lbs in 1961. During July, north India picked up to some extent, and by the middle of August, the crop, it was thought, was only 5 million lbs of last year's level. Pakistan is running ahead of last year by 2.2 million lbs, but Ceylon is still reported short by 7 million to 10 million lbs. The worrying feature is the large proportion of common tea now being manufactured throughout the world.

U.K. Tea Stocks and Prices

U.K. tea stocks remain about steady and for the week ended 9th August were reported just under 134 million lbs, against 133.3 million lbs a week earlier. Deliveries during the week were given as 7.555 million lbs with landings at 8.189 million lbs. Of the 23.845 million lbs afloat, about 750,000 lbs was from Calcutta. South India sent about 3¼ million lbs and Ceylon topped the list with 11.753 million lbs. It may be noted from these figures that some of the recent comments from Colombo about the U.K. and imports of Ceylon teas appear to be without substance.

Prices in London are reasonably satisfactory. Average prices last week were given as 48.14d a lb, compared with 46.65d a lb in the previous week and 46.02d a lb a year ago.

This correspondent has often referred to the effect of water on brewing tea. Recently, the *Assam Review and Tea News* published a study on the influence of water. It said: "The influence of nature of water on the extraction of different constituents has been studied by a few workers. The studies are by no means complete and the subject deserves further consideration. A method in which tea is brewed in boiling water for 30 minutes using a ratio of 1: 100 was found to be better for flavour evaluation as compared with the normal method. The differences in the taste of brew made by using just boiling water and water boiled to different times have been studied by us. Brew made with overboiled water is more astringent and stronger as compared to brew made with just boiled water.

"The influence of the salts in water, used for brewing, on the cup taste has been studied in detail. Based on these studies, a synthetic water containing 81 mg. CaCo 37.2 mg. Mg(HCo) 25.6 mg. NaHCO and 82.2 mg. NaCl a litre, has been recommended for cup-testing Threshold limits for the salts have also been ascertained. Similar studies have also been carried out in the laboratories. The maximum threshold limits for the different salts were found to be as follows: bicarbonate 50 p.p.m.; carbonate 30 p.p.m.; Calcium 50 p.p.m.; Mg +200 and Cl=300.

These studies are of interest in showing the time spent by the scientists employed by the trade on trying to produce the best for the consumer but today the emphasis is on instant teas, and to boil a brew for 30 minutes hardly suggests practical experiments.

Cotton Production in Burma

COTTON growing has played an important part in Burma's agriculture for many years, but its crop, which averaged over 100,000 bales in the last few seasons before the war, has not followed the general trend towards expansion. In 1957-58, production was only 58,000 bales, but there has been a fairly steady recovery since then, and for export. Domestic consumption, however, must be expected to increase in view of the projected expansion of textile capacity.

Textile imports into Burma are now at annual rates of 32,000,000 lbs of cotton yarn, 3 million lbs of rayon yarn, 132 million yards of cotton cloth, and 15 million yards of man-made fibre cloth. Domestic production provides the remainder of the requirements and amounts to some 15 million yards. Imports come mainly from Japan, India and China, but increasing quantities have come in from east European countries in the last year or two. Goods from these sources are usually cheaper than those from Japan and India, although dearer than those from China.

It is estimated that Burma needs 500,000 more spindles and 9,000 more looms, working two shifts, to produce all its requirements of cloth so that it can dispense with imports. Weaving, largely on handlooms, is well established, but growth on the spinning side has been slow. The immediate plans of the Industrial Development Corporation visualise the erection of four mills in Upper Burma with a total of 80,000 spindles and 2,000 looms to produce 10 million lbs of cotton yarn and 24 million yards of cloth a year by 1965. In addition Multitex, a subsidiary of the Corporation, has separate schemes to increase textile capacity. Two spinning and weaving mills, with 60,000 spindles and 800 looms between them, are to be established with the co-operation of China and West Germany, respectively.



New Delhi

NEW FORMULA FOR ASSESSING INDUSTRIAL CAPACITY

(FROM OUR NEW DELHI CORRESPONDENT)

THERE is often a good deal of idle controversy on the question of "capacity" in a particular unit of industry. The Central Ministry of Industries, the Planning Commission and the Directorate-General of Technical Development assess the "capacity" of an industry differently. The Ministry sometimes contends that additional capacity has to be created to reach the plan target, while the Planning Commission may hold a contrary view. In fact, both may be right, because one may be talking in terms of single-shift working, and the other in terms of double or triple shifts.

The Central Ministry of Industries has, therefore, suggested a working formula to streamline the basis of calculating capacity on a uniform basis. Industrial capacities, it is explained, are at present estimated on a varying basis—sometimes on single or double-shift working and sometimes on the basis of continuous operation. In the case of units whose capacity is at present indicated on a single-shift basis, it does not necessarily follow that the capacity on the basis of the maximum use of plant and machinery will be three times the single-shift capacity because, in practice, it is not always possible to work the whole plant in three shifts. In many cases, only a few sections of a plant can be so worked. Under the circumstances, the estimate of industrial capacity on a shift basis is likely to give a misleading picture. It has, therefore, been decided that industrial capacity should normally be expressed only on the basis of the maximum use of plant and machinery on an annual basis.

Two Categories

For this purpose, industries may be broadly divided into two categories: (i) the "continuous process" industries, which work continuously (whether on the basis of 330 or 300 working days a year or, as in the sugar industry, on a seasonal basis), and (2) the remaining industries. Considering the conditions obtaining in India, it has been decided that in the case of industries falling in category (2), capacity on the basis of maximum use will normally be deemed to be that assessed on the basis of double-shift operation.

While the assessment of capacity on a double-shift basis in other than "continuous process" industries will be the normal rule, it may be that some of these units are generally run on a three-shift basis or are capable of being so run. For such industries, a "no-objection-to-capacity" certificate will be required.

To give effect to these instructions, the following action is suggested:

(a) *For licences already issued*: the appropriate authority may examine each industrial licence so far issued and, in cases where capacity has been expressed on a shift basis, review the position in order to express the capacity of all units on an annual basis. The appropriate authority will also arrange for a random check of some of the licences already issued even on the basis of annual capacity with a view to ascertaining that the capacities licensed are appropriate.

Need for Physical Check

Subject to the limitations of staff, it is considered desirable to have a physical check or verification of at least an important cross-section of cases by technical officers of the appropriate authority. In order to keep this work within manageable limits, verification may be confined to some of the larger units in important industries only. There may be cases where it is found that the capacity actually installed is substantially in excess, say, by more than 10 percent, of the capacity licensed. Such cases should be reported to the Licensing Committee before they are regularised.

Before the revised capacities as assessed above are communicated to the parties or published, it is proposed that the result of the factual survey of the existing capacity in different industries should be discussed at an inter-ministerial meeting, including the Planning Commission.

(b) *For licences to be issued in future*: In the case of all industrial licences to be issued hereafter, the capacity will be specified on an annual basis only, without any reference to shifts. In some industries where there are more than one major processes or end-products, capacities are required to be stated separately, as for instance for pig iron, steel ingots and rolled products in the iron and steel industry. In such cases, the appropriate authority should recommend the fixing of capacity separately for the major processes or end-products.

ALUMINIUM

Steps to Replace Copper

The Government of India is taking steps to encourage the use of aluminium as a substitute for copper. In electrical apparatus, for example, aluminium has already replaced copper in the manufacture of conductors. Barring switchboard and flexible cables, it is now proposed to replace copper by aluminium for making cables also. It is proposed to train an adequate number of people for this changeover and, in particular, for the purpose of jointing cables.

Meanwhile, the Government is reconsidering the export commitments of new industries in general and of the aluminium industry in particular. It would be unwise to insist on the export of items which are now being imported. As for aluminium, it is already in short supply and with few exceptions, the units licensed have not made any noticeable progress. With the proposed switchover from copper to aluminium, the demand for the latter will increase further. So in the larger interests of the country, the industry should not be encouraged to export.

NEWSPRINT

Removing Shortage

India continues to face a newsprint shortage in spite of the rosy picture painted in the third plan. According to the Planning Commission, the demand for newsprint was of the order of 80,000 tons in 1955-56 and 98,000 tons (in spite of the restrictions) in 1960-61, against 120,000 tons envisaged in the second plan. On the basis of the 10-percent increase in the consumption of newsprint every year, the Planning Commission had placed the 1966 demand at 150,000 tons. This estimate was endorsed by the Panel for Paper and Pulp Industries. Since the new schemes are in their preliminary stages and may not reach full production by the end of the third plan period, the production target has been placed at 120,000 tons by 1966. The following schemes had been approved for the production of newsprint:

(1) Rohtas Industries was licensed to produce 30,000 tons of newsprint in Maharashtra.

(2) Birla Gwalior (Private) Ltd was licensed to manufacture 30,000 tons of newsprint from imported pulp.

(3) Shree Gopal Paper Mills was licensed to produce 30,000 tons of newsprint in Kangra, Punjab.

(4) It was also decided, in principle, to expand the capacity of Nepa Mills from 30,000 tons to 60,000 tons.

There is no sign yet of any new units being set up to increase the output of newsprint. Actual production of Nepa Mills is placed at 23,000 tons and imports at 90,000 tons, leaving a gap of 10,000 tons to meet the demand of newspapers at the 1961-62 level. This is calculated at the 1957 page level with 10 percent cut on the circulation and pages of newspapers. It is learnt that the United States Agency for International Development had offered 10,000 tons of quality newsprint from North American mills. The Government was not, however, willing to divert the aid for financing the import of newsprint.

GOLD CONTROL

Policy Defended

Mr. Morarji Desai, Central Finance Minister, vigorously defended his gold policy last week while replying to questions on the rehabilitation of goldsmiths, rendered jobless by the Gold Control Order. Both the Prime Minister and the Central Minister for Labour, Mr. Gulzarilal Nanda, were in their seats when the question together with its supplementaries, were asked by some Congress and communist members. The members narrated the misery the Gold Control Order had brought for hereditary craftsmen. While crores of rupees are being spent on propagating *khadi*, Mr. Desai did not contradict the allegation made by Mrs. Renu Chakravarty that a rehabilitation benefit of Rs. 4 a month was being paid to jobless goldsmiths in West Bengal. Nor did the Finance Minister challenge the figures of suicides committed by some of the latter. Mr. Desai, amidst laughter, claimed that the smuggling of gold had been checked, but could not furnish any data on the unhoarding of gold or the reduction in price of the metal in India.

BHAKRA

Expansion of Power-station

The Bhakra right bank power-station, which is being erected with Russian economic and technical assistance, is being further expanded by the installation of a fifth 120-megawatt hydro-electric unit. This will raise the total installed capacity of the hydro-electric station to 600 megawatts and will be one of the biggest hydro-electric power-stations in India. The foreign exchange cost of the project is being met out of the 112.5 million rouble credit (Rs. 59.53 crores) granted to India in February 1961.

The first 120 megawatt hydro-electric unit will start arriving from Russia in a few months. The fifth unit is expected to be made available in 1965. Work on the construction of the power-station is going ahead. It will be equipped with the latest types of Russian machinery. A number of Indian engineers have already visited Russia where some of them have participated in drawing up the project report. Some others have attended model tests of hydro-electric units at the Russian manufacturing plants. Russian engineers will help in the construction, erection and commissioning of the power-station.

PIG IRON

Project for New Plant

The Government of India has approved in principle the scheme of the Punjab Government for setting up a pig iron plant with a capacity of 100,000 tons a year in the public sector in the State. The plant will use iron ore deposits in Mahendragarh. The letter of intent will be issued in due course. The plant is likely to be situated on the Hissar-Delhi Road, near Satroda village, because of the water and power supply and transport facilities available at the site.

SPECIAL STEEL

Developing Bhadravati Plant

One of the leading Austrian special steel works recently signed a ten-year contract with the Government of India for providing technical advice for developing the Bhadravati special steel plant of the Mysore Iron and Steel Corporation Ltd. The Austrian concern will provide for instruction of a number of Indian technicians in modern methods of special steel production. Courses for this purpose will be held in the manufacturing plants of the concern in the province of Styria. Furthermore, experts of the concern will be delegated directly to Bhadravati to serve as local advisers.

CEMENT

Licence for New Factory

The Government of India has issued a licence for setting up a cement factory in Madhya Pradesh. Messrs Associated Cement Companies Ltd has received the licence for setting up a slag cement factory in Jamul, near Bhilai. The factory is expected to be commissioned by the middle of 1964. A letter of intent has been granted to Mr. P. V. Krishna Reddy, Gudur, for setting up a cement factory in Yerraguntla with a capacity of 200,000 tons a year.

BANANAS

Exploring Markets

A five-member delegation left for west Asia and Europe on 19th August to explore the markets there for Indian bananas. Among the places the delegation will visit during its four-week tour will be Teheran, Baghdad, Basra, Damascus, Beirut, Brussels, Frankfurt, Hamburg, London, Stockholm, Paris, Zürich and Rome. Arrangements are being made to send a sample quantity of fresh banana fruits at each place the delegation visits. It will be flown from Madras, for distribution to the prospective consumers.

The West German quota of duty-free imports of bananas from countries outside the European Economic Community in 1963 will be increased

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from 347,000 tons to 443,000 tons shortly. This has recently been agreed upon between West Germany and the other E.E.C. members. Earlier estimates have put West Germany's banana consumption at 477,000 tons this year. The possible difference between the estimate and the newly fixed tariff-free import quota could either be covered by duty-free imports from other E.E.C. members or associated overseas territories, or by imports from countries outside the E.E.C. for which, however, an import duty of 6 percent would have to be paid.

IRON ORE

Japanese Import Plans

Japan will import 2.54 million tons of iron ore in 1963-64. In 1964-65, sales will be 2.775 million tons. In addition, 30,000 tons of iron ore will be sold at the buyer's option. Sales will be in cash in foreign exchange. The overall sale proceeds are estimated to be about Rs. 13 crores. The State Trading Corporation has also agreed to import Rs. 2.11 crores worth of steel in 1963-64 and Rs. 2.47 crores worth in 1964-65 from Japanese steel mills.

FUEL

Economy in Use

Some time ago, the Government of India commissioned two foreign experts to study the scope for economy in the use of fuel in Indian industry and suggest measures for economy in the consumption of fuel (mainly coal) and a better use of generated energy (mainly steam). After considering the recommendations made by experts, the Government has decided to set up a fuel efficiency service. The organisation of this service and its operation have been entrusted to the National Productivity Council.

The main objective of the service will be to advise industry on the efficient utilisation of fuel. While the service may ultimately cover all aspects of economic utilisation of coal and other fuels including such aspects as substitute fuels, fuel handling and transport, and the use of generated heat energy, to begin with it will concentrate on the effective use of coal through adoption of, what may be called, "first-aid measures", "instrumentation", etcetera.

It has been decided that to begin with, the fuel efficiency service should operate in the Greater Bombay industrial area. It is proposed to charge fees from industry for the services rendered. This is expected to cover at least a part of the expenditure on the service.

TEA

Setting Up New Centres

As a first step towards the setting up of tea centres in Europe, the Tea Board has appointed a senior officer with headquarters in Brussels to determine suitable locations for the centres and to arrange their establishment.

SYNTHETIC RUBBER

Price Being Examined

The landed cost of synthetic rubber of the S.B.R. type is of the order of Rs. 2,900 a ton, inclusive of an import duty of 22 percent *ad valorem*. The Indian producer has proposed to sell this product at Rs. 4,400 a ton. The Government is examining the reasonableness of this price.

ZINC

New Smelter

The Metal Corporation of India, a private limited Company, has been licensed to set up a new zinc smelter in Udaipur and also to expand its existing lead smelter in Tundoo, Bihar, for refining the lead and zinc ores mined by the Corporation from its mines in Zawar, near Udaipur. The Corporation will also manufacture cadmium and sulphuric acid for the making of superphosphates as by-products from its zinc smelter.

RAILWAYS

Constructing Broad-gauge Line

It has been decided to construct a new broad-gauge line from near Siliguri to Jogighopa in Assam. The work involves (i) the conversion of the existing metre-gauge line from Siliguri to Haldibari; and (ii) the construction of a new broad-gauge line from Raninagar (on the Siliguri-Haldibari branch) to Jogighopa in Assam.

For technical reasons, it has been decided that the alignment of the proposed broad-gauge line between Siliguri and Jogighopa should be as follows: (i) from Siliguri to Cooch-Behar *via* Domohani and Falakata; (ii) from Cooch Behar turn north to Alipurduar; (iii) between Alipurduar and Bongaigaon alongside the existing metre-gauge alignment, to the south of it; and (iv) then turn south to Jogighopa.

This alignment will not only be cheaper but will also be more stable than other alignments *via* the towns mentioned and can be constructed earlier.



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ECONOMISTS VISUALISE STEADY GROWTH IN U.K. ECONOMY

(FROM OUR LONDON CORRESPONDENT)

A STEADY expansion of the national output is forecast by the National Institute of Economic and Social Research in its *Economic Review* for August. It considers that recovery since the fourth quarter of last year has been between 2 percent and 2½ percent, equivalent to 4 to 5 percent a year. "On present policies", this rate of rise may continue up to mid-1964, the *Review* suggests. The evidence on which this is based is no firmer than the varying items of official statistics in the last few weeks. The Institute economists say frankly that it is their "appraisal" that the recovery will continue with an annual rate of growth of 4 to 5 percent over the next 12 months. So far the recovery has been based on a modest rise in consumer expenditure and a rapid rise in exports.

In the second half of the year, output, it is expected, will rise slightly faster than in the first half-year. The forecast goes on: "The risk of the recovery petering out in the second half of this year, as it did last year, seems very slight. The prospects are different now. Manufacturing investment can hardly go on falling fast as it was doing then. There seem better reasons now than a year ago for expecting the export increase to continue, although more slowly than in the first half-year. Finally, consumer expenditure has the stimulus of the income tax reductions: in addition, a rising trend in employment and hours should carry it up." So the industrial production index in the fourth quarter of 1963 is expected to be 122-123 (seasonally adjusted), compared with 115 a year earlier and 118 in May.

Consumer spending on durables may rise more slowly in the next 12 months, but spending on non-durables should more than offset this. In the investment sector, public expenditure should rise rapidly and the *Review* suggests that the forward indicators are beginning to turn up for manufacturing industries' investment, suggesting a recovery at the beginning of next year. Stock building should recover further.

Payments Surplus

No sterling trouble is seen ahead. The current payment surplus may have been running in the first half-year at £200 million a year more—much more if the balancing item is included. The surplus may be reduced somewhat from now on if imports rise faster than exports, but there is little risk of serious balance of payments trouble." Finally, the outlook for world production and trade is regarded as more cheerful than it was three months ago. In the United States, output should go on rising well into next year and in continental western Europe, production has recovered strongly. The primary producing countries are also better off as product prices have risen.

All this sounds optimistic, but the Institute economists point out that even if British expansion continued at the present rate up to 1966, output would still be some way short of the "Neddy" target for that year. The warning is timely, but the Institute economists are not alone in being optimistic. A similar approach to the economic outlook comes from merchants engaged in foreign trade.

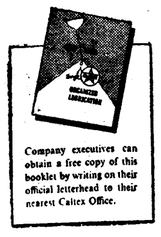
These U.K. merchants are more optimistic than they were four months ago, says the Association of British Chambers of Commerce in a report on its latest enquiry into merchanting trends. While most export merchants expect orders, deliveries and prices to continue at about the current rates, more expect a rise than a fall in the rate of orders received and in the rate of deliveries. The small number who expect delivery dates to lengthen is matched by the number who expect them to shorten. This, the A.B.C.C. says, is true of all trade groups.

More import merchants expect a rise rather than a fall in new import orders placed, but import arrivals over the next four months are not thought likely to increase very much. The product groups in which some increase in arrivals is expected, are metals and clothing and finished textiles. The survey is based on replies from 300 merchants whose estimated annual turnover is about £435 million. These account for nearly 30 percent of total exports of clothing and textiles, but only about 5 percent of engineering products (including vehicles) and 3½ percent of manufactured chemicals. Similarly, on the import side, merchants handle some 20 percent of textile materials, but less than 0.5 percent of machinery and less than 3 percent of timber imports. As far as investment prospects are concerned, there also appears to be justification for some optimism. The decline in private industry's investment expenditure since the middle of 1961 now appears to be coming to an end and it seems likely that investment may soon begin to rise, says the Board of Trade.

The results of the Board's latest survey of investment intentions suggest that capital expenditure by private industry will increase by something less than 5 percent in 1964 compared with this year. Total investment this year is expected to be about 5 percent less than in 1962. Giving these figures, the Board of Trade emphasises the uncertainties involved in interpreting companies'



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SAVE FOR SECURITY

forecasts. This uncertainty, it says, is "perhaps greater at a time when the expenditure cycle is changing from a downturn to an upturn—as now seems to be the case."

Forecasts for 1964, it says, have been provided well before the period of expenditure, and past experience has shown that they may be substantially revised upwards or downwards as time passes. Forecasts received during the summer indicate that manufacturing investment during 1963 is now expected to be some 10 percent lower than in 1962. This represents a slight upward revision of the previous estimate of a fall of 14 percent, based on forecasts made by contributors towards the end of last year.

A substantial part of the expected fall in expenditure in 1963, compared with 1962, continues to be accounted for by the forecasts of much reduced expenditure made by companies in the iron and steel industry, but most companies in other industries also continue to show a downward trend in their forecasts. The main change in the amounts expected to be spent, since the forecasts provided at the end of last year, has occurred in companies in the food, drink and tobacco and the paper and printing groups of industries, both of which now expect to invest more in 1963 than in 1962.

Capital Expenditure

The latest forecasts of capital expenditure in the distributive and service industries indicate that the fall in spending between 1962 and 1963 in this sector will be only about 2 percent. This estimate, like that for manufacturing industry, reflects some upward revision of the figures provided by companies at the end of last year—when the expected decline in capital expenditure in this sector was thought likely to be about 6 percent.

Within the total for the distributive and service industries, the capital expenditure of the shipping industry is still expected to fall heavily between 1962 and 1963, with the remaining industries in this group taken together showing a very slight increase between 1962 and 1963. The preliminary forecasts of expected expenditure during 1964 suggest that the total expenditure of manufacturing, distributive and service industries considered together will increase slightly between 1963 and 1964. The expected rise is one of rather less than 5 percent from the level now expected for 1963, with expenditure by manufacturing industry showing no great change and that of the distributive and service industries rising by about 5 percent.

Within manufacturing industry, the metal manufacturing group (primarily the iron and steel industry) is expected to show a further decline in 1964, but all the other industries taken together show an expected rise of modest proportions (about 5 percent), suggesting strongly that, in manufacturing industry outside the metal manufacturing group, some recovery in investment will take place next year. Mr. Maudling must be feeling rather pleased with himself. The National Institute of Economic and Social Research—which has not always seen eye to eye with the Chancellor—has now come round to sharing his optimistic view of the immediate economic prospects. In addition, the Organisation for Economic Co-operation and Development, in the latest of its series of annual surveys of the British economy, also reports favourably on the short-term outlook for expansion and awards high marks to the Chancellor for his "prudent" handling of economic policy over the course of the past year.

Reinflation of Demand

The O.E.C.D. thinks that Mr. Maudling was right to proceed cautiously in reinflating demand. The task of diagnosing which way the economy was going to move was "more than usually difficult" at the time when he took over in the Treasury in the summer of 1962, so that it was better to "hasten slowly" rather than risk another round of "stop-go" policies.

The O.E.C.D. also approves of the deliberate pace at which expansion is now going ahead though this means that "the return to a fuller utilisation of capital and labour" will not be completed "until sometime in 1964." A stimulus of the size needed to restore full capacity working this year would, it believes, be almost certain to set in train processes which would lead to excessive demand in later years. Investment demand, it points out, tends to receive its stimulus fairly late in the cumulative process and so would be particularly liable to be squeezed out by an excessive stimulus to consumer spending in 1963. Moreover, "it is obviously important to ensure that capacity to meet reviving export demand is not pre-empted." For these reasons, the O.E.C.D. finds it "difficult to quarrel with the judgement of the United Kingdom authorities."

But while the O.E.C.D. economists are reasonably encouraging in the view they take for the rest of this year and for 1964, they are less certain about the chances of maintaining the 4 percent rate of growth desired by "Neddy" in later years. Not surprisingly, these doubts centre on exports. While the resources available in support of sterling are adequate to cope with temporary external deficits they will not, the O.E.C.D. points out, allow us to run a continuing deficit.

The "breakthrough" in exports necessary if the U.K. is to maintain a strong foreign balance "will not be easy to achieve." The O.E.C.D. thinks it "very doubtful" if world trade will expand significantly faster in the middle 1960's than it has done in recent years. It also suspects that Britain's problem may be made more difficult by developments within the Common Market. On the other hand, Britain's cause is not a hopeless one. She now has the available capacity in manpower and plant to supply additional exports, the O.E.C.D. points out. Given "a proper relation between output and incomes," it thinks, British exports should be able to benefit progressively from the faster rise in productivity which ought to accompany a smoother rate of economic growth. In other words, incomes policy is the key.

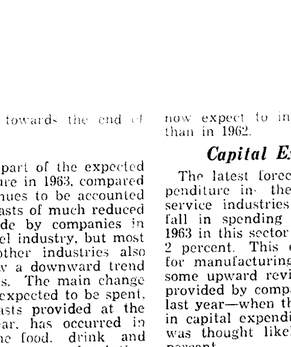
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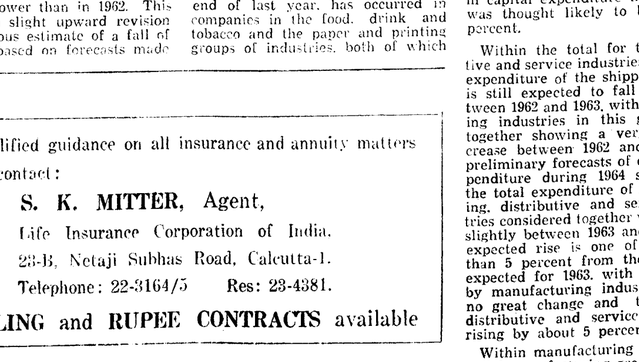
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Jute

GOOD WEATHER IMPROVES CROP PROSPECTS

THE standing jute crop is thriving, with alternate rainfall and sunshine in the late-sown highland areas of Gangetic West Bengal, Tripura, northern Bengal, Cooch Behar, lower Assam valley, northern Bihar and in the deltaic areas of Orissa and Andhra Pradesh. Export for scattered flood damage in isolated pockets of northern Bihar, northern Bengal, lower Assam valley and Tripura, no loss has been reported so far. There has also been no pest damage because of the congenial weather and the timely use of pesticides. According to information received by jute circles in Calcutta, the crop already harvested from the early-sown low-lying lands is satisfactory and its average quality better this year. The crop improvement measures sponsored by the State Governments in collaboration with the Indian Central Jute Committee seem to have yielded good results. Preliminary estimates made by trade circles place the rise in acreage under jute at around 10 percent and the crop at 8 million bales.

The brisk purchases being made by the mills on their own initiative and on the Jute Commissioner's orders have helped the prices of Assam Bottoms to firm up to the official floor level. The prices of selected grades have risen much higher. In view of a better average grade of fibre output and easier farming conditions due to the timely sunshine and rainfall, growers may get an attractive return for their produce. However, their holding capacity is likely to be affected by the high prices that have to be paid for foodgrains and essential consumer goods. Furthermore, the need for funds to finance the sowing of *aman* paddy is being keenly felt by farmers. In the circumstances, it is doubtful if they will be able to hold the jute crop for some time in expectation of a better price. So selling pressure may develop soon after the harvesting of the standing crop. It will be difficult for the mills to absorb the offers in a short time all over the growing areas, for they have their own problems of finance, warehousing and movement of the fibre from outstation markets to Calcutta or zonal godowns. The State Trading Corporation's plan to lift about 600,000 maunds of jute this season is likely to have only a marginal effect.

Maximum Output to Continue

In spite of the sharp increase of 7,800 tonnes to 104,000 tonnes in stocks of jute goods during July, and a rise of 8,600 tonnes to 108,900 tonnes in output, the I.J.M.A. has decided to continue maximum production for the time being, according to reliable sources. The decision has been taken after an optimistic assessment of the outlook following satisfactory exports during recent months. In July, exports rose by 5,700 tonnes to 81,000 tonnes. Pakistan being sold to capacity, market circles believe that a large number of foreign consumers, who had deferred their purchases anticipating an easier price trend, may soon enter the market to replenish their depleted stocks. Some of them have already invited substantial tenders from their agents in India.

Although there has been a small decline in U.S. burlap consumption during the last two months, the monthly average of around 75.94 million yards up to July this year compares favourably with 72.57 million yards for the corresponding period of 1962. It is hoped that the U.S.A. will soon increase her purchases. There has been an appreciable increase in consumption by the east European countries and their offtake is expected to improve. Market circles are awaiting the results of the present east European tour of the I.J.M.A. jute delegation.

Production and Offtake

Working at the maximum level for 216 hours in July, against 192 hours in the previous month, the mills reporting to the I.J.M.A. have produced 108,900 tonnes of jute goods, against 100,300 tonnes in June. Hessian output has risen by 4,300 tonnes to 45,800 tonnes, sacking by 3,000 tonnes to 43,000 tonnes and miscellaneous goods by 1,300 tonnes to 20,100 tonnes. In July 1962, the mills worked for 208 hours, producing 103,500 tonnes. Of this, 41,200 tonnes were hessian, 47,700 tonnes sacking and 14,600 tonnes other goods.

Jute goods despatches have risen from 99,000 tonnes in June to 100,500 tonnes in July. Of this, the increase in hessian is from 41,800 tonnes to 45,900 tonnes; but sacking has declined from 37,900 tonnes to 36,800 tonnes and miscellaneous goods from 19,300 tonnes to 17,800 tonnes. Total exports have gone up by 5,700 tonnes to 81,000 tonnes; hessian has increased by 3,600 tonnes to 42,700 tonnes and sacking by 3,100 tonnes to 22,600 tonnes, but other goods are 1,000 tonnes lower at 15,700 tonnes. July being a comparatively lean month, domestic offtake has declined by 3,200 tonnes to 19,500 tonnes; sacking has fallen by 4,200 tonnes to 14,200 tonnes and other goods by 500 tonnes to 2,100 tonnes. But offtake of hessian has registered a small increase of 500 tonnes at 3,200 tonnes.

In July 1962, total despatches were 96,700 tonnes—40,000 tonnes of hessian, 40,700 tonnes of sacking and 16,000 tonnes of miscellaneous goods. Exports absorbed a total of 76,700 tonnes—hessian 37,300 tonnes, sacking 26,000 tonnes and other varieties 13,400 tonnes. Internal offtake totalled 20,000 tonnes—2,700 tonnes of hessian, 14,700 tones of sacking and 2,600 tonnes of miscellaneous goods.

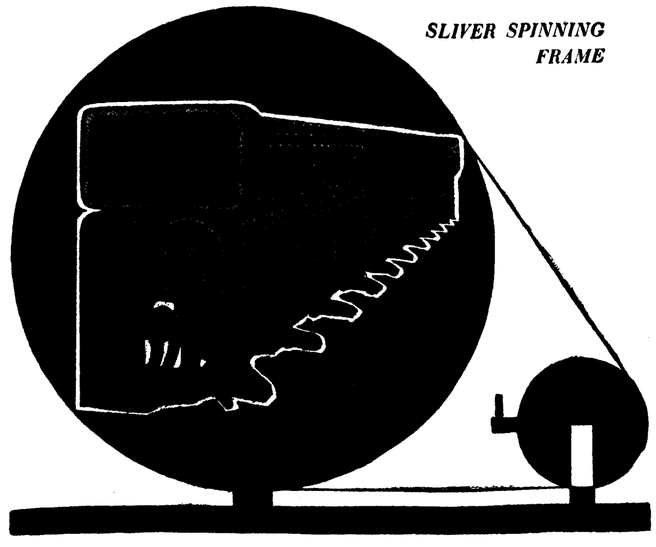
U.S. Burlap Consumption

A small setback is reported in U.S. burlap consumption, which has declined from 68.8 million yards in June to 67.9 million yards in July. The July figure compares favourably with the 63.4 million yards consumed during the corresponding month last year. The January-July total is 531.6 million yards this year, against 508 million yards for the corresponding period of 1962. U.S. stocks at the end of July have declined by 700,000 yards to 296.6 million yards. Of these, 175.7 million yards were afloat (against 175.5 million yards at the end of June), while spot stocks amounted to 120.9 million yards (against 120.4 million yards). At the end of July 1962, the stocks were 237 million yards—129 million yards afloat and 108 million yards spot. At the rate of consumption during July 1963, the stocks will last for 4.35 months. At this time last year, the stock duration was 3.7 months on the same basis.

Quality Control Scheme

The I.J.M.A. is taking energetic steps to implement its quality control and inspection scheme, according to well-informed sources. A fund will be raised to help the I.J.M.A. meet the capital and recurring expenditure during the first year of its operation. A compulsory levy on all member-mills at the rate of

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Rs. 5.33 a loom has been fixed for the purpose. All mills have offered their co-operation, it is reported.

Purchase of S.T.C. Jute

Representatives of the I.J.M.A. had detailed discussions with Mr. D. S. Joshi, Joint Secretary to the Central Ministry of Commerce and Industry, when he visited Calcutta some time ago. The rôle of the State Trading Corporation in raw jute marketing was a major item on the agenda. Detailed discussions on the subject have been postponed until the return of the I.J.M.A. delegation from the east European countries.

Meanwhile, I.J.M.A. representatives, it is reported, have agreed to take over the last season's stocks lying with the S.T.C., subject to the usual terms and conditions of trade. They have made it clear that this acceptance will not imply a commitment on the I.J.M.A.'s future policy concerning such purchases and will not be treated as a precedent. The question of allocating the jute now with the S.T.C. will be taken up later by an *ad hoc* committee set up for the purpose by the I.J.M.A.

Apprised of the mills' difficulties in stepping up fibre purchases during the peak season, Mr. Joshi, it is believed, has assured the I.J.M.A. of his full support to its request to the State Bank of India for extending 100 percent accommodation against raw jute stocks held by member-mills.

THE JUTE MARKETS

Manufactured Goods: Trading was interrupted by holidays during the past week. The increase in output and stocks during July induced caution. The higher export figures for the month tended to revive interest, but did not have any appreciable effect early in the week. Later, the announcement of an Argentine loader for September, a Sudanese tender for about 21,000 bales of cornsacks, cottonpacks and hessian for October-December and a Government tender for 3,000 bales of B Twills helped sentiment. Sacking prices closed with small losses on balance for August-September and with comfortable gains for October-March. Hessian was sluggish throughout due to a lack of interest. Mills emerged as keen sellers for near positions, depressing prices appreciably. Long positions also closed with marginal losses. The futures market moved in sympathy with the spot market. Sacking was steadier, while hessian was depressed. Many conversions from August contracts to November contracts took place during the period. Satta charges were lower around 5nP in hessian, but higher around 60nP in sacking.

Wednesday's quotations were as follows:

	Aug.	Sept.	Oct.-Dec.	Jan.-Mar.	Apr.-June
40in. 7½oz.	35.45	35.55	35.50	35.00	34.89
40in. 8oz.	38.00	—	—	—	—
40in. 10oz.	47.80	47.95	47.90	47.00	46.60
B Twills	114.50	114.00	114.00	113.25	112.00
Cornsacks	118.00	117.00	116.50	115.70	115.25
Heavy Cees					
(Plain)	113.00	113.25	113.50	113.25	112.00
A Twills	135.00	135.50	136.25	136.00	135.00
Liverpools	126.00	126.50	126.50	126.50	125.50

Raw Jute: After ruling steady for the greater part of the week in Calcutta, the raw jute market became inactive towards the close. Mills had already made considerable purchases against the August quota, mainly in selected grades for all positions. In the upcountry centres, daily arrivals increased to around 75,000 maunds and offtake to around 65,000 maunds. Mill agents, it was reported, were making brisk purchases of better grade fibre for all positions, as a result of which prices firmed up to around Re. 1 or Rs. 1.50 above Calcutta parity. Satisfactory progress was maintained in moving jute from agency stations to Calcutta and zonal mill godowns. Daily arrivals in Cossipore were around 40 wagons and offtake around 35 wagons. In the futures market, interest in Upper Assam White Bottoms for September abated. As a result, the price reacted to the floor level at the close after routine transactions.

Wednesday's quotations were as follows:

	Landed at Mills (Basis Bottoms) Current Prices		T.S.D. Minimum Prices	
	Rs. A Qtl.	Rs. A Md.	Rs. A Qtl.	Rs. A Md.
Assam-Agartala Jute	79.04	29.50	80.28	30.00
Northern Jute	77.70	29.00	79.04	29.50
Western Desal Jute	72.34	27.00	72.68	27.50
Selected Daisee	85.74	32.00	85.74	32.00
Assam-Agartala Tossa	83.05	31.00	83.05	31.00
Mesta: Assam-				
Northern	71.09	26.50	72.34	27.50
Local Daisee	71.09	26.50	72.34	27.00
Bihar Dist.	62.96	23.50	66.93	25.00

U.K. ALTERS SYSTEM OF GUNNY IMPORTS

MARK-UP ON HESSIANS REDUCED

CHANGES in the arrangements for the import of jute goods from India and Pakistan into Britain were recently announced by the U.K. Board of Trade. They include a reduction in the mark-up on common hessians from 20 percent to 10 percent, and the return of imports of heavy bags and sacking to private trade. The following is the full text of the statement issued by the Board of Trade:

"The Minister of State, Board of Trade, Mr. Alan Green, recently met representatives of the employers and employees of the jute industry at the Board of Trade to inform them of the Government's decision on the future arrangements for the import of jute goods following the recent review of policy, and to discuss with them certain technical details arising from the Government's decision.

"Following consultations with the industry, the Government has now decided that certain changes should be made in the protection given to it; this protection is given in the interest of employment in Dundee and elsewhere. These changes will continue to give a very substantial measure of protection which, for a year, will be very similar to that at present available for the vast bulk of goods which the industry produces.

"The table below gives the present and future arrangements, by broad categories, for imports from India and Pakistan. As for imports from other countries (apart from the Irish Republic and the Eastern area to which special considerations apply), the existing restriction on the types of cloth and bags which may be imported will be removed, and imports from these countries, which are on private account, will become subject to a quota. The size of this quota and the arrangements for its allocation will be announced later. Discussions on technical points arising from these changes will continue, as necessary, with interested parties.

The Equated Goods

"At the request of the industry, it has been agreed that in relation to the 'equated' goods, the replacement of the present system of protection (whereby imported goods are resold by Jute Control at prices similar to those of like British products) by a uniform percentage mark-up should be deferred for an interim period of a year, and that an enquiry should be set up to advise the Government on possible alternatives to a uniform percentage mark-up. If this enquiry does not produce satisfactory alternative proposals, a uniform percentage mark-up will be introduced in a year's time for the 'equated' and 'excluded' categories of goods. A further announcement about the enquiry will be made at a later date.

"It will be seen from the table that from 16th August, the mark-up on common hessians will be reduced to 10 percent. On the currently equated goods, the Jute Controller will be issuing a new price list effective from 23rd August. It is expected that, on the basis of current costs, the prices of certain of these cloths will be slightly higher.

JUTE GOODS IMPORTS FROM INDIA AND PAKISTAN

"Category: cloth and bags: (1) heavy bags, common sacking and woolpacks, *Present treatment;* imported by Jute Control and sold without mark-up. *New arrangements:* being returned to private trade.

"(2) Common hessian cloth, mainly used for bag-making. *Present treatment:* sold by Jute Control with 20 percent mark-up. *New arrangements:* the mark-up will be reduced to 10 percent with effect from 16th August, 1963.

"(3) 'Equated' goods: *Present treatment:* sold by Jute Control at 'Dundee price' (i.e., based on prices charged for similar goods by the Dundee industry under the uniform price agreements now terminated). *New arrangements:* Jute Control to import and continue to sell with a variable mark-up for one year pending the outcome of the enquiry. If the enquiry produces no satisfactory alternative proposals after a year, a uniform percentage mark-up will be introduced.

"(4) 'Excluded' goods: *Present treatment:* not imported. *New arrangements:* cloth to be imported by Jute Control, against specific orders, and sold for one year at a 50 percent mark-up or the Dundee price, whichever is lower; the treatment of bags is one of the technical matters still subject to discussion. If the enquiry produces no satisfactory alternative proposal after a year, a uniform percentage mark-up will be introduced.

"Yarn: *Present treatment:* Jute Control does not hold stocks, but imports against specific orders; no mark-up applied. *New arrangements:* as at present".

Unique Arrangement

At the present time, the U.K. jute industry, in the interest of employment in Dundee, is protected, not by the more usual methods of tariffs or quotas, but by a unique arrangement under which the U.K. Board of Trade Jute Control is the sole importer of jute goods from India and Pakistan, the greater part of which it resells at enhanced prices. Jute Control imports only certain specifications of jute goods, and the import of other specifications from India and Pakistan is prohibited. As a complement to these arrangements, imports of jute goods from other countries are subject to import licensing control and for the most part are restricted to those types of goods which Jute Control does not import from India and Pakistan.

There has been no change in the system of the jute industry's protection since January 1960, when the mark-up on the common hessian cloths used mainly for bag-making was reduced from 30 percent to 20 percent.

The recent review of policy was made in the light of various developments, including the breakdown of the negotiations for Britain's entry into the European Economic Community (under which certain arrangements for jute goods had been determined); the judgment of the Restrictive Practices Court, which found against the jute industry's uniform price agreements; and representations from the Government of India and other interests. It is not possible to forecast what effect, if any, these arrangements will have on employment, as this must be dependent on a number of factors none of which can be accurately determined.

Dundee is in a development district and is eligible for the substantial new help which was announced in the Budget. The Board of Trade will continue to do its utmost to encourage the introduction and expansion of alternative industry in the Dundee area, and will welcome applications from firms already in the development district interested in going there for assistance under the Local Employment Act.

THE U.K. JUTE MARKETS

MARK-UP CHANGES ANNOUNCED

(FROM OUR DUNDEE CORRESPONDENT)

THERE will be no major change in protection of the Dundee jute industry for at least a year. This was the main item in the announcement made by the U.K. Board of Trade last week. Certain alterations have taken place and the 20 percent mark-up on hessians used mainly for bag-making purposes has been reduced to 10 percent from 16th August. There is no change for the wider range of goods which are subject to competition from India and Pakistan, but an enquiry will take place during the next year concerning the method to be adopted in the future.

The Government wants to replace the present system of equation with a fixed mark-up. However, it has been agreed at the request of the U.K. jute industry to try to find an alternative to a uniform mark-up.

At present, there are restrictions on types of cloth and bags which can be imported from the Continent. These are to be removed and a quota system to be introduced. The size of the quota and arrangements for its allocation will be announced later after discussions have taken place. It is understood that the 20 percent duty on these goods will remain.

More buying interest has been shown in yarns and cloth since the above announcement was made. On the other hand, output has been reduced of circular loom cloth in some instances. Demand for carpet yarns has remained steady, as has that for wide cloth for the tufted carpet industry. A substantial business has taken place in sackings, and producers have orders in hand for delivery to nearly the end of the year.

THE PAKISTANI JUTE MARKETS

FIBRE FIRMS UP

(FROM OUR DACCA CORRESPONDENT)

IN spite of the fact that the overseas market continued to remain dull and inactive with competitive offering as much as £10 below the minimum, the local market last week firmed up. The full weight of arrivals was not felt in the market as yet and since prices locally were generally below the minima, many balers probably felt that now was the time to buy. In the case of non-Pakistanis an added incentive to buy was probably the fear of what would happen if they did not fulfil their quotas.

There have been various reports that the authorities might reduce the local minima. It would be foolish of them to do so when the market trend is upward, and in the present political situation in the country, the Government is unlikely to take any such measure. Similarly, although there appears to be no indication that the overseas buyers will eventually follow the local market, the authorities cannot afford to lose face by reducing the overseas minima when they have frequently said that they will not do so. Moreover, they have increased the minima only recently.

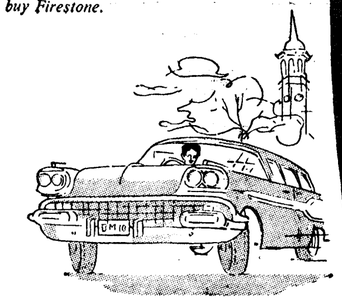
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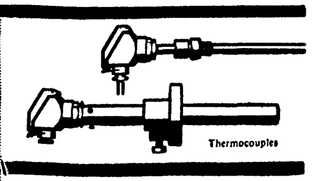
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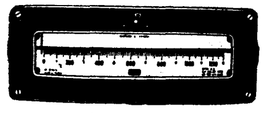
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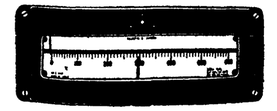
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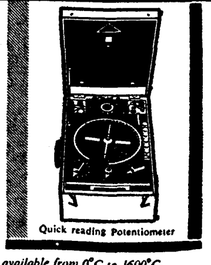
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COMPANY AND PUBLIC NOTICES

THE INDIAN STEEL & WIRE PRODUCTS LIMITED

NOTICE

NOTICE is hereby given that the Twenty-eighth Annual General Meeting of the Shareholders of THE INDIAN STEEL & WIRE PRODUCTS LIMITED will be held at its Registered Office, No. 7, Wellesley Place, Calcutta-1, on Monday, the 30th September, 1963, at 11-30 A.M. to transact the following business:

1. To receive and adopt the Directors' Report and Audited Accounts and Balance Sheet of the Company for the year ended 31st March, 1963.
2. To declare dividend.
3. To appoint a Director in place of Mr. P. C. Mustafi, who retires by rotation and is eligible for re-election. In this connection to consider and, if thought fit, to pass the following resolution of which a special notice as required by Section 281 of the Companies Act, 1956, has been received by the Company stating therein that he has attained the age of 72 years and is hereby given to the members:—

   "RESOLVED that pursuant to Section 281 of the Companies Act, 1956, Mr. P. C. Mustafi, who has attained the age of 72 years and retires by rotation, be and is hereby re-appointed a Director of the Company and it is hereby specifically declared that the age limit for Directors prescribed under Section 280 of the said Act, shall not apply to him".

4. To appoint a Director in place of Mr. B. S. Bugga, who holds office upto the date of this Annual General Meeting pursuant to the provisions of Section 260 of the Companies Act, 1956. Notice under Section 257 of the said Act has been received by the Company from a shareholder of his intention to propose Mr. Bugga as a candidate for directorship and to move the following resolution:—

   "RESOLVED that Mr. B. S. Bugga be and is hereby appointed a director of the Company".

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

SPECIAL BUSINESS:

6. To consider and, if thought fit, to pass the following resolution which will be proposed as a special resolution:—

   "RESOLVED that the Articles of Association of the Company be altered in the manner following:

   For Article 42 substitute the following Article—

   42. The instrument of transfer of any share shall be in writing in the following Form or as near thereto as circumstances will admit or in such other Form as shall from time to time be approved by the Board".

The Transfer Books of the Company will be closed from 9th September, 1963 to 30th September, 1963, both days inclusive.

By Order of the Board of Directors,
INDRA SINGH & SONS PRIVATE LTD.,
INDRA SINGH,
Director,
Managing Agents.

Registered Office:
7, Wellesley Place,
Calcutta-1.
7th August, 1963.

Note: (1) A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and upon a poll to vote instead of himself and that a proxy need not be a member.

(2) The relevant Explanatory Statement in respect of item Nos. 3, 4 and 6 of the Notice of the Annual General Meeting to be held on 30th September, 1963, has been/will be sent to the shareholders along with the notice of the Meeting. It can be inspected at the Registered Office of the Company No. 7, Wellesley Place, Calcutta during usual office hours on any working day.

(3) If the dividend on shares, as recommended by the Directors, is passed at the meeting, the payments will be made on or after the 10th October, 1963 to those shareholders, whose names are on the Company's Registers on the 30th September, 1963.

(4) The new Common Form of Transfer as approved by the Government and adopted by the recognized Stock Exchanges in the country can be inspected at the Registered Office of the Company, No. 7, Wellesley Place, Calcutta.

THE UNITED COMMERCIAL BANK LTD.

(HEAD OFFICE: CALCUTTA)

G. D. BIRLA
Chairman

CAPITAL
Subscribed ... Rs. 5,60,00,000
Paid-up ... Rs. 2,77,75,037
Reserve Fund & Other Reserves ... Rs. 3,03,00,000

* Branches throughout India.
* Foreign Branches in Pakistan, Malaya, Singapore, Hongkong & United Kingdom.
* Agents in other places.
* Provides world-wide Banking Service for Business and Individuals.

S. T. SADASIVAN
General Manager

UCO-21/63

THE INDIAN CABLE COMPANY LIMITED

NOTICE

NOTICE is hereby given that the Forty-fourth Annual General Meeting of the Shareholders of The Indian Cable Company Limited will be held at the Registered Office of the Company, 9, Hare Street, Calcutta, on Monday, the 30th September, 1963 at 3 p.m. for the following purposes:

1. To receive and adopt the Directors' Report and Audited Balance Sheet and Profit and Loss Account for the year ended 31st March, 1963.
2. To declare Dividends.
3. To re-appoint a Director who retires by rotation.
4. To re-appoint the firm of Messrs. Lovelock & Lewes of 4, Lyons Range, Calcutta, Auditors of the Company for the current year and to fix their remuneration.

As Special Business

5. To consider resolutions in relation to the following matters and things:
   (a) In pursuance of Section 228 (i) of the Companies Act, 1956, to appoint the firm of Messrs. A. F. Ferguson & Co. of Bombay for the purpose of auditing the accounts of the Factory at Tatanagar and the Branch Offices of the Company at Bombay, Ahmedabad, Jamshedpur, Kanpur, Nagpur, New Delhi and Secunderabad, and to fix their remuneration.
   (b) In pursuance of Section 228 (i) of the Companies Act, 1956 to appoint the firm of Messrs. Fraser & Ross of Madras for the purpose of auditing the accounts of the Branch Offices of the Company at Madras, Bangalore and Coimbatore and to fix their remuneration.
6. To consider and if thought fit to pass with or without modification the following resolutions:
   (i) **(As an Ordinary Resolution)** "That the terms and conditions of service of Mr. Perosha Sorabji Shavaksha embodied in the Agreement dated 28th January, 1961 be varied in accordance with the Supplemental Agreement a draft whereof was submitted to the meeting and initialled by the Chairman for identification."
   (ii) **(As a Special Resolution)** "That Article 95 of the Articles of Association of the Company be altered by inserting the following words between the words "in any financial year" and "and the Managing Director" in that Article:—

   "but so that no such Director, that is to say, a Director other than a Managing Director, Deputy Managing Director or Director in the whole-time employment of the Company, shall receive a commission of more than Rs. 25,000 in any financial year".

The Share Transfer Books of the Company will be closed from the 10th September, 1963 to 30th September, 1963, both days inclusive.

Dividends, if any, declared at this meeting will be payable on or after 15th October, 1963 to Shareholders registered on the Company's Books on the 30th September, 1963 or to their mandatees.

On behalf of the Board,
P. S. SHAVAKSHA,
Managing Director.

9, Hare Street,
Calcutta 25th July, 1963.

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

INDIA STEAMSHIP CO. LTD.

Notice of the Annual General Meeting to the Shareholders

NOTICE is hereby given that the Annual General Meeting of the Members of the India Steamship Co. Ltd., will be held at the Registered Office of the Company, "India Steamship House", 21, Old Court House Street, Calcutta, on Monday, the 30th September, 1963, at 3-30 P.M. in order to transact the following business:—

1. To receive the Directors' Report and Audited Balance Sheet and Profit & Loss Account for the year ended 31st March, 1963.
2. To sanction payment of dividend on Preference Shares as recommended by the Directors for the year ended 31st March, 1963.
3. To elect Maharajadhiraja Sir Udaychand Mahtab Bahadur of Burdwan, K.C.I.E., a Director of the Company, who retires by rotation and is eligible for re-election.
4. To elect Mr. S. K. Handoo, a Director of the Company, who retires by rotation and is eligible for re-election.
5. To elect Dewan Dina Nath, a Director of the Company, who retires by rotation and is eligible for re-election.
6. To appoint Auditors for Head Office and Branch Office, Bombay, and fix their remuneration.

The Share Transfer Register of the Company will be closed from Monday, the 16th September, 1963, to Monday, the 30th September, 1963, both days inclusive.

By Order of the Board,
A. MUKERJI,
Secretary.
INDIA STEAMSHIP COMPANY LTD.

Calcutta.
The 9th August, 1963.

The dividend, if sanctioned, will be payable on the 1st October, 1963, to those Shareholders whose names stand on the Register of the Company on Monday, the 16th September, 1963.

N.B.—Member entitled to attend and vote is entitled to appoint a Proxy and the Proxy so appointed need not be a member of the Company.

THE NUDDEA MILLS COMPANY, LIMITED

NOTICE

NOTICE is hereby given that the Register of Members and Share Transfer Books of the Company will remain closed from the 26th August to the 4th September, 1963, both days inclusive.

By Order of the Board,
MACNEILL & BARRY, LIMITED.
A. N. MITRA,
Secretary,
Managing Agents.
2, Fairlie Place,
Calcutta-1, 14th August, 1963.

(The Company meetings and dividends table appears on page 271).

THE GOUREPORE COMPANY, LIMITED

NOTICE

NOTICE is hereby given that the Register of Members and Share Transfer Books of the Company will remain closed from the 26th August to the 4th September, 1963, both days inclusive.

By Order of the Board,
MACNEILL & BARRY, LIMITED,
A. N. MITRA,
Secretary,
Managing Agents.
2, Fairlie Place,
Calcutta-1, 14th August, 1963.

TENDER CALL NOTICE

SEALED tenders are invited for supply of pumping sets in complete shape as per specifications required. The tender will be received up to 3 P.M. on 15.10.63 and will be opened in presence of tenderers or their authorised agents. Detailed specifications and drawings can be had from the Office of the undersigned on payment of Rs. 5/- per set.

Sd/- B. MISRA,
Superintending Engineer,
Delta Irrigation Circle,
Keshari Nagar, Bhubaneswar-1.

RING UP: 22-8287 GRAM: CECIGATECO

FOR STEEL ROLLING SHUTTERS, GRILLES, RAILINGS, W.I.GATES, STEEL DOORS & WINDOWS

THE CALCUTTA COLLAPSIBLE GATE CO., PRIVATE LTD.

77, NETAJI SUBHAS ROAD, CALCUTTA-1

The Truth about Man-Made Fibres...III

How Man-Made Fibres Will Help CLOTHE 117 MILLION EXTRA PEOPLE In The Next 10 Years

AN ALARMING population explosion! India's population is estimated to spiral upward to 555 million in the next decade. Already the demand for textiles far exceeds the country's production. How then, will *117 million extra people* be clothed? Improved standards of living make this problem even more acute as more people will be requiring better fabrics every year.

The Problem With Natural Fibres

If these extra textile requirements are to be met by cotton alone, 2000 million more yards of cotton fabrics will have to be produced! This creates an impossible dilemma...for by increasing its production of cotton the country will have to sacrifice arable land, desperately needed for growing more food. Alternatively, we will have to forfeit valuable foreign exchange to buy fibres from abroad. Today we are already in the grip of an acute fibre shortage. A decade from now our planners may be confronted with critical problem.

Man-Made Fibres The Answer

Man-made fibres like rayon and nylon are both a substitute and a blend for cotton. The raw materials required for them comes from petro-chemicals, coal, oil and trees on mountain slopes—not from land needed for food crops. Man-made fibres can thus meet the country's textile requirements without affecting the nation's food production.

Compared to other fibres very little foreign exchange will be needed for the production of man-made fibres. India has already imported cotton and other fibres worth nearly 250 crores in the past three years. A fifth of the sum will exceed the capital costs needed by the man-made fibre industry to expand and fulfil India's entire textile needs. The recurring costs will also be nominal, declining with India's increasing self-sufficiency in wood pulp, sulphur and chemicals.



Food and clothing are both basic needs and one cannot be sacrificed to achieve self-sufficiency in the other. By increasing the production of rayon and allied man-made fibres the problem can be satisfactorily solved—and valuable foreign exchange conserved. What is now needed is an objective and far-sighted policy by the Government to encourage more production of man-made fibres.

Man-Made Fibres Serve India's Vital Needs

IWT-AMMFI. 1162

The Association of Man-Made Fibre Industry, Resham Bhavan, Vir Nariman Road, Bombay 1

"CAPITAL" STOCK AND SHARE LIST

THE INVESTORS GUIDE AND SHAREHOLDERS GAZETTE

Official quotations of the Calcutta, Bombay, Madras, London Stock Exchange Associations and other sources.
Figures given after stroke (/) mean Naye Paise.

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BANKS

Wednesday, 21st August, 1963.

NAMES	Dividends per cent 1960	1961	1962	Paid-up per Share Rs.	Latest Market Quotations as available until 21-8-63 Rs.	14-8-63 Rs.	A year ago Rs.
Allahabad Bank P.	18	18	...	100	262/00	262/00	396/00
Bank of Baroda	17	17	16	50	84/50	88/00	97/00
Bank of India	20	20	20	50	108/50	108/00	118/00
Central Bank of India	20 2/5	20	20	25	56/50	55/20	64/50
Chartered Bank	15	15	...	£1	sh. 58/3	58/10½	sh. 56/-
Hindusthan Commercial	Nil	Nil	Nil	50	13/25	13/25	17/06
Hindusthan Mercantile	Nil	Nil	..	50	15/62	15/62	15/50
Hong Kong & Shanghai	£3½	£3½	£3 1/5	HK$25	£18/6	£8/-	£16/-
Indian Bank	15	15	14	100	161/00	161/00	177/00
Indian Overseas Bank	14	14	14	...	144/50	143/75	165/00
Industrial Finance Corpn.	...	...	...	50	...	...	...
National & Grindlays Bank	13½	14	16	sh. 15	sh.35/3	sh. 35/-	sh.35/7½
Punjab National Bank	20	20	20	10	19/50	19/50	20/81
Union Bank of India	11 2/5	11 2/5	...	5	5/92	5/92	5/44
United Bank of India	4.3	6	6	10	7/37	7/37	7/75
United Commercial Bank	12	12	12	50	65/50	66/50	88/00

*1962

JUTE MILLS

NAMES	Dividends per cent 1960	1961	1962	Paid-up per Share Rs.	Latest Market Quotations as available until 21-8-63 Rs.	14-8-63 Rs.	A year ago Rs.
Agarpara P.	10	2½	2½	10	10/19	10/00	11/06
Alexandra P.	44	15	42½	100	300/00	300/00	305/00
Alliance P.	6	Nil	10	100	132/00	128/00	223/00
Anglo-India P.	20	7	10	100	232/00	218/00	220/00
Auckland P.	27	12	Nil	100	145/00	145/00	158/00
Bally P.	25	25	25	100	272/00	272/00	308/00
Barnagore P.	30	10	10	£5	199/00	199/00	192/00
Bengal P.	5	...	...	10	9/69	9/69	10/31
Birla P.	15	15	15	10	28/37	28/75	33/62
Budge Budge P.	10	Nil	12	100	135/00	135/00	158/00
Calcutta P.	...	...	...	10	8/12	8/12	8/00
Caledonian P.	12	6	...	100	180/00	180/00	212/00
Champdany P.	10	5	Nil-40*	10	20/94	20/87	...
Cheviot P.	Nil	5	25	10	21/12	21/12	23/87
Chitavalsah P.	5	Nil	5	10	9/75	10/00	11/81
Clive P.	...	...	...	10	9/62	10/25	9/00
Dalhousie P.	1	1	Nil	100	140/00	132/00	130/00
Delta P.	7½	Nil	12	100	140/50	140/50	185/00
Empire P.	12½	7½	12½	10	375/00	15/44	16/94
Fort Gloster P.	25	10	12½	100	17/00	355/00	431/00
Fort William P.	22½	22½	10	10	24/50	24/50	26/62
Ganges P.	10	10	15	10	14/56	13/50	15/81
General Industrial	40	10	12	10	13/81	15/62	17/50
Gouripore P.	30	25	20	10	25/25	25/23	...
Hastings P.	6	6	6	100	128/00	128/00	126/00
Hooghly P.	10	...	...	10	20/00	18/87	31/00
Howrah P.	12½	10	Nil—10*	10	18/06	18/12	20/50
Hukumchand P.	28½	28½	26⅔	7½	20/37	20/37	24/94
India	14	12	8	12½	17/50	17/50	16/25
Kamarhatty P.	6	Nil	20	100	190/00	187/00	174/00
Kanknarrah P.	Nil	Nil	10	100	125/00	125/00	116/00
Kelvin P.	15	15	5	10	167/00	188/00	185/00
Khardah P.	20	5	12½	10	18/75	18/75	17/62
Kinnison P.	20	7	Nil	100	135/00	135/00	146/00
Lansdowne P.	Nil	Nil	Nil	100	87/00	87/00	120/00
Lawrence P.	7	15	10	100	100/00	100/00	171/00
Megna P.	12	12½	Nil	10	13/31	12/50	14/06
Naihati P.	...	...	...	100	81/00	81/00	107/00
Naskarpara	...	...	...	10	9/06	9/06	8/50
National P.	7½	Nil	10	10	23/25	23/25	24/25
Nellimarla P.	8	6	15	10	11/44	11/06	11/81
New Central P.	15	15	Nil	10	12/44	12/37	15/12
Northbrook P.	30	30	20	10	28/25	28/25	37/06
Nuddea	8	6	5	50	57/00	57/00	60/25
Presidency	8	6	10	5	4/62	4/56	5/50
Rameshwara P.	Nil	Nil	Nil	10	9/12	9/12	8/75
Reliance P	Nil	Nil	Nil—Nil*	10	9/50	9/37	7/00
Samnugger P.	6	Nil	10	£1	10/50	10/50	10/50
Shree Ambica P.	6	6	Nil	10	35/00	25/00	37/00
Soorah P.	25	25	25	10	21/00	21/00	22/50
Titaghur P.	6	Nil	13	£1	10/50	10/50	10/50
Union P.	25	6	Nil	100	160/00	156/00	163/00
Victoria P.	6	Nil	10	£1	10/50	10/50	10/50
Waverley P.	30	30	60	1	8/16	8/16	6/12

* 1963

COAL COMPANIES

NAMES	Dividends per cent 1960	1961	1962	Paid-up per Share Rs.	Latest Market Quotations as available until 21-8-63 Rs.	14-8-63 Rs.	A year ago Rs.
Amalgamated	10	12½	15	10	25/00	25/50	21/87
Bengal P.	25	21	...	100	260/00	260/00	350/00
Bengal Bhatdee	...	...	...	10	3/48	3/48	3/48
Bengal Nagpur	10	26	...	10	22/00	22/00	14/25
Bhalgora	...	...	...	10	4/84	4/84	5/18
Bharat Collieries P.	...	...	...	10	3/50	3/50	3/25
Bhutianbararee	...	...	...	10	11/94	11/94	12/00
Bokaro & Ramgur	...	...	...	10	11/19	11/19	11/00
Borrea P.	15	15	...	10	23/87	24/00	23/56
Burrakur P.	13	13	13	10	15/50	15/62	17/50
Central India	8	10	10	10	9/56	9/50	11/12
Central Kurkend P.	...	...	...	10	3/87	3/87	7/00
Churulia	6	...	...	4	3/06	3/06	3/06
Dhemo Main	Nil	Nil	...	10	4/31	4/31	6/12
East Indian	7½	15	20⅔	£1	30/00	31/87	52/25
Equitable P.	18	10	...	10	22/87	24/00	28/50
Ghusick & Muslia	Nil	Nil	Nil	10	14/25	14/25	14/00
Guzdar Kajora	...	...	...	10	2/44	2/44	2/00
Hurriladih	...	...	...	10	8/12	8/12	8/12
Karanpura Development	5	5	...	10O	10/75	10/75	16/25
	15	15		10F			
Karanpura Collieries P.	7½	10	10	10	15/00	15/00	13/87
Katras Jherriah	95	40	25	10	37/75	37/75	48/75
Khas Kajora P.	...	...	...	10	18/70	18/70	18/70
Mundulpur	...	...	...	10	2/69	2/69	2/69
Nazira	...	...	...	10	19/25	19/25	23/37
New Beerbhoom P.	10	10	...	10	14/50	14/50	13/75
New Manbhoom	7½	9	12				
North West	20	20	...	10	19/75	19/75	19/75
				7½	18/00	18/00	17/50
Ondal P.	6	7½	...	10	13/50	13/50	15/00
Parasea P.	1½	1½	...	10	16/00	16/00	16/00
Pench Valley	10	10	10	10	17/37	17/31	17/50
Pure Sitalpur	...	...	...	10	3/00	3/00	3/00
Raneegunge	15	17	17	10	14/87	15/12	15/37
Rewa	30	20	...	10	28/50	28/50	29/12
Samla	10	...	...	10	10/00	10/00	7/31
Searsole	Nil	Nil	Nil	2½	1/22	1/22	1/94
Seebpore P.	42 6/7	42 6/7	...	6	34/75	34/75	45/00
Sendra	3	3½	...	10	5/00	5/75	5/87
South Karanpura	2½	Nil	Nil	10	8/12	8/12	9/06
Standard	15	10	...	10	13/12	13/12	16/00
Union	...	...	...	10	11/12	11/12	10/37
Western Bengal	6	7½	9	10	8/81	8/87	9/56
West Jamuria	Nil	Nil	...	10	4/00	4/00	9/37

COTTON MILLS

NAMES	Dividends per cent 1960	1961	1962	Paid-up per Share Rs.	Latest Market Quotations as available until 21-8-63 Rs.	14-8-63 Rs.	A year ago Rs.
Basanti P	...	...	..	10	11/50	11/50	8/56
Banga Luxmi	...	...	..	40	29/00	30/00	28/00
Bengal Nagpur P.	Nil	...	..	10	3/06	3/06	3/56
Bharat Commerce	5	15	15	10	19/00	19/19	28/69
Birla Cotton	10	20	20	10	32/00	33/00	32/00
Bowreah P	10	20	15	10	21/75	21/75	26/12
Cawnpore Textiles	7-1/5	10	10	5	6/00	6/00	7/31
Delhi Cloth & Genl P.	12	13	13	25	40/91	40/81	52/00
Dunbar	20	20	15	10	26/12	26/12	32/00
Elgin P.	11½	17½	17½	10	17/37	17/62	20/12
J. K. Cotton (Rayon) P.	12½	...	...	10	10/56	10/75	17/44
Jay Shree	10	10	...	10	13/87	13/50	15/25
Muir P.	...	...	...	100	90/75	90/75	114/00
New Victoria P.	Nil	...	...	2½	1/37	1/37	1/62
Orissa Textiles P.	Nil	Nil	...	10	9/00	9/00	10/06
Rampooria Cotton	3	Nil	...	10	13/00	13/00	11/00
	Nil	Nil	Nil	5	2/00	2/00	2/00
Swadeshi (Kanpur) P.	5	...	...	10O	11/50	11/50	11/50
	5.51	...	...	10PO	7/00	7/00	8/19

BOMBAY COTTON MILLS

NAMES OF MILLS	Dividends per cent 1959	1960	1961	Paid-up per Share Rs	Latest Market Quotations as available until 19-8-63 Rs	10-8-63 Rs	A year ago Rs
Ahmedabad Advance P.	7	16	..	100	136/00	131/00	170/50
Apollo	...	...	..	2	1/90	1/94	2/22
Beharilal Ramcharan	Nil	Nil	..	100	78/00	78/00	59/00
Bombay Dyeing, etc.	14	14	14	25	60/20	60/20	66/90
Bradbury P.	10	10	25	50	139/50	139/50	185/00
Century	...	...	...	100	519/00	517/00	609/00
Central India P.	Nil	Nil	Nil	100	105/00	104/00	138/00
Coorla	...	...	..	100	150/00	150/00	160/00
Dawn	20	30	30	50	135/00	136/50	159/00
Edward Textiles	9	9	..	200	290/00	290/00	349/00
Elphinstone P.	14	18	22	50	95/00	94/00	107/00
Finlay	...	...	...	100	312/00	312/00	300/00
Gokak	...	...	...	100	155/00	156/00	186/00
Hindoostan	...	...	...	250	855/00	855/00	..
India United	...	...	...	10	23/00	22/40	22/60
	...	...	...	1Dd	2/54	2/50	3/48
Indian	...	...	...	250	761/25	761/25	..
Indore Malwa United	7	8½	10	100	192/00	192/00	175/00
Khatau Makanji P.	16	32	..	100	216/25	212/50	455/00
Kohinoor	9½	15	18	100	304/00	303/50	299/50
Lakshmi-Vishnu P.	Nil	5.7	6—Nil*	100	90/50	89/00	133/50
Morarjee Goculdas P.	21½	21½	24—24*	100	368/00	370/00	390/00
Mysore Spg & Mfg P.	10	14	14	50	48/00	50/00	61/00
New City of Bombay	...	...	...	100	156/25	156/25	181/00
New Great Eastern P.	...	...	...	100	201/00	201/00	278/00
Phoenix	...	...	...	100	205/00	207/00	242/00
Sassoon & Alliance	Nil	Nil	...	10	11/00	11/00	14/88
Sassoon Spinning	25	17	20	10	46/50	46/50	58/00
Simplex	10	15	Nil	50	121/00	121/00	163/50
Shree Niwas P.	15	18	20	100	232/00	231/00	258/00
Svadeshi P.	14	17	..	100	235/00	235/00	264/00
Swan	...	...	...	100	285/00	285/00	285/00
Tata	10	20	..	25	53/70	53/70	62/50
Western India	...	...	...	250	785/00	785/00	802/50

*1962

BOMBAY MISCELLANEOUS COMPANIES

NAMES	Dividends per cent 1960	1961	1962	Paid-up per Share Rs.	Latest Market Quotations as available until 19-8-63 Rs.	10-8-63 Rs.	A year ago Rs.
CEMENT ENGINEERING & METAL							
Associated Cement	12½	12	12	100	144/00	144/00	153/50
ELECTRIC LTG. POWER							
Ahmedabad Electricity	7	6	..	100	95/20	95/50	89/80
Andhra Valley Power P.	5½	5	5	1000	1,068/75	1,065/00	1,030/00
Bombay Suburban Elec	...	...	...	100	104/50	104/50	104/00
Tata Hydro Elec. Power P.	5½	5	5	100	110/50	110/75	112/50
Tata Power P.	5½	5	5	1000	1,112/50	1,127/50	1,120/00
Alcock Ashdown	...	...	...	100	275/00	279/00	317/00
Jost's Engineering	8	10	10	50	59/50	59/50	96/50
Larsen & Toubro P.	12½	18	14	10	22/64	22/76	27/75
Mckenzies	...	...	...	100	141/00	141/00	155/00
Premier Construction P.	...	...	...	30O	137/50	140/50	152/00
				32F			
Tata Eng & Locomotive P.	12½	14½	14½	100	257/00	254/00	328/50
Tata Iron & Steel P.	9.1	10.36	10.36	730	137/50	138/00	147/00
INSURANCE COMPANIES							
British India General	...	...	...	10	12/20	12/20	12/52
Jupiter General P.	...	...	...	15	9/20	9/20	12/00
New India	...	...	...	15	52/50	52/50	67/50
Vulcan	...	...	...	10	17/24	17/24	18/00
MISCELLANEOUS							
Belapur Sugar	...	...	...	50	184/50	186/00	230/00
Bombay Burmah Trading	30	33	33	25	59/10	59/50	..
				20	..	45/50	..
Hindustan Lever	26	26	12	10	36/25	36/25	45/25
Industrial Invt Trust	6½	6½	..	100	73/00	73/00	75/00
Kemi (Chemists)	...	...	...	200	305/00	252/00	315/00
National Rayon	22	...	...	100	313/50	312/50	498/50
Scindia Steam Navign.	8	3	3	20	11/84	11/48	11/00
Shivrajpur Synd.	80	Nil	..	10	19/52	20/00	33/50
Tata Chemicals P.	6	6½	6½	10	16/04	16/48	14/92
Tata Oil P.	23	23	23	25	65/20	65/20	71/70
Voltas	13	14	14	100	236/50	237/00	268/50
Western India Match	16	16	16	100	239/00	239/00	265/00

TEA COMPANIES

NAMES	Dividends per cent 1959	1960	1961	Paid-up per Share Rs.	Latest Market Quotations as available until 21-8-63 Rs	14-8-63 Rs	A year ago Rs
ASSAM GARDENS							
Anandabag	15	Nil	10	10	20/00	20/00	34/25
Amluckie P.	17½	30	32½	10	16/50	33/25	25/94
Baghmari	15	Nil	15	10	14/00	14/00	19/25
Barduar Tea	Nil	Nil	...	6	8/50	8/50	8/50
Basmatia	30	35	25	10	27/25	27/25	27/25
Bateli	30	30	...	5	17/50	17/50	18/00
Betjan	25	40	45	10	28/75	28/75	32/62
Bishnauth	13	13	13	10	17/56	17/56	17/94
Bokakhat	8	Nil	12	10	13/70	13/70	13/70
Bormah Jan P.	12½	15	15	10	14/25	14/25	16/12
Bor Pukhuri	Nil	Nil	Nil	10	10/75	10/75	9/37
Brooke Bond P.	12½	15	10—7½‡	10	11/50	11/50	14/37
Dejoo Valley	40	15	20	10	60/00	60/00	49/25
Dessai & Purbuttia	Nil	Nil	10	100	205/00	205/00	141/00
Dhelakhat	20	12½	...	10	18/81	18/81	20/12
Dhunseri P.	23	20	15	10	11/75	11/75	16/00
Dibrugarh	30	40	40	10	31/25	31/25	33/44
Dimakusi P.	20	25	20	10	21/87	21/87	21/94
Duffiaghur	25	25	25	10	27/50	27/50	28/75
East India	10	Nil	Nil	10	13/44	13/44	18/87
Gillapukri	25	25	20	10	25/44	25/44	25/44
Gohpur	10	Nil	8	10	15/19	15/19	13/56

‡1962

TEA COMPANIES—Contd.

NAMES	Dividends per cent 1959	1960	1961	Paid-up per Share	Latest Market Quotations as available until 21-8-62	14-8-63	A year ago
				Rs.	Rs.	Rs.	Rs.
Grob	14	6	6	5	21-8-62	7/69	8/37
Hoograjuli (Assam)	25	20	20	10	27/12	27/12	24/44
Hoolungooree	20	10	7½	100	195/00	195/00	175/00
Jutlibari	10	30	30	10	31/50	31/50	32/00
Kingsley Golaghat P.	35	35	..	100	140/00	140/00	212/00
Kotamullai P.	Nil	Nil	Nil	5	10/31	10/31	10/31
Krishnabehari	10	15	8	10	10/50	10/50	10/12
Kyang Tea	Nil	Nil	..	10	8/06	8/06	8/06
Ledo	Nil	Nil	Nil	10	13/75	13/75	17/25
Maud Tea & Seed	7½	10	7½	10	14/81	14/81	14/81
Methoni	15	5	14	10	16/19	16/19	19/12
Moheema	10	Nil	..	10	11/50	11/50	11/50
Mothola	25	30	30	100	597/00	597/00	597/00
Murphulani (Assam)	20	5	15	10	26/50	26/50	26/50
	25	10.62	20.62	10	26/87	26/87	28/75
Naga Hills	5	10	10	10	22/25	22/25	24/50
Namburnadi	16	12	..	10	12/87	12/87	14/56
New Cinnatolliah	Nil	Nil	Nil	100	392/00	392/00	101/00
Rajgarh	35	40	15½	10	19/00	21/37	22/87
Sapoi	20	22½	20	10	18/31	18/31	18/31
Seajuli	17½	22½	15	10	21/12	21/12	21/06
Telolijan	25	25	25	10	22/00	22/00	27/75
Tengpani	17½	30	30	10	35/00	35/00	35/00
Tezpore P.	20	20	12½	10	14/25	14/75	15/87
Tongani	Nil	Nil	..	10	7/00	7/00	7/00
Tyroon	30	10	15	10	33/00	33/00	36/87
CACHAR							
Arcuttipore	Nil	Nil	..	10	7/00	7/00	7/00
Baitakhal	5	2½	..	10	6/37	6/37	6/69
Central Cachar	5	5	7½	100	85/00	85/00	73/00
Eastern Cachar	Nil	Nil	..	10	4/28	4/28	3/94
Kallinugger Khoreel	6	6	..	100	87/00	87/00	87/00
Hattikhira	5	Nil	8	10	9/12	9/12	9/25
Kunchanpore	Nil	Nil	..	10	6/00	6/00	6/00
Loobah	Nil	Nil	Nil	10	4/37	4/37	4/25
North Western	30	30	20	100	160/00	160/00	205/00
Pathemara	Nil	Nil	Nil	10	7/50	7/50	7/50
Roopacherra	Nil	Nil	10	10	13/62	13/62	13/62
Rungamattee	7½	5	5	50	50/25	50/25	50/00
Sonai River	Nil	Nil	..	10	9/12	9/12	9/12
DARJEELING							
Bloomfield	Nil	Nil	..	10	3/12	3/12	3/25
Chamong	Nil	Nil	10	10	9/00	9/00	10/25
Darjeeling Tea & Chin	Nil	30	..	100	197/00	197/00	195/00
Dilaram	5	8	..	100	102/50	102/50	102/50
Gielle	Nil	Nil	8 4/7	10	11/69	11/69	11/75
Lingia P.	12½	15	10	10	14/56	14/56	14/56
Longview	14	12½	..	10	11/00	11/00	11/00
Margaret's Hope	10	15	15	10	11/37	11/37	11/62
Mim	10	22½	20	100	191/50	191/50	191/50
Nagri Farm	20	30	25	10	27/25	27/25	25/44
Okayti	32½	25	25	100	600/00	600/00	605/00
Pashok	10	10	..	10	20/00	20/00	20/00
Poobong	Nil	Nil	Nil	10	7/19	7/19	7/37
Pussimbing P.	Nil	Nil	Nil	10	7/12	7/12	7/25
Rungliee Rungliot	10	35	20	100	386/00	386/00	386/00
Seeyok	15	15	..	10	8/50	8/50	8/50
Singell	Nil	Nil	Nil	100	36/75	36/75	36/75
Singtom	5	2	..	10	3/50	3/50	4/50
Soom	30	50	40	10	32/75	32/75	49/87
Sungma	10	15	15	10	13/94	13/94	14/62
Teesta Valley	Nil	Nil	8 4/7	10	12/00	12/00	13/37
Tukvar	..	..	..	10	7/00	7/00	6/09
DOOARS							
Banarhat P.	32½	22½	21	100	216/50	216/50	273/00
Baradighi	25	30	25	10	22/19	22/19	24/25
Bhatkawa	10	15	15	10	16/56	16/56	17/12
Birpara P.	22½	17½	12½	100	156/50	156/50	151/00
Carron	15	20	5	100	145/00	145/00	145/00
Choonabhuti P.	30	32½	20	100	210/00	210/00	262/00
Ellenbarrie	5	5	5	100	184/00	184/00	184/00
Engo	Nil	60	30	100	136/00	136/00	136/00
Ethelbari	Nil	5	5	10	13/12	13/12	8/44
Gairkhata	12½	25	20	10	21/50	21/50	25/12
Gopalpur	9.24	12	2	25	20/00	20/00	20/00
Hantapara P.	12½	15	5	100	109/00	109/00	113/00
Hasmara P.	12½	17	18‡	10	12/62	12/75	15/12
Huldibari	22½	22½	19 2/7	10	13/31	13/31	13/37
Jayoirpara	5	10	Nil	10	10/69	10/69	13/50
Killcott	17½	25	15	10	14/37	14/37	17/31
Manabarrie	5	10	6	10	59/50	59/50	56/37
Nagaisuree	17½	25	15	100	140/00	140/00	169/50
New Dooars P.	32½	35	20	100	220/00	220/00	251/00
Oodlabari	10	12½	7½	100	13/19	13/19	14/12
Phaskawa	Nil	Nil	Nil	100	129/00	129/00	127/00
Ralabhat	Nil	Nil	Nil	10	12/12	12/12	12/12
Ranicherra	10	15	15	10	14/00	14/00	16/75
Rydak	30	25	20	10	24/25	24/25	27/19
Sarugaon	40	40	40	10	36/25	36/25	36/25
TERAI							
Atal	10	5	..	10	8/75	8/75	8/15
Beigachi	20	20	..	10	22/50	22/50	20/50
Gungaram	15	20	12½	100	131/00	131/00	158/00
Hansqua	17½	20	15	10	20/00	20/00	16/94
New Chumta	15	15	12 6/7‡	10	24/62	24/62	33/50
New Terai	15	22½	..	10	23/00	23/00	36/00
Pmargoomiah	25	20	..	10	15/00	15/00	31/12
Putibharee	26	14	..	10	45/00	45/00	45/00
Tirrihannah P.		40	..	10	49/00	49/00	49/00
CHITTAGONG							
Kodala	Nil	Nil	..	10	9/25	9/25	9/25
Kornafuli	Nil	Nil	..	10	9/31	9/31	13/00
Oodaleah	Nil	Nil	..	10	8/00	8/00	8/00
SYLHET							
Chundeecherra				10	26/00	26/00	23/50
Dauracherra	15	22½	22½	10	7/56	7/56	7/87
Kalitu	Nil	Nil	Nil	10	10/00	10/00	9/25
New Samanbagh P.	Nil	25	Nil	10	18/37	18/37	20/81
Patrakola	40	32½	40	100	125/50	125/50	148/00
Rajnagar	Nil	Nil	..	10	9/56	9/56	9/56
Teliapara	17½	22½	32½	100	99/00	99/00	99/00

† Hectares

MISCELLANEOUS COMPANIES

NAMES	Dividends per cent 1960	1961	1962	Paid-up per Share	Latest Market Quotations as available until 21-8-63	14-8-63	A year ago
				Rs.	Rs.	Rs.	Rs.
MININGS							
Burma Mines	2 3/5	Nil	Nil	8½S	0/4‡	0/4‡	0/4‡
Chrestien Mica Industries P.	15	12½	..	10O	10/4‡	10/4‡	11/00
Indian Copper Corporation	25	20	..	5Dd	6/87	6/87	8/85
Metal Corporation P	27	27	..	2s	4/81	4/80	4/70
Orissa Mineral Development	Nil	..	..	10O	8/12	8/06	12/75
	36	28	20	10	27/12	27/12	39/00
CEMENT LIME SLATE ETC.							
Ashoka Cement	9	7	7	10	7/75	7/75	8/59
Assam Bengal Cement	..	..	..	10O	3/06	3/06	3/62
				1Dd	0/4‡	0/4‡	0/37
Bengal Potteries	15	..	..	2½	5/25	5/44	5/94
Bisra Stone Lime	30	30	10	..	35/00	35/00	35/50
Dalmia Cement (Bharat) P.	12	12	12	10O	12/37	12/25	13/62
				1Dd	3/00	3/00	3/12
Jaipur Udyog P.	6	8	8.36	10	11/44	11/37	13/12
Kumardubi Fireclay & Silica P.	18	18	..	10	18/4‡	18/4‡	18/4‡
Orissa Cement P	15	15	10	10	14/06	14/00	17/31
Reliance Firebricks & Pottery	22	15	10	5	22/7‡	22/7‡	22/7‡
Sone Valley Portland Cement	4	6	8	10	4/12	4/25	4/75
Sutna Stone & Lime	27½	30	..	10	33/12	33/12	37/00
CHEMICAL INDUSTRIES							
Alkali & Chemical Corpn of (I)	12	15	15	10	31/81	31/81	44/00
Suthgate & Co Ltd P	Nil	..	..	5	0/8‡	0/8‡	0/80
Bengal Chemical & Pharm P.	7	10	..	100	102/00	102/00	102/50
Calcutta Chemical P.	18	18	18	10	17/87	17/87	18/37
Frank Ross P	..	..	..	5	2/19	2/19	3/25
Smith Stanistreet P.	25	25	25	5	12/25	12/25	15/50
ELECTRIC LIGHTING, POWERS							
Agra Electric Supply	11	11	11	100	118/00	118/00	127/00
Bareilly Electric Supply	11	11	11	10	12/50	12/50	12/25
Benares Electric Supply	11	11	11	10	12/37	12/37	13/00
Bhagalpur Electric Supply	6	10	8	8	5/75	5/75	6/03
Calcutta Electric Supply	9	7½	7½	£1	14/62	14/62	17/22
Cuttack Electric Supply	7½	10	10	10	11/87	11/87	12/62
Dishergarh Power Supply P.	10	10	10	100	88/00	88/00	91/00
Jhansi Electric Supply	..	..	..	10	5/00	5/00	6/00
Jubbulpore Electric Supply	10	10	10	10	11/19	11/19	11/37
Mirzapur Electric Supply	..	..	..	5	12/00	12/00	12/00
Muzaffarpore Electric Supply	12½	12½	12½	10	11/50	11/50	11/75
Muttra Electric Supply	..	..	..	10	11/12	11/12	9/50
Patna Electric Supply	10	10	10	10	10/50	10/50	11/59
Shahjahanpur Electric P.	6½	6½	6½	10	6/75	6/75	7/50
Sijua (Dharriah) Electric	10	9	9	10	8/50	8/50	9/06
United Provinces Electric	11	11	11	100	117/00	117/00	125/00
Upper Jumna Valley Electric	13½	13½	13½	10	15/06	15/06	15/25

MISCELLANEOUS COMPANIES—Contd.

NAMES	Dividends per cent 1959	1960	1961	Paid-up per Share	Latest Market Quotations as available until 21-8-63	14-8-63	A year ago
				Rs.	Rs.	Rs.	Rs.
ENGINEERING & METAL							
Arthur Butler (Muzaffarpore) P.	..	..	..	10	14/94	14/94	14/12
Bhartia Electric Steel	15	10	10	10	13/50	13/50	12/69
Braithwaite India	22½	25	25	10	29/56	29/56	34/50
Bridge & Roof	30	30	30	10	52/25	52/25	52/25
Britannia Building & Iron P.	6	Nil	Nil—Nil*	10	3/50	3/50	3/65
Britannia Engineering P	10	10	10	10	9/69	10/37	11/56
British India Electric Cons.	25	45	20	10	33/12	33/12	33/00
Burn P (Engineering)	28½	28½	28½-28½*	100	572/00	572/00	682/00
Calcutta Steel	5	15	15	10	13/00	12/87	15/16
Dalmia Iron	..	10	10—10*	10	10/75	10/69	11/75
Guest, Keen, Williams	24	16	14	10	31/19	31/25	38/25
Hooghly Docking	12	Nil	Nil	50	108/00	108/00	111/00
Indian Iron & Steel P.	10	15	16—16*	10	22/54	22/36	26/76
Indian Malleable Casting	6	Nil	..	5O	6/00	6/00	4/50
Indian Standard Wagon P.	7½	Nil	..	1Dd	1/81	1/81	2/00
	28½	28½	28½-28½*	10	30/06	29/87	34/62
Indian Steel & Wire Products	16½	23	24—23*	10O	39/00	39/00	55/50
Industrial Containers	..	Nil	10	10	21/37	21/37	22/00
Jay Engineering	12	17 3/20	17 1/20—15*	10	20/50	20/94	..
J. K Steel P	12½	20	20—10*	10	14/00	14/00	16/62
Jessop & Co P.	8.58	8.58	8.58	10	24/00	24/87	22/94
Kumardhubi Engineering P.	10	10	11‡	8	8/31	7/62	7/56
Marshall Sons (India)	10	Nil	Nil	2	2/16	2/16	3/44
National Iron and Steel	6‡	Nil	Nil-Nil*	10	4/62	4/69	5/00
Saran Engineering	7‡	8‡	10—12‡*	4	8/50	8/50	9/50
Steel Containers	..	30	20	10	29/50	29/50	22/00
Textile Machinery	30	10	10	10	23/20	23/35	22/95
SUGAR BREWERIES ETC.							
Bairampur Sugar	8	8	8—4*	2½	2/00	2/00	2/50
Belsund Sugar	18‡	18‡	10	7½	8/25	8/25	10/06
Bharat Sugar P.	..	..	..	10	13/00	13/00	13/00
Carew (Sugar) P.	Nil	Nil	Nil—Nil*	10	10/75	10/87	13/12
Cawnpore Sugar P.	Nil	Nil	Nil—Nil*	10	9/75	9/81	12/69
Champaran Sugar	15	15	12—Nil*	10	15/87	15/87	17/12
Durbhanga	20	4	Nil	10	8/12	8/12	9/00
Dyer Meakin (Breweries)	16	25	30	5	26/31	26/00	34/00
New Savan Sugar and Gur	..	..	..	10	3/62	3/62	5/25
Purtabpur Sugar P.	Nil	..	..	10	11/50	11/50	11/50
Ramnugger Cane & Sugar P.	21‡/7	30	35—30*	10	26/50	26/12	30/31
Raza Buland	12½	12½	10	10	9/75	9/75	9/50
Ryam Sugar P.	..	..	..	10	5/20	5/00	8/06
Samastipur Central Sugar	..	..	..	10	6/00	6/00	9/62
Shree Krishna Gyanoday Sugar P.	15	15	..	10	7/12	7/12	7/12
Shree Sitaram Sugar	..	..	..	10	6/12	6/12	6/62
Sitalpore Sugar	Nil	6	Nil-Nil*	10			
United Provinces	15	15	..	10	9/00	9/00	14/72
Upper Ganges Sugar P.	72½	72½	72½-72½*	10	62/00	62/00	77/00
MISCELLANEOUS							
A Firpo (Restaurateur)	8½	7½	..	0T	5/90	5/90	5/90
Aluminium Corporation P.	10	12	12—12*	10	13/50	13/19	16/62
Anderson Wright Ltd. P.	10	11½	..	10	11/50	11/50	11/50
Angelo Bros.	20	25	22½-28*	10	22/87	23/00	23/31
Assam Match	16	18	20	10	28/75	28/75	28/75
Assam Saw Mills & Timber	Nil	Nil	Nil	3	2/50	2/69	2/87
Associated Battery	40	25	15-15*	10	24/00	23/75	30/19
Associated Hotels of India P.	Nil	Nil	10-10*	10	10/31	10/31	10/31
Balmer Lawrie & Co.	25	25	25	100	248/00	248/00	257/00
Bararee Coke	Nil	Nil	Nil-15*	10	20/87	20/87	23/81
Birds Investments P.	11	9½	10-10*	10	42/25	42/75	45/00
Britannia Biscuit P.	14	25	30—25*	10	7/69	7/62	10/28
British India Corporation P.	Nil	4	7	5	19/94	19/94	22/25
British Paints	10	12½	12½	10			
Calcutta Silk Manufacturing P.	Nil	Nil	Nil	50	6/94	6/94	7/15
Clive Row Investment	10	6	7½	10	8/75	8/72	8/25
Duncan Brothers & Co Ltd P.	14	14	14	100	147/00	147/00	157/50
Dunlop Rubber Co (India) P.	21½	21½	20—15*	10	31/25	31/25	40/06
Eastern Investments Ltd. P.	14	14	14—12*	100	106/00	106/00	130/00
Electric Construction	5	10	10—10*	10	12/62	12/50	14/50
French Motor Car	12½	20	20	20	35/12	35/12	34/50
Ganges Rope	17	17½	20	100	236/00	236/00	236/00
General Investments Trust P.	2½	5	5—4*	75	43/00	43/00	43/00
Gillanders Arbuthnot & Co Ltd P.	10	10	11-11*	10	14/19	14/00	15/25
Gladstone Lyall & Co Ltd P.	Nil	4 2/5	4‡	10	..	..	..
Godfrey Phillips (India) Ltd. P.	26	40	60	10	28/12	28/12	35/44
Great Eastern Hotel	6	9	6	250	225/00	225/00	241/00
Hindustan Aluminium P.	..	Nil	..	10	12/56	12/50	16/44
Hindustan Motors P.	6	9	12—12½*	10	16/22	16/09	19/81
Hindusthan Pilkington	12	..	..	10	15/81	15/81	20/40
Hindusthan Tewyfords P.	..	Nil	Nil-Nil*	10	14/62	14/62	15/19
Hoare Miller & Co Ltd.	6	6	6	10	5/37	5/44	6/56
Imperial Tobacco	6	8	9—9*	10	10/62	10/50	11/50
Indian Aluminium Co. Ltd. P.	12	15	15-17½*	10	34/87	34/81	36/81
Indian Cable P.	15	22½	22½-22½*	10	33/00	33/12	37/25
Indian Oxygen	15	15	15—12*	10	27/00	27/12	46/50
Indian Rubber Manufacturers P.	15	20	30—30*	10	19/87	19/87	20/94
Indian Wood Products	25	30	30—30*	10	29/12	29/25	33/12
Isaac Holdens	..	..	Nil	100	14/56	13/75	17/06
Investments and Finance P.	6	7½	7½—7½*	10	55/00	55/00	55/00
J K Synthetics	..	..	8	10	10/12	9/94	14/31
James Wright P.	..	..	..	5O	2/75	2/45	2/75
Jardine Henderson Ltd P.	..	..	..	1Dd	90/43	90/43	90/43
Jay Shree Industries P.	5	7	7—6*	10O	86/00	87/50	81/00
Kesoram Industries P.	14	14	12½	10	16/00	16/50	17/19
	2½	5	12-12½*	10	20/87	21/00	28/37
Macfarlane & Co.	..	..	..	50	7/00	7/00	7/31
Macneill & Barry Ltd. P.	..	..	..	1Dd	2/19	2/19	2/50
Martin Burn Ltd P.	8	8	8	100	93/50	93/50	93/50
	27½	27½	27½-25*	10	26/50	26/50	31/75
McLeod & Co. P.	15	15	15	100	210/00	210/00	210/00
	10	10	10	10Dd	..	..	..
Metal Box Co. of India Ltd P.	17½	25*	25	10	45/50	45/50	55/87
National Insulated Cable P.	20	25	25—25*	10	22/56	23/00	31/00
National Pipe & Tubes P.	15	20	20—20*	10	25/25	25/25	32/75
National Rolling & Steel Ropes	10	13	15—15*	10	18/69	18/69	22/12
National Rubber P.	6‡	Nil	6‡	10	10/56	10/81	12/50
National Tobacco P.	16	16	7	10	10/12	10/12	13/25
New India Investment Corpn.	6.7	6.7	..	75	65/00	65/00	70/00
Octavius Steel P.	12½	10	..	100	..	..	..
Philips India	12	12	12	10	27/37	27/37	30/69
Publicity Society	37½	10	75—75*	4	22/62	22/62	27/00
Rallis India P	Nil	4	8½—8½*	100	112/00	112/00	156/50
Rohtas Industries P.	15	20	10—8*	10	11/19	11/31	14/37
Sirsilk P	..	Nil	..	10	8/94	8/94	10/00
Sen Raleigh Industries P.	8	8	8-8*	10	14/50	14/50	18/87
Shaw Wallace P.	15	15	15	10	16/31	16/31	20/19
Spencer's Hotel	14	2½	2½	5	1/94	0/94	0/94
Union Carbide	18	18	18	10	38/69	38/75	48/00
Walford Transport	15	20	20	1PO	2/31	2/31	2/50
	20	30	30	1O	3/81	3/81	3/37
INSURANCE COMPANIES							
Concord of India	20	20	20	5	10/37	10/37	11/50
Hercules	20	22½	25½	10	22/56	22/56	25/17
Ruby General	10	10	13½	8	9/31	9/28	10/25
Standard General	..	..	..	10	6/00	6/00	8/00
Triton	45	45	50	25	124/00	124/00	127/50
FLOUR MILLS							
Bengal	45	40	25	10	29/00	29/00	35/00
Delhi P.	..	..	..	10	14/00	14/00	14/00
Ganesh P.	12½	..	..	12½	13/50	13/50	17/00
Hooghly	27½	15	Nil	10	19/75	19/75	19/75
United	52½	35	10	10	27/81	27/81	30/00
OIL COMPANIES							
Attock Oil	13½	13½	13½	£1	sh.64/4½	sh. 34/9	sh. 30/-
Burmah Oil P.	..	9-2/5	..	£1	sh. 34/9	sh 62/6	sh.36/10½
Indo-Burmah Petroleum P.	25	30	25	10	21/12	21/87	26/19
Tide Water Oil	22	30	35	10	27/12	27/12	23/31
PAPER MILLS							
Bengal P.	32	32	27½	10	26/31	26/25	32/50
India Paper Pulp	10	15	13—12*	10	16/50	17/00	20/75
Orient Paper P	18	22½	22½-22½*	10	33/90	34/00	41/90
Shree Gopal Paper P.	17 6/7	17-6/7	17-6/7	10	22/25	22/25	25/00
Sirpur P.	6‡	6‡	8‡	10	11/50	11/50	13/62
Star Paper P.	8	Nil	..	10	8/87	8/87	10/00
Titaghur P.	10	10	13-13*	2½PO	3/87	3/87	4/00
	25	25	20-10*	10AO	16/00	15/50	38/25
	25	25	20-10*	10BO	16/00	15/50	38/25
West Coast P.	Nil	6	7½	100	125/00	125/00	176/00
PRESSING COMPANY							
Camperdown	11	11	11	100	104/00	104/00	100/00
REAL PROPERTY STORAGE							
Bengal Bonded Warehouse	6	13	8—8*	A500	1050/00	1050/00	610/00
				B62½	135/00	135/00	77/25
				C10L	122/00	122/00	122/00
				D12½	14/15	14/15	14/75
Calcutta Safe Deposit	..	..	..	100	7/87	7/87	7/25
Humayan Properties P.	8½	6	..	10O	11/00	11/00	11/00
	12½	Nil	..	1Dd	2/1‡	2/1‡	2/19
Midnapore Zemindary P.	Nil	Nil	Nil-Nil*	85	10/37	10/00	9/56
TRAMWAYS & STEAMER							
Bengal Assam Steamship P.	8	7½	7½	100	135/00	131/00	110/00
Calcutta Landing & Shipping	3½	3½	..	10	34/00	34/00	27/50
Calcutta Steam Navigation	10	10	Nil—Nil*	10	8/25	8/25	7/75
Calcutta Tramways P.	2½	..	..	£1	10/81	11/00	12/37
Fraser	Nil	Nil	..	10	10/00	10/00	10/00
Indis General Nav. Railway P.	Nil	Nil	..	£10	45/00	45/00	64/00
Indis Steamship P.	10	10	Nil—Nil*	10	6/12	6/22	6/94
Port Shipping	Nil	Nil	Nil	10	13/62	13/37	12/06

*1962

SOUTH INDIA PLANTATION COMPANIES

NAMES	Dividend per cent 1959	1960	1961	Paid-up per share Rs.	Latest Market Quotations as available until 20-8-63 Rs.	13-8-63 Rs.	A year ago Rs.
Amalgamated P.	7½	10	..	10	10/36	10/36	11/06
Anandam P.	15	15	..	10	14/19	14/19	15/24
Athimattam	Nil	Nil	..	2	1/05	1/05	0/80
Balanoor P.	15	15	12	10	11/30	12/00	12/91
Balmadies P.	7½	7½	..	2	1/65	1/65	1/90
Be Be P	5	Nil	..	5	2/10	2/05	2/50
Blue Mountain	12½	12½	10-10*	2	2/51	2/50	2/31
Chembra Peak	15	20	20-20*	2	4/33	4/30	3/40
Cochin Malabar P.	15	17½	20-20*	3	5/80	5/90	6/40
Coffee Lands P	25	6	..	10	14/65	14/65	14/60
Consolidated Coffee P.	25	20	..	10	17/35	17/35	18/10
Coonoor P.	20	17½	..	10	18/55	18/25	22/00
Coorg P.	20	20	..	2	5/15	5/15	4/15
Cottanad Plantation P.	15	10	..	10	9/31	9/31	10/00
Devashola (Nilgiri)	25	20	..	10	24/30	24/30	26/05
Devon P	15	15	12	10	11/96	12/66	12/66
Emerald Valley	8	..	..	5	6/35	6/35	5/55
Gokul	9	10	..	2	1/76	1/76	1/92
Haileyburia P.	12½	15	..	10	11/25	11/25	12/24
Kallas	20	224	..	2	5/65	5/65	5/05
Kalaso Tea Produce	15	20	25	2	4/15	4/15	3/47
Kil Kotagiri P.	35	25	25	2	5/65	5/65	4/65
Lucky Valley	10	10	10	10	11/35	11/35	10/49
Malankara	16	15	..	10	16/00	16/00	16/90
Midland Rub. & Prod. P.	10	12½	12½	10	11/50	11/25	11/27
Nilgiri P.	6	6	..	10	9/55	8/55	9/10
Nonsuch	20	20	20	10	23/87	24/00	22/25
Ossoor	15	15	..	2	3/20	3/00	2/67
Ouchterlony	15	13	12	2	4/40	4/60	3/58
Parkside Neilgherry	27½	27½	22½	10	25/82	25/82	22/25
Peermade P.	22½	22½	25	10	20/77	20/77	19/15
Peninsular	20	20	..	10	20/70	20/70	22/10
Periakaramalai	12½	13½	20	2	3/62	3/60	3/32
Rajagiri Rub. & Prod. P.	20	20	20	10	18/60	18/60	21/90
Rajendra P.	50	25	..	5	9/80	9/80	11/12
Swinton	7½	12½	..	2	2/82	2/82	2/82
Peekoy P.	6	Nil	..	10	6/60	6/87	5/40
Thirumbadi	7	7	12	1	1/96	1/96	1/47
Travancore Rubber	10	13	..	10	9/66	9/66	11/41
Travancore Rub & Tea P.	7½	9	10	10	9/60	9/60	9/65
Tropical Plantations	8	8	..	25	19/15	19/15	17/35
Twyfords	10	10	..	10	8/25	8/25	9/20
United Nilgiri	19½	21	22	10	20/34	20/34	20/25
Valkundam	25	30	..	10	29/45	29/45	31/70
Waterfall Estates P.	12½	12½	..	2	2/20	2/20	2/13
Woodland P.	5	10	..	10	7/85	7/85	7/85

† Kgs

SOUTH INDIA COTTON MILLS

NAMES	Dividend per cent 1959	1960	1961	Paid-up per share Rs.	Latest Market Quotations as available until 20-8-63 Rs.	13-8-63 Rs.	A year ago Rs.
Bangalore W C Silk P.	10	10	18	100	231/60	231/00	245/00
Buckingham & Carnatic P	10	10	18	100	264/00	264/00	264/00
Cambodia P	Nil	4	..	10	12/37	12/37	13/00
Coimbatore Cotton	6	12	16	100	167/00	167/00	171/00
Coimbatore Spg & Wvg	..	..	..	50	68/50	68/50	76/00
Kothari Textiles P.	10	10	8	10	9/30	9/30	10/87
Lakshmi	12	20	30	50	137/00	137/00	153/00
Madura	12½	15	15	15	31/25	31/00	33/85
Mettur Industries	25	30	30-22½*	100	268/00	264/00	400/00
Palani Andavar P.	..	..	..	10	202/75	202/75	215/00
Vasanta P.	16	20	..	100	276/00	276/00	290/00

*1962

SOUTH INDIA SUGAR MILLS

NAMES	Dividend per cent 1959	1960	1961	Paid up per share Rs.	Latest Market Quotations as available until 20-8-63 Rs.	13-8-63 Rs.	A year ago Rs.
Andhra P	7.20	..	..	10	17/36	17/36	21/00
Cauvery P	Nil	6	8	100	107/00	107/00	103/00
Deccan Sugar	25‡	25‡	12—18*	5	9/80	9/95	9/25
E.I.D.—Parry	28 4/7	21 3/7	21 3/7*	£1	38/50	39/00	40/00
Indian Sugar P.	12½	14	10	10	8/50	8/50	9/55
Jeypore P	10	8	..	10	15/25	15/25	15/12
K C P.	15	..	..	10	23/90	23/90	22/00
Kothari	..	Nil	Nil	10	6/90	6/90	6/85
Mysore	30	30	30-30*	10	47/75	47/75	53/40
Travancore P.	10	10	..	10	7/35	7/35	6/95
United Breweries	60	60	60-25*	10	35/00	35/00	80/00

*1962

SOUTH INDIA MISCELLANEOUS COMPANIES

NAMES	Dividend per cent 1959	1960	1961	Paid up per share Rs.	Latest Market Quotations as available until 20-8-63 Rs	13-8-63 Rs	A year ago Rs
Aluminium Industries	12½	18	..	10	17/30	17/30	27/65
Andhra Cement P.	10	..	..	10	9/55	9/55	9/90
Ashok Leyland	8	8	..	5	7/25	7/25	8/10
Binny	10	12½	..	100	299/82	299/82	364/85
Brunton & Co.	Nil	..	..	10	5/10	5/10	5/40
Enfield P	5	5	..	10	9/00	9/00	10/72
India Cement P.	9	11	9-12*	9	5/60	5/55	6/20
Indian Steel Rolling P.	7	..	..	10	11/00	11/00	11/70
Mettur Chemical Industrial P.	8‡	12½	12½-13‡*	10	12/20	12/50	12/95
Mysore Chem & Fert.	5	10	10	10	7/75	7/75	10/25
Mysore Chemical Mfgs P.	20	20	..	10	17/75	17/75	21/75
Mysore Lamp P.	16	20	..	10	34/10	30/00	34/00
Mysore Paper	12½	15	15	10	13/85	13/85	14/00
Mysore Tobacco	12½	10	..	10	9/85	9/85	8/44
Parrys Corn	20	30	..	1	3/20	3/20	5/00
Spencer (Provisions)	18	18	18—18*	10	20/15	20/30	23/18
Standard Motors P.	9	9	..	10	11/62	11/62	16/62
T Stanes P	27½	32½	..	10	29/05	29/05	31/00
Textool	15	15	..	100	156/00	156/00	149/00
Tube Investments	10	10	10	100	208/00	235/00	277/00

*1962

LIGHT RAILWAY AND ROPEWAY COMPANIES

NAMES	Dividends per cent 1960	1961	1962	Paid-up per Share Rs.	Latest Market Quotations as available until 21-8-63 Rs.	14-8-63 Rs.	A year ago Rs.
Ahmedpur Katwa	1.90	1.90	1.75	100	26/00	29/00	29/50
Arrar Sarkarw	5	5	5	100	27/00	27/00	30/50
Bankura Damodar	1.90	1.90	1.75	100	30/00	30/00	29/00
Burdwar Cutwa	1.90	1.90	1.75	100	29/00	29/00	29/00
Chapartmukh-Silghat	2.90	2.90	2.80	100	40/00	40/00	30/00
Dhera Dhhatak Ropeway	9	12	12	6	5/75	5/75	5/75
Darjeeling Ropeway	..	..	..	10	9/00	9/00	8/00
Dehri Dehtai	17	20	15	10	13/94	13/94	18/37
Futwah Islampur	1.90	1.90	1.90	100	28/70	28/70	28/70
Howrah Amta (P)	6	5	4½	100	46/00	46/00	46/00
Howrah Sheakhala	6	5	4½	100	45/00	45/00	40/00
Katakha Lats Bazar	3.50	3.10	1.90	100	41/00	41/00	41/00
Shahdara (Delhi)	6	3	..	100	52/00	52/00	50/75

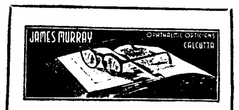


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BETTER CHANCES OF WORLD PAYMENTS REFORM

THIS year's International-Monetary-Fund-World-Bank meeting, which is due to begin in Washington at the end of next month, promises to be one of the most interesting on record. It could, indeed, mark a clear watershed in the post-war history of international monetary payments. But this is probably attaching too much importance to the fact that it is going to be the first such meeting at which the United States is openly in favour of reforming the existing structure. At least this will be so in principle. On the question of detail, American views are likely to prove exasperatingly vague, if only because no clear ideas have yet been accepted by the U.S. authorities as to exactly what changes are required. But the open, if half-hearted, admission that all is not in fact for the best in this best of all possible monetary worlds is in itself of first-rate importance. It does mean that helpful proposals of the kind put forward at last year's meeting by Britain's Chancellor of the Exchequer, Mr. Reginald Maudling, will not in future be turned down with something approaching outraged horror. And it could lead to a directive being given to the International Monetary Fund to devise some kind of scheme for improving the present unsatisfactory state of world liquidity, a move which should bear fruit in the coming years if not in this one. The only discouraging feature in fact, apart from the Americans not appearing to know precisely what they want, is that any suggestions for change are just as likely to be opposed by the west European representatives, particularly the French, as they were last time. These countries are still unconvinced of the necessity for reforms, a fact which is only explained in terms of the future benefits they hope will accrue to themselves from leaving things more or less as they are.

This, of course, is what has prevented the Americans from seeing the advantages of radical change until now. Several times within the last year President Kennedy has rejected all suggestions that the dollar might require the extra support such as might be available from a reformed system of international liquidity. Fairly recently he ruled out any question of changes until such time as the U.S. balance of payments is back to normal. Why, then, this sudden change of mind? It can be said right away that it is not due to any doubts that the balance of payments problem will not eventually be solved. What seems much more likely is that the suspicion has at last dawned that in order to bring about the improvements planned, U.S. actions might so affect the international situation as to damage the interests of her allies, denude the free world of a fair proportion of its already inadequate liquidity, and one way or another defeat her own long-term political and economic purposes. It is hardly surprising that President Kennedy should have at last reacted to the possibility.

That the international liquidity problem should not be tackled until the U.S. balance-of-payments deficit has been eliminated is still, for some unaccountable reason, the official view of the U.S. Treasury. But the President himself is now showing signs of being prepared to abandon this extreme position provided a satisfactory alternative can be found. A possible one has recently been put forward in a report by the Brookings Institute, a non-partisan research organisation in Washington. The report was commissioned by the U.S. Treasury, the Council of Economic Advisers and the Bureau of the Budget, and in view of such sponsorship must be regarded as a very revolutionary document indeed. Briefly, it supports the official view that the balance of payments problem can be solved by a combination of increased efficiency in the U.S. economy and the short-term measures which have already been taken to check the dollar drain. But it points out that unless the process is accompanied by changes in the international payments system, the subsequent loss to the world at present represented by the flow of dollars and gold from the United States could check economic growth both externally and internally. This is a sound view. So much of the prosperity of western Europe, for example, has been based on the extra liquidity gained as a result of the U.S. external payments deficit. If the growth of the free world's liquid resources were to be halted due to the United States' own efforts to retain the reserves she is at present losing, then world trade would probably contract and widespread deflation become the order of the day. As this would inevitably affect the chances of expanding U.S. trade, on which much of President Kennedy's long-term plans for rehabilitating the dollar are based, it is not a prospect to be faced without misgiving.

To avoid it, the Brookings report proposes two quite revolutionary ideas. The first is that the United States should restrict the international use of the dollar by insisting that all reserves be transferred to the I.M.F. or some other similar institution, thus creating a body which in effect would resemble the old European Payments Union, or, more controversial still, the world central bank originally proposed by Lord Keynes. But the second idea is even more startling: it is that in the highly-likely event of the west European governments refusing to agree with the first proposal, the dollar and the pound should be combined into a single currency bloc with a fixed rate of exchange between them, and that this common exchange rate should be allowed to fluctuate freely against that of the European bloc. Perhaps the most interesting implication of the view is that it involves some measure of relaxation of the present rigid U.S. attitude towards maintaining the current price of gold.

This is not the only argument against such a reform, although it is likely to be the one to weigh most heavily with the U.S. Government. Another is that it would bypass the world's central banks, so it is not surprising that opposition has already been voiced from this quarter—which has given the world yet another plan of reform, this time taking its name from Mr. C. A. Coombs, of the Federal Reserve Bank of New York. Along with his opposite numbers of the Swiss, German and Italian central banks—but not the French—he has put forward a plan which acknowledges the existence of the liquidity problem, in itself a step in the right direction, but rejects the view that radical reform of the present system of international

payments is required to cope with it. Instead, it is proposed to enlarge and develop the existing network of central banker arrangements and agreements, and to make more use of the facilities of the I.M.F. The great attraction of such a scheme, or so its sponsors maintain, is that it would permit each country to continue dealing with its own economy in its own way. The supply of temporary credit, such as might be required to correct a short-term deterioration in a national economy, would be automatic, but the question of long-term funds would remain a matter for negotiations between the I.M.F. and the country concerned.

The plan has some obvious advantages. The first is that it is easy to understand and its effects would be predictable. There is something slightly bizarre about the Brookings proposals which make them difficult for even an economist to stomach; for treasuries and central banks they must be very indigestible indeed. This is not to say that they should not be given every consideration. But it has to be faced that the chances of their being accepted are very slight, at least at this stage of the world's monetary maturity. The Coombs plan has all the appeal of the safe professional approach about it, and the fact that it would probably not have appeared at all if something more startling had not been in the offing does not have to detract from its virtues. It can be argued that in this highly tricky field of international currency reform, the unspectacular can often achieve more positive results than the revolutionary.

It can be safely predicted that this is going to be the view of most of the experts assembled at this year's Fund-Bank meeting. Indeed, unless some unforeseen catastrophe occurs in the world economic situation, it is likely to be the view for some years to come. Certainly a fraternity which has already rejected the Triffin plan for reform is unlikely to accept that of the Brookings Institute unless circumstances force it to do so. This is not necessarily a tragedy; the important fact is that the need for reform has at last been accepted and it is this on which attention must be concentrated. Its significance for all except a few highly self-satisfied and throughly self-righteous west European countries, is too obvious to need comment. To the underdeveloped countries it could mean a more satisfactory flow of foreign aid, although it does not perhaps offer the advantages contained in the proposals recently put forward by Mr. Maxwell Stamp, a prominent figure in the City of London These provide for an international body resembling a central bank which would issue certificates against the debts of individual nations, such documents being placed at the disposal of underdeveloped countries to supplement their aid requirements. The scheme is not as improbable as it sounds, but there seems little likelihood of its ever being seriously discussed in international circles.

The advantages for sterling of a scheme to supplement world liquidity go without saying. At a time when it appears that the optimistic forecasts which have recently been made about the future of the pound might have been somewhat premature, the British representatives are bound to press for general reform, if not exactly for what Mr. Maudling proposed last year. With the Americans at last in favour of the idea, if only vaguely, the few remaining dissenting voices are likely to be those of the Common Market countries, in particular West Germany and France. Again the World will have the opportunity of assessing the willingness of the new trading *bloc* to follow policies which are liberal and expansionary in relation to the rest of the world. There is a possibility, then, that the Fund-Bank meeting will become polarised in much the same way that other conferences have done lately, notably the Brussels negotiations and the "Kennedy round" in Geneva. It is not exactly a promising prospect for those countries who identify their future economic prosperity with a rapid expansion in world trade.

BANKS WAIT FOR DEPOSITS

THE slow growth of bank deposits since the emergency was proclaimed has been an outstanding weakness of the Indian economy. Although the currency in circulation has risen by Rs. 172.64 crores to Rs. 2,236.43 crores since November 1962, deposits have moved up by only Rs. 155.08 crores to Rs. 2,369.98 crores. The slowdown has occurred at a time when large funds have been pumped into the economy as Government expenditure on development and defence programmes has increased. Some diversion of funds from the banking system during an emergency is understandable. The public is inclined to hold more cash in a period of insecurity. The liquidity preference among business men too increases due to two factors. Firstly, more business transactions begin to be conducted under the counter as the market prices of various commodities rise above the controlled prices. Secondly, in India recently, cash transactions have been encouraged by stiff taxation since it is easier to evade taxes if a transaction is not recorded in a bank account. Even so, the slow growth of deposits is disturbing; monetary controls cannot be effective if large sums of money remain outside the banking system.

Against this background, considerable interest attaches to an article on "The Problem of Deposit Mobilisation" published in the July issue of the Bank of India Bulletin. There the need is emphasised for banks to be more dynamic in attracting and conserving funds Business houses have recently emerged as keen competitors for deposits from the public. They have not hesitated to pay as high a rate of interest on these deposits as banks charge on advances. Hence the eagerness to attract funds cannot be attributed to a desire to save on interest charges. Business houses have been forced to rely on deposits from the public since the supply of bank credit is short. It is difficult to get an accurate estimate of the size of these deposits, but they are believed to total more than Rs. 125 crores. The competition for deposits from other financial institutions has also risen. Some State Financial Corporations have started accepting deposits by paying a high rate of interest. Co-operative banks and co-operative societies have begun collecting deposits in a bigger way. Stock-broking firms, hire-purchase houses and building societies have also attracted larger funds. The small savings campaigns of the Government may or may not succeed, but the compulsory deposit scheme will mop up large sums of money. Deposits in the savings bank accounts run by commercial banks in particular are likely to suffer in the process.

The problem facing bankers is to devise measures for promoting the growth of deposits. In order to do so, it is necessary first to streamline the deposit interest rate structure and to offer a wider range of banking services. Although the offer of high rates of interest has diverted funds away from the banking system, the fact remains that a substantial proportion of bank deposits are not influenced by interest rates. Most deposits are kept because banks provide more facilities to customers than do other competing institutions. The security of bank deposits has meanwhile been reinforced by the deposit insurance scheme. While these facts are admitted, bankers still need to take effective steps to attract those funds which are sensitive to interest rates. The types of deposits most attracted by a higher interest rate are generally fixed deposits kept for a year or more. Under the interbank agreement, deposits for one year may be paid interest of up to 4 percent and term deposits for three days can be paid interest of up to 3 percent. It would be useful to examine whether these interest rates should be modified.

Bankers are reluctant to raise deposit rates as that would raise their operational costs. If an increase in the deposit rate could be neutralised by a corresponding rise in the lending rate, there would be no cause for worry. But, under the present circumstances, a further increase in the lending rate would not be justified. So bankers should consider revising the deposit rate structure in such a way that a moderate rise in the interest on long-term deposits is neutralised by a corresponding cut in the interest on short-term deposits. In fact, several depositors have taken advantage of the present system in earning interest on their demand deposits by converting them into deposits at three days' notice. As for savings bank accounts, the competition from other institutions could be effectively met by offering to holders of such accounts the same facilities as those enjoyed by other customers.

An effective way of attracting deposits is to offer a wide range of ancillary services to customers. Few banks have done anything to improve their services although the scope for improvement is great. It is unfortunate that whenever some banks have offered additional services, they have been criticised by other banks. There has even been idle talk of regulating such services under an interbank agreement. Any move of this sort would be deplorable since banking services can never improve unless competition is encouraged. Some banks have introduced limited credit transfer facilities, but there is still great scope for extending them. Customers have to waste far too much time while cashing their cheques at the counters. The long time taken by banks to encash upcountry cheques is another inexcusable feature. Bankers have yet to realise that if they were to pay more attention to these things, and if they improved their services, customers would bother less about deposit rates.

In the sphere of branch banking, commendable progress has been made in recent years. The achievements of the State Bank have been particularly notable thanks to the subsidy it gets from the Government for opening and running new branches. It is good that commercial banks are thinking of launching a vigorous branch expansion programme on a planned basis. Since a new branch takes five years or so to become profitable, commercial banks have to be discriminating in extending their activity. Much fuss has been made about opening branches only in the so-called "unbanked" areas. Although it is necessary to extend banking facilities to areas hitherto not served by any bank, there should be no objection to opening branches in territories which enjoy banking facilities provided the scope for such branches exists. The recent move to encourage the growth of small banks is a step in the right direction. Such banks are particularly suited to serve the needs of small commercial and industrial units, so their economic importance cannot be ignored. But it is necessary to make them more viable by streamlining their organisation and management.

FINANCING TEA EXPANSION

THE tea industry's central problem is the pressure which rising costs are exerting on its slender profit margins. The prices realised at the auctions make little allowance, if any, for cost increases which the grower must absorb if he is to sell his common tea in the face of severe competition. His only hope lies, therefore, in improving productivity to offset the higher costs. But this improvement cannot be achieved overnight in a plantation industry where it takes eight or ten years to bring new, better-yielding varieties of tea plants into full production. In any case, before a garden can think of laying out new tea, it has to find the resources to meet the considerable capital expenditure involved. As things stand today, most gardens can ill-afford to expand unless they are assured of better profitability than is now in prospect. In the circumstances, any substantial expansion of the industry is unlikely, no matter how much Mr. Manubhai Shah and his Ministry of International Trade may plead for a bold approach.

Some weeks ago, while opening the new tea auction room in Calcutta, Mr. Shah as a matter of habit assured the industry that he would be willing to give it "all help" if it made a genuine all-out effort to expand output. The assurance left many of his hearers cold because they knew how little the Minister could do even if he wished to. The tax structure each year is diverting more and more resources from the industry to the Government, a matter in which the Ministry of International Trade seems to be as helpless as the victims. This remains true even though Mr. Morarji Desai's last Budget offered a tax concession to exporters—a gesture so feeble as to be quite futile. In the specific case of tea, the abolition of the export duty was indeed a step in the right direction. Mr. Desai could hardly have persisted with the duty when the fact that it was at all there made nonsense of India's claim to be doing everything in her power to improve her international viability. But the withdrawal of the export duty was again no more than a token gesture because Mr. Desai decided to enhance the excise duty. The effect has been a further increase in costs which will make Indian tea dearer in the world market than it need be. Added to the direct incidence of the excise duty on tea is the burden thrown on growers by the inflationary pressures which the last Budget has generated. Many items of garden stores have gone up in price, having attracted new or enhanced levies in the Finance Ministry's search for additional revenue. These impositions provide a contrast to the widely publicised effort that Mr. Shah is supposed to be making to strengthen the competitive position of Indian exports in world markets.

Central taxes are only one part of the story. As a plantation industry liable to agricultural income tax, tea never fails to attract the attention of State Governments whenever their Budgets threaten to produce a deficit. In Assam, the tax take was enhanced quite substantially in April 1962 but that did not prevent the State Government from raising the rates still further in 1963. even though it knew that gardens were under severe pressure because of additional expenses such as war risks insurance directly arising out of border uncertainties. There is no denying that State Governments like Assam's are in difficulty themselves, but that is only because they lack the political courage to make use of the other opportunities open to them to add to their revenue. Following the line of least resistance, they have little compunction in imposing new burdens on trade and industry in the knowledge that the Centre will inevitably intervene if serious economic consequences follow. This divorce of authority from responsibility accounts for the complete lack of concern at the State level about the fortunes of even important export industries. Mr. Manubhai Shah can at best ask State Governments to take a more realistic view but can do little else.

Powerless in relation to the tax-gatherers at the Centre and in the States, the Ministry of International Trade is equally helpless in the matter of wages—easily the most important constituent of costs in many export industries. The Wage Board for the tea industry has already given an interim increase, and may decide to confer further benefits on labour. The approach of the Boards to the issue of wage levels has shown an unfortunate preoccupation with welfare concepts regardless of economic realities. The fact that an industry's long-term prosperity may be jeopardised is considered unimportant. In consequence, the need to keep wages in line with productivity is obscured to the detriment of industry's competitive ability. It would be politically naïve to imagine that the Ministry of International Trade can restrain the welfare enthusiasts in New Delhi or in the States. But the fact remains that all this is tending to raise labour costs in India to a level far above that of equally underdeveloped competitors.

Mr. Shah's Ministry is not unaware of these facts, even though it can hardly be expected to admit them publicly. The most it can do is to offer limited help to the industry in the shape of loans to meet specific requirements, such as replanting or the purchase of irrigation equipment. But the gardens are unlikely to assume additional commitments unless they have reasonable hope of being able to make increased profits out of which the loan capital may be serviced. In a period like the present, when costs are steadily rising, the decision cannot be easy to take in view of the growing competition from overseas producers. With world supply and demand already approaching balance and the possibility of overproduction not too remote, further pressure on prices cannot be ruled out. By itself, the availability of loans is unlikely, therefore, to make growers expansion-minded even if the procedural difficulties standing in the way of utilisation of the loans are for the moment left out of account. If Mr. Shah is seriously interested in the fulfilment of the high third plan target, he will have to find other positive ways of encouraging growth. As things stand, he can hardly avoid recommending tax incentives for new investment in tea on a par with what entrepreneurs in other industries are already receiving. If the acquisition of plant and machinery is eligible for a development rebate, there is no reason why capital expenditure on increasing a tea garden's production potential should not enjoy the same benefit.

Current News and Comment

Protection against Robbery

The first men arrested as suspects in what has come to be known as The Great Mail-train Robbery were charged with "being concerned in the theft of £2,631,784 from the Royal Mail". As much as £1,064,000 of that sum was the property of one bank, the National Provincial; two others, Barclays and Midland, had each lost £500,000, and a fourth, National Commercial Bank of Scotland, £320,000. But these and the other banks involved, excepting the Midland, were insured against loss of cash "on the premises and in transit". The most anxious observers of the vast and detailed search for the stolen money were insurance companies. The insured loss was more than £2 million, and before any of the money was found the British Insurance Association stated that it would represent "the largest pay-out after a robbery ever made on British insurance".

Britain's most spectacular robbery of this century has made the authorities and the public fully aware of a hazard with which insurance companies were already too familiar. Losses from forced entry into factories, warehouses and offices, and from thefts of goods from vehicles, aggregate many million of pounds a year; and these losses increase each year. Opportunities for honest employment at comparatively high wages are, apparently, irrelevant; in some people, at least, the affluent society has aroused feelings of avarice, not content.

This growing risk, like most other risks, can be insured. Like the risk of fire, it can be reduced by co-operation between insurer and insured, to provide the maximum practicable precautions—the cost of insurance being adjusted accordingly. But crime is not an ordinary hazard. It concerns the authorities directly; for they, not individuals and firms, are responsible for maintaining law and order, and the postal or railway services are responsible for protecting valuables entrusted to their care. The Great Mail-train Robbery provoked extensive criticism of the whole national system of security in relation to property. As there are many countries with a higher crime-rate than Britain's, this is evidently a world-scale problem.

There are now more than 40 privately-operated security companies in Britain: companies whose function is to transport valuables, particularly money, with aids such as armoured vehicles and guards skilled in combat. If the principle of private protection were taken to its logical conclusion every company that moved valuables outside its premises—including the weekly wages collected from its bank—would employ a kind of private police force. The actual problem is a steady increase in the cost of private security, by employment of protective services and by insurance.

The commercial banks are aware, of course, that they could reduce the cost of insuring notes in transit if old notes due to be withdrawn and pulped could be made invalid before transit (nearly all the notes involved in The Great Robbery had finished their term of service and were being withdrawn). The Postmaster-General, replying to criticisms, implied that the banks had failed in their duty by not defacing the notes before consigning them from the provinces to London. Post office engineers have, in fact, devised, and the Bank of England has tested, a machine for dyeing notes to make them invalid. But no method of defacement had been agreed between the Bank of England and the commercial banks; the latter were, therefore inclined to blame the Bank of England for the obvious inadequacy of precautions against the criminal community.

Technical problems of security are involved in invalidating notes outside the direct jurisdiction of the issuing authority. For instance, provincial bankers may be less expert than the central authority in detecting forgeries, and forgeries may be more difficult to detect after notes have been defaced. It is arguably easier to strengthen the security of valid notes in transit; for instance, by using heavy steel containers which, although certainly not proof against modern safe-breaking techniques, would cause inconvenience and delay, in robberies in which speed was an essential factor. Only a moderate proportion (although in Britain it is estimated at approximately a third) of notes normally in transit is *en route* to the pulping machines, and a big risk will remain unless criminals can be more effectively controlled or—an alternative that appeals to bankers—the physical movement of money is reduced by more extensive use of banking services and of other methods of transferring credit (the giro system is much less developed in Britain than in continental Europe).

Meanwhile, the undercover war between the criminal community on the one side and the police and its allies on the other, will certainly be intensified. Each side tries to gain, and to retain, a slight advantage over the other. The skill and the equipment of modern industry are available to the "best" criminals (some of whom were trained as *saboteurs* in the last World War), but makers of strong rooms, safes, armoured vehicles and alarm systems, claim that their techniques are a little more advanced than the enemy's. The question remains whether private individuals and firms, rather than public authorities, should be responsible for protecting property. Some people feel that a small addition to taxes, sufficient to build a police force that could overwhelm the anti-social minority, would be the most economical "insurance premium" to cover risks of robbery and theft.

Less Strain on External Payments

The strain on India's balance of payments position has eased during 1962-63, according to an article in the July issue of the *Reserve Bank of India Bulletin*. The relief is due to larger receipts from official loans and donations, inflow of banking capital, rise in exports and fall in private imports. Official loans have gone up to about Rs. 384 crores from Rs. 281 crores in 1961-62. Donations have risen because of larger shipments from the U.S.A. under the P.L. 480 programme. The third factor which has reduced the pressure on the payments position is the net inflow of Rs. 16 crores of banking capital, against a net outflow of Rs. 13

India's Resources
are Precious
WASTE NOT,
WANT NOT

crores during the previous year. The influx was mainly from the U.K. due to interest rate differentials.

Exports have gone up by about Rs. 15 crores to Rs. 682 crores, according to the Reserve Bank (the figure compiled by the Director-General of Commercial Intelligence and Statistics differs from this). The improvement has resulted solely from the annexation of the former Portuguese colonies. But for the Rs. 16 crores earned by these colonies, earnings would actually have fallen by Rs. 2 crores from the 1961-62 level. Another noteworthy point is that even with this fortuitous addition to export earnings, they fall far short of the target of Rs. 720 crores set by the Board of Trade. Compared with the average annual target of Rs. 740 crores visualised in the plan, the performance is even more unsatisfactory. In view of the shortfalls in the first two years, exports will have to average over Rs. 733 crores in the remainder of the plan period if the overall target is to be achieved. India's exports of manufactured products, barring jute goods, have declined in spite of export promotion schemes and the labours of the Board of Trade. The principal foreign exchange earners continue to be jute goods and tea, both of which have fetched more than before. Earnings from the former have gone up from Rs. 143 crores in 1961-62 to Rs. 152 crores and the latter from Rs. 125 crores to Rs. 128 crores. The improvement in earnings from jute goods is due both to an increase in the quantity exported and in price. Tea has suffered a setback in its traditional markets like the U.K., but a larger offtake by Russia has brought about the improvement in total earnings. There have also been larger earnings from exports of oilcakes, metallic ores and vegetable oils, which have risen by Rs. 14 crores, Rs. 7 crores and Rs. 6 crores, respectively. The share of commodities which are "wholly or mainly manufactured" in the total exports has shown no improvement. Exports of cotton manufactures have declined to Rs. 61 crores from Rs. 62 crores in 1961-62. This fall, though small, is disturbing.

On the import side, the total outlay has been Rs. 1,089 crores—an increase of Rs. 88 crores compared with 1961-62, in which year imports had fallen by Rs. 104 crores. The bigger outgo is explained wholly by imports on Government account, which have increased by over Rs. 100 crores; private imports have fallen by about Rs. 12 crores. The invisible items disclose the mounting pressure of payments, on both Government and private accounts, for foreign capital. From Rs. 24 crores in 1956-57, the cost of servicing external loans and investments has gone up steadily to Rs. 90 crores in 1962-63.

Attracting Foreign Capital

The developing countries all over the world usually depend on foreign capital for their economic progress. The economic recovery of Japan and West Germany after the second World War was made possible due to the large inflow of foreign capital into these countries. But the market for foreign capital is highly competitive, and it is bound to flow into those countries which offer better growth prospects. Speaking at the quaterly general meeting of the Indian Chamber of Commerce in Calcutta last week, Mr. K. K. Birla, president, referred to high corporate taxation in India. The rates of company taxation in several countries which are on the look out for foreign capital are between 30 percent and 35 percent, against 50 percent in India. Moreover, they do not have the super profits tax. While private foreign investment of the United States increased from Rs. 1,435 crores in 1956 to Rs. 1,845 crores in 1960, the percentage that represented its inflow into India was only 0.5 in 1956 and 0.3 in 1960.

This only shows, Mr. Birla said, that India had been unable to develop a favourable climate to attract a larger inflow of foreign capital. India's administrative set-up and her highly controlled economy retard the flow of foreign capital to this country. Due to these as well as various other reasons, there has been a fall in the number of foreign collaborations during recent months. Mr. Birla's statement is confirmed by the latest report of the Indian Investment Centre which has pointed to the fall in foreign collaboration arrangements in recent months. Meanwhile, it is the general feeling in industry that the lack of availability of finance, inadequate return on capital, restrictions resulting from controls, and high taxation are some of the main obstacles in the way of industrial growth. As for the latter, the president could have cited the example of Botanium Ltd which has had to abandon its project for manufacturing titanium dioxide because the foreign collaborator decided to withdraw its offer due to the super profits tax.

Delay due to red tape, Mr. Birla rightly said, is another discouraging factor. An entrepreneur waiting to set up an industry with foreign collaboration has first to obtain an industrial licence, negotiate the collaboration agreement and get it approved by the Government and then obtain the import licence and so on. Each stage takes a pretty long time so that it is not less than four or five years before the proposed plant can go into production. Unless such difficulties are removed and a suitable climate created to make investment in India more attractive and unnecessary controls in the economy are removed and procedural delays eliminated, it will become increasingly difficult for Indian industries to grow and for more foreign capital to come in. In progressive countries, Mr. Birla said, it is now recognised that a high rate of tax positively retards economic growth. So they are thinking in terms of reducing the tax burden both on individuals and companies. The rates of tax on personal incomes in India, Mr. Birla said, are even higher than in the United States. The Kennedy administration in the U.S.A. feels that even the prevailing rates are high, so proposals have been made to reduce them further.

Raising Defence Production

In reply to a question in the Lok Sabha last week, the Central Defence Minister, Mr. Y. B. Chavan, stated that plans had been drawn up to set up six new factories, under the first phase of the defence programme, to manufacture arms and equipment. The total output of defence equipment in the ordnance factories, it is expected, will be worth Rs. 100 crores in 1963-64—more than double the output in 1961-62. The ordnance factories are, no doubt, doing a good job. But it is necessary to step up defence production at a much faster rate. This calls for the use of the existing production capacity in the private sector, including the small-scale units. The Government of India lacks a proper programme for co-ordinating the working of the public and private sectors. The Defence Ministry does not appear to be quite clear about the defence items which can be produced in the private sector. In the course of the Lok Sabha debate the only information which the Defence Minister could supply was that up to the end of July 1963 some 15 contracts had been placed with 12 firms in the private sector for supplying components of arms and ammunition. He stated that the exact number of manufacturing units now engaged in producing arms and ammunition outside the defence establishments was not known to the Government.

It has been unofficially estimated that the engineering industry is capable of producing defence equipment worth Rs. 125 crores a year and, in addition, the small-scale sector can supply a sizeable quantity of components. But to be able to do so the engineering industry will need certain imported raw materials and machinery; the small-scale units will require help in matters relating to designs, drawings and specifications. The former will, no doubt, cost the country some foreign exchange, but if the defence items are imported, they will cost even more. So all possible steps should be taken to use the existing idle capacity in the engineering industry for producing defence goods. The Government will have to draw up a comprehensive programme to co-ordinate the working of the private and public sectors in relation to defence production. The Defence Ministry will have to make up its mind about the quantity of each type of defence material that would be needed and then decide about the most economical source from which it could be obtained.

Cloth Prices Unremunerative

At its last meeting in New Delhi, the price subcommittee of the Congress Parliamentary Party viewed with great concern the textile industry's demand for a rise in cloth prices and advised the Government to avoid any hasty decision in view of the fact that the price level has been continuously rising in recent months. The expenditure on clothes, no doubt, constitutes an important element in living costs, especially of the poorer people. But at the same time, it is necessary that cloth prices should allow for the recent increases in the costs of production. The prices have remained pegged at the present levels since 1961, although there has been a marked increase in production costs because of the higher prices of raw materials, chemicals and machinery. Other factors which have pushed up costs are the Wage Board's award, Emergency Risks Insurance, and increases in Customs duties on imported raw materials and components, electricity duty, and excise duty on a number of materials used by the textile industry. So it is only fair that some increase should be allowed in cloth prices to offset the rise in production costs. The Government has not yet published the Tariff Commission's report on cloth prices nor has it announced what it proposes to do in the matter.

The impression has gained ground in official circles that the cotton textile industry has already secured a rise in prices by multiplying the types and designs of cloth and selling these varieties at higher rates. The industry has denied this charge. If the industry is really using such underhand methods to circumvent price controls, the Government should use other methods to make the controls effective. But merely on this account there is no justification for not allowing a rise in cloth prices. It has also been suggested that the cotton textile industry should try to meet the higher costs of production by introducing rationalisation and improving productivity rather than by raising the prices of cloth. But rationalisation and renovation of machinery call for large capital expenses, and the textile industry does not have sufficient resources for the purpose.

THE CALCUTTA PORT

SOME twenty odd years ago, the Port Commissioners were much concerned to develop the resources of the Port. They had as their Vice-Chairman a singularly clever and pushing engineer the late Mr. Duff Bruce, and he was not slow to take advantage of the trend of public opinion to embark the Commissioners on works of a gigantic nature. The Grain and Oilseed trade of Bengal had shown signs of a very rapid increase. The East Indian Railway were constructing a bridge at Hooghly, and Sir Bradford Leslie, who was then the Agent of that Company, expressed the opinion that when it was completed the main line would be pouring in country produce, excluding coal, at the rate of at least 1,250,000 tons per annum. As a result, a Committee was formed who, in 1883, reported very strongly in favour of constructing the Docks at Kidderpore, which Mr Duff Bruce assured them could be built for 239 lakhs, but which, as we all know, have cost over 100 lakhs more than this, quite apart from the frightful loss on their working since they were opened. Before work on these Docks was commenced, the Editor of this paper in a series of articles to the *Pioneer* endeavoured to show that the Wheat and Oilseed trade in India, as it developed, would tend more towards the western than the eastern side of India, and that the exports from Calcutta were more likely in future to decrease than to expand. For the year 1883-84, India exported 868,186 tons of Oilseeds, of which Bengal contributed 306,105 tons, but in the year 1902-03, though India shipped 1,109,764 tons, Bengal only contributed 279,622 tons. Similarly, the export of Wheat from India in 1883-84 rose to the large figure of 1,048,070 tons, of which Bengal supplied 380,376 tons. Last year the exports of all India, though above the average of the last few years, were 550,842 tons, but Bengal only supplied 56,091 tons. So that taking Oilseeds and Wheat together, there is a shrinkage in the exports from Bengal of 350,000 tons in the shipments last year as compared with 1883-84; yet it was upon the assumption that the trade in these commodities would so very largely expand that the white elephant of Calcutta, namely, the docks at Kidderpore, were sanctioned.

FROM

CAPITAL

3rd September, 1903

A Ditcher's Diary

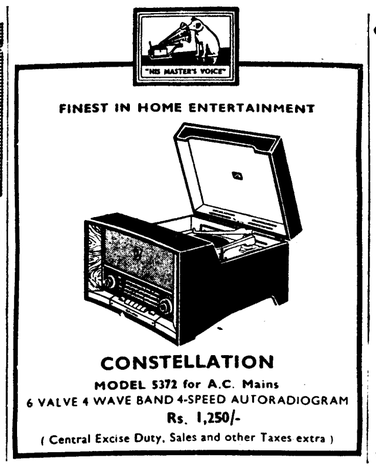
I AM FULLY CONSCIOUS OF THE GREAT PART PLAYED by the Indian National Congress before independence and since; I am still not convinced that its usefulness is exhausted. Yet I find it awfully hard to take the current goings and the coming comings (entirely unintended play upon words) very seriously. I first thought of calling it Mr. Nehru's non-violent butchery, not quite tearless even if bloodless. Then I thought that a practical joke may have been taken too far. It seemed as though they were all engaged in a harmless game of musical chairs; then Mr. Nehru suddenly stopped strumming on the untuned piano of the Congress and, lo and behold, as many as a dozen vintage V.I.P.s find themselves without chairs to sit on! The whole thing is too funny for words—except, of course, for the chairless. Having resigned in haste, each had to choose between loss of office and loss of face; and I am still not sure that some may not yet prefer office to face. I find a Delhi paper already referring to "the six" at the Centre and, again, "the six" in the States. I will call each "the outer six": and I must add that it all is rather hard on them all. After all, one gets used to a certain way of life: and, over the years, the gap has so widened between a Minister's life and that of the average Congressman that adjustment will be by no means easy. Why I find the entire Kamaraj idea so mystifying is that I had never accepted the original hypothesis that the Congress Party needed an overhaul; three snap by-election defeats don't mean a thing for such a monster of a Party. Secondly, I cannot see the resigners being much use to the Party; if anything, they may add to current dissensions. Whether the Government will be strengthened we will know only when Mr. Nehru has announced his new nominees. Should I say something about the "boldness" of the plan? I would if I were certain that all the decisions would be strictly adhered to and promptly executed. I see signs of hesitancy already; and I am not surprised.

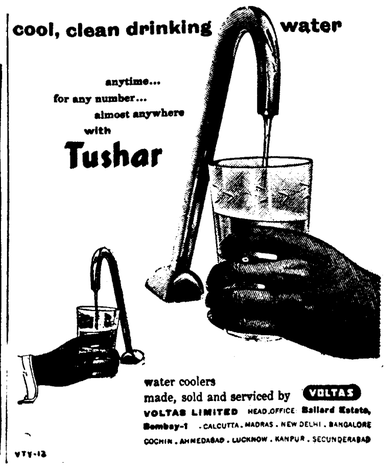
THE MORE ONE THINKS OF IT, THE LESS DOES IT ADD up. It is perhaps as well that West Bengal has been left alone, although not everyone may agree with Mr. P. C. Sen that all members of his sizable team are "indispensable". Much as I want to discern nobility in the twelve Congressmen's act of sacrifice, I have before me the vision of twelve unbottled djinn, soon to be up to incalculable mischief. Here were twelve men with abundant energies, doing a full day in the secretariat, meeting umpteen people and signing umpteen files, then keeping in touch with the constituency and still time left for intrigue. Now all this occupation is gone; or, perhaps all but one: intrigue. No more files to sign. Few, they will soon discover, want to see much of ex-Ministers. As M.P.s, they will still have to spend months in New Delhi; so the touch with constituencies will inevitably tend to be tenuous. What then is left? Intrigue; and nought else. All this may seem very unkind; but I am seriously suggesting to Mr. Nehru that, whether or not he has done himself much good by accepting these resignations (which must have been one of the inspirations), he may have done the Congress Party some harm by letting loose so many Congressmen. It cannot be seriously supposed that Mr. Morarji Desai will be much use to the Gujarat Congress where Dr. Jivaraj Mehta and Mr. Balwantrai Mehta have been fighting each other merrily; the latter has Mr. Desai's support. Can anyone believe that Mr. C. B. Gupta, who as Chief Minister has had ample leisure to split the Uttar Pradesh Congress good and proper will, now as a full-time Congressman, unite the Party? One reason why the Centre's authority has steadily declined over the years is that the Centre contains a large number of "rejects" from the States; to send them back to the States is hardly to strengthen the Party. Has Mr. Kamaraj, the shrewdest of politicians, then done something foolish? I don't know. The aftermath of the resignations is going to be full of interest and surprises. I can hardly wait.

THE PLIGHT OF CEYLON'S TAMILS HAS ALWAYS evoked my sympathy. To be Stateless is bad enough, but when that unhappy condition is rendered more or less irremediable by the unwillingness of the Ceylonese to adopt them on the one hand, and the reluctance of India to make a tricky situation more difficult by interfering in their favour on the other, then it must be even worse. The other day it looked as if salvation was at hand, and from rather an unexpected quarter. A Tamil leader announced that Ceylon's half million Tamils were British citizens. The claim was based on the fact that the fathers of most of them were born in Ceylon, and under the terms of the British Nationality Act of 1948 this would entitle them to citizenship. The Queen had been duly petitioned. The idea behind the move was that under Ceylon's laws British citizens are liable to a tax of Rs. 400 a year each, in default of which they can be deported or imprisoned. But because it would be both administratively impracticable to treat half a million Tamils in this way, if indeed the economy of Ceylon could survive the loss, and it would certainly be impossible to tax them on such a scale, then the Ceylonese Government would be forced to make its own offer of citizenship. An ingenious scheme, and I am only sorry that it does not appear to have come off. The Tamils have had it pointed out to them that the few who might qualify under existing British law are those whose fathers were born in one of India's princely States. The remainder, or so it appears, can in fact claim to be "British subjects", but this does not in itself confer citizenship. And Britain is certainly not going to damage her relations with Ceylon by claiming half a million disgruntled orphans as her own. All very disappointing for the Tamils, I suppose, although I fear they are not going to be the only Indians to suffer from nationality problems in future. When Kenya becomes entirely independent, for instance, what will happen to the Indians there? At the moment the problem seems to be the complete opposite of that which has arisen in Ceylon—Kenyan citizenship may be forced on them as a condition of being allowed to stay. Indeed, this seems to be already the case in Tanganyika. I wish I could see a satisfactory end to the trouble that nationalism has brought into the lives of so many innocent people. To me the idea that a person should be made to confine his residence to within the political boundaries of what fate alone may have decided is his own country is deplorable. But to plead for sanity and tolerance in these matters nowadays is like crying for the moon.

NOTHING, ABSOLUTELY NOTHING, I HAD THOUGHT, could be worse than the Oriental Gas Company in its days of private ownership; the gas supply was fitful and inferior, the billing often arbitrary, the employees slow and discourteous. With considerable regret, I am compelled to admit now that I was wrong; nationalisation, having corrected none of these faults, has added one more—corruption among the staff. In a case I know, almost two months have gone since the first complaint was lodged about leakage of gas from geysers in a certain flat; despite several reminders, to this day nothing has been done. Practice, it appears, has brought the Oriental Gas routine to perfection. You make a complaint; not long afterwards a mechanic from the undertaking appears. Your cooker or geyser is given a quick check, following which perhaps a spare part is declared broken or missing. The mechanic then offers you your choice: the repairs, he says, are the responsibility of "another department", not his, but he would be prepared to do them "privately" for an appropriate tip. If you be rash enough to decline the latter offer, you will regret your decision. You may repeat your official complaints to the undertaking as often as you may wish, but the spare parts required will not arrive. In response to the reminders, there will arrive instead a succession of other mechanics, all of whom will make the same offer for the same tip. Those who have had



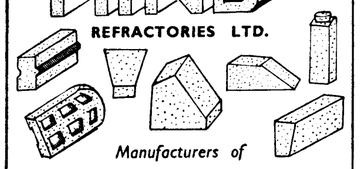




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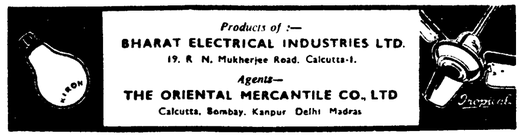
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a similar experience recently tell me that to complain is futile, for the corruption is organised. In the gas undertaking, mechanics do not retain all the "tips" they get; they seem to share them with certain gentlemen in more senior layers of the hierarchy just to make sure that there is little you can do. The idea of relatively senior officials not only accepting bribes, but securing them through lowly workers, sounds revolting. But I suppose they think it is one way of compensating themselves for being underpaid. The Oriental Gas undertaking appears to be among those happy organisations which allow many of their staff to determine their own incomes; the salary is but pocket-money.

It does not seem likely that the British War Office will be accused of colour prejudice because it has decided not to accept Commonwealth recruits for Scottish regiments. I cannot agree that black or brown knees might look slightly ridiculous under tartan kilts; Gurkha bands often wear them and it has never struck me as being incongruous. But I do admit that a *mixture* of white and coloured knees might give the whole turnout more of a theatrical than a military air, and anyway recruitment to Scottish regiments has always been restricted to those who could claim rather more Scotch blood than can normally be obtained through mere absorption. The Guards, too, are to stay white, I see, although I cannot find much justification for this unless it is that exclusiveness has always been their prerogative. I was told once that the reason Mr. Manley, the former Prime Minister of Jamaica, was so anti-British during his period of office was that he was once turned down for the Guards. He need not have been so concerned; all but a very small proportion of Englishmen would meet with a similar fate. But apart from those two sections, and the Military Police (but who in his right mind would want to join them?), the British Army has now become multi-racial, and I have been reading that so far the experiment is turning out rather well. No doubt this integration business is all very modern and creditable, but I cannot see the traditional sergeant-major being too happy about it. For a creature whose heart bleeds to see two different stages of hair growth on two separate men, the sight of several colours of face in the same line must be painful beyond belief. Besides, how can one tell at a glance whether a coal-black West African really has had a shave that morning? Or whether he has dirt under his fingernails? Or indeed is guilty or any of those heinous personal crimes which account for the sergeant-majors' own particular colouring of turkey-cock red becomingly flecked with purple?

Good to know that not *every* piece of effrontery from our politicians goes unchallenged. If I had not seen it in cold print I would hardly have believed that the Punjab Pradesh Congress Committee was proposing to charter eight special trains to take from different districts to New Delhi a hundred thousand people to form a procession to Parliament in support of the Prime Minister. Mr. Kairon was to have led the procession. The Northern Railway has turned the request down on the ground of the emergency. (I can see pliant officials arguing, if so directed, that the emergency made it necessary that there should be a demonstration of confidence in the Prime Minister. There's nothing they cannot do in the name of the emergency.) Writing recently in the *Daily Herald*, whose end is certainly in sight, Mr. James Cameron said that "the end is in sight for Nehru". This, apparently, is how the no-confidence motion has been interpreted abroad. And, as the overwhelming defeat of the motion is almost certain to have been played down in the foreign Press, the notion about Mr Nehru's future may well persist. The Prime Minister's almost inexhaustible capacity for political survival is still underestimated by many, including, perhaps, the sponsors of the lakh-strong procession idea. When, oh when, will the morbid, pathetic, faith in public meetings and massive demonstrations go? I can understand the Opposition's craze for such things; it has nothing better to do. But rallies by the ruling Party seem totally irrelevant Whoever killed the Kairon idea deserves to be congratulated.

THE DITCHER

Guide for Investors

INDIAN COPPER TO ISSUE BONUS SHARES

THE Indian Copper Corporation Ltd has convened an extraordinary general meeting of the Company on 25th September, 1963, to seek the approval of the stockholders for an increase in its capital and for the issue of bonus shares by capitalising reserves. Its capital will be raised from £2,000,000 to £2,100,000 by creating 1,000,000 new shares of 2s each.

The directors consider that the present issued capital does not really represent the actual capital position of the Company, so they consider it desirable to increase the issued capital. Hence 6,856,500 bonus shares of 2s each will be distributed to the existing shareholders in the proportion of one new share for every two held.

If the shareholders approve of the resolution to issue bonus shares, the register of members will be closed from 6th to 13th November, 1963, for the purpose of allotting the new shares. It is not intended to issue allotment letters, but the certificates for the stock units into which the new shares will be converted on allotment will be issued immediately after allotment on 13th November, 1963.

Good Prospects for Polychem

IN his speech at the annual meeting of Polychem Ltd, the chairman, Mr. Ramdas Kilachand, has held out the hope of much better results for the current year. Sales during the first four months have been rising rapidly and if the trend continues, the chairman expects the turnover for the current year to show an increase of about 40 percent over 1962-63. Besides, the two new plants, the styrene monomer plant in Chembur and the alcohol plant in Nira, which are now under trial production, may reach their rated capacity within a few weeks. The styrene monomer plant has a licensed capacity of 15 million lbs a year but sufficient provision has been made for expanding it at a later stage when additional licences are received. The chairman assured the shareholders that in spite of the increase in the cost of the styrene monomer and alcohol plants from Rs. 2.40 crores to Rs. 2.55 crores, the Company had no intention of issuing rights shares at pesent. The directors propose to plough back as much as possible from its profits.

Replying to shareholders' queries, Mr. Kilachand said that the directors hoped to be able to maintain the dividend on the increased capital. The Company, he said, would not have any tax liability for the current year and that the benefit of Section 84 of the Income Tax Act would be available to it for the next five years. Out of the tax provision of Rs. 17 lakhs for 1962-63, the super profits tax accounted for Rs. 2 lakhs. The chairman assured the shareholders that the Company's products were being well received in the market.

Phoenix Mills Repeats

THE Phoenix Mills Ltd has maintained the dividend for the year ended March 1963 at 20 percent—Rs. 20 a share—subject to tax. Sales have been more or less maintained around the previous year's level of Rs. 3.48 crores, against Rs. 3.49 crores. But the gross profit is lower by about 13.3 percent from Rs. 41.40 lakhs to Rs. 35.87 lakhs. The provision for depreciation has been raised from Rs. 8.06 lakhs to Rs. 11.68 lakhs and that for development rebate reserve from Rs. 3.41 lakhs to Rs. 5.72 lakhs. The amount set aside for taxation is substantially lower at Rs. 6.50 lakhs, against Rs. 16 lakhs. A sum of Rs. 5.88 lakhs has been set aside for bonus to workers relating to earlier years. After providing for the proposed dividend, which absorbs Rs. 9.60 lakhs, there remains a modest surplus of Rs. 35,000 to be carried forward, against Rs. 3.85 lakhs brought in.

Dawn Mills Results Disappoint

ALTHOUGH the dividend has been maintained at 30 percent, that is, Rs. 15 a share of Rs. 50, subject to tax, the working results of the Dawn Mills Ltd for the year ended March 1963 are disappointing. Despite a modest increase in the sales from Rs. 2.06 crores to Rs. 2.10 crores, the gross profit at Rs. 28.72 lakhs is nearly 25 percent less than the previous year's figure of Rs. 37.23 lakhs. Appropriations include managing agents' commission Rs. 2.39 lakhs (against Rs. 3.08 lakhs), depreciation Rs. 4.59 lakhs (against Rs. 4.39 lakhs), development rebate Rs. 1.89 lakhs (against Rs. 47,000), taxation Rs. 14.50 lakhs (against Rs. 17 lakhs) and general reserve Rs. 3 lakhs (against Rs. 5.36 lakhs). After providing for the proposed dividend, which absorbs Rs. 8.40 lakhs, there remains a small surplus of Rs 7,000 to be carried forward, against Rs. 3.68 lakhs brought in.

Indian Organic Reports Fair Progress

THE third annual report of the Indian Organic Chemicals Ltd for the year ended March 1963 holds out the promise of encouraging results in coming years. The erection of its plant for the manufacture of acetic acid glacial was completed in July 1962 and the Company was able to put on the market its acetic acid in September. Sales for the eight-month period amounted to Rs. 19.87 lakhs on which it earned a gross profit of Rs. 7.58 lakhs, representing a profit margin of nearly 38 percent. After providing Rs. 10.30 lakhs for depreciation and capitalising expenses amounting to Rs. 1.60 lakhs, the net result is a loss of Rs. 2.72 lakhs, which, together with the previous loss of Rs. 53,399, is being carried forward.

The directors state that the Company has had to face a number of difficulties in running the acetic acid plant. It has taken up the matter with the Swedish suppliers of machinery and, meanwhile, measures have been taken to ensure the continuous running of the plant. The Company is trying to push the sales of acetic acid in the export market and small quantities have already been despatched. The directors are hopeful that with proper encouragement from the Government the Company will be able to export quite a substantial quantity in future. Its plant for manufacturing polyethylene carbons, which was set up in Thana for trial runs, has been shifted to Khopoli. The erection of the plant in Khopoli has been completed and it is said to be working satisfactorily. The benefit of the working of this plant will be reflected in the current year's results. The Rs. 100-paid share of Indian Organic Chemicals is quoted unofficially around Rs. 95.

Poor Showing by J. K. Rayon

THE J. K. Cotton Spinning and Weaving Mills Co. Ltd, popularly known as J. K. Rayon, has reported disappointing results for the year 1962. As against a decline of 6.5 percent in the sales from Rs. 5.17 crores to Rs. 4.83 crores, the gross profit is down by as much as 60 percent from Rs. 73.39 lakhs to Rs. 28.94 lakhs. After providing Rs. 28.24 lakhs (against Rs. 32.30 lakhs) for depreciation, there remains a balance of only Rs. 69,748, which is not sufficient even for paying the preference dividends, which absorb Rs. 1.38 lakhs. The ordinary dividend has, therefore, been skipped. In 1961, the Company had paid a dividend of 12.5 percent. No provision has been made for development rebate, which absorbed Rs. 16 lakhs in 1961. The development rebate on the new plant and machinery installed during the year works out to Rs. 4.23 lakhs, but no provision has been made as the Company will not get any benefit of development rebate in the income tax assessment relating to this year. After providing for the payment of preference dividends there remains a surplus of Rs. 19,944 to be carried forward, against Rs. 88,180 brought in.

The directors state in their report that the Company's working results were adversely affected by the prolonged illegal strike by workers in the rayon unit, which lasted for about three months. The Company also suffered heavily because of the import of raw materials for the rayon unit under the export promotion scheme. Besides, there was an increase in the cost of production due to rise in prices of raw materials, stores, dyes and chemicals, wages, coal, etcetera. The work in the cotton textile unit was dislocated due to fire in the spinning department in November 1962. Trading conditions were also generally unsettled following the Chinese aggression. The directors add that efforts are being made to produce new varieties of cloth to suit the consumers' taste and requirements. Modernisation of the plant and machinery in the cotton textile unit is being done slowly but steadily. The Company installed six additional combing machines, one Calico Manzle curing machine and water softening plant during 1962.

Referring to the working of the rayon unit, the directors point out that the Company experienced difficulties in obtaining supplies of imported pulp as well as caustic soda and, under the export promotion scheme, the Company had to sell a part of its production of rayon yarn at prices below cost. The prices of rayon yarn were kept at the 1957 level, while production costs recorded a further rise. The present selling prices of rayon yarn, it is stated, are wholly uneconomic, specially for a 5-ton capacity plant. The Company has represented to the Textile Commissioner for higher prices. The sodium sulphate plant which was installed towards the close of the previous year is working satisfactorily. The Company has been permitted to increase the capacity of the rayon plant from 5 tons to 10 tons and the necessary import licence is awaited.

Chembra Peak Earns Less, Pays Same

ALTHOUGH the dividend for the year ended March 1963 has been maintained at 20 percent, less tax, the gross profit of Chambra Peak Estates Ltd is down by about 12.6 percent from Rs. 9 lakhs to Rs. 7.87 lakhs. The setback in profit is due to a smaller coffee crop and lower prices realised from the sale of tea. The coffee crop harvested amounted to 172,569 kilograms, against 206,843 kilograms in 1961-62. But the tea crop was substantially higher at 836,263 kilograms, against 758,097 kilograms. The average price realised, however, was lower at Rs. 4.07 a kilogram, against Rs. 4.19 a kilogram in the preceding year. The tea crop for 1963-64 is estimated at 840,000 kilograms and the coffee crop at around 175,000 kilograms.

After providing Rs. 50,813 (against Rs. 58,048) for managing agents' commission, Rs. 1.30 lakhs (against Rs. 1.26 lakhs) for depreciation and making other allocations, the net profit amounts to Rs. 2.91 lakhs, against Rs. 3.60 lakhs in 1961-62. With the amount of Rs. 25,157 brought forward and including Rs. 699 being the refund of income tax relating to previous years, the disposable surplus amounts to Rs. 3.17 lakhs. Out of this, the directors have set aside Rs. 14,000 (against Rs. 3,048) for gratuity and the proposed dividend absorbs Rs. 2.80 lakhs, leaving a sum of Rs. 22,758 to be carried forward.

The directors state in their report that the sale price of tea for 1963-64 so far shows an improvement over 1962-63. At the end of June 1963, the price realised amounted to Rs. 3.68 a kilogram, against Rs. 3.08 a kilogram for the corresponding period

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of the previous year. In his statement to the sharcholders circulated with the directors' report, the chairman says that it is difficult to express an opinion on the prospects for the current year because of numerous imponderables. The Company is awaiting the final recommendations of the wage board constituted in 1961 to investigate wage rates on the estates. Another board has been set up by the Government to examine the question of bonus payments. In addition, there is always the uncertainty regarding future tea prices. The Company produces common teas which are generally the hardest hit in a falling market. The chairman has, however, assured the shareholders that the management will continue to watch the affairs of the Company with the greatest care and that, provided no great difficulties arise, the future should be reasonably bright. The Rs. 2-paid share of Chembra Peak is quoted around Rs. 4.33 *cum* dividend.

Higher Dividend from W. I. Plywoods

THE Western India Plywoods Ltd reports encouraging results for the year ended March 1963. Sales are up by about 45 percent from Rs. 70.04 lakhs to Rs. 101.68 lakhs; the gross profit has risen by nearly 23 percent from Rs. 24.53 lakhs to Rs. 30.15 lakhs and the dividend has been stepped up from 14 percent to 15 percent. After providing Rs. 97,000 (against Rs. 1.08 lakhs) for managing agents' commission, Rs. 8.28 lakhs (against Rs. 8.64 lakhs) for depreciation and Rs. 12.51 lakhs (against Rs 6 lakhs) for taxation, the net profit amounts to Rs. 8.39 lakhs, against Rs. 8.81 lakhs for 1961-62. The directors have set aside Rs. 2.50 lakhs (against the same) for reserve for the repayment of the I.F.C. loan Rs. 50,000 (against Rs. 69,750) for general reserve and Rs. 20,000 (against the same) for rehabilitation reserve. No provision has been made for dividend equalisation reserve, which received Rs. 50,000 in the preceding year. The preference dividend absorbs Rs. 48,000 and ordinary dividend accounts for Rs. 4.71 lakhs, against Rs. 4.40 lakhs.

The directors attribute the Company's encouraging results to the satisfactory working of both plywood and hardboard sections. Steps are being taken to double the output of the hardboard section. An amount of Rs. 5 lakhs was spent in 1962-63 for acquiring new fixed assets. The required investment on plant and machinery for increasing the Company's production facilities is proposed to be met mainly from its existing resources. Its paid-up capital consists of Rs. 37 lakhs, made up of Rs. 31 lakhs in equity shares and Rs. 6 lakhs in preference shares. Its reserves and surplus add up to Rs. 37 lakhs. The gross block of Rs. 113 lakhs has been written down to around Rs. 60 lakhs. The Rs. 100 paid share of W.I. Plywoods is quoted around Rs. 200.

Progress of Hindusthan Twyfords

IN their report for the year ended March 1963, the directors of Hindusthan Twyfords Ltd refer to the progress made in setting up the factory. The first phase of the project was in operation in July 1962. The second phase started with the firing of the small tunnel kiln, which is now operating to capacity. The third phase meant for bulk production will begin when the large tunnel kiln starts operating towards the end of the current year. It is hoped that full production will be achieved by March 1964. In view of the power shortage, the Company has installed its own diesel generating set. The Company's products have met with a good response in the market. The quality compares favourably with that of imported goods. The working has resulted in a loss of Rs. 12.14 lakhs, after providing Rs. 6.41 lakhs for depreciation. Taxation absorbs Rs. 1.03 lakhs. The dividend has again been passed. Sales amounted to Rs. 3.89 lakhs.

Rampur Distillery to Raise Output

IN their report for the year ended March 1963, the directors of the Rampur Distillery and Chemical Co. Ltd have pointed out that steps have been taken to expand the output of the distillery. Firm orders for plant and machinery have been placed and the project should be completed by 1965. As a result of smaller sugar production, the supply of molasses to the distillery has been reduced. The distillery is, therefore, likely to remain idle for some months during the current year. The Company has done better in 1962-63 than in 1961-62 because of higher production and turnover. The output of spirit amounted to 1.2 million bulk gallons. The power alcohol section has been running at a loss, but henceforth the Company will supply industrial alcohol to the synthetic rubber factory set up in Bareilly by the Synthetics and Chemicals Ltd. The working of the liquor department has been satisfactory.

The profit has amounted to Rs 3 lakhs (against Rs. 48.185) after providing Rs. 1.05 lakhs (against Rs. 95,619) for depreciation and Rs. 14,500 (against Rs. 19,500) for development rebate reserve. A taxable ordinary dividend of 5 percent has been declared to absorb Rs. 1 lakh. There was no dividend for 1961-62. Taxation absorbs Rs. 1.30 lakhs (against Rs. 29,500) general reserve Rs. 50,000 and bad debts reserve Rs. 40,000. The carry-forward is Rs. 419, against Rs. 19,930 brought in.

Share Offer by Mopeds India

MOPEDS India Ltd, which proposes to set up a factory near Tirupathi (Andhra Pradesh) for manufacturing mopeds auto-cycles, is offering 200,000 equity shares of Rs. 10 each at par for public subscription to raise a part of the funds required for the project. The Company has been licensed to produce 7,500 mopeds a year on a single-shift basis. The project, it is estimated, will cost Rs. 57.5 lakhs, of which Rs. 28.96 lakhs will be spent on machinery and equipment and Rs. 15.53 lakhs retained as working capital. Machinery worth Rs. 21.63 lakhs will have to be imported. The cost of the project will be met by the share capital of Rs. 35 lakhs, an I.C.I.C.I. loan of Rs. 15 lakhs, bank loans of Rs. 5 lakhs and advances amounting to Rs. 2.50 lakhs.

The Company has received licences for importing machinery valued at Rs. 8.93 lakhs and the technical collaborators, Motobecane of France, will be supplying machinery worth Rs. 2 lakhs for which also an import licence has been received. The I.C.I.C.I. has granted a loan of Rs. 15 lakhs, of which Rs. 10.70 lakhs is in foreign currency. Orders have already been placed for purchasing indigenous and rupee payment machinery worth Rs. 7.12 lakhs; machinery worth Rs. 1.85 lakhs has already been received at the site and the balance is expected to be received soon.

The building layout has been finalised with Motobecane and the construction of building is progressing. Atelier De la Motobecane, Pantin, France, which is collaborating in the venture, is one of the leading manufacturers of mopeds. The French firm has granted an exclusive right to Mopeds India to manufacture and sell mopeds in India and also to export them to Pakistan, Ceylon, Afghanistan and Nepal. Most of the components and raw materials are available indigenously but a few proprietory items and some raw materials will have to be imported. The authorised capital of the Company is Rs. 50 lakhs, made up of Rs. 40 lakhs in equity shares of Rs. 10 each and Rs. 10 lakhs in 7½ percent cumulative preference shares of Rs. 10 each. The issued capital is Rs. 35 lakhs—all in equity shares. Of this, shares worth Rs. 35,000 have been subscribed for by the signatories to the memorandum of association; shares of the value of Rs. 12.65 lakhs have been taken by the directors and their friends and shares of the value of Rs. 2 lakhs have been reserved for allotment to the foreign collaborators against supply of machinery. Shares of the value of Rs. 20 lakhs will soon be offered for public subscription.

Madhavnagar Cotton Cuts Dividend

THE Madhavnagar Cotton Mills Ltd has reduced the dividend for the year ended March 1953 from 12 percent to 9 percent, less tax. The Company's working results have, no doubt, suffered a setback but the performance is not so bad as to warrant a dividend cut. Realisations from the sale of yarn are down by Rs. 8.96 lakhs at Rs. 92.1 lakhs, but the income from processing is higher at Rs. 10.80 lakhs (against Rs. 7.64 lakhs). Total sales are, therefore, down by only Rs. 5.80 lakhs. The gross profit also shows only a modest decline from Rs. 11.29 lakhs to Rs. 10.66 lakhs. After providing Rs. 69,499 (against Rs. 75,292) for managing agents' commission, Rs. 3.56 lakhs (against Rs. 3.58 lakhs) for depreciation, Rs. 70,267 (against Rs. 55,198) for development rebate and Rs. 4.28 lakhs (against Rs. 3.06 lakhs) for taxation, the net profit amounts to Rs. 1.43 lakhs, against Rs. 3.35 lakhs for the preceding year. With the sum of Rs. 6.79 lakhs brought forward from the previous year, the disposable surplus amounts to Rs. 8.22 lakhs. Out of this the directors have set aside Rs. 23,725 (against nil) for gratuity reserve and Rs. 5.05 lakhs (against nil) for general reserve.

The taxation liability of Rs. 4.28 lakhs is being met out of the taxation reserve to which has been credited a sum of Rs. 4.50 lakhs and a special reserve has been created with Rs. 2.65 lakhs. The proposed dividend of 9 percent is being paid out of the special reserve. After making various appropriations, there remains a nominal balance of Rs. 5,942 to be carried forward. The Company plans to install an additional 11,300 spindles, raising the total to 25,000 spindles. Nearly half of the ring frames and other machinery have been received and are being installed. These are expected to go into production by the end of this year. The expansion programme, it is stated, has been delayed by about six months on account of the late delivery of machinery and shortage of building materials.

Window Glass to Start Production Shortly

THE directors of Window Glass Ltd state in their second annual report for the year ended March 1963 that the civil construction work on the Company's project is being carried out expeditiously. The major portion of imported and indigenous machinery and equipment has already been received and is being installed under the supervision of the foreign collaborators. There has been some delay in commencing production due to circumstances beyond the Company's control. The factory is now expected to go into production by October 1963. Major raw materials have been obtained. The estimates of the capital cost of the project have had to be revised because of certain additions and modifications in the machinery and buildings, enhancement of import duty and general rise in the prices of indigenous equipment and materials.

The Company proposes to meet the extra cost by additional loans for which necessary steps are being taken. The Industrial Finance Corporation of India has sanctioned a loan of Rs. 25 lakhs, against which the Company had received Rs. 10 lakhs up to 31st March, 1963 and a further sum of Rs. 12 lakhs was received in June. The balance is expected to be received shortly. The Company's accounts for 1962-63 show a nominal profit of Rs. 4,627, which, together with the previous year's surplus of Rs. 1,530, is being carried forward. The Rs. 10-paid share of Window Glass is quoted nominally around Rs. 7.12.

Same from Birla Cotton

THE Birla Cotton Spinning and Weaving Mills Ltd has maintained the taxable ordinary dividend at 20 percent for the year ended March 1963 absorbing Rs. 7.99 lakhs. At the present price of Rs. 30.25 a share of Rs. 10 each the yield amounts to 6.6 percent. The trading profit has declined from Rs. 47.1 lakhs for 1961-62 to Rs 48.39 lakhs for 1962-63. Depreciation absorbs Rs 9.19 lakhs (against Rs 7.33 lakhs), development rebate reserve Rs. 2.44 lakhs (against Rs. 2.45 lakhs), general reserve Rs. 11.75 lakhs (against Rs. 6 lakhs) and taxation reserve Rs. 12.5 lakhs (against Rs. 23 lakhs). The carry-forward is Rs. 1.19 lakhs, against Rs. 1.67 lakhs brought in. A sum of Rs. 12.97 lakhs has been transferred after making adjustments for excess depreciation or value of assets written off previously.

Krishnabehari Tea Pays More

THE Krishnabehari Tea Co Ltd (an Assam garden) has increased its profit from Rs. 94,422 for 1961 to Rs. 1.14 lakhs for the year ended December 1962, after providing Rs. 67,075 (against Rs. 47,084) for depreciation. Bringing in Rs. 3,822, there is an available balance of Rs. 1.18 lakhs. A taxable ordinary dividend of 10 percent (against 8 percent) has been declared to absorb Rs. 50,000. General reserve is allocated Rs. 20,000 and taxation Rs. 45,000. The carry-forward is Rs. 2,721. The crop amounted to 166,356 kilograms, against 173,581 kilograms but the average sale price rose from Rs. 5.29 to Rs. 6.02 a kilogram. The 1963 crop has been estimated at 180,000 kilograms. The average price for the 1963 teas has so far been higher than in the previous season.

Gillapukri Tea Pays Less

THE Gillapukri Tea and Seed Co. Ltd (an Assam garden) has cut the taxable ordinary dividend from 20 percent to 15 percent for the year ended December 1962. At the present price of Rs. 27.56 a share of Rs. 10, the yield amounts to 5.4 percent. The profit has declined from Rs. 1.95 lakhs to Rs. 49,047, after transferring Rs. 72,083 (against Rs. 54,976) to depreciation. Development rebate reserve absorbs Rs. 1,572 (against Rs. 1,240) and taxation Rs. 20,000 (against Rs. 91,000). There is a carry-forward of Rs. 4,482, against Rs. 13,755 brought in. The crop declined from 358,797 kilograms to 319,932 kilograms. The 1963 crop has been estimated at 400,000 kilograms; the crop totalled 64,227 kilograms up to 7th July, 1963.

Manabarrie Tea Makes Profit

THE Manabarrie Tea Co. Ltd (a Dooars garden) has made a profit of Rs. 88,005 for the year ended December 1962, against a loss of Rs. 63,173 for 1961, after providing Rs. 53,373 (against Rs. 26,707) for depreciation. The taxable ordinary dividend has been increased from 6 percent to 10 percent to absorb Rs. 20,000. The yield works out to 1.7 percent at the present price of Rs. 59.50 a share of Rs. 10. Development rebate reserve is allocated Rs. 15,456, taxation Rs. 32,500 and general reserve Rs. 15,000. The carry-forward is Rs. 8,107, against Rs. 3,059 brought in. The crop amounted to 253,887 kilograms, against 247,991 kilograms. The directors have taken steps to manufacture C.T.C. teas. The output in 1963 is expected to be the same as in 1962. The new planting programme of the Company has made progress.

Good Progress by Engel India

THE Engel India Machines and Tools Ltd has made satisfactory progress in setting up its factory at Taratala Road, near Calcutta, for the manufacture of standard equipment required for processing plastic raw materials. It will also manufacture standard-size machine tools. A fairly big tool room for making moulds for the industry is being installed. The production of moulds is expected to begin by the middle of 1964. It is proposed to manufacture injection moulding machines.

The Union Carbide India Ltd has been appointed the sole agents of the Company for India. The Industrial Finance Corporation has underwritten a substantial part of the equity shares besides granting a loan of Rs. 25 lakhs to the Company. The Life Insurance Corporation has agreed to underwrite and subscribe for the equity shares. The West Bengal Financial Corporation will also underwrite a part of the equity shares. Engel India will soon offer shares for public subscription.

New Capital Issues

TWELVE companies, including one Central Government enterprise, have been authorised to raise fresh capital amounting to Rs. 5.28 crores. Five companies are issuing bonus capital, two cumulative plus preference shares, one preference shares and the rest equities. Four companies are offering their issues for public subscription, one is offering part of the capital to its own employees and four companies are offering part of the capital to their foreign collaborators. The consent is valid for 12 months in all cases. The following are the details:

Hindustan Cement Corporation Ltd, Delhi, is to issue capital of Rs. 1.50 crores divided into 125,000 equity and 25,000 9.3 percent cumulative redeemable preference shares of Rs. 100 each, for cash at par. Out of this, equity shares of the value of Rs. 1.05 crores and the entire preference shares of Rs. 25 lakhs will be issued to the public by prospectus. The proceeds of the issue are required for financing the manufacture of portland blast furnace slag cement.

The Aryan Brush Co. Ltd, Bombay, is raising further capital of Rs. 5 lakhs, divided into 5,000 equity shares of Rs. 100 each. On capitalisation of the company's reserves to a like extent, it will be issued as fully paid-up bonus shares to the Company's existing shareholders.

D. Macropolo and Co. Ltd. Bombay, is issuing capital of Rs. 3,15,300 divided into 3,153 equity shares of Rs. 100 each, as bonus shares by capitalisation of the company's reserves to a like extent.

Blundell Eomite Paints Ltd. Bombay, is to issue capital of Rs. 48 lakhs consisting of (i) Rs. 14 lakhs in equity shares of Rs. 10 each on capitalisation of the Company's reserves to a like extent; (ii) Rs. 21 lakhs in equity shares of Rs. 10 each for cash at par to be issued to the existing shareholders and (iii) Rs. 13 lakhs in equity shares of Rs. 10 each for cash at a premium of Rs. 11 a share to be issued to the Indian public.

Wheels India Ltd, Madras, is raising Rs. 60 lakhs, divided into 60,000 equity shares of Rs. 100 each, to be issued privately for cash at par. Of this, not more than 27,000 shares will be issued to the Dunlop Rubber Co. Ltd, the foreign collaborators, against the supply of plant and equipment. The money will be spent on the manufacture of wheels and top rollers for tanks.

Kesar Chemicals Ltd is raising capital of Rs. 80 lakhs in equity shares of Rs. 10 each to be issued for cash at par. Of this amount, shares of the value of Rs. 20 lakhs will be issued to Associated Chemical Company (Mfg.) Ltd, England. The money will be used for the establishment of a plant in Baheri, for the manufacture of sodium phosphate and allied chemicals.

Vibgyor Ltd, Bombay, is to issue further capital of Rs. 23,82,000 in equity shares of Rs. 100 each for cash at par. Out of this, shares of the value of Rs. 15 lakhs would be issued to the public. The capital is required for the construction of civil works, like dams, bridges, reservoirs, tunnels, etcetera.

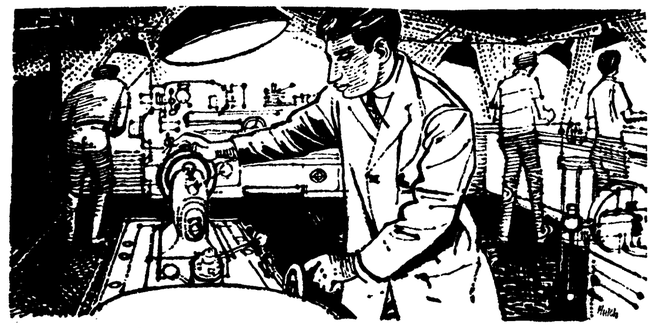
Nandlal Bhandari Mills Ltd, Indore, is issuing further capital of Rs. 12.50 lakhs divided into 5,000 shares of Rs. 250 each as bonus shares on capitalisation of the Company's general reserve to a like extent.

Citric India Ltd, Bombay, is issuing Rs. 30 lakhs capital (inclusive of Rs. 10 lakhs equity already issued). The balance of Rs. 20 lakhs will be in 9.3 percent preference shares of Rs. 100 each, to be issued for cash at par. The capital will be used for completing the project for the manufacture of citric acid and citrates.

Ahmedabad Manufacturing and Calico Printing Co. Ltd, Ahmedabad, is to issue bonus capital of Rs. 6.25 lakhs in 5,000 equity shares of Rs. 125 each to be offered to the Company's existing equity shareholders in the ratio of one for 34 shares held, on capitalisation of general reserves.

Everest Refrigerants Ltd, Bombay, is raising capital of Rs. 60 lakhs for cash at par divided into Rs. 48 lakhs in equity shares of Rs. 10 each and Rs. 12 lakhs in cumulative redeemable preference shares of Rs. 100 each carrying a dividend of 9.3 percent. Out of this, equity shares worth Rs. 10 lakhs will be offered for subscription to the foreign collaborators, Technical Enterprises Inc., New York, and equity shares of Rs. 19 lakhs and preference shares of Rs. 6 lakhs to the public by prospectus. The proceeds of the issue will be used for the manufacture of fluoro chloro methane gases and its intermediary chemicals.

Indian Oil Co. Ltd, a Government of India undertaking, has been accorded consent to issue a further capital of Rs. 49,55,000 divided into 4,955 equity shares of Rs. 1,000 each to be issued privately for cash at par. The capital will be used for constructing oil installations, depot, etcetera.



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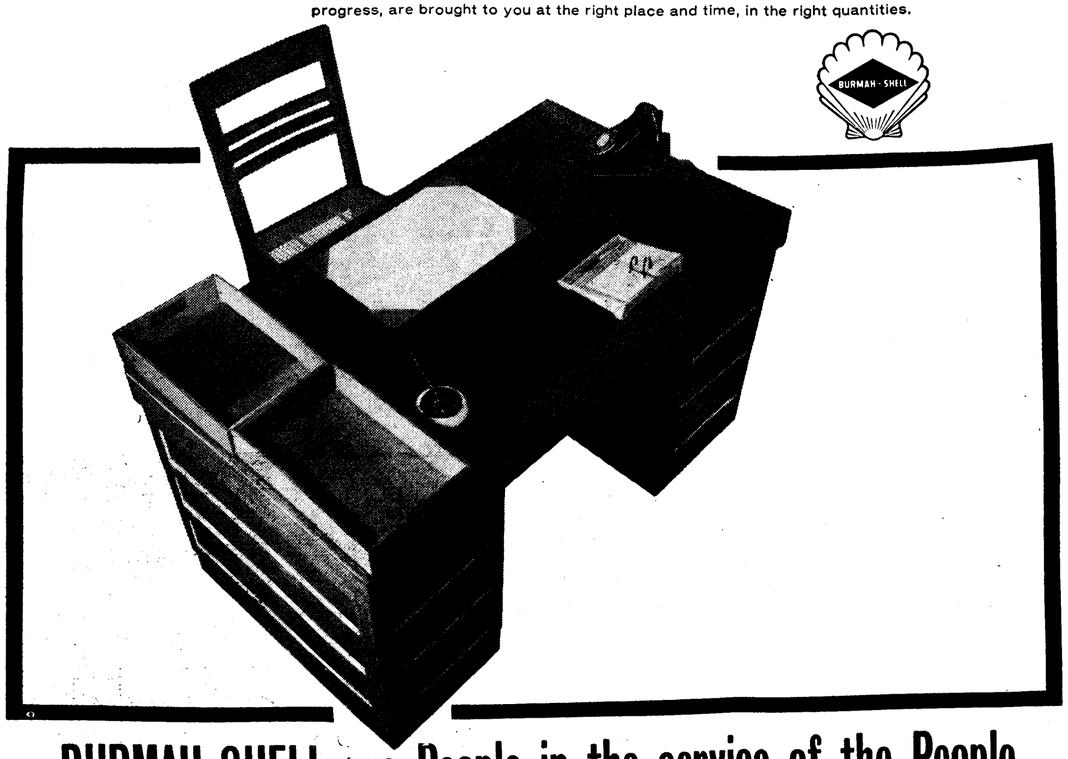
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The Stock Markets

GOOD CORPORATE NEWS AND L.I.C. PURCHASES HELP SENTIMENT

Wednesday Evening.

THE Calcutta stock market has been steady during the past week. The prices of selected shares have recovered due to short-covering, combined with replacement purchases. The selling pressure has abated because of good corporate news. The declaration of excellent dividends by the Bird-Heilgers group of jute companies has been a stimulating factor. The Indian Copper Corporation has called an extraordinary general meeting to approve the issue of bonus shares in the proportion of one new share for every two held.

The purchase of some ordinary shares by the Life Insurance Corporation in Lyons Range has helped to improve the tone of the market. Reports that a meeting of the Investment Committee of the Corporation will be held in Calcutta this afternoon have also given rise to optimism, since it is believed that the Corporation may soon buy more shares. Although its support will discourage short-selling, it will not, by itself, inspire private investors to buy shares. They may not take interest in equities until the outlook for corporate profits and dividends improves.

Turnover has been restrained because operators are confused by domestic political developments. The resignation of some Central Ministers has created a great deal of uncertainty. The market is particularly interested in the news of Mr. Morarji Desai's resignation. Speculation on the choice of his successor has dominated market gossip. There is a general inclination not to extend commitments until Mr. Desai's successor is named.

Attention has, meanwhile, been diverted to new issues. The offer of shares by Sankey Wheels has attracted some attention. Although money conditions have become easier, there is no sign yet that the stock market has benefited from the increased supply of funds. The easier money supply is considered temporary, and banks are keen on conserving funds. So there may be no tangible benefit even if the margin requirements for advancing money against shares are liberalised.

Jute shares have been about the most cheerful, following the announcement of good dividends. The outlook for the industry has improved. Shipments of jute goods during July have been satisfactory and the industry has been able to sell most of its production so far. Some foreign countries have bought slowly during recent weeks, but it is hoped that there may be brisk buying in the near future. Attention has been concentrated on Union, Lawrence, Empire, Ganges, Kamarhatty, Birla and Northbrook. Anglo-India have been steady on the prospect of a bonus issue.

Indian Iron have fluctuated narrowly. The trend is likely to be maintained in view of the fact that its quotation will become ex-dividend during the next few days. Among engineering shares, Guest, Keen, Williams, Texmaco and Jessop have recovered. Interest has been taken in Kumardhubi Engineering on prospects of bonus and rights issues. Scattered support has been extended to Jay Engineering.

In the miscellaneous section, attention has centred on clearing shares. Indian Copper, Indian Aluminium, Hindustan Motors, Indian Cable and Dunlop Rubber have been prominent. India Steamship have been a smart feature and have met with influential buying. Among new shares, Dr. Paul Lohmann have improved on the news that the Company has made good progress in installing its factory. Union Carbide, Indian Oxygen, Goodyear India and British Paints have been steady. Angelo Brothers have hardened on investment support. Hindusthan Twyfords have eased on showing a loss. Orient Paper have been active in the paper section. Titaghur, India Paper Pulp and Sirpur have been sluggish. Sugar shares have been neglected. There has been little interest in bank shares. Among electric companies, Calcutta Electric have changed hands.

Coal shares have been quiet. There has been a small turnover in Burrakur, Amalgamated and Central India. Cotton mill shares have been subdued and J. K. Rayon have been offered freely. Tea shares have met with scattered support, which has largely been confined to selected Assam and Dooars gardens.

Government securities have been firm. The 3-percent Conversion loan 1986 has gained at Rs. 64.45. Support has, nevertheless, been restricted to short- and medium-dated securities, but sellers have been reserved. Some long-dated loans are slightly easier on balance. Selected State Government loans have been steady due to institutional buying.

Tata Steel ordinary have recovered smartly to Rs. 141.50 towards the close. Investors have been impressed by the prospect of expansion in the output capacity of the Company. Among engineering shares, Tata Locomotive have been prominent on hopes that the current working will show an improvement over that of 1962-63. Larsen and Toubro. Mukand Iron and Premier Construction have been steady. Among motor-vehicle shares, Hindustan Motors have been active while Premier Automobiles have been sluggish.

Except for Kohinoor and Century, which have been steady mainly due to technical considerations, cotton mill shares have been dealt in cautiously. Routine turnover has been transacted in Svadeshi, Morarji, Standard and Simplex. India United ordinary have fluctuated narrowly.

Business has been small in miscellaneous shares. Among cement shares, Associated Cement and Digvijay have changed hands almost around previous rates. In steamship company shares, Scindia Steam have been steady due to replacement buying. Mining shares have been easier, and Shivrajpur Syndicate have been offered freely. Prospects that the Government may give incentives to produce more during the 1963-64 season have made selected sugar shares steady. Belapur, Walchandnagar Industries and Phalton have been bought.

Chemical shares have been quietly steady. Tata Chemical have been steady, but Indian Dyestuff have been easier on pressure. Rayon shares have shown mixed trends. National Rayon have been quiet, but Gwalior Rayon have been steady. Bombay Burmah have shown little change. Scattered support has been extended to Voltas. Turnover in new shares has been negligible and the trend has generally been downwards. Synthetics and Chemicals have lost on profit-taking.

In bank shares, business has passed in Bank of Baroda, Dena and Central Bank. Electricity company shares have been steady. Tata

Bombay

PRICES IMPROVE ON SHORT-COVERING

SMART RECOVERY IN TATA STEEL

Wednesday Evening.

THE Bombay stock market has shown mixed trends during the past week. The earlier fall was caused by nervousness about the domestic political situation. The strike by municipal workers also affected sentiment. Towards the close, share prices have recovered smartly mainly due to short-covering. The bears were compelled to cover their positions as soon as the strike was called off. Dalal Street has been worried by the resignations of Mr. Morarji Desai, Central Minister for Finance, and Mr. S. K. Patil, Central Minister for Food and Agriculture, and operators are inclined not to take a constructive view until their successors are appointed.

The purchases of ordinary shares by the Life Insurance Corporation have helped to reduce the selling pressure. The address of Mr. B. K. Kaul, chairman of the Life Insurance Corporation, at the Ahmedabad Stock Exchange that the Corporation would try to extend support to the smaller stock exchanges, has been welcomed. The advent of easier money conditions has created some cheerfulness. Operators hope that the Government will soon take steps to relax the margin requirements for share advances.

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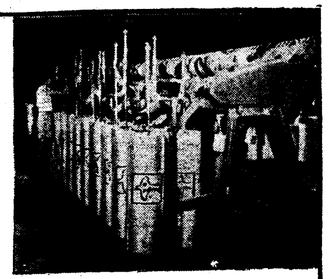
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Madras

POOR BUSINESS IN CLEARING SHARES

INTEREST CONFINED TO PLANTINGS

Tuesday Evening.

LISTLESS conditions have prevailed in the Madras stock market during the past week. Because of the lack of interest from outside centres, business in clearing shares has declined to almost a trickle. Investors and operators have been worried by the prospect of changes in the Central and State Cabinets. The stock market has also faced a shortage of funds.

Interest has largely been confined to selected planting shares. Good tea and coffee shares have been taken due to satisfactory dividends. Blue Mountain have been transacted at Rs. 2.48 and Cochin Malabar at Rs. 5.86. Business has passed in Consolidated Coffee at Rs. 17.35 and in Periakaramalai at Rs. 3.58. Midland have been done at Rs. 11.10 on declaring a taxable ordinary dividend of 10 percent. Malankara have changed hands at Rs. 16 on paying a taxable ordinary dividend of 14 percent Alageswar have been dealt in at Rs. 2.91 on declaring a taxable ordinary dividend of 10 percent. Ossoor have been steady at Rs. 3.38 on issuing bonus shares in the ratio of one share for every two held. Kumergode have been steady at Rs. 3.70 on issuing bonus shares in the proportion of one new share for every two held.

Bank shares have generally been quiet, and Pandyan have declined to Rs. 37. In electric company shares, Cochin have been steady at Rs. 12.30 on paying a taxable ordinary dividend of 12.5 percent. West Coast have been taken up to Rs. 17.35. Sugar shares have been easier, and E.I.D. have reacted to Rs. 38.50. Deccan have been offered down to Rs. 9.90.

Turnover in cotton mill shares has been small. South India Viscose have been quiet at Rs. 124.50 and Travancore Rayon at Rs. 22.75. Lakshmi have reacted to Rs. 130.50 and Madura to Rs. 31.25. Sarvaraya have been quoted at Rs. 10 on issuing rights ordinary shares at par, in the proportion of 56 new shares for every 100 held. Business has passed in Sarda at Rs. 96 and in Premier at Rs. 286. Buckingham have been quoted at Rs. 261 and Bangalore Woollen at Rs. 231.

Among miscellaneous shares, Aluminium Industries have been quiet at Rs. 16.95 and Ashok Leyland at Rs. 7.25. In cement shares, Dalmia have been steady at Rs. 12.25 and India at Rs. 5.55. Mettur Chemical have been done at Rs. 12.75. Mysore Chemical Fertilisers have changed hands at Rs. 7.75 on a proposal to issue rights ordinary shares at par for Rs. 1 crore. Seshasayee Paper have been quiet at Rs. 7.12, but Mysore Paper have been steady at Rs. 13.85. Standard Motors have been done at Rs. 11.62 and Tube Investment at Rs. 208. Madras Rubber have been steady at Rs. 14.50, but Kirloskar Electric have lost at Rs. 18.12. Parry's Confectionery have been bought up to Rs. 3.25 and Spencer have been quoted at Rs. 20.20. Business has passed in Textool at Rs. 154 and in Tube Suppliers at Rs. 10.

THE WEEK'S TRANSACTIONS

[In the following list of stocks and shares in which transactions have taken place during the past week, the figures indicate Opening Quotations, Highest for the week, Lowest for the week, Closing Quotations and Quotations for the corresponding Closing Date a Year Ago. The last-named is shown in parantheses and will not be given where such a quotation is not available.]

CLEARED SECURITIES

Birla Jute—Rs. 28/62—29/19—28/56—29/12—(36/56).
Burrakur Coal—Rs. 15/87—15/87—15/87—15/87—(18/31)
Dunlop Rubber—Rs. 31/25—31/56—31/06—31/37—(40/12).
Guest, Keen, Williams—Rs. 31/31—31/44—31/12—31/37—(38/56).
Hindustan Motors—Rs. 16/22—16/50—16/12—16/50—(20/31).
Howrah Jute—Rs. 17/50 x.d.—18/00—17/50—18/00—(21/25).
Indian Aluminium—Rs. 35/00—35/56—35/00—35/56—(37/25).
Indian Copper—Rs. 4/67 x.d.—4/75—4/65—4/74—(4/72)
Indian Iron—Rs. 22/56—22/94—22/44—22/94—(27/30).
Indian Cable—Rs 33/19—33/50—33/19—33/50—(38/00).
J. K. Cotton—Rs. 10/56—11/12—10/56—11/06—(17/37)
Jaipur Udyog—Rs. 10/62 x.d.—11/37 s.t.—10/62—10/62 s.t.—(13/12).
Kesoram Industries—Rs. 21/00—21/69—20/81—21/53—(29/31).
Orient Paper—Rs 34/15—34/40—34/05—34/40—(43/80)
Orissa Cement—Rs. 13/75—14/00—13/75—14/00—(17/31)
Rohtas Industries—Rs. 11/25—11/50—11/19—11/50—(14/44).
Textile Machinery—Rs. 23/25—23/40—23/10—23/40—(23/70).

GOVERNMENT SECURITIES

2½% Behar Zemindary Abolition Bonds—Rs. 50/00—50/00—50/00—50/00.
2½% Do (Collected up to 30-9-62)—Rs. 47/00—47/00—47/00—47/00.
3 % Govt. Paper—Rs. 62/50—62/50—62/50—62/50.
3 % Loan (1986)—Rs. 64/45—64/87—64/42—64/87.
3 % „ (1964)—Rs. 98/95—98/95—98/95—98/95.
3 % „ (1970-75)—Rs. 88/65—88/65—88/65—88/65.
3½% „ (1968)—Rs 99/15—99/15—99/15—99/15.
3½% „ (1965)—Rs. 99/60—99/60—99/60—99/60.
4 % „ (1969)—Rs 99/50—99/60—99/50—99/55.
4 % U.P. (1968)—Rs. 98/25—98/30—98/25—98/30.
4 % West Bengal (1964)—Rs. 99/82—99/82—99/82—99/82.
4½% Loan (1972)—Rs. 100/50—100/50—100/50—100/50.
4½% „ (1973)—Rs. 99/60—99/60—99/60—99/60
4½% „ (1985)—Rs. 100/15—100/15—100/15—100/15.
4½% Orissa (1974)—Rs. 99/00 s.t.—99/05 s.t.—99/00—99/00.

BANKS

Punjab National—Rs. 19/37—19/37—19/31—19/31—(21/12)
United Commercial—Rs 69/50—70/00—69/00—69/00—(88/00).

COTTONS

Bharat Commerce—Rs. 20/00—20/12—20/00—20/12—(29/50).
Basanti—Rs 11/37—11/44—11/37—11/44—(8/00).
Bowreah—Rs. 21/88—21/88—21/88—21/88—(27/19).
Birla—Rs. 30/25—30/25—30/25—30/25—(32/00).
Dunbar—Rs 26/19—26/19—26/19—26/19—(32/00).
Jay Shree—Rs. 13/62—13/87—13/56—13/69—(16/75)
Jiyajeerao—Rs. 12/75—12/75—12/75—12/75.
New Victoria—Rs 1/31—1/41—1/31—1/41—(1/62)
Rajasthan Spinning—Rs. 10/00—10/00—10/00—10/00—(10/50).
Swadeshi (P.O.)—Rs. 7/00—7/00—6/94—6/94—(8/19).
Shree Bhawani (Pref.)—Rs. 74/00—78/00—74/00—78/00.
Sutlej—Rs. 85/00—85/50—85/00—85/50—(100/00).

COALS

Amalgamated—Rs. 24/50—24/50—24/50—24/50—(21/87).
Associated Laikdih—Rs. 5/00—6/12—5/00—6/12—(4/12).
Bharat Collieries—Rs. 3/50—3/53—3/44—3/53—(3/25).
Bengal—Rs 265/00—266/00—264/00—264/00—(353/00).
Bhalgora—Rs 4/84—4/94—4/84—4/94—(5/18).
Central India—Rs. 9/56—9/94—9/50—9/94—(11/12).
Dhemo Main—Rs. 4/50—4/50—4/50—4/50—(5/94).
Equitable—Rs. 23/00—23/25—23/00—23/25—(28/31).
Jogta—Rs. 1/00—1/06—1/00—1/06.
Karanpura Collieries—Rs. 15/50—15/50—15/44—15/44—(13/87).
Katras Jherriah—Rs 33/50—33/75—33/25—33/75—(48/75).
Khas Kajora—Rs. 18/37—18/37—18/31—18/31.
New Manbhoom—Rs. 15/25—15/25—15/25—15/25—(13/75).
Pench Valley—Rs. 17/50—17/50—17/50—17/50—(17/50).
Raneegunge—Rs. 15/06—15/06—15/06—15/06—(15/37).
Selected Satgram—Rs. 118/00—119/00—117/00—117/00.
Western Bengal—Rs. 8/87—9/00—8/81—9/00—(9/56).

JUTES

Agarpara—Rs. 10/31—19/37—10/25—10/31—(11/06).
Alliance—Rs 130/00—130/00—130/00—130/00—(223/00).
Anglo-India—Rs. 234/00—234/50—233/00—233/00—(232/00)
Auckland—Rs. 142/00—142/00—142/00—142/00—(158/00).
Bengal—Rs 9/37—9/37—9/37—9/37—(10/31).
Budge Budge—Rs. 139/50—139/50—139/50—139/50—(164/00).
Champdany—Rs. 21/12—21/87—21/12—21/87.
Cheviot—Rs. 21/50—21/50—21/50—21/50—(24/44).
Chitavalsah—Rs. 10/19—10/25—10/06—10/06—(11/87).
Dalhousie—Rs. 158/00—159/00—148/00—153/00—(130/00).
Delta—Rs. 150/00—150/00—149/00—149/00—(190/00).
Empire—Rs. 17/50—17/50—17/00—17/31 (16/62).
Gourepore—Rs. 25/25—26/19—25/19—26/19.
Ganges—Rs 14/69—15/69—14/62—15/69—(15/94).
Gondalpara—Rs. 13/94—13/94—13/94—13/94—(17/75).
Hukumchand (Pref.)—Rs. 100/00—100/00—100/00—100/00.
India—Rs. 16/37—16/94—16/37—16/94—(16/25).
Kamarhatty—Rs. 190/00—191/00—189/00—189/00—(174/00).
Kelvin—Rs. 175/00—175/00—175/00—175/00—(192/00).
Khardah—Rs. 18/19—18/25—18/00—19/00—(17/62).
Lansdowne—Rs. 115/00—115/00—115/00—115/00—(120/00).
Lawrence—Rs 121/00—121/00—121/00—121/00—(133/00).
Megna—Rs. 13/19—14/06—13/19—13/94—(13/62).
Nellimarla—Rs. 11/37—11/37—11/31—11/31—(11/81).
New Central—Rs 12/37—12/69—12/37—12/69—(15/44).
Do. (Pref.)—Rs 91/50—92/00—91/50—92/00
Naihati—Rs. 100/00—100/00—100/00—100/00—(107/00).
Nuddea—Rs. 60/00—60/75—59/25—60/00—(64/50).
Northbrook—Rs. 30/00—30/00—30/00—30/00.
Presidency—Rs. 4/50—5/31—4/50—5/25—(5/50).
Rameshwara—Rs. 9/00—9/19—9/00—9/19—(8/75).
Do. (Pref.)—Rs. 12/00—12/31—12/00—12/31.
Reliance—Rs. 9/69—10/62—9/69—10/44—(6/94)
Do. (Pref.)—Rs. 118/00—119/50—118/00—119/00
Soorah—Rs. 22/00—22/00—22/00—22/00.
Union—Rs. 171/50—171/50—170/00—170/00.

MININGS

Assam Sillimanite—Rs. 7/56—7/56—7/56—7/56.
Metal Corpn.—Rs 7/94—7/94—7/94—7/94—(12/87).

CHEMICALS

Alkali & Chemical—Rs. 31/62—32/00—31/62—32/00—(45/62).
Kanoria—Rs. 4/94—5/00—4/94—5/00—(4/87).

CEMENTS

Ashoka—Rs 7/44—7/50—7/37—7/44—(8/37)
Bengal Potteries—Rs. 5/15—5/15—5/15—5/15—(5/81).
Dalmia (Bharat)—Rs. 12/25—12/31—12/19—12/31—(13/81)
Sone Valley Portland—Rs. 4/16—4/31—4/12—4/28—(4/91).

ELECTRICS

Bhagalpore—Rs. 6/50—6/50—6/50—6/50—(6/08).
Calcutta—Rs 14/50—14/66—14/44—14/65—(15/31).
Muzafferpore—Rs. 11/50—11/50—11/50—11/50—(12/25).
Shahjahanpur—Rs. 7/25—7/25—7/25—7/25—(7/50).

ENGINEERINGS

Britannia Eng.—Rs. 9/62—9/81—9/69—9/81—(11/50)
Bharat Ball Bearing—Rs. 12/50—12/50—12/50—12/50—(16/00).
Bhartia Elec Steel—Rs. 13/50—13/50—13/50—13/50—(13/12).
Britannia Building & Iron—Rs. 3/75—3/75—3/75—3/75—(3/65).
Binani Metal—Rs. 9/50—9/50—9/50—9/50—(11/37).
Braithwaite & Co.—Rs. 29/50—29/75—29/50—29/75.
Calcutta Steel—Rs. 13/06—13/06—12/87—12/87—(15/06).
Dalmia Iron—Rs. 10/75—10/81—10/75—10/81—(11/69)
Escorts—Rs 17/44—17/56—17/44—17/44.
Indian Standard Wagon—Rs. 29/87—30/37—29/75—30/37—(34/75).
Jessop & Co.—Rs 24/00—24/75—24/00—24/75—(23/19).
J. K. Steel—Rs 14/12—14/19—14/12—14/19—(16/94).
Jay Eng.—Rs. 20/50—21/00—20/37—20/87.
Kumardhubi—Rs. 8/44—8/94—8/44—8/94—(7/50)
Machinery Mfg.—Rs. 22/25—22/37—22/06—22/12.
Do. (Pref.)—Rs. 53/00—53/00—53/00—53/00.
Marshalls—Rs. 2/19—2/50—2/19—2/50—(3/31).
Mukund Iron—Rs 17/03—17/03—17/03—17/03.
National Iron—Rs. 4/69—4/75—4/69—4/75.
Wellman Incandescent—Rs. 6/06—6/12—6/06—6/12

INSURANCES

New Asiatic—Rs. 7/75—7/75—7/75—7/75—(6/62).
Ruby General—Rs. 9/19—9/25—9/12—9/19—(10/56).

MISCELLANEOUS

Aluminium Corpn.—Rs. 13/62—14/25—13/62—14/00—(17/00).
Do. (1st Pref.)—Rs 93/00—93/50—93/00—93/50.
Asiatic Oxygen—Rs. 13/75—13/81—13/50—13/62—(10/56).
Assam Match—Rs. 29/00—29/00—28/00—28/00—(28/75).
Angelo Brothers—Rs 23/75—23/87—23/62—23/81—(23/50).
Associated Battery—Rs. 23/75—23/81—23/62—23/81—(30/12).
Balmer Lawrie—Rs. 246/00—248/00—246/00—248/00—(257/00)
B. I Corpn.—Rs 7/75—7/75—7/69—7/69—(10/25).
Darjeeling Ropeway—Rs. 9/00—9/12—9/00—9/12—(8/00).
Dr. Paul Lohmann—Rs 11/50—11/50—11/50—11/50—(22/00).
Dyer Meakin Breweries—Rs. 26/50—27/00—26/50—27/00—(56/25).
Electric Construction—Rs. 12/44—12/50—12/44—12/50—(15/06)
English Electric—Rs 14/00—14/25—14/00—14/25
Goodyear India—Rs. 30/87—31/50—30/87—31/00—(45/12)
General Tyres—Rs. 7/44—7/56—7/25—7/25—(6/25)
Gillanders Arbuthnot—Rs. 14/25—14/25—14/12—14/19—(15/25).
Hindustan Aluminium—Rs. 12/62—12/94—12/56—12/81—(16/81).
Hindusthan Development—Rs. 4/06—4/12—4/06—4/12—(5/69).
Hindusthan Ice—Rs. 2/50—2/50—2/50—2/50.
Hoare Miller—Rs. 5/37—5/50—5/37—5/50—(6/56)
Hindustan Twyfords—Rs. 14/00—14/06—14/90—14/06—(14/87).
Imperial Tobacco—Rs. 10/50—10/50—10/12—10/12—(11/44).
India Carbon—Rs 17/75—18/00—17/75—18/00
Isaac Holdens—Rs 14/56—14/81—14/44—14/75—(17/50).

Jardine Henderson—Rs. 86/00—86/00—85/50—85/50—(79/50).
Do. (Pref.)—Rs. 54/75—55/50—54/75—55/50.
J. K. Synthetic—Rs. 10/06—10/12—10/06—10/12—(14/81).
Jay Shree Industries—Rs. 15/94—16/00—15/94—16/00—(17/12).
Kettlewell Bullen (1st Pref.)—Rs. 60/00—60/00—60/00—60/00.
Madhya Pradesh—Rs. 8/50—10/06—8/31—9/75.
Metal Box—Rs. 46/50—46/50—46/50—46/50—(55/69).
Martin Burn—Rs. 26/75—26/75—26/56—26/56—(30/75).
National Rubber Mfg.—Rs. 10/62—10/62—10/37—10/37—(12/12).
National Standard Duncan—Rs. 50/00—50/00—39/00—39/00.
National Insulated Cable—Rs. 22/50—22/75—22/12—22/44—(31/37).
National Tobacco—Rs. 10/37—11/69—10/37—11/62—(13/25).
National Pipes & Tubes—Rs. 24/75—24/75—24/62—24/69—(32/75).
National Rolling & Steel Ropes—Rs. 19/25—20/62—19/19—20/59—(22/12).
Indian Wood Products—Rs. 28/87—29/25—28/87—29/25—(32/87).
Philips India—Rs. 26/50—26/50—26/00—26/00—(30/62)
Rallis India—Rs. 115/00—115/00—113/00—113/00—(159/00).
Spence's Hotel—Re. 0/65—0/65—0/65—0/65—(0/94)
Shaw Wallace—Rs. 16/31—16/31—16/12—16/31—(20/19).
Sirsilk—Rs. 8/87—8/94—8/87—8/94—(10/00).
Union Carbide—Rs. 38/62—38/75—38/62—38/75—(47/75).
Universal Cables—Rs. 9/25—10/00—9/25—10/00.
Universal Electric—Rs. 8/69—8/69—8/44—8/50—(5/31).
Walford Transport—Rs. 3/56—3/62—3/50—3/62—(3/53).
Do. (P.O.)—Rs. 2/06—2/06—2/06—2/08—(2/50).
Window Glass—Rs. 8/25—8/25—8/25—8/25.

PAPERS

Bengal—Rs. 25/87—26/06—25/87—26/06—(33/00).
India Paper Pulp—Rs 17/62—17/81—17/56—17/62—(20/12).
Sirpur—Rs. 11/50—11/56—11/50—11/56—(14/00).
Straw Products—Rs. 9/19—9/25—9/06—9/25—(10/12).
Star (7% 3rd Convertible Pref.)—Rs. 83/50—83/50—83/50—83/50.
Seshasayee—Rs. 7/00—7/06—7/00—7/06—(9/00).
Titaghur—Rs. 16/50—16/50—15/87—16/12—(36/44).

OIL

Indo-Burma Petroleum—Rs. 21/25 s.t.—21/31—21/06—21/19—(25/66).

SHIPPINGS

India Steamship—Rs. 6/12—7/31—6/00—7/06—(6/87).
Port Shipping—Rs. 13/87—14/44—13/87—14/44—(12/06).

REAL PROPERTY

Hindusthan Building—Rs. 3/37—3/62—3/37—3/62.

SUGARS

Balrampur—Rs. 1/90—1/95—1/90—1/95—(2/50).
Carew & Co.—Rs. 10/94—10/94—10/94—10/94—(13/19).
New Savan—4/44—4/44—4/44—4/44—(5/25).
Raza Buland—Rs. 9/69—9/75—9/62—9/75—(9/44).
Shree Krishna Gyanoday—Rs. 7/19—7/31—7/19—7/31—(9/19).

TEAS

Atal—Rs. 6/62—6/75—6/62—6/75.
Bormah Jan—Rs. 12/25—12/25—12/25—12/25—(18/12).
Baghmari—Rs. 13/31—13/56—13/31—13/56—(19/25).
Baitakhal—Rs. 7/75—7/75—7/69—7/69—(6/69).
Betjan—Rs. 29/19—29/19—29/19—29/19—(32/62).
Brooke Bond—Rs. 11/87—12/06—11/81—12/06—(14/50).
Dauracherra—Rs. 7/81—7/94—7/81—7/94—(7/87).
Eastern Cachar—Rs. 4/56—4/62—4/50—4/50—(4/12).
Loobah—Rs. 4/37—4/44—4/37—4/44—(4/25).
Margaret's Hope—Rs. 10/87 x.d.—10/87—10/87—10/87—(11/62).
Roopacherra—Rs. 9/62—9/62—9/62—9/62.
Ranicherra—Rs. 12/25—12/25—12/25—12/25—(16/75).
Sarugaon—Rs. 36/31—36/31—36/31—36/31.
Tezpore—Rs. 14/31—14/44—14/31—14/44—(15/87).
Tyron—Rs. 30/87—31/00—30/87—31/00—(36/87).

DEBENTURE

5 % Calcutta Elec. Supply—Rs. 90/50—90/50—90/50—90/50.

London

WIDESPREAD RISE IN EQUITIES

INDUSTRIAL NEWS HELPS SENTIMENT

London, 28th August.

ALTHOUGH quieter now while awaiting a fresh incentive, the London stock market gave a good performance over the past week. In the case of equities, many stocks established peak prices for the past two years. Encouraging industrial news and statements from individual companies influenced sentiment to a large extent, although the advance was slowed down by the trade figures which disclosed a wider gap due to record imports. The would-be buyers found stocks in short supply and jobbers quickly hoisted prices, so that gains were sometimes out of proportion to the business transacted. The persistent firmness of Wall Street helped sentiment and dollar stocks moved up in line with the higher transatlantic levels. The gilt-edged securities were overshadowed by new issues and for most of the time were without a definite trend but support was forthcoming later. There was small speculative buying of Greek bonds at one time on debt settlement hopes. Gold shares were wanted at times but the buying was small and then mostly on foreign account. It was suggested at one time that U.S. buying was going on in spite of the securities tax penalty. Coppers weakened on the latest labour development in the copper belt. Oils were wanted but there was no revival of the Royal Dutch share split rumour. Teas gained some ground but rubbers remained idle.

BOOKS RECEIVED

Work, Wages and Well-Being in an Indian Metropolis. Economic Survey of Bombay City. (Published by T. V. Chidambaran, Registrar, University of Bombay, Port, Bombay 1. Price Rs. 36.50, pages 863.)

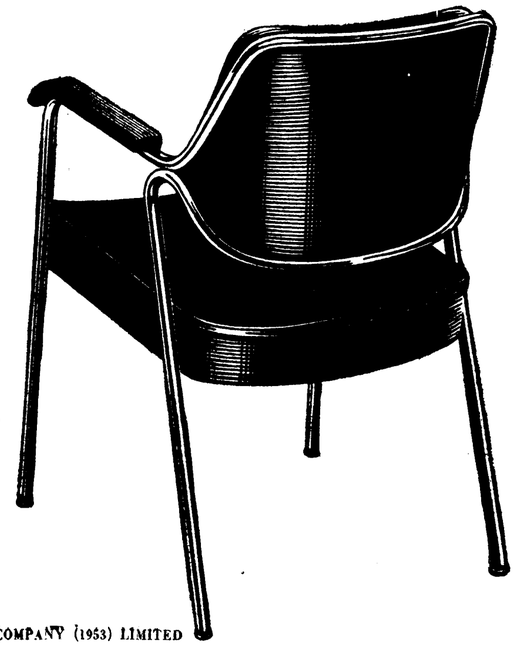
History of the Belgians. By Adrien de Meeus. (Published by Frederick A. Preager, Inc. 64 University Place, New York 3, N. Y. Review copy received from the Consulate General for Belgium, Calcutta. Pages 378.)

Lectures on Income-Tax. (Published by the Chartered Institute of Secretaries India Association, Calcutta. Price Rs. 4, pages 69.)

Southern Economist, Independence Day Number, 1963. (Published by Mrs. Susheela Subrahmanya, from 45-88. S.J. Park Road, Bangalore 2. Price Re. 1, pages 56.)

The Eastern Metals Review, Mid-year Number, 1963. (Published by S. R. Mundhra on behalf of Binani Printers Private Ltd. 38, Strand Road, Calcutta 1. Price Rs. 3.50, pages 703-820.)

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Money

THE HIGH COST OF COLLECTING COMPULSORY DEPOSITS

(BY A SPECIAL CORRESPONDENT)

WHEN eight banks in the private sector, apart from the State Bank of India in the public sector, were entrusted with the collection of compulsory deposits under a Government-sponsored scheme, the participating banks felt happy while the neglected ones were unhappy. The Reserve Bank had to announce immediately thereafter that when selecting the banks as agents for collecting compulsory deposits, it kept in view the stature of the bank and the convenience of depositors. This clarification was necessary in order to allay the suspicion of banks which were left out. The scheme was to be worked on a "no-profit, no-loss" basis, but the general impression which prevailed when it was started was that the participating banks would enjoy the advantage of holding Government deposits. Such deposits, it was argued, could be used by them for purposes of liquidity or for offering advances, especially in the busy season, although for only a short period. The decision of the Government of India and the Reserve Bank to appoint commercial banks as agents for the first time was hailed as the beginning of an enlightened policy reflecting a change in the official attitude.

Banks Disillusioned

The sense of optimism yielded place to pessimism within a month of the working of the scheme. Private commercial banks were disillusioned when the Government of India announced the rules governing the collection of deposits. The Government has informed the participating banks that these deposits constitute a separate category and, therefore, do not form part of public deposits. After collection, the compulsory deposits are to be transferred every Friday, before closing the books each week, to the nearest branch of the Reserve Bank or the State Bank.

The banks have been instructed always to keep their ledger-books ready for inspection by the Auditor-General. The ledgers are to be maintained in two categories—one covering the depositors paying income tax and another for those not paying income tax. These facilities are to be provided by the operating bank at each branch or office. The banks have prepared their own detailed instructions for the guidance of the special staff appointed for the purpose. Several big banks have had to open separate departments, at least at the headquarters, with a large staff to look after the working of the scheme.

The actual working of the scheme has shown that it is both costly and unwieldy. One big bank's experience is that collection of a couple of lakhs of rupees is spread over nearly 200 branches and over 15,000 accounts. The task of adding the collections in a large number of small accounts, not to speak of maintaining these accounts in order, for negligible balances each week and communicating them to the head office is stupendous. The problem is particularly difficult for banks with new branches or offices which function with minimum staff. The number of forms to be filled by the depositor and the duplicate and triplicate sets of statements to be prepared for transmission to the head office and the Government is a burden. The latter is prepared to reimburse the average expenditure incurred by banks in collecting deposits. But it is difficult to calculate the average expenditure.

For instance, in calculating the cost of collection, the banks are asked to charge the overtime paid to usual staff for the work, the cost of stationery, including the expenses for sending telegrams for collecting statistics on deposits and salaries, on a part basis, if some of the permanent staff are employed for work under the compulsory deposit scheme. Banking is a joint service and it is difficult to introduce any precise cost differentiation. Again, some banks use superior stationery items and others inferior ones. The average cost an account, bankers contend, is computed in such a way that it does not take into account the individual items of costs of different banks, so they want the reimbursement of actual expenditure in connection with the scheme.

Recruiting Emergency Staff

Yet another difficulty is that the banks have had to recruit emergency staff, but since the scheme is of a temporary duration, the staff has had to be appointed on a temporary basis. Besides, experienced personnel in the permanent service of banks have had to be diverted for supervision. The banks are required to pay gratuity and provident fund to permanent staff engaged on the work and retrenchment compensation to temporary staff in case their services are terminated. The reimbursement to be provided by the Government covers only incidental costs connected with the administration of the scheme and not the compensation, gratuity and provident fund liability to temporary employees.

The banks are naturally worried. They feel that they have been cornered rather badly because of their initial enthusiasm. Some place the cost of collection at 5 percent, besides the actual payment of interest to depositors. Such cost would hardly cover the salary and allowances of the senior officer employed by banks to administer the scheme at the headquarters, and all the work has to be done necessarily free by the banks. If all the legitimate expenses, including the bonus paid to staff, incurred by banks in connection with the scheme are borne by the Government of India on a "no-loss" basis, the cost of administering the scheme would come to nearly twice the actual interest paid to depositors. In other words, the Government would be paying an uneconomic rate of about 13 or 14 percent for collecting compulsory deposits, inclusive of the interest of 14 percent paid to the depositor. This is in contrast to the 4½ percent rate which the Government pays normally on gilt-edged securities.

Fixing the Collection Cost

While the banks are demanding the reimbursement of actual costs of collection incurred by each individual bank, the Government of India, on the advice of the Reserve Bank, appears to be thinking of fixing the cost of collection on a percentage basis, say, 3 or 4 percent of the amount collected. This decision is bound to affect the participating banks adversely. The Government of India's view seems to be that the scheme, although uneconomic from the point of view of individual banks, is in the national interest and as such it requires to be administered even in the face of some individual inconvenience. The banks, on the other hand seem to feel that it is advisable to replace the deposit scheme with deposit certificates, on the model of National Defence Bonds, etcetera, to minimise the costs of collection.



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GKCP-2-65

Treasury bills will be sold from 28th August to 31st August at Rs. 99.436 percent. Sales can be stopped at any time without notice if the Government thinks it necessary. These bills, sold from 21st August to 24th August, amounted to Rs. 7,19,00,000.

THERE WERE DECLINES OF Rs. 27.69 crores to Rs. 2,208.74 crores in active notes and of Rs. 12.53 crores to Rs. 2,236.17 crores in the total note issue, according to the return of the Reserve Bank of India for the week ended 23rd August, 1963. The currency contraction was adjusted by reducing foreign securities by Rs. 80 lakhs to Rs. 89.46 crores and rupee securities by Rs. 14.20 crores to Rs. 1,907.12 crores in the paper currency reserve. Deposits of the Government of India rose by Rs. 7.68 crores to Rs. 65.04 crores while those of State Governments fell by Rs. 1.36 crores to Rs. 15.19 crores. Balances of scheduled banks at Rs. 99.75 crores showed a rise of Rs. 12.96 crores. Their loans from the Reserve Bank increased from Rs. 31.80 lakhs to Rs. 37.45 lakhs but there was again no advance against usance bills. Balances held abroad rose by Rs. 4.07 crores to Rs. 8.35 crores. The investment portfolio was Rs. 31.10 crores smaller at Rs. 223.31 crores. Ways and means advances stood at Rs. 17.86 crores, against Rs. 13 crores.

THE RETURN OF THE STATE BANK OF India for the week ended 16th August, 1963, shows a rise of Rs. 7.37 crores to Rs. 580.70 crores in total deposits. Investments in Government securities are up by Rs. 11.39 crores to Rs. 296.39 crores, while other authorised investments are down by Rs. 30 lakhs to Rs. 8.95 crores. Advances, including loans, cash credits, overdrafts and bills discounted and purchased have declined by Rs. 2.36 lakhs to Rs. 261.88 crores. Cash and balances are, in consequence, shown at Rs. 22.43 crores or Rs. 68 lakhs higher.

THE DIRECTORS OF THE NATIONAL AND Grindlays Bank Ltd have declared an interim dividend for the current year of 7 percent, less income tax at 7s 9d in the £ payable on 4th October, 1963.

THE CALCUTTA MONEY MARKET

MODERATE DECREASE IN ADVANCES

Wednesday, 28th August.

THE general level of advances has shown a fair decrease in the Calcutta money market during the past week. Most of the decline is accounted for by the jute mills and the sugar factories. The credit given to the cotton mills, the iron, steel and engineering industries, and the foodgrains and seeds trade is almost unchanged. In the interbank market, conditions remain easy and the call rate has dropped to ½ percent.

The exchange market has been very active The supply of both tea and gunny bills has been excellent. The demand for remittance has continued on a fair scale. The weakness of sterling has persisted, although it shows a minor recovery in relation to some of the more important currencies.

SILVER WAS QUIET IN CALCUTTA during the past week. The price declined from the previous week's level of Rs. 269.25 to Rs. 268.25, quoted today for ready delivery. The London and New York prices were 111¾d and 128.6 cents. The price of gold of 14 ct. was the same at Rs. 65 a 10 grams but there was no business.

DURING THE WEEK ENDED 23RD August, 1963, Government of India Treasury bills for Rs. 22,98,50,000 were sold in favour of the Reserve Bank.

TENDERS FOR Rs. 2 CRORES OF 91-DAY Government of India Treasury bills were opened on 27th August. The total amount offered was Rs. 2 crores. Tenders at Rs. 99.420 percent were accepted in full. The total amount accepted was Rs. 2 crores, the average rate of acceptance being Rs. 2.320 percent a year. Tenders for Rs. 2 crores of 91-day Government of India

TREASURY BILL MATURITIES

Details of 91-day bills outstanding with the public on 30-8-63.

Issue Date	Maturity Date	Amount (000's Rs.)	Average Acceptance Rate
30-8-63	3-12-63	2,00,00	Rs. 2.320%
23-8-63	26-11-63	2,00,00	Rs. 2.320%
16-8-63	19-11-63	2,00,00	Rs. 2.320%
9-8-63	12-11-63	2,00,00	Rs. 2.320%
2-8-63	5-11-63	2,00,00	Rs. 2.320%
19-7-63	22-10-62	2,00,00	Rs. 2.317%
12-7-63	15-10-63	2,00,00	Rs. 2.320%
5-7-63	8-10-63	2,00,00	Rs. 2.340%
28-6-63	1-10-63	2,00,00	Rs. 2.345%
21-6-63	24-9-63	2,00,00	Rs. 2.350%
14-6-63	17-9-63	2,00,00	Rs. 2.354%
7-6-63	10-9-63	2,00,00	Rs. 2.350%
31-5-63	3-9-63	2,00,00	Rs. 2.350%

(Monthly Maturities 000's omitted).

September 1963	8,00,00
October 1963	8,00,00
November 1963	8,00,00
December 1963	2,00,00
Total	26,00,00

CLEARING HOUSE RETURNS

Week	Calcutta	Bombay
	Rs. (Lakhs)	
22-8-63	99.57	86.25
16-8-63	65.30	71.03
9-8-63	.....	1,02,33

RESERVE BANK

ISSUE DEPARTMENT

(In 000's of Rupees)	Week Ended 23-8-63	16-8-63	25-8-62
Liabilities—			
Notes in Banking Dept.	27,43,21	12,26,77	22,84,81
Notes in Circulation	22,08,73,56	22,36,43,42	20,29,06,29
Total Notes issued	22,36,16,77	22,48,70,19	20,51,91,10
Assets—			
A. Gold Coin and Bullion	1,17,76,10	1,17,76,10	1,17,76,10
Foreign Securities	89,46,14	90,26,14	88,84,17
Total of A	2,07,22,24	2,08,02,24	2,06,60,27
B. Rupee Coin	1,21,82,77	1,19,36,19	1,22,81,01
Rupee Securities	19,07,11,76	19,21,31,76	17,22,49,82
Total	22,36,16,77	22,48,70,19	20,51,91,10

BANKING DEPARTMENT

Liabilities—			
Capital Paid-up	5,00,00	5,00,00	5,00,00
Reserve Fund	80,00,00	80,00,00	80,00,00
National Agricultural Credit (Long Term Operations) Fund	73,00,00	73,00,00	61,00,00
National Agricultural Credit (Stabilisation) Fund	8,00,00	8,00,00	7,00,00
Deposits—			
(a) 1. Central Govt.	65,04,46	57,35,72	59,07,42
2. State Govts.	15,19,02	16,54,54	11,91,95
(b) Banks :—			
(i) Scheduled Banks	99,74,75	86,78,89	1,06,29,26
(ii) State Co-operative Banks	1,80,99	1,78,87	1,91,24
(iii) Other Banks	5,15	4,96	2,54
(c) Others	1,60,25,23	2,03,12,28	1,73,83,50
Bills Payable	33,46,94	33,23,72	20,23,87
Other Liabilities	19,44,77	19,09,55	20,04,57
Total	5,61,01,31	5,83,98,43	5,56,34,36
Assets—			
Notes	27,43,21	12,26,77	22,84,81
Rupee Coin	2,90	2,65	1,48
Small Coin	3,13	2,63	2,75
National Agricultural Credit (Long Term Operations) Fund			
(a) Loans and Advances to :—			
(i) State Govts.	27,16,58	27,16,59	24,03,29
(ii) State Co-operative Banks	10,25,31	10,28,78	11,97,64
(iii) Central Land Mortgage Banks	...	...	...
(b) Investment in Central Land Mortgage Bank Debentures	3,54,60	3,54,60	2,84,00
National Agricultural Credit (Stabilisation) Fund			
Loans and Advances to State Co-operative Banks	...	...	...
Bills Purchased and Discounted :—			
(a) Internal	...	...	...
(b) External	...	...	...
(c) Govt. treasury Bills	91,44,00	1,04,17,46	67,02,39
Balances Held abroad	8,35,36	4,27,63	5,05,78
Loans and Advances to Govt.	17,86,00	12,99,95	10,87,68
Loans and Advances to :—			
(i) Scheduled Banks	37,45	31,80	74,90
(ii) State Co-operative Banks	1,25,98,55	1,29,23,26	1,19,07,80
(iii) Others	1,61,30	1,62,30	1,11,57
Investments	2,23,31,10	2,54,41,34	2,56,96,57
Other Assets	23,61,77	23,62,62	33,71,80
Total	5,61,01,32	5,83,98,43	5,56,34,36

SCHEDULED BANKS

(In 000's of Rupees)	Week Ended 9-8-63	2-8-63	17-8-62
(i) Demand Liabilities—			
(a) Demand Deposits			
(1) From Banks	52,37,11	52,12,49	46,46,26
(2) From others	9,40,83,96	9,39,86,56	7,94,46,25
(b) Borrowing from Banks	26,88,63	28,67,46	19,38,75
(c) Others	66,25,69	63,34,27	52,40,94
(ii) Time Liabilities—			
(a) Time Deposits			
(1) From Banks	33,71,80	36,29,63	24,73,41
(2) From others	12,21,20,85	12,21,72,09	12,54,86,69
(b) Borrowing from Banks	18,08,37	19,36,83	19,39,16
(c) Others	10,61,83	10,72,23	12,27,23
(iii) Borrowing from State Bank—			
(a) Demand Liabilities	4,70,12	4,56,39	3,99,55
(b) Time Liabilities	14,40,00	14,00,00	13,32,00
(iv) Borrowing from Reserve Bank	3,11,25	2,04,50	99,80
(v) Cash	51,49,81	49,61,88	53,42,80
(vi) Balances with the Reserve Bank	87,43,30	81,47,62	90,92,81
(vii) Balances with other Banks in current account	19,89,90	20,51,73	19,05,62
(viii) Money at call and short notice	50,95,36	59,31,35	52,84,18
(ix) Investments in Central and State Govt. Securities	7,16,13,18	6,92,00,56	6,68,63,13
(x) (a) Loans Cash credits and Overdrafts	12,73,41,59	12,74,23,03	12,08,49,47
(b) Due from Banks	9,08,43	8,06,45	7,13,89
(xi) Inland Bills purchased and discounted	1,63,47,63	1,62,93,37	1,29,58,20
(xii) Foreign Bills purchased and discounted	50,65,92	50,90,41	47,45,03
(xiii) Total of X XI and XII	14,96,63,57	14,96,13,26	13,92,66,58

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TEST-BAN TREATY: CONDITIONS FOR SUCCESS

By Robert W. Brock

(Editor of "Capital" from 1928 to 1932)

IF the new test-ban agreement with Russia depended for its significance and survival exclusively on the document signed, it would rest on a foundation too fragile to merit political endorsement or public confidence. In reality, its foundation is far more solid and endurable than has been disclosed, or, in most cases, realised. Russia's policy has been adapted to safeguard her interests, including, on a long-term view, her territorial integrity. After 18 years of fruitless negotiation, the western Powers had no new proposals to submit. On this occasion, the initiative came from Moscow and the incentive to Moscow came from Peking. In this context, the fear of some Americans that Russian technologists have achieved triumphs which the Kremlin is manoeuvring to conceal is of minor import.

The overall, "built-in" guarantee against Russia initiating nuclear warfare is that—as Russian leaders (although understandably reticent) are acutely conscious—immediately the first retaliatory bombs fell on Moscow and other leading cities, China, uninhibited and unopposed, would occupy Siberia (as large as China and India combined and with immense untapped economic resources) and thereafter would emerge—rapidly and ruthlessly—as the dominant world Power. The "Yellow Peril"—a political fantasy at the beginning of the century—is now crystallising, and could rapidly mature, as a grim and growing reality.

Russo-Chinese Clash

Communism, like other "isms", can cover a multitude of aims. The Russo-Chinese clash has, for some years past, ceased to be solely ideological, and become increasingly racial and territorial. Erupting in 1960 when Russia withdrew all her technicians and tore up all her "aid" agreements with China, all subsequent efforts to secure reconciliation have failed, and the "break" is now fundamental and final. As the only great Power likely to benefit from a Russo-American nuclear war, China hoped to achieve the political palm without the nuclear dust. Her disappointment now that this cynical but characteristic calculation has probably been permanently frustrated is correspondingly acute and is reflected in China's increasingly embittered attacks on Russian policy.

Western diplomacy will fall tragically short of its opportunities unless it now mobilises all its resources and expertise in perpetuating and consolidating the fundamental advance thus secured. To limit discussions to Europe would be to enter a diplomatic *cul-de-sac* leading directly, almost inevitably, to new dissensions and disappointments which it would be politic to evade. If the new *détente* is to yield its full "potential", it must be made world-wide in scope. If racial apartheid, in Africa or America itself, is deleterious, political and economic apartheid, initiated and sustained by Washington's adolescent diplomacy, is disastrous, politically and commercially, and its abandonment, completely and spontaneously, should be the first major sequel to the Moscow agreement.

Joint Reaffirmation

In Europe, at this stage, a joint reaffirmation by the N.A.T.O. and Warsaw blocs of the U.N. non-aggression commitment might perhaps ease the transfer to wider discussions, and if Russian politicians and propagandists "ballooned" the significance of such a retroflected formula, their action would constitute "inflation without expansion" and western commitments and interests would remain unaffected.

Military disarmament, whatever the form or scale contemplated, will not begin unless tariff disarmament, on a far wider basis than now projected, is inaugurated as the essential prerequisite. Politicians are apt to "prescribe" for symptoms, without probing for "causes". The cancer of international antagonism will not be cured until its primary stimuli are not only identified but also eliminated.

The unequal distribution of wealth, between western and eastern nations, is undoubtedly the major source not only of East-West tensions but of communism itself. Universal and stable peace can emerge and rest securely only on the dual foundation of universal economic welfare and universal self-government—two targets still almost equally remote.

The Kennedy so-called lower tariff "round", which has not made a happy start in Europe, at best exclude one-third of the world's population wholly and automatically. The American "economic boycott" of all communist or semi-communist countries, although motivated by commendable political aims, defeats its own overriding purpose—to eliminate communism—by limiting economic growth and expansion to the richer nations, delaying and circumscribing the establishment of higher standards of production and consumption in the have-not nations, of which China is the most populous. A more reliable technique for perpetuating, even extending, communism could not be devised.

Communism can be exorcised only by exorcising poverty. Capital resources and technological progress have made the worldwide elimination of poverty feasible; but the American programme of political and economic apartheid, so long as it remains enforced, renders it unattainable. According to the U.N. economic classification, the only "developed country in Asia is Japan (thanks largely to American aid), South Africa occupying the same unique status in Africa. Both continents will remain favourable breeding grounds for communism as long as that level of economic backwardation persists, despite western "economic aid", most of which is misdirected and infructuous because it does not conform to any coherent or co-ordinated programme, either to eliminate hunger or any other handicap.

Freedom from Hunger

At the recent World Food Congress, President Kennedy stressed that, in the West, farm production has undergone a scientific revolution which may rival the industrial revolution in its social consequences. He omitted to emphasise the fundamental fact that, in the West, the industrial revolution preceded the agricultural revolution and that this sequence could not have been reversed. Nor can it be reversed in the three undeveloped continents—Asia, Africa and South America.

Whereas, as the first outcome of the industrial revolution, Britain became the "workshop of the world", today "freedom from hunger", which western Powers are pledged to promote, will not materialise until the whole world becomes industrialised to the limit of each country's natural and human resources. In this context, western food surpluses have no abiding relevance to eastern food deficiencies. If the underfed countries cannot afford to import food, except as emergency rations, still less can they afford to modernise and expand their own food production by importing the expensive mechanical and chemical aids essential to maximum productivity. As a major example, India will be able to maximise her food output only when her steel and engineering industries combine to manufacture the millions of mini-tractors, and auxiliary equipment, required to facilitate the co-operative cultivation of its millions of mini-farms. Consequently, western "economic aid" to the undeveloped countries will become fully fruitful only when it is focussed on endowing all of them—some individually, some collectively—with the industrial capacity to maximise their food outputs by their own organised efforts.

Palpably, the Kennedy tariff "round" will become effective only when it encircles the globe, eliminating the political-cum-economic apartheid established under the disastrous Dulles dictatorship as a policy always wholly mischievous, and now, on any reasoned calculation, wholly obsolete. Today China could be admitted to the U.N.O. with little risk of as complete domination by a monolithic Communist bloc as hitherto apprehended. Political, military and tariff disarmament could then proceed, concurrently and conjointly, stage by stage, under the aegis of a U.N.O. for the first time fully representative of all the countries whose willing collaboration is essential to progress in each sector.

Isolating Communist China

To isolate China is to risk Asia finally emerging as a communist continent, with "Asia for the Asiatics" as its basic programme, and an Asiatic U.N. as its international organ, with many African States as possible adherents. These are possible—by no means inconceivable—developments which it would be wiser to avert than to await.

The time has arrived for the U.K. to justify its possession of an independent nuclear deterrent by initiating a foreign policy giving interdependence—at present merely a Washington synonym for U. S. domination—a wider and more fruitful interpretation than it has yet achieved. If peace is indivisible, so is prosperity, which must be global before humanity can escape finally from the scourge of war.

The fact that the European Common Market has "gone sour", internally and externally, offers still another opportunity for a U.K. initiative. Writing prior to the fortunate failure of the attempt to rocket Britain into Europe from an American launching-pad, I suggested in the January issue of *New Commonwealth*:

> "If finally the Brussels negotiations lead only to a *cul-de-sac*, there remains the possibility of a complementary development to the Common Market, perhaps politically more congenial to the U.K. and Commonwealth units, and economically more fruitful. Probably the nearest approximation to those two attributed would be achieved by the progressive evolution of an Economic Confederation encompassing all the English-speaking countries: the U.S.A., Britain, all Commonwealth members, plus (as Confederation members) Ireland and South Africa for good measure. . .
>
> "No political barriers hinder the line of economic collaboration, I have suggested. No written constitution binds the Commonwealth. No irrevocable fiscal agreements, no sacrifice of immature industries, would be needed to inaugurate and sustain an economic confederation linking five continents and fostering economic growth and political stability in countries containing five times the population of the Common Market. . When the Prime Minister claims that the choice is not between Europe and the Commonwealth his diagnosis is correct. In the ultimate analysis, the choice is between the Commonwealth and communism."

That choice remains unchanged.

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New Delhi

SIGNIFICANCE OF THE CENTRAL CABINET CHANGES

(FROM OUR NEW DELHI CORRESPONDENT)

OPTIMISTS in New Delhi say that the Prime Minister, Mr. Nehru, has for the first time shown the determination to perform a major surgical operation on his Cabinet. He has been goaded into action because the alternative before him was the disintegration of the Congress Party which, in his view, might have led to the undermining of India's parliamentary democracy. Following the offer of the Madras Chief Minister, Mr. Kamaraj Nadar, to step down from office to do Party work, there were many offers of resignation from the Central and State Cabinets. It will be recalled that the last session of the All India Congress Committee, which was held earlier this month, gave Mr. Nehru the sole authority to select those who should be pulled out from the administration for doing Party work.

The Congress Working Committee, which concluded its two-day meeting last week, approved Mr. Nehru's scheme and accepted the resignations of six State Chief Ministers and six Central Ministers. Among the Chief Ministers are Mr. Kamaraj Nadar of Madras; Mr. B. Patnaik of Orissa; Mr. Binodanand Jha of Bihar; Mr. C. B. Gupta of Uttar Pradesh; Mr. B. A. Mandloi of Madhya Pradesh; and Bakshi Ghulam Mohammed of Kashmir. The Central Ministers whose resignations have been accepted are the Finance Minister, Mr. Morarji Desai, the Food and Agriculture Minister, Mr. S. K. Patil, the Home Minister, Mr. Lal Bahadur Shastri, the Information Minister, Mr. Gopala Reddy, the Education Minister, Mr. K. L. Shrimali, and the Transport Minister, Mr. Jagjivan Ram. As far as the States are concerned, Mr. Nehru has relieved only such Chief Ministers as have ready-made successors, such as in Madras and Bihar; or where Party dissension was so acute as to lead to a breakdown of the administration, as in U.P. and Madhya Pradesh; or where there had been charges of corruption or highhandedness, as in Orissa and Kashmir. Two controversial Chief Ministers, those of Kerala and Punjab, have been left out, the former because of the communist threat to the State and the latter because it is a border State of West Pakistan. As far as the changes in the Central Cabinet are concerned, the communists and their associates are jubilant that "reactionaries" and "Rightists" have been ousted. Efforts have been made to create a division between "progressives and reactionaries", the latter allegedly including Messrs Desai and Patil.

Mr. Nehru's decision is dictated largely by the need to strengthen the Congress Party in and outside the legislature. The new Central Cabinet will, by and large, be a homogeneous unit with no strong left or right leanings. Some say that since all of Mr. Nehru's strong but silent critics have been eliminated, the new Cabinet will work like a team. Mr. Nehru, it is believed, plans to reduce the size of his Cabinet to 11. On this basis, he will have to appoint three more Central Ministers. The present Congress president, Mr. Sanjivayya, may replace Mr. Jagjivan Ram as the representative of the scheduled castes. The names of two others will be announced shortly.

The resignation of six Central Ministers will lead to a major Cabinet reshuffle. Mr. Nehru, it is expected, will take advantage of the opportunity to reconstitute the Ministries dealing with economic affairs. His major task, however, will be to select the successors to Mr. Morarji Desai, Mr. Lal Bahadur Shastri and Mr. S. K. Patil, all of whom are now holding key portfolios. Persons close to the Prime Minister claim that the Minister for Economic and Defence Co-ordination, Mr. T. T. Krishnamachari, is tipped to succeed Mr. Desai as Central Finance Minister; the Planning Minister, Mr. G. L. Nanda, may succeed Mr. Lal Bahadur Shastri as Home Minister, the Railway Minister, Mr. Swaran Singh, may become Food and Agriculture Minister; and the Law Minister, Mr. A. K. Sen, may become Railway Minister.

If these forecasts prove correct, Mr Nehru will have to appoint Ministers for Education and Law. Alternatively, he may downgrade these Ministries, leaving them as before in the charge of two Ministers of State. Meanwhile, the Ministers who have resigned will retain their seats in Parliament. This could mean that Messrs Desai and Patil would be critics of the Prime Minister on matters concerning which there has been no opposition within the Congress Party so far. Mr. Nanda's exit from the Planning Commission, it is expected, will be followed by its overhaul. All these changes are expected to be announced by 1st September. By that date, Mr. Morarji Desai has asked Mr. Nehru to relieve him of his responsibilities as the Central Finance Minister.

ADMINISTRATION

New Committee Planned

The Central Government is likely to set up a high-powered commission, on the pattern of the Hoover Commission in the U.S.A., to suggest administrative reforms. The proposed commission will consist of non-officials and officials. It will examine the working of India's administrative machinery and recommend steps to streamline it and to cut red-tape and procedural delays in order to meet the needs of the developing economy.

The Hoover Commission submitted its report in 1949. It presented to the American people a blueprint for good Government. The report promised cash savings which had been estimated at more than $3,000 million a year. For the people of the U.S.A., the report had greater significance than any price tag could impart. "As a people, we have reached the point at which the size and cost of government can easily impair the effectiveness of our economy, lower our standards of living, and weaken our effort to lead the free peoples of the world to safety from the encroachment of totalitarianism."

The report had a good Press. As far as its implementation is concerned, there has been little progress, and the U.S. administration has expanded beyond the dreams of the Hoover Commission. So there has been no saving in expenditure.

In India, a committee under the chairmanship of Mr. Kasturbhai Lalbhai was set up soon after independence. But its report is being preserved unread in the national archives of India. Later, an "economy cell" was created, which also made valuable recommendations. But they are yet to be implemented.

During the last three years, the Prime Minister, Mr. Nehru, occasionally laid statements before Parliament, showing how large sums of money were saved through economy measures. And yet, year by year, the civil non-developmental expenditure has been steadily mounting.

The Planning Commission appointed Mr. A. D. Gorwala to submit his report on public administration which he did in 1951. Thereafter, Mr. Paul H. Appleby paid two visits to India and submitted his report on public administration. This led to the creation of the Organisation and Methods Division, adding to the demand for office space in New Delhi. Lastly, Sir Gopalaswami Ayyangar submitted his report on public administration.

Some pertinent questions might be raised in this context. Firstly, is the Government prepared to open for non-official examination various rules of procedure, such as those governing the relations between a Minister and his Secretary. Can a committee of officials and non-officials be allowed to examine, for example, the papers relating to the signing of the "Voice of America" transmitter agreement? The futility of such an exercise should be evident from the report submitted by Major-General Henderson-Brooks on the N.E.F.A. reverses, which is proposed to be kept secret. Secondly, who will implement the recommendations of the proposed commission? It is futile to imagine that any report which recommends a reduction in staff will ever be implemented by a vote-catching democracy. Leaving this long-range problem of the implementation of the report of the proposed commission, was there any thought given when a well-tried Ministry of Commerce and Industry was destroyed overnight to suit some politicians?

Then again, the recruitment to the third division secretariat service is no longer done through competitive examinations of the Union Public Service Commission. It is done through employment exchanges, with disastrous results to the efficiency of administration. This system is proposed to be extended to the recruitment of school teachers. Here it is not so much the qualifications of a person as his position on the list of an employment exchange which will receive greater consideration from the authorities.

It is well known that in India, committees are only substitutes for action. For example, the valuable and instructive reports of the productivity teams have always a set formula. After stating how productivity is increased, say, in Japan and West Germany, the reports often make a solemn declaration that "those conditions do not apply to India." The same procedure is followed in seminars too.

To protect the administration from the growing encroachment of politicians is the hard core of the problem. Parliamentary democracies everywhere are prone to lobbies and pressure groups, and India is no exception. In short, there is great scope for improving the administration. What is needed is the implementation of old recommendations without fear or favour.

PRICE POLICY

Debate in Parliament

During the debate on the no-confidence motion against the Government, it was claimed that the rise in prices had been marginal and seasonal in nature. This claim is based on the index of wholesale prices which, according to the Government, had risen by 3.5 percent during the last 12 months and 7.6 percent since the last Central Budget was presented to Parliament. But an average man does not buy his requirements at wholesale prices. Meanwhile, even the Planning Minister, Mr. Gulzarilal Nanda has given up his pre-Budget effort to hold the price-line. The statistical exercises made by the Perspective Planning Division of the Planning Commission will not, however, convince an average housewife, who finds it increasingly difficult to make both ends meet.

The case of motor-spirit could illustrate the point. Due to enhanced taxes, the price has gone up. This, in turn, has enhanced the transport bill of an average person. The members of the central cabinet can summarily dismiss the complaint, for the simple reason that their transport bill has not gone up, since they mostly use staff cars maintained at tax-payers' expense.

There is a story of a man with a fairly large family, who had gone on a pilgrimage. In one place, the party had to cross a river. There was only one ferry, which charged four annas a head for the river crossing. This was too much for the party. The headman of the party thereupon used the ferry for the purpose of measuring the depth of the river at various places and by working out averages, reached the conclusion that the average depth of the river was only knee deep. He thereupon directed the party to cross the river on foot. He got very angry, when some members of the party started getting drowned. In the same manner, the Finance Minister and the Planning Minister refused to be convinced that the rising tide of prices was literally "drowning" many a person. For Mr. Gulzarilal Nanda, the third five year plan and industrial truce were more vital than human welfare. It is wondered what would have been the result of a division on the no-confidence motion had there been the freedom of vote for the Congress Party on the specific issue of the rise in prices following the last Central Budget.

EXPORTS

Official Probe in U.K., India

A controversy is going on in Britain about the decline in her exports in recent years. One school of thought has attributed the fall to comparatively high prices of British goods. The other school lays the blame on Britain's refusal to modernise designs, particularly of industrial products. A study of this controversy will prove interesting

since India is currently engaged in raising her exports.

In May 1962, the British Government appointed a committee under the chairmanship of Mr. G. B. R. Fielden, Group Technical Director of Davy Ashmore Ltd, to consider the present position of mechanical engineering design in relation to the U.K. engineering industry and practices overseas and to recommend any changes which are likely to result in improved engineering design of British products, including in particular, changes in education and training. The committee submitted its report last June, and it is now available here.

The report says that "Britain's share of international trade in engineering goods has been declining. In spite of some notable successes, too many British products are being outclassed in performance, reliability and sales appeal. Imports of machinery have been increasing.

"Engineering goods are sold on the merits of their performance, reliability, appearance, delivery, and price. Design determines most and affects all of these factors and is, therefore, of paramount importance. Every industry is dependent upon engineering for capital plant and equipment; the quality of engineering design is, therefore, a major factor affecting costs and productivity in all industries, including the engineering industries themselves.

"There is evidence that the importance of design is not sufficiently appreciated by the managements of engineering businesses. The engineering profession has a lower social and economic status in Britain than in other highly industrialised countries. Technology attracts a lower proportion of the ablest school-leavers than science and, of these who take engineering degrees and enter the engineering industry, most are attracted by research and management appointments; very few take up design as a career.

"Where the importance of design is appreciated and the design team is adequately staffed and given its proper status, British products are outstanding. The effects of the shortage of qualified and talented designers are, however, shown in the inadequate use made of new engineering knowledge in the design of some of the traditional products of the British engineering industry. There is also disturbing evidence of failures resulting from a lack of attention to detail in almost all fields of mechanical engineering design. As rapid technological progress makes the task of the designer more complex, these weaknesses could become more serious. To remedy the situation, the committee recommends that the following steps be taken:

"(1) to impress upon the managements of engineering businesses the vital importance of the design function in engineering activity and the need to encourage more talented engineers to make their careers in design;

"(2) to use all available means, especially television, to draw attention to the great importance of engineering in the national economy and to the urgent need for more able people to train as professional engineers and to make their careers as designers;

"(3) to increase the prestige of design and the status of designers within the engineering profession and, where necessary, to amend the membership requirements of the professional institutions to give more prominence to design qualifications;

"(4) to encourage and co-ordinate experiments in methods of teaching design at under-graduate and post-graduate levels in universities and colleges and in industry;

"(5) to reorganise the practical training of professional engineers to give more emphasis on modern production methods, works organisation, costs and the influence of design; and to bring about a closer integration of the practical and academic elements of education;

"(6) to use development contracts to encourage the creation of design teams of high quality;

"(7) to use Government and public authority purchasing procedures to insist upon the highest possible standards of engineering design in the supplies and equipment produced for use in the armed services, civil establishments and the public sector of industry;

"(8) to encourage the professional institutions by means of grants from public funds to prepare and issue design manuals or 'data sheets' similar to those already prepared by the Royal Aeronautical Society;

"(9) to ensure that British standards always encourage and never inhibit good design practice."

Detailed Investigation

In a signed article recently published in *The Times*, Professor T. Barna supported the view that the lack of innovations had led to the rapid decline in exports. He said: "Whenever a more detailed investigation is made, the conclusion that the United States is the technological leader of the world and that Britain follows some way behind the United States and Germany is brought out more forcefully than by crude statistical analysis. The most advanced types of office machinery are almost always imported from America. In heavy and complex types of construction machinery or tractors, the United States is the dominant exporter. American firms operate in most of the advanced industries of the U.K., while many British firms produce under licence from abroad.

"There is nothing new in this position; it was known to exist a generation ago. Manufactures which have grown fastest in world trade between 1913 and 1929 accounted for 29 percent of U.S. exports in 1929 but for only 4 percent of British exports. Taking the advanced products of the first quarter of the century—electrical machinery and apparatus, road-vehicles, rayon and hosiery, chemicals and scientific instruments—British imports exceeded exports until 1929. Subsequently, the great depression and the protective measures of the sterling area, the war, the dollar shortage and the temporary absence from the world markets of countries defeated in the war, may have drawn attention away from the structural defects of British industry; but now these must be seriously considered.

"The common elements of the advanced industries of this century are that they are based on science rather than on craftsmanship, that they market their products rather than sell them to merchants, and that they are managed by professionally qualified teams rather than by amateurs. The long-term problem is how to make Britain catch up with the best practices of other countries."

As against the controversy in Britain, India has congratulated herself that her handspun, hand-woven *khadi* is being exported to the United States. The question of improved design has not still attracted the attention of the authorities in India. It is probably too much to expect when there are no adequate provisions for servicing and replacement of components in countries importing Indian engineering goods. Meanwhile, money is being allotted from the Consolidated Fund to give incentives to exporters. But, at the same time, taxes are levied in the name of defence and development, which have had the effect of raising the cost of production.

MAHARASHTRA

The N. C. A. E. R. Survey

In its techno-economic survey of Maharashtra, the National Council of Applied Economic Research has suggested a programme involving a total fixed investment of Rs. 780 crores over the period 1956-75. Of this, the State Government's share will be approximately Rs. 515 crores. Of this amount, it is estimated that Rs. 45 crores would have been invested in the second plan. Tentatively, it is proposed that Rs. 115 crores be invested in the third plan, Rs. 165 crores in the fourth and Rs. 190 crores in the fifth. The above programme is expected to result in an increase in the foodgrains output from 5.7 million tons to 12 million tons, of sugarcane by about 250 percent, that of cotton by 75 percent and of groundnut by 60 percent. The gross value of agricultural production is estimated to increase from Rs. 350 crores in 1956 to Rs. 710 crores in 1975.

The progress of afforestation has so far been quite slow. Tentatively, it is suggested that 450,000 acres of additional area from Government and private wastelands should be brought under forests in the next 15 years. In addition, an area of 25,000 acres may be brought under the farm forest programmes.

Maharashtra has a fairly long sea coast where excellent fishing possibilities exist. To exploit these resources fully, a programme for the mechanisation of fishing craft, extension of offshore fishing and the supply of improved fishing requisites is recommended. To get the maximum benefits, integrated fisheries development centres should be established along the coastline. Accordingly, a widely dispersed network of 17 centres of this type has been recommended for development in the four coastal districts.

In contrast to States like Orissa and Madhya Pradesh, indigenous raw material resources in Maharashtra are not sufficiently large to provide the main basis for industrial development of the State. The most promising regions for large-scale industrial development are: (a) the eastern half of the Nagpur division which not only has large concentrations of minerals and forests, but is also very favourably placed in relation to both power resources and of transport facilities; (b) the Poona division, which is situated in the main sugarcane area, and has besides excellent transport facilities and easy access to power from Koyna and (c) the northern half of the Bombay division whose main advantages are proximity to forests and sugarcane areas and good transport facilities.

Industrial Development Prospects

The prospects for industrial development in Konkan and Marathwada are, at least for some time to come, limited on account of the lack of the basic overheads, raw materials and industrial experience.

The development programme in the productive sector outlined in the report would need an investment of the order of Rs. 1,756 crores. The realisation of the output goals will, however, need supporting measures in the fields of power, transport, technical education, health and housing. Improvements in education, health and housing are justifiable on welfare grounds. The Council has proposed an investment of Rs. 1,789 crores for strengthening the social and economic overhead facilities. The power generating capacity will have to be increased to 4,120 megawatts from its 1960-61 level of 789 megawatts.

The State, taken as a whole, has ample resources, both of thermal and hydro-electric energy, to meet this demand. However, since most of the unexploited energy resources are concentrated in the eastern region, there is a distinct prospect of power shortage developing in western Maharashtra by the end of the fourth plan. To meet this eventuality, it is necessary for the State to initiate, in the near future, discussions with the neighbouring States of Madhya Pradesh and Mysore to arrange for bulk supplies of power and also to explore the possibilities of developing some of the hydel sites (particularly Punasa and Kalinadi) as inter-State projects.

Additional roads to the extent of 24,100 miles will have to be constructed by 1975 to meet the goals set under the Chief Engineers' Plan. For relieving the pressure on Bombay and for opening new areas, railway lines—especially in the Konkan region—have to be constructed. "Besides, a few missing links, especially the Latur-Parli line on the Central Railways, will have to be made good."

By far the largest investment under social overheads will be for housing. Housing conditions in the State seem to be appalling. To ensure a minimum standard for the increase in population alone will cost Rs. 990 crores. There is, moreover, a very large backlog of substandard housing, especially in urban areas, which needs urgent attention. But it does not appear likely that the volume of resources available for housing will be commensurate to meet these requirements. Unless there is conscious regulation of the types of houses to be constructed, so that a large proportion of the available meagre resources are diverted to low income housing, it is well-nigh impossible to avert further deterioration in urban housing. An investment of Rs. 400 crores is proposed for this purpose.

FERTILISERS

New Working Group

At the instance of the Planning Commission, the various Ministries have set up working groups to prepare basic material for the fourth plan. A working group for the fertiliser industry, for example, has been set up in the Central Ministry of Heavy Industries. It includes the representatives of the Food and Agriculture Ministry, the Fertiliser Corporation of India, and the Planning Commission. The working group, in its turn, has set up a technical committee, with Dr. Kane as its chairman. Side by side, the Ministry of Agriculture has prepared a fertiliser map of India, indicating what kind and quantity of fertilisers are required for a particular soil.

The working group for the machine-building industry has some problems of its own. The working group on the fertiliser industry, for example, will recommend the quantity of fertiliser required by 1971 and also various measures to meet the demand. In the nature of things, it will state how many fertiliser plants are needed by 1971. The working group on the machine-building industry will have to work upwards from this report, recommending how to create the engineering capacity for the manufacture of a fertiliser plant. But the machinery required for the latter may be common for other industrial units. This should indicate the complexity of the problem.

FREIGHT RATES

Inter-ministerial Talks

An inter-Ministerial meeting on shipping freights has urged the Government to consider chartering ships in a big way in order to counteract effectively the recent decision of the U.K.-Continent Conference lines to increase the freight rates by 12½ percent. The Government has also been urged to encourage non-Conference lines.

ELECTRONICS

Expert Body Set Up

The Government has set up an electronics committee. Its terms of reference will be as follows:

(a) to assess the total requirements of the country in relation to various items of electronic components and equipment;

(b) to survey the existing and potential sources of supply and recommend how best these sources can be tapped and capacity expanded; and

(c) to recommend measures for the planned development of electronics, so that the country as a whole may become self-sufficient in this field in the shortest possible time and in the most economical manner.

L. I. C.

Subscribing Debentures

The Life Insurance Corporation of India has agreed to subscribe for 30 percent of the debentures floated by each land mortgage bank during the remaining three years of the third plan, subject to a maximum of Rs. 6 crores in each year for all the land mortgage banks together, on the following terms and conditions:

(i) the Reserve Bank of India should subscribe for 20 percent of the issue, the State Bank of India 10 percent. The co-operatives and other sources should contribute the balance of 40 percent;

(ii) on the basis of the existing Bank rate continuing at 4½ percent, the rate of interest on the debentures should be 4¾ percent;

(iii) the debentures should not be for longer than 15 years' duration with the issue price at Rs. 98; and

(iv) the L.I.C. should be allowed an underwriting commission of ¼ percent.

DIESEL LOCOMOTIVES

Production Plan

The diesel locomotive works, it is reported, has a production target in the first instance of 150 main line broad-gauge diesel electric locomotives a year, with scope for future expansion to 250. The output of the works is anticipated as follows:

1963-64	—Part manufacture of three locomotives.	
1963-64 1965-66	—Assembly of 12 diesel locomotives imported in a knocked-down condition and the manufacture of 26 locomotives.	
1964-65	—54	
Total during the third plan		95
1966-67		108

COAL

French Aid for N.C.D.C.

Under a project agreement, the National Coal Development Corporation will carry out the working of the thick highly inclined Sirka seam at Gidi-A colliery in Karanpura by adopting the French long-wall mining method with caving and false roofing on an experimental basis. The French Government will place at the N. C. D. C.'s disposal a French engineer and technicians for acting as instructors and operators at the site, and also supply special equipment. The French authorities will bear the engineering fees covering technical and managerial services to be provided by them and also a fixed provision for depreciation of the specific equipment to be imported from France. The precise value of the equipment to be supplied by the French Government will be known only after the complete data are available and the list of equipment is drawn up. The other expenses will be borne by the N. C. D. C. The latter will become the full owners of the equipment after the departure of the French team.

JAPAN

Use of Yen Credit

The Japanese credit, it is reported, carries an interest of 6 percent a year and is repayable in 15 years. The sum of 5,400 million yen (Rs. 7.14 crores) has been made available for the first two years of the third plan in addition to the second yen credit of 28,800 million yen (Rs. 38.09 crores). The total allocation of 34,200 million yen (Rs. 45.23 crores) has been used mainly for the import of equipment and machinery from Japan required for the projects connected with power, industry, railways, transport and communications. Among the important projects covered by the credit are the Gorakhpur fertiliser project, Durgapur special and alloy steel plant, Kosi hydro-electric project and the Durgapur power-station.

MINERALS

New Export Body

A new Corporation, to be known as Minerals and Metals Trading Corporation of India Ltd, is expected to start functioning from October 1963. The Corporation will handle the export of iron and manganese ores as well as other mineral ores and the import of non-ferrous and other metals as may be decided upon by the Government from time to time. According to present estimates the export of iron ore alone is to reach a target of about 25 million tons by 1970-71.

MOTOR-VEHICLES

Reducing Production Costs

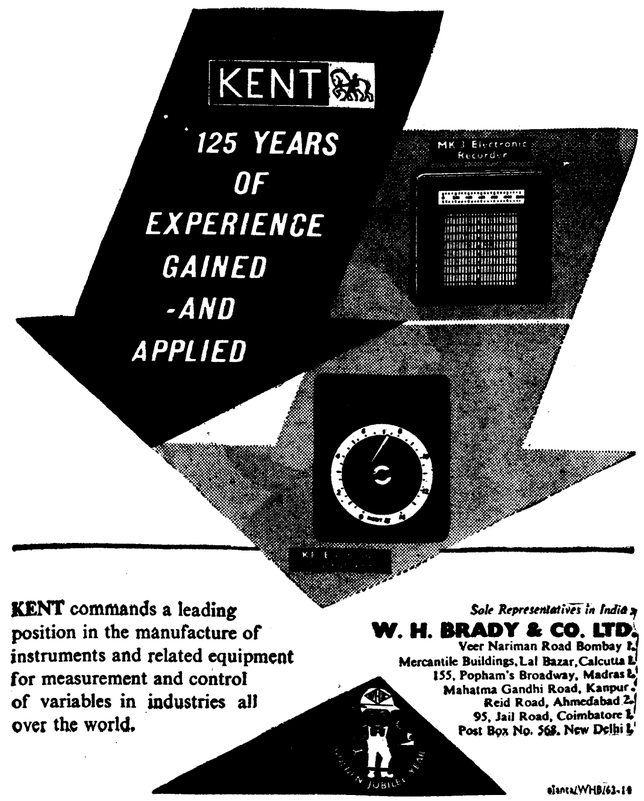
The production target for motor-cycles, scooters, mopeds, etcetera, by the end of the third plan period is 60,000 numbers a year. This capacity is fully covered by licences issued to eight firms. Five firms are already in production. Their combined production during 1962 and 1963 (January to June) was 25,040 numbers and 11,947 numbers, respectively. Two more licensed units are expected to go into production during this year or early next year.

The main factors responsible for the high cost of production are (1) the small output of vehicles and (2) the relatively higher cost of raw materials and finished components, both indigenous and imported. The prices can be brought down by an increase in production. This is, however, conditioned by the limited availability of foreign exchange. Until the indigenous content of the vehicles is substantially increased, it is not possible to increase production significantly. Manufacturers have, therefore, been given necessary facilities for the import of capital goods so as to increase the indigenous content. When the latter is increased to about 90 percent, it will be possible to raise the output and reduce production costs and selling prices.

CEMENT

New Factory Planned

The Government has granted a letter of intent to the Andhra Pradesh Mining Corporation Ltd, Hyderabad, approving its scheme for setting up a cement factory, near Ronakalu,



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with an annual capacity of 200,000 tons. Limestone for the proposed factory will be drawn from the Jaggayyapeta area of Krishna district.

Two new licences have so far been issued for establishing cement factories in Madras State. One of the licences has been issued to Messrs India Cements Ltd, Madras, to set up a cement factory, near Sankaridrug in Salem district, with a capacity of 200,000 tons a year. The other licence has been issued to Messrs Chettinad Cement Corporation Ltd, Madras, to set up a cement factory, near Karur in Tiruchirapalli district, with a capacity of 400,000 tons a year.

The existing installed capacity of the Kymore cement factory is about 582,000 tons a year and that of the Satna cement factory about 251,000 tons a year. The expansion schemes at Kymore aim at producing about 25,020 tons of white cement a year and about 180,000 tons of portland cement a year. The expansion scheme at Satna will have a capacity of 330,000 tons a year.

POWER

New Schemes under Third Plan

In order to have an adequate installed capacity available in the early years of the fourth plan to meet the anticipated demands, the Government has considered it necessary to sanction certain schemes for advance action during the third plan period. Five such schemes have so far been authorised as follows:

Dhuvaran thermal station extension	Gujarat	2×125 MW
Harduaganj thermal station extension	U.P.	2×60 MW
Kodayar hydro-electric station	Madras	75 MW
Durgapur coke oven thermal station extension	West Bengal	1×150 MW
Kothagudam thermal station extension	Andhra Pradesh	2.60 MW

TEXTILE MACHINERY

New Venture in Indore

A licence under the Industries (Development and Regulation) Act, 1951, has been granted to a private firm for establishing a new undertaking in Indore for manufacturing the following items of textile machinery:

	(Numbers a year)
Drawing frames	100
Speed frames	150
Ring frames	600
High-speed winding machines	50
Singh spindle pirn winders	50

The third plan production target for textile machinery is Rs. 20 crores a year. Against this, the present output is of the order of Rs. 14.5 crores. Meanwhile, textile machinery worth about Rs. 20 crores is being imported.

PIG IRON

Unit in Bhadravati

The Government of India proposes to set up a new unit in Bhadravati for producing pig iron with a capacity of 120,000 tons a year. Feasibility studies are being conducted for setting up a new steel plant in the Goa-Hospet region during the fourth plan period.

RECLAIMED RUBBER

Factory in Kerala Planned

The Government of India has informed Jai Hind Agencies, Cochin, that it would be prepared to grant it an industrial licence to set up a factory in Kerala in collaboration with an American firm for manufacturing reclaimed rubber, subject to its being able to arrange the import of plant and machinery on terms and conditions acceptable to the Government.

The factory is expected to go into production in about two years' time after the issue of the industrial licence.

AIRCRAFT

New State-owned Enterprise

The Government of India has floated an entirely State-owned limited company in the public sector, the Aeronautics India Ltd, with an authorised capital of Rs. 25 crores. It will manufacture *M.I.G.* supersonic and other types of aircraft. The Company will manage and control the affairs of the complex of factories to be set up for the manufacture of the airframes, aero-engines, undercarriages and other components of aircraft.

POLAND

India to Buy Power Plants

The Government has recently decided to buy two 50 megawatt units from Poland out of the Polish credit. The question of making further purchases from Poland is being examined. The Polish offer is to provide thermal power units, which may use coal middlings.

ROAD

U.S. Technical Aid

The U.S. Government has shown interest in developing the road from Srinagar to Leh. It has offered assistance in the form of expert technical advice and the supply of machinery, equipment and vehicles required for the work. The extent of assistance and other related matters are being discussed.

FRANCE

New Trade Delegation

A high-powered trade delegation from France is expected to visit India in the near future.

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T.U.C. DISCUSSES ECONOMIC DEVELOPMENT IN U.K.

(FROM OUR LONDON CORRESPONDENT)

A FIRST attempt to define the objectives and priorities of British trade unionism is made in a special report entitled *Economic Development and Planning*, published by the Trades Union Congress in preparation for its ninety-fifth meeting in Brighton next month. The document—the most thoughtful produced by the T.U.C. for years—could galvanise union thinking on the changes in industry and society, provided the General Council takes it seriously. The report only claims to "draw attention" to the implications for trade unionists of planning and change, but it urges affiliated unions and the General Council to study them in detail in the next few years. The implications fall into three groups. The first arise from changes in the structure of industry, such as automation and increased imports of manufactured goods from developing countries. The report says that this will probably mean less employment in British manufacturing and extractive industries, probably not compensated for in the service industries, where workers may be displaced in offices, transport, and shops.

The unions should do some serious research on recruiting and the services they give their members, as citizens as well as employees. They should also decide how to deal with redundancy in each case. The report doubts whether traditional defensive barriers are suited to a rapidly changing economy, and calls for a more flexible approach, a reappraisal of inter-union demarcation, and an abandonment of restrictive practices which had their origin in economic stagnation always provided, of course, that prosperity comes.

Collective Bargaining

The second group is headed "scope of collective bargaining," and here the report considers how trade unionists should seek to benefit from the fruits of expansion. Should they change their methods of bargaining? Should local tactical action be integrated into general strategy for wage and other improvements, and how should the strike weapon be used? The issue of priorities is also raised: higher basic wages, shorter working week, longer holidays, or earlier retirement? The controversial issue of restraint comes in here, as it does at several other points in the report:

"Can the collective bargaining machinery be used to secure a more just and equitable distribution of personal income, which would involve trade unionists in taking account of the effects of their actions on fellow trade unionists in other industries? ....

"Any agreement, within the framework of economic planning, on a wage strategy which involved unions in modifying their bargaining objectives could only be reached within the context of more general agreement on national economic and social priorities."

The third group is one which has received increasing attention from Congress House in recent months, and which will form the main subject of the General Council's visit to Yugoslavia in October. It is the issue of "industrial democracy." One of the purposes of trade unionism is to protect and enlarge the freedom and dignity of the individual worker. Larger industrial organisations, public or private, threaten them (though the increase in size may be economically desirable). Unions must find means to influence business and Government decisions which affect their members' lives.

Union Indifference

The report acknowledges failure in the past, blaming it partly on union indifference, partly on the limits set by employers and Government to union participation in decisions. It argues that unions must now re-examine what trade union solidarity means in the new conditions, and how a balance can best be struck between the responsiveness of the union to its members, and the accountability of a union to other sections of the trade union movement, which derives from their growing inter-dependence in a highly organised industrial economy. Quietly but with determination, the unions are pushed face to face with planning. Greatly daring, the authors in their final paragaph have adapted Mr. Cousin's statement that in a free-for-all economy, the unions are "part of the 'all'."

"Trade unions grow and develop by reacting to the circumstances in which they operate, but developments must be informed by a sense of the purpose of trade unionism, and improvisation is too often the enemy of reappraisal. Trade unionists insist that in a free-for-all they are part of the all. They are still part of the all in the more dynamic conditions that economic planning can create, and their horizons cannot be bounded by the industries in which they work or even by the frontiers of the country where they live.

"If, as they must, trade unions claim on behalf of their members higher living standards, new functions, and more extensive authority within the community, they will not be able to avoid making the changes in their own attitudes and methods that the changing situation requires of them."

The report lists the economic objectives of the unions as: (1) full employment; (2) good wages and conditions of work; (3) a fairer distribution of wealth; and (4) a voice in the nation's economic future. However, it acknowledges that these are bound to conflict with the interests of other groups in the commodity, and defines the task of planning as "to question some of the principles or dogmas" that different groups hold. Are agreements between the Government and representatives of industry incompatible with the preservation of parliamentary supremacy, the report asks, going to the root of the National Economic Development Council's dilemma? Will employers be able to insist that the private enterprise system is sacrosanct? Will trade unionists be able to assert that everything else can be planned except wages? (Rhetorical questions all obviously expecting the answer "no.")

Congress House has offered its own philosophy of planning for the education of its adherents even more than for the edification of the country at large: "The issue will be what price we are collectively and severally prepared to pay for economic expansion. There are, of course, some prices that cannot and should not be paid... One of the continuing aims of the Government in a democratic society should be to create the circumstances in which voluntary associations such as trade unions can co-exist, if only because some things are much better done by trade unions and some by trade unions and employers together than by central Government authorities. There are other things that can only be done by the Government."

The development of this theme in detail amounts to a fairly devastating, although gently written, critique of the conservatism of trade unions and of British society generally—"our refusal as a community to come to terms with the need for radical economic and industrial reforms." The criticism is distributed with an even hand. For example, when examining the general tendency to prefer private affluence to socially provided services like education, public transport, the road system, public rented housing, and urban renewal, it acknowledges the materialism of trade unionists: "... British workpeople judging by the hours they actually work rather than by the hours embodied in agreements, prefer on the whole to take their share in money rather than in leisure."

Although the report says that it is "still uncertain" how far planning requirements are likely to be met by N.E.D.C., its enthusiasm for the early effects of the council's thinking on the Budget and Government action generally is not concealed. It pledges the General Council to continue to try to make N.E.D.C. "an effective instrument of planning." By implication, the report warns off any attempt by a Labour Government to reduce the status of N.E.D.C. The T.U.C. did not join it to "exchange economic banalities" or to transmit the Government's economic views to the workers. The establishment of a body outside the Government machine whose job is to secure specific agreements on economic policy is a shift in the centre of responsibility, but one entirely in keeping with the British democratic practice of encouraging voluntary groups to take part in decisions which affect them.

Indicative Forecasting

So far, the report says, N.E.D.C. has only been engaged in "an exercise in indicative forecasting." It points the way forward to specific targets for each industry, and underlines the T.U.C.'s belief in the importance of the industrial commissions (over which it recently criticised the N.E.D.C. office for delay). Similar machinery on a regional basis may be necessary later. The report makes it clear that, in the T.U.C. view, planning must include action to "bring into line industries or firms which are failing to meet the plan's requirement."

However, it is when it turns to the unions' own part that the report shows its teeth. Both the employers and unions on the industrial commissions must be able to enter into agreements on policies affecting their members. Unions will have to have both technical resources and better communication to do this. The T.U.C. members and staff have already felt the strain of N.E.D.C. work. The union case must not be allowed to go by default at any level of planning.

If the unions are to make any impact on planning, they must have the power to speak their minds quickly and to enter into commitments that will give working people a real share. The report says bluntly that to do this will require structural changes in British trade unionism. It is not so tactless as to mention industrial unionism—so recently pushed aside by the General Council's structural enquiry—but says that the industrial commissions will "force on some groups of unions the need for operational and even organisational unity."

Prices and Incomes

The section on "prices and incomes" is notable less for anything dramatically new than for the skilful way in which it pulls together all the things that Congress House has ever been permitted to say on this sensitive subject: that money incomes must rise less rapidly than in the past; that during "a take-off to faster growth", it might be necessary to limit increases in personal incomes to allow more resources for investment and exports (this is the old "deferred benefits" idea of two years ago); that no group of trade unionists is entitled to pursue its own interests with complete disregard of others' interests.

The T.U.C. sees the proper approach to the difficult problems of incomes as being the maintenance of a high level of demand, growth of real incomes, an assurance that restraint by one section of the community does not result in gain by others, a consideration of the distribution of national wealth (which N.E.D.C. has only touched on inferentially so far), and a study of the use of manpower.

In a section on "implications for trade unionists," the report acknowledges that the "irresolution and lack of decision about Britain's economic future" which it has noted in others is also to be seen in the unions. It suggests that there is at least something in the impression of trade unionism centred on static membership, hesitancy, and immobility, and a preference for dealing with issues as they arise, "rather than by reference to abiding principles and constructive purposes."

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Commodity Markets

JOINT CAMPAIGN NEEDED TO RAISE TEA SALES

(FROM OUR SOUTH INDIAN CORRESPONDENT)

SOUTH Indian teas are losing their hold on the London market largely due to competition from Ceylon and east Africa. Ceylon teas are getting a premium over south Indian teas. Mr. J. L. H. Williams, chairman of the South Indian Association in London, gave an explanation for this while addressing the recent annual general meeting of the Association. He listed the following two factors contributing to this state of affairs: the different grades and qualities sent to the London sales and the climatic conditions at the time of production. As for climatic conditions, south India is at a great disadvantage with its heavy rush seasons concentrated in two periods of the year of about two months each. There is also the fact that the percentage increase in the total south Indian crop in the past two years has been much higher than the rise in that of Ceylon over the same period. It is possible that factory accommodation and machinery have not, in some cases, been expanded sufficiently to deal with this increase.

Much of the teas produced in south India is from comparatively low elevations and comes into the medium and common groups of teas. In the past, these had some special value as they were available when production had ceased in north India. They now have to face competition from similar teas from east Africa and other comparatively recent newcomers to the London market. But there are still a considerable number of high elevation estates which produce quality teas. These teas, Mr. Williams said, seem to find a better market in Cochin than they do in London. "It may well be that these estates sell their best grades elsewhere than in London", he added. There is, however, no means of telling this as the London market report only gives the sale averages without stating grades. Nevertheless, the chairman referred to cases where high elevation B.O.P.s and B.O.P.F.s have been sold at the London market at disappointing prices.

Mr. Williams made a strong plea in favour of joint propaganda for tea in the United Kingdom. Joint campaigns have been successful in America and Canada. "We cannot rely on tradition and there is a very real need now for such a campaign to compete with the vigorous promotion of drinks, such as beer, milk, coffee and a host of others as soft drinks", he said. Ceylon and India are now engaged in a rival campaign in the United Kingdom which means a waste of effort and money. According to Mr. Williams, the only really effective way to get results and to increase the consumption of tea is for India, Ceylon, east Africa and Indonesia and all other large producers to join hands in a single campaign to promote tea sales. The tea trade in the U.K. too has indicated its willingness to co-operate in such a joint campaign.

Issuing Import Licences

Mr. Williams suggested the liberal issue of import licences for new machinery and spare parts which were not readily and quickly available in India. This is necessary in order to help the efficient production of larger crops. Another valuable suggestion made by him in this context is the removal of discouragements against the return of trained Indian tea estate labour now working in Ceylon. This might perhaps help south Indian tea estates who are now facing the problem of labour shortage. The new power projects and industrial undertakings coming up now are competing with the plantation industry in the labour market. So the industry is at a disadvantage on account of its inability to outbid its new rivals in the matter of wages.

New Markets for Cashewnuts

The two-man trade delegation sent out to western Europe by the Cashew Export Promotion Council has returned with the impression that for the cashew trade "western Europe is the market of future" For the cashew trade—now heavily dependent on the United States—the time is overdue to find new and rewarding areas to provide it with greater balance. Western Europe perhaps gives the answer but the promise may not be realised without the unstinted efforts and co-operation of the trade and the Government, the delegation says in its report. Publicity, more than any other factor, will play the crucial rôle in realising the promise that Europe holds out for the cashew trade. Individual efforts at best will only touch the fringe of the problem. What is called for is an organised, concerted and expertly directed campaign designed to reach buyers at all levels, including the actual consumer. Publicity programmes should be thought out and implemented in a big way in order to make an effective impact, the delegation says.

Cashew kernel exports from India in July touched a new high at 250,000 cases of 50 lbs each. With this record shipment in July, the total for the first seven months of 1963 had exceeded 1.3 million cases. Exports to the U.S.A.—India's principal market—came to 698,000 cases during the seven-month period, against 630,000 cases in the same period of last year. Russia, the next important buyer took 254,000 cases, compared with 198,000 cases during the same period of last year. Exports to the east European countries showed a 33-percent increase over those of the corresponding period of 1962.

Trading in Coconut Oil

Futures trading in coconut oil at Alleppey and Cochin was suspended from 22nd August, following the closure of the markets ordered by the presidents of the respective old trade associations under emergency powers in view of the heavy fluctuations in coconut oil prices. The fluctuations were attributed to the recent announcement of the Central Government banning the import of copra by actual users during the current import policy period. The official explanation given for the Government's decision is that import licences for copra were being used under the export incentive scheme and such licences of the value of Rs. 12 crores would still be available. It is said that when these imports arrive, the prices of coconut oil may go down. The upcountry dealers are of the view that the recent rise in coconut oil prices at Alleppey and Cochin was mainly of a speculative character based on Onam and Dussera demands. Millers who had so far monopolised the import of copra have started purchasing it on a large scale since the Government announcement and have raised the oil prices, it is said. This is also the time when local production of copra is low.

Rise in Lemongrass Oil

Lemongrass oil prices have improved further to Rs. 140 a 10 kilograms on the Cochin market. This is the welcome result of the Government's intervention. The State Trading Corporation, which entered the market recently on instructions from the Government and started buying oil at the floor price fixed by the latter, has entrusted its 12 lemongrass oil collection depôts in Kerala to the three leading erstwhile exporters with a view to streamlining the collection. The Corporation authorities hope that this step will help the S.T.C. to enlist the co-operation of the people who had been in the line for a long time. The three firms mentioned above accounted for 90 percent of the export of lemongrass oil from India in the past.

Lemongrass oil production may decline this year due to the failure of monsoon in Kerala and the difficulties experienced by growers to sell the oil in the early part of the season. Last year's production was around 1,250 tons.

North Indian Tea Crop Prospects

(BY A SPECIAL CORRESPONDENT)

THE Indian tea trade is worried about the 1963 crop prospects. With production down by 10 million lbs in north India by the middle of August, the prospect of the current crop exceeding last year's is small. This year's crop, one must also conclude, must be below the 1961 record, since the monthly crop outturn for the remainder of the season cannot top the 1961 figures. The following are the statistics on outturn in September, October, November and December of the last two years.

	In million kilograms).	
	1961	1962
September	48.3	45.5
October	45.0	41.8
November	27.2	26.7
December	4.5	5.8

The all-time record monthly output was achieved in August 1961 when north India produced 50.2 million kilograms of tea. With the Assam and Bihar rivers again in spate, the immediate outlook for manufacture and despatches is not very bright. From Tezpur to Gauhati, the Brahmaputra is reported to be above the danger mark.

From time to time, reference is made in these columns to sundry aspects of scientific developments to improve the quality of tea. Soil, of course, remains one of the most important factors relating to all agricultural products. Meanwhile, in addition to the Tockloi research station, there has been a laboratory in Jorhat for some time past. It is now reported from Shillong that the Ford Foundation will provide assistance for forming another soil testing laboratory in Silchar. The Government of India is said to have approved the project and the construction work is expected to begin shortly.

The laboratory will prove useful to planters in Cachar where soil and climatic conditions vary considerably from those ruling in Assam. Although the weather is generally hotter and more steamy, production an acre in Cachar usually falls far short of the average yield from Assam gardens. So if the new laboratory can raise production by 1 maund an acre each year, valuable results will have been accomplished. The area under tea in Cachar was estimated around 74,000 acres in 1960 and 30,000 hectares in 1961.

MIDDLE CLASS COST OF LIVING INDEX NUMBER FOR CALCUTTA

(Base: August 1939)

THE Middle Class Cost of Living Indices by groups, have now been brought up to July 1963. As compared with June, the July index for Food reveals a rise of 5 points, while those for Fuel & Lighting, Clothing and Miscellaneous remain unchanged at 308, 602 and 317 points, respectively.

Combining all the factors, the Middle Class Cost of Living Index for Calcutta shows that the cost of living increased by 3 points during July 1963.

Middle Class Cost of Living Index Number for Calcutta. Prices in August 1939=100

Groups	Weights	GROUP INDICES												
		July 1962	Aug. 1962	Sept. 1962	Oct. 1962	Nov. 1962	Dec. 1962	Jan. 1963	Feb. 1963	Mar. 1963	Apl. 1963	May 1963	June 1963	July. 1963
Food ..	53.6	555	563	568	573	573	562	550	553	563	578	578	586	591
Fuel and Lighting ..	4.4	299	299	299	299	299	299	299	299	307	304	308	308	308
Clothing ..	12.4	592	596	598	598	598	598	598	598	598	602	602	602	602
Miscellaneous ..	29.6	310	311	311	311	311	311	311	311	314	317	317	317	317
Combined Index ..	100.0	476	481	484	487	487	481	474	476	482	491	492	496	499

Compiled and constructed by the Statistical Department of "Capital"

Jute

GUNNY OFFTAKE RISES DURING FIRST HALF OF YEAR

THE trade is impressed by the trend of gunny offtake during the first half of 1963. Figures relating to hessian shipments from India show that U.S. imports amount to 235,000 bales, against 210,000 bales during the corresponding period of 1962. Shipments to European ports have been 95,000 bales, against 73,000 bales, and Black Sea ports, *i.e.*, Russia, 55,000 bales, against 29,000 bales. It is hoped that demand will continue to be good during the second half of 1963. As for sacking, shipments to the Middle East have risen from 83,000 bales to 135,000 bales. But this increase has been offset by the decline in the offtake of east and west Africa, Burma, Indonesia and Australia. Perhaps these countries have imported their requirements from Pakistan.

The present lull in U.S. demand is reported to be due to the pressure of ready goods and the anxiety of bag manufacturers to reduce their stocks. The U.S.A. has shown little interest in booking for forward positions. Market circles believe that the lull may continue for a couple of months.

Export Business Concluded

Among the overseas deals concluded during the past fortnight has been the confirmation of a 12,000-bale quota for August and a 5,000-bale quota for September by Argentina. The latter quota, it is expected, will be increased to 12,000 bales. Interest from the U.K. has been poor even after the announcement of the cut in the 20-percent mark-up by the U.K. Jute Control on hessian imports. Trade circles hope that the reduction of the mark-up, although of a marginal nature, will improve the position of Indian and Pakistani fabrics against Dundee-made hessian. In sacking, the U.K. has announced free imports from 16th August.

Despite the meagre spot offtake, European markets have shown keen interest in forward positions in hessian. Australia has made small purchases in the ready position. In cornsacks, she has bought a sizable part of the quota for August-September shipment. By the end of August, she may take about 8,000 bales for September delivery. The woolpack committees have taken about 5,000 bales for all positions up to June 1964. The committees, it is expected, will enter the market in a big way for their 1964 requirements. After the purchase of 10,000 bales of B Twills for August, the Government of India, it is expected, will be in the market to complete its purchases for August-October. So trade circles hope that the demand for both sacking and hessian will keep pace with production in spite of the I.J.M.A.'s decision to continue production at the maximum level.

Cost of Pre-shipment Inspection

A leading association of jute fabric shippers has expressed concern over the likely impact of the cost of quality control and pre-shipment inspection on the prices of jute goods. In view of the fact that Indian jute goods, especially sacking, are facing stiff competition from substitutes and Pakistani products, the association fears that even a fractional increase in the prices of gunnies will affect the position of Indian goods in overseas markets. It says that except in a few isolated cases accounting for a small fraction of the total exports, foreign consumers are generally satisfied with Indian jute goods.

In reply to a questionnaire issued by the Committee on Commercial Arbitration, shippers and jute goods exporters have referred to the difficulties experienced in enforcing arbitration awards in disputes concerning contracts made with buyers in the Middle East, eastern Europe, and other countries where jute goods are imported by Government agencies. Except in the case of these countries, contracts are generally made on the standard forms provided by the Calcutta Jute Fabrics Shippers Association. In the absence of a reciprocal agreement with them for enforcing foreign arbitration awards, difficulty is felt in implementing such awards even in cases where business is transacted on the C.J.F.S.A. standard terms of contract. The Gunny Traders Association has requested the Government to take up these issues through diplomatic channels and urge buyers to agree to settle disputes through the Tribunal of Arbitration of the Bengal Chamber of Commerce and Industry. Considering the export turnover in jute goods, the number of disputes is not large. Of the total, 50 percent relate to the quality of goods supplied and 25 percent to differences in prices.

Rise in Pakistani Output

The Pakistan Jute Mills Association has reported an increase in the production of jute goods from 271,081 tons in 1961-62 to 298,161 tons in 1962-63 (July to June). Sacking shows an increase from 186,372 tons to 203,873 tons and hessian from 72,607 tons to 84,540 tons; other goods have declined from 12,102 tons to 9,748 tons. Compared with the figures for the previous month, the output of jute goods in June 1963 fell slightly from 25,236 tons to 24,761 tons. Of this, the decline in hessian has been from 7,230 tons to 7,044 tons and in sacking from 17,088 tons to 16,772 tons. The production of other goods has risen from 918 tons to 945 tons.

THE JUTE MARKETS

Manufactured Goods: Dull conditions prevailed in the gunny market during the past week. Earlier, sentiment suffered a setback due to the absence of any worthwhile overseas enquiry or business. Expectations of a Government tender did not materialise. Mills emerged as keen sellers for all positions, concluding substantial business for forward positions, which depressed the prices. End-of-account considerations also caused selling pressure in both spot and futures markets and by mid-week, prices dipped sharply for the ready and near positions; the far forward positions also softened. In the futures market, the August contracts in sacking and hessian were closed during the week. Most of the outstanding transactions were converted into November contracts. Towards the close, the trend was reversed following scattered enquiries in hessian from the U.S.A. and part of the week's losses was recovered. Sacking also hardened in sympathy and on reports of enquiries for a Government tender. The lower levels attracted brisk covering by shorts. Turnover was moderate and the undertone steady at the close.

Wednesday's quotations were as follows:

	Aug.	Sept.	Oct.-Dec.	Jan.-Mar.	Apr.-June
4oin. 7½oz.	35.40	35.65	35.75	35.25	35.00
40in 8oz.	38.15	—	—	—	—
40in. 10oz.	47.75	48.00	47.85	47.25	47.00
B Twills	111.25	111.85	112.75	112.40	112.00
Cornsacks	114.00	114.75	115.25	114.75	114.25
Heavy Cees					
(Plain)	110.75	111.50	112.50	112.25	112.00
A Twills	133.00	124.00	135.00	134.50	135.50
Liverpools	125.50	125.50	126.00	125.50	124.50

Raw Jute: Subdued conditions prevailed in the market during the past week. Mills had already completed their August purchase quota in the Calcutta and upcountry markets, so they showed little interest in fresh purchases. But heavy arrivals in the agency stations and reports about the completion of harvesting induced weak holders to transact business even at a discount from the previous week's levels. In the upcountry markets, daily arrivals were around 100,000 maunds and the offtake about 35,000 maunds to 40,000 maunds. Warehouses were virtually packed to capacity. In the Cossipore market, daily arrivals were about 40 wagons and offtake 35 wagons, mostly against already completed contracts. The State Trading Corporation has not yet entered the market. Operators are keenly awaiting the issue of the September purchase quota. Turnover was moderate and the undertone hesitant at the close.

Wednesday's quotations were as follows:

	Landed at Mills (Basis Bottoms) Current Prices		T.S.D. Minimum Prices	
	Rs. A Qtl.	Rs. A Md.	Rs. A Qtl.	Rs. A Md.
Assam-Agartala Jute	79.04	29.70	80.38	30.00
Northern Jute	77.70	29.00	79.04	29.50
Western Desal Jute	71.00	26.50	73.68	27.50
Selected Daissee	85.74	32.00	85.74	32.00
Assam-Agartala Tossa	83.05	31.00	83.05	31.00
Mesta: Assam-Northern	69.66	26.00	72.34	27.00
Local Daissee	69.66	26.00	72.34	27.00
Bihar Dist.	61.62	23.00	66.98	25.00

THE U.K. JUTE MARKETS

EASIER TREND IN FIBRE

(FROM OUR DUNDEE CORRESPONDENT)

ALTHOUGH the loose jute market in Pakistan was reported to be firm, offers made here were easier during the past week with shippers anxious for business. Some of the larger shippers who were lately quoting minimum export rates have reduced their prices. But this has

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not attracted spinners to any extent. So less buying interest was shown last week and business was confined to small parcels of selected marks. Spinners at present are not adding to their raw material stocks but are only purchasing sufficient to cover their weekly consumption. There is a feeling that prices will weaken when the full weight of the raw jute crop is felt in the market.

Offers of single marks are being made at £125 for Mill Firsts, at £106 10s for Mill Lightnings, at £93 for Mill Hearts and at £80 10s for Grade Hearts, c.i.f. U.K., for August-September shipment. Grade Tossa-2/3 was quoted at £117 and Grade Tossa-4 at £106 10s. Outport Tossa-2/3 was offered at £95 10s and Outport Tossa-4 at £85 10s, September-October. Groups were available in many instances at 10s a ton below these prices. Cuttings were steady at £56 for S.N.G. and at £45 15s for N.C.

The Siamese jute market is easier and prices are still tending lower. Little buying interest is being shown in this type of raw material. Grade A is quoted at £69 and grade B at £65, delivered mill Dundee for November-December shipment.

The Calcutta goods market is irregular, but there is a tendency for prices to decline. Little buying interest is being shown in imported goods in the U.K. Quotations are at 72s for 40in. 10oz. and at 54s for 7½oz. a 100 yards, f.o.b. Calcutta, for August shipment, at 72s 6d and 54s September and at 72s 6d and 53s 9d October-December. B Twills are at 174s 6d, 174s and 173s 9d for the respective shipment periods.

The demand for yarns and cloth at Dundee was substantial during the past week. Supplies of the former are difficult to obtain and, in many instances, new business has to be for delivery three to four months ahead. The heavy end of the trade is also busy with sacking manufacturers fully booked up to December. Prices are firm and they show a tendency to become dearer.

Industrial output in the U.K. is improving steadily, and this is being reflected in the increased demand for all types of jute goods and yarns. There are buyers, in fact, who have placed contracts for jute yarns for delivery over the next 12 months.

THE PAKISTANI JUTE MARKETS

FIBRE PRICES WEAKEN

(FROM OUR DACCA CORRESPONDENT)

SOME small business at lower levels has been reported from the overseas markets, and some outports, such as Rumania and Czechoslovakia, have bought. Despite this, however, the market in all sectors is quite lifeless. The Conference ships find no jute to lift and the Inland Water Transport Company reports the smallest cargo for years. This unfortunate position is no doubt caused by the fact that there has been a crop which, by itself, is more than sufficient for meeting the world demand. Added to this is the fact that there is a considerable carryover in Pakistan from the last season and the most bearish factor of all—heavy stocks in Europe. Even under such conditions, one would have expected a more active market than what exists at present. The last straw, however, which has broken the market's back is the complication and frustration caused by the new jute policy and the quota system.

The last attempt to bolster the market is the Jute Board's regulation that balers must open one agency for every 20,000 bales of their quota in places other than Dacca, Narayanganj, Chittagong, Khulna and Daulatpur. Similarly, the mills must open an agency for every 250 looms they have, once again in areas other than those mentioned above. As for balers, if they do not comply with the regulation, their quota will be proportionately reduced. In the case of mills presumably nothing will be done.

Several balers who ship as much as 100,000 bales a year have agencies only in Narayanganj, Dacca and Daulatpur. These agencies are certainly not buying to the full limit this year. Even with the generous quotas given to Pakistanis, they will have no difficulty in fulfilling their quotas only in these agencies. Nevertheless, under the new regulation they must open five or six new agencies, which will simply increase the cost of their operation. This does not help the grower or the small shipper and, to say the least, is unfair to the baler. Every week new measures are taken apparently to bolster the market which only succeed in harrassing balers further. Meanwhile, since the market remains at much lower levels than in India, smuggling continues to the detriment of the Pakistani economy.

Other countries such as Siam and India with little or no Government interference are increasing their crops since they find it easy to compete with Pakistan where the baler has to face complications created by the Government and has little or no time to think of world competition. The trade is slowly being strangled and even if partial nationalisation is achieved by putting the major part of the business in the hands of the J.M.C., this will probably only be achieved when world buyers will only be interested in something like 10 percent of the Pakistani crop. Meanwhile, one of Pakistan's biggest markets—the Argentine—has turned to Brazil for a large proportion of her imports.

While there is no doubt that the country's economy must be protected by export price control, the idea of internal minima, quota system and forcing balers to buy in certain areas and at certain limits, can do nothing but harm to the trade. If all internal restrictions are lifted, there will at least be a market locally; and where there is a proper market, trading must of necessity be healthy. Above all, the lack of local control will cut down a large part of selling below minima since it will make it much more difficult for balers when buying to accumulate blackmarket rupees. The fact that there is a local minimum price which must be shown on the bill, combined with the fact that the market in many areas is below the minimum price, makes it easy for unscrupulous balers to accumulate the wherewithal to pay the difference between the sale price and the minimum price to overseas buyers.

As a result of all these controls, the very evil which the Jute Board claims to be fighting is creeping into the trade. Two grades with old names but which are, in fact, new, have made their appearance. One is the genuine Dundee Mill Heart. This is an Export Lightning made of pure jat jute, clean cut and considerably higher than the standard of Export Lightnings. This is, in fact, the equivalent of the Export Firsts of a few years ago. In the present market conditions, the difference in standard between this and the ordinary Export Lightning is such that it can be sold at the minimum price whereas Export Lightnings have a value of as much as £8 or £9 below the minimum

The other new grade is the special Export Heart, which once again is pure jat and clean cut and is the equivalent of the Export Lightning of a few years ago.

These two can be sold at the minimum prices. It will be seen from this that interference in the trade has created higher standards of the two lower grades, which is exactly what the authorities have been preaching against for years and which undoubtedly is harmful to the grower. The present position is that only the unscrupulous baler profits and the respectable baler as well as the small shipper and the grower stand to lose. If some means could be found for removing local control without losing face, it will be in the interests of the trade and the country.

The upward trend in the local prices has been arrested. This trend was noticeable mainly in jat jute and only appeared in northern and district jute in areas where jat jute is also available and where, therefore, it can be mixed by unscrupulous balers into the jat standards.

Buying or registrations continue in spite of the dull market. During the first half of August, 96,734 bales were registered, which is quite a respectable quantity. The United Kingdom bought 30,375 bales, Japan 10,375, Belgium 9,125, Burma 8,300, the U.S.A. 8,175, Manila 4,500, Italy 3,675, Spain 2,872, Canada 2,850 and France 2,650 bales. India bought 2,500 bales —all long jute. The last figure is particularly interesting, since it reflects the trend of Indian mills to buy only better quality jute from Pakistan and to secure the lower quality jute and cuttings from local sources, much of which is, however, smuggled from that country.

U.S. BURLAP CONSUMPTION AND STOCKS

U.S. burlap consumption in July was 900,000 yards less than in June 1963 but was 4,500,000 yards more than in July 1962. The average monthly consumption during the first seven months was 2 million yards a month more than in the comparable period of 1962. Bag cut-up in July was 48.4 million yards and piecegoods deliveries 19.5 million yards, compared with 45.8 million yards and 17.6 million yards, respectively, in 1962. U.S. spot stocks and afloats increased slightly by 700,000 yards. At 296.6 million yards, 175.7 million yards were spots and 120.9 million yards were afloats. Both spots and afloat stocks increased slightly. Appearing below are two tables which include the July figures—(1) based on member reports to the Textile Bag Manufacturers Association and the Burlap and Jute Association and (2) projected to represent the estimated consumption and stocks for the entire industry:

U.S. burlap consumption (as reported to T.B.M.A.) (In million yards)

	1963	1962
Jan.	61	82
Feb.	78	69
Mar.	75	67
Apr.	68	62
May	65	64
June	60	56
July	60	57
Total	467	457
Mo. Av.	67	65
Aug.		65
Sept.		64
Oct.		69
Nov.		70
Dec.		66
Total		791
Mo. Av.		66

U.S. burlap stocks (as reported to T.B.M.A.) (In million yards)

	1963	1962
Jan.	266	200
Feb.	256	215
Mar.	261	222
Apr.	254	213
May	252	199
June	251	207
July	252	204
Aug.		207
Sept.		204
Oct.		203
Nov.		223
Dec.		239

U.S. burlap consumption (estimated industry total) (In million yards)

	1963	1962
Jan.	68	88
Feb.	89	78
Mar.	85	75
Apr.	77	70
May	76	73
June	69	61
July	68	63
Total	532	508
Mo. Av.	76	73
Aug.		73
Sept.		71
Oct.		75
Nov.		77
Dec.		74
Total		878
Mo. Av.		73

U.S. burlap stocks (estimated industry total) (In million yards)

	1963	1962
Jan.	306	241
Feb.	304	264
Mar.	304	259
Apr.	300	256
May	296	234
June	296	241
July	297	237
Aug.		243
Sept.		236
Oct.		249
Nov.		261
Dec.		277

ECONOMIC RESEARCH

- is an essential part of modern commerce. But it is
- not always easy to obtain. The ordinary business
- house does not usually possess the records, statistics
- and archives which are the raw material of research.
- CAPITAL'S RESEARCH & STATISTICAL DEPARTMENT
- has a long record of service to Chambers of Commerce,
- Industrial Associations and private business concerns.
- It does not undertake trade inquiries, but its facilities
- and advice are available for all kinds of research
- proper into the problems of Indian commerce
- and industry.
- CAPITAL'S RESEARCH & STATISTICAL DEPARTMENT
- has constructed and maintains a number of cost of living
- indices for various classes and communities in India
- and Pakistan. It offers the industrialist and business
- house its experience in
  - consumer market surveys
  - industrial prospecting
  - readership analysis
  - economic indices
  - business research.

). Box 14, Calcutta-1, or 5, Mission Row, Calcutta, India.

COMPANY AND PUBLIC NOTICES

JARDINE HENDERSON LIMITED

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the seventeenth annual general meeting of the members of the above-named Company will be held at the registered office of the Company No. 4, Clive Row, Calcutta-1, on Monday, the 30th day of September, 1963 at 12-00 noon for the following purposes:—

1. To receive and consider the audited accounts for the year ended 31st March, 1963, Balance Sheet as at that date and the Reports of the Board of Directors and Auditors thereon.
2. To declare a dividend.
3. (As special business) To appoint a Director in place of one retiring and in this connection to consider and if thought fit to pass the following resolution of which special notice as required by section 281 of the Companies Act 1956 has been received by the Company viz:—

   "That in accordance with the provisions of section 281 of the Companies Act 1956 the Hon'ble Sushil Kumar Sinha who has attained the age of 68 years and who retires from the Board at this time be and is hereby re-appointed a Director of the Company whose period of office will be liable to determination by retirement of Directors by rotation and it is hereby specifically declared that the age limit of the Directors prescribed by section 280 of the said Act shall not apply to him and that he be remunerated by way of a fee of Rs. 600 for each meeting of the Board attended subject to a maximum in the aggregate of Rs. 6,000/- per annum".
4. To appoint Auditors and to fix their remuneration.
5. (As special business) To consider and if thought fit to pass with or without modification the following resolution which will be proposed as a special resolution:—

   (a) In modification of the special resolution passed at a general meeting of members held on 30th March, 1961 and in compliance with section 314 of the Companies Act 1956, consent be and is hereby accorded to Mr. Sree Lal Mehta a relative of Mr. Girdharilal Mehta, a Director and a Managing Director of the Company, holding and continuing to hold an office or place of profit as an Assistant in the Company with effect from 1st April, 1963 carrying the undernoted total monthly remuneration:—

   Basic salary in time scale—

   Rs. 1,250-50-1,350 per month (with annual increments).

   Basic allowance—
   Rs. 200 per month.

   Dearness allowance—
   80% of the aggregate of the basic salary and basic allowance.

   Provident Fund—
   Upto 15% of Basic salary, the Company making a similar contribution limited to 10% of basic salary.

   (b) In modification of the special resolution passed at a general meeting of members held on 30th March, 1961 and in compliance with section 314 of the Companies Act 1956, consent be and is hereby accorded to Mr. Surendralal Girdharilal Mehta a relative of Mr. Girdharilal Mehta, a Director and a Managing Director of the Company holding and continuing to hold an office or place of profit as an Assistant in the Company with effect from 1st April, 1963 carrying the undernoted total monthly remuneration:

   Basic salary in time scale—

   Rs. 700-50-800 per month (with annual increments).

   Basic allowance—
   Rs. 200 per month.

   Dearness allowance—
   45% of the aggregate of basic salary and basic allowance but in the event of his marriage he would be entitled to receive 75% of the aggregate of the basic salary & basic allowance.

   Provident Fund—
   Upto 15% of Basic salary, the Company making a similar contribution limited to 10% of basic salary.

NOTICE is also given that the Share Transfer Books of the Company will be closed from 19th September to 30th September, 1963 both days inclusive.

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

By Order of the Board,

JARDINE HENDERSON, LIMITED,

D. FORDWOOD,
Secretary.

4, Clive Row,
Calcutta.
16th August, 1963.

Note—(1) The dividend if approved will be payable on and after 22nd October, 1963 to those members whose names are registered in the books of the Company on 30th September, 1963.

(2) **The explanatory statement required to be annexed to the Notice convening the general meeting pursuant to the provisions of section 173 of the Companies Act 1956 is being forwarded to the members.**

THE BISRA STONE LIME COMPANY LIMITED

NOTICE is hereby given to the members of the abovenamed Company that an Annual General Meeting of the Company will be held at the Registered Office, Chartered Bank Buildings, Calcutta, at 11-15 A.M. on Friday, the 27th September, 1963, for the following purposes:—

1. To adopt the Profit and Loss Account of the Company for the year ended 31st March, 1963, and the Balance Sheet as at that date together with the Directors' and Auditors' Reports thereon.
2. To declare the Dividend recommended by the Directors.
3. To appoint a Director in the place of a retiring Director.
4. To appoint Auditors and fix their remuneration.

The Share Transfer Register of the Company will be closed from 14th September, 1963 to 27th September, 1963, both days inclusive.

By Order of the Board,

BIRD & CO. (PRIVATE) LIMITED,
Managing Agents.

Registered Office:
Chartered Bank Buildings,
Calcutta, 27th August, 1963.

Notes: (a) A member entitled to attend and vote at this meeting may appoint a proxy to attend and vote instead of himself. A proxy need not be a member of the Company.

(b) **The Dividend, if declared, will be paid on or after 10th October 1963, to those Shareholders so entitled whose names appear in the Company's books on the 27th September, 1963 or to their mandatees. No application for Dividend Warrants will be necessary.**

THE LAWRENCE JUTE COMPANY LIMITED

NOTICE

AT a meeting of Directors held on 24th August, 1963 the following final Dividends were recommended for the year ended 31st March, 1963 subject to deduction of tax—

On Cumulative 'A' Preference Shares @ Rs. 9.10 per cent per annum

On Cumulative 'B' Preference Shares @ Rs. 7.15 per cent per annum

On Ordinary Shares @ Rs. 5 per share making a total of Rs. 10 per share per annum.

The Dividends will be paid on or after 18th October, 1963 to those Shareholders (or their mandatees) whose names appear in the Company's Books on 28th September, 1963.

The Share Transfer Registers of the Company will be closed from 16th September, 1963 to 28th September, 1963, both days inclusive.

By Order of the Board,

BIRD & CO. (PRIVATE) LIMITED,
Secretaries and Treasurers.

Registered Office:
Chartered Bank Buildings,
Calcutta-1,
24th August, 1963.

THE DALHOUSIE JUTE COMPANY LIMITED

NOTICE

AT a meeting of Directors held on 24th August, 1963 the following Final Dividends were recommended subject to deduction of tax—

An additional dividend on Cumulative Preference Shares in respect of the year ended 31st March, 1957 @ Rs. 2.10 per cent per annum making a total of Rs. 9.10 per cent per annum for that year to comply with the provision of the Preference shares (Regulations of Dividends) Act, 1960

Final dividends for the year ended 31st March, 1963

On Cumulative Preference Shares @ Rs. 9.10 per cent per annum

On Ordinary Shares @ Rs. 20 per share making a total of Rs. 25 per share per annum.

The Dividends will be paid on or after 18th October, 1963 to those Shareholders (or their mandatees) whose names appear in the Company's Books on 28th September, 1963.

The Share Transfer Registers of the Company will be closed from 16th September, 1963 to 28th September, 1963, both days inclusive.

By Order of the Board,

BIRD & COMPANY (PRIVATE) LIMITED,
Secretaries and Treasurers.

Registered Office:
Chartered Bank Buildings,
Calcutta-1,
24th August, 1963.

THE BISRA STONE LIME COMPANY LIMITED

AT a meeting of the Board of Directors held on Tuesday, the 27th August, 1963, the following Final dividend was recommended for declaration at the Annual General Meeting to be held on the 27th September, 1963, to be paid for the year ended 31st March, 1963, subject to deduction of tax.

On Ordinary Shares at the rate of 7½ per cent per annum, making a total of 12½ per cent per annum, subject to deduction of tax.

By Order of the Board,

BIRD & CO. (PRIVATE) LIMITED,
Managing Agents.

Registered Office:
Chartered Bank Buildings,
Calcutta, 27th August, 1963.

OFFICE OF THE SUPERINTENDING ENGINEER

DELTA IRRIGATION CIRCLE
Keshari Nagar, Bhubaneswar-1

CORRIGENDUM TO TENDER NOTICE

THE last date of receiving the tender for supply of a DREDGER is hereby extended upto the 31st October, 1963. All other conditions remain unchanged.

Sd/- B. MISRA,
Superintending Engineer,
Delta Irrigation Circle.

UNION JUTE COMPANY LIMITED

NOTICE

AT a meeting of Directors held on 24th August, 1963 the following Final Dividends were recommended for the year ended 31st March, 1963 subject to deduction of tax—

On Cumulative Preference Shares @ Rs. 9.10 per cent per annum

On Ordinary Shares @ Rs. 15 per share making a total of Rs. 20 per share per annum

The Dividends will be paid on or after 18th October, 1963 to those Shareholders (or their mandatees) whose names appear in the Company's Books on 28th September, 1963.

The Share Transfer Registers of the Company will be closed from 16th September, 1963 to 28th September, 1963, both days inclusive.

By Order of the Board,
BIRD & CO. (PRIVATE) LIMITED,
Managing Agents.

Registered Office :
Chartered Bank Buildings,
Calcutta-1,
24th August, 1963.

ANGLO-INDIA JUTE MILLS CO. LTD.

31, Netaji Subhas Road, Calcutta.

NOTICE

THE Directors at the meeting held on 17th August, 1963, have recommended to the Shareholders that the following dividends be declared at the Annual General Meeting to be held on 24th September, 1963 at 11-00 A.M. for the year ended 31st March, 1963 :

On Preference Shares at the rate of 9.1% per annum (Rs. 9.1 per share) subject to deduction of tax.

On Ordinary Shares at the rate of 12% per annum (Rs. 12 per share) subject to deduction of tax.

The Share Transfer Books of the Company will be closed from 14th to 24th September, 1963, both days inclusive.

By Order of the Board,
DUNCAN BROTHERS & CO. LTD.,
Managing Agents.

Calcutta, 19th August, 1963.

FOR
MACHINE TOOLS
AND
SPECIAL
SWEDISH
STEELS

CONTACT
FRANCIS KLEIN & CO., PRIVATE LTD.
HEAD OFFICE
1, INDIA EXCHANGE PLACE
CALCUTTA-1
SHOWROOMS
13A, GOVT. PLACE EAST
CALCUTTA-1

THE LANSDOWNE JUTE COMPANY LIMITED

NOTICE

AT a meeting of Directors held on 24th August, 1963 the following Dividends were recommended for the year ended 31st March, 1963 subject to deduction of tax—

On Cumulative Preference Shares @ Rs. 4.55 per cent in respect of the six months ended 31st March, 1958.

On Cumulative Preference Shares @ Rs. 9.10 per cent per annum in respect of the years ended 31st March, 1959, 1960 and 1961.

The Dividends will be paid on or after 18th October, 1963 to those Shareholders (or their mandatees) whose names appear in the Company's Books on 28th September, 1963.

The Share Transfer Registers of the Company will be closed from 16th September, 1963 to 28th September, 1963, both days inclusive.

By Order of the Board,
F. W. HEILGERS & CO. (PRIVATE) LIMITED,
Managing Agents.

Registered Office :
Chartered Bank Buildings,
Calcutta-1,
24th August, 1963.

THE KINNISON JUTE MILLS COMPANY LIMITED

NOTICE

AT a meeting of Directors held on 24th August, 1963 the following Dividends were recommended for the year ended 31st March, 1963 subject to deduction of tax--

On Cumulative Preference Shares @ Rs. 9.10 per cent per annum

On Ordinary Shares @ Rs. 10 per share.

The Dividends will be paid on or after 18th October, 1963 to those Shareholders (or their mandatees) whose names appear in the Company's Books on 28th September, 1963.

The Share Transfer Registers of the Company will be closed from 16th September, 1963 to 28th September, 1963, both days inclusive.

By Order of the Board,
F. W. HEILGERS & CO. (PRIVATE) LIMITED,
Managing Agents.

Registered Office :
Chartered Bank Buildings,
Calcutta-1,
24th August, 1963.

THE TITAGHUR PAPER MILLS COMPANY LIMITED

Dividends for the year ended 31st March, 1963

AT a Meeting of the Directors held on Friday, the 23rd August, 1963, the following Dividends were recommended subject to deduction of Tax under Section 194 of the Indian Income Tax Act, 1961.

On First Cumulative Preference Shares at 10.4% per annum

On Second Cumulative Preference Shares at 5.85% per annum

On Preferred Ordinary Shares at 13% per annum

On 'A' and 'B' Ordinary Shares issued prior to 1st April, 1962 at Re. 1/- per Share per annum.

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

Registered Office :
Chartered Bank Buildings,
Calcutta-1.
24th August, 1963.

THE AUCKLAND JUTE COMPANY LIMITED

NOTICE

AT a meeting of Directors held on 24th August, 1963 the following final Dividends were recommended for the year ended 31st March, 1963 subject to deduction of tax—

On Cumulative Preference Shares @ Rs. 7.15 per cent per annum

On Redeemable Cumulative Preference Shares @ Rs. 5.85 per cent per annum

On Ordinary Shares @ Rs. 10 per share making a total of Rs. 15 per share per annum.

The Dividends will be paid on or after 18th October, 1963 to those Shareholders (or their mandatees) whose names appear in the Company's Books on 28th September, 1963.

The Share Transfer Registers of the Company will be closed from 16th September, 1963 to 28th September, 1963, both days inclusive.

By Order of the Board,
BIRD & COMPANY (PRIVATE) LIMITED,
Managing Agents.

Registered Office :
Chartered Bank Buildings,
Calcutta-1,
24th August, 1963.

COMPANY MEETINGS AND DIVIDENDS DECLARED OR PROPOSED

Name of Company	Date	I.S.T. Hours
Karanpura Collieries Ltd.	29-8-63	11 a.m.
Dehri Rohtas Light Railway Co. Ltd	30-8-63	11-30 a.m.
Indian Iron and Steel Co. Ltd	3-9-63	3 p.m.
Bally Jute Co. Ltd	25-9-63	3 p.m.
Birla Jute Manufacturing Co. Ltd.	25-9-63	4 p.m.
Bisra Stone Lime Co., Ltd.	27-9-63	11-15 a.m.
Hukumchand Jute Mills Ltd.	27-9-63	4 p.m.
Indian Steel and Wire Products Ltd.	30-9-63	11-30 a.m.
Jardine Henderson Ltd.	30-9-63	12-00 noon
Indian Cable Co. Ltd.	30-9-63	3 p.m.
India Steamship Co. Ltd.	30-9-63	3-30 p.m.

DIVIDENDS DECLARED OR PROPOSED.—National And Grindlays Bank Ltd —7 p.c. (Int.) less tax; Rampur Distillery & Chemical Co. Ltd—5 p.c., subject to tax; Manabarrie Tea Co. Ltd—10 p.c., subject to tax; Gillapukri Tea & Seed Co. Ltd—15 p.c., subject to tax; Tide Water Oil Co. (India) Ltd—70 nP per share (o) (Int.), subject to tax; Bisra Stone Lime Co. Ltd—7½ p.c. (f) (o), subject to tax; Anglo India Jute Mills Co. Ltd—12 p.c. (o), subject to tax; Union Jute Co. Ltd—Rs. 15 per share (o) (f) subject to tax; Northbrook Jute Co. Ltd —Rs. 3 per share (o) (f), subject to tax; Kinnison Jute Mills Co. Ltd—Rs. 10 per share (o), subject to tax; Lawrence Jute Co. Ltd—Rs. 5 per share (o) (f), subject to tax; Lansdowne Jute Co. Ltd—Nil (o); Auckland Jute Co. Ltd—Rs. 10 per share (o) (f), subject to tax; Dalhousie Jute Co. Ltd—Rs 20 per share (o) (f), subject to tax;—Titaghur Paper Mills Co. Ltd—Re. 1 per share 'A' & 'B' (o) and 13 p.c. (P.O.) subject to tax.

THE NORTHBROOK JUTE COMPANY LIMITED

NOTICE

AT a meeting of Directors held on 24th August, 1963 the following Final Dividends were recommended for the year ended 31st March, 1963 subject to deduction of tax--

On Cumulative Preference Shares @ Rs. 7.15 per cent per annum

On Ordinary Shares @ Rs. 3 per share making a total of Rs. 3.50 per share per annum.

The Dividends will be paid on or after 18th October, 1963 to those Shareholders (or their mandatees) whose names appear in the Company's Books on 28th September, 1963.

The Share Transfer Registers of the Company will be closed from 16th September, 1963 to 28th September, 1963, both days inclusive.

By Order of the Board,
BIRD & COMPANY (PRIVATE) LIMITED,
Managing Agents.

Registered Office :
Chartered Bank Buildings,
Calcutta-1,
24th August, 1963.

HIDES AND SKINS STEADY

The market was steady. Stocks of hides were less, but those of skins were higher than in the previous week.

Bazaar Sales

(Between 20th August and 26th August, 1963)

Cowhides: Wet salted (Ord.) 10,000 pcs. on the basis of Rs. 7.50 to Rs. 11.75; Wet salted (Slaughtered) 23,500 pcs. on the basis of Rs. 10.50 to Rs. 16.50 and Rs. 19.50 to Rs. 28.50.

Goatskins: Wet salted (Patna, Daissee, Kustia) 56,000 pcs. on the basis of Rs. 240 to Rs. 260, Rs. 280 to Rs. 290 and Rs. 375 to Rs. 385; Wet salted (he-killed) on the basis of Rs. 3.75 and (she-killed) on the basis of Rs. 3.25 a piece.

Bazaar Stocks

(26th August, 1963)

Cowhides: Wet salted 63,500 pcs.

Goatskins: Wet salted (Patna, Daissee, Kustia, Killed) 44,500 pcs.; Assam-Dinajpur 1,15,000 pcs.; Muzafferpore - Patna - Pakur-Purneah-Kissenganj 212,000 pcs.

SHELLAC DULL

During the week ended 27th August, the market was dull. The range of quotations was as follows :

	Rs. a package
Pure Buttonlac	Rs. 100 value.
Lemon One Shellac	Rs. 112 buyers.
	Rs. 116 sellers.
	Rs. 112 value.
Lemon Two Shellac	Rs. 110 buyers.
Standard One Shellac	Rs. 111 sellers.
Pure T. N. Shellac	Rs. 94 value.
Golden Kusmi Seedlac	Rs. 89 value.
Kusmi One Seedlac	Rs. 76 value.
Golden Bysacky Seedlac	Rs. 82 value.
Manbhum Fine Bysacky Seedlac	Rs. 78 value.
Fine Bysacky Seedlac	Rs. 68 value.
Genuine Bysacky Seedlac	Rs. 56 value.
Grade One Class B Seedlac	Rs. 40 value.
	Rs. 64 value.
	Rs. 64 buyers.
	Rs. 66 sellers.
Grade Two Class B Seedlac	Rs. 64 value.
	Rs. 48 value.
	Rs. 48 buyers.
	Rs. 50 sellers.

Shipments during August until the 17th were 17,814 packages.

"CAPITAL" STOCK AND SHARE LIST

THE INVESTORS GUIDE AND SHAREHOLDERS GAZETTE

Official quotations of the Calcutta, Bombay, Madras, London Stock Exchange Associations and other sources.
Figures given after stroke (/) mean Naye Paise.

Wednesday, 28th August, 1963.

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GOVERNMENTS LOANS

Outstanding Amount Rs.	Interest Per cent	Year of issue	Repayable	Market quotations Rs.
GOVERNMENT OF INDIA				
2,48,91,07,000	3	1946	1986 or later	64 87
8,93,33,000	3	1896-97	At the option of the Government of India after a months notice	62/50
1,16,17,46,000	2	1938	1963-65	99/90
1,10,11,78,000	3	1943	1966-68	97/50
30,33,10,000	3	1950	1964	98/95
14,77,48,000	2½	1946	1976	83/50
1,15,05,83,000	3	1948	1970-75	88/65
1,58,17,94,000	3½	1954	1964	99/70
1,53,67,92,000	3½	1955	1965	99/60
58,05,92,000	3½	1958	1963	99/65
86,63,53,000	3½	1456	1974	95/60
56,99,30,000	3½	1957	1967	99/15
1,54,59,21,000	4	1957	1972	99/45
74,51,44,000	4	1958	1973	99/10
1,97,40,92,000	3½	1956	1967	98/95
1,36,58,41,000	3½	1958	1968	98 00 x.v.
1,90,85,42,000	3½	1959	1969	97/05
81,06,39,000	4	1959	1979	98/40
82,65,41,000	3½	1960	1966	99/55
98,50,17,000	4	1960	1980	98/40
65,96,55,000	4	1961	1981	98/50
BOMBAY				
3,40,34,300	4	1952	1964	99/80
5,10,79,800	4	1953	1963	99/75
6,57,22,800	4½	1957	1969	98/50
6,58,20,700	4½	1958	1970	98/25
4,35,25,000	4½	1958	1971	98/25
MADHYA PRADESH				
2,03,28,800	3	1948	1964	98/00
MADRAS				
5,24,81,200	4	1952	1964	99/80
10,33,70,600	4	1953	1963	99/75
5,55,57,300	4½	1958	1970	95/50
UTTAR PRADESH				
1,55,31,200	3	1936	1961 66	93/25
5,89,13,900	4	1952	1964	99/75
5,58,25,400	4	1953	1963	99/75
7,65,58,900	4½	1958	1970	98/00
WEST BENGAL				
2,00,00,000	4	1952	1964	99/82
3,60,23,300	4	1953	1963	99/75
7,58,72,200	4	1955	1967	98/25
7,11,46,100	4	1956	1968	98/25
5,10,49,700	4½	1958	1970	98/50
7,69 69,400	4	1959	1971	97/70
7,00,00,000	4	1960	1969	98/00
73,07,21,000	4½	1961	1972	98/25
MYSORE				
2,05,85,200	4	1933	1953-63	100/10
3,83,47,200	4	1953	1963	99/75

PORT TRUST LOANS

Amount Rs.	Interest Per cent	Year of issue	Repayable	Market quotations Rs.
CALCUTTA				
90,24,300	4	1914	1974	98/25
76,90,100	4	1915	1975	98/25
68,02,300	3	1921	2nd 1981	82/00
1,50,00,000	6½	1921	2nd 1981	144/00N
£892,600	5	1923	1953-83	£61
£901,000	5	1924	1954-84	£61
1,24,00,000	4½	1957	1987	99/50
	4½	1958	1988	99/00
50,00,000	4½	1959	1989	99/00
1,50,00,000	6½	1961	1971	98/75
90,00,000	4	1931	1991	93/00
50,00,000	3½	1935	1965	99/00
50,00,000	5	1946	1976	83/50
50,00,000	3	1945	1-2-2005	72/00
	3	1945	1-2-1975	83/75
25,00,000	3	1938	1963-68	93/00
50,00,000	3	1946	2006	72/00
50,00,000	2½	1947	1977	78/50
50,00,000	3	1948	1978	83/00
50,00,000	3	1950	1980	81/00
50,00,000	3	1951	1981	80/50
50,00,000	4	1953	1963	100/00
50,00,000	4	1953	1983	97/50
90,00,000	4	1955	1985	97/25
77,00,000	4	1956	1986	97/25
1,00,00,000	4	1959	1989	99/50

IMPROVEMENT TRUST LOANS

Amount Rs.	Interest Per cent	Year of issue	Repayable	Market quotations Rs.
BOMBAY				
36,50,000	4	1904	1964	96/00
35,00,000	4	1905	1965	96/00
15,00,000	4	1906	1967	96/00
44,00,000	4	1907	1968	96/00
75,00,000	4	1908	1968	96/00
40,00,000	4	1909	1970	92/00
56,00,000	4	1910	1971	92/00
75,00,000	4	1911	1972	92/00
STERLING LOANS				
£892,600	5	1923	1953-83	£63
£901,000	5	1924	1954-84	£63
£835,100	5½	1932	1962	£96½
MADRAS				
28,48,275	3½	1947	1977	A
9,88,000	3	1947	1977	A
8,00,000	3	1949	1979	A

A=Held by the Govt of India.

Amount Rs.	Interest Per cent	Year of issue	Repayable	Market quotations Rs.
CALCUTTA				
60,00,000	4	1903	1963	98/25
50,00,000	4	1904	1964	98/25
20,00,000	4	1906	1966	97/50
15,00,000	4	1907	1967	97/50
30,00,000	4	1908	1968	£95½N
£566,600	4	1909	1969	£95½N
£333,000	4	1910	1970	£100/00
25,00,000	4	1912	1972	95/00
13,00,000	4	1913	1973	95/00
50,00,000	4	1914	1974	95/00
25,00,000	4	1916	1976	95/00
66,00,000	6	1920	1945-80	119/50
25,00,000	4	1927	1981-70	99/75
10,00,000	3½	1936	1966	89/00

MUNICIPAL LOANS

Amount Rs.	Interest Per cent	Year of issue	Repayable	Market quotations Rs.
CALCUTTA				
66,88,000	3½	1951	1966	98/50
10,00,000	5½	1932	1962	100/75N
33,91,000	3½	1935	1965	96/00
72,50,000	4½	1954	1979	100/00
60,00,000	3	1936	1966	93/00
67,50,000	3	1938	1968	92/50
21,10,000	3½	1942	1972	92/00
37,36,000	6	1952	1962	99/75
1,22,72,000	4	1955	1985	97/25N
1,67,32,000	4½	1958	1970	101/00N
73,35,000	4½	1958	1968	100/50
BOMBAY				
20,00,000	4	1913-18	1974	95/00
10,00,000	5	1920	1980	101/00
2,00,34,000	3½	1951	1966	89/00
8,25,00,000	3½	1947	1977	82/00
2,13,14,500	3½	1949	1979	82/00
4,00,00,000	3½	1950	1965	95/00
MADRAS				
15,00,000	3½	1951	1961	107/00
15,00,000	3½	1952	1962	107/50

2½% U.P Zemindary Abolition Compensation Bond (per Rs 100) Rs 41/90*

*Ex eight instalments but inclusive of accrued interest.

These notes refer to the Debentures on the next page.

Option to repay at par on 6 months' notice—

(a) Option to extend the redemption period for further 10 years.
(b) at any time after.
(c) on or after 1-1-61.
(d) option to redeem at 2½% Prem. after 14-5-64 and before 15-5-69.

Option to repay on 6 months' notice—

(e) at any time after 30-6-61 at 101%.
(f) at 101% between 1-1-64 & 31-12-64.
(g) at 102/6% after 30-6-5- but before 30-6-64.
(h) at any time after 30-6-60 at 101%.

Option to repay on 3 months' notice—

(i) at any time at 3% Premium.
(j) at 1% Prem. after 1-3-64 but before 1-3-67 and 1% Prem. on or after 1-3-67
(k) at any time at par.
(l) at any time after 31-3-62 at the rate of 1% Premium.
(m) redeemable at 103% on 31-12-64 with option to redeem on any interest date at same premium after 30-6-59.
(n) at any time on two months' notice—
(o) to be redeemed at a premium of 10% Rs. 70,000 to be redeemed annually by drawing on 3 months' notice with option to redeem all after 6 years from date of issue on 6 months' notice Option not exercised repayment to be made after full term.

Option to repay.

(p) at par after September 1960.
(q) at par on or after 1-12-59.
(r) with option to redeem at 101% after 10 years or at 100/8% after 12 years
(s) Rs 1 lac Debentures to be redeemed annually by drawing from 1-6-56 with option to redeem at 100/6% between 1-6-57 to 1-6-60 and at 101% afterwards.
(t) with option to redeem at 101% after 10 years or at 100/8% after 13 years.
(u) with option to redeem all or any of the Debts at 101% at any time after 31-3-64 and at 100/8% at any time after 31-3-68.
(v) Rs 80,000 are being redeemed annually repayment of Debentures commencing serially from No. 1 to No 80 on 31-12-68.
(w) Redeemable at any time at par per cent premium (a) on 6 months' notice by the Company or (b) in the event of the security becoming enforceable or at par if the Corporation of Calcutta or Howrah purchase the undertaking on 1st January 1945 or every seventh year thereafter.
(x) At par all or any of the Debts on 31st December 1969 or on any subsequent interest date.
(y) Redeemable (a) at 102% on 1st October, 1974 or in the event of voluntary liquidation of the undertaking being purchased or in the event of the Security becoming enforceable or (b) at 105% at any time after 31st March 1953 on 6 months notice from the Co. (c) also redeemable out of a sinking fund (commencing in 1938) by drawing at 102% or purchase at or under 102%.
(z) Also redeemable out of a cumulative sinking fund of 1¼% per annum commencing in 1943 by purchase at any price less than par or by annual drawing at par.

JOINT STOCK COMPANIES PREFERENCE SHARES

Dividends are cumulative and shares carry a Preferential claim on the property for the payment of capital and on the profits for dividend except in case of companies marked otherwise. Months against names of companies indicate approximately times of payment of dividends. T means that dividend tax is deducted at source.

Year of Issue	NAMES	Amount Issued in 000's Rs.	Rate per cent	Paid-up per Share Rs.	Market Quotations 28-8-63 Rs.	Market Quotations A year ago Rs.
	BANK					
1901	Allahabad Bank (May Nov.)	15.00	8	100	96/50	95/00
	COALS					
1896-97	Borrea (June Dec.)	4.00	6½	100	84/00	83/00
1901-19	Burrakur (Jan July)	22.98	7	100	93/00	95/50
1946	Burrakur (June Dec.)	4.50	6T	10	6/00	7/25
1895	Equitable (May Nov.)	4.00	6	100	80/00	79/00
1931	Khas Kajora (March Sept.)	1.93	5	10	9/00	6/95
1920	New Beerbhoom (Jan July)	2.00	7	10	10/25	9/50
1898-00	Ondal (June Dec.)	2.00	5½	100	85/00	64/10
	COTTONS					
1902	Ahmedabad Advance (Apr. Oct.)	10.00	5	100	70/00	72/00
1834	Bangalore (Jan July)	6.00	6	100	98/44	106/63
1938	Basanti (Oct.)	5.00	6½	10	7/19	7/25
1898	Bengal-Nagpur (Apr Oct.)	3.00	7	100	48/00	49/50
1900	Bowreah "A" (Apr. Oct.)	6.00	8	100	114/00	110/00
1909	Bowreah "B" (6) (1) (Apr Oct.)	6.00	7	100	88/00	73/00
1919	Bradbury "B" (Jan Dec.)	14.85	7	50	60/50	47/00
1920	Buckingham & Carnatic (Jan July)	21.30	7½	100	109/00	118/00
1928	Cambodia (July)	1.00	7	100	83/63	90/00
1912	Central India (Apr Oct.)	50.00	5	500	416/25	402/50
..	Delhi Cloth & General (Oct.)	20.00	4½	25	16/65	16/63
1912	Elgin (May Nov.)	11.00	8	100	113/00	110/50
1943	Elgin "B"	10.00	5	10	6/50	7/25
1919	Elphinstone (May Nov.)	25.00	7T	100	75/00	73/00
1919	Kesoram (June Dec.)	20.00	7	100	107/50	107/50
1925	Khatau Makanji (Nov.)	10.00	6	100	83/00	77/00
1937	Kothari (Nov.)	12.00	6	10	7/75	8/60
1900	Muir (Feb Aug.)	30.00	6	100	122/00	116/00
1913	New Great Eastern (Mar.)	8.00	5½	200	107/00	107/00
1920	New Victoria (Apr Oct.)	16.06	6	5	2/52	3/09
1933	Palani Andavar (Mar.)	2.00	7	50	115/45	121/82
1935	Svadeshi (Bombay) (May)	15.00	5	100	86/00	87/00
1927	Swadeshi (Cawnpore) (Mar.)	35.00	6	100	71/00	68/00
1931	Vasanta (Apr. Oct.)	3.00	6½	100	86/14	95/00
1903	Vishnu (Apr.)	16.00	7	500	405/00	335/00
	JUTES					
1927	Agarpara (Jan. July)	10.00	7	100	96/50	90/50
1905	Alexandra (Feb Aug.)	9.00	7	100	85/50	86/00
1895	Alliance (March Sept.)	15.00	6	100	72/50	65/00
1917	Anglo-India (May Nov.)	40.00	7	100	99/00	94/00
1909	Auckland (July Jan.)	10.00	5½	100	77/00	73/50
1945	Auckland (July Jan.)	15.00	4½	100	57/00	56/00
1918	Bally (Jan July)	20.00	7	100	111/00	96/00
1896	Barnagore (Oct Dec.)	£200	5T	£5	38/00	38/00
1940	Bengal (June Dec.)	10.00	5½	100	70/00	65/00
1919	Birla (June Dec.)	23.64	7½T	100	78/50	81/50
1894	Budge Budge (May Nov.)	9.00	7	100	90/50	90/50
1934	Calcutta (Jan July)	6.00	6½	100	59/00	59/00
1915	Caledonian (June Dec.)	10.00	7	100	93/00	90/00
1919	Cheviot (June Dec.)	10.00	7	100	98/00	90/50
1928	Chitavalsah (Mar Dec.)	5.00	7	100	89/00	89/00
1900	Clive (First) (May Dec.)	8.00	6	100	69/00	56/50
1905	Clive "A" (Second) (May Dec.)	8.00	7	100	63/50	67/00
1903-13	Dalhousie (July Jan.)	11.76	7	100	93/00	88/50
1897	Delta (June Dec.)	5.00	6	100	64/75	70/00
1912	Empire (Jan July)	10.00	7	100	96/00	89/50
1890-93	Fort Gloster (Jan July)	14.00	7	100	111/00	94/50
1948	Fort Gloster (2nd)	7.00	5	100	65/50	65/50
1911	Fort William (May Nov.)	10.00	7	100	115/00	80/80
1916	Ganges (June Dec.)	6.00	8	100	106/00	105/00
1895-04	Gourepore (June Dec.)	26.50	6	100	91/00	85/00
1935	Hastings (Aug Feb.)	25.00	6	100	91/50	83/50
1913	Hooghly (July)	11.76	10	10	11/12	10/87
1890	Howrah (Jan July)	8.75	7	100	90/50	90/00
1903-04	Howrah "A" (Jan July)	17.50	7	100	91/00	91/00
1919	Hukumchand (June Dec.)	40.00	7	100	100/00	93/00
1898-04	Kamarhatty (Apr Oct.)	16.00	6	100	81/00	73/50
1900	Kanknarrah (Apr Oct.)	10.00	6	100	81/50	100/00
1935	Kedarnath (Jan July)	2.00	7	100	90/00	90/50
1907	Kelvin (Mar Sept.)	10.00	7	100	100/00	91/50
1895-09	Khardah (May Nov.)	9.00	6	100	77/50	77/00
1900-13	Kinnison (July Jan.)	15.00	8	100	98/00	90/00
1905	Lansdowne (July Jan.)	15.00	7	100	99/00	89/50
1912	Lawrence "A" (July Jan.)	5.00	7	100	95/00	90/00
1906-07	Lawrence "B" (July Jan.)	10.00	5½	100	70/50	62/00
1905-06	Naihati (July Jan.)	7.50	7	100	112/00	100/00
1945	Naihati (July Jan.)	10.00	4½	100	82/00	84/12
1917	National (May Nov.)	5.00	7	100	87/00	88/50
1939	Nellimarla (Apr Oct.)	5.00	6	100	76/00	76/00
1915	New Central (Jan July)	33.00	7	100	92/00	83/00
1908-09	Northbrook (July Jan.)	15.00	7	100	75/50	70/75
1935	Rameshwara (Jan July)	7.00	6	10	12/31	9/62
1906-12	Reliance (Jan July)	20.00	7	100	119/00	84/00
1928	Shree Ambica (Mar Sept.)	11.70	7½	100	90/00	90/00
1920	Soorah (Feb Aug.)	10.00	7	100	96/00	99/50
1901-02	Union (July Jan.)	6.00	7	100	98/50	88/00
1913	Waverley (Mar Sept.)	7.50	5	50	40/00	40/50
	MISCELLANEOUS					
1937	Alkali & Chemical (Mar Sept.)	31.00	5	100	87/50	85/00
1938	Aluminium Corpn (Oct.)	20.00	6	100	93/50	92/00
1944	Aluminium Corpn. (Oct.)	20.00	5	100	62/00	68/00
1948	Anderson Wright (Dec.)	20.00	4½	100	66/62	53/00
1917	Andhra Valley Power (May Nov.)	49.34	7T	1,000	1,025/00	985/00
1919	Arthur Butler (Mar.)	1.30	7	10	12/00	14/00
1916	Asstd. Hotels of India (Mar. Sept.)	21.67	7T	100	54/00	49/75
1895	Bengal Assam Steamship (Nov.)	3.00	7	60	47/00	47/00
1926	Bengal Chemical (Aug.)	6.25	7½	10	12/12	11/62
1889	Bengal Paper Mill (Mar Sept.)	2.00	7	50	46/50	46/50
1923	Bengal Paper Mill "A" (Mar. Sept.)	4.00	7	100	98/00	98/00
1936	Birds Investments (Dec.)	24.00	5½T	100	52/25	54/00
1962	Braithwaite & Co	40,00	9T	100	107/00	..
1918	Britannia Biscuit (Feb Aug.)	15.00	8	10	11/00	11/00
1920	British India Corporation (Feb.)	81.00	8	100	106/50	107/00
1995-99	Burn Eng. (1st & 2nd) (Feb Aug.)	13.00	7	100	115/50	109/00
1903-5	Burn Engineering (Feb Aug.)	15.00	6	100	103/00	99/00
1909-11	Calcutta Electric Supply (Mar. Sept.)	£1,900	5	£1	8/19	8/37
1937	Calcutta Silk Manufacturing (July Jan.)	2.00	6	100	70/00	49/12
1906	Calcutta Tramways (Jan. July)	£250	5T	£1	8/25	7/94
1938	Carew & Co. (Jan.)	8.00	6½	100	72/00	80/00
1905-24	Cawnpore Sugar Works (Feb Aug.)	10.00	8	100	104/50	118/00
1940	Chrestien Mica Industries Ltd.	30.00	5½T	100	40/00	40/50
1937	Dalmia Cement (Bharat)	35.00	6	10	8/06	8/25
1916	Delhi Flour Mills (Oct.)	90.00	7T	100	101/00	101/00
1935	Deshergarh Power Supply "A" (Jan.)	18.00	5	100	72/00	73/00
1940	Duncan Brothers & Co Ltd	45.00	4	100	56/50	56/00
1926	Dunlop Rubber "First" (Jan July)	30.00	8	100	104/75	109/00
1936	Dunlop Rubber "Second" (Apr.)	40.00	5½T	100	68/00	75/00
1897	East India Distilleries (Jan. July)	£200	7	20s	18/90	16/50
1908	General Investment & Trust (Feb Aug.)	1.00	6	100	56/00	66/00
1947	General Investment & Trust (Feb Aug.)	1.00	6T	100	48/00	48/00
1946	Gillanders Arbuthnot (Apr Oct.)	25.00	5T	100	55/00	57/50
1946	Gladstone Lyall & Co. Ltd.	15.00	6T	100	60/00	60/00
1948	Godfrey Phillips India Ltd.	30.00	5½T	100	60/75	56/00
1940	Gwalior Sugar (Redeemable) (Dec.)	6.75	7	100	62/00	62/00
1940	Gwalior Sugar (Dec.)	5.00	7	100	62/00	62/00
1936	Humayan Properties Ltd (Nov.)	12.00	6	10	6/81	6/60
1936	Indian Aluminium (Mar Sept.)	40.00	5T	100	66/75	65/00
1927	Indo Burma Petroleum (Jan July)	50.00	7T	100	76/00	79/00
1899	India General Navg & Railways	£244	6	£10	65/00	78/25
1923	Indian Cable Co (Nov.)	12.88	6	10	31/75	31/75
1918	Indian Standard Wagon (Aug or Sept.)	19.66	7	100	116/50	114/00
1936	Indian Iron & Steel	2,69.95	5	100	84/50	85/00
1936	Investment and Finance (Feb Aug.)	2.00	5	100	69/00	69/00
1935	Investment and Finance (Feb Aug.)	2.00	6T	100	60/00	60/00
1937	James Wright (Jan July)	1.30	6	50	14/00	14/00
1937	Jardine Henderson Ltd.	50.00	5½T	100	55/50	55/75
1941	Jessop & Co	10.00	5	100	75/50	74/00
1915	Kumardhubi Engineering (June)	12.00	5	100	68/00	71/00
1915	Martin Burn Ltd.	30.00	5	100	87/00	82/50
1946	McLeod & Co.	10.00	5T	100	44/50	47/25
1930	McLeod & Co.	40.00	5	100	59/75	61/00
1936	Mettur Chemical & Industrial (Sept.)	20.00	6	10	9/25	9/70
..	Metal Box Co of India Ltd	30.00	6T	100	77/50	84/00
1938	Mysore Chemical Mfg (Sept.)	2.00	6	10	7/83	7/83
1942	National Tobacco (June Dec.)	25.00	5	100	66/50	67/00
1944	National Tobacco (Jan Dec.)	20.00	4½	100	57/50	61/50
1917	Poona Electric Supply Co. Ltd (June Dec.)	4.00	7	100	99/50	101/00
1935	Premier Construction "First" (Apr.)	10.00	6½T	100	72/00	73/00
1936	Premier Construction "Second" (Apr.)	15.00	6½T	100	75/00	68/50
1922	Purtabpore (Sugar) (Oct.)	6.00	10	10	10/56	10/56
1936	Ramnugger Cane & Sugar (Aug.)	4.00	6	100	82/00	86/00
1933-36	Rohtas Industries (April)	20.00	7	100	99/50	103/00
1935	Rohtas Industries "B" (April)	86.00	4½	100	57/00	54/50
1944-48	Shaw Wallace & Co Ltd.	75.00	6T	100	55/75	58/00
1936	Shree Gopal Paper	7.50	8	100	103/00	107/00
1936-38	Shree Krishna Gyanoday Sugar "A" (Oct.)	6.00	6	100	62/00	62/00
1937	Shree Krishna Gyanoday Sugar "B"	12.00	5	100	70/00	65/00
1918	Smith Stanistreet (Chemists) (Nov.)	5.00	10	50	62/50	62/50
1933	South Behar Sugar (Oct.)	5.00	9	100	20/50	20/50
1897	Spencer & Co "A" (Provisions) (Jan July)	23.20	6½T	10	6/58	7/36
1923	Spencer & Co "B" (Provisions) (Jan. July)	36.80	8½T	10	9/50	10/20
1936	Star Paper (Apr Oct.)	10.00	5	100	65/90	65/90
1925	Surat Electricity (April)	5.00	6½	100	104/00	107/00
1939	Tata Chemicals (Nov.)	60.00	5	100	93/50	85/00
1910	Tata Hydro Electric Power (Sept Mar.)	89.28	7	100	103/00	98/00
1908	Tata Iron & Steel (First) (Nov.)	75.00	6T	150	127/50	134/00
1918	Tata Iron & Steel (Second) (May)	6.93.82	7½T	100	103/50	103/75
1919	Tata Power (May Nov.)	86.97	7½	1,000	1,050/00	1,025/00
1928	Titaghur Paper Mills (Mar. Sept.)	11.50	8	100	117/00	107/00
1936	Titaghur Paper Mills "2nd" (Mar Sept.)	15.00	4½	100	66/50	70/00
1934	Vellore Electric (Sept Mar.)	1.25	6	10	6/25	5/81
	TEAS					
1903	Amluckie (May Nov.)	75.00	7	10	21/96	21/96
1901	Banarhat (Jan.)	4.00	6½	100	91/00	75/08
1900	Birpara (Jan.)	1.00	8	100	104/00	104/00
1947	Brooke Bond Estate India Ltd.	35.00	6T	100	58/00	58/00
1914	Choonabhutti (Jan.)	2.00	6½	100	90/50	92/64
1901	Dimakusi (June Dec.)	70.00	8	10	9/50	9/50
..	Dhunseri	1.20	10	10	7/00	7/00
1894	Gielle (Sept.)	2.00	6	100	50/00	60/00
1901	Hantapara (Jan.)	50.00	8	100	69/84	89/84
1904	Hasimara (Mar.)	3.00	7	100	86/50	89/00
1897-99	Kingsley Golaghat (Dec.)	2.40	6	100	85/00	85/00
1929	Moheema (May Nov.)	3.20	6	10	5/21	6/25
1907	New Dooars (Jan.)	2.00	6½	100	91/00	74/82
1903	New Samanbagh (Nov.)	1.00	8	100	90/50	90/50
1888	Okayti (Dec.)	50.00	7	100	84/50	84/00
1914	Peermade (July)	1.50	6	100	82/77	82/77
1918	Pussimbing (Jan.)	2.05	7	100	89/50	89/00
1909	Sonai River (May)	1.00	8	100	68/00	68/00
1932	Tezpore (Jan.)	2.08	8	10	7/06	10/12
1922	Tirrihannah (May Nov.)	1.00	10	10	11/48	11/46

BANKS

H indicates that Share capital is half paid O., C. and Dd indicate Ordinary, Contributory and Deferred Shares respectively. P. next to the name of the company indicates that the company also has Preference Shares Figures in "accounts closed" column indicate the months of the calendar year in which accounts are closed For Managing Agents refer to the Key (last page) under the numbers indicated.

Paid-up Capital Ordinary Rs.	Reserve & other Funds Rs.	Cash & Securities Rs.	Net Profits including taxation Rs.	Carry forward Rs.	Accounts closed	NAMES	Dividends per cent 1960	1961	1962	Paid-up per Share Rs.	Latest Market Quotations as available until 28-8-63 Rs.	21-8-63 Rs.	A year ago Rs.
67,50,000	1,23,75,000	27.37.97.908	22.49.414†	6.09.614	12	Allahabad Bank P.	18	18	..	100	262/00	262/00	396/00
2,00,00,000H	2,09,33,260	36,87,47,482	63.19.169	4.16,722	12	Bank of Baroda	17	17	16	50	83/00	84/50	96/50
4.05,00.000H	4.11,50.000	43.61.96.153	1,11.53.496	13.09.847	12	Bank of India	20	20	20	50	104/50	108/50	117/00
2.62,86,350H 52,50,000	5,10,34,368	86.24.48,298	1.79,95.826	93.249	12	Central Bank of India	20-2/5	20	20	25	53/50	56/50	62/50
£6,600,000	£7,150 000	£141.890 310	£990.238	£540 648	12	Chartered Bank	15	15	..	£1	sh 58/6	sh. 58/3	sh. 56/10½
1,25,00,000H	10,00,000	3,70,50.489	9.68.909	17,401	12	Hindusthan Commercial	Nil	Nil	Nil	50	13/25	13/25	17/06
50,00,000H	2.85,000	94.21 660	1.68 136	28.888	12	Hindusthan Mercantile	Nil	Nil	..	50	15/62	15/62	15/50
HK$79.046.125	£240.000.000	£184.516.882	HK$45,789.942	HK$2,462,897	12	Hong Kong & Shanghai	£3¾	£3¾	£3 1/5	HK$25	£18 3/16	£18 5/16	£18
71,79,795 16,60,000	75,44,583	20,13,31,335	15,25,151	143,787	12	Indian Bank	15	15	14	100	161/00	161/00	177/00
75,00,000	78,36,660	14,65,60,072	43,80,498	2,22,933	12	Indian Overseas Bank	14	14	..	100	144/50	144/50	169/00
5,00,00,000	74.41 264	2.23.84.659	7.80.776	21.25.000	12	Industrial Finance Corpn.	..	..	..	50	..	..	..
£5,703,000	£5,250,000	£121,505,208	£714,730	£316,941	12	National & Grindlays Bank	13½	14	16	sh. 15	sh.35/9	sh. 35/3	sh. 37/-
1,99,63,820	2,36,56,382	79,55,83,097	1,13,83,168	15,20,907	12	Punjab National Bank	20	20	20	10	19/31	19/50	21/12
60,00 000	60,00,000	1,52,610,719	18,13,132	1,45,390	12	Union Bank of India	11-2/5	11-2/5	..	5	5/80	5/92	6/32
2,68,67,461	95,00,000	27,07,57,575	21,20,312	3,26,006	12	United Bank of India	4.3	6	6	10	7/37	7/37	7/87
2,23,33,937	3,03,00,000	44,63,32,187	73,32,625	25,151	12	United Commercial Bank	12	12	12	50	69/00	65/50	88/00

† Excluding taxation

JUTE MILLS

Paid-up Ordinary Capital Rs.	No. of Looms	Net Block Account Rs.	Reserve & other Funds Premiums & Forfeited Shares if any Rs.	Cash & Securities Rs.	Net Profits including taxation Rs.	Carry forward Rs.	Accounts closed	Mg. Agts., Secretaries etc.	NAMES	Dividends per cent 1960	1961	1962	Paid-up per Share Rs.	Latest Market Quotations as available until 28-8-63 Rs.	21-8-63 Rs.	A year ago Rs.
60.00.000	879	99.19.361	66.42.500	3.92.646	59.794	79 587	3	79	Agarpara P.	10	2½	2½	10	10/31	10/19	11/06
6 00.000	446	30,57,138	21,01,100	6,26,077	22,41,118	32.706	12	165	Alexandra P.	44	15	42½	100	300/00	300/00	305/00
30.00.000	1,264	48.84.147	8.04,850	5,70.976	11.43.880	58.837	6	165	Alliance P.	6	Nil	10	100	130/00	132/00	223/00
49.20.700	2,561	1.04.15.434	89.25.000	63.22.567	20.60.933	2.75.227	3	63	Anglo-India P.	20	7	10	100	233/00	232/00	232/00
40.00.000	810	61.70.400	26.57.703	4.56.210	−5.54.726	−5.02.872	3	21	Auckland P.	27	12	Nil	100	142/00	145/00	158/00
20.00.000	959	57.59.081	35.02.335	12.05.050	13.67.235	60.074	3	22	Bally P.	25	25	25	100	272/00	272/00	310/00
£275.000	1,889	£410.570	£828 859	£53.073	−£89,216	£1.042	3	128	Barnagore P.	30	10	10	£5	199/00	199/00	191/00
45.00.000	600	29.61.854	15.46.700	8.93.663	5.85.851	1.33.355	6	235	Bengal P.	5	..	..	10	9/37	9/69	10/31
1,59.56.210	1,313	5.25 85.505	3.35 31 987	90 84 701	96.65.712	1.08.070	3	22	Birla P.	15	15	15	10	29/12	28/37	36/56
36.00.000	991	48.65.076	14.32.140	1,42.233	37.69.101	30.613	10	2	Budge Budge P.	10	Nil	12	100	139/50	135/00	164/00
7.47.380	602	12.59.648	4.17 958	1.73.320	61.970	48.461	6-12	62	Calcutta P.	..	..	..	10	8/12	8/12	8/00
18.00.000	616	38.26 710	28 17 882	36 75.352	1 72.996	11 777	11	440	Caledonian P.	12	5	..	100	180/00	180/00	220/00
29.58.200	1,400	83.84.378	99.79.201	17,71.641	36.62.731	22.643	3	304	Champdany P.	10	5	Nil-40*	10	21/87	20/94	..
38.58.750	630	67.05.590	72 45.112	12.64.351	41.57.638	1.02.122	11	2	Cheviot P.	Nil	5	25	10	21/50	21/12	24/44
30.15.000	500	53.11.479	40.65.400	13.38.874	12.49 444	61.455	7	165	Chitavalsah P.	5	Nil	5	10	10/06	9/75	11/87
16.00.000	959	13.80.489	25.12 433	1.35.556	1.51.574	18.647	3	318	Clive P.	..	..	..	10	9/62	9/62	9/00
31 49.200	760	52.19 772	12 23.514	3.57.222	−61 738	−62.456	3	21	Dalhousie P.	1	1	Nil	100	153/00	140/00	130/00
56.00.000	775	1.14 91.098	68.77.425	3.58 234	38.24.413	28.674	11	2	Delta P.	7½	Nil	12	100	149/00	140/50	190/00
15.00.000	500	35.23.149	39.20.700	9.41.963	7.63.955	40.327	7	165	Empire P.	12½	7½	12½	10	17/31	17/00	16/62
63.00.000	1,864	1.68.88.474	87.06.518	7.52.017	26 14.782	14.938	3	138	Fort Gloster P.	25	10	12½	100	375/00	375/00	425/00
21.00.000	1,014	48.31.660	24.95.369	12.66.910	4.99.648	7.033	3	234	Fort William P.	22½	22½	10	10	24/50	24/50	27/19
84 32 100	1,705	1.20 88.547	40 93 282	5.26.122	41.38.028	1.89.764	3	367	Ganges P.	10	10	15	10	15/69	14/56	15/94
43.20.000	607	1.06.89.025	37.97.205	1.14.364	19.55.516	16.522	12	359	General Industrial	40	10	13	10	13/94	13/81	17/75
24.00.000	1,394	1.02 44.325	74 30.537	45.41.712	12.24.172	49.518	3	19	Gourepore P.	30	25	20	10	26/19	25/25	..
40.00.000	1,078	70 83 967	9.23 473	53.86.439	5.68.002	1.01.636	3	234	Hastings P.	6	6	6	100	128/00	128/00	126/00
16.80.000	720	28 41.207	25.26.234	12 67 575	9.69 386	38.329	3	356	Hooghly P.	10	..	..	10	20/00	20/00	31/00
65.62.500	1,940	69.79 752	46.00.997	9,34.173	57.39.425	..	3	128	Howrah P.	12½	10	Nil-10*	10	18/06	18/06	21/25
52.50.000	2,212	1.31 00.000	38.55.000	23.48.290	27 19.471	57.366	3	35	Hukumchand P.	28¾	28¾	26¾	7½	18/00	20/37	24/94
87.30.000	790	93 29 345	38.24 567	36.11 862	7 44.969	3.18.900	3	355	India	14	12	8	12½	16/94	17/50	16/25
43 20.000	1,797	52.63.977	32.17 016	8.71.993	54.54.653	14.157	12	128	Kamarhatty P.	5	Nil	20	100	189/00	190/00	174/00
54.00.000	1,524	47.44.758	13.48.482	6.39.910	59.38.810	11.179	12	128	Kanknarrah P.	Nil	Nil	10	100	125/00	125/00	130/00
28.00.000	703	53.93.372	56.73 800	13.28.826	45.353	47.758	6	165	Kelvin P.	15	15	5	100	175/00	167/00	192/00
54.00.000	1,530	35.81 995	26.08.764	5.41.356	16.20.587	59.933	3	382	Khardah P.	20	5	12½	10	18/00	18/75	17/62
48.00.000	1,250	70.14.861	46.11 711	24.80.797	−22.59 825	−21.89.282	3	106	Kinnison P.	20	7	Nil	100	135/00	135/00	146/00
24 48.000	931	33.87 827	Nil	3.63 702	−15.64.671	−6.84.149	3	21	Lansdowne P.	Nil	Nil	Nil	100	115/00	87/00	120/00
28.00.000	845	22 22.258	1.36 90.180	42.99 026	7.57 111	1.38.282	3	21	Lawrence P.	7	15	10	100	121/00	100/00	133/50
81.65.200	1,284	1.26.96.079	34.55.037	3.47.488	−17.83.515	−4.26.297	3	355	Megna P.	12	12½	Nil	10	13/94	13/31	13/62
29 98.900	415	76.99.875	12.04.575	2.94.057	10.35.634	−13.08.719	3	101	Naihati P.	..	..	..	100	100/00	81/00	107/00
20.00.000	425	10.79.854	15 55.000	26 11 429	3.36.343	17.816	4-10	107	Naskarpara	..	..	..	10	9/06	9/06	8/50
35.00.000	552	1.58.24.441	73 10.449	9.33.117	33.24 937	9.507	10	378	National P.	7½	Nil	10	10	23/25	23/25	24/25
26.25.000	816	33.46.239	35 71.072	10.72.888	14.01.865	61.184	7	165	Nellimarla P.	3	6	15	10	11/31	11/44	11/81
2,56,00.000	1,765	8.08.96.118	2.42.19.122	26.20.231	−18.53.066	15.530	3	335	New Central P.	15	15	Nil	10	12/69	12/44	15/44
16.79.880	667	51.13.896	51.70.911	4.86.781	10.14.322	32.186	3	21	Northbrook P.	30	30	20	10	30/00	28/25	37/06
66.79.500	1,092	1.00.63.618	42.63 296	5.77 179	4.25.754	65.041	3	19	Nuddea	8	6	5	50	60/00	57/00	64/50
25.00.000	400	26.00.000	12.61.704	7.07.186	7.54.830	37.324	7	165	Presidency	8	6	10	5	5/25	4/62	5/50
20.00.000	305	43.92.723	5 27 128	97.402	17.07.297	25.500	3	166	Rameshwara P.	Nil	Nil	Nil-Nil*	10	9/19	9/12	8/75
49.50.000	1,276	56.06.891	6.89.006	40.16.382	17.64.511	..	3	128	Reliance P.	Nil	Nil	Nil-Nil*	10	10/44	9/50	6/94
£600 000	2,013	£1,501.838	£1,191.136	£265.726	£175.821	£8.338	12	64	Samnugger P.	6	Nil	10	£1	10/50	10/50	10/50
30.00.000	911	47.47.618	15.81.656	27.81 388	2.13.128	3.184	3-9	61	Shree Ambica P.	9	6	Nil	10	35/00	35/00	37/00
14.00.000	401	21.82.940	17.16.854	14.69.644	15.77.802	26.425	12	166	Soorah P.	25	25	25	10	22/00	21/00	28/87
£600.000	1,794	£1,390.914	£1,181.938	£351.277	£211.646	£9.976	12	64	Titaghur P.	6	Nil	13	£1	10/50	10/50	10/50
35.98.600	1,326	37.69.632	37.88.568	11 91.543	1 70 129	18.317	3	21	Union P.	25	6	Nil	100	170/00	160/00	163/00
£400.000	1,831	£1,338.747	£932.577	£189.510	£173.749	£8.551	12	64	Victoria P.	6	Nil	10	£1	10/50	10/50	10/50
2.50.000	465	6.47.472	8.20.000	6.95.642	6.79.756	66.272	5	165	Waverley P.	30	30	60	1	8/16	8/16	6/12

* 1963

COAL COMPANIES

O., Po., F. and Dd Indicate Ordinary, Preferred Ordinary, Founders and Deferred Shares respectively. 'P' next to the name of the company Indicate that the company also has Preference Shares. Figures in "accounts closed" column indicate the months of the calendar year in which accounts are closed. For Managing Agents refer to the Key (last page) under the numbers indicated.

Paid-up Capital Ordinary Rs.	Net Block Account Rs.	Reserve & other Funds Premiums & Forfeited Shares if any Rs.	Cash & Securities Rs.	Net Profits including taxation Rs.	Carry forward Rs.	Accounts closed	Mg. Agts. Secretaries etc.	NAMES	Dividends per cent 1960	1961	1962	Paid-up per Share Rs.	Latest Market Quotations as available until 28-8-63 Rs.	21-8-63 Rs.	A year ago Rs.
25,50,000	58,52,284	43,77,800	3,90,484	16,40,057	39,096	6-12	315	Amalgamated	10	12½	15	10	24/50	25/00	21/87
1,20,00,000	3,15,46,304	2,44,30,490	36,03,088	86,68,875	10,42,254	3	236	Bengal P.	25	21	..	100	264/00	260/00	353/00
4,49,350	4,37,882	1,30,162	91,796	43,397	4,471	10	2	Bengal Bhatdee	..	..	..	10	3/48	3/48	3/48
2,25,000	3,06,216	5,45,835	5,19,015	1,55,638	16,129	12	368	Bengal Nagpur	10	26	..	10	22/00	22/00	14/25
15,97,000	23,27,321	4,87,303	63,982	2,62,417	21,275	12	..	Bhalgora	..	..	..	10	4/94	4/84	5/18
40,00,000	67,23,620	2,75,000	21,19,681	11,80,816	2,120	9	152	Bharat Collieries P.	..	..	..	10	3/53	3/50	3/25
7,15,000	14,96,845	11,02,672	64,329	—3,06,406	—4,92,536	6	335	Bhulanbararee	..	..	..	10	11/94	11/94	12/00
16,00,000	38,87,275	16,18,636	7,185	1,21,936	—79,196	12	362	Bokaro & Ramgur	..	..	..	10	11/19	11/19	11/19
7,50,000	19,13,792	22,77,003	12,32,439	5,26,414	33,647	12	106	Borrea P.	15	15	..	10	23/87	23/87	23/56
90,92,480	2,32,19,267	1,46,53,383	33,70,740	37,97,832	90,768	6	21	Burrakur P.	13	13	13	10	15/87	15/50	18/31
49,97,000	50,93,754	6,86,120	6,35,532	16,11,088	3,58,023	3	166	Central India	8	10	10	10	9/94	9/56	11/12
8,00,000	18,69,439	12,97,490	98,040	6,357	214	12	..	Central Kurkend P.	..	..	..	10	3/87	3/87	7/00
6,00,000	..	1,55,159	6,05,872	63,765	7,043	12	106	Churulia	3	..	..	4	3/06	3/06	3/06
16,00,000	25,01,705	Nil	19,429	—6,45,261	—5,39,034	12	444	Dhemo Main	Nil	Nil	..	10	4/50	4/31	5/94
£240,000	£868,390	£561,905	£13,858	£288,462	£6,234	4	128	East India	7½	15	20⅓	£1	30/00	30/00	52/50
29,63,700	1,42,23,054	1,18,76,888	27,65,725	10,14,185	33,594	12	19	Equitable P.	15	10	..	10	23/25	22/87	28/31
15,00,000	21,00,420	41,000	26,500	920	—6,24,344	3	307	Ghusick & Muslia	Nil	Nil	Nil	10	14/25	14/25	14/00
6,50,000	4,21,847	Nil	12,025	10,670	—14,705	12	20	Guzdar Kajora	..	..	..	10	2/44	2/44	2/00
8,00,000	5,43,022	..	16,702	—10,172	—3,65,025	12	393	Hurriladih	..	..	..	10	8/12	8/12	8/12
15,00,000O 5,00,000F	23,47,952	27,81,955	39,74,704	3,95,071	1,40,029	12	21	Karanpura Development	5 15	5 15	..	10O 10F	10/75	10/75	16/25
20,00,000	34,15,535	9,86,018	3,72,692	8,92,065	32,810	2	21	Karanpura Collieries P.	7½	10	10	10	15/44	15/00	13/87
14,88,460	20,68,761	16,01,825	8,75,590	8,29,962	1,11,842	1	2	Katras Jherriah	95	40	25	10	33/75	37/75	48/75
1,38,400	6,75,000	95,000	11,80,294†	49,776	1,918	6-12	337	Khas Kajora P.	..	..	..	10	18/31	18/70	18/70
5,65,750	5,95,833	Nil	9,780	—1,60,535	—16,47,497	3	372	Mundulpur	..	..	..	10	2/69	2/69	2/69
7,48,240	3,39,261	56,489	7,29,802	1,15,573	74,711	12	347	Nazira	7½	Nil	Nil	10	5/00	5/00	5/62
31,97,210	61,58,848	34,47,233	3,39,307	9,75,812	93,645	10	2	New Beerbhoom P.	16	10	..	10	19/25	19/25	23/37
9,90,340	9,04,373	5,21,710	75,374	4,12,216	43,822	3	202	New Manbhoom	7½	9	12	10	15/25	14/50	13/75
1,15,000 1,57,500	7,05,719	4,31,409	40,364	1,44,042	15,045	12	441	North West	20	20	..	10 7½	19/75 18/00	19/75 18/00	19/75 17/50
7,50,000	1,33,788	13,22,645	22,85,007	1,91,515	45,060	12	106	Ondal P.	6	7½	..	10	13/50	13/50	15/00
8,34,000	23,69,066	1,52,212	4,78,984	1,79,344	589	12	207	Parasea P.	1¼	1¼	..	10	16/00	16/00	16/00
15,75,000	32,93,192	24,59,125	4,11,055	5,41,674	54,253	3	236	Pench Valley	10	10	10	10	17/50	17/37	17/50
2,50,000	5,62,405	7,500	11,530	2,003	18,581	6-12	5	Pure Sitalpur	..	..	..	10	8/00	8/00	8/00
33,58,900	50,26,723	40,85,000	1,26,141	11,54,576	35,781	3	370	Raneegunge	15	17	17	10	15/06	14/87	15/37
13,50,000	25,32,135	20,80,190	16,89,318	13,18,197	41,523	12	236	Rewa	20	20	..	10	28/50	28/50	29/12
37,50,000	74,38,430	38,61,070	1,69,086	12,37,914	26,993	12	48	Samla	10	..	..	10	10/00	10/00	7/31
2,50,000	4,47,534	74,281	10,748	—19,279	—4,27,396	1	353	Searsole	Nil	Nil	Nil	2½	1/22	1/22	1/94
2,80,000	10,74,006	12,23,716	10,17,267	5,13,147	67,383	12	2	Seebpore P.	42 6/7	42 6/7	..	7	34/75	34/75	45/00
8,00,000	6,203	4,54,648	13,04,570	78,390	1,540	12	106	Sendra	5	3½	..	10	5/00	5/00	5/87
17,50,000	28,29,652	10,02,341	50,728	2,66,373	2,926	8	21	South Karanpura	2½	Nil	Nil	10	8/12	8/12	9/06
8,00,000	1,30,001	15,48,959	26,78,255	1,84,925	38,908	12	106	Standard	15	10	..	10	13/12	13/12	16/00
2,50,000	4,36,300	3,23,000	36,660	1,37,973	1,77,952	12	..	Union	..	..	..	10	11/12	11/12	10/37
49,98,000	63,57,150	6,09,055	2,69,620	11,72,192	1,19,162	3	166	Western Bengal	6	7½	9	10	9/00	8/81	9/56
7,00,000	26,06,335	Nil	47,091	—6,51,403	—6,23,711	12	444	West Jamuria	Nil	Nil	..	10	4/00	4/00	9/37

COTTON MILLS

Paid-up Capital Ordinary Rs.	Number on Spindle	Looms	Net Block Account Rs.	Reserve & other Funds Premiums & Forfeited Shares if any Rs.	Cash & Securities Rs.	Net Profits including taxation Rs.	Carry forward Rs.	Accounts closed	Mg. Agts. Secretaries etc.	NAMES	Dividends per cent 1960	1961	1962	Paid-up per Share Rs.	Latest Market Quotations as available until 28-8-63 Rs.	21-8-63 Rs.	A year ago Rs.
15,00,000	14,108	356	14,06,683	3,15,002	12,59,541	26,012	41,532	12	49	Basanti P.	..	..	..	10	11/44	11/50	8/00
7,11,280	36,000	932	17,17,120	2,20,369	30,842	3,66,177	47,818	3	27	Banga Luxmi	..	..	..	40	29/00	29/00	28/00
27,00,000	31,476	624	17,77,373	..	93,872	—6,24,150	—6,86,163	12	223	Bengal Nagpur P.	Nil	..	..	10	3/06	3/06	3/25
50,00,000	..	..	1,66,35,360	49,94,800	52,56,090	28,04,759	17,588	12	394	Bharat Commerce P.	5	15	15	10	20/12	19/00	29/50
39,95,950	38,764	992	60,94,300	1,21,02,782	53,37,204	39,77,025	1,67,525	3	22	Birla Cotton	10	20	20	10	30/25	33/00	32/00
33,60,000	43,136	841	1,00,69,568	40,37,060	2,04,094	21,74,042	1,94,107	12	138	Bowreah P.	10	20	15	10	21/88	21/75	27/19
30,00,000	22,000	510	32,89,583	62,22,574	9,41,816	13,74,402	49,055	12	25	Cawnpore Textiles	7 1/5	10	10	5	6/00	6/00	7/31
3,78,33,535	1,97,348	3,307	6,72,37,739	6,96,27,768	77,61,228	3,08,40,769	4,03,436	6	238	Delhi Cloth & Genl. P.	12	13	13	25	40/97	40/91	52/12
38,00,000	43,049	618	61,51,892	54,80,125	1,40,191	32,83,543	1,03,713	12	138	Dunbar	20	20	15	10	26/19	26/12	32/00
63,00,000	64,000	1,200	95,39,870	2,10,49,560	93,81,545	70,11,091	89,499	9	389	Elgin P.	11½	17½	17½	10	17/37	17/37	19/12
1,25,00,000	..	..	3,48,97,571	56,34,321	65,50,730	19,28,764	1,22,795	12	158	J. K. Cotton (Rayon) P.	12½	..	..	10	11/06	10/56	17/37
49,18,000	6,272	202	51,44,000	24,71,500	4,76,536	28,42,100	87,266	12	22	Jay Shree	10	10	..	10	13/69	13/87	16/75
30,00,000	38,000	1,825	47,44,548	52,19,301	92,65,055	18,77,941	—7,77,290	12	208	Muir P.	..	..	..	100	90/75	90/75	114/00
35,11,583	78,848	1,367	47,49,840	3,96,960	1,09,256	12,73,361	—63,55,495	12	237	New Victoria P.	Nil	..	..	2½	1/41	1/37	1/62
48,00,200	..	..	1,08,10,352	78,144	2,34,188	12,34,741	—22,17,524	3	399	Orissa Textiles P.	Nil	Nil	..	10	9/00	9/00	10/06
19,47,750O 5,00,000Dd	23,196	795	15,49,229	80,773	2,37,475	3,38,087	..	6	4	Rampooria Cotton	3 Nil	Nil Nil	.. Nil	10 1	13/00 2/00	13/00 2/00	11/00 2/00
17,50,000O 1,57,50,000Po	1,14,836	2,077	4,48,79,351	2,63,83,071	2,15,81,189	76,20,241	5,044	12	333	Swadeshi (Kanpur) P.	5 5.51	.. ..	.. ..	10O 10PO	11/50 6/94	11/50 7/00	11/50 8/19

TEA COMPANIES

O., Po. and Dd indicate Ordinary Preferred Ordinary and Deferred Shares respectively. P. next to the name of the company indicates that the company also has Preference Shares. Figures in "accounts closed" column indicate the months of the calendar year in which accounts are closed. For Managing Agents refer to the Key (last page) under the numbers indicated.

ASSAM

Paid-up Capital Ordinary Rs.	Net Block Accounts Rs.	Reserve & other Funds Rs.	Area Hectares	Outturn and Average Price per Kg. realised for crop 1961 Kgs.	1961 Rs.	1962 Kgs.	1962 Rs.	Estimate 1963 Kgs.	Net Profits including taxation Rs.	Accounts closed	Mg. Agts. Secretaries etc.	NAMES	Dividends per cent 1960	1961	1962	Paid-up per Share Rs.	Latest Market Quotations as available until 28-8-63 Rs.	21-8-63 Rs.	A year ago Rs.
4,45,700	16,40,103	16,37,403	..	4,24,104	4.81	413.012	5.67	4,71,700	2,90,039	12	165	Amluckie P.	Nil	10	7½	10	16/50	16/50	25/94
7,00,000	12,87,204	8,65,604	506†	3,11,077	6.58	391.064	6.71	..	3,50,091	12	88	Anandabag P.	30	22½	20	10	20/00	20/00	24/25
5,50,000	16,63,877	15,34,741	..	3,53,284	5.32	320.928	5.99	3,62,900	1,91,032	12	165	Baghmari	Nil	15	7½	10	13/56	14/00	19/25
1,80,000	..	..	..	..	..	..	..	..	..	12	349	Barduar Tea	Nil	..	..	6	8/50	8/50	8/50
7,65,000	18,61,913	10,56,655	160	3,13,600	6.01	286.800	6.60	2,90,000	3,93858	12	2	Basmatia	35	25	20	10	27/25	27/25	27/25
4,95,900	..	..	..	4,12,342	4.34	..	..	..	..	12	345	Bateli	50	30	..	5	17/50	17/50	18/00
6,40,000	12,12,739	12,28,191	619†	4,08,269	6.56	405.929	6.66	..	5,57,424	12	88	Betjan	40	45	30	10	29/19	28/75	32/62
33,00,000	38,97,401	18,10,167	1,394	16,30,448	5.80	1,517.589	6.71	15,78,600	15,42,968	12	279	Bishnauth	13	13	20	10	17/56	17/56	17/94
6,00,000	11,68,235	5,03,003	194	2,23,909	5.90	209.073	7.12	2,43,125	2,62,960	12	202	Bokakhat	Nil	12	13	10	13/70	13/70	13/70
7,50,000	13,90,224	11,90,375	..	3,03,665	5.50	300.721	5.85	3,08,400	3,94,885	12	165	Bormah Jan P.	15	15	15	10	12/25	14/25	16/12
4,50,000	7,86,600	2,36,500	239	2,65,021	5.25	258.733	6.32	2,90,300	1,15,476	12	279	Bor Pukhuri	Nil	Nil	10	10	10/75	10/75	9/31
35,00,000	..	..	..	14,26,351	5.27	..	..	..	..	6	127	Brooke Bond P.	15	10	7½	10	12/06	11/50	14/50
1,20,000	9,24,434	9,31,522	..	1,73,277	5.19	200.496	5.90	1,99,600	2,85,668	12	165	Dejoo Valley	15	20	30	10	60/00	60/00	49/25
8,40,000	13,39,224	9,51,460	535	5,43,624	5.68	597.724	6.12	5,33,773	7,20,815	12	128	Dessai & Parbutia	Nil	10	15	100	205/00	205/00	141/00
17,53,440	..	..	..	2,94,761	6.64	..	..	..	..	12	214	Dhelakhat	12½	10	..	10	18/81	18/81	20/12
7,00,000	20,46,600	8,35,000	558	6,32,799	4.70	554.700	5.16	6,20,000	2,14,165	12	365	Dhunseri P.	20	15	10	10	11/75	11/75	16/00
4,50,000	17,18,470	16,36,695	..	3,05,738	6.23	301.917	6.68	3,30,200	5,86,433	12	165	Dibrugarh	40	40	30	10	31/25	31/25	35/50
4,73,400	10,37,000	8,52,500	256	3,01,383	5.81	297.513	6.44	3,08,000	2,71,648	12	279	Dimakusi P.	25	20	25	10	21/87	21/87	21/94
7,00,620	14,88,200	15,53,500	274	4,64,799	5.77	403.594	6.70	4,36,000	5,29,546	12	279	Dufflaghur	25	25	30	10	27/50	27/50	28/75
10,00,000	20,32,480	11,26,500	481	5,25,798	5.76	494.612	6.30	5,27,000	2,06,168	12	279	East India	Nil	Nil	10	10	13/44	13/44	18/87
5,03,760	..	..	..	3,58,797	..	..	..	..	..	12	354	Gillapukri	25	20	..	10	25/44	25/44	25/44
6,76,000	12,41,500	7,48,500	228	2,54,919	5.81	259.394	7.44	2,62,000	4,74,030	12	279	Gohpur	Nil	5	20	10	15/19	15/19	13/50
23,29,085	54,85,603	36,46,798	1,042	10,79,309	4.98	1,039,276	6.17	11,32,167	3,83,294	12	202	Grob	6	6	6	5	7/94	7/94	9/19
5,00,000	..	..	..	3,58,885	..	..	..	..	..	12	354	Hoograjuli	20	20	..	10	27/12	27/12	24/44
8,70,000	26,52,302	15,02,799	542	4,83,006	3.71	515,500	6.62	3,00,000	4,51,521	12	2	Hoolungoorie	10	7½	20	100	195/00	195/00	176/00
9,00,000	18,88,785	11,65,055	953	5,39,472	5.99	533.423	6.50	..	6,31,655	12	88	Jutlibari	30	30	20	10	31/50	31/50	32/00
2,40,000	..	..	..	5,52,301	5.10	..	..	..	..	12	236	Kingsley Golaghat P.	35	35	..	100	140/00	140/00	212/00
1,80,000	19,59,626	1,45,000	494	5,24,469	4.60	488,346	4.97	5,20,000	1,21,490	12	63	Kotamullai P.	Nil	Nil	Nil	5	10/31	10/31	10/31
5,00,000	..	..	..	1,73,581	..	..	..	..	..	12	41	Krishnabehari	15	8	..	10	10/50	10/50	10/12
2,90,000	..	..	..	..	..	..	..	..	..	12	236	Kyang Tea	Nil	..	..	10	8/06	8/06	8/06
6,50,000	14,12,161	9,50,234	268	2,79,777	5.15	281,500	5.30	2,85,000	53,354	12	63	Ledo	Nil	Nil	Nil	10	13/75	13/75	17/25
8,00,000	11,99,968	1,30,508	275	2,28,707	4.96	210,642	5.26	2,23,167	1,25,716	12	..	Maud Tea & Seed	10	7½	7½	10	14/81	14/81	14/81
10,00,000	16,16,636	14,78,000	262	3,82,580	6.03	374,221	7.12	3,81,045	6,21,941	12	202	Methoni	5	14	20	10	16/19	16/19	21/25
4,80,000	..	..	..	5,15,200	1.92	..	..	..	..	12	..	Moheema	Nil	Nil	..	10	11/50	11/50	11/50
1,50,000	3,24,738	13,65,825	..	83,921	..	122,745	..	..	1,22,731	12	138	Mothola	30	30	35	100	507/00	507/00	507/00
1,75,000O 2,00,000Po	14,68,025	9,31,447	160	1,82,900	6.01	171,400	8.41	2,00,000	4,99,564	12	2	Murphulani (Assam)	5 10.63	15 20.63	25 30.63	10 10	26/50 26/87	26/50 26/87	26/50 28/75
4,00,000	12,90,728	7,77,459	220	3,19,104	4.51	326.748	5.10	3,40,000	1,24,658	12	143	Naga Hills	10	10	10	10	22/25	22/25	22/69
5,35,000	..	..	..	3,47,154	4.58	..	..	..	..	12	..	Namburnadi	12	12	..	10	12/87	12/87	14/56
5,00,000	7,84,102	3,97,500	299	2,90,978	5.98	296,696	7.64	2,90,000	5,86,793	12	63	New Cinnatolliah	Nil	Nil	Nil	100	302/00	302/00	101/00
6,00,000	14,50,587	7,57,922	170	2,16,600	5.31	230,700	6.35	2,22,500	3,62,519	12	2	Rajgarh	40	13½	17½	10	19/00	19/00	22/87
13,50,000	..	..	..	6,32,808	..	..	..	..	..	12	354	Sapoi	22½	20	..	10	13/31	13/31	18/31
2,49,000	6,35,900	6,85,000	208	2,42,697	5.56	207,643	7.36	2,21,000	3,75,627	12	279	Seajuli	22½	15	30	10	21/12	21/12	21/06
5,98,000	17,86,091	15,24,544	..	3,73,286	4.99	390.802	5.61	3,81,000	5,06,871	12	165	Teloijan	25	25	25	10	22/00	22/00	27/75
8,00,000	12,80,761	7,41,936	345	3,48,111	6.59	338.378	6.81	..	4,19,888	12	88	Tengpani	30	30	22½	10	35/00	35/00	35/00
19,82,800	30,75,956	23,51,846	1,926†	29,72,880*	1.92	2,301,040*	2.62	2,28,000*	8,36,276	12	236	Tezpore	20	12½	..	10	14/44	14/25	15/87
7,50,000	..	..	..	3,15,004	3.96	..	..	..	..	12	95	Tongani	Nil	Nil	..	10	7/00	7/00	6/50
5,20,000	35,17,473	30,30,165	..	5,90,423	5.14	651,147	5.76	6,71,300	7,11,074	12	165	Tyroon	10	15	25	10	31/00	33/00	36/87

CACHAR

Paid-up Capital Ordinary Rs.	Net Block Accounts Rs.	Reserve & other Funds Rs.	Area Hectares	1961 Kgs.	1961 Rs.	1962 Kgs.	1962 Rs.	Estimate 1963 Kgs.	Net Profits including taxation Rs.	Accounts closed	Mg. Agts. Secretaries etc.	NAMES	1960	1961	1962	Paid-up per Share Rs.	28-8-63 Rs.	21-8-63 Rs.	A year ago Rs.
3,00,000	..	..	..	1,49,850	4.07	139.861	4.03	1,66,500	..	12	..	Arcuttipore	Nil	5	6	10	7/00	7/00	7/00
4,00,000	..	..	..	1,58,348	4.45	..	..	..	..	12	35	Baitakhal	2½	2½	..	10	7/69	6/37	6/69
11,00,000	20,18,349	9,26,687	..	5,45,645	4.26	454,449	4.77	3,52,060	..	12	128	Central Cachar	5	7½	5	100	85/00	85/00	73/00
7,00,000	..	..	..	1,22,864	4.63	..	..	..	..	12	383	Eastern Cachar	Nil	Nil	..	10	4/50	4/28	4/12
4,50,000	..	..	..	..	..	..	..	..	..	12	384	Kallinugger Khoreel	6	..	..	100	87/00	87/00	87/00
12,60,000	19,84,808	13,56,132	943	7,23,716	3.84	580.232	3.97	7,25,747	—3,11,563	12	202	Hattikhira	Nil	8	Nil	10	9/12	9/12	9/37
3,60,000	..	..	..	1,53,008	3.88	..	..	..	..	12	63	Kunchunpore	Nil	Nil	..	10	6/00	6/00	6/00
5,63,690	5,22,633	1,36,689	228	1,66,156	3.81	151,283	4.26	1,63,293	23,090	12	202	Loobah	Nil	Nil	Nil	10	4/44	4/37	4/25
12,60,000	22,28,419	11,42,054	2,221†	5,70,970	4.08	518,387	4.33	5,80,000	6,13,497	12	..	North Western	30	20	10	100	160/00	160/00	205/00
2,59,050	5,88,340	1,916	231	2,71,967	3.85	213,805	4.21	2,72,155	—49,484	12	202	Pathemara	Nil	Nil	Nil	10	7/50	7/50	7/50
2,60,000	6,82,449	2,92,663	..	3,26,670	4.40	195,018	4.62	2,50,400	—1,73,960	12	165	Roopacherra	Nil	10	Nil	10	9/62	13/62	13/62
5,25,000	12,22,431	12,03,600	310	3,07,903	3.94	279.277	4.46	2,90,000	61,192	12	63	Rungamattee	5	5	5	50	50/25	50/25	50/00
4,00,000	..	..	..	2,47,927	3.56	..	..	..	..	12	..	Sonai River	Nil	Nil	..	10	9/12	9/12	9/12

DARJEELING

Paid-up Capital Ordinary Rs.	Net Block Accounts Rs.	Reserve & other Funds Rs.	Area Hectares	1961 Kgs.	1961 Rs.	1962 Kgs.	1962 Rs.	Estimate 1963 Kgs.	Net Profits including taxation Rs.	Accounts closed	Mg. Agts. Secretaries etc.	NAMES	1960	1961	1962	Paid-up per Share Rs.	28-8-63 Rs.	21-8-63 Rs.	A year ago Rs.
3,99,750	..	..	..	..	..	..	..	..	..	12	101	Bloomfield	Nil	..	..	10	3/12	3/12	3/25
2,79,900	3,72,700	1,55,000	165	82,803	8.66	77,090	8.74	84,000	51,557	12	279	Chamong	Nil	10	10	10	9/00	9/00	10/25
3,75,900	..	..	..	3,05,978	5.22	313,229	5.63	3,08,443	..	12	139	Darjeeling Tea & Chin.	30	20	30	100	197/00	197/00	195/00
2,00,000	..	..	..	72,236	6.12	..	..	..	..	12	200	Dilaram	8	4	..	100	102/50	102/50	102/50
4,00,000	..	..	..	1,35,642	7.33	..	..	..	..	2	74	Gielle	Nil	..	8-4/7	10	11/69	11/69	11/75
7,00,000	10,11,800	2,25,770	428	2,90,326	668	311,895	7.70	3,22,000	3,89,175	12	279	Lingia P.	15	10	17½	10	14/56	14/56	14/56
10,32,000	..	..	..	5,32,043	2.45	..	..	..	..	12	95	Longview	12½	10	..	10	11/00	11/00	11/00
4,00,000	5,16,891	5,85,879	..	1,74,261	6.94	177,960	8.18	1,81,500	2,23,445	12	165	Margaret's Hope	15	15	15	10	10/87	11/37	11/62
1,59,000	3,73,782	4,14,259	187	1,01,900	8.21	108,800	8.99	1,10,000	1,53,555	12	2	Mim	22½	27½	27½	100	191/50	191/50	191/50
2,99,900	4,95,071	13,97,500	279	2,20,390	7.14	214,750	9.03	2,21,400	15,19,227	12	279	Nagri Farm	30	25	35	10	27/25	27/25	25/44
4,00,000	..	..	..	99,223	8.77	..	..	..	..	12	390	Okayti	25	25	..	100	600/00	600/00	605/00
3,30,000	..	..	..	5,13,243	4.87	..	..	..	..	12	..	Pashok	10	Nil	..	10	20/00	20/00	20/00
3,00,000	3,88,931	1,25,000	194	1,27,797	5.77	122,495	6.65	1,20,000	1,04,446	12	63	Poobong	Nil	Nil	5	10	7/19	7/19	7/37
2,05,000	4,87,982	2,27,703	570†	1,11,154	5.62	116,997	5.95	1,26,000	1,03,669	12	361	Pussimbing P.	Nil	Nil	Nil	10	7/12	7/12	7/25
1,40,000	3,90,838	5,61,500	138	1,05,192	6.02	85,234	6.64	95,000	8,123	12	63	Runglee Rungliot	35	20	7½	100	386/00	386/00	386/00
3,00,000	..	..	..	1,92,400	2.91	..	..	..	..	12	385	Seeyok	15	Nil	..	10	8/50	8/50	8/50
6,25,000	7,48,893	10,816	..	1,33,674	6.20	138,742	6.51	..	47,720	12	398	Singell	Nil	Nil	Nil	100	36/75	36/75	36/75
9,00,000	..	..	..	1,33,350	5.58	123,431	6.92	..	..	12	101	Singtom	2	Nil	2	10	3/50	3/50	3/78
4,50,000	5,24,500	5,38,800	224	1,66,630	7.38	160,068	8.53	1,63,000	3,55,419	12	279	Soom	50	40	40	10	32/75	32/75	49/87
6,25,000	13,51,854	13,02,062	..	1,95,487	7.32	189,392	9.58	2,06,800	4,76,892	12	165	Sungma	15	15	20	10	13/94	13/94	14/62
3,20,000	..	..	..	2,20,000	6.08	..	..	..	..	2	74	Teesta Valley	Nil	..	8-4/7	10	12/00	12/00	13/37
12,00,000	..	..	..	..	..	..	..	..	..	12	..	Tukvar	Nil	Nil	..	10	7/00	7/00	6/00

† Acres * lbs.

TEA COMPANIES—Contd.

O Po. C and Dd indicate Ordinary. Preferred Ordinary. Contributory and Deferred Shares respectively. P next to the name of the company indicates that the company also has Preference Shares. Figures in "accounts closed" column indicate the months of the calendar year in which accounts are closed. For Managing Agents refer to the Key (last page) under the numbers indicated.

Paid-up Capital Ordinary	Net Block Accounts	Reserve & other Funds	Area Hectares	Outturn and Average Price per Kg. realised for crop 1961 Kgs.	Rs.	1962 Kgs.	Rs.	Estimate 1963 Kgs.	Net Profits including taxation	Accounts closed	Mg. Agts. Secretaries etc.	NAMES	Dividends per cent 1960	1961	1962	Paid-up per Share	Latest Market Quotations as available until 28-8-63	21-8-63	A year ago
Rs.	Rs.	Rs.							Rs.							Rs.	Rs.	Rs.	Rs.
												DOOARS							
27,00,000	62,03,995	32,62,760	1,034	15,51,500	4.51	14,84,400	4.86	15,25,000	11,19,005	12	2	Banarhat P.	22½	21	21	100	216/00	216/50	273/00
12,00,000	27,38,435	23,27,925	436	7,24,364	4.69	6,66,481	5.13	6,64,600	6,59,538	12	128	Baradighi	15	15	20	10	22/19	22/19	24/25
9,00,000	19,19,630	30,59,434	..	5,93,617	4.42	7,00,569	4.68	6,16,885	5,74,606	12	386	Bhatkawa	17½	12½	17½	100	16/56	16/56	17/12
9,00,000	25,07,423	22,16,500	577	6,66,763	4.37	6,69,958	5.01	6,50,000	6,43,459	12	63	Birpara P.	20	5	7½	100	145/00	145/00	151/00
6,00,000	12,14,870	10,73,000	244	2,99,250	4.17	2,80,187	4.70	2,95,000	1,58,268	12	63	Carron	32½	20	20	100	210/00	210/00	262/00
9,00,000	24,85,741	14,56,681	365	5,14,200	4.45	5,21,400	4.69	5,30,000	2,82,148	12	2	Choonabhutti P.	5	5	10	100	184/00	184/00	184/00
3,00,000	5,84,327	5,93,500	197	2,19,480	4.05	2,25,971	4.59	2,03,000	1,33,979	12	63	Ellenbarrie	60	30	40	100	136/00	136/00	136/00
1,20,000	..	..	..	1,62,265	3.73	..	..	..	..	12	397	Engo	5	5	7½	10	13/12	13/12	8/44
4,90,000	9,33,182	71,548	..	2,24,026	..	2,64,339	..	..	93,085	12	354	Ethelbari	25	20	11	10	21/50	21/50	25/12
7,50,000	13,32,430	10,34,583	1,088†	5,33,092	4.88	5,04,794	5.46	..	4,67,197	12	88	Gairkhata	12	2	..	25	20/00	20/00	20/00
14,00,000	..	..	..	10,94,000	1.71	..	..	..	..	12	387	Gopalpur	15	5	10	100	109/00	109/00	113/00
36,00,000	50,92,343	42,81,500	1,048	14,33,022	4.07	13,74,053	4.76	13,90,000	7,93,764	12	63	Hantapara P.	17	18	..	10	12/62	12/62	15/62
64,00,000	..	..	..	28,49,021	5.54	..	..	..	..	12	3	Hasimara	22½	..	19-2/7	10	13/31	13/31	14/69
16,50,000	..	..	..	8,89,068	4.02	..	..	..	..	12	74	Huldibari	10	Nil	Nil	10	10/69	10/69	13/50
7,00,000	8,95,117	5,13,133	246	1,90,300	4.48	1,88,900	5.59	..	—61,500	12	2	Jaybirpara	25	15	15	10	14/37	14/37	17/31
9,00,000	18,12,126	21,89,000	375	5,63,337	4.23	5,07,738	4.50	5,20,000	3,57,699	12	63	Killcott	10	6	..	10	59/50	59/50	56/37
2,00,000	..	..	..	2,47,991	..	..	..	..	..	12	354	Manabarrie	25	15	15	100	140/00	140/00	169/50
9,60,000	20,66,495	24,61,500	..	6,03,619	4.07	5,07,732	4.76	4,90,000	3,31,819	12	63	Nagaisuree	35	20	14½	100	220/00	220/00	251/00
14,00,000	34,04,657	21,71,728	471	7,84,700	4.31	6,40,900	5.10	7,50,000	2,30,662	12	2	New Dooars P.	12½	7½	..	100	13/19	13/19	14/75
6,40,000	..	..	..	3,07,645	3.89	..	..	..	..	12	363	Oodlabari	Nil	Nil	Nil	100	129/00	129/00	127/00
2,50,000	3,90,272	3,37,500	126	1,00,575	4.22	1,26,816	4.64	1,30,000	17,963	12	63	Phaskowa	Nil	Nil	6	10	12/12	12/12	12/12
6,00,000	9,22,423	11,53,058	..	3,63,864	4.36	3,91,886	4.70	3,62,900	2,08,311	12	165	Rajabhat	15	15	7½	10	12/25	14/00	16/75
7,65,000	17,57,543	17,47,050	..	5,03,638	4.32	4,76,526	5.07	5,33,500	1,63,000	12	128	Ranicherra	25	20	25	10	24/25	24/25	27/37
14,92,800	36,77,342	30,35,064	727	9,21,964	4.79	9,78,337	5.44	10,10,245	8,77,496	12	128	Rydak	40	40	40	10	36/31	36/25	36/25
3,46,000	10,20,398	10,25,325	..	4,00,500	4.10	3,30,000	4.76	3,73,200	2,40,377	12	44	Sarugaon							
												TERAI							
										12	101	Atal	5	..	..	10	6/75	8/75	8/15
4,50,000	..	..	..	..	..	..	..	..	..	12	345	Belgachi	20	20	..	10	22/50	22/50	20/50
5,00,000	..	..	..	2,40,454	3.83	..	..	..	..	12	63	Gungaram	20	12½	12½	100	131/00	131/00	158/00
13,44,000	20,65,841	27,42,000	646	7,94,331	4.01	7,22,909	4.63	730,000	5,50,624	12	63	Hansqua	20	15	17½	10	20/00	20/00	16/94
5,00,000	11,02,805	13,10,500	214	2,88,960	4.29	3,17,061	4.74	275.000	3,07,829	2	74	New Chumta	15	..	12-6/7	10	24/62	24/62	33/50
3,00,000	..	..	..	2,75,784	4.10	..	..	..	..	12	139	New Terai	22½	10	15	10	23/00	23/00	36/00
7,20,000	..	..	..	3,14,832	3.83	3,33,644	4.04	312,073	..	12	139	Pahargoomiah	20	20	2½	10	15/00	15/00	31/12
11,70,000	..	..	..	4,71,480	4.08	4,71,480	445	489.915	..	12	63	Putinbaree	14	14	..	10	45/00	45/00	45/00
1,00,000	..	..	..	..	..	..	..	..	..	12	165	Tirrihannah P.	60	60	60	10	49/00	49/00	49/00
2,20,000	..	..	..	3,88,528	4.53	3,84,347	5.05	408,200	..										
												CHITTAGONG							
1,25,000	..	..	..	3,07,360*	1.76	..	..	..	..	12	139	Kodala	Nil	Nil	..	10	9/25	9/25	9/25
2,40,000	..	..	..	3,53,000*	1.64	..	..	..	..	12	139	Kornafuli	Nil	Nil	..	10	9/31	9/31	13/06
2,00,000	..	..	..	2,88,000*	1.74	..	..	..	..	12	139	Oodaleah	Nil	Nil	..	10	8/00	8/00	8/00
												SYLHET							
3,00,000	14,19,689	17,99,706	637†	2,76,309	4.48	2,14,907	7.92	254.012	7,17,391	12	..	Chundeecherra	Nil	Nil	Nil	10	26/00	26/00	23/50
6,00,000	9,95,449	12,20,551	230	2,33,890	4.97	2,03,558	8.17	218.000	8,36,913	12	63	Dauracherra	22½	22½	20	10	7/94	7/56	7/87
2,46,050	..	..	..	1,26,336	4.28	..	..	..	..	12	358	Kaliti	Nil	Nil	..	10	10/00	10/00	9/25
5,59,930	..	..	..	11,42,720*	1.99	..	..	..	..	12	236	New Samanbagh P.	25	Nil	Nil	10	18/37	18/37	20/81
36,00,000	59,49,669	63,43,644	1,660	19,52,002	5.02	17,98,140	8.16	1,851,000	90,15,000	12	63	Patrakola	32½	40	15	100	125/50	125/50	148/00
3,20,000	4,21,718	1,48,642	740†	4,28,560*	1.83	4,24,800*	3.23	360,000	4,07,821	12	236	Rajnagar	Nil	Nil	Nil	10	9/50	9/50	9/56
9,00,000	21,92,086	22,53,327	483	4,18,826	5.01	3,69,737	8.08	417,000	12,91,452	12	63	Teliapara	22½	22½	10	100	99/00	99/00	99/00

† Acres. * lbs.

MISCELLANEOUS COMPANIES

Paid-up Capital Ordinary	Net Block Accounts	Reserve & other Funds Premiums & Forfeited Shares if any	Cash & Securities	Net Profits including taxation	Carry forward	Accounts closed	Mg. Agts. Secretaries etc.	NAMES	Dividends per cent 1960	1961	1962	Paid-up per Share	Latest Market Quotations as available until 28-8-63	21-8-63	A year ago
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.							Rs.	Rs.	Rs.	Rs.
								MININGS							
£2 369.796	..	£218.681	£2,781.590	£12.559	£174.204	12	153	Burma Mines	2 3/5	Nil	Nil	3½S	0/44	0/44	0/44
30.00.000O }	37.08.889	32.54.468	54.05.355	15.96.846	13.914	12	312	Corestien Mica Industries P. {	15	12½	..	10O	10/40	10/40	11/00
15.00.000Dd }								{	25	20	..	5Dd	6/87	6/87	8/85
£1,371.300	£1,758.381	£225.873	£755.274	£1.057.163	£72.310	12	88	Indian Copper Corporation	27	27	..	2s	4/74	4/81	4/72
50.00.000	51.72.031	10.43.352	53.971	5.66.976	14.41.622	3	343	Metal Corporation P.	Nil	..	..	10O	7/94	8/12	12/87
20.00.000	46.05.415	67.67.431	55.46.956	13,17,757	38,801	6	21	Orissa Mineral Development	36	28	20	10	27/12	27/12	39/00
								CEMENT, LIME, SLATE, ETC.							
59.90.843	1,64 85 110	12.01.831	18.510	7.17.476	14.996	3	331	Ashoka Cement	7	7	7	10	7/44	7/75	8/37
43.14.600O }	41.51.412	21.43.429	29.64.072	1.70.813	6.44.675	3	80	Assam Bengal Cement	..	..	..	10O	3/06	3/06	3/81
70.976Dd }												1Dd	0/46	0/46	0/47
55.23.146	98.02.889	19.77.396	66.723	24.46.663	1.709	12	155	Bengal Potteries	15	..	..	2½	5/15	5/25	5/81
40.00.000	73.55.750	28.31.157	3,76,724	23.10.445	50,122	3	21	Bisra Stone Lime	30	30	10	10	35/00	35/00	35/50
1,66.00.000O }	1,86.81.933	99.52.704	1,90.71.398	1,16.81.256	..	12	123	Dalmia Cement (Bharat) P.	12	12	12	10O	12/31	12/37	13/81
5.00.000Dd }												1Dd	3/00	3/00	3/12
2.50.00.000	5 94.43.463	94.05.545	5.54.170	65.02 100	4.94 598	3	335	Jaipur Udyog P.	6	8	8.36	10	10/62	11/44	13/12
30.00.000	89.55.197	56.55.899	6.48.783	21.48.526	25,499	12	21	Kumardhubi Fireclay & Silica P.	18	18	18	10	18/45	18/45	18/45
2,25.00.000	3.77.58.590	1.36.03.808	30.93.905	98.75.491	..	12	362	Orissa Cement P	15	15	10	10	14/00	14/06	17/31
6.00.000	20.07.006	21.78.065	17.41 738	4.85 806	30.441	2	223	Reliance Firebricks & Pottery	22	15	10	10	22/75	22/75	22/75
75,00.000	63,53,090	32,76,500	2.04.361	16.83.364	7.167	12	357	Sone Valley Portland Cement	4	6	8	5	4/28	4/12	4/91
9.64.520	19.00.054	10.46.890	6.23.484	10.16.971	23.403	12	3	Sutna Stone & Lime	27½	30	..	10	35/12	35/12	37/00

MISCELLANEOUS COMPANIES—Contd.

O. Po., C. and Dd indicate Ordinary. Preferred Ordinary. Contributory and Deferred Shares respectively. P. next to the name of the company indicates that the company also has Preference Shares. Figures in "accounts closed" column indicate the months of the calendar year in which accounts are closed. For Managing Agents refer to the Key (last page) under the numbers indicated.

Paid-up Capital Ordinary	Net Block Accounts	Reserve & other Funds Premiums & Forfeited Shares if any	Cash & Securities	Net Profits including taxation	Carry forward	Accounts closed	Mg. Agts. Secretaries etc.	NAMES	Dividends per cent 1960	1961	1962	Paid-up per Share	Latest Market Quotations as available until 28-8-63	21-8-63	A year ago
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.							Rs.	Rs.	Rs.	Rs.
								CHEMICAL INDUSTRIES							
62.00.000 }	5.93.45.653	1,96,10.273	4.78.066	71.72.056	1.37.284	9	121	Alkali & Chemical Corpn. of (I)	12	15	15	10	32/00	31/81	45/62
1,45,00.000A }								Bathgate & Co. Ltd P.	Nil	..	..	5	0/84	0/84	0/80
20,00.000	18.48.048	15.681	6.958	—2.50.346	—8.53.536	12	442								
15.00.000O }	76.41.341	68 84.605	21 11.440	18.06.053	1.30.717	3	245	Bengal Chemical & Pharm. P.	7	10	..	100	102/00	102/00	102/00
11.08 800A }															
22.54.700B }															
15,00,000	36.34.102	22.82.883	19 49.050	12.04.892	6,978	6	377	Calcutta Chemical P.	18	18	18	10	17/87	17/87	19/06
4.95.000	99.022	Nil	41.554	72.146	2.860	2	129	Frank Ross P	..	..	..	6	2/19	2/19	3/25
20,00,000	11.71.064	16.07.251	9.33.133	11.60.256	92.801	6	191	Smith Stanistreet P.	25	25	25	5	12/25	12/25	15/50
								ELECTRIC LIGHTING, POWERS							
19 99 600	1 15 72 761	51 20.883	27.74.218	4.56.810	52.889	3	32	Agra Electric Supply	11	11	11	100	118/00	118/00	127/00
8.00.000	29 33.899	15.51.802	8.09.008	2.00.631	25.623	3	32	Bareilly Electric Supply	11	11	11	10	12/50	12/50	12/25
17.00 000	1.03.03 450	52 26.411	19.58.483	4.34.454	47.298	3	32	Benares Electric Supply	11	11	11	10	12/37	12/37	13/00
5.91 360	15.65 473	807.902	2 70.659	1.36.558	41.730	3	202	Bhagalpur Electric Supply	8	10	8	8	6/50	5/75	6/08
£4.262.646	£21 040 641	£19 815.240	£173.696	£1.599.019	£100.524	3	202	Calcutta Electric Supply	7	7½	10	10	14/65	14/62	15/31
8 60.040	22 18 493	7 17 140	32.60	151.465	63.899	3	2	Cuttack Electric Supply	7½	10	10	100	88/00	88/00	94/00
43.20.000	66.87.445	29.73.446	41.87.140	14.42.862	4.27.783	3		Dishergarh Power Supply P.	10	10	10	100			
5.34 640	17 29.086	96 513	95 409	65 283	3.599	3	168	Jhansi Electric Supply	..	..	..	10	5/90	5/90	6/00
22.49.550	66.50.848	29.21.749	5.35.563	2.69.909	33.302	3	32	Jubbulpore Electricity Supply	10	10	10	10	11/19	11/19	11/37
4.95.000	6 70 324	2 24 149	1.09.770	40 495	39.012	3	256	Mirzapur Electric Supply	..	..	..	9	12/00	12/00	12/00
5.82.390	24.50.815	6.87.284	3.48.986	2.22.292	22.259	3	202	Muzaffarpore Electric Supply	12½	12½	12½	10	11/50	11/50	12/25
9.99.700	13 47.574	1.14 377	2.15.991	43.664	18.998	3	329	Muttra Electric Supply	..	..	..	10	11/12	11/12	10/25
35.07.380	98.50.374	48.67.675	3.95.468	12.96.460	1.27.547	3	202	Patna Electric Supply	10	10	10	10	10/50	10/50	11/50
9 10.000	8 77.208	2.86.692	3.19 022	1.58.667	17.201	3	202	Shahjahanpur Electric P.	6½	6½	6½	10	7/25	6/75	7/50
16.80 000	24 13.949	16 03.685	9.75.497	458.680	92 879	3	32	Sijua (Jherriah) Electric	10	9	9	10	8/50	8/50	9/06
56.00 000	2 03 18 819	80.84 613	25,53.868	11.98 426	33.674	3	32	United Provinces Electric	11	11	11	100	117/00	117/00	125/00
5.00.000	21.74.345	14.00.467	7.69.903	1.92.745				Upper Jumna Valley Electric	13½	13½	13½	10	15/06	15/06	15/25
								ENGINEERING & METAL							
6.00 000	6 61 485	63 426	1 48 213	2 93 398	—1 59 122	12	300	Arthur Butler (Muzaffarpore) P.	..	..	..	10	14/94	14/94	14/12
50 30 000	36.87.587	44.13.221	72.892	34.13.246	5.246	12	31	Bhartia Electric Steel	10	10	12½	10	13/50	13/50	13/12
1.00 00 000	1.53.20.721	94.55.491	63 84.159	1.06 44.579	2.757	12	289	Braithwaite & Co. (India)	25	25	14	10	29/75	29/56	34/37
12.00.000	62.65.971	50.43.274	7.42.812	21.52.136	..	12	24	Bridge & Roof	30	30	30	10	52/25	52/25	52/25
19 98 670	33.56.748	1.08 796	1.86 939	1.80 146	—611 196	12	192	Britannia Building & Iron P.	Nil	Nil	Nil	10	3/75	3/50	3/65
1.00.00.000	1.24.97.389	52.95.465	1.14.787	24.17.175	5,115	12	165	Britannia Engineering P.	10	10	10	10	9/81	9/69	11/50
25.00.000	29.95.656	18.18 384	24.752	14.07 837	..	12	24	Burn P (Engineering)	28½	28½	28½-25*	100	33/12	32/12	33/00
44.00.000	3.58.68.539	2.99.02.509	74.40.547	1.42.69.633	65.077	3	32	Burn P (Engineering)	28½	15	15-12½*	10	12/87	13/00	15/06
1.00.00.000	57.61.970	17.65.495	8.43.845	38.47.174	1.09.021	3	437	Calcutta Steel	15	15	15	10	10/81	10/75	11/69
80.00.000	1.12.20.938	24.00.000	2.06 672	22.94.248			434	Dalmia Iron	10	10	10	10			
1.00 00.000	6.63.01.978	6.98 32.755	2.11.42.172	1.27.55.590	..	12	227	Guest, Keen Williams	16	14	14	10	31/37	31/19	38/56
12.50.000	19.72.898	6.45.100	27.549	3.79.990	5.801	12	32	Hooghly Docking	Nil	Nil	12½	50	108/00	108/00	111/00
12.44.08.990	62,73,23,096	30.89.05.725	1,72.10.301	9,11.89.201	..	3	32	Indian Iron & Steel P.	15	16	16-16*	10	22.94	22/54	27/30
3.84 000O }	11 52 812	14.001	1.82 994	—4 15 836	—4.03 294	3	223		Nil	..	..	5O	6/00	6/00	4/50
1.54.000Dd }								Indian Malleable Casting	Nil	..	..	1D	1/81	1/81	2/00
77.97.000	50.88.821	87.57.038	63.89.397	1.71.88.152	24.064	3	32	Indian Standard Wagon P.	28½	28½	28½-20*	10	30/37	30/06	..
96 79.740O	3.27.37 933	2.72 79 486	1.63.11 480	99 84 802	2.31.048	3	122	Indian Steel & Wire Products	23	24	23	10O	39/00	39/00	55/50
12.00.070	7,75,186	3.56.629	2.872	9.92.071	..	12	24	Industrial Containers	Nil	10	10	10	21/37	21/37	22/00
1,51,83,863	2.75.25.983	1.27.78.829	11.63 784	56 79.516	9,036	3	443	Jay Engineering	17 3/20	17 3/20	15	10	14/19	14/00	16/94
40.00.000	59.72.635	35.85.700	10.46.960	20.45.860	86,647	t	132	J K Steel P	20	20	10	10	24/75	24/00	23/19
2.04.00.000	3.50.50.970	2.30.16.815	78.81.184	1.52.79.678	51.159	10	290	Jessop & Co. P.	8.58	8.58	8.58	10	8/94	8/31	7/50
27.64.800	61.46.982	53.04.910	97.324	21.99.856	3.088	11	21	Kumardhubi Engineering P.	10	11½	15	3			
10.50.000	3.74.383	19.18.004	4.14.975	—8.36.768	—5.63.688	6	170	Marshall Sons (India)	Nil	Nil	Nil	2	2/50	2/16	3/31
49 96 000	61.94.985	13.58.398	3.83.036	2.56.716	—4.42.917	3	192	National Iron and Steel	Nil	Nil	Nil	10	4/75	4/62	5/12
6.00.000	10.13 254	18.86.374	1.40.370	6.90.089	11.859	3	25	Saran Engineering	8½	10	12½	4	8/50	8/50	9/50
14.00 070	8.16.570	12.38.002	2.56.891	20.72.177	..	12	24	Steel Containers	30	20	20	10	29/50	29/50	22/00
1,50,00,000	2,73,21,766	61.37.435	13.28.341	52.01.525	62,642	12	22	Textile Machinery	10	10	..	10	23/40	23/20	23/70
								SUGAR, BREWERIES, ETC.							
14.00 000	17.29 860	10.85.148	39.573	1.10.785	15.763	6	371	Balrampur Sugar	8	8	4	2½	1/95	2/00	2/50
29.23.537	25.58.707	13.51.812	18.14.343	1.94.561	2.336	6	316	Belsund Sugar	18½	10	6 2/3	7½	8/25	8/25	10/00
32.00.000	9.84.327	43.34.048	27.81.820	33.71.567	3.71.540	9	234	Bharat Sugar P.	..	..	..	10	13/00	13/00	13/00
32.00.000	45.72.835	43.34.048	27.81.820	33.71.567	3.71.540	9	234	Carew (Sugar) P.	Nil	Nil	Nil	10	10/94	10/75	13/19
39.00.000	90.08.963	59.84.997	6.94.684	—21.74.424	—25.45.362	10	25	Cawnpore Sugar P.	Nil	Nil	Nil	10	9/75	9/75	12/69
18 00 000	27.85.833	46.06.937	9.09.574	—978.687	—9.07.232	8	225	Champaran Sugar P.	15	12	Nil	10	15/87	15/87	17/12
38.01.380	25.88.250	31.90.540	1.79.315	4,77.197	1.97.076	8	395	Durbhanga	4	Nil	5	10	8/12	8/12	9/00
27,56.355	1,31,99.222	1,76,30.095	24.30.790	1,00,50.837	12,604	3	116	Dyer Meakin (Breweries)	25	30	..	5	27/00	26/31	56/25
11.00.000	6,45,722	3,75,000	10.90.564	95.437	52,205	6	140	New Savan Sugar and Gur	..	..	..	10	4/44	3/62	5/23
9.00.000	19.47 931	23.02.870	2.05 743	2.86.458	4.006	10	400	Purtabpur Sugar P	..	..	..	10	11/50	11/50	11/50
16 59.820	41 29.938	36.97.845	15,35,449	19.41.864	79.042	8	1	Ramnugger Cane & Sugar P.	30	35	30	10	26/50	26/50	30/31
65.00.000	51,91,073	4,72,778	3,77,84t	4,24,492	10,384	10	92	Raza Buland	12½	10	10	10	9/75	9/75	9/44
6.00.000	1.07 238	4,72,778	3,77,84t	4,24,492	13,204	6	25	Ryam Sugar P.	..	..	..	10	5/20	5/20	8/06
11.99.000	22,10,161	18.54.087	2.09.165	—2.24.407	—2.20.853	6	..	Samastipur Central Sugar	..	..	..	10	6/00	6/00	9/62
39.99.000	67.63.808	25.93.624	21.94.758	18.75.658	34.778	6	335	Shree Krishna Gyanoday Sugar P.	15	..	..	10	7/31	7/12	9/19
7.94.500	13.54.858	11.85.175	11.16.368	1.90.057	7.991	6	140	Shree Sitaram Sugar	..	..	..	10	7/12	7/12	7/12
9.99.950	17.83.543	67.398	2.82.356	—6.97.343	—6.89.998	6	94	Sitalpore Sugar	4	Nil	Nil	10	6/12	6/12	6/62
10.00.000	42,22,843	19,40.304	2.03.163	—11.15.414	—9,17,147	9	341	United Provinces	15	5	Nil	10	9/00	9/00	14/72
8.00.000	90,57,769	67,09,675	9,18,326	37,10,125	25,765	6	316	Upper Ganges Sugar P.	72½	72½	72½	5o	62/00	62/00	77/00

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MISCELLANEOUS COMPANIES—Contd.

O., Po., C. and Dd indicate Ordinary, Preferred Ordinary, Contributory and Deferred Shares respectively. P. next to the name of the company indicates that the company also has Preference Shares. Figures in "accounts closed" column indicate the months of the calendar year in which accounts are closed. For Managing Agents refer to the Key (last page) under the numbers indicated.

Paid up Capital Ordinary Rs.	Net Block Accounts Rs.	Reserve & other Funds Premiums & Forfeited Shares If any Rs.	Cash & Securities Rs.	Net Profits including taxation Rs.	Carry forward Rs.	Accounts closed	Mg. Agts. Secretaries etc.	NAMES	Dividends per cent 1960	1961	1962	Paid-up per Share Rs.	Latest Market Quotations as available until 28-8-63 Rs.	21-8-63 Rs.	A year ago Rs.
								MISCELLANEOUS							
8,00,000	3,65,800	2,09,907	5,89,590	1,44,140	2,623	10	85	A Firpo (Restaurateur)	7½	10½	5	10	5/90	5/90	5/90
93 75 000	4 66 28 334	219 30 381	9 95 298	21 86 420	1,20,500	3	132	Aluminium Corporation P.	12	12	12	10	14/00	13/50	17/00
20,00,000	42,23,253	16,50,000	53,38,477	4,16,437	11,325	12	382	Anderson Wright P.	11½	Nil	6	10	11/50	11/50	11/50
30,00,000	13,34,003	43,57,426	25,11,996	21,30,119	2,34,634	8	268	Angelo Bros.	25	28½	28	10	28/00	28/75	28/75
30,00,000	20,74,660	33,58,937	16,15,347	24,27,878	12,842	12	[illegible]	Assam Match	Nil	Nil	3	3	2/50	2/50	2/87
13,99,998	20,06,639	20,17,850	6,814	1,70,203	94,397	9	348	Assam Saw Mills & Timber	25	15	15	10	23/81	24/00	30/12
1,18,00,000	53,91,481	93,43,093	59,95,725	50,77,803	7,18,123	6	391	Associated Battery	Nil	10	10	10	10/31	10/31	10/31
20,00,000	43,09,876	44,17,208	43,55,171	7,61,605	1,22,491	3	204	Associated Hotels of India P.							
80,01 400	46,97,674	1,20,07,997	93,50,429	51,62,806	..	12	396	Balmer Lawrie & Co.	25	25	25	100	248/00	248/00	257/00
12,00,000	5,51,865	12,52,902	6,77,227	10,64,446	..	3	128	Bararee Coke	Nil	Nil	15-15*	10	20/87	20/87	25/75
44,00,000		9,27,823	68,58,981	2,87,091	50,926	9	160	Birds Investments P.	9½	10	10	10	10/75	10/75	12/50
68,95 530	1,16,23,032	83,79,866	8,27,110	86,51,567	6,999	3	50	Britannia Biscuit P.	25	30	25-21*	10	42/25	42/25	45/00
3,25 00 000	71,55 454	2,19,19,061	1,50,51,719	1,34 25,907	2,53,254	12	33	British India Corporation P.	4	7	9	5	7/69	7/69	10/25
50,00,000	21,88,677	40,58,071	9,91,498	24,64,559	27,856	12	392	British Paints	12½	15	10	10	19/94	19 94	21 94
5 00 000	6,83 781	1 65 739	1 54 429	2,63 717	5 201	3	213	Calcuta Silk Manufacturing P.	Nil	Nil	..	10	6/94	6/94	7/15
1,38 80 000	..	14,77,426	1,78,29,586	15,08,523	2,46,740	12	2	Clive Row Investment	8	7½	7½	10	8/75	8/75	8/25
90,00 000	24,68,979	1,27,43,000	1,98,66,116	35,58,709	2,42,095	12	186	Duncan Brothers & Co P	14	14	14	100	147/00	147/00	157/50
4,50,00,000	6,09,38,229	5,05,74,162	11,32,452	3,30,38,275	25,88,011	12	96	Dunlop Rubber Co. (India) P.	21½	20	15	10	31/37	31/25	40/12
76,89,000	..	63,98,196	1,76,05,602	1,11,25,276	1,32,549	12	21	Eastern Investments P.	14	14	12	100	106/00	106/00	130/00
60,93 400	64,20,000	20 22,000	1,61,547	19,35,092	12,311	10	388	Electric Construction	10	10	10	10	12/50	12/62	15/06
30,00,000	28,94,553	27,23,508	19,90,832	15,65,118	2,10,371	3	51	French Motor Car	20	20	..	20	35/12	35/12	34/50
14,00,000	20,83,841	18,85,308	38,577	11,59,599	17,856	12	19	Ganges Rope	17½	20	20	100	236/00	236/00	236/00
2,25,000	..	76,065	5,16,267	51,428	4,826	2	21	General Investment & Trust P.	5	5	5–5*	75	43/00	43/00	43/00
65,00,000	32,50,865	50,30,906	1,51,95,382	28,70,050	1,68,102	3	105	Gillanders Arbuthnot & Co P.	4 2/5	..	..	10	14/19	14/19	15/25
40,00,000	17 69 681	7,21,344	36,90,302	5,43,666	8 524	12	209	Gladstone Lyall & Co. P	40	40	30	10	..	..	..
40,00,000	34,79,636	31,88,500	1,29,460	46,26,030	38,310	12	310	Godfrey Phillips (India) P.	9	6	..	250	28/12	28/12	33/25
30,00,000	43,74,366	17,66,560	1,66,432	1,09,512	894	3	225	Great Eastern Hotel					225/00	225/00	241/00
4,68 75 000	3,08 48 439	..	2 33 36 909	2,11 555	2,11 555	12	438	Hindustan Aluminium P.	Nil	..	..	10	12/81	12/56	16/81
8,07,66,250	5,43,03,252	3,24,89,610	4,52,97,214	3,50,00,432	3,043	3	22	Hindustan Motors P	9	12	12½ 11½*	10	16/50	16/22	20/31
40,00,000	38 37 267	16,00,000	39,09 797	38 38 718	1,31,125	10	..	Hindusthan Pilkington	..	..	..	10	15/81	15/81	20/56
39,88,550	86,39,248	Nil	1,22,648	—12,14,232	—11,50 824	3	211	Hindusthan Twyfords P.	Nil	Nil	Nil-Nil*	10	14/06	14/62	14/87
35,20,000	23,35,537	16,00,000	24 48,098	3,91,968	36,509	12	299	Hoare Miller & Co.	6	6	..	10	5/50	5/37	6/56
15,16,00 000	8,38,68 674	9,87 39,292	2,17,80 428	3,21 94 827	24 56,089	3	325	Imperial Tobacco	8	9	9	10	10/12	10/62	11/44
4,00,23,880	13,64,77,942	4,53,66,220	60,96 109	2,40,34,073	56,98,466	12	265	Indian Aluminium P.	15	15	17½	10	35/56	34/87	37/25
2,35 77 700	1,61,90,633	2,47 87,168	99,57 176	1,37,75 998	50,15,117	3	34	Indian Cable P.	22½	22½	22½	10	33/50	33/00	38/00
3,64,00,000	5,56,27,815	1,22,35,821	44,62,878	1,35,49,869	17,61,389	9	366	Indian Oxygen	15	15	12	10	27/00	27/00	48/00
8,27,970	8,82,919	12,42,783	10,99,551	12,01 372	53,791	3	223	Indian Rubber Manufacturers P.	20	30	36	10	19/87	19/87	20/94
20 00 000	2,57,217	27,98,665	29,32,360	21,71,601	3,26,125	9	88	Indian Wood Products	30	30	30	10	29/25	29/12	32/87
74,89,150	72,05,408	..	2 48 892	—8 28 764	—14 68 45	12	63	Isaac Holdens	..	Nil	..	10	14/75	14/56	17/50
5,00,000	..	3,15,956	11,39,628	1,17,622	12,910	2	21	Investments and Finance P.	7½	7½	7½ 7½*	100	55/00	55/00	55/00
72,62,500	23,44,049	64,37,500	3,02,73,819	8,00,318	44,050	6	439	J K Synthetics	..	8	..	10	10/12	10/12	14/81
6,87,500O	2,28,843	Nil	5,88,284	—1,19,242	—1,18,804	12	281	James Wright P.	..	..	..	5O	2/75	2/75	2/75
1,17,500D									..	..	..	1Dd	00/43	00/43	00/43
2,00,00,000	59,52,034	74,40,360	5,22,38,926	16,43,783	4,49,956	3	39	Jardine Henderson P.	7	7	6	100	85/50	86/00	79/50
87,46,620	1,62,75,000	73,74,126	6,46,513	37,33 223	18,455	12	22	Jay Shree Industries P.	14	12½	..	10	16/00	16/00	17/12
1,99,81,750	8,81,41,369	3,32,78,328	49,57,935	1,00,74,268	43,454	3	22	Kesoram Industries P.	8	12	12½	10	21/69	20/87	29/31
6,34,000O	3,17,363	6,02,958	3,21,617	—14,078	—4,849	3	133	Macfarlane & Co.	..	..	..	50	7/00	7/00	7/31
66,000Dd									..	8	..	1Dd	2/19	2/19	2/50
1,50,00,000	1,07,01,720	99,61,347	2,91,71,046	33,69,977	43,205	12	334	Macneill & Barry P.	8	8	7½	100	93/50	93/50	93/50
1,47,12,250	70,44,126	1,22,48,546	2,05,42,132	78,17,248	2,44,687	9	309	Martin Burn Ltd P.	27½	27½	25	10	26/50	26/50	30/75
47,12,000	18,46,595	90,33,368	2,73,18,501	25,28,932	2,34,727	12	282	McLeod & Co P.	15	15	18	100	210/00	210/00	225/00
1,61,00,000	2,76,53,533	2,38,95 151	41,04,252	1,23,59,734	38,785	3	167	Metal Box Co. of India P.	25	25	19	10	46/50	45/50	55/69
90,00,000	78,16,868	16,89,1[illegible]	3,89,821	69,52,668	1,73,335	3	7	National Insulated Cable P.	25	25	25	10	22/44	22/56	31/37
30,00,000	22,68,464	34,26,465	18,44,015	22,10,080	52,804	9	7	National Pipes & Tubes P.	20	20	20	10	24/69	25/25	32/75
40,00,000	37,29,364	39,77,485	31,24,718	20,63,112	35,985	6	7	National Rolling & Steel Ropes	13	15	15	10	20/59	18/69	22/12
80,00,000	69,05,819	16,52,447	4,31,039	11,41,474	75,633	12	375	National Rubber P.	Nil	6½	6	10	10/37	10/56	12/12
79,97,000	77,87,804	1,29,48,132	28,35,366	17,51,943	3,61,143	12	79	National Tobacco P.	16	7	7	10	11/62	10/12	13/75
23,31,600	1,014	13,02,891	9,90,509	6,26,950	40,375	12	35	New India Investment Corpn.	8.7	..	..	75	65/00	65/00	70/00

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								MISCELLANEOUS (Contd.).							
60 00 000	6,27 241	59,20 402	91,23 845	14 28,049	24 342	12	321	Octavius Steel P.	10	7½	7½	100	..	..	..
2,20,00,000	1,99,24,542	89,30,483	25,74,107	1,20,21,148	82,858	3	145	Philips India	12	12	13	10	26/00	27/37	30/62
2,86 200	11 000	2 62,800	2,80,533	4,74 296	3,23,563	8	532	Publicity Society	10	75	75	4	22/62	22/62	27/00
2,25,00 000	86,77,634	14,24,127	1,33,25,576	44,48,355	5,08,029	3	335	Rallis India P.	4	8½	8½	100	113 00	112/00	139 00
5,00,00,000	8 03 38 821	2,57,80,000	1,14,05,040	49,28 459	37,513	9	22	Rohtas Industries P.	20	10	8	10	11/50	11/19	14 44
1,25,51 928	3,84,89,769	1,77,04,218	90,74,618	1,15,62,333	99 729	6	22	Sirsilk P	Nil	..	..	10	8 94	8/94	10,00
2,18,55 240	4,62,89,369	72,10,000	6,79 140	33 33 899				Sen Raleigh Industries P.	8	8	8	10	14 50	14/50	18/87
1,00,00,000					56,480	9	36	Shaw Wallace P.	15	15	7½	10	16 31	16/31	20/19
10,00,000A	4,41,41,480	8,52,298	5,66,797	—1,17,823				Spencers Hotel	2½	2½	..	2	0 65	0/94	0/94
4,37,500PO					58,939	3	106	Titaghur P.	18	18	12½	10	38 75	38/69	47 75
56,00 000AO	4,96,82,144	3,30,31,629	21,85,452	—11,38,443				Union Carbide	20	20	..	1PO	2 06	2/31	2 50
58,04 800BO					17,196	8	373	Walford Transport	30	30	..	1O	3 62	3/81	3 93
1,50,00,000O	4,95,97,051	85,00,000	1,73,752	58,44,196											
								INSURANCE COMPANIES							
4,30.000	1,81,531	1,45,000	5,34,786	65,294	24,928	7	326	Camperdown	11	11	..	100	104/00	104/00	100/00
								REAL PROPERTY STORAGE							
10 00 000A												A500	1,050/00	1,050/00	610/00
1,25 000B	14 75,599	7,71,511	6,55,648	1,14,879	3,609	4-10	73	Bengal Bonded Warehouse	11	8	8	B62½	135/00	135/00	77/25
2,00 000C												C100	122/00	122/00	122/00
25,000D												D12½	14/15	14/15	14/75
7,42 150	11,68,346	4,23,135	33,823	81,259	3,142	3	6	Calcutta Safe Deposit	..	..	..	100	7/87	7/87	7/25
1,00 00,780O	19,85,068	9,01,590	13 43,272	3,61 779	1 33,593	9	432	Humayan Properties P.	Nil	..	..	10O	11/00	11/00	11/00
2,00 000Dd									Nil	..	Nil	1Dd	2/15	2/15	2/15
7,99,00,000	13,373	Nil	13,17,910	—85,757	—21,89,035	4	2	Midnapore Zemindary P.				85	10/37	10/37	10/75
								TRAMWAYS & STEAMER							
20,00 000	29 74 805	27 13 587	10,28 887	3,59 472	11,765	10	2	Bengal Assam Steamship P.	7½	7½	..	100	135/00	135/00	110/00
6,25,000	5,18,823	7,61,818	11,59,293	5,18,780	5,967	10	89	Calcutta Landing & Shipping	3½	7½	22	10	34/00	34/00	28/69
12,60,000	23,78,412	13 83,110	42,995	28,490	—42,629	6	398	Calcutta Steam Navigation	10	Nil	Nil	10	8/25	8/25	7/75
£700,000	£2,937,718	£1,560,682	£315,682	£105,509	£1,407	12	98	Calcutta Tramways P.	..	..	..	£10	10/81	10/81	12/37
6,04 880	6,97,987	6,58,706	33 440	1,35,098	—637	3	139	Fraser	Nil	..	..	10	10/00	10/00	10/00
£655,580	£1,970,808	£432,856	£419 913	—£280,988	—£84,854	3	231	India General Nav. & Railway P.	Nil	..	..	10	45/00	45/00	64/00
8,47 50,000	16,80,59 821	1,57,51 789	1,36,10,394	—41,42,006	—4,09,480	12	..	India Steamship P.	10	Nil	Nil	10	7/06	6/12	6/87
14,08,220	13,34,804	74,870	7,951	—62,391				Port Shipping	Nil	Nil	..	10	14/44	13/62	12/06
								OIL COMPANIES							
£2 900.001	£2,383,591	£1,700 442	£507,508	£1,073 511	£100.742	12	249	Attock Oil	13½	13½	..	£1	sh.35/6	sh. 34/9	h. 28/11½
£82 419 080	£35,843 338	£12 750,000	£13 148 421	£18,446 093	£582 861	12	5%	Burmah Oil P.	9 2/5	..	..	£1	sh.63/7½	sh.64/4½	sh. 38/6
1,00,00 000	59,29,364	1,75,25,203	2,84,68,306	54,63,502	1,19,330	12	249	Burmah Petroleum P.	30	25	22½	10	21 19	21/12	25 66
6,00,000	3,20,016	9,89,137	4,92,863	4,47,005	12,113	10	2	Tide Water Oil	30	35	35	10	27/12	27/12	23,31
								PAPER MILLS							
58,50,000	1,09,71,994	63,55,637	10,43,959	47,17,412	50,816	12	436	Bengal P.	32	27½	20	10	26 06	26/31	33 00
88,20 000	1,18,98,097	84,80,934	10,29,515	23 47,414	46,493	3	2	India Paper Pulp	15	13	12	10	17 62	16/50	20 12
1,57 83 688	6,50 00,000	3,92,78,014	59,38 470	1,41 20 011	2,25 859	3	22	Orient Paper P	22½	22½	22½	10	34 40	33/80	43 80
1,25,51 928	3,84,89,769	1,77,04,218	90,74,618	1,15,62,333	73,294	12	140	Sneee Gopal Paper P.	17 6/7	17 6/7	17 6/7	10	22 25	22/25	25/25
2,18,55 240	4,62,89,369	72,10,000	6,79 140	33 33 899	99 729	6	22	Sirpur P	6½	8½	..	10	11 56	11/50	14 00
1,00,00,000					56,480	9	36	Star Paper P.	Nil	Nil	Nil	10	8, 87	8/87	10/00
10,00,000A	4,41,41,480	8,52,298	5,66,797	—1,17,823											
4,37,500PO					58,939	3	106	Titaghur P.	10	13	13	2½PO	3/87	3/87	3/78
56,00 000AO	4,96,82,144	3,30,31,629	21,85,452	—11,38,443					25	20	10	10AO	16/12	16/00	36/44
58,04 800BO					17,196	8	373	West Coast P.	25	20	10	10BO	16/12	16/00	36/44
1,50,00,000O	4,95,97,051	85,00,000	1,73,752	58,44,196					6	7½	..	100	125/00	125/00	170.00

BOMBAY COTTON MILLS

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Paid-up Capital Ordinary	Number of		Net Block Account	Reserve & other Funds	Cash & Securities	Net Profits including taxation	Carry forward	Accounts closed	Mg. Agts. Secretaries etc.	NAMES	Dividends per cent			Paid-up per Share	Latest Market Quotations as available until		
											1960	1961	1962		27-8-63	19-8-63	A year ago
Rs.	Spindles	Looms	Rs.	Rs.	Rs.	Rs.	Rs.							Rs.	Rs.	Rs.	Rs.
40,00,000	48,652	1,016	1,28,56,156	46,70,828	20,69,878	10,39,743	26,620	..	269	Ahmedabad Advance P.	16	..	..	100	140/00	136/00	172/00
50,00,000	48,254	996	20,17,010	9,99,960	10,78,394	1,49,501	2,24,486	12	228	Apollo	..	..	..	2	1/92	1/90	2/28
40,00,000	41,135	980	43,32,511	11,42,781	4,76,501	1,42,728	..	3	351	Beharilal Ramcharan	Nil	..	..	100	79/00	78/00	61/50
2,50,98,000	2,03,912	4,911	5,87,37,535	3,82,76,018	47,87,842	62,56,837	67,586	12	196	Bombay Dyeing, etc.	14	14	14	25	60/00	60/20	67/60
10,00,000	35,052	848	32,07,778	34,59,612	3,45,172	10,89,190	1,37,996	3	262	Bradbury P.	10	25	..	50	139/50	139/50	195/00
1,27,75,700	1,18,296	2,760	4,98,32,541	3,26,81,468	19,75,722	32,61,429	20,50,911	—69,69,939	6	268	Century	..	..	..	100	529/50	519/00	637/00
46,87,500	1,15,188	2,062	3,08,53,158	10,75,722	32,61,429	20,50,911	—69,69,939	6	268	Central India P.	Nil	Nil	..	100	111/00	105/00	143/00
26,00,000	24,916	719	37,34,829	32,52,434	1,01,555	7,46,029	1,28,751	3	58	Coorla	..	..	..	100	150/00	150/00	152/50
28,80,000	43,512	..	33,97,504	29,03,230	5,19,248	23,98,267	2,06,873	12	267	Dawn	30	30	..	50	144/00	135/00	169/00
34,00,000	49,164	920	30,75,487	37,58,286	14,81,779	18,79,601	—2,29,977	12	269	Edward Textiles	9	..	..	200	290/00	290/00	349/00
29,98,050	47,700	886	1,30,16,691	50,97,407	2,85,110	31,72,674	1,36,630	12	59	Elphinstone P.	18	22	..	50	95/00	85/00	115/00
50,00,000	63,212	784	85,32,658	71,62,852	16,858	4,09,432	37,156	12	241	Finlay	..	..	..	100	312/00	312/00	314/00
39,04,700	77,966	..	19,75,309	43,25,176	23,64,706	12,85,523	85,195	12	56	Gokak	..	..	..	100	158/50	155/00	189/50
12,00,000	40,856	1,116	64,14,598	68,13,238	10,75,932	4,27,954	5,195	3	305	Hindoostan	..	..	..	250	855/00	855/00	..
2,00,00,000 / 60,00,00,000	2,48,870	6,498	4,41,45,022	3,84,70,022	31,82,625	1,32,22,197	5,89,816	12	15	India United	(..	..	..	10	22/72	23/00	25/75
											(..	..	..	1Dd	2/56	2/54	3/86
9,00,000	47,824	1,202	75,60,490	61,57,161	4,26,274	..	..	3	305	Indian	..	..	..	250	761/25	761/25	..
50,00,000	50,074	1,426	74,72,293	26,00,000	26,71,578	4,58,532	8,880	12	103	Indore Malwa United	8½	10	7½	100	195/00	192/00	184/00
59,85,000	65,260	1,514	1,07,21,545	82,79,165	25,00,707	76,87,297	38,751	6	149	Khatau Makanji P.	32	..	..	100	220/00	216/25	480/00
1,00,00,000	1,20,504	1,846	1,38,52,384	1,07,07,211	9,13,088	38,39,253	1,555	12	196	Kohinoor	15	18	..	100	308/50	304/00	318/50
89,60,000	49,880	1,369	1,26,36,356	62,49,272	7,11,717	—21,14,041	—10,60,896	12	93	Lakshmi Vishnu P.	5.7	6	Nil	100	90/50	90/50	125/00
51,75,000	71,652	1,620	1,31,30,107	72,11,813	63,197	50,67,194	1,09,099	6	104	Morarjee Goculdas P.	21½	24	24	100	366/00	368/00	425/00
39,68,250	50,480	500	55,13,433	39,56,794	22,08,037	2,05,250	Nil	2	261	Mysore Spg & Mfg. P.	14	14	..	50	48/00	48/00	64/50
24,00,000	45,944	432	23,52,760	7,45,700	10,79,000	15,67,753	8,456	12	..	New City of Bombay	..	..	..	100	156/25	156/25	181/00
30,00,000	46,884	1,029	22,27,098	25,72,944	27,32,568	12,48,697	153	12	..	New Great Eastern P.	..	..	..	100	201/00	201/00	280/00
48,00,000	54,244	728	53,94,222	35,42,896	1,54,21,522	21,027	27,380	12	119	Phoenix	Nil	..	..	100	217/00	205/00	252/00
10,00,000	9,520	277	13,17,604	2,78,222	9,963	3,22,456	—1,07,771	12	257	Sassoon & Alliance	..	..	..	10	11/00	11/00	14/38
75,40,000	96,488	2,127	1,86,66,252	1,46,91,699	9,65,923	52,69,671	30,196	12	338	Sassoon Spinning	17	20	..	10	46/50	46/50	58/00
50,40,000	49,840	1,258	1,26,34,913	22,84,619	1,37,279	—1,24,433	—5,86,435	3	175	Simplex	15	Nil	..	50	124/00	121/00	165/00
90,00,000	77,436	1,840	1,44,03,087	87,99,257	95,30,537	61,50,016	1,06,435	12	327	Shree Niwas P.	18	20	..	100	229/50	232/00	271/00
1,00,00,000	68,040	2,000	1,69,10,102	1,05,78,408	19,38,911	24,20,000	24,523	12	269	Svadeshi P.	17	..	..	100	241/00	235/00	267/00
36,00,000	40,328	549	56,94,858	71,73,334	7,774	8,20,551	26,062	12	341	Swan	20	..	..	100	385/00	285/00	310/00
65,57,875	63,248	1,800	1,81,82,529	61,75,268	10,05,863	31,74,545	26,322	12	269	Tata	..	..	..	25	54/20	53/70	63/50
12,00,000	45,508	1,308	62,07,441	12,11,933	31,81,227	52,10,985	8,027	3	205	Western India	..	..	..	250	785/00	785/00	860/00

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BOMBAY MISCELLANEOUS COMPANIES

Paid-up Capital Ordinary	Net Block Accounts	Reserve & other Funds Premiums & Forfeited Shares if any	Cash & Securities	Profits including Taxation	Carry Forward	Accounts closed	Mg. Agents Secretaries etc.	NAMES	Dividends per cent			Paid-up per Share	Latest Market Quotations as available until		
									1960	1961	1962		27-8-63	19-8-63	A year ago
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.							Rs.	Rs.	Rs.	Rs.
						3	267	**CEMENT**							
19,96,49,908	26,78,49,366	10,52,33,092	4,94,54,294	7,57,20,456	65,991	7	53	Associated Cement	12½	12	12	100	145/75	144/00	163/50
								ELECTRIC LTG. POWER							
8,74,77,100	11,61,05,785	1,36,05,785	30,82,878	78,42,903	638			Ahmedabad Electricity	7	6					
3,02,77,000	9,34,77,781	1,23,89,917	32,52,570	52,28,395	36,154	3	146	Andhra Valley Power P.	5½	5	..	100	95/60	95/20	94/70
1,74,99,700	2,14,65,122	39,32,485	5,76,858	19,21,739	48	3	267	Bombay Suburban Elec.	..	..	5	1000	1,067/50	1,068/75	1,017/50
2,39,99,975	7,17,76,350	1,39,56,841	51,65,971	60,68,808	27,536	3	146	Tata Hydro Elec Power P.	5½	5	..	100	104/50	104/50	107/00
5,15,36,000	17,59,03,832	3,61,11,341	57,28,753	1,22,80,113	29,933	3	267	Tata Power P.	5½	5	5	1000	110/50	110/50	110/00
												1000	1,115/00	1,112/50	1,100/00
								ENGINEERING & METAL							
33,42,200	17,06,292	44,16,374	1,54,08,311	5,79,668	1,35,829	12	268	Alcock Ashdown	..	..	..				
6,00,000	2,88,390	4,73,722	16,18,223	1,48,734	2,147	3	115	Jost's Engineering	8	10	..	100	277/00	275/00	330/00
1,65,00,000	1,36,83,136	1,15,74,779	1,09,19,945	48,29,564	11,973	3	351	Larsen & Toubro P.	12½	18	14-14*	50	59/50	59/50	97/00
11,00,000	1,03,70,225	3,45,914	..	..	1,016	7	283	Mckenzies	..	..	14	10	22/80	22/64	29/60
2,50,000 / 1,31,250	5,834	1,00,53,052	1,79,52,042	3,35,178	59,109	12	284	Premier Construction P.	..	..	..	100	141/00	141/00	151/00
												300	138/50	137/50	156/00
1,99,97,300	17,30,38,018	5,09,28,017	13,84,285	3,61,61,616	14,962	3	269	Tata Eng & Locomotive P.	12½	..	..	31F	..	..	..
27,55,67,699	1,03,32,39,005	42,98,94,270	10,44,14,243	10,55,68,012	32,096	3	269	Tata Iron & Steel P	9.1	14½ 10.36	14½-14½* 10.36-11*	100	251/00	257/00	336/00
												750	140/75	137/50	148/75
								INSURANCE COMPANIES							
20,00,000	..	23,84,913	95,96,033	4,24,629	1,18,606	12	297	British India General	..	..	..	10	12/20	12/20	12/52
18,74,940	25,01,134	2,88,61,155	2,61,49,442	18,951	4,65,318	12	55	Jupiter General P.	..	..	..	15	9/20	9/20	12/00
1,42,42,125	23,46,782	3,80,68,895	3,41,74,741	92,81,254	14,28,395	12	179	New India	..	..	..	15	62/50	52/50	69/00
15,99,270	..	29,41,860	59,86,789	6,05,803	3,81,242	12	255	Vulcan	..	..	..	10	17/24	17/24	17/72
								MISCELLANEOUS							
70,49,650	41,70,604	1,23,53,608	1,09,82,038	67,94,850	3,00,263	9	42	Belapur Sugar	..	..	..				
89,25,000 / 42,00,000	3,32,42,226	3,91,11,720	2,03,23,186	1,01,08,049	2,03,146	3	285	Bombay Burmah Trading	30	33	33	50	185/50	184/50	241/50
												25	60/00	59/10	..
8,24,36,000	4,66,81,360	3,67,07,011	23,74,064	4,77,27,501	53,585	12	91	Hindustan Lever	26	26	12	50	45/50	45/50	266/00
99,99,250	5,754	20,08,796	1,94,31,515	6,94,499	30,418	12	299	Industrial Invt. Trust	6½	6½	..	10	36/00	36/25	48/00
11,99,900	13,82,957	1,34,142	14,35,2231	58,232	16,942	3	47	Kemp (Chemists)	..	..	..	100	73/00	73/00	73/00
2,41,12,100	7,40,36,031	2,03,71,166	27,35,066	1,69,81,809	4,41,151	12	352	National Rayon	22	..	..	200	260/00	305/00	115/00
13,27,96,680	25,25,08,555	11,58,24,547	11,18,89,983	48,75,907	2,82,649	6	198	Scindia Steam Navign.	3	3	3	20	311/50	313/50	514/50
20,86,650	61,89,784	8,93,280	9,30,496	—11,40,141	—7,04,925	11	146	Shivrajpur Synd	80	Nil	..	10	11/80	11/84	12/16
3,02,33,705	6,11,37,864	59,26,413	25,12,521	16,94,201	4,550	3	286	Tata Chemicals P.	6	6½	6½	10	19/00	19/52	34/50
70,07,475	1,82,93,580	61,03,586	40,41,890	38,79,799	10,134	3	286	Tata Oil P.	23	23	23	10	16/00	16/04	15/40
2,55,00,000	1,16,85,362	1,08,92,603	71,80,468	1,37,48,151	2,91,854	8	36	Voltas	13	14	14	25	60/00	65/20	62/00
2,75,00,000	2,71,29,042	2,32,60,865	1,47,82,908	1,39,56,381	82,645	12	274	Western India Match	16	16	16	100	238/50	239/00	278/00

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SOUTH INDIA PLANTATION COMPANIES

P., Po. and Dd. indicate Ordinary, Preferred Ordinary and Deferred Shares respectively. 'P.' next to the name of the company indicates that the Company also has Preference Shares. Figures in "accounts closed" column indicate the months of the Calendar year in which accounts are closed. For Managing Agents refer to the Key (last page) under the numbers indicated.

Paid-up Capital Ordinary	Net Block Account	Reserve & other Funds	Acreage	Outturn and Average Price per kg./lb realised for crop		Net Profits	Accounts closed	Mg. Agts. Secretaries etc.	NAMES	Dividends per cent			Paid-up per share	Latest Market Quotations as available until		
										1959	1960	1961		27-8-63	20-8-63	A year ago
Rs.	Rs.	Rs.		Lbs	Rs.	Rs.							Rs.	Rs.	Rs.	Rs.
6,75,000	16,06,067	1,50,000	1,992	7,996cwt	9 68	1,19,757	3	401	Amalgamated P.	7½	10	..	10	10/36	10/36	11/06
2,50,000	12,57,795	5,72,253	878	1,12,000	1 43	70,011	12	402	Anandam P.	15	15	..	10	14/19	14/19	15/24
3,25,000	8,00,131	1,50,000	402	1,28,902	1 47cts	1,11,290	3	287	Balanoor P.	Nil	Nil	..	2	1/06	1/05	0/80
10,98,990	13,96,078	4,83,841	1,630	225,168†	4 34	27,883	5	404	Balmadies P.	15	15	12	10	11/30	11/30	12/91
3,00,000	3,73,936	2,35,000	319	76,517cwt	3.2	63,110	3	270	Be Be P.	7½	7½	..	2	2/03	2/10	2/50
17,32,230	13,36,710	3,36,253	977	3,59,531	1 65cts	12,42,823	6	141	Blue Mountain	5	Nil	..	5	2/50	2/51	2/42
14,00,000	1,15,75,030	26,08,425	1,329	7,16,244†	4 84	6,16,055	3	210	Chembra Peak	12½	12½	10*—20*	2	4/33	4/33	3/60
14,00,100	27,96,388	14,46,380	4,586	8,36,263†	3.15	15,14,112	9	210	Cochin Malabar P.	15	17½	20—20*	3	5/86	5/80	7/00
26,91,279	47,43,806	19,53,790	8,050	11,59,898†	..	8,71,249	6	405	Coffee Lands P.	15	17½	20—20*	3	14/65	14/65	14/40
12,50,000	39,31,709	30,58,661	2,710	19 48 320	..	25,60,562	6	406	Consolidated Coffee P.	25	6	..	10	17/35	17/35	18/50
71,55,000	1,15,74,494	63,44,278	7,001	60,81,120	..	2,55,424	9	203	Coonoor P.	25	20	..	10	18/35	18/35	23/00
5,66,420	21,24,818	12,20,975	372	4,04,655†	26 13					20	17½	..	10			
4,80,000	10,36,448	4,76,798	432	3,53,888	1.52	1,19,880	3	407	Coorg P.	20	20	..	2	5/15	5/15	3/95
6,00,000	11,82,508	2,17,761	1,026	1,57,785	1 47	45,942	3	12	Cottanad Plantation P.	15	10	..	10	9/31	9/31	9/75
6,00,000	8,89,831	4,80,156	345	3,25,310†	2 66	1,25,313	12	212	Devashola (Nilgiri)	25	20	..	10	24/39	24/39	25/05
6,74,650	9,14,944	3,31,040	450	1,38,386†	1 26	1,36,712	3	287	Devon P	15	15	12	10	11/98	11/96	12/66
7,50,000	3,38,952	1,26,500	197	1,12,936†	2 66	28,121	12	408	Emerald Valley	8	..	..	5	6/—	6/35	5/55
4,50,000	3,64,462	20,000	278	82,830	..	40,424	12	409	Gokul	9	10	..	2	1/7-	1/76	1/90
25,00,000	42,82,150	17,77,500	1,465	17,21,550	2 04	2,13,414	12	410	Haileyburla P.	12½	15	..	10	11/2-	11/25	11/75
11,85,700	28,02,058	10,77,705	1,528	9,59,804	1 67	3,60,461	2	402	Kailas	20	22½	..	2	5/6-	5/65	5/40
6,00,000	11,83,358	8,86,159	465	2,92,200†	4 64	4,14,877	3	210	Kalasa Tea Produce	15	20	25	2	4/15	4/15	3/55
17,17,076	27,90,278	9,40,446	741	4,46,673	5.17	5,88,691	10	210	Kil Kotagiri P.	35	20	25	2	5/65	5/65	4/80
5,00,000	9,11,259	1,21,604	267	305,757	2 31	96,485	12	203	Lucky Valley	10	10	10	10	11/35	11/35	10/25
13,50,000	17,31,286	4,85,241	1,691	6,70,174	1 48	2,09,136	3	411	Malankara	16	15	..	10	16/00	16/00	10/90
40,50,000	74,75,217	14,33,242	4,013	740,800†	4 47	13,89,961	3	270	Midland Rub & Prod P.	10	12½	12½	10	11/25	11 30	11 00
14,06,250	33,53,804	7,45,346	1,587	9,98,596	2.90	1,60,000	3	402	Nilgiri P.	5	8	..	10	9/55	9/55	9/10
23,10,000	22,24,327	57,73,357	1,057	13,82,095	..	14,10,257	6	14	Nonsuch	20	20	20	10	23/87	23/87	21/69
6,50,000	7,07,991	5,71,464	610	1,35,230†	..	1,41,776	3	210	Ouchterlony	15	15	..	2	3/38	3/30	2/90
19,45,980	34,53,670	25,53,533	1,498	5,77,573	4 44	6,27,924	10	210	Ossoor	15	13	12	2	4/40	4/40	3/66
14,88,960	26,94,804	16,87,414	1,563	10,83,565†	4.20	7,40,158	6	203	Parkside Neilgherry	27½	27½	22½	10	25/82	25/82	21/37
17,00,000	27,36,576	12,82,318	1,167	3,83,268	1.80	1,65,244	2	259	Peermade P.	22½	22½	25	10	20/90	20/77	20/00
6,00,000	1,90,316	1,35,530	3,724	23,32,142†	..	26,86,596	3	210	Peninsular	20	20	..	10	20/70	20/70	22/10
57,94,880	75,03,172	30,24,711	2,827	798,833†	3.30	9,83,709	6	270	Periakaramalai	12½	13¼	20	2	3/55	3/62	3/22
13,50,000	45,61,490	9,28,404	711	3,320cwt	1 32	1,18,791	2	412	Rajagiri Rub & Prod P.	20	20	20	10	18/60	18/60	21/20
2,00,000	3,14,567	1,53,963	216	..	..	43,141	3	413	Rajendra P.	50	25	..	5	9/80	9/80	11/12
1,25,000	1,90,373	15,000							Swinton	7½	12½	..	2	2/82	2/82	2/87
10,00,000	20,71,084	2,48,373	1,454	4,30,695	1.51	63,263	3	172	Teekoy P.	6	Nil	..	10	6/60	6/60	5/40
9,15,300	13,14,193	10,80,000	2,227	2,45,543†	3.76	80,950	12	414	Thirumbadi	7	7	12	1	1/96	1/96	1/48
6,00,000	6,51,402	46,742	1,307	2,23,794	3.21	11,13,227	12	9	Travancore Rubber	10	13	..	10	9/66	9/66	11/41
41,00,000	70,55,954	15,07,686	5,028	12,05,890†	..	2,02,762	12	271	Travancore Rub & Prod P.	7½	9	10	10	19/15	19/15	18/62
20,00,000	23,48,701	1,36,000	3,028	6,38,902	3.16	1,00,000	12	410	Tropical Plantation	8	8	..	25	8/25	8/25	8/90
15,76,000	24,78,11	16,00,000	1,267	9,63,293	5.11	12,85,658	3	250	Twyfords	10	10	..	10	21/75	20/34	19/35
21,93,280	30,03,223	17,04,089	3,838	8,28,976†	1.80	2,20,096	12	415	United Nilgiri	19½	21	22	10	29/45	29/45	31/70
3,80,010	9,26,839	2,82,051	952	4,94,400	1 78	12,73 061	8	157	Vaikundam	25	30	..	10	2/23	2/20	2/12
47,25,000	54,71,548	12,96,030	2,344	11,30,431	1.78	88,225	3	416	Waterfall Estates P.	12½	12½	..	2	7/85	7/85	7/85
6,95,000	12,64,609	6,35,454	971	1,65,429	1.78				Woodland P.	5	10	..	10			

† Kgs. *1963 * 1962

SOUTH INDIA COTTON MILLS

Paid-up Capital Ordinary	Number of Spindles	Looms	Net Block Account	Reserves & other Funds Premiums & Forfeited Shares if any	Cash & Securities	Net Profits including Taxation	Carry forward	Accounts closed	Mg. Agts. Secretaries etc.	NAMES	Dividends per cent			Paid-up per share	Latest Market Quotations as available until		
											1959	1960	1961		27-8-63	20-8-63	A year ago
Rs.			Rs.	Rs.	Rs.	Rs.	Rs.							Rs.	Rs.	Rs.	Rs.
1,21,50,000	46,240	1,157	1,12,36,315	1,80,16,667	58,75,591	68,01,756	2,53,358	12	..	Bangalore W C Silk P.	10	10	18—18*	100	231/00	231/00	248/00
1,78,47,800	1,20,286	2,756	3,99,41,906	4,11,85,581	32,05,619	1,02,53,184	2,05,182	12	..	Buckingham & Carnatic P	10	10	18—18*	100	264/00	264/00	277/00
30,00,000	28,000	..	22,72,373	31,908	39,35,014	7,68,513	42,421	12	432	Cambodia P	Nil	9	..	10	12/37	12/37	13/00
35,99,800	23,864	..	74,98,712	1,98,681	22,22%	20,95,517	—10,23,340	6	46	Coimbatore Spg & Wvg.	6	12	16	100	167/00	167/00	169/00
20,76,900	12,832	407	47,91,212	1,98,681	22,22%	—7,52,342	12,617	12	141	Coimbatore Cotton	..	..	8—8*	50	68/50	68/50	73/00
97,20,000	30,512	400	1,11,72,576	25,53,151	11,75,098	10,75,051				Kothari Textiles P.	10	10	..	10	9/30	9/30	10/87
1,06,50,000	1,10,800	..	1,41,28,628	34,90,166	2,06,207	71,93,831	19,391	3	186	Lakshmi	12	20	30	50	130/50	137/00	148/00
1,75,02,480	6,00,000	..	3,19 71,388	3,21,72,932	37 88 400	1,57,67,400	12 44 769	12	108	Madura	12½	15	15	15	30/50	31/25	35/65
60,00,000	24,252	603	14,89,091	29,77,275	39,12,326	31,05,185	45,412	3	29	Mettur Industries	25	30	30-22½*	100	268/00	268/00	342/00
4,00,000	20,137	Nil	3,36,608	6,00,000	24,24,908	7,39,437	2,687	12	80	Palani Andavar P.	..	..	..	10	202/75	202/75	215/00
31,00,000	48,974	270	43,85,330	43,50,000	11,97,728	16,77,243	91,696	12	47	Vasanta P.	16	20	..	100	276/00	276/00	290/00

* 1962

SOUTH INDIA SUGAR MILLS

O., Po., F. and Dd indicate Ordinary, Preferred Ordinary, Founders and Deferred Shares respectively 'P' next to the name of the company indicate that the company also has Preference Shares. Figures in "accounts closed" column indicate the months of the calendar year in which accounts are closed. For Managing Agents refer to the Key (last page) under the numbers indicated.

Paid-up Capital Ordinary	Net Block Account	Reserve & other Funds Premiums & Forfeited Shares if any	Cash & Securities	Net profits	Carry forward	Accounts closed	Nos. Agts. Secretaries etc.	NAMES	Dividends per cent 1959	1960	1961	Paid-up per share	Latest Market Quotations as available until 27-8-63	20-8-63	A year ago
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.							Rs.	Rs.	Rs.	Rs.
30,00,000	62,64,264	26,55,000	5,52,490	10,92,779	22,959	9	417	Andhra P.	20	..	..	10	17/36	17/36	21/00
40,00,000	80,62,883	12,61,424	1,58,472	13,46,266	1,40,987	6	218	Cauvery P.	Nil	6	8	100	107/00	107/00	112/00
39,84,000	72,41,268	44,98,509	8,38,760	19,41,784	1,02,809	9	319	Deccan Sugar	25½	25½	12—18*	5	9/90	9/80	11/20
£1,127,700	£3,463,073	£2,075,782	£414,795	£648,473	£21,999	9	418	E.I.D.—Parry	28 4/7	21 3/7	21 3/7*	£1	38/50	38/50	44/25
63,97,650	45,80,752	15,25,348	64,67,521	12,34,057	3,17,077	6	419	Indian Sugar P.	12½	14	10	10	8/50	8/50	10/10
32,45,572	1,22,66,623	18,99,861	1,51,052	5,99,416	2,090	6	419	Jeypore P.	10	8	..	10	15/25	15/25	17/00
10,52,200	2,87,27,773	1,23,75,000	31,53,982	20,76,426	91,745	6	420	K. C. P.	15	..	..	10	23/90	23/90	22/00
80,00,000	1,69,284	Nil	47,90,533	—8,756	—8,756	6	141	Kothari	..	Nil	Nil	10	6/90	6/90	7/10
21,79,280	56,84,219	1,18,46,596	50,30,701	12,10,353	25,953	6	264	Mysore	30	30	30—30*	10	47/75	47/75	53/40
30,00,000	35,93,381	11,41,000	10,12,037	4,88,902	1,46,735	4	218	Travancore P.	10	10	..	10	7/35	7/35	7/25
25,00,000	45,00,640	61,40,000	58,68,569	30,54,529	11,19,844	3	320	United Breweries	60	60	60—25*	10	35/00	35/00	98/50

* 1962

SOUTH INDIA MISCELLANEOUS COMPANIES

Paid-up Capital Ordinary	Net Block Account	Reserve & other Funds Premiums & Forfeited Shares if any	Cash & Securities	Net profits	Carry forward	Accounts closed	Nos. Agts. Secretaries etc.	NAMES	Dividends per cent 1959	1960	1961	Paid-up per share	Latest Market Quotations as available until 27-8-63	20-8-63	A year ago
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.							Rs.	Rs.	Rs.	Rs.
1,00,00,000	86,99,116	39,83,750	10,36,602	19,80,945	1,52,818	3	421	Aluminium Industries	12½	18	ex	10	16/95	17/30	25/00
71,02,270	91,13,952	4,21,546	6,36,276	8,56,859	22,879	12	16	Andhra Cement P.	10	..	ex	10	9/55	9/55	10/30
3,02,87,658	1,59,93,383	25,63,610	1,84,694	30,01,343	20,076	12	422	Ashok Leyland	8	8	ex	5	7/25	7/25	8/00
1,00,00,000	17,47,081	49,33,425	2,75,867	19,86,813	4,39,222	12	423	Binny	10	12½	ex	100	297/00	299/82	364/85
1,50,000	5,45,587	68,533	41,650	93,226	—1,46,143	12	270	Brunton & Co.	Nil	..	ex	10	5/03	5/10	5/30
24,99,000	40,82,511	3,52,644	62,051	3,35,186	4,810	12	424	Enfield P.	5	5	ex	10	9/00	9/00	10/45
2,24,44,750	321,08,642	66,66,496	73,60,475	51,28,679	1,38,608	3	425	India Cement P	9	11	9—12*	5	5/55	5/60	6/40
23,32,732	16,92,196	2,50,222	93,924	2,16,808	2,977	12	230	Indian Steel Rolling P.	7	..	ex	10	11/00	11/00	12/50
1,40,00,000	1,39,97,059	37,48,801	36,09,251	29,82,180	11,631	3	263	Mettur Chemical Industries P.	8¾	12½	12½-13¾-18¾*	10	12/75	12/20	13/95
24,51,220	12,69,939	10,47,778	17,48,674	5,48,641	8,514	3	235	Mysore Chem & Fert.	5	10	10	10	7/75	7/75	10/15
6,00,000	5,20,889	4,52,189	2,18,413	3,33,791	85,187	3	151	Mysore Chemical Mfgs. P.	20	20	..	10	17/75	17/75	21/75
6,56,250	5,13,585	9,38,696	6,374	1,23,999	3,146	3	426	Mysore Lamp P.	12½	15	..	10	30/00	34/10	34/50
25,00,000	55,50,342	37,12,500	2,43,664	14,29,395	38,663	3	226	Mysore Paper	12½	10	..	10	13/85	13/85	14/37
10,00,000	7,58,329	3,16,884	39,32,342	75,422	622	3	201	Mysore Tobacco	20	30	..	10	9/85	9/85	8/60
10,00,000	6,54,848	8,02,000	2,60,194	4,84,835	1,51,607	3	218	Parrys Conf.			ex	1	3/25	3/20	4/20
40,00,000	82,50,078	1,03,14,883	40,58,627	23,52,432	10,74,117	6	221	Spencer (Provisions)	18	18	18—18*	10	20/12	20/15	23/27
47,00,000	86,53,610	20,65,000	51,902	7,85,986	3,869	12	427	Standard Motors P.	9	9	ex	10	11/62	11/62	16/18
11,56,300	5,95,547	14,04,007	16,66,624	4,19,707	41,732	9	428	T. Stanes P.	27½	32½	..	10	29/05	29/05	31/00
39,84,400	42,58,656	13,07,759	26,027	6,92,616	932	4	429	Textool	15	15	..	10	154/00	156/00	167/00
8,50,00,000	4,17,90,907	15,68,314	45,93,964	1,12,69,691	12,03,238	6	430	Tube Investments	10	10	10	100	208/00	208/00	265/00

†1963 * 1962

LIGHT RAILWAY AND ROPEWAY COMPANIES

Paid-up Capital Ordinary	Gross Block Accounts	Reserve & other Funds	Net Earnings	Carry — forward	Accounts closed	Nos. Agts. Secretaries etc.	NAMES	Dividends per cent 1960	1961	1962	Paid-up per share	Latest Market Quotations as available until 28-8-63	21-8-63	A year ago
Rs.	Rs.	Rs.	Rs.	Rs.							Rs.	Rs.	Rs.	Rs.
17,24,000	18,02,732	12,576	—2,52,424	..	3	165	Ahmedpur Katwa	1.90	1.90	1.75	100	26/00	26/00	29/50
21,69,300	34,93,819	6,11,706	3,03,621	2,918	3	32	Arrah Sasaram	5	5	5	100	27/00	27/00	30/50
14,06,000	35,33,840	21,816	—4,66,034	ex	3	165	Bankura Damoodar	1.90	1.90	1.75	100	30/00	30/00	29/00
17,80,000	20,25,854	10,772	—3,07,176	ex	3	165	Burdwan Cutwa	1.90	1.90	1.75	100	29/00	29/00	29/00
31,00,000	23,10,290	44,296	1,72,713	1,480	3	32	Chaparmukh-Silghat	2.90	2.90	2.80	100	40/00	40/00	35/00
4,75,000	1,48,268	6,83,369	1,35,796	3,691	3	296	Cherra Chhatak Ropeway	9	12	12	5	5/75	5/75	5/00
2,47,650	2,28,169	59,790	42,389	4,003	3	101	Darjeeling Ropeway	ex	ex	..	10	9/12	9/00	8/00
40,00,000	49,80,137	14,51,000	19,14,361	33,951	3	335	Dehri Rohtas	17	20	15	10	13/94	13/94	17/25
11,49,700	15,85,943	8,500	59,013	1,489	3	32	Futwah Islampur	1.90	1.90	1.90	100	28/70	28/70	28/70
16,00,000	49,13,938	13,57,712	1,70,485	3,022	6	32	Howrah Amta (P)	6	6	4½	100	46/00	46/00	46/00
6,00,000	13,66,352	5,14,960	62,731	4,225	6	32	Howrah Sheakhala	6	6	4½	100	45/00	45/00	40/00
6,91,100	11,74,348	15,024	78,560	186	3	165	Katakhal Lala Bazar	8.50	3.10	1.90	100	41/00	41/00	41/00
15,00,000	60,91,311	18,06,821	1,11,807	6,393	6	32	Shahdara (Delhi)	6	8	ex	100	52/00	52/00	50/75

MANAGING AGENTS, MANAGING DIRECTORS, DIRECTORS OR SECRETARIES WITH THEIR RESPECTIVE ADDRESSES.

1. Anderson Wright Ltd.—7, Wellesley Place Calcutta.
2. Andrew Yule & Co., Ltd.—8, Clive Row Calcutta
3. S. N. Bert—6, Middle Road, Hastings, Calcutta.
4. Bhagarcemull, Heeralall—148, Cotton Street, Calcutta
5. Amritlal Ojha & Co., Ltd.—"Security House" Netaji Subhas Road Calcutta.
6. Alcock, N. C.—Hultsdrof Mills, Colombo.
7. Associated Industrial Development Co (Private) Ltd.—"Nicco House", Hare Street, Calcutta-1.
8. Agarwala S. L.—Indian Insurance Building, Old Cantonment Road, Dehra Dun.
9. Aspinwall & Co. (Travancore) Ltd.—Alleppey.
10. Aryan Planter Agency—P-12, Chowringhee Square Calcutta.
11. Allum Bharucha & Co.—214, Hornby Road Bombay.
12. Associated Planters Private Ltd.—25, General Patters Road Madras.
13. Antony, M. K.—Alleppey.
14. Harrison and Crossfield Ltd.—Cochin.
15. Agarwal & Co—E. D. Sassoon Building, Dougall Road, Ballard Estate, Bombay
16. Andhra Eng. Co., Ltd.—22/422, Danavaypeta Rajahmundry.
17. Amte & Co—Hubli.
18. B. M. Krishan—Sri Jayachamaraja wadiyar Road Bangalore-2
19. Macneill and Barry Ltd.—2, Fairlie Place Calcutta.
20. Ojha Brothers Ltd.—Security House, Netaji Subhas Road. Calcutta.
21. Bird & Co. (Private) Ltd.—Chartered Bank Buildings, Calcutta.
22. Birla Bros Private Ltd.—8, India Exchange Place, Calcutta.
23. Babulal & Co., Ltd.—13, Syed Salley Lane, Calcutta.
24. Balmer Lawrie & Co., Ltd.—21, Netaji Subhas Road, Calcutta
25. British India Corporation Ltd.—Sutherland House, Kanpur.
26. R. L. Thompson, Agraharam Road, Bangalore-2
27. Bengal Textile Agency Ltd.—11, Clive Row, Calcutta.
28. Swadeshi Enterprise Ltd.—41, Chowringhee Road Calcutta.
29. Beardsell, W. A. & Co. Private Ltd.—Second Line Beach, Madras.
30. Bhagyalakshmi & Co.—Dehali Road, Udamalpet Dt. Coimbatore.
31. Rameshwar Pantia—1 & 2, Old Court House Street, Calcutta.
32. Martin Burn Ltd.—12, Mission Row, Calcutta.
33. K. M. Wilcox—Sutherland House, Kanpur.
34. Sir John Brown—9, Hare St. Calcutta.
35. Ramdutt Ramkissendas—9, Brabourne Road Calcutta.
36. Bajoria & Co.—27, Brabourne Road, Calcutta.
37. Birla, L. N.—8, Royal Exchange Place, Calcutta.
38. Birla B. M.—"India Exchange", Calcutta-1.
39. Sir John Brown—4, Clive Row, Calcutta
40. Bhargava R. K.—Mohalla Masjid Bach, Badshanagar.
41. Bharatlal Lahoty—161-1, Harrison Road Calcutta.
42. W. H. Brady & Co., Ltd—Brady House 12-14, Veer Nartman Road, Bombay-1.
43. Brijlal Bilasrai & Co.—Aga Khan Buildings, Dalal Street Fort, Bombay.
44. Puran Chand Batia—19, Circular Garden Reach Road Calcutta.
45. Chakravarti Sons & Co.—22, Canning Street, Calcutta.
46. G. L. Purushotham Naidu—24, Krishnaswamy Mudaliar Road Coimbatore.
47. Chetty R. K. S. & Bros.—Singanallur, Coimbatore-5.
48. S. R. Poddar—33, Netaji Subhas Road, Calcutta.
49. Calcutta Agency Ltd.—24, Netaji Subhas Road Calcutta.
50. Chanda A. P.—15, Taratola Road, Calcutta
51. Shoobridge F. G.—234-3, Lower Circular Road Calcutta.
52. R. A. K. Mackay—12b, West George Street Glasgow C.2.
53. Cement Agencies (Private) Ltd.—121, Queen's Road Fort Bombay.
54. Consolidated Elec. Agencies—17-B, Elphinstone Circus Fort Bombay.
55. K. S. R. Iyer—Imperial Bank Buildings, Bank Street Fort Bombay
56. Chinoy F. M. & Co. Ltd.—Radio House, Apollo Bunder Bombay.
57. Cumberbatch & Co.—Colombo.
58. Cowasjee Jehangir & Co. Ltd—Ready Money Mansion, Churchgate Street, Fort Bombay.
59. N. K. Jalan—Kamini Chamber 32 Nicol Road, Ballard Estate, Bombay.
60. Chandrie & Co., Ltd.—Madras.
61. Bagaria More Co., Ltd.—5, Clive Row, Calcutta.
62. Dayaram & Sons—9, Old Court House Street, Calcutta.
63. Duncan Brothers & Co., Ltd.—31, Netaji Subhas Road Calcutta.
64. Duff Thomas & Co.—2 and 3, Clive Row Calcutta
65. Dass Bros.—29 and 30, Strand Road, Calcutta.
66. A. K. Das—15, Netaji Subhas Road, Calcutta.
67. Day, P. E.—Alderman's House, Bishopsgate, London E.C.2.
68. Hari Brothers Private Ltd.—Scindia House New Delhi
69. Dadabhoy, Sir M. B.—Kampte Road, Civil Lines Nagpur
70. N. D. Bangur—14, Netaji Subhas Road, Calcutta.
71. B. C. Roy—Hindusthan Buildings 4, Chittaranjan Avenue, Calcutta
72. Duffs, J. C. & Co., Ltd.—National Bank Buildings, Netaji Subhas Road, Calcutta.
73. C. C. Dey—25, Netaji Subhas Road, Calcutta.
74. Davenport & Co. Private Ltd.—6, Church Lane Calcutta
75. Desai, R. M.—14, Nicol Road, Ballard Estate Fort, Bombay
76. Dodwell & Co., Ltd.—Glennie Street, Slave Island, Colombo.
77. Darragh Small & Co., Ltd.—Alleppey.
78. Dadabhoy, B. A. & Co.—Ilaco House, Sir Phirozeshah Mehta Road, Bombay.
79. B. N. Elias & Co. Private Ltd.—1 and 2, Old Court House Corner Calcutta.
80. Eastern Corpn. Ltd.—7, Wellesley Place, Calcutta.
81. Ebeling A. F.—Rawalpindi.
82. Poddar, P. L.—135, Canning Street, Calcutta.
83. Pratapsingh Mathuradas—9, Wallace Street, Fort Bombay.
84. S. S. Industrial Development Co. Ltd.—12, Old Court House Street, Calcutta.
85. A. Firpo, Jr.—18/2, Chowringhee, Calcutta.
86. Forbes Forbes Campbell Ltd.—Forbes Buildings, Home Street, Fort, Bombay.
87. S. V. S. Iyer—88C, Old Prabhadevi Road Bombay-28.
88. Gillanders Arbuthnot & Co., Ltd.—Clive Buildings Netaji Subhas Road, Calcutta.
89. Gladstone Lyall & Co., Ltd.—4, Fairlie Place, Calcutta
90. H. C. Bowker—"Victoria House", Calcutta.
91. P. L. Tandon—India House, Fort Street, Bombay.
92. Govan Bros. (Rampur) Private Ltd.—4, Scindia House New Delhi.
93. Govan Bros Ltd—Malhotra Building, Queensway, New Delhi.
94. R. K. Deva—93-A, Dharamtalla St., Calcutta.
95. Daga & Co., Ltd.—9, Royal Exchange Place Calcutta.
96. M. L. Bexon—57B, Free School Street, Calcutta-16.
97. Govan R. G. & Co.—Scindia House, Connaught Circus, New Delhi.
98. Turnbull & W.—P-4, Mission Row Extension Calcutta.
99. Abinash Chandra Das—Jalpaigurl.
100. Guha Nalini Kumar—18/11/1-B Raja Raj Ballav Street Calcutta.
101. Purushottamlall—5, Clive Row, Calcutta.
102. George, A. V. & Co., Ltd.—Ancherll, Bank Bldgs Kottayam Travancore.
103. Kundilla, G. Sekharia—139, Meadow Street Fort Bombay
104. Gopiktsan Piramal—Soparibaug Road, Parel Bombay-12
105. P. E. G. W. Parish—Gillander House, Netaji Subhas Road Calcutta
106. F. W. Heitgers & Co. (Private) Ltd.—Chartered Bank Buildings Calcutta.
107. Howrah Trading Co., Ltd.—6, Dalhousie Square East Calcutta.
108. A. & F. Harvey Ltd.—Madurai.
109. Holmes Wilson & Co., Ltd.—"Stephen House" Calcutta.
110. R. G. Khanna—Solan Brewery Simla.
111. Hotel (Control) Private Ltd.—4 & 4/1, Wellesley Place, Calcutta.
112. Glass, L. O. H.—Bilbao House, 36, New Broad Street, London, E.C.2.
113. B. P. Khaitan—14, Netaji Subhas Road, Calcutta.
114. Harrison & Crossfield Ltd.—Calcutta.
115. I. V. Braddeley—The Great Social Buildings, Sir Phirozeshan Menta Road Fort Bombay
116. K. G. Khanna—Solan Brewery (H.P.).
117. Hari Sons—Aviur (Cochin State).
118. Hormusjee Sons & Co.—605, Girgaum Road Dhobi Talao Bombay-2.
119. Ramnarayan Sons Ltd.—Bombay.
120. Industrial Financing Co.—63, College Street, Calcutta.
121. Imperial Chemical Industries (India) Private Ltd.—34, Chowringhee, Calcutta.
122. Indra Singh & Sons Private Ltd.—7, Wellesley Place, Calcutta.
123. Hari Brothers Private Ltd.—Scindia House New Delhi-1.
124. R. Raja Rao—Honnawal Road, Shimoga.
125. Iyer, L. R. Anantharam & Bros Ltd.—Pushpagiri Trichur.
126. N. Sirur & Co. Private Ltd.—70, Forbes Street Fort Bombay.
127. J. P. Hannay—2, Metcalfe St. Calcutta.
128. Jardine Henderson Ltd.—4, Clive Row, Calcutta.
129. S. S. Bhimwal—7, Chowringhee Road, Calcutta.
130. Jhajharia Bros. Ltd.—138, Harrison Road, Calcutta.
131. Jain, N. K. & Co. Ltd.—"Devashram", Arrah, Shahabad.
132. J. K. Industries (Private) Ltd.—7, Council House Street Calcutta.
133. James & Co. Ltd.—25, Netaji Subhas Road, Calcutta.
134. Jute Industries Ltd.—4, Lyons Range, Calcutta.
135. John, V. C.—Kottayam, Travancore State
136. Jones, H. Edwin—Oriental Building, Bombay Elec. House, Ahmedabad.
137. John, Kurian—Kottayam, Travancore State.
138. Kettlewell Bullen & Co. Ltd.—21, Strand Road Calcutta.
139. Kilburn & Co. Private Ltd.—4, Fairlie Place Calcutta.
140. Karamchand Thapper & Bros. Private Ltd—Thapar House, 25, Brabourne Road Calcutta-1.
141. Kothari & Sons Agency Private Ltd.—Armenian Street Madras.
142. R. Suryanarayan Rao—Channapatna, Mysore State
143. S. L. Dhanuka—P-15, Bentinck Street, Calcutta
144. Khaitan, D. & Sons—14, Netaji Subhas Road, Calcutta.
145. P. S. Nilkantan—1, Waterloo Street, Calcutta.
146. Killick Industries Ltd.—Home Street, Fort, Bombay.
147. Kanga, R. D.—Electric House, Post Fort, Bombay.
148. Kurian John—Alleppey.
149. Khatau Makanji & Co.—6 Ballard Road Fort Bombay.
150. Killick A. S.—2-6, 2nd Line Beach, Madras.
151. S. Ramanathan—Chickbanavar P.O., Bangalore Dt.
152. Broken Hill Secretariat Ltd.—31, Dover Street, London E.C.2.
153. Low H. V. & Co. Private Ltd.—3, Synagogue Street, Calcutta.
154. Lomas, J. E. W.—19, St. Swithin's Lane London E.C.4.
155. Bharat Ram Bhagat & Co.—45, Tangra Road, Calcutta.
156. Hind Agents Ltd.—Indu House 15, Dougall Rd Ballard Estate, Bombay.
157. Kothari Mehta & Co. Private Ltd.—Armenian Street Madras.
158. Padampat Singhania—Kamla Tower, Kanpur.
159. Lala Gurusharan Lall—Guraru Dist., Gaya
160. Lovelock & Lewes—4, Lyons Range Calcutta.
161. Lohia D. D.—173, Harrison Road, Calcutta.
162. G. E. Solomon—Dare House, Parry's Corner, Madras.
163. Mackinon Mackenzie & Co. Private Ltd.—16, Strand Road, Calcutta.
164. L. R. Anantaram Iyer & Bros. Ltd.—Pushpagiri, Trichur.
165. McLeod & Co. Ltd.—3, Netaji Subhas Road Calcutta.
166. Hindusthan Investment Corporation Ltd.—15, India Exchange Place, Calcutta.
167. B. Barker—"Barlow House" 59C, Chowringhee Road, Calcutta.
168. Moona Lall & Sons—120/1, Civil Lines Jhansi.
169. K. P. Goenka—31, Netaji Subhas Road, Calcutta.
170. Marshalls (Direction) Private Ltd.—33/1 Netaji Subhas Road Calcutta.
171. W. E. Maiden—P.O. Lohat, Dist. Darbhanga.
172. East India Agencies Private Ltd.—Palat Kerala State.
173. Moulton G. S. & Co. (India) Ltd—11 and 12, Esplanade Mansions Calcutta.
174. N. M. Cole—8, Clive Row Calcutta.
175. Satya Narain Gupta—Subzimandi, Delhi.
176. Moton & Co.—Maung Pauley St., Rangoon.
177. H. B. Marshall—1, Humayan Place, Calcutta.
178. Madura & Co. Ltd.—Cochin.
179. A. D. Shroff—New India Assurance Bldgs. Mahatma Gandhi Road, Fort, Bombay.
180. Mafatlal Gagalbhai & Sons—Rustam Bldgs 29, Churchgate Street, Fort, Bombay.
181. Murphy C.—Rampart Row, Fort, Bombay.
182. Mehta, Chunilal V. & Co., Ltd.—Queen's Mansions, Prescott Road Bombay.
183. Sir V. N. Chandavarkar—Standard Buildings Hornby Road Fort Bombay.
184. Mysore Industrial Development Co.—33, Gandhinagar, Bangalore City
185. Mascarenhas B. M.—Platform Road, Bangalore City.
186. Naidu G. Kuppuswamy & Co.—Pappanaikenpalayam, Coimbatore.
187. Best & Co. Ltd.—The Hyderabad Laminated Products Ltd., Secunderabad-3.
188. R. Beema Naidu & Co.—Singanallur, Coimbatore.
189. Naidu A. G. Guruswamy & Co.—Peelamedu, Coimbatore.
190. Naidu P. S. Govindaswami & Sons—Coimbatore.
191. K. Mookerjee—18, Convent Road, Entally, Calcutta.
192. B. D. Agarwalla—Stephen House, 4, Dalhousie Square, Calcutta.
193. Kesarmal Manocha—529/1, Hall Bagh, Amritsar.
194. G. V. Swalka—"Pollock House" 18/B, Brabourne Road Calcutta.
195. R. R. Atyer—71, Park Street Calcutta.
196. Srinivasan S. D.—7, Council House Street, Calcutta
197. Narainda Lachmandas Ltd.—Raipurwa Kanpur
198. Dharamsey M. Khatau—Scindia House, Dougall Road Ballard Estate, Bombay.
199. Nowrosjee Wadia & Sons (Private) Ltd.—Neville House, Ballard Estate, Bombay.
200. Dooduawala & Sons—5, Muktaram Babu Street Calcutta-7.
201. R. Arunachalam—17, Richmond Road, Bangalore-1.
202. Octavius Steel & Co., Ltd.—14, Old Court House Street, Calcutta.
203. Matheson Busanquet & Company Ltd. Belmount Coonoor Nilgiris.
204. Oberoi Hotels (India) Private Ltd.—17, Chowringhee Calcutta.
205. Oakley Bowden & Co., Ltd.—15, Armenian Street Madras.
206. Ogale Glass Works Ltd.—43 Gandhinagar Bangalore City.
207. Deepchand Kisebenial—25, Netaji Subhas Road Calcutta.
208. Indian Textile Syndicate Ltd.—Kanpur.
209. E. E. Elliot Lockhart—4, Fairlie Place, Calcutta.
210. Peirce Leslie & Co., Ltd.—8/222, Beach Road Calicut Kerala
211. H. L. Somany—2, Wellesley Place, Calcutta.
212. P. G. Krishna Iyer—Mount Pleasant, Coonoor Nilgiris.
213. Poddar, K. M.—37, Vivekanands Road Calcutta.
214. James Warren & Co., Ltd.—31, Chowringhee Road Calcutta.
215. Parkins Ltd.—Kottalam.
216. Parikh, G. & Co.—38, Apollo Street, Fort Bombay.

MANAGING AGENTS MANAGING DIRECTORS. DIRECTORS OR SECRETARIES WITH THEIR RESPECTIVE ADDRESSES.

217. L. C. Kanoi—P-8. Mission Row Extension Calcutta.
218. Parry & Co., Ltd.—Dare House, Parry's Corner Madras.
219. India Sugar Agencies Ltd.—Mangalore.
220. Price, R. G. N.—National Bank Bldgs., Madras.
221. Z. R. Irani—1/153, Mount Road, Madras.
222. Chrestien Mica Industries Ltd.—4, Lyons Range Calcutta.
223. R. N. Agarwala—4, Lyons Range, Calcutta
224. Lonia Brothers Ltd.—139, Canning Street, Calcutta.
225. Roy B. K.—1, 2 and 3, Old Court House Street Calcutta.
226. M. D. Srinivananjappa—Kampegowda Road Bangalore 9.
227. W. Morrice—41, Chowringhee Road, Calcutta-16.
228. Ramnarain Sons Ltd.—Bank Street, Fort Bombay
229. Ratnatana Textile (Agencies) Ltd.—Delisle Road Chenchpoka, Bombay.
230. Rajam, C.—Oriental Bldgs. Armenian Street, Madras.
231. Ramamurthy, A.—Rayalkhada (Orissa).
232. Ratnams Ltd.—Pudalur Trichinopoly.
233. T. Shamanna—1129, Vani Vilasa Road, Mysore.
234. Bangur Bros. Ltd.—14, Netaji Subhas Road, Calcutta
235. Sooraimull Nagarmull—8, Dalhousie Square East Calcutta.
236. Shaw Wallace & Co. Ltd.—4/5 Bankshall Street, Calcutta.
237. Srivastava J. P. & Sons—Kanpur.
238. Bharat Ram Charat Ram Private Ltd.—Birla Hindu Rao Delhi.
239. A. R. Kalairaja Chettiar—Coimbatore.
240. A. K. I. K. M. Narayanan Nambodiripad—Kallai Malabar
241. Singh, Ranjit—Lucknow.
242. N. L. Roy & Co.—9, Royal Exchange Place, Calcutta.
243. Shyamlal Agarwal—9, Dalhousie Sq. East Calcutta.
244. Sovaram Keshavdeo—15, Netaji Subhas Road Calcutta.
245. Dr. B. N. Ghose—6, Ganesh Avenue, Calcutta-13
246. Sundaren, S.—Indian Mercantile Chambers Nicol Road Bombay.
247. Singhania Padampat—Kamala Tower, Kanpur
248. E. K. Srinivasan—16, Hare Street, Calcutta.
249. Steel Bros & Co., Ltd.—Gillanders House, Netaji Subhas Road Calcutta.
250. T. Stanes & Co.—Coimbatore.
251. Southern India Plantations Agency Ltd.—Coonoor.
252. Sana Banubaliav—18/11/1B, Raja Raj Ballav Street Calcutta.
253. R. B. Pradhan—Empire House. 214, Hornby Road Bombay
254. Sindia M Ramchandra Rao—3rd Road, Chamarajpet Bangalore City.
255. Setalvad J. C.—73, Oppo. Churchgate Station Fort Bombay
256. Scindia Steam Navigation Co., Ltd.—Ballard Estate Bombay.
257. Raminath A. Podar—Podar Chambers, Parsee Bazer St. Fort Bombay
258. Swedish Match Co.—Nicol Road, Ballard Estate Bombay.
259. S. Ramashramony Aiyer—Trivandrum.
260. Puranmal Bubna Sons—Indu House, Dougall Road Ballard Estate Bombay.
261. N. Sirur & Co. Private Ltd.—70, Forbes Street, Fort Bombay
262. Ramnarayan Sons Ltd.—Bank Street, Fort Bombay
263. Seshasayee Bros. Private Ltd.—Mettur Dam R.S
264. V. Venugopal Naidu—Sir Jayachamaraja Wadiyar Road Bangalore-2.
265. Shree Hanuman Invt. Co. Ltd.—173, Harrison Road Calcutta.
266. Talukdar B. S. Amlasadarpur Nadia (West Bengal).
267. Tata Hydro-Elec. Agency, Ltd.—34, Bruce Street Bombay.
268. Turner Morrison & Co., Ltd.—6, Lyons Range Calcutta
269. Tata Industries Private Ltd.—Bombay House Bruce Street Fort Bombay.
270. Thomas A. V. & Co. Ltd.—Alleppey, drum.
271. Thomas, P. T.—Kottayam (Kerala State).
272. Thomas, M. K. & Co., Ltd.—Trivandrum.
273. Tayabjee, O. S.—159, Gunfoundry Rd., Hyderabad (Deccan).
274. A. Hydari and S. Gothberg—Indian Mercantile Chambers Nicol Road, Ballard Estate Bombay.
275. United Eastern Agencies—Bombay House Bruce Street Fort Bombay.
276. United Agencies Ltd.—Punalur.
277. Villiers Private Ltd.—F-3, Clive Buildings Calcutta
278. S. M. Smith—4 Bankshall St., Calcutta.
279. Williamson Magor & Co., Ltd.—4, Mangoe Lane Calcutta
280. Whitman, M. M. C.—Mayo Road, Rawalpindi
281. N. K. Jhajharia—22, Chittaranjan Avenue Calcutta.
282. C. Hockley—3, Netaji Subhas Road, Calcutta.
283. P. R. Jhunjhunwala—Sewrie, Bombay-15.
284. Walchand & Co., Ltd.—Ballard Estate, Fort, Bombay
285. Wallace & Co.—9, Wallace Street, Bombay.
286. Wilkinson, A.—117/119, Esplanade Road Bombay.
287. Young India Agencies Private Ltd.—173/1, Mount Road Madras-2.
288. Dass Group Private Ltd.—29, Strand Road Calcutta.
289. B. L. Mathur—4, Clive Row, Calcutta-1.
290. K. S. Basu—63, Netaji Subhas Road, Calcutta.
291. Lionel Edwards (Private) Ltd.- 21, Old Court House Street Calcutta.
292. R. N. Jhunjhunwalla & Co., Ltd.—9, Ezra Street Calcutta.
293. J. F. Horwood—31, Chowringhee Road, Calcutta
294. R. L. Rampuria—5, Fairlie Place, Calcutta
295. Premnath & Sons, Ltd.—New Delhi.
296. S. N. Tantia—1 & 2, Old Court House Corner Calcutta
297. F. H. Mehta—Mehta House, Apollo Street, Bombay.
298. L. S. Vaidyananthan—Oriental Buildings Bombay.
299. Kishore M. Premchand—61, Apollo Street Fort Bombay.
300. Madanlall Kakarania—P-23/24 Radha Bazar Street Calcutta-1.
301. Jennis Roy Galloway—1 & 3 Brabourne Road Calcutta-1.
302. Mitra Mondal—Khatauli, Dt. Muzaffarnagar.
303. G. S. Shroff—2, Hardinge Avenue, New Delhi.
304. James Finlay & Co., Ltd.—2, Netaji Subhas Road Calcutta.
305. Thackersey Mooljee & Co.—16, Apollo Street Fort Bombay.
306. Jatia Brothers Ltd.—21, Rupchand Roy Street Calcutta.
307 Bhatter's Agency Ltd.—18, Netaji Subhas Road Calcutta.
308 The Hyderabad Constructions Co., Ltd.—Kothagudium Collieries, Singareni P.O., Deccan.
309. T. Leslie Martin-12, Mission Row, Calcutta.
310. D. S Barron—Chakala Andheri P.O., Bombay.
311. Pyne & Sons—23A, Netaji Subhas Road Calcutta
312 Ram Kumar Agarwalla & Sons.—4, Lyons Range Calcutta.
313. Bullion Co., Ltd.—, Canning Street, Calcutta
314. Brooke Bond India Ltd.—2, Metcalfe Street Calcutta
315. Anderson Wright (Ramgarh) Ltd.—7, Wellesley Place Calcutta
316 The Cotton Agents Private Ltd.—14, Radha Bazar Lane, Calcutta-1
317. Bird & Co. (Pakistan) Ltd.—Narayanganj.
318. Shree Krishna Investment Co. Ltd.—1-B. Halwasiya Road Calcutta.
319. B. V. R. Iengar—Dare House, Parry's Corner Madras.
320. F. W. J. Penn—32, Grant Road Bangalore-1
321. B. Ghosh—14, Old Court House Street, Calcutta
322. Messrs. Tata Sons Ltd.—New India Assurance Buildings Mahatma Gandhi Road Fort Bombay-1.
323. Anderson Wright & Co.—7, Wellesley Place Calcutta
324 Indo Corporation Private Ltd.—5, Swinhoe Street Calcutta-19
325. Brian Granger Pearson—Virginia House 37, Chowringhee Calcutta
326. R. L. Pyne—14, India Exchange Place, Calcutta.
327 Marwar Textiles (Agency) Ltd.—Wandby Road Fort Bombay-1
328. John Taylor & Sons (India) Ltd.—Mysore Oorgram South India.
329. Sri G. D Bhagat—15, Shib Thakur Lane, Calcutta
330. Mahindra & Mahindra Ltd.—Gateway Building, Apollo Bunder Bombay.
331. N. L. Roy & Sons—Canning Street, Calcutta.
332. M. P. A. Paspatil—16, Hare Street, Calcutta
333. Mangturam Jaipuria—Swadeshi House, Civil Lines Kanpur.
334. H. Mackay Fallack—2, Fairlie Place, Calcutta
335. Sahu Jain Ltd.—11, Clive Row, Calcutta.
336. Tulsidas Kilachand—Scindia House, Dougall Road Bombay.
337. Bertwala & Co.—63, Netaji Subhas Road, Calcutta.
338. D. R. Sons Ltd.—Hornby Road, Fort, Bombay.
339 M. G. Investment Corpn. Ltd.—Mafatlal House, Backbay Reclamation, Bombay-1.
340. K. O. Cheriyan—Travancore.
341. N. L. Kanoria—India Exchange, Calcutta-1.
342 O. N. Chatterjee—2 Royal Exchange Place, Calcutta.
343. Indra Singh—135, Canning Street, Calcutta-1.
344. V. J. Pilani—Victoria Bunder, Colaba.
345. The National Tea Corporation—139, Cotton Street, Calcutta
346. Seshasayee Brothers (Travancore) Ltd.—Eloor Factory Alwaye.
347. Tantia Brothers Private Ltd.—1 & 2, Old Court House Corner Calcutta.
348. M. D. Jalan—62, Ballygunge Circular Road Calcutta-19
349 Seth, Sohanlal Murarka—19 Circular Garden Reach Calcutta-23.
350. K. Agarwal—Empire House, Dr Dada-Bhoy Naoroji Road Fort Bombay.
351. L. & I. (Management) Private Ltd.—I. C. House Dougall Road, Ballard Estate, Bombay
352 Chinai And Co Private Ltd.—Sadhana Rayon House Dr. Dadabhai Naoroji Road Bombay-1.
353. N. K. Jhajharia—14 Netaji Subhas Road Calcutta
354. L. C. Kanoi—P-8. Mission Row Extension Calcutta
355. T. R. Jalan—16, Strand Road, Calcutta.
356. R. Bajoria—10, Clive Row Calcutta.
357. A. K. Jain—11, Clive Row Calcutta.
358. L. P. Goenka—14 Old Court House Street, Calcutta-1.
359. G. D. Kothari—15, India Exchange Place, Calcutta
360. R. F. S. Talyarkhan—Volkart Building, 19, Graham Road, Bombay-1.
361. N. K. Bose—85, Netaji Subhas Road, Calcutta
362. Dalmia Agencies Private Ltd.—Rajgangpur (Orissa)
363. G. L. Nahata—14, Old Court House Street, Calcutta
364. W. A. C. H. Bosschaart—7 Justice Chandra Madhab Road, Calcutta-20.
365. S. L. Dhanuka & P. L. Dhanuka—5 Mission Row Calcutta.
366. A. K. Sen—48/1, Diamond Harbour Road Calcutta-27
367. Laksmipat Singhania—7, Council House Street, Calcutta.
368. Kalyanji Mavji & Company—14, Netaji Subhas Road, Calcutta.
369. P. L. Batia—7, Canning Street, Calcutta
370. Pannalal Saraogi—8, Lyons Range, Calcutta-1
371. P. L. Sarogi—58, Sir Hariram Goenka Street, Calcutta-7.
372. H. K. Newar—9, Brabourne Road, Calcutta
373. C. L. Maheswari—Shreeniwas House, Waudby Road Fort Bombay
374. Talukdar Law & Co. Private Ltd.—4, Chittaranjan Avenue Calcutta-13.
375. K. N. Mookerjee—Leslie House, 19, Chowringhee Calcutta-13.
376. K. D. Ganguli—Mercantile Buildings, Lalbazar Calcutta.
377. K. C. Dass & B. Maitra—35, Panditia Road Calcutta-20
378. R. N. Goenka—18-A. Brabourne Road, Calcutta
379. S. R. Demani—30, Clerk Road Bombay-11
380. British India Corporation Ltd.—Sutherland House Kanpur
381 S. P. Jain—Dalmianagar Bihar
382 B. P. Kedia—7 Wellesley Place, Calcutta-1
383 W. H. G. Baird—8 Brabourne Road, Calcutta
384. Puran Chand Batia—19 Circular Garden Reach Road, Calcutta-23.
385. G. P. Kanoria—5, Clive Row, Calcutta
386 D. N. Jatan—'McLeod House' 3, Netaji Subhas Road, Calcutta
387. Shibendra Sankar Sarbadhikshia—Jalpaiguri.
388 A. V. Birla—9 Kaliprasanna Singhee Road Calcutta-2
389 British India Corporation Ltd.—Kanpur.
390 I. Ratan—16/3, Chowringhee Road, Calcutta-13.
391 H. M. Cox—59-C, Chowringhee Road Calcutta-20.
392 A. V. Niblett—32 Chowringhee Road, Calcutta-16.
393. Khatau M. Shethia—14, Netaji Subhas Road Calcutta-1.
394. B. M. Birla—India Exchange, Calcutta-1.
395. W. F. Malden—Lohat Darbhanga.
396. D. Mathson—21, Netaji Subhas Road, Calcutta.
397. N. M. Bhuwalka—132, Canning Street Calcutta
398. Hoare Miller & Co., Ltd.—5 Fairlie Place, Calcutta.
399 B. Patnaik & Co Private Ltd.—P.O Chowdwar Cuttack
400 R. K. Kanoria—9 Brabourne Road, Calcutta-1
401. K. V. Venkitasubramoney Iyer—Seetagundy Estate Sitharkundu P.O. Palghat, Dist Kerala State.
402 A. V. George & Co. Ltd.—Ancherli Bank Buildings Post Box 1, Kottayam Kerala State.
403 Mathew Sebastian—Thodupuzha, Kerala State
404. Planting Agencies Private Ltd.—Oriental Buildings, Armenian Street Madras-1
405 The Consolidated Coffee Estates (1913) Ltd.—Pollibetta Coorg.
406 C. I. Machia—Pollibetta S Coorg.
407 Srinivas Agencies—Coimbatore-2.
408 K. N. Krishna Iyer—22 Rovapettah High Road Madras-14
409. Young India Agencies Pvt. Ltd.—Monorama Bldgs K. K Road Kottayam (Kerala State)
410. Parkins Private Ltd.—Kottayam.
411. Johnsons Estates & Agencies (Private) Ltd.—Malankara Bldgs. Kodimatha Kottayam Kerala
412 Associated Planters (Pvt.) Ltd.—23, General Patters Road Madras-2
413. J. R. Mottishaw—Mercantile Bank Building, 16 First Line Beach Madras-1
414. K. V. Mathew—Kottayam, Kerala State.
415 K. Ramachandran—Pattom Palace P.O Trivandrum-4.
416 N. Kumkrishna Pillai— T. C. 6/750, Patton Palace P.O Trivandrum-4.
417. Rango Rao & Co.—Venkataravpuram, Tanuku West Godavari Dist., Andhra Pradesh
418 The India Sugar Agencies Private Ltd.—139 Meadows Street Fort Bombay-1.
419. R. S. Industrial Corporation Private Ltd.—Ravagada Koraput Dist. Orissa State
420 V. Ramakrishna Sons (Private) Ltd.—38 Mount Road Madras-6
421. Seshasayee Brothers (Travancore) Pvt. Ltd.—1 Ceramic Factory Road Kundara (Kerala)
422 Sir A. Ramaswamy Mudaliar—Ennore, Madras
423 P. J. M. Leigh—7, Armenian Street, Madras-1
424 K. R. Sundaram Iyer—Tiruvottiyur, Madras-19
425 Fasen Private Ltd.—175/1, Mount Road, Madras-2
426. J. L. D'sa—Old Tumkur Road Malleswaram Bangalore-12
427 The Standard Motor Co (India) Pvt. Ltd.—29 Mount Road Madras-2
428. E. H. Stanes—6/33, Race Course Road, Coimbatore-1
429 Balasundaram & Co.—Satyamangalam Road Ganapathy P.O. Coimbatore-6
430 A. M. M. Arunachalam—52/53 Jehangir Street Madras-1.
431 J. M. Parsons—3, Fairlie Place Calcutta-1
432 Manabir S. J. B. Rana—1, Humayun Place Calcutta
433 G. N. Sam & Co.—Senthottam Sowripalyam P.O. Coimbatore-6.
434 G. Kejriwal—Rajgangpur Dist Sundergarh Orissa State
435 D. L. Ghosh & Co (Agents) Private Ltd.—11 Government Place East Calcutta
436 N. D. Bangur.—14, Netaji Subhas Road Calcutta
437. R. N. Bhotika—4, Old Court House St. Calcutta
438. Birla Gwalior Private Ltd.—Industry House 159 Churchgate Reclamation Bombay-1
439 R. S. Baipai.—Kamala Power, Kanpur
440 R. L. Jatia—9 Brabourne Road Calcutta-1
441. S. K. Agarwalla—24, Netaji Subhas Road Calcutta-1
442 S. P. Choumick—17, 18 & 19, Old Court House Street Calcutta
443 Madan Mohan Lall Shri Ram Ltd.—D.C.M. Premises Bara Hindi Rao Delhi-6
444 I. R. Jalan—2, Brabourne Road Calcutta-1.

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India Cements

Jaipur Udyog

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ECONOMIC QUESTION-MARKS WITH A NEW CABINET

LONG and drastic though the series of changes during the past few days has been, no clear picture has yet emerged of the sort of Ministry Mr. Nehru wishes to bestow on the baffled nation he himself fortunately continues to lead. Critics have been heard to say that the Prime Minister himself is not quite sure of the kind of Ministry that is possible, feasible or even desirable; hence the piecemeal fashion in which the changes are being announced. Normally the reshuffling of a Cabinet or a Ministry would be completed at one fell swoop. This time, however, so neat an operation has not been possible because some of the departing Ministers have declined to await the convenience of a Prime Minister who delivered them the shock of accepting resignations they had never really meant to be taken seriously. Their sudden departure, in mood of undisguised sulking that will be a standing inspiration to the nation's cartoonists, has necessitated the hasty but important changes of the past week-end. So Mr. G. L. Nanda has taken over the Home Ministry from Mr. Lal Bahadur Shastri, who will probably find himself a comfortable if relatively ineffective perch at a respectable distance above the snake-pits of the Congress Party. Mr. T. T. Krishnamachari takes over the Finance Ministry (and much else besides) from Mr. Morarji Desai, who to his undying credit managed a smile for Press photographers at the parting ceremony before his departure for oblivion among the *khadi*-draped warriors of Gujarati politics. Sardar Swaran Singh has taken over the Food and Agriculture Ministry from the bluff and ebullient Mr. S. K. Patil—so inconsolable, the wags say, that in his last days he forsook even food in epitomic memory of his tenure at the Food Ministry.

In a week of horrors when the luminous stars of the Cabinet firmament have been falling, the passing of lesser, jaded glow-worms in the persons of Mr. Jagjivan Ram, Mr. Gopala Reddy and Dr. K. L. Shrimali has virtually escaped notice. What is worse, the question remains unanswered: what great purpose is this ceremonial of slashing, bashing and teeth-gnashing meant to serve? With the possible exception of Mr. Kamaraj Nadar, few seriously believe that it is intended to revitalise the Congress by returning talent from Government to Party. Mr. Nehru knows that the Congress is too far gone along the road to decay to be rescued by flamboyant gestures. Except perhaps for Mr. Shastri and Mr. Kamaraj Nadar (possibly also Mr. Jagjivan Ram), the remaining nine worthies chosen for the first phase of resignations have all in the recent past been battle-scarred heroes of Congress faction-fights, so it cannot be to men such as these that the task of reconstructing the shattered unity of the Party will be entrusted. That being the case, some say, the real purpose of the Kamaraj plan is to bestow with honour and glory the kiss of political death on those who have demonstrated their unpopularity or uselessness; in other words, to hack away with maximum convenience and minimum embarrassment some of the dead wood from Cabinets that have long been groaning under the weight of such lumber. Others say the purpose is to restore horizontality to the Cabinet's ideological see-saw: Messrs Krishna Menon and K. D. Malaviya having been bumped off the Left, the time had come to ease Messrs Desai and Patil off the Right. Yet others have even gone to the ridiculous length of suggesting that all these are but preliminaries to the settlement of the succession; in the true spirit of non-alignment, India may soon be on the way to becoming not quite a republic, nor quite a monarchy, but a monarchical republic where the rise to high political office would be determined by the rules normally applicable to royal succession.

While the political implications of the Cabinet changes thus remain confusing and beyond comprehension, the economic implications are not much clearer either. Over the past few days, Mr. Nehru has in various speeches delivered himself of remarks on economic policy that remain indistinguishable from those made by him with untiring consistency for almost thirty years. The Government's chief new spokesman on economic affairs, Mr. T. T. Krishnamachari, has also established a record for reticence that would have been almost inconceivable five-and-a-half years ago, when the Mundhra scandal precipitated his departure from the Finance Ministry. Among the few public pronouncements he has made since his return to the Cabinet last year, perhaps the one that is remembered best is where he vigorously denounced his colleagues for not helping him to co-ordinate whatever it was that he was trying to co-ordinate. Strong rumours started circulating thereafter that the only job in which Mr. Krishnamachari had felt happy was that of Finance Minister, and he would therefore like to get back to it. From episodes such as these, deductions are now being drawn that Mr. Krishnamachari liked neither Mr. Desai nor his fiscal policies. Having disposed of the former—the argument runs—he will dispose of the latter too, especially since that would be a neat way of reciprocating the compliment Mr. Desai paid when he promptly set about demolishing the semi-Kaldorian tax structure Mr. Krishnamachari had started to build in May 1957. Those with long memories recall that Mr. Krishnamachari's two main contributions to the world's fiscal wisdom were the wealth tax on companies and the expenditure tax. Mr. Desai shot both down in flames soon after he arrived in the Finance Ministry. Now Mr. Desai's main contribution in the sphere of economic novelties consists of the super profits tax, the compulsory deposits scheme and the gold control rules. In turn, therefore, Mr. Krishnamachari will shoot the limbs off all three.

The expectation might have seemed reasonable and comforting, except that some have judged it to contain a large element of wishful thinking. Early in 1958, they say, Mr. Krishnamachari left the Cabinet and made a speech about "man-eaters", which was understood to refer not to tigers (who ignored it) but to certain Indian business men (who were proud to receive the epithet). A little over a year-and-a-half ago, when Mr. Krishnamachari filed his candidacy for Parliament, and was elected unopposed, a tremor of nervousness went through some members of the business community, who mysteriously decided that the former Finance Minister had in his post-Mundhra retirement be-

come a vengeful leftist. In an interview to the Press not long afterwards, Mr. Krishnamachari managed to give the impression that he was nothing of the sort, so the business men saw reason to be reassured. Subsequently, as Minister for Economic and Defence Co-ordination, Mr. Krishnamachari has spoken in general terms about getting the private sector to contribute more to defence production. The result is that, as far as the stock markets and a certain section of business men are concerned, his ideological rehabilitation is complete: he is now widely assumed to be a "rightist".

On the basis of such flimsy evidence, obviously no firm prediction is possible about what the new Finance Minister might or might not do. The pity, however, is that a wide variety of rumours have started circulating on the subject. Many of these rumours are inspired by industrialists who operate heavily in the share market, and the result is a boomlet induced by interested buying. The first service that Mr. Krishnamachari could render in the circumstances is to announce to a wider public, even if only in very general terms, what his ideas on economic and fiscal policy are. Nobody expects that within a few days of taking charge, he will say categorically and in detail what he is going to do—although that should not be impossible for one who on his erstwhile assignment was supposed to have been closely associated with top-level economic policy-making. It is, however, fair to hope that he will put an end to the present phase of uncertainty and rumour-mongering as soon as he can. This is necessary not in the interests of the stock markets or of foolish speculators who might burn their fingers there; it is necessary in the interests of an economy which has been enervated by more than six months of drift, indecision and despair.

At one stage of his earlier tenure at the Finance Ministry, Mr. Krishnamachari once declared with an air of defiant bravado that he would not hesitate to introduce two, three or more Budgets each year if he considered them necessary. Nobody can say for certain whether he thinks the same now. What one can say for certain is that if he intends to get the economy on the move again, he will have to start thinking in terms, if not of a big Budget, then at least of a little one soon. The fiscal legacy which Mr. Desai has left Mr. Krishnamachari is even more bitter than the one which, five-and-a-half years ago, Mr. Krishnamachari left Mr. Desai. Mr. Desai scrapped part of that legacy with a promptness that was entirely justified by the subsequent recovery of the economy. Mr. Krishnamachari has the opportunity to do the same now and produce equally encouraging results. Even if details have to be left to a later stage, many hope it will be possible for him to give a broad indication of his fiscal intentions before he leaves for the I.M.F.-World Bank meetings in Washington later this month. To rescue an economy suffocated by an unfortunate Budget and by the wreckage of the third five year plan, courage alone is not enough; speed will also be necessary.

IMPORTS MAY BE LIBERALISED

THE joint meeting of the Import Advisory Council and the Export Promotion Advisory Council in New Delhi this week provided an opportunity for the Government to review the country's exports and imports up to June 1963 and indicate the likely changes in its policies for the next period. To emphasise the close inter-relationship between exports and imports, the two separate Advisory Councils will soon be merged into one Advisory Council for Foreign Trade. The reorganisation, it is considered, will enable representatives of both importers and exporters to discuss their problems in a more "comprehensive and concrete manner". The Central Minister for International Trade, Mr. Manubhai Shah, pointed out that substantially larger amounts of foreign exchange would be needed not only for importing capital goods and industrial raw materials, but also for obtaining defence equipment. According to Mr. Shah, compared with 1961-62 imports fell during 1962-63 by Rs. 26 crores to Rs. 1,081 crores. But during the four months from April to July 1963, imports have risen slightly to Rs. 365.5 crores. Two speakers at the meeting, Messrs K. K. Srivastava and G. V. Puranik suggested that greater emphasis should be placed on maintenance imports. There is a considerable volume of idle capacity in many industries due to the shortage of raw materials. The suggestion of Mr. Bharat Ram, president of the Federation of Indian Chambers of Commerce and Industry, that certain important raw materials like non-ferrous metals should be stockpiled deserves consideration. But this will involve a considerable outlay, both in terms of foreign exchange for the purchases and in terms of rupees for providing storage facilities. The composition of imports shows that industrial raw materials already account for 65 percent of the total imports, while capital goods constitute 16 percent, foodgrains 10.5 percent and other consumer goods 8.5 percent. Thus the emphasis is already on raw materials and their imports can be stepped up, not by reallocating priorities, but by increasing the total outlay.

The president of the Associated Chambers of Commerce Mr. A. R. Foster, rightly stressed that the requirements of industry such as machinery, spare parts and components, should be the primary charge on the import budget. Together with raw materials, these are vital for keeping the industrial sector going. In view of the improvement in exports and the increase in the amount of untied aid, Mr. Manubhai Shah has indicated that imports of raw materials, components and spare parts will be liberalised in the next licensing period. He has also stated that a sub-committee on imports and import substitution has been set up in the Planning Commission to keep a close watch on reduction or abolition of such items of imports as are indigenously produced or for which substitutes could be found.

Dealing with exports, Mr. Manubhai Shah stated that the total earnings during 1962-63 rose by about Rs. 33 crores to Rs. 710 crores. This improvement has been maintained during April-July 1963, the earnings being Rs. 240 crores, against Rs. 208 crores in the corresponding period of 1962. While the increase in export earnings has been brought about by a large number of commodities, jute goods and tea continue to be the major earners. However, both are subject to peculiar disabilities in that they are farm-based and are facing stiff competition from rival sources. Mr. Foster did well to caution against any "indiscriminate rush" to enforce quality control schemes; he said that they should be applied only to the sectors where they were necessary. He also stressed that there should not be excessive documentation in such schemes. Gunny shippers, for instance, fear that the cost of these schemes will put them at a disadvantage, particularly in a highly competitive item like sacking in which India has been losing markets to Pakistan. As for tea, the relief in export duty given in the last Central Budget has been largely neutralised by the surcharge on excise duty. Cost of labour welfare measures, higher wages and rise in agricultural income tax (in Assam) are some of the industry's other worries. These burdens are not calculated to strengthen its competitive position. Mr. Shah stated that the fundamental problem before the industry was to increase production, particularly through a quicker replantation programme. But with rising costs and slender profit margins, it is not known how the industry will get the wherewithal to finance the huge capital investment involved.

Among the other items which are expected to fetch more foreign exchange are iron ore, oilcakes, sugar and textiles. In spite of the recession in world steel production, the sights are set on an export target of 10.5 million tons for iron ore—6 million tons from Goa and about 4.5 million tons from the rest of the country. Fortunately, there is an assured market in Japan for a substantial portion of this tonnage, thanks to the agreements concluded with that country. In oilcakes, there has been a substantial jump in exports, from Rs. 17 crores in 1961-62 to Rs. 32 crores in 1962-63. The rise has been sustained during April-June 1963, the earnings being Rs. 8 crores. As for textiles, exports of which have declined in 1962-63, there has been a slight improvement in recent months. Mr. Shah feels that exports of cotton fabrics will not be more than 500 million to 600 million yards. But including other fabrics, yarn and ready-made goods, exports could reach Rs. 75 crores, as against Rs. 60 crores at present. Handloom exports have fared well, the offtake by the U.S.A. alone being Rs. 3.3 crores in 1962-63, against Rs. 62 lakhs in 1961-62.

THE PRICE OF GOLD

THE U.S. claim at last year's meeting of the International Monetary Fund that the dollar was as good as—or better than—gold was not afterwards substantiated, and in the weeks before this year's meeting, foreign (particularly Swiss) speculators have bought considerable quantities of gold. They do not, presumably, imagine that the Fund will decide this year that the price of gold must be raised. But they have observed that the debate on the international monetary system is being resumed in full force, and they are convinced that the price of gold cannot be indefinitely excluded from this debate. The report by the Brookings Institution, on which this year's I.M.F. meeting will be focussed, does not even hint that revaluation of gold may be either necessary or desirable. If its main recommendation, that the I.M.F. should be converted into an effective international central bank, were accepted, it might indeed be permanently unnecessary to increase the world's liquid resources by increasing the value of stocks and of new supplies of gold. Similarly, if the U.S. Administration's latest plans to reduce the nation's payments deficit were fully effective, the pressure that tends to raise the price of gold would be removed. But it is thought unlikely that the Fund will accept either of the proposals of the Brookings report (the other envisages the two currency *blocs*, pound-dollar and European, with flexible exchange rates between them); and the world is not yet convinced that the U.S. balance of payments can be properly adjusted by methods that Congress will approve.

Speculative buying of gold, London dealers believe, has been motivated by the idea that the U.S. deficit will continue on a large (though reduced) scale, that the U.S. gold reserve will dwindle until the authorities are forced to stop exports of gold, that it will be impossible in that situation to hold down the price of gold (in terms of the dollar and of other currencies) in the world markets, and that gold will then be revalued formally. Speculators do not imagine that this sequence of events will be completed within the next few months, but as the prospective appreciation of gold in terms of currencies is of the order of 50 percent to 100 percent, they can afford to wait. Recent activity in the London market has reflected this attitude of mind. The price of gold has moved only slightly for the Bank of England regulates it effectively, with the aid of a buffer stock provided by a group of central banks. (When the London market price was breaking away from the official price in 1961 the market price was held down by indirect sales from the U.S. stock; it was arranged that the U.K. authorities would sell gold from their stock and that the currency so acquired would be exchanged for U.S. gold.) The London market is criticised for providing facilities for speculative buying of gold, sometimes at prices artificially favourable to buyers.

India's Resources
are Precious
WASTE NOT,
WANT NOT

But it would be virtually impossible to prevent private buying, and the U.S. authorities, who lead the forces opposing revaluation of gold, acknowledge that a broadly-based and efficiently-regulated market is an essential element in the scheme of world finance.

Short-term profits are severely limited by the regulation of the price, and the authorities hope that, as holdings of gold are inconvenient and yield no income, their repeated demonstration of resolve to hold the price will discourage speculators. The Union Corporation has estimated that in the last five years speculative buying in the West has grown much more than traditional hoarding in the East and has withdrawn from potential monetary use approximately as much gold as is held by the International Monetary Fund—about $2,000 million. Speculation and hoarding and "legitimate" consumption by industry absorb virtually all the gold produced outside Russia. So the stock of monetary gold is static, while the value of international transactions is expanding. Raising the price of gold would not only increase the value of the stock of monetary gold; it would also, by removing the incentive to buy gold speculatively in anticipation of a rise in its price, allow a slow but steady increase in the quantity of monetary gold. This familiar argument in favour of revaluation is logical but not conclusive. An effective increase in liquid reserves can be achieved by other means, such as the Brookings Institution has sugested. Indeed, it has already been achieved, on a moderate scale, through the medium of the I.M.F. and by such devices as the mutual exchange of currencies between the U.S. and other countries. But the continuing deficit in the U.S. balance of payments has changed the situation. A problem that seemed long-term a few years ago is urgent now.

The new reasoning in favour of revaluation of gold, the reasoning that has recently stimulated interest in the gold market, is that the U.S. payments deficit cannot be corrected by orthodox means which would be politically acceptable and which would not aggravate the general problem of liquidity by drastically reducing the supply of dollars outside the U.S.A. Even American economists (as a study prepared for the Joint Economic Committee of Congress has revealed) are now willing to concede that it may be necessary to consider adjusting the value of the dollar in relation to gold; and revaluation of gold in terms of the dollar would certainly imply revaluation of gold in terms of all currencies. Significantly, New York stockbrokers are advising their clients to invest a proportion of their capital in gold-mining shares. One of the strongest arguments against revaluation of gold, that it would benefit Russia, as the second-ranking gold-producer after South Africa, has lost some of its force since the *détente* between the Soviet Union and the West; and a gap of some $10,000 million between the U.S. gold stock and foreign short-term dollar holdings is a stark reality.

Current News and Comment

Shortfall in Fertilisers

As in many other vital sectors of the third plan, there is a big shortfall in India's fertiliser production programme. The Central Minister for Steel and Heavy Industries, Mr. C. Subramaniam, stated in the Rajya Sabha last week that it would not be possible to achieve the plan target for fertiliser output. The progress has been very slow particularly in the private sector which has been licensed a total capacity of 570,000 tons in terms of nitrogen; some of the parties have surrendered their licences. Of the eight factories licensed in the private sector, only the projects in Kothagudem, Visakhapatnam and Gujarat have made some progress.

The reasons for the slow progress of private sector projects are not far to seek. Mr. Subramaniam himself furnished the answer when he said that some licensees might have felt that investment in other industries was more profitable. Fertiliser plants are capital-intensive, calling for an investment of Rs. 25 crores to Rs. 30 crores for a capacity of 80,000 tons to 100,000 tons of nitrogen. The Government's fiscal measures have pushed up capital costs. In the present state of the capital market, it is not easy to raise resources of this order for an undertaking whose profitability is very limited. It has thus been difficult to attract foreign collaboration for fertiliser projects. The one in Madhya Pradesh had, in fact, to be abandoned because the licensee could not find a foreign collaborator. Again, the Mangalore project has been delayed since its Dutch collaborators have backed out. The factory proposed in Durgapur too has been stalled for this reason. Another deterrent is that fertiliser manufacturers do not have much say in the distribution of their products, since this is exclusively handled by the Government and the co-operative societies. The U.N. Fertiliser Survey Mission had suggested that the manufacturers themselves should be allowed to decide how to distribute their output. All these factors have made fertiliser projects unattractive for the private producer. The result is, as Mr. Subramaniam said, the projects will have to be taken over by the public sector. But even under State sponsorship, the progress has been poor.

Adequate supply of fertilisers is vital for the success of agricultural production schemes. A substantial portion of the total increase in food production is to be achieved by the use of fertilisers. It has been estimated that the use of a unit of fertilisers increases production by seven or eight times. The consumption of fertilisers in India is very low, averaging hardly 2.5 lbs of plant nutrients an acre of cultivated area, as against 66 lbs in the U.K. and 254 lbs in Japan. The third plan target of one million tons of nitrogen and 400,000 tons of phosphatic fertilisers is quite modest in relation to the area under cultivation. The U.S.A., with a smaller cultivated area, uses more than five million tons of nitrogen. So it is unfortunate that there should be a big shortfall in India's targeted capacity. According to present estimates, the total installed capacity by the end of the third plan may be only about 640,000 tons, while actual production in terms of nitrogen may be about 500,000 tons. Almost as important as stepping up production is the need to popularise the use of fertilisers. They are expensive since their production involves huge costs and imports of raw materials such as sulphur and rock phosphate. The levy of excise duty on intermediate raw materials like ammonia, chlorine and acids has further increased the cost of production. There are physical difficulties relating to storage and distribution of fertilisers. If they are to be used on the scale planned, it will be necessary to cut down their costs by more efficient production and offer them to the farmers at low prices. Cheap credit has to be proivded to enable the cultivators to buy fertilisers.

Checking Rise in Prices

The private Bill, which Mr. Tariq recently introduced in the Rajya Sabha for compelling shopkeepers to affix price tags on all the commodities they sell, provided an opportunity for discussing the problem of rising prices. The Central Deputy Minister of Finance, Mr. B. R. Bhagat, had earlier told the Lok Sabha that the level of wholesale prices in the country during the week ended 3rd August, 1963, was 7.6 percent higher than that obtaining before the 1963-64 Central Budget. A noteworthy point is that most of the increase in prices is on account of basic food articles like rice, pulses, sugar and *gur*. Although the prices of manufactured goods have increased much less than those of food articles, the rise is not confined only to a few items, as in the past, but is widespread. The prices are continuing to rise, and unless some definite measures are adopted to check the advance, consumers will suffer severe hardship.

The assumption underlying Mr. Tariq's Bill, which was later withdrawn, and the Government's policy to open more fair price shops and co-operative stores, is that traders and the business community are taking advantage of the present situation to push up the price level. But the facts may not bear out this assumption. The stability in prices following the national emergency and the further fact that the prices of manufactured goods have risen proportionately much less than those of food articles and even less than those of industrial raw materials should show that the main causes lie elsewhere. Traders and middle men do not appear to have a hand in the present rise in prices, and therefore merely the opening of more fair price shops and consumers co-operatives may not provide a solution. The recent price increase has been due primarily to higher taxation of commodities. There is no factual basis for Mr. Gulzarilal Nanda's recent statement that fresh taxation has not been responsible for more than 1 percent of the rise in prices. In fact, it would be nearer the truth to say that, on average, higher taxation has so far accounted for nearly 2½ percent of the rise in the price level. It may not be possible to reduce the overall burden of taxation very much as the Government needs revenues for development and defence. But it should certainly be possible to avoid, to a considerable extent, the incidence of taxes on industrial raw materials and power if the Central excise duties, inter-State sales taxes, sales taxes levied by various State Governments, the electricity duty and such other taxes are suitably modified. Unless the tax burden on these basic factors of industrial production is lightened, it may not be possible to keep the rising prices in check. Another measure to stabilise prices, especially of food articles, is to improve the distribution of supplies to different markets so that local shortages are not created. In the ultimate analysis, of course, the most effective step to keep prices low is to increase sufficiently the production of agricultural and industrial commodities.

Raising Sugar Production

The Central Deputy Minister for Food and Agriculture, Mr. A. M. Thomas, recently told the Rajya Sabha that the Government was contemplating an increase in the purchase tax on sugarcane and the levy of a Central excise duty on sugar produced by the *gur* and *khandsari* units during the 1963-64 crushing season, in order to help the sugar industry to increase its output to 3.3 million tons. An orderly development of both the factory industry and the *gur* and *khandsari* units is necessary and the one should not flourish at the cost of the other. In order to prevent the diversion of cane supplies from sugar factories, to *gur* and *khandsari* units, it may be advisable to restrict the latter's daily working period; further, they may be asked to purchase their cane requirements from co-operative societies. These restrictions will prevent the payment of high prices by them for the cane they buy, and regulate their output without materially increasing their production costs.

To increase the output of factory sugar in the 1963-64 season to 3.3 million tons it would not suffice merely to impose restrictions on *gur* and *khandsari* producers. Some positive steps will have to be taken to give adequate incentives to sugar factories. Mr. Thomas told the Rajya Sabha that in 1960-61, when the installed capacity of the sugar industry was 2.41 million tons, the actual production amounted to a little over 3 million tons. Similarly, although the installed capacity in 1963-64 will be only 2.61 million tons, it should be possible to produce 3.3 million tons of sugar, against 2.11 million tons manufactured in 1962-63. Since the crushing season will have to be advanced to enable the sugar mills to increase their total output, it is proposed to give a rebate in excise duty of 19nP a maund of sugarcane crushed during the early and late periods, but this rebate may not be adequate. The Government has now decided to increase the minimum price of cane for the 1963-64 season by 13nP to Rs. 1.75 a maund, wherever the industry faces competition from *khandsari* producers. Although the higher price would not affect the area under cane cultivation in 1963-64 as the crop has already been sown, it will check the diversion of cane to *gur* and *khandsari* units. The higher prices may also

lead to an increase in sugarcane cultivation in the future.

Raw Goatskin Export Muddle

The Government of India's recent announcement lifting the six-week-old ban on the export of raw goatskins of 36 inches and above has come not a day too soon. The ban had been criticised not only by exporters of raw goatskins who had been hit the hardest, but it had also evoked protests from overseas buyers. A section of the tanning industry has also questioned the wisdom of banning the export of large-size skins. If maintained for long, the ban would have done irreparable damage to India's export trade in raw goatskins without in any way helping the export of tanned skins. The imposition of the export ban betrayed ignorance of the elementary facts about the demand and supply position of the commodity and of the nature and importance of the raw skin export business. The annual production of goatskins is generally estimated around 45 million pieces. Out of this, some 16 million pieces are exported in a raw condition, of which 70 percent is in sizes of 36 inches and above. The tanning industry's requirements are placed around 18 million pieces, of which about 16 million pieces are exported. The home market's requirements of raw and tanned goatskins are estimated between 3 million and 5 million pieces, thus leaving a large surplus of 8 million to 10 million pieces.

The ban on the export of raw skins of 36 inches and above cannot be defended on the plea that adequate supplies have to be ensured for the development of the indigenous tanning industry, for tanners are not known to have experienced any difficulty at any time in securing raw skins. There has always existed a sizeable surplus of raw skins, and it has not been possible for the tanning industry to make use of the surplus profitably. The claim made by a section of the goatskin leather industry that it can absorb all the available supplies of large-size skins cannot be substantiated with factual data. Tnere is also no substance in the plea that he export ban of large sizes can help promote exports of tanned skins. The industry's export performance over the past four years, during which the export quota for raw goatskins has been progressively reduced from 100 percent to 60 percent of the best year's performance, has been far from encouraging. In spite of the liberal incentive under which exporters of tanned goatskins are allowed to import chemicals and other scarce commodities up to 75 percent of their export earnings, exports of tanned goatskins between 1959-60 and 1962-63 have not registered any improvement and have fluctuated between Rs. 9.5 crores and Rs. 8 crores a year. Against this, earnings from raw goatskin exports have been fairly well maintained in spite of the substantial reduction in the export quota. The figure for 1962-63 around Rs. 8.62 crores shows a fair improvement over the 1961-62 figure of Rs. 7.72 crores and the 1958-59 figure of Rs. 7.80 crores. That earnings from raw skin exports should have been well maintained in spite of the quota reductions shows that the overseas buyers have been paying progressively higher prices for Indian raw goatskins.

It is commonsense that a country can hope to retain its customers only if it supplies what people want and not what it thinks they ought to. That the foreign buyers are not interested in smaller sizes of raw goatskins has been common knowledge. The U.S.A. and Russia, the main importers of goatskins, together lift more than 85 percent of India's exports. They are primarily interested in raw and wet-salted skins, and their requirements are confined almost exclusively to large-size skins measuring 36 inches and above. They like smaller sizes only as part of package deals. The ban on large-size skins had forced the U.S. tanners to divert their purchases to certain countries from where they had never made any purchases before.

Fortunately, the mistake has been rectified at an early date. The Central Minister for International Trade, Mr. Manubhai Shah, should ask the Leather Export Promotion Council the reasons for recommending the ban on large-size raw skins. But the Government cannot escape the blame for accepting the Council's recommendation in haste, thereby causing a considerable avoidable loss of valuable foreign exchange to the country. Few will perhaps question the need for developing the local tanning and finishing industry for goatskins, but the country's need for earning foreign exchange is no less urgent. Restrictions on exports should be based on an objective assessment of the availability of raw goatskins, the differences in their qualities and the actual requirements of the tanning industry and its capacity to absorb additional supplies. Meanwhile, the report of the six-member *ad hoc* committee appointed by the Development Council for Leather and Leather Goods, under the chairmanship of Mr. M. L. Khaitan, to enquire into the various aspects of the goatskin industry will be awaited with interest.

Cloth Output and Stocks Up

The output of cloth by Indian mills in July is provisionally placed at 417 million yards, compared with 396 million yards in June and 432 million yards in July last year. The July figure—the highest for the current year—raises the total for the first seven months of 1963 to 2,806 million yards, against 2,935 million yards in the same period of 1962. Yarn production in July, placed at 166 million lbs, is substantially higher than the revised June figure of 140 million lbs, and compares well with the July 1962 figure of 158 million lbs. The output of yarn in the first seven months of the current year at 1,099 million lbs, shows only a nominal fall of 4 million lbs over the January-July 1962 figure of 1,103 million lbs. Unless the July improvement in the output of cloth and yarn, especially cloth, is maintained during the rest of the year, production this year will be less than in 1962 which is to be greatly deplored in view of the comfortable supply position of cotton, more particularly when the mills have been carrying normal stocks with them. It appears that the mill industry may not make any determined effort to step up its production until its success in persuading the Government to raise cloth prices for which it has long been agitating. The Government will do well to end the uncertainty about cloth prices at the earliest.

Stocks of cloth with the mills at the end of July totalled 314,800 bales (of 1,500 yards each), showing an increase of 3,600 bales over the June-end figure. Unsold stocks fell from 150,800 bales to 146,600 bales—the lowest figure for over a year—while there was an increase of 7,800 bales from 160,400 bales to 168,200 bales under "sold but delivery not taken". Stocks of yarn with the mills fell further from 73,200 bales (of 400 lbs each) to 70,900 bales and unsold stocks at 32,100 bales were the lowest since November 1962.

Bengal Deshi Export Quota

The Government of India has released for export 200,000 bales of Bengal Deshi cotton, of which 10,000 bales are earmarked for exports through co-operative societies in areas growing such cotton. The balance will be licensed, as usual, on a first-come-first-served basis, subject to a maximum of 5 percent of the total quantity available for export. The shipment period will be from 11th September, 1963 to 31st August, 1964. No cotton out of this quota will be allowed to be exported under rupee payment arrangements. The announcement of the quota is both timely and welcome. It is not that the immediate outlook for exports is very promising, but the release of an export quota at the beginning of the season makes it possible for exporters to keep their business going and exploit potential demand to their advantage. The overseas buyers are also assured of supplies and they can plan their purchases to suit their requirements. Prospects of putting through large business in the immediate future do not seem very encouraging.

The prices offered by the Japanese buyers—Japan is India's main customer—are considerably below the sellers' ideas based on the prevailing prices of Deshi cotton which have increased by about Rs. 20 a candy over the past week or so. The carryover from the previous season is small, but the outlook for the new crop is considered to be fairly good. The new crop will start moving in another week or two, and export business can be expected to develop once the overseas buyers are able to form a reasonably good idea of the market conditions in India which will be possible only when the Deshi crop starts moving into the market in a big way and a clear picture emerges of the main cotton crop. The Government has done well in reducing the share of the co-operative societies from 20 percent for the last export quota of 75,000 bales to 5 percent because their export performance has continued to be unsatisfactory. Export quota reserved for these societies had to be reallocated among shippers.

CORRESPONDENCE

REVIVING THE CAPITAL MARKET

(To The Editor of "Capital")

Sir,

I was pleased to read your editorial captioned "Reviving the Capital Market Corpse" in your issue of 22nd August, 1963. You have very cogently analysed the causes of the recent collapse of the capital market. While undoubtedly the Chinese aggression gave a momentum to the downward trend in the capital market, by and large, the taxation imposed on the corporate sector by the Central Finance Minister in the Budget of 1963-64 is largely responsible for the collapse. Belated efforts made by the Government to revive the market through the activities of the L.I.C. and other financial institutions can only act as palliatives rather than a cure. The confidence of the investor in the capital market has been rudely shaken and while there is hardly any question of new investors being attracted, even those who are used to making investment have shied off. What is required is an imaginative fiscal policy calculated to generate confidence in the mind of the investor. The recent changes in the Central Cabinet have imparted a measure of confidence in the stock exchanges and, therefore, this is a propitious time for the Government to introduce the necessary changes. Will it do so or will it allow the ideological considerations to befog the main issue?

Yours etcetera,
J. J. Asher

Bombay, 30th August, 1963.

MUNICIPAL REFORMS

We see it stated in the public press that a complete change will shortly be effected in the headship of the Calcutta Municipal executive, and that Lord Curzon is interesting himself strongly in the matter. *The Indian Daily News* boldly asserts that the new Chairman will be none other than Sir Walter Lawrence; and it will be within the recollection of our readers that at the Chamber of Commerce dinner early in the year, Lord Curzon announced that the height of his ambition was to be the Chairman of the Calcutta Municipality with a free hand to effect a radical change in the city, so as indeed to make her in every sense the Queen of the gorgeous East. Lord Curzon, however, is not able to come here himself; and it is not therefore altogether unfitting that, if we cannot have Elijah, we should have Elisha to reign in his stead. We have on the *tapis* the great Calcutta Improvement Scheme, which is to make this city a thing of beauty and a joy for ever, and there is no doubt that we require for the administrative head of the city a man of tact and firmness with very considerable experience of men and things. Such a man we have not had for some time and such a man we are hopeful that Sir Walter Lawrence would be. We have had far too much playing at local self-government, we have had far too many irresponsible administrators: the hour has arrived, and we trust that the man will be there. The state of Calcutta is not creditable to anyone concerned. It is all very well to lay down the streets round Government House with Patent stone and to attempt to impart an air of respectability by the judicious application of eye wash, but there are certain parts in the native quarter of the town which should call the blush of shame to the cheeks of those who are responsible for them. We sincerely trust that the rumour regarding the advent of Sir Walter Lawrence may prove correct, but our information from an undeniable source unfortunately is that it is a "pure invention."

FROM

CAPITAL

10th September, 1903

A Ditcher's Diary

At the Centre the "kill" was impressive: whatever one might think of the "goats" chosen, the public certainly had a run for its money. In West Bengal, where Mr. P. C. Sen has decided to ask his Deputy Ministers to go home, it almost looks like a slaughter of innocents. But I have often felt that the borrowed British habit of feeling for the underdog may have gone too far in this country. It may or may not be true that Mr. Prafulla Sen and Mr. Atulya Ghosh failed to agree which Cabinet Ministers were expendable and which were not: what I heard on the subject may well be no more than a rumour: but the decision to get rid of Deputy Ministers and such like hardly conforms to the Kamaraj plan. We don't know what the whole thing is in aid of: we hope Mr. Nehru and Mr. Kamaraj do; but the outgoing Deputy Ministers will hardly be missed by many, except perhaps themselves. Let us, however, remind ourselves of the published idea of the Kamaraj plan. We were told that leading Ministers were to leave office to serve the organisation. Why then sack the Deputy Ministers who will be no more effective in the Party than they were in the Government? It is possible that the taxpayers of West Bengal have been diddled on both occasions but it seems to me a pertinent question to ask whether they were once paying for too many Ministers or are now making-do with too few. And now is the time when the Government has more to do than ever before. I saw some stuff the other day about work study. Has anybody ever worked out how much work a Minister or a Deputy Minister puts in? How much it is worth? It was said in the West Bengal legislature recently that a Deputy Minister had run up a fantastic bill for his telephone calls: there has since been an explanation, not a very satisfactory one. A similar look into the travelling bills of Ministers may reveal startling truths. (I overheard someone the other day saying that a month in which he could not live on his T.A. bills he considered really bad.) Deputy Ministers remain a fascinating subject. I know of one who wanted to see a file: the I.C.S. Secretary declined; and the Chief Minister upheld, alas, the Secretary.

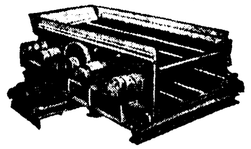
The truth is that we haven't been told the whole truth; and security may be only a small part of the reason. Yet what Mr. Chavan said on Monday was damning enough: Mr. Nehru's statement on the following day clearly smacked of evasion. We will probably never know what really went wrong in N.E.F.A. last autumn, for make no mistake. India has her own home-spun version of the Orwellian machinery for turning facts into unfacts and persons into unpersons. One good thing to come out of Mr. Chavan's version of the Henderson-Brooks report is that the Indian army didn't do badly at all in several sectors; this should be known more widely before too many people, here and abroad, succumb to the nonsense that the N.E.F.A. reverses, shocking as they were, proved that the Indian armed forces were incompetent. Having said that I am entitled to record that, as I read the Chavan statement together with the Prime Minister's a day later, I could not altogether resist a feeling that I was reading a work of detective fiction from which the last chapter had been torn away by some interested party. We know, roughly, what mistakes were committed; we do not know, or we have not been told, who the persons responsible were and how they have been dealt with, if they have at all been dealt with. Recrimination is ever an unpleasant undertaking; but if the Government is permitted to blame it all on Chinese perfidy there is a real danger that it will repeat its unadmitted errors. I do not normally bring ethics into political questions; nor will I now. It should, however, be known in this country that, abroad, India has widely been accused of pursuing what is called a "forward policy". Again, I have nothing against such a policy. Where the Government is indictable is that it followed a policy it had not prepared its armed forces for, not adequately anyway. Then there's the question of military intelligence; it is only a slight exaggeration to say that there wasn't any; and corrective measures in this direction may not yet have gone far enough.

It was remarked to me the other day that the achievements of U.S. foreign policy since the war have usually been the precise opposite of what was intended. The sponsorship of the Kuomintang gave rise to conditions of chaos and corruption which made it easy for the communists to take over China; the deliberate frustration of British imperial policy in the Middle East opened the way to Russian influence; the attempt to destroy a communist North Korea has meant that country will remain permanently under Chinese protection; and economic assistance to Cuba has made the Cuban people hate their benefactor. There is a lot of truth in all this, and nowhere does it appear to be more so than in the case of south-east Asia, the original habitat of the "ugly American". These were the thoughts which ran through my mind when I read that the lorries in which Saigon's Buddhist students were so unceremoniously carted away from the scene of their wholly justified demonstration the other day were marked on the side with the clasped-hands emblem of U.S. economic aid. I cannot help but feel sorry for the Americans, although there is surely no excuse after all these years for failing to understand that not all people are as single-minded in their opposition to communism as they are. I strongly suspect that is what has been at the root of U.S. failures, that and the uncanny knack of always finding the wrong non-communist horse to back. But whatever the reasons behind it, I can only hope that America's new Ambassador to South Vietnam, Mr. Cabot Lodge, can sort out the trouble there in double quick time. Not even the rights and wrongs of the situation make much difference to the fact that if the only alternative to President Ngo Dinh Diem is a Chinese-dominated communist government—and I refuse to believe that it is—then this is a matter of vital importance to India. So, for that matter, is the recent modest *rapprochement* between Russia and the United States. I agree that the main motive for this so far as the Russians are concerned is the need to secure their European frontiers and leave themselves freer to cope with Chinese encroachments into their Asian empire; they probably learned that little trick from Hitler. And there is no doubt that anything which holds back the Chinese is in the interests of India. But if past experience is anything to go by, any American move which helps Russia to hold on to her Asian colonies will eventually result in China getting the lot. That is what is worrying me; it would be a serious matter for India if she ever did.

I weep for Guy Burgess—he is dead! It might seem odd that one should be sorry for the death of a self-confessed traitor; but "traitor" is not a word I use lightly, even if there's a war on. (In the Indian emergency it has been used dangerously liberally, with no good done to anybody.) My connection with Burgess is remote. I have a friend who was at Eton with Burgess. He tells me that Burgess was a brilliant boy, though somewhat eccentric even then. He could do interesting, irreverent cartoons. It is not necessary to recall how he got into the Foreign Office and then how he decamped to Russia with Maclean; far too much has been written on these things already. But the progress of traitors has always fascinated me; Rebecca West has dealt with the subject only from one side of the fence. It is clear that Burgess didn't do it for money; neither can sex be a fully convincing explanation. What then? I am almost certain that an intelligent man like Burgess could do it only because he thought it was the right thing to do. His abhorrence of bourgeois society must have been complete; then, at what must have

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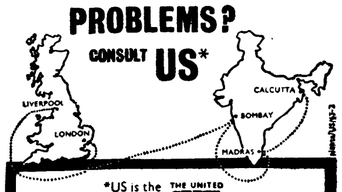
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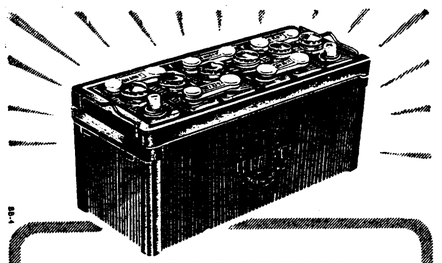
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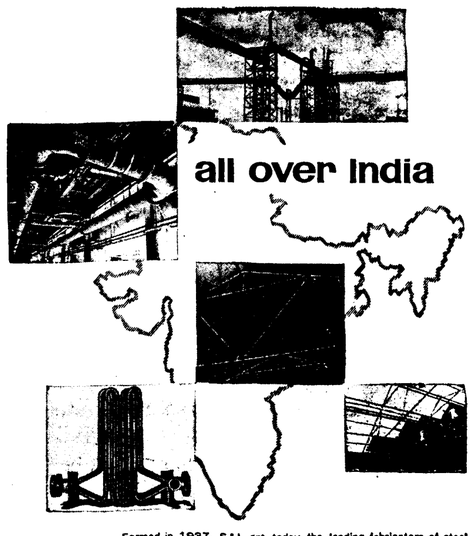
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seemed to him the "moment of truth", he decided to write off his entire past and leap into the unknown world of communist society. This was twelve years ago. The courage needed to make a decision of that kind need not be denied just because one happens to disapprove of what he did; and I am too conscious of the imperfections of our society to condemn its active critics outright. What happened in the twelve years he spent in the Soviet Union? His usefulness as a spy must have been exhausted fairly early on. Was he then shelved by his hosts? I don't know; but, not being the callous kind, he may also have become aware of the imperfections of the communist world. It is said that he started drinking rather hard. I shouldn't be surprised. What happened to such inspired communists as Mayakovsky or Fadeyev? Is it possible that, towards the end, he thought of England, the country of his birth? Again, I shouldn't be surprised. Even those who live, almost completely, in the world of ideas cannot quite sever the terrestrial connection, that small piece of earth on which one was, quite by accident, born.

THE BRITISH HAVE ALWAYS BEEN FOND OF GAMBLING, although for obvious reasons it has been the upper classes who have traditionally set the pace. Now it would appear that the habit pervades all levels of society: how else would it be possible to spend £1,500 million a year on the nation's "flutter"? That is only slightly less than the annual bill for defence, and is considerably more than is at present being invested in education. Luckily, it may be an over-estimate, which would not be altogether surprising considering its source. It comes from an enquiry made on behalf of the New York State Government, whose object is to find if Britain's experience can help with its own problem of whether or not to legalise off-course betting. But correct or otherwise—and it surely cannot be all that wide of the mark—it remains an astonishing comment on life in an affluent welfare State. Probably the affluence has less to do with it than the welfare, because such expenditure would mean the British are even greater gamblers than the Americans, who on average are at least twice as wealthy. A likely reason would, I suppose, be that to the British gambling provides some substitute for the risks of life which the welfare State nowadays takes care of. No doubt there is an unconscious yearning in all of us to live dangerously, but I would be surprised if this is the entire explanation. For instance, it may be no coincidence that Britons are taxed much more heavily than Americans, and for that reason do not feel they have the same chances of making big money in an individual lifetime. Hence a desire to get rich quickly by the only practical method. That might account for the popularity of football pools, where a fortune can be won in one throw, but I doubt if it explains why two-thirds of the total spent on gambling goes on horse-racing, where big wins are rare when the stakes are only small ones. Nor does it throw much light on the recent "bingo" craze, from which Britain is only just emerging. Eventually, I suppose, the motives for gambling are as numerous as the people who indulge in it. But I should like to find some broad explanation, if only because it might be of some help in avoiding the same sort of development in India. One question which has always interested me is why the British Government has all along been so reluctant to tax such a lucrative source of revenue. As in this country, the preference there still seems to be for throwing the major burdens on hard work and enterprise.

SLOWLY THE CAR CAME TO A HALT OUT IN THE country.

"Out of petrol?" she asked sarcastically.

"Nope."

"Then why did you stop?"

"Thought you might like a discussion on the Hereafter."

"Well, that's a new one," she said. "What exactly do you mean?"

"Well", he replied, "if you're not here after what I'm here after, then we're wasting each other's time."

THE DITCHER

Guide for Investors

FALLING TREND IN PROFITS WORRIES TEA INVESTORS

(BY A SPECIAL CORRESPONDENT)

THE turnover in tea shares has become very thin since the Chinese attack last November. The investors have been worried by the border developments, so they have been disinclined to invest further in these shares. Consequently, even small selling has tended to reduce the prices of these shares out of proportion. The index for the tea scrip has fallen from 146.2 to 132.4 (base 1952-53 equals 100) over the past year.

The political uncertainty apart, the economic outlook for the industry has been far from encouraging. The results of the tea companies for 1962 have by and large not been satisfactory; the profits, except in a few cases, have been downwards. As for the prospects for the current year, there is little sign of an improvement. The north Indian crop so far has fallen behind the 1962 figure. Up to July 1963, it amounted to 195.4 million lbs, showing a shortfall of 10.2 million lbs, compared with the corresponding period of 1962. There is no doubt that during July itself, tea production was appreciably higher than in the same month of 1962, and indications are that the August crop, too, will also show a considerable gain over that of August 1962. Yet the crop at the end of 1963 is not expected to be any bigger than that of 1962. The slight rise in the average price of the commodity realised so far should not, therefore, encourage undue optimism.

The average price of leaf tea has risen from Rs. 5.93 a kilogram to Rs. 6.32 a kilogram, and that of dust teas from Rs. 4.64 a kilogram to Rs. 5.13 a kilogram. The shortfall in the output has been reflected in smaller arrivals in the port of Calcutta and in exports. Exports of north Indian teas have fallen from 37.33 million lbs to 34.04 million lbs from 1st July to 7th August, 1963, compared with those of the corresponding period of 1962. Arrivals of the commodity in the port of Calcutta have fallen from 873,902 chests to 734,853 chests.

Assuming that by the end of 1963 the shortfall in production is made up and the total crop turns out to be nearly the same as that of 1962, the investors need to assess the profit trend carefully. The increase in the average price by itself will not lead to a corresponding improvement in the profit since the production costs have, meanwhile, risen. The prices of various raw materials, stores and fuel have moved up. The freight charges have risen. Besides, the decline in the production during the early months of the current season has been harmful considering that the best teas are generally manufactured during this period. The quality begins to deteriorate with the arrival of the monsoon. The slightly softer trend at the past two auctions in Calcutta, has largely been due to the fall in quality. Hence the trade thinks that the trend might henceforth be slightly downward rather than upward. The overall marketing outlook is nevertheless considered fair, in that the statistical position has been reasonably healthy. During 1962, supply and demand were in close balance. Up to date, the world production of tea has been estimated at 619.4 million lbs, compared with 620 million lbs for the corresponding period of 1962. In view of a rise in consumption, especially in the producing countries, there is hardly any threat of an excessive supply. The Indian industry, in particular, is well assured of the rising domestic consumption. The improvement in the price of dust has largely been due to strong buying from domestic blenders. They are expected to continue their purchases in the coming months in view of the slender stocks they have been carrying.

Despite a fair marketing outlook of the commodity, the investors have good reasons for taking a cautious view of the profit trend. Even if the profit for 1963 were to be slightly better than that of 1962, the after-tax profit will be cut by the super profits tax. This apart, the tea gardens will have to plough back into the business larger funds in order to finance modernisation and expansion. The dividend outlook is, therefore, considered less favourable than before. In fact, there is a great deal of concern over whether the industry will succeed in achieving the higher output target as has been set by the third plan. Most of the tea estates have been financially strained by rising production costs, heavier taxation and expenses such as the emergency risks insurance premia. They do not have the resources to finance the modernisation and expansion schemes they have been urged to undertake. Although the Government has arranged to provide the industry with finance in the form of loans to be routed through the Tea Board, the benefit is likely to be only marginal. The industry is also not particularly keen on financing expansion and modernisation by borrowing in a big way due to two factors. For one thing, the present cost of credit is too high. Secondly, the future outlook is uncertain.

Although export prospects for the current year are considered fair, the industry will find it difficult to make much headway in foreign markets in the long run, unless its competitive power is raised. Indian tea has been priced out of foreign markets because it is more expensive than that supplied by Ceylon and Africa. Hence it is urgent that the domestic cost of production is reduced by a suitable modification of the existing fiscal levies. The industry has, in particular, been embarrassed by multiple taxation in the form of Central and State imposts. A simplication of the tax structure for the industry will go a long way towards giving tangible reliefs.

It is also relevant to point out that on a long-term view, the domestic market should be encouraged rather than discouraged. The rising internal consumption provides about the best cushion for encouraging modernisation and expansion. The official apprehension that rising domestic consumption hinders exports has been exaggerated. Since the domestic consumers are largely used to teas which do not sell easily in foreign markets, there is no reason why rising internal consumption will not advance alongside bigger exports.

Bonus from Anglo-India Jute

THE Anglo-India Jute Mills Co. Ltd has produced satisfactory results for the year ended March 1963, so the directors have taken advantage of the favourable conditions to continue the process of modernising the mills and diversifying the lines of production. Considerable expenditure has been incurred for the carpet-backing cloth project. Although profitable working has so far been possible, the prospects for the current year are being viewed with caution. The fibre supply should be abundant. But the mill industry may be forced to buy raw jute much in excess of its requirements at artificially high prices, and the cost of financing the fibre purchases may affect the competitive position of the industry.

They also do not think that the export prospect for sacking is encouraging in view of the keen competition from Pakistan. The restrictions on the supply of electric power will restrain a further increase in production. The Company has, nevertheless, installed its own diesel generators to supplement the power supply. It is also feared that the recommendation of the Wage Board which is expected shortly may lead to a further rise in the cost of production. Referring to the results of Isaac Holdens (India) Ltd in which Anglo-India Jute jute has a substantial shareholding, the directors point out that the prospect of the former Company is encouraging since it has decided to double its installed capacity. It will also issue new shares a part of which will be subscribed by Anglo-India Jute in exchange for a part of its Jagatdal property. They have also been considering further diversification of the Company's interests. They have pointed to the heavy incidence of the super profits tax which will absorb about 10 percent of the taxable income of the Company.

The profit has risen from Rs. 20.64 lakhs for 1961-62 to Rs. 73.58 lakhs for 1962-63, after increasing depreciation from Rs. 12.17 lakhs to Rs. 15.13 lakhs. The taxable ordinary dividend has been increased from 10 percent to 12 percent. It is covered more than ten times and works out to a yield of 5.2 percent at the present price of Rs. 233 a share of Rs. 100 each. Taxation reserve is allocated Rs. 38.14 lakhs, including a sum of Rs. 6.36 lakhs for super profits tax. The tax provision amounted to Rs. 9.03 lakhs for 1961-62. Development rebate reserve absorbs Rs. 6.40 lakhs (against Rs. 2.04 lakhs), dividend reserve Rs. 9.54 lakhs (out of which the dividends declared for 1962-63 will be paid), investment reserve Rs. 5.50 lakhs (against 1.50 lakhs), contingency reserve Rs. 3 lakhs, revenue reserve Rs. 9.84 lakhs and dividend equalisation account Rs. 3 lakhs. The carry-forward is Rs. 90,773, against Rs. 2.75 lakhs brought in.

Gunny sales rose from Rs. 7.63 crores to Rs. 8.69 crores, while stocks of finished goods fell from Rs. 50.77 lakhs to Rs. 44.75 lakhs. The other income of the Company amounted to Rs. 8.54 lakhs, against Rs. 4.54 lakhs. The directors have decided to issue ordinary bonus shares in the proportion of one new share for every five shares held by capitalising reserves. Hence it is proposed to double the authorised capital to Rs. 2 crores by creating further 50,000 each of preference and ordinary shares.

No Early Capital Issue by Tata Steel

THE annual meeting of the Tata Iron and Steel Company held on 29th August lacked the usual excitement, which, however, was not the least surprising. The shareholders seemed well-satisfied with the Company's performance in 1962-63, which had enabled the directors to step up the dividend. What is more, the chairman's statement circulated with the directors' report had held out the promise of better results in the current year. Mr. J. R. D. Tata had assured that every effort would continue to be made to run the plant to its full capacity of which over 90 percent had been achieved in 1962-63. Shareholders' questions at the meeting related mostly to the proposed expansion scheme, more particularly the related problem of finance, and the future of control over steel prices.

Replying to these enquiries, the chairman stated that the question of further expansion was still in the stage of investigation and it was not possible to make any commitment about the finance required for the expansion programme right now. Capital cost will vary in accordance with the nature of the finished product. If the Company were to set up a strip mill with a million-ton capacity, the cost would be around Rs. 185 crores and the cost would be much lower around Rs. 160 crores in the case of a billet plant. Half of this expenditure would have to be in foreign currency. Of the balance, a part would have to be

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found from internal resources and from borrowings in the country. The chairman assured the shareholders that the Company had no intention of issuing any additional capital in the near future to provide a part of the funds required for expanding the capacity from 2 million tons to 3 million tons. He also ruled out the possibility of issuing capital for the purpose of repaying the loan from the Government as the repayment of this loan would be made from the special element in the retention price. Mr. Tata did not approve of the suggestion made by some shareholders for a bonus issue. He said that there was no point in a bonus issue unless the Company was in a position to maintain the dividend on the increased capital.

As for steel prices, Mr. Tata stated that the Government was actively considering decontrol of steel and that the question was now in a stage of delicate negotiations. The industry, he added, favoured decontrol of both distribution and prices. The Government had asked steel producers to submit joint proposals and they would soon be meeting the Government for a second round of talks. While appreciating the shareholders' disappointment over the Government's decision to take the alloy steel project into the public sector, Mr. Tata advised them not to be carried away by the impression that there was something wonderful about the project which the Company had lost. He asked them to bear in mind that the management had been unable to secure the necessary foreign collaboration for the project. Referring to the current year's prospects, the chairman said that in spite of the blowing out of one of the furnaces for relining, production during the current year was likely to be higher around 1.45 million tons, against 1.41 million tons in 1962-63. The Company will not be liable to super profits tax during the 1963-64. It had paid Rs. 57 lakhs in 1962-63 for emergency risk insurance and spent Rs. 1.27 crores on labour welfare. Out of the issued capital of Rs. 6.6 crores of Indian Tube, Tata Steel is holding shares worth Rs. 3 crores. The Life Insurance Corporation is holding 403,700 equity shares of Tata Steel. The coal from public sector collieries is costing Rs. 15 a tonne more than that from the Company's own mines.

Orient Paper Earns More

IN their report for the year ended March 1963, the directors of the Orient Paper Mills Ltd point to the rising production costs due to higher prices of raw materials, chemicals, power and fuel, combined with the rises in excise and import duties and other taxes. A part of these increased costs has been absorbed by bigger production and improved efficiency. The output of paper and board rose from 62,000 tons in 1961-62 to 65,000 tons in 1962-63. The Amlai paper mill project has made satisfactory progress. The plant and machinery has arrived at the site. The directors think that production will begin before the end of 1964. The cost of the project has moved up due to the steep increase in import duties, higher freight charges and rising prices of domestic equipment. The labour union of Brajrajnagar has raised certain disputes, including the question of the bonus, but these disputes have been referred to the Industrial Tribunal.

The trading profit has improved from Rs. 1.98 crores to Rs. 2.01 crores. A taxable ordinary dividend of 20 percent has been declared on the increased capital and *pro rata* dividends have been paid on the new shares. The yield amounts to 5 8 percent at the present price of Rs. 34.60 a share of Rs. 10 each. The dividend was 22.5 percent, subject to tax, for 1961-62. Depreciation has been increased from Rs. 56.94 lakhs to Rs. 60.45 lakhs. Deferred taxation reserve in allocated Rs. 70 lakhs while the tax provision amounted to Rs. 65 lakhs for 1961-62. Development rebate reserve has been reduced from Rs. 7.50 lakhs to Rs. 2.50 lakhs. General reserve receives a sum of Rs. 15 lakhs (against Rs. 20 lakhs). Contingencies reserve is allocated Rs. 3 lakhs (against nil). The carry-forward is Rs. 93,457, against Rs. 2.26 lakhs brought in. Sales rose from Rs. 10.04 crores to Rs. 11.16 crores.

Kesoram Industries Modernises

IN their report for the year ended March 1963, the directors of the Kesoram Industries and Cotton Mills Ltd are fairly optimistic about the outlook. Although the emergency has created a great deal of uncertainty, the Company's diversified activities have helped improve its earnings. The new projects undertaken by the Company are likely to increase earnings further. The profit of the textile unit has been held down by the rising production costs. Prices of raw cotton, other raw materials and stores have risen, but those of cloth and yarn have virtually been stationary. Steps have been taken to modernise the equipment, and a sum of Rs. 36 lakhs has been spent for this purpose. But the directors have now decided to rephase the modernisation programme in view of various difficulties. The second rayon section has reached full production capacity. The sodium sulphate recovery plant and the third carbon-di-sulphide unit has started working. The viscose transparent paper plant has not worked to full capacity because the products have suffered in competition with similar goods manufactured under different processes and enjoying a lower excise duty. But additional equipment has been installed, so the plant's operational efficiency should improve. The Company has not yet received the import licence for setting up a steel-tube factory. Meanwhile, the construction of the spunpipe factory has begun. The Industrial Credit and Investment Corporation of India and the World Bank have sanctioned loans for the project. Production may begin by the end of next year. The Company has been given a permission to issue debentures for Rs. 1.75 crores for financing the expansion schemes.

The profit has risen from Rs. 1.01 crores for 1961-62 to Rs. 1.07 crores, after providing Rs. 82.49 lakhs (against Rs. 69.43 lakhs) for depreciation. The taxable ordinary dividend has been increased from 12 percent to 13 percent on the increased share capital. At the present price of Rs. 23.31 a share, the yield amounts to 5.6 percent. Taxation absorbs Rs. 8 lakhs (against Rs. 36 lakhs), development rebate reserve Rs. 39.21 lakhs (against Rs. 13.38 lakhs), general reserve Rs. 22 lakhs (against Rs. 30.90 lakhs) and dividend reserve Rs. 40 lakhs. The dividends declared will be paid out of the latter reserve. The carry-forward is Rs. 26,969, against Rs. 43,454 brought in.

Imperial Tobacco Cuts Dividend

ALTHOUGH the Imperial Tobacco Co. Ltd has made a bigger profit of Rs. 4.46 crores for the year ended March 1963, against Rs. 3.23 crores for 1961-62, the taxable ordinary dividend has been cut from 9 percent to 8 percent including a final of 3 percent. The dividend absorbs Rs. 1.21 crores and offers a yield of 7.7 percent at the present price of Rs. 10.37 a share of Rs. 10 each. Taxation is allocated Rs. 2.66 crores (against Rs. 1.77 crores) and reserves Rs. 80.22 lakhs (against Rs. 12.29 lakhs). The carry-forward is 3.29 lakhs, against Rs. 24.56 lakhs brought in. Sales rose from Rs. 45.91 crores to Rs. 50.03 crores. A sum of Rs. 48.16 lakhs (against Rs. 46.76 lakhs) has been provided for depreciation before arriving at the profit figure. Commenting on the bigger profit, the directors point to the severe impact of the 1963 Budget levying heavier taxation.

Hukumchand Jute Diversifying

THE Hukumchand Jute Mills Co. Ltd has been operating 43 out of the 75 broad looms it has been licensed to install. It has also obtained an industrial licence to set up a caustic soda and chlorine plant in Amlai, Madhya Pradesh, with a capacity of 30 tons each of caustic soda and chlorine a day. The foreign exchange for the project has been allocated out of the yen credit received by the Government from Japan. Agrements for the supply of necessary plant and machinery have been finalised with Japanese manufacturers. The shipment of the equipment will begin early in 1964 and production may start by the end of next year.

The Company has increased its profit from Rs. 27.19 lakhs in 1961-62 to Rs. 87.89 lakhs for the year ended March 1963, after providing Rs. 11.43 lakhs (against Rs. 10.39 lakhs) for depreciation. The taxable ordinary dividend of 26¼ percent has been maintained to absorb Rs. 14 lakhs. It is covered more than six times and works out to a yield of 9.8 percent at the present price of Rs. 20.37 a share of Rs. 7.50 each. Development rebate reserve is allocated Rs. 3.06 lakhs (against Rs. 1.56 lakhs), taxation reserve Rs. 2.73 lakhs (against Rs. 9 lakhs), contingency reserve Rs. 57 lakhs and general reserve Rs. 26.05 lakhs. The carry-forward is Rs. 5,058, against Rs. 57,366 brought in. Sales rose from Rs. 6.15 crores to Rs. 6.44 crores and stocks of jute goods from Rs. 45.89 lakhs to Rs. 65.97 lakhs.

Hindustan Wire Pays Maiden

THE Hindustan Wire Products Ltd has declared a maiden taxable ordinary dividend of 10 percent for the year ended March 1963. It is covered more than three-and-a-half times. The profit has amounted to Rs. 4.53 lakhs (against Rs. 4.56 lakhs), after providing Rs. 6.22 lakhs including a sum of Rs. 4.26 lakhs relating to previous years for depreciation. Development rebate absorbs Rs. 20,000 (against Rs. 1.21 lakh), taxation Rs. 70,000 and general reserve Rs. 1.75 lakhs. The carry-forward is Rs. 2,736. The Company showed a loss of Rs. 59,938 for 1961-62. Sales increased from Rs. 39.75 lakhs to Rs. 60.18 lakhs. The Company has completed the expansion scheme for doubling the output capacity. The working has been interrupted by the shortage of copper, but steps have been taken to obtain sufficient quotas of the metal.

Better Results from Jaipur Udyog

THE Jaipur Udyog Ltd has produced satisfactory results for the year ended March 1963. The net profit has risen from Rs. 65.02 lakhs for 1961-62 to Rs. 87.12 lakhs for 1962-63 due to the bigger output of cement which increased from 742,298 tons to 823,238 tons. The plant's operational efficiency has also improved following the modifications made in it. The ordinary dividend has been raised from 8.36 percent to 10 percent, subject to tax, but a substantial part of the dividend declared will be exempted from income tax and super tax due to special circumstances. As a result, the shareholders will receive a net payment of 86.52 nP a share.

Commenting on the slow development of the industry in his chairman's address at the recent annual general meeting of the Company in Sawaimadhopur, Mr S. P. Jain said that the expansion had been hindered mainly by the unrealistic price policy of the Government. (A fuller version is printed on a later page in this week's issue of *Capital.*) The last increase in the price of the commodity took place in June 1963, but it was insufficient to cover the rising production costs. In the absence of an automatic escalation to cover the increases under fuel, power, transport, etcetera, arising out of Governmental action, an increase has fallen short of the rising production costs whenever it has been sanctioned by the Government. As a result of the unremunerative price, the return for the industry has become uneconomic. So the latter has not been able to pay either good dividends or plough back sufficient funds into the business for expansion. The shortage of resources has hampered the progress of various expansion schemes. Although the third five year plan has set the production target at 15 million tons a year, there is little possibility of it being achieved. Several licensed schemes have not been implemented in view of the discouraging return for the industry.

Mr. Jain hoped that the Government would adopt a more realistic price policy in order to encourage expansion and modernisation. He also stated that the present system of fixing packing charges had placed a heavy financial burden on the industry. The Government has insisted on cement producers using 50 percent old bags and fixing their packing charges on the basis of the prices of old bags. So they have suffered losses in the process because the price of old bags has risen sharply during recent months. Mr. Jain referred to the high transport cost on bringing limestone from quarries to the factory site. The Company has taken steps to mechanise the quarries and install handling and other equipment at the works. It has also applied for licences for importing balancing equipment. These licences, it is hoped, will soon be granted to the Company.

THE BRITISH INDIA CORPORATION LTD., KANPUR

BRANCHES DIVISION:

Cawnpore Woollen Mills Branch — Cooper Allen Branch
New Egerton Woollen Mills Branch — North West Tannery Branch

London Office:

BEGG SUTHERLAND DIVISION:

Secretaries & Treasurers:

The Elgin Mills Co., Limited — Cawnpore Sugar Works Ltd.
Cawnpore Textiles Ltd. — Champaran Sugar Co., Ltd.
Brushware Limited — Saran Engineering Co., Ltd.

Secretaries for: Beta Rickie & Co., Ltd.

Agents for: The Oriental Fire & General Insurance Co., Ltd.

Hindusthan Gas Repeats

THE trading profit of the Hindusthan Gas and Industries Ltd has fallen from Rs. 16.80 lakhs to Rs. 15.39 lakhs for the year ended March 1963, compared with 1961-62, although turnover rose from Rs. 70.38 lakhs to Rs. 94.72 lakhs. The fall is largely due to the unfavourable conditions in the potatoe market. A taxable ordinary dividend of 20 percent has been maintained. Depreciation is allocated Rs. 5.71 lakhs (against Rs. 4.47 lakhs) and development rebate reserve Rs. 4.89 lakhs (against Rs. 1.28 lakhs). No provision has been made for taxation which absorbed Rs. 6.50 lakhs for 1961-62. The allocation to general reserve has been raised from Rs. 1 lakh to Rs. 1.75 lakhs.

The directors mention that the erection of the oxygen and acetylene plant has been completed and the output of carbon dioxide has risen. The production of steel files has begun. The Company has entered into a technical collaboration agreement with Daido Steel Company of Japan for producing furnaces. The Government has approved the expansion of the oxygen and acetylene plant. The proposal to set up a textile mill in Bihar has been abandoned, but the scheme to build the spinning plant in Orissa is being considered.

Mettur Chemical Cuts Dividend

A SUBSTANTIAL rise in profit and sales features the trading results of Mettur Chemical and Industrial Corporation Ltd for the year ended March 1963. The net profit before taxation amounts to Rs. 29,82,180 after providing Rs. 16,32,651 for depreciation, compared with Rs. 19,71,130 after providing Rs. 12,82,765 for depreciation. With the amount of Rs 11,275 brought forward from the previous year, the total surplus comes to Rs. 29,93,455. Out of this, provision for taxation amounts to Rs. 7,50,000 (against Rs. 2,85,000). Development rebate reserve gets Rs. 2,50,000 (against Rs. 10,00,000). Donations accounted for Rs. 45,226, while share issue expenses amounted to Rs. 9,314. The balance of bonus for the previous year amounted to Rs. 71,530.

The interim dividend at 3 percent tax free on preference shares amounted to Rs. 78,000, while the interim dividend of 6¼ percent on ordinary shares has absorbed Rs. 6,66,666. The proposed final dividend at 3 percent on preference shares will absorb Rs. 78,000. The directors have now recommended a final dividend of 6¼ percent on ordinary shares, making a total of 12½ percent on the increased capital (against a total of 13⅓ percent last year on old capital). The final ordinary dividend will absorb Rs. 8,73,088. A sum of Rs. 1,60,000 is transferred to general reserve (against nil). The balance of Rs. 11,631 is carried forward.

As for the Rs. 60 lakh capital issue made during the previous financial year, the directors state that the shareholders who paid the entire share money at the time of allotment will be entitled to interest until 14th July, 1962, and to dividend thereafter. To the shareholders who have paid advance call moneys after 15th July, 1962, dividend will be paid instead of interest. Interest already paid would be adjusted against the dividend.

In the sphere of sales, the directors say that sales of caustic soda and liquid chlorine were brisk throughout the year. With the coming into commission of the new Seshasayee Paper factory, there was considerable increase in the demand for liquid chlorine. As for the pilot plant scale production of certain new chemicals like anhydrous ferric chloride and anhydrous calcium chloride, commissioned during the previous year, the directors have decided to step up the production of these items in view of the commercial possibilities for these new chemicals. The production and sales of *vanaspati* and soap continued to be fairly satisfactory throughout the year. With the coming into effect of the Vanaspati Price Control with effect from 1st March, 1963, sales were adversely affected. As for the representations made to the Government in this connection, it is hoped that the selling prices for *vanaspati* will eventually be fixed on a more economic basis.

The directors say that the Company's plan for expansion of caustic soda capacity from 40 tons to 100 tons a day and for the manufacture of organic chemicals, has made progress. The Industrial Finance Corporation of India has sanctioned a foreign exchange loan equivalent to Rs. 97.30 lakhs and a rupee loan of Rs. 42.70 lakhs to cover this expansion. Work is also well in hand for creating a further 20-ton caustic soda capacity in the existing factory premises, in addition to the installation of caustic soda capacity in the new No. 2 plant site. With a total investment of less than Rs. 25 lakhs, this extra 20-ton capacity will be created, and this extra capacity, it is expected, will be commissioned before the end of this financial year. The Company has received sanction from the Controller of Capital Issues for issuing the balance of capital (Rs. 60 lakhs worth of equity shares at par as well as Rs. 30 lakhs worth of preference capital) before March 1964. The directors also propose to make a further issue of capital early in 1964. Good progress has been made in the establishment of a new salt factory in Vedaranyam to meet the increased demand for salt on account of the expansion.

India Cements Pays Less

ALTHOUGH sales improved over the previous year, the profit of India Cements for the year ended March 1963 is lower. The rate of ordinary dividend is reduced to 9 percent from the previous year's 12 percent, because of the increased capital. But the total outlay on ordinary dividend is only a little less than that of the previous year, in spite of the dividend covering the increased capital. Sales were at Rs. 3,95,06,397 (against Rs. 3,90,17,470). Net profit before taxation amounts to Rs. 48,83,281 after providing Rs. 37,00,993 for depreciation, compared with the previous year's profit of Rs. 51,28,679 after providing Rs. 40,32,858 for depreciation. With the amount of Rs. 1,38,608 brought forward from the previous year, Rs. 1,31,100 transferred from rehabilitation, modernisation and development reserve and with a transfer of Rs. 10,00,000 from general reserve, in addition to some refunds, the total available for appropriation amounts to Rs. 62,74,968.

Out of this, provision for taxes comes to Rs. 24,00,000 (against Rs. 23,50,000). An amount of Rs. 35,000 is transferred to development rebate reserve (against Rs. 87,400). Rehabilitation, research, modernisation and development reserve gets Rs. 4,49,629 (against Rs. 2,06,746). Donations amounted to Rs. 3,46,750 including Rs. 2,00,000 to the National Defence Fund (against Rs. 1,17,000). The preference dividend at Rs. 6.66 a share amounts to Rs. 2,22,111. The proposed 9 percent dividend on ordinary shares in proportion to the capital paid-up and in terms of the circular offering the new issue of equity shares, will absorb Rs. 26,74,835 (against Rs. 26,93,370 last year). The balance of Rs. 1,46,643 is carried forward.

In their report, the directors refer to certain adverse factors which retarded output and led to heavy expenditure. The production of clinker and cement has been below the rated capacity. It is also said that major repairs had to be undertaken to one of the kilns (kiln No. 1) during the year, resulting in the stoppage of the kiln for 54 days. In addition, kiln No. 3 of 750 tonnes capacity had also to be frequently stopped for repairs and lining, necessitating heavy expenditure. But the more encouraging feature of working during the current year so far is the satisfactory trend of production.

The directors have stressed how the inadequate rise in the retention price of cement and increases in freight, the price of coal and power, have contributed to a substantial rise in the cost of production. As the increase now given in the retention price of cement does not fully cover the actual increase in the Company's costs, and as the increase is effective from only 1st June, 1963, the working results have been affected by the higher costs. It is also pointed out that the coal subsidy scheme has not worked very satisfactorily and there has been great delay in settling bills.

The erection of the new plant in Sankaridrug is about to be completed, and it is expected to go into production by the end of September 1963. With the installation of the Sankaridrug plant, the Company's rated capacity will be about 700,000 tonnes a year. Having regard to the availability of limestone in Sankaridrug, and in view of the urgency to maximise the production of cement, the directors have decided to take up the expansion in Sankaridrug immediately. The Company has been granted a project licence for expanding the Sankaridrug unit by another 200,000 tonnes a year. The Andhra scheme for a 200,000-ton unit, it is proposed, will be taken up in 1965.

Good Prospects for Greaves Cotton

THE preliminary report on the working of Greaves Cotton and Company during the year ended March 1963, released along with the announcement of the dividend, which has been maintained at 12 percent, showed that the Company had fared better than in the preceding year. Sales had increased from Rs. 7.53 crores to Rs. 7.85 crores, and the gross profit improved from Rs. 52.86 lakhs to Rs. 54.53 lakhs. The directors' final report holds out the promise of better results in the current year. Although trading during the current year continues to be influenced by the uncertain position of the national economy, the directors expect a substantial expansion in turnover which, even after allowing for lower margins, is likely to result in some improvement in the profit position.

The working results for 1962-63 showed an improvement in spite of difficult trading conditions. This became possible because of the large contributions made by the new manufacturing units. The range and volume of production of the Company's cone and tube plants showed a considerable improvement in 1962-63 resulting in a sizeable increase in the profit of the mill store department. The working of these plants, it is stated, is showing further progress in the current year.

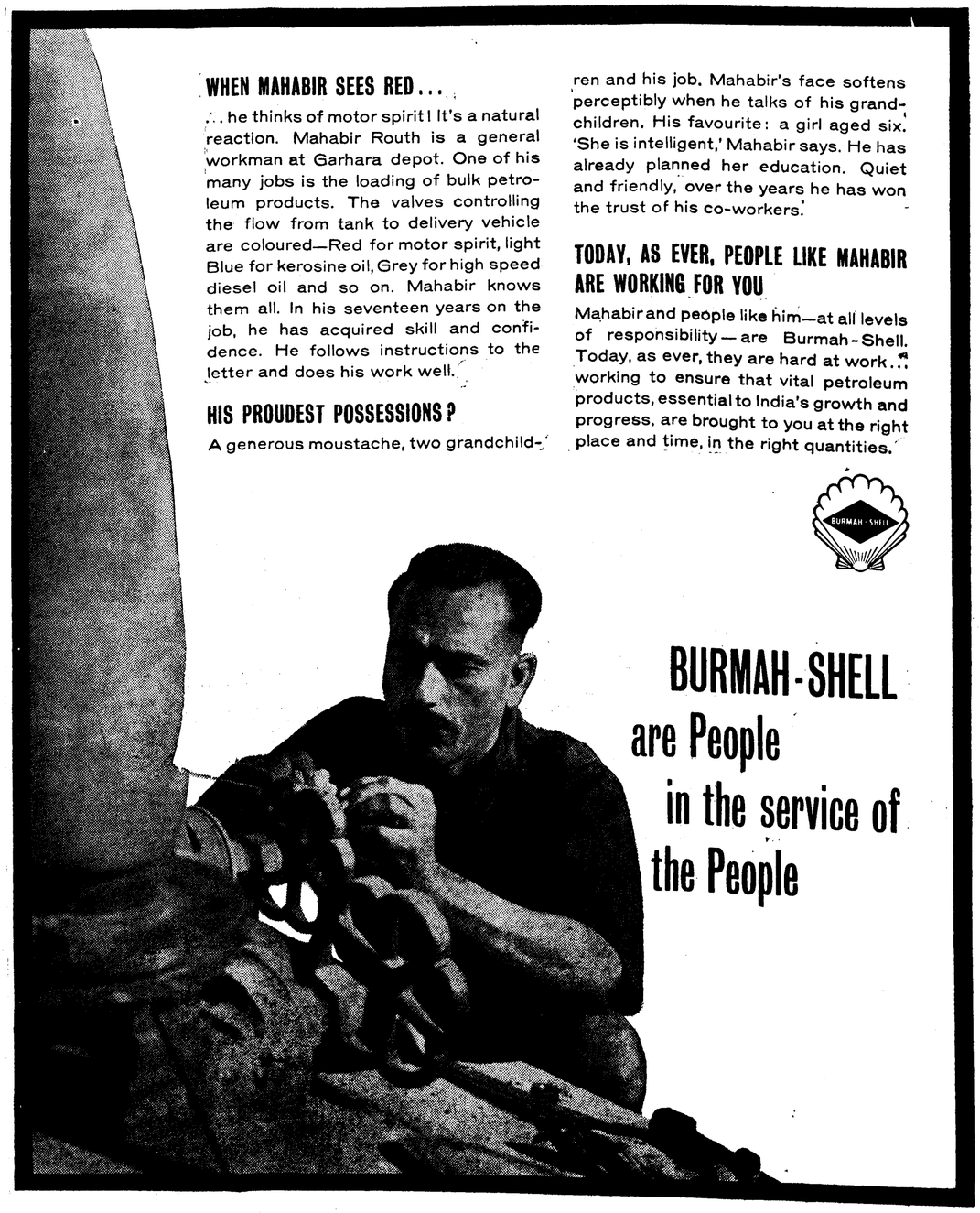
The production of diamond drilling bits was hampered last year only by the restricted import of industrial diamonds. The production of this unit is showing a steady improvement and the directors expect a further increase in the turnover and profits of the Company's mechanical engineering department during the current year. The Company's investments in subsidiary and associated companies which increased by Rs. 19.61 lakhs during 1962-63 are expected to record a further increase of Rs. 12.04 lakhs during the current year, and this increase is being met entirely from the Company's own resources.

Prospects for Minerva Mills

LIKE several other cotton textile mills, Minerva Mills also did not do well in 1962. From what the chairman, Mr. N. D. Sirur, has stated in his annual speech, the Company's performance during the current year is unlikely to be any better—it could even be worse—but the chairman has assured the shareholders that they can look to the future with a fair degree of confidence. His optimism is based on the successful implementation of the modernisation programme which has made it possible for the mills to switch over to new varieties of cloth. The Company, says Mr. Sirur, is likely to suffer a setback in the current year due to circumstances beyond its control. The burden of completing the installation of the new machinery, commencing trial runs and placing the machinery into working order, has fallen on the first half of the current year. Since this involved replacement of a large number of spindles as well as looms, there has been considerable dislocation of working in the current year. Moreover, the reduced availability of Egyptian and Sudan cotton has forced the Company to change over one of the two Egyptian preparations to American cotton of which the Company had little previous experience.

On top of these, the Company has had to pay higher prices for cotton without compensation for this factor in the price of cloth. The chairman, however, seems confident that things will soon settle down and the benefit of the entire programme of modernisation will be felt from 1964 onwards. He has also expressed the hope that a reasonable formula for relating cloth prices to cotton prices will soon come into effect, replacing the present inequitable voluntary cloth pricing system. The mills are trying to follow a policy of changing over the production of cloth to varie-

Red...Blue...Grey—colours play an important part in Mahabir's life!



WHEN MAHABIR SEES RED...

...he thinks of motor spirit! It's a natural reaction. Mahabir Routh is a general workman at Garhara depot. One of his many jobs is the loading of bulk petroleum products. The valves controlling the flow from tank to delivery vehicle are coloured—Red for motor spirit, light Blue for kerosine oil, Grey for high speed diesel oil and so on. Mahabir knows them all. In his seventeen years on the job, he has acquired skill and confidence. He follows instructions to the letter and does his work well.

HIS PROUDEST POSSESSIONS?

A generous moustache, two grandchildren and his job. Mahabir's face softens perceptibly when he talks of his grandchildren. His favourite: a girl aged six. 'She is intelligent,' Mahabir says. He has already planned her education. Quiet and friendly, over the years he has won the trust of his co-workers.

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ties more in line with the production pattern in the spinning department. More and more looms are being put on fine and superfine yarn produced in the mills.

The chairman has revealed that the Sirur group of mills proposes to change gradually its emphasis from cotton textiles to man-made fibres. This plan requires large foreign investment and loans which are now in the final stages of negotiation in so far as the acetate rayon project already licensed by the Government is concerned. The group has also been licensed to manufacture cuprammonium rayon yarn, but after very careful investigation and further consideration, the management has decided to give up the manufacture of cuprammonium rayon yarn and take up instead the manufacture of high wet modulus viscose staple fibre in Harihar and an application has been made to the Government of India for the necessary industrial licence. A preliminary agreement for technical and financial collaboration has been signed with a well-known overseas manufacturer of this new and commercially proven fibre. This project is, however, still in its early stages, unlike the acetate rayon project which is far advanced.

Bombay Cycle and Motor Agency Disappoints

THE Bombay Cycle and Motor Agency Ltd reports disappointing results for the year ended March 1963. Although sales have suffered only a moderate setback from Rs. 2.34 crores to Rs. 2.10 crores, the gross profit has been almost halved from Rs. 6.09 lakhs to Rs. 3.40 lakhs. The dividend has been reduced from 12.5 percent to 6.25 percent. The sharp setback in the profit is attributed to the increase in the Company's establishment expenses and decline in the supply of Fiat cars along with the reduced profit margin which is controlled by the Government.

Appropriations of the year's profit include depreciation Rs. 1.32 lakhs (against Rs. 96,862), development rebate Rs. 12,376 (against Rs. 9,500) and taxation Rs. 1.10 lakhs (against Rs. 2.50 lakhs). After providing for the payment of the proposed dividend which will absorb Rs. 1 lakh (against Rs. 2 lakhs), there remains a balance of Rs. 30,964 to be carried forward, against Rs. 64,314 brought in. The company's "Airtemp" room airconditioners are stated to have been well-received in the market and the Company has set up a new service station. It is also proposed to set up a motor-vehicle workshop, the results of which may be expected in the next few years.

D. C. M. Preference Share Offer

THE offer of 200,000 redeemable cumulative preference shares of Rs. 25 each by the Delhi Cloth and General Mills Co. Ltd for Rs. 50 lakhs, is expected to attract investors. The shares carry a fixed dividend of 9 percent. They are being offered for subscription at par. The list opens next Monday. (Fuller details appear on a later page in this issue of *Capital*.) Judging by current market standards, the yield is attractive. The Company has diversified its activities, and its performance during recent years has been impressive. The profit trend shows that it will have sufficient funds to service the dividends on the preference shares offered.

The Company's interests have been confined to the manufacture of cloth, yarn, linen, silk, rayon, sugar, chemicals, fertilisers, vegetable products, etcetera. It proposes to build two new factories in Kotah, Rajasthan. A poly vinyl chloride (p.v.c.) plant with a capacity of 20 tons a day will be set up. Alongside the ancillary units for producing calcium carbide, chlorine and caustic soda plants will be installed. It will also build a rayon tyre cord plant with a capacity of 4 million kilograms a year. Both these factories will enjoy the advantage of working in collaboration with reputed foreign manufacturers. Sums of Rs. 10 and of Rs. 5 a share are to be paid on application and allotment, respectively. The remaining balance of Rs. 10 will have to be paid on two calls to be made in due course.

Citric India Project Cost Soars

THE third annual report of Citric India Ltd for the year ended March 1963, shows a very substantial increase in the project cost compared with original estimate, the increase being of the order of Rs. 55 lakhs. It is proposed to meet the deficit by the issue of additional share capital and by bank borrowings. The Company has already issued additional capital of Rs. 30 lakhs consisting of Rs. 10 lakhs in equity shares and Rs. 20 lakhs in 9.3 percent redeemable cumulative preference shares. Two of the directors, Mr. G. D. Somani and Maharajkumar Prithviraj, have jointly and severally undertaken to take up the unsubscribed capital of the equity issue made on 5th June. Negotiations are in progress for securing medium-term loans from banks. Not only has the original estimate about the project cost proved to be wide of the mark, but the Company has also been unable to adhere to its schedule of production.

The Company's plant which was expected to go into production in 1962 is now likely to be commissioned early next year, which again is subject to unforeseen circumstances. The construction work of the factory building has been resumed and the foreign machinery has arrived. Part of the ancillary machinery and equipment which were originally intended to be purchased within the country are now proposed to be imported. The I.C.I.C.I. has sanctioned a further foreign exchange loan of Rs. 6.40 lakhs to cover the cost of imported equipment. The pilot plant has been put in operation and the results so far obtained are highly satisfactory. The laboratory of the Company is equipped with the most modern type of equipment to facilitate control of the process and quality. The working results for 1962-63 show a loss of Rs 71,769 (against Rs. 35,538) after providing Rs. 12,732 (against Rs. 6,836) for depreciation and Rs. 27,800 (against Rs. 45,000) for taxation. After adjusting the credit balance of Rs. 13,039 brought forward and including excess provision of tax and other expenditure amounting to Rs. 6,716, the balance of Rs. 52,014 is carried forward.

Seshasayee Paper and Boards Shows Loss

THE report of Seshasayee Paper and Boards Ltd for the year ended March 1963, says that the working results since the commencement of trial runs showed a turnover of Rs. 37.47 lakhs for a short period of four months. After providing for proportionate interest charges on borrowings the trading results show a loss of Rs. 4.5 lakhs. This does not include proportionate depreciation which, if it is provided, will amount to about Rs. 23 lakhs. The higher prices paid for imported wood pulp used during trial operations, the losses inevitable during the period of stabilisation, the small output and the resultant heavy overhead account for the loss during the year. The directors say that the trading results for the succeeding year are bound to show a marked improvement since all sections of the mill are expected to be commissioned shortly, and the Company's own pulp will be used for production.

Commercial production using imported pulp was started in December 1962, and the erection of the rest of the equipment proceeded ahead of schedule. After the commencement of trial production in December 1962, the Company manufactured about 2,900 tonnes of writing and printing paper by the end of March 1963 and sold 2,500 tonnes for Rs. 37.47 lakhs. The paper manufactured by the Company met with keen demand. During the year, the Government of Madras through its Forest Department, delivered 23,000 tonnes of air-dry bamboo to the Company. Arrangements have also been concluded to meet the Company's full requirements for the ensuing year. As for bagasse, the two oil-fired boilers ordered for installation in the sugar mill premises in Pugalur belonging to the Deccan Sugar and Abkhari Co. Ltd were shipped towards the close of the year. Erection, testing and commissioning of the boilers and other connected equipment, it is expected, will be completed by September and the supplies of bagasse will be available by October 1963.

Rights, Bonus from Mysore Sugar

THE Mysore Sugar Company Ltd, Bangalore, is raising additional funds through a rights issue to finance its rehabilitation, modernisation and expansion scheme. The rights shares are proposed to be issued in the proportion of two shares for each one held at par, which will raise the Company's paid-up capital from Rs. 21.79 lakhs to Rs. 65.38 lakhs. This is to be followed by a bonus issue in the proportion of one share for every three held by capitalising a sum of Rs. 21.79 lakhs from the general reserve. The rights and bonus issues, which are subject to the consent of the Controller of Capital Issues, will raise the Company's equity capital from the present Rs. 21.79 lakhs to Rs. 87.17 lakhs.

The expansion scheme consists of an increase in the cane crushing of

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the Mandya factory from the present 1,400 tons to 3,000 tons a day, and the addition of a new production unit to the existing distillery for manufacturing acetic acid, acetic anhydride from alcohol which is being produced in the distillery. The Company is also seeking the shareholders' consent for investing Rs. 30 lakhs in the share capital of Mysore Acetate Chemicals Co. Ltd, which is being sponsored by Mysore Sugar in collaboration with Vonkohorn Universal Corporation of the U.S.A., Aktieholaget Chematur of Sweden and Geveart Photo Production of Belgium. This new Company will have an authorised capital of Rs. 5 crores, of which it is proposed to issue Rs. 2.25 crores in the beginning. The scheme is for the manufacture of cellulose triacetate flakes and secondary acetate moulding powders.

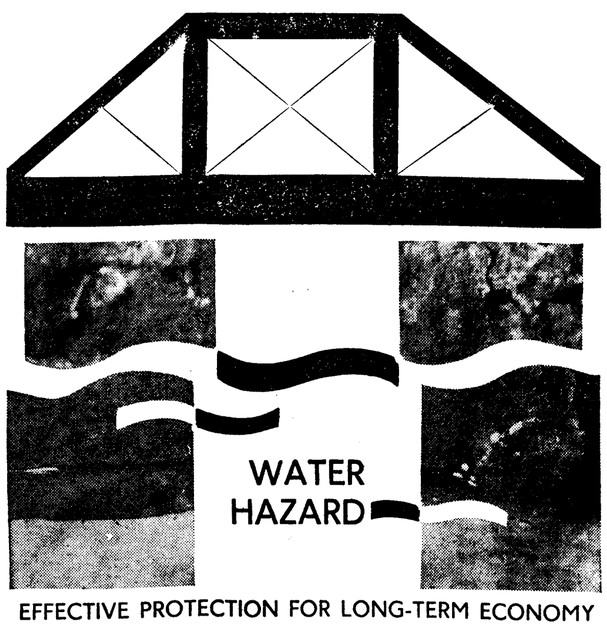
New Standard Engineering Expansion Plans

NEW Standard Engineering Company has been growing from strength to strength. During the 21 years preceding its establishment as a pubic limited company four years ago, its progress had been striking, and its annual growth rate over the past few years has been estimated at 20 percent. How the Company has come to acquire its present strong position has been brought out in Mr. R. G. Saraiya's annual address to the shareholders. (A full text of the speech is printed on a later page in this week's issue of *Capital*).

In his chairman's speech, which has the Company's expansion and development policy as its main theme, Mr. Saraiya says that the growth is secured on a well-established foundation, and that the management is fully aware of the need for consolidation to ensure successful implementation of the expansion and development programme, which is said to be based on a definite pattern of growth. The Company, he says, would like to work, in the long run, towards a scheme of development under which New Standard Engineering will emerge mainly as an engineering company with a nucleus of basic facilities for casting, structural and fabrication work, undertaking production of only a few select complete items. These basic facilities will be adequately supported by suitable technical and administrative services such as central toolroom, research and development. This nucleus will be connected with a number of separate independent units, specialising in the design, testing, production, sale and servicing of a variety of complete machine tools or industrial equipment. According to the current climate of political thinking in the country, such a scheme of diversification and growth, visualising a group of companies may not be welcome and may run into difficulties raised by the Indian Company Law and taxation measures. But Mr. Saraiya thinks that the general functional approach underlying the establishment of a group of companies is sound, and it is in line with practice in advanced economies.

Mr. Saraiya has expressed the fear that the present investment climate and money market conditions might disturb the tempo of the Company's next phase of development. The current ebb in economic activity, if continued, may also affect the markets and sales for the Company's newly established projects.

The chairman has indicated in his speech that the proposed factory for the manufacture of shot blasting equipment is expected to go into production early in 1964. This project is being implemented by a new company—Indabrator Ltd—which has been set up by New Standard Engineering in association with Wheelabrator Corporation of the U.S.A. and Tilghman's Ltd of the U.K. The new Company will have an issued capital of Rs. 12.50 lakhs, of which shares worth Rs. 3,06,250 will be issued to each of the foreign collaborators. New Standard Engineering will take up shares worth Rs. 3.25 lakhs and shares of the value of Rs. 3,12,500 will be offered for public subscription. The U.S. and the U.K. firms will be issued "free" shares of Rs. 50,000 each for the supply of technical know-how out of their total shareholding. Plant and machinery worth about Rs. 2.34 lakhs is proposed to be imported from England against which Tilghman's will be issued shares of equivalent value. The balance of the contributions by Tilghman's and Wheelabrator will be made in cash in pound sterling or dollars as the case may be. Indabrator, it is claimed, will be the first company to manufacture shot blasting equipment in India. The project will, therefore, prove very beneficial to the Company.



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New Capital Issues

SEVEN companies have been authorised to issue fresh capital amounting to Rs. 18.84 crores. Two are issuing bonus shares, one is issuing cumulative preference shares and the rest equities. Two companies are offering part of their shares to foreign companies, one of which is issuing part of its capital to the International Finance Corporation, Washington. Two companies are throwing open part of their shares for public subscription by prospectus. The consent in all cases is valid for 12 months. The following are the details:

In supersession of an earlier consent, *Fort Gloster Industries Ltd*, Calcutta, is to issue a total capital of Rs. 78,85,000. This comprises 41,500 equity shares of Rs. 100 each at a premium of Rs. 90 a share. Out of this, 31,500 shares will be issued to existing shareholders and 10,000 shares will be issued to the International Finance Corporation, Washington. The money is to be used for expansion in the manufacture of cables of various types.

National Sugar Mills Ltd, Calcutta, will issue Rs. 16 lakhs in equity shares of Rs. 10 each. This capital will be used for the expansion of factory premises.

Firth Sterling Steel Company of India Ltd, Bombay, will issue capital of Rs. 50 lakhs in equity shares of Rs. 10 each. Of this amount, shares of the value of Rs. 13 lakhs will be allotted to Firth Sterling Inc. of Pittsburgh, U.S.A., Rs. 10 lakhs for cash at par and the balance of Rs. 3 lakhs for consideration other than cash. The balance of Rs. 37 lakhs share capital would be issued for cash at par. Out of this amount, shares of the value of Rs. 20 lakhs will be offered to the public by prospectus. The money is to be used in the manufacture of high speed steels and high alloy constructional steels.

The African Trading Company Private Ltd, Bombay, has been granted consent to issue Rs. 20,000 bonus capital in shares of Rs. 100 each. The shares will be allotted in the proportion of one bonus share for every 15 shares held.

Oldham and Son (India) Ltd, Madras, is to issue equity shares of the value of Rs. 250,000 as bonus shares in the proportion of one bonus share for every five shares held by the existing shareholders.

Shree Saraswathi Mills Ltd, Madurai, is to issue capital of Rs. 15,88,520. This will be divided into 109,402 equity shares of Rs. 10 each and 4.945—9.5 percent (free of company's tax but subject to deduction of taxes at source at the prescribed rates) and redeemable cumulative preference shares of Rs. 100 each to be issued for cash at par. Of these, 29,402 equity shares and 445 preference shares would be subscribed privately and the balance shares would be offered for public subscription by prospectus. The money is required for setting up a new spinning mill in Tiruttani.

The Canara Bank Ltd is issuing capital of Rs. 25 lakhs. It will be divided into 50,000 equity shares of Rs. 50 each, at a premium of Rs. 15 a share.

The Stock Markets

APPOINTMENT OF T.T.K. CHEERS LYONS RANGE

Wednesday Evening.

THERE has been an appreciable improvement in the stock market during the past week. Share prices have risen on a broad front due to brisk short-covering, combined with replacement purchases. The earlier selling pressure has almost vanished and bears have hastened to cover their open positions. Contrary to expectations, the appointment of Mr. T. T. Krishnamachari as the Central Finance Minister has inspired operators to take a bullish view. Whatever it may be worth, the argument in Lyons Range is as follows: When Mr. Desai took over the Finance portfolio from Mr. Krishnamachari five-and-a-half years ago, he dismantled the tax structure devised by the latter in order to revitalise the economy. Mr. Desai has now implemented novel measures like the super profits tax, the compulsory deposit scheme and the Gold Control Order. These innovations have caused stagnation in the economy. So Mr. Krishnamachari will remove or at least modify them in order to restore confidence.

The economic news has, meanwhile, been favourable. The prospect of bigger imports of raw materials and spare parts during the next licensing period (October 1963-March 1964) has given rise to cheerfulness. Mr. Manubhai Shah, Central Minister for International Trade, has stated in his address at the joint meeting of the Import Advisory Council and the Export Promotion Advisory Council held this week in New Delhi that it has become possible to liberalise import restrictions because of the grant of bigger untied aid by the Aid-India Club. Some companies have also decided to issue bonus shares by capitalising reserves. Operators are particularly impressed by the announcement of good dividends by some jute companies.

However, the improvement is largely due to technical factors. Previously a substantial short position was created, so bears have now begun to cover in right earnest. Support is still largely speculative. Although selling pressure has abated, investors have not ventured to make purchases on any worthwhile scale. In view of the sharp rise in prices during the past few days, the future trend will depend on whether the gains already made can be consolidated. The clearing on Wednesday passed off smoothly. The carry-forward charges are about the same as in the previous settlement.

Indian Iron have gained appreciably, although there has been a modest reaction towards the close on profit-taking. The Company has produced 115,800 tons of pig iron in August 1963, compared with 113,540 tons in July. The output of steel ingots has risen from 83,553 tons to 90,125 tons, while that of salable steel has fallen from 74,124 tons to 70,905 tons. Despatches have declined from 73,838 tons to 69,808 tons. Among engineering shares, support has largely been confined to Guest, Keen, Williams, Texmaco, Jessop, Indian Standard Wagon and Kumardhubi. Jay Engineering have met with scattered buying.

The prices of selected miscellaneous shares have hardened, although the closing levels are somewhat lower following profit-taking. Indian Aluminium, Indian Copper, Indian Cable, Hindustan Motors, Rohtas and Dunlop Rubber have been active. Jaipur Udyog have been supported on prospects of expansion. India Steamship are steady. Among new shares, Hindustan Aluminium have recovered. Electric company shares have been quiet and stray business in Calcutta Electric has been transacted. Bank shares have lacked interest. Sugar shares have been difficult to deal in, in the absence of buyers. Dyer Meakin Breweries have, nevertheless, met with scattered support due to the maintenance of the ordinary dividend. In paper shares, Orient have improved on balance. Sirpur, Titaghur and India Paper Pulp have also been transacted.

Selected jute shares have met with support at rising prices. Anglo-India and Khardah have been taken on prospects of bonus shares. Nuddea and Megna have improved on paying higher dividends. Interest has been taken in Birla, Union, Lawrence and Northbrook. A small turnover has passed in coal shares. Burrakur, Amalgamated, Bengal and Central India have been done. Raneegunge Coal have been steady on the proposal to issue rights ordinary shares in the proportion of one new share for every four shares held at par. In the cotton mill group, Jay Shree Textiles have improved on knowledgeable buying. J. K. Rayon have been sold freely. Tea shares have met with stray buying and attention has centred on good Assam and Dooars gardens.

Government securities have been steady and prices, especially of short- and medium-dated stocks, have hardened in the face of good institutional demand, but sellers have been reserved. The 3 Percent Conversion Loan 1986 has moved up to Rs. 64.65. State Government loans have been steady.

Bombay

MIXED TRENDS IN DALAL STREET

L.I.C. PURCHASES HELP SENTIMENT

Wednesday Evening.

THE Bombay stock market has shown mixed trends during the past week. The earlier rise was due to hectic support, combined with nervous short-covering following the reshuffle of the Central Cabinet. The news that Mr. T. T. Krishnamachari took over the Finance portfolio from Mr. Morarji Desai touched off a buying spree in the belief that the former would remove or modify the novel measures, such as the super profits tax, the compulsory deposit scheme and the gold control order, introduced by Mr. Morarji Desai. Sentiment was also boosted by some other favourable developments. The purchases of ordinary shares by the Life Insurance Corporation helped to relieve the load of floating stocks. The advent of easier money conditions has been considered a stimulating factor.

Towards the close, there has been a mild reaction due to profit-taking at higher levels. Although selling pressure has been conspicuous by its absence, the bulls have turned cautious pending further developments along the northern border. Bears have, meanwhile, thought it wise to cover their open positions, since a considerable part of the idle industrial capacity may be used in view of the possibility of bigger imports of raw materials and spare parts during the October 1963-March 1964 licensing period. Turnover has also been restrained due to the intervening holidays.

Tata Steel ordinary have closed around Rs. 143.75 on bigger production by the Company during August. Among engineering shares, Tata Locomotive and Mukand Iron have been steady. In motor-vehicle shares, Hindustan Motors have been active, but Premer Automobiles have been sluggish. Selected cotton mill shares have improved, mainly due to short-covering. Prominent scrip have been Century, Bombay Dyeing, Kohinoor, Svadeshi and India United ordinary. Standard have reacted on replacement buying. Morarjee, Simplex and Gokak have been steady.

Selected miscellaneous shares have moved up in sympathy with the general trend. In the cement section, Associated Cement and Digvijay have risen. Among sugar shares, Belapur and Phalton have gained on hopes of production incentives to be given by the Government during the next crushing season. In mining shares, Shivrajpur Syndicate have been about steady.

In steamship company shares, Scindia Steam have recovered on short-covering inspired by prospects of an increase in the coastal freight rate. Chemical shares have recover-

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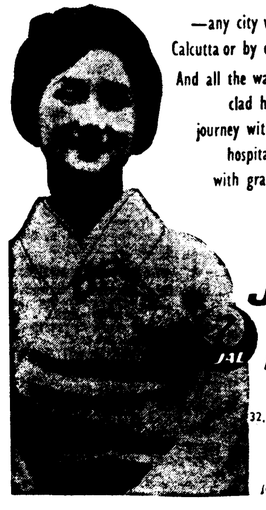
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ed. Tata Chemical and Polychem have gained, but Indian Dyestuff have shown little change. Bombay Burmah have been higher. Among rayon shares, National Rayon have gained, as have Gwalior Rayon. Turnover in cash shares has been small. Synthetics and Chemicals have improved somewhat.

Bank shares have generally been neglected. Central Bank and Dena Bank have been transacted. Among insurance shares, New India Assurance have changed hands. Electric company shares have been steady. Tata Power and Tata Hydro have met with support. Ahmedabad Electric have been maintained.

Madras

SELECTIVE SUPPORT FOR PLANTINGS

GILT-EDGED REMAIN STEADY

Tuesday Evening.

THE undertone of the Madras stock market has improved during the past week in response to higher advices from the Calcutta and Bombay stock markets. Turnover has, nevertheless, been restrained in view of various uncertainties. The changes in the Central and State Cabinets are being watched closely. Despite the bigger return of funds to the banking system, the market faces a shortage of finance. Attention has centred on selected planting shares. Business in clearing shares has been limited.

Government securities have been steady and support has been extended to selected State Government loans. Among banks, Canara have been steady at Rs. 81.75 on the news that it will soon issue rights shares in the proportion of two new shares for every five held, at a premium of Rs. 15 a share. Pandyan has weakened to Rs 37 with sellers over. In electric companies, Karaikkal have been bought on declaring a taxable ordinary dividend of 10 percent. Vellore have been steady at Rs. 15 on paying a taxable ordinary dividend of 14.29 percent.

In the planting section, Blue Mountain have hardened to Rs. 2.65 and Cochin Malabar to Rs. 5.86. Business has passed in Consolidated Coffee at Rs. 18.40 and in Periakaramalai at Rs. 3.50. Manimala have been transacted at Rs. 8.75 since the Company has decided to buy the Bangalore factory owned by Ruby Rubber Works for Rs. 3.41 lakhs. Teekoy have been transacted at Rs. 6.60 on declaring a taxable ordinary dividend of 6 percent. Cottanad have changed hands at Rs. 9.31 on paying a taxable ordinary dividend of 10 percent. Nilgiri have been dealt in at Rs. 9.55 on declaring a taxable ordinary dividend of 5 percent. Badra have come to hand at Rs. 3.04 on paying a taxable ordinary dividend of 10 percent. Balmadies have been steady at Rs. 1 65 on paying a taxable ordinary dividend of 5 percent.

In the textile section, South India Viscose have hardened to Rs. 130 and Travancore Rayon to Rs. 23. Lakshmi have been bought up to Rs. 132 and Madura have been done at Rs. 31. Buckingham have come to hand at Rs. 264 on declaring an interim taxable dividend of 6 percent. Om Parasakthi have been quoted at Rs. 93.70 on paying a taxable ordinary dividend of 10 percent. Ramakrishna have been wanted at Rs. 217.80 and Rajapalayam at Rs. 160. Vijayakumar have been sold down to Rs. 115 on passing the dividend.

Among miscellaneous shares, interest has centred on cement scrip. Dalmia have been transacted at Rs. 12.25 and India at Rs. 5.70. Aluminium Industries have reacted to Rs. 16.85, but Ashok Leyland have been steady up to Rs. 7.15. Mettur Chemical have met with support at Rs. 13.42. Binny have been bought at Rs. 297 on declaring an interim taxable ordinary dividend of 8 percent. Machinetool have been quoted at Rs. 100 on paying a taxable ordinary dividend of 5 percent. Marikar have been steady at Rs. 76.50 on declaring a taxable ordinary dividend of 20 percent. Rane (Madras) have been quoted up to Rs. 7.25 on declaring a taxable ordinary dividend of 15 percent.

In the sugar section, Mysore have come to hand at Rs. 47.75. The Company proposes to issue rights shares in the proportion of two new ones for every share held. After issuing these shares, it will issue bonus shares by capitalising reserves in the proportion of one share for every three held. Deccan have been steady at Rs. 9.95, but E.I.D. have been easier at Rs. 37.08.

THE WEEK'S TRANSACTIONS

[In the following list of stocks and shares in which transactions have taken place during the past week, the figures indicate Opening Quotations, Highest for the week, Lowest for the week, Closing Quotations and Quotations for the corresponding Closing Date a Year Ago. The last-named is shown in parantheses and will not be given where such a quotation is not available.]

CLEARED SECURITIES

Birla Jute—Rs. 28/94—30/37—28/87—30/25—(36/44).
Burrakur Coal—Rs. 15/94—16/19—15/94—16/19—(17/94).
Dunlop Rubber—Rs. 31/50—32/69—31/50—32/62—(39/50).
Guest, Keen, Williams—Rs. 31/37—32/81—31/37—32/56—(37/94).
Hindustan Motors—Rs. 16/44—17/12—16/41—17/00—(19/31).
Howrah Jute Rs. 18/00—18/50—17/75—18/37—(21/06).
Indian Aluminium—Rs. 35/56—36/36—35/44—35/87—(36/94).
Do. (New)—Rs. 17/50—17/50—16/62—16/62.
Indian Cable—Rs. 33/56—33/62—33/37—33/50—(37/50).
Indian Copper—Rs. 4/70—4/85—4/70—4/82—(4/70).
Indian Iron & Steel—Rs. 22/86—23/74—22/06—23/64—(26/50).
J. K. Cotton—Rs. 11/12 11/37—11/00—11/06—(16/87).
Jaipur Udyog—Rs. 10/81—11/06—10/75—10/94—(13/19).
Kesoram Industries—Rs. 21/56—25/25—21/56—23/69—(28/50).
Orient Paper—Rs. 34/30—35/15—34/25—34/80—(34/05).
Orissa Cement—Rs. 14/00—14/06—13/81—13/81—(17/12).
Rohtas Industries—Rs. 11/69—11/75—11/37—11/44—(14/37).
Shree Gopal Paper—Rs. 22/87—23/50—22/87—23/37—(25/31).
Textile Machinery—Rs. 23/20—24/05—23/15—23/85—(23/25).

GOVERNMENT SECURITIES

2½% U.P. Zemindary Compensation Bonds (Collected)—Rs. 39/25—39/25—39/25—39/25.
3 % Govt. Paper—Rs 62/57—62/57—62/57—62/57.
3 % Loan (1970-75)—Rs. 88/80—88/90—88/80—88/90.
3 ½ „ (1966-68)—Rs. 97/75—97/80—97/75—97/80.
3½% „ (1969)—Rs. 97/20—97/20—97/10—97/15.
3½% „ (1967)—Rs. 99/10—99/15—99/10—99/15.
3½% „ (1968)—Rs 98/05—98/05—98/05—98/05.
4 % „ (1969)—Rs 99/55—99/55—99/55—99/55.
4½% Madras (1974)—Rs. 99/13—99/20—99/13—99/20.
4½% Orissa (1974)—Rs. 99/20—99/20—99/18—99/18.
4¼% Loan (1973)—Rs. 99/70—99/85—99/70—99/85.

BANKS

Punjab National—Rs. 19/25—19/50—19/25—19/50—(21/12).
United Bank of India (Rs. 10/- paid)—Rs. 7/37—7/37—7/31—7/31—(7/81).
United Commercial—Rs. 69/00—69/00—69/00—69/00—(81/00).

RAILWAYS

Dehri Rohtas—Rs. 13/75 S.T.—13/75—13/75—13/75—(17/25).
Howrah-Amta—Rs. 40/50—40/50—40/50—40/50—(46/00).

TEXTILES

Basanti (Pref.)—Rs. 7/00—7/00—7/00—7/00—(7/00).
Bharat Commerce—Rs. 20/56—20/75—20/44—20/44—(28/44).
Bowreah—Rs. 22/00—22/00—22/00—22/00—(26/69).
Cawnpur—Rs. 6/12—6/34—6/12—6/19—(7/06).
Elgin—Rs. 17/19—18/75—17/19—18/75—(19/56).
Jay Shree—Rs. 14/12—14/75—13/87—14/44—(17/37).
Muir—Rs. 68/00—68/00—66/50—67/00—(114/00).
New Victoria—Rs. 1/44—1/50—1/44—1/44—(1/62).
Do. (Pref.)—Rs. 2/69—2/69—2/69—2/69.

COALS

Associated Laikdih—Rs. 6/12—6/12—6/12—6/12.
Bengal—Rs. 272/00—280/00—269/00—274/00—(353/00).
Bharat—Rs. 3/44—3/56—3/44—3/56—(3/31).
Bhalgora—Rs. 4/75—4/75—4/75—4/75—(5/13).
Central India—Rs. 9/94—10/03—9/94—9/94—(8/00).
Equitable—Rs. 23/31—23/37—23/12—23/31—(28/31).
Karanpura—Rs. 15/00—15/00—15/00—15/00—(13/87).
Khas Kajora—Rs. 18/19—18/19—18/12—18/12—(18/70).
New Beerbhoom—Rs. 19/25—19/25—19/25—19/25—(23/12).
Raneegunge—Rs. 15/25—16/12—15/25—16/12—(15/62).
Shree Mahakali—Rs. 4/00—4/00—4/00—4/00.
Selected Satgram—Rs. 118/00—118/00—118/00—118/00.
South Karanpura—Rs. 8/25—8/25—8/25—8/25—(8/69).
Western Bengal—Rs. 9/00—9/25—8/94—9/25—(9/62).
West Jamuria—Rs. 4/50—4/56—4/50—4/56—(9/37).

JUTES

Agarara—Rs. 10/31—10/62—10/31—10/50—(11/06).
Alliance—Rs. 139/00—142/00—138/00—139/00—(119/00).
Do. (Pref.)—Rs. 75/50—75/50—75/50—75/50.
Anglo-India—Rs. 237/00—237/00—237/00—237/00—(239/00).
Auckland—Rs. 145/00—146/00—143/00—146/00—(158/00).
Bally—Rs. 275/00—275/00—275/00—275/00—(310/00).
Budge Budge—Rs. 147/00—147/00—146/00—146/00—(165/50).
Champdany—Rs. 22/19—22/81—22/12—22/75.
Caledonian—Rs. 182/00—182/00—180/00—180/00—(220/00).
Chevlot—Rs. 22/25—22/25—22/25—22/25—(26/00).
Dalhousie—Rs. 155/00—156/00—155/00—156/00—(130/00).
Empire—Rs. 17/62—17/75—17/62—17/75—(16/62).
Fort Gloster—Rs. 373/00—373/00—373/00—373/00—(434/00).
Ganges—Rs. 15/75—16/06—15/56—15/62—(16/12).
Gondalpara—Rs. 15/75—16/00—15/50—15/50—18/50).
Gourepore—Rs. 26/37—26/37—26/37—26/37.
Hooghly—Rs. 15/00—15/00—15/00—15/00—(31/00).
Hukumchand—Rs. 22/00—22/00—22/00—22/00—(24/94).
Khardah—Rs. 19/00—20/00—18/94—20/00—(17/62).
Kelvin—Rs. 183/00—191/00—183/00—191/00—(190/00).
Kamarhatty—Rs. 193/00—195/00—191/00—195/00—(177/00).
Lansdowne (Pref.)—Rs. 106/00—107/00—106/00—107/00—(90/00).
Megna—Rs 14/00—14/94—13/94—14/44—(13/00).
National—Rs. 23/44—23/44—23/37—23/37—(24/25).
New Central—Rs. 12/69—12/87—12/50—12/56—(15/00).
Do. (Pref.)—Rs. 91/75—93/00—91/50—91/50—(91/50).
Northbrook—Rs. 30/37—30/50—30/37—30/50—(37/06).
Nuddea—Rs. 60/50—61/50—60/00—61/50—(64/50).
Naihati—Rs. 104/00—104/00—104/00—104/00—(107/00).
Naskerpara—Rs. 8/00—8/00—8/00—8/00—(8/44).
Nellimarla—Rs. 11/69—11/81—11/69—11/81—(11/81).
Presidency—Rs. 5/31—5/81—5/31—5/44—(5/69).
Rameshwara—Rs. 9/09—9/25—9/09—9/25—(9/25).
Reliance—Rs. 10/37—10/50—10/19—10/19—(6/81).
Do. (Pref.)—Rs. 120/25—120/25—120/25—120/25—(84/00).
Soorah—Rs. 22/12—22/25—22/12—22/19—(25/25).
Union—Rs. 171/00—171/00—171/00—171/00—(163/00).
Waverley (Pref.)—Rs. 43/00—43/00—42/00—42/50.

MININGS

Assam Sillimanite—Rs. 7/53—7/69—7/47—7/69—(14/62).
Metal Corn.—Rs. 8/19—8/31—8/12—8/25—(12/81).
Orissa Minerals—Rs. 27/00—27/50—27/00—27/50—(39/00).

CEMENTS

Ashoka—Rs. 7/44—7/69—7/37—7/56—(8/25).
Assam Bengal—Rs. 3/25—3/37—3/25—3/37—(3/87).
Bengal Potteries—Rs. 5/37—5/37—5/12—5/12—(5/69).
Dalmia (Bharat)—Rs. 12/19—12/31—12/19—12/31—(13/87).
Sone Valley—Rs. 4/28—4/47—4/25—4/47—(4/91).

CHEMICALS

Alkali & Chemical—Rs. 32/75—32/75—32/00—32/50—(46/69).
Bengal Chemical (7½% Pref.)—Rs. 11/81—11/81—11/62x.d.—11/62x.d.—(11/62).
Frank Ross (Pref.)—Rs. 41/00—42/00—41/00—42/00.
Smith Stanistreet—Rs. 12/25—12/37—12/12—12/25—(15/50).

ELECTRICS

Calcutta—Rs. 14/69—14/69—14/69—14/69—(15/25).
Do. (Pref.)—Rs. 8/31—8/31—8/25—8/25—(8/87).
Patna—Rs. 10/75—10/75—10/56—10/75—(11/50).

ENGINEERINGS

Braithwaite & Co.—Rs. 29/94—29/94—29/94—29/94—(35/00).
Britannia Engg.—Rs. 9/87—10/19—9/87—9/87—(11/50).
Bharat Ball Bearing—Rs. 12/75—12/94—12/56—12/94—(16/00).
Binani Metals—Rs. 9/50—9/56—8/87—9/56—(11/12).
Burn & Co.—Rs. 542/00—542/00—542/00—542/00.
Calcutta Steel—Rs 12/81—13/06—12/81—12/87.
Dalmia Iron—Rs. 10/69—10/75—10/69—10/75—(12/12).
Hindusthan Wires—Rs. 10/25—10/25—10/25—10/25.
Indian Standard Wagon—Rs. 30/44—31/00—30/44—31/00—(34/75).
Indian Iron & Steel (Pref.)—Rs. 84/00—84/50—84/00—84/50—(85/00)
Jessop & Co.—Rs. 24/87—25/62—24/75—25/12—(22/87).
Jay Eng.—Rs. 20/87—20/87—20/87—20/87.
Kumardhubi—Rs. 8/94—9/19—8/81—9/00—(7/69).
Marshalls—Rs. 2/56—2/66—2/50—2/62—(3/41).
Machinery Mfg.—Rs. 23/25—23/37—23/12 23/12.
National Iron—Rs 4/75—4/75—4/75—4/75.
Wellman Incandescent—Rs. 6/19—6/25—6/06—6/19.

INSURANCES

Concord of India—Rs 10/62—10/75—10/62—10/62—(11/50).
New Asiatic—Rs 7/75—7/94—7/75—7/81—(6/56).
Ruby General—Rs 9/12—9/31—9/12—9/19—(9/87).
Standard General—Rs. 6/19—6/25—6/19—6/25—(8/00).

MISCELLANOUS

Airways (India)—Rs. 4/00—4/00 4/00—4/00.
Asiatic Oxygen—Rs. 13/75—13/81—13/69—13/75—(10/31).

Associated Battery—Rs. 23/87 24/12—23/81—23/81—(30/50).
Aluminium Corpn.—Rs. 13/69—14/31—13/87—14/25—(17/37).
Angelo Brothers—Rs. 24/00—24/00—23/75—(24/00—(24/69).
Balmer Lawrie—Rs. 245/00—246/00—245/00—246/00.
Bararee Coke—Rs. 20/44—21/37—20/37—21/37—(27/00).
Bharat Nidhi—Rs. 5/12—5/62 5/12—5/62.
British India Corpn.—Rs. 8/26 8/26—7/75—7/87—(10/03).
British Paints—Rs. 19/37 19/56—19/37—19/56.
Britannia Biscuit—Rs. 41/00—41/00—41/00 41/00.
Clive Row—Rs. 8/69 8/81—8/69 8/81.
Calcutta Tramways—Rs. 11/00—11/12—10/94—11/06—(11/94).
Dyer Meakin Breweries—Rs. 27/81—29/56—27/50—29/12—(31/94).
Electric Construction—Rs. 12/69—13/00—12/50—12/87—(15/50).
English Electric—Rs. 14/19—14/25—13/94—14/00.
Gillanders Arbuthnot—Rs. 14/31—14/37—14/31—14/37—(15/25).
General Tyres—Rs. 7/56—7/56—7/45—7/45—(6/31).
Do. (Pref.)—Rs. 83/00 83/00—83/00—83/00.
Hindustan Aluminium—Rs. 12/87—13/31—12/81—13/06—(16/87).
Hindusthan Development—Rs. 3/95—4/10 3/95—4/10—(5/62).
Hindusthan Twyford—Rs. 14/00—14/00—14/00—14/00—(15/75).
Do. (Pref.)—Rs. 96/50 96/50—96/50—96/50.
Hindusthan Gas—Rs. 21/50 22/12—21/50—22/00.
Hindusthan National Glass—Rs. 7/25—7/25—7/25—7/25.
Imperial Tobacco—Rs. 10/50—10/56—10/37—10/50—(11/56).
India Carbon—Rs. 18/69—18/69—18/62—18/62—(27/37).
Indian Wood Products—Rs. 29/62—29/62 29/62 29/62—(33/50).
Isaac Holdens—Rs. 14/75—15/62—14/75—15/62—(16/87)
Indian Oxygen—Rs. 26/12—26/12—25/87—26/00—(49/75).
Indian Tack & Nail—Rs. 11/75—11/75—11/75—11/75—(16/81).
J. K. Synthetics—Rs. 10/12—10/62—10/12—10/50—(14/62).
Jardine Henderson—Rs. 86/50—87/00—86/50—87/00—(81/00).
Jay Shree Industries—Rs. 16/25—16/25—16/19—16/19—(17/19).
Madhya Pradesh Industries—Rs. 9/94—10/00—9/75—9/94.
Martin Burn—Rs. 26/81—27/12—26/81—27/00—(31/75).
Metal Distributors—Rs. 4/44—4/50—4/40—4/40.
Multi Metals Ltd.—Rs. 5/06—5/06—5/06—5/06.
Metal Box—Rs. 49/25—49/50—49/12—49/37.
National Insulated Cable—Rs. 22/37—22/69—22/37—22/62—(31/37).
National Tobacco—Rs. 11/69—12/00—11/62—11/69—(13/12).
National Rolling & Steel Ropes—Rs. 20/69—20/69—20/44—20/50.
Phillips Carbon—Rs. 15/75—16/12—15/75—16/12—(22/69).
Rallis India—Rs. 115/50—121/00—115/50—121/00—(155/00).
Rohtas Industries (B Pref.)—Rs. 57/75—57/75—57/57 57/57—(57/25).
Shalimar Wire—Rs. 5/44—5/62—5/44—5/62.
Shaw Wallace—Rs. 16/75—16/75 16/69—16/69—(20/19).
Do (Pref.) Rs. 57/00—57/00 56/50—56/50.
Sirsilk—Rs. 8/94 9/06—8/94 9/00—(10/12).
Union Carbide Rs. 39/00—39/25 38/62—39/25—(48/25).
Universal Cables—Rs. 10/25—10/62—10/12 10/12—(12/19).
Universal Electric—Rs. 8/60 9/00—8/60 9/00—(4/94)
Usha Martin Black—Rs 13/25—13/62—13/25 13/50—(16/25).

PAPERS

Bengal—Rs. 26/00—26/25—25/81 25/94—(33/75).
Ballarpur—Rs. 17/12 17/12 17/12—17/12.
India Paper Pulp—Rs 17/44 17/94—17/44 17/87 (20/06)
Seshasayee—Rs 7/19 7/25 7/12 7/12—(9/12)
Sirpur—Rs 11/75—12/12 11/56—11/94—(13/75).
Straw Products—Rs 9/19—9/19—9/06—9/12—(10/00)
Star—Rs. 8/62—8/69 8/56—8/56—(10/00).
Titaghur—Rs. 16/37—16/44—16/25—16/37—(35/75).

REAL PROPERTIES

Hindusthan Building—Rs. 3/50 3/59—3/44—3/59.
Humayan Props. (Defd.)—Rs. 2/10—2/10—2/10—2/10.

SAW MILL

Andaman Timber—Rs. 6/00—8/00—6/00—8/00.

SHIPPINGS

India Steamship—Rs. 7/00—7/12—6/75—6/75—(6/87).
Port Shipping—Rs. 14/69—14/75—14/37—14/37—(12/00).

OIL

Indo-Burma Petroleum—Rs. 21/37—21/37—21/37—21/37.

SUGARS

Carew—Rs. 10/75—19/87—10/75—10/87.
Do (Pref.)—Rs. 70/00—71/00—70/00—71/00.
Raza Buland—Rs. 9/56—9/60—9/56—9/60—(9/75).
Shree Krishna Gyanoday—Rs. 7/56—7/56—7/50—7/56—(9/19).

TEAS

Bormah-Jan—Rs. 12/50—13/25—12/50—13/25—(16/12).
Carron—Rs. 151/00—151/00—151/00—151/00—(145/00).
Dibrugarh—Rs. 31/00—31/00—30/56—30/75—(35/50).
Dhunseri—Rs. 11/00—11/06—11/00—11/06—(16/00).
Dufflaghur—Rs. 25/25—25/25—25/25—25/25.
Grob—Rs. 7/12—7/50—7/12—7/50—(9/00).
Hattikhira—Rs. 7/87—8/06—7/87—8/06—(9/44).
Hasimara—Rs. 12/69—12/81—12/50—12/50—(15/00).
Huldibari—Rs. 12/87—12/94—12/87—12/94.
Killcott—Rs. 14/94—15/00—14/94—15/00—(17/31).
Krishnabehari—Rs. 10/50 x.d.—10/50 x.d.—10/50 x.d.—10/50 x.d.—(10/12).
Moheema (Pref.)—Rs. 4/80—4/80—4/75—4/75—(5/21).
Oodlabari—Rs. 14/00—14/00—14/00—14/00—(14/75).
Poobong—Rs. 7/50—7/50—7/50—7/50—(7/37).
Rungamattee—Rs. 49/00—49/00—49/00—49/00.
Sungma—Rs. 14/00—14/50—13/62—14/31—(14/62).
Teloijan—Rs. 21/00—21/00—20/87—20/87—(27/75).
Tezpore—Rs. 14/37—14/50—14/37—14/50—(15/62).
Teesta Valley—Rs. 13/00—13/12—12/94—13/12.
Tyroon—Rs. 30/75—30/75—30/56—30/69.

DEBENTURES

5½% Dehri-Rohtas—Rs. 92/00—92/00—92/00—92/00.
6 % Jaipur Udyog—Rs. 100/00—100/00—100/00—100/00.
5 % Calcutta Electric Supply—Rs 90/50—90/50—90/50—90/50—(99/00).
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London

TURNOVER POOR, BUT TONE FIRM

SELECTIVE RISE IN INDUSTRIALS

London, 4th September.

A FIRM tone was maintained in the stock market during the past week, but the volume of business was rather disappointing. Good company and economic news enabled the market to maintain its firm tone. While renewed buying was on a modest scale, sellers were few and far between. Interest centred mainly on industrial equities and many leading issues reached new peaks for the year. Bowater featured following their encouraging interim statement, while I.C.I. moved up in response to good news from other chemical companies which raised hopes of a good interim statement from I.C.I. towards the end of the month. Numerous firm features developed among the second rank stocks. Gilt-edged attracted a modest demand with medium-dated stocks providing the best section. H.-P. finance shares fell back steadily on news that Ford Motor is setting up an H.-P. company. Banks, insurances and properties attracted little attention. Gold shares inclined higher on a small but persistent demand in a thin market. Coppers moved erratically and other mining sections were quiet. Oils were supported in front of the interim dividend season. Rubbers and teas remained neglected. Dollar stocks moved up in the wake of Wall Street which reached a new 1963 peak.

COMPANY MEETINGS AND DIVIDENDS DECLARED OR PROPOSED

Name of Company	Date	I.S.T. Hours
Bally Jute Co. Ltd	25-9-63	3 p.m.
Birla Jute Manufacturing Co. Ltd.	25-9-63	4 p.m.
Imperial Tobacco Co. of India Ltd.	26-9-63	3-30 p.m.
Bisra Stone Lime Co. Ltd.	27-9-63	11-15 a.m.
East Indian Coal Co. Ltd.	27-9-63	12 noon
Megna Mills Co. Ltd	27-9-63	3 p.m.
Hukumchand Jute Mills Ltd.	27-9-63	4 p.m.
Dalhousie Jute Co. Ltd.	28-9-63	10 a.m.
Auckland Jute Co. Ltd.	28-9-63	10-10 a.m.
Union Jute Co. Ltd.	28-9-63	10-20 a.m.
Kinnison Jute Mills Co. Ltd.	28-9-63	10-30 a.m.
Northbrook Jute Co Ltd.	28-9-63	10-40 a.m.
Lansdowne Jute Co. Ltd.	28-9-63	10-50 a.m.
Lawrence Jute Co. Ltd.	28-9-63	11 a.m.
Standard Jute Co. Ltd.	28-9-63	11-10 a.m.
India Jute Co. Ltd.	29-9-63	4 p.m.
National Insulated Cable Co. of India Ltd.	30-9-63	11 a.m.
Indian Steel and Wire Products Ltd.	30-9-63	11-30 a.m.
Jardine Henderson Ltd.	30-9-63	12-00 noon
Indian Cable Co. Ltd.	30-9-63	3 p.m.
India Steamship Co. Ltd.	30-9-63	3-30 p.m.
Titaghur Paper Mills Co. Ltd.	30-9-63	3-30 p.m.

DIVIDENDS DECLARED OR PROPOSED.—Hindustan Wire Products Ltd.—Re. 1 per share (o), subject to tax; Dhrangadhra Chemical Works Ltd.—8 p.c. (o), subject to tax; Indian Steel & Wire Products Ltd.—Rs. 1.80nP. per share (o), subject to tax; Synthetics And Chemicals Ltd.—Nil; Standard Motor Products of India Ltd.—6 p.c. (o), subject to tax; Machinery Manufacturers Corporation Ltd.—Rs. 1.50 per share (o), subject to tax; Midland Rubber & Produce Co. Ltd.—10 p.c. (o), subject to tax; Peria Karamalai Tea & Produce Co. Ltd.—12½ p.c. (f), subject to tax; Kalasa Tea & Produce Co. Ltd.—7½ p.c. (f), subject to tax; National Insulated Cable Co. of India Ltd.—18 p.c. (o), subject to tax; Okayti Tea Co. Ltd.—25 p.c. (o), subject to tax; Midnapore Zemindary Co. Ltd.—Nil; Gillanders Arbuthnot & Co Ltd.—11 p.c. (o), tax-free, subject to deduction of additional tax for non-resident shareholders; Britannia Building & Iron Co. Ltd.—Nil.

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Subscriptions will be received in cash or cheques from the 23rd September, 1963. But the lists will be closed without notice as soon as the total subscriptions amount to approximately Rs 400 lakhs and in any case not later than the close of business on the 28th September, 1963

Applications will be received at all branches of the State Bank of India within the State of Madras and at the State Bank of India at Madras, Bombay, Hyderabad, Calcutta, Delhi, Bangalore and Bangalore City.

Copies of the Notification announcing the terms of issue and application forms are available at all the receiving offices mentioned above, at all treasuries and sub-treasuries in the State of Madras and at all offices of the State Electricity Board.

Money

NO ADVANTAGES IN BANK NATIONALISATION

(BY A SPECIAL CORRESPONDENT)

THE former Central Minister for Food and Agriculture, Mr. S. K. Patil, declared, while inaugurating an office of the Indian Bank in north Bombay recently, that he did not support the move to nationalise the banking industry. The banks were effectively controlled by the Reserve Bank and, in spite of controls, were playing a useful rôle in providing finance for trade and industry and promoting capital formation. Dr. M. A. Muthiah Chettiar, chairman of the Indian Bank, endorsed Mr. Patil's ideas on the subject and expressed the view that banks could not be run like Government offices. It was dangerous to advocate the nationalisation of banks. The suspicion is that Mr. Patil publicly aired his views against nationalisation of banking because the move is gathering support. The replacement of Mr. Morarji Desai as the Finance Minister has lent credence to such rumours. Financial circles are anxiously waiting for a clue from the new Finance Minister, Mr. T. T. Krishnamachari.

It will be recalled that Mrs. Subhadra Joshi, a Congress M.P., introduced a private resolution in the last session of the Lok Sabha demanding the nationalisation of banks. The argument she advanced was that the gain to the Exchequer would be enormous. According to her, banks in the private sector showed an annual profit of Rs. 35 crores, whereas the cost of nationalisation would not come to more than Rs. 60 crores. If the substantial accumulated reserves of the banking system are taken into account, the cost to the Exchequer would be negligible. The then Finance Minister questioned her assumptions by pointing out that nationalisation of banks would cost around Rs. 100 crores and the Government simply does not have the resources to pay this amount in compensation.

Among the other points made by some M.P.s was one that the banking industry in India had become the principal instrument for channelling finance to big business. Although the balance-sheets disclosed the direct liability of directors' companies—this was about a fifth of the resources employed in advances by the banking industry—the actual amounts advanced were much bigger. The indirect interest of directors in banking companies which was through third party loans was not usually reflected in balance-sheets. Again, banks deliberately over-estimated the creditworthiness of their directors and gave loans at cheaper rates than those charged to others. They also kept depositors' money as call deposits with directors' firms. It was when the big business loosened its grip on the banking system that the smaller industrialist and trader would have a chance to borrow on fair terms. The Government would be able to direct banking resources to nationally more desirable channels and prevent speculation and other undesirable evils such as had been disclosed through the Bose Commission's Report.

Educating Public Opinion

The motion of nationalisation has been pressed once again in the current session of the Lok Sabha in spite of the defeat of Mrs. Joshi's resolution in the last session and Mr. Morarji Desai's strong defence of the *status quo*. It is surprising that no banker or industrialist connected with banks, or even the Indian Banks Association, has come forward with a well-reasoned case against nationalisation of banking. It is not too late even now for the Indian Banks Association and other interested parties to launch a campaign to educate public opinion as to why nationalisation of commercial banks is not in the national interest.

Why is nationalisation of banking not in the national interest at this juncture? It is necessary to recall that nearly a third of the banking system passed into public ownership when the State Bank was nationalised nearly seven years ago. The commercial banking structure has been controlled in every single phase of its operations by the Reserve Bank during the last 15 years, and if banks are now nationalised, it would amount to censuring the Reserve Bank for its ineffective control. When with all the sweeping powers that the Reserve Bank has exercised over the banking system, the abuses could not be checked, is it not too much to expect that they will vanish overnight by the magic wand of public ownership? On the other hand, the addition of bureaucratic evils to the prevailing shortcomings may grind the banking industry to a halt.

Recent Trends

The recent trends in the industrial policy of the Government give some hope that it may not rush in with new experiments now. Especially after the departure of Messrs Krishna Menon and K. D. Malaviya from the Government, the industrial policy has been interpreted more liberally. The private sector has been allowed to enter the defence field. The share of foreign participation in the shipping industry is being stepped up. There are indications that the oil policy may be modified to allow greater scope for the private enterprise. The new experiments like super profits tax, the compulsory deposit scheme and the gold policy have brought the economy to a virtual state of stagnation. It is, therefore, likely that the new Finance Minister may try to undo the damage.

India's dependence on friendly nations has further increased with the growing Chinese threat. There are a large number of foreign banks operating in India and some more banks have programmes to start offices here. The confidence of foreigners in this country will be rudely shaken if the banking industry is nationalised. India cannot afford to alienate sensitive public opinion abroad by revolutionary measures, especially at a critical time in her history.

No Real Gain

The Government is not likely to be the gainer if it takes over banking. This is because it cannot suddenly change the pattern of credit. Banks have been investing about 30 percent of their resources at an uneconomic rate in Government securities to support public-sector activity. It is a sacrifice they are making to enjoy the present limited freedom within the rigid rules laid down by the Reserve Bank. Of the remaining 70 percent, 65 percent is lent even in the slack season to finance the genuine requirements of private trade and industry. It is possible that the small margin of 5 percent is absorbed by the busy season requirements of credit. It will be difficult to disturb the present pattern of credit arrangements unless a clear-cut alternative is found.

There is another point. Even though the State Bank is Government-owned, its advances to public-sector undertakings are hardly 2 to 3 percent of the total, that is, after seven years of nationalisation. The Government has not borrowed from the State Bank on a sizable scale for two reasons. Firstly, it was not found feasible to reduce advances of the bank to the private sector. Secondly, it was found uneconomic to borrow from the State Bank because its minimum lending rate is 6 percent while the Government can raise the requisite resources at Bank rate of 4.5 percent. That is the reason why most Government undertakings are run as departmental wings. Even if they are run as independent undertakings, the Government can place cheap money at their disposal. The banking industry's rate is related to its borrowing rate from the public and, whether it is in the private or the public sector, there is no scope for bringing down the lending rate. The supposed advantage of nationalising the banking system would thus appear to be illusory.

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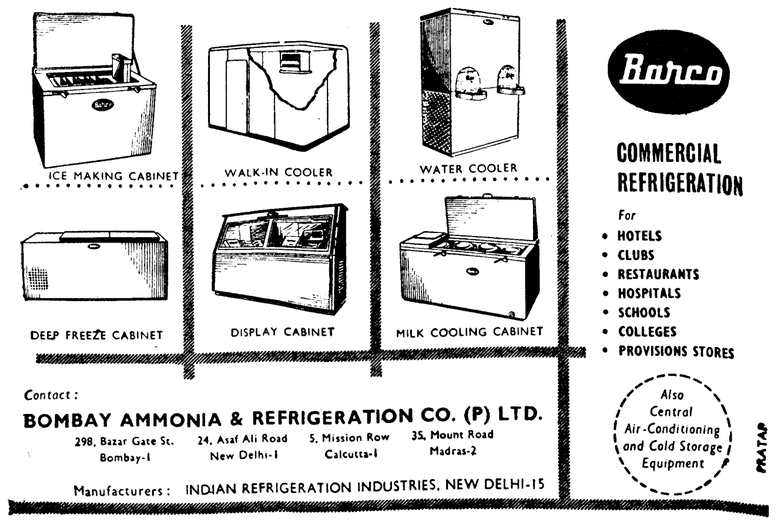
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THE CALCUTTA MONEY MARKET

FAIR DECREASE IN ADVANCES

Wednesday, 4th September.

THE general level of advances has shown a fair decrease in the Calcutta money market during the past week, primarily because funds have been returning from the sugar industry. The credit given to the jute mills, and to the foodgrains and seeds trade, is unchanged. But the requirements of the textile mills, and of the iron, steel and engineering units, are nominally higher. In the interbank market, money is tight and the call rate has jumped up to 3½ percent.

The exchange market has been active, with the excellent supply of tea and gunny bills continuing. The demand for remittance is fair. The general trend in sterling has been weaker, although it has scored nominal gains in relation to the West German, Dutch, Norwegian and Swedish currencies.

SILVER WAS STEADY IN CALCUTTA during the past week. The price was quoted at Rs. 229 for ready. Gold, 14 carat, fetched Rs. 65 a 10 grammes. The price of silver was quoted at 111¼d in London and at 129 cents in New York.

DURING THE WEEK ENDED 30TH August, Government of India Treasury bills for Rs. 22,29,50,000 were sold in favour of the Reserve Bank.

TENDERS FOR RS. 2 CRORES OF 91-DAY Government of India Treasury bills were opened on 3rd September. The total amount offered was Rs. 4 crores. Tenders at Rs. 99.425 percent were accepted in full and those at Rs. 99.420 percent were allotted 47 percent. The total amount accepted was Rs. 2 crores, the average rate of acceptance being Rs. 2.318 percent a year. Tenders for Rs. 2 crores of 91-day Government of India Treasury bills will be received at all centres up to the close of business on 9th September.

IT IS STATED THAT 91-DAY INTERMEDIATE Treasury bills will be sold from 4th September to 7th September at Rs. 99.436 percent. Sales can be stopped at any time without notice if the Government thinks it necessary. These bills sold from 28th August to 31st August amounted to Rs. 7 crores.

THE RESERVE BANK'S STATEMENT FOR the week ended 30th August, 1963, shows declines of Rs. 17.67 crores to Rs. 2,191.07 crores in active notes and of Rs. 13.05 crores to Rs. 2,223.12 crores in the total note issue. The currency contraction was covered by increasing rupee securities of the paper currency reserve by Rs. 14.91 crores to Rs. 1,892.21 crores. Deposits of the Government of India rose by Rs. 8.86 crores to Rs. 73.90 crores while those of State Governments fell by Rs. 4.97 crores to Rs. 10.22 crores. Balances of scheduled banks at Rs. 86.95 crores showed a decline of Rs. 13.20 crores. Balances held abroad fell by Rs. 3.29 crores to Rs. 5.06 crores. The investment portfolio was Rs. 1.03 crores smaller at Rs. 222.28 crores. Loans to scheduled banks rose from Rs. 37.45 lakhs to Rs. 81.45 lakhs, but there was again no advances against usance bills. Ways and means advances were shown at Rs. 18.23 crores, against Rs. 17.86 crores.

THE RETURN OF THE STATE BANK OF India for the week ended 23rd August, 1963, shows a rise of Rs. 6.93 crores to Rs. 587.63 crores in total deposits. Investments in Government securities are up by Rs. 9.93 crores to Rs. 306.32 crores, while other authorised investments remain unchanged at Rs. 8.95 crores. Advances, including loans, cash credits, overdrafts and bills discounted and purchased have fallen by Rs. 5.48 crores to Rs. 256.40 crores. Cash and balances are, in consequence, shown at Rs. 28.81 crores or Rs. 6.38 crores higher.

THE STATEMENT OF THE POSITION OF scheduled banks for the week ended 23rd August, 1963, shows Demand and Time liabilities at Rs. 1,101.12 crores (Rs. 23.81 crores on account of borrowings from banks) and Rs. 1,300.50 crores (Rs. 19.84 crores), compared with Rs. 1,107.14 crores (Rs. 28.47 crores) and Rs. 1,284.18 crores (Rs. 16.75 crores), respectively, in the previous week. Cash has fallen by Rs. 5.13 crores to Rs. 53.95 crores, while balances with the Reserve Bank have increased by Rs. 10.46 crores to Rs. 95.03 crores. There is a rise of Rs. 15.36 crores to Rs. 745.84 crores in investments. Advances and bills discounted at Rs. 1,478.72 crores show a fall of Rs. 12.54 crores. The ratios to total liabilities of cash and balances, and of advances and discounts are, in consequence, shown at 6.2 percent and 61.6 percent, against 6 percent and 62.4 percent.

TREASURY BILL MATURITIES

Details of 91-day bills outstanding with the public on 6-9-63.

Issue Date	Maturity Date	Amount (000's Rs.)	Average Acceptance Rate
6-9-63	9-12-63	2,00,00	Rs 2.213%
30-8-63	2-12-63	2,00,00	Rs 2.320%
23-8-63	25-11-63	2,00,00	Rs 2.320%
16-8-63	18-11-63	2,00,00	Rs 2.320%
9-8-63	12-11-63	2,00,00	Rs 2.320%
2-8-63	5-11-63	2,00,00	Rs 2.320%
19-7-63	22-10-62	2,00,00	Rs 2.317%
12-7-63	15-10-63	2,00,00	Rs 2.320%
5-7-63	8-10-63	2,00,00	Rs 2.340%
28-6-63	1-10-63	2,00,00	Rs 2.345%
21-6-63	24-9-63	2,00,00	Rs 2.350%
14-6-63	17-9-63	2,00,00	Rs 2.354%
7-6-63	10-9-63	2,00,00	Rs 2.360%

(Monthly Maturities
000's omitted)

September 1963	6,00,00
October 1963	8,00,00
November 1963	8,00,00
December 1963	4,00,00
Total	26,00,00

CLEARING HOUSE RETURNS

Week	Calcutta Rs (Lakhs)	Bombay (Lakhs)
30-8-63	1,01,05	1,20,43
22-8-63	99,57	86,25
16-8-63	65,30	71,03

RESERVE BANK

ISSUE DEPARTMENT

Week Ended

(In 000's of Rupees)

	30-8-63	23-8-63	31-8-62
Liabilities—			
Notes in Banking Dept.	32,05,13	27,43,21	42,14,76
Notes in Circulation	21,91,07,14	22,08,73,56	20,11,38,19
Total Notes Issued	22,23,12,27	22,36,16,77	20,53,52,95
Assets—			
A. Gold Coin and Bullion	1,17,76,10	1,17,76,10	1,17,76,10
Foreign Securities	89,46,14	89,46,14	88,34,17
Total of A	2,07,22,24	2,07,22,24	2,06,10,27
B. Rupee Coin	1,23,69,43	1,21,82,77	1,24,42,77
Rupee Securities	18,92,20,60	19,07,11,76	17,22,99,91
Total	22,23,12,27	22,36,16,77	20,53,52,95

BANKING DEPARTMENT

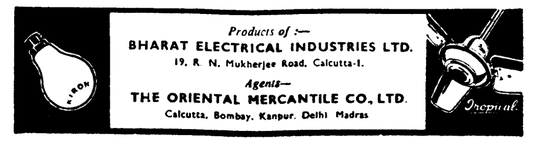
Liabilities—			
Capital Paid-up	5,00,00	5,00,00	5,00,00
Reserve Fund	80,00,00	80,00,00	80,00,00
National Agricultural Credit (Long Term Operations) Fund	73,00,00	73,00,00	61,00,00
National Agricultural Credit (Stabilisation) Fund	8,00,00	8,00,00	7,00,00
Deposits—			
(a) 1. Central Govt.	73,90,19	65,04,46	92,11,73
2. State Govts.	10,22,48	15,19,02	34,85,24
(b) Banks :—			
(i) Scheduled Banks	86,94,91	99,74,75	79,30,37
(ii) State Co-operative Banks	2,13,52	1,80,99	1,81,05
(iii) Other Banks	5,86	5,15	1,83
(c) Others	1,59,82,13	1,60,25,23	1,64,18,64
Bills Payable	38,59,28	33,46,94	29,99,84
Other Liabilities	20,43,38	19,44,77	22,13,51
Total	5,58,11,75	5,61,01,31	5,77,29,22
Assets—			
Notes	32,05,13	27,43,21	42,14,76
Rupee Coin	3,25	2,90	2,37
Small Coin	3,53	3,18	2,67
National Agricultural Credit (Long Term Operations) Fund			
(a) Loans and Advances to :—			
(i) State Govts.	27,16,58	27,16,58	24,03,29
(ii) State Co-operative Banks	10,23,90	10,25,31	11,95,66
(iii) Central Land Mortgage Banks	...	...	...
(b) Investment in Central Land Mortgage Bank Debentures	3,54,60	3,54,60	2,84,90
National Agricultural Credit (Stabilisation) Fund			
Loans and Advances to State Co-operative Banks	...	...	...
Bills Purchased and Discounted :—			
(a) Internal	...	...	...
(b) External	...	...	...
(c) Govt. treasury Bills	85,19,02	91,44,99	73,74,35
Balances Held abroad	5,03,86	8,35,36	5,75,40
Loans and Advances to Govt.	18,23,00	17,86,00	2,24,00
Loans and Advances to :—			
(i) Scheduled Banks	81,45	37,45	15,93,35
(ii) State Co-operative Banks	1,27,68,80	1,25,98,55	1,27,00,99
(iii) Others	1,76,05	1,61,39	1,17,32
Investments	2,22,28,01	2,23,31,19	2,36,32,35
Other Assets	24,02,42	23,61,77	34,07,79
Total	5,58,11,75	5,61,01,31	5,77,29,22

SCHEDULED BANKS

(In 000's of Rupees)

Week Ended

	23-8-63	16-8-63	24-8-62
(I) Demand Liabilities—			
(a) Demand Deposits			
(1) From Banks	51,74,29	52,02,97	48,38,97
(2) From others	9,60,10,35	9,57,39,10	7,98,00,93
(b) Borrowing from Banks	23,81,23	28,46,75	19,50,51
(c) Others	65,45,63	69,24,94	54,81,13
(II) Time Liabilities—			
(a) Time Deposits			
(1) From Banks	34,02,56	34,27,92	24,79,14
(2) From others	12,35,99,17	12,22,41,19	12,56,13,77
(b) Borrowing from Banks	19,55,68	16,75,16	18,46,27
(c) Others	10,67,27	10,72,89	12,22,73
(III) Borrowing from State Bank—			
(a) Demand Liabilities	5,35,35	5,61,65	4,54,25
(b) Time Liabilities	16,51,00	15,61,50	13,22,00
(IV) Borrowing from Reserve Bank	42,29	31,80	73,40
(V) Cash	53,94,96	59,07,51	52,21,27
(VI) Balances with the Reserve Bank	95,02,72	84,57,31	98,78,46
(VII) Balances with other Banks in current account	20,81,80	19,55,56	20,23,85
(VIII) Money at call and short notice	54,07,11	54,88,31	49,60,93
(IX) Investments in Central and State Govt. Securities	7,45,84,28	7,30,47,91	6,80,83,69
(X) (a) Loans, Cash credits and Overdrafts	12,76,22,64	12,69,30,29	11,95,69,79
(b) Due from Banks	10,88,82	10,02,02	7,18,14
(XI) Inland Bills purchased and discounted	1,61,66,73	1,63,56,70	1,30,47,31
(XII) Foreign Bills purchased and discounted	49,93,07	47,96,41	48,65,63
(XIII) Total of X XI and XII	14,78,72,26	14,81,36,02	13,81,40,87



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CHAIRMAN, MR. R. G. SARAIYA'S REVIEW

Extracts from the Speech delivered by the Chairman, Mr. R. G. Saraiya, at the Annual General Meeting of the Company held in Bombay on Thursday, 29th August, 1963.

Gentlemen :

On behalf of my colleagues on the Board, and myself, I have great pleasure in extending you all a cordial welcome to our Annual General Meeting.

Statements of accounts, this year, have been presented somewhat differently than last year. This new mode of presentation has been adopted, in consultation with our Auditors, so as to give you a more compact and convenient view of the Company's finances. The Directors' Report gives detailed account of the finances and activities of your Company during the last year. It is supplemented by a few charts and tables, giving an analysis of the Company's progress. This, therefore, leaves little for me to add usefully by way of information or analysis.

Expansion and Development—Policy and Record

I should like to take this opportunity of placing before you some thoughts of your Board and Management on the Company's expansion and development policy. I trust this will help you to look at our programme of expansion and development in its right perspective. I have selected this theme of Company's expansion and development policy, as I know many a friend and associate has been asking with some concern—Is NSE over-expanding ? This question may also have been in your mind. This is an appropriate occasion to deal with this question, as we have just completed 4 years as a Public Limited Company, and will soon enter 25th year of continued existence as a manufacturing unit. It may be recalled that NSE was established as a proprietory concern in 1939 by your Managing Director, Mr. J. V. Patel, with limited manufacturing facilities in rented premises.

With the growth in the nature and volume of operations, the corporate form of the Company has also undergone change. Our growth is fully secured on a well-established foundation. During the 21st years preceeding NSE's establishment as a Public Company, it has grown phenomenally, thanks to the vision and drive of its founder, Mr. J. V. Patel. While external opportunities have nurtured the Company's early growth, it is in no small measure due to the optimism, courage and risk-taking temperament of its founder.

Measured in terms of accepted indices of increase in total block and assets, gross or net, our annual growth rate over the past few years is generally around 20%. Considering that part of this increase is on account of replacement or modernisation of machinery, this rate cannot certainly be considered as extravagant or excessive, especially when judged against corresponding rates in the engineering industry, or industry in general.

Design for Development

An organisation must move forward or slide backward—it cannot stand still. However, corporate growth cannot be a uniformly continuous process—there must be pause and respite. While programme of modernisation may perhaps be continuing, expansion and development cannot be continuous over a long stretch of time. Your Directors are fully aware of the need for consolidation to ensure successful implementation of our expansion and development programme. We have been continually asking ourselves the questions—Are we expanding too rapidly ? Is our growth healthy and balanced ? Are we developing in the right direction ? Is our programme well within our present and foreseeable capacities ? Are the returns timely and adequate ? These and other questions have to be asked and answered, as growth should not be allowed to degenerate into a magic catchword or incantation. Without any sophistication, but with a degree of discrimination, your Board has sought to base the company's expansion and development programme on some definite pattern of growth. While we have not worked out any mathematical models of growth, I can claim that we are following a broad design for development. The main features in this design are (a) rate of growth, (b) timing and phasing, (c) quality and direction, (d) costs and returns, (e) preparation, and (f) review. Apart from internal factors, which are largely within our own control, we have also to take into account the opportunities and limitations, presented by external forces. Some of the important external factors are Government policy and regulations, trade union practices, worker attitudes, bottlenecks in the economy, shifting markets, foreign exchange shortage, money market tightness, etc. It would be useful to illustrate the working of some of these important elements, as they affect the course of our current expansion and development programme.

Unlike chemical and other continuous-process industries, nature of manufacturing operations in our industry permits a Structural Workshop or Foundry to be commissioned partially, without waiting for the installation of complete plant and machinery. Your Management has sought to use this advantage, with a view to reducing the usual long, lean waiting period, before returns start to come in. Sequence of our development programme, starting with the establishment of Structural Workshop, proceeding to Foundry and ending with Machine Shop, is also based on consideration of overall economy and returns. It may be added here that full realisation of economy and returns, arising out of timely implementation, depends very much on external factors —availability of construction material such as steel and cement ; receipt of Government approvals and import licences in time ; uncertainty of acquisition proceedings, etc. We have had of late our share of difficulties on this account, which have, to some extent, delayed the implementation of our current phase of development programme, according to schedule, thereby also increasing its cost.

Group of Companies—Long-term Goal

We should like to work, in the long run, towards a scheme of development under which NSE will emerge mainly as an engineering company with a nucleus of basic facilities for casting, structural and fabrication work, machining and sheet metal work, undertaking production of only a few select complete items. These basic facilities will be adequately supported by suitable technical and administrative services such as central tool-room, research and development, etc. This nucleus will be connected with a number of separate independent units, specialising in the design, testing, production, sale and servicing of a variety of complete machine tools or industrial equipment. According to the current climate of political thinking in the country, such a scheme of diversification and growth, visualizing a group of companies, may not be welcome, and run into difficulties raised by Indian Company Law and taxation measures. Nonetheless I think the general functional approach underlying the establishment of a group of companies is sound, and is in line with practice in advanced economies.

It is in the context of this outlook that we have been selective in our approach while considering and approving collaboration proposals. We have been receiving a number of enquiries both technical and financial collaboration, thanks to the general economic upsurge in the country and also, if I may add without immodesty, thanks to the prestige enjoyed by your Management. Only those proposals are selected, which fit into the framework of the company's manufacturing facilities and our over-all scheme of development.

Financial planning

We also realise that growth must be both economic and efficient. It has been the constant endeavour of your Management to reduce the costs of construction and, for this purpose, most of the civil, structural and general site-development work is now undertaken departmentally. Any sound scheme of development should take proper account of the available resources, both material and human. I must confess that while we have done our very best to plan and prepare for both money and men, it is possible that our efforts may not succeed to an extent required by the tasks in hand, through no fault of our own. If I have struck here a somewhat diffident note, this is due to the present investment climate and money market conditions. As already indicated in your Directors' Report, it is likely to disturb the tempo of our next phase of development. The current ebb in economic activity, if continued, may also affect the markets and sales for our newly established projects. I trust this will be a passing phenomenon, which will not really mar the projected growth of our Company. This situation underlines the important fact that the ultimate success of any scheme of corporate development rests on general economic growth.

Your Management has tried to anticipate financial requirements, as far ahead as possible, and to explore all available sources for funds. While seeking financial assistance, we have not neglected to maintain proper debt-equity ratio by raising further capital. May I express here your Board's appreciation of your response to our recent rights issue, even in unsettled money market conditions. I take this as an encouraging sign of your confidence in the Management of the Company. In this connection, I should like to express our grateful thanks to both ICICI and Dena Bank for their financial help. The smooth and even course of our development programme so far, is in no small measure due to their timely assistance. At the beginning of our present development programme, ICICI invested in our Preference Shares, apart from underwriting the issue of Equity Shares. They have now given us further loan assistance. Dena Bank have not only increased our Overdraft limits from year to year, but also made available to us other facilities, such as discounting of bills, even in tight money market conditions. We look forward to their continued co-operation in the years ahead. Thanks are also due to NIDC for their financial assistance in connection with our machine tool programme.

Indabrator Limited

Reference has been made in your Directors' Report to the establishment of a new company for manufacture of Short Blasting Equipment in financial participation with M/s. Wheelabrator Corporation U.S.A., and M/s. Tilghman's Limited, U.K. Your approval for this project is being sought in the Extraordinary General Meeting to be held soon after this Meeting. Out of total issued capital of Rs. 12,50,000/-, shares of the value of Rs. 3,06,250/- will be issued to each of the Overseas companies. The proposed investment on the part of your Company is Rs. 3,25,000/- which is 26% of the issued capital, leaving Rs. 3,12,500/- for offer to the general public. Both Wheelabrator and Tilghmans will be issued 'free' shares of Rs. 50,000/- each for supply of technical 'know-how' out of their total shareholding, mentioned above. Plant and machinery of the approximate value of Rs. 2,33,884/- is proposed to be imported from England, against which Tilghmans will be issued shares of equivalent value. Balance of Tilghmans and Wheelabrator contribution will be made in cash in Pounds Sterling, or Dollars, as the case may be. The demand for Shot Blasting Equipment is already high and is expected to increase with the development of metal-using industries in the country. We will be the first Company to manufacture this item in India. Our partners and collaborators are well-known throughout the world for their high standards of quality. I am glad to announce here that our proposed name for the company, i.e., INDABRATOR LIMITED, has now been approved. The scheme has been cleared from the capacity angle and terms of collaboration have also been approved. The new company expects to go into production early in 1964.

Your Directors' Report has also referred to streamlining of production facilities in self-contained Departments at Goregaon. This is only an evidence of the functional approach in our strategy for development, to which I have referred earlier. As stated above, there are two main obstacles in the realisation of this objective. **Firstly**, such corporate growth with diversification has to reckon with the burden of double taxation on inter-company profits. **Secondly**, it has also to grapple with the administrative and legal complications, arising out of Company Law provisions on inter-corporate investments and dealings. The present policy of the Government in this connection needs to be revised in the interest of stimulating capital formation. Its rigid application also militates against basic principles of specialisation, efficiency and inter-dependance. A group of companies, serving and supporting each other, helps to blend the better elements of centralisation and delegation. I trust Government's earlier decision to reduce the burden of inter-company taxation will soon be carried still further, leading to substantial relief, if not its complete abolition.

Management Training

We have instituted various training schemes for skilled workers, Engineers and other personnel, necessary for the proper working of our new facilities. Training is a slow and difficult process. Your Management is fully aware of the gaps in our training programmes, especially in the areas of quality control, sales and general administration. More than physical facilities, growth is accounted by spirit of innovation, timely decisions, alertness and flexibility in face of opportunities and obstacles, improvement of methods, etc. all of which are conveniently described as better management. Training for this purpose is as arduous as it is important.

In his "Theory of Economic Development", J. A. Schumpeter stated that "growth does not spring primarily from capital investment. Although the slow and continuous increase of national supply of productive means and savings is obviously important, development springs overwhelmingly from employing existing resources in a new way irrespective of whether or not those resources increased." He estimated that 13% of the growth in U.S.A. was due to economic resources but 87% was due to changes in technological reforms and social improvements. This analysis is supported by the study of some factories in Calcutta recently conducted by Morris Solomon. He reports that while, on the one hand, there is a chronic shortage of capital investment, on the other, machines and equipment available in factories are not being fully and properly utilised. This situation calls for management training of the highest order. It also calls for streamlining of administrative procedures, which will help to reduce delay and speed up development. The framework of detailed controls calling for numerous and frequent references to Government in almost all matters of corporate growth, needs to be reviewed on a policy basis. What is required is indicative and not imperative planning, as stated by a shrewd French observer of our economic scene. While the neeessity of controls in a planned economy is admitted, their multiplicity and faulty operation tend to retard the rate of growth. Change is also required in not only Government's labour policies, but also current trade union practices and worker attitudes, which impede labour productivity and increase manufacturing costs. However, assuming favourable markets, availability of physical facilities and raw materials, the main problem is to extract the utmost out of the given investment, with due consideration for maintenance and morale. Physical facilities should be matched by technical progress and managerial abilities. It is this approach to efficient and economic realisation of growth, which we should now like to see increasingly supplied in our Company.

I am sure you would like to join me in thanking our staff and workers for their sustained efforts and good performance.

This does not purport to be the proceedings of the Annual General Meeting of the Company.

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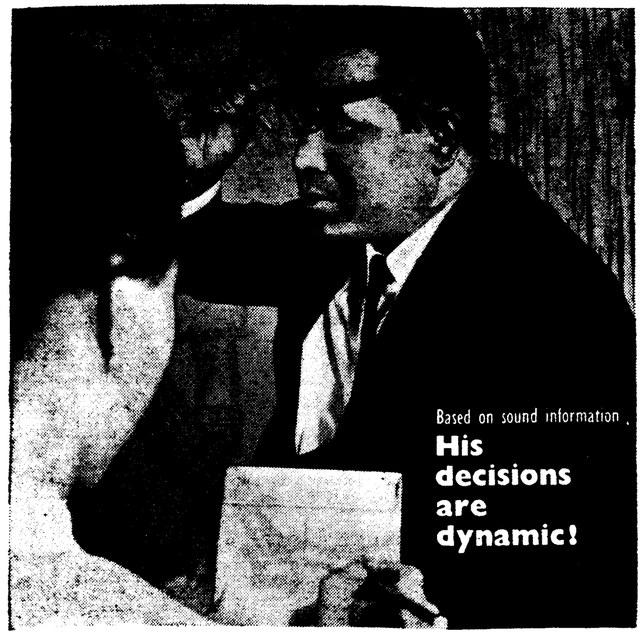
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TATA-FISON RALLIS

THE JAIPUR UDYOG LIMITED

CHAIRMAN, MR. S. P. JAIN'S ADDRESS

The following Speech delivered by Mr. S. P. Jain, Chairman, The Jaipur Udyog Limited, at the Annual General Meeting of the shareholders of the Company at 12 noon on 21st August, 1963, at Sawaimadhopur.

Gentlemen,

It gives me great pleasure to extend to you all a cordial welcome to the Annual General Meeting of the Company. The Directors' Report and Statement of Accounts for the year ended 31st March, 1963 have been duly circulated and you must have noted the details of the working results with satisfaction.

As stated in the Directors' Report, production during the working year registered a substantial rise and has made an all time record for your Company. Productoin of clinker has risen from 6,69,675 tonnes to 7,67,250 tonnes and that of cement from 7,42,298 tonnes to 8,23,238 tonnes. Modifications and improvements made in sections of the plant such as feeding device and cooler system for the kilns have been large contributory factors to this striking rise in production. Some additional quantity of power made available by the State Electricity Board was also helpful. In regard to despatches, as a consequence of improvement in the transport position mentioned by me in the last speech, substantial increase has been achieved making an all time record of 8,20,778 tonnes for the year from 7,34,139 tonnes in 1961-62.

Better Financial Results

The financial results also showed substantial improvement and the gross profit after providing for bonus to employees reached Rs. 1,30,76,745/- the highest level so far attained by the Company. The net profit after depreciation stood at Rs. 87,11,985 as against Rs. 65,02,100. The better financial results were largely due to the substantial increase in production. Although the price increase was applicable for the whole year, it was more than off-set by the heavy increases in costs mainly arising out of governmental action beyond the control of the industry.

The better working results have encouraged your Directors to propose an increased dividend at 10% against 8.36% in the previous year besides strengthening the finances of the Company by transfer of over Rs. 64 lakhs to Reserves. In view of profits determined by the Income-tax Officer as exempt from tax under Sections 84 and 101 of the Income-tax Act 1961 and Rule 20 of the Income-tax Rules 1962, Income-tax and Super-tax are not payable by the shareholders under Sections 85 and 101 (2) of the Income-tax Act on the said dividends to the extent of Rs. 15,92,030. The proposed dividend of 10% on ordinary shares would amount to net payment of 87.52 nP. per ordinary share after deduction of Income-tax under Section 194 of the Income-tax Act 1961 on 4.16% dividend, the balance 5.84% dividend being exempt from Tax. On this basis the shareholders would get a net dividend of 87.52 nP. per ordinary share.

In spite of the fact that there is general recognition of the importance and basic necessity of the development of the cement industry, the Government policy and action continued to be characterised by the same complacency as in the previous years. Individual cement manufacturers and the industry as a whole have been representing to the Government from time to time about their difficulties and the continuing rise in costs mainly arising out of governmental action. But no tangible change in the governmental policy towards the industry has been witnessed. It is a matter for regret that the common objective of increasing production of an essential commodity like cement is not being fulfilled only for lack of a developmental price policy.

Production and Despatches

I can say with pride that the industry is pulling all its weight to improve production and despatches within its means. The impediments to expansion are no longer the foreign exchange scarcity and non-availability of plant and equipment because indigenous machinery manufacturers are promising delivery of complete plants by 1964 and 1965 provided firm commitments are given now. Orders are not forthcoming from licencees because of low profitability and dearth of capital. It is only the non-availability of resources with the industry due to the price and tax policies of the Government that forms the impediment to development at present.

According to a Reserve Bank study, the cement industry could retain only 11.18% of the profits after tax against an average of 36.4% for industry as a whole in 1961-62. In spite of distributing 88.2% of the profits after tax, gross dividends worked out to only 6.9% of net worth. This situation is a matter entirely in the hands of the Government. If the production of cement is not going apace the requirements accordnig to the anticipated targets, the blame should fall squarely on the Government policies affecting the industry.

The cement industry is a strategic one and it has to be helped to develop at an accelerated speed. Unless the Government follows an appropriate price policy that encourages expansion, the development of the industry cannot take place and the country will be faced with continuing scarcity in respect of an essential basic material as cement. In our developing economy and particularly with the emergency the demand for cement will steadily mount. But the development of the industry is by no means showing any trend towards sufficiency to meet the need. Again the targeted capacity of 15 million tonnes the fulfilment of the existing proposals in different stages of execution will only lead to an attainment of 12.5 million tonnes capacity leaving a short-fall of nearly 3 million tonnes in the targeted capacity itself. Therefore, it is imperative that all the licensed schemes at present should be put into execution immediately if the Plan target is to be achieved within the Plan period as it takes about 3 years for a plant to go into productoin.

Cancelling Licences

The Heavy Industries Minister Sri C. Subramaniam has announced a policy of cancelling licences on which no effective steps have been taken. It is desirable to have a clear idea as to the implementation of the schemes. But has the Minister gone deeply and carefully into the reasons for the non-implementation of these licences? Sufficient appreciation of these basic reasons would have probably reflected a change in the Govermental attitude and policy in this respect. This fundamental problem has, therefore, to receive more earnest consideration at the hands of the Government leading to effective and prompt action.

In this light, the last price fixation has been disheartening. It reflected neither promptness nor perspective thinking. The increase granted with effect from 1st June, 1963 gave your Company Rs. 2.75 nP. per tonne. This price increase is totally inadequate in view of the heavy rise in costs that took place after the previous price fixation due to governmental action. Further rises in costs have also not been checked by any means. Unless a system of automatic escalation to cover the increases under the major heads like fuel, power, transport, etc., arising out of governmental action is introduced by the Government, the industry will continue to face this problem of rising costs without adequate timely cover for same in the prices. Even after holding out definite assurance of providing for rise in costs due to their own action, Government failed to take timely action and when action was taken after considerable delay, the compensation was not sufficient and it was also not given retrospective effect with the result that the entire burden of enhanced costs due to governmental action had to be borne by the industry.

Another factor on which also the Government is not taking a realistic decision is in regard to the quartely packing charges. The scheme of price fixation does not include any element to cover packing charges as the Government has been following a policy of fixing packing charges quarterly on a certain formula based on actual costs. Since October, 1962 the Government formula envisages 50% use of old bags and the prices of old bags have been taken at 65% of the price of new bags. This 50% use of old bags is impossible as it requires 100% return of new bags. In spite of the best efforts of the industry, the average for 1962 has only been 34% use of the old bags. In view of the short supply of packing bags and consequent competition in the market the actual price of old bags has been as much as 85% of the price of new bags. There has thus been a considerable loss to the industry on account of packing charges also. This will continue till the Government adopts a realistic policy in this matter.

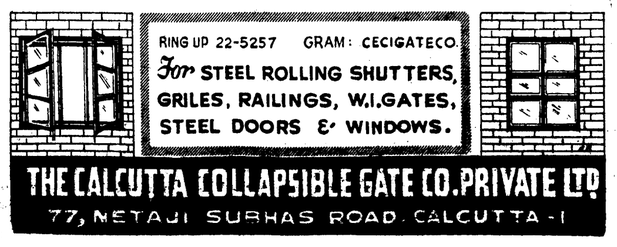
Transport Costs on Limestone

I would also like to point out here that transport costs on limestone from the quarries to your factory are increasing year by year due to the continuous increase in railway freight. As stated in the Directors' Report the railway freight has increased 70% since 1954. Cement factories like yours which are situated at a distance from the quarry site are at a disadvantage as the cost of transportation of raw materials from the quarry site to the factory is to be borne by the industry while the outward freight of cement is pooled. As long as individual prices were fixed on the basis of individual costs, this factor was immaterial. But when prices are fixed on the basis of average costs as is being done now, this becomes a burden on the units concerned. While locational disadvantages or advantages to the industry are nullified by the pooling of freight on cement, there should be a similar adjustment in the matter of freight on raw materials. In the case of your Works, the freight per tonne of limestone works out to Rs. 4.40 nP. This freight for a distance of 15 miles is exhorbitant and inequitable especially in view of the bulk movement in block rakes of a raw material. Your Company had also a definite agreement with the then State Government at the time of the establishment of the factory that concessional railway rates would be made available for the movement of the raw material and no terminal or short distance charges would be levied. This matter is still under correspondence with the Railway authorities and it is hoped that the unfair and unjust situation would be remedied. The incidence of this freight on the cost of cement is Rs. 7/- per tonne, which is an additional burden on your Company as compared to units at quarry site.

As I mentioned in my last speech, steps were taken for mechanisation of your quarries and installation of handling and other equipments at the Works. These should further contribute to efficiency and improve production. Your Company's application for import licence for balancing equipments is still pending with the Government for sanction. I had mentioned in my last speech that the grant of permission for such imports should be expeditiously given as the foreign exchange expenditure incurred would be more than compensated by the increase in the production of cement. Here again, a more practical approach on the part of the Government is warranted. May I express the hope that the experience, skill and the willingness of the industry to develop and make full utilisation of the capacity to satisfy the national demand for cement will meet with encouragement from the Government by appropriate policy and timely action.

I would, in conclusion, like to thank you all and on your behalf the workers and members of the staff at all levels for their continued co-operation.

Note: This does not purport to be a record of the proceedings of the Annual General Meeting.



THIS IS ONLY AN ANNOUNCEMENT, AND NOT A PROSPECTUS

THE DELHI CLOTH & GENERAL MILLS CO., LTD.

Registered Office: Bara Hindu Rao, Delhi.

Issue of 2 lakhs 9% Fifth Redeemable Cumulative Preference Shares of Rs. 25/- each at par of the total value of Rs. 50 lakhs.

DATE OF OPENING OF SUBSCRIPTION LIST; 9th September, 1963.

The list will open on the 9th September, 1963, and will close at the close of banking hours on the 16th September, 1963 or earlier at the discretion of the Directors, but in no case earlier than the close of banking hours on the 11th September, 1963.

SHARE CAPITAL AS ON 30-6-1963

		Rs.
AUTHORISED:		
19,95,000	Ordinary Shares of Rs. 25/- each ...	4,98,75,000
50,000	Ordinary Shares of Rs. 2.50 each ...	1,25,000
80,000	6.43% 1st & 2nd Cumulative Preference Shares of Rs. 25/- each	20,00,000
1,50,000	5.71% 3rd Cumulative Preference Shares of Rs. 25/- each	37,50,000
1,50,000	7.14% 4th Cumulative Preference Shares of Rs 25/- each	37,50,000
4,20,000	Cumulative Preference Shares of Rs. 25/- each	1,05,00,000
		7,00,00,000
SUBSCRIBED & PAID UP:		Rs.
13,53,449	Ordinary Shares of Rs. 25/- each fully paid-up	3,38,36,225
3,99,731	Ordinary Shares of Rs. 25/- each (paid-up Rs. 20/- only)	79,94,620
40,225	Ordinary Shares of Rs. 2.50 each fully paid-up	1,00,563
80,000	6.43% 1st & 2nd Cumulative Preference Shares of Rs. 25/- each fully paid-up ...	20,00,000
1,49,478	5.71% 3rd Cumulative Preference Shares of Rs. 25/- each fully paid-up ...	37,36,950
1,19,464	7.14% 4th Cumulative Preference Shares of Rs. 25/- each fully paid-up ...	29,86,600
		5,06,54,958
LESS:	(1) Calls unpaid on 4th Cumulative Preference Shares 10,825	
	(2) First and Second calls unpaid on Ordinary Shares 4,67,090	4,77,915
		5,01,77,043
ADD:	Calls paid in advance on Ordinary Shares	1,64,853
		5,03,41,896

PRESENT ISSUE

2,00,000 9% Fifth Redeemable Cumulative Preference Shares of Rs. 25/- each at par of the total value of Rs. 50 lacs. These shares are redeemable after 30-6-1975 and before 30-6-1980.

TERMS OF PAYMENT

With application	Rs. 10/- per share
On allotment	Rs. 5/- per share

The balance amount of Rs. 10/- per share will be payable in two calls of Rs. 5/- each provided that there shall be an interval of at least one month between the date fixed for the payment of the allotment money and the date fixed for the payment of the First Call and between the dates fixed for the payments of the First Call and the Second Call respectively.

APPLICATION AND ALLOTMENT OF SHARES:

Application for the shares must be for a minimum of 10 shares or multiples thereof, and be accompanied by a remittance of the amount payable on application. Application should be made in the prescribed form accompanying the prospectus and must be lodged, duly completed in accordance with the directions contained therein, with the Company at its Registered Office at Bara Hindu Rao, Delhi, or with any one of such branches of the National and Grindlays Bank Ltd., as are mentioned on the reverse of the application form, on or before the close of the subscription list.

BOARD OF DIRECTORS

1. **L. Bharat Ram,** Industrialist.
2. **L. Charat Ram,** Industrialist.
3. **Shri Ram Pershad,** Rais and Landlord.
4. **Shri Jagan Nath,** Landlord & Banker.
5. **Shri Bhiku Ram Jain,** Business.
6. **Shri Hanuman Pershad Gupta,** Business.
7. **Shri S. L. Kirloskar,** Industrialist.
8. **Shri Kamalnayan Bajaj,** Merchant, Industrialist and M.P.
9. **Shri V. S. Sundaram,** Retd. Accountant General, Government of India.
10. **Shri Mehr Chand Mahajan,** Retd. Chief Justice of the Supreme Court of India.
11. **Shri Ram Nath,** Retd. Dy. Governor, Reserve Bank of India.
12. **Shri Premjus Roy,** Taxation and Investment Adviser.
13. **Shri G. C. Bhandari,** Service.
14. **Shri Ram Narain Prasad,** Service.

MANAGING AGENTS

Bharat Ram Charat Ram Private Ltd., DCM Premises, Bara Hindu Rao, Delhi.

BANKERS TO THE ISSUE

National and Grindlays Bank Ltd., Lloyds Branch, 10, Parliament Street, New Delhi.

SOLICITORS TO THE ISSUE

Anand, Dasgupta & Sagar, Solicitors & Advocates, 5, Scindia House, New Delhi.

UNDERWRITERS

The whole issue has been underwritten as follows:—

	(Rs. lacs)
1. **Central Bank of India Ltd.,** Bombay	10.00
2. **Harkisondass Lukhmidass,** Bombay	10.00
3. **Dhirajlal Maganlal Purshotamdas,** Bombay	4.50
4. **Dalal & Sons,** Bombay	4.00
5. **Harbans Singh Mehta & Co.,** New Delhi	10.75
6. **P. Roy Company,** New Delhi	10.75
Total	50.00

In the opinion of the Directors, the resources of the underwriters are sufficient to discharge their underwriting obligations.

BROKERS TO THE ISSUE

BOMBAY

Harkisondass Lukhmidass, Stock Exchange Buildings, 5, Hamam Street, Fort, Bombay-1.

Dhirajlal Maganlal Purshotamdas, Stock Exchange Building, Apollo Street, Fort, Bombay-1.

Dalal & Sons, Share Bazar Old Building, Ground Floor, Dalal Street, Fort, Bombay-1.

Batliwala & Karani, Union Bank Building, Dalal Street, Fort, Bombay-1.

Lewis & Jones, Bank of Baroda Building, Apollo Street, Fort, Bombay-1.

Merwanjee Bomanjee Dalal, Allahabad Bank Building, Apollo Street, Fort, Bombay-1.

NEW DELHI

Harbans Singh Mehta & Co., 33, Regal Buildings, Parliament Street, New Delhi-1.

P. Roy Company, 3/8, M. M. Road, Jn. of Panchkuin Road, New Delhi.

H. P. Mehta & Co., 18, Stock Exchange Building, Asaf Ali Road, New Delhi.

CALCUTTA

Place, Siddons & Gough (Pvt.) Ltd., 6, Lyons Range, Calcutta-1.

G. M. Pyne, 14, India Exchange Place, Calcutta-1.

MADRAS

Paterson & Co., 22, Errabalu Chetty Street, Madras-1.

HYDERABAD

F. B. Afzulpurkar, Stock & Share Brokers, Sultan Bazar, Hyderabad (A.P.).

EXISTING ACTIVITIES

The Company was registered in 1889 with its Registered Office at Delhi. The objects for which the Company is established are set out in the Memorandum of Association of the Company. At present, the Company is engaged in the manufacture of yarn, linen, cloth and other goods and fabrics made from cotton, silk, rayon and other fibrous materials, sugar and sugar products, acids, alkalis and chemicals, industrial and other preparations and articles, compounds and chemical materials, fertilisers phosphates, alumnic products, vegetable ghee, refined oils and other vegetable products, soaps, spirits, mechanical and chemical engineering plant and equipment, etc.

The Company has the following units in India:—

1. Delhi Cloth Mills (No. 1, 2 and 3), Delhi.
2. Swatantra Bharat Mills, Delhi.
3. D. C. M. Silk Mills, Delhi.
4. Hissar Textile Mills, Hissar.
5. D. C. M. Chemical Works, Delhi, including—
   (a) D. C. M. Vanaspati Manufacturing Works.
   (b) D. C. M. Tin Container Works.
6. Daurala Sugar Works, Daurala, U.P. (including Daurala Distillery and Daurala Confectionery).
7. Mawana Sugar Works, Mawana.

The Company has also a cotton Mill at Lyallpur in Pakistan. Besides, the Company has a chain of retail stores and/or selling agencies throughout India for the sale of its products.

PROPOSED ACTIVITIES

The Company has taken up installation of the following two new plants, licences for which have been granted to the Company by the Government of India:—

(1) Poly-vinyl Chloride (P.V.C.) Plant of 20 tons per day capacity together with ancillary units for Calcium Carbide and Chlorine/Caustic Soda. For this project, Technical Collaboration Agreements have been entered into by the Company with Shin-Etsu Chemical Industry Co. Ltd., Japan and Mitsui Co. Ltd., Japan.

(2) Rayon Tyre Cord Plant of 4 million Kgs. per annum capacity for the manufacture of high tenacity Rayon Tyre Cord Yarn and Rayon Tyre Cord Fabrics. In respect of this project, the Company has entered into Technical Collaboration Agreements with Chemtex Inc., U.S.A. and Beaunit Mills Inc., U.S.A.

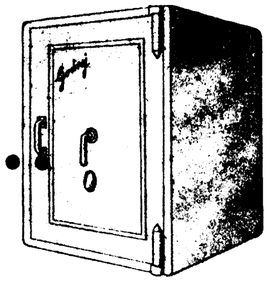
The Government of India have approved of the agreements entered into with the said collaborators.

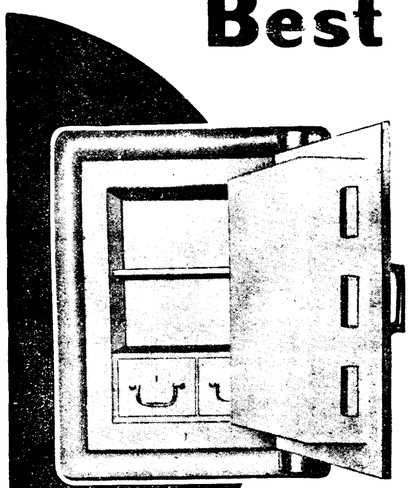
LOCATION OF THE INDUSTRY

The above undertakings are to be located at Kotah in the State of Rajasthan.

Application forms and copies of the prospectus can be obtained from the Registered Office of the Company or from the Brokers, Underwriters and Bankers to the issue.

Best buy in 1900...





The unequalled superiority of Godrej Safes has been established, as was evident from the fact that in 1912 the Government of India ordered 472 Godrej Safes for the Indian Posts and Telegraph Departments, after subjecting both Indian and well-known foreign-made safes to a severe FIRE-TEST. Godrej have kept abreast of the latest technological developments, and continue to introduce innovations to suit the requirements of the modern age.

...Better than ever today

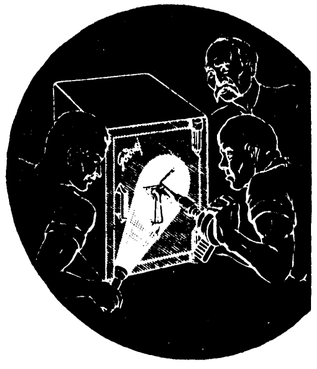


FIRE AND FALL-RESISTANT

The historic Film Fires in Calcutta, the Cotton Fires in Bombay and elsewhere and many others proved conclusively that Godrej Safes are not only fire-resisting but can also sustain battering falls and keep their contents in good condition. The culmination of the *real ordeal* came during the wartime AMMUNITION Explosions in the Bombay Docks – "worse than the horrors of bombing" – when fires were raging for days together. It was found that *contents of only the Godrej Safes were intact.*

BURGLAR-RESISTANT

During civil commotions and riots – *notably at the time of the partition of our country* – and during many daring dacoities, when Godrej Safes were at the mercy of determined safe-breakers for days together in the remotest areas, the burglars could not succeed!



Innumerable letters of gratitude have been received testifying how Godrej Safes have been responsible for saving the fortunes of countless people. For keeping *your* important documents, currency, jewellery and heirlooms, there is nothing better than a Godrej Safe. Invest in a Godrej Safe today and feel secure for life!

Available in different types and sizes. For further particulars, please write for the illustrated folder to any one of the following addresses :-

GODREJ & Boyce Mfg. Co., Pvt. Ltd.
BOMBAY — CALCUTTA — DELHI — MADRAS — KANPUR — HYDERABAD
Stockists all over India & abroad.

Godrej Reg. Est 1897 **means SAFE**

36 Patented Inventions

SPIA 8-63 (33 cm × 24 cm)

New Delhi

CABINET CHANGES: WIDER POWERS FOR FOOD MINISTER

(FROM OUR NEW DELHI CORRESPONDENT)

THE first impression left by the reshuffling of the Central Cabinet is that the ministerial set-up dealing with agricultural production is being completely overhauled. The Presidential order issued on Sunday places Irrigation and Power, and Community Development, under the overall supervision of the Central Minister for Food and Agriculture. This follows severe criticism that agricultural production has stagnated because too many independent authorities have dealt with agriculture. So far, Irrigation and Power, as well as Community Development, were under independent ministries over which the Central Minister for Food and Agriculture had no control. Posts and telegraphs has been carved out into a separate department. The remaining subjects under the Central Ministry of Communications, such as civil aviation, have been merged with the Central Ministry of Transport. In other words, the Ministry of Communications has been abolished; so has the Ministry of Economic and Defence Co-ordination. Following the abolition of the latter, the Supply Department and the Directorate of Technical Development, which so far formed part of it, now constitute two separate departments.

Pending the permanent assignment of portfolios, makeshift arrangements have been made for administrative continuity. The new Central Home Minister, Mr. G. L. Nanda, will remain responsible for Planning and Labour for the time being, and the new Food and Agriculture Minister, Mr. Swaran Singh, will similarly continue to look after the Railways. The Central Law Minister, Mr. A. K. Sen, has been asked to take charge of the Posts and Telegraphs Department in addition to his own portfolio. The Minister for Parliamentary Affairs, Mr. Satyanarain Sinha, has been temporarily allocated the additional portfolio of Information and Broadcasting. The Minister of Shipping, Mr. Raj Bahadur, whose portfolio has been included in the Central Ministry of Transport, will be responsible for the whole Ministry of Transport. The Minister of State in the Central Ministry of Economic and Defence Co-ordination, Mr. J. L. Hathi, has been temporarily allocated the Department of Supply and the Department of Technical Development. Professor Humayun Kabir, meanwhile, will be temporarily in charge of the Ministry of Education in addition to the Ministry of Scientific Research and Cultural Affairs.

IMPORTS

Scope of Liberalisation

Addressing the two-day joint meeting of the Import Advisory Council and the Export Promotion Advisory Council in New Delhi on Sunday, the Central Minister of International Trade, Mr. Manubhai Shah, could not offer hope of any substantial liberalisation of imports in the foreseeable future. He, however, felt that with the increase in non-project aid and the rise in exports, "some improvement may be possible." Nevertheless, he cautioned that defence requirements would get first priority in the allocation of foreign exchange, and any relief that could be given for imports of raw materials and spare parts must necessarily be confined to high-priority industries or export promotion. In this context, it is necessary to remember that the U.K. Government signed an agreement with the Government of India to earmark £4 million out of the £30-million credit for the import of raw materials and spare parts by British-owned or aided undertakings in India. A similar provision has been made by the West German Government out of its credit to India.

NEW PUBLIC-SECTOR PROJECTS

Intermediates, Vessel Plates

The Government of India, it is reported, is trying to revive two still-born projects. The West German Ambassador in India, who is now on leave, may hold discussions with Bayers in Germany for reviving the latter's interest in setting up a plant for the manufacture of intermediates for the dyestuff industry. A State-owned Company, called Hindustan Organic Chemicals Ltd. was incorporated some years ago to undertake the manufacture of the intermediates. At the same time, the Government issued licences to a number of units in the private sector to manufacture several intermediates with the result that the West German collaborators in Hindustan Organic Chemicals Ltd lost interest in the proposed undertaking. The Government is now reported to be making every endeavour to revive the project. Meanwhile, the licensing of new units in the private sector for some of the items proposed to be produced by the State-owned undertaking has been postponed.

The heavy structural and vessel-plate project, proposed to be located in Wardha, has similarly been lying in cold storage due to the foreign exchange shortage. Originally, two units were proposed to be set up, one manufacturing heavy structurals and the other vessel plates. Davy Ashmore Ltd of the U.K. had prepared project reports for the two units. Subsequently, it was decided to have one unit for the combined production of heavy structurals and vessel plates for which another project report, again by Davy Ashmore, was prepared. This was also shelved for want of foreign exchange. Second thoughts favour two units of which the vessel plates project is proposed to be commissioned in two stages. Davy Ashmore has now prepared a third project report for making vessel plates. In its view, the unit will not be an economic one in the first stage, so it has suggested that the whole project should be taken up simultaneously.

This view does not find much favour with the authorities here. Again, the basic problem is that of finance, and the project could go through if sufficient foreign exchange was made available for it.

As far as the making of heavy structurals is concerned, official circles like to approach the Austrian firm of V.O.S.T. which, it is believed, may be persuaded to participate financially in the project. Fresh developments are expected.

PER CAPITA INCOME

The Growing Controversy

Dr. Rammanohar Lohia started a controversy in Parliament the other day by asserting that the average income of 60 percent of the people in India was 3 annas a day. Refuting the allegation, the Central Planning Minister, Mr. Gulzarilal Nanda cited the findings of the National Sample Survey, which indicated that the poorest 10 percent of the population had a monthly *per capita* average expenditure of Rs. 8 in rural areas and Rs. 10 in urban areas or a daily *per capita* expenditure of 4.3 annas in rural areas and 5.3 annas in urban areas. As was pointed out in the Lok Sabha, Dr. Lohia was talking in terms of income and Mr. Nanda in terms of expenditure. Even so, the difference between the two estimates is 1.3 annas a day in rural areas and 2.3 annas a day in urban areas.

The Federation of Indian Chambers of Commerce and Industry later issued a statement, claiming that the figures about the distribution of incomes were "at best conjectures" and those for consumption were more reliable ones. After quoting figures, among other things, on the growth of population, school-going children and hospital beds, the Federation stated that "since the consumption of richer classes of goods and services is not likely to have increased, it follows that there has been an improvement in the quality of living among a wider section of the public."

The distribution of income, meanwhile, is the subject of an enquiry by the Mahalanobis Committee. That some people are eating better food than they did before cannot also be denied. Figures apart, what Dr. Lohia was emphasising was the extent of poverty still existing in India. In a report on the socio-economic conditions of primitive tribes in Madhya Pradesh, an independent body like the National Council of Applied Economic Research has pointed out that "the *per capita* income of the tribal population in the eastern zone was Rs. 171 a year, in the western zone Rs. 162, and in the southern, north-eastern and central zones Rs. 134, Rs. 112 and Rs. 104, respectively. In terms of the *per capita* daily income, the most prosperous zone had an average of 50nP and the worst-off zone 29nP. There was, however, considerable variation in the income level within each zone. The highest *per capita* daily income was found in Bilaspur east—62nP, and the lowest in Raigarh and Betul about 19nP. In contrast, the State's daily average *per capita* income was 71nP. It speaks much for the backwardness of the tribal communities that their best was considerably below the average for the State." Tribal people in Madhya Pradesh, it may be added here, are much better off than those in Orissa or other parts of India.

FERTILISER

Setting up New Plants

The Sindri Fertiliser Corporation has set up a planning and development section. Recently, the latter successfully competed with global tenderers for some units of the Rourkela fertiliser plant. It secured a contract worth Rs. 8 crores. It was able to commission the project in time and effect a saving of Rs. 1 crore in total costs of installing the plant. So the Government has decided to strengthen the organisation with a view to enabling it to design and commission two fertiliser plants a year during the fourth plan period.

The organisation will have to purchase a number of patents and designs from abroad. It will not be a manufacturing unit and will have to buy plant and equipment from manufacturers in India and abroad. In order to encourage their manufacture in India, the organisation has published an exhaustive list of drawings and standardised specifications. There are alternative specifications depending on the type of raw materials used, say, coal or naphtha.

Similar standardised specifications have been prepared for the sugar and cement industries. They are being circulated to the machine-building units and, in particular, to the heavy machine-building factory in Ranchi.

The following fertiliser projects in the private sector have been licensed or approved for their establishment at the following places: (1) Visakhapatnam, (2) Kothagudem, (3) Madhya Pradesh, (4) Hanumangarh, (5) Tuticorin, (6) Mangalore, (7) Durgapur, and (8) Gujarat.

Of these, those at Kothagudem, Visakhapatnam and Gujarat have made some progress. The licensees of the projects at Hanumangarh, Tuticorin and Mangalore have not yet submitted their final proposals on their projects.

The licensee for the Madhya Pradesh project was not able to implement it and has surrendered the licence. The West Bengal Government, in whose name the licence for the Durgapur project was issued, had recently intimated that it was not able to implement the project due to the raw material shortage and difficulties in securing foreign collaboration.

The question of the Government of India taking over any project which is given up by the private sector does not arise, it is explained here. The Government of India has, however, decided to establish a fertiliser project in Madhya Pradesh and has entrusted the work to the Fertiliser Corporation of India. The Government is also examining the question of establishing a project for meeting the fertiliser requirements of West Bengal.

It was agreed between the Japanese and Indian Governments that the foreign exchange cost of the Gorakhpur fertiliser project be financed out of the yen credits made available to India by Japan. Accordingly, the Fertiliser Corporation of India, which is in charge of the project, has recently awarded a contract to a consortium of Japanese manufacturers for the supply of plant and equipment.

SHIPPING

U.K. Shows Interest

Britain is showing increased interest in Indian shipping. Ship Building Exports is a commercial organisation designed to promote the export of ships. One of its directors is due to meet the Director-General of Indian Shipping, Mr Nagendra Singh, next week when the latter visits Brussels.

Meanwhile, Fairfield-Rowan is one of the tenderers for the marine engine project which is to be commissioned in Visakhapatnam.

WEST GERMANY

Investment Guarantee Pact

India's Ambassador to the European Common Market countries, Mr. K. B. Lall, is at present discussing

the investment guarantee agreement with West Germany in Bonn. The agreement is intended to attract West German investment to India.

U.K.

Loan Pact Signed

An agreement for a U.K. loan of £10 million (Rs. 13.33 crores) to the Government of India was signed here last week by Mr. L. K. Jha, Secretary to the Department of Economic Affairs, Central Ministry of Finance, and Mr. R. H. Belcher, Acting British High Commissioner. The loan is part of the offer made by the U.K. Government at the recent meetings of the Aid-India Club amounting to £30 million (Rs. 40 crores) to be committed in 1963-64 as part of its contribution towards the foreign exchange cost of development projects under the third five year plan.

The loan will be used to finance the purchase of a wide range of goods manufactured in Britain. Since it will be disbursed within the next few months, it will be of immediate benefit to India's balance of payments.

INCOME TAX ACT

New Section

The Finance Act, 1963, has introduced a new section, 141A, in the Income Tax Act, 1961, under which assessees who file their returns of income and pay their tax dues before the 1st day of January of the relevant assessment year are entitled to a discount of 1 percent of the tax paid by them. The discount is admissible even in a case where no provisional or regular assessment to income tax is made before the 1st day of January, if the assessee files his return voluntarily before the aforesaid date. Instructions have been issued to the Income Tax Department for rendering necessary assistance to assessees on their request in calculating the amount of the tax due on the basis of their returns of income.

On the other hand, if an assessee does not file the return of his income before the 1st day of January of the relevant assessment year, he will be liable—under the new Section 141A—to pay interest calculated at the rate of 2 percent a year on the amount of tax payable by him for the period from the 1st day of January of the relevant assessment year up to the date of the completion of the provisional or regular assessment of his income, as the case may be. An assessee, who having filed his return of income before the 1st day of January of the relevant assessment year, does not voluntarily pay tax due on the basis of that return before the said date will also be liable to pay interest calculated in the aforesaid manner.

COMPULSORY DEPOSIT

Scope of the Scheme

The Compulsory Deposit Scheme Act, 1963, it is said, applies to the following categories of persons:

(i) persons liable for payment of income tax;

(ii) employees of:

(a) the Central and State Governments, (b) local authorities, (c) companies, (d) corporations (including co-operative societies), and (e) individuals or associations of persons or bodies of individuals liable to payment of income tax and entitled to deduct the salary paid to their employees for purposes of computing their income drawing an annual salary of Rs. 1,500 or above but who are not subject to income tax;

(iii) persons liable for the payment of land revenue;

(iv) persons liable for the payment of sales tax who have an annual turnover of Rs. 15,000 or more but who are not subject to incame tax; and

(v) holders of immoveable properties in urban areas who are not subject to income tax.

The schemes relating to income tax payers and employees have already been brought into force with effect from 1st August, 1963. The other schemes are being considered in consultation with the State Governments and are expected to be introduced shortly.

Except in the case of the scheme relating to employees who are not subject to income tax, all the other schemes are intended to be enforced, as far as possible, through the authorities responsible for the collection of taxes concerned. The scheme for employees will, however, be operated through the employers who are under a legal obligation to make the deduction from the salaries paid by them to their employees.

FOODGRAINS

Building Buffer Stock

The buffer stock of foodgrains is proposed to be built partly out of imports and partly from internal procurement. In the next few years, rice is likely to be imported from the United States, the United Arab Republic, Burma and other south-east Asian countries where prices may be favourable and the quality acceptable. The prices at which rice will be actually imported will have to be negotiated at the time the purchase contract is signed. Internal procurement will be made at the procurement prices for different varieties of rice fixed from time to time.

WOOL

Meeting Defence Needs

Under the state of emergency, the entire woollen industry was geared for defence production. Whatever stocks of wool tops were available were used to meet defence requirements. It was not possible to sanction any yarn quota for civilian production. The woollen mills have since been permitted to use a part of their capacity for meeting civilian requirements and licences for importing raw wool and wool tops have been issued to them.

The requirements of wool for reaching the third plan targets are as follows:

	(In million lbs)
Wool tops ...	32
Raw wool ...	33.7
Rags ...	14

The following additional quantities of wool will be required for defence purposes at the present rate of demand.

	(In million lbs)
Wool tops ...	13
Raw wool ...	18.5
Shoddy yarn ...	16

ALLOY STEEL

Production Target

The sterling group has recommended a production target of 18 million tons of mild steel, 3 million to 4 million tons of pig iron and 1 million tons of tool, alloy and special steels for the fourth five year plan. As for mild steel, the production target is to be achieved by expanding the existing plants and by setting up two new plants, besides Bokaro. The share of the private sector in the expansion will be 2 million tons.

The Government has licensed a capacity of about 600,000 tons of alloy tools, special and stainless steels in the public and private sectors. The present output is about 53,000 tons a year consisting mainly of 29,000 tons of spring steels by six units and 24,000 tons of electrical sheets which are being produced by T.I.S.C.O. An *ad hoc* committee has been set up to explore ways and means of starting the production of low alloy steels in the existing units with minimum further investment in foreign exchange. The conversion of the Mysore Iron and Steel Ltd into an alloy steel plant has also been approved and the terms of technical collaboration have been settled. The conversion programme is expected to commence by the first quarter of 1964 and the ultimate capacity of 77,000 tons of finished alloy steels is likely to be reached by 1966-67.

The contract for the alloy steel plant in Durgapur in the public sector is likely to be signed shortly with a Japanese consortium. Other units in the private sector are also likely to go into production by 1966-67. The Government has so far approved technical collaboration for nine such units licensed for the manufacture of alloy and special steels besides the technical collaboration for the Central alloy steel plant of Durgapur. No technical collaboration is envisaged for five units licensed for the manufacture of spring steels and alloy steel casting as the manufacture of these items does not require the application of technical skills not available in the country.

URANIUM

New Unit Being Set Up

A uranium mill with a capacity of 1,000 metric tons of throughput of ore a day is being set up near the uranium mines in Jaduguda, Bihar State, at an estimated cost of Rs. 4.34 crores. The foreign exchange requirements of the project will be about Rs. 1.20 crores.

TYRES

Plea for Higher Prices

The rubber tyre manufacturers have represented to the Government for an upward revision of prices of their products. The increase has been demanded on the ground of the additional burden of Customs and excise duties, freight and transport charges, Central sales tax, emergency risks insurance, bank interest to cover additional excise financing, etcetera.

SINGARENI COLLIERIES

Share in Equity Capital

The Government of India and the Government of Andhra Pradesh have decided that the existing pattern of participation between the Centre and the State, as far as the Singareni Collieries Company is concerned, in the ratio of 40:60 in the equity capital of the Company, should continue. The authorised capital of the Company is to be raised from the existing Rs. 4 crores to Rs. 9 crores in the third plan in view of the Company's expansion programme. The Central Government has agreed to advance a loan of Rs. 3 crores during 1964-65 and 1965-66 to the State Government to enable it to subscribe for its share of the additional equity capital.

COMMONWEALTH

Finance Ministers to Meet

The Commonwealth Economic Consultative Council will meet in London on 24th September. The meeting, which will be held at Marlborough House, will be attended by the Commonwealth Finance Ministers, who will exchange views on economic matters of common concern, with particular reference to finance and development.



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SEWING MACHINES

Raising Exports

An Indian firm has entered into a contract with a West German firm for exporting sewing machines to West Germany at the rate of 1,500 machines a month or 18,000 machines annually during 1963-64; 2,000 machines a month or 24,000 machines a year during 1964-65; and 2,500 machines a month or 30,000 machines a year during 1965-66. Thus the total supply during the three-year contract will be 72,000 sewing machines.

SUGARCANE

Cost of Research

The following table will show the amount of sugarcane cess and purchase tax collected and the amount spent for the development of sugarcane during 1962-63 in various States:

State	Sugarcane cess and purchase tax collected	(In Rs. lakhs) Amount spent for developinent and research on sugarcane
Uttar Pradesh	660.83	126.29
Bihar	124.48	30.87
Punjab	12.00	8.59
Maharashtra	160.76	30.56
Madhya Pradesh	0.59	3.07
Andhra Pradesh	130.18	40.27
Madras	20.92	14.36
Mysore	—	—

It will thus be seen that the sugarcane cess, originally intended to improve the quality and yield of sugarcane, is being largely used to finance the ways and means expenditure. It is the Centre which is called upon to foot the bill for sugarcane research.

CHROME

Export Prospects

In the chrome market, India had been facing competition from the Philippines, Turkey and Rhodesia. Russia is also emerging as a new competitor. In fact, the demand from overseas is selective for high-grade chrome ore.

KYANITE

Export Promotion

The export of kyanite continues to be decontrolled as a measure of export promotion. The overseas demand is mainly for Lapse Baru kyanite, the main producers of which are Messrs Indian Copper Corporation, Calcutta, and Messrs Kharswan Mineral, who export their entire production. Even the foreign market for Lapse Baru kyanite is in danger of being lost as a cheaper substitute called Mullite, which is a synthetic kyanite is increasingly being developed in the U.S.A. Another factor which is responsible in restricting the demand for Indian kyanite is the high freight rates. South Africa and Kenya—India's competitors in this item—enjoy some advantages over this country.

E.R.I.C.

Progress Achieved

During the short span of its existence, the Export Risks Insurance Corporation has prepared a wide range of policies to suit the varying requirements of exporters and to provide for differing patterns of trade. These are the following:

(i) *shipments (comprehensive risks-political risks) policy*, and (ii) *contracts (comprehensive risks-political risks) policy*:

The first set of policies covers the risks of the insured from the date of shipment, whereas the second category of policies protects his interests from the date of the contract. In either case, the exporter may seek a cover for "commercial" as well as "political" risks. But he has also the option to secure himself only against "political risks" if he so chooses. Ordinarily, the Export Risks Insurance Corporation does not indemnify the exporter for losses incurred on account of "quality" disputes. However, in view of the difficulties experienced by Indian exporters—specially the small exporters—the Corporation has undertaken to cover non-acceptances" risks, provided the goods have been subject to preshipment inspection.

(iii) *Packing credit policy*: This is a relatively new policy. It is designed to help the exporter to secure a line of credit from banks for the purpose of buying, processing and packing goods destined for the export market. Often, exporters have firm orders in hand for the finance of which they need credit which is in excess of the bank's normal rating of their capacity. In such an event, the Corporation is ready to step into the breach and, for a nominal premium, share the risk equally with the lending banks.

(iv) *Manufacturers' credit insurance policy and (v) exporters' credit insurance policy*: Quite frequently, exporters have to supply their goods to overseas buyers on credit terms. In order to replenish their resources, the exporters have to have recourse to their own suppliers for similar credits. Conversely, exporters may have to finance the supplier to produce the goods due to be exported. In either event, credit risks would be involved which, however, the Corporation is able to underwrite.

(vi) *Market development policy*: The Corporation has also introduced a policy to assist Indian exporters to survey new markets, conduct advertising and sales promotion campaigns. If the expenses of the survey, etcetera, are not recouped by the exporter, in accordance with the findings of the survey, within a given period, the Corporation would share the loss with the exporter on a 50:50 basis.

In spite of the many facilities offered, export risks insurance is still in its infancy in India; and it suffers from the same prejudices which have inhibited the growth of other forms of insurance in the early stages of their development. The value of the risks covered during the course of 1962 was of the order of Rs. 20.70 crores, which corresponds roughly to about 3 percent of India's exports. But nearly 50 percent of India's export trade is in the "traditional" items, in relation to which Indian exporters have well-established connections and, therefore, do not feel the need of credit insurance so keenly. A great bulk of India's export trade is also done against letters of credit or is between "associates". If due allowance is made for these transactions, then it could be said that the Corporation covers some 8 percent of the normal insurable risks. From this standpoint, its performance compares well with that of its counterparts.

L.I.C.

Rise in Business

The Life Insurance Corporation of India has entered into the eighth year of its operation on 1st September, 1963. To mark the occasion, Mr. B. K. Kaul, chairman of the L.I.C., has invited members of Parliament to a special exhibition and film show depicting the rôle of life insurance in the life of the individual and the family as well as in the economy.

The Corporation which started with 200 offices in 1956 has now over 700 branches, sub-branches and development centres dotted all over the country servicing over 9 million policyholders. It wrote new business worth Rs. 745 crores in 1962-63, covering an additional 1.7 million policyholders.

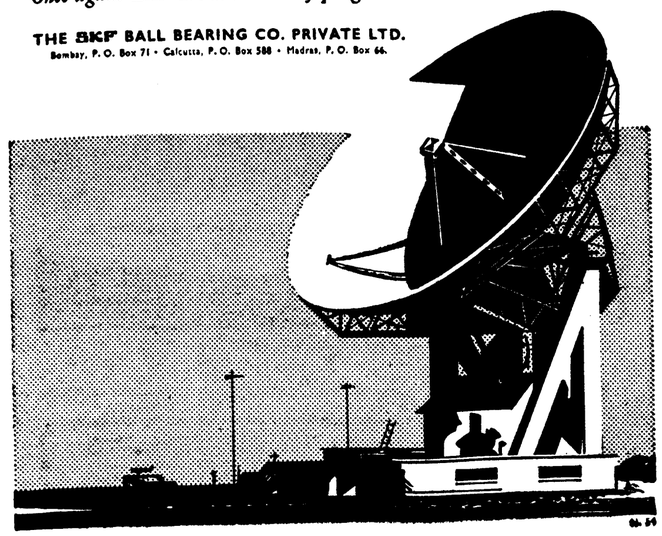
In rural areas, the Corporation has in 1962-63 succeeded in getting over 38 percent of new business from these parts. Following the census definition (rural areas being those places which have a population of 5,000 or less), the L.I.C. has succeeded in making more progress in creating insurance-consciousness and building up a favourable image of life insurance as an essential protection for the family.

Transatlantic television and SKF

The successful reception and transmission of transatlantic television by the G.P.O. radio telescope at Goonhilly Downs (England) is dependent on the precision tracking of the 'Telstar' satellite. The telescope is rotated on rollers which incorporate 108 SKF spherical roller bearings and is centred on a fixed vertical post by two spherical roller bearings. SKF bearings are also fitted to the gearboxes.

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IMPLICATIONS OF SHIFT WORK IN INDUSTRY

(FROM OUR LONDON CORRESPONDENT)

DURING the last couple of years, the study groups which were set up to carry on the work initiated by the Duke of Edinburgh's Study Conference held in Oxford in 1956, have been examining the social and industrial implications of shift work. As a result, proposals have now been put forward on how the life of the shift worker can be made more pleasant. In a survey of the question, recently published by the Industrial Welfare Society, a summary is available of the often conflicting views of the study groups. On a matter of such intimate concern to a man and his family as the hours during which he works, it was to be expected that the expression of individual preferences would lead to differences of opinion. It is obvious, however, that shift work is a subject of lively and personal interest to a large and increasing number of people in industry, and that the social effects flowing from it should be a matter of concern to the whole community.

The eight-hour day in daylight hours as the normal pattern of work is largely an invention of the industrial revolution. In the eighteenth century, many people worked all sorts of hours—in agriculture, in personal service, and in cottage industry. To some degree, the regulation of hours which was once absolutely necessary to prevent exploitation of labour, has straitjacketed society into a pattern of work which maximises transport and recreational peaks and also makes life difficult for the minority who work different hours. This minority is now, perhaps, growing again, partly from shift work, partly from the growth of services concerned with recreation—not only seaside resorts, but radio and television staff, the Press, air transport. Will this tendency continue? Will it be possible to let people choose more freely when to open their shops or run their transport? What are the present reasons for and effects of shift work, and should society endeavour to oppose it as a social evil, adapt to it as a necessity, or favour it as a "good thing?"

According to the Ministry of Labour statistics for 1960, there were then approximately 2 million workers in Britain working on a shift system. The majority of the reports agree that shift work has increased over the last ten years and is likely to increase still more in future. One Group, however, discerns a tendency for shift work to decrease as companies obtain greater floor space to enable more work to be transferred to day shifts. Two immediately obvious reasons are given for the increase in shift work:

(a) the growth of continuous process industries whose very nature demands a continuous shift system;

(b) the heavy increases in expenditure on capital equipment which have shifted the balance between the cost of labour and of capital equipment and made the maximum utilisation of equipment essential.

In some cases, the shift pattern is a traditional one; in other cases a factory moving into an area would adopt the shift pattern already being used in similar industries in the area. In general, production needs decide the type of shift working to be used, and the wishes of labour decide the details. Where it is decided to introduce shift work into a factory previously working days only, or to change an already existing shift system, there will almost invariably be joint consultation with the labour force *via* the trade unions or works councils. There is little evidence of formal consultation with management staff, although it is likely that in most cases, this takes place on an informal basis.

The overwhelming majority of workers prefer day work and can only be induced to accept shift work with its disruption of social life if they receive adequate compensation in terms of an increase in wages. Generally speaking, the introduction and maintenance of a shift system is not regarded as a major cause of difficulty in human relations. Much will depend on the sort of case which management has for introducing it in the first place. When once he is used to working a particular shift system an individual tends to be very conservative and to resist change. He does not like the idea of changing his pattern of life.

Human Relations

Once shift work has been established, various problems may arise in the sphere of human relations. Absenteeism and sickness, particularly on the night shift, may disorganise shift crews and it may be difficult to find replacements. Perhaps the major problem which arises for management in operating a shift system is that of communication. First, there is the problem of passing on clear instructions from one shift to another, and of communication between shift management generally and the management working normal hours. Poor communication between shift supervisors can be a frequent cause of misunderstandings leading to production hold-ups. Those whose duty it is to pass on information or instructions must, therefore, be trained to do so fully and clearly. The second problem which arises is that of communication between management and the operatives themselves. Failure to establish good communication creates discontent; those on shift work feel that they are not being kept in the picture and that they are regarded as relatively unimportant.

No clear answer emerges from the reports as to whether or not there is a difference in productivity between day and night shifts. In highly automated continuous process plants, the human factor is reduced and during normal running there will be no difference; if, however, serious operating troubles occur there is a difference. Fatigue makes it harder for the night shift to assimilate a series of facts, and come to a clear decision. The temptation is to let things drift in the hope that nothing will go wrong until the maintenance team arrives in the morning.

Effect on Health

A number of groups investigated the effect of shift work on health. A works doctor expressed the opinion that it had no effect on the average man though certain people who already had weaknesses, such as gastric trouble, found that these complaints were aggravated. Nevertheless, it is clear that there are a number of side effects which bear on a worker's efficiency. This problem of adjustment is a vary real one both for the individual shift worker and for management. Failure to adjust properly can result in absence, poor work, frequent accidents, constant fatigue and labour disputes.

In spite of the difficulties over sleeping and eating, it appears from the reports that many, perhaps the majority, of workers adjust themselves to the changing pattern of shift work without too much difficulty. They are, however, more susceptible to fatigue than day workers, and this was thought by some groups to increase the risk of accidents. Incidentally, there is general support for the view that industrial fatigue is due to the type of work; people get more tired with little work to do or with a monotonous job than if they are reasonably busy on shifts. As a steel worker puts it—"The boredom entailed makes Dante's Inferno look like a holiday camp."

Opinion is unanimous that if day work of comparable interest and of similar pay to shift work is available it is far more popular. It is thus necessary to pay shift workers at a significantly higher rate in order to attract them. Many people are prepared to accept lower earnings in order to get day work. The reasons most commonly given for dislike of shift work are:

(a) the dislocation caused to family and social life;

(b) the difficulty of sleeping by day;

(c) the effect on health;

(d) the fact that many landladies will not take boarders on shift work.

The changeover from days to shifts does generally cause a loss of labour. The amount will depend to a large extent on the circumstances existing in the area at the time of the change, *e.g.*, on the alternative day work available and the amount of overtime. It is generally felt, however, that provided the differential is sufficient, the changeover goes smoothly and if the reasons have been carefully explained beforehand, the loss of labour need not be significant.

Preference for Work

The overwhelming majority of workers questioned expressed a preference for day work as opposed to shifts. It was quite clear that they regarded shift work as an abnormal way of life and it appears that the habit of the eight-hour working day in daylight hours has become so ingrained in the national character that it has become difficult for many people to accept as natural as any other way of working. The statement that day work is a normal way of life occurs time and again. Most of the wives are, if anything, more strongly opposed to shift work than their husbands.

While there is general agreement that the variation of hours week by week upsets the family pattern, it is clear from the reports that many, probably the majority of shift workers and their families, manage to adapt themselves satisfactorily. As one report says, "It is amazing to what lengths families will go to combat their difficulties." The opinion was widely expressed that while there were obvious domestic disadvantages to shift work, many of these were also shared by the day worker on overtime, and the shift worker received a number of compensating advantages.

It is important to realise that shift work is by no means a new development. There is a long tradition of shift working in certain industries, and what has happened recently is no more than an extension of shift work to a large number of other industries. Secondly, it has come to stay, and probably on an increasing scale. This increase will bring with it various ancillary advantages to the community—reducing traffic peaks at the beginning and end of the working day, spreading of the load on services, reducing the congestion on the roads at week-ends.

Various obstacles exist to the extension of shift work which can only be removed by legislation, but there are a number of problems which must be dealt with by managements when considering the introduction of shift work. Above all, management must realise that the change from day work to shift work is a major undertaking and successful introduction, therefore, takes considerable time and much patient preparation.

When shift workers were in a minority it was perhaps natural that they should feel that their special circumstances were left out of account by the community. From current evidence it is clear that a positive and realistic approach to meet the human needs of the shift worker and his family is now required. It is not possible here to do more than indicate briefly some of the matters to which thought needs to be given, but more will be required than the provision of entertainment, facilities for social life, or transport at times of day suitable for shift workers.

In new housing in industrial areas, part of the house should be insulated as far as possible from etxraneous noises so that night shift workers can sleep in daytime. This also makes even more necessary the provision of a larger number of safe play areas and nurseries for young children so that they can be got away from the house or the street outside. Abatement of noise assumes an added importance.

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Jute

D.I.R. OF LITTLE HELP FOR SUPPORTING FIBRE PRICES

ADDRESSING the Congress Parliamentary Party's standing committee on Food and Agriculture in New Delhi last week, Mr. Manubhai Shah, Central Minister for International Trade, said that the Government "will not hesitate to invoke the provisions of the Defence of India Rules against middlemen attempting to corner raw jute at lower than prescribed rates." The Government seems to expect that this threat will have a salutary effect on the market.

Against compulsory stocks equivalent to 20 weeks' consumption, mills have now been asked to hold at least seven months' stocks. The State Trading Corporation will buy 1 million bales to 1.5 million bales during the current season from 400 purchase centres. Besides, its peripatetic representatives will be posted in the interior areas to study the difficulties of jute growers. It is planned to ensure a minimum cash price of Rs. 23 to Rs. 24 a maund to the cultivators.

Jute circles in Calcutta do not see how the Government can effectively use the provisions of the D.I.R. to ensure a fair price to the grower. Those acquainted with the trade know that about 75 percent of the total crop is sold by growers at their door to *farias, beparis* and peripatetic middlemen engaged in the trade either on their own account or on behalf of stockists, balers, mills and mill agents in the secondary markets upcountry. Sellers at the primary level include about 400,000 jute and mesta growing families.

The village middlemen constitute the first link in the long chain of marketing. They do not maintain any record. No Government machinery can be devised to keep an effective check on the transactions done by them or by the growers. Besides, the supply of and demand for jute, as also the holders' sustaining capacity at a particular time, and a host of other unforeseeable factors determine the price at which a transaction takes place. Balers, stockists or mill agents functioning in the secondary markets can easily inflate their purchase accounts by manipulating receipts and vouchers, which are too numerous to be verified. There are also chances of malpractices in the Calcutta markets. It is felt that the use of the D.I.R. would be futile. It would encourage manipulations and corruption in the trade and among officials.

Purchase Quota for September

A purchase quota of 750,000 bales has been fixed for September by the Jute Commissioner. Of this, members of the I.J.M.A. will lift 700,000 bales and others 50,000 bales. With this quota, the total for this season comes to 1.84 million bales, out of an officially estimated jute and mesta crop of 7 million to 7.2 million bales. Some 1.7 million bales will go to the I.J.M.A. mills and 140,000 bales to the others. With the issue of the September quota, prices, which tended to sag during the last week of August, have looked up. Sellers seem to have been reassured and even weak holders have realised a higher price—around the minimum level. Considering that there will be heavier arrivals from this month onwards, it remains to be seen how long the mills can continue to sustain prices. Besides mills stocks, the Jute Buffer Stock Association has a carryover of 750,000 bales of the old crop. If the J.B.S.A. is to operate in the market during the current season, this carryover has to be disposed of at an early date.

Apart from the monthly quotas, small purchases have been made by jute co-operatives in the rural areas. There are 32 such co-operatives in West Bengal, 17 in Bihar, nine each in Assam, Tripura and Orissa and five in Uttar Pradesh. They are expected to lift more than 300,000 bales this season, against 80,000 bales bought during 1962-63. Although the total offtake is only a small fraction of the entire crop, it is claimed by the Government that, by operating in a sagging market in the interior, the co-operatives have helped tone up the trend.

Harvesting has been practically completed in some areas and daily arrivals in Calcutta have increased to 150,000 maunds. Rural jute co-operatives have not yet entered the market, but the machinery is being geared for work. The S.T.C. too is out of the picture.

Higher Wages Recommended

The Wage Board for the Jute Industry, it is reported, has recommended higher wages for workers and clerical staff, which will cost the industry an additional Rs. 3 crores or so a year. The Board has recommended proportionately larger benefits, amounting to about Rs. 130 a year, to the lowest paid employees. Other recommendations include the linking of dearness allowance with the cost of living index and the grant of an annual bonus. The first bonus, amounting to half a month's pay for clerical staff and two weeks' wages for workers, may be paid before Pujas. The Board has also suggested that the percentage of permanent employees to the total staff should be raised from the present level of 65 to 80 and that piece-rate workers should be assured a minimum earning. The report was signed on Saturday and submitted to the Central Labour Ministry early this week. Subject to ratification by the Government, the recommendations will be operative all over India. It may be recalled that the Board was set up in 1960 with representatives of employers and employees and two independent persons as members. Mr. L. P. Dave was its chairman.

Pakistani Jute for Indian Coal

Pakistan has agreed to supply raw jute, jute cuttings and raw cotton to India according to her requirements under a new trade agreement between the two countries signed in Karachi last Sunday. In exchange, India will supply 1.56 million tons of coal and 50,000 tons of stone boulders a year. The agreement, which replaces the 1960 trade pact, is tenable for two years initially. It may be extended for another year unless either party gives notice of termination three months before the date of expiry. A joint *communiqué* issued by the delegations of the two countries says that an expansion of trade envisaged under the agreement is reflected in the large number of goods included in the schedules of exportable commodities from either country.

Package Development Programme

It is reported that the Government is thinking of drawing up a package development programme for jute. So far, U.S.A.I.D. assistance, and also technical guidance by a pool of T.C.M. and Ford Foundation experts, has been used for the intensive development of important food crops in selected districts. A fair percentage of the Rs. 4-crore Special Jute Development Fund, recently set up by the Central Government, may be earmarked for financing the package programme.

A tentative plan has been drawn up by the authorities. It is likely to be discussed soon at a high-level conference of Central and State Government representatives. The total area for intensive development under the programme will cover about 30 percent of the all-India acreage. The plan envisages intensive development of five or six jute-growing districts all over India. In selecting the districts, special attention will be given to such factors as the concentration of jute cultivation, the yield resulting from evenly distributed rainfall and fertility of soil, natural facilities for retting, etcetera. The programme will include the provision of facilities, equipment, quality seeds and fertilisers to farmers in the selected zones.

THE JUTE MARKETS

Manufactured Goods: In spite of overseas enquiries and business being poor, gunny prices showed a hardening trend in Calcutta during the past week. In the spot market, sentiment was helped by the anxiety of shorts and shippers over the rising trend in the fibre market. So mills could transact moderate local business right up to June 1964 at higher prices. Reports of freight bookings indicated smaller shipments during the first half of September. The overseas business done during the week included the sale of moderate lots of woolpacks and cornsacks to Australia and small lots of hessian to the U.S.A. and the Argentine. Turnover was moderate and the undertone firm at the close. In the futures market, all due-date transactions passed off smoothly. Hessian and sacking for November delivery enjoyed brisk support on speculative buying. Opening with a small loss, on profit-taking, sacking picked up momentum on bear-covering and closed with a fair gain after fluctuating between wide limits. Hessian followed suit and closed firm with a sizable gain over the previous week's level. Turnover was fair and the undertone steady at the close.

Wednesday's quotations were as follows:

	Sept.	Oct.-Dec.	Jan.-Mar.	Apr.-June
40in 7½oz.	36.05	36.15	35.65	35.45
40in 8oz.	38.80	—	—	—
40in 10oz.	49.40	48.65	47.70	47.50
B Twills	112.60	113.55	113.10	112.60
Cornsacks	115.75	116.25	115.70	115.00
Heavy Cees (Plain)	112.60	113.25	113.00	112.60
A Twills	134.50	136.00	135.75	135.00
Liverpools	126.50	126.50	126.50	126.00

Raw Jute: Opening on a subdued note because of the increasing arrivals of the new crop in the upcountry centres, the fibre market firmed up on the announcement by the Central Minister for International Trade that the Government would not hesitate to use its powers under the Defence of India Rules to support jute prices. When the Jute Commissioner issued the purchase quota for September, sellers turned reserved and prices rose to around the minimum levels. Scattered transactions took place with weak holders in small lots of selected fibre. Mills did not commence their purchases against the September quota. But ready stocks of selected fibre commanded a small premium. In the futures markets, Upper Assam White Bottoms for September moved within the narrow limits of Rs. 30.20 and the minimum level of Rs. 30, closing at the latter level after a small turnover. A firm trend in the spot market stimulated interest in December contracts. Opening at Rs. 30.70 they moved up to Rs. 30.88 after fluctuating between Rs. 31.20 and Rs. 30.70. Turnover was moderate and the undertone steady at the close. All due-date transactions passed off uneventfully.

Wednesday's quotations were as follows:

	Landed at Mills (Basis Bottoms) Current Prices		T.S.D. Minimum Prices	
	Rs. A Qtl.	Rs. A Md.	Rs. A Qtl.	Rs. A Md
Assam-Agartala Jute	80.38	30.00	80.38	30.00
Northern Jute	79.04	29.50	79.04	29.50
Western Desal Jute	73.68	27.50	73.68	27.50
Selected Daissee	88.41	33.00	85.74	32.00
Assam-Agartala Tossa	85.74	32.00	83.05	31.00
Mesta: Assam-Northern	71.00	26.50	72.34	27.00
Local Daissee	72.34	27.00	72.34	27.00
Bihar Dist.	61.62	24.00	66.98	25.00

THE U.K. JUTE MARKETS

ACTIVITY IN FIBRE RESTRICTED

(FROM OUR DUNDEE CORRESPONDENT)

THE raw jute market in Pakistan remained quiet during the past week with little buying interest shown. As far as Dundee spinners were concerned, their business in raw material was confined to small quantities. There was every indication that this type of buying would continue until the full weight of the crop came on the market. Most grades of the fibre were available at under minimum export rates, although there were one or two shippers refusing to break the official prices.

Most of the business which took place in raw jute was on bids from spinners. The prices paid were generally at less than the sellers' quoted rates and this made the position here very irregular. Dundee spinners were not interested in groups, but they were obtaining good single marks at low prices.

Offers were made at £125 for Mill Firsts, at £107 for Mill Lightnings, at £93 for Mill Hearts and at £80 for Grade Hearts, c.i.f. U.K., for August-September shipment. Grade Tossa-$\frac{3}{4}$ was named at £117 and Grade Tossa-$\frac{4}{4}$ at £106 10s. Dacca Tossa-5 ranged from £118 and Dacca Tossa-6 from £108. There were still sellers of Outport Tossa-$\frac{3}{4}$ at £95 10s and of Outport Tossa-4 at £85 10s. September-October. Cuttings remained quiet at £56 for S.N.C. and at £46 10d for N.C.

The Siam jute market was quiet as no buying interest was shown in this class of fibre. Grade A was offered at £69 and grade B at £65, delivered mill Dundee for November-December shipment.

The Calcutta goods market remained steady during the past few days. Little or no buying interest was shown in the U.K., although prices appeared attractive, especially for early shipment. Quotations were at 72s 3d for 40in. 10oz. and at 53s 9d for 7½oz. a 100 yards f.o.b. Calcutta

for August shipment, at 72s 6d and 53s 9d September and at 73s and 54s October-December. B Twills were at 169s 3d, 170s 6d and 172s 3d for the respective shipment periods.

Prices of Dundee yarns and cloth were very firm and it was expected that certain descriptions would become dearer. Spinners and manufacturers were very busy and had nothing to sell for reasonably early delivery. Some substantial orders were received for carpet yarns and there were instances where contracts had been placed for delivery one year ahead. The wide cloth for the carpet industry was also very busy. Orders for light weight hessian were received for forward delivery.

The heavy end of the trade was well placed with manufacturers of sackings and tarpaulins more or less fully booked for the remainder of this year. At present, the Dundee jute industry was very busy, and there was every reason that this satisfactory position should continue into 1964.

THE PAKISTANI JUTE MARKETS

ARRIVALS INCREASE

(FROM OUR DACCA CORRESPONDENT)

THE rate of arrivals of loose jute at most centres increased last week, but the peak had certainly not been reached. Probably because of this, reports were appearing to the effect that the size of the crop is too small to satisfy demand. When one considers a carryover of about 1 million bales, not to mention large stocks in Europe, this theory is hard to believe. The market remained extremely irregular. The quality has been fair to poor and condition good. Prices, however, have varied tremendously. There are areas where jute is being sold above the minima. This is particularly true of tossa probably because not all areas have harvested the tossa crop yet.

In other areas, white jute is being disposed of at what can only be called distressed prices. The tossa crop coming in at present consists unfortunately once again of as much as 50 percent Outport Tossa 2/3. If the early arrivals have so much, then this could be another season with high standards of Outport Tossa 2/3s. In the Sirajgang-Sarisabari area, the rivers have risen unusually and some premises are flooded. At this time of year, however, this should not affect the crop.

In the pucca bale market transactions on a limited scale continued at unchanged levels. There was a fair demand for genuine jat Mill Hearts at higher prices.

In the overseas market there was a little more activity in the lower levels. Perhaps the smaller balers have been finding it difficult to find the means to bridge the gap between the E.P.C. minima and the market. Otherwise, prices remained more or less unchanged and most balers appeared to have decided that there would be no more change in the jute policy this season and they must make the best of the rather difficult conditions.

With everybody selling so far below the minima, it is possible that the unexpected will happen, namely, that taking everything into consideration, some balers will find themselves with no profits on their books this season. Strengthening this opinion is the fact that there is reason to believe that at least, locally if not overseas, the prices of better quality jute will rise, especially of white.

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Books

INDIAN PLANS: PROGRESS ACHIEVED

Indian Plans: A Generalist Approach. By K. N. Bhattacharyya. (Published by Asia Publishing House, Calicut Street, Ballard Estate, Bombay. Price Rs. 15, pages 195.)

Professor Bhattacharyya introduces to the reader the basis of planning in India, its aims and purpose, the method of implementation and the financial implications of the successive five year plans. Unlike planning in totalitarian countries, planning in India leaves scope for private initiative and enterprise, but controversy on the dividing line between the two sectors still persists. Each five year plan is to be examined against the long-term objective of increasing the *per capita* income by 100 percent within 25 years, *i.e.*, by 1977. The author regrets that this is often overlooked by critics. "In India, planning with a long-range perspective is yet to become a familiar notion. The accent is very much on, and leans heavily towards, the attainment of short-term results. This obscures the main issue that economic development is essentially a long-term problem, and planning for a short period is to be viewed in the perspective of results to be attained over long periods ahead."

The author admits that there are shortfalls and drawbacks in the implementation of the plans, but he appears to believe that on the whole, the progress has been satisfactory. The food problem, in the face of the rising population at a rate exceeding 2 percent a year, is still serious. Unless this is solved, a sound structure for the economy cannot be laid.

The book is intended for general readers but useful statistical materials are given in the appendix. One, however, feels that the author's treatment of the plan in the context of the Chinese aggression is rather inadequate.

COMPANY NEWS

Company News and Notes, Volume 1. No. 19. (Published by the Research and Statistics Division, Department of Company Law Administration. Price Rs. 3.)

This publication incorporates all the circulars and interpretations of the Department of Company Law Administration issued during the period 1st October, 1962 to 16th June, 1963. Previously, the Department used to bring out a cyclostyled bulletin for the purpose, which could not fully satisfy the demand, and many subscribers had often to go without their bulletins. The printed version is meant to remove that complaint.

THE CUSTOMS LAW

The Customs Law—Valuation Provisions. By W. Kraft and A. F. Meyer. (Published by the authors and available from principal booksellers. Price Rs. 5, pages 52.)

Books written by legal practitioners in India on various aspects of the local law are generally welcome for two reasons. Firstly, since a lot of the legislation as well as the amendments have been enacted only recently, the literature on them, if it exists at all, is scanty. Secondly, the books are often down-to-earth and practical; they are not usually overburdened by the case law of foreign countries. The brochure on the valuation provisions of the Customs law, written by Messrs Kraft and Meyer, has both these merits, apart from being a competent and scholarly analysis. It is divided in two parts. The first part incorporates the historical background to the development of *ad valorem* duties in the Indian Customs law while the second part contains an analysis of the valuation provisions of the Customs Act, 1962. The valuation provisions of the Act, which replace those of the Act of 1878, are intended to implement the provisions of the General Agreement on Tariffs and Trade. But this has been done in a manner rather different from that adopted in the Brussels Convention of 1950. The brochure contains a useful appendix embodying Section 14 (1) of the Customs Act, 1962, as well as the Customs Valuation Rules, 1963.

MANAGEMENT TRAINING

Management Development—A Survey of Practices in Calcutta. By Mary Cushing Niles. (Published by the Calcutta Management Association, 9 Syed Amir Ali Avenue, Calcutta 17. Price Rs. 5, pages 33.)

Developing a Personnel Policy. (Issued by the Calcutta Management Association, 9 Syed Amir Ali Avenue, Calcutta 17. Price Rs. 5, pages 34.)

The shortage of trained managers is one of the crucial problems facing India. The Calcutta Management Association and some educational and training institutions have made some contribution to increasing the supply, but a solution of the problem will admittedly require greater efforts. The Association asked Mrs. Niles to make a survey of management development in a cross-section of Calcutta companies. Her findings are included in this well-written pamphlet which discusses, among other things, what management development is and how it is carried on. The other pamphlet discusses an equally important subject, namely, various considerations in developing a personnel policy which were discussed in a two-day "workshop" in September last year. Both the pamphlets cover many interesting aspects of management education in India.

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Commodity Markets

U.K. FIRM COMPLAINS AGAINST CUSTOMS

(BY A SPECIAL CORRESPONDENT)

A STRONG complaint against the Indian Customs authorities has recently been made by a U.K. firm which shipped a consignment of wool rags to India. The firm says that the order with India was for a certain range of material, comprising one standard quality. In this particular instance, when the Customs authorities refused to allow 5 tons through, the consignment concerned was part of a large quantity. The Indian Customs officials stated that they had taken a test of the sample and found that it comprised 75 percent cotton and 25 percent wool. The firm requested that two other tests should be carried out, but the Customs made only one more, saying that results were still the same.

At the time the goods were despatched from Britain, a sample was submitted to the Bradford Conditioning House and the test there showed a content of 2.8 percent cotton and 97.2 percent wool. To cover themselves, the Customs officials in Bombay then alleged that the seal of the Bradford Conditioning House certificates had broken in two, and that the firm had probably transferred another sample in place of the original sent to the Bradford Conditioning House. This sample, together with the invoices, came by airmail. The conclusion is that the seal, which is rather large, became cracked during postage. But even then it would have been impossible for the sample to have been taken out, unless the seal was completely smashed. The Customs officials, for an unknown reason, were determined to cause bother.

The firm's representatives asked if these goods could not possibly be let through, because of the expense of the freight, but met with an adamant refusal. Meanwhile, a new law had been passed whereby the cotton content (of imported goods) was not so severe, and, in the firm's opinion, the goods could have been admitted. In the light of this new situation a further request was made, but it again met with a refusal.

The firm says that as far as the wool content was concerned, it was right in every respect, but it still had to get the goods transported back to England at considerable expense, as the freight costs to India had already been paid. The total cost amounted to 3d a lb each way. In addition, the Indian Customs levied a fine, which the firm had to pay in order to get the consignment back.

When the goods arrived in the U.K., two directors of the firm went to Liverpool personally to draw a sample, which they submitted to the Bradford Conditioning House for a further test. Again it showed a content of 97.2 percent wool and 2.8 percent cotton. Moreover, on arrival of the goods in Batley, they were again tested and the result was the same. These were then carbonised and the total loss was under 10 percent. (This included any dried-in weight of natural moisture, which exists in all materials.) The firm is prepared to stake its reputation that anyone in Yorkshire, or anywhere else in the world for that matter, would have passed the goods as super material.

This matter has been reported to the National Wool Textile Export Corporation, which has done everything it could to see what redress the firm could get in the matter. In addition, the firm has taken the matter up with the Indian High Commissioner in London, but to-date has received no reply. The matter has also been reported to the Board of Trade.

The only conclusion the firm says it can draw is that anyone exporting in that direction (of India) must be very careful about the way he handles orders.

Tax Burden on Tea Increasing

(BY A SPECIAL CORRESPONDENT)

THE Indian Tea Association (London) held its annual meeting at the end of July. The proceedings of that meeting have been well publicised. Tea investors will find some interesting points in the chairman, Mr. H. N. Thomas's address. Mr. Thomas said that higher costs gave them the utmost concern. The last Budget had imposed fresh and heavy burdens and the inflationary effects must inevitably increase their costs and the cost of living.

This matter of costs has been repeated frequently during the past year, but unfortunately, it remains a matter on which this valuable industry and employer of labour may sink or swim. It will be something of a shock to shareholders in tea companies working in Assam to learn that in addition to the super profit tax, the past year has witnessed increased costs for producers under the following heads: (1) the Emergency Risks Insurance Scheme, (2) subscriptions to the National Defence Fund, (3) the Assam Passenger and Goods Taxation Act, 1962, (4) a substantial increase in Assam Agricultural Income Tax under the 1963-64 Assam Budget, (5) a worsening of the rice supply position; (6) under the Labour Plantation Act, the Assam Government has recently announced a further substantial improvement in the standard specification of labourers' houses estimated to cost 50 percent more, (7) the Wage Board is having sessions and final recommendation may be expected before the end of 1963.

On top of all these, comes bonus provisions which have been agreed for a three year period. But bonus for 1962 will be payable next year. Add to above the higher trend in the cost of all supplies due to the import shortage and inflation, and it will not surprise anyone to learn that tea producers are exercised about increasing demand for the commodity so as to maintain a profitable price level.

Negotiations to renew crop restrictions have had negative results to date and climatic conditions cannot be counted on indefinitely to keep production from increasing.

Commonwealth Output of Metals Rising

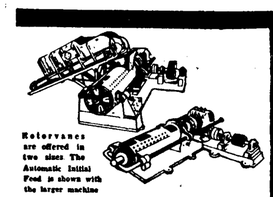
THE Commonwealth has increased its proportionate contributions to world mine production of aluminium and copper since 1949, and has fairly well maintained its shares of output of the other three chief non-ferrous metals, so that it now mines over a third of the world's bauxite and tin, more than a quarter of the copper and over a fifth of the lead and zinc. These are among the points made in *Non-Ferrous Metals* published recently by the Commonwealth Economic Committee. This addition to the Committee's established commodity series of volumes is the second of a new range of reviews which are being prepared in response to the desire of Commonwealth Governments that the Committee shoud keep under survey the significant trends and developments since their 37th report, *A Review of Commonwealth Raw Materials.*

The new publication shows that recently completed and planned projects will ensure that the Commonwealth remains in the forefront of non-ferrous metal development. For example, Commonwealth aluminium capacity will expand greatly during the next few years on completion of new plants in Australia, Ghana, Canada and India. A new copper mine is being opened up in Northern Rhodesia and further expansion of the Mount Isa copper field in Australia is due to take place within the next two years. New lead-zinc smelters of the advanced British I.V.F. type have come into operation since 1960 in the United Kingdom, Australia and Rhodesia, and another is planned for Canada. The first two Nigerian tin smelters, capable of dealing with the country's entire mine output, began to operate in 1962 and a third tin smelter is planned in Malaya.

Non-Ferrous Metals says that world mine production of the five metals has risen at widely varying rates since 1949, reflecting differences in the pace at which commercial demand has expanded and to some extent the amount and timing of strategic stockpiling. By far the steepest increase has been in aluminium, the rate of increase in world bauxite output between 1949 and 1961 averaging some 12 percent a year, compared with rates of 3 to 5 percent for lead, zinc and copper and less than 1 percent for tin. After the recession of 1958 mine output of bauxite, copper, lead and zinc went on to reach record totals in 1962 but by that year, because of technical difficulties in some countries and depletion of reserves in others, production of tin had only partially recovered. In 1962, aluminium production was below capacity in North America and certain European countries and smelter output of copper, lead and zinc was being restricted by major producers. By the end of the year, however, the statistical position of lead and zinc looked much stronger and no restrictions were expected to be applied in 1963. Tin metal, apart from the surplus strategic stocks held by the United States Government, continued to be in potentially tight supply.

The steepest rise in non-communist consumption of the five metals since 1949 has been in aluminium while the slowest growth has been in lead and tin. Aluminium has benefited particularly from the rapid post-war growth of the durable consumer goods industry and from the development of new outlets, while lead has suffered from the competition of substitute materials and the slow growth of new uses. Tin has also been displaced to some extent by substitutes but consumption has been slowed down chiefly by economies made possible by new techniques of tinplate manufacture. In all cases, United States consumption has risen relatively slowly since 1949 while growth in the European Economic Community and Japan has been exceptionally fast. In the U.K. and Canada, the rise in consumption has also been slower than average, but in the rest of the Commonwealth, notably in Australia and

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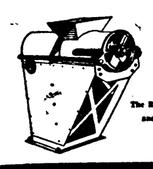
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India, it has been generally faster than average.

World trade in unwrought metal broadly reflected the upward trends in smelter production from 1949 and record export totals were reached in 1961 or 1962 for all five metals except tin. Commonwealth shares in these exports in 1960-61 amounted to over three-fifths in the case of tin, around two-fifths in aluminium and refined copper, a third in lead and over a quarter in zinc. Some Commonwealth countries are highly dependent economically on the production and export of one or other of the metals, namely, Jamaica and British Guiana on bauxite and alumina, Rhodesia and Nyasaland and Cyprus on copper, Malaya on tin.

The review shows that while U.K. prices of copper, lead and zinc have fluctuated widely since 1954 those of aluminium and tin have been relatively much more stable. In the case of aluminium, this reflected the influence of a dominant supplier while in that of tin it resulted from the operation of the International Tin Agreement. Since late 1961, copper prices also have become more stable as a result of buying by leading producers in order to support the market. *Non-Ferrous Metals* reviews development in its field up to 1962, with detailed statistics up to 1961, and provides much information on current and future plans. In addition to many statistical tables the volume includes a number of illustrative charts.

India Fulfils Coffee Export Quota

(BY A SOUTH INDIAN CORRESPONDENT)

INDIA has been able to fulfil her export quota of 21,350 tonnes of coffee allowed for the current year under the International Coffee Agreement, which recently came into force, in spite of the fact that the total harvest of the season was hardly sufficient to meet this and the home demand. The 1962-63 crop receipts into the Coffee Board's pool up to the middle of July amounted to only 54,801 tonnes made up of 33,401 tonnes of Arabica and 21,400 tonnes of Robusta. If the internal market is fed as liberally as was done in the past, anything between 34,000 and 36,000 tonnes would be required for this purpose. But it appears that the Coffee Board is following a policy of tightening the belt on the home market this year. Releases from the Board's pool for home consumption are at present running behind last year's. Internal releases for the first seven months of 1963 amounted to only 19,133 tonnes, compared with 20,011 tonnes during the same period last year. This policy of starving the home market for the sake of increasing exports is in keeping with the present policy of maximising exports with a view to earning more foreign exchange, but the wisdom behind it is questioned by a section of the coffee interests in the country, who believe that the future stability of the industry depends on a growing internal market.

The chairman of the Coffee Board, Mr. H. Sitarama Reddy said recently that India would pursue the effort for a higher export quota for her under the International Coffee Agreement. India had already ratified the agreement and she has been elected as one of its three vice-chairmen by the International Coffee Council, which manages this long-term agreement.

India's exports to the quota countries amounted to 14,118 tonnes in the nine months ended 30th June, 1963. A notable feature of India's coffee exports during this period was an appreciable rise in the import of Indian coffee by some east European non-quota countries such as Russia and Poland. The export prices of Robusta registered a slight improvement this year and larger quantities of this variety of coffee were released for export. To some extent this became possible because the 1962-63 Robusta crop exceeded the earlier estimates.

The Coffee Board chairman said that various incentives to stimulate coffee exports in various forms were provided. On the export of raw coffee, the trade has been granted a drawback of excise duty. On the export of roasted and ground, French and instant coffees, the trade has been granted drawback of excise duty, drawback of Customs duty on imported raw materials used in the manufacture of coffee exported and rebate on the Robusta content of the manufactured coffee exported.

The blossom estimate of the Coffee Board places the 1963-64 crop at 57,000 tonnes (33,000 tonnes of Arabica and 24,000 tonnes of Robusta). This is an improvement on the 1962-63 crop, which according to present estimates, will come to 55,000 tonnes.

The International Coffee Council session in London is making some permanent arrangements for the implementation of the new International Coffee Agreement. The object of this agreement is to stabilise world coffee prices by seeing to it that they do not drop below the 1962 levels, the lowest since 1949. Dr. Joao Oliveira Santos, executive director of the Council, told a news conference in London that for the first time coffee producing nations had agreed to "realistic" production quotas based on what the world would actually drink. According to him, the quotas established under the previous less far-reaching agreements were invariably in excess of the demand for coffee.

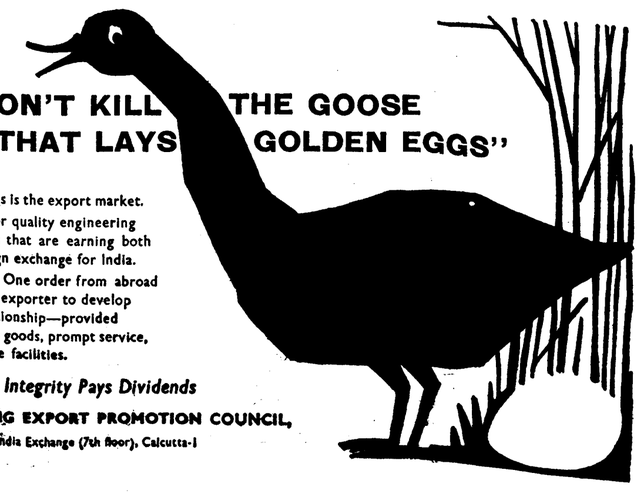
This resulted in rising surpluses which depressed prices. The current surplus is estimated at 73 million bags of 132 lbs each. This compares with total imports of coffee last year of 46.75 million bags, of which the United States took more than half. For the next coffee year which begins from October basic exportable production quotas are unchanged from the current year even though demand is expected to increase by 3.3 percent. Dr. Santo has said that the Council, whose membership is made up of both coffee exporting and importing countries, has agreed that the export quota for the new coffee year would be 45.7 million bags. Brazil as the biggest producer has a quota of nearly 18 million bags, compared with Columbia's 6 million bags. In the apportionment among the remaining producers some are pressing for revisions. The executive board is studying individual cases and will make recommendations before a special session of the Council scheduled to meet in November. Quotas will be policed through the use of certificates of origin which will indicate that a shipment is legal under the terms of the agreement. Importing countries have agreed to accept no shipments without such certificates. Dr. Santos has said that unlike an international agreement in tin there would be no attempts made apart from the quota system, to control market price movements in coffee. The Coffee Agreement leaves room for judgment of buyers and sellers. It does not involve price rigging. Buyers by playing the market can hedge. It is a healty thing to have fluctuations in prices, he added.

The Coffee Council meeting started on 29th July. For the first three weeks, it wrangled over the election of an executive director. Then Dr. Santos, a Brazilian, was elected to this key post. African delegates who objected to this post going to Brazil, the largest producer, were won over in a compromise. They got a "first deputy executive director".

Among the future objectives of the Council, which will have its headquarters in London, will be to promote wider consumption and to work towards the easing of taxes and tariffs on coffee. The next meeting of the Coffee Council will be held in the first week of March next year, and it is said that a principal subject for its consideration will be the Common Market levy on coffee.

A scheme for the grant of short-term loans towards working capital was initiated last year by the Coffee Board. Under this scheme, 35 growers received over Rs. 1 lakh on their 1962-63 crop. The scheme had met with better response this year; 50 growers received Rs. 1,79,000 on their 1963-64 crops. The Coffee Board chairman announced recently that it was proposed to extend this scheme to growers falling in 50-100 acre group next year. Only growers within the 50-50 acre group were getting this benefit so far. The Coffee Board is now considering a scheme put up by the U.P.A.S.I. under which coffee growers, irrespective of their size would receive loan assistance to take up a systematic programme for replanting and replacement of equipbuted so far Rs. 36.90 lakhs to 565 growers in the five to 50-acre group as long-term loan assistance under its development plan launched in October 1956.

The Central Minister for International Trade, Mr. Manubhai Shah, will inaugurate the 70th Annual Conference of the United Planters Association of Southern India at its headquarters in Coonoor on 9th September. The U.P.A.S.I. Conference consists of a series of events over a two-week period covering business meetings, scientific conference, sports, and social events. To the planning community in south India, this is more than the annual general meeting of the association. It is an occasion to get together with one another from distant districts and renew the spirit of unity among them. The conference will be addressed this year by the chairmen of the Tea, Coffee and Rubber Boards and also by the chairman of the Indian Tea Association in Calcutta. There is no exhibition this year in view of the national emergency.



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COMPANY AND PUBLIC NOTICES

THE INDIA JUTE COMPANY, LIMITED

NOTICE

NOTICE is hereby given that the Annual General Meeting of the Members of The India Jute Company, Limited will be held at 16, Strand Road, Calcutta-1, the Registered Office of the Company, on Friday, the 27th day of September, 1963, at 4 o'clock in the afternoon for the following purposes:

AGENDA

1. To consider the Profit and Loss Account of the Company for the year ended 31st March, 1963, the Balance Sheet as at that date and the Report of the Directors and Auditors.
2. To declare a dividend.
3. To elect a Director.
4. To appoint Auditors and fix their remuneration.

AS SPECIAL BUSINESS

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

5. **As a Special Resolution:**

Resolved that the Articles of Association of the Company be altered in the manner following:

(i) After Article 55 the following Article be inserted numbered 55A.

"55A. Notwithstanding anything contained in these Articles so long as any money remains due by the Company under or by virtue of any Deed of Mortgage or charge executed by the Company in favour of The National Industrial Development Corporation Ltd., no change shall be made in the capital structure of the Company save with the previous consent in writing of the said Corporation".

(ii) After Article 60 the following Article be inserted numbered 60A.

"60A. So long as any money remains due by the Company as mentioned in Article 55A the Directors shall not without previous written consent of The National Industrial Development Corporation Ltd., create or allow or permit to be created any charge mortgage or other encumbrances of any kind whatsoever on the properties mortgaged and charged in favour of the said Corporation or any part thereof."

(iii) The following paragraph be added to Article 90(b) of the Articles of Association of the Company—

"Such appointment or removal shall be by notice in writing to the Company. The provisions of Clause (a), (f), & (k) of Article 98(1) and Articles 103, 104, 105, 106, 107, 108 and 109 shall not apply to the Director appointed by the Corporation."

(iv) After Article 130 the following Article be inserted numbered 130A.

"130A. Notwithstanding anything contained in these Articles and so long as any money remains due by the Company to The National Industrial Development Corporation Ltd., the Company will not pay out of its earnings or profits any dividend to any Shareholder for any half year or any interest or principal or any part of the principal or interest which may be secured or payable under any encumbrances subsequent to the encumbrances executed in favour of the said Corporation or any interest on any sums which may have been paid to the Company by any Shareholder under the Articles of Association of the Company or allocate any amount out of such earnings or profits to any reserve other than reserve for normal depreciation until the Company shall have first paid or made proper provision for payment of any interest then due and payable or to become due and payable in that year to the said Corporation and also made proper provisions for payment of the instalment of principal payable to the said Corporation in that year."

The Share Transfer Books of the Company will be closed from 20th September, 1963 to 27th September, 1963, both days inclusive.

By Order of the Board,
A. MUKHERJEE,
Secretary.

16, Strand Road,
Calcutta, 30th August, 1963.

Note: (1) A Member of the Company who is entitled to attend and vote at the meeting may appoint a proxy to attend and vote instead of himself. A proxy need not be a member of the Company.

(2). The Explanatory Statement pursuant to Section 173 of the Companies Act, 1956, has been sent to all the Shareholders along with the Notice convening the Meeting.

THE IMPERIAL TOBACCO COMPANY OF INDIA LIMITED

NOTICE OF MEETING

NOTICE is hereby given that the Fifty-second Annual General Meeting of The Imperial Tobacco Company of India Limited will be held at VIRGINIA HOUSE, 37 CHOWRINGHEE, CALCUTTA, on Thursday 26th September, 1963 at 3-30 p.m. for the transaction of the following business:—

To receive and adopt the Accounts for the year ended 31st March, 1963 and the Reports of the Directors and Auditors thereon.

To declare a dividend.

To re-elect Directors.

To appoint Auditors and fix their remuneration.

The share transfer books of the Company will be closed from 9th to 26th September, 1963, both days inclusive, and transfers received in order at the Office of the Company's Registrars (Jardine Henderson Limited, 4 Clive Row, Calcutta 1) by 7th September, 1963 will be in time to be passed for payment of the dividend, if approved, to the transferees.

The dividend, if approved, will be paid on 30th September, 1963 to the Shareholders whose names appear on the Company's Register on 26th September, 1963, or to their mandatees.

By Order of the Board,
B. GRANGER PEARSON,
Secretary.

1st August, 1963,
Virginia House,
37 Chowringhee,
Calcutta.

NOTE: A member entitled to attend and vote at the General Meeting may appoint a proxy, who need not be a member, to attend and on a poll to vote on his behalf.

THE NATIONAL INSULATED CABLE CO. OF INDIA LIMITED

NOTICE

NOTICE is hereby given that the Twenty-first Annual General Meeting of the Members of The National Insulated Cable Co. of India Ltd., will be held at the Registered Office of the Company, NICCO HOUSE, Hare Street, Calcutta, on Monday the 30th September, 1963 at 11 A.M. to transact the following business:

1. To receive and adopt the Directors' Report and the Audited Balance Sheet and Profit & Loss Account for the year ended 31st March, 1963.
2. To declare Dividend.
3. To appoint a Director in place of Shri B. P. Khaitan, who retires by rotation and is eligible for re-appointment.
4. To appoint a Director in place of Lt. Genl. Shura Shum Shere J. B. R. who retires by rotation and is eligible for re-appointment.
5. To appoint Auditors of the Company and Branch Auditors for Delhi Office and fix their remuneration.
6. AS SPECIAL BUSINESS, to consider and if thought fit to pass the following Resolutions with or without modification as Ordinary Resolutions:—

(a) RESOLVED that the appointment of Messrs. Keshav Agencies, Calcutta, as Sole Selling Agents for the sale of the Company's products within the State of Assam for the period commencing from 1st February, 1963 to 31st March, 1966, subject to termination by three calendar months' notice on either side upon the terms and conditions as recorded in the Agreement dated 26th March, 1963, made between the Company of the One Part and the said Sole Selling Agents of the Other Part be and is hereby approved.

(b) RESOLVED that the appointment of Messrs. R. K. Varma & Co., Calcutta, as the Sole Selling Agents of the Company for the sale of the Company's products within the State of Bihar for the period commencing from 1st July, 1963 to 31st March, 1966 subject to termination by three calendar months' notice on either side upon the terms and conditions as recorded in the draft Agreement placed at this Meeting and for purposes of identification signed by the Chairman thereof be and is hereby approved.

FURTHER RESOLVED that the Board of Directors of the Company be and are hereby authorised to enter into and execute the Agreement in terms of the above draft and to affix the Company's Seal thereon.

(c) RESOLVED that the Books, Registers and other documents of the Company required to be maintained and disclosed under the provisions of the Companies Act, 1956, shall be kept open for inspection by the persons entitled thereto to the extent and in the manner and on payment of the requisite fees, as provided in the said Act at the Registered Office of the Company on any working day between the hours 11 A.M. and 1 P.M. except when the Registers and Books are closed under the provisions of the aforesaid Act, provided, however, that the Register required to be maintained under Section 307 of the Act shall be open for inspection by any Member in the time as aforesaid during the period prescribed under Clause (a) of Sub-Section (5) of Section 307 of the Act.

The Share Transfer Books of the Company will remain closed from 17th September, 1963 to 30th September, 1963, both days inclusive.

By Order of the Board,
For THE NATIONAL INSULATED CABLE CO. OF INDIA LTD.,
For ASSOCIATED INDUSTRIAL DEVELOPMENT CO. (PRIVATE) LTD.,
S. C. ROY,
Director,
Managing Agents.

Registered Office:
Nicco House,
Hare Street,
Calcutta-1,
The 9th August, 1963.

N.B. A Member entitled to attend and vote at the Meeting is entitled to appoint a Proxy to attend and vote instead of himself and that a Proxy need not be a Member.

The Dividend, if declared, will be paid to those Members whose names appear in the Register of the Company on 30th September, 1963 or their mandatees and the Dividend Warrants will be posted from 15th October, 1963 onwards.

An Explanatory Statement pursuant to Section 173 of the Companies Act, 1956 in respect of Item Nos. 6 (a), 6 (b) and 6 (c) has been appended to the Notice of the Meeting and forwarded to the Members.

TO ALL MEMBERS:

And in particular to:

Sri Raja Ram, H. H. Princess Abida Sultan, Sm. Allu F. Dastur, Sri P. R. Kavasji, Sm. Banoobai Framroze Pavri, Sri B. K. Nehru, Sri Rattu P. Mehta, Brigadier C. R. Mangat Rai, Sri Thomas Radley, Sri K. F. Sanjana & Sm. M. K. Sanjana, Mr. Arthur Winfield Lilley, Sri B. P. Yadav, Maj. Genl. P. S. Chowdhury, Sri Fali B. Jilla, Miss. Shirin Minocher Kotwal & Sri Jahanbux Rustom Mehta and Sm. Pervin Firoze Cowasji & Sri Firoze Minocher Cowasji.

THE TITAGHUR PAPER MILLS COMPANY LIMITED

NOTICE OF THE ANNUAL GENERAL MEETING

NOTICE is hereby given that an Annual General Meeting of THE TITAGHUR PAPER MILLS COMPANY LIMITED, will be held at the Registered Office of the Company, Chartered Bank Buildings, Calcutta-1, on Monday, the 30th day of September, 1963, at 3-30 p.m. for the following purposes:—

1. To consider and adopt the Profit and Loss Account of the Company for the year ended 31st March, 1963, the Balance Sheet as at that date and the Directors' and Auditors' Reports thereon.
2. To declare dividends recommended by the Directors.
3. To appoint Auditors and fix their remuneration.

SPECIAL BUSINESS.

4 (a). To appoint a Director in the place of Sir Asoka K. Roy, who retires by rotation, and, being 76 years of age, is not eligible for re-election unless his appointment is approved by a resolution of the Company in General Meeting, specifically declaring that the age limit shall not apply to him.

And in this connection to consider and, if thought fit, to pass the following resolution, of which Special Notice as required by Section 281 (2) of the Companies Act, 1956, has been received by the Company from a shareholder and the relative Explanatory Statement concerning which, as required by Section 173 of the said Act, is appended.

To be proposed as an Ordinary Resolution.

"THAT Sir Asoka K. Roy who has attained the age of 76 years and who retires from the Board by rotation be and is hereby reappointed a Director of the Company, whose period of office would be liable to determination by retirement of Directors by rotation, and it is specifically declared that the age limit prescribed by Section 280 of the Companies Act, 1956, shall not apply to him".

4 (b). To appoint a Director in the place of Mr. L. G. Smeathman who retires, and in this connection to consider and, if thought fit, to pass with or without modification the following resolution of which a Notice has been received by the Company from a member under Section 257 of the Companies Act, 1956, which will be proposed as an Ordinary Resolution.

"THAT Mr. L. G. Smeathman be and is hereby appointed a Director of the Company, whose period of office will be liable to determination by retirement of Directors by rotation".

The Share Transfer Register of the Company will be closed from the 9th to 30th September, 1963, both days inclusive.

By Order of the Board,
F. W. HEILGERS & CO. (PRIVATE) LIMITED,
Managing Agents.

Registered Office:
Chartered Bank Buildings,
Calcutta-1.
28th August, 1963.

NOTES:—(a) A member entitled to attend and vote at this meeting may appoint a proxy to attend and vote instead of himself. A proxy need not be a member of the Company.

(b) The dividends, if declared, will be paid on or after the 28th October, 1963, to those shareholders so entitled whose names appear in the Company's books on the 30th September, 1963, or to their mandatees.

No application for Dividend Warrants will be necessary.

Explanatory statement pursuant to Section 173 of the Companies Act, 1956, is being sent to all Members.

THE CALCUTTA TRAMWAYS COMPANY LIMITED

THE Directors of The Calcutta Tramways Company Limited announce that subject to final audit, the result of the working for the year ended 31st December, 1962 was as follows:—

The Revenue for the year after transferring £100,000 to Renewals and Replacements Account was		£164,183
Against this has been debited:		
Provision for Indian Income Tax	£ 86,000	
Debenture Interest	19,405	105,405
Leaving a balance of		£ 58,778
In accordance with the Agreement dated 30th August, 1951, between the Governor of the State of West Bengal and the Company, the above balance has been credited to Shareholders' Account		£ 58,778
Out of which is payable:		
1st Debenture Stock Redemption	£ 5,449	
2nd Debenture Stock Redemption	9,113	
Preference Dividend, less tax	7,656	
Proposed Ordinary Dividend at 5% free of tax ...	35,000	57,217
Leaving to be added to the amount carried forward on Shareholders' Account		£ 1,561

The Annual General Meeting will be held in London at twelve o'clock noon on Tuesday, the 15th October, 1963, on which day warrants for the Ordinary Dividend, if sanctioned, will be posted.

The Ordinary Share Transfer Books will be closed from the 2nd to the 15th October, 1963, inclusive.

By Order of the Board,
R. W. TURNBULL,
Agent.

P.4 Mission Row Extension,
Calcutta—August 30th, 1963.

SIJUA (JHERRIAH) ELECTRIC SUPPLY CO. LTD.

NOTICE is hereby given to the members of the above named Company that the Annual General Meeting of the Company will be held at the Registered Office, Chartered Bank Buildings, Calcutta, at 11-00 A.M. on Monday, the 30th September, 1963 for the following purposes:—

1. To adopt the Profit and Loss Account of the Company for the year ended 31st March, 1963, and the Balance Sheet as at that date together with the Directors' and Auditors' Reports thereon.
2. To declare the Dividend recommended by the Directors.
3. To appoint a Director in the place of a retiring Director.
4. To appoint Auditors and fix their remuneration.

The Share Transfer Register of the Company will be closed from the 23rd September, 1963 to the 30th September, 1963, both days inclusive.

By Order of the Board,
BIRD & CO. (PRIVATE) LIMITED,
Secretaries.

Registered Office:
Chartered Bank Buildings,
Calcutta, the 3rd September, 1963.

Notes:—(a) A member entitled to attend and vote at this meeting may appoint a proxy to attend and vote instead of himself. A proxy need not be a member of the Company.

(b) The Dividend, if declared, will be paid on or after 15th October, 1963, to those Shareholders so entitled whose names appear in the Company's books on the 30th September, 1963, or to their mandatees. No application for Dividend Warrants will be necessary.

THE RANEEGUNGE COAL ASSOCIATION, LIMITED

NOTICE

NOTICE is hereby given that the Hundred and Sixteenth Annual General Meeting of the Shareholders will be held at the Registered Office of the Company, No. 8, Lyons Range (Ground Floor), Calcutta, on Saturday, the 28th September, 1963 at 12-30 P.M.

The Share Transfer Books of the Company will be closed from 21st September, 1963 to 28th September, 1953, both days inclusive.

The Directors have decided to issue 83,932 New Right Equity Shares of Rs. 10/- each, at par, ranking pari passu with the existing Equity Shares and to offer the same for subscription to those Equity Shareholders whose names are registered with the Company as on 28th September, 1963 in proportion of 1 new Share to every 4 shares held by them.

For THE RANEEGUNGE COAL ASSOCIATION, LIMITED,
S. K. SARAOGI,
Director.

THE EAST INDIAN COAL COMPANY, LIMITED

(Incorporated in England with Limited Liability).

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the one hundred and eleventh annual general meeting of the members will be held at the Head Office of the Company, No. 4, Clive Row, Calcutta-1, on Friday, the twenty-seventh day of September, 1963 at 12-00 noon for the following purposes:—

1. To receive and consider the audited accounts for the year ended 30th April, 1963, the balance sheet as at that date and the reports of the Board of Directors and the Auditors thereon.
2. To declare a dividend.
3. To appoint a Director in place of the one retiring.
4. To fix the Auditors' remuneration.

Notice is also given that the share transfer books of the Company will be closed from the 20th September to the 27th September, 1963, both days inclusive.

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

By Order of the Board,
JARDINE HENDERSON, LIMITED,
D. FORDWOOD,
Secretary,
Managing Agents & Secretaries.
4, Cive Row,
Calcutta-1.
30th August, 1963.

Notes: (1) The dividend, if approved, will be payable on and after 15th October, 1963, to those members whose names are registered in the books of the Company on 27th September, 1963.

(2) Attention of the members and debenture-stockholders has been drawn to the application of the Defence of of India Rules to colliery undertakings. The provisions of Rule 52 of these Rules prohibit the publication to members and debenture-stockholders of the annual accounts of the Company as at 30th April, 1963 or any report or other documents which disclose any information contained in any such accounts or any statistical or any other information relating to the progress of the undertaking. It has, therefore, not been possible to circulate the Directors' report and the audited statements of account for the year ended 30th April, 1963. All members and the debenture-stockholders are, however, entitled on giving not less than 7 days' prior notice to inspect at the offices of the Company the Directors' report and these audited accounts and they have been advised of this entitlement.

THE DALHOUSIE JUTE COMPANY, LIMITED

NOTICE

NOTICE is hereby given that an Annual General Meeting of THE DALHOUSIE JUTE COMPANY, LIMITED, will be held at the Registered Office of the Company, Chartered Bank Buildings Calcutta at 10-00 A.M. on Saturday, the 28th day of September, 1963, for the following purposes:—

1. To consider and approve the Audited Accounts of the Company for the year ended 31st March, 1963, and to receive the Directors' and Auditors' Reports thereon.
2. To declare Dividends recommended by the Directors.
3. To appoint Directors in the place of retiring Directors.
4. To appoint Auditors and fix their remuneration.

As Special Business.

5. To consider and if thought fit to pass with or without modification the following resolutions of which notices have been received from members under Section 257 of the Companies Act, 1956, which will be proposed as ordinary resolutions:

(a) "That Mr. L. G. Smeathman be and is hereby appointed a Director of the Company".

(b) "That Mr. R. G. Edwards be and is hereby appointed a Director of the Company".

The Share Transfer Registers of the Company will be closed from 16th September, 1963 to 28th September, 1963, both days inclusive.

By Order of the Board,
BIRD & CO. (PRIVATE) LTD.,
Secretaries & Treasurers.
Chartered Bank Buildings,
Calcutta, 24th August, 1963.

Note:—(a) A member entitled to attend and vote at this meeting may appoint a proxy to attend and vote instead of himself. A proxy need not be a member of the Company.

(b) The Dividends, if declared, will be paid on or after 18th October, 1963 to those shareholders whose names appear in the Company's books on 28th September, 1963, or to their mandatees. No application for Dividend Warrants will be necessary.

(c) The relative explanatory statement is being sent to the members.

THE LANSDOWNE JUTE COMPANY, LIMITED

NOTICE

NOTICE is hereby given that an Annual General Meeting of THE LANSDOWNE JUTE COMPANY, LIMITED, will be held at the Registered Office of the Company, Chartered Bank Buildings, Calcutta, at 10-50 A.M. on Saturday, the 28th day of September, 1963, for the following purposes:—

1. To consider and approve the Audited Accounts of the Company for the year ended 31st March, 1963, and to receive the Directors' and Auditors' Reports thereon.
2. To declare Dividends recommended by the Directors.
3. To appoint Directors in the place of retiring Directors.
4. To appoint Auditors and fix their remuneration.

As Special Business.

5. To consider and if thought fit, to pass the following resolutions which will be proposed as special resolutions:—

"That the provisions of the Articles of Association of the Company be altered in the manner following, that is to say:—

(a) That in Article 92 (line 8) the words "and such one of them as from time to time and at any time shall be named by the Managing Agents shall be Chairman of the Board" be and are hereby deleted.

(b) That Article 116 be and is hereby deleted and that the following new Article 116 be substituted therefor.

116. The Directors may elect some one of themselves to be Chairman of the Board to preside over their meetings and determine the period for which he is to hold office. If no such Chairman is elected or if at any meeting the Chairman is not present at the time appointed for holding the same, the Directors present shall choose some one of their number to be Chairman of such meeting".

The Share Transfer Registers of the Company will be closed from 16th September, 1963 to 28th September, 1963, both days inclusive.

By Order of the Board,
BIRD & COMPANY (PRIVATE) LIMITED,
Managing Agents.
Chartered Bank Buildings,
Calcutta, 24th August, 1963.

Note:—(a) A member entitled to attend and vote at this meeting may appoint a proxy to attend and vote instead of himself. A proxy need not be a member of the Company.

(b) The Dividends, if declared, will be paid on or after 18th October, 1963 to those shareholders whose names appear in the Company's books on 28th September, 1963, or to their mandatees. No application for Dividend Warrants will be necessary.

(c) The relative explanatory statement is being sent to the members.

THE AUCKLAND JUTE COMPANY LIMITED

NOTICE

NOTICE is hereby given that an Annual General Meeting of THE AUCKLAND JUTE COMPANY, LIMITED, will be held at the Registered Office of the Company, Chartered Bank Buildings, Calcutta, at 10-10 A.M. on Saturday, the 28th day of September, 1963, for the following purposes:—

1. To consider and approve the Audited Accounts of the Company for the year ended 31st March, 1963, and to receive the Directors' and Auditors' Reports thereon.
2. To declare Dividends recommended by the Directors.
3. To appoint Directors in the place of retiring Directors.
4. To appoint Auditors and fix their remuneration.

As Special Business

5. To consider and if thought fit, to pass the following resolution which will be proposed as a special resolution:—

"That the provisions of the Articles of Association of the Company be altered in the manner following, that is to say:—

(a) That in Article 92 (line 8) the words "and such one of them as from time to time and at any time shall be named by the Managing Agents shall be Chairman of the Board" be and are hereby deleted.

(b) That Article 116 be and is hereby deleted and that the following new Article 116 be substituted therefor.

116. The Directors may elect some one of themselves to be Chairman of the Board to preside over their meetings and determine the period for which he is to hold office. If no such Chairman is elected or if at any meeting the Chairman is not present at the time appointed for holding the same, the Directors present shall choose some one of their number to be Chairman of such meeting".

The Share Transfer Registers of the Company will be closed from 16th September, 1963 to 28th September, 1963, both days inclusive.

By Order of the Board,
BIRD & COMPANY (PRIVATE) LIMITED,
Managing Agents.
Chartered Bank Buildings,
Calcutta, 24th August, 1963.

Note:—(a) A member entitled to attend and vote at this meeting may appoint a proxy to attend and vote instead of himself. A proxy need not be a member of the Company.

(b) The Dividends, if declared, will be paid on or after 18th October, 1963 to those shareholders whose names appear in the Company's books on 28th September, 1963, or to their mandatees. No application for Dividend Warrants will be necessary.

(c) The relative explanatory statement is being sent to the members.

THE MEGNA MILLS COMPANY LIMITED

NOTICE

NOTICE is hereby given that the Annual General Meeting of the Members of The Megna Mills Company Limited will be held at 16, Strand Road, Calcutta-1, the Registered Office of the Company, on Friday, the 27th day of September, 1963, at 3 o'clock in the afternoon for the following purposes:

Agenda

1. To consider the Profit and Loss Account of the Company for the year ended 31st March, 1963, the Balance Sheet as at that date and the Report of the Directors and Auditors.
2. To declare a dividend.
3. To elect a Director.
4. To appoint Auditors and fix their remuneration.

As Special Business.

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

5. **As an Ordinary Resolution—**

"Resolved that approval be and is hereby given to the Agreement dated 16th March 1963 entered into on behalf of the Company by its Board of Directors with Messrs Delca International Corporation, Delwara, U.S.A., whereby Messrs Delca International Corporation have been appointed the sole distributors of the Company for the territories of North America and South America for the sale of (a) Jute Backing Cloth and (b) Ordinary Burlap having a width of 100" or more, manufactured by the Company, for a period of three years with effect from 26th March, 1963, upon the terms and conditions contained in the said Agreement which was submitted to the meeting and initialled by the Chairman for identification and the Board of Directors be and are hereby empowered to effect such modifications, if any, to the said Agreement (not being modifications more advantageous to Messrs. Delca International Corporation) as may be suggested by the Reserve Bank of India (while sanctioning the payments to be made under the Agreement) and as may be agreed by the Board of Directors of the Company and the said Messrs. Delca International Corporation."

The Share Transfar Books of the Company will be closed from 20th September, 1963 to 27th September, 1963, both days inclusive.

By Order of the Board,
A. MUKHERJEE,
Secretary.

16, Strand Road,
Calcutta, 30th August, 1963.

Note: (1) A member of the Company who is entitled to attend and vote at the meeting may appoint a proxy to attend and vote instead of himself. A proxy need not be a member of the Company.

(2) The Explanatory Statement pursuant to Section 173 of the Companies Act, 1956, has been sent to all the Shareholders along with the Notice convening the Meeting.

THE STANDARD JUTE COMPANY, LIMITED

NOTICE

NOTICE is hereby given that an Annual General Meeting of THE STANDARD JUTE COMPANY, LIMITED, will be held at the Registered Office of the Company, Chartered Bank Buildings, Calcutta, at 11-10 A.M. on Saturday, the 28th day of September, 1963, for the following purposes:—

1. To consider and approve the Audited Accounts of the Company for the year ended 31st March, 1963, and to receive the Directors' and Auditors' Reports thereon.
2. To appoint a Director in the place of a retiring Director.
3. To appoint Auditors and fix their remuneration.

The Share Transfer Registers of the Company will be closed from 16th September, 1963 to 28th September, 1963, both days inclusive.

By Order of the Board,
BIRD & CO. (PRIVATE) LTD.,
Secretaries & Treasurers.
Chartered Bank Buildings,
Calcutta, 24th August, 1963.

Note:—A member entitled to attend and vote at this meeting may appoint a proxy to attend and vote instead of himself. A proxy need not be a member of the Company.

THE LAWRENCE JUTE COMPANY, LIMITED

NOTICE

NOTICE is hereby given that an Annual General Meeting of THE LAWRENCE JUTE COMPANY, LIMITED, will be held at the Registered Office of the Company, Chartered Bank Buildings, Calcutta, at 11-00 A.M. on Saturday, the 28th day of September, 1963, for the following purposes :—

1. To consider and approve the Audited Accounts of the Company for the year ended 31st March, 1963, and to receive the Directors' and Auditors' Reports thereon.
2. To declare Dividends recommended by the Directors.
3. To appoint Directors in the place of retiring Directors.
4. To appoint Auditors and fix their remuneration.

As Special Business.

5. To consider and if thought fit to pass with or without modification the following resolution of which notice has been received from a member under Section 257 of the Companies Act, 1956, which will be proposed as ordinary resolution :

"That Mr. R. G. Edwards be and is hereby appointed a Director of the Company".

The Share Transfer Registers of the Company will be closed from 16th September, 1963 to 28th September, 1963, both days inclusive.

By Order of the Board,
BIRD & CO. (PRIVATE) LTD.,
Secretaries & Treasurers.

Chartered Bank Buildings,
Calcutta, 24th August, 1963.

Note :—(a) A member entitled to attend and vote at this meeting may appoint a proxy to attend and vote instead of himself. A proxy need not be a member of the Company.

(b) The Dividends, if declared, will be paid on or after 18th October, 1963 to those shareholders whose names appear in the Company's books on 28th September, 1963, or to their mandatees. No application for Dividend Warrants will be necessary.

(c) The relative explanatory statement is being sent to the members.

THE KINNISON JUTE MILLS COMPANY, LIMITED

NOTICE

NOTICE is hereby given that an Annual General Meeting of THE KINNISON JUTE MILLS COMPANY, LIMITED, will be held at the Registered Office of the Company, Chartered Bank Buildings, Calcutta, at 10-30 A.M. on Saturday, the 28th day of September, 1963, for the following purposes :—

1. To consider and approve the Audited Accounts of the Company for the year ended 31st March, 1963, and to receive the Directors' and Auditors' Reports thereon.
2. To declare Dividends recommended by the Directors.
3. To appoint Directors in the place of retiring Directors.
4. To appoint Auditors and fix their remuneration.

As Special Business

5. To consider and if thought fit, to pass the following resolution which will be proposed as a special resolution :—

"THAT the provisions of the Articles of Association of the Company be altered in the manner following, that is to say :—

(a) That in Article 92 (line 8) the words "and such one of them as from time to time and at any time shall be named by the Managing Agents shall be Chairman of the Board" be and are hereby deleted.

(b) That Article 116 be and is hereby deleted and that the following new Article 116 be substituted therefor.

116. The Directors may elect some one of themselves to be Chairman of the Board to preside over their meetings and determine the period for which he is to hold office. If no such Chairman is elected or if at any meeting the Chairman is not present at the time appointed for holding the same, the Directors present shall choose some one of their number to be Chairman of such meeting".

The Share Transfer Registers of the Company will be closed from 16th September, 1963 to 28th September, 1963, both days inclusive.

By Order of the Board,
F. W. HEILGERS & CO. (PRIVATE) LIMITED,
Managing Agents.

Chartered Bank Buildings,
Calcutta, 24th August, 1963.

Note :—(a) A member entitled to attend and vote at this meeting may appoint a proxy to attend and vote instead of himself. A proxy need not be a member of the Company.

(b) The Dividends, if declared, will be paid on or after 18th October, 1963 to those shareholders whose names appear in the Company's books on 28th September, 1963, or to their mandatees. No application for Dividend Warrants will be necessary.

(c) The relative explanatory statement is being sent to the members.

THE NORTHBROOK JUTE COMPANY, LIMITED

NOTICE

NOTICE is hereby given that an Annual General Meeting of THE NORTHBROOK JUTE COMPANY, LIMITED, will be held at the Registered Office of the Company, Chartered Bank Buildings, Calcutta, at 10-40 A.M. on Saturday, the 28th day of September, 1963, for the following purposes :—

1. To consider and approve the Audited Accounts of the Company for the year ended 31st March, 1963, and to receive the Directors' and Auditors' Reports thereon.
2. To declare Dividends recommended by the Directors.
3. To appoint Directors in the place of retiring Directors.
4. To appoint Auditors and fix their remuneration.

As Special Business

5. To consider and if thought fit, to pass the following resolution which will be proposed as a special resolution :—

"That the provisions of the Articles of Association of the Company be altered in the manner following, that is to say :—

(a) That in Article 92 (line 8) the words "and such one of them as from time to time and at any time shall be named by the Managing Agents shall be Chairman of the Board" be and are hereby deleted.

(b) That Article 116 be and is hereby deleted and that the following new Article 116 be substituted therefor.

116. The Directors may elect some one of themselves to be Chairman of the Board to preside over their meetings and determine the period for which he is to hold office. If no such Chairman is elected or if at any meeting the Chairman is not present at the time appointed for holding the same, the Directors present shall choose some one of their number to be Chairman of such meeting".

The Share Transfer Registers of the Company will be closed from 16th September, 1963 to 28th September, 1963, both days inclusive.

By Order of the Board,
BIRD & COMPANY (PRIVATE) LIMITED,
Managing Agents.

Chartered Bank Buildings,
Calcutta, 24th August, 1963.

Note :—(a) A member entitled to attend and vote at this meeting may appoint a proxy to attend and vote instead of himself. A proxy need not be a member of the Company.

(b) The Dividends, if declared, will be paid on or after 18th October, 1963 to those shareholders whose names appear in the Company's books on 28th September, 1963, or to their mandatees. No application for Dividend Warrants will be necessary.

(c) The relative explanatory statement is being sent to the members.

UNION JUTE COMPANY LIMITED

NOTICE

NOTICE is hereby given that an Annual General Meeting of UNION JUTE COMPANY, LIMITED, will be held at the Registered Office of the Company, Chartered Bank Buildings, Calcutta, at 10-20 A.M. on Saturday, the 28th day of September, 1963, for the following purposes :—

1. To consider and approve the Audited Accounts of the Company for the year ended 31st March, 1963, and to receive the Directors' and Auditors' Reports thereon.
2. To declare Dividends recommended by the Directors.
3. To appoint Directors in the place of retiring Directors.
4. To appoint Auditors and fix their remuneration.

As Special Business

5. To consider and if thought fit, to pass with or without modification the following resolutions of which notices have been received from members under section 257 of the Companies Act, 1956, which will be proposed as ordinary resolutions :

(a) "That Mr. L. G. Smeathman be and is hereby appointed a Director of the Company".

(b) "That Mr. R. G. Edwards be and is hereby appointed a Director of the Company".

6. To consider and if thought fit to pass the following resolution which will be proposed as a special resolution :—

"That the provisions of the Articles of Association of the Company be altered in the manner following, that is to say :—

(a) That in Article 92 (line 8) the words "and such one of them as from time to time and at any time shall be named by the Managing Agents shall be Chairman of the Board" be and are hereby deleted.

(b) That Article 116 be and is hereby deleted and that the following new Article 116 be substituted therefor.

116. The Directors may elect some one of themselves to be Chairman of the Board to preside over their meetings and determine the period for which he is to hold office. If no such Chairman is elected or if at any meeting the Chairman is not present at the time appointed for holding the same, the Directors present shall choose some one of their number to be Chairman of such meeting".

The Share Transfer Registers of the Company will be closed from 16th September, 1963 to 28th September, 1963, both days inclusive.

By Order of the Board,
BIRD & COMPANY (PRIVATE) LIMITED,
Managing Agents.

Chartered Bank Buildings,
Calcutta, 24th August, 1963.

Note :—(a) A member entitled to attend and vote at this meeting may appoint a proxy to attend and vote instead of himself. A proxy need not be a member of the Company.

(b) The Dividends, if declared, will be paid on or after 18th October, 1963 to those shareholders whose names appear in the Company's books on 28th September, 1963, or to their mandatees. No application for Dividend Warrants will be necessary.

(c) The relative explanatory statement is being sent to the members.

"CAPITAL" STOCK AND SHARE LIST

THE INVESTORS GUIDE AND SHAREHOLDERS GAZETTE

Official quotations of the Calcutta, Bombay, Madras, London Stock Exchange Associations and other sources.
Figures given after stroke (/) mean Naye Paise.

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Wednesday, 4th September, 1963.

BANKS

NAMES	Dividends per cent 1960	1961	1962	Paid-up per Share Rs.	Latest Market Quotations as available until 4-9-63 Rs.	28-8-63 Rs.	A year ago Rs.
Allahabad Bank P.	15	15	xx	100	262/00	262/00	396/00
Bank of Baroda	17	17	16	50	84/00	83/00	96/00
Bank of India	20	20	20	50	104/50	104/50	117/00
Central Bank of India	20 2/5	20	20	25	53/50	53/50	61/70
Chartered Bank	15	15	..	£1	sh. 59/3	sh. 58/6	sh.57/10½
Hindusthan Commercial	Nil	Nil	Nil	50	13/25	13/25	17/00
Hindusthan Mercantile	Nil	Nil	..	50	15/62	15/62	15/50
Hong Kong & Shanghai	£3½	£3½	£3 1/5	HK$25	£18¼	£19¼	£17½
Indian Bank	15	15	14	100	161/00	161/00	179/00
Indian Overseas Bank	14	14	xx	xx	144/00	144/50	169/00
Industrial Finance Corpn.	xx	xx	xx	50	xx	xx	xx
National & Grindlays Bank	13½	14	16	sh. 15	sh. 35/-	sh35/9	sh.37/4½
Punjab National Bank	20	20	20	10	19/50	19/31	21/12
Union Bank of India	11 2/5	11 2/5	xx	5	5/80	5/80	6/32
United Bank of India	4.5	6	6	10	7/31	7/37	7/81
United Commercial Bank	12	12	12	50	69/00	69/00	81/00

*1962

JUTE MILLS

NAMES	Dividends per cent 1960	1961	1962	Paid-up per Share Rs.	Latest Market Quotations as available until 4-9-63 Rs.	28-8-63 Rs.	A year ago Rs.
Agarpara P.	10	2½	2½	10	10/50	10/31	11/06
Alexandra P.	44	15	42½	100	300/00	300/00	305/00
Alliance P.	c	Nil	10	100	139/00	130/00	119/00
Anglo-India P.	20	7	10	100	237/00	233/00	239/00
Auckland P.	27	12	Nil	100	146/00	142/00	158/00
Baily P.	25	25	25	100	275/00	272/00	310/00
Barnagore P.	30	10	10	£5	199/00	199/00	191/00
Bengal P.	b	..	..	10	9/37	9/37	10/31
Birla P.	15	15	15	10	30/25	29/12	36/44
Budge Budge P.	10	Nil	12	100	146/00	139/50	165/50
Calcutta P.	..	..	..	10	8/12	8/12	8/00
Caledonian P.	12	5	..	100	180/00	180/00	220/00
Champdany P.	10	5	Nil-40*	10	22/75	21/87	..
Cheviot P.	Nil	5	25	10	22/25	21/50	26/00
Chitavalsah P.	5	Nil	5	10	10/06	10/06	11/87
Clive P.	xx	xx	..	10	9/25	9/62	8/37
Dalhousie P.	1	1	Nil	100	156/00	149/00	192/00
Delta P.	7½	Nil	12	100	149/00	17/31	16/62
Empire P.	12½	7½	12½	10	17/75	375/00	434/00
Fort Gloster P.	25	10	12½	100	373/00	24/50	28/00
Fort William P.	22½	22½	10	10	24/50	15/69	16/12
Ganges P.	10	10	15	10	15/62	13/94	18/50
General Industrial	40	10	13	10	15/50	26/19	..
Gouripore P.	30	25	20	10	26/37	128/00	126/00
Hastings P.	6	6	6	100	128/00	20/00	31/00
Hooghly P.	10	xx	..	10	15/00	18/06	21/06
Howrah P.	12½	10	Nil—10*	10	18/37		
Hukumchand P.	28½	28½	26⅔	7½	22/00	18/00	24/94
India P.	14	12	8	12½	16/94	16/94	16/81
Kamarhatty P.	b	Nil	20	100	195/00	189/00	177/00
Kankinarrah P.	Nil	Nil	10	100	125/00	125/00	137/00
Kelvin P.	15	15	5	100	191/00	175/00	190/00
Khardah P.	20	5	12½	10	20/00	18/00	17/62
Kinnison P.	20	7½	Nil	100	135/00	135/00	146/00
Lansdowne P.	Nil	Nil	Nil	100	115/00	115/00	120/00
Lawrence P.	7	15	10	100	121/00	121/00	133/50
Megna P.	12	12½	Nil	10	14/44	13/94	13/00
Naihati P.	xx	xx	..	100	104/00	100/00	107/00
Naskarpara	xx	..	..	10	8/00	9/06	8/44
National P.	7½	Nil	10	10	23/37	23/25	24/25
Nellimarla P.	5	6	15	10	11/81	11/31	11/81
New Central P.	15	15	Nil	10	12/56	12/69	15/00
Northbrook P.	30	30	20	10	30/50	30/00	37/06
Nuddea	8	6	5	50	61/50	60/00	64/50
Presidency	8	6	10	b	5/44	5/25	5/69
Rameshwara P.	Nil	Nil	Nil-Nil*	10	9/25	9/19	9/25
Reliance P.	Nil	Nil	Nil-Nil*	10	10/19	10/44	6/81
Samnugger P.	b	Nil	10	£1	10/50	10/50	10/50
Shree Ambica P.	4	6	Nil	10	35/00	35/00	37/00
Soorah P.	25	25	25	10	22/19	22/00	25/25
Titaghur P.	6	Nil	13	£1	10/50	10/50	10/50
Union P.	25	6	Nil	100	171/00	170/00	183/00
Victoria P.	4	Nil	10	£1	10/50	10/50	10/50
Waverley P.	30	30	60	7	8/16	8/16	6/12

* 1963

COAL COMPANIES

NAMES	Dividends per cent 1960	1961	1962	Paid-up per Share Rs.	Latest Market Quotations as available until 4-9-63 Rs.	28-8-63 Rs.	A year ago Rs.
Amalgamated	10	12½	15	10	24/50	24/50	21/87
Bengal P.	25	21	xx	100	274/00	264/00	353/00
Bengal Bhatdee	..	..	xx	10	3/48	3/48	3/48
Bengal Nagpur	10	20	xx	10	22/00	22/00	14/25
Bhalgora	xx	xx	xx	10	4/75	4/94	5/18
Bharat Collieries P.	xx	xx	xx	10	3/56	3/53	3/31
Bhulanbararee	xx	xx	xx	10	11/94	11/94	12/00
Bokaro & Ramgur	xx	xx	xx	10	11/19	11/19	11/19
Borrea P.	15	15	xx	10	23/87	23/87	23/56
Burrakur P.	13	13	13	10	16/19	15/87	17/94
Central India	8	10	10	10	9/94	9/94	11/19
Central Kurkend P.	xx	xx	xx	10	3/87	3/87	8/00
Churulia	8	..	xx	4	3/06	3/06	3/06
Dhemo Main	Nil	Nil	..	10	4/50	4/50	5/94
East Indian	7½	15	20⅔	£1	30/00	30/00	52/75
Equitable P.	15	10	..	10	23/31	23/25	28/31
Ghusick & Muslia	Nil	Nil	Nil	10	14/25	14/25	14/00
Guzdar Kajora	xx	xx	xx	10	2/44	2/44	2/00
Hurriladih	xx	xx	xx	10	8/12	8/12	8/12
Karanpura Development	8	5	xx	100	10/75	10/75	16/25
	15	15		10F			
Karanpura Collieries P.	7½	10	10	10	15/00	15/44	13/87
Katras Jherriah	95	60	25	10	33/75	33/75	48/75
Khas Kajora P.	..	..	..	10	18/12	18/31	18/70
Mundulpur	xx	..	..	10	2/69	2/69	2/69
Nazira	7½	Nil	Nil	10	5/00	5/00	6/50
New Beerbhoom P.	10	10	..	10	19/25	19/25	23/12
New Manbhoom	7½	8	13	10	15/25	15/25	13/75
North West	20	20	xx	10	19/75	19/75	19/75
				7½	18/00	18/00	17/50
Ondal P.	6	7½	xx	10	13/50	13/50	15/00
Parasea P.	1½	1½	..	10	16/00	16/00	16/00
Pench Valley	10	10	10	10	17/50	17/50	17/50
Pure Sitalpur	..	..	..	10	5/00	5/00	5/00
Raneegunge	15	17	17	10	16/12	15/06	15/62
Rewa	20	20	xx	10	28/50	28/50	29/12
Samla	10	..	..	10	10/00	10/00	7/44
Searsole	Nil	Nil	Nil	8½	1/22	1/22	1/94
Seebpore P.	42 6/7	42 6/7	..	8	34/75	34/75	45/00
Sendra	6	3½	Nil	10	5/00	5/00	5/87
South Karanpura	2½	Nil	Nil	10	8/25	8/12	8/69
Standard	15	10	xx	10	13/12	13/12	16/00
Union	xx	xx	xx	10	11/12	11/12	10/37
Western Bengal	6	7½	9	10	9/25	9/00	9/63
West Jamuria	Nil	Nil	..	10	4/56	4/00	9/37

COTTON MILLS

NAMES	Dividends per cent 1960	1961	1962	Paid-up per Share Rs.	Latest Market Quotations as available until 4-9-63 Rs.	28-8-63 Rs.	A year ago Rs.
Basanti P.	..	..	..	10	11/44	11/44	10/81
Banga Luxmi	..	..	..	40	29/00	29/00	28/00
Bengal Nagpur P.	Nil	..	..	10	3/06	3/06	3/25
Bharat Commerce	5	15	15	10	20/44	20/12	28/44
Birla Cotton	10	20	20	10	30/25	30/25	32/00
Bowreah P	10	20	15	10	22/00	21/38	26/69
Cawnpore Textiles	7-1/5	10	10	5	6/19	6/00	7/06
Delhi Cloth & Genl P.	12	13	13	25	41/25	40/97	52/50
Dunbar	20	20	15	10	25/19	26/19	32/00
Elgin P.	11½	17½	17½	10	18/75	17/37	19/56
J. K. Cotton (Rayon) P.	12½	..	..	10	11/06	11/06	16/87
Jay Shree	10	10	..	10	14/44	13/69	17/37
Muir P	..	..	..	100	67/00	90/75	114/00
New Victoria P.	Nil	..	..	2½	1/44	1/41	1/62
Orissa Textiles P.	Nil	Nil	..	10	9/00	9/00	9/00
Rampoorta Cotton	3	Nil	..	10	13/00	13/00	11/00
	Nil	Nil	Nil	½	2/00	2/00	2/00
Swadeshi (Kanpur) P.	6	..	..	100	11/50	11/50	11/50
	5.51	..	..	10PO	6/94	6/94	7/75

BOMBAY COTTON MILLS

NAMES OF MILLS	Dividends per cent 1959	1960	1961	Paid-up per Share Rs.	Latest Market Quotations as available until 3-9-63 Rs.	27-8-63 Rs.	A year ago Rs.
Ahmedabad Advance P.	7	16	..	100	142/50	140/00	170/00
Apollo	..	..	..	2	1/92	1/92	2/30
Beharilal Ramcharan	Nil	Nil	..	100	79/00	79/00	82/00
Bombay Dyeing, etc.	14	14	14	25	60/20	60/00	67/70
Bradbury P.	10	10	25	50	139/50	139/50	195/00
Century	..	..	..	100	536/50	529/50	631/00
Central India P.	Nil	Nil	Nil	100	112/00	111/00	141/00
Coorla	..	..	..	100	150/00	150/00	152/50
Dawn	20	30	30	50	144/00	144/00	168/00
Edward Textiles	9	9	..	200	290/00	290/00	349/00
Elphinstone P.	14	18	22	50	95/00	95/00	115/00
Finlay	..	..	..	100	316/00	312/00	313/00
Gokak	..	..	..	100	158/00	156/50	189/00
Hindoostan	..	..	..	250	855/00	855/00	..
India United	..	..	..	10	22/60	22/72	26/00
	..	..	..	1Dd	2/58	2/56	3/83
Indian	..	..	..	250	761/25	761/25	..
Indore Malwa United	7	8½	10	100	195/00	195/00	230/00
Khatau Makanji P.	16	32	..	100	215/00	220/00	475/00
Kohinoor	9½	15	18	100	307/00	308/50	316/50
Lakshmi-Vishnu P.	Nil	5.7	6—Nil*	100	90/50	90/50	125/00
Morarjee Goculdas P.	21½	21½	24—24*	100	372/00	366/00	470/00
Mysore Spg & Mfg P.	10	14	14	50	48/00	48/00	61/00
New City of Bombay	..	..	..	100	155/00	156/25	181/00
New Great Eastern P.	..	..	..	100	201/00	201/00	280/00
Phoenix	..	..	..	100	220/50	217/00	249/00
Sassoon & Alliance	Nil	Nil	..	10	11/00	11/00	14/88
Sassoon Spinning	25	17	20	10	46/50	46/50	58/00
Simplex	10	15	Nil	50	124/00	124/00	163/50
Shree Niwas P.	15	18	20	100	230/00	229/50	274/00
Swadeshi P.	14	17	..	100	241/00	241/00	265/00
Swan	..	..	..	100	285/00	385/00	310/00
Tata	10	20	..	25	50/00	54/20	62/70
Western India	..	..	..	250	785/00	785/00	860/00

* 1962

BOMBAY MISCELLANEOUS COMPANIES

NAMES	Dividends per cent 1960	1961	1962	Paid-up per Share Rs.	Latest Market Quotations as available until 3-9-63 Rs.	27-8-63 Rs.	A year ago Rs.
CEMENT ENGINEERING & METAL							
Associated Cement	12½	12	12	100	145/75	145/75	162/25
ELECTRIC LTG POWER							
Ahmedabad Electricity	7	6	..	100	95/50	95/00	94/70
Andhra Valley Power P.	5½	5	5	1000	1.070/00	1.067/50	1.020/00
Bombay Subarban Elec	..	..	..	100	103/00	104/50	107/50
Tata Hydro Elec. Power P.	5½	5	5	100	111/00	110/50	110/50
Tata Power P.	5½	5	5	1000	1.117/50	1.115/00	1.165/00
Alcock Ashdown	..	..	..	100	281/00	277/00	331/00
Jost's Engineering	8	10	10	50	59/50	59/50	97/00
Larsen & Toubro P.	12½	18	14	10	23/12	22/80	29/50
Mckenzies	..	..	..	100	141/00	141/00	152/00
Premier Construction P.	..	..	..	30O	142/00	138/50	154/50
				3½F			
Tata Eng & Locomotive P.	12½	14½	14½	100	255/50	251/00	331/00
Tata Iron & Steel P	9 1	10.36	10.36	75O	143/0	140/75	147/50
Belapur Sugar	..	..	..	50	186/00	185/50	237/00
Bombay Burmah Trading	30	33	33	25	60/70	60/00	..
				20	42/00	45/50	..
Hindustan Lever	26	26	12	10	36/50	36/00	47/75
Industrial Invt Trust	6½	6½	..	100	73/00	73/00	73/00
Kemi (Chemists)	..	..	..	200	260/00	260/00	313/75
National Rayon	22	..	..	100	330/00	317/50	505/50
Scindia Steam Navign.	3	3	3	20	11/64	11/80	12/00
Shivrajpur Synd	80	Nil	..	10	19/00	19/00	32/50
Tata Chemicals P.	6	6½	6½	10	16/24	16/00	15/12
Tata Oil P	23	23	23	25	61/20	60/00	60/00
Volta	13	14	14	100	240/00	237/50	271/25
Western India Match	16	16	16	100	239/50	238/00	275/50

TEA COMPANIES

NAMES	Dividends per cent 1960	1961	1962	Paid-up per Share Rs.	Latest Market Quotations as available until 4-9-63 Rs	28-8-63 Rs	A year ago Rs
ASSAM GARDENS							
Amluckie	Nil	10	7½	10	16/50	16/50	25/94
Anandabag P.	30	32½	20	10	33/25	33/25	34/25
Baghmari	Nil	15	7½	10	13/56	13/56	19/25
Barduar Tea	Nil	..	..	4	8/50	8/50	8/50
Basmatia	35	25	20	10	27/25	27/25	27/25
Bateli	30	..	..	5	17/50	17/50	18/00
Betjan	60	45	30	10	29/19	29/19	32/62
Bishnauth	13	13	20	10	17/56	17/56	17/62
Bokakhat	Nil	12	13	10	13/70	13/70	13/70
Bormah Jan P.	15	15	15	10	13/25	12/25	16/12
Bor Pukhuri	Nil	Nil	10	10	10/75	10/75	9/31
Brooke Bond P.	15	10	7½	10	12/06	12/06	14/50
Dejoo Valley	15	20	30	10	60/00	60/00	49/25
Dessai & Purbuttia	Nil	10	15	100	205/00	205/00	141/00
Dhekakhat	12½	..	..	10	18/81	18/81	20/12
Dhunseri P.	20	15	..	10	11/06	11/75	16/00
Dibrugarh	40	40	30	10	30/75	31/25	35/50
Dimakusi P.	25	20	25	10	41/87	21/87	21/94
Duffiagnur	25	25	30	10	25/25	27/50	27/87
East India	Nil	Nil	10	10	13/44	13/44	18/87
Jillapukri	25	20	..	10	28/44	28/44	25/44
Gohpur	Nil	5	20	10	15/19	15/19	13/50

TEA COMPANIES—Contd.

NAMES	Dividends per cent 1960	1961	1962	Paid-up per Share Rs.	Latest Market Quotations as available until 4-9-63 Rs.	28-8-63 Rs.	A year ago Rs.
Grob	6	6	6	5	7/50	7/94	9/00
Hoograjuli (Assam)	20	20	..	10	27/12	27/12	24/44
Hoolungooree	10	7½	20	100	195/00	195/00	176/00
Jutlibari	30	30	20	10	31/50	31/50	32/00
Kingsley Golaghat P.	35	35	..	100	140/00	140/00	212/00
Kotamullai P.	Nil	Nil	Nil	5	10/31	10/31	10/31
Krishnabehari	15	8	..	10	10/50	10/50	10/12
Kyang Tea	Nil	..	..	10	8/06	8/06	8/06
Ledo	Nil	Nil	Nil	10	13/75	13/75	17/25
Maud Tea & Seed	10	7½	7½	10	14/81	14/81	14/81
Methoni	5	14	20	10	16/19	16/19	19/12
Moheema	Nil	Nil	..	10	11/50	11/50	11/50
Mothola	30	30	35	100	507/00	507/00	507/00
Murphulani (Assam)	5	15	25	10	26/50	26/50	26/50
	10.63	20.63	30.63	10	26/87	26/87	28/75
Naga Hills	10	10	10	10	22/25	22/25	22/69
Namburnadi	12	12	..	10	12/87	12/87	14/56
New Cinnatolliah	Nil	Nil	Nil	100	302/00	302/00	101/00
Rajgarh	40	13½	17½	10	19/00	19/00	22/87
Sapoi	22½	20	..	10	18/31	13/31	18/31
Seajuli	22½	15	30	10	21/12	21/12	21/06
Telotjan	25	25	25	10	20/87	22/00	27/75
Tengpani	30	30	22½	10	35/00	35/00	35/00
Tezpore P.	20	12½	..	10	14/50	14/44	15/62
Tongani	Nil	Nil	..	10	7/00	7/00	6/50
Tyroon	10	15	25	10	30/69	31/00	36/87
CACHAR							
Arcuttipore	Nil	5	6	10	7/00	7/00	7/00
Baitakhal	2½	2½	..	10	7/69	7/69	6/69
Central Cachar	5	7½	5	100	85/00	85/00	73/00
Eastern Cachar	Nil	Nil	..	10	4/50	4/50	4/12
Kallinugger Khoreel	6	..	..	100	87/00	87/00	87/00
Hattikhira	Nil	8	Nil	10	8/06	9/12	9/44
Kunchanpore	Nil	Nil	..	10	6/00	6/00	6/00
Loobah	Nil	Nil	Nil	10	4/44	4/44	4/25
North Western	30	20	10	100	160/00	160/00	205/00
Pathemara	Nil	Nil	Nil	10	7/50	7/50	7/50
Roopacherra	Nil	10	Nil	10	9/62	9/62	13/62
Rungamattee	5	5	5	50	49/00	50/25	50/00
Sonai River	Nil	Nil	..	10	9/12	9/12	9/12
DARJEELING							
Bloomfield	Nil	..	..	10	3/12	3/12	3/25
Chamong	Nil	10	10	10	9/00	9/00	10/25
Darjeeling Tea & Chin	30	30	30	100	197/00	197/00	195/00
Dilaram	8	4	..	100	102/50	102/50	102/50
Gielle	Nil	..	8 4/7	10	11/69	11/69	11/75
Lingia P.	15	10	17½	10	14/56	14/56	14/56
Longview	12½	10	..	10	11/00	11/00	11/00
Margaret's Hope	15	15	15	10	10/87	10/87	11/62
Mim	22½	27½	27½	100	191/50	191/50	191/50
Nagri Farm	30	25	35	10	27/25	27/25	25/44
Okayti	25	25	..	100	600/00	600/00	605/00
Pashok	10	Nil	..	10	20/00	20/00	20/00
Poobong	Nil	Nil	5	10	7/50	7/19	7/37
Pussimbing P.	Nil	Nil	Nil	10	7/12	7/12	7/75
Rungliee Rungliot	35	20	7½	100	386/00	386/00	386/00
Seeyok	15	Nil	..	10	8/50	8/50	8/50
Singell	Nil	Nil	Nil	100	36/75	36/75	36/75
Singtom	2	Nil	2	10	3/50	3/50	3/78
Soom	50	40	40	10	32/75	32/75	31/00
Sungma	15	15	20	10	14/31	13/94	14/62
Teesta Valley	Nil	..	8 4/7	10	13/12	12/00	13/37
Tukvar	Nil	Nil	..	10	7/00	7/00	6/00
DOOARS							
Banarhat P.	22½	21	21	100	216/50	216/50	273/00
Baradighi	30	25	25	10	22/19	22/19	24/25
Bhatkawa	15	15	20	10	16/56	16/56	17/12
Birpara P.	17½	12½	17½	100	156/50	156/50	151/00
Carron	20	5	7½	100	151/00	145/00	145/00
Choonabhuti P.	32½	20	20	100	210/00	210/00	262/00
Ellenbarrie	5	5	10	100	184/00	184/00	184/00
Engc	60	30	40	100	136/00	136/00	136/00
Ethelbari	5	5	7½	10	13/12	13/12	8/44
Gairkhata	25	20	11	10	21/50	21/50	25/12
Gopalpur	12	2	..	25	20/00	20/00	20/00
Hantapara P.	15	5	10	100	109/00	109/00	113/00
Hasimara P.	17	18	..	10	12/50	12/62	15/00
Huldibari	22½	..	19 2/7	10	12/94	13/31	14/69
Jaypuripara	10	Nil	Nil	10	10/69	10/69	13/50
Killcott	25	15	15	10	15/00	14/37	17/31
Manabarrie	10	6	..	10	59/50	59/50	56/37
Nagaisuree	25	15	15	100	140/00	140/00	169/50
New Dooars P.	35	20	14½	100	220/00	220/00	263/00
Oodlabari	12½	7½	..	100	129/00	129/00	127/00
Phaskowa	Nil	Nil	Nil	100	88/00	88/00	94/00
Rajabhat	Nil	Nil	6	10	12/12	12/12	12/12
Ranicherra	15	15	7½	10	12/25	12/25	16/75
Rydak	25	20	25	10	24/25	24/25	27/37
Sarugaon	40	40	40	10	36/31	36/31	36/25
TERAI							
Atal	5	..	..	10	8/75	6/75	8/15
Belgachi	20	20	..	10	22/50	22/50	20/50
Gungaram	20	12½	12½	100	131/00	131/00	158/00
Hansqua	20	15	17½	10	20/00	20/00	16/94
New Chumta	15	..	12 6/7	10	24/62	24/62	33/50
New Terai	22½	10	15	10	23/00	23/00	36/00
Panargoomiah	20	20	2½	10	15/00	15/00	31/12
Putinbaree	14	14	..	10	45/00	45/00	45/00
Tirrihannah P.	60	60	60	10	49/00	49/00	49/00
CHITTAGONG							
Kodala	Nil	Nil	..	10	9/25	9/25	9/25
Kornafuli	Nil	Nil	..	10	9/31	9/31	13/06
Oodaleah	Nil	Nil	..	10	8/00	8/00	8/00
SYLHET							
Chundeecherra	Nil	Nil	Nil	10	26/00	26/00	23/50
Dauracherra	22½	22½	20	10	7/94	7/94	7/87
Kaliti	Nil	Nil	..	10	10/00	10/00	9/25
New Samanbagh P.	25	Nil	Nil	10	18/37	18/37	20/81
Patrakola	32½	40	15	100	125/50	125/50	149/00
Rajnagar	Nil	Nil	Nil	10	9/50	9/50	9/56
Teliapara	22½	22½	10	100	99/00	99/00	99/00

† Hectares

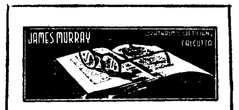
MISCELLANEOUS COMPANIES

NAMES	Dividends per cent 1960	1961	1962	Paid-up per Share Rs.	Latest Market Quotations as available until 4-9-63 Rs.	28-8-63 Rs.	A year ago Rs.
MININGS							
Burma Mines	23/5	Nil	Nil	3½S	0/44	0/44	0/44
Chrestien Mica Industries P.	15	12½	..	10O	10/40	10/40	11/12
	25	20	..	5Dd	6/87	6/87	8/85
Indian Copper Corporation	27	27	..	2s	4/82	4/74	4/70
Metal Corporation P.	Nil	..	..	10O	8/25	7/94	12/81
Orissa Mineral Development	36	28	20	10	27/50	27/12	39/00
CEMENT LIME, SLATE, ETC.							
Ashoka Cement	9	7	7	10	7/56	7/44	8/25
Assam Bengal Cement	..	..	..	10O	3/37	3/06	3/87
				11Dd	0/46	0/46	0/47
Bengal Potteries	15	..	..	2½	5/12	5/15	5/69
Bisra Stone Lime	30	30	10	..	35/00	35/00	35/50
Dalmia Cement (Bharat) P.	12	12	12	10O	12/31	12/31	13/87
				1Dd	3/00	3/00	3/12
Jaipur Udyog P.	6	8	8.36	10	10/94	10/62	13/19
Kumardhubi Fireclay & Silica P.	18	18	18	10	18/45	18/45	18/45
Orissa Cement P	15	15	10	10	13/81	14/00	17/12
Reliance Firebricks & Pottery	22	15	10	5	22/75	22/75	22/75
Sone Valley Portland Cement	4	6	8	10	4/47	4/28	4/91
Sutna Stone & Lime	27½	30	..	10	35/12	35/12	37/00
CHEMICAL INDUSTRIES							
Alkali & Chemical Corpn of (I)	12	15	15	10	32/50	32/00	46/69
Sathgate & Co Ltd P	Nil	..	..	5	0/84	0/84	0/80
Bengal Chemical & Pharm. P.	7	10	..	100	102/00	102/00	93/50
Calcutta Chemical P.	18	18	18	10	17/87	17/87	19/06
Frank Ross P	..	..	..	5	2/19	2/19	3/25
Smith Stanistreet P.	25	25	25	5	12/25	12/25	15/50
ELECTRIC LIGHTING, POWERS							
Agra Electric Supply	11	11	11	100	118/00	118/00	127/00
Bareilly Electric Supply	11	11	11	10	12/50	12/50	12/25
Benares Electric Supply	11	11	11	10	12/37	12/37	13/00
Bhagalpur Electric Supply	8	10	8	8	6/50	6/50	6/08
Calcutta Electric Supply	6	7½	7½	£1	14/69	14/65	15/25
Cuttack Electric Supply	7½	10	10	10	11/87	11/87	12/62
Dishergarh Power Supply P.	10	10	10	100	88/00	88/00	94/00
Jhansi Electric Supply	..	..	..	10	5/90	5/90	6/00
Jubbulpore Electric Supply	10	10	10	5	12/00	12/00	12/00
Mirzapur Electric Supply	..	..	..	10	11/50	11/50	12/25
Muzaffarpore Electric Supply	12½	12½	12½	10	11/12	11/12	10/75
Muttra Electric Supply	..	..	..	10	10/75	10/50	11/50
Patna Electric Supply	10	10	10	10	7/25	7/25	7/50
Shahjahanpur Electric P.	6½	6½	6½	10	8/50	8/50	9/06
Sijua (Dherriah) Electric	10	9	9	10	15/06	15/06	15/25
United Provinces Electric	11	11	11	100	117/00	117/00	126/00
Upper Jumna Valley Electric	13½	13½	13½	10			

MISCELLANEOUS COMPANIES—Contd.

NAMES	Dividends per cent 1960	1961	1962	Paid-up per share Rs.	Latest Market Quotations as available until 4-9-63 Rs.	28-8-63 Rs.	1 year ago Rs.
ENGINEERING & METAL							
Arthur Butler (Muzaffarpore) P.	..	..	..	10	14/94	14/94	14/50
Bhartia Electric Steel	10	10	12½	10	13/50	13/50	13/06
Braithwaite India	25	25	14	10	29/94	29/75	35/00
Bridge & Roof	30	30	30	10	52/25	52/25	52/25
Britannia Building & Iron P.	Nil	Nil	Nil	10	3/75	3/75	3/65
Britannia Engineering P	10	10	10	10	9/87	9/81	11/50
British India Electric Cons	45	20	15	10	33/12	33/12	33/25
Burn P (Engineering)	28½	28½	25*	100	542/00	572/00	704/00
Calcutta Steel	15	15	15-12½*	10	12/87	12/87	15/25
Dalmia Iron	10	10	10	10	10/75	10/81	12/12
Guest Keen Williams	16	14	14	10	32/56	31/37	37/94
Hooghly Docking	Nil	Nil	12½	50	108/00	108/00	102/00
Indian Iron & Steel P.	15	16	16—16*	10	23/64	22/94	27/50
Indian Malleable Casting	Nil	..	..	1Do	1/81	1/81	2/00
Indian Standard Wagon P.	28½	28½	28½-20*	10	31/00	30/37	34/75
Indian Steel & Wire Products	22	24	23	100	39/00	39/00	55/50
Industrial Containers	Nil	10	10	10	21/37	21/37	22/00
Jay Engineering	17 1/2(1)	..	15	10	20/87	20/87	..
J. K. Steel P	20	20	10	10	14/19	14/19	17/06
Jessop & Co P	8.58	8.58	8.58	10	25/12	24/75	22/87
Kumardhubi Engineering P.	10	11½	15	8	9/00	8/94	7/69
Marshall Sons (India)	Nil	Nil	Nil	2	2/62	2/50	3/41
National Iron and Steel	Nil	Nil	Nil	10	4/75	4/62	5/12
Saran Engineering	6½	10	12½	4	8/50	8/50	9/50
Steel Containers	30	20	20	10	29/50	29/50	22/50
Textile Machinery	10	10	..	10	23/85	23/40	23/25
SUGAR BREWERIES ETC.							
Bairampur Sugar	8	8	4	2½	1/95	1/95	2/50
Belsund Sugar	18½	10	6 2/3	7½	8/25	8/25	10/00
Bharat Sugar P.	..	..	..	10	13/00	13/00	13/00
Carew (Sugar) P	Nil	Nil	Nil	10	10/87	10/94	13/19
Cawnpore Sugar P.	Nil	Nil	Nil	10	9/75	9/75	12/69
Champaran Sugar	15	12	Nil	10	15/87	15/87	17/12
Durbhanga	4	Nil	5	10	8/12	8/12	9/06
Dyer Meakin (Breweries)	25	30	..	5	29/12	27/00	31/94
New Savan Sugar and Jur	..	..	..	10	4/44	4/44	5/25
Purtabpur Sugar P	..	..	..	10	11/50	11/50	11/50
Ramnugger Cane & Sugar P.	30	35	30	10	26/50	26/50	30/12
Raza Buland	12½	10	10	10	9/60	9/75	9/75
Ryam Sugar P.	..	..	..	10	5/20	5/20	8/06
Samastipur Central Sugar	..	..	..	10	6/00	6/00	9/62
Shree Krishna Gyanoday Sugar P.	15	..	..	10	7/56	7/31	9/19
Shree Sitaram Sugar	..	..	..	10	7/12	7/12	7/12
Sitalpore Sugar	4	Nil	Nil	10	6/12	6/12	6/62
United Provinces	15	5	Nil	10	9/00	9/00	14/72
Upper Ganges Sugar P.	72½	72½	72½	10	62/00	62/00	77/06
MISCELLANEOUS							
A Firpo (Restaurateur)	7½	10½	5	10	6/90	6/90	6/90
Aluminium Corporation P.	12	12	12	10	14/25	14/00	17/37
Anderson Wright Ltd P.	11½	Nil	..	10	11/50	11/50	11/50
Angelo Bros	25	28½	28	10	24/00	23/81	24/69
Assam Match	18	20	20	10	13/50	13/50	28/75
Assam Saw Mills & Timber	Nil	Nil	3	3	2/50	2/50	2/87
Associated Battery	28	15	15	10	23/81	23/81	30/50
Associated Hotels of India P.	Nil	10	10	10	10/31	10/31	10/31
Balmer Lawrie & Co.	25	25	25	100	246/00	248/00	257/00
Bararee Coke	Nil	Nil	15*	10	21/37	20/87	27/00
Birds Investments P.	5½	10	10	10	10/75	10/75	12/50
Britannia Biscuit P.	25	30	21*	10	41/00	42/25	45/00
British India Corporation P.	4	7	9	5	7/87	7/69	10/03
British Paints	12½	15	10	10	19/56	19/94	21/94
Calcutta Silk Manufacturing P.	Nil	Nil	..	10	6/94	6/94	7/15
Clive Row Investment	6	7½	7½	10	8/41	8/75	8/25
Duncan Brothers & Co Ltd P.	14	14	14	100	147/00	147/00	157/50
Dunlop Rubber Co (India) P.	21½	20	15	10	32/62	31/37	39/50
Eastern Investments Ltd. P.	14	14	12	100	106/00	106/00	129/00
Electric Construction	10	10	10	10	12/87	12/50	15/50
French Motor Car	20	20	..	20	35/12	35/12	34/50
Ganges Rope	17½	20	20	100	236/00	236/00	236/00
General Investments Trust P.	5	5	5*	25	43/00	43/00	43/00
Gillanders Arbuthnot & Co Ltd P.	10	11	11	10	14/37	14/19	15/25
Gladstone Lyall & Co Ltd P	6 2/5	..	..	10	..	..	..
Godfrey Phillips (India) Ltd P.	40	40	30	10	28/12	28/12	33/25
Great Eastern Hotel	9	6	..	250	225/00	225/00	241/00
Hindustan Aluminium P.	Nil	..	..	10	13/06	12/81	16/87
Hindustan Motors P	9	12	11½*	10	17/00	16/50	19/31
Hindusthan Pilkington	..	..	..	10	15/81	15/81	20/56
Hindusthan Tewtools P.	Nil	Nil	Nil*	10	14/00	14/06	15/75
Hoare Miller & Co Ltd	5	6	..	10	5/50	5/50	6/56
Imperial Tobacco	8	9	9	10	10/50	10/12	11/56
Indian Aluminium Co. Ltd. P.	15	15	17½	10	35/87	35/56	36/94
Indian Cable P.	22½	22½	22½	10	33/50	33/50	37/50
Indian Oxygen	15	15	12	10	26/00	27/00	49/75
Indian Rubber Manufacturers P.	30	30	36	10	19/87	19/87	20/94
Indian Wood Products	30	30	30	10	29/62	29/25	33/50
Isaac Holdens	..	Nil	..	100	15/62	14/75	16/87
Investments and Finance P.	7½	7½	7½*	10	55/00	55/00	55/00

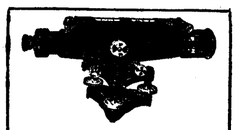
NAMES	Dividends per cent 1960	1961	1962	Paid-up per Share Rs.	Latest Market Quotatio as available until 4-9-63 Rs.	28-8-63 Rs.	ago A year Rs.
J. K. Synthetics	..	8	..	10	10/50	10/12	14/62
James Wright P.	..	..	..	50	2/75	2/75	2/75
Jardine Henderson Ltd P.	7	7	6	100	87/00	85/50	81/00
Jay Shree Industries P.	14	12½	..	10	16/19	16/00	17/12
Kesoram Industries P.	8	12	12½	10	23/69	21/69	28/50
Macfarlane & Co	..	..	..	50	7/00	7/00	7/31
	..	..		1Do	2/10	2/19	2/50
Macneill & Barry Ltd P.	8	8	7½	100	93/50	93/50	93/50
Martin Burn Ltd P.	27½	27½	25	10	27/00	26/50	31/75
McLeod & Co P.	15	15	18	100	210/00	210/00	250/00
Metal Box Co. of India Ltd P	25	25	19	10	49/37	46/50	55/50
National Insulated Cable P.	25	25	25	10	22/62	22/44	31/37
National Pipe & Tubes P.	20	20	20	10	24/69	24/69	33/50
National Rolling & Steel Rope:	15	15	15	10	20/50	20/59	22/75
National Rubber P.	Nil	6½	8	10	10/37	10/37	12/09
National Tobacco P	16	7	7	10	11/69	11/62	13/12
New India Investment Corpn.	6.7	..	..	75	65/00	65/00	70/00
Octavius Steel P.	10	7½	7½	100	..	..	..
Philips India	12	12	13	10	26/00	26/00	27/00
Publicity Society	10	75	75	4	22/62	22/62	30/75
Rallis India P	4	8½	8½	100	121/00	113/00	155/00
Rohtas Industries P.	20	10	8	10	11/44	11/50	14/37
Sirsilk P	Nil	..	..	10	9/00	8/94	10/12
Sen Raleigh Industries P.	8	8	8	10	14/50	14/50	18/87
Shaw Wallace P.	15	15	7½	10	16/69	16/31	20/19
Spencer's Hotel	2½	2½	..	2	0/65	0/65	0/94
Union Carbide	18	18	12½	10	39/25	38/75	48/25
Walford Transport	20	20	..	1PO	2/06	2/06	2/50
	30	30	..	10	3/62	3/62	3/56
INSURANCE COMPANIES							
Concord of India	20	20	20	5	10/62	10/37	11/50
Hercules	22½	26½	26½	10	22/56	22/56	25/17
Ruby General	10	13½	15⅝	5	9/19	9/19	9/87
Standard General	..	..	..	10	6/25	6/00	8/00
Triton	45	60	50	25	124/00	124/00	127/50
FLOUR MILLS							
Bengal	40	25	25	10	29/00	29/00	35/00
Delhi P.	..	..	..	10	14/00	14/00	14/00
Ganesh P.	..	..	..	12½	13/37	13/19	16/50
Hooghly	15	Nil	Nil	10	19/75	19/75	19/75
United	35	10	7½	10	27/81	27/81	30/00
OIL COMPANIES							
Attock Oil	13½	13½	..	£1	sh. 35/3	sh. 35/6	sh. 28/1½
Burmah Oil P.	9-3/8	..	..	£1	sh. 63/7½	sh. 63/7½	sh.37/7½
Indo Burmah Petroleum P.	20	25	22½	10	21/37	21/19	25/75
Tide Water Oil	30	35	35	10	27/12	27/12	23/31
PAPER MILLS							
Bengal P.	32	27½	20	10	25/94	26/06	33/75
India Paper Pulp	15	13	12	10	17/87	17/62	20/06
Orient Paper P	22½	22½	22½	10	34/80	34/40	43/05
Shree Gopal Paper P.	17-6/7	17 6/7	17 6/7	10	23/37	22/25	25/31
Sirpur P	6½	6½	..	10	11/94	11/56	13/75
Star Paper P.	Nil	Nil	Nil	10	8/56	8/87	10/00
Titaghur P.	10	13	13	2½PO	3/87	3/87	3/75
	25	20	10	10AO	16/37	16/12	35/75
	25	20	10	10BO	16/37	16/12	35/75
West Coast P.	6	7½	..	100	125/00	125/00	167/00
PRESSING COMPANY							
Camperdown	11	11	..	100	104/00	104/00	100/00
REAL PROPERTY STORAGE							
Bengal Bonded Warehouse	11	8	8	A500	1050/00	1050/00	610/00
				Bs2½	135/00	135/00	77/25
				C10	122/00	122/00	122/00
				D12½	14/19	14/19	14/75
Calcutta Safe Deposit	..	..	..	100	7/87	7/87	7/50
Humayan Properties P.	6	..	..	10O	11/00	11/00	11/00
	Nil	..	..	1Do	2/10	2/19	2/15
Midnapore Zemindary P.	Nil	Nil	Nil	25	10/37	10/37	11/12
TRAMWAYS & STEAMER							
Bengal Assam Steamship P.	7½	7½	..	100	135/00	135/00	110/00
Calcutta Landing & Shipping	6½	7½	22	10	34/00	34/00	35/50
Calcutta Steam Navigation	10	Nil	Nil	10	8/25	8/25	7/75
Calcutta Tramways P	..	..	..	£1	11/06	10/81	11/94
Fraser	Nil	..	..	10	10/00	10/00	10/00
India General Nav Railway P	Nil	..	..	£10	45/00	45/00	64/50
India Steamship P.	10	Nil	Nil	10	6/75	7/06	6/37
Port Shipping	Nil	Nil	..	10	14/37	14/44	12/06



PLEASE CONTACT
JAMES MURRAY
& COMPANY LIMITED
5, Old Court House St.,
Calcutta-1.
Phone : 23-2938.

CAPITAL

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FOR SURVEYING INSTRUMENTS
PLEASE CONTACT
JAMES MURRAY
& COMPANY, LIMITED
5, Old Court House St.,
Calcutta-1.
Phone : 23-2938.

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GOLD CONTROL, C.D.S. SLASHED BUT MAIN TASK REMAINS

WHEN Mr. T. T. Krishnamachari took over as Central Finance Minister four weeks ago, it was widely predicted that he would soon get down to the job of lopping off the tallest poppies in the fiscal-economic garden inherited from Mr. Morarji Desai. The argument was that just over six years ago Mr. Krishnamachari had produced a thumping Budget distinguished by his own private hybrid of Kaldorian poppies, a Budget which sent the economy headlong towards ruin. The fortuitous intervention of Mr. Mundhra apart, it fell to Mr. Desai's lot to lop the poppies off—by abolishing the expenditure tax and the wealth tax on companies, and by cutting the bonus issue tax. To celebrate his return to the Finance Ministry, the soothsayers said, Mr. Krishnamachari would reciprocate the compliment by running his scythe through the gold control rules, the compulsory deposit scheme and the super profits tax. Having relieved himself of one or two formal tributes to "my distinguished predecessor", this in fact is just what Mr. Krishnamachari has now done, or begun to do. His statement in Parliament last Saturday leaves the super profits tax intact—one hopes only for the time being. But the gold control rules have been amended in such a way as to bestow the kiss of legislative sanction on what had hitherto been the most popular form of evasion. As a fiscal measure, the compulsory deposits scheme becomes a faint ghost of its former self; certainly the original objectives of the scheme have been jettisoned in a manner that must bring grief to the already wounded heart of Mr. Desai.

The changes in the gold control rules are mainly two. Superficially, both look reasonable and innocuous. They are seemingly designed only to help goldsmiths left with no work to do. But their main effect may be to legalise India's second favourite pastime—the making and remaking of gold ornaments in cheerful disregard of the gold control rules (the first favourite among pastimes will be discussed in a future article on the growth of population). The more important change specifies that, on certain conditions, self-employed goldsmiths will be allowed to convert existing ornaments containing gold of a purity of more than 14 carats into other ornaments containing gold of the same purity. Hitherto, the rule was that if existing ornaments were converted into new ones, the gold content of the new ornaments would have to be reduced to 14 carats or less. The second change is that out-workers (goldsmiths working on gold in their own houses in order to execute orders received from licensed dealers) will be allowed to handle limited stocks of primary gold of a purity of up to 14 carats. Mr. Krishnamachari has said that the Gold Control Board is being abolished; most of its functions are being taken over by the Gold Control Administrator just appointed in the Department of Revenue. Furthermore, instead of being an insecure appendage to the Defence of India Rules, the gold control rules are to be blessed with a measure of permanence by being embodied in a formal Bill which, when presented to Parliament, will outline the short-term and long-term objectives of the Government's policy.

In considering the changes, the preliminary point to make is that any Finance Minister would be in an unenviable dilemma if faced with the gold control rules, since he would have to reconcile three conflicting factors. The first is that, in principle, the purpose of the rules is basically sound—to reduce the demand for gold, and thus discourage smuggling and the leakage of foreign exchange. The second is that, by attacking old social customs, the rules have proved to be extremely unpopular politically; from no quarter has the opposition been more ferocious than from the gold-hoarding money-bags who support the Congress Party. The third factor is that evasion of the rules has been flagrant and widespread, as a result of which an ass has been made not only of the law but also of the law-enforcers. It is significant, for instance, that a few days before Mr. Krishnamachari was due to make his statement, huge quantities of smuggled gold arrived in India in the hope that prices would rise when the Finance Minister announced the expected liberalisation. No more revealing commentary could be found on how effective the vigilance of the Customs and excise authorities is. So greaf, in fact, has the inflow been that the black market value of the rupee has slumped to a level not often seen before.

Mr. Desai, fresh from the delights of self-delusion in prohibitionist Bombay, could indulge his addiction to the same delights while ruminating over the supposed effectiveness of the gold control rules. But the choice before Mr. Krishnamachari was different. He was obliged either to advance or to retreat—either advance, that is, by imposing rigid controls over gold ornaments, accompanied by ruthless penalties, or retreat by relaxing the gold control rules. Freshly returned to the political arena, it is not surprising that he has chosen the latter, more popular, course. The greatest of men would be forgiven if four years in the political wilderness, and one-and-a-half in the shifting sands of nebulous Cabinet portfolios, left them feeling the desperate need to paint up their Party image. Congress members of Parliament are reportedly delighted that Mr. Krishnamachari has carried bundles of work back to self-employed goldsmiths who had supposedly been deprived of their income. Smugglers too are said to be delighted—on the ground that the transformation of bars into crude ornaments and then into finer ones will now be easier, and disposal problems will therefore be fewer. Many are hoping that the promised Bill will carry the newborn pragmatism about gold control a stage further: it may reaffirm the Government's unshakeable determination to proceed with gold control, maintain the rules intact, impose more drastic penalties—but then offer a minor concession by providing that the law will apply only to gold of more than 101 percent purity.

If political opportunism has determined the changes in the gold control rules, the same noble

quality has played an even more prominent rôle in determining the changes in the compulsory deposits scheme. Stories had been current for some months that whoever first thought the scheme up (and rumour has it that it was not Mr Desai) hadn't the foggiest idea what he was talking about. The main effect of Mr. Krishnamachari's statement now is to confirm that the stories were correct. A fuller version of the statement is reported by our New Delhi correspondent on page 465, but the gist of it can be given here. By implication, it seems to say that the scheme cannot apply to land-revenue payers, although the last Finance Minister in his ignorance thought it could. Nor can it apply to sales-tax payers or urban property holders, about whose assessment procedures too the last Finance Minister was rather ignorant. To collect compulsory deposits from those who earn over Rs. 1,500 a year but are not subject to income tax is an awful nuisance, which also the last Finance Minister happened not to know. Mr. Krishnamachari has, therefore, now decided that the several million people belonging to these four categories will have to be exempted, in addition to the several million already exempted by Mr. Desai shortly after he recovered from his transports of joy at having presented such a devilishly clever Budget. The only category to which the compulsory deposits scheme will now apply consists of income tax payers; Mr. Krishnamachari has informed them that it is a divine blessing, since they would have to pay the full Union surcharge on after-tax incomes if they did not pay compulsory deposits (as if the former could not have been amended suitably).

In the process of chopping and changing, the whole purpose of the compulsory deposits scheme has been completely and conveniently forgotten. One purpose was to compel the relatively poorer classes, who may not be saving much voluntarily, to save at least something; in this sense, it was an alternative to broadening the direct tax base by lowering the exemption limit for tax purposes. A second purpose was to put more money into the coffers of the State Governments, since they had not themselves found the courage to raise more resources through land revenue. The third purpose was to ensure that apart from the Rs. 35-odd crores going to the States, the neat little sum of Rs. 25 crores would come to the Centre. Now the Rs. 35 crores which would have gone to the States has vanished, since the States have spat in the Centre's eye and declared that they will not implement the scheme. A fair proportion of the Rs. 25 crores which was to have come to the Centre has also vanished, although Mr. Krishnamachari did not care to say how much. The relatively small total that will be coming will come from income tax payers—a category of people who already by and large save on a substantial scale voluntarily. The net result of the C.D.S. changes, therefore, is cheerfully to allow non-saving among non-savers, while subjecting voluntary savers to forced saving. A fiscal system based on such premises may not strike everybody as the finest showpiece of the Indian intelligence.

The point, surely, is this: from a purely administrative point of view, the compulsory deposits scheme was unworkable from the start. But it is the height of foolishness to pass a law, and then run round like decapitated chickens wondering how it is to be worked. Mr. Krishnamachari may one day be obliged to tell Parliament about the fortune wasted on such folly: the post offices, the State Bank and some commercial banks have spent large sums of money, a very substantial proportion of which will now go down the drain with the amputation of the compulsory deposits scheme. The mistake having been made, if the scheme really is unworkable for *all* the categories of people now exempted, Mr. Krishnamachari has done the right thing by scrapping it. But it is simply not fair or equitable to maintain it for the minority of people for whom it was originally not meant at all. Admittedly, simply to abolish the scheme, and leave the Union surcharge on after-tax incomes unchanged, would be to compound an already serious injustice. There is no reason, however, why the compulsory deposits scheme could not have been scrapped in its entirety, and the Union surcharge adjusted downwards to a corresponding extent.

As it is, the inconvenience and bother of collecting compulsory deposits will continue to be very considerable, and will be suffered mainly by employers. If the scheme is to be retained at all, the thing to do is to keep it only as an alternative to voluntary saving. Those contributing adequately to life insurance, provident funds, small savings or other media can be given complete exemption from compulsory deposits, provided they produce evidence of the former contributions being made each year when they go for tax assessment. The responsibility for producing the evidence and claiming the exemption would then rest on the individual rather than the employer Only in this way might there be some faint hope of the bother being reduced, and of the receipts from small savings compensating for the money lost through the amputation of the scheme.

Political expediency has made it necessary for Mr. Krishnamachari to attend first to the gold control rules, and then to the compulsory deposits scheme. The changes in both have been welcomed in the stock market, but in the short run they are of no direct significance for equity prices or for the main task ahead—to get the economy moving on a wave of confidence again. If people can make and remake gold ornaments with an easier conscience than they used to do, that is no reason why Indian Iron shares should go up. Nor is there any reason for the shares rising merely because a motley gang of farmers, petty traders, house-owners and *chowkidars* are not going to pay compulsory deposits. If equity prices have risen nevertheless, the main reason is that the speculators now parading up and down Lyons Range (as well as Dalal Street) feel that last Saturday's changes show the new Mr. Krishnamachari to be a man of sweet reasonableness, flexibility and pragmatism. From this (especially if your broking business recently has been poor) the presumption runs smoothly that he will be as sweetly reasonable, as flexible and as pragmatic about the super profits tax as he has been about the gold control rules and the compulsory deposits scheme. In other words, if certain gentlemen in Lyons Range are to be believed, one would think that the new Finance Minister's only remaining ambition in life is to fire a howitzer into the S.P.T.

Experience suggests that reality does not always correspond to the dreams of the gamblers. Some newspapers have reported Mr. Krishnamachari as telling the Congress Parliamentary Party that he does not intend to make any tax changes until the next Budget. Others recall him as saying only a few days ago that he would not make any big changes in the compulsory deposits scheme, whereas it now transpires that only those armed with specially curvaceous concave lenses could consider the changes actually made to be small. Yet others say that the new Finance Minister, a patriot to the last, is keeping a night-long watch for the man-eater who will help him chew up the S.P.T. at the very first opportunity.

From the vague indications available so far, however, it seems unlikely that any important tax changes can be announced before the next session of the Lok Sabha in November. The possibility is that Mr. Krishnamachari may meanwhile try to improve the economic mood as reflected in the stock market by first easing the stiff credit restrictions now in operation—restrictions of which he seems to be a less ardent admirer than the Reserve Bank. The easing, as such, would be justified, but it can hardly do lasting good to a market depressed by more powerful influences. Mr. Krishnamachari could, if he wished, delay the jettisoning of the super profits tax until February next year. But it would be unfortunate if he decided to do so, for each day's delay would mean the postponement of the economic recovery which it is within his power to stimulate.

WORKING THE CREDIT PUMP

In a bid to revive the Indian economy which has been stagnating for two years now, Mr. T. T. Krishnamachari, the Central Finance Minister, has lost no time in trying to locate the weaknesses. One of the first things which has attracted his attention is the Government's monetary policy. In order to ensure economic stability by checking inflation, the Reserve Bank has so far enforced a restrictionist credit policy. The effort has unfortunately produced several adverse results without fulfilling its main objective. Inflationary pressures have, in fact, been aggravated since the increase in the supply of goods has fallen short of the increase in the total money supply. Industrial growth and agricultural production have been hampered by the shortage of funds. Not only has the credit supply been short in relation to requirements; its cost has also increased substantially. The recent talks between the Finance Minister and the Governor of the Reserve Bank indicate that a move is afoot to liberalise credit. Press reports from Bombay suggest that during the next busy season, the Reserve Bank might decide to substitute the present three-slab lending system by a single-slab one, under which the Reserve Bank would lend to the scheduled banks at Bank rate. The amount of credit given would be equivalent to their balances with the Reserve Bank. Further credit would be extended at the discretion of the Reserve Bank at an interest rate somewhat higher than the Bank rate of 4½ percent. Such a move, if introduced, would certainly make borrowing cheaper. But whether it would automatically lead to an expansion of credit depends on the discretion of the Reserve Bank itself.

The importance of liberalising credit under the present circumstances cannot be exaggerated, considering that the working of trade and industry has been harmed by the shortage of funds. There is no point in restricting credit in such a way that the legitimate requirements of the economy cannot be met. The Reserve Bank has extensive powers to enforce its selective credit control policy and to inspect all bank advances freely, so there is no reason why the credit supply should be misused. In recent months, there has been hardly any evidence to show that bank credit has been used for speculation or hoarding. One of the disturbing consequences of the restrictionist policy is that a large part of the money supply has moved outside the banking system.

The attempt of commercial firms to solicit public deposits is largely attributable to the fact that they have found it difficult to obtain their full requirements from the banking system. The high cost of bank finance has also discouraged borrowing from banks. No monetary policy, even if it can be meticulously enforced, can ever achieve the desired results while a large part of the credit supply circulates outside the banking system. Until indigenous bankers can be brought within the control of the Reserve Bank, it will be difficult to enforce the official credit policy effectively. Several attempts to bring the indigenous bankers within the control of the organised monetary sector have proved abortive in the past. But it is hoped that the new Finance Minister will seriously endeavour to consolidate and unify the credit structure by linking the constituents of the unorganised monetary sector with the Reserve Bank.

Although the credit liberalisation move would be welcomed in principle, financial circles think that the banks might not require very large funds from the lender of last resort. Trends during the current slack season have turned out to be contrary to earlier expectations. The contraction of credit so far has been Rs. 124.60 crores, which is much larger than in the corresponding period of the 1962 slack season, when it was Rs. 34.77 crores. Deposits of scheduled banks have risen by Rs. 118.83 crores compared with a rise of only Rs. 55.10 crores in the corresponding period of 1962. It is thought, therefore, that the banks will have sufficient resources of their own to meet the requirements during the coming busy season. This apart, investments in Government securities have risen by Rs. 132.75 crores, compared with an increase of Rs. 69.52 crores in the corresponding period of 1962.

But the banks will not be able to rely heavily on securities for raising additional cash to meet credit requirements, since they have been asked to increase their investments in relation to deposits.

The credit liberalisation move nevertheless implies that cheaper credit from the Reserve Bank will lead to a general softening of interest rates. Although a higher interest rate is considered by some to be an anti-inflationary weapon, the time has come to examine whether the present market rates of interest have not bcome prohibitive in some cases. Because they are high, production costs in industry have been inflated. The adverse effects have been far more harmful in the case of new companies. Several of them have been seriously embarrassed since project costs have risen far above the original estimates. At the same time, companies have been compelled to borrow more since it has been extremly difficult to raise funds from the open market due to the lack of investment confidence. If factories are set up with costlier funds, new companies will take a long time to break even.

The success of the exercise in credit liberalisation will depend on how the policy is implemented. Since official thinking has been concentrated on the resources of Government financial institutions, it is feared that the question of adding to the funds of the banking system may not receive the attention it deserves. It should be remembered that banks constitute the best organisation through which credit can be channelled for productive purposes. Government financing institutions have played an important rôle in industrial financing, but their scope has been restricted by the elaborate procedures they have to follow. Experience shows that the disbursement of funds by the Industrial Finance Corporation and State Financial Corporations has lagged far behind commitments largely because of the elaborate procedures and formalities. These institutions are able to raise funds from the open market more easily than private institutions since they enjoy the credit of the Government.

The cheerfulness of the stock market on hopes of credit liberalisation is difficult to understand. If bank credit is to be expanded, it is doubtful whether it will be diverted into stocks and shares. The banks have several ways of employing the new funds profitably; they are also chary of investing more in stocks and shares. Excessive importance seems to have been attached to the idea that more liberal bank advances against shares will help the revival of confidence in the stock market. It is doubtful whether under the present circumstances, investors would be inclined to use bank funds for buying shares. First, the borrowing cost is too large. Secondly, the prices of several shares are rather high in relation to the dividend yields. Thirdly, the prospect of wide fluctuations in the stock market cannot be ruled out considering that it is very sensitive to political developments.

If credit is to be liberalised, it is necessary to divert a large part of it to industries. Although more than 50 percent of bank advances go for industrial financing, there is still scope for extending credit in this sphere. Short-term credit requirements have been fairly adequately met, but industry has found it difficult to get medium-term credit. The demand for term loans has risen in recent years with the expansion and diversification of activities. The banks should, therefore, be encouraged to increase their medium-term industrial financing—which they can do if steps are taken to simplify the procedures under which the Refinance Corporation is permitted to extend credit facilities.

AID FROM BRITAIN

THE White Paper on *Aid to Developing Countries* published last week by the British Government highlights the major trends in Britain's external assistance. Firstly, the economic aid given by the U.K. to the developing countries has doubled from £81 million in 1957-58 to £160 million in 1961-62. It may exceed £180 million during 1963-64. The aid outlay has, in fact, risen faster than any other item of Government expenditure during the period. The assistance has gone mostly to Commonwealth countries, which together accounted for about 85 percent of the total last year. Secondly, British private investment abroad too has been high, the annual rate being about £300 million. Although about half of this has flowed to the developing countries, the major portion of the investment has taken the shape of reinvested profits. New private capital has generally sought areas offering a favourable investment climate, like the U.S.A., Canada, Europe and Australia.

Mr. Reginald Maudling, Chancellor of the Exchequer, told a Press conference in London last week that aid from public and private sources amounted to about 1¼ percent of the gross national product. The larger outflow of aid funds indicates that Britain recognises its responsibilities to the developing countries, particularly those which were under its tutelage until recently. The amount of aid given depends primarily on Britain's balance of payments position. If it is "tied" to products in which Britain has surplus capacity, the volume of assistance could be more since it imposes less strain on the balance of payments. Mr. Maudling referred to steel, ships and railway equipment as instances of aid from surplus capacity. To the developing countries, which are starved of industrial raw materials and capital goods, aid "tied" in this sense should be quite welcome, provided prices are competitive; unfortunately, this has often not been the case.

As for future trends, Mr. Maudling visualises a steady increase in the volume of aid. He has also offered easier terms for loans, such as postponement of repayments and waiver of interest during the first seven years in certain cases. These concessions would mean reducing the effective interest rate over the entire period from 5½ percent to less than 3 percent. These liberalisation has no doubt been prompted by the acute balance of payments difficulties of the aid-receiving countries, which are already bearing heavy burdens in terms of interest charges and loan repayments. In fact, some of them are using a portion of the new loans to meet their old obligations.

The effective interest rate of less than 3 percent offered by Britain compares favourably with the World Bank's rate of 5¼ percent and the U.S. Export-Import Bank's rate of 5¾ percent at which India has been borrowing funds. In fact, British credits during the second plan period carried interest at the rate of 6¾ percent. So the liberalisation should be welcome. West Germany too has lowered the interest on part of its loans to India to 3 percent, although interest on some of the credits is 5½ percent and on others 5¾ percent. But India has been offered the most attractive terms by the U.S. Agency for International Development, whose credits bear an interest of only ¾ percent. The *Financial Times* of London has gone so far as to suggest that the really generous gesture for Britain would be to "give much more through the I.D.A., which lends for 50 years at no rate of interest." As that paper observes, the U.K., with the U.S.A., has no doubt given a lead in canalising aid through the I.D.A., "but the amounts pledged are still far below those that are required".

Since the beginning of the third plan, Britain's loan commitments to India amount to £125 million, exclusive of defence aid. The contribution for the current year will be £30 million, of which agreements have already been signed for a general purpose loan of £10 million and another loan of £3.5 million for importing steel plates and other steel products. Among the ten member-countries of the Aid-India Club, Britain is the second largest contributor, the U.S.A. being the first with commitments amounting to $435 million. The largest amount of British aid has so far gone to the Durgapur steel plant, which was set up by a consortium of British companies. The entire contract cost £100 million, of which half was used to import machinery from Britain, and the rest was spent in rupees in India. The Durgapur plant has been allotted £22 million for expanding its capacity to 1.6 million tons out of the £95 million lent for the first two years of the third plan. Other major projects financed out of British credits are the Heavy Electricals plant in Bhopal, two fertiliser plants and the expansion of a power station.

The White Paper concedes that India's foreign exchange position "calls for an increasingly large proportion of British aid to be made available in a form which can be quickly disbursed". The use of credits tied to specific projects depends on the progress of the projects and also on the manufacture and delivery of the machinery and equipment. This introduces an element of uncertainty and delay, factors which have been responsible for the painfully slow use of tied loans by India. Lately, there has been a swing away—moderate though it may be—from project loans. The Aid-India Club's pledges for the current year have left about 38 percent (over $400 million) of the total aid in non-project form. The largest contributor, the U.S.A., has pledged half of its assistance in the form of non-project loans. But the tendency to tie credits to purchases in the donor countries continues. Considering the idle industrial capacity in the aid-giving countries, this is understandable; but it may not be very helpful for aid-receiving countries which would prefer to have the freedom to use aid funds for purchases from the cheapest source.

RUNNING STATE ENTERPRISES

TWO developments last week once again brought to the fore the urgent need for basic changes in the structure and organisation of public enterprises. Of these, the announcement made by the Central Minister for Steel and Heavy Industries, Mr. C. Subramaniam, was the more dramatic because it promised immediate reforms to reinforce autonomy in two enterprises—the Durgapur steel plant and the Sindri fertiliser factory—as an experiment which may later be extended to others. The other development was the long-delayed move to constitute a standing committee of Parliament to watch over public undertakings, the first step towards removing day-to-day operations from the ambit of Parliamentary scrutiny.

The implications of either development cannot be understood without looking into the nature of the problem by the somewhat conflicting requirements of public accountability and autonomy. The two concepts are not easy to reconcile in any country, but the difficulties are greater in India because parliamentary conventions have not yet developed to limit the scope of legislative probing in the affairs of State-owned undertakings. This is obvious from the instance furnished by the Lok Sabha last week when it interested itself in the matter of a single advertisement that Air India published in a few of overseas publications. Clearly no issue of principle was involved but only a matter of decision whether the text of the advertisement, captioned somewhat provocatively, was in poor taste. Anyone who has read the advertisement, which has incidentally never appeared in India, will be at a loss to understand what made some members of the Lok Sabha take offence. The only possible explanation is that they may have

India's Resources
are Precious
WASTE NOT,
WANT NOT

been placed at a disadvantage because of unfamiliarity with the kind of humour that Air India indulged in, and so dubbed as bad and objectionable what they surely failed to understand.

The fate of this advertisement is unimportant. But the point is important that if every action of a public undertaking is liable to come up for Parliamentary scrutiny, Ministers cannot be blamed for deciding personally every detail of their operations, which of course makes nonsense of autonomy. This applies especially to the Finance Ministry which, as the custodian of public funds, has the responsibility to guard against their misuse. Looking over the Finance Ministry's shoulder is the Auditor-General who must satisfy himself that every naya paisa is properly and fully accounted for. This is indeed the duty vested in him by the Constitution, whose authors prized the idea of independent scrutiny over Government spending highly. It follows that no matter whether an enterprise is constituted as a statutory corporation (such as Air India, the L.I.C., or the D.V.C.,) or as a Government company (such as Hindustan Steel, the N.C.D.C or the Heavy Engineering Corporation), it is never beyond the reach of the Auditor-General.

The Constitution prescribed for audit, and as a corollary, for book-keeping. But it does not say anything about the spirit which should inform either activity. That both are almost invariably conducted in a peculiarly pettifogging manner is highly unfortunate, especially because of the inhibiting influence this has on initiative in public undertakings. But then it is not the individuals who are to blame, but the system which refuses to take anything or anyone on trust. Even more damaging is the fact that both accountants and auditors now functioning in public sector enterprises have never before in their lives have had anything to do with any industry, let alone the particular branch in which they work. This lack of experience understandably makes them nervous and apprehensive of being hoodwinked by the operating management, and they are, therefore, all the more demanding. There is, for instance, the story of a Finance Director who at a cocktail party heard about continuous casting, a revolutionary development which might some day render the blooming mill of a steel plant obsolete. The next morning he was on the telephone demanding to know why a project then being considered should have provided in its design for a blooming mill installation.

The delays and frustrations which arise in public enterprises because of the need to satisfy the financial watchdogs at every step are well-known. It is now widely thought that excessive financial scrutiny is one of the major reasons for their poor performance, accounting for the delays in the completion of projects and for unsatisfactory results subsequently. If every purchase, every sale and every appointment must meet the procedural requirements established by time-honoured conventions of financial propriety, there is not much hope of accelerated development. This is the crux of the problem, and no solution is possible except by persuading Parliament to curb its curiosity. It is unlikely that a sovereign legislature will agree to any such limitation unless an alternative form of supervision is available. In Britain, this has taken the form of a select committee of the House of Commons, a compact body similar in conception to the public accounts or estimates committees that already exist in India. It was hoped that the committee concerning itself with public sector enterprises would develop the knowledge and insight that the House of Commons as a whole obviously lacked. Its existence would serve as a salutary check on the executive and the bureaucracy. In fact, a similar body might already have been functioning in India by now, had its formation not been blocked by a dispute between the Rajya Sabha and the Lok Sabha. The dispute having apparently been resolved, the Government came forward last week with a resolution proposing the formation of the committee, which will now be taken up at the next session.

The reforms that Mr. Subramaniam has proposed are designed basically to strengthen the authority of plant management *vis-à-vis* the financial watch dogs. He hopes to wean plant managements away from the tradition of seeking prior financial concurrence before doing anything at all. To this end, he has specially authorised the general managers concerned to disregard any financial advice they find unacceptable. But, as the Minister himself disclosed, the power to go it alone has been vested in the general managers of steel plants since July 1962. Yet if some have been reluctant to do so, it is perhaps because they are not too keen to shoulder the responsibility. This is not surprising because most general managers of public enterprises are non-technical people drawn from an administrative background who can hardly be expected to strike out on their own in a complex industry. It is unlikely, therefore, that the reiteration of the primacy of general managers in the plant hierarchy, which Mr. Subramaniam attempted last Friday, will take us very far. Autonomy is important, but the ability to use the autonomy to advantage is more important still.

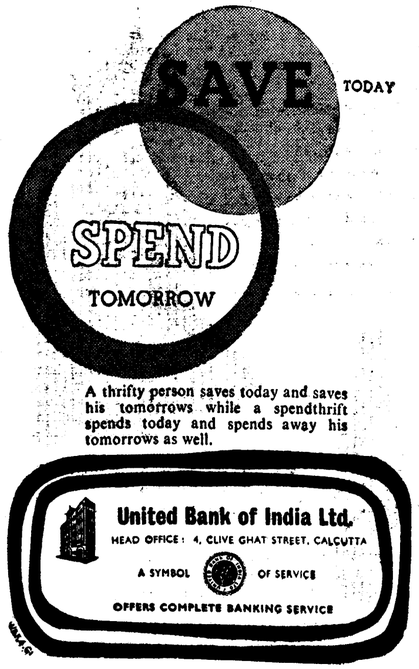
Current News and Comment

Introducing Incentive Bonus Schemes

One of the most effective ways of increasing productivity are incentive bonus schemes based on work measurement. These are already being tried in India on a limited scale, and the results so far have been satisfactory A brochure just published by the Associated Chambers of Commerce of India—the third in a series of publications to promote productivity-consciousness in the country—discusses how some of the incentive schemes which have been implemented successfully in the economically more progressive countries can be realistically applied in India. The group of schemes recommended are essentially concerned with increasing "the effectiveness of the effort of industrial workers"; in other words, schemes that are based on a systematic measurement of human work, without which it is not possible to implement incentive bonus schemes fairly and equitably. Generally any scheme based on financial incentives often leads to such undesirable results as deterioration in the quality of output or an increase in rejects and scrap. This can be checked only by proper work specifications.

The brochure recommends three principal types of incentive bonus schemes with appropriate models to explain the basic concepts. These schemes are based on (a) operator performance; (b) overall performance. and (c) on various factors, in addition to the quantity of work, which are affected by the way the employee uses his discretion; in other words, multi-factor schemes. An enterprise would find it advisable to use all the three types, choosing a particular scheme to suit the conditions in which it is to be operated and the type of work involved. The schemes cover a wide range of work and are applicable to any department, from unskilled labour up to and including first-line supervision. For employees above this level incentives are best provided by salary increments and opportunities for promotion based on properly conducted assessments of performance and potential, such staff, therefore, cannot be covered by the incentive bonus schemes.

The brochure emphasises the obvious point that co-operation of both management and workers is essential for the success of the schemes. Workers, as individuals. must be satisfied that the scheme is fair. They must be shown that work measurement has been done properly and honestly, although the work measurement data should never be made a matter for bargaining. The management too should have full confidence in the schemes, as no half-hearted effort will be successful. The preparation and operation of schemes based on work measurement, which are applicable to the efforts of individuals or small teams, are much more demanding on managements' time than the more usual production bonuses. By introducing an incentive bonus scheme, management presents itself with a challenge. The scheme usually brings about a radical change in the employer-worker relationship. The men no longer need to be driven to work better or harder; rather they ask for more work. This, however, is not an unmixed blessing. The men want to work more because they are eager to earn more. The brochure advises that incentive payments should be not more than 25 percent to 50 percent of normal earnings. When



the fluctuating part of a worker's earnings is too high, unrest is caused. So the supervisory staff have a very important part to play. They must plan the work carefully so that the flow is steady and reasonable. and satisfies all workers. Poor quality work should not count as work done.

Methods of Financing Companies

The staff paper on the "Cost of Alternative Methods of Financing of Companies 1955-60" by Mr. N. D. Joshi, research officer, Department of Company Law Administration, published in a recent issue of *Company News and Notes*, contains some interesting suggestions as to how company finances might be reformed, although his conclusions, by and large, appear illogical. Attention has been rightly drawn to the fact that the balance-sheet should be presented in a more comprehensive form to show correctly the true worth of a company. The fixed assets should be valued on replacement cost basis since depreciation provided on the historical basis gives a wrong view about the real rate of return earned by a company. The investments and inventories should be valued at market prices. The profit and loss account should be divided into (a) manufacturing account, (b) trading account, (c) capital transactions account and (d) banking and investment account. The surplus arising out of revaluation of assets, sale of assets and revaluation of inventories, should be credited to the capital transaction account. Any loss of capital should be also debited to this account. After deducting the tax on capital income, the balance in this account should be transferred to capital reserve.

If the balance-sheet of a company is presented in a detailed form it will facilitate a better appreciation of its financial efficiency. The author thinks that the financial efficiency of a company should be judged by the following criteria: (a) whether the costs of funds raised by a company are in proportion to the risks undertaken should be carefully examined; (b) the return on equity net worth should be at least equal to the return on tangible assets; (c) the cost of non-equity funds should be kept below the rate of return on tangible assets and (d) the equity capital should be extended in proportion to the growth of business risks. These are ideal conditions which more often than not cannot be fulfilled in practice since they have to be adjusted to changes in the capital market. The survey has ignored the limitations of these principles in practice. so it comes to the wrong conclusion that several big companies have failed to satisfy some of the conditions of efficient financial management.

There is no doubt that the growth of equity capital has not been sufficiently large in relation to the development of business activity. There has consequently been reliance on bank borrowings. It should, however, be borne in mind that if companies have not succeeded in attracting equity capital it is because the dividends are not attractive, which is due to the fact that the after-tax profits have been trimmed by heavier taxation. Since the tendency to plough back funds into the business for financing expansion and modernisation has increased during recent years, the amount of disposable profits with which to pay dividends, has been generally held down.

Raising Exports

In his speech at the second quarterly meeting of the Indian Merchants Chamber in Bombay last Saturday, Mr. Manubhai Shah, Central Minister for International Trade, stated that the Government would be introducing certain price stabilisation measures to improve the competitive position of Indian products abroad. If by this he means stabilising prices at lower levels, his statement would be understandable. But he has said that the measures also include price support programmes for traditional export items. While price support may help stimulate production, it is difficult to see how it will strengthen the competitive position of Indian goods. On the contrary, price support may adversely affect the exports of a highly competitive product by pegging its raw material costs at a high level. In the case of jute goods, for instance, the mills have been handicapped because three of the principal ingredients of production costs, namely, raw jute prices, wages and taxes, have been fixed on independent and extraneous considerations.

In the ultimate analysis, Indian exports can be stepped up only if manufacturing costs are lowered. A major reason why industrial costs are high is the existence of substantial idle capacity caused by shortages of raw materials, power and transport. Mr. G. D. Somani, president of the Indian Merchants Chamber, made a valid point when he said that fiscal incentives were necessary for export promotion. The tax burden at present is so heavy and widespread that it has raised production costs substantially. All the three major export items, jute goods, tea and textiles are handicapped by high manufacturing costs. Mr. Manubhai Shah stated that Indian goods did not have a reputation abroad for quality and emphasised that exporters should become quality-conscious. The Government is introducing compulsory quality control and pre-shipment inspection for several export items. While the Government's concern for quality control is understandable, it is essential that the measures should impose the least possible strain and expense on industry. Or else, they will further push up the prices of Indian goods.

Export Prospects for Tea

The July issue of the *Indian Overseas Bank Review* contains a discussion on the export prospects of Indian tea. In spite of the pressimistic view, the article has brought to light several points which should provoke fresh thinking on the subject. Although India is still the largest producer and exporter of tea in the world, her competitive position has deteriorated due to the lack of proper promotional measures. There has been no appreciable rise in exports during the past decade. The level of exports has largely been maintained due to the momentum gained in earlier years. Furthermore, conscious efforts have not been made to increase exports. High-grade Indian teas have enjoyed assured markets abroad. The closer relationship between the British-owned and managed tea companies in India and blenders and packers in Britain has helped the Indian commodity. Special trading arrangements have also contributed to sales. A large part of the increase in production during recent years, the article points out, has been absorbed by the domestic market since the growth of internal consumption has been rapid. The vast scope of the domestic market is probably the best guarantee for the future of the industry.

The review is doubtful whether the export target of 277 million kilograms to be achieved by 1966 is realistic. Accepting the U.N. Food and Agriculture Organisation's projections of total demand in importing countries for 1971 and assuming that India's share in the world tea trade will remain at the 1951 level of 37 percent. tea exports are not expected to rise to more than 210 million to 230 million kilograms by 1970. In view of small exports to eastern Europe during recent years, no great improvement in exports to this region is visualised in the near future, in spite of the prospect that the European Common Market countries will impose no duty on imports from the beginning of 1964. Exports to Russia at present range between 10 million and 12 million kilograms. Even if sales to that country were to be doubled. India might not export more than 235 million to 255 million kilograms by 1971. So big efforts will have to be made if exports are to reach as high a target as has been set in the third plan. Meantime, the other producing countries, such as Ceylon and east Africa. will take steps to sell their increased output in the world markets. So Indian tea will face intense competition in the years ahead. The survey also doubts whether an increase in exports will, by itself, lead to a rise in foreign exchange earnings. Since the demand for the commodity in the principal world markets is largely inelastic, the price is likely to fall sharply due to excessive supplies in the absence of an international agreement to regulate them.

Paper Output, Quality and Prices

In his presidential address at the annual general meeting of the West Bengal Paper Merchants Association in Calcutta on Thursday, Mr. A. K. Sur took an upsympathetic view of the difficulties of paper mills. There has been a serious deterioration. Mr. Sur said, in the quality



of paper manufactured by some Indian mills, necessitating rejections to the extent of 10 percent to 20 percent of the output. He regretted that good quality art paper was not available in abundance, and that the indigenously produced packing and wrapping paper did not have the strength for packing and wrapping food articles. In other words, Mr. Sur's complaint against the mills boils down to the fact that they are producing inferior paper compared with foreign manufactures. Producers, he said, were living in the "blissful world of a sellers' market." He, therefore urged the Government to set up a quality control board to examine each lot of paper before it is released to the market.

Although consumers may congratulate Mr. Sur on taking up their case, the mills will feel that he has taken a one-sided view. If some mills are unable to increase production and improve quality, the reason may be that the existing prices do not compensate them for the sharp rise in production costs. The latter are estimated to have increased by 16nP a kilogram between 1958 and March 1962, and subsequently by a further 10nP a kilogram. But the Government granted only a small increase of 6nP a kilogram in 1962 following vigorous representations from producers against the Tariff Commission's recommendations on prices. One need not point out elaborately how the prices of various materials, such as coal, sodium sulphate and rosin, have risen steadily in recent years while paper prices have been pegged at an unrealistic level without providing any incentive to the producer. Mr. Sur, however, did not say a word about all this and criticised the mills for deterioration in quality. But he was prompt in pointing out that a substantial rise in the cost had made it necessary to raise the dealers' margin.

Unfortunately, there cannot be one rule of logic for paper mills and another for the merchants. It it is true that the dealers' margin has to be raised because of the increase in transport, establishment and borrowing charges, it is even more necessary to raise ex-factory prices either to increase production or to improve quality. In the face of these facts, Mr. Sur regretted, quoting a lot of facts and figures, that the progress in paper production during the past two years has been "positively disappointing in the context of the targets fixed by the Planning Commission for the third five year plan period." He said, however, that the large gap between the targets and actual production was attributable to the fact that some new units, for which licences were issued by the Government, had not yet been established. The apathy of investors is obviously due to the low paper prices as well as unrealistic returns. Meanwhile, the *per capita* consumption of paper in India continues to be one of the lowest in the world in spite of tall claims about the growth of literacy and industrial development.

Stifling Managing Agents

In an article entitled "the Impact of the Companies Act on the Managing Agency System" in the 2nd September, 1963 issue of *Company News and Notes*, Dr. Raj K. Nigam, director of Research and Statistics in the Department of Company Law Administration, has expressed satisfaction that "the twin processes of 'mending and ending' the managing agency system have worked hand in hand in rather an imperceptible manner during the last seven years" due to the working of the Companies Act, 1956. Dr. Nigam has produced statistics to show that the number of managing agents has decreased from 3,944, who looked after 5,055 companies before the Companies Act, 1956, came into force, to 1,044 who managed only 1,440 companies at the end of 1962-63. Of total number of companies, exclusive of banking, insurance and Government undertakings, at work before the new Companies Act came into operation, nearly 18 percent were under managing agents. At the end of 1962-63, of the 24,598 companies at work (excluding the above categories) only 5.8 percent were looked after by managing agents.

Not only has the number of managing agents gone down, they are now managing a smaller number of companies, and the average number of concerns under each managing agent has also fallen. As against 17 managing agents which had ten or more companies under their charge in 1954-55, there were in 1962-63 not more than seven which managed more than 10 companies each. According to Dr. Nigam's calculations, "an overwhelming number of managing agents continued to have one company under their management, the proportion of such managing agents having marginally come down to 86 percent in 1962-63 from 89 percent in 1954-55". But this is a far from happy development, because managing agents who have one company each under them could not pass on the benefit of common pool services and group management which result in economy in overhead expenditure for the managed concern.

The managing agents have rendered great service in the development of new industries and in nursing the enterprises which they helped to promote. The restrictions imposed on the system and on inter-company investments now under the Companies Act, 1956, have done positive harm to the economy. The division of groups of managed companies has added to overhead costs, and no longer the same economy in the flotation of new companies is possible. While there is every justification for preventing malpractices in company management and for protecting the interests of shareholders and others, there is no justification for stifling the managing agency system which did so much good in the past.

New Central Loan for States

The food, irrigation and power projects of State Governments have not been making satisfactory progress due to lack of finance. There has also been dearth of materials, and planning is bad, but it is believed that with more money, it would be possible to achieve better results. The expert team which visited different States to study the causes of stagnation in foodgrains production has recommended that the States should be given an additional loan of Rs. 19.3 crores by the Centre during the current year to accelerate their production programmes. But since some of them would be able to raise their own resources, it is considered adequate to grant a loan of only Rs. 15 crores. Some States which were not considered by the expert team will need nearly Rs. 4 crores. In this way, out of the additional loan of Rs. 50 crores which the Central Government has sanctioned to the States for 1963-64, Rs. 20 crores will be used for food programmes and Rs. 30 crores for expediting power projects. This additional grant of Rs. 50 crores brings the Centre's assistance to the States to Rs. 1,217 crores out of the total plan provision of Rs. 2,375 crores.

There is a reasonable hope that State Governments would be able to make proper use of the new Central loan, since they are themselves making concerted efforts to raise resources for the plan projects. A noteworthy fact is that all the States, which had taken unauthorised overdrafts from the Reserve Bank, have returned them. The State Governments have also agreed not to divert plan funds to others. Although all of them have not succeeded in keeping down their non-plan outlay and much waste in public expenditure continues, it is to be hoped that as the third plan proceeds, they will be able to show better results.

Industrial Award Set Aside

In allowing a writ petition filed by the Muir Mills Co. Ltd, Kanpur, against the award of Mr. K. N. Singh, sitting as industrial tribunal (textiles) in Allahabad, Mr. Justice S. N. Dwivedi of Allahabad High Court observed that the finding of the tribunal had no support of evidence and was based on surmise and conjecture. It was also vitiated by a manifest error of law. The presiding officer of the tribunal was swayed by considerations of fairness in the abstract, or by his own notions of industrial law. Since there was no evidence whatsoever to this effect, the tribunal could not record a finding that the labourers should be paid full wages for half the working days between 1st June, 1956 and 30th March, 1957. The importance of the High Court judgment stems from the fact that industrial tribunals usually show a sympathetic attitude towards labour, the latter to be the weaker of the two parties. But as the judgment of the High Court clearly lays down, the duty of industrial tribunals is to be guided solely by evidence and by the industrial law of the land.

The facts of the case are that a number of workers of the Muir Mills Co. Ltd of Kanpur, had claimed in the court of the industrial tribunal (textiles), Allahabad, that they were not paid wages for several days during the period from 1st June, 1956 and 30th March, 1957, as the employers had not allotted them any work on the days in question, with the object of depriving the workers of the right to become permanent employees of the Company. The tribunal had come to the conclusion that on some of the days during the period the employees were provided with work, on others, they were shown to be absent and on the remaining days, they were sent back as there was no work for them. Although there is no such provision in industrial law, the tribunal came to the conclusion that the employers should pay full wages for half the period in question since it was not possible to come to any definite conclusion about the number of days on which the workmen went to the mills and were not provided with work. Mr. Justice Dwivedi observed in his judgment that there was no evidence to show whether the employees had actually reported for work in the mills during the disputed period. It was said in general terms that they had been reporting every day, but no evidence was produced on behalf of the employees in support of the claim. Further, there was no evidence to show whether the employees were sent back on the plea that no work was available. In the absence of this evidence, the tribunal was not justified, according to the High Court, in deciding that the employees should be paid full wages for 50 percent of the working days from 1st June, 1956 to 30th March, 1957.

A BUILDING DISASTER

THE prosecution in Bombay over what is generally known as the "Sitaram Building Disaster," has resulted in a verdict of "not guilty"; and Bombay is very indignant at the result. The fact, however, seems to be that people may build houses in Bombay as insecurely and as unscientifically as they like, and whether such buildings fall down or stand up, whether they bury people beneath their ruins or not is, at present, a matter of the supremest indifference to the Law. The Law, we have been told, "is a Hass;" and no doubt it fails to provide for a good many contingencies. In the Sitaram Case the Jury added the following note to their verdict:—"Government might be asked to take such steps as will ensure a better method of supervision by the Municipality and the Improvement Trust bodies, etc., with particular reference to the strength and quality of timber and other materials used as support in buildings. Further to specially rule as to whether the erection of large buildings or dwelling houses, such as the Sitaram Buildings, should not be constructed under the responsible supervision of persons more competent than ordinary experienced mistries, one of the Jurors added the following rider: "That buildings of such importance should be carried out under the supervision of duly qualified Architect or Engineer." We are of opinion that barring earthquakes, subsidence of the soil, tidal waves, cyclones, etc., etc., the owner of house property ought to be individually responsible for its safe construction. Supervision by Municipal and other officials will tend towards bribery and corruption, as it always does in this country. If a house owner is determined that his property shall be properly built, he can attain this end, by employing the best firms whose reputations are quite above scamped and inferior work and unsound construction. Every house owner should be responsible that his property is not a menace to the public If he is not prepared to accept this responsibility he has no business to own house property. The mere fact of a house falling down, as was the case with the Sitaram Building, should have been quite sufficient to prove gross culpability on the part of those immediately interested in its construction. Three persons were injured and four were killed over the disaster But nobody is responsible. Plainly we need a stronger law as we need stronger built houses.

FROM

CAPITAL

1st October, 1903

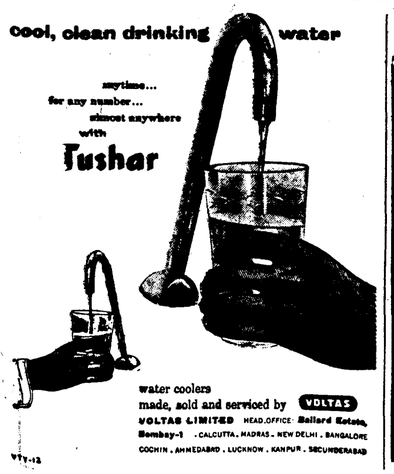
A Ditcher's Diary

THERE IS NOTHING LIKE TAKING PARLIAMENT INTO confidence; and a review of the session just concluded clearly shows that, for all his shortcomings, Mr. Chavan earned at once the respect and the sympathy of both Houses with his humility and candour. His penultimate statement that there had been no civil interference with military decisions can be ignored; he had said enough earlier to prove that there had been. While Mr. Chavan's relative frankness is in pleasant contrast to Mr. Menon's insolent refusal to tell Parliament and the people anything about defence, I cannot altogether shake off the unworthy suspicion that when a politician speaks openly on something, he does so with motives that are far from open. When Mr. Nanda, for instance, berated the Food and Agriculture Ministry, he had a political purpose: to do poor Mr. Patil down. It seems to me good and proper that Mr. Chavan in his first statement on the N.E.F.A. reverses exposed Mr. Menon and General Kaul, within the bounds of parliamentary and political propriety. Mr. Nehru's performance was below his best, especially when he had to bear the cross of Kairon. Looking back on the session as a whole, Mr. Chavan and Dr. Lohia seem to me to have made Parliament most meaningful. The latter's statistics may or may not have been entirely accurate; the Government's were not either; he certainly brought the fact of Indian poverty home as had never been done before. Mr. Nanda was right to complain that the progress made had been altogether ignored. Well, it is hardly the Opposition's business to do that; and it cannot be said that the Government did that for itself brilliantly. All in all, however, the session did show that the Government is now less insensitive to parliamentary debates than it used to be; and that is a considerable advance. If the Opposition takes its home-work more seriously, as I am told Mr. Pai and Dr Lohia are doing, parliamentary democracy may yet redeem itself in this country.

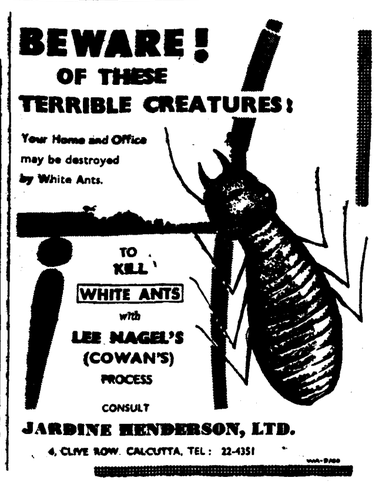
BELIEVE I DO THAT MINISTERS AND AT LEAST THE higher officials should be absolutely meticulous in their observance of the rules devised by themselves—if only to set the right example, if only to prevent real offenders from offering the plea that some of the high and mighty have done no less. Yet it seems to me doubtful wisdom that members of the Lok Sabha should have raised last week the question of Mr. Nehru's account with a foreign bank which, the Finance Minister declared, now had no more than £50 at its credit, mainly to receive royalties on his books published and sold abroad. The rest is remitted to India with the knowledge of the Reserve Bank. I am as conscious of Mr. Nehru's faults as at least of his virtues; I hope I appreciate what the French might call the defects of his virtues. It had, however, never occurred to me that he might need to hold a foreign exchange reserve of his own. Whether he once tried to build up a rouble balance in terms of international prestige is another matter. Which is not to say that no head of Government warrants similar vigilance. For obvious reasons, I can name no names; in any event, such things are almost impossible to prove; and Sardar Partap Singh Kairon has only recently told us what, in his opinion, should befall those who cannot prove their allegations before a tribunal. (How can a layman or an M.P. prove something? He has only *prima facie* evidence. It is the business of the police to secure and produce complete evidence, for only they have the machinery and the resources.) It is said that many men in power in Africa and west Asia, unsure of their future, have numbered accounts in Swiss banks. As far as I can see, Indian politicians have not yet started thinking in terms of fleeing the country. What happens when trivial charges are made against prominent politicians is that the really guilty men, officials or business men, not only get a psychological satisfaction that they are no worse than others but also get actual protection, for enforcement authorities are scared that they may be implicating V.I.P.s. The Opposition would be wise to concentrate its fire on men and issues that are substantial: to smear men in high places for smearing's sake is the most barren exercise.

BRITAIN'S POLICEMEN, I SUSPECT, NO LONGER LOOK quite as wonderful as they did—at least not since the great train robbery. Although more than a dozen people have already been arrested in connection with that remarkable crime, the ringleaders are still at large and the proportion of the stolen money so far recovered is just about enough to cover the rewards offered. No great achievement, I should think. Nor is it to be wondered at when, or so the hateful rumour goes, the only qualification considered in choosing a policeman is the size of the applicant's feet. What this means, of course, is that insufficient attention is being given to the potential recruits' powers of intelligence. The neglect is serious enough at a time when criminals the world over are becoming increasingly organised and scientific in their approach. It is worse when crime is booming; to parody Mr. Macmillan, the criminals never had it so good. According to the statistics, indictable crimes in Britain have increased more than fourfold since prewar days. That is considerably more than the growth of the population and even more than the cost of living. What are the police—admittedly understaffed—doing? If some critics are to be believed, they are far too busy persecuting the private motorist to do anything at all. But others claim that the police are a fine body of men who have fallen on bad times. Their pay, for instance, is rather less than can be earned by an 18-year-old labourer on a building site. Their hours are long, their working lives short, their chances of promotion small and the standards demanded of them high. All of which adds up to an unattractive proposition in a prosperous welfare State. Improvement may be on the way: pay is increasing, promotions are being accelerated and there is a general movement towards attracting better brains into the force from which all concerned, except perhaps the criminals, should benefit. But in a world where it is becoming increasingly obvious that crime does pay, the policeman's lot, in Gilbert's immortal words, "is not a happy one". Indeed it cannot be; not if the policeman is honest, conscientious, hardworking and compassionate. Yes, compassionate; one of the ways in which the police are accused of working off their frustrations is by using strong-arm tactics on their victims. There may be a lesson for India in this.

I THOUGHT IT WAS PERHAPS INSINCERELY GENEROUS of Mr. S. K. Patil to tell a Calcutta audience the other day that the Kamaraj plan was being worked properly "at the highest level"; only lower down had it sometimes been misused or misunderstood. The "highest level" presumably being Mr. Nehru, I hope a suitably large number among the audience were charmed by Mr. Patil's magnanimity in implying that the Prime Minister had done the right thing by using the plan to throw his former Food and Agriculture Minister out. The rest of Mr. Patil's speech, however, was far from magnanimous—perhaps understandably so, coming as it did from one so new to the ranks of the Congress Party's embittered rejects. I cannot say I easily understand why Congressmen continue to feign surprise at the way the Kamaraj plan is unfolding. It is several days since Mr. Nehru gave a perfectly fair indication of his determination to cleanse the Congress of unworthy elements—by deciding to keep Sardar Partap Singh Kairon in Chandigarh; the wags say the acme of political cleanliness now would be to work out a Kamaraj plan for Supreme Court judges. The dog-fights for the succession in the States cannot be described as wholly unexpected either; my only surprise would be if, in view of what has been going on in some States, the use of the term dog-fights did not move the canine population to charge me with defamation. Mr. Patil is no novice in the political game: he must know as well as anyone else that if the Kamaraj plan were implemented in the form advertised, the Congress Party itself would be in danger of becoming extinct since, its narcissism



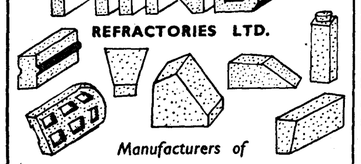




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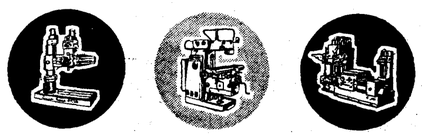
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notwithstanding, it is not exactly overflowing with the saints whose existence the plan presupposes. The Party is sometimes alleged to have a left wing and a right wing; in fact the better known division within it has generally been between those who have power and patronage and those who do not. In development parlance, it is fashionable to say that the conflict between the "haves" and the "have-nots" might one day prove to be the ruin of the world. In the Congress, the conflict between the haves and the have-nots is already proving to be the ruin of the country.

PROTESTING AGAINST MY CYNICISM ABOUT MALAYSIA expressed last week, a correspondent writes: "Now that Malaysia is a reality I am wondering whether India is going to seize her obvious opportunities. Here is the most stable political unit in south-east Asia. And the one most single-mindedly anti-communist, a fact which, in my opinion, has been responsible for most of the fuss which has accompanied its birth. Added to this, it possesses the traditional naval citadel of Asia, the great fortress base of Singapore, still nominally under British tenancy, but, or so I should imagine, open for the use of any other friendly navy prepared to accept Malaysia's struggle against Chinese communist encroachments as its own." My correspondent refers to the view I expressed in this diary some weeks ago that the frontiers of India's immediate strategic interests should in future be visualised as stretching over the whole periphery of the Indian Ocean as well as along the line of the Himalayas. Singapore is strategically the gateway to that Ocean from the Pacific. I admit that if it were ever to pass into unfriendly or unstable hands, India's vital interests would inevitably be affected: the flank of her sea defences would have been turned. The British realised this long ago when they first fortified Singapore's mud flats and imported Chinese labour to do the dirty work. The first conception has stood justified throughout the whole period of imperial influence in the area, although the second one has threatened disaster several times. But, my correspondent adds, now that the island and its population are safely incorporated into Malaysia, the future of the base would seem to be reasonably assured if the new unit remains united politically and free from the active interference of its neighbours. Both these are large assumptions. I also cannot agree that India should attempt to establish some guarantee of Malaysia's continued independence: with the strength we have available that would be as futile as the one given by Britain and France to Poland in 1939.

"BY GAD, SIR, THE MAN IS DEAD AT LAST", ONE CAN almost hear Colonel Blimp scream so with supreme satisfaction and profound relief. Sir David Low's last cartoons for the *Guardian* were not his best: a cartoonist, it seems to me, can be too young or too old for effective satire. But David Low has already immortalised himself with his contribution to the English dictionary: "Blimp" is now to be found in the C.O.D. Sir Harold Nicolson once suggested during the war years that Low might do well to drop the character, for he had gone out of date. I wonder It calls for an effort—doesn't it?—to remember that there never lived anyone called Colonel Blimp any more than someone called Sherlock Holmes. There is a pub in London where one can see the pipe. One day—who knows?—there may be a museum for Blimp; there will be the moustache and there will be the riding kit and a model of that insensitive face with that unthinking head. Low's best days were in the thirties when unemployment reigned and the Tories in Britain were flirting with the Fascists and the Nazis and the Third Republic in France was getting a new Government every five minutes or so. Low was then angry and his anger was not less real because it expressed itself in cartoons that were highly amusing. In that best-selling wartime Penguin *Blackmail or War*, Madame Tabouis included some of Low's most telling cartoons; and the real character of fascism in Europe became vivid to us in distant India. Low had a very acute social conscience and that is why his cartoons had a bite that efforts like *Private Eye* can never hope to attain It is not an exaggeration to say that what Chaplin is to the cinema, Low was to the cartoon.

THE DITCHER

Guide for Investors

PRICE AND EXPORT HOPES RAISE PLANTING SHARES

(BY A SPECIAL CORRESPONDENT)

THERE has been a rising trend in plantation shares in the Madras stock market during the past few weeks. Steady advance has been made by some tea, coffee and rubber shares, and there is little indication of a reaction. What is it due to? Is the rise in prices backed by genuine investment support or is it due to technical causes? For some time past, there has been talk of interested buying of some plantation shares by upcountry parties. No doubt, the support for these shares from outside stations has recently increased. This has raised the price of many of these shares much against normal expectations. Another important factor leading to the rise in prices is the scarcity of offerings.

Since there has practically been little jobbing interest in these shares —particularly in the cash section— one may conclude that holders of these scrip are somewhat reluctant to part with them at the moment. This unwillingness to liquidate holdings, coupled with the renewed support from investors from upcountry areas, has left its impact on the prices of plantation shares. As for the outlook for the latter, the investor is encouraged by the improved price realisation during the year and the possibility of better exports of plantation commodities. One noteworthy feature is the return of coffee shares to their old favoured position. This is due to the almost complete disappearance of pessimism concerning the outlook for coffee, which was widely entertained only a few years ago.

Apart from the improvement that has taken place in the general outlook for plantation shares, the higher yield of many of these shares, compared with that of industrial equities, has been responsible for greater investment support for these shares. Furthermore, investors have been disillusioned as many new shares have not shown any capital appreciation. Meanwhile, the proportion of non-yielding stocks has increased with investors. It is understandable why the average investor is anxious to buy shares which have the prospect of capital appreciation. The scrip of many well-established plantation companies with a good record are, therefore, preferred to the many uncertainties that are now associated with the operation of an industrial unit due to such adverse factors as the foreign exchange shortage, high cost of raw materials and restricted imports of spares and components.

As for taxation, the impact of the super profits tax on industrial profits and on those of plantation companies (the latter, incidentally, attract the tax only to the small extent of their liability to Central income tax, since their income is largely agricultural) is now better understood and appreciated by investors, particulary after the publication of balance-sheets in recent months. In contrast to the mild buoyancy in planting scrip in the Madras stock market, industrial equities have remained quiet without recording any sympathetic rise, barring, of course, a few selected shares. Investors' discrimination for plantation shares has, meanwhile, surprised many who wonder whether there is any solid reason behind this greater investment support. Viewed in the context of what has been said above, and in conjunction with the fact that the plantation shares failed to participate in the last equity boom, the recent price movement in this section appears to be justified on technical as well as investment grounds. As for the question whether the present tempo in this section will be kept up, indications are that some of these shares will show a modest rise especially when there are signs of an improved sentiment in the market.

Gillanders Tea Group

THE production figures of the Gillanders and Arbuthnot group of tea companies up to the end of July 1963, should be of interest considering that selected tea scrip have begun to attract support. The Anandabag Tea Co. Ltd has produced a crop of 101,964 kilograms up to the end of July 1963, compared with one of 97,956 kilograms for the corresponding period of 1932. Sales amounted to 714 kilograms, against 4,002 kilograms, and the average sale price rose from Rs. 6.73 a kilogram to Rs. 37.10 a kilogram. The entire quantity was sold for exports which amounted to 2,532 kilograms for the corresponding period of 1962.

The crop of the Betjan Tea Co. Ltd fell from 143,492 kilograms to 127,279 kilograms. Sales amounted to 7,015 kilograms, against 13,200 kilograms, but the average sale price improved from Rs. 7.84 to Rs. 13.15 a kilogram. The entire quantity was exported while exports for the corresponding period of 1962 were 11,310 kilograms.

The Gairkhata Tea Co. Ltd produced 154,511 kilograms, against 176,687 kilograms. Sales fell from 44,735 kilograms to 30,434 kilograms while the average sale price rose from Rs. 5.48 to Rs. 5.61 a kilogram. Exports were lower at 24,809 kilograms, compared with 170,567 kilograms. Internal sales also fell from 19,926 kilograms to 12,867 kilograms.

The crop of the Jutlibari Tea Co. Ltd fell from 191,338 kilograms to 158,020 kilograms. Sales were down from 31,670 kilograms to 8,943 kilograms, although the average sale price improved from Rs. 6.94 to Rs. 8.66 a kilogram. Exports fell from 27,860 kilograms to 7,773 kilograms and internal sales from 3,810 kilograms to 1,170 kilograms. The Tengpani Tea Co. Ltd produced a crop of 104,074 kilograms, against 107,383 kilograms. There was no sale up to the end of July 1963, while total sales amounted to 9,292 kilograms for the corresponding period of 1962. Except for Gairkhata Tea which is a Dooars garden, all other estates are situated in Assam.

Impressive Profits for Air India

A MAIDEN dividend of 5 percent after working for ten years as a nationalised institution is not something of an achievement, but Air India can justifiably feel proud of the spectacular increase in its operating profit from a mere Rs. 77 lakhs in 1961-62 to a record Rs. 3.45 crores. This has come about mainly as a result of the sharp rise in operating revenue from Rs. 21.57 crores to Rs. 24.53 crores, and the relatively small increase in operating expenses (excluding interest on loans) from Rs. 20.80 crores to Rs. 21.07 crores. The picture presented by the vice chairman and general manager, Mr. B. R. Patel, of Air India's past and current performance and the prospects ahead is very bright.

Air India, says Mr. Patel, earns the highest return today on gross revenue among the airlines in the world, in spite of the fact that its costs are either the same or higher than those of other airlines. The Corporation's financial success is due to a standardised fleet, high aircraft utilisation and the significant reduction in unit cost of production. The traffic carried by Air India during the last ten years has not kept pace with the increased capacity, resulting in a drop in the overall load factor from 59 percent in 1954-55 to 45.3 percent in 1962-63. But the unit production costs have been steadily falling and the load factor for breaking even has been reduced to 40 percent, which is probably about the lowest in the world. This is indeed a very creditable performance. The operating cost an available tonne kilometer, which is the unit of production, has come down from Rs. 1.2 in 1954-55 and Rs. 1.33 in 1959-60 to 84nP in 1962-63. And during the same period, productivity in available tonne kilometers an employee has risen from 17,800 to 43,000.

The intensive sales promotion programme undertaken by the Corporation in the past two years has begun paying rich dividend. In spite of some adverse factors such as Government restriction on travel, Chinese aggression on Indian borders, introduction of the U.K. Immigration Act and the U.S. Government's "Fly American" policy, which inhibited the traffic growth, Air India carried 165,700 revenue passengers in 1962-63 on scheduled services and chartered flights, compared with 156,500 in 1961-62. The revenue freight carried was, however, slightly lower at 5,118 tonnes, against 5,431 tonnes. The Corporation is now said to be strong enough to face international competition and absorb the impact of any lowering of air fares. In fact, Air India has always been in favour of lower fares in order to attract more traffic. The Corporation's ability to secure its legitimate share of the growing market will depend on the continuous expansion of its fleet in consonance with the growth of traffic on its existing routes and the extension of its operations to new routes. Air India is contemplating the extension of its service to the South Pacific and operating a flight from Delhi to Moscow. These proposals are, however, still in the formative stage. Finance for expanding the fleet is unlikely to present any big problem to the Corporation. As pointed out by Mr. Patel, the Corporation has now reached the "take-off stage" meaning thereby that the capital required for expansion over the next seven years or so can be obtained from the Corporation's own internal resources. The Corporation is also unlikely to experience any difficulty in finding the foreign exchange as its net foreign exchange earnings are expected to be more than sufficient to pay for the additional aircraft. The Corporation has already repaid $10.320 million out of the loans of $20.430 million borrowed from the U.S. commercial banks and the World Bank, and it expects to repay another $10.110 million by October 1966.

Khatau Mill Fares Well

THE directors of the Khatau Makanji Spinning and Weaving Co. Ltd have recommended a dividend of 8 percent for the year ended June 1963, against 16 percent in the preceding year. The shareholders have little cause for feeling dissatisfied with the cut in the rate of the dividend as the total distribution remains the same, the dividend for 1962-63 being on the increased capital following the one-for-one bonus issue. Besides, the shareholders had been told at the time of the bonus issue that "it may not be possible to step up the amount that is at present set aside for dividend distribution in the near future in order to meet the requirements of the Company for renovation and expansion."

While the total distribution by way of dividend is the same, the preliminary report on the Company's working during 1962-63 shows a marked improvement over the previous year's performance. Sales are up by about 11 percent from Rs. 5.83 crores to Rs. 6.48 crores and the gross profit has gone up by 26.6 percent from Rs. 74.02 lakhs to Rs. 93.72 lakhs, which is in pleasant contrast to the general performance of the cotton mill industry during 1962-63. The net profit, however, is lower due to the substantially larger provision for taxation which amounts to Rs. 45.95 lakhs, against Rs. 23.50 lakhs. This includes Rs. 7.50 lakhs by way of tax on bonus shares and Rs. 4 lakhs by way of super profits tax.

After providing Rs. 19.51 lakhs (against Rs. 17.40 lakhs) for depreciation and Rs. 2.84 lakhs (against Rs. 3 lakhs) for development rebate, the net profit amounts to Rs. 18.04 lakhs, compared with Rs. 24.49 lakhs in 1961-62. The directors have created a special reserve under the provisions of the Super Profits Tax Act with an

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allocation of Rs. 7 lakhs. A sum of Rs. 11.25 lakhs (against Rs. 14 lakhs) has been set aside for general reserve out of which is to be paid the proposed dividends. The preference dividend absorbs Rs. 1.56 lakhs, and ordinary dividend Rs. 9.58 lakhs, leaving a surplus of Rs. 13.249 to be carried forward, against Rs. 33,980 brought in. The Company's spindleage increased during the year from 103,840 to 108,504.

Prospects for Indian Dyestuff

INDIAN Dyestuff Industries made a disappointing show in 1962-63. As against a fall of 8 percent in the sales from Rs. 2.58 crores to Rs. 2.38 crores, the Company's gross profit declined by about 33.5 percent from Rs. 78.52 lakhs to Rs. 52.18 lakhs. And from what the chairman, Mr. Arvind Mafatlal, stated at the shareholders' annual meeting on 20th September, the Company is unlikely to do any better in the current year. Production during the first four months, April to July, is less than in the corresponding period of the previous year. The working results are likely to be further hit by the 12 percent reduction in prices made by the Company on account of the unhealthy competition created by the smuggling of goods from Pakistan. The chairman has, however, expressed the view that prices have stabilised at the lower levels. He has assured the shareholders that the dividend will be maintained.

While the current year is unlikely to show any improvement over the previous year, Mr. Mafatalal has struck a note of optimism about the long-term outlook for the Company. Once the initial difficulties have been overcome and the expansion programme has been completed, the Company will be able to do well as it will be producing a whole range of vat dyestuff and intermediates at competitive prices. The factory building for the expansion is ready and machinery is under erection. It is hoped that the Company will be able to start production of some of the new colours and intermediates by the end of the current year.

The total cost of expansion is estimated around Rs. 5½ crores and this is being financed by borrowings and internal resources. The management has no intention to issue fresh capital. When the expansion is complete, the Company will have a turnover of about Rs. 6 crores, against the present level of Rs. 2.50 crores. The chairman stated that the delay in setting up the sulphuric acid plan was due to reasons beyond the Company's control. However, orders for machinery had been placed and the plant had started arriving. If all goes well, this plant is likely to go into production by about the middle of next year. Replying to shareholders' enquiries, the chairman stated that the Life Insurance Corporation had no equity shares of Indian Dyestuff and that it only held 250 preference shares. Mr. Mafatlal informed the shareholders that the Company had been exploring possibilities for export and it had already concluded selling arrangements in Viet-nam and Thailand. Negotiations for the export of the Company's products to the Middle East and African countries are in progress.

Assam Bengal Cement Pays Nil

THE Assam Bengal Cement Co. Ltd has passed the dividend for the year ended March 1963, although the profit has substantially improved. The directors have not been able to pay the dividend since it has not been possible to transfer the funds from Pakistan. Sales rose from Rs. 86.67 lakhs in 1961-62 to Rs. 1.17 crores in 1962-63, and the trading profit has risen from Rs. 21.53 lakhs to Rs. 33.46 lakhs. Depreciation is allocated Rs. 4.98 lakhs (against Rs. 5.66 lakhs), taxation Rs. 15.06 lakhs (against Rs. 7.10 lakhs) and super profits tax Rs. 93,039. A balance of Rs. 9.20 lakhs has been carried forward, against Rs. 4.36 lakhs brought in. The Company has been negotiating with the East Pakistan Industrial Development Corporation to sell its cement factory in Chhatak.

Good Outlook for Mukand Iron

THE Mukand Iron and Steel Works Ltd did well in the year ended March 1963, with its sales rising from Rs. 4.73 crores to Rs. 6.64 crores and the gross profit moving up from Rs. 61.43 lakhs to Rs. 67 lakhs. The outlook for the current year seems to be even more promising. The chairman, Mr. Kamalnayan Bajaj, informed the shareholders' annual meeting that the Company's working during the first five months of the current year has been good, and that in spite of the not-so-very-satisfactory supply position of billets, the gross profit for 1963-64 is expected to show an improvement over the previous year. Up to 15th September, the Company had received 15,000 tonnes of billets and it expects to receive during the current year 53,000 tonnes, against 60,841 tonnes in 1962-63. The Company's various expansion schemes are making satisfactory progress and after the present expansion programme is completed by 1965-66, the gross block will have risen to Rs. 6.62 crores and the annual sales will be around Rs. 8.41 lakhs.

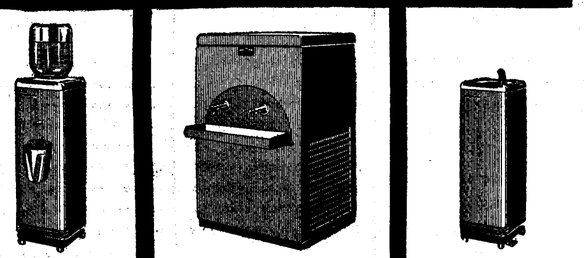
The chairman assured the shareholders that the expansion policy was in their best interests. While the shareholders seemed well satisfied with the Company's performance and future prospects, they spoke very bitterly about the continued existence of deferred shares. They reiterated their oft-repeated demand that the deferred shares be soon converted into ordinary shares. As usual, the chairman said that the liquidation of deferred shares would attract a huge tax liability, but he added that the management would welcome suggestions from the shareholders for converting deferred shares into ordinary shares. The chairman informed the shareholders that the first call on the new shares might not be made until the beginning of the next financial year provided the Company received the interim loan from the I.F.C. Otherwise, the money might be called some time in December. Referring to the proposed decontrol of steel, Mr. Bajaj said that the profit margin of rerollers would be squeezed if billet prices were decontrolled. But the Government might not do this, he added.

Sundaram-Clayton Factory Opened

THE factory of Sundaram-Clayton Ltd, a new concern started by T. V. Sundaram Iyengar and Sons Private Ltd of Madras in collaboration with Messrs Clayton Dewandre Co. Ltd of the U.K. for making air-assist equipment for automotive brakes, was inaugurated last week by the Madras Minister for Industries, Mr. R. Venkataraman. The factory is located in Padri near Madras city. It is claimed that the plant is the first of its kind in India and is designed and equipped to meet the entire demand of the commercial vehicle manufacturers for such equipment. Even in the initial stages, more than 85 percent of the components will be manufactured from the raw material stage.

Mr. C. Subramaniam, Central Minister for Steel and Heavy Industries, who presided over the inauguration ceremony, said that the Government wanted to avoid multiplicity of units in the manufacture of motor-vehicle components and ancillary equipment. Units producing particular components or ancilliary equipment would be exported to serve the entire motor-vehicle industry, he said.

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Mahindra and Mahindra Wins Contracts

MAHINDRA and Mahindra Ltd has secured orders from the Railway Board for importing steel to the tune of 51,600 tons valued at $(U.S.) 4.9 million during August 1963. The tonnage booked represents about 59 percent of the total quantity covered by the relevant Railway Board tenders. The categories which are in short supply in India, such as spring steel billets, plates, Class III, IV and other special qualities of rounds are to be imported against these contracts from the U.S.A., Japan, Sweden and Germany. In recent months Mahindra and Mahindra has also secured orders to the extent of 39,300 tons valued at $(U.S.) 7.12 million from other Government departments. This includes an order from the Sharavati valley project for 9,719 tons worth $ (U.S.) 2.92 million for T.I. structional steel. T.I. steel has been patented by the U.S. Steel Export Corporation and is suitable for manufacturing penstocks for hydro-electric projects.

Higher Dividend from Ganges Manufacturing

THE Ganges Manufacturing Co. Ltd has produced satisfactory results for the year ended March 1963. The taxable ordinary dividend has been increased from 15 percent to 20 percent which is covered more than one-and-a-half times and works out to a yield of 12.6 percent at the present price of Rs. 15.87 a share of Rs. 10 each. The profit has improved from Rs. 41.38 lakhs for 1961-62 to Rs. 84.23 lakhs, after increasing depreciation from Rs. 5.62 lakhs to Rs. 6.61 lakhs. Taxation, including a sum of Rs. 13 lakhs for super profits tax, absorbs Rs. 51 lakhs (against Rs. 15 lakhs). A sum of Rs. 2.08 lakhs has been written back.

The working was interrupted by cuts in power supply, so turnover declined from Rs. 6.67 crores to Rs. 5.27 crores. Nearly 90 percent of the entire output was despatched. A licence to install 165 broad looms has been obtained, of which 72 broad looms are working and the remaining ones should be installed by the middle of 1964. Orders for plant and preparatory machines have already been placed. The directors take a cautious view of the outlook due to changes in trading conditions.

Electric Construction and Equipment Share Offer

THE Electric Construction and Equipment Co. Ltd is offering 12,497 redeemable cumulative preference shares of Rs. 100 each at par for public subscription. (Fuller details appear on a later page in this week's issue of *Capital*). The shares carry a fixed dividend of 9.3 percent, free of company tax, but subject to the usual tax deduction at source. Sums of Rs. 50 is to be paid on application and allotment each. The entire issue has been underwritten. An application has been made to the Calcutta Stock Exchange for listing the shares. The subscribed and paid-up capital of the Company consists of Rs. 3 lakhs in preference shares and Rs. 60.93 lakhs in ordinary shares. The list opens on 7th October, 1963.

The Company manufactures power and distribution transformers, switchgears, electric motors and starters in its factories. It also produces lifts. The proceeds will be used to finance the factory in Visakhapatnam for manufacturing transformers and switchgears.

Badra Coffee Raises Dividend

THANKS to higher profits for the year ended May 1963, the directors of the Badra Coffee Estates Ltd have stepped up the ordinary dividend to 10 percent from the previous year's 7½ percent. The net profit for the year amounts to Rs. 96,254.82, compared with the previous year's figure of Rs. 4,506.99. With the amount of Rs. 4,680.76 brought forward from the previous year, the total comes to Rs. 100,935.58. A sum of Rs. 20,000 is transferred to dividend equalisation reserve (against nil), and Rs. 25,000 is transferred to general reserve (against nil). The dividend at 7½ percent on preference shares grossed plus arrears of Rs. 900, accounts for Rs. 12,375. The dividend of 10 percent on ordinary shares amounts to Rs. 42,500. The balance of Rs. 1,060.58 is carried forward. The coffee crop for the year was higher at 234.910 tonnes, compared with the previous year's crop of 197.803 tonnes. The stock of coffee has been valued at Rs. 2 a point, the same as in the previous year. The estimated crop for 1963-64 is 273 tonnes.

Associated Industrial and Engineering Pays More

DUE to a satisfactory increase in profits and turnover for the year ended March 1963, the directors of Associated Industrial and Engineering Corporation Ltd, Madras, have slightly raised the dividend to 8 percent from 7 percent in the previous year. The profit before taxation for the year amounts to Rs. 3,50,804.28 after providng Rs. 42,669.58 for depreciation and Rs. 11,500 for development rebate reserve. This compares with the previous year's profit of Rs. 2,83,081, after providing Rs. 38,059 for depreciation and Rs. 8,350 for development rebate reserve. With the amount of Rs. 28,701.01 brought forward from the previous year and with Rs. 7,047.77 being refund of income tax, the available surplus comes to Rs. 3,86,553.07. Out of this, the provision for taxation amounts to Rs. 1,80,000 (against Rs. 1,45,719). The dividend of 8 percent accounts for Rs. 1,99,610. The balance of Rs. 6,943.07 is carried forward. The turnover during the year was Rs. 64.8 lakhs which is considerably higher than that of the previous year.

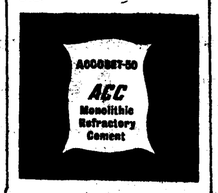
The directors' report says that the aggregate value of contract works now on hand is Rs. 2.5 crores, against Rs. 1.6 crores of the corresponding period of the previous year. They add that the programme of work in Nagarjunasagar and Sileru has been kept up. The performance at the tunnel work in Daroji has been good and this work will be completed during the ensuing year. The Company has now received orders awarding the contracts for the construction of two more major aqueducts in Nagarjunasagar in Musi and Chinnapaleru, costing together about Rs. 95 lakhs. Orders awarding the Company con-

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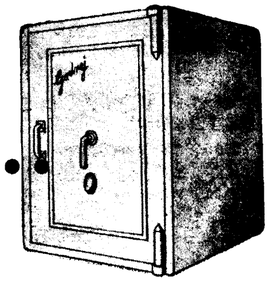
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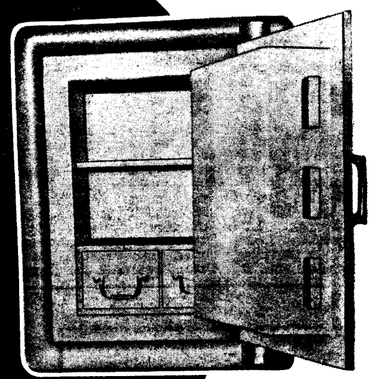
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tracts for two tunnels in the Nilgiris costing about Rs. 32 lakhs have also been received.

The report says that the agency wing of the Company has suffered a setback due to the stringent import policy, restriction on the availability of foreign exchange, steetera. The directors take an optimistic view of the outlook for the current working year.

United Industries Pays More

THE United Industries (Cochin) Ltd which had been paying a 10 percent dividend for the past six years, has raised it to 15 percent for the year ended March 1963. The increase in the dividend follows the Company's improved performance during the year. In spite of a fall of about 15 percent in the sales from Rs. 32.25 lakhs to Rs. 27.39 lakhs, the gross profit has gone up by nearly 60 percent from Rs. 83,484 to Rs. 1,22,344. After providing Rs. 5,582 (against Rs. 4,480) for depreciation and Rs. 59,000 (against Rs. 40,000) for taxation, the net profit amounts to Rs. 57,762, against Rs. 39,004 in 1961-62.

After bringing in the previous year's surplus and writing back sundry credits, the amount available for appropriations comes to Rs. 59,218. A sum of Rs. 17,500 has been transferred to permanent reserve fund. The proposed dividend absorbs Rs. 40,734, leaving Rs. 984 to be carried forward. The Company has a paid-up capital of Rs. 2,71,760 and its reserve fund amounts to Rs. 2 lakhs. The directors point out that in view of the import restrictions in Burma, prospects of exporting dry prawns and timber, mostly rosewood, to Burma are not encouraging. The Company proposes to install a shrimp freezing unit with necessary ice plant and other equipment. The application for importing the machinery has been submitted. With the completion of this plant, the directors expect a sizable increase in the export of marine products.

Britannia Building and Iron Skips

THE Britannia Building and Iron Co. Ltd has again skipped the dividend for the year ended March 1963. The profit has amounted to Rs. 1.05 lakhs, against Rs. 1.80 lakhs for 1961-62, after transferring Rs. 15,080 (against Rs. 18,811) to depreciation. Transferring a sum of Rs. 5 lakhs from general reserve, a debit balance of Rs. 8,321 has been carried forward. Development rebate amounting to Rs. 61,950 has not been provided for as the profit is small. The activity of the workshop has been interrupted by the shortage of raw materials and electrodes. But the directors have mentioned that the working has now improved since new equipment has been installed. The Company has drawn a sum of Rs. 15 lakhs from the Industrial Finance Corporation in the form of a loan.

Deccan Co-operative Mills Fares Well

THE second annual report of the Deccan Co-operative Spinning Mills in Ichalkaranji for the year ended June 1963 makes an encouraging showing. The mill went into production in November 1962 and during eight months of the year 1962-63 it produced 50,855 kilograms of yarn of 80 counts and 56,652 kilograms of 60 counts. Its gross profit for the year is placed at Rs. 3.22 lakhs. After providing Rs. 5.74 lakhs for development rebate and Rs. 3.73 lakhs for depreciation, the year's working shows a loss of Rs. 6.25 lakhs. Provision for full development rebate on the investment of plant and machinery has been made in the very first year of the working of the mills, though this is not necessary under the existing regulations. But the mill's working is not to be judged merely by the profit it makes. For the member operators of powerlooms and handlooms have been able to obtain their supplies of quality yarn at prices much cheaper than the prevailing market rates.

According to the report, savings, in comparison with market rates, made by members in prices charged by the mill for yarn of 80s was of the order of 3.9 percent in January—the first month of sales—and 11.5 percent in April. In May and June, the mill produced only yarn of 60 counts and the margin of saving was 6 percent in May and over 10 percent in June. The Company has received the Government's permission to install an additional 12,000 spindles. The directors are not in favour of raising the additional capital necessary for the expansion programme by increasing the membership because, even to meet the full requirements of the existing members, the Company will require an additional 24,000 spindles. The share capital of the Company is Rs. 20 lakhs, of which Rs. 10 lakhs have been contributed by the Maharashtra Government. The directors think that since they cannot expect further large sums from the Government, the Company will have to depend largely on resources of members for implementing the proposed expansion scheme.

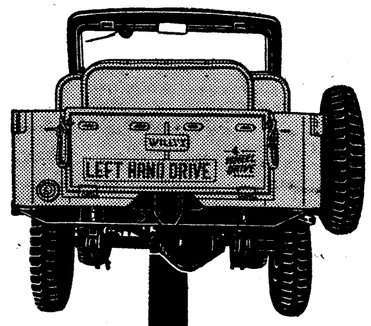
Kalimpong Ropeway Disappoints

THE Kalimpong Ropeway Co. Ltd has produced disappointing results for the year ended March 1933. It has incurred a loss of Rs. 46,478, before providing for depreciation. Bringing in a debit balance of Rs. 2.33 lakhs, a total debit balance of Rs. 2.80 lakhs has been carried forward. The dividend has been passed. Traffic earnings fell from Rs. 1.21 lakhs to Rs. 78,365.

Kerry Jost Tools Share Offer

KERRY Jost Tools Ltd which proposes to undertake the manufacture of drilling machines and other machine tools in Ambattur (Madras) is offering 6,860 equity shares of Rs. 100 each at par for public subscription. The list will open on 30th September, and will close on 7th October or earlier, but not before 3rd October. The entire public issue has been underwritten by a prominent stockbroking firm. The well-known British firm of Kerry's Ltd is collaborating in the venture; it will provide the technical know-how and also participate in the capital of the Company. Most of the raw materials required for the manufacture of drilling machines and machine tools are available from indigenous sources.

At the beginning, the Company will need to import certain raw materials to the extent of 5 percent of the cost of machines for special steels. The factory is expected to go into production by March 1964, and the plant is likely to reach the production capacity of 1,200 machine tools by March 1965. When in full production, the Company will have an annual turnover of about Rs. 25 lakhs. The project is estimated to cost Rs. 20 lakhs which is being met by the issue of equity capital. The Company has an authorised capital of Rs. 20 lakhs, out of which shares worth Rs. 3 lakhs have been allotted to Jost's Engineering Co. Ltd, Bombay, one of the promoters who has agreed to take up further shares of the value of Rs. 4.13 lakhs. Shares worth Rs. 6 lakhs, to be credited as fully-paid shares, have been reserved for Kerry's (Great Britain) Ltd, London, for the supply of machinery and equipment. The balance of



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Kurchermala Plantations Passes Again

THE directors of the Kurchermala Plantations Ltd have not recommended any dividend on the ordinary shares for the year ended March 1963. The Company has thus skipped the dividend for the second year in succession. The net profit for the year amounts to Rs. 56,754.30, after providing for depreciation and providing Rs. 34,171.75 for taxation. This net profit compares with the previous year's Rs. 61,211, after providing for depreciation and Rs. 34,813 for taxation. With the amount of Rs. 1,689.53 brought forward from the previous year, the total surplus comes to Rs. 58,443.83. Out of this, a sum of Rs. 48,000 is transferred to reserve for capital expenses (against Rs. 51,000). The dividend on 6½ percent tax-free preference shares amounts to Rs. 8 586.90. The balance of Rs. 1,856.93 is carried forward.

The total tea crop for the year amounted to 121,534 kilograms, compared with 129,701 kilograms. The cardamom crop amounted to 1,380 kilograms, against 1,786 kilograms. The coffee crop was higher at 60,125 kilograms, compared with 32,443 kilograms.

Vayitri Plantations Resumes Dividend

DUE to improved profits for the year ended March 1963, the directors of the Vayitri Plantations Ltd have recommended a dividend of 6 percent on the ordinary shares (against nil). The net profit for the year, after meeting all expenses and after providing for depreciation, amounts to Rs. 48,912, against Rs. 21,407. With the amount of Rs. 21,588 brought forward from the previous year, the total surplus comes to Rs. 70,500. Out of this, a sum of Rs. 10,000 is transferred to dividend equalisation reserve (against nil). The provision for taxation amounts to Rs. 25,000 (against nil). The proposed dividend of 6 percent will absorb Rs. 24,000. The balance of Rs. 11.500 is carried forward. The tea crop for the year amounted to 38,002 kilograms, against 35,922 kilograms. The cardamom crop amounted to 1,198 kilograms, against 1,340 kilograms. The coffee crop amountd to 33 tonnes, against 14 tonnes. The pepper crop amounted to 186 kilograms, against 516.5 kilograms. The estimated tea crop for the year 1963-64 is 40,000 kilograms. The coffee crop is estimated at 25 tonnes, that of cardamom at 1,500 kilograms and of pepper at 200 kilograms.

Nil from Sangameshwar Coffee

THE directors of Sangameshwar Coffee Estates Ltd have not declared any dividend on preference and equity shares for the year ended March 1963. as the year's profit is adjusted against the brought forward loss, still leaving a net loss which is carried forward to the next year. The net profit for the year amounts to Rs. 36,518. compared with the previous year's loss of Rs. 1,48,376. The net loss brought forward from the previous year is Rs. 1,44,301 to which is added the additional provision for taxation relating to previous years amounting to Rs 36 060. Hence the total loss comes to Rs. 1,80,361. After adjusting the year's profit of Rs. 36.518 against the above loss, there is a balance of loss of Rs. 1,43,843, which is carried forward.

The coffee crop for the year amounted to 263,637 tonnes, against 136,719 tonnes in the previous year. The estimated crop for the 1963-64 is 230 tonnes. Production an acre during the year amounted to 4.46 cwts., compared with 2.21 cwts. an acre in the previous year.

Om Parasakthi Mills Pays More

SALES and profits of Om Parasakthi Mills Ltd for the year ended March 1963, have recorded a marked improvement over the previous year. The ordinary dividend is slightly stepped up to 10 percent from 9 percent in the previous year. The sales of finished goods improved to Rs. 23,67,335 from the previous year's Rs. 19,51,622. The net profit for the year before taxation amounts to Rs. 2,42,483, after providing Rs. 1,11,668 for depreciation, compared with the previous year's profit of Rs. 1,48,927 after providing Rs. 86,073 for depreciation. The profit for the year is appropriated as follows: development rebate reserve Rs. 7,000 (against Rs. 80,000), reserve for taxes Rs. 1,35,351 (against Rs. 4,440); contingency reserve Rs. 25,000 (against nil). The dividend at 8.45 percent on preference shares (subject to tax) amounts to Rs. 1,699. The ordinary dividend of 10 percent amounts to Rs. 73.433. These appropriations have absorbed the entire profit of the year. During the year, the cost of production increased due to the upward trend in prices of raw materials. Three ring frames, five carding engines, two draw frames and two Canfed inter frames were purchased. These are expected to be commissioned before October 1963.

Sholapoor Mill Incurs Heavy Loss

THE Sholapoor Spinning and Weaving Co. Ltd reports extremely disappointing results for the year ended March 1963. The sales are down from Rs. 2.75 crores to Rs. 1.81 crores and the Company has incurred a heavy loss of Rs. 35.79 lakhs, against Rs. 87,693 in the previous year without providing for any depreciation. The loss is attributed to high prices of cotton, increase in wages and other raw materials and rise in import duties. The compulsory export scheme and accumulation of stocks on account of the emergency also adversely affected the Company's working results. After making adjustments concerning sales cancellations, difference in rate and other items amounting to Rs. 7 81 lakhs. the accumulated loss at the end of the year amounts to Rs. 1 5 crores. The total accumulated arrears of depreciation amount to Rs 53.69 lakhs. Arrears of preference dividend add up to Rs. 13.92 lakhs. The directors state that they are very anxious to trace the results of the recommendations of the Investigation Committee concerning the acceptance of the schemes submitted by the management with or without modifications which should improve the working so as to be economical. Otherwise they would like to take some decision in view of the circumstances.

Notes forming part of the accounts covered by Schedule "G" have disclosed that the employees' provident fund amounting to Rs 16.14 lakhs has not been paid to the Government. The directors have explained that the payment could not be made due to lack of funds. It is further pointed out that no entry has been passed to give effect to the decision of the Supreme Court declaring as void the call made on preference shares. Schedule "G" further discloses that no provisions have been made for Rs. 6.11 lakhs, being accrued gratuities to staff at Sholapur against which there is a provision of Rs. 1.60 lakhs.

New Capital Issues

FIFTEEN companies including two new ones and two State Government undertakings have been authorised to raise fresh capital of Rs. 22.14 crores. Three companies are issuing bonus shares, three preference shares and one cumulative redeemable preference shares. One firm will issue debentures repayable after ten to 12 years for cash at par. The rest are issuing equity shares. One of the firms will have part of its capital subscribed by non-resident Indians in Kenya in sterling and the amount will be used for importing plant and machinery. A Swedish firm is to subscribe 60 percent of the capital required by a firm, while a new steel company of Bombay offers part of its shares to a firm in France and part of it to the International Finance Corporation, Washington. For expansion of electrical products, a firm is to collaborate with an American one. The consent in all cases is valid for 12 months. The following are the details:

Sidhpur Mills Company Ltd, Gujarat, is to issue bonus shares of the value of Rs 10 lakhs. These will be allotted to the existing equity shareholders of the Company in the ratio of one bonus share for every two equity shares held.

Hindusthan National Glass Manufacturing Co. Ltd, Calcutta, is to issue bonus shares of the value of Rs. 8,30,000 on capitalisation of its reserves. The bonus shares will be issued in the ratio of one bonus share for every five shares held.

Anglo India Jute Mills Co. Ltd will also issue bonus shares of the value of Rs. 9,84.200 on capitalisation of its reserves. They will be issued in the ratio of one bonus share for every five held.

Orissa Mining Corporation, Bhubaneswar, an undertaking of the Government of Orissa, is to raise capital of Rs. 50 lakhs in 50,000 equity shares of Rs. 100 each. The shares will be entirely subscribed by the Government of Orissa. The capital will be used for implementing the Daitari mining scheme.

Durgapur Projects Ltd, a Government of West Bengal undertaking, is to issue capital of Rs. 15 crores divided into 150,000 equity shares of Rs. 1,000 each to be subscribed entirely by the Government of West Bengal. Excepting one share, which will be issued for cash, all the other shares will be issued against transfer of assets to the Company.

Isaac Holdens (India) Ltd, Calcutta, will raise capital of Rs. 30 lakhs in equity shares of Rs. 10 at par. The capital is required for expansion of the present installed capacity in the manufacture of wool tops.

Pressed Steel Tank Company of India Ltd, a new company incorporated in West Bengal, is to raise capital of Rs. 1.10 crores divided into equity shares of the value of Rs. 80 lakhs and preference shares of the value of Rs 30 lakhs. The capital is required for the setting up of a factory in Faridabad for the manufacture of cylinders, both high and low pressure type.

Bhaskar Textile Mills Ltd Calcutta, is to raise further capital of Rs. 5 lakhs in 50,000 equity shares of Rs. 10 each for cash at par. The capital is required to meet working capital requirements for its textile mill in Jharsuguda (Orissa).

Shah Melleable Castings Ltd, Bombay, will issue capital of Rs. 30 lakhs. These will be in equity shares of Rs. 10 each to be issued for cash at par. Of these shares, Rs. 14 lakhs will be subscribed by non-resident Indians in Kenya in sterling and the amount used for the import of plant and machinery. Shares of the value of Rs. 11 lakhs will be offered to the public by prospectus. The proceeds of the issue will be used in the establishment of a factory in Thana (Maharashtra) for the manufacture of malleable iron castings required for textile machinery, motor-vehicle machinery, etcetera.

Sylvania and Laxman Co. Ltd, New Delhi, will issue capital of Rs. 80 lakhs. These will be divided into 800,000 equity shares of Rs. 10 each to be issued for cash at par. Out of these, 360,000 equity shares of the value of Rs. 36 lakhs would be offered to the American collaborators, Sylvania Electric Products, and/or their nominees for cash at par. Shares of the value of Rs. 24 lakhs would be offered to public for cash at par by prospectus. The proceeds will be used to set up a factory for the manufacture of fluorescent tubes, lamps, mercury vapour, photo flash lamps, glass tubes, glass shells for lamps and other related items.

Saurashtra Ceramics Ltd, will raise capital of Rs. 30 lakhs—Rs. 25 lakhs equity and Rs. 5 lakhs preference—in supersession of the previous consent for Rs. 20 lakhs dated 4th February, 1963. Of these, the entire preference shares and equity shares of the value of Rs. 14 lakhs will be offered to the public. All the shares will be issued for cash at par, and the proceeds will be used in the establishment of a factory for the manufacture of ceramics and sanitaryware, etcetera.

S. F. Products India Ltd, Calcutta, is to raise capital of Rs. 12 lakhs in 12,000 equity shares of Rs. 100 each. The capital is required for the manufacture of fans and blowers in collaboration with a Swedish firm who would subscribe to 60 percent of the capital.

Mahindra Ugine Steel Co. Ltd, Bombay, a new company, will raise capital of Rs. 3 crores at par. This will be divided into Rs. 2.5 crores in equity shares of Rs. 10 each and Rs. 50 lakhs in cumulative preference shares of Rs. 100 each. They will carry a dividend of 9.3 percent, free of company's tax, but subject to deduction of taxes at source at the prescribed rates. Out of this, equity shares of the value of Rs. 41.50 lakhs will be offered to Messrs Ugine, France, Rs. 40 lakhs to International Finance Corporation, Washington, Rs. 1.07 crores and the entire preference shares of Rs. 50 lakhs will be offered to the public by prospectus. The capital is required for the manufacture of alloy constructional steel and case hardening steel.

Sree Valliappa Textiles Ltd, Salem, will raise capital of Rs. 25 lakhs. This will be divided into 19,000 equity shares of Rs. 100 each and 6.000 cumulative redeemable preference shares of Rs. 100 each, carrying a dividend of 9.3 percent free of company's income tax but subject to deduction of tax at source. All the shares are to be issued for cash at par. Of the above, equity shares of the value of Rs. 10 lakhs and preference shares of the value of Rs. 5 lakhs will be offered to the public by prospectus.

The Ganesh Flour Mills Company Ltd Delhi, a public company, will issue debentures of the value of Rs. 14 lakhs bearing interest at 7 percent a year and repayable after ten to 12 years, for cash at par. The proceeds are to be used for establishing the Company's solvent extraction plant in Bombay.

The Stock Markets

CHANGES IN C.D.S. AND GOLD CONTROL HELP SENTIMENT

Wednesday Evening.

THE Calcutta stock market has been buoyant during the past week. After an earlier dip following the news of Pakistani firing across the Assam border, share prices have recovered smartly on a renewed buying spree, combined with brisk short-covering. The cheerfulness is due to the modifications in the Compulsory Deposits Scheme and the Gold Control Order. Although the stock market is not likely to benefit directly from these measures, operators have been inspired by the thought that the new Central Finance Minister, Mr. T. T. Krishnamachari, will show similar pragmatism and scrap the super profits tax at an early date. However, since the Government is pressed for resources, it may be too optimistic to conclude that the Finance Minister will hasten to modify the fiscal system now. But the prospect of some relief is likely as he is keen on stimulating economic activity. There is no doubt that economic development has been hampered by the super profits tax. Unless some assurance is given about reducing this burden, investment confidence will not revive.

A disturbing factor is that so far the support has been largely speculative. Therefore, the prices of clearing shares, in particular, have risen. It is wondered whether the sharp increase, which has taken place during the past fortnight, has not been overdone. It is to be hoped that the authorities will concentrate attention on consolidating the gains already achieved.

Meanwhile, investors have rightly chosen to be more discriminating in their purchases. The likely amendment of the Companies Act should attract more attention. It is rumoured that the blank transfer system may be restricted. There is no doubt that monetary conditions have become easier for the time being. But they are likely to become tight as the busy season draws nearer. In any case, the chances of the stock market getting more bank credit are rather remote, considering that funds are likely to be employed more profitably elsewhere.

Indian Iron have improved considerably. Among engineering shares, Guest, Keen, Williams, Jessop, Texmaco, Burn, Kumardhubi and Indian Standard Wagon have been prominent. Coal shares have been generally subdued due to the uncertain outlook. Small business has been transacted in Burrakur, Bengal, East Indian and Central India. Raneegunge have met with scattered interest on prospects of a rights issue.

Jute shares have been selectively higher although the investors have been cautious. Discussion has centred on whether the increased production of jute goods will be absorbed easily in the coming months. Birla have gone ahead on prospects of expansion. Support has been extended to Fort Gloster, Gourepore, Anglo-India Union, Northbrook, Kamarhatty, Champdany and Howrah. In the cotton mill section, J. K. Rayon have recovered on short-covering. Jay Shree Textiles, Elgin and Dunbar have been taken.

The prices of clearing miscellaneous shares have gained in the absence of pressure. Indian Copper, Indian Aluminium, Hindustan Motors, Indian Cable, Kesoram Industries and Rohtas have hardened. Alkali Chemicals, Metal Box, Goodyear India and Indian Oxygen have been bought. Among new shares, Hindustan Aluminium have gained on replacement buying. Electric company shares have been neglected, but stray business in Calcutta Electric has been transacted. Bank shares have met with virtually no interest. In paper shares, Orient and Sirpur have been active. Selected Assam and Dooars gardens have improved on rising support. Betjan, Tyroon, Hasimara, Tezpore and Bishnauth have been prominent.

Government securities have been firm due to rising institutional support following easier money conditions. Despite strong interest in short- and medium-dated stocks, turnover has been restrained by the shortage of sellers. The prices of selected State Government loans have been steadier on fair institutional buying. The 3 percent Conversion loan 1986 has closed around Rs. 64.90.

Bombay

TAX RELIEFS MAY NOT COME SOON

OPERATORS CAUTIOUS AT THE CLOSE

Wednesday Evening.

THERE has been a mild reaction in the Bombay stock market towards the close after an earlier steady spell during the past week. At first, prices of selected shares hardened on fresh support, combined with nervous short-covering due to optimism concerning tax reliefs. The optimism was based on the fact that since Mr. T. T. Krishnamachari, the Central Finance Minister has modified the Compulsory Deposit Scheme and the Gold Control Order, he will not hesitate to scrap the super profits tax which has damaged investment confidence. The improvement in Wall Street and in the London stock market has been an additional stimulant. The lessening of the international tension and the growing rift between Russia and China have also been bullishly interpreted. Towards the close, operators have turned cautious on doubts whether the Government's fiscal system would be modified before the next Budget, which will be presented only in February 1964.

Tata Steel ordinary have closed around Rs. 139.50. Among engineering shares, support has been forthcoming for Tata Locomotive. Mukand Iron and Premier Construction. In motor-vehicle shares, Hindustan Motors have been active on support from Lyons Range. Premier Automobiles have been sluggish.

In the cotton mill group, Century, Kohinoor and Standard have shot up appreciably on renewed support, combined with short-covering. Bombay Dyeing, Tata Mills, Gokak and Morarjee have been steady. India United ordinary have been sluggish, but Simplex have met with scattered support.

In the miscellaneous section, sugar shares have been selectively bought in the hope that the production incentives announced by the Government should help in raising the output. Belapur and Walchandnagar Industries have been steady. In steamship company shares, Scindia Steam gained considerably on hopes of increased freight earnings. In mining shares, Shivrajpur Syndicate have recovered on short-covering. Among cement shares, Associated Cement have met with support. In chemical shares, Tata Chemical have been steady. Colour-Chem have gained substantially. In the rayon section, National Rayon have recovered on short-covering. Gwalior Rayon have been steady on prospects of expansion. Bombay Burmah have improved. Voltas have met with strong buying. Synthetics and Chemicals have reacted on pressure.

In bank shares, Bank of India and Dena Bank have been taken. New India Assurance have been steady in the insurance group. Selected electric company shares have met with scattered support. Ahmedabad Electric, Tata Hydro and Bombay Suburban have gained fractionally.

Madras

SELECTED PLANTINGS FAVOURED

GILT-EDGED REMAIN STEADY

Tuesday Evening.

THE Madras stock market has shown mixed trends during the past week. The undertone improved

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considerably earlier on renewed buying due to higher advices from Calcutta and Bombay. Operators were encouraged by the prospect of changes in the Government's fiscal system, since the new Central Finance Minister has been keen on stimulating economic activity by giving fresh incentives. Towards the close, there has been a mild reaction and operators have been inclined to restrict their commitments until a clearer picture of the likely fiscal changes emerges. Support has been largely confined to selected planting and clearing shares.

Government securities have been steady and support has been forthcoming for selected State Government loans. Stray business has been done in bank shares. State Bank of Mysore have been transacted at Rs. 141 on payment of an interim taxable ordinary dividend of 4.5 percent. Canara have come to hand at Rs. 81.75. In electric companies, Ellore have changed hands at Rs. 22 and West Coast at Rs. 17.35. Sugar shares have been selectively bought. Deccan have hardened to Rs. 10.41 and Mysore to Rs. 46.75. E.I.D. have improved fractionally to Rs. 36.70.

In the planting section, Blue Mountain have been taken at Rs. 2.63 and Cochin Malabar at Rs. 6.10. Consolidated Coffee have changed hands at Rs. 18.75 and Ouchterlony at Rs. 4.35. Periakaramalai have been taken at Rs. 3.65 on paying a final taxable ordinary dividend of 12.5 percent, making 15 percent for the year. Peermade have met with support up to Rs. 20.90 on declaring an interim taxable ordinary dividend of 5 percent. Thamarapally have been steady at Rs. 16 and Nelliampathy at Rs. 3.58. Nilgiri have been transacted at Rs. 8.65 and Kumergode at Rs. 3.70.

In the textile group, South India Viscose have improved to Rs. 132.25 and Travancore Rayon to Rs. 23.75. Lakshmi have gained at Rs. 133.50 and Madura at Rs. 32.60. Modi Spinning have been done at Rs. 10 on the prospect of declaring a taxable ordinary dividend of 9 percent, subject to the sanction of the Industrial Finance Corporation. Bangalore Woollen have been steady at Rs. 231 and Buckingham at Rs. 269. Ramakrishna have been wanted at Rs. 217.80 and Radhakrishna at Rs. 27. Mettur have changed hands at Rs. 272 and Loyal at Rs. 41.10.

Among miscellaneous shares, Aluminium Industries have been quoted at Rs. 17.30 and Ashok Leyland at Rs. 7.60. In cement shares, Dalmia have been steady at Rs. 12.40 and India at Rs. 5.73. Mettur Chemical have been bought up to Rs. 13.65, but F.A.C.T. have been quiet at Rs. 6.40. Seshasayee Paper have met with support at Rs. 7.25 and Tube Investment at Rs. 213. Canara Workshop have gained at Rs. 30.50 on paying a taxable ordinary dividend of 20 percent. Madras Rubber have been quoted at Rs. 14.75 and Kirloskar Electric at Rs. 18.12. Parry's Confectionery have changed hands at Rs. 3.35 and Spencer at Rs. 20.12. Business has passed in Textool at Rs. 153 and in Mysore Stoneware at Rs. 12.45.

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This year you have watched your take-home income shrink due to higher taxes and the Compulsory Deposit Scheme. But as a responsible provider you know that one item which you cannot cut down on is Life Insurance. As a policy-holder you will do all you can to keep paying those premiums. But if you do not have Life Insurance you will surely take a policy now.

Remember that if you find it difficult to make ends meet on your present income, how much more difficult will it be for your family if they are suddenly deprived of your income!



There is no substitute for LIFE INSURANCE

ASP/LIC.Z-9

THE WEEK'S TRANSACTIONS

[In the following list of stocks and shares in which transactions have taken place during the past week, the figures indicate Opening Quotations, Highest for the week, Lowest for the week, Closing Quotations and Quotations for the corresponding Closing Date a Year Ago. The last-named is shown in parentheses and will not be given where such a quotation is not available.]

CLEARED SECURITIES

Birla Jute—Rs. 31/75—32/87—31/69—32/75—(33/62).

Burrakur Coal—Rs. 16/37 S.T.—16/37 S.T.—16/37 S.T.—16/37 S.T.—(17/37).

Dunlop Rubber—Rs. 33/00—34/50—33/00—34/37—(37/75).

Guest, Keen, Williams—Rs. 34/25—34/44—34/00—34/25—(36.69).

Hindustan Motors—Rs. 17/12—17/53—16/97 17/44—(17/94).

Howrah Jute—Rs. 18/19—18/81—18/06—18/69—(20/12).

Indian Aluminium—Rs. 36/94—37/19—35/94—36/81—(36/25).

Do. (New)—Rs. 18/25—18/25—18/12—18/25.

Indian Cable—Rs. 34/19—35/81—34/12—35/81—(37/25).

Indian Copper—Rs. 4/93—5/10—4/89—5/08—(4/58).

Indian Iron—Rs. 23/00—23/66—22/96—23/62—(24/86).

J. K. Cotton—Rs. 11/31—11/69—11/31 11/62—(15/94).

Jaipur Udyog—Rs. 11/19—11/56—11/12—11/44—(12/94).

Kesoram Industries—Rs. 24/31—24/69—24/12—24/62—(25/75).

Orient Paper—Rs. 35/30—36/30—35/00—36/25—(41/35)

Orissa Cement—Rs 13/87—14/00—13/81—14/06—(16/44).

Rohtas Industries—Rs. 11/44—12/25—11/41—12/19—(14/06).

Shree Gopal Paper—Rs. 24/12 24/50—24/00—24/37—(24/75).

Textile Machinery—Rs. 24/70—25/85—24/60—25/65—(22/35)

GOVERNMENT SECURITIES

3 % Loan (1986)—Rs. 64/88—65/25—64/88—65/05.

3 % " (1970-75)—Rs. 89/25—89/25—89/25—89/25.

3 % " (1966-68) Rs. 98/00 S.T.—98/00—98/00—98/00.

3½% " (1987)—Rs 99/10—99/10—99/10—99/10.

3½% " (1965)—Rs. 99/55—99/55—99/55—99/55.

3¼% " (1969)—Rs. 97/13—97/15—97/13—97/15.

4 % " (1969)—Rs. 99/55—99/55—99/40—99/40.

4 % " (1981)—Rs 98/60—98/60—98/58—98/60.

4 % West Bengal (1968)—Rs. 98/50—98/50—98/50—98/50.

4½% Loan (1986)—Rs. 100/05—100/05—100/05—100/05.

4½% " (1973)—Rs. 99/95 100/00—99/95—100/00

4½% " (1972)—Rs 100/50—100/50—100/50—100/50.

4½% West Bengal (1974)—Rs 99/60—99/60—99/60—99/60.

4½% Madras (1974)—Rs. 99/35—99/35—99/35—99/35.

U.P. Zemindary Rehabilitation Grant Bonds (11 Collected)—Rs. 40/00—40/00—39/35—39/35.

RAILWAYS

Arrah Sasaram—Rs. 30/50—30/50—29/50—29/50—(29/50).

Dehri Rohtas—Rs. 12/62—12/62—12/62—12/62—(17/25)

BANKS

Hindusthan Commercial—Rs. 13/50—13/50—13/50—13/50—(17/06).

Punjab National—Rs 19/00—19/00—19/00—19/00—(20/44).

United Bank of India (Rs. 10/- paid)—Rs. 7/37—7/37—7/25—7/34—(7/87).

Do. (Conty) (Rs. 20/-) (Rs. 10/- paid)—Rs. 6/75 6/75—6/75—6/75—(7/12).

United Commercial—Rs. 67/50 S.T.—69.50—67/50—68/75—(80/00).

COTTONS

Basanti—Rs. 11/25—11/25—11/25—11/25—(8/50).

Bharat Commerce—Rs. 21/69—23/62—21/69—23/44—(28/00).

Bowreah—Rs. 23/00 23/00—23/00—23/00—(25/75).

Cawnpore—Rs. 6/31—6/69—6/25—6/69—(7/00).

Elgin—Rs. 19/75—20/94—19/75—20/94—(19/12).

Jagjit—Rs 17/00—17/00—16/50—16/87.

Jay Shree—Rs. 14/62—16/06—14/56—16/00—(16/81).

Muir—Rs. 75/00—75/00—74.50—74/50—(100/00).

New Victoria—Rs. 1/44—1/50—1/44—1/50—(1/50).

Swadeshi (P.O.)—Rs. 6/81—6/87—6/81—6/87—(7/37)

COALS

Associated Karanpura—Rs. 5/06—5/06—5/06—5/06.

Bharat Collieries—Rs 3/47—3/56—3/47—3/56—(3/12).

Bengal—Rs. 274/00—274/00—274/00—274/00—(351/00).

Central India—Rs 9/87 9/87—9/87—9/87—(10/12).

East Indian—Rs. 31/50—31/62—31/50—31/62—(32/37).

Pench Valley—Rs. 15/87—15/94—15/87—15/94—(16/50).

Raneegunge—Rs. 16/12—16/12—16/12—16/12—(16/00).

Selected Satgram—Rs. 120/00—120/00—120/00—120/00—120/00.

Western Bengal—Rs. 8/50—8/62—8/44—8/47—(9/06).

West Laikdih—Rs. 5/12—5/12—5/12—5/12.

JUTES

Agarpara—Rs. 11/37—11/87—11/37—11/75—(10/81).

Alliance—Rs. 139/00—139/00—139/00—139/00—(116/00).

Bally—Rs. 283/00—283/00—283/00—283/00—(293/00).

Champdany—Rs. 24/00—24/56—24/00—24/50.

Cheviot—Rs. 22/62—22/69—22/50—22/50—(24/75).

Chitavalsah—Rs. 10/87—11/02—10/81—10/87—(11/50).

Dalhousie—Rs. 152/00—154/00—152/00—154/00—(126/00).

Empire—Rs. 18/12—18/19—18/00—18/00—(17/25).

Gondalpara—Rs. 15/25—15/25—15/25—15/25—(18/31)

Ganges—Rs. 15/75—15/81—15/75—15/81—(15/00x.d.)

Hukumchand (Pref.)—Rs. 100/50—102/00—100/50—102/00—(92/00).

Howrah ("A" Pref.)—Rs. 94/00—95/00—94/00—95/00—(90/00).

Hooghly (Pref.)—Rs. 13/00—13/00—13/00—13/00—(10/87).

India—Rs. 17/75—17/94—17/72—17/87—(18/50).

Khardah—Rs. 19/87—19/94—19/87—19/94—(17/81).

Kamarhatty—Rs. 194/00—195/00—194/00—195/00—(167/00).

Kankaarrah—Rs. 134/50—135/50—134/50—135/50—(128/00).

Kinnison—Rs. 143/00—143/00—143/00—143/00—(153/00)

Kelvin—Rs. 196/50—197/50—196/50—197/50—(199/00)

Megna—Rs. 14/75—15/00—14/75—15/00—(13/44).

National—Rs. 23/50—23/50—23/50—23/50—(24/87)

New Central—Rs. 12/25—12/94—12/19—12/94—(14/44).

Nuddea—Rs. 60/25—63/00—60/25—62/25—(57/75).

Northbrook—Rs. 30/87—31/00—30/87—31/00—(35/25).

Nellimarla—Rs. 12/75—12/75—12/50—12/50—(11/81).

Presidency—Rs. 5/44—5/69—5/37—5/69—(5/50).

Soorah—Rs. 22/75—22/75—22/75—22/75—(25/25).

MININGS

Bisra Stone Lime—Rs 20/94—21/50—20/75—21/50—(27/87)

Karanpura Development—Rs 10/19—10/44—10/19—10/44—(16/25).

Metal Corpn.—Rs. 8/19—8/25—8/06—8.12—(9/75).

CHEMICALS

Alkali & Chemical—Rs. 33/62—33/75—33/62—33/75—(42/62).

Kanoria—Rs. 5/50—5/56—5/50—5/56.

CEMENTS

Ashoka—Rs. 7/50—7/62—7/50—7/62—(8/19).

Assam Bengal—Rs. 4/84—4/87—4/75—4/81—(3/87).

Bengal Potteries—Rs. 5/37—5/37—5/37—5/37—(6/05).

Dalmia (Bharat)—Rs. 12/37—12/37—12/25—12/31—(13/94).

ELECTRICS

Calcutta—Rs. 14/87—15/00—14/75—14/87—(15/25).

Do. (Pref.)—Rs. 8/06—8/15—8/06—8/15—(8/37).

Patna—Rs. 10/50—10/50—10/50—10/50—(11/50).

ENGINEERINGS

Bharat Ball Bearing—Rs. 12/75—12/75—12/37—12/50—(14/75).

Britannia Engineering—Rs. 9/81—10/03—9/75—10/03—(11/25).

Binani Metal—Rs. 10/00—10/00—10/00—10/00—(10/75)

Braithwaite & Co.—Rs. 31/50—32/37—31/50—32/37—(35/25).

Bhartia Elec. Steel—Rs. 13/50—13/56—13.44—13/44—(13/31)

Dalmia Jain—Rs. 10/75—10/87—10/75—10/87—(11/62).

Indian Standard Wagon—Rs. 33/75—34.12—33/75—34/00—(34/12).

Jessop & Co.—Rs 25/25—26/37—25/12—26/37—(22/56).

J. K. Steel—Rs 14/94—15/12—14/75—15/12—(16/44).

Kumardhubi—Rs. 8/91—9/50—8/87—9/25—(7.81).

Marshalls—Rs. 2/53—2/56—2/37—2/37—(3/25)

Machinery Mfrs.—Rs. 23/25 S.T.—23/25—22/87—23/00.

National Iron & Steel—Rs. 5/37—5/87—5/37—5/81—(5/12).

Raymon Eng.—Rs. 5/19—5/19—5/00—5/00.

Saran Eng.—Rs. 8/37—9/00—8/31—8/78—(9/15).

Wellman Incandescent—Rs. 6/06—6/06—6/00—6/00.

INSURANCES

New Asiatic—Rs. 7/62—7/87—7/56—7/81—(10/19).

Ruby General—Rs. 9/50—9/50—9/44—9/44—(9/62).

MISCELLANEOUS

Aluminium Corpn—Rs. 14/75—15/44—14/69—15/44—(15/69 x.d.).

Angelo Brothers—Rs. 23/94—24/00—23/87—23/87—(24/25).

Asiatic Oxygen—Rs. 13/87—14/19—13/87—14/19—(9/75).

Associated Battery—Rs 24/50—24/50 24/50—24/50—(28/87).

Airways (India)—Rs. 4/31—4/56—4/25—4/56.

Asian Refractories—Rs. 6/50—6/50—6/37—6/44

Balmer Lawrie—Rs. 246/00—247/00—245/00—247/00—(257/00).

British Paints—Rs. 20/25—20/25—20/00—20/00—(22/00)

B. I. Corpn.—Rs. 7/94—8/00—7/87—8/00—(9.94).

Bararee Coke—Rs. 21/19—21/25—21/19—21/25—(24/50).

Bharat Nidhi—Rs. 5/81—5/87—5/81—5/87.

Calcutta Tramways—Rs. 11/12—11/12—11/06—11/06—(11/94).

Clive Row Investment—Rs. 8/75—8/75—8/75—8/75—(8/37).

Dr. Paul Lohmann—Rs. 13/12—13/35—13/12—13/37

Dyer Meakin Breweries—Rs. 28/25—28/50—28/25—28/25—(31/00).

English Electric—Rs. 14/00—14/19—13/87—14/19.

Electric Construction—Rs. 13/50—13/60—13/37—13/60—(14/81).

Eastern Investment—Rs. 117/00—117/00—117/00—117/00—(129/00).

General Tyres—Rs. 7/62—8/62—7/62—8/62—(5/87).

Goodyear India—Rs. 31/12—31/25—31/12—31/25—(42/87).

Hindustan Aluminium—Rs. 13/31—13/87—13/31—13/81—(16/00).

Hindusthan Development—Rs. 3/87—4/06—3/81—4/00.

Hindusthan Gas—Rs. 22/87—22/87—22/24—22/24.

Hindusthan Pilkington Glass—Rs. 15/12—15/37—15/00—15/37—(19/87).

Hoare Miller—Rs. 5/50—5/75—5/50—5/75—(7/09)

Hindusthan Wire Products—Rs 16/75 x.d.—16/75—16/62 x.d.—16/62.

Ivan Jones—Rs. 81/00—81/00—81/00—81/00.

Imperial Tobacco—Rs. 10/75—10/91—10/69—10/91—(11/12 x.d.).

India Carbon—Rs. 17/25—17/37—17/25—17/37—(25/12).

Indian Tack & Nail—Rs 11/56—11/56—11/44—11/56—(15/50).

Isaac Holdens—Rs 15/41—15/41—15/19—15/19—(16/50)

Indian Oxygen—Rs 27/37—27/75—27/37—27/50—(47/62).

Indian Plastics—Rs. 7/00—7/00—6/94—6/94.

Indian Wood Products—Rs. 29/62—29/87—29/62—29/62—(33/25).

Jardine Henderson—Rs. 88/50—88/50—86/00—86/00—(56/50).

J. K. Synthetics—Rs. 11/19—12/06—11/00—12/06—(13/62).

Jay Shree Industries—Rs. 17/25—17/56—17/25—17/50—(16/62).

Madhya Pradesh—Rs. 9/56—9/69—9/56—9/69.

Martin Burn—Rs. 27/25—27/50—27/12—27/37—(30/69).

Metal Distributors—Rs. 4/31—4/31—4/19—4/25.

National Insulated Cable—Rs. 23/00—24/12—22/75—24/06—(31/00).

National Rubber Mfg.—Rs. 11/37—12/06—11/19—11/87—(11/94).

National Rolling & Steel Ropes—Rs. 21/37—21/44—21/31—21/44—(22/87).

Phillips Carbon—Rs. 15/00—15/00—15/00—15/00.

Rallis India—Rs. 121/00—123/00—121/00—122/50—(150/00).

Sirsilk—Rs. 9/00—9/19—9/00—9/00—(9/69).

Union Carbide—Rs 39/25—39/37—39/00—39/00—(45/25).

Universal Cables—Rs. 10/69—11/25—10/62—11/25—(11/62).

Universal Elec.—9/12—9/56—8/94—9/50—(9/90).

Usha Martin Black—Rs. 14/87—16/00—14/44—16/00—(15/81)

Walford Transport (P.O.)—Rs. 2/06—2/12—2/06—2/12—(2/25).

Window Glass—Rs. 9/12—9/25—8/87—9/25—(9/12).

PAPERS

Balarpur—Rs. 17/44—17/87—17/37—17/62—(17/50).

Do. (Pref.)—Rs. 90/00—99/00—90/00—90/00.

Bengal—Rs. 26/12—26/12—26/12—26/12—(32/81).

India Paper Pulp—Rs. 17/25—17/44—17/25—17/44—(18/94).

Seshasayee—Rs. 7/25—7/35—7/25—7/35—(8/81).

Shree Gopal (2nd Pref.)—Rs. 99/00—99/00—99/00—99/00—(96/00).

Sirpur—Rs. 12/31—12/69—12/25—12/69—(12/85).

Straw Products—Rs. 9/12—10/06—9/06—10/06—(9/75).

Titaghur (New)—Rs. 15/75—15/87—15/75—15/87.

Titaghur—Rs. 16/99—16/69—16/62—16/62—(36/25).

West Coast—Rs. 135/00—135/00—135/00—135/00—(166/00).

SHIPPINGS

India General Nav.—Rs. 39/00—39/60—39/00—39/00—(66/00).

India Steamship—Rs. 6/62—6/89—6/56—6/56—(6/81).

Port Shipping—Rs. 14/75—14/75—14/50—14/69—(12/06).

OIL

Indo-Burma Petroleum—Rs 22/12—22/12—21/94—22/00—(25/50).

SAW MILL

Andaman Timber—Rs. 7/06—7/06—7/06—7/06.

SUGARS

Balrampore—Rs. 1/75—1/81—1/75—1/81—(2/41).

Belsund—Rs. 8/44—8/44—8/37—8/37—(9/62).

Carew & Co.—Rs. 10/87 S.T.—10/87—10/72—10/75—(12/06).

Champaran—Rs. 13/50—13/62—13/50—13/62—(17/12).

Darbhanga—Rs. 8/94—8/94—8/87—8/87—(9/00).

Raza Buland—Rs. 9/62—9/62—9/62—9/62—(10/00).

Sitalpore—Rs. 4/00—4/00—3/87—3/94—(6/12).

TEAS

Baghmari—Rs. 16/19—16/37—16/19—16/37—(18/50).

Bishnauth—Rs. 17/62—17/94—17/62—17/94—(17/69).

Borpukhuri—Rs 11/00—12/00—11/00—12/00—(9/31)

Bhatkawa—Rs. 16/75—16/87—16/75—16/81—(17/06).

Banarhat—Rs. 228/00—228/00—228/00—228/00—(273/00).

Bormah Jan—Rs. 13/25—13/37—13/12—13/12—(16/12)

Brooke Bond—Rs. 12/94—12/94—12/50—12/50—(14/50).

Dhelakhat—Rs. 18/87—19/12—18/87—19/12—(20/12).

Dauracherra—Rs. 11/75—11/87—11/62—11/75—(7/31).

Dessai & Purbuttia—Rs. 200/00—200/00—200/00—200/00—(141/00).

Gohpur—Rs. 15/44—15/56—13/44—15/44—(13/37).

Grob—Rs. 7/56—8/12—7/50—8/12—(8/56).

Gielle (Pref.)—Rs. 60/00—65/00—60/00—65/00—(50/00).

Hattikhira—Rs. 8/62—8/69—8/62—8/69—(9/44).

Huldibari—Rs. 13/44—13/69—13/44—13/56—(13/94).

Hantapara—Rs. 120/00 S.T.—120/00—119/00—119/00—(104/00).

Hasimara—Rs. 13/75—13/87—13/50—13/69—(14/37).

Jaybirpara—Rs. 11/50—12/00—11/50—12/00—(11/06)

Killcott—Rs. 15/25—15/37—15/12—15/31—(17/31).

Krishnabehari—Rs. 10/50—11/00—10/50—11/00—(10/50).

Kotamullai (Pref.)—Rs. 18/00—18/00—18/00—18/00.

Lingia (Pref.)—Rs. 55/00—55/00—55/00—55/00.

Loobah—Rs. 4/50—4/62—4/50—4/62—(4/44).

Nagri Farm—Rs. 30/25—30/75—30/25—30/75—(25/44).

Pahargoomiah—Rs. 14/00—14/25—14/00—14/25—(31/12).

Rydak—Rs. 25/50—26/00—25/25—26/00—(27/37).

Rungamatee—Rs. 51/00—51/50—51/00—51/50—(50/00).

Ranicherra—Rs. 13/25—13/37—13/25—13/37—(16/75).

Sungma—Rs 14/25—14/56—14/25—14/56—(12/75).

Sapoi—Rs. 17/25—17/31—17/12—17/31—(24/44)

Teloijan—Rs. 22/00—22/00—22/00—22/00—(27/75).

London

ACTIVITY STILL RESTRICTED

OPERATORS CAUTIOUS

London, 25th September.

IN SPITE of some particularly helpful economic factors including very good August trade figures, a rise in the industrial production index and yet another encouraging statement from the Chancellor of the Exchequer on economic prospects, buyers still refused to extend themselves very far in the stock market last week and business was moderate. The chief restraining influence was political uncertainties and the imminence of the publication of the Denning report on the Profumo affair caused investors to adopt a cautious approach. There was also much speculation as to when the general election would be held although the most favoured time is next spring. The serious developments between Indonesia and Malaysia had no marked effect on share prices, but towards the week-end, disappointing profit statements from two industrial giants—A. E. I. and Victory provided food for thought. Channel Tunnel shares were very active. Guilt-edged were quiet, but medium and short-dated stocks hardened following the terms of a new £500 million Exchequer loan. Dollar stocks moved in sympathy with transatlantic trends. Gold shares drifted lower in the absence of support and coopers were quiet. Platinums went ahead in advance of the dividends.

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Money

OPENING BANK BRANCHES IN NEW AREAS

(BY A SPECIAL CORRESPONDENT)

IN the August 1963 issue of the *Reserve Bank of India Bulletin*, an attempt was made to ascertain the number of unbanked towns in India as at the end of March 1962. Such unbanked places numbered 1,017 out of a total of 2,690 towns listed in the 1961 census. While no town in the higher population group, *i.e.*, 1 million and above and 500,000 and above but less than 1 million, remained unbanked, all in the population groups of below 100,000 were.

This picture reveals a lop-sided growth of branch banking. This is because even during the five years ended 1962-63, scheduled banks increased their branches at the rate of 250 a year. Only the State Bank doubled its branches and the new offices were mostly opened in unbanked areas. The banks in the private sector, by and large, preferred well-developed towns which offered more remunerative prospects. Apparently, the Reserve Bank did not object to it. One often finds, therefore, the offices of several banks concentrated in the same street or in a specific locality in big towns. The implications of such a concentration are obvious. A large number of banks have to share a limited deposit potential.

Powers of Reserve Bank

The Reserve Bank has enough powers under the Banking Companies' Act, 1949, to promote an orderly expansion of branch banking. It follows that had the Reserve Bank regulated the branch expansion of banks according to the letter and spirit of the law, the position would have been very different from what it is today. Scheduled banks would have branched out, in particular, to untapped areas in search of deposits. But for some strange reasons, the Reserve Bank chose the rôle of a silent spectator.

In the past year or so, especially after Mr. Bhattacharyya became the Governor of the Reserve Bank, the problem attracted much attention. It is understood that the Bank has finalised a new branch licensing policy with accent on opening offices in unbanked areas. Banks will be given permission to open branches provided they undertake to open offices simultaneously in a few unbanked areas in adjacent places. Further permission to open branches in an area already well served by banks will not be given unless the economic development in the town concerned warrants it.

Reorganising Banking Structure

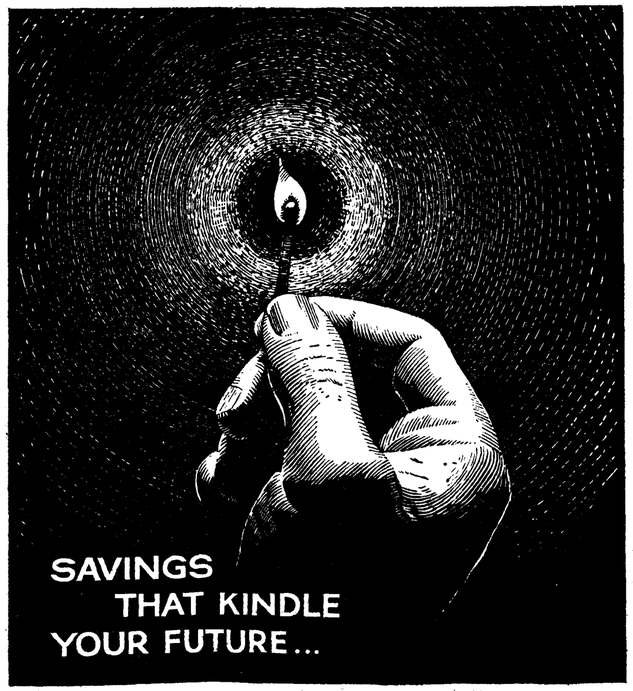
It has also been realised that both the unitary banking system of the British type and the federal type which prevails in the United States should be encouraged. The banks operating in the country are, therefore, to be classified as all-India institutions, regional banks and local banks. The major scheduled banks are expected to come under the first category; the medium banks under the second and the vast majority of banks, scheduled and non-scheduled with deposits below Rs. 10 crores, under the third. The sounder ones among the small banks are to be toned up and not compulsorily merged with bigger ones. The first batch of licences under the new policy, it is understood, was released a few weeks ago.

The major question which arises is the impact of the new policy on existing branch expansion programmes. Commercial banks will find it hard to fall in line. Certain banks which entered the field of branch expansion during the past three or four years, will be the worst hit by this shift in policy. They have to be satisfied with whatever offices they have opened so far in profitable centres; in future, they have to confine themselves to unbanked places which may not be profitable.

Considerable confusion seems to prevail in the licensing of foreign banks. There are reports that the Bank of America is shortly opening an office in Bombay. It is the world's biggest bank and the existing banks, both foreign and indigenous, are viewing this recent development with concern. Again, there are already two American banks operating in Bombay in addition to several British. The existing institutions are adequate, especially the foreign ones, to take care of the requirements of all ventures promoted in foreign collaboration in this country.

Bank Branches in Goa

Yet another question-mark in the branch licensing programme is the permission given to banks to open offices in Goa. During the last two years, any bank which applied for permission, including foreign banks, was given permission to open offices there with the result that there are nearly a dozen banks operating now. The trade potential of Goa is not more than Rs. 30 crores to 40 crores a year and the total deposits of the area are not more than Rs. 10 crores. The reason cited is the quick development of Goa. It is, however, likely that instead of helping quick development of the region, the banks would indulge in cut-throat competition among themselves for the limited deposits and advances business.



The future may be invisible to your eye, but you can shape your future to the extent that you plan and save for it.

The Bank of India Ltd. has various Savings facilities for your benefit—

(1) SAVINGS BANK ACCOUNTS :
You get 100 cheques per year and you can withdraw any amount at any time without previous notice. Compound interest at 3% per annum.

(2) RECURRING DEPOSIT SCHEME :
Our latest savings scheme gives a yield of about 4% per annum.

(3) TIME DEPOSITS :
Deposits from 3 days to 10 years with rates of interest varying from 3% to 5% per annum.

(4) CASH CERTIFICATES :
The Bank's 3 years' and 5 years' Cash Certificates give a yield of 4½% and 4¾% per annum—respectively.

THE BANK OF INDIA LTD.

T. D. KANSARA
General Manager

BI/1/63

THE CALCUTTA MONEY MARKET

MODERATE FALL IN ADVANCES

Wednesday, 25th September.

THE general level of advances shows a moderate decline in the Calcutta money market during the past week. Most of the decline is accounted for by the sugar mills and the iron, steel and engineering industries. The credit given to the cotton and jute mills and to the foodgrains and seeds trade, remains unchanged. In the interbank market, conditions have tightened considerably and the call rate has risen to 2¾ percent.

The exchange market has been quite active, with a fair supply of tea and gunny bills. The demand for remittances has been moderate. In London, sterling shows an improvement in relation to most of the major currencies with the exception of Dutch, Danish and Swedish ones.

SILVER WAS STEADY IN CALCUTTA during the past week. The price rose from the previous week's level of Rs. 232.75 to Rs. 233.25 quoted today for ready. The London and New York prices were 111½d and 129.3 cents. Gold was steady. The price of 14-carat gold rose from Rs. 62.25 to Rs. 63.

DURING THE WEEK ENDED 20TH September, Government of India Treasury bills for Rs. 43,92,75,000 were sold in favour of the Reserve Bank.

TENDERS FOR RS. 2 CRORES OF 91-DAY Government of India Treasury bills were opened on 24th September. The total amount offered was Rs. 2 crores only. Tenders at Rs. 99.420 percent and above were accepted in full. The total amount accepted was Rs. 2 crores, the average rate of acceptance being Rs. 2.318 percent a year. Tenders for Rs. 2 crores of 91-day Government of India Treasury bills will be received at all centres up to the close of business on 30th September.

IT IS STATED THAT 91-DAY Intermediate Treasury bills will be sold from 25th September to 28th September at Rs. 99.436 percent. Sales can be stopped at any time without notice if the Government thinks it necessary. These bills sold from 18th September to 21st September amounted to Rs. 10,30,25,000.

DROPS OF RS. 19.98 CRORES TO RS. 2,204.43 crores in active notes and of Rs. 12.92 crores to Rs. 2,223.37 crores in total note issue were the outstanding features of the return of the Reserve Bank of India for the week ended 20th September, 1963. Consequently notes held in the Banking Department rose by Rs. 7.06 crores to Rs. 18.94 crores. Deposits of the Government of India and of State Governments fell by Rs. 4.34 crores and Rs. 4.59 crores to Rs. 70.20 crores and Rs. 7.13 crores, respectively. Deposits of scheduled banks at Rs. 86.15 crores showed a fall of Rs. 3.83 crores. Balances held abroad were Rs. 1.30 crores larger at Rs. 9.04 crores. Investments at Rs. 196.13 crores showed a decline of Rs. 7.43 crores. Loans to scheduled banks increased from Rs. 1.02 crores to Rs. 1.45 crores. Ways and means advances stood at Rs. 28.72 crores, against Rs. 20.09 crores.

THE RETURN OF THE STATE BANK OF India for the week ended 13th September, 1963, shows a drop of Rs. 1.78 crores to Rs. 589.25 crores in total deposits. Investments in Government securities are up by Rs. 6.95 crores to Rs. 304.40 crores, while other authorised investments remain unchanged at Rs. 8.95 crores. Advances, including loans, cash credits, overdrafts and bills discounted and purchased have declined by Rs. 3.58 crores to Rs. 253.78 crores. Cash and balances are, in consequence, shown at Rs. 27.94 crores or Rs. 97 lakhs higher.

THE STATEMENT OF THE POSITION OF scheduled banks for the week ended 13th September, 1963, shows Demand and Time liabilities at Rs. 1,083.60 crores (Rs. 23.09 crores on account of borrowings from banks) and Rs. 1,314.68 crores (Rs. 24.62 crores), compared with Rs. 1,099.48 crores (Rs. 26.76 crores) and Rs. 1,300.14 crores (Rs. 24.25 crores), respectively, in the previous week. Cash and balances with the Reserve Bank have declined by Rs. 29 lakhs and Rs. 98 lakhs to Rs. 52.45 crores and Rs. 86.86 crores, respectively. There is a rise of Rs. 12.40 crores to Rs. 751.04 crores in investments. Advances and bills discounted at Rs. 1,477.30 crores show a drop of Rs. 9.58 crores. The ratios to total liabilities of cash and balances are, in consequence, shown at 5.8 percent and 61.6 percent, against 5.9 percent and 62.0 percent.

TREASURY BILL MATURITIES

Details of 91-day bills outstanding with the public on 27-9-63.

Issue Date	Maturity Date	Amount (000's Rs.)	Average Acceptance Rate
27-9-63	30-12-63	2,00.00	Rs. 2.318%
20-9-63	23-12-63	2,00.00	Rs. 2.318%
13-9-63	16-12-63	2,00.00	Rs. 2.318%
6-9-63	9-12-63	2,00.00	Rs. 2.318%
30-8-63	2-12-63	2,00.00	Rs. 2.320%
23-8-63	26-11-63	2,00.00	Rs. 2.320%
16-8-63	19-11-63	2,00.00	Rs. 2.320%
9-8-63	12-11-63	2,00.00	Rs. 2.320%
2-8-63	5-11-63	2,00.00	Rs. 2.320%
19-7-63	22-10-63	2,00.00	Rs. 2.317%
12-7-63	15-10-63	2,00.00	Rs. 2.320%
5-7-63	8-10-63	2,00.00	Rs. 2.340%
28-6-63	1-10-63	2,00.00	Rs. 2.345%

(Monthly Maturities 000's omitted)

October 1963	8,00.00
November 1963	8,00.00
December 1963	10,00.00
Total	26,00.00

CLEARING HOUSE RETURNS

Week	Calcutta (Rs. Lakhs)	Bombay
13-9-63	.....	1,17.20
6-9-63	1,10.25	1,09.61
30-8-63	1,01.05	1,30.43

RESERVE BANK

ISSUE DEPARTMENT

(In 000's of Rupees)

	Week Ended 20-9-63	13-9-63	21-9-62
Liabilities—			
Notes in Banking Dept.	18,93,55	11,88,10	18,16,51
Notes in Circulation	22,04,43,12	22,24,41,35	20,19,79,38
Total Notes issued	22,23,36,68	22,36,29,45	20,38,75,89
Assets—			
A. Gold Coin and Bullion	1,17,76,10	1,17,76,10	1,17,76,10
Foreign Securities	89,46,14	89,46,14	88,34,17
Total of A	2,07,22,24	2,07,22,24	2,06,10,27
B. Rupee Coin	1,23,84,72	1,21,86,26	1,24,62,73
Rupee Securities	18,92,29,72	19,07,20,95	17,08,02,89
Total	22,23,36,68	22,36,29,45	20,38,75,89

BANKING DEPARTMENT

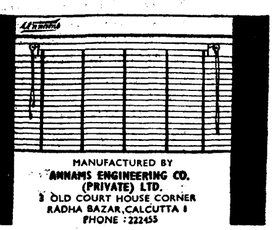
Liabilities—			
Capital Paid-up	5,00,00	5,00,00	5,00,00
Reserve Fund	80,00,00	80,00,00	80,00,00
National Agricultural Credit (Long Term Operations) Fund	73,00,00	73,00,00	61,00,00
National Agricultural Credit (Stabilisation) Fund	8,00,00	8,00,00	7,00,00
Deposits—			
(a) 1. Central Govt.	70,19,81	74,54,29	72,73,49
2. State Govts.	7,13,31	11,72,03	15,70,87
(b) Banks :—			
(i) Scheduled Banks	86,14,75	89,97,84	84,65,77
(ii) State Co-operative Banks	2,21,87	2,16,78	1,89,92
(iii) Other Banks	4,57	5,24	2,09
(c) Others	1,60,95,64	1,58,97,83	1,60,13,22
Bills Payable	31,46,61	25,09,22	25,14,25
Other Liabilities	21,28,22	20,27,63	23,13,14
Total	5,45,44,78	5,48,80,91	5,37,47,76
Assets—			
Notes	18,93,56	11,88,10	18,96,51
Rupee Coin	2,32	2,06	2,78
Small Coin	2,17	2,55	3,44
National Agricultural Credit (Long Term Operations) Fund			
(a) Loans and Advances to :—			
(i) State Govts.	27,14,40	27,15,95	24,03,29
(ii) State Co-operative Banks	10,15,34	9,27,91	11,77,08
(iii) Central Land Mortgage Banks	...	...	...
(b) Investment in Central Land Mortgage Bank Debentures	3,55,31	3,55,31	2,84,90
National Agricultural Credit (Stabilisation) Fund			
Loans and Advances to State Co-operative Banks	...	...	...
Bills Purchased and Discounted :—			
(a) Internal	...	...	...
(b) External	...	...	...
(c) Govt. treasury Bills	96,96,51	1,06,42,83	1,25,24,20
Balances Held abroad	9,03,58	7,74,05	7,58,17
Loans and Advances to Govt.	28,72,37	20,09,09	3,85,00
Loans and Advances to :—			
(i) Scheduled Banks	1,45,45	1,02,35	6,28,50
(ii) State Co-operative Banks	1,27,06,71	1,32,25,09	1,27,76,92
(iii) Others	1,95,55	1,73,05	1,34,07
Investments	1,96,13,21	2,03,56,40	1,73,30,63
Other Assets	24,28,20	24,05 26	34,42,27
Total	5,45,44,78	5,48,80,91	5,37,47,76

SCHEDULED BANKS

(In 000's of Rupees)

	Week Ended 13-9-63	6-9-63	14-9-62
(i) Demand Liabilities—			
(a) Demand Deposits			
(1) From Banks	51,75,29	53,86,84	44,25,68
(2) From others	9,47,26,39	9,56,41,99	7,96,84,58
(b) Borrowing from Banks	23,09,49	26,75,85	20,04,16
(c) Others	61,49,32	62,43,42	52,31,14
(ii) Time Liabilities—			
(a) Time Deposits			
(1) From Banks	36,12,45	35,61,84	24,13,55
(2) From others	12,43,99,36	12,30,47,05	12,32,43,25
(b) Borrowing from Banks	23,62,38	24,24,57	11,74,89
(c) Others	9,93,37	9,80,42	12,49,59
(iii) Borrowing from State Bank—			
(a) Demand Liabilities	4,77,44	4,40,92	7,54,15
(b) Time Liabilities	17,55,00	17,60,00	10,17,00
(iv) Borrowing from Reserve Bank	89,90	3,04,65	18,88,40
(v) Cash	52,44,51	52,74,13	49,75,23
(vi) Balances with the Reserve Bank	86,86,04	87,83,95	90,36,93
(vii) Balances with other Banks in current account	20,75,63	21,98,32	17,89,28
(viii) Money at call and short notice	50,78,32	51,41,16	42,91,31
(ix) Investments in Central and State Govt. Securities	7,51,02,63	7,38,63,80	6,62,12,59
(x) (a) Loans, Cash credits and Overdrafts	12,42,52,45	12,56,93,73	12,04,38,25
(b) Due from Banks	17,88,97	13,42,66	7,93,39
(xi) Inland Bills purchased and discounted	1,63,26,85	1,62,96,75	1,47,77,14
(xii) Foreign Bills purchased and discounted	53,52,21	53,54,82	48,18,68
(xiii) Total of X XI and XII	14,77,30,48	14,86,87,96	14,08,27,44

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RADHA BAZAR, CALCUTTA 1
PHONE : 222455

Dealers all over India.

ANNOUNCEMENT REGARDING THE PROPOSED ISSUE OF R.C. PREFERENCE SHARES

"This is an announcement and not a prospectus"

ELECTRIC CONSTRUCTION & EQUIPMENT CO. LTD.

Regd. Office: 9, Kaliprasanna Singhee Road, Calcutta-2.

SHARE CAPITAL

AUTHORISED:

		Rs.
50,000 Pref. Shares of Rs 100 each	...	50,00,000
25,00,000 Equity Shares of Rs. 10 each	...	2,50,00,000
		3,00,00,000

ISSUED:

15,500 9.3% (free of Company's tax but subject to deduction of tax at source at prescribed rates) R.C. Pref. shares of Rs. 100 each	...	15,50,000
6,09,340 Equity Shares of Rs. 10 each	...	60,93,400
		76,43,400

SUBSCRIBED & PAID UP:

3,003 9.3% (free of Company's tax but subject to deduction of tax at source at prescribed rates) R.C. Pref. shares of Rs. 100 each	...	3,00,300
6,09,340 Equity Shares of Rs. 10 each	...	60,93,400

Add Forfeited shares (Amount paid up):

	Rs.	
On Cumulative Redeemable Pref. Shares	2,525	
On Equity Shares	14,375	16,900
		64,10,600

PRESENT ISSUE:

12,497 9.3% (free of Company's tax but subject to deduction of tax at source at prescribed rates) Redeemable Cumulative Preference Shares of Rs. 100 each	... ...	12,49,700

The amount payable shall be:—	Rs. per share
On Application	50.00
On Allotment	50.00

The application for shares must be made for a minimum of five shares or multiples thereof.

The whole issue is fully underwritten by five underwriters as mentioned below and in the opinion of the Directors the resources of the said underwriters are sufficient to discharge their obligations.

Application will be made to Calcutta Stock Exchange for permission to deal in and for official quotation of 9.3% R.C. Preference Shares of the Company.

PRESENT ACTIVITIES AND OBJECTS OF THE ISSUE:

The Company was incorporated on 13th June, 1945 in the State of West Bengal with the objects of carrying on business as electrical, mechanical, general engineers, contractors, manufacturers of electrical equipments and other objects as stated in its Memorandum of Association.

At present the Company is engaged in the manufacture of Power & Distribution Transformers, Switchgears, Electric Motors, Starters in its various factories situated at Cossipore and Budge Budge in West Bengal and at Visakhapatnam in Andhra Pradesh and also manufacturers of Schindler Lifts in India in Technical Collaboration with Messrs. Schindler & Co. Ltd. of Switzerland.

The Company is in need of funds to finance its existing unit at Visakhapatnam for manufacture of Transformers and Switchgears.

PROSPECTUS & APPLICATION FORMS:

Copies of the Prospectus and Application Forms will be available from the Registered Office of the Company, from the Bank of Baroda Limited, 4, Brabourne Road, Calcutta-1, from The United Commercial Bank Limited, Calcutta and their branches at Ahmedabad, Bombay, Delhi, Hyderabad, Indore, Madras, Amritsar, Bangalore, Baroda, Patna, Varanasi & Poona and also from any of the Brokers whose names and addresses are given below.

BOARD OF DIRECTORS

1. **Sri A. V. Birla,** Director of: Hindustan Investment Corpn. Ltd., Bharat Commerce & Industries Ltd., Asian Cables Corpn. Ltd. & thers.
2. **Sri B. P. Khaitan,** Director of: Upper Ganges Sugar Mills Ltd., National Insulated Cable Co. (I) Ltd., Hindustan Motors Ltd. & others.
3. **Sri L. P. Shah,** Director of: Eastern Silk Mfg. Co. P. Ltd., New General Agents P. Ltd., Lakshmi Textile Mills P. Ltd. & others.
4. **Sri P. D. Pasari,** Director of: Aditya Investments P. Ltd., Ashoke Investment Corpn. Ltd., India Automobiles (1960) Ltd. & others.
5. **Sri G. D. Jhawar,** Director of: Jubilee Investment Co. P. Ltd., Kamal Trading Co. P. Ltd., Hindustan Aluminium Corpn. Ltd.
6. **Sri M. L. Nopany,** Director of: Shree Hanuman Sugar Mills Ltd., North Bihar Sugar Mills Ltd., Magnets & Appliances Manufacturers Ltd. & others.
7. **Sri S. C. Dalal,** Director of: Dalal & Jhaveri P. Ltd.
8. **Sri H. P. Barat,** Director of: Usha Martin Black (Wire Ropes) Ltd., Universal Cables Limited, Star Paper Mills Ltd. & others.
9. **Sri G. S. Poddar,** Director of: Rashtriya Metal Industries Ltd., Shree Hanuman Mining Corpn. Ltd., Pulgoan Cotton Mills Ltd. & others.

UNDERWRITERS

1. **The Life Insurance Corporation of India,** 'Jeevan Kendra', Jamshedji Tata Road, Bombay-1.
2. **The Oriental Fire & General Insurance Co. Ltd.,** 'Oriental Building', Mahatma Gandhi Road, Bombay-1.
3. **The Indian Guarantee & General Insurance Co. Ltd.,** Gresham Insurance House, P. M. Road, P.O. Box 165, Bombay-1.
4. **M/s. G. M. Pyne,** 14, India Exchange Place, Calcutta-1.
5. **M/s. A. B. Pandit & Co.,** 32, Apollo Street, Fort, Bombay-1.

SECRETARIES & TREASURERS

Birla Brothers Private Limited, 15, India Exchange Place, Calcutta-1.

BROKERS

CALCUTTA

1. **G. M. Pyne,** 14, India Exchange Place, Calcutta-1.
2. **Place, Siddons & Gough (P) Ltd.,** 6, Lyons Range, Calcutta-1.
3. **Jhawar & Co.,** 7, Lyons Range, Calcutta-1.
4. **Bansidhar Sitaram & Co.,** 16, India Exchange Place, Calcutta-1.

BOMBAY

1. **Navalchand T. Shah & Co.,** 15, Union Bank Building, Dalal Street, Bombay-1.
2. **A. B. Pandit & Co.,** 32, Apollo Street, Bombay-1.
3. **Bodhvala & Karani,** Union Bank Building, Dalal Street, Bombay-1.
4. **Raskilal Manekilal & Co.,** Stock Exchange Old Building, Dalal Street, Bombay-1.
5. **Chimanlal J. Dalal & Co.,** Stock Exchange New Building, Dalal Street, Bombay-1.
6. **Sri Shantilal Liladhar Thar,** 9, Dalal Street, Bombay-1.
7. **Bhaidas Maganlal & Co.,** Share Bazar, P.O. Box 533, Bombay-1.

MADRAS

1. **Maconochie & Company,** Mercantile Bank Building, Post Box No. 291, Madras.
2. **Kothari & Sons,** 108, Armenian Street, Madras.

NEW DELHI

1. **Harbans Singh Mehta & Co.,** 33, Regal Building, Parliament Street, New Delhi-1.
2. **Raj Paul Chadha & Co.,** Delite Cinema Building, Asaf Ali Road, New Delhi.
3. **P. Roy Company,** 3/8, M. M. Road, Junction Panchkuin Road, New Delhi.

BANKERS TO THE ISSUE

The United Commercial Bank Ltd., 2, India Exchange Place, Calcutta-1.

The Bank of Baroda Limited, 4, Brabourne Road, Calcutta-1.

DATE OF OPENING OF SUBSCRIPTION LIST: 7th OCTOBER, 1963

Date of Closing of Subscription List: At the Close of Banking Hours on 12th October, 1963.

New Delhi

T.T.K. MODIFIES C.D.S. AND GOLD CONTROL RULES

(FROM OUR NEW DELHI CORRESPONDENT)

ON Saturday, the last day of the monsoon session of the Lok Sabha, the Central Finance Minister, Mr. T. T. Krishnamachari, made an important announcement modifying the Gold Control Order and abandoning the Compulsory Deposit Scheme in so far as it related to persons who were not income tax payers. The Compulsory Deposit Scheme falls into five parts. Two of these have already been implemented—one for persons liable to pay tax under the Income Tax Act, and the other for employees of certain categories earning salaries of Rs. 1,500 or more a year and who are not liable to pay income tax. The other three parts relate to:

(1) persons liable to pay land revenue;

(2) holders of immovable property in urban areas assessed to property tax who are not liable to income tax, and

(3) dealers whose annual turnover for purposes of State sales tax is Rs. 15,000 or more and who are not subject to income tax.

Mr. Krishnamachari said that "three out of the five schemes contemplated under the Compulsory Deposit Scheme Act, 1963, namely, those relating to land-revenue payers, urban immovable property holders and sales tax payers, have not yet been brought into effect. These schemes have to be implemented through the States and local authorities concerned and draft schemes were referred to the State Governments for their comments. The replies received have indicated numerous practical difficulties, notably in the case of land-revenue payers.

"Not only the rates at which tax on land is levied, but also the periods, methods and agencies of collection vary widely from State to State. As for the two other schemes also, it has been represented that collection will pose difficulties. In many cases, the municipal authorities do not impose any urban property tax and will thus have no ready basis for collecting compulsory deposits. The States have also complained that the sales tax payers' scheme will impose additional burdens on their already hard-pressed sales tax authorities. Besides, the outturn from these two subsidiary schemes is expected to be comparatively small.

States Unhappy

"Quite apart from the administrative problems, there were indications that many State Governments were far from happy about the idea that an additional levy, even though it was in the form of savings rather than tax, be imposed upon land owners and the relatively low income urban groups. Since the main beneficiaries of the Compulsory Deposit Scheme were the State Governments themselves and the entire collection from the land revenue paying class would have gone to them, the Government of India felt that it was but fair to ask the State Governments to express their considered opinion once again on the scheme as a whole. Accordingly, I wrote to the Chief Ministers of all the States asking them for their opinion as to whether these three schemes should be implemented, modified, or given up. The replies I have received from them show that almost all of them are in favour of abandoning the scheme for the land revenue payers and most of them would prefer to see the schemes for the urban property owners and sales tax payers also given up. Some Chief Ministers have drawn pointed attention to the fact that the levy of a compulsory deposit on landowners in particular and the urban population generally will affect the contribution to voluntary savings, a consideration which we cannot ignore.

Equity of Sacrifice

"In the light of these comments, the Government of India has made a review of the Compulsory Deposit Scheme as a whole. It is important to ensure equity of sacrifice between people who belong, broadly speaking, to the same income groups or to the same economic levels. We cannot exempt land-revenue payers from this scheme without giving relief to salaried workers as well.

"The Government of India has, therefore, decided that schemes in relation to land revenue payers, urban immovable property holders and sales tax payers, which have not yet come into force, should be given up. As for salaried workers who are not in the income tax paying category, the Government feels that similar relief should, in equity, be given to them. Arrangements will be made to refund the deposits that have already been made with interest with the least possible delay. Income tax payers, however, stand on a different footing. As far as they are concerned, the rate of income tax on them has gone up and they have the option to pay a part of the increase in the shape of a contribution to the Compulsory Deposit Scheme. A mere withdrawal of this scheme might mean greater hardship to them, because in lieu of a refundable deposit they would have to make an outright payment in the shape of a tax. The scheme for income tax payers will, therefore, continue. I trust these changes will have the support of the House." There was loud and prolonged cheering from the members who obviously welcomed this part of the Finance Minister's announcement.

Referring to the gold policy, Mr. Krishnamachari said: "The basic features of the gold policy initiated by my distinguished predecessor were aimed at a curtailment of the facilities to market gold, particularly in its primary forms, so that the smuggler who got past the Customs points did not feel free to dispose of the gold openly and without challenge, and, secondly, at reducing the demand for gold by stopping the production of gold ornaments of a higher purity than 14 carat. The Government feels that both these objectives are basically sound and justified by considerations of national interests. There can be no going back on them. Nevertheless, the many problems which have been thrown up in the administration of gold control in its present form had to be reviewed. We had also to consider whether and to what extent changes were necessary, even if they be of a transitional character, to alleviate hardship to the class of people, who have been working on gold as a means of livelihood, having at the same time due regard to the sentiments of the people, who as I have said before, have a great deal of attachment to gold and gold ornaments.

"On the problem of those working on gold we have to consider firstly the self-employed goldsmiths and secondly those employed by the bigger goldsmiths and jewellers. While we have a programme for the rehabilitation of the self-employed goldsmiths, we had recognised that the fringe of the problem has been barely touched, and it would take much more than the amount of money we have allotted for this purpose so far as well as a great deal of time, before we can successfully rehabilitate most of them. While we propose to proceed with this task of rehabilitation of goldsmiths, who depend purely on the manufacture of gold ornaments for their livelihood, we cannot do all that has to be done in a day.

"The Government has, therefore, decided to grant licences to self-employed goldsmiths on a nominal fee and to permit them on certain conditions to convert existing gold ornaments in excess of a purity of 14 carat into ornaments of like purity. This will restore to them the facility to carry on what was their main avocation. Out-workers, namely, those goldsmiths who worked on gold in their own houses to execute orders received from licensed dealers, will be permitted to handle limited stocks of primary gold up to 14 carat. The Government hopes that these measures will facilitate the continuance in employment of goldsmiths and artisans in this trade, pending the long-term process of rehabilitation.

"I would emphasise that these relaxations do not involve any change in the Government's basic long-term policy to discourage the use of gold generally and the production of gold jewellery of high purity. If anyone wants new ornaments to be made from primary gold, he can only get 14-carat ornaments to whichever source of supply he turns. There will be no sale or display by dealers of jewellery of a purity exceeding 14 carat. The facility to convert existing ornaments into new ornaments of purity above 14 carat is necessarily a limited one and intended to benefit those who possess such ornaments and want them to be reshaped, and to enable the self-employed goldsmiths to continue to earn a living for the time being.

Enforcing the Rules

"Apart from these changes to which I have just referred, the Government proposes to make certain changes in the administrative set-up in order to make enforcement more effective. The present rules provide for the establishment of a board to advise the Government and to be in overall charge of the implementation of policy. The responsibility for enforcement of these rules is, however, entrusted to the Central Excise Department. After a careful examination of the matter, the Government has come to the conclusion that the bifurcation of responsibility for policy-making and for implementation is not wise. The Government has, therefore, decided to centralise the administration by appointing a Gold Control administrator, located in the Department of Revenue, who will be in charge of matters of gold policy and administration and who will seek the assistance of State administrations in this task.

"When the Gold Control rules were originally framed, it was considered that the most convenient method was to issue them in the form of amendments to the Defence of India Rules. Considering the application of these rules to a very large section of the community, in relation to both the use of gold in industry and the use of gold as ornaments, the Government feels that these rules should be replaced by a statute, subject of course to the approval of Parliament. The Government, therefore, intends to bring up before Parliament at a very early date a Bill which might cover both short-term and the long-term objectives of the Government's gold policy."

In this context, it is interesting to note that 42.97 million grammes of gold valued at about Rs. 23 crores at international prices have been declared under the Gold Control rules by dealers, refiners, institutions and individuals. According to an article published in the April 1958 issue of the *Reserve Bank of India Bulletin*, the total quantity of non-monetary gold in all forms in India was about 3,266 million grammes valued at about Rs. 1,750 crores at the international price.

The Central Minister for Defence, Mr. Y. B. Chavan, said in Parliament last week that his Ministry would not be able to spend all the money allotted to it. Meanwhile, the Central Ministry of Finance is engaged in a study of factors which have led to a rise in prices and a decline in investment confidence. Taxes, which have had an adverse effect on production or on the cost of living, are being examined by the Ministry in the context of their financial implications. As far as the investment market is concerned, the official statement that the super profits tax would be levied only during the period of emergency should help revive investment confidence.

The Finance Minister made it clear that no major reform of the existing tax structure should be expected overnight. It is, however, safe to expect that he will take all possible steps to hold the price line and revive the investment market.

PUBLIC-SECTOR PROJECTS

Administrative Set-up

While making a statement last week on the future set-up of some public-sector projects, the Central Minister of Steel and Heavy Industries, Mr. C. Subramaniam, said in Parliament that "the programme I am announcing today has been under consideration for several months. It has been fully discussed with the chairman of Hindustan Steel and in recent weeks it has also been the subject of discussion with the senior officials of the Ministries principally involved in the proposed changes.

"In general, the proposed changes will place a larger measure of operating authority at the plant level, and will minimise the need of scrutiny by my Ministry and by the headquarters at Hindustan Steel Ltd and the Fertiliser Corporation of India in the day-to-day operations at the plants.

"I shall now indicate the main changes which I propose to introduce. The order in which I mention them does not indicate an order of importance.

"The authority to appoint, promote and discharge persons within the plant organisations at Durgapur and Sindri is being placed at the plant level. The General Managers will be made responsible for their organisations and they will delegate to the heads of the several units within their organisations the appropriat

sub-responsibilities. I am convinced that unless such authority is placed by the board of directors in the hands of the General Managers, and unless he in turn places similar authority in his several supervisors down the line, it is not possible for him to hold his supervisors fully responsible for the operation. Of course, in his turn, the General Manager will remain responsible to the board of directors and the Chief Executive for the efficient operation of his plant.

"Steel and fertilisers are produced by machines and men. The men must be organised. Organisation must have a single head to whom the members of the organisation must owe undivided allegiance. To put this in another way, if a General Manager or one of his sub-managers must accept for his organisation, personnel who come to him, are taken away from him, or are promoted under him, pursuant to rules, regulations of higher authorities over which he has no control, then I feel that he may not be able to maintain the discipline, or have the undivided loyalty, or exercise the leadership essential to effective production.

"In the programmes at Durgapur and Sindri, the plant managements will also be given the authority to decide, within the ambit of their budgets, how many senior posts and how many junior posts of each category they will have. They will be free to recognise merit by promoting from one grade to another, or by giving advance increments. It is only where scales of pay for similar types of posts are proposed to be changed that a reference to the board of directors will be needed, so as to prevent awkward pressure on the other plants.

Bonus Schemes

"The plant may also recommend to the board specialised bonus schemes particularly fitted to their needs and the board could well have different bonus schemes to provide the right incentive and the right reward for good work in each plant. Plants, even in the same industry, such as steel, have special and sometimes differing requirements concerning salaries and bonus schemes, and plant managements need flexible authority to devise programmes suited to such specialised requirements. I think there is too much tendency in our public-sector economy to prescribe rigid categories for workers and supervisors and also to set time limits within which promotions cannot be made; so also to give too much emphasis to seniority and not enough to merit for promotions at all levels.

"Purchases of replacements and stores have been frequently delayed in the past, with resulting loss of production. The function of procurement (purchases) is a specialised function, just as specialised as accounting. What is needed is for Purchasing Officers to employ their special aptitudes for procurement of the best values at the most favourable prices in the most expeditious manner, and, above all, in timely response to the requirements of uninterrupted production. While General Managers and Purchasing Officers at Durgapur and Sindri will be free to call upon the Finance Officers for advice, when in their opinion it is needed on purchase matters, and I should like to clarify that it is not the intention to side-track the Finance Officers, the responsibility for timely purchase will be squarely placed on the General Managers and their Purchase Department, and they will have the authority to override the advice given by the Financial Adviser where they consider it necessary to do so in the interest of the plant.

New Post Recommended

"A new office should be established to be known as Commercial Manager or Commercial Superintendent, the new post to be filled by a person with appropriate experience and qualifications. The Purchase Officers will report to the incumbent of this new post. He will be responsible also for maintaining good liaison between sales and production, particularly in the case of Durgapur. I find that in all industry, there is frequently a sharply differing outlook as between sales and production. A centralised sales management is naturally inclined to accept any and every order obtainable, often without considering the feasibility or cost of producing a particular item or quantity in the plant. Production men, on the other hand, are naturally desirous of running the items and quantities which can be run at the lowest cost and with the most efficient results. These differing attitudes need to be reconciled. One of the important functions of the new post of the Commercial Manager will be to provide good liaison between sales and production which will co-ordinate the need of sales to satisfy customers and the need of production to operate efficiently.

"I have concluded that in many of our public-sector plants we need to bring more highly specialised and experienced talent to the office of the personnel manager. Personnel management is a staff function which must remain advisory only to the General Manager and the line supervisors. Contrary to this concept, there is now a tendency for the Personnel Managers to consider themselves as administrators of personnel rules and regulations emanating from some higher authority, often at variance with the judgment of experienced line operators.

"As in the case of the Personnel Manager, so also I consider it essential to emphasise the staff and service functions of the Plant Financial Adviser and Chief Accounts Officer and eliminate the control aspects of this office.

"The idea that public-sector management can be so hedged about with checks and balances that mistakes cannot occur is itself mistaken. Effective management will always make interim mistakes. Mistakes are the price of progress. It is the end-result which counts.

Efficient Production

"If the managers of our public-sector plants are mostly incompetent or corrupt, as sometimes seems to be assumed, and therefore must be hedged in with restrictions, then our public-sector enterprises will progress but haltingly and in the end at prohibitive costs. Efficient production at tolerable costs depends exclusively upon good management. If India's industrialisation is to progress, then we must trust our public-sector projects to managers with full authority and accord to such managers that same trust and confidence which we repose in our leaders in other fields. Since the General Managers remain responsible to their boards, if they betray that trust or fail for any cause, then they must be promptly removed.

"Consistent with these observations, at Durgapur and Sindri, the functions of the Financial Adviser and the Chief Accounts Officer will be to assist the General Manager with internal plant accounting, cost accounting and financial advice. In fact, at these plants we should think in terms of a top plant management, a plant staff cabinet, so to speak, comprising the Chief Plant Accountant (F.A. and C.A.O.), the Commercial Manager and the Personnel Manager. But it is clearly understood that the function of the Chief Plant Accountant or the Financial Adviser is a staff, not an operating, function. He should be and indeed is no more than one of the trusted lieutenants of the General Manager.

Excessive Manpower

"Excessive manpower besets many of our public-sector plants. This is particularly true at Sindri, one of our older enterprises. Unemployment we have, but to load any given plant with excess manpower is not the way to deal with it. In both steel and fertilisers, our manning a ton of product is several times more than in comparable operations abroad. To contend that Indian conditions require this overmanning is wrong. There are in India today industrial operations in which the manning compares favourably with like operations abroad. Proper manning is a plant management function.

"One of the factors in overmanning is excessive leave, both authorised and unauthorised (absenteeism). The procedures on these matters will have to be tightened up.

"Therefore, the programme, particularly at Sindri, will involve the addition to staff of a labour lawyer, experienced in advocacy and competent to relieve management of its uncertainties in labour law interpretation and to handle claims and litigations if they should arise. It is possible that this need for specialised legal advice in labour matters may have to be served by a continuing relationship with a general labour law practitioner rather than by a full time staff lawyer.

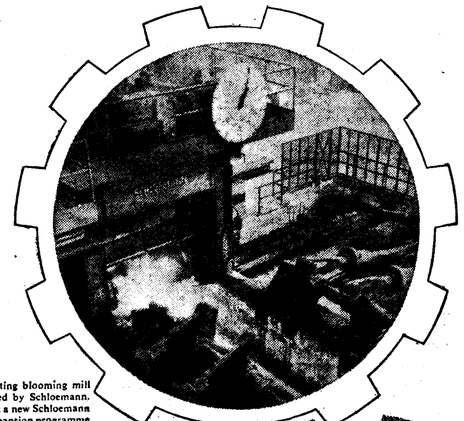
"The Auditor General of India under our Companies Act has the authority to designate chartered accountants, giving them such special instructions as he sees fit to carry out the work of auditing our public-sector enterprises. He has long since designated an approved list of chartered public accountants. They are presently auditing our public-sector enterprises.

"In addition, the Auditor General has his staff located at the plants who go into matters which chartered accountants in this and other countries do not enter into. I would personally have very much preferred that at Durgapur and Sindri, when I am proposing a new system, these auditors could be withdrawn and the audit confined to the examination by chartered accountants as in other countries which also have public-sector plants. Till, however, this can be done, it is the intention that a separate officer be nominated in each plant to deal with whatever audit queries may be received and to leave the General Manager and his operating staff free to devote their entire time to the efficient running of their units.

"The board of directors of Hindustan Steel will decide whether similar changes, with such modifications as may be necessary to suit local conditions, will be introduced in Rourkela and Bhilai also."

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PAPER

Raising Production

The production of paper has increased from 185,000 tons in 1955 to 425,000 tons during the current year. On present indications, it is further expected to rise to about 580,000 tons by the end of the third plan period. India will still be short by about 120,000 tons, compared with the targeted production. In order to narrow this gap as far as possible, a plan is being drawn up to increase production in the existing plants to the maximum extent possible by making adjustments in the machinery and equipment. This scheme, it is expected, will be ready shortly. It may help increase production by about 60,000 tons to 70,000 tons. So the gap between the targeted production of 700,000 tons and actual production will be narrowed down to about 50,000 tons to 60,000 tons.

The shortfall may be attributed to various reasons, such as the lack of adequate interest among entrepreneurs in the industry due to low returns, shyness of the capital market and the political situation caused by the Chinese aggression. The licensing policy which was restricted two years ago due to overlicensing of capacity, has been relaxed since applications for expanding present undertakings as well as for establishing new ones in areas where the raw material resources have remained untapped so far, are now being considered on merits. Moreover, applications for small schemes (up to a capacity of 10 tons a day) based on indigenous plants and raw materials have throughout been considered liberally, it is claimed.

The country has had to depend on imported newsprint for meeting the major part of its requirements since the indigenous production of 30,000 tons is hardly 25 percent of India's present-day need for 125,000 tons. This has resulted in a considerable drain on India's foreign exchange resources. With a view to achieving the third plan expansion target of 150,000 tons, industrial licences were issued to three private parties for developing a total capacity of 150,000 tons. These parties have not so far made any progress. Of them, one is still surveying the suitability and sustained availability of raw materials as well as extraction methods, while another has submitted a revised scheme for doubling the capacity already licensed which the Government is at present considering. The third one shows little likelihood of coming up at all. Even if the first two do show some results, it may be during the fourth plan period. The scheme of expanding the capacity of the Nepa mills from 30,000 tons to 75,000 tons of newsprint a year is, therefore, being actively pursued.

MACHINE-BUILDING INDUSTRIES

Preparing Blueprints

The planning group for machine-making industries in the Ministry of Heavy Industries has set up several sub-groups to prepare blueprints for developing these industries in the fourth plan. Some of these sub-groups relate to the heavy machine-building industry, heavy electricals, machine tools, industrial and textile machinery, structurals and pipes and tubes.

ALUMINIUM

Licence Revoked

The Government has revoked the industrial licence granted two years ago to Mr. Murarji Vaidya for setting up an aluminium plant in Mysore in collaboration with Reynolds of the U.S.A. as no tangible progress has been reported towards the commissioning of the project. Side by side, the Government is examining Hindustan Aluminium's request to allow it further to expand its capacity from 50,000 tons to 60,000 tons.

The further progress of the Koyna aluminium project in collaboration with a German company, V.A.W., appears to be linked to the export promotion clause. Meanwhile a new look at the export promotion commitment is apparently necessary. An opinion is gaining ground that it will be futile to insist on exports of an article which is in short supply in India and is, therefore, being imported. If it were an item, the production of which was still in the intial stages, its cost of production should be higher than the prevailing world prices. In other words, exports of such items were being subsidised and foreign exchange was allocated to import them to meet the shortages in the home market.

The demand for aluminium is rapidly increasing, since it is being used as a substitute for copper in the manufacture, say, of cables. As reported earlier, one project planned for Mysore had so far failed to materialise. The Government is considering whether to retain the export promotion clause of the Koyna project. A major policy decision, which will cover the project, is expected shortly.

MOTOR-CARS

Finance from World Bank

The World Bank, it is reported, has shown interest in providing finance to promote the rapid development of the motor-car industry in India. A World Bank mission is expected here shortly to discuss the development plans with the Government and the industry.

EXPLOSIVES

U.S. Help for Licensees

The representatives of the U.S. firm, Dupont, have been here to discuss the terms of collaboration with the Khatau group and the Harshad Rai group for manufacturing explosives. The combined capacity of the two licensees is 17,000 tons of explosives a year. While in India, the representatives of the U. S. firm are also looking round for collaboration for manufacturing such items in which Dupont specialises, such as petro-chemicals and man-made fibres.

HINDUSTAN STEEL

Plans for Technical Training

The Government has asked the the Hindustan Steel Ltd to step up its training programmes in order to make available 30 percent more technical personnel to run the public-sector steel plants.

About 35,000 extra technical personnel will be required for the steel development programme in the public sector up to the end of the fourth plan period. A phased programme for meeting these requirements was already under way and it was hoped that almost all these needs would be met. The first establishment to be started in Bokaro will be the technical training school. The private-sector steel plants have their own training programmes to meet their requirements.

The investment on the three steel plants in the public sector up to 31st March, 1963, is estimated as follows:

	(In Rs. 000,000)
Bhilai	2,247.76
Rourkela	2,713.75
Durgapur	2,019.62
Total	6,981.13

Providing for depreciation and interest on loans, Hindustan Steel is estimated to have suffered a loss of Rs. 61.55 crores up to 31st March, 1963.

BHILAI

Expansion under Fourth Plan

It is proposed to add a coke-oven battery, a blast furnace and ancillaries at Bhilai in anticipation of its expansion in the fourth plan period. A project report for the purpose is at present being prepared by the Bhilai Design Cell.

IRON ORE

Survey Report on Exports

A Japanese survey mission of the Overseas Technical Co-operation Agency of Japan has recently conducted a reconnaissance survey of the development programmes of Orissa in the fields of mining, port construction, industries, power and fisheries and with particular reference to the project for the construction of a deep sea port in Paradip and the export of iron ore from there. The mission thinks that total reserves of iron ore in the Daitari area would be over 55 million tons. This would be equivalent to half that quantity in lump concentrate of 60 percent Fe. It has examined the plans of the State Government for mining and transporation of this ore by truck-trailers through an expressway, now under construction, for the export of 2 million tons of iron ore a year commencing from the end of 1965. The mission has made detailed technical suggestion on these aspects as well as on the port construction programme both in the first stage and the ultimate phase. While the first stage visualises an export of 2 million tons of iron ore from the Daitari area, the mission has recommended the early construction of a railway line from Paradip to Banspani in order to enable the exploitation and export of not only the iron ore of Daitari but of the high-grade ore in the Nayagarh area of north Orissa. For the ultimate development of Paradip port, it has suggested ten berths for miscellaneous cargo in addition to five berths for ore handling and has visualised the gradual development of various industries centring round the port, such as machine repairing, shipbuilding, food processing, and oil refining.

The mission has also covered in its survey the mining of chromite and manganese ore. It has specially stressed the bright prospects for large-scale exploitation of coal around Talcher. In its report, it has dealt with the mechanisation of farming, the manufacture of agricultural implements, the development of fisheries, of small enterprises, electrical power and town planning of the new harbour city in Paradip.

COAL WASHERY

Contract Signed

A contract for setting up a coal washery in Kathara, Bihar, was signed here between the National Coal Development Corporation, a Government of India undertaking, and V/O "Tjazhpromexport", the Russian supply organisation. Under the contract, "Tjazhpromexport" would supply for the washery equipment, instruments, apparatus and other materials valued at Rs. 2.05 crores (3.89 million roubles) out of the Indo-Soviet rouble credit agreement of February 1961.

The washery, which will be one of the biggest units in the country, will have a throughput capacity of 3 million tons of raw blendable coaking coal a year. The detailed project report for the washery, prepared by the Russian designing organisation, "Giproshacht", has already been approved by the National Coal Development Corporation.

Russia had also extended assistance to India in setting up certain other coal mining establishments. These include two coal mines in the Korba area, Madhya Pradesh, with an aggregate annual capacity of 1.7 million tons, a quarry in Korba with an initial capacity of 1 million tons which will later be expanded to 2 million tons and the establishment of the Central electrical and mecha-

nical workshop at the Korba coalfields for repairing a variety of coal mining equipment.

FERTILISERS

Plan Targets and Production

It was officially stated that according to present estimates, the installed capacity and production of nitrogenous fertilisers at the end of the third plan were likely to be about 640,000 tons and 500,000 tons in terms of nitrogen, respectively. The third plan targets for capacity and production were 1 million tons and 800,000 tons, respectively, in terms of nitrogen. The shortfalls were mainly due to the slow progress in the implementation of the private-sector projects. Of the seven fertiliser projects, which had been licensed or approved for establishment in the private sector, only three —in Kothagudam and Visakhapatnam in Andhra Pradesh and Baroda in Gujarat—had made some progress. The licensees of the projects in Hanumangarh, Rajasthan, Tuticorin in Madras, and Mangalore in Mysore have not yet submitted their final proposals for their projects. The future of the Durgapur fertiliser project in West Bengal is also being reconsidered. As for the public-sector projects, it is hoped that the Trombay factory in Maharashtra will start production next year, the Namrup factory in Assam and the Neyveli plant in Madras in 1965 and the Korba plant in Madhya Pradesh and the Gorakhpur factory in Uttar Pradesh in 1966. The Alwaye plant's expansion programme in Kerala should also be completed by 1965-66.

It was stated that proposals for the creation of additional capacity for producing fertilisers during the fourth plan period were already being worked out by the Planing Group on the Fertiliser Industry. As a result of discussions held so far, the group has come to the tentative conclusion that the production target for nitrogenous fertiliser by 1970-71 might be about 1.7 million tons in terms of nitrogen. For phosphatic fertilisers, the tentative target was 800,000 tons of P_2O_5. The group was now engaged in determining the regionwise requirements of both nitrogenous and phosphatic fertilisers at the end of the fourth plan period, as well as the types of fertilisers required in each area. Meantime, the Fertiliser Corporation of India has been asked to investigate in advance the feasibility of expanding the capacity of some of the existing factories in the public sector and also undertake techno-economic studies on raw materials, transport facilities and distribution arrangements.

SUGAR

Subsidy for Losses

The loss on sugar exports during the financial year 1960-61 worked out to about 50nP a maund. This was met by the industry. Since 1961-62, the losses are mainly met by the Government. A subsidy of Rs. 5.5 crores was paid on exports in 1961-62 and Rs. 14.20 crores in 1962-63.

MINERALS

New Corporation Formed

The new Corporation to be known as Minerals and Metals Trading Corporation of India Ltd is expected to start functioning from October 1963. The main objects of the Corporation will be as follows: (i) to organise and undertake exports of mineral ores and imports of metals and alloys, and (ii) to explore and develop new markets for the export of mineral ores and concentrates with a view to diversifying and expanding their exports. The Corporation will have an authorised capital of Rs. 5 crores.

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U.K. ECONOMY SHOWS GOOD IMPROVEMENT

(FROM OUR LONDON CORRESPONDENT)

IT is evident that the Government now takes the view that the economy has at last taken a decisive turn for the better. That can be the only interpretation one can place on Mr. Maudling's address to a Rotary Club luncheon the other day, when he said: "I think we can reasonably say that we are in a period of substantial expansion combined with stable prices and a strong pound .... Prospects for the growth of demand at home, with tax reductions and rising Government expenditure, are good."

The Chancellor described the August trade figures, which had been released the same day, as "excellent," and indeed rightly so. Exports of £351 million on a seasonally corrected basis, against £339 million in July, were the highest ever recorded in one month. With imports showing a drop from £419 million to £398 million, the seasonally adjusted trade "gap" in August was only £34 million, compared with £66 million in July. During the first eight months of this year, after eliminating seasonal influences, exports as a whole have been running at 6 percent higher than last year. On the same basis, the rise in imports has been only 4 percent. If this sort of trend can be continued, Mr. Maudling should find a firm basis for industrial re-expansion at home without any balance of payments problems.

On the home front as well, the news was good and the most cheerful this year. Industrial production continued its expansion in July, according to provisional estimates issued by the Central Statistical Office. The index number, taking 1958 to equal 100, reached 112 for July, compared with a revised figure of 119 for June, but seasonally adjusted, the July number was 120, against 118 in June. The unadjusted figure is four points above that for January and the one taking account of seasonal factors is 11 points up. Manufacturing industries alone had an index number of 113 unadjusted and 121 adjusted. Unadjusted figures show the weekly average rate of production in each month, and on this count, the July figures are below all but the first month of the year. The seasonally adjusted numbers, however, exclude movements due to regularly recurring seasonal factors, including holidays, and are designed to make the trend of production more readily discernible. On this score, July proved to be the best month of the year.

Exports Rise

Speaking of the strong rise in exports this year, Mr. Maudling said: "This reflects growing efficiency, enterprise and competitiveness, and is a great tribute to all engaged in industry." He went on: "At the same time, prices have remained remarkably stable and sterling has been strong. The index of retail prices has shown virtually no change this year—and this is at a time when prices on the Continent are rising rapidly. The balance of payments position is sound and the latest returns of our gold and dollar reserves were definitely good."

He agreed that there were some weak spots, including the machine tool industry, which was going through a difficult time. There was still real cause for concern about the unemployment situation in the development districts, but there was also a good deal of evidence—from the enquiries reaching the Board of Trade and from applications for industrial development certificates—that the pace of investment in those areas was quickening.

The Chancellor might have gone even further if he had had the latest unemployment returns from the Ministry of Labour, which appeared subsequent to his speech. They show that unemployment has fallen below half a million for the second time this year. On 9th September, the level of unemployment was almost back to that of June, when 480,000 were out of work. This is the first time since 1960 that unemployment has dropped between August and September. There is a normal seasonal rise in the wholly unemployed of roughly 11,000, although this is always partly offset by the number of school-leavers who find jobs. This year the seasonal increase has been counteracted not only by school-leavers starting work, but by the continuing revival of the economy. These factors are believed to have produced a net reduction of at least 10,000 in the August unemployment total of 501,000.

The figure in September 1962 was 465,000, which rose to 566,000 in December, and was then inflated by the severe weather in January and February. Apart from the weather the underlying trend of unemployment was upwards until last March. The measures taken last winter by Mr. Maudling, reinforced by this year's Budget, have reversed the trend. Since March, the fall in the number of unemployed has exceeded the normal seasonal average every month. If the new pattern can be maintained, the usual increase in unemployment during the winter months will be significantly smaller this year. Instead of a normal rise of about 45,000 between now and December, the increase would only be in the region of 20,000. If this can be achieved, it would be a major success for the Government, and would provide a basis for a drastic reduction in unemployment next spring, when the seasonal trend will again be downwards

Expansion with Stability

Summing up the general position, Mr. Maudling said: "When we look at the National Economic Council targets in the light of recent developments the conclusion is a clear one. It is 'Britain can do it.' We can expand at this rate, with all the benefits it will bring to our people. We can do it with stable prices and a strong pound." World trade conditions seemed to be still expanding. Export trade was going well. The lesson to be learned was that the condition of success was to remain competitive. "Because we have controlled our costs, because we have become more competitive at home, because the rise in incomes has been restrained, we are able to sell more and more overseas." The prospects of expansion without inflation would clearly be undermined if income started once again to rise too fast. Britain could do it if all had the will to see that it was done. This meant that we still needed a measure of restraint—"a difficult thing for any Chancellor to call for. But the evidence is increasingly before our eyes of what can be done if we have the will, the restraint and the determination to work together in the national interest."

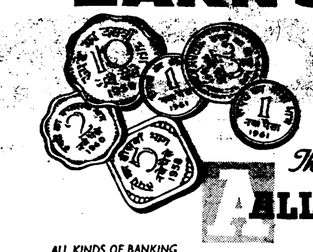
Easier loans for developing countries are likely to be one outcome of the improved economic outlook. A recent White Paper entitled "Aid to Developing Countries," reviews what has been done since the last White Paper on the subject was issued years ago. It outlines future plans and, in dealing with loans, says the Government has decided on several steps to ease the position of recipient nations "where their circumstances call for this." It continues: "Hitherto we have given loans for a maximum of 25 years, with a grace period for the repayment of principal of up to seven years. For the future we shall be prepared in suitable cases to make loans for periods up to 30 years, with grace periods of up to ten years. Further, where the economic circumstances of the recipient country make it necessary, we shall be prepared to grant a period of complete freedom from all service charges, by granting a waiver of interest as well as the deferment of capital repayment, for seven years. This latter concession is a very substantial one; it would reduce from, say, 5½ percent to below 3 percent the effective rate of interest on a loan for 25 years."

Since the second World War, Britain had disbursed £1,367 million in overseas aid. Last year, the sum was about £159 million; it was expected to be substantially higher in 1963-64. Dealing with what has happened since the last White Paper, the document states. ".. The need for aid has become no less. The difference between the standards of living in the industrialised and in the developing nations has not diminished; on the contrary, it has increased. The developing countries of the world must necessarily depend largely on their own exertions. But the developed nations recognise a responsibility to help them, both by giving financial aid and by providing advice and training facilities..." It is emphasised that everything depends on a balanced Budget at home. "Our ability to maintain, and perhaps increase, the size of our aid programme depends on the soundness of our domestic economy."

Overseas Aid

The Chancellor of the Exchequer took the opportunity of the news conference at which the White Paper was introduced to issue a declaration of what he sees as its value to the nation. Helping the have-nots, Mr. Maudling said, could never be a "painless process"—nor should it be. But it could provide precisely the new source of inspiration, the new sense of moral purpose which so many critics found lacking in British society today. Mr. Maudling made it clear that he would not grudge a penny of the £180 million or more which he would have to find in the current financial year for overseas aid. From public and private sources the total amounts to something like £300 million a year, or about 1¼ percent of the gross national product. Commenting on a statement that the United States' contribution to overseas aid was a lower proportion of their gross national product than Britain's, Mr. Maudling said: "I am rather against these comparisons. The criterion is not what other people do, but what we can afford to do ourselves. I am extremely anxious that we should not look upon our aid effort as a way of fighting communism. It is something we should do for its own sake."

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Jute

WAGE BOARD RECOMMENDS MORE PAY FOR WORKERS

THE Wage Board for the Jute Industry has recommended an increase in the emoluments of all categories of workers and clerks engaged in the mills. It has fixed a minimum wage of Rs. 81 a month for workers in West Bengal, linked the dearness allowance with the working class cost of living index and suggested the abolition of contract labour for manual work and a standardised bonus scheme.

Being a party to the Board's recommendations, the industry perhaps stands indirectly committed to implement them, although the annual bill for wages and amenities will increase by more than 10 percent to around Rs. 35 crores. The industry hopes that the concessions will promote peace and stimulate workers to step up their output which alone can absorb the extra incidence of the higher wages without impairing the competitive position of Indian goods in overseas markets.

When accepted by the Central Government, the new wage structure will come into force with retrospective effect from 1st July, 1963, and be effective until 31st December, 1967. Wages will be paid at the new rates as early as possible, and not later than the wages for the week ended 2nd November. The difference in emoluments between the new and the old wages from 1st July till the date from which the new scale is actually introduced will have to be paid on or before 23rd November. The bonus for this year is to be paid on or before 12th October.

The recommendations do not apply to clerks and employees of other categories working in the head offices, situated outside the mill premises. Unless otherwise stated, all workers as defined under Section 2 (S) of the Industrial Disputes Act, 1947, and employed by mills are covered by the recommendations. They will also be applicable to learners and apprentices engaged in the industry, according to the conditions laid down in the in-plant apprentice training scheme for semi-skilled manual operatives. Where bonus at a higher rate is payable in terms of any existing award, it will continue to be so paid.

Minimum Wage for Workers

The Wage Board's recommendations, many of which have been widely known for quite some time, are of special interest to West Bengal where the industry is concentrated. For workers in this State the Board has recommended a total minimum wage of Rs. 81 a month on the basis of a working class consumer price index of 425 for Calcutta (base year 1939 equals 100). This minimum consists of basic wage, the Board's increment and a variable dearness allowance.

The existing eight basic wage groups have been reduced to three groups. Groups I to IV with earnings from Rs. 34.67 to Rs. 37.92 are to be converted into one group with a basic wage of Rs. 40.17. Groups V to VII with wages ranging from Rs. 39 to Rs. 41.17 are to be equated and given a basic wage of Rs. 41.17. The basic wages of group VIII. now Rs. 42.25 and above, remain more or less unchanged.

Besides this all categories of workers (as distinct from clerical staff) are to get a "Wage Board increment" of Rs. 8.33 a month, inclusive of an interim relief of Rs. 3.42. This increment is to be treated as part of the basic wage for purposes of bonus, provident fund, etcetera.

Variable D.A.

The present dearness allowance of Rs. 32.50 is to be considered as having been fixed on the basis of a price index of 425 for Calcutta (base year 1939 equals 100). This should increase or decrease by 20nP for every point of rise or fall in the index. The dearness allowance will be revised every six months in February and August.

Both for time and piece rates, wages have been fixed on the basis of a 48-hour week, but the dearness allowance will not be reduced whatever may be the number of working hours. For time-rated workers, the basic wage also will not be reduced if the weekly working hours are not less than 45, but if they are below this figure the basic wage may be reduced proportionately.

For clerical staff, the scales of pay for four grades have been revised. After merging the "Wage Board increment" of Rs. 8.33, the scales are: SA grade Rs. 222-10-322, SB grade Rs. 152-10-222, grade I Rs. 92-5-162-7½-207 and grade II Rs. 77-4-137. The manner in which the staff are to be fitted into the new scales has also been prescribed.

The emoluments of *mistries*, oilers, *khalasis*, drivers of motor-cars, lorries and tractors, watch and ward staff and other categories such as pin boys, bar boys, etcetera, have also undergone a revision. With some modifications, the pattern recommended for West Bengal has been followed for mills in other States.

Contract Labour

No contract labour should be employed for manual work in jute mills. Even when contract labour is employed, the principal employer will be liable for paying wages to contract labourer and it will be his responsibility to see that all labour laws are fully implemented.

The Wage Board has not examined the basis of the existing piece-rates in jute mills in West Bengal. Since the Board has raised the basic wages of the piece-rated occupations in wage groups I to VI, necessary adjustments have been made in the unit rates applicable to these occupations. The new piece-rates, as also other piece-rates, will remain unaltered.

Exports to Eastern Europe

The I.J.M.A. delegation which recently visited Russia and the east European countries to study the export prospects for Indian gunnies, it is reported, has been impressed with the possibilities. With the rapid expansion of agriculture and industries in those countries, the demand for a versatile packaging material like gunny has been rising very fast. India's adverse balance of payments with all these countries, except Hungary and Yugoslavia, could be reduced by shipping larger quantities of jute goods.

During its tour, the delegation told them that it is not India's intention to compete with their indigenous packaging industries. What she wants is merely to cover the gap between their demand and supply. The jute mills in these countries have remained idle over the years due to the non-availability of fibre. So conditions are favourable for the Indian industry to enter the markets, provided it pursues a scientific sales policy. The markets are not as sophisticated as those in western Europe or the U.S.A. So there is little chance of competition from artificial fibres or substitute packaging materials. It is expected that Indian gunny exports to Russia will rise from about Rs. 8 crores now to Rs. 30 crores by 1967. Other countries in the communist bloc may take goods worth about Rs. 2 crores.

The Calcutta Jute Fabrics Shippers Association, it is reported, has evolved an export promotion plan to take advantage of the Rs. 3.5-crore Marketing Development Fund recently set up by the Government of India. A delegation will visit African and Middle East countries in November. These countries have long-term plans for developing agriculture. So they may require more packaging materials.

Rise in Gunny Offtake

Despatches of jute goods from mills reporting to the I.J.M.A. have risen sharply from 100,500 tonnes in July to 106,000 tonnes in August. The steep rise in sacking from 36,800 tonnes to 45,000 tonnes has been partially offset by the decline in miscellaneous goods from 17,800 tonnes to 16,100 tonnes and in hessian from 45,900 tonnes to 44,900 tonnes.

Total exports have increased by 1,000 tonnes to 82,000 tonnes; sacking has risen by 4,000 tonnes to 26,800 tonnes, but other goods have fallen by 2,000 tonnes to 13,700 tonnes and hessian by 1,000 tonnes to 41,700 tonnes.

Internal consumption has risen by 4,500 tonnes to 24,000 tonnes. The offtake of sacking has been brisk at 18,400 tonnes, against 14,200 tonnes, while hessian consumption is unchanged around 3,200 tonnes and other goods have risen by only 300 tonnes to 2,400 tonnes.

In August 1962, total despatches were 99,900 tonnes—43,400 tonnes of hessian, 43,000 tonnes of sacking and 13,500 tonnes of miscellaneous goods. Exports amounted to 77,300 tonnes—hessian 40,100 tonnes, sacking 26,700 tonnes and others 10,500 tonnes. Internal consumption totalled 22,600 tonnes—hessian 3,300 tonnes, sacking 16,300 tonnes and others 3,000 tonnes.

Buffer Stock Operations

The Government of India has decided to widen the scope of buffer stock operations in raw jute. According to an announcement from New Delhi early this week, jute cooperatives will actively operate in 88 secondary markets and 300 feeding centres during this year. The National Federation of Co-operatives and the State Trading Corporation

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have decided to buy 1,900,000 maunds of jute in the first instance. Of this, 500,000 maunds will be lifted from Bihar, 450,000 maunds each from West Bengal and Orissa, 250,000 maunds from Tripura, 200,000 maunds from Assam and 50,000 maunds from Andhra and Uttar Pradesh. They have also decided to go up to any limit to maintain the prices at the official floor and derivative levels.

About 60 co-operatives have so far been organised in the jute-growing States. Their share capital has been contributed by the Government. The latter has also given subsidies for meeting the costs of operating personnel and warehouses. The Central Government is making arrangements to ensure that the co-operatives in the growing States are provided with adequate resources by the S.T.C.

One special feature of the 1963-64 operations is the fixing of derivative prices for fibre in the upcountry markets. They will be widely circulated in the interior areas in order to help the growers.

THE JUTE MARKETS

Manufactured Goods: Despite a steady trend in the gunny market during the past week, interest was poor due to the virtual absence of overseas enquiries or business. A small hessian deal was reported from Canada for ready and near positions. Earlier, low levels attracted brisk short-covering against open positions. Some prominent shippers bought sizable quotas in preparation for early and late October sailings. Hopes of some fresh orders from Australia, Argentina and the Middle East and also from the Government of India led to some advance booking. The futures market moved in line with the general trend. Towards the close, sacking showed a comfortable gain, while hessian made a small recovery. The turnover was moderate and the undertone steady at the close.

Wednesday's quotations were as follows:

	Sept.	Oct.	Oct.-Dec.	Jan.-Mar.	Apr.-June
40in. 7½oz.	36.75	36.60	36.50	35.95	35.80
40in. 8oz.	39.50	—	—	—	—
40in. 10oz.	49.35	49.15	48.85	47.95	47.80
B Twills	112.95	112.70	114.25	114.00	113.80
Cornsacks	116.75	116.75	116.75	116.50	116.60
Heavy Cees					
(Plain)	112.25	—	—	—	—
A Twills	133.50	134.50	135.50	136.00	135.50
Liverpools	126.75	127.60	127.25	127.25	127.00

Raw Jute: The Calcutta raw jute market was sluggish during the past week. Sentiment was disturbed by the virtual absence of the mills from the market and reports of increasing pressure of new crop arrivals in the upcountry markets. It seems that mills have already lifted their September quota of 750,000 bales. Their godowns were overflowing with stocks and they had also to absorb the last season's stocks from the S.T.C. Sellers were reserved, but a number of weak holders had to transact business in small lots in selected grade fibre at lower than floor levels; this depressed the sentiment. Although the price was ruling above Calcutta parity rates in a majority of upcountry stations, there was a partial softening in scattered pockets due to the wagon shortage. The turnover was small and the undertone hesitant at the close. In the futures market, lower levels attracted stray bear-covering in moderate lots, helping the price score a small gain, on balance, after minor fluctuations. The undertone was steady at the close.

Wednesday's quotations were as follows:

Landed at Mills (Basis Bottoms)

	Current Prices		T.S.D. Minimum Prices	
	Rs. A Qtl.	Rs. A Md.	Rs. A Qtl.	Rs. A Md.
Assam-Agartala Jute	80.38	30.00	80.38	30.00
Northern Jute	79.04	29.50	79.64	29.50
Western Desal Jute	73.68	27.50	72.68	27.50
Selected Daisee	86.41	33.60	85.74	32.00
Assam-Agartala Tossa	84.39	31.50	83.05	31.00
Mesta: Assam-Northern	71.00	26.50	72.34	27.00
Local Daissee	72.34	27.00	73.68	27.50
Bihar Dist.	62.96	23.50	66.98	25.00

RECOMMENDATIONS OF WAGE BOARD

THE report of the Central Wage Board for the Jute Industry contains the following recommendations:

(1) The recommendations of the Board will apply to all the jute mills now in existence, including the spinning units and also those that might be started hereafter.

(2) No contract labour should be employed in connection with manual work in the jute mills. Even when contract labour is employed, the principal employer should be liable for payment of wages to the contract labour and it should be the principal employers' responsibility to see that all laws relating to labour are fully implemented.

(3) The Board's recommendations apply also to apprentices and learners in the industry according to the conditions laid down in the in-plant apprenticeship training scheme for semi-skilled manual operatives mentioned in Chapter X of the report.

(4) The total minimum wage in the jute mills in West Bengal at the working class consumer price index number of 425 for Calcutta (base year 1939 equals 100) should be Rs. 81 a month. It should consist of (i) basic wage, (2) Wage Board increment, and (3) variable dearness allowance.

(5) The existing eight basic wage groups in the jute mills in West Bengal should be reduced to the following three groups: (a) Basic wages of all workers within the existing wage groups I to IV, namely, Rs. 34.67, Rs. 35.75, Rs. 36.84 and Rs. 37.92 should be equated and fixed at Rs. 40.17; (b) basic wages of workers within the wage groups of V to VII, namely, Rs. 39.00, Rs. 40.09 and Rs. 41.17 should be equated and fixed at Rs. 41.17; and (c) basic wages of workers in the wage group VIII, namely, of workers who are now at Rs. 42.25 and above, will be more or less the same, namely, Rs. 42.25 and above.

(6) The rate for the double (pair) loom weavers should be 80 percent, instead of the present 75 percent of the basic wages on the production of the two looms.

(7) In addition to the basic wages, all categories of workers (except the clerical staff whose case has been dealt with separately) should be paid an increase of Rs 8.33 a month inclusive of the interim relief of Rs. 3.42 a month. This increase should be shown as a separate item "Wage Board increment", in case of all categories of workers. The Wage Board increment should be treated as a part of the basic wage for purposes like bonus, provident fund, etcetera.

(8) The present dearness allowance of Rs. 32.50 should be considered as the one fixed at the working class consumer price index number of 425 for Calcutta (base year 1939 equals 100). The dearness allowance should be a variable one and the rate of increase or decrease should be 20nP for a rise or fall of each point in the average working class consumer price index number for Calcutta. The dearness allowance should be revised every six months in the months of February and August on the basis of this average consumer price index number of the previous half-years—July to December and January to June, respectively.

(9) The wage fixed by the Board, whether time rates or piece rates, are on the basis of a 48-hour week. If for any reason the working hours in a week are less than the normal 48 hours, the wages of workers should be calculated in the following manner; (i) The dearness allowance should not be reduced whatever may be the number of working hours. (ii) The basic wages should not also be reduced if the working hours in a week are not less than 45. (iii) When the working hours are less than 45 in a week, the basic wages fixed on the basis of 48 hours' week may be reduced proportionately.

The conditions laid down in clauses (ii) and (iii) should apply only to the time-rated workers. All categories of workers, except the clerical staff in jute mills outside West Bengal, should be paid Rs. 8.33 a month inclusive of the interim relief of Rs. 3.42 as the "Wage Board increment".

The revised scales of pay of the clerical staff in jute mills in West Bengal (after merging the "Wage Board increment" of Rs. 8.33) should be as follows:

Grade II	Rs. 77-4-137
Grade I	Rs. 92-5-162-7½-207
S.B. grade	Rs. 152-10-222
S.A. grade	Rs. 222-10-322

THE U.K. JUTE MARKETS

SPOT FIBRE RISES

(FROM OUR DUNDEE CORRESPONDENT)

THE raw jute market was firm in Pakistan last week, and most of the cheaper sellers withdrew from the market. However, it was still possible to obtain supplies of the lower grades of both white and Tossa jute at under minimum export rates. Dundee spinners showed a little more interest in raw jute, but the bulk of the buying was in spot fibre. This firmed the spot market in Dundee and some sellers raised their prices by £2 a ton. The quantity of jute available ex warehouse Dundee was now very much smaller and should not exceed 10,000 bales. There was also some business in afloat old crop jute.

Continental countries were also in the market. The quantities purchased were not large, but this all helped to make a firmer position. Most overseas spinners are maintaining their raw material stocks by purchasing a quantity equal to consumption. It is estimated that Dundee spinners have at least six months stocks of raw material. Of course, this includes what has already been bought for shipment. Offers of the higher grades were not being so freely made as previously with Mill Firsts at £130, Mill Lightnings at £108 10s, Mill Hearts at £94 and Grade Hearts at £80, c.i.f. U.K. for September-October shipment. Grade Tossa-2/3 was available at £125, but some sellers were asking up to £130. Grade Tossa-4 ranged from £107 10s, Outport Tossa-2/3 from £97 10s, and Outport Tossa-4 from £87 10s, September-October. Cuttings were steady at £56 for S.N.C. and at £47 10s for N.C.

The Siam jute market was again a little quieter and prices were more or less declined to their former level. Some Continental countries were buying towards the end of last week, and this firmed prices for a time. Dundee spinners have shown very little interest in this type of raw material of late, as they consider it too dear compared with mesta. Grade A was offered at £68 5s, grade B at £63 5s and grade C at £59 5s delivered mill Dundee for November-December shipment.

The Calcutta goods market was firm and prices became slightly dearer during the past week. The U.K. was buying to a limited extent. Quotations were at 74s 3d for 40in. 10oz. and at 54s 9d for 7½oz. a 100 yards f.o.b. Calcutta for September shipment, at 73s 9d and 54s 9d October-December and at 72s 6d and 54s 3d January-March. B Twills were at 172s, 173s 6d and 173s 3d for the respective shipment periods.

Dundee yarns and cloth were firm, and a fair amount of business was still being placed for forward delivery. Prices of common hessians advanced and manufacturers were asking 15.97d a yard for 40in. 10½oz., 14.89d for 10oz. and 12.67d for 8oz. These prices were gross per linear yard, delivered Dundee less 3 percent for prompt cash—unmade up.

THE PAKISTANI JUTE MARKETS

LOOSE FIBRE FIRM

(FROM OUR DACCA CORRESPONDENT)

FEARS of a short crop continue to haunt the market, and consequently, the loose jute market has remain all firm. There was considerable buying in most areas. Even a slight increase in arrivals at the larger baling stations did not have a softing effect. In the northern areas and the northern *jat* areas, a long dry spell resulted in a heavy fall in river levels, which caused some concern since the retting tanks were rapidly emptying. The situation there was saved by the recent heavy rainfall which filled the tanks, but river levels remained low.

Throughout the country standing jute can still be seen. This is not normal, allowing for the fact that the crop was late. The first evidence of this overmature jute is appearing in the *jat* areas around Ashuganj where the quality of the fibre has fallen off considerably.

In the pucca bale market, considerably more business was reported in all grades at better prices. One group bought over 18,000 bales of cuttings for delivery between December and May at a premium of £2 10s over the ready position. Since they withdrew, interest in cuttings fell off. The overseas market slowly, and reluctantly, followed the local firmness and sellers' resistance was reported as well as some buying interest at better prices.

The steadiness in white jute is justified by the fact that the percentage of white jute is smaller than last year. The exportable quantity is even smaller and it is possible, that there will be a shortfall of good quality white jute. But the sympathetic rise in tossa is hard to explain in the lower grades, since there is no doubt that there will be once again ample supplies of Outport Tossa 2/3s and even to a lesser degree, Dacca 6s and Dundee 4s.

NEW USES FOR JUTE

By M. C. Mukherji

FOR versatility, jute is unique among textile fibres. It is the world's star packaging; it has innumerable uses in industry. The nicest carpet has a jute backing under the pile. Jute is the cloth base of "tufted" carpets. The common linoleum spread on the floor would not be so strong and durable without jute's support. Boots and shoes have linings of jute, and the very best of woollen suits must have shoulders and lapels stiffened and shaped with a padding of starched jute hessian. The scenery and back-cloth material in film studios and theatres comes from jute. Now, jute can claim new conquests in the apparel and fashion field.

In the U.S.A., bleached jute fabric, beautifully dyed and patterned, is being used to make fashionable shopping kits, ladies' hand-bags, swimming costumes, beach-wear and decorative wall-coverings. Here in India jute is replacing wool in the manufacture of cheap and fairly warm and durable blankets, wrappers, scarves and knitting yarns.

The Technological Research Laboratories of the Indian Central Jute Committee have evolved a simple chemical treatment for woollenising jute. The jute-wool thus obtained can be mixed, up to 50 percent, with low-grade Indian wool. The sharp rise in wool prices in recent years has made jute's use in the woollen industry nearly unavoidable.

Similarly, "jutex", a jute-cotton fabric, is now the rage in Indian homes as it lends itself easily to elegant styling in colour and design. Extensively manufactured for retailing, "jutex" is used mainly as screen, chair cover and place mat. None of these jute uses, however, can qualify for the name of "by-product". They only serve to illustrate the versatility of the fibre and the extension of the utility range of the fabric spun and woven from it, if necessary, with different physical and chemical treatments.

Thanks again to the efforts of the Technological Research Laboratories, the idea of excellent jute by-products, with many industrial possibilities, has been hit upon. The by-products are the new materials made from jute sticks, so far treated as waste. After the commercial fibre has been stripped off the jute plant, the cylindrical stalk has hitherto been put mainly to one use, namely, fuel. If one material in India today does answer to the description of "wealth from waste", it is the jute stick.

India is badly short of coniferous woods to supply the right type of raw material for the growing paper and paper board industry. Bagasse is being tried as an alternative source, but any large-scale diversion of bagasse to the paper industry will aggravate the sugar mills' fuel problem. To the harassed paper industry, the jute stick has, therefore, come as a god-send. It is capable of yielding 65 to 70 percent pulp. The pulp recovery can go up to 75 percent under the mechano-chemical method. The pulp from jute sticks in its various qualities and grades can supply the raw material for hard boards and card boards, common writing and printing paper, and newsprint. While the first three items are already in commercial production, some refinement is yet necessary to get the rayon-grade and newsprint pulp. Work on rayon-grade pulp is in an advanced stage, and when it finally comes off the laboratory, the tremendous boost it will give to India's rayon industry can well be imagined.

The Technological Research Laboratories have also extended the horizon for jute caddies by showing the possibilities of many new by-products. The very short fibres released by mill machinery while processing jute are called caddies. The bulk of the caddies is mixed with cuttings, long jute, etcetera, and reprocessed in the spinning of sacking weft yarns. The remainder, with hardly any spinning value, is sold to the firms making

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Registered Office:
10, Clive Row, Calcutta-1.

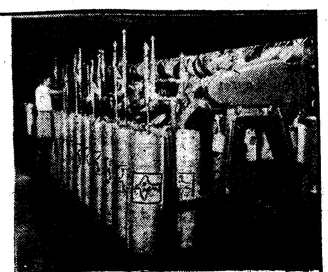
Authorised Capital ... Rs. 2 Crores.
Subscribed Capital ... Rs. 1 Crore.
Paid-up ... Rs. 50 Lakhs.

BOARD OF DIRECTORS:
Sri Mohan Lal Jalan (Chairman).
Sri Bhagirath Kanoria.
Sri Manmull Bhuwalka.
Sri Kamal Singh Rampuria.
Sri Promode Ranjan Sarkar.
Sri Hari Lal Mehta.

Branches and Agencies throughout India.

B. S. MAZUMDAR,
Manager, Head Office.

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19, R. N. Mukherjee Road, Calcutta-1.
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THE ORIENTAL MERCANTILE CO., LTD.
Calcutta, Bombay, Kanpur, Delhi, Madras



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Inside view of a progressive jute mill near Calcutta using "BHARAT" ALUMINIUM SLIVER CANS

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Registered in London under the Companies Act of 1862 on the 23rd March, 1866. The liability of Members is limited.
Bankers to the Government in Aden, Kenya, Uganda and Zanzibar.
Authorised Capital ... ... £ 9,000,000
Issued and Paid-up Capital ... £ 5,703,000
Reserve Fund ... ... £ 5,250,000
Head Office: 26, BISHOPSGATE, LONDON, E.C.2.
London Branches:
54, Parliament Street, S.W.1.
13, St. James's Square, S.W.1.
BRANCHES throughout Aden, Ceylon, India, Kenya, Northern and Southern Rhodesia, Pakistan, Somalia, Tanganyika, Uganda, Zanzibar.
The Bank conducts all classes of Banking and Exchange Business throughout the world.
Calcutta Branches:
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NGB/46C

boards and paddings. Manufacturers of bedding materials like quilts and mattresses and of motor-vehicle seats are large consumers of caddies. Caddies may be converted into resinous substances (thermosetting moulding powders and moulded products) by digestion with acidic substances under pressure. Use of caddies is also well established in the making of needle felts. These find extensive use in modern industry and household requirements, that is, in heat refrigeration and acoustic insulation, as padding in upholstery and as underlays for carpet.

Lately, a novel outlet has been developed by T.R.L. for caddies in the manufacture of non-woven fabrics, using latex or some cheap chemical substitute as the binding material. Non-woven fabrics from caddies are still in an experimental stage. If commercially successful, the new application may bring about a revolutionary change in the jute mill economy. There are promising lines seen in book-binding and in the construction of a jute bag for cement free from seepage.

The largest single loss suffered by jute in packaging has been on account of the cement trade changing to paper bags. The heavy loss of cement due to the porous body of the jute bag hastened the change-over. If a cheap non-woven fabric of caddies can seal off the pores the jute industry will be in a strong position to fight for its share of the cement container market. A non-porous jute bag will also ensure the safe carriage of many other powdery substances in transit or storage. The industry's greatest boon, however, will be the elimination of a dead-weight in the form of a large percentage of caddies that cannot at present be used in jute mills and has to be sold at a give-away price.

HIDES AND SKINS

STEADY

The market ruled steady. Stocks were less than in the previous week.

Bazaar Sales
(Between 17th September and 23rd September)

Cowhides: Wet salted (Ord.) 13,000 pcs. on the basis of Rs. 9 to Rs. 12.62; Wet salted (Slaughtered) 23,000 pcs. on the basis of Rs. 10.50 to Rs. 16.50 and Rs. 19.50 to Rs. 28; Wet salted (Ord.) 3,000 pcs. on the basis of 94 nP a lb.

Goatskins: Wet salted 62,000 pcs. on the basis of Rs. 240 to Rs. 260, Rs. 280 to Rs. 300 and Rs. 360 to Rs. 380; Wet salted (he-killed) on the basis of Rs. 4.50 and (she-killed) on the basis Rs. 4.25 a piece.

Bazaar Stocks
(23rd September, 1963)
Cowhides: Wet salted 60,500 pcs.

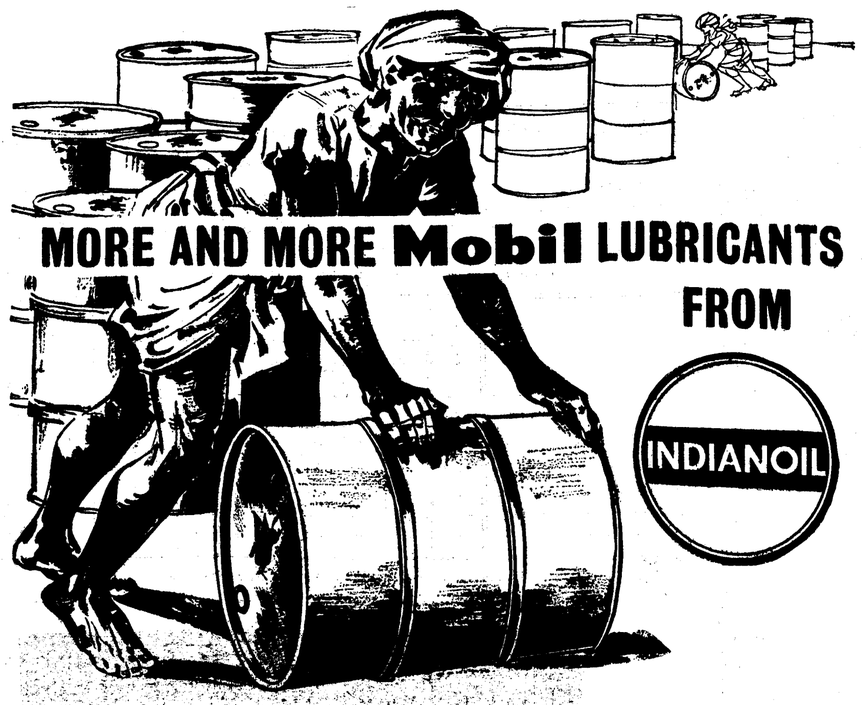
Goatskins: Wet salted (Patna, Daissee, Kustia, Killed) 52,000 pcs.; Muzafferpore-Patna - Pakur-Purneah-Kissenganj 2,22,000 pcs.; Assam-Dinajpur 26,000 pcs.

BOOKS RECEIVED

Compulsory Deposit Scheme. By R. N. Lakhotia. (Published by Asha Rani, for Asha Publishing House, 7406A Baghbazar Street, Calcutta 3. Price Rs. 4, pages 140.)

Poverty and Planning. By C. N. Vakil. (Published by R. N. Sachdev for Allied Publishers Private Ltd, 15 Graham Road, Ballard Estate, Bombay 1. Price Rs. 22.50, pages 357.)

The World Bank Group in the Americas, June 1963. (Published by the International Bank for Reconstruction and Development, Washington, D.C. Pages 94.)



Commodity Markets

CARDAMOM PRICES RECOVER

(FROM OUR SOUTH INDIAN CORRESPONDENT)

INDIA'S cardamom crop for the current season is officially estimated at about 3,000 tons, compared with 3,300 tons of the previous season. Sales of the new crop were started in August in the producing centres and the initial sales were marked by an improvement in prices. The lowest and highest prices obtained at the opening sale in Vandanmedu, one of the main producing centres, were respectively Rs. 14.70 and Rs. 19 a kilogram, compared with Rs. 10.70 and Rs. 18 a kilogram, which were the lowest and highest prices realised in the last season. Market reports from Bodinayakanur and Mercara also disclose a similar pattern in the price trend. The latest report from Bodinayakanur says that arrivals are picking up and the buyers are active. The Extra Motta Green, the No. 1 quality, had buyers at Rs. 17.75 to Rs. 18.10 a kilogram in the last sale.

Reports from Bombay which is the main terminal market for cardamom in India say that sales have been suspended in view of the continuing stalemate in the export trade. It is said that there have been practically no despatches from the producing centres to Bombay except for those against pending commitments. But still stocks have got accumulated in Bombay. The Bombay dealers have urged the Central Government to suspend the gradation scheme introduced recently until a more suitable quality control procedure is agreed upon between the trade and the Government. The exporters in Bombay are opposed to the new scheme which came into being on 1st September as it visualises quality specifications involving colour, percentage of empty, malformed, immature or shrivelled capsules.

The Cardamom Development and Marketing Advisory Committee has prescribed a "laborious procedure" for grading under this scheme, the trade says. The authorities say that quality control is the most important step which is to be taken to stabilise the export market. It was the indiscriminate export of all that came in handy for the trade that undermined India's position in the foreign market. Unless immediate measures are taken to build up the confidence of the foreign buyers in the quality of Indian cardamom, this country will not be able to regain the lost prestige in the world market and export more, official quarters say. They believe that the export trade will give up its resistance to the reforms being introduced in the cardamom marketing with the best of intentions by the official agencies. Quality control, and reforms like that, will ultimately prove advantageous to both the producers and shippers and also to the foreign buyer, they assert. They claim that since they interfered in May last, the decline has been arrested and prices have started looking up.

Cardamom prices had been on the decline since 1960-61, and the bottom was touched in 1962-63 when the commodity had to be sold for prices ranging between Rs. 10 to 14 a kilogram. India exported 1,913 tons of cardamom in 1960 and earned Rs. 3.74 crores. Although the export increased to 2,386 tons in 1962, the money earned from it had declined to Rs. 3 crores. India's main markets for this commodity are Sweden, Finland, Saudi Arabia, West Germany, Bahrein Island, Kuwait, Russia, the U.K., Afghanistan and the U.S.A. Two reasons are given officially for the failure of cardamom to hold its own in the foreign market; indiscriminate marketing practices and export of cardamom of uncertain quality. There may be other reasons as well. In recent years, there had been a rapid increase in production in India. The competition from other producers, too, has been on the increase. The reported increase in consumption and the opening of new markets abroad might not be big enough to absorb the increase in supply.

According to an F.A.O. report, the world output of copra this year is likely to be slightly larger, and prices will average somewhat higher than in 1962. It says that in 1962, world production of copra in terms of oil was 2,310,000 tons, a fall of some 70,000 tons from the 1961 level. Exports of copra and coconut oil last year fell to 1,229,000 tons (oil basis) from 1,329,000 tons in 1961. The setback in production last year was mainly caused by dry weather in south-east Asia in the preceding years. The reduction in trade was reflected entirely in small shipments of copra, while exports of coconut oil increased. The Philippines was the largest producer and exporter. Prices of coconut oil which began to recover in the final quarter of 1962 maintained the trend in early 1963, and has since been relatively steady. This review is prepared for the fifth session of the F.A.O.'s group on coconut and coconut products which began a ten-day session last week in Rome with delegates from 15 countries attending. The meeting will discuss the long-term outlook, the effects of national policies to support prices of oilseeds and other fats competing with coconut, import tariffs on coconut oil and fluctuations in export trade.

Future of Rubber

The future of the natural rubber growing industry in India depends upon replanting with high-yielding planting material, says the chairman of the Rubber Board, Dr. Rama Varma. He wants every planter to draw up a system of systematic replanting of all low-yielding areas. That alone will help the industry to meet he demands of labour for fair wages and better amenities and to keep down the cost to compete with synthetic rubber successfully.

Dr. Varma expressed these views while addressing the 45th meeting of the Rubber Board last week. He said that India continued to have the lowest *per capita* consumption of rubber at 0.29 lbs, against 18.65 lbs in the United States. Natural rubber production in the country by itself would not be able to meet the rapidly increasing demand. Pointing out that the demand for cotton fabrics had not diminished in spite of the tremendous advances made by man-made fabrics, the chairman said that the demand for natural rubber as a general purpose rubber would continue to last provided the cost was kept under control.

The price of synthetic rubber produced in this country at present is Rs. 4.40 a kilogram, which is about a rupee more than the control price of natural rubber including cess. This would mean that the synthetic rubber produced in the country is not likely to compete directly with natural rubber in the immediate future. Nor has it any technical superiority to challenge the natural rubber at its

MIDDLE CLASS COST OF LIVING INDEX NUMBER FOR CALCUTTA

(Base: August 1939)

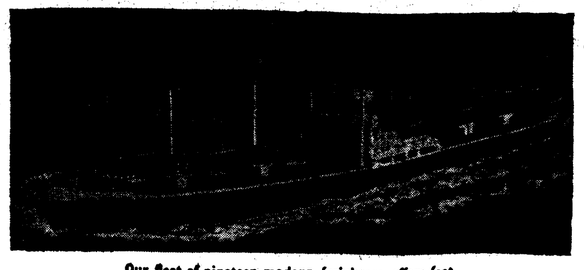
THE Middle Class Cost of Living Indices, by groups, have now been brought up to August 1963. As compared with July, the August index for Food reveals a rise of 7 points, while those for Fuel & Lighting, Clothing and Miscellaneous remain unchanged at 308, 602 and 317 points, respectively.

Combining all the factors, the Middle Class Cost of Living Index for Calcutta shows that the cost of living increased by 3 points during August 1963.

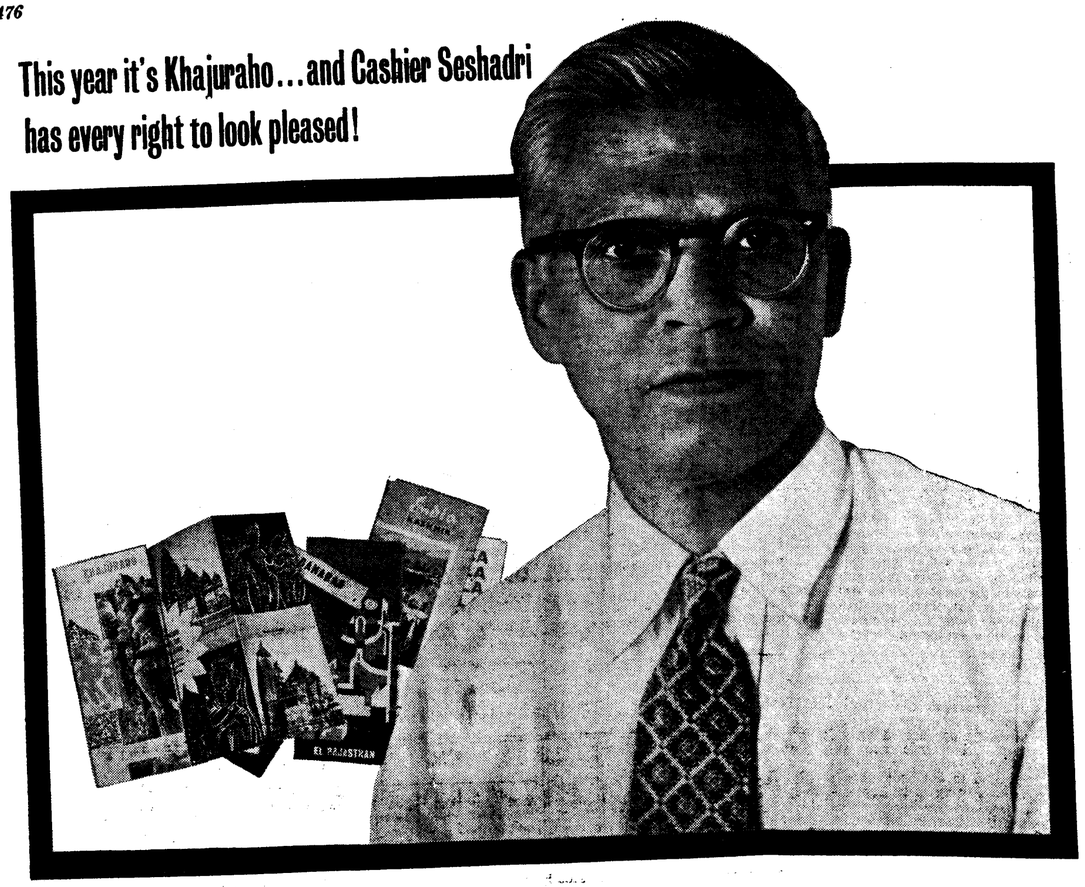
Middle Class Cost of Living Index Number for Calcutta. Prices in August 1939=100

Groups	Weights	GROUP INDICES												
		Aug., 1962	Sept., 1962	Oct., 1962	Nov., 1962	Dec., 1962	Jan 1963	Feb., 1963	Mar., 1963	Apl. 1963	May 1963	June 1963	July 1963	Aug., 1963
Food ..	53.6	563	568	573	573	562	550	553	563	578	578	586	591	598
Fuel and Lighting ..	6.6	299	299	299	299	299	299	299	307	304	308	308	308	308
Clothing ..	12.4	596	598	598	598	598	598	598	598	602	602	602	602	602
Miscellaneous ..	29.6	311	311	311	311	311	311	311	314	317	317	317	317	317
Combined Index ..	100.0	481	484	487	487	481	474	476	482	491	492	496	499	502

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Three years ago, it struck P.G. Seshadri that he had seen hardly anything of his country. He decided to do something about it. ...This year he will complete the final leg of his tour! He's fifty-three, looks ten years younger, and has won the veterans' race at the Burmah-Shell meet for six years running. He has received three long service emblems and his interests include amateur dramatics, social welfare, sports, travel and photography.

...TO THE LAST NAYA PAISA

He signs/endorses some 700 receipt or payment documents every day. Chief Cashier with Burmah-Shell, Madras, Seshadri is in charge of the Cash Section consisting of fifteen men. His section receives money amounting to several lakhs every day and is responsible for making day to day payments. What is his most important task? "Balancing the books," he says, "is of the utmost importance. The accounts must tally each day to the last naya paisa." They always do!

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Seshadri doesn't just have hobbies. He is good at them. One of his photographs won a second prize in a company competition. Liked and respected by his colleagues, Seshadri can look back with satisfaction on a happy, fruitful career.

Seshadri and people like him—at all levels of responsibility—are Burmah-Shell. Today, as ever, they are hard at work ...working to ensure that vital petroleum products essential to India's growth and progress are brought to you at the right place and time, in the right quantities.

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present price. The natural rubber industry has, therefore, got the time to replant with the high-yielding planting material and bring down its cost to be ready to meet any challenge from synthetic rubber. The chairman said that the Rubber Board was now in a position to supply almost all the high-yielding planting materials available in other rubber-producing countries. He admitted that the progress of replanting programme was slow in spite of the grant of subsidy from 1957. As against the target of 45,000 acres fixed for replanting between 1956 and 1962, only 23,980 acres had actually been replanted.

It has been disclosed in the Kerala Assembly by the State Government that the capitalisation so far on the 10,000 acre rubber estates in the public sector has come to Rs. 70 lakhs. Plants have not yet reached maturity. There are two public sector rubber plantations in Kerala, one in Kodumon and the other in Kalady, and their total area now is 10,000 acres. These estates are managed by the recently-constituted Plantation Corporation.

There are another 6,500 acres under rubber cultivation on lands distributed by the Government to landless unemployed persons under its ambitious third plan scheme for expanding rubber cultivation. The system of distributing 3½ acres to private individuals for the purpose of rubber cultivation is now being reviewed by the State Government. Non-availability of suitable land compelled the Government to suspend this system, at least temporarily for this year. It is to be seen whether this system will be revived in the near future, because the State Government is faced with the problem of providing extensive areas for the resettlement of agricultural families being evicted from the hydel project areas on the hills.

Raising Plantation Output

(BY A SPECIAL CORRESPONDENT)

AT the annual general meeting of the United Planters Association of Southern India held recently in Coonoor (already reported in the two previous issues), Mr. Manubhai Shah, Central Minister for International Trade, has stated that the Government is examining the question of giving additional incentives and excise concessions to plantation interests. The Minister, therefore, has urged them to raise plantation production. He is also reported to have said that with the standard of living going up everywhere, there is no need for planters to fear that increased production would lead to a fall in prices. But unfortunately, that is what happens.

All connected with tea trading know that in 1961, the crop was an all-time record, particularly in north India where output was higher by several million lbs or so, but profits did not reach record proportions. On the other hand, a study recently published shows that profits in 1962 when supply was on the short side, were generally higher than in 1961. This correspondent has often noted that it is more profitable to have supply round 97½ percent of demand rather than over 100 percent.

The Minister gave an assurance that the Government would ensure fair prices for all agricultural and plantation crops and referred to official support of the prices for jute, cotton, shellac, coffee, cardamoms and cereals, but tea was not mentioned. To help promote exports, the Government of India has recently set up a market development fund on which the chambers of commerce and tea associations interested in the export business may draw for market surveys or sending delegations overseas, but no mention appears to have been made as to terms, which will presumably depend on the schemes put forward by trade delegations.

The Minister for International Trade drew attention to expanding consumer markets in Australia, New Zealand, Russia, west and east European countries and the European Free Trade Area as also in Asia and Africa, but made no mention of the fact that production in many parts of Africa is going ahead fast. Russian Georgia also claims to be showing world growers how to secure quality and yields. Australia is also experimenting in Papua and even South American companies have been planting tea for many years past.

Indian domestic consumption hold the key to the future and if matters can be arranged as indicated by Mr. Manubhai Shah's opening comments, that is a pool of buffer stocks formed whenever production is surplus to demand, then planters might be prepared in a year to spend more freely on expansion, but as has been shown in this note, surplus production spells losses, and in any case, tea is difficult to stock while cheap finance remains a very important question.

The Minister also offered some comments on the coffee and rubber situation. As far as rubber is concerned, India must have more of it and Mr. Manubhai Shah is reported to have said "there is no conflict whatever in simultaneously increasing production of both natural and synthetic rubber." But as with tea, so also with natural rubber. It takes time and money to produce.

There would appear to be no reasonable prospect of this year's tea shortage being made up, as north Indian output shows a steady decline in 1961, 1962 and in 1963.

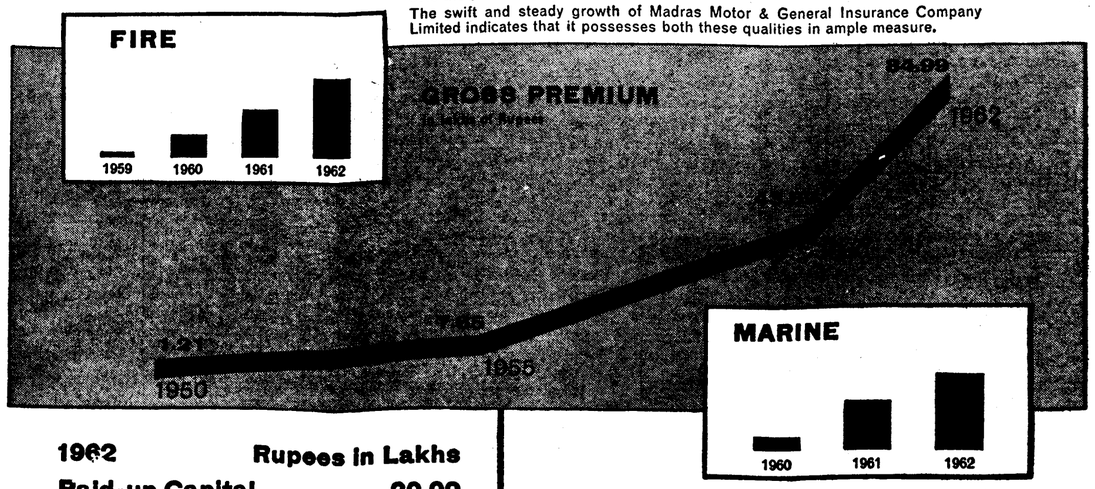
The chairman of the Tea Board, Mr. A. S. Bam, also spoke in an optimistic mood, but the fact remains that the Indian crop this year is likely to fall short of 1962. The 1962 output was below 1961 and in spite of two consecutive years of short supply, the prices for common teas continue to sag. Mr. Bam admitted that the total Indian crop this year would come to about only 370 million kilograms, which is still far from the production target of 408 million kilograms by 1965.

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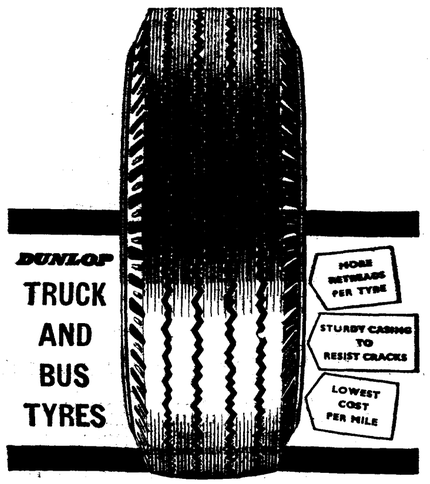
FOUNDRY REQUISITES: Black Lead, Plumbago/Graphite, Graphite Flake, Moulders Blacking, Casting Powder, Fire Clay, Bentonite, Core Oil, Core Gum, Indian Ganister, Soapstone, Case Hardening Compound, Carburising Salts, Iron Cement, Lime-stone Lumps, Foundry Nails, Chaplets, Coal Powder etc.

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COMPANY AND PUBLIC NOTICES

BRITISH PAINTS (INDIA) LIMITED

NOTICE

NOTICE is hereby given that an Extraordinary General Meeting of the Members of the Company will be held at the Registered Office of the Company, 32, Chowringhee Road, Calcutta-16, at 11 a.m. on Tuesday the 22nd October, 1963, to consider and, if thought fit, to pass the following resolutions with or without modification :—

A. (i) AS A SPECIAL RESOLUTION No. 1:

"That in view of the proposal contained in the succeeding ordinary resolution No. 1 that Mr. Subodh Ranjan Roy be appointed a Director of the Company, consent be and is hereby accorded to Mr. Subodh Ranjan Roy holding and continuing to hold an office or place of profit under the Company as Director Secretary or such other office or place of profit as the Directors may from time to time decide, upon such terms as to remuneration as approved by the Central Government and as set out in the Resolution of the Board of Directors passed on the 12th September, 1963, a copy of which has been laid on the table and signed by the Chairman for the purpose of identification."

(ii) AS A SPECIAL RESOLUTION No. 2:

"That in view of the proposal contained in the succeeding ordinary resolution No. 2 that Mr. Hugh Osbert Sheane-Smith be appointed a Director of the Company, consent be and is hereby accorded to Mr. Hugh Osbert Sheane-Smith holding and continuing to hold an office or place of profit under the Company as Sales Director or such other office or place of profit as the Directors may from time to time decide, upon such terms as to remuneration as approved by the Central Government and as set out in the Resolution of the Board of Directors passed on the 12th September, 1963, a copy of which has been laid on the table and signed by the Chairman for the purpose of identification."

B. (i) AS AN ORDINARY RESOLUTION No. 1:

"That approval of the Central Government having been obtained to the appointment of Mr Subodh Ranjan Roy as a Director and due notice in writing signifying the intention of a Member to propose him as a Director having been left at the Registered Office of the Company pursuant to Section 257 of the Companies Act, 1956, Mr. Subodh Ranjan Roy be and is hereby appointed as a Director of the Company."

(ii) AS AN ORDINARY RESOLUTION No. 2:

"That approval of the Central Government having been obtained to the appointment of Mr. Hugh Osbert Sheane-Smith as a Director and due notice in writing signifying the intention of a Member to propose him as a Director having been left at the Registered Office of the Company pursuant to Section 257 of the Companies Act, 1956, Mr. Hugh Osbert Sheane-Smith be and is hereby appointed as a Director of the Company."

By Order of the Board,
BRITISH PAINTS (INDIA) LIMITED,
R. A. GODWIN,
Managing Director.

Calcutta, 26th September, 1963.

N.B.—(i) A Member entitled to attend and vote is entitled to appoint a Proxy to attend and Vote, instead of himself and the Proxy need not be a Member.

(2) **Explanatory Statement as required by the Companies Act, 1956, has been posted to the Members along with the notice.**

COMPANY MEETINGS AND DIVIDENDS DECLARED OR PROPOSED

Name of Company	Date	I.S.T. Hours
Imperial Tobacco Co. of India Ld.	26-9-63	3-30 p.m.
Bisra Stone Lime Co., Ld.	27-9-63	11-15 a.m.
East Indian Coal Co. Ld.	27-9-63	12 noon
Megna Mills Co. Ld.	27-9-63	3 p.m.
Hukumchand Jute Mills Ld.	27-9-63	4 p.m.
Dalhousie Jute Co. Ld.	28-9-63	10 a.m.
Auckland Jute Co. Ld.	28-9-63	10-15 a.m.
Union Jute Co. Ld.	28-9-63	10-30 a.m.
Kinnison Jute Mills Co. Ld.	28-9-63	10-30 a.m.
Northbrook Jute Co. Ld.	28-9-63	10-45 a.m.
Lansdowne Jute Co. Ld.	28-9-63	10-50 a.m.
Lawrence Jute Co. Ld.	28-9-63	11 a.m.
Standard Jute Co. Ld.	28-9-63	11-10 a.m.
Rameegunge Coal Association Ld.	28-9-63	12-30 p.m.
India Jute Co. Ld.	28-9-63	4 p.m.
National Insulated Cable Co. of India Ld.	30-9-63	11 a.m.
Sijua (Jherriah) Electric Supply Co. Ld.	30-9-63	11 a.m.
Indian Steel and Wire Products Ld.	30-9-63	11-30 a.m.
Jardine Henderson Ld.	30-9-63	12-00 noon
Indian Cable Co. Ld.	30-9-63	3 p.m.
India Steamship Co Ld.	30-9-63	3-30 p.m.
Salem-Erode Electricity Distribution Co Ld.	30-9-63	3-30 p.m.
Titaghur Paper Mills Co Ld.	30-9-63	3-30 p.m.
British Paints (India) Ld.	22-10-63	11 a.m.

DIVIDENDS DECLARED OR PROPOS.

ED.—Hoograjuli (Assam) Tea Co. Ltd—17 p.c., (c), subject to tax; Ganges Manufacturing Co. Ltd—Rs. 2 per share (o), subject to tax.

"CAPITAL" STOCK AND SHARE LIST

THE INVESTORS GUIDE AND SHAREHOLDERS GAZETTE

Official quotations of the Calcutta, Bombay, Madras, London Stock Exchange Associations and other sources.
Figures given after stroke (/) mean Naye Paise.

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Wednesday, 25th September, 1963.

GOVERNMENTS LOANS

Outstanding Amount Rs.	Interest per cent	Year of issue	Repayable	Market quotations Rs.
GOVERNMENT OF INDIA				
2,48,91,07,000	3	1946	1986 or later	65/05
8,93,33,000	3	1896-97	At the option of the Government of India after 6 months notice	62/57
1,16,17,46,000	3	1938	1963-65	99/90
1,10,11,78,000	3	1943	1966-68	98/00
30,33,10,000	3	1950	1964	99/00
14,77,48,000	2½	1946	1976	83/50
1,15,05,83,000	3	1948	1970-75	89/25
1,58,17,94,000	3½	1954	1964	99/75
1,53,67,92,000	3½	1955	1965	99/55
58,05,92,000	3½	1958	1963	99/65
86,63,53,000	3½	1956	1974	95/60
56,99,30,000	3½	1957	1967	99/15
1,54,59,21,000	4	1957	1972	99/60
74,51,44,000	4	1958	1973	99/20
1,97,40,92,000	3½	1956	1967	99/10
1,56,58,41,000	3½	1958	1968	98/05
1,90,85,42,000	3½	1959	1969	97/15
81,06,39,000	4	1959	1979	98/40
82,85,41,000	3½	1959	1966	99/55
98,50,17,000	4	1960	1980	98/40
65,96,55,000	4	1961	1981	98/60
BOMBAY				
3,40,34,300	4	1952	1964	99/80
5,10,79,800	4	1953	1963	99/75
6,57,22,800	4½	1957	1969	98/50
6,58,20,700	4½	1958	1970	98/25
4,35,25,000	4½	1958	1971	98/25
MADHYA PRADESH				
3,03,28,800	3	1948	1964	98/00
MADRAS				
5,24,81,200	4	1952	1964	99/80
10,33,79,600	4	1953	1963	99/75
5,55,57,300	4½	1958	1970	95/50
UTTAR PRADESH				
1,55,31,200	3	1936	1961-66	93/25
5,89,13,900	4	1952	1964	99/75
5,58,25,400	4	1953	1963	99/75
7,65,58,900	4½	1958	1970	98/00
2,00,00,000	4	1952	1964	99/85
3,60,23,300	4	1953	1963	99/75
7,52,72,200	4	1955	1967	98/25
7,11,46,100	4	1956	1968	98/50
5,10,49,700	4½	1958	1970	98/50
7,69,69,400	4	1959	1971	97/00
7,00,00,000	4	1960	1969	98/00
73,07,21,000	4½	1961	1972	98/25
MYSORE				
2,95,85,200	4	1933	1953-63	100/10
3,83,47,200	4	1953	1963	99/75

PORT TRUST LOANS

Amount Rs.	Interest per cent	Year of issue	Repayable	Market quotations Rs.
CALCUTTA				
90,24,300	4	1914	1974	98/25
76,90,100	4	1915	1975	98/25
68,92,300	3	1921	2nd 1981	82/00
1,50,00,000	6½	1921	2nd 1981	144/00N
£892,600	5	1923	1953-83	£61
£901,000	5	1924	1954-84	£61
1,24,00,000	4½	1957	1987	99/50
	4½	1958	1988	99/00
50,00,000	4½	1959	1989	99/00
1,50,00,000	4½	1961	1971	98/75
90,00,000	4	1931	1991	93/00
60,00,000	3½	1935	1965	99/00
50,00,000	3	1944	1976	83/50
50,00,000	3	1945	1-2-2005	72/00
	3	1945	1-2-1975	83/75
25,00,000	3	1938	1963-68	93/00
50,00,000	3	1948	2006	72/00
50,00,000	2½	1947	1977	78/50
50,00,000	3	1948	1978	83/00
50,00,000	3	1950	1980	81/00
50,00,000	3	1951	1981	80/50
50,00,000	4½	1953	1963	98/75
50,00,000	4	1953	1963	97/50
30,00,000	4	1955	1965	97/25
17,00,000	4	1956	1986	97/25
1,00,00,000	4	1959	1969	98/50

Amount Rs.	Interest per cent	Year of issue	Repayable	Market quotations Rs.	
BOMBAY					
36,50,000	4	1904	1964	96/00	
35,00,000	4	1905	1965	96/00	
15,00,000	4	1906	1967	96/00	
44,00,000	4	1907	1968	96/00	
75,00,000	4	1908	1968	96/00	
40,00,000	4	1909	1970	92/00	
56,00,000	4	1910	1971	92/00	
75,00,000	4	1911	1972	92/00	
STERLING LOANS					
£892,600	5	1923	1953-83	£63	
£901,000	5	1924	1954-84	£63	
£835,100	5½	1932	1962	£96½	
MADRAS					
28,48,275	3½	1947	1977	A	
9,88,000	3	1947	1977	A	
8,00,000	3	1949	1979	A	

IMPROVEMENT TRUST LOANS

Amount Rs.	Interest per cent	Year of issue	Repayable	Market quotations Rs.
CALCUTTA				
50,00,000	4	1934	1964	99/25
35,00,000	3½	1935	1965	96/00
30,00,000	3	1936	1966	92/50
20,00,000	3	1938	1963-68	92/00
80,00,000	4	1952	1962	100/00
02,00,000	4	1956	1968	98/50
75,00,000	4½	1958	1968	101/00
BOMBAY				
60,00,000	4	1903	1963	98/25
50,00,000	4	1904	1964	98/25
20,00,000	4	1906	1966	97/50
15,00,000	4	1907	1967	97/50
30,00,000	4	1908	1968	£95¼N
£566,600	4	1909	1969	£95¼N
£333,000	4	1910	1970	£100/90
25,00,000	4	1912	1972	95/00
13,00,000	4	1913	1973	95/00
50,00,000	4	1914	1974	95/00
25,00,000	4	1916	1976	95/00
66,00,000	6	1920	1945-80	119/50
25,00,000	4	1927	1961-70	99/75
10,00,000	3½	1936	1966	89/00

MUNICIPAL LOANS

Amount Rs.	Interest per cent	Year of issue	Repayable	Market quotations Rs.	
CALCUTTA					
66,88,000	3½	1951	1966	98/50	
10,00,000	5½	1932	1962	100/75N	
33,91,000	3½	1936	1965	96/00	
72,50,000	4½	1954	1979	100/00	
80,00,000	3	1936	1966	93/00	
97,50,000	3	1939	1966	92/50	
21,10,000	3½	1942	1972	93/00	
37,36,000	4	1952	1962	99/75	
22,72,000	4	1955	1985	97/25N	
1,67,32,000	4½	1958	1970	101/00N	
73,36,000	4½	1958	1968	100/50	
BOMBAY					
20,00,000	4	1913-18	1974	95/00	
10,00,000	5	1920	1980	101/00	
2,00,34,000	3½	1951	1966	99/00	
8,25,00,000	3½	1947	1977	92/00	
2,13,14,500	3½	1949	1979	92/00	
4,00,00,000	3½	1950	1966	95/00	
MADRAS					
15,00,000	3½	1951	1961	107/00	
15,00,000	3½	1952	1962	107/50	

2½% U.P Zemindary Abolition Compensation Bond (per Rs 100) Rs 41/90*

*Ex eight instalments but inclusive of accrued interest.

These notes refer to the Debentures on the next page.

Option to repay at par on 6 months' notice—
(a) Option to extend the redemption period for further 10 years.
(b) at any time after.
(c) on or after 1-1-81.
(d) option to redeem at 2½% Prem. after 14-5-64 and before 15-5-69.

Option to repay on 6 months' notice—
(e) at any time after 30-6-61 at 101%.
(f) at 101% between 1-1-64 & 31-12-64.
(g) at 102/8% after 30-6-56 but before 30-6-64.
(h) at any time after 30-6-64 at 101%.

Option to repay on 3 months' notice—
(i) at any time at 3% Premium.
(j) at 1% Prem after 1-3-64 but before 1-3-67 and 1% Prem on or after 1-3-67.
(k) at any time at par.
(l) at any time after 31-3-62 at the rate of 1% Premium.
(m) redeemable at 103% on 31-12-64 with option to redeem on any interest date at same premium after 30-6-59.
(n) at any time on two months' notice.
(o) to be redeemed at a premium of 10% viz. Rs. 10,000 to be redeemed annually by drawing on 3 months' notice with option to redeem all after 6 years from date of issue on 6 months' notice (Option not exercised repayment to be made after full term.

Option to repay
(p) at par after September 1960.
(q) at par on or after 1-12-56.
(r) with option to redeem at 101% after 10 years or at 100/8% after 12 years.
(s) Rs. 1 lac Debentures to be redeemed annually by drawing from 1-6-56 with option to redeem at 100/8% between 1-6-57 to 1-6-61 and at 101% afterwards.
(t) with option to redeem at 101% after 10 years or at 100/8% after 13 years.
(u) with option to redeem all or any of the Debts at 101% at any time after 31-3-64 and at 100/8% at any time after 31-3-68.
(v) Rs 20,000 are being redeemed annually, repayment of Debentures commencing serially from No. 1 to No 80 on 31-12-48.
(w) Redeemable at any time at par per cent premium (a) on 6 months notice by the Company or (b) in the event of the security becoming enforceable or at par if the Corporation of Calcutta or Howrah purchase the undertaking on 1st January 1945 or every seventh year thereafter.
(x) At par all or any of the Debts on 31st December 1969 or on any subsequent interest date.
(y) Redeemable (a) at 102% on 1st October 1974 or in the event of voluntary liquidation of the undertaking being purchased or in the event of the security becoming enforceable or (b) at 102% at any time after 31st March 1955 on 6 months notice from the Co. (c) also redeemable out of a sinking fund (commencing in 1938) by drawing at 102% or purchase at or under 102%.
(z) Also redeemable out of a cumulative sinking fund of 1½% per annum commencing in 1943 by purchase at any price less than par or by annual drawing at par.

BANKS

NAMES	Dividends per cent 1960	1961	1962	Paid-up per Share Rs.	Latest Market Quotations as available until 25-9-63 Rs	18-9-63 Rs	A year ago Rs
Allahabad Bank P.	18	18	..	100	258/00	258/00	396/00
Bank of Baroda	17	17	16	50	88.50	87/00	96/00
Bank of India	20	20	20	50	105/50	106/00	112/50
Central Bank of India	20 2/5	20	20	25	54/50	54/50	61/00
Chartered Bank	15	15	..	£1	sh. 63/3	sh 62/10½	sh. 56/6
Hindusthan Commercial	Nil	Nil	Nil	50	13/50	13/00	17/06
Hindusthan Mercantile	Nil	Nil	..	50	15/62	15/62	15/50
Hong Kong & Shanghai	£3½	£3½	£3 1/5	HK$25	£18½	£18½	£17¾
Indian Bank	15	15	14	100	156/10	156/10	174/00

NAMES	Dividends per cent 1960	1961	1962	Paid-up per Share Rs.	Latest Market Quotations as available until 25-9-63 Rs	18-9-63 Rs	A year ago Rs
Indian Overseas Bank	14	14	..	..	146/50	145/50	170/00
Industrial Finance Corpn.	..	..	..	50	..	..	..
National & Grindlays Bank	13½	14	16	sh 15	sh. 34/-;	sh. 34/7½	sh. 36/3
Punjab National Bank	20	20	20	10	19/00	19/00	20/44
Union Bank of India	11 2/5	11 2/5	..	5	5/88	5/84	6/08
United Bank of India	6.3	6	6	10	7/34	7/3¼	7/87
United Commercial Bank	12	12	12	50	68/75	68/75	80/00

*1962

JUTE MILLS

NAMES	Dividends per cent 1960	1961	1962	Paid up per Share Rs.	Latest Market Quotations as available until 25-9-63 Rs	18-9-63 Rs	A year ago Rs
Agarpara P.	10	2½	2½	10	11/75	11/44	10/81
Alexandra P.	44	15	42½	100	300/00	300/00	305/00
Alliance P	4	Nil	10	100	139/00	137/00	116/00
Anglo-India P.	20	7	10	100	237/00	237/00	232/00
Auckland P.	24	12	Nil	100	144/50	144/50	153/00
Baily P	25	25	25	100	283 00	270/00	293/00
Barnagore P.	30	10	10	25	199/00	199/00	191/00
Benga. P.	5	..	..	10	9/37	9/37	10/25
Birla P	15	15	15	10	32/75	31/69	33/62
Budge Budge P.	10	Nil	12	100	146/00	146/00	163/00
Calcutta P	..	..	..	10	4/12	4/12	4/00
Caledonian P.	12	5	..	100	190/00	190/00	220/00
Champdany P.	10	5	Nil-40*	10	24/50	23/87	
Cheviot P	Nil	5	25	10	22/50	22/25	24/75
Chitavalsah P.	6	Nil	6	10	10/87	11/00	11/50
Clive P	..	..	..	10	9/25	9/25	8/37
Dalhousie P.	1	1	Nil	100	154/00	155/00	126/00
Delta P	7½	Nil	12	100	161/00	161/00	192/00
Empire P	12½	7½	12½	10	18/00	18/25	17/25
Fort Gloster P.	25	10	12½	100	372/00	372/00	412/00
Fort William P.	22½	22½	10	10	25/87	25/87	28/00
Ganges P	10	10	15	10	15/81	16/00	15/00
General Industrial	40	10	13	10	15/25	15/50	18/31
Gouripore P.	30	25	20	10	26/37	26/37	..
Hastings P.	6	6	6	100	128/00	128/00	126/00
Hooghly P.	10	..	..	10	16/00	16/00	31/00
Howrah P.	12½	10	Nil—10*	10	18/69	18/12	20/12

NAMES	Dividends per cent 1960	1961	1962	Paid-up Share Rs.	Latest Market Quotations as available until 25-9-63 Rs	18-9-63 Rs	A year ago Rs
Hukumchand P.	28½	28½	26½	7½	22/00	22/00	26/12
India	14	12	8	12½	17/87	17/87	18/50
Kamarhatty P.	5	Nil	20	100	195/00	197/00	167/00
Kankinarrah P.	Nil	Nil	10	100	135/50	135/00	128/00
Kelvir P	15	15	5	100	197/50	199/00	190/00
Khardah P.	20	5	12½	10	19/94	20/00	17/81
Kinnison P	20	7	Nil	100	143/00	143/00	153/00
Lansdowne P.	Nil	Nil	Nil	100	95/00	95/00	120/00
Lawrence P.	..	15	10	100	121/00	121/00	134/50
Megna P.	12	12½	Nil	10	15/00	14/87	13/44
Naihati P	..	..	..	100	93/00	93/00	107/00
Naskarpara	..	..	..	10	8/00	8/00	8/44
Nations P	7½	Nil	10	10	23/50	24/00	24/87
Nellimarla P	8	6	15	10	12/50	13/00	11/81
New Central P	15	15	Nil	10	12/94	12/37	14/44
Northbrook P.	30	30	20	10	31/00	31/12	35/25
Nuddea	5	6	5	50	62/25	60/50	57/75
Presidency	5	6	10	5	5/69	5/37	5/50
Rameshwara P.	Nil	Nil	Nil-Nil*	10	9/25	9/25	9/87
Reliance P	Nil	Nil	Nil-Nil*	10	10/19	10/19	6/81
Samnuggur P	4	Nil	10	£1	10/50	10/50	10/50
Shree Ambica P.	4	6	Nil	10	35/00	35/00	37/00
Soorah P	25	25	25	10	22/75	22/50	25/25
Titaghur P.	8	Nil	13	£1	10/50	10/50	10/50
Union P	25	5	Nil	100	171/00	171/00	167/00
Victoria P.	4	Nil	10	£1	10/50	10/50	10/50
Waverley P.	30	30	60	1	8/16	8/16	5/50

* 1963

COAL COMPANIES

NAMES	Dividends per cent 1960	1961	1962	Paid-up per Share Rs.	Latest Market Quotations as available until 25-9-63 Rs	18-9-63 Rs	A year ago Rs
Amalgamated	10	12½	15	10	24/50	24/50	22/12
Bengal P	25	21	..	100	274/00	275/00	351/00
Bengal Bhaldee	..	..	..	10	3/48	3/48	3/48
Bengal Nagpur	10	26	..	10	22/00	22/00	20/25
Bhalgora	..	..	..	10	4/75	4/75	5/18
Bharat Collieries P.	..	..	..	10	3/56	3/56	3/12
Bhuliahararee	..	..	..	10	11/99	11/94	12/00
Bokaro & Ramgur	..	..	..	10	11/19	11/19	11/19
Borrea P	15	15	..	10	23/87	23/87	23/87
Burrakur P	13	13	13	10	16/37	16/12	17/37
Central India	8	10	10	10	9/87	9/87	10/12
Central Kurkend P.	..	..	..	10	3/87	3/87	8/00
Churulia	8	..	..	4	3/06	3/06	3/06
Dhemo Main	Nil	Nil	..	10	4/50	4/50	5/94
East Indian	7½	15	20§	£1	31/62	31/25	52/37
Equitable P	18	10	..	10	23/25	23/25	27/00
Jhusick & Mushia	Nil	Nil	Nil	10	14/25	14/25	14/06
Jhurdar Kajora	..	..	..	10	2/44	2/44	2/05
Jhurriladih	..	..	..	10	8/12	8/12	8/12
Karanpura Development	8	5	..	100	10/44	10/12	16/25
	15	15	..	10P			
Karanpura Collieries P.	7½	10	10	10	16/00	16/00	18/00
Katras Jherriah	95	40	25	10	34/12	34/12	48/75
Khas Kajora P.	..	..	..	10	17/62	17/62	18/70

NAMES	Dividends per cent 1960	1961	1962	Paid-up per Share	Latest Market Quotations as available until 25-9-63	18-9-63	A year ago Rs
Munduipur	..	..	..	10	2/69	2/69	2/69
Nagara	7½	Nil	Nil	10	5/00	5/00	5/75
New Beerbhoom P.	10	10		10	19/25	19/25	23/25
New Manbhoom	7½	9	12	10	15/25	15/25	13/75
North West	20	20	..	10	19/75	19/75	19/75
				7½	18/00	18/00	17/50
Ondal P.	6	7½	..	10	13/50	13/50	15/00
Parasea P	12½	12½	..	10	12/62	12/62	16/00
Pench Valley	10	10	10	10	15/94	17/50	16/50
Pure Sitalpur	..	..	..	10	4/44	4/44	4/00
Raneegunge	15	17	17	10	16/12	16/12	16/00
Rewa	20	20	..	10	28/50	28/50	29/12
Samla	10	..	..	10	10/00	10/00	7/44
Searsole	Nil	Nil	Nil	2½	1/22	1/22	1/94
Seenport P	42 6/7	42 6/7	..	7	34/75	34/75	45/00
Sendra	5	5½	..	10	5/00	5/00	5/87
South Karanpura	2½	Nil	Nil	10	8/25	8/25	8/12
Standard	15	10	..	10	13/12	13/12	16/00
Union	..	..	..	10	11/12	11/12	10/37
Western Bengal	6	7½	9	10	8/47	8/44	9/06
West Jamuria	Nil	Nil	..	10	4/56	4/56	3/37

COTTON MILLS

NAMES	Dividends per cent 1960	1961	1962	Paid-up per Share Rs	Latest Market Quotations as available until 25-9-63 Rs	18-9-63 Rs	A year ago Rs
Basanti P	..	..	..	10	11/25	11/44	8/50
Bengal Luxmi	..	..	..	10	30/00	30/00	28/00
Bengal Nagpur P.	Nil	..	..	10	3/06	3/06	3/25
Bharat Commerce	5	15	15	10	23/44	21/75	28/00
Birla Cotton	10	20	20	10	30/25	30/25	32/00
Bowreah P	10	20	15	10	23/00	21/75	25/75
Cawnpore Textiles	7-1/5	10	10	5	6/69	6/31	7/00
Delhi Cloth & Genl P.	12	13	13	25	41/56	41/56	52/09
Dunbar	20	20	15	10	27/06	27/06	31/50

NAMES	Dividends per cent 1960	1961	1962	Paid-up per Share Rs.	Latest Market Quotations as available until 25-9-63 Rs	18-9-63 Rs	A year ago Rs
Elgin P.	11½	17½	17½	10	20/94	19/61	19/12
J. K. Cotton (Rayon) P.	12½	..	..	10	11/62	11/31	15/94
Jay Shree	10	10	..	10	16/00	14/69	16/81
Muir P.	..	..	..	100	74/50	80/00	100/00
New Victoria P.	Nil	..	..	2½	1/50	1/53	1/50
Orissa Textiles P.	Nil	Nil	..	10	9/00	9/00	9/00
Rampooria Cotton	3	Nil	..	10	13/00	13/00	12/00
	Nil	Nil	Nil	½	2/00	2/00	2/00
Swadeshi (Kanpur) P.	5	..	..	100	11/50	11/50	11/50
	5.51	..	..	10PO	6/87	7/00	7/37

BOMBAY COTTON MILLS

NAMES OF MILLS	Dividends per cent 1959	1960	1961	Paid-up per Share Rs.	Latest Market Quotations as available until 24-9-63 Rs	17-9-63 Rs	A year ago Rs
Ahmedabad Advance P.	9	16	..	100	145/00	145/00	170/00
Apollo	..	..	..	2	1/80	1/82	2/22
Beharilal Rameharan	Nil	Nil	..	100	81/50	80/00	80/50
Bombay Dyeing etc.	14	14	14	25	63/10	61/10	65/00
Bradbury P.	10	10	25	50	148/00	148/00	187/50
Century	..	..	..	100	581/00	561/00	600/00
Central India P.	Nil	Nil	Nil	100	113/50	110/00	112/00
Cooria	..	..	..	100	147/00	142/50	130/50
Dawn	20	30	30	50	147/00	147/00	158/00
Edward Textiles	9	9	..	200	280/50	290/00	352/00
Elphinstone P.	14	18	22	50	98/00	94/00	107/00
Finlay	..	..	..	100	314/00	310/00	295/00
Gokak	..	..	..	100	167/00	160/00	186/50
Hindoostan	..	..	..	250	855/00	855/00	..
India United	..	..	..	10	22/76	22/76	25/00
	..	..	..	1Dd	2/66	2/54	3/60

NAMES	Dividends per cent 1958	1960	1961	Paid-up per Share Rs.	Latest Market Quotations as available until 24-9-63 Rs	17-9-63 Rs	A year ago Rs
Indian	..	..	..	250	761/25	761/25	890/00
Indore Malwa United	7	8½	10	100	198/00	195/00	212/00
Khatau Makanji P.	18	32	..	100	212/50	197/50	447/50
Kohinoor	9½	15	18	100	314/00	305/50	294/00
Lakshmi-Vishnu P.	Nil	5.7	6—Nil*	100	92/00	92/00	125/00
Morarjee Goculdas P.	21½	21½	24—24*	100	372/00	360/00	460/00
Mysore Spg & Mfg P.	10	14	14	50	48/50	49/50	59/50
New City of Bombay	..	..	..	100	155/00	155/00	140/00
New Great Eastern P.	..	..	..	100	188/00	192/00	262/00
Phoenix	..	..	..	100	231/50	228/00	238/00
Sassoon & Alliance	Nil	Nil	..	10	10/92	10/92	14/88
Sassoon Spinning	25	17	20	10	41/50	41/25	55/00
Simplex	10	15	Nil	50	124/00	126/00	156/00
Shree Niwas P.	15	18	20	100	238/00	225/00	260/00
Swadeshi P.	14	17	..	100	247/00	240/00	255/00
Swan	..	..	..	100	270/00	270/00	285/00
Tata	10	20	..	25	59/00	56/70	60/90
Western India				250	785/00	785/00	881/25

* 1962

BOMBAY MISCELLANEOUS COMPANIES

NAMES	Dividends per cent 1960	1961	1962	Paid-up per Share Rs.	Latest Market Quotations as available until 24-9-63 Rs	17-9-63 Rs	A year ago Rs
CEMENT ENGINEERING & METAL							
Associated Cement	12½	12	12	100	148 75	145/50	155/75
ELECTRIC LTG POWER							
Ahmedabad Electricity	7	6	..	100	96/30	95/50	94/80
Andhra Valley Power P.	5½	5	5	1000	1.035/00	1.075/00	1.025/00
Bombay Subarban Elec	..	..	..	100	100/50	101/00	104/00
Tata Hydro Elec. Power P.	5½	5	5	100	107/50	110/50	110/00
Tata Power P.	6½	5	5	1000	1,082/50	1,082/50	1,110/00
Alcock Ashdown	..	..	..	100	300/00	280/00	317/00
Jost's Engineering	8	10	10	50	59/50	59/50	97/00
Larsen & Toubro P.	12½	18	14	10	23/84	22/76	25/60
Mckenzies	..	..	..	100	141/00	141/00	140/00
Premier Construction P.	..	..	..	30O	150/50	142/00	138/00
				32F			
Tata Eng & Locomotive P.	12½	14½	14½	100	271/50	260/00	294/00
Tata Iron & Steel P.	9.1	10.36	10.36	75O	139/25	136/00	133/50

NAMES	Dividends per cent 1960	1961	1962	Paid-up per Share Rs.	Latest Market Quotations as available until 24-9-63 Rs	17-9-63 Rs	A year ago Rs
INSURANCE COMPANIES							
British India General	..	..	..	10	12/12	12/20	12/40
Jupiter General P.	..	..	..	15	9/20	9/20	11/00
New India	..	..	..	15	52/50	52/00	62/50
Vulcan	..	..	..	10	16/52	16/80	16/52
MISCELLANEOUS							
Belapur Sugar	..	..	..	80	195/00	190/00	220/00
Bombay Burmah Trading	30	33	33	25	63/80	63/20	..
				20	48/50	47/50	..
Hindustan Lever	26	26	12	10	39/00	37/75	45/00
Industrial Invt. Trust	6½	6½	..	100	75/00	75/00	72/00
Kemi (Chemists)	..	..	..	200	260/00	257/50	310/00
National Rayon	22	..	..	100	358/00	338/50	466/50
Scindia Steam Navign.	8	8	8	20	12/08	11/84	11/40
Shivrajpur Synd	80	Nil	..	10	21/00	19/00	31/50
Tata Chemicals P.	6	6½	6½	10	17/08	16/04	14/20
Tata Oil P	23	23	23	25	65/70	61/80	56/70
Voltas	13	14	14	100	257/00	242/00	249/00
Western India Match	16	16	16	100	246/50	243/00	267/00

TEA COMPANIES

NAMES	Dividends per cent 1960	1961	1962	Paid-up per Share Rs	Latest Market Quotations as available until 25-9-63 Rs	18-9-63 Rs	A year ago Rs
ASSAM GARDENS							
Amluckie	Nil	10	7½	10	16/50	16/50	20/00
Anandabag P.	30	32½	20	10	33/25	33/25	33/25
Baghmari	Nil	15	7½	10	16/37	16/50	18/50
Barduar Tea	Nil	..	..	5	8/50	8/50	8/50
Basmatia	35	25	20	10	27/25	27/25	27/25
Bateli	30	..	..	5	17/50	17/50	18/00
Betjan	40	45	30	10	29/19	29/19	32/62
Bishnauth	13	13	20	10	17/94	17/62	17/69
Bokakhat	Nil	12	13	10	13/70	13/70	13/70
Borman Jan P.	15	15	15	10	13/12	12/69	16/12
Bor Pukhuri	Nil	Nil	10	10	12/00	10/56	9/31

NAMES	Dividends per cent 1960	1961	1962	Paid-up per Share Rs.	Latest Market Quotations as available until 25-9-63 Rs	18-9-63 Rs	A year ago Rs
Brooke Bond P.	15	10	7½	10	12/50	12/06	14/50
Dejoo Valley	15	20	30	10	60/00	60/00	69/25
Dessai & Purbuttia	Nil	10	15	100	200/00	205/00	141/00
Dhelakhat	12½	..	..	10	19/12	18/81	20/12
Dhunser P.	20	15	10	10	11/75	11/75	16/00
Dibrugarh P.	40	40	30	10	32/50	32/50	35/50
Jimaikusi P.	25	20	25	10	21/25	21/25	24/87
Duffiaghur	25	25	30	10	26/56	26/56	27/87
East India	Nil	Nil	10	10	16/12	16/12	18/87
Jillapukri	25	20	..	10	25/44	25/44	27/56
Johpur	Nil	..	20	10	15/44	15/50	13/37

‡1962

TEA COMPANIES—Contd.

NAMES	Dividends per cent 1960	1961	1962	Paid-up per Share Rs.	Latest Market Quotations as available until 25-9-63 Rs.	18-9-63 Rs.	A year ago Rs.
Grob	6	6	6	5	8/12	7/75	8/56
Hoograjuli (Assam)	20	20	..	10	27/12	27/12	27/12
Hoolungooree	10	7½	20	100	173/00	173/00	190/00
Jutlibari	30	30	20	10	31/50	31/50	32/00
Kingsley Golaghat P.	35	35	..	100	140/00	140/00	212/00
Kotamullai P.	Nil	Nil	Nil	6	10/31	10/31	10/31
Krishnabehari	15	8	..	10	11/00	10/50	10/50
Kyang Tea	Nil	..	..	10	8/06	8/06	8/06
Ledo	Nil	Nil	Nil	10	13/75	13/75	17/25
Maud Tea & Seed	10	7½	7½	10	14/81	14/81	14/81
Methoni	5	14	20	10	16/19	16/19	18/94
Moheema	Nil	Nil	..	10	11/50	11/50	11/50
Mothola	30	30	35	100	507/00	507/00	507/00
Murphulani (Assam)	5	15	25	10	26/50	26/50	26/50
	10.63	20.63	30.63	10	26/87	26/87	28/75
Naga Hills	10	10	10	10	22/25	22/25	22/69
Namburnadi	12	12	..	10	12/87	12/87	14/56
New Cinnatolliah	Nil	Nil	Nil	100	302/00	302/00	309/00
Rajgarh	40	13½	17½	10	19/00	19/00	21/37
Sapoi	22½	20	..	10	17/31	17/25	24/44
Seajuli	22½	15	30	10	21/12	21/12	20/75
Teloijan	25	25	25	10	22/00	21/37	27/75
Tengpani	30	30	22½	10	35/00	35/00	35/00
Tezpore P.	20	12½	..	10	15/00	15/00	15/59
Tongani	Nil	Nil	..	10	5/31	5/31	6/50
Tyroon	10	15	25	10	30/37	30/37	35/00
CACHAR							
Arcuttipore	Nil	5	6	10	7/00	7/00	7/00
Baitakhal	2½	2½	..	10	8/10	8/10	6/69
Central Cachar	5	7½	5	100	85/00	85/00	73/00
Eastern Cachar	Nil	Nil	..	10	4/50	4/50	4/12
Kallinugger Khoreel	6	..	..	100	87/00	87/00	87/00
Hattikhira	Nil	8	Nil	10	8/69	8/69	9/44
Kunchanpore	Nil	Nil	..	10	6/00	6/00	6/00
Loobah	Nil	Nil	Nil	10	4/62	4/44	4/44
North Western	30	20	10	100	270/00	270/00	205/00
Pathemara	Nil	Nil	Nil	10	7/50	7/50	7/50
Roopacherra	Nil	10	Nil	10	9/62	9/62	13/62
Rungamattee	5	5	5	50	51/50	49/00	50/00
Sonai River	Nil	Nil	..	10	5/05	5/05	9/12
DARJEELING							
Bloomfield	Nil	..	..	10	3/12	3/12	3/25
Chamong	Nil	10	10	10	9/00	9/00	10/25
Darjeeling Tea & Chin	30	30	30	100	197/00	197/00	195/00
Dilaram	8	4	..	100	102/50	102/50	102/50
Gielle	Nil	..	8 4/7	10	11/69	11/69	11/69
Lingia P.	15	10	17½	10	14/56	14/56	14/56
Longview	12½	10	..	10	11/00	11/00	11/00
Margaret's Hope	15	15	15	10	12/25	12/25	11/62
Mim	22½	27½	27½	100	191/50	191/50	191/50
Nagri Farm	30	25	35	10	30/75	27/25	25/44
Okayti	25	25	..	100	600/00	600/00	605/00
Pashok	10	Nil	..	10	20/00	20/00	20/00
Poobong	Nil	Nil	5	10	7/50	7/50	7/37
Pussimbing P.	Nil	Nil	Nil	10	7/12	7/12	8/37
Runglee Rungliot	35	20	7½	100	386/00	386/00	386/00
Seeyok	15	Nil	..	10	8/50	8/50	8/50

NAMES	Dividends per cent 1960	1961	1962	paid-up per Share Rs.	Latest Market Quotations as available until 25-9-63 Rs.	18-9-63 Rs.	A year ago Rs.
Singell	Nil	Nil	Nil	100	36/75	36/75	36/75
Singtom	2	Nil	2	10	3/50	3/50	3/50
Soom	50	40	40	10	34/00	34/00	31/00
Sungma	15	15	20	10	14/56	14/25	12/75
Teesta Valley	Nil	..	8 4/7	10	13/12	13/12	12/25
Tukvar	Nil	Nil	..	10	7/00	7/00	6/00
DOOARS							
Banarhat P.	22½	21	21	100	228/00	213/00	273/00
Baradighi	30	25	25	10	22/19	22/19	23/69
Bhatkawa	15	15	20	10	16/81	17/00	17/06
Birpara P.	17½	12½	17½	100	162/00	162/00	151/00
Carron	20	5	7½	100	151/00	151/00	145/00
Choonabhuti P.	32½	20	20	100	210/00	210/00	262/00
Ellenbarrie	5	6	10	100	184/00	184/00	184/00
Engo	60	30	40	100	136/00	136/00	136/00
Ethelbari	5	5	7½	10	10/62	10/62	13/12
Gairkhata	25	20	11	10	21/50	21/50	25/12
Gopalpur	12	2	..	25	20/00	20/00	20/00
Hantapara P.	15	5	10	100	119/00	107/50	104/00
Hasimara P.	17	18	..	10	13/69	13/44	14/37
Huldibari	22½	..	19 2/7	10	13/56	13/50	13/94
Jaybirpara	10	Nil	Nil	10	12/00	11/56	11/06
Killcott	25	15	15	10	15/31	15/37	17/31
Manabarrie	10	6	..	10	59/50	59/50	56/50
Nagaisuree	25	15	15	100	140/00	140/00	169/50
New Dooars P.	35	20	14½	100	230/00	230/00	263/00
Oodlabari	12½	7½	..	100	14/00	14/00	14/75
Phaskowa	Nil	Nil	Nil	100	129/00	129/00	127/00
Rajabhat	Nil	Nil	6	10	12/12	12/12	12/12
Ranicherra	15	15	7½	10	13/37	13/00	16/75
Rydak	25	20	25	10	26/00	24/25	27/37
Sarugaon	40	40	40	10	36/31	36/31	36/25
TERAI							
Atal	5	..	..	10	6/75	8/75	6/75
Belgachi	20	20	..	10	22/50	22/50	20/50
Gungaram	20	12½	12½	100	131/00	131/00	158/00
Hansqua	20	15	17½	10	20/00	20/00	20/00
New Chumta	15	..	12 6/7	10	24/62	24/62	33/50
New Terai	22½	10	15	10	23/00	23/00	36/00
Pahargoomiah	20	20	2½	10	14/25	15/00	31/12
Putinbaree	14	14	..	10	45/00	45/00	45/00
Tirrihannah P.	60	60	60	10	49/00	49/00	49/00
CHITTAGONG							
Kodala	Nil	Nil	..	10	9/25	9/25	9/25
Kornafuli	Nil	Nil	..	10	9/31	9/31	13/06
Oodaleah	Nil	Nil	..	10	8/00	8/00	8/00
SYLHET							
Chundeecherra	Nil	Nil	Nil	10	26/00	26/00	23/00
Dauracherra	22½	22½	20	10	11/75	12/37	7/31
Kaliti	Nil	Nil	..	10	10/00	10/00	9/12
New Samanbagh P.	25	Nil	Nil	10	18/37	18/37	18/37
Patrakola	32½	40	15	100	125/50	125/50	149/00
Rajnagar	Nil	Nil	Nil	10	9/50	9/50	9/56
Teliapara	22½	22½	10	100	110/00	110/00	99/00

† Hectares.

MISCELLANEOUS COMPANIES

NAMES	Dividends per cent 1960	1961	1962	Paid-up per Share Rs.	Latest Market Quotations as available until 25-9-63 Rs.	18-9-63 Rs.	A year ago Rs.
MININGS							
Burma Mines	2 3/5	Nil	Nil	3½S	0/44	0/44	0/44
Chrestien Mica Industries P.	15	12½	..	100	10/40	10/40	11/12
	25	20	..	5Dd	6/87	6/87	8/85
Indian Copper Corporation	27	27	..	2s	5/08	4/91	4/58
Metal Corporation P.	Nil	..	..	100	8/12	8/25	9/75
Orissa Mineral Development	36	28	20	10	27/69	27/69	39/00
CEMENT. LIME. SLATE, ETC.							
Ashoka Cement	7	7	7	10	7/62	7/50	8/19
Assam Bengal Cement	..	..	..	100	4/81	5/00	3/87
				1Dd	0/75	0/75	0/44
Bengal Potteries	15	..	..	2½	5/37	5/15	6/05
Bisra Stone Lime	30	30	10	..	21/50	20/37	27/87
Dalmia Cement (Bharat) P.	12	12	12	100	12/31	12/25	13/94
				1Dd	8/00	8/00	2/19
Jaipur Udyog P.	6	8	8.36	10	11/44	11/12	12/94
Kumardhubi Fireclay & Silica P.	18	18	18	10	18/45	18/45	18/45
Orissa Cement P	15	15	10	10	14/00	13/94	16/44
Reliance Firebricks & Pottery	22	15	10	5	22/75	22/75	22/75
Sone Valley Portland Cement	4	6	8	10	4/50	4/30	4/81
Sutna Stone & Lime	27½	30	..	10	28/12	28/12	37/00

NAMES	Dividends per cent 1960	1961	1962	Paid-up per Share Rs.	Latest Market Quotations as available until 25-9-63 Rs.	18-9-63 Rs.	A year ago Rs.
CHEMICAL INDUSTRIES							
Alkali & Chemical Corpn. of (I)	12	15	15	10	33/75	33/75	42/62
Sathgate & Co Ltd P.	Nil	..	..	5	0/84	0/84	0/80
Bengal Chemical & Pharm. P.	7	10	..	100	102/00	102/00	101/50
Calcutta Chemical P.	18	18	18	10	17/87	17/87	19/31
Frank Ross P	..	..	..	6	2/19	2/19	3/25
Smith Stanistreet P.	25	25	25	5	12/25	12/25	15/50
ELECTRIC LIGHTING, POWERS							
Agra Electric Supply	11	11	11	100	118/00	118/00	127/00
Bareilly Electric Supply	11	11	11	10	12/37	12/37	12/25
Benares Electric Supply	11	11	11	10	11/62	11/62	13/00
Bhagalpur Electric Supply	8	10	8	8	6/56	6/56	6/08
Calcutta Electric Supply	8	7½	7½	£1	14/87	15/00	15/25
Cuttack Electric Supply	7½	10	10	10	11/87	11/87	12/62
Dishergarh Power Supply P.	10	10	10	100	88/00	88/00	94/00
Jhansi Electric Supply	..	..	..	10	5/90	5/90	6/00
Jubbulpore Electric Supply	10	10	10	10	11/25	11/25	11/37
Mirzapur Electric Supply	..	..	..	9	12/00	12/00	12/00
Muzafferpore Electric Supply	12½	12½	12½	10	11/50	11/50	12/25
Muttra Electric Supply	..	..	..	10	11/06	11/06	10/75
Patna Electric Supply	10	10	10	10	10/50	10/75	11/50
Shahjahanpur Electric P.	6½	6½	6½	10	7/50	7/50	7/50
Sijua (Jherriah) Electric	10	9	9	10	8/50	8/50	9/06
United Provinces Electric	11	11	11	100	117/00	117/00	126/00
Upper Jumna Valley Electric	13½	13½	13½	10	15/06	15/06	15/25

MISCELLANEOUS COMPANIES—Contd.

NAMES	Dividends per cent 1960	1961	1962	Paid-up per Share Rs.	Latest Market Quotations as available until 25-9-63 Rs.	18-9-63 Rs.	A year ago Rs.
ENGINEERING & METAL							
Arthur Butler (Muzafferpore) P.	..	..	..	10	14/94	14/94	14/50
Bhartia Electric Steel	10	10	12½	10	13/44	13/50	13/31
Braithwaite India	25	25	14	10	32/37	31/37	35/25
Bridge & Roof	30	30	30	10	52/25	52/25	52/25
Britannia Building & Iron P.	Nil	Nil	Nil	10	3/25	3/25	3/65
Britannia Engineering P.	10	10	10	10	10/03	9/94	11/25
British India Electric Cons.	45	20	15	10	33/12	33/12	33/12
Burn P (Engineering)	28½	28½	28½-25*	100	585/00	585/00	695/00
Calcutta Steel	15	15	15-12½*	10	13/00	13/00	14/69
Dalmia Iron	10	10	10	10	10/87	10/81	11/62
Guest, Keen, Williams	16	14	14	10	34/25	34/19	36/69
Hooghly Docking	Nil	Nil	12½	50	86/00	86/00	102/00
Indian Iron & Steel P.	15	16	16—16*	10	23/62	23/00	24/86
Indian Malleable Casting	Nil	..	..	50	6/00	6/00	5/25
	Nil	..	..	1Dd	1/81	1/81	2/00
Indian Standard Wagon P.	28½	28½	28½-20*	10	34/00	33/25	34/12
Indian Steel & Wire Products	23	24	23	100	39/00	39/00	49/00
Industrial Containers	Nil	10	10	10	21/37	21/37	22/00
Jay Engineering	17 3/20	17 [illegible]	15	10	20/87	20/87	..
J. K. Steel P.	20	20	10	10	15/12	14/87	16/44
Jessop & Co P.	8.58	8.58	8.58	10	26/37	25/00	22/56
Kumardhubi Engineering P.	10	11¼	15	8	9/25	8/37	7/81
Marshall Sons (India)	Nil	Nil	Nil	2	2/37	2/59	3/25
National Iron and Steel	Nil	Nil	Nil	10	5/81	5/12	5/12
Saran Engineering	8½	10	12½	4	8/78	8/50	9/15
Steel Containers	30	30	20	10	29/50	29/50	22/50
Textile Machinery	10	10	..	10	25/65	24/30	22/35
SUGAR BREWERIES ETC.							
Balrampur Sugar	3	8	4	2½	1/81	1/95	2/41
Belsund Sugar	18⅓	10	6 2/3	7½	8/37	8/50	9/62
Bharat Sugar P.	..	..	..	10	13/00	13/00	12/87
Carew (Sugar) P.	Nil	Nil	Nil	10	10/75	10/87	12/06
Cawnpore Sugar P.	Nil	Nil	Nil	10	9/75	9/75	13/12
Champaran Sugar	15	12	Nil	10	13/62	15/87	17/12
Durbhanga	4	Nil	5	10	8/87	9/00	9/00
Dyer Meakin (Breweries)	25	30	..	5	28/50	28/56	31/00
New Savan Sugar and Gur	..	..	..	10	4/44	4/44	5/25
Purtabpur Sugar P.	..	..	..	10	11/50	11/50	11/50
Ramnuggur Cane & Sugar P.	30	35	30	10	27/50	27/50	30/37
Raza Buland	12½	10	10	10	9/62	9/50	10/00
Ryam Sugar P.	..	..	..	10	5/20	5/20	8/06
Samastipur Central Sugar	..	..	..	10	5/94	5/94	9/62
Shree Krishna Gyanoday Sugar P.	15	..	..	10	7/50	7/50	8/12
Shree Sitaram Sugar	..	..	..	10	7/12	7/12	7/12
Sitalpore Sugar	4	Nil	Nil	10	3/94	6/12	6/12
United Provinces	15	5	Nil	10	9/00	9/00	14/72
Upper Ganges Sugar P.	72½	72½	72½	10	62/00	62/00	77/08
MISCELLANEOUS							
A Firpo (Restaurateur)	7½	10½	5	10	5/90	5/90	5/90
Aluminium Corporation P.	12	12	12	10	15/44	15/12	15/69
Anderson Wright Ltd. P.	11½	Nil	..	10	11/50	11/50	11/50
Angelo Bros.	25	28½	28	10	23/87	24/00	24/25
Assam Match	18	20	20	10	13/50	13/50	28/75
Assam Saw Mills & Timber	Nil	Nil	3	3	2/84	2/84	2/75
Associated Battery	25	15	15	10	24/50	24/37	28/87
Associated Hotels of India P.	Nil	10	10	10	10/31	10/31	10/31
Balmer Lawrie & Co.	25	25	25	100	247/00	245/00	257/00
Bararee Coke	Nil	Nil	15—15*	10	21/25	21/87	24/50
Birds Investments P.	9½	10	10	10	10/75	10/75	12/50
Britannia Biscuit P.	25	30	25—21*	10	42/75	42/75	44/50
British India Corporation P.	4	7	9	5	8/00	7/69	9/94
British Paints	12½	15	10	10	20/00	20/12	22/00
Calcutta Silk Manufacturing P.	Nil	Nil	..	10	6/94	6/94	7/15
Clive Row Investment	8	7½	7½	10	8/75	8/75	8/37
Duncan Brothers & Co Ltd. P.	14	14	14	100	130/00	130/00	157/50
Dunlop Rubber Co. (India) P.	21½	20	15	10	34/37	33/19	37/75
Eastern Investments Ltd. P.	14	14	12	100	117/00	118/50	129/00
Electric Construction	10	10	10	10	13/69	13/31	14/81
French Motor Car	20	20	..	20	35/12	35/12	34/50
Ganges Rope	17½	20	20	100	236/00	236/00	236/00
General Investments Trust P.	5	5	5—5*	75	43/00	43/00	43/00
Gillanders Arbuthnot & Co. Ltd P.	10	11	11	10	14/69	14/69	14/06
Gladstone Lyall & Co. Ltd. P.	4 2/5	..	..	10	..	..	..
Godfrey Phillips (India) Ltd. P.	40	40	30	10	28/12	28/12	33/25
Great Eastern Hotel	9	6	..	250	225/00	225/00	241/00
Hindustan Aluminium P.	Nil	..	..	10	13/81	13/31	16/00
Hindustan Motors P.	9	12	12½-11½*	10	17/44	17/06	17/94
Hindusthan Pilkington	..	..	..	10	15/37	14/50	19/87
Hindusthan Twyfords P.	Nil	Nil	Nil—Nil*	10	14/25	14/25	15/31
Hoare Miller & Co. Ltd.	6	6	..	10	5/75	5/16	7/09
Imperial Tobacco	8	9	9	10	10/91	10/75	11/12
Indian Aluminium Co. Ltd. P.	18	15	17½	10	36/81	36/75	36/25
Indian Cable P.	22½	22½	22½	10	35/81	34/12	37/25
Indian Oxygen	18	15	12	10	27/50	27/12	47/62
Indian Rubber Manufacturers P.	20	30	36	10	19/87	19/87	20/94
Indian Wood Products	30	30	30	10	29/62	29/75	33/25
Isaac Holdens	..	Nil	..	100	15/19	15/31	16/50
Investments and Finance P.	7½	7½	7½—7½*	10	55/00	55/00	55/00

NAMES	Dividends per cent 1960	1961	1962	Paid-up per Share Rs.	Latest Market Quotations as available until 25-9-63 Rs.	18-9-63 Rs.	A year ago Rs.
J. K. Synthetics	..	8	..	10	12/06	11/12	13/62
James Wright P.	..	..	..	50	2/75	2/75	2/75
				1Dd	00/43	00/43	00/43
Jardine Henderson Ltd P.	8	7	6	100	86/00	89/00	79/00
Jay Shree Industries P.	14	12½	..	10	17/50	17/50	16/62
Kesoram Industries P.	5	12	12	10	24/62	24/12	25/75
Macfarlane & Co.	..	..	..	50	6/75	6/75	7/00
	..	..		1Dd	2/19	2/19	2/50
Macneill & Barry Ltd. P.	8	8	7½	100	93/50	93/50	93/50
Martin Burn Ltd P.	27½	27½	25	10	27/37	27/62	30/69
McLeod & Co. P.	15	15	18	1000	210/00	210/00	250/00
Metal Box Co. of India Ltd P.	25	25	19	10	50/62	50/62	54/87
National Insulated Cable P.	25	25	25	10	24/06	22/87	31/00
National Pipe & Tubes P.	20	20	20	10	24/69	24/69	32/50
National Rolling & Steel Ropes	13	15	15	10	21/44	21/31	22/87
National Rubber P.	Nil	6½	8	10	11/87	11/19	11/94
National Tobacco P.	16	7	7	10	12/00	12/00	13/00
New India Investment Corpn.	8.7	..	..	75	65/00	65/00	70/00
Octavius Steel P.	10	7½	7½	100	..	..	..
Philips India	12	12	13	10	26/75	26/75	29/37
Publicity Society	10	75	75	4	22/62	22/62	26/19
Rallis India P.	4	8½	8½	100	122/50	121/00	150/00
Rohtas Industries P.	20	10	8	10	12/19	11/37	14/06
Sirsilk P	Nil	..	..	10	9/00	9/06	9/69
Sen Raleigh Industries P.	8	8	8	10	15/00	15/00	18/87
Shaw Wallace P.	15	15	7½	10	16/81	16/81	21/25
Spencer's Hotel	2½	2½	..	2	0/65	0/65	0/94
Union Carbide	18	18	12½	10	39/00	39/25	45/25
Walford Transport	20	20	..	1PO	2/12	2/06	2/25
	30	30	..	1O	3/62	3/62	3/41
INSURANCE COMPANIES							
Concord of India	20	20	20	5	10/62	10/62	11/50
Hercules	22½	26½	26½	10	22/56	22/56	25/37
Ruby General	10	13½	15⅝	8	9/44	9/31	9/62
Standard General	..	..	..	10	6/25	6/25	8/00
Triton	45	50	50	25	124/00	124/00	125/00
FLOUR MILLS							
Bengal	40	25	25	10	29/00	29/00	34/25
Delhi P.	..	..	..	10	14/00	14/00	14/00
Ganesh P.	..	..	..	12½	13/37	13/37	17/00
Hooghly	15	Nil	Nil	10	19/75	19/75	19/75
United	35	10	7½	10	27/81	27/81	30/00
OIL COMPANIES							
Attock Oil	13½	13½	..	£1	sh. 35/-	sh. 35/	sh. 29/9
Burmah Oil P.	9-2/5	..	..	£1	sh. 63/10½	sh. 64/4½	sh. 36/9
Indo-Burmah Petroleum P.	30	25	22½	10	22/00	22/00	25/50
Tide Water Oil	30	35	35	10	27/12	27/12	27/50
PAPER MILLS							
Bengal P.	32	27½	20	10	26/12	26/06	32/81
India Paper Pulp	15	13	12	10	17/44	18/37	18/94
Orient Paper P	22½	22½	22½	10	36/25	35/05	41/35
Shree Gopal Paper P.	17-6/7	17 6/7	17 6/7	10	24/37	24/12	24/75
Sirpur P	6½	8½	..	10	12/69	12/31	12/87
Star Paper P.	Nil	Nil	Nil	10	9/06	9/06	10/00
Titaghur P.	10	13	13	2½PO	3/87	3/87	3/78
	25	20	10	10AO	16/62	16/62	36/25
	25	20	10	10BO	16/62	16/62	36/25
West Coast P.	6	7½	..	100	135/00	137/00	166/00
PRESSING COMPANY							
Camperdown	11	11	..	100	104/00	104/00	100/00
REAL PROPERTY STORAGE							
Bengal Bonded Warehouse	11	8	8	A500	1050/00	1050/00	610/00
				B62½	135/00	135/00	77/25
				C100	122/00	122/00	122/00
				D12½	14/15	14/15	14/75
Calcutta Safe Deposit	..	..	..	100	7/87	7/87	7/25
Humayan Properties P.	6	..	..	100	11/00	11/00	11/00
	Nil	..	..	1Dd	2/10	2/10	2/15
Midnapore Zemindary P.	Nil	Nil	Nil	85	11/00	11/00	11/12
TRAMWAYS & STEAMER							
Bengal Assam Steamship P.	7½	7½	..	100	135/00	135/00	110/00
Calcutta Landing & Shipping	8½	7½	22	10	34/00	34/00	54/00
Calcutta Steam Navigation	10	Nil	Nil	10	9/25	9/25	7/75
Calcutta Tramways P.	..	..	..	£1	11/06	11/25	11/94
Fraser	Nil	..	..	10	10/00	10/00	10/00
India General Nav. Railway P.	Nil	..	..	£10	39/00	40/00	66/00
India Steamship P.	10	Nil	Nil	10	6/56	6/69	6/81
Port Shipping	Nil	Nil	..	10	14/69	14/56	12/06

* 1963

SOUTH INDIA PLANTATION COMPANIES

NAMES	Dividend per cent 1959	1960	1961	Paid-up per share Rs.	Latest Market Quotations as available until 24-9-63 Rs.	16-9-63 Rs.	A year ago Rs.
Amalgamated P.	7½	10	..	10	10/36	10/36	11/06
Anandam P.	15	15	..	10	14/19	14/19	15/24
Athimattam	Nil	Nil	..	2	1/15	1/10	0/80
Balanoor P.	15	15	12	10	11/30	11/30	12/91
Balmadies P.	7½	7½	..	2	1/65	1/65	1/90
Be Be F	5	Nil	..	5	2/03	2/03	2/50
Blue Mountain	12½	12½	10-10*	2	2/65	2/72	2/26
Chembra Peak	15	20	20-20*	2	4/47	4/65	3/22
Cochin Malabar P.	15	17½	20-20*	3	6/10	5/61	6/50
Coffee Lands P	25	6	..	10	14/65	14/65	14/70
Consolidated Coffee P.	25	20	..	10	18/75	18/75	17/75
Coonoor P.	20	17½	..	10	18/35	18/35	23/00
Coorg P.	20	20	..	2	4/89	4/89	3/95
Cottanad Plantation P.	15	10	..	10	9/31	9/31	9/75
Devashola (Nilgiri)	25	20	..	10	24/39	24/39	25/05
Devon P	15	15	12	10	11/96	11/96	12/66
Emerald Valley	8	..	..	5	6/35	6/35	5/55
Gokul	9	10	..	2	1/76	1/76	1/90
Harleyburia P.	12½	15	..	10	11/37	11/25	12/62
Kailas	20	22½	..	2	6/09	6/20	5/16
Kalasa Tea Produce	15	20	25	2	4/25	4/25	3/45
Kil Kotagiri P.	25	25	25	2	5/55	5/35	4/75
Lucky Valley	10	10	10	10	12/00	12/00	10/25
Malankara	15	15	..	10	16/00	16/00	16/90
Midland Rub. & Prod P.	10	12½	12½	10	11/37	11/25	11/20
Nilgiri P.	5	5	..	10	8/65	9/55	9/10
Nonsuch	20	20	20	10	23/37	23/37	21/62
Ossoor	15	15	..	2	3/45	3/43	2/96
Ouchterlony	15	13	12	2	4/35	4/42	3/63
Parkside Neilgherry	27½	27½	22½	10	26/15	25/82	21/75
Peermade P.	22½	22½	25	10	20/90	20/90	21/50
Peninsular	20	20	..	10	20/70	20/70	22/10
Periakaramalai	12½	13½	20	2	3/65	3/68	3/21
Rajagiri Rub & Prod P.	20	20	20	10	18/60	18/60	21/20
Rajendra P.	50	25	..	5	9/80	9/80	10/50
Swinton	7½	12½	..	2	2/82	2/82	2/82
Teekoy P.	5	Nil	..	10	6/60	6/60	5/45
Thirumbadi	7	7	12	1	2/10	2/08	1/62
Travancore Rubber	10	13	..	10	11/12	9/66	11/00
Travancore Rub. & Tea P.	7½	9	10	10	9/70	9/50	9/20
Tropical Plantations	8	8	..	25	19/15	19/15	18/62
Twytords	10	10	..	10	8/25	8/25	9/62
United Nilgiri	19½	21	22	10	23/95	22/25	19/35
Vaikundam	25	30	..	10	30/50	30/50	30/65
Waterfall Estates P.	12½	12½	..	2	2/42	2/33	2/09
Woodland P.	5	10	..	10	7/85	7/85	7/85

† Kgs. *1962

SOUTH INDIA COTTON MILLS

NAMES	Dividend per cent 1959	1960	1961	Paid-up Per Share Rs.	Latest Market Quotations as available until 24-9-63 Rs.	16-9-63 Rs.	A year ago Rs.
Bangalore W C Silk P.	10	10	15	100	231/00	231/00	247/00
Buckingham & Carnatic P.	10	10	15	100	269/00	269/00	282/00
Cambodia P	Nil	4	..	10	12/27	12/37	13/00
Coimbatore Cotton	6	12	15	100	167/00	167/00	182/50
Coimbatore Spg & Wvg.	..	..	..	50	68/50	68/50	73/00
Kothari Textiles P.	10	10	8	10	9/30	9/30	10/87
Lakshmi	12	20	30	50	133/50	132/50	146/00
Madura	12½	15	15	15	32/60	32/25	34/75
Mettur Industries	25	30	30-22½*	100	272/00	268/00	342/00
Palani Andavar P.	..	..	..	10	202/75	202/75	215/00
Vasanta P.	15	20	..	100	278/00	278/00	290/00

*1962

SOUTH INDIA SUGAR MILLS

NAMES	Dividend per cent 1959	1960	1961	Paid-up per share Rs.	Latest Market Quotations as available until 24-9-63 Rs.	16-9-63 Rs.	A year ago Rs.
Andhra P	20	..	..	10	17/30	17/36	20/75
Cauvery P.	Nil	6	8	100	105/00	105/00	115/50
Deccan Sugar	25½	25½	12—18*	5	10/41	10/35	10/75
E.I.D.—Parry	28 9/7	21 3/7	21 3/7*	£1	36/75	36/65	41/50
Indian Sugar P.	12½	14	10	10	8/65	8/65	10/10
Jeypore P	10	8	..	10	16/00	16/00	14/75
K. C. P.	15	..	..	10	23/20	23/90	22/00
Kothari	..	Nil	Nil	10	7/00	6/80	6/90
Mysore	30	30	30-30*	10	46/75	46/75	53/40
Travancore P.	10	10	..	10	7/15	7/35	8/35
United Breweries	60	60	60-25*	10	35/00	35/00	97/50

*1962

SOUTH INDIA MISCELLANEOUS COMPANIES

NAMES	Dividend per cent 1959	1960	1961	Paid-up per share Rs.	Latest Market Quotations as available until 24-9-63 Rs.	16-9-63 Rs.	A year ago Rs.
Aluminium Industries	12½	18	..	10	17/38	17/40	24/90
Andhra Cement P.	10	..	..	10	9/60	9/60	10/25
Ashok Leyland	8	8	..	5	7/65	7/45	7/63
Binny	10	12½	..	100	297/00	297/00	335/00
Brunton & Co.	Nil	..	..	10	5/03	5/03	5/30
Enfield P	6	6	..	10	9/25	9/25	10/45
India Cement P.	9	11	9-12*	9	5/73	5/76	6/30
Indian Steel Rolling P.	7	..	..	10	10/40	10/40	12/50
Mettur Chemical Industrial P.	8½	12½	12½-13½*	10	13/65	13/50	13/35
Mysore Chem & Fert.	5	10	10	10	7/75	7/75	10/10
Mysore Chemical Mfgs P.	20	20	..	10	17/75	17/75	21/75
Mysore Lamp P.	15	20	..	10	30/00	30/00	36/75
Mysore Paper	12½	15	15	10	13/65	13/75	15/00
Mysore Tobacco	12½	10	..	10	10/50	10/50	8/60
Parrys Corn	20	30	..	1	5/35	3/30	4/10
Spencer (Provisions)	15	18	18—18*	10	20/12	20/12	23/50
Standard Motors P.	9	9	..	10	11/40	11/62	16/13
T Stanes P	27½	32½	..	10	29/05	29/05	31/00
Textool	15	15	..	100	153/00	153/00	165/00
Tube Investments	10	10	10	100	213/00	208/00	269/00

*1962

LIGHT RAILWAY AND ROPEWAY COMPANIES

NAMES	Dividends per cent 1960	1961	1962	Paid-up per Share Rs.	Latest Market Quotations as available until 25-9-63 Rs.	18-9-63 Rs.	A year ago Rs.
Ahmedpur Katwa	1.90	1.90	1.75	100	26/00	26/00	29/50
Arrah Sasaram	5	5	5	100	29/50	27/00	30/50
Bankura Damoodar	1.90	1.90	1.75	100	30/00	30/00	29/00
Burdwan Cutwa	1.90	1.90	1.75	100	29/00	29/00	29/00
Chaparmukh-Silghat	2.90	2.90	2.80	100	40/00	40/00	35/00
Cherra Chhatak Ropeway	9	12	12	5	5/75	5/75	5/00
Darjeeling Ropeway	..	..	..	10	9/12	9/12	8/00
Dehri Rohtas	17	20	15	10	12/62	13/06	17/25
Futwah Islampur	1.90	1.90	1.90	100	28/70	28/70	28/70
Howrah Amta (P)	6	5	4½	100	40/00	40/00	46/00
Howrah Sheakhala	6	5	4½	100	45/00	45/00	40/00
Katakha Lalabazar	3.50	3.10	1.90	100	41/00	41/00	41/00
Shahdara (Delhi)	6	3	..	100	52/00	52/00	50/75

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THE FAILURES OF THE THIRD PLAN

WHENEVER Mr. Nehru spoke on economic affairs during the session of the Lok Sabha which ended recently, he drew a picture of India's present and future economic position which was startling for its optimism. There must have been many present who wondered where the Prime Minister had got his facts; they bore only a faint resemblance to those contained in Government publications, and almost no resemblance at all to those highlighted in independent surveys such as the review * of the conditions and prospects of the Indian economy published by the National Council of Applied Economic Research recently. The latter is an authoritative but not a cheerful document; indeed there is nothing in it to sustain satisfaction of any kind. Not only do the figures produced confirm the suspicion that the rate of Indian economic growth, taken over the first two years of the third five year plan, has fallen dangerously low; they also suggest that the direction of current economic planning is now such as to make the situation steadily worse.

More specifically, they indicate that despite 12 years of planning the national income of this country remains dependent to an alarming extent on the uncertainties of the weather, that the drive for industrialisation is merely substituting dispensable imports of consumer and other goods for indispensable imports of raw materials—thus tending to make the country more dependent on foreign aid, not less—and that the failure to plan for the parallel growth of the economy's infrastructure threatens to slow down the hitherto fairly satisfactory progress of manufacturing industry. There is little in all this to evoke anybody's optimism. And it is difficult to avoid the conclusion that if the Government's critics had restricted their attacks to its economic management on the basis of the facts as presented in this review, the impact on public opinion would have been considerably greater than in fact it was.

The main drawback of the N.C.A.E.R. review is that its figures are necessarily out of date; some of them are now more than a year old. This is not the fault of the authors, who have done their best to overcome the difficulty by offering their own views on future prospects. It seems unlikely their predictions will be far off the mark, and that leads logically to the conclusion that something ought to be done as a matter of urgency to retrieve the situation. If it is not, then inevitably sooner or later the rate of economic development in this country will be outpaced by the increase of population, even taking good years with bad, and disaster will be staring India in the face. Already these two crucial growth rates roughly coincided during the year 1961-62. Although 1962-63 may show an improvement, the writing is clearly on the wall; and the future position has been further complicated by the increased needs of defence. To avoid what appears from the figures in this review to be virtually the inevitable, drastic changes in planning policies are going to be needed. The Prime Minister would have had greater justification for his optimism if he had been in a position to announce these.

The overall rate of economic growth in the year 1961-62, according to the review, was only 2.2 percent, compared with 7.1 percent for the previous year. The reasons given for the slow-down are the continued shortage of foreign exchange and the agricultural failures due to the weather. The output of foodgrains fell from the record level of 79.8 million tons in 1960-61 to 78.6 million tons; the resulting impact on prices and living standards was cushioned by foreign aid, chiefly American P.L. 480 supplies. Industrial output, although still showing a substantial increase over the period, also faltered. From a rate of growth totalling 10.9 percent in 1960 it was down to 7.2 percent in 1961, less than the average of 8.1 percent for the second plan period as a whole. The chief reason for the slow-down was the shortage of raw materials and components. During the first two quarters of 1962-63 the rate of advance was again 7.2 percent, thus indicating that there was no change in the general trend of industrial production over a fairly long period. The trade deficit worsened; it was Rs. 225.6 crores for the six months from April to September 1962, compared with Rs. 171.7 crores for the corresponding period of 1961. The reason given for the deterioration is the rather ominous one that "invisible" earnings were lower. This means that payments on foreign loans increased—a trend which continues. The only really reassuring fact revealed in the review is that exports in 1962-63 reached their highest level since the Korean war boom, and earned some Rs. 40 crores more than during the previous year. That increment is going to be needed.

Other figures for the year ended March 1963 were not so readily available when the review was written, so its authors were obliged to rely on predictions. Generally, later statistics have confirmed their impression that there has been some improvement over the performance during 1961-62, although not a particularly large one. Agricultural output during 1962-63 has not surpassed the peak level attained in 1960-61. The rate of industrial expansion too has not been accelerated significantly. Exports, fortunately, continue to improve, but imports are also going on increasing, and there is the difficult problem of falling invisible earnings to be taken into account. Finally, and with reference to the national income, the review concludes that for the remaining three years of the plan the rise will have to be at a much faster rate to achieve the plan target. The figure estimated by the review is a 7 percent cumulative rate of growth, and it adds that to achieve this, higher rates will have to be attained in each sector of the economy than during the past two years.

The most depressing feature of the whole picture is the failure of agriculture to gain some measure of independence of the weather. Until this can be done, the figures for overall foodgrains output can have little significance for the country's continued stability. This now depends on constantly increasing foreign aid, and will continue

* *Indian Economy, 1961-63 (Conditions and Prospects).* Issued by the National Council of Applied Economic Research, New Delhi. Price Rs. 6.

to do so for as long as it takes to overcome the fundamental problem. If planning has any meaning at all in this country, it must surely be that by means of it the size and reliability of the nation's food supplies can be assured. But at the moment they are not; and the greatest indictment of the Government's planning policy is that no firm programme exists for rectifying this error. The review makes a number of familiar, though important, suggestions for improvement. These include fuller use of irrigation water; extensive use of fertilisers; use of disease-free improved seeds; timely sowing; weeding and interculture; and the use of pesticides and green manure. It advocates a "crash" programme for tackling the problem.

While some of these proposals have the air of a counsel of perfection and others are already being implemented, there is no doubt about the soundness of the general thesis that agriculture be regarded as a matter of urgency. What is so distressing in the present state of affairs is that the country should be so dependent on foreign aid for the crucial margin in its food supplies which can make the difference between famine and sufficiency, stable prices and inflation, civil tranquillity and commotion, and, most important, victory and defeat. It is surely a fair question whether or not the planners have adequately pondered the possible consequences of placing the country so completely at the mercy of what is, after all, an unreliable feature of international politics. If any doubts remain on this score, they must surely have been dispelled by what has happened over Bokaro.

It is also doubtful whether sufficient thought has been given to the direction in which industrial policy appears to be heading. As the evidence of the N.C.A.E.R. review goes to prove, India is becoming increasingly dependent on foreign aid not only for development resources, but for the raw materials to run the new industries when established. An excellent case can be made out for the industrialisation of this country on the grounds of improving living standards, although not at the expense of agriculture. But it would be difficult indeed to justify a policy leading to the building of new industries which are doomed permanently to dependence on imported raw materials for their continued running, especially when so few of them are making any contribution towards their own upkeep by helping in the country's export trade. Yet that is what appears to be happening. With both agriculture and the day-to-day operation of a large proportion of India's industries now both at the mercy of foreign goodwill, it is scarcely surprising that doubts should recently have been voiced about the wisdom of current planning.

The overall recommendations made in the N.C.A.E.R. review are by no means exceptionable. The logic of giving planning priority to providing the country with an adequate, home-grown food supply, and to ironing out the fluctuations in it, would seem to be so indisputable that the wonder is it has to be proposed at all. Nevertheless, the review rightly considers it necessary to mention the matter again, and points out in the process the defects in governmental administration dealing with agriculture and in the community development organisations and National Extension Services. Clearly, nothing short of a complete reshaping of the Government's policy towards agriculture will now be sufficient to overcome the present difficulties. In industrial policy, the N.C.A.E.R. review underlines the importance of power and transport programmes in order to avoid the bottlenecks which will otherwise inevitably hold up progress. Its point that capacity in both these major industries should always run just ahead of supply, is irrefutable. On the subject of improving the availability of foreign exchange, the suggestions made include stronger steps to mobilise gold hoards, more import substitution, the encouragement of more private foreign investment and the tapping of Indian investments abroad. Some such measures are now imperative if India is to increase defence imports and honour growing loan service payments in a world where the climate for foreign economic aid is distinctly deteriorating. Finally, the recommendations for keeping prices down, although the problem is obviously linked with the economic situation as a whole, should repay considerable study.

The fact that Mr. Nehru might have been wrong in his judgments about India's economic situation, as revealed by the National Council of Applied Economic Research, is by no means as serious a matter as the suggestion of complacency behind it. It would no doubt be doing the Prime Minister an injustice to conclude that his words were intended for any purpose other than to answer his political critics at the end of long and acrimonious debates, and to offer the country some reassurance concerning the efficiency of his Government's economic management. But it is to be hoped that the planners are at least as aware of the facts of the situation as the National Council, and that the lessons they draw from them are equally sound and practicable. Great changes are needed in planning in this country if the alternative to economic collapse and widespread starvation is not perpetually to remain a steadily increasing infusion of foreign aid. Such aid does not now merely represent the difference between growth and stagnation; it has come to mean the choice between life and death. That is where the danger lies.

India's Resources
are Precious
WASTE NOT,
WANT NOT

THE POLICY FOR COTTON

THE Government of India has done the right thing by abolishing with immediate effect the compulsory survey and the supervisory scheme for the marketing of cotton. With prices remaining well below the ceiling for a long time, the compulsory survey and supervisory system had become meaningless. To have continued the restrictions in spite of a large carryover of nearly 2.1 million bales—the largest for about six years—and in spite of a harvest which promises to exceed the 1962-63 record of 5.75 million bales would have exposed the Government to the charge that it was interested in perpetuating certain vested interests to the detriment of the general trade. The compulsory survey was introduced two years ago to check malpractices which followed when prices pierced the ceiling, and the supervisory scheme sought to ensure the proper implementation of the compulsory survey. But in conditions of improved supply these restrictions simply led to corruption, inconvenience and unnecessary expenditure. The trade had long been agitating for the removal of the irksome controls; it has now won its battle for freedom.

The growers' plea for a higher ceiling, voiced through their spokesmen in Parliament, makes little sense, although recently there have been reports that the Government is considering the proposal. If the new cotton crop turns out to be as large as most people expect, the Government may have to support the market to check the decline in prices. Cotton prices have already fallen by between Rs. 50 and Rs. 150 a candy over the past month or so. The fall might have been even steeper but for reports (unconfirmed though) that the Government had almost made up its mind to purchase cotton for the buffer stock if prices fell by more than Rs. 100 a candy from the ceiling. Vague talk of the Government building a stockpile has brought about a marked change in market sentiment and the hedge contract (March delivery) has spurted from Rs. 688 to Rs. 704 in a matter of a few days.

The idea of building a buffer stock has been considered on several occasions in the past, but it could never be given concrete shape because domestic production was unable to catch up with the industry's growing requirements and the country had to spend large amounts of foreign exchange to cover the shortfall. The need for a buffer stock for ensuring adequate supplies to the industry at reasonable prices can hardly be over-emphasised. The size of the buffer stock must depend primarily on domestic production. If current expectations of a crop of 5.7 million to 5.9 million bales materialise, it should be possible to make a beginning in building a buffer stock this season. While it is good to have cotton in reserve to feed the industry and also to beat the market in lean years, there is a danger that injudicious purchases by the Government at arbitrary prices might introduce a strong element of uncertainty and instability in the market. Purchases should normally be made only around the floor prices and not when prices are just about Rs. 100 a candy below the ceiling. If the Government thinks that the existing floor does not provide an economic price to the farmer and that a higher floor will act as a bigger incentive to increase cotton production without adversely affecting the output of other crops, it should raise the floor itself. The possible loss resulting from haphazard purchases at arbitrary prices is not the only problem that one has to bear in mind. There is the danger that if the Government is burdened with unusually large stocks it may later compel the industry to lift the goods against its will and at prices the mills consider too high. There is also a risk that if the purchase price is high—and Rs. 100 below the ceiling is certainly a high price—the Government may be burdened with more cotton than it would like to hold in the buffer stock.

The question has to be examined carefully before any purchases are made for the buffer stock. The grower's desire to get as high a price as possible for his product is understandable. But the support price—the price at which the Government decides to purchase cotton in the open market—cannot be such as would undermine seriously the textile industry's competitive position in the international market. The steady rise in prices in recent years has already made Indian cotton more expensive than the produce of other countries. It should be remembered that the rural population, constituting about 70 percent of the total is the largest sector of cloth consumers; a further rise in the prices of cotton with a corresponding increase in cloth prices is, therefore, not likely to benefit even the agriculturists in the long run.

That the farmer must be assured of a minimum remunerative price for his produce will be readily conceded and this is what the floor price is supposed to do. But, as was rightly pointed out by Mr. A. D. Pandit in his presidential address at the recent meeting of the Indian Central Cotton Committee in Bombay, it would be a mistake to think that the mere provision of an economic incentive through a higher ceiling price would enable the farmer to increase production. Economic incentives may prove futile it efforts are not made beforehand to ensure sufficient technological development. It is unfortunate that a wide gap should continue to exist between the research laboratory and the farmer's field. The poor progress of research is a sad reflection on the working of the Indian Council of Agricultural Research of which Mr. Pandit himself is the vice-president. It is, however, comforting to learn that the Council has plans shortly to appoint project co-ordinators with a view to ensuring the co-ordination of research on an all-India basis. Equally welcome is Mr. Pandit's assurance that research projects in future will lay as much emphasis on schemes to raise yields as on improved strains. So far, there has not been anything like a breakthrough in research which could result in substantial increase in the yield and there has been no outstanding achievement in plant breeding. There seems to be great scope for work, particularly in evolving varieties which are not susceptible to loss on account of shedding of flowers. In India only 7 percent of flowers mature into bolls, against 20 percent in Russia. Cotton production in India is lagging far behind the third plan schedule. Production can be stepped up only through increased productivity because the scope for bringing more area under cotton is extremely limited. The benefits of research in the laboratory have to be made available to the farmer in a way he can make use of them. The farmer needs better seeds, right type of fertilisers, better tools, increased irrigation facilities and last, but not the least important, adequate financial assistance without which he cannot obtain these facilities.

INDUSTRIAL GROWTH

THE Central Minister for Industry, Mr. N. Kanungo, is credited with the curious remark that the growth in industrial output in the past six months was "a matter of satisfaction." Since available figures show a rise of only 7.4 percent in the general industrial index in the period from January-May 1963, compared with the corresponding period of last year, it is difficult to see what makes the Minister so pleased with himself. One may point out, merely for the record, that India is supposed to achieve a 70 percent rise in industrial production over the five years of the third plan. Simple arithmetic would, therefore, require an average annual increase of about 14 percent—almost twice the rate actually achieved since the beginning of the plan. Equally simple logic would suggest that the Minister for Industry should be far from satisfied; but if Mr. Kanungo's comment gives the contrary impression, it can only be because of the semantic barrier that divides the politician from commoner folk.

In case the Minister did not already know, Mr. Akbar Hydari of the Associated Chambers brought up facts at the meeting of the Central Advisory Council of Industries which put industry's present malaise sharply into focus. New issues in the first half of this year have totalled only Rs. 18 crores, against Rs. 51 crores last year. But even this does not give a full measure of the damage done to the capital market since some of these issues were made or had been put under way before Mr. Desai's celebrated Budget. It is possible that the coming months may show a further decline unless the market receives a powerful boost from Mr. T.T. Krishnamachari's efforts to undo the harm done by his predecessor.

The right fiscal measure will undoubtedly make the biggest difference but they may not provide the whole solution. Even in the present difficult conditions, there are intrepid entrepreneurs who are willing to take the long view and have command over the resources needed to launch new ventures. But New Delhi makes things more difficult for them than they need be by its multiplicity of detailed controls, and sometimes by the sheer refusal to face realities. As our New Delhi correspondent reported last week, the possibility of attracting foreign investment into aluminium is wearing thin because of a mulish insistence on an export guarantee. In the world as a whole, the major producers have a substantial proportion of idle capacity, so they are in a position to export aluminium at cut prices. The demand for an export guarantee from a new unit in India starting on one-third or less of the scale of the overseas giants, can only mean turning the intending investor away. The form in which the guarantee is being sought, making directors individually and severally liable for penalties, could not be made sillier even if New Delhi tried. The problems posed by the Government's procedural requirements are not new, but their character is becoming clearer with the slowing down of the tempo of growth which has hitherto obscured its damaging aspects from public view. The ten-man committee set up at the Council meeting to go into some of these problems has been given six months to complete its task, but surely some of the more obvious reforms need not wait that long.

Another equally serious brake on growth is the policy of artificially restraining price increases in the controlled industries while inflation spreads through the rest of the economy unchecked. The president of the Federation of Indian Chambers of Commerce and Industry, Mr. Bharat Ram, pointed to the inhibiting effects of the policy at the Council's meeting, referring in this context to the views expressed in a World Bank survey of the Indian economy earlier this year. What he perhaps intended to convey was that even an objective team from outside felt that unrealistic prices were hampering growth. A typical reaction of Government spokesmen on hearing the World Bank quoted is to freeze up in public and object strongly in private. But it is unnecessary to call in witnesses when the facts of the case are so obvious and telling. A memorandum prepared by the joint committee of the paper industry has just shown conclusively, by citing detailed statistics, that the growth of the industry has come virtually to a halt ever since the 1960 price award ruled out reasonable profitability. A similar study of the coal industry—a key sector where failure will impose very serious penalties on the rest of the economy—has shown that units are unable to meet their third plan expansion commitments because they cannot raise the rupee finance they need. As a result, import licences, so eagerly sought till the other day, are lying unused and there are even instances where imports already made are not being cleared for want of the necessary bank arrangements.

If the Indian entrepreneur feels so nervous and insecure, one can hardly blame the foreign investor for being even more doubtful. No less a person than Mr. G. L. Mehta, chairman of the Indian Investment Centre, has stated that first-class foreign ventures with top-grade collaboration arrangements have flopped in the capital market. Each failure has wide repercussions, and it is safe to say that the damage done to Indian prospects in the last few months will take a long time to repair. No doubt India offers an assured and highly protected market, but the decision to invest is bound to rest finally on the returns after tax that the collaborator may expect to earn. It is pointless to argue that the tax concessions for new enterprises are attractive, but how many investors would judge the profitability of their investment only by what they may earn over a short five- or eight-year period?

Finally, the point deserves to be made that the private sector's expansion should not be made conditional solely upon its ability to find the necessary foreign exchange by itself. Projects like Tata's alloy steel plant would not have fallen through had the Government undertaken to release some part of the foreign exchange required from the resources available to it. Huge amounts of foreign aid are lying unused because the Government is simply incapable of using the funds fast enough. It should be possible to divert some of this aid to essential projects in the private sector, especially those falling in the priority list drawn up last year. Had this been done, some of the serious shortfalls of the past two years might have been avoided.

EXPANDING ROLE OF THE WORLD BANK GROUP

THE World Bank is the largest international source of development finance in the world. Together with its two affiliates, the International Development Association and the International Finance Corporation, the Bank has played a vital rôle in financing development activities in backward countries. The annual reports of the World Bank and its affiliates for the year ended June 1963 point to the great expansion in their activities. The number of loans under preparation in the Bank has increased. Although the total amount lent during the year has declined to $449 million from the previous year's high of $882 million, the fall does not represent a long-term trend. Perhaps a no less important index of the Bank's usefulness is provided by the fact that the number of loans committed has remained about the same as during the previous years. Altogether 28 loans have been granted to 19 countries and territories, the largest share ($179 million) going to Asia and the Middle East. Transportation has received the biggest allocation ($190 million), followed by power development ($124 million) and industry ($110 million).

The World Bank is a major provider not only of development finance but also of technical assistance. It has helped countries in preparing development projects up to the point where they are ready for financing. During the year the Bank undertook seven new project studies, including one to solve the coal transport problem in India. Another important aspect which has engaged the Bank's attention is the improvement of investor confidence in order to foster international private investment. Initially its efforts were confined to persuading Governments to settle defaulted debts due to private investors. Later the Bank studied a suggestion to draw up some form of multilateral scheme to provide insurance cover for international investments. Another approach it is now considering is to establish some machinery under its aegis to offer conciliation and arbitration facilities for investment disputes arising between host Governments and foreign investors; while it will be left entirely to the discretion of the parties concerned to seek the help of this machinery, its decisions or awards will be binding once a reference to it has been mutually agreed upon. These schemes will be of help in improving investor confidence in the capital-exporting countries and it is to be hoped that they will be given concrete shape soon.

From the point of view of the developing countries, even more important than the World Bank's aid has been the assistance from its "soft loan" affiliate, the International Development Association. The World Bank's loans carry relatively high rates of interest (until September 1962 its lending rate was 5¾ percent, but it has since been reduced to 5½ percent). The balance of payments position of most developing countries is already so strained that they cannot take advantage of large loans on commercial terms. In fact, some of them are finding it difficult to service their existing foreign obligations. It is for these countries that the I.D.A. has a special appeal. Its development credits are interest-free (only a service charge of ¾ percent is payable towards the I.D.A.'s administrative costs) and are repayable over a period of 50 years. Repayments do not begin until after ten years; they are at the rate of 1 percent a year over the next decade, and 3 percent in each of the last 30 years. During 1962-63 Asia has received the bulk of I.D.A. credits ($203.5 million) and the largest share ($178 million) has come to India. As in the case of World Bank loans, transport accounted for the major portion of I.D.A. credits ($121 million), followed by power and telecommunications, irrigation and flood control), and industry, in that order. As far as India is concerned, the I.D.A., from among the World Bank group, is likely to provide the largest amount of aid. During the year ended June 1963, the World Bank institutions committed more funds for India than in any previous year, and the bulk of it was in the form of I.D.A. credits. The following table shows the trend:

	World Bank (In million dollars)	I.D.A. (In million dollars)
1957-58	165.5	Not in existence
1958-59	135.0	Not in existence
1959-60	60.0	Not in existence
1960-61	90.0	60.0
1961-62	145.5	62.0
1962-63	30.0	178.0

In view of the long-term nature of its loans, it is evident that the I.D.A. cannot expect its resources to be replenished by credit repayments for a long time to come. The fact makes it necessary for the I.D.A. to seek fresh contributions from its members if it is to keep up its lending operations. Recently 17 countries have agreed to provide it with $750 million in freely usable funds over the next three years. Including the unused holdings of $193 million at the end of 1962-63, the I.D.A.'s resources will enable it to raise its lending rate to an average of about $300 million a year during the next three years, against an average of $165 million a year so far. However, the increase will still fall far short of requirements since many experts consider an annual lending rate of $500 million over the next five years to be both desirable and feasible. A point of special interest to India and Pakistan is that the I.D.A.'s credits may continue to be allocated to countries with the lowest *per capita* incomes. Arguing that any other criterion

cannot possibly be used since that may reduce the aid to insignificant proportions because of the very large number of claimants, Lombard says in the *Financial Times* that this procedure itself will cause "a substantial part of the total" to be reserved for India and Pakistan.

The second affiliate of the World Bank, the I.F.C., aims at helping privately-owned industrial companies by providing them with scarce share capital. By investing in equities—a power which it acquired during the year—it can now actively help the growth of capital markets in the developing countries. The other ways in which it can build investment markets is by underwriting new issues, sponsoring international underwriting syndicates and making standby arrangemets to support local underwriters and issuing houses. Its operations during the year show the wide range of its activities. It has made 11 commitments for financing private ventures in ten countries, seven of the commitments involving investments in industrial companies. The other four investments helped strengthen industrial finance companies. As far as India is concerned, it has invested during the year a sum of $898,000 in the form of loans and shares in Precision Bearings India Ltd, a new Company set up by Indian, U.S. and Danish interests.

Current News and Comment

Regulating Forward Markets

IN his inaugural address at the conference of presidents and Government-nominated directors of associations recognised by the Forward Markets Commission held recently in Bombay, the Central Minister for International Trade, Mr. Manubhai Shah, emphasised the need for ensuring a "fair price" to the farmer. Hedging is primarily designed to protect the farmer, Mr. Shah said. But peasants have always had a raw deal since speculators depress prices at harvest time. The Minister, therefore, urged the authorities entrusted with the task of administering forward markets to take effective steps to prevent "bear raids by powerful interests." Mr. Shah's sympathy for the farmer is understandable, for the lot of the average peasant is still miserable. But his plea for a "fair price" should have been addressed to his colleague, the Central Minister for Food and Agriculture. One fails to understand how forward markets can be instrumental in ensuring a "fair price" to the farmer.

The forward market simply registers prices, which in turn reflect the balance between physical supply and demand for the commodity concerned. If the farmer's share in the total price of the commodity paid by the ultimate consumer is low, it is because his weak holding power compels him to sell his produce as soon as the crop is harvested. The forward market is in no way responsible for his poor return. Mr. Shah's contention that hedge trading is designed primarily to protect the farmer is, therefore, questionable. As it is, the hedging facility exists as much for the producer as for the consumer or the intermediary linking the two. But there is little evidence that producers and consumers take a lively interest in the hedging facilities provided by commodity exchanges.

In his welcome speech, the chairman of the Forward Markets Commission, Mr. A. S. Naik, said that the development of recognised associations on democratic lines, strong action against unscrupulous speculators and a determined effort to stabilise the prices of regulated commodities—particularly with a view to promoting exports—were the main objectives of the Commission's policy. But traders point out that the way the Commission has been exercising its powers is hardly conducive to the growth of recognised associations on democratic lines. Over the years, the Commission has armed itself with wide powers, and it is more dreaded than respected. Its regulatory measures have two broad aspects : the evolving of a common pattern in the structure and practices of different associations and the smooth functioning of markets. It must be conceded in all fairness to the Commission that it has had considerable success in bringing about a common pattern in the structure and practices of various recognised associations. In exercising control over speculative activity, however, it has often played havoc with the markets. Unhealthy speculation has to be checked, but speculation can be called unhealthy only if it threatens the liquidity and solvency of the market. The Commission is known to have intervened in the market even when its liquidity and solvency were not in danger. It acted simply because it did not feel satisfied with the prevailing price trend.

It is risky to question the market's verdict too often. After all, the market is a sensitive mechanism. True, it cannot be allowed to behave in any way it likes. Sometimes the need arises to deflect the course of prices. But this can only be done through proper fiscal and monetary policies or through physical controls. The Commission can play its part only if the rise or fall in prices is due to unhealthy speculation. Rarely has it been faced with the problem of arresting a decline ; it has mostly had to check the upward trend in prices. But the steps taken by the Commission from time to time—including the fixing of arbitrary ceiling rates without even allowing for normal carry-forward charges for various contracts—have only led to an increase in the spread between the futures and spot prices, the latter commanding huge premiums. That the Commission should think in terms of a determined effort to stabilise prices may sound plausible. But it is difficult to imagine how the F.M.C. and the market authorities can stabilise the prices of regulated commodities when they move up and down due to the lack of balance in the demand and supply position.

The meeting of presidents of various recognised associations is always welcome since it promotes better understanding of the purpose of various regulatory measures and the practical difficulties involved in administering them. The success of regulatory measures depends largely on the fund of goodwill between the Commission and the trading community. Not all is well with the latter. Many members of recognised associations are alleged to have been found guilty of irregularities in one form or another. Illegal trading is widespread. Various problems which came up for discussion at the conference included appropriation of non-member clients' business and *dabbas*, control over trading by non-members, the need for statutory registration of commodity brokers, uniformity in trading hours, holidays, units of trading, delivery months, duration of contracts, method of fixing due date rates, circulation of names of some parties convicted for one offence or another to all the associations, arbitration where contracts are challenged, filing of returns by members, appointment of non-trading presidents and the financing of schemes for research in forward trading.

Some of these issues are relatively simple. For example, it should not be difficult to reach reasonably satisfactory agreements on trading hours, units of trading, delivery months, fixing of due date rates, etcetera. The idea of circulating the names of persons found guilty of one offence or another, particularly in meeting financial liabilities, is commendable. It will tend to discourage defaults. The Commission's concern over kerb trading, options and *dabba* business seems exaggerated. Kerb trading is not such an offence as should attract the penal provisions of the Forward Contracts (Regulations) Act. The evil can be checked if the trading hours are increased. *Dabba* business can also be appreciably reduced if the unit of trading is kept small so as to enable the small trader to take interest in the recognised markets. Options, although illegal, are known to be of great value. So there appears to be a strong case for legalising this business. There is, of course, no reason why the law should not be observed. The plain truth is that most of the evil practices in the market can be checked only if the trading community develops high moral and ethical standards.

Taxation and Capital Formation

Capital formation in the Indian corporate sector during recent years has been low, averaging about Rs. 59 crores a year. Consequently, industrial expansion has been hampered. Referring to this fact at the half-yearly general meeting of the Bharat Chamber of Commerce in Calcutta last week, Mr. Mohan Kumar Mookerjee, senior vice president, said that the main reason for the low rate of capital formation is the steep rate of direct taxation by the Government, which has been taking away too large a proportion of the increases in national income. For example, in 1961-62, the national product increased by only Rs. 310 crores at current prices, while additional taxation by the Government siphoned off Rs. 140 crores into the Exchequer ; in other words, 45 percent of the increase in national income went in taxes. In 1962-63, the net addition to the national income was not significantly more than in the previous year, but extra taxation rose further to Rs. 181 crores. During the current year, national income is unlikely to rise at a higher rate than the previous two years, and yet the massive tax efforts of the Government will net in Rs. 357 crores. Mr. Mookerjee stressed that as the taxation of the middle and higher income brackets is very high, these groups, who have the highest propensity to save and invest, have been left with little or no surplus. Drawing attention to the fact that Indian taxation of personal incomes is among the highest in the world, he pointed out that such heavy taxation of individuals with hardly any direct service to them cannot but have an adverse psychological impact on taxpayers. Mr. Mookerjee wondered whether there was "any other country in the world where more than 100 percent of income is taxed directly".

Criticising the Government's fiscal policy, Mr. Mookerjee said revenue has been deliberately under-estimated and expenditure over-estimated. The massive measures of the last Budget are already showing signs of bringing a much larger yield than was estimated. The programme of additional taxation provides for a total of Rs. 1,710 crores on account of both the Centre and the States during the entire period of the third plan, but the measures adopted in the first three years alone are expected to yield Rs. 2,415 crores. The figure may eventually be higher. The damaging effects of such steep taxation and over-buoyant yield in the face of stagnation in savings, investment and production, seem to have been recognised by the new Finance Minister. He has "virtually scrapped" the Compulsory Deposits Scheme, but has yet to revise the high additional surcharge on income taxpayers and abolish the super profits tax on companies. This should be the logical sequence to the realistic assessment of the country's economic situation which the Finance Minister appears to have done. Mr. Mookerjee drew attention to the fiscal policy in Japan, France and West Germany, where the rates of direct taxation have been reduced, but all the same revenues have increased because of using better measures. The United States is going to cut its taxation by $10,000 million over a period of three years in order to provide incentives for business expansion. India, too, could reorganise its tax structure on more rational lines.

Cloth Output Down, Stocks Up

Production of cloth by Indian mills in August is provisionally placed at 396 million yards, against 417 million yards in the previous month and 431 million yards in August last year. The August figure bring the total for the first eight months of this year to 3,202 million yards, compared with 3,366 million yards in the same period of 1962. Yarn output in August is also lower at 161 million lbs, against 166 million lbs in July and 162 million lbs in August 1962. The output of yarn in the first eight months of the current year amounts to 1,260 million lbs, against 1,265 million lbs in the corresponding period last year. The sharp setback in mill cloth output in face of the extremely comfortable supply position of cotton during the season is quite intriguing. It lends support to the popular belief

that the mill industry is not interested in raising production unless the uncertainty about cloth prices is over. The authorities will do well to look into the matter and seek a satisfactory explanation from the industry why production is down in spite of improved supply of cotton.

Mr. Manubhai Shah's reported statement at the recent meeting of the Central Advisory Council of Industries that mill production had not risen because of the policy decision that additional requirements of cloth during the third plan should be met only by an increase in the output of the handloom, powerloom and *khadi* sectors, makes little sense. Mill production is running far behind the plan schedule ; the target for this sector is 5,800 million yards a year. The mill industry had once protested that its share in the total of 9,300 million yards had been fixed on the low side. The modest setback in yarn production suggests that the combined total output of cloth by the organised and decentralised sectors is less than in the previous year.

Cloth stocks with the mills at the end of August totalled 333,300 bales (of 1.500 yards each), showing an increase of 18,500 bales over the July-end figure. Unsold stocks are up from 146,600 bales to 155,500 bales, and there is an increase of 9,600 bales under "sold but delivery not taken". Stocks of yarn have also risen sharply from 70,900 bales to 82,700 bales (of 400 lbs each). Unsold stocks have risen from 32,100 bales to 40,800 bales, and there is an increase of 3,100 bales under "sold but delivery not taken."

National and Grindlays Centenary

National and Grindlays Bank celebrated its centenary on Monday, 30th September, when the main component in this banking group attained its one-hundredth birthday. In India, the centenary will be celebrated later in the current year. The bank was registered on 29th September, 1863, in Calcutta by a small group of British and Indian merchants under the name of the Calcutta City Banking Corporation which was changed to the National Bank of India early the following year. Thereafter until 1958, when further changes of name were made in recognition of the new conditions in south Asia, the title of the National Bank of India was to become familiar to successive generations of customers in an increasing number of countries. Grindlays Bank—the entire capital of which was acquired in 1948—had commenced business in 1828 while Lloyds' eastern branches were absorbed into the organisation in 1961. Thus the centenary relates primarily to that part of the organisation which formerly bore the name of the National Bank of India and around which the later alliances have grown.

In 1866, the head office and control were transferred to London and the bank was registered as a sterling concern under the U.K. Companies Act. This gave it ready access to the world's principal money market, where it speedily established itself as a progressive institution specialising in the financing of eastern trade and commerce. The mid-1860's were a time of great financial stress : with the end of the American Civil War the Indian cotton boom collapsed, while the failure of Overend Gurney in London had its repercussions on India. Banking casualties were heavy, especially in India, but by prudent and skilful direction, the infant National Bank of India weathered the storm. An account of these and other eventful happenings is given in *100 Years of Banking in Asia and Africa*, a book specially written by Mr. Geoffrey Tyson, a former Editor of *Capital*, to mark the centenary of National and Grindlays Bank. The book will be issued at a later date.

By the 1890's the bank was fully established in India (including that part which is now Pakistan), Burma and Ceylon, as well as in Aden and Zanzibar. From the latter place, it was a short step to the east African mainland, where it had the distinction of being the first British bank to begin operations and to bring western banking techniques to the several east African territories. As the railway made its way from the coast to Lake Victoria, the bank went with it on what was literally a pioneering journey. In the process, it was able to provide banking services to Asian merchants, tradesmen, clerks and mechanics who came to east Africa for the construction of the railway or its subsequent operation. Within the area of its activities, National and Grindlays has always endeavoured to provide banking services where they are most needed and, in this matter, it can reasonably claim to have served the countries of the Indian Ocean well.

On 31st December, 1864, the bank's total asets amounted to £328,736 ; today they are more than £277 million. In the first year of operation, there were slightly more than 300 shareholders ; at the end of 1962, the number was about 6,500. In contrast to the dozen or so staff with which the Calcutta City Banking Corporation opened its doors in 1863, National and Grindlays today gives employment to nearly 10,000 employees of all grades in 165 branches operating in a dozen countries. It is also the official banker to four Governments. This is some measure of the progress which the bank is able to record on the historic occasion of its centenary.

Unemployment Problem Worsens

The task of the three sub-committees set up by the Planning Commission's Working Group on Employment and Training to examine the progress of the employment programme during the third plan and to suggest ways and means for increasing opportunities in the fourth plan, will not be easy. The Planning Commission had estimated that some 17 million new entrants to the labour market would have to be provided for during the current plan period. Including the 9 million persons remaining unemployed at the end of the second plan, the number of new employment opportunities to be created would be 26 million. As against this, the Planning Commission provided for only 10½ million persons in the non-agricultural sector, and 3½ million in the agricultural sector. The remaining 12 million persons and the very large number of people, who are underemployed, were left to fend for themselves,

The really disquieting thing is that the third plan is not even likely to provide employment to more than 45 percent of the 14 million people for whom employment opportunities are to be found under the programme. The situation is really worse than these statistics suggest. India's population has been rising at an average annual rate of over 2.4 percent. This means that the number of unemployed persons, which the sub-committees appointed by the Commission's Working Group will have to take into consideration for the fourth plan period, will be very much larger than that at the beginning of the third plan.

As the Minister for Planning, Labour and Employment, Mr. Gulzarilal Nanda told the third meeting of the Central Committee on Employment some time ago, this rising tempo of unemployment is due to a more rapid increase in India's population, and to a shortfall in the achievement of agricultural and industrial production targets in the first three years of the current plan. But the failure of the plan to provide sufficient employment opportunities defeats one of the main objectives of planning in India and creates severe hardship for the people. The rising tempo of unemployment also prevents a proper use of the available manpower.

The main plank of the Government's policy for solving the unemployment problem in the country is the programme of rural industrialisation and rural works. But this programme has so far failed to produce any worthwhile result. Moreover, although small-scale and cottage industries are more labour-intensive than large-scale industrial enterprises, they have failed to provide new employment opportunities to people either in the rural or in urban areas. The Planning Commission's expectation that, within a period of 15 years, the proportion of agricultural population to the total would shrink from 70 percent to 60 percent is not likely to be realised. Any problem for reducing unemployment will, therefore, have to be based on the assumption that the country's population in the near future would continue to rise at the rate of nearly 2.5 percent a year, and the distribution of population as between the urban and rural areas will remain unchanged. It is likely that the Planning Commission's rural projects to absorb the idle population might create some new employment opportunities, but it could not possibly solve the entire problem. Better collection and classification of statistics and an improvement in the working of employment exchanges would certainly help in acquiring a clearer understanding of the problem and in bringing about a better distribution of job opportunities as between different regions. However, the main problem of widening employment opportunities would not be solved thereby.

Complaints against L.I.C.

In an open letter addressed to the chairman of the Life Insurance Corporation, the Policyholders' Servicing and Research Institute, Calcutta, has drawn attention to the serious deterioration in the efficiency of the L.I.C., particularly in the service to policyholders. Due to the decentralisation scheme under which the old units (which existed before the nationalisation of life insurance) have been suspended, the policyholders have been seriously inconvenienced in paying premiums and receiving loans and claims. The letter mentions that in the case of old policies, the surrender values have been arbitrarily reduced. The gross irregularity in the procedure for receiving premiums and issuing receipts has become widespread. In many instances, the unit office has been shifted from Calcutta without telling the policyholders concerned where and how to pay the premiums. Sometimes policyholders are asked to pay the premiums through a particular bank, but that does not always help because the bank is clueless about the details of interest which have to be paid on overdue premiums. As a result, policyholders are compelled to pay the premiums through the bank without obtaining any receipt. The inconvenience is the greater because the bank concerned has been authorised to accept premiums only in cash. The centralisation of cash department has also resulted in unnecessary harassment and avoidable delays, as it happens to be in an out-of-the-way place.

Another disturbing feature is that the energy of the L.I.C. staff has been diverted more and more to procuring new business which has often been underwritten under pressure. Consequently, many new policies have lapsed shortly after their introduction. Policyholders have been persuaded to stop old policies in order to take new ones. This is a very unhealthy practice. Complaints have been received about undue delays in meeting claims, especially on death. Unless the heirs of the deceased are resourceful, they are often likely to find it difficult to win a legal case against the L.I.C. for obtaining their legitimate dues. The Life Insurance Corporation has after two valuations since nationalisation declared bonuses for with-profit policyholders. Many of them are wondering why no definite intimation has reached them yet. Life insurance will flourish only on the good service it can render to policyholders. It is hoped that the authorities will pay attention to the grievances and have them redressed. This is important especially when steps are being taken to popularise insurance in rural areas, where the unsophisticated mass of people are least likely to feel encouraged by the existing practices of the L.I.C.

Sales Tax on Cloth

The memorandum submited by the Millowners Association, Bombay, in response to the questionnaire issued by the Saraiya Committee, contains interesting data on the incidence of sales tax on cloth and yarn meant for export. Following the replacement of sales tax by additional excise duty since 1957, the sale or purchase of cotton fabrics has been free from all taxes under the composite sales tax scheme in force in Maharashtra State. There is thus no problem of sales tax as far as the export of cotton textiles is concerned. But sales tax has to be paid on various items such as cotton, fuel oil and coal, dyes and chemicals, stores and packing materials, which are required for manufacturing of cotton fabrics. The Association has enumerated as many as 59 items liable to sales tax which are used by cotton mills, and has estimated the burden of sales tax on the textile industry in Maharashtra at Rs. 2.67 crores, made up of Rs. 1.30 crores on cotton, Rs. 25 lakhs on electricity, Rs. 13 lakhs on fuel oil and coal, Rs. 5 lakhs on starches,

hessian and hoops, Rs. 94 lakhs on chemicals and dyes, packing materials and other mill stores.

The Association says that the few concessions in the shape of drawback and set-off allowed at present on goods used in manufacturing of cotton fabrics for export have proved to be quite illusory because of the cumbersome conditions which have to be complied with. It is extremely difficult to work out the incidence of tax paid on each item of goods used in the manufacture of such fabrics and often there are differences of opinion between the Commissioner of Sales Tax and the assessees. According to the calculations made by the Association, the sales tax burden works out to 1.33nP a yard on cloth and 21nP a bundle (of 10 lbs) on yarn. In view of the sensitive nature of the international market in cotton textiles even this small burden is considered to be "sufficient to drive away trade from India." The Association has, therefore, urged the Government to remove the entire burden of sales tax on raw materials, fuel, dyes and chemicals, etcetera, used in manufacturing cloth and yarn meant for export. The concessions in sales tax, it is suggested, should be in the form of *ad hoc* rebates. Based on the quantities of cloth exported from mills in the three different categories, the Association has recommended 1nP a yard for grey, 1.5nP a yard for bleached and 2nP a yard for cloth otherwise processed. On value basis, the rebates work out to 1.33nP a yard for grey, 2nP a yard for bleached and 2.67nP a yard for cloth otherwise processed, which gives an average of 1.80nP for every rupee worth of cloth exported, f.o.b. basis.

The Association has also suggested that the mills should be entitled to claim *ad hoc* rebates of sales tax at the appropriate rates against Customcertified AR-5 forms. With cloth exports currently fetching about 79nP to 80nP a yard, the relief sought by the Bombay Millowners Association by way of rebate of sales tax is perhaps too small to make any material difference to the export effort. But at a time when the Central Minister for International Trade goes about telling the trade "export and prosper and the Government will underwrite losses", anything that can help increase the industry's competitive position in international markets deserves to be considered sympathetically. Getting rid of fiscal impediments in the way of exports is much better than subsidising exports since the latter does not carry a good impression abroad.

All-India Body for Scrap Trade

The Iron and Steel Scrap Association of India has been set up through the effort of the Scrap Traders and Exporters Association. The need for an all-India body representing all scrap interests has long been felt. But unfortunately, domestic controls divided the otherwise complementary interests in scrap into rival groups. That made it extremely difficult to give concrete shape to the idea of an all-India organisation. These controls have now largely disappeared, and the conflict of interests has narrowed. The membership of the Association is open to all scrap interests, namely, merchants, dealers, processors, exporters, brokers and domestic scrap uses.

Mr. Sultan A. Nathani's presidential address last week, gave a clear picture of the scrap trade and industry. These have tremendous potentialities for growth. If the authorities follow a realistic export policy and if furnace owners adopt a more helpful attitude by not insisting on export restrictions the prospects for the scrap trades and industry should be good The country has a huge scrap potential of about 1.5 million tons, but the development of the industry has been adversely affected by the export restrictions on scrap and due to the lack of facility for importing scrap processing machinery. Domestic consumption of scrap has been increasing very slowly, compared with arisings. In fact, the growth of scrap-based capacity in the country has shown a progressive decline; domestic consumption which was 10 percent of arisings at the beginning of the first plan is now placed around 8½ percent. According to Mr. Nathani, the home requirements of scrap is unlikely to provide any significant support to the trade and industry in the foreseeable future. The industry's prosperity hinges on exports. Mr. Nathani said that scrap exports could rise to around 1 million tons a year without at the same time causing any scarcity for domestic users, if free export was allowed. The additional foreign exchange which could be earned by the export of scrap surplus now uncollected would be nearly Rs 10 crores. Exports during 1962 were placed at only 135,000 tons. The present restrictions on export, said Mr. Nathani, benefit only the domestic users whose consumption constituted a very small percentage of the total arisings. Between 1952 and June 1963, the total volume of scrap exported from India exceeded 2.8 million tons against the domestic demand of 900,000 tons. Shipments, it was felt, could have been easily twice the figure of 2.8 million tons if export policies had been liberal, and timely incentives had been allowed to exporters. Mr. Nathani also complained about the heavy incidence of railway freight which discouraged the collection of upcountry arisings.

In his inaugural speech, the Central Minister for International Trade assured the trade and industry of every possible help and co-operation from the Government in the task of export promotion. He said that it should not be at all difficult to evolve through mutual discussions a national policy for scrap which would ensure of the domestic users all their requirements and release the surplus for export. Mr. Shah suggested the setting up of an export company to assist small exporters and asked bigger exporters to consider possibilities of entering into long-term sales agreements with overseas buyers. The Central Minister even hinted that if the exporters did all they possibly could to maximise exports, their efforts were likely to be properly rewarded by the Government.

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A Satisfactory Year for I.F.C.

The Industrial Finance Corporation of India has now become one of the most important institutions for promoting the country's economic development, particularly in the private sector. It has progressively diversified its activities. Although rupee loans constitute the bulk of its operation, it sanctions loans in foreign currencies, gives guarantees for deferred payments and foreign loans. The I.F.C. underwrites public issues of equity and preference shares and debentures. It also subscribes for these issues. So it is now playing the rôle of a development bank instead of being merely a lending institution, a point which has been stressed by Mr. K. P. Mathrani in his chairman's address at the Corporation's annual general meeting last Monday. (A fuller version of the speech is printed on a later page in this issue of *Capital*.) During the past 15 years of its existence, the I.F.C. has offered gross financial assistance amounting to Rs. 202.7 crores. The net amount of financial facilities is Rs. 164.33 crores, of which rupee loans are Rs. 118.39 crores, foreign currency loans Rs. 9.29 crores, underwriting and direct subscriptions Rs. 9.48 crores and guarantees Rs. 27.17 crores. Assistance amounting to Rs. 102.57 crores has been disbursed up to 30th June, 1963.

The Corporation has tried to promote new projects. It has been estimated that about 30 percent of the total net investment in the organised private industries sector has been due to its assistance. It started underwriting business from Decemer 1956 and up to date it has given sanctions for Rs. 7.66 crores. Although shares and debentures worth Rs. 4.51 crores have devolved on the Corporation as a result of its underwriting business, it has largely been due to the depressed condition of the capital market. Mr. Mathrani is, however, confident that the I.F.C. will receive an adequate return from these investments. The Corporation has also offered substantial assistance to industries in securing foreign exchange. The number of subloans granted in foreign currencies has steadily increased. This has been possible because the Corporation has obtained substantial credits from foreign financial institutions.

There have been two striking features of the Corporation's promotional activity. Firstly, it has adopted a constructive approach towards sanctioning loans to various industries. With the assistance of the technical organisation it has set up, the I.F.C. has helped entrepreneurs with sound financial and technical advice for preparing their plans and projects By collaborating with institutions like the Life Insurance Corporation, the Industrial Credit and Investment Corporation of India, the State Bank and other commercial banks, it has successfully financed several big projects. This kind of financial collaboration should be welcomed since it promotes the exchange of ideas and helps spread investment risks.

The I.F.C. has produced satisfactory results for the year ended June 1963 It has sanctioned financial facilities amounting to Rs. 40.14 crores, of which loans constitute Rs. 22.61 crores, underwriting and subscriptions Rs. 5.19 crores, and guarantees for deferred payments and foreign loans Rs. 12.34 crores. The assistance disbursed has amounted to Rs. 22.43 crores. The Corporation has made a gross income of Rs. 3.95 crores, showing a rise of Rs. 90.54 lakhs over the previous year's figure. The gross profit has risen by Rs. 37 lakhs to Rs 1.67 crores, of which taxation absorbs Rs. 84.95 lakhs. A sum of Rs. 30 lakhs has been transferred to general reserve. The special reserve fund has been allocated Rs. 17.60 lakhs. A further sum of Rs. 15.82 lakhs has been transferred to the special reserve fund under the Super Profits Tax Act. The guaranteed dividend of 2½ percent on the original share capital of Rs. 5 crores, has been declared while the additional share capital of Rs. 2 crores receives a dividend of 4 percent. Mr. Mathrani has stated that a solution to this anomaly in the payment of dividends is being considered. A notable feature is that no provision has been made for bad and doubtful debts since borrowers have been prompt and punctual in paying their dues. Some of the old arrears in relation to the principal have been cleared off, and the percentage of defaults has declined considerably. The Corporation raised Rs. 6 crores by issuing bonds at an issue price of Rs. 99.50 for a bond of Rs. 100. These bonds carry an interest of 4½ percent.

FREEDOM AND FREE TRADE

WE hear so much about the fundamental principles and trade-stimulating elements of Free Trade and such contemptuous denunciation of Protectionism, that we approach with diffidence a discussion in which it is difficult to take a part, especially an unpopular part, without incurring the displeasure of friends with whom we may be otherwise in agreement. But our excuse, if any is necessary, is that we do not understand what fundamental laws and trade-stimulating elements are comprised in the practice of Free Trade as it now exists. Trade consists of three well defined sections—(i) those who produce or manufacture, (ii) those who negotiate between the foregoing and the consumers and (iii) the consumers. Taking these three sections as existing in any one country, the admission of foreign goods of whatever kind without duty must necessarily facilitate their competition with similar home made goods and lower the prices of the latter. But the consumers of course benefit, and the general result is larger consumption at lower cost. No fault could be found with this result if the field for home producers was as open as that of foreign producers, but clearly it is not so, as directly the former attempt to send their goods to foreign markets they are met by prohibitive import duties, and their field in comparison with foreign producers who get their goods free into the home country is limited accordingly. While the consumers benefit the producers suffer. The theory of Free Trade is that producers being also consumers participate in the gain. This like bimetallism is beautiful as a theory, but in practice it is fallacious. Were it not for India, Manchester would be protectionist to a man. Birmingham and the Iron districts ditto. For it stands to reason that no producers or manufacturers having only one market to sell in can compete with those who have not only the same but other markets as well, besides sundry bounties and what it called, cartels. Free Trade therefore only provides the necessaries of living (but not lodging) at the cheapest price to consumers. With them there is perfect freedom of choice among a very large and miscellaneous collection of the good, bad and indifferent order, the two latter predominating Even the luxury of penny dolls is not denied them.

FROM

CAPITAL

8th October, 1903

A Ditcher's Diary

MR. DANIEL WALCOTT'S CONSIDERED VIEWS ON THE state of Indian democracy and the Indian administration, as reported in Karachi, are of interest only to himself; he probably knows more about gun-running than about now to run a Government. What will concern this country more is how he was able to get away to Pakistan with such enviable ease. I can understand, without admiring, a communist betraying his country; a few weeks ago I wrote of Guy Burgess on this page with what to some seems indulgence. As I read of Walcott's escape, I thought of another such get-away from Hyderabad soon after India moved into that State. I do not believe that idealism played any part at all in these escapades. Money did it, or some similarly sordid motive. We must, now, wait for the departmental enquiry to be completed before we pass final judgment on men who may have been no more than incompetent. Nor am I passing any. The caveat still seems called for that incompetence may be providing an excellent cover for men that are guilty of much worse crimes. Mr. Walcott's was no simple operation, although he boasted in Karachi as though the whole thing was a pushover. He denied that he had bribed any Indian aviation or airport official; it seems hard to swallow that one or more Indian citizens believed so passionately in the Freedom of this great American that they took all that risk involved in helping a convicted foreigner escape. All Indian airports are protected areas; the silliest of restrictions prohibit photography of the most harmless kind. Yet it was possible for a suspect foreigner to walk into Safdarjang, have his plane refuelled and take off—just like that. And there is supposed to be an emergency in this country, under which to sneeze is to attract the Defence of India Rules. Now I find Mr. Walcott's contempt for the Indian administration almost understandable.

PARLIAMENTARY DEMOCRACY, A RELATIVELY RECENT and essentially unstable form of Government despite the Athenian experience, may yet have to learn a great deal from the mores of absolute monarchy, or so a colleague tells me. He went to Ethiopia some three years ago and was taken by officials to see its new Parliament; the architecture he found mildly interesting and that was all. A few days later he had an opportunity of watching Ethiopia's real Parliament at work. This was on the lawns of the Imperial Palace. Ten or twelve groups of Ministers and officials were hanging around, each waiting for a huddle with the Emperor, in the course of which a five year plan or a complex multi-purpose project report would be placed before His Imperial Majesty. Would H. I. M. then pass orders in writing? No; that would be *infra dig*. He would summon his Minister of the Pen and tell him what orders to issue. My colleague's theory is that under the Kamaraj plan, we are witnessing something that is not very different Mr. Nehru said lately at Lucknow that Messrs Kamaraj, Patnaik and Bakshi Ghulam Mohammed were the keenest, in that order, to implement the plan that bears the name of the first. This may well be correct. In Mr. Bhaktavatsalam, Mr. Kamaraj has a "reliable" man; Mr. Biren Mitra in Orissa was Mr. Patnaik's business associate and friendships forged on the anvil of money are often more abiding than those in politics. Messrs Kamaraj and Patnaik have thus little to fear. In Kashmir, Bakshi Ghulam Mohammed has made it clear that he is in no desperate hurry to quit, that he will accept no office outside the State and that his hold on the National Conference will remain complete; he is, in other words, looking for his Chief Minister of the Pen. Sorry, in his case it is the Prime Minister of the Pen. Whether the pen will prove mightier than the word of the ventrilcquists remains to be seen.

SINCE I WROTE LAST WEEK ABOUT THE DEATH OF SIR David Low, I have been thinking about a relationship which was probably unique in the history of British journalism. Low worked for Beaverbrook for 23 years, and undoubtedly attained his greatest heights while doing so; yet no two men could differ more completely in temperament, nor, apparently, have fewer things in common. Low cared deeply about the world and very little for himself. Beaverbrook was in business for Beaverbrook, and so far as he was concerned the rest of the world could take a running jump at itself. Low was left-wing in politics and had all the instincts of an iconoclast. Beaverbrook was right-wing, reactionary, traditional, and, at heart, sentimental. The one reserved his acid for people and institutions in their relation to life generally, the other for those who crossed his personal path. In fact, the only characteristic they shared apart from their genius was their unrelenting individuality; and this alone may have been responsible for the mutual respect which kept them together for so long. Indeed, their long relationship was a tribute to both of them, although perhaps especially to Beaverbrook who, along with his editors, must have swallowed a great deal in his time, particularly from those in authority who would have influenced him to silence his well-paid gadfly. The fact that he did not do so speaks much for his tolerance, but more for the contempt in which he has always held his critics. Besides, he would never have got where he has if he had not been able to recognise a good business proposition when he saw one. I could not imagine a dedicated socialist behaving the way Beaverbrook did; a fervent intolerance such as would have excluded a right-wing Low from a Labour paper has always characterised the very people the cartoonist himself so often supported. I could go on to conclude that this remarkable relationship between employer and employee justifies to some extent the proprietary ownership of newspapers, or the profit motive as a primary feature of their management. But I shall content myself with wondering whether it could ever happen here in India. No. I do not think it could; at least not these days. It could have done once, and perhaps it will again. But at the moment the political climate is not right; the official attitude towards the Press would not permit it; and the owners of newspapers in this country do not always share the otherwise questionable qualities of a Lord Beaverbrook. Then, come to think of it, could it happen in Britain any

IN OR OUT, MR. ASOKA MEHTA HAS EVER BEEN sometning of an odd man. He has not the completely destructive, almost anarchical, spirit of Dr. Ram Manohar Lohia, which makes him what I might call the perfect disorganisation man. Mr. Mehta reads too much, even if he does not think as much: and *pace* Julius Ceasar, such men are not only not dangerous but, frequently, not even effective, at least in the rough and tumble of Indian politics. At the United Nations, Mr. Mehta should impress many with his sincerity, if not with eloquence of the kind Mr. Krishna Menon used to be known for. As deputy chairman of the Planning Commission, Mr. Mehta can be confidently expected to write readable and useful reports; he presided over the Foodgrains Enquiry Committee with competence. Anything more? In spite of his long and active involvement in politics since the days of the Congress Socialist Party, he has remained something of a theoretician of a rather eclectic sort. Not as though this country does not need theoreticians; I could argue that the Congress's chief weakness today is not organisational at all, so that the Kamaraj plan is really a *non sequitur*. What the Congress needs is a new credo based on contemporary realities and aspirations. The Planning Commission too could do with more academicians with Mr. Mehta's application. But the Planning Commission has already been converted into a vast bureaucratic monster; and I shall not be surprised if its deputy chairman soon begins to despair of getting anything done. Does Mr. Mehta's latest transformation mean the end of his political career, such as it was? Not at all unlikely. In a more socialistic society than ours at present, however, amateur-experts like Mr. Mehta may well have a market value; but even in that mechanically efficient system, I can see him crying for the spiritual content of socialism. Mr.



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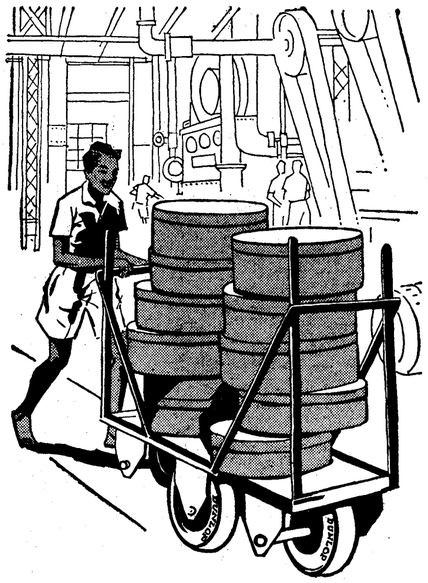
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Mehta is never happy unless he is unhappy for something or somebody.

ONE OF HISTORY'S MOST MISJUDGED AND MISUSED characters: that has always been my verdict on Warren Hastings. There is no doubt that he was guilty of grievous wrongs; many people who find themselves in positions of great responsibility are. But the treatment he received at the hands of his fellow-countrymen is an outstanding example of the jealousy and bitter spite which has often characterised the attitude of Britons at home towards those who built their empire. I shall not go into the reasons why this should be so, except to say that it was all too often, as with Burke, disguised in apparently high-minded reasoning and brilliantly presented argument. It was, after all, so easy for the discontented, homebound intellectual to win popularity by denouncing a class of person who certainly made the task easier by his habit of flaunting his wealth and glorifying his achievements. In the end, of course, this was one of the main driving forces towards the abandoning of empire altogether. What has started me off on this philosophising is something I have just read about that most viperish of nineteenth century scholars, Lytton Strachey, the biographer of the Eminent Victorians. It seems that Strachey's own biographer, Mr. Michael Holroyd, has recently unearthed a manuscript of the life of Warren Hastings, and it is entitled Warren Hastings, Cheyt Sing, and the Begums of Oudh. Now we all know that the case of the Begums was one of the most reprehensible of Hasting's career. Of all the crimes laid at his door, this was probably the most difficult to rationalise. And the Cheyt Sing affair was not particularly creditable either. But the fact that any book dealing with the great administrator should concern itself chiefly with these two incidents is an immediate indication of the line it is taking. Frankly I shall be sorry to see another addition to the tiresome list of literary tooth-sharpeners with Warren Hastings as the victim. I shall read the book, if it is published, but I only hope for the sake of Lytton Strachey's reputation with posterity that it is neither as smart nor as partial as its title implies.

SO THE INDIAN HOTEL INDUSTRY IS TO GO THE WAY of Hollywood: it is to have its own star system. I really have no right to object, for my own profession, journalism, is now infested with colleagues who are inconsolable without their by-lines in black capitals on the most trivial of their despatches. Hotels, of course, need to advertise a good deal to attract clients; but the Savoy of London recently learnt the hard way how damaging the wrong kind of publicity can be. Arnold Bennett, who was a director of one of the poshest hotels of his time, wrote somewhat romantically on the hotel business. A grimmer picture of the dirt behind the glitter came out in George Orwell's *Down and Out in London and Paris*; and I shall not be at all surprised if the kitchens in the most expensive Indian hotels are a little more horrifying. Having stayed in some Indian hotels, I have come to the firm conclusion that the most efficient department in those establishments is that concerned with accounts, they really are good at charging the most fantastic prices for such things as cigarettes. At a Government-owned joint in Delhi, a friend was recently asked to pay Rs. 8 for a tin of fags that would cost him only Rs. 5 at the nearest *pan* shop: my friend refused and told the manager what he thought of the hotel. At least one public-sector hotel recently showed a profit, after years of big losses; I do not know whether Parliament which received the balance-sheet with satisfaction realised how much that profit had cost the country in the currency of tourist good-will. The private sector's record is no better; it too mulcts clients until it hurts; and on the way to Muttra Road in Delhi you can see the four-year-old skeleton of what was going to be the "finest" hotel in Asia. Inside, I was told, lies buried a biggish foreign loan. Newcomers in the business have the temptation of a five-year tax exemption; a friend well versed in such matters tells me that tax evasion is easier in the hotel business than in most others.

THE DITCHER

Guide for Investors

TAX BURDEN ON IMPERIAL TOBACCO

THE adverse effects of heavier taxation have been highlighted by Mr. F. A. Collett in his chairman's address (a fuller version appears on a later page in this week's issue of *Capital*) at the annual general meeting of the Imperial Tobacco Co. of India Ltd held in Calcutta last week. Mr. Collett forecast that the profit would show a marked decline during the current year due to the steep increase in excise duties imposed by the 1963-64 Central Budget. The Company has had to bear an additional income tax burden of about Rs 20 lakhs. The substantial rise in excise duty has not only affected consumption and profits but has also raised the working capital requirements. Since there is a considerable time-lag between the despatch of goods from factories and their purchase by consumers, considerable sums are blocked in excise duties. The Company, for example, has been forced to block about Rs. 2 crores in excise. So the Company's claim for getting some credit from the Government on the excise has strong justification.

Mr. Collett said that the increase in excise duty tended to restrain the total turnover. During the five years until the 1962-63 Budget, there was a steady increase in the volume of sales every year. But it is feared that as a result of the 1963-64 Budget, there will be a decline in sales for the first time for several years. Due to the rising production costs, combined with the increases in excise rates, the Company has been compelled to raise the lowest prices of cigarettes up to a level which might restrain consumption. Since the Company sells cigarettes over the entire price range from Rs. 1.40 to 12nP for ten, it is difficult to pursue a long-term policy due to the regular increases in excise duty. The chairman felt that the tobacco and cigarette excise rates had reached the maximum.

The Company has been making efforts to increase productivity and efficiency through various measures. Although the trading profit has been satisfactory, the taxable ordinary dividend has had to be cut from 9 percent to 8 percent, including a final of 3 percent, due to the heavy impact of taxation combined with the blocking of funds in working capital following the increases in excise duty.

India Steamship Skips Dividend

THE India Steamship Co. Ltd has incurred a loss of Rs. 30 lakhs for the year ended March 1963 and the dividend has again been passed. The freight earned fell from Rs. 8.97 crores for 1961-62 to Rs. 8 crores, but the decline has been compensated by a fall of Rs. 53 lakhs in port expenses and other charges.

In his chairman's address at the annual general meeting of the shareholders held in Calcutta last Monday, Sir A. Ramaswami Mudaliar says that rising operational costs have contributed to the unprofitable working. (A fuller version is printed on a later page in this week's issue of *Capital*.) There has been substantial increases in port charges, dock levies and stevedoring rates. Delays in berthing vessels at ports have resulted in additional financial strains. He, therefore, thinks that the recent increase in the freight rates by the Conference lines has been justified, in that it will help compensate the shipping companies for the increased operational costs. He takes a mildly optimistic view of the future outlook since, and hopes that the days of deficits have come to an end. Meanwhile, there has been an improvement in the berthing facilities at some Indian ports. The drafts of the Hooghly river have also been improved. In view of the prospect of a bigger trade, the shipping companies can look forward to better times.

Expansion of Aluminium Corporation

THE Aluminium Corporation of India Ltd has produced satisfactory results for 1962-63. Sales and the trading profit have been substantially higher than those for 1961-62. The dividend has been cut to conserve resources. The expansion programme, meanwhile, has almost been completed. In view of bigger production due to expansion, Mr. Lakshmipat Singhania, chairman, said in his address (a fuller version has been published on a later page in this week's issue of *Capital*) at the Company's annual general meeting in Calcutta last Monday that the reduction in the dividend was likely to be temporary. The expansion project is estimated to cost about Rs. 5 crores to which the shareholders have contributed only Rs. 31.25 lakhs in the form of new share subscriptions. The new smelter has started functioning and has achieved full production capacity. The extension of the alumina plant will soon be completed. The extrusion plant has begun trial production. The A.C.S.R. cable plant and the foil plant are expected to operate before the end of 1964. The full benefits of the expansion should be reflected in the next financial year. The shareholders have, meanwhile, been offered bonus shares in the proportion of one share for every four held. The chairman pointed out that the break-up value of the shares amounted to more than Rs. 36 a share.

Mr. Singhania said that the demand for aluminium would steadily increase due to industrial development and the shortage of other non-ferrous metals. The demand may amount to about 120,000 tons by 1966, but it is doubtful whether production will rise to this figure. Since several licences for setting up new plants have not materialised, it is feared that the production target of 117,000 tons fixed for the third plan will not be achieved. So new factories should be encouraged in areas where sufficient electric power is likely to be available.

Synthetics and Chemicals Plans to Diversify

THE Rs. 100-paid share of Synthetics and Chemicals which had once fetched a premium of over Rs. 200 was sold down to below par some days ago and the latest quotation of Rs. 115 is not very much higher. Shareholders who went to the annual meeting in the hope that they might get some clue to the maiden dividend, returned rather disappointed because the chairman, Mr. Tulsidas Kilachand, told them that in view of the capital-intensive nature of the project, it was too early to assess the profit outlook over a period of time, but he added that he did not take a gloomy view of the times ahead. The Company went into production some five months ago, and the rated capacity of 30,000 tons is likely to be reached by the end of the current year. The teething troubles are nearly over, although this does not mean the end of the Company's worries.

So far the Company has produced about 5,000 tons of synthetic rubber comprising the three principle types used by Indian consumers. The product conforms to international standards and has been approved by the tyre industry. But production costs remain high. When the project was sponsored in 1958, it was hoped that synthetic rubber would be able to compete successfully with natural rubber and imported varieties. The subsequent rise in raw material costs, excise duty, etcetera, has, however, upset all calculations. At present, synthetic rubber is being sold at prices higher than natural rubber and to that extent there is resistance in the market. In a reference to comparative prices, Mr. Kilachand said that American synthetic rubber was cheaper as raw material for the industry there came from the petroleum field, whereas the Company's plant here was based on alcohol.

The chairman held out the hope of some economy in production costs as a result of expanded output and due to a possible reduction in the price of benzene for which the Company had approached the Government. In order to promote the sale of its products, the Company has set up a rubber technical service laboratory in Bombay to demonstrate the use of synthetic rubber in different industries and consumer products as also to train rubber technologists. The chairman revealed that the Company has plans for the diversification of its production by manufacturing various other rubber alloys, chemicals and by-products which are likely to prove quite remunerative. The Company has been assured by the U.P. Government about the supply of alcohol to the plant's full requirements. The supply position for benzene and coal is stated to be fairly easy. Supplies of imported raw materials have also been assured by the Government and the necessary import licences are being received.

Indian Oil Company Sales Rise

THE Indian Oil Co. Ltd has made a profit of Rs. 59.61 lakhs for 1962-63, after providing for taxation. This gives a net return of 18.5 percent on the equity capital. The accumulated loss of Rs. 16.85 lakhs has been wiped out and development reserve has been allocated Rs. 43.44 lakhs. But Mr. P. A. Gopalkrishnan has pointed out in his chairman's address at the annual general meeting in Bombay recently, that the profit would have been higher but for the payments which have been delayed by the Government. (A full text is printed on a later page in this week's issue of *Capital*.) Sales have almost trebled to 629,639 kilolitres. The Company has sold 14 different products. A full-fledged lubrication department has been set up in all branches. The Company has become the sole distributor in India for mobil premium-grade lubricants. Two blending plants are being set up which are expected to go into production in 1964. The storage space of the Company has increased nearly two-and-a-half times. It has established several depôts and retail outlets to promote sales.

Mr. Gopalkrishnan has mentioned that although the Government is prompt in collecting the Customs and excise duties from the Company—the total amount of duties it has paid to the Government amounts to Rs. 22.39 crores since its inception—it has delayed the payment of bills. The outstanding bills amount to more than Rs. 8 crores at the end of August 1963. As a result, the Company has been burdened with big overdrafts and its working capital requirements have gone up. Hence he apprehends that the rate of profit on the equity capital will move down for the current year, particularly in view of the increase in the duty on all kinds of products There has been a steady decline in the operational costs. The activity of the Company will expand greatly when the various new refineries in the country go into production.

Ahmedabad Electricity to Issue Debentures

THE Ahmedabad Electricity Company proposes to diversify its activities so as to have a sound base for a new line of activity when its

KARNIK MAGNETIC CHUCKS
AND
EQUIPMENT

Armstrong Smith Ltd.
P-17, MISSION ROW EXTN. CALCUTTA-13

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MANSFIELD TYRES

HI-BAR AND MULTI-MILER (MRF) TRUCK AND BUS TYRES

MADRAS RUBBER FACTORY LIMITED

(IN COLLABORATION WITH MANSFIELD TIRE & RUBBER COMPANY, U.S.A.—
50 YEARS' TYRE-BUILDING EXPERIENCE)

83-MRF/1

present power supply licence expires in 1975. This was disclosed by Mr. N. K. Petigara, a director of the Company who presided over the shareholders' recent annual meeting in the absence of the chairman, Mr. Kasturbhai Lalbhai. Elaborating the point in reply to shareholders' enquiries, Mr. Petigara said that the proposal was only in the exploratory stage and that a clear picture would be available some time next year. He, however, hinted that the Company was thinking of undertaking the manufacture of fractional horse-power motors for which there is a growing demand.

Negotiations for collaboration, it is said, are in progress and it is only when the project is finalised that the directors will consider how the requisite finance is to be raised. Mr. Petigara added that the Company would soon be issuing 7 percent debentures for Rs. 2 crores and that the Company's position would still be fairly tight even after the debenture issue. He assured shareholders that the Company's working was quite satisfactory, and disclosed that the Company had informed the authorities about its intention to revise the tariff upwards with effect from 16th November, in view of the progressive increase in taxation. Many shareholders criticised the Company's proposal to discontinue the payment of interim dividend. To this Mr. Petigara said that the proposal to discontinue the interim dividend was intended to enable the Company to earn interest on the amount of interim dividend which at present amounts to Rs. 26 lakhs. The Life Insurance Corporation holds 15.67 percent of the Company's share capital.

F.A.C.T. Expansion Scheme Making Good Progress

THE Fertilisers and Chemicals, Travancore Ltd has changed its financial year, so the report and accounts for 15 months from 1st January, 1962 to 31st March, 1963, have been published. The most important event has been the introduction of a new technology for the production of synthesis gas required for ammonia manufacture. The wood gasification plant has also been closed. The oil gasification plant has been set up as a part of the second stage of the expansion programme. Although the output capacity is for 80 tons of ammonia a day, the working has been interrupted by the shortage of power and the salinity of the river water. As a result, the Company has sustained a loss of about Rs. 36 lakhs, which has been covered by drawings from previous profits carried over and taxation reserves no longer required. A sum of Rs. 63.88 lakhs has been provided for depreciation, against Rs. 38.75 lakhs for 1962. A surplus of Rs. 3.85 lakhs has been carried forward. The dividend has been passed. But in his chairman's address (a full text is published on a later page in this week's *Capital*) at the annual general meeting of the Company held in Udyogamandal last Monday, Mr. T. A. Joseph has pointed out that benefits of the expansion scheme should be reflected in the current year, provided the power shortage does not hamper operation.

He has outlined the growth prospect of the Company. The Government of India has participated in the equity share capital by subscribing for shares worth Rs. 3.5 crores and thus it has become the majority shareholders. The second stage of expansion has been completed in time. The third stage of expansion is well under way. Various major plants will be set up. It is proposed to complete the oil gasification plant and a tonnage oxygen plant which together will produce about 150 tons of ammonia a day. The programme is expected to be completed before the target date of 1965-66. The Company will then have a total capacity of about 70,000 tons of nitrogen and 33,500 tons of P'O' a year. The Company is now engaged in mapping out its programme for the fourth plan period.

The Government has asked the Company to plan, design and construct at least three complete fertiliser plants before the end of the fourth plan. The total outlay on these three projects may be about Rs. 100 crores. In addition, the Company has planned to use its by-products more fully. It has also been negotiating with Messrs Davy Ashmore Ltd of the U.K. for the establishment of a joint venture to fabricate pressure vessels and specialised steel work. This project may start production at the beginning of the fourth plan. The Company is also negotiating the formation of a joint venture with Power-Gas Corporation of the U.K. for setting up an engineering and contracting organisation to plan, design and erect fertilisers, chemical, petro-chemical and oil-refining plants.

Machinery Manufacturers Fares Well

THE Machinery Manufacturers Corporation did exceedingly well in the year ended March 1963. Production and despatches rose by about 15 percent, sales by 36 percent and the gross profit by 47.5 percent. The dividend was stepped up from 12.5 percent to 15 percent. The chairman, Mr. K. C. Mahindra's annual speech holds out the prospect of still better results for the current year and in the years ahead. (A fuller version appears on a later page of *Capital*) . The Company has now come to be widely accepted as a premier manufacturer of quality carding engines, commanding more than two-thirds of the country's market. Besides, certain integrated plans formulated some years ago have now come to fruition. The Company's basic structure has thus been greatly strengthened. The process of rehabilitation of plant and equipment has continued. The Company has recently received permission to import special machinery for the manufacture of speed frames and the machinery is expected to be received in the next few months. An initial order for 12 speed frames for delivery within the next six months has been received.

The current year's bookings for carding engines are stated to be good. The Company has taken over the installation of the Indian National Diesel Engine Company which will enable it to produce a complete diesel engine from casting to painting, ranging from 6½ to 13½ horse-power. If and when I.N.D.E.C. desires to produce engines of a higher horse-power, Machinery Manufacturers Corporation will have the option to produce them on similar terms as govern the present range of production The Company will also receive the benefit of the arrangements of deferred payment terms for machine tools worth over £60.000 and engine components valued at £180,000 to be sent by the British shareholders of I.N.D.E.C. There has been a marked improvement in the financial position in recent years. Over the past four years, the Company has reduced its indebtedness to the Government and to the Industrial Finance Corporation by Rs. 27 lakhs and it has also added Rs. 35 lakhs to its reserves. The Company is making a useful contribution to the defence effort by earmarking a portion of its production capacity for defence requirements. The Rs. 10-paid share of the Company is currently quoted around Rs. 25.75.

United Wire Ropes to Change Hands

THE Rs. 100-paid share of United Wire Ropes Ltd which had all along been commanding a fair premium was recently sold down to slightly below par. But the quotation has again improved to around Rs. 126 in a matter of few days. Apart from the marked improvement in the general trading sentiment in the stock market, the spurt in United Wire Ropes is in no small measure due to informed buying based on ideas of an early change in the Company's management, which, it is felt, will strengthen the Company's position. Market reports about a likely change in the management have been confirmed by the chairman, Mr. Murarji J. Vaidya, at the shareholders' annual meeting. The chairman informed the shareholders that the control and management are likely to pass from the present agents, C. H. Gandhi and Sons Private Ltd to the managing agency house of Jaikrishna Harivallabhdas of Ahmedabad. Negotiations have been initiated between these two parties for the transfer of the interest of the present shareholders of the managing agency company.

The sale price is said to be between Rs. 125 and Rs. 150 a share. Mr. Vaidya has expressed the view that the transfer, when it takes place, after the necessary formalities are completed and permission of the authorities concerned is obtained, will greatly strengthen the Company's position and will be in the larger interests of the shareholders. It is considered likely that this Company might be made a subsidiary of Ambica Mills Ltd of which Jaikrishna Harivallabhdas are managing agents.

The outlook for the Company is considered to be quite promising. It has been able to adhere to the original estimates of the project cost and the entire project has been completed within less than a year after the start of construction work. The Company has commenced commercial production of steel wire ropes and the plant is expected to attain its rated capacity in about a year's time depending upon the regular availability of raw materials, particularly high carbon steel wire rods. The present output of the Company is 2.5 tons to 3 tons a day on a single shift, and efforts are being made to start the second shift at an early date. The Company's products have an assured market because wire rods continue to be in short supply.

Share Offer by Panipat Woollen

THE Panipat Woollen and General Mills Co. Ltd is offering at par 117,040 equity shares of Rs. 10 each and 9,891 9.3 percent cumulative redeemable preference shares of Rs. 100 each for public subscription. The list will open on 9th October, and will close on the 16th or earlier but not before 11th October. The Company is already a leading manufacturer of woollen goods both for defence and civilian purposes, producing a wide range of goods such as quality suiting cloth, Tush and other shawls and knitting wools. It is also engaged in the production of tentage for the army and woollen cloth for industrial purposes. The Company has now turned its attention to the manufacture of cotton goods. The beginning is being made with the installation of 12,000 spindles. The required plant and machinery have been ordered and the building is already under construction.

The Company's working results for the year ended March 1953 present a bright picture. The sales at Rs. 2.48 crores were up by 40 percent over the previous year's figure of Rs. 1.77 crores, and the gross profit rose by 47 percent from Rs. 10,57 lakhs to Rs. 15.52 lakhs. The dividend has been maintained at 12 percent for the fourth successive year. With the working of the cotton unit, the Company's profits are expected to show a further increase. The directors hope to be able to pay a reasonable dividend on the additional capital of Rs. 40 lakhs that is now being raised. This capital is made up of Rs. 30 lakhs in equity shares and Rs. 10 lakhs in preference shares. Out of this, equity shares of the value of Rs. 12,26,530 and preference shares worth Rs. 10,900 have been allotted to existing shareholders as rights. Equity shares worth Rs. 6,03,070 have been subscribed by the friends and relatives of directors. The balance of 117,040 equity shares and 9,891 preference shares which are now offered for public subscription have been underwritten by stockbrokers and financial institutions.

Tinplate Shortage Hits Poysha Industrial

SPEAKING at the annual general meeting of the Poysha Industrial Co. Ltd held in Bombay last Monday, Mr. M. R. Ruia, chairman, mentioned that the working was interrupted by the shortage of tinplate imports. (A fuller version is printed on a later page in this issue of *Capital*.) The supply of indigenous tinplate has not been adequate and Mr. Ruia said that the quality had not been up to the mark. But steps have been taken to persuade Hindustan Steel to manufacture tinplate of the requisite grade. The supply of aluminium tagger has also been inadequate.

This apart, it has been difficult to produce up to the maximum capacity because the Bombay factory is small and congested. When the new factory is built near Thana, Bombay, it is hoped that production will considerably improve. The Company has supplied cylinders to the Ordnance factories. This business is expected to develop in the future. The Company has taken steps to export its products. In view of the high production costs Mr. Ruia has asked the Government for the restoration of the subsidy in tinplate. Sales amounted to Rs. 94 lakhs, against Rs. 76 lakhs. The results for 1963-64 are expected to improve substantially.

Acme Manufacturing Skips Again

IN spite of an increase of about 8 percent in the sales from Rs. 59.74 lakhs to Rs. 64.44 lakhs, the gross profit of Acme Manufacturing Co. Ltd for the year ended June 1963 is down by a little over 5 percent from Rs. 5.90 lakhs to Rs. 5.59 lakhs. The ordinary dividend has again been skipped, and the Company has still to clear arrears of preference dividend. Out of the year's profits, the directors have recommended the payment of arrears of preference dividend for four years and three months from 1st April, 1952 to 30th June, 1956, which will absorb Rs. 1.53 lakhs. After providing Rs. 1.51 lakhs (against Rs. 1.42 lakhs) for depreciation, Rs. 30,000 (against Rs. 20,000) for development rebate, Rs. 1.40 lakhs (against Rs. 1.82 lakhs) for taxation and deducting other charges, the net profit amounts

to Rs 2.11 lakhs, against Rs. 2.15 lakhs in 1961-62. With Rs. 2.22 lakhs brought forward from the previous year and including Rs. 2,093 being refunds and provisions written back, the disposable surplus amounts to Rs. 4.35 lakhs. From this, the directors have set aside Rs. 76.000 for previous year's taxation, including super profits tax, and allocated Rs. 3.59 lakhs for dividend reserve. The proposed arrears of preference dividend are to be paid out of the dividend reserve.

The directors state that during the first half of the year, the Company faced a general slump in the demand for oil engines. Consequently, it undertook a new line of production—12-inch size shaping machines. At present, it is producing 10 to 12 shaping machines a month and the production is likely to be stepped up to 20 machines a month before the end of 1963. The demand for the Company's products like engine valves and lubricators increased considerably during the year. The Company entered in the spare parts market for selling engine valves. Application for increasing the installed capacity for the production of engine valves from 20,000 to 50,000 a month has already been made to the Government. New valve manufacturing machinery is expected from the U.K. in the month of December, and production is likely to be stepped up to 40,000 to 50,000 a month from early next year. The Company's proposal for manufacturing auto lamps with Italian collaboration has not been approved by the Government. The project has, therefore, been dropped.

Sumitomo-Dunlop Arrangement

PRESENT Japanese minority shareholders of Dunlop Rubber's Japanese subsidiary are shortly to acquire control of the Company. They will put up a further £500,000 capital and thus have a majority of the equity. Capital of the Company will rise from £3¼ million to £4 million. Management will then be in the hands of Sumitomo Electric Industries; the Company's name will be changed to Sumitomo Rubber Industries. It will continue to make Dunlop products with technical aid from Dunlop in England. Dunlop will also continue to have an interest in the sale of these products. Their distribution will be arranged through a newly-formed company called Dunlop Rubber Company (Japan).

Another big British car component group has also formed a link with the Sumitomo group. An agreement between Automotive Producers and Sumitomo will enable the latter to make and sell in Japan a complete range of Lockheed industrial hydraulic equipment.

Malayalam Plantations Earns More

THE Malayalam Plantations Ltd has declared a final dividend of 15 percent, making 20 percent, for 1962-63. The profit has improved from £984,918 for 1961-62 to £1,322,428. The after-tax profit has amounted to £513,817, against £333,398. (Details appear on a later page in this week's issue of *Capital*.) The tea crop amounted to 24.2 million lbs, against 20.1 million lbs, but the average sale price declined from 31.79d to 30.83d a lb. The rubber crop at 10.8 million lbs shows a small improvement. The average sale price amounted to 25.77d, against 25.78d. The tea crop has been well maintained during the current year. Up to the end of August 1963, the crop has been about 927,484 lbs larger than that for the corresponding period of 1962. The rubber crop has shown a decline of nearly 345,113 lbs due to a reduction of the area in tapping.

Rohtas Industries Pays More

THE ordinary shares of Rohtas Industries Ltd have improved to Rs. 12.16 on the decision of the directors to increase the taxable ordinary dividend from 8 percent to 9 percent for the year ended March 1963. At the present price, the yield amounts to 7.5 percent. The profit has risen from Rs. 49.28 lakhs in 1961-62 to Rs. 1.22 crores, after transferring Rs. 61.93 lakhs (against Rs. 59.84 lakhs) to depreciation. The production of almost all departments has shown an improvement. Sugar production, in common with other factories, has, however, been smaller. The directors say that the profit has been higher in spite of the fact that the Government has fixed the prices of cement and paper at unrealistically low levels.

Out of the profit, development rebate reserve is allocated Rs. 6.60 lakhs (against Rs. 3.20 lakhs), general reserve Rs. 12.59 lakhs (against nil), contingency reserve Rs. 56 lakhs for meeting the current tax liability and dividend reserve Rs. 51.92 lakhs. The dividends declared will be paid out of the latter reserve. The participating preference shares will receive a higher dividend. Against an ordinary share capital of Rs. 5 crores, reserves exceed Rs. 2.8 crores. Net block assets stand at Rs. 7.93 crores, against an original block capital of Rs. 15.86 crores.

Publicity Society Earns Less

THE Publicity Society of India Ltd has made a profit of Rs. 4.44 lakhs for the year ended March 1963, compared with Rs. 4.74 lakhs for 1961-62. The taxable ordinary dividend of Rs. 2 a share of Rs. 4 each has been declared, absorbing Rs. 1.43 lakhs. At the present price of Rs. 22.62 a share, the yield amounts to 8.8 percent. Taxation is allocated Rs. 2.85 lakhs (against Rs. 2.50 lakhs) and general reserve Rs. 50,135. The carry-forward is Rs. 48,408, against Rs. 82,859 brought in.

Balmadies Plantations Pays Again

THE working of Balmadies Plantations Ltd for the year ended May 1963, has resulted in a profit which helps the Company not only to wipe off the loss incurred in the previous year, but to resume a dividend (of 5 percent) on the ordinary shares. It was nil in the previous year. But a sum of Rs. 20,000 has been drawn from dividend equalisation reserve to pay this dividend. The net profit for the year after depreciation and taxation amounts to Rs. 1,11,970. With the amount of Rs. 20,000 transferred from dividend equalisation reserve, the total available for appropriation is Rs. 1,31,970. The dividend on preference shares at 6.02 percent, subject to tax, amounts to Rs. 4,515. The ordinary dividend at 5 percent amounts to Rs. 15,000. After adjusting the brought forward loss of Rs. 1,10,974 the balance of Rs. 1,481 is carried forward.

A record coffee crop of 108 tonnes was harvested at an all-in-cost of Rs. 142 a 50 kilograms, against the estimated 75 tonnes at an all-in-cost of Rs. 170 a 50 kilograms. The Company has so far replanted an area of nearly 60 acres with station selections. A programme to replant 30 acres every year during the next four years has been drawn up. The estimated crop for 1963-64 is 70 tonnes at an all-in-cost of Rs. 175 a 50 kilograms.

Walker and Sons Slash Dividend

BLEAK prospects face Walker, Sons and Company, the £3.2 million makers of plantation machinery for estates in Ceylon. In spite of reasonably well maintained pretax profits for the year ended 30th September, 1962, the directors had to cut the dividend from 12 percent to 2 percent because of the penal impact of changes in Ceylon taxation. The effect of these changes has been to impose on the parent company a Ceylon income tax liability equal to 105 percent of its Ceylon profit. The Company has lost, apparently through an official "drafting error", the benefit of development allowances for capital spending, and has suffered also from retrospective changes in the tax on dividends from a subsidiary.

Even the high level of tax imposed by the Ceylon authorities on tea and rubber companies uunderstates the full impact of the real burden. The basic level of tax is about 75 percent, made up of 57 percent income tax, plus 6 percent for sterling companies and not more than 11.1 percent remittance tax. But, additionally, part of employees' travelling expenses, 25 percent of advertising costs and all entertainment expenses are disallowed for tax. This is equal to another 16 2/3 percent on last year's profits. Any improvement in shipments can have little effect on results for the current year, although the board hopes to get favourable quotas under the new control. The £1 ordinary shares are now 8s, x.d., which is still 6d above the 1962 low. The new lease for the Colombo Iron Works remains unsigned, but completion is still being "actively pursued." The lease expired nearly ten years ago.

Wellman Incandescent India Shows Loss

WELLMAN Incandescent India Ltd has produced its first report and accounts for the period from 30th May, 1962 to 31st March, 1963. The Company was incorporated on 30th May, 1962, and the public offer of shares on 19th November, 1962, was over-subscribed. Wellman Incandescent has incurred a loss of Rs. 3.84 lakhs which has been carried forward. The loss had arisen since the Company started its selling activities, design and drawing office and the arrangements for production soon after its incorporation. The good effects of the move are likely to be reflected in results in the near future.

The Company has received a licence for producing industrial furnaces and allied equipment for Rs. 1 crore a year. As the Company expects to manufacture more furnaces, the directors have applied to the Government for an amendment to the licence. The initial production could not be started before March 1963 due to delay in receiving electricity at the factory. The latter has now gone into regular single-shift production and arrangements have been made to introduce a second shift. The Company has already started delivering furnances and ovens built at its factory. Arrangements have been made with Messrs Bridge and Roof India Ltd to manufacture structures for the E.O.T cranes which the Company intends to manufacture to the design of the Wellman Smith Owen Engineering Corporation Ltd. The Company has a substantial order-book. Steps have been taken to ensure quality control and delivery according to schedule.

New Capital Issues

SEVEN companies, including one Central Government undertaking, have been authorised to raise fresh capital of Rs. 5.42 crores. One company is to issue mortgage debentures and three others will issue equities to the public by prospectus. One company is offering part of the capital to its foreign collaborator. The consent in all cases is valid for 12 months. The following are the details :

Voltas Ltd, Bombay, has been authorised to issue debenture capital of Rs. 1 crore. The capital is divided into 7 percent mortgage debenture of Rs. 1,000 each and will be offered to the public for cash at par. The money will be used for manufacturing and refrigeration equipment.

Shree Shawani Cotton Mills Ltd, Calcutta, is to issue capital of Rs. 10 lakhs in equity shares of Rs. 10 each for cash at par to be issued to the public by prospectus. The capital will be used as working capital.

Protein Products of India Ltd, will issue Rs. 70 lakhs worth of equity capital in shares of Rs. 10 each at par. All the shares will be issued for cash except shares of the value of Rs. 7 lakhs which will be allotted in consideration of technical services, etcetera, to Compagnie Rouselot of France. The French firm will also be allotted shares of the value of Rs. 2 lakhs for cash and the proceeds utilised for importing machinery. Shares of the value of Rs. 41 lakhs will be offered to the public by prospectus. The proceeds of the issue will be utilised for manufacturing gelatine, ossein and di-calcium phosphate.

Andhra Sugars Ltd, Tanuku, will raise further capital of Rs. 10 lakhs divided into 100,000 equity shares of Rs. 10 each for cash at a premium of Rs. 3 a share to the public by a prospectus. The money will be used for manufacturing caustic soda.

Cibatul Ltd will issue Rs. 1 crore worth of capital divided into 100,000 equity shares of Rs. 100 each, for cash at par. The entire issue will be offered to the company's existing shareholders. The money will be used on the Cibatul's plastic and sulpha projects.

Heavy Electricals (India) Ltd, Bhopal, a Central Government undertaking, is to raise further capital of Rs. 2.45 crores, divided into 24,500 equity shares of Rs. 1,000 each for cash at par. The capital will be utilised for financing the projects under the control of the Company.

The Mysore Spinning and Manufacturing Co. Ltd, Bombay, is to issue capital not exceeding Rs. 7,43,500 in equity shares of Rs. 50 each by capitalising the Company's reserve to a like extent in the proportion of one share for every eight equity shares held.

The Stock Markets

SHARES RISE ON HOPES OF FISCAL CHANGES

Wednesday Evening.

THE Calcutta stock market has been buoyant during the past week and prices of selected shares have scaled new peaks on sustained support. Although there has been profit-taking at the bulges, the offerings have been absorbed without difficulty. There has also been a great deal of short-covering. Turnover has expanded considerably and buying orders have started flowing into brokers' offices after a long interval. Sentiment has improved, and holders have been generally reluctant to sell shares expecting a further rise. Support has nevertheless been confined largely to clearing shares, which indicates that the present upward trend is mainly due to speculation. Speculators have been inspired by the belief that Mr. T. T. Krishnamachari, Central Finance Minister, will take steps to revitalise the capital market. Optimism has been reinforced by the recent modifications in the gold control order and the compulsory deposits scheme. Lyons Range is inclined to believe that a similar pragmatic approach will be adopted by the Government in relation to the monetary and fiscal policies which have hindered economic development.

The clearing on Tuesday passed off smoothly. It took place a day earlier since the market is closed on Wednesday due to Gandhi Jayanti. Bulls are undeterred by the higher carry-forward charges. In fact, some scrip have been boosted by interested buying. In view of the sharp rise during the past fortnight or so, a fairly heavy bull position has been built up. The market would be healthier if the gains so far achieved were consolidated. In the near term, the trend is likely to be soft since profit-taking will be attracted by the higher levels. This apart, the Puja holidays are approaching. So quieter conditions are likely to set in.

There is no doubt that there have been some favourable developments to restore confidence. The lull in the border situation has been a stimulating factor. Imports are likely to be liberalised during October 1963-March 1964 due to generous foreign aid. Press reports from New Delhi suggest that the Finance Ministry is thinking of liberalising the credit supply. To what extent this will benefit the stock market, it is difficult to assess now. Since there has been no fundamental change in the economic situation, investors are not expected to buy shares in a hurry. They are inclined to wait until a clear indication about the likely changes in the fiscal system is available.

Indian Iron have shot up to about the highest level for the year. Among engineering shares, Guest, Keen, Williams have been a firm feature on rumours of a bonus issue, but this has not been confirmed. Indian Standard Wagon and Texmaco have gained substantially. Interest has been taken in Burn, Jessop, Kumardhubi and Britannia Engineering.

Selected miscellaneous shares have improved due to sustained support, combined with the shortage of scrip. Indian Copper, Indian Aluminium, Dunlop Rubber, Hindustan Motors and Kesoram Industries have been prominent. Indian Cable have gained. Rohtas have gone up on paying a higher dividend. Jaipur Udyog have been steady. Support has been forthcoming for Alkali and Chemical, Metal Box, Union Carbide, Goodyear India and Indian Oxygen. Among new shares, Hindusthan Aluminium have met with influential support. Electric company shares have been sluggish and stray business in Calcutta Electric has been transacted. Managing agency shares have lacked interest. Martin Burn, Jardine Henderson and Balmer Lawrie have been done.

Among insurance shares, Ruby General have improved on replacement buying. In the paper section, Orient have been active. Sirpur, Bengal, Titaghur and India Paper Pulp have been steady. Among cotton mill shares, J. K. Rayon have recovered on short-covering. Interest has been taken in Jay Shree Textiles, Dunbar, Elgin and Bowreah. Sugar shares have been neglected, but Dyer Meakin Breweries have been bought on prospects of a bonus issue.

Selected jute shares are higher. The declaration of interim dividends by the Andrew Yule group of companies has been bullishly interpreted. Birla, Champdany, Anglo-India, Fort Gloster, Gourepore, Northbrook and Union have been supported.

Coal shares have been sluggish, although selected scrip have scored fractional gains. Stray business has been transacted in Burrakur, Bengal, East Indian, Central India, and Amalgamated. Investors are inclined to await the official decision about revising the price of the commodity. The accumulation of stocks at collieries has induced caution.

Among tea shares, selected Assam and Dooars gardens have been bought at rising prices. In Assam gardens, Brooke Bond, Tezpore, Dhelakhat, Bishnauth and Betjan have been prominent. Among Dooars gardens, Hasimara, Birpara, and New Dooars have met with support. In Darjeeling gardens, Margaret Hope and Soom have gained. Government securities have been firm, although turnover has been restrained by the shortage of sellers. The 3 percent Conversion loan 1986 has moved up to Rs. 65.90. The quick return of funds to the banking system has given rise to strong institutional support, especially for short- and medium-dated stocks. The prices of long-dated loans have also hardened due to support from provident funds. The prices of State Government loans have been steady.

Support has been forthcoming for selected preference shares and debentures, but turnover has been restricted in the absence of declared sellers.

Bombay

MARKET AWAITS TAX CHANGES

PRICES DECLINE ALL ROUND AT CLOSE

Tuesday Evening.

THE Bombay stock market was in a cautious and quiet mood towards the close of the past week. At first, share prices improved sharply on hectic support, combined with brisk short-covering. Sentiment was boosted by hopes that there might soon be changes in the fiscal system to stimulate industrial development. Towards the close, profit-taking has reduced prices all round. It is reported that a prominent bull has begun to book his profits. Investors have proceeded cautiously since they are not willing to extend their commitments until the fiscal system is modified. The reduction in the emergency risks insurance premiums has been welcomed. The earlier support for cash shares has declined considerably towards the close.

Tata Steel ordinary have reacted to Rs. 142.50 on profit-taking. Among engineering shares, Tata Locomotive, Mukand Iron, Larsen and Toubro and Alcock Ashdown have been supported. Hindustan Motors have improved among motor-vehicle shares due to support from Lyons Range. Premier Automobiles have been fairly steady.

In cotton mills, Century have been prominent, although the closing price has been below the best level touched, due to profit-taking. Standard have jumped up on favourable corporate rumours. There has been a sharp rise in Mafatlal Fine Spinning and Manufacturing Company on prospects of a rights issue in the proportion of one new share for every four shares held, at a premium of Rs. 275 a share of Rs. 100 each. Navin Flourine Chemicals Ltd in the Mafatlal group has obtained a licence for manufacturing flourine chemicals. This unit will be a separate one within the Mafatlal Fine Spinning and Manufacturing Company. The proceeds of

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the new shares will be used to finance this project. Bombay Dyeing have been steady on the assurance that its shareholders will be allowed to participate in the share capital of a new company, which is to be set up for manufacturing petro-chemicals. Kohinoor, Simplex, Morarjee and Svadeshi have been steady.

Miscellaneous shares have moved up in sympathy with the general trend. In the cement section, Associated Cement and Digvijay have gained. Among steamship company shares, Scindia Steam have reacted after an earlier rise. In sugar shares, Belapur and Phalton have been supported. Mining shares have met with scattered interest, and Shivrajpur Syndicate have been taken. Chemical shares have been steady. Tata Chemical, Indian Dyestuff and Colour-Chem have gained. Bombay Burmah have been steady. National Rayon have gained appreciably, although the closing price has somewhat shaded Voltas and Tata Oil have been firm. Among new shares, S.L.M. Maneklal have been active.

Bank shares have been sluggish, and stray business has been transacted in Bank of India and Bank of Baroda. In insurance shares, New India Assurance have been steady. Electric company shares have shown fractional gains. Bombay Suburban, Tata Power and Ahmedabad have been bought.

Madras

HOPES OF BIGGER CREDIT

OUTSIDE ADVICES AID SENTIMENT

Tuesday Evening.

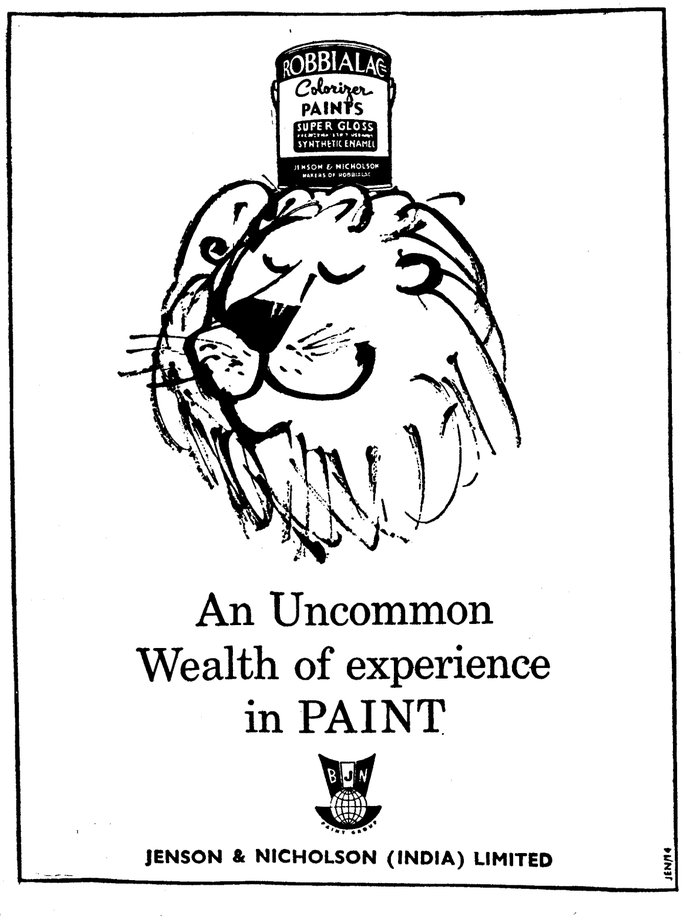
THE Madras stock market has shown an appreciable improvement during the past week. Prices of clearing and other shares have risen due to renewed support. Higher advices from Dalal Street have been a stimulating factor. Operators have been inspired by hopes that the Government might soon take steps to ensure the flow of more credit to the stock market.

Government securities have been steady and support has been forthcoming for State Government loans. Bank shares have been neglected, and stray business has been transacted in Canara at Rs. 81.75 and in Indian Overseas at Rs. 146.50. Among electric companies, Cochin has come to hand at Rs. 12.30 and South Madras at Rs. 10.35.

Interest has centred mainly on selected tea and coffee shares because of better marketing outlook for the two commodities. Cochin Malabar have gained at Rs. 6.10, while Blue Mountain have been sluggish at Rs. 2.63. Consolidated Coffee have been transacted at Rs. 19.05 and Ouchterlony at Rs. 4.35. Periakaramalai have attracted support up to Rs. 3.65. Kalpetta have been taken at Rs. 11.20 on declaring a taxable ordinary dividend of 11.25 percent on the increased capital. Emerald Valley have been bought at Rs. 6.50, Nelliampathy at Rs. 3.65, Nonsuch at Rs. 23.37 and United Nilgiri at Rs. 23.95. Among coffee shares, Cowcoody have improved to Rs. 4.30, Kumergode to Rs. 3.70, Ossoor to Rs. 3.45 and Rajendra to Rs. 9.80.

Textile shares have been selectively bought. South India Viscose have hardened to Rs. 133 and Travancore Rayon to Rs. 24.50. Lakshmi have gained at Rs. 133.50, but Madura have been available at Rs. 32.50. Buckingham have changed hands at Rs. 269 and Kadri at Rs. 127.40. Mettur have been steady at Rs. 277 and Loyal at Rs. 41.10. Business has passed in Anglo-French at Rs. 139.25 and in Radhakrishna at Rs. 27.

Among miscellaneous shares, Aluminium Industries have come to hand at Rs. 17.30 and Ashok Leyland at Rs. 7.55. In cement shares, Dalmia have been steady at Rs. 12.40 and India at Rs. 5.73. Mettur Chemical have been taken at Rs. 13.60, but F.A.C.T. have been quiet at Rs. 6.40. Seshasayee Paper have gained at Rs. 7.35 and Mysore at Rs. 13.65. Tube Investment have been taken at Rs. 213. Aspinwal have met with support up to Rs. 5.75 on declaring an interim taxable ordinary dividend of 4 percent. Kirloskar Electric have gained fractionally at Rs. 18.12, but Madras Rubber have been sluggish at Rs. 14.50. Rane (Madras) have been firm at Rs. 8, but Spencer have been sold down to Rs. 20.12. Textool have changed hands at Rs. 154.75 and Tubes and Malleables at Rs. 9.48. Mysore Lamp have been taken at Rs. 30, but Binny have been quiet at Rs. 297.



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THE WEEK'S TRANSACTIONS

[In the following list of stocks and shares in which transactions have taken place during the past week, the figures indicate Opening Quotations, Highest for the week, Lowest for the week. Closing Quotations and Quotations for the corresponding Closing Date a Year Ago. The last-named is shown in parentheses and will not be given where such a quotation is not available.]

CLEARED SECURITIES

Birla Jute—Rs. 32/50—33/50—32/00—33/37—(34/00).
Burrakur Coal—Rs. 16/25—16/44—16/25—16/37—(17/37).
Dunlop Rubber—Rs. 34/31—35/87—34/12—35/50—(38/19).
Guest, Keen, Williams—Rs. 34/19—37/31—34/19—37/00—(37/50).
Hindustan Motors—Rs. 17/41—18/00—17/41—17/66—(18/31).
Howrah Jute—Rs. 18/56—19/00—18/50—19/00—(20/12).
Indian Aluminium—Rs. 36/56—37/50—36/50—37/50—(35/06).
Indian Cable—Rs. 35/75—36/50—35/62—36/50—(36/00).
Indian Copper—Rs. 5/07—5/16—5/05—5/16—(4/61).
Indian Iron—Rs. 23/50—23/94—23/50—23/78—(25/08).
J. K. Cotton—Rs. 11/69—12/69—11/62—12/62—(15/94).
Jaipur Udyog—Rs. 11/50—11/94—11/44—11/87—(12/31).
Kesoram Industries—Rs. 24/62—26/00—24/56—26/00—(25/94).
Orient Paper—Rs. 36/45—37/50—36/35—37/40—(40/10).
Orissa Cement—Rs 14/00—14/56—14/00—14/44—(16/69).
Rohtas Industries—Rs. 11/87—13/00—11/87—13/00—(14/25).
Shree Gopal Paper—Rs. 24/37—25/44—24/37—25/12—(24/94).
Textile Machinery—Rs. 25/55—26/10—25/40—25/80—(22/45).

GOVERNMENT SECURITIES

3 % Loan (1986)—Rs. 65/10—65/95—65/10—65/90.
3 % „ (1966-68)—Rs. 98/00 S.T.—98/00 98/00—98/00.
3 % „ (1970-75)—Rs. 89/38—89/40—89/38—89/40.
3½% „ (1965)—Rs 99/55—99/55—99/55—99/55.
3½% „ (1966)—Rs. 99/60—99/60—99/60—99/60.
4 % „ (1972)—Rs. 99/60—99/60—99/55—99/55.
4 % „ (1969)—Rs. 99/50—99/50—99/48—99/48.
4 % „ (1981)—Rs. 98/55—98/65—98/55—98/65.
4 % West Bengal (1971)—Rs 97/75—97/75—97/75—97/75.
4 % „ (1974)—Rs 99/60—99/60—99/60—99/60.
4 % U.P. (1969)—Rs. 99/95—99/95—99/95—99/95.
4½% Loan (1973)—Rs 99/85—99/95—99/85—99/95
4½% West Bengal (1974)—Rs. 99/60—99/65—99/60—99/60.
4½% Orissa (1974)—Rs 99/35—99/35—99/35—99/35.
4½% Madras (1974)—Rs. 99/30—99/30—99/30—99/30.
4½% U.P. (1970)—Rs. 98/70—98/70—98/70—98/70.
4½% „ (1974)—Rs. 99/25—99/25—99/25—99/25.

RAILWAY

Dehri Rohtas—Rs. 12/50—12/50—12/50—12/50.

BANKS

Punjab National—Rs. 19/25—19/25—19/00—19/00—(20/44).
United Bank of India—(Rs. 10/- paid)—Rs. 7/40—7/44—7/40—7/44—(7/87).
United Commercial—Rs. 68/00—68/50—68/00—68/50—(80/00).

COTTONS

Bowreah—Rs. 23/00—24/12—23/00—24/12—(25/75).
Bharat Commerce—Rs. 23/81—23/81—23/44—23/50—(28/31).

Cawnpore—Rs. 6/87—7/50—6/87—7/50—(7/00).
Dunbar—Rs. 27/94—28/12—27/94—28/12—(30/50).
Elgin—Rs. 21/81—21/87—21/81—21/87—(19/19).
Jagatjit—Rs. 16/50—16/50—16/50—16/50.
Jay Shree—Rs. 15/81—16/37—15/81—16/25—(16/94).
Jiyajeerao—Rs. 13/06—13/06—13/06—13/06.
New Victoria—Rs. 1/44—1/47—1/34—1/47—(1/47).
Do. (Pref.)—Rs. 2/75—2/81—2/75—2/81.
Swadeshi—Rs. 11/56—11/62—11/56—11/62—(11/50).
Do. (P.O.)—Rs. 6/81—6/87—6/81—6/87.

COALS

Amalgamated—Rs. 25/00—25/00—25/00—25/00—(22/12).
Bengal—Rs. 265/00—267/00—265/00—267/00—(341/00).
Borjea—Rs. 22/12—22/12—22/12—22/12—(23/87).
Bharat—Rs. 3/56—3/56—3/50—3/53—(2/95).
Central India—Rs. 9/25—9/37 x.d.—9/25—9/37 x.d.—(10/06).
East Indian—Rs. 31/44—31/50—31/44—31/50—(52/37).
Equitable—Rs. 23/50—23/50—23/50—23/50—(27/00).
Raneegunge—Rs. 15/87—15/87—15/75 S.T.—15/75 S.T.—(16/00).
South Karanpura—Rs. 8/19—8/44—8/19—8/37—(8/12).
Sree Mahakali—Rs. 4/37—4/37—4/37—4/37.
Western Bengal—Rs. 8/50—8/69—8/44—8/44—(9/15).
West Laikdih—Rs. 4/94—5/06—4/94—5/06.

JUTES

Agarpara—Rs. 11/75—11/75—11/53—11/53—(10/81).
Anglo-India—Rs. 224/50 x.d.—224/50—224/50—224/50—(232/00).
Budge Budge—Rs. 146/00 S.T.—149/00 S.T.—146/00 S.T.—149/00 S.T.
Bally—Rs. 263/00—263/00—262/00—262/00 x.d.—(293/00).
Birla (1st Pref.)—Rs. 77/00 x.d.—80/00 x.d.—77/00—80/00 x.d.—(81/00).
Barnagore—Rs. 200/00—200/00—200/00—200/00—200/00—(191/00).
Chitavalsah—Rs. 11/00—11/06—10/69—10/69—(11/56).
Calcutta (Pref.)—Rs. 72/00—72/00—72/00—72/00.
Dalhousie—Rs. 154/00—156/00—154/00—156/00—(121/00).
Delta—Rs. 169/00—169/00—169/00—169/00—(192/00).
Empire—Rs. 18/06—18/06—18/06—18/06—(17/25).
Fort William—Rs. 26/31—27/12—26/31—27/00—(28/00).
Gondalpara—Rs. 15/37—15/37—15/25—15/31—(18/50).
Ganges—Rs. 15/87—16/06—15/87—16/06—(14/75).
Hooghly (Pref.)—Rs. 13/12—13/12—13/06—13/06—(10/87).
Howrah ("A" Pref.)—Rs. 95/00—95/50—94/50—94/50—(90/00).
Kankinarrah—Rs. 136/00—136/00—136/00—136/00—(128/00).
Khardah—Rs. 19/37—19/37—19/37—19/37—(17/81).
Lawrence—Rs. 116/00 S.T.—116/00—112/50—112/50 x.d.—(134/50).
Lansdowne (Pref.)—Rs. 114/00—114/00—114/00—114/00—(90/00).
Megna—Rs. 14/75—14/75—14/75—14/75—(13/44).
Naihati (2nd Pref.)—Rs. 85/00—85/00—85/00—85/00.
National—Rs. 23/87—23/87—23/87—23/87—(25/00).
Nellimarla—Rs. 12/62—12/69—12/37—12/37—(11/81).
New Central—Rs. 13/00—13/81—12/75—13/81—(13/87).
Do. (Pref.)—Rs. 95/00—95/00—95/00—95/00—(94/00).
Nuddea—Rs. 62/50—63/50—62/50—63/00—(57/75).
Presidency—Rs. 5/62—5/87—5/62—5/81—(5/50).
Rameshwara—Rs. 9/25—9/25—9/06—9/20—(9/87).
Do. (Pref.)—Rs. 12/25—12/25—12/25—12/25—(9/62).
Reliance—Rs. 9/81—9/87—9/81—9/87—(6/81).
Do. (Pref.)—Rs. 121/00—121/00—121/00—121/00.
Soorah—Rs. 23/12—23/37—23/12—23/37—(25/25).

ENGINEERINGS

Bhartia Elec. Steel—Rs. 13/50—14/31—13/50—14/06—(14/00).
Binani Metal—Rs. 10/25—11/00—10/06—10/75—(10/94).
Braithwaite & Co.—Rs. 33/12—33/12—33/12—33/12—(35/00).
Britannia Eng.—Rs. 10/00—10/06—9/87—9/97—(11/31).
Bharat Ball Bearing—Rs. 13/00—13/12—13/00—13/06.
Burn & Co.—Rs. 590/00—592/00—590/00—592/00—(695/00).
Calcutta Steel—Rs. 13/31—13/31—13/06—13/19—(14/94).
Dalmia Iron—Rs. 10/87—11/06—10/78—10/87—(11/91).
Hindusthan Wires—Rs. 9/81—9/94—9/81—9/87—(11/12).
Indian Iron & Steel (Pref.)—Rs. 84/00—84/50—84/00—84/00—(85/00).
Indian Standard Wagon—Rs. 34/87—45/50—34/00—35/50—(34/12).
Jessop & Co.—Rs. 26/12—26/62—26/06—26/19—(23/06).
J. K. Steel—Rs. 15/37—16/75—15/37—16/37—(16/56).
Kumardhubi—Rs. 9/50—9/56—9/37—9/50—(7/81).
Machinery Mfgs.—Rs. 22/37—24/00—22/25 x.d.—24/00.
Marshalls—Rs. 2/50—2/50—2/44—2/44—(3/25).
National Iron & Steel—Rs. 5/81—5/81—5/81—5/81—(5/19).
Raymon—Rs. 5/25—5/56—5/12—5/56—(5/62).
Sen-Raleigh—Rs. 15/12—15/19—15/12—15/19.
Wellman Incandescent—Rs. 6/06—6/12—6/00—6/12.

MININGS

Bisra Stone Lime—Rs. 23/50 S.T.—23/50—22/50 x.d.—22/50 x.d.—(27/87).
Chrestien Mica (Pref.)—Rs. 38/50—39/00—38/50—39/00—(40/50).
Karanpura Development—Rs. 10/31—10/37—10/31—10/31—(16/25).
Metal Corporation—Rs. 8/12—8/25—8/06—8/25—(9/87).

CEMENTS

Ashoka—Rs. 7/62—7/62—7/37—7/44—(8/19).
Assam Bengal (Def.)—Re. 0/59—0/59—0/59—0/59.
Dalmia (Bharat)—Rs. 12/37—12/37—12/31—12/31—(14/00).
Do. (Defd.)—Rs. 2/75—2/81—2/75—2/81—(2/19).
Do. (Pref.)—Rs. 8/16—8/16—8/00—8/00.
Sone Valley—Rs. 4/62—4/62—4/44—4/62—(4/66).

ELECTRICS

Calcutta—Rs. 14/81—14/87—14/75—14/87—(15/25).
Do. (Pref.)—Rs. 8/06—8/19—8/06—8/06—(8/31).
Patna—Rs. 10/06—10/06—10/00—10/00.
U.P. Elec.—Rs. 111/00—112/00—111/00—112/00—(118/00).
Upper Jumna—Rs. 14/25 x.d.—14/25—14/25—(15/25).

INSURANCES

New Asiatic—Rs. 7/87—8/62—7/87—8/62—(10/19).
Ruby General—Rs. 9/62—10/00—9/62—10/00—(9/69).

CHEMICALS

Alkali & Chemical—Rs. 33/50—33/50—33/50—33/50—(42/37).
Kanoria—Rs. 6/25—6/25—5/69—5/69.
Smith Stanistreet—Rs. 12/25—12/31—12/25—12/31.

MISCELLANEOUS

Aluminium Corporation—Rs. 15/25—15/44—14/94—15/06—(15/56).
Angelo Brothers—Rs. 24/12—24/19—23/87—24/19—(24/25).
Asiatic Oxygen—Rs. 14/06—14/12—13/81—13/81—(10/06).
Asian Refractories—Rs. 6/50—6/50—6/50—6/50.
Associated Battery—Rs. 25/25—25/25—25/00—25/00—(28/87).
Airways (India)—Rs. 4/56—4/69—4/56—4/69.
Bharat Nidhi—Rs. 5/75—6/06—5/75—6/06—(7/50).
B. I. Corporation—Rs. 7/81 S.T.—8/37—7/81 S.T.—8/25—(10/06).
Bararee Coke—Rs. 21/06—21/62—20/94—21/62—(24/50).
Britannia Biscuits—Rs. 42/25—42/25—42/25—42/25—(45/12).
Calcutta Tramways—Rs. 11/31—11/31—11/31—11/31—(12/25).
Calcutta Gas—Rs. 3/50—3/50—3/50—3/50.
Dr. Paul Lohmann—Rs. 13/37—14/06—13/37—14/00.
Dyer Meakin Breweries—Rs. 28/37—28/62—28/31—28/62—(30/75 x.d.).
Duncan Brothers—Rs. 135/00—135/00—135/00—135/00—(157/50).
East Anglia Plastics—Rs. 9/12—9/56—9/12—9/56.
Electric Construction—Rs. 13/69—14/19—13/69—13/94—(14/62).
English Electric—Rs. 14/19—14/37—14/19—14/25.
Eastern Investment—Rs. 119/50—119/50—119/50—119/50—(129/00).
General Tyres—Rs. 8/69—9/31—8/62—9/25—(5/87).
Hindustan Aluminium—Rs. 13/75—14/00—13/62—13/94—(15/87).
Hindusthan Pilkington Glass—Rs. 16/25—16/50—16/25—16/37—(19/87).
Hindusthan Development—Rs. 4/06—4/06—4/00—4/00.
Hindusthan Gas—Rs. 23/25—23/25—22/25—22/25.
Hoare Miller—Rs. 5/50—5/87—5/37—5/62—(7/09).
Hindusthan Twyfords—Rs. 14/50—14/69—14/50—14/69—(15/56).
Hindusthan Wire Products—Rs. 16/75—16/75—16/75—16/75.
Hindustan Lever—Rs. 41/00—41/00—40/87—40/87.
Indian Plastics—Rs. 7/19—7/25—7/19—7/25.
Indian Oxygen—Rs. 27/56—27/75—27/37—16/37—(16/56).
Kumardhubi—Rs. 9/50—9/56—9/37—9/50—(7/81).
Machinery Mfgs.—Rs. 22/37—24/00—22/25 x.d.—24/00.
Marshalls—Rs. 2/50—2/50—2/44—2/44—(3/25).
National Iron & Steel—Rs. 5/81—5/81—5/81—5/81—(5/19).
Raymon—Rs. 5/25—5/56—5/12—5/56—(5/62).
Sen-Raleigh—Rs. 15/12—15/19—15/12—15/19.
Wellman Incandescent—Rs. 6/06—6/12—6/00—6/12.

MININGS

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Do. (Defd.)—Rs. 2/75—2/81—2/75—2/81—(2/19).
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Sone Valley—Rs. 4/62—4/62—4/44—4/62—(4/66).

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Do. (Pref.)—Rs. 8/06—8/19—8/06—8/06—(8/31).
Patna—Rs. 10/06—10/06—10/00—10/00.
U.P. Elec.—Rs. 111/00—112/00—111/00—112/00—(118/00).
Upper Jumna—Rs. 14/25 x.d.—14/25—14/25—(15/25).

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Associated Battery—Rs. 25/25—25/25—25/00—25/00—(28/87).
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Britannia Biscuits—Rs. 42/25—42/25—42/25—42/25—(45/12).
Calcutta Tramways—Rs. 11/31—11/31—11/31—11/31—(12/25).
Calcutta Gas—Rs. 3/50—3/50—3/50—3/50.
Dr. Paul Lohmann—Rs. 13/37—14/06—13/37—14/00.
Dyer Meakin Breweries—Rs. 28/37—28/62—28/31—28/62—(30/75 x.d.).
Duncan Brothers—Rs. 135/00—135/00—135/00—135/00—(157/50).
East Anglia Plastics—Rs. 9/12—9/56—9/12—9/56.
Electric Construction—Rs. 13/69—14/19—13/69—13/94—(14/62).
English Electric—Rs. 14/19—14/37—14/19—14/25.
Eastern Investment—Rs. 119/50—119/50—119/50—119/50—(129/00).
General Tyres—Rs. 8/69—9/31—8/62—9/25—(5/87).
Hindustan Aluminium—Rs. 13/75—14/00—13/62—13/94—(15/87).
Hindusthan Pilkington Glass—Rs. 16/25—16/50—16/25—16/37—(19/87).
Hindusthan Development—Rs. 4/06—4/06—4/00—4/00.
Hindusthan Gas—Rs. 23/25—23/25—22/25—22/25.
Hoare Miller—Rs. 5/50—5/87—5/37—5/62—(7/09).
Hindusthan Twyfords—Rs. 14/50—14/69—14/50—14/69—(15/56).
Hindusthan Wire Products—Rs. 16/75—16/75—16/75—16/75.
Hindustan Lever—Rs. 41/00—41/00—40/87—40/87.
Indian Plastics—Rs. 7/19—7/25—7/19—7/25.
Indian Oxygen—Rs. 27/56—27/75—27/37—16/37—(16/56).
Isaac Holdens—Rs. 15/19—15/50—15/19—15/50—(16/75).
Imperial Tobacco—Rs. 10/50—10/69—10/50—10/62—(11/00 x.d.).
Indian Carbon—Rs. 17/50—17/50—17/50—17/50—(25/37).
Indian Tack and Nail—Rs. 11/75—11/94—11/75—11/94.
Jayshree Industries—Rs. 17/44—18/31—17/44—17/75—(16/62).
J. K. Synthetics—Rs. 11/81—12/12—11/56—11/56—(13/56).
Jardine Henderson—Rs. 87/00—87/00—80/00—80/00—(79/00).
Kusum Products—Rs. 34/00—35/00—34/00—35/00.
Martin Burn—Rs. 27/25—27/50—27/25—27/31—(31/00).
Metal Distributors—Rs. 4/44—4/44—4/40—4/40.
National Insulated Cable—Rs. 24/12—24/75—24/12—24/75—(31/00).
National Rubber Mfg.—Rs. 11/94—12/37—11/94—12/25—(11/94).
National Tobacco—Rs. 11/62—11/75—11/62—11/75—(13/00).
National Pipes & Tubes—Rs. 26/75—27/00—26/75—27/00—(21/50).
Nav Bharat (Pref.)—Rs. 61/00—61/50—61/00—61/50.
Phillips Carbon—Rs. 15/25—15/25—15/19—15/19—(21/87).
Rallis India—Rs. 124/00—125/00—124/00—124/00—(150/00).
Sirsilk—Rs. 9/06—9/44—9/06—9/44—(9/75).
Shalimar Wire—Rs. 5/62—5/69—5/62—5/69.
Union Carbide—Rs. 39/50—39/62—39/50—39/62—(45/37).
Universal Cables—Rs. 11/12—11/50—11/00—11/37—(11/50).
Universal Elec.—Rs. 9/75—10/25—9/69—10/25—(10/00).
Usha Martin Black—Rs. 15/81—15/94—15/81—15/94.
Walford Transport—Rs. 3/62—3/69—3/56—3/69—(3/41).

OIL

Indo-Burma Petroleum—Rs. 21/94—22/44—21/94—22/44—(25/81).

PAPERS

Ashok—Rs. 3/56—3/56—3/31—3/56.
Ballarpur—Rs. 17/81—17/87—17/75—17/81—(17/56).
Bengal—Rs. 26/56—28/25—26/37—28/25—(32/81).
India Paper Pulp—Rs. 17/37—17/94—17/12—17/87—(18/87).
Seshasayee—Rs. 7/56—7/62—7/50—7/62—(8/69).
Sirpur—Rs. 12/69—13/12—12/69—13/12—(12/83).
Straw Products—Rs. 10/00—10/00—9/75—9/75—(9/50).
Shree Gopal (2nd Pref.)—Rs. 99/00—99/00—99/00—99/00.
Star—Rs. 9/12—9/12—9/00—9/06—(10/00).
Do. (7% Convertible 3rd. Pref.)—Rs. 85/00—85/00—84/00—84/00.
Titaghur—Rs. 17/37—17/62—16/50—16/87—(38/87).
Do. (New)—Rs. 15/87—16/75—15/87—16/75.

SHIPPINGS

India Steamship—Rs. 6/69—6/78—6/50—6/62—(6/81).
Port Shipping—Rs. 14/69—14/94—14/62—14/94—(12/00).

SUGARS

Belsund—Rs. 8/44—8/44—8/44—8/44—(9/62).
Carew & Co.—Rs. 10/87—10/87—10/81—10/81—(12/19).
New Saran—Rs. 4/19—4/50—4/19—4/50—(5/25).
Raza Buland—Rs. 9/62—9/62—9/62—9/62—(10/00).
Ryam—Rs. 3/56—3/56—3/56—3/56—(8/06).
Do. (Pref.)—Rs. 5/87—5/94—5/87—5/94.
Shree Krishna Gyanoday—Rs. 7/56—7/81—7/50—7/75—(9/12).

SAW MILL

Assam Saws—Rs. 2/72—2/72—2/69—2/69—(2/75).

TEAS

Banarhat—Rs. 241/00—241/00—241/00—241/00—(273/00).
Bishnauth—Rs. 18/19—19/12—18/19—19/06—(17/37).
Baradighi—Rs. 24/25—24/25—24/12—24/12—(23/69).
Bor Pukhuri—Rs. 11/94—12/00—11/94—12/00—(9/31).
Baghmari—Rs. 17/00—17/00—17/00—17/00—(18/50).
Brooke Bond—Rs. 12/19—12/25—12/19—12/25—(13/00).
Dufflaghur—Rs. 27/00—27/12—27/00—27/12—(27/87).
Dauracherra—Rs. 11/62—11/62—11/50—11/50—(7/31).
Dimakusi—Rs. 22/31—22/62—22/12—22/62—(21/87).
Ethelbari—Rs. 11/50—11/50—11/50—11/50—(13/12).
Gohpur—Rs. 15/87—16/25—15/87—16/25—(13/31).
Grob—Rs. 8/00—8/12—7/94—8/06—(8/44).
Hantapara—Rs. 118/00—119/00—116/00—116/00—(104/00).
Hasimara—Rs. 13/69—14/00—13/62—13/75—(14/50).
Hattikhira—Rs. 8/69—8/75—8/69—8/75—(9/44).
Huldibari—Rs. 12/69—13/87—13/56—13/69—(14/00).
Joonktollee—Rs. 17/50—17/50—17/44—17/44.
Killcott—Rs. 15/50—16/00—15/50—15/94—(17/31).
Krishnabehari—Rs. 11/50—11/70—11/50—11/70—(10/50).
Kingslay Golaghat—Rs. 110/00—125/00—110/00—125/00—(212/00).
Do. (Pref.)—Rs. 85/00—85/00—85/00—85/00—(85/00).
Lingia (Pref.)—Rs. 60/00—60/00—60/00—60/00.
Do. (Ord.)—Rs. 14/00—14/00—14/00—14/00—(14/56).
Methoni—Rs. 18/06—18/62—18/06—18/40—(18/94).
Patrakola—Rs. 120/00—120/00—130/00—130/00—(149/00).
Rydak—Rs. 26/06—26/31—26/00—26/31—(27/37).
Sapoi—Rs. 17/75—17/75—17/75—17/75—(24/44).
Teloijan—Rs. 22/44—22/75—22/44—22/75—(27/75).

DEBENTURES

3½% (1956-66) Howrah Bridge—Rs. 94/50—94/50—94/50—94/50.
6½% Guest, Keen, Williams—Rs. 100/00—100/00—100/00—100/00.
4½% Bengal Paper Convertible Notes—Rs. 260/00—260/00—260/00—260/00.

London

MARKET ACTIVITY RESTRAINED

SELECTIVE RISE IN INDUSTRIALS

London, 2nd October.

POLITICAL uncertainties were again a restraining influence in the stock market over the past week, but the much talked-of Denning report came as somewhat of an anti-climax and failed to influence the market one way or the other. The most important company statement, of course, came from the I.C.I. which was up to almost the best expectations. The Decca results came as a keen disappointment and brought the share price back several shillings. E.M.I. were little affected by the unchanged dividend and slightly higher profits. The shares had been dull in advance of the statement. Leading stocks to improve were Rank Organisation, Hudson Bay, Fairey, Distillers and International Computers. Dollar stocks moved with transatlantic trends which in the main were in a downward direction. Gold shares fluctuated somewhat and were not helped by President Kennedy's latest statement that the dollar and the gold price would be maintained. Even so, some overseas support was forthcoming after the statement and a number of leading Free Staters rallied. Coppers moved narrowly and tins have see-sawed. In oils, B.P. went ahead after the good interim statement, but the market as a whole was quiet. Burmahs were supported at times. Rubbers met with selective buying, but teas showed little change.

Money

BANKS EARN MORE, SPEND MORE, SO PROFITS STAGNATE

(BY A SPECIAL CORRESPONDENT)

THE *Statistical Tables Relating to Banks in India* is the most comprehensive document published on the activities of various types of banks—modern commercial banks, co-operative banks and postal savings banks. *The Statistical Tables* relating to the year 1962, just published, is indispensable not only to research workers but also to the policy-makers in commercial banks. Unfortunately the price of the publication is high (at Rs. 12) presumably on the assumption that it is bought only by banking institutions and affluent people. But less affluent sections such as research workers and students may like to purchase the publication too.

The publication is rather belated. The information given relates to balance-sheets which were released in the first quarter of the year. Since any publication released late loses its use, especially for policy making, the Reserve Bank should consider publishing certain important statistics from the balance-sheets of banks as soon as they are available to it. The Reserve Bank should realise that if all important information relating to banking activity lies safely buried in its vaults, it will be difficult for individual banks to formulate meaningful policies. For instance, statistics relating to aggregate deposits of banks—classified as big, medium and others—and the number of offices opened during each month by commercial banks could be usefully published in the *Reserve Bank of India Bulletin*. It would not violate secrecy, and would prove useful to commercial banks.

The *Statistical Tables* contains several useful features. It provides information, probably for the first time, about deposits with banks in centres having offices of more than two commercial banks. It can help in assessing the deposit potential of each town and planning branch expansion programmes. The details given on Indian banks' offices abroad, agents and correspondents of scheduled banks in London and elsewhere would be useful to banks, research workers and the trading public. It is also possible to get, a co-ordinated picture of the progress of the Indian banking system.

Owned Funds Rise

An analysis of the balance-sheets of Indian scheduled banks reveals that owned funds (capital plus reserve) have risen significantly. They have gone up by Rs. 8.6 crores in 1962, after rising by Rs. 2.7 crores in 1961. Even those banks which had reserves equal to their paid-up capital have strengthened them further through transfers from profits in 1961 and 1962 in order to attain the ratio of 6 percent prescribed by the Reserve Bank. However, with a few exceptions, the capital base of the banks in general, especially that of the big banks, has remained unchanged mainly because of the substantial increase in deposits during 1962.

The rise in scheduled banks' deposits during 1962 amounts to Rs. 213.3 crores; this is more than double the increase of Rs. 95.5 crores in 1961. The deposits in 1963, according to latest figures, have crossed the mark of Rs. 2,200 crores. Bank credit has risen during 1962 by Rs. 162.5 crores, as against Rs. 103.4 crores in 1961. Scheduled banks' (excluding the State Bank of India) investments in Government securities have increased by Rs. 43 crores in 1962; the corresponding increase in 1961 was much smaller at Rs. 17 crores. Investments of the State Bank have recorded an increase of Rs. 26.8 crores in 1962, as against a fall in 1961. (The decline in 1961 was more apparent than real because there was a phased transfer of P.L. 480 and P.L. 665 funds to the Reserve Bank.) In contrast, deposits and loans of non-scheduled banks have declined mainly because of liquidation of some banks and amalgamation of the weaker units with sounder ones.

As for foreign banks, the Netherlands Trading Society (in relation to deposits) and National and Grindlays Bank (in relation to branches) have shown good progress during 1962. National and Grindlays Bank has increased the number of offices by 11 to 43 during the year. Among foreign banks, it is the only one to do so. Co-operative banks too have made good progress. Postal savings banks show an increase in the average balance a depositor at Rs. 492, against Rs. 468 in 1961. The balances outstanding at the end of 1962 amount to Rs. 466.5 crores, compared with Rs. 431 crores at the end of 1961. The number of deposit accounts at the end of 1962 has been 9.47 million, against 9.21 million at the close of 1961.

Increase in Earnings

Scheduled banks' earnings have risen further in 1962. This has been mainly due to the increase in the level of advances and investments. Indian banks' earnings from loans and advances have increased by Rs. 10.8 crores to Rs. 67.4 crores, compared with a rise of Rs. 10.7 crores to Rs. 56.6 crores in 1961. Earnings from investments in Government securities have gone up by Rs. 2.6 crores to Rs. 18.7 crores, against a decline of Rs. 3.8 crores in 1961. Total current operating earnings have, therefore, risen by Rs. 16.9 crores to Rs. 120.2 crores in 1962, compared with a rise of Rs. 10.9 crores in 1961.

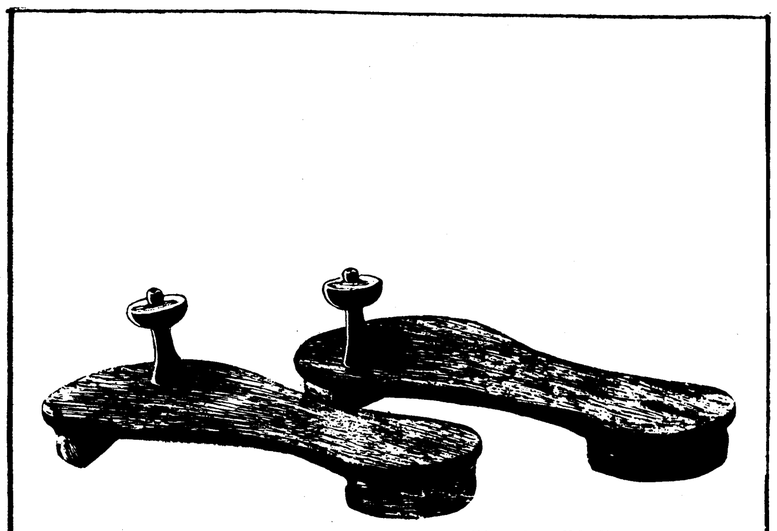
Current operating expenses too show an equivalent rise (Rs. 16.7 crores) in 1962, compared with Rs. 4.6 crores in 1961. The interest paid on deposits has gone up by Rs. 8.2 crores, reflecting the higher level of deposits. Establishment expenses have appreciated by Rs. 6 crores to Rs. 37 crores following the implementation of the Desai Award. In consequence, profits of banks have declined by Rs. 11 lakhs to Rs. 23.4 crores in 1962, against an increase of Rs. 6.1 crores to Rs. 23.5 crores in 1961. Expressed as a ratio to current operating earnings, the balance of profit has declined from 22.7 percent to 19.5 percent in 1961.

As for foreign banks, operating earnings have increased by Rs. 1.5 crores to Rs. 21.8 crores in 1962, against a rise of Rs. 2.3 crores in 1961. The rise in current operating expenses has absorbed the increase in current earnings, with the result that the profits made in 1962 have been maintained at Rs. 4.7 crores.

Branch Expansion

The number of scheduled banks' offices in the Indian Union have increased by 218 to 4,608, against a rise of 240 in 1961 and 224 in 1960. The number of offices of non-scheduled banks have, however, continued to decline. The increase in the number of offices of the State Bank has been 56, compared with increases of 45 in 1961 and 78 in 1960. As the State Bank has deliberately slowed down in order to consolidate its progress, the major contribution in extending branches has come from the private sector. According to the 1961 census, 1,500 offices of scheduled banks were located in places with a population of less than 25,000, and they represented 32 percent of the total number of offices of scheduled banks as at the end of 1962. Non-scheduled and co-operative banks had 304 and 1,383 offices in these places and they constituted 54 percent and 64 percent, respectively, of the total number of offices of all banks.

The *Statistical Tables* shows that the rise in earnings of Indian scheduled banks has just kept pace with the increase in operating expenses. It is, however, relevant to note that net profits in balance-sheets do not disclose the true position in view of transfers to secret reserves, etcetera. It looks odd, as has been made out by the statistics, that such a profitable business as banking should operate without an adequate margin of profit. There is an urgent need to introduce cost control studies in banking in order to economise on expenses, and prevent frittering away of resources on unproductive and costly branch expansion programmes, wasteful advertisement and entertainment.



Steps to solidarity

"I shall work for an India...
in which all communities
shall live in perfect harmony...
THIS IS THE INDIA OF MY DREAMS"
— MAHATMA GANDHI

To Gandhiji, differences in sect, caste or creed were meaningless. To him the concept of national unity and the attainment of this ideal were more than a mere dream. "I am indeed, a practical dreamer. My dreams are not airy nothings. I want to convert my dreams into realities, as far as possible." He lived and died for this ideal. On this day let us resolve to make his dream a reality. This will be the greatest tribute to his memory.

Esso

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ENT-25-1063A

THE CALCUTTA MONEY MARKET

LITTLE CHANGE IN ADVANCES

Tuesday, 1st October.

THE general level of advances has changed very little in the Calcutta money market during the past week. A slight increase in jute credit has been offset by a corresponding decline in the accommodation given to the sugar mills. Advances to the cotton mills and to the iron, steel and engineering industries are unchanged. The requirements of the foodgrains and seeds trade have varied very little. In the interbank market, conditions have been easier and the call rate is quoted at 2 percent.

The exchange market has been active, with a fair supply of tea and gunny bills. The demand for remittance is moderate. Sterling has shown a mixed tendency, although fluctuations have been narrow.

SILVER WAS QUIET IN CALCUTTA during the past week. The price fell from the previous week's level of Rs. 233.25 to Rs. 230.50 quoted for ready. Gold was steady. The price rose from Rs. 63 to Rs. 64.50.

THE STATEMENT OF THE RESERVE Bank of India for the week ended 27th September, 1963, showed a fall of Rs. 12.12 crores to Rs. 2,192.31 crores in active notes, while the total note issue rose by Rs. 1.52 crores to Rs. 2,224.89 crores. Hence notes held in the Banking Department increased by Rs. 13.64 crores to Rs. 32.58 crores. Deposits showed an all-round decline. Deposits of the Government of India fell by Rs. 5.90 crores to Rs. 64.30 crores and those of State Governments by Rs. 1.05 crores to Rs. 6.08 crores. Balance of scheduled banks were Rs. 50 lakhs smaller at Rs. 85.65 crores. Their loans from the Reserve Bank increased from Rs. 1.45 crores to Rs. 1.88 crores of which advances against usance bills amounted to Rs. 10 lakhs (against nil). Balances held abroad declined by Rs. 1.42 crores to Rs. 7.62 crores. The investment portfolio was Rs. 43 lakhs smaller at Rs. 195.71 crores.

THE RETURN OF THE STATE BANK OF India for the week ended 20th September, 1963, shows a rise of Rs. 8.38 crores to Rs. 597.63 crores in total deposits. Investments in Government securities are up by Rs. 9.97 crores to Rs. 314.37 crores, while other authorised investments remain unchanged at Rs. 8.95 crores. Advances, including loans, cash credits, overdrafts and bills discounted and purchased have decreased by Rs. 2.18 crores to Rs. 251.60 crores. Cash and balances are, in consequence, shown at Rs. 24.85 crores, or Rs. 3.09 crores less.

THE STATEMENT OF THE POSITION OF scheduled banks for the week ended 20th September, 1963, shows Demand and Times liabilities at Rs. 1,107.81 crores (Rs. 24.06 crores on account of borrowings from banks) and Rs. 1,312.32 crores (Rs. 25.73 crores), compared with Rs. 1,083.61 crores (Rs. 23.09 crores) and Rs. 1,314.68 crores (Rs. 24.62 crores) in the previous week. Cash and balances with the Reserve Bank have declined by Rs. 1.26 crores and Rs. 2.94 crores to Rs. 51.19 crores and Rs. 83.92 crores, respectively. There is a rise of Rs. 21.61 crores to Rs. 772.65 crores in investments. Advances and bills discounted at Rs. 1,464.88 crores show a drop of Rs. 12.42 crores. The ratios to total liabilities of cash and balances and of advances and discounts are, in consequence, shown at 5.6 percent and 60.5 percent, against 5.8 percent and 61.6 percent.

TREASURY BILL MATURITIES

Details of 91-day bills outstanding with the public on 4-10-63.

Issue Date	Maturity Date	Amount (000's Rs.)	Average Acceptance Rate
4-10-63	7-1-64	2,00.00	...
27-9-63	30-12-63	2,00.00	Rs. 2.318%
20-9-63	23-12-63	2,00.00	Rs. 2.318%
13-9-63	16-12-63	2,00.00	Rs. 2.318%
6-9-63	9-12-63	2,00.00	Rs. 2.318%
30-8-63	2-12-63	2,00.00	Rs. 2.320%
23-8-63	26-11-63	2,00.00	Rs. 2.320%
16-8-63	19-11-63	2,00.00	Rs. 2.320%
9-8-63	12-11-63	2,00.00	Rs. 2.320%
2-8-63	5-11-63	2,00.00	Rs. 2.320%
19-7-63	22-10-62	2,00.00	Rs. 2.317%
12-7-63	15-10-63	2,00.00	Rs. 2.320%
5-7-63	8-10-63	2,00.00	Rs. 2.340%

(Monthly Maturities 000's omitted)

October 1963	6.00.00
November 1963	8.00.00
December 1963	10.00.00
January 1964	2.00.00
Total	26.00.00

CLEARING HOUSE RETURNS

Week	Calcutta Rs. (Lakhs)	Bombay (Lakhs)
27-9-63	.....	1,10,03
20-9-63	.....	1,06.29
13-9-63	.....	1,17.20
6-9-63	1,10.25	1,09.61

RESERVE BANK

ISSUE DEPARTMENT

(In 000's of Rupees)	Week Ended 27-9-63	20-9-63	28-9-62
Liabilities—			
Notes in Banking Dept.	32,57,78	18,93,56	28,29,97
Notes in Circulation	21,92,30,95	22,04,43,12	20,11,68,18
Total Notes issued	22,24,88,73	22,22,36,68	20,39,78,15
Assets—			
A. Gold Coin and Bullion	1,17,76,10	1,17,76,10	1,17,76,10
Foreign Securities	89,45,69	89,46,14	88,34,17
Total of A	2,07,21,79	2,07,22,24	2,06,10,27
B. Rupee Coin	1,25,36,12	1,23,84,72	1,25,63,14
Rupee Securities	18,92,30,82	18,92,29,72	17,08,04,74
Total	22,24,88,73	22,22,36,68	20,39,78,15

BANKING DEPARTMENT

Liabilities—			
Capital Paid-up	5,00,00	5,00,00	5,00,00
Reserve Fund	80,00,00	80,00,00	80,00,00
National Agricultural Credit (Long Term Operations) Fund	73,00,00	73,00,00	61,00,00
National Agricultural Credit (Stabilisation) Fund	8,00,00	8,00,00	7,00,00
Deposits—			
(a) i. Central Govt.	64,29,61	70,19,81	61,78,62
ii. State Govts.	6,08,19	7,13,31	13,76,25
(b) Banks :—			
(i) Scheduled Banks	85,65,09	86,14,75	83,53,48
(ii) State Co-operative Banks	2,23,63	2,21,87	1,77,68
(iii) Other Banks	4,63	4,57	2,00
(c) Others	1,59,43,06	1,60,95,64	1,63,08,84
Bills Payable	36,07,14	31,46,61	22,55,59
Other Liabilities	25,09,33	21,28,22	24,59,02
Total	5,44,90,71	5,45,44,78	5,24,49,88
Assets—			
Notes	32,57,78	18,93,56	28,29,97
Rupee Coin	2,06	2,32	2,43
Small Coin	2,62	2,17	3,00
National Agricultural Credit (Long Term Operations) Fund			
(a) Loans and Advances to :—			
(i) State Govts	27,12,42	27,14,40	24,00,69
(ii) State Co-operative Banks	10,06,88	10,15,34	11,71,94
(iii) Central Land Mortgage Banks	...	...	...
(b) Investment in Central Land Mortgage Bank Debentures	3,55,31	3,55,31	2,84,90
National Agricultural Credit (Stabilisation) Fund			
Loans and Advances to State Co-operative Banks	...	...	...
Bills Purchased and Discounted :—			
(a) Internal	...	...	...
(b) External	...	...	...
(c) Govt. treasury Bills	77,59,61	96,96,61	1,02,27,42
Balances Held abroad	7,62,39	9,03,58	5,59,57
Loans and Advances to Govt.	33,45,72	28,72,37	7,36,99
Loans and Advances to :—			
(i) Scheduled Banks	1,87,90	1,45,45	4,54,70
(ii) State Co-operative Banks	1,28,85,21	1,27,06,71	1,28,96,70
(iii) Others	1,64,55	1,95,55	1,31,57
Investments	1,95,71,49	1,96,12,21	1,72,75,87
Other Assets	24,76,86	24,28,20	31,73,72
Total	5,44,90,71	5,45,44,78	5,24,49,88

SCHEDULED BANKS

(In 000's of Rupees)	Week Ended 20-9-63	13-9-63	21-9-62
(i) Demand Liabilities—			
(a) Demand Deposits			
(1) From Banks	52,64,40	51,75,29	46,51,13
(2) From others	9,68,47,98	9,47,26,30	7,94,66,42
(b) Borrowing from Banks	24,06,23	23,09,49	22,23,29
(c) Others	64,62,39	61,49,32	52,45,56
(ii) Time Liabilities—			
(a) Time Deposits			
(1) From Banks	35,27,70	36,12,45	23,26,69
(2) From others	12,41,72,85	12,43,99,26	12,36,55,38
(b) Borrowing from Banks	25,72,69	24,62,38	13,75,42
(c) Others	9,59,05	9,93,37	12,50,34
(iii) Borrowing from State Bank—			
(a) Demand Liabilities	4,60,54	4,77,44	4,93,02
(b) Time Liabilities	15,60,00	17,55,00	11,17,50
(iv) Borrowing from Reserve Bank	1,59,40	89,90	6,18,30
(v) Cash	51,19,02	52,44,51	47,96,04
(vi) Balances with the Reserve Bank	83,91,54	86,86,04	81,83,07
(vii) Balances with other Banks in current account	20,97,45	20,75,63	17,86,49
(viii) Money at call and short notice	54,20,95	50,78,32	44,82,66
(ix) Investments in Central and State Govt. Securities	7,72,64,96	7,51,03,63	6,83,82,33
(x) (a) Loans Cash credits and Overdrafts	12,33,95,63	12,42,52,45	11,86,76,49
(b) Due from Banks	14,22,09	17,88,97	7,22,80
(xi) Inland Bills purchased and discounted	1,64,44,83	1,63,36,85	1,47,45,37
(xii) Foreign Bills purchased and discounted	52,25,01	53,52,21	48,90,25
(xiii) Total of X XI and XII	14,64,87,56	14,77,30,48	12,90,34,82

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THE FERTILISERS AND CHEMICALS, TRAVANCORE LIMITED

MR. T. A. JOSEPH REVIEWS ACTIVITIES

Addressing the Nineteenth Annual Geaeral Meeting held at the Registered office, Udyogamandal, on 30th September, 1963, Mr. T. A. Joseph said :

You will notice that the financial year of the Company has been changed. This became necessary to fall in line with that of other public sector companies. The accounts circulated to you relate, therefore, to a period of fifteen months, i.e. from 1st January, 1962 to 31st March, 1963.

The period under review has witnessed two major events in the history of the Company. They are—the introduction for the first time in India of a new technology for the production of synthesis gas required for Ammonia manufacture and the closure of the wood gasification plant, which has been serving the Company from its inception. The Oil Gasification Plant installed as a part of the Second Stage of the Expansion Programme of the Company, has introduced a new technology, by which raw light naphtha is utilised for producing hydrogen by the partial oxidation process. The Plant, which has been commissioned in the last quarter of 1962, has a capacity to produce sufficient hydrogen to make 80 tonnes of Ammonia a day. With the introduction of this new process, the Company has closed down the firewood gasificatoin plant. It was mainly on considerations of economy that the wood gasification plant has been closed down, although it had served the Company usefully for 17 years and has fulfilled a very useful purpose in the field of fertiliser development in India.

Severe Setbacks

While we have made a remarkable advancement in technology and have been able to raise our production capacity considerably, the factory has been facing severe setbacks in achieving the production targets. Ever since the Electrolytic Hydrogen Plant was commissioned in 1960, the Kerala State Electricity Board has not been able to supply the Company the full requirements of power required for operating that Plant. As against a total requirement of 31,000 KW the Electricity Board has been supplying only 23,200 KW. Thus, even under normal conditions, the factory could have achieved only approximately 75% of its production capacity, provided power supply to that extent was regular. But during the period, the Company had to face very severe a power-cuts indeed. In 1962 there was a power-cut commencing from the 1st of March to the 10th of May. During 1963 the cut started earlier than usual and it was much more drastic. From 1st February 1963, the factory could work only at 50% production, because of the power-cut. This cut went on till the end of June. In between there was a period of about 3 weeks when Ammonia production was almost nil.

Another unforeseen development that completely upset the production programme of the year was the sudden incidence of salinity in the Periyar river waters during the summer months of 1962. This resulted in a further substantial reduction in the Company's production, as several of the important Plants had to be kept idle for fear of being permanently damaged by saline water.

The power-cuts and salinity in the Periyar waters alone accounted for a loss of production of over 4,000 tonnes of ammonia. On top of this there was the planned closure of the wood gasification plant to facilitate the interconnections of the new Oil Gasification Plant and the commissioning of the latter. This, however, was only in the normal course of things ; but it was unfortunate that the loss of production consequent on this change over also fell in a year when we had to face great difficulties on account of power-cuts and salinity.

The factors which I have just described have been responsible for the poor financial results during the period under review. As you have seen from the Statement of Accounts, these adverse factors have resulted in a loss of nearly Rs. 36 lakhs. This loss, however, has been covered in full by drawing from the previous profits carried over and the taxation reserves which are not required. You will notice, however, that we have provided Rs. 63.88 lakhs for depreciation as against Rs. 38.75 lakhs in 1962. A surplus of Rs. 3.85 lakhs has been carried over to the next year.

In view of the foregoing your Directors have not been in a position to recommend any dividend this year.

Increased Capacity

In the normal course the Company should be expected to derive from this year the benefits arising out of the increased capacity consequent on the installation of the Oil Gasification Plant. But as I stated earlier the current financial year itself has started with a drastic power-cut which kept on till the end of June. Even after the restoration of power supply the Company has not been given its full requirements. We are still working on a 75% load as the Electricity Board is yet to make available the shortage of 7,800 KW. Besides, the rainfall this year has been very much below par so far, and it remains to be seen whether our Hydro-electric sources would be able to keep up their normal supply level after the monsoons are over. I do hope that with the commissioning of the Panniar Project towards the end of this year, the Electricity Board will be pleased to honour its commitments to us in full.

As I mentioned to you last year, we had invited the Government of India to participate in the equity share capital of the Company and to give us the necessary loans to finance the third stage of our expansion programme. Shares worth Rs. 3.5 crores have been taken by the Government of India as on 1st July this year. Thus, the Government of India now holds a majority of shares in the Company. Certain consequential amendments to the Articles of Association have been proposed and placed before you at this meeting.

The second stage of expansion was completed well in time and formally inaugurated on the 8th December 1962. The plant has had the usual teething troubles, but has been performing quite satisfactorily since then. I am glad to inform you that the Company has been able to complete the second stage of expansion according to the sanctioned estimate therefor.

The third stage of expansion, of which I had given an indication last year, is well under way. This expansion involves the installation of a number of major plants, the important ones being an Oil Gasification Plant and a Tonnage Oxygen Plant, which together will produce sufficient gases to make about 150 tonnes of ammonia a day, a 150-tonne ammonia synthesis plant, a phosphoric acid plant of 100 tonnes P205 capacity, a 450 tonne sulphuric acid plant, a 300 tonne ammonium phosphate plant, a 300 tonne ammonium sulphate plant and a 50 tonne ammonium chloride plant. Although the target date for the completion of the third stage is 1965-66, the Company expects to complete the programme well ahead of that date.

When the third stage of expansion is completed, the Company will have a capacity of about 70,000 tons of nitrogen and 33,500 tons of P205 per annum, the ultimate products being 200,000 tons of ammonium sulphate, 135,000 tons of ammonium phosphate and 25,000 tons of ammonium chloride. Superphosphate capacity will continue at the present level of 44,000 tons. In addition, the NPK mixture capacity will go up to 350,000 tons per annum.

Use of By-product

The Company is now engaged in planning the utilisation of some more of its by-products. The Company has already obtained a licence for the production of dry ice. In addition investigations for the utilisation of waste gases of the Superphosphate and Phosphoric Acid Plants are in progress.

The Company is now engaged in planning is programme of activities for the Fourth Plan period. Having regard to the experience of FACT and the planning and designing organisation the Company has already built up for its expanding activties, I am glad to say that the Government of India have decided to assign a very important role to the Company in the field of buliding up additional capacity for fertiliser production in the country. The Government of India have now asked FACT to plan, design and construct at least three complete fertiliser plants before the end of the Fourth Plan period. The Government of India have also indicated that allocation of further units will be considered if the Company has more capacity. I need not tell you that the magnitude of the task involved is immense as the total outlay on the three complete fertiliser projects will be of the order of Rs. 100 crores. The Company is, therefore, taking the necessary preliminary steps to equip itself to undertake the task assigned to it by the Government of India.

In addition, the Company has also been engaged in negotiations with Messrs. Davy Ashmore Limited of U.K., a leading firm engaged in the manufacture of industrial plants and equipment for establishing a joint venture to fabricate pressure vessels and specialised steel work. A scheme drawn up for this purpose has been submitted to the Government of India. According to the schedules drawn up, this unit which is likely to be established in an area adjacent to FACT will go into production in the beginning of the Fourth Plan period. The Company is also negotiating the formation of a joint venture with Power-Gas Corporation of U.K. for establishing an Engineering and Contracting Organisation capable of planning, designing and erecting fertiliser, chemical, petro-chemical and oil refining plants.

The Company has been rendering suitable assistance in the form of technical advice and consultancy services to other units coming up in Kerala. At present the Company is providing the necessary consultancy services to Mannam Co-operative Sugar Mills Private Limited.

Training Facilities

To take care of the additional responsibilities and work that will be devolving on the Company on account of its expansion of activities, we have taken steps to augment the strength of the Company's technical personnel. Technical training facilities have been increased. We have at present 33 engineers including diploma holders and 70 university graduates under training in addition to 62 artisans. With a view to strengthening our middle management and to developing future managers, we have introdued a system of recruitment, training and absorption of executives. The first group recruited under the scheme has started the training on the 1st of August.

On the sales and marketing side. I am glad to inform you that the Company has made very good progress during the period. As a result of the programmes like fertiliser festivals introduced by the Company, fertiliser consciousness has grown considerably among the farmers of Kerala. Consequently, the Company has been able to raise its sales in Kerala from Rs 11 lakhs in 1958 to Rs. 114 lakhs in 1962-63, the figure for 1961 being Rs. 68 lakhs. Although the progress has been good, we still believe, that the fertiliser consumption in Kerala should increase several times more, before we can say that the State is taking reasonable advantage of the facilities available. The Company is, therefore, working according to a long-term plan, with a view to achieving a sale of about Rs. 6 crores worth of fertilisers in Kerala State alone. The Company has also extended its programme of intensive campaign to the neighbouring districts of Madras State. The results have been very encouraging.

While the Company has been going ahead with a rapid expansion programme, our neighbours have also been expanding. New units are coming into our area. Instances are, a Zinc Smelter, a Cement factory based on the calcium carbonate sludge released by our Company, an Oxygen Acetylene unit using our surplus oxygen and an Ossein Plant. All these require considerable quantities of water. During the summer months the flow in the Periyar river has been so low that salinity has been creeping up to a dangerous extent. From a statement made by the Kerala Minister for Electricity a few weeks ago, we have learnt that when the Idikki Power project is completed, the water used for generating power in that project would be dropped into the Muvattupuzha river and as a result the water position in Periyar would be very much worse. This is certainly a matter of great concern. I would take this opportunity to stress that the urgent need now, is to augment the availability of water in the Periyar river and hence it will be suicidal to divert any more of its water to other river basins. The construction of the Idikki Power project should, I feel, be re-designed in a manner that would prevent Periyar waters being diverted elsewhere. If the logistics of Idikki dictate the need to drop the tail waters to the Muvattupuzha river, it is vital that the project also provide for re-diverting the water used by it back into the Periyar river by means of an inter-communication canal between the Muvattupuzha and the Periyar rivers. If such a step is not contemplated now itself, the completion of the Idikki project will place the present industries in the Periyar basin, in a very unfortunate position indeed. The numerous Lift Irrigation Schemes in the Periyar basin would share a similar fate resulting in a substantial drop in rice production in the area.

Management labour relations continued to be cordial during the period. The Work Study and Job Evaluation work is progressing satisfactorily.

I would like to take this opportunity to express our deep appreciation of the excellent work that is being done by the executives and workers of the Company.

I now move that the Directors Report and the Audited Statement of Accounts for the financial year 1962-63, namely for the period 1-1-1962 to 31-3-1963 be adopted.

N.B. This does not purport to be a report of the proceedings of the General Meeting.

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MACHINERY MANUFACTURERS CORPORATION LIMITED

CHAIRMAN, MR. K. C. MAHINDRA'S ADDRESS

Speech delivered by the Chairman, Mr. K. C. Mahindra, at the 17th Annual General Meeting of the Shareholders of Machinery Manufacturers Corporation Limited held in Bombay, on 25th September, 1963.

I welcome the shareholders of the Machinery Manufacturers Corporation on the occasion of the Annual General Meeting of the members of the Company. You are gathered here to receive the report which your Directors have submitted on the operations of the Company for the year ended 31st March 1963, and if it meets with your approval, to adopt the audited Balance Sheet and Profit & Loss Account for the period.

The year under review presents two landmarks in the history of the Company. One : there is now wide acceptance of the premier position of MMC as manufacturer of quality Carding Engines. The Company continues to command more than two-thirds of the market in India. The second landmark is that certain integrated plans formulated some years back have now come to fruition. These, in the opinion of your Board, have greatly strengthened the basic structure of the Company. Shareholders will remember my reference to the need for diversified activity. The textile industry in India as such is subject to violent fluctuations. This is not a characteristic of the Indian industry alone. I find that similar upheavals occur in the textile industries of Japan, of Britain and the United States. As supplier of an essential piece of equipment to the textile industry, the Company must, therefore, prepare itself to face the periodic rise and fall in the fortunes of the spinners. For reasons with which you are familiar, the Company was not able to embark on any plan for meeting this sort of a challenge until our original product had received full and ready acceptance by the industry, and secondly, what is more relevant, until such time as the finances of the Company would permit such a development.

Making Diesel Engines

A few years back, after a technical review of the facilities available, your Board decided upon Diesel Engines as a suitable diversified product for the Company. With the help and cooperation of the Managing Agents, they were able to enter into a reasonably long-term contract with the Indian National Diesel Engine Company, for the supply of a large number of components for the Diesel Engines which INDEC proposed to manufacture. INDEC, in its turn, set up a small manufacturing shop comprising only a few specialised machine tools and assembly and testing equipment. It hoped to farm out the major portion of the work to MMC. Over the years, this method of manufacture and assembly was found both uneconomic and unfruitful. To MMC also the particular contracts did not provide a sufficiently attractive base for development. These difficulties led to a conclusion by INDEC that its manufacturing must be centralised. It was finally arranged that MMC would take over the physical installation of INDEC connected with manufacturing as well as the machinery and equipment which INDEC had leased to them. INDEC was in a particularly happy position that its British shareholders were committed to send further machine tools worth over £60,000/-, and also engine components of a total value of £180,000/-, for which deferred terms of payment had been arranged. Despite the sale of its manufacturing facilities by INDEC this arrangement continues and MMC will receive the benefit of these deferred terms.

I have given a brief resume of this position in order to convey to you our conviction that your Company has now placed itself in a position to manufacture a complete diesel engine from castings to painting—engines at present ranging from 6¼ to 13½ h.p. If and when INDEC desires to produce engines of a higher horsepower, MMC will have the option to produce them on similar terms as govern the present range of production.

I should like to repeat that in this venture into diversification the Managing Agents of the Company have played a prominent part, in as much as the plan for a diesel engine company was prompted by consideration for MMC's future. They were able to persuade a prominent British firm to join them in establishing the diesel company and now that arrangements have been concluded for a physical take-over of the manufacturing assets of the company by MMC, the service rendered by the Managing Agents is complete. In the process, a substantial sum of money has been invested by them in the diesel business, and it is hoped that the new arrangements will work out to the mutual benefit of MMC and the diesel company.

Major Financial Crises

It can bear repetition that during its history of 17 years, the Company has gone through several major financial crises. On occasions, the resources at the disposal of the Company were completely exhausted, and I recollect a time when despite substantial help from the Managing Agents the Company was on the brink of closure. On such and sundry other critical occasions the Managing Agents placed their own resources in support. They were also able to persuade the Government of India to come to its assistance in a large way on three major occasions. One was the crisis in 1953-54 when our funds were very low indeed and the Government was persuaded to invest Rs. 25 lacs in the Preference capital of the Company. Another time in 1959 they gave Rs. 5 lacs to the Company as a loan in order to enable it to complete its foundry project. On the third occasion the Government actively encouraged us to put through the Scheme of Compromise or arrangement which was finally enacted in 1960. I should like, on behalf of the Company, not only to acknowledge this generous assistance which Government has given, but also to convey to them our deep appreciation. Here is one shining example of Government assistance readily forthcoming to help in the development of a basic industry—an assistance which was constructively given, and I hope it is to Government's satisfaction that the assistance has been constructively utilised.

The financial results of the operations of the Company over the last four years indicate the turn which has taken place in its fortunes. Coincident with our capital reconstruction scheme there was a spurt in business conditons : your Company was fully ready to meet them with the result that the Company has been able to reduce its indebtedness to Government and to the Industrial Finance Corporation by over Rs. 27 lacs in these 4 years. We have also been able to build a reserve of over Rs. 35 lacs. This is no mean achievement.

I need not elaborate on the Accounts for the year under review except to say that a large portion of the Profits of the Company have been appropriated for taxation. The Company's works have operated during the year at a very satisfactory level. In addition to maintaining an increasing production of Carding Engines, we were able to offer to the Ministry of Defence our resources for the production of Ordnance stores, Certain educational orders have already been completed. It is possible that a portion of our capacity may be utilised for defence purposes. This, of course, must receive priority over production for civilian purposes.

The process of rehabilitation of plant and equipment of the Factory has continued. We are still without certain essential machine tools which would assist us to place the manufacture of Speed Frames on a proper production basis. As the import licences have only recently been received, it is hoped that the special purpose machinery required for the job will be secured by us within the next few months. The prototype designed and engineered by the Company's technicians underwent its final trials last year and we have booked an initial order for 12 Speed Frames for delivery within the next six months,

Research in Carding Technology

Our development section has kept pace with the latest research in carding technology. An aerodynamic card of revolutionary design has been under experiment in France for a couple of years ; in America and in Britain certain high production devices have been evolved. Our engineers have these developments under study ; in fact the Company's Super Card which has been undergoing tests at the Textile Research Institute, is essentially a high production device. If our technical studies lead to the conclusion that any of the devices now being tried overseas are worthy of adoption in our textile industry, your Company will be in a ready position to adapt our Carding Engines to suit the new developments.

Shareholders will be pleased to learn that your Company produced over 70% of the total production of Carding Engines in the country Supplies of equipment to the textile mills continue very satisfactorily, and our bookings for the six months of the current year have been good.

To the workers, the staff and the management a special tribute is necessary, and on your behalf I should like to convey to them our appreciation of their strenuous efforts throughout the year.

Note :—This does not purport to be a report of the proceedings of the Annual General Meeting.

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INDIA STEAMSHIP CO., LTD.

CHAIRMAN, SIR A. RAMASWAMI MUDALIAR'S REVIEW

Address of Sir A. Ramaswami Mudaliar, K.C.S.I., D.C.L. (Oxon.) Chairman, India Steamship Co., Ltd. delivered at the Annual General Meeting of the shareholders of the Company, on the 30th September 1963.

Gentlemen,

The Audited Accounts and Directors' Report for the period ending March, 1963, has been in your possession for some time and with your permission, I shall take them as read.

Before dealing with the Directors' Report and the Audited Accounts, I think it would be appropriate that I place before you frankly the course of events during the last two years regarding the financial position of the Lines operating on the India-U.K.-Continent routes and associate routes. It is no satisfaction to me to present a Balance Sheet showing for the fourth year in succession, a substantial loss, and shareholders have a right to know why these losses have been incurred during this period.

In 1961, the Conference Lines engaged in this Trade came to the conclusion that an increase in freight rates both in the Eastward and Westward direction was necessary if they should earn a reasonable margin of profit on their operations. Elaborate calculations were made of the Balance Sheets of various Lines by Auditors specially appointed for the purpose and based on their findings, a Delegation of the Conference Lines visited Pakistan and India, to get the approval of both Governments to a formula that they had devised, for making what they considered to be, legitimate profits for the operating Lines. The Delegation found, when they met the Pakistan Authorities, that they were considering the proposals of a proposed foreign shipping company, which would cater to the entire Pakistan cargo, both ways, from and to Pakistan ports, East and West, on this route, at a lower freight than the Conference was prepared to offer. The Conference Delegation, after consulting the two Indian Lines, and with their approval, decided to visit Pakistan and come to the best arrangements so that the Conference Lines may continue to operate for the Pakistan Trade. The agreement they came to, instead of raising the freight rates, reduced the rates substantially on some of the commodities, notably Jute and Gunnies, moving from Pakistan. They further agreed that till the end of 1962, they would not increase any freight rates from East to West. The Delegation then met the Indian Government and came to an agreement with the Government, whereby, as a corollary to the agreement with the Pakistan Government, they agreed not to raise any freights till the end of 1962. They further agreed with both Governments that there would be six months' notice given by the Conference on the 1st January, 1963, indicating the freight increase they would desire to make, the period of six months being utilised, for negotiations with Shippers and consultation with Government. As you would see, the final result of all these negotiations and agreements, was that the Conference which wanted a freight increase to be made in 1961, agreed in effect to no freight increase in the East to West Trade till the 1st July 1963. The Conference had already increased the West to East freight by 10% on the 1st October, 1961.

Threat of Competition

I stated, that to meet the so called threat of competition from a new shipping company which was going to use tramp shipping, the Conference reduced the freight rate on Jute from Pakistan, from sh. 173/-, (the rate which prevailed from 1958 to 1961) to sh. 160/-. The rate in 1957, when the last increase was made was sh. 187/-. It was quite obvious to the Conference that the freight rates on Gunny exported from India should be in parity with the Pakistan Jute rates. There was, therefore, a similar reduction in the exports from India, which meant a rate of sh. 173/6 per 1,000 kilos of gunnies, against sh. 187/- in 1961. I do not want to go into the comparative figures of other commodities, common to the export trade of India and Pakistan, which had to be kept at parity in the trade of each country. In effect therefore, the Delegation which felt that the Lines were incurring a loss on the existing freight rates in 1961, had to content themselves for nearly two years with the same rates in most cases and at even reduced freight rates in others, before coming up for a revision in freight rates to either of the Governments. The threat of the proposed shipping company, as it happened, and some of us felt that it was bound to happen, was no real threat, for the simple reason, that ships on charter or tramp ships, cannot serve the trade as effectively and carry cargo from and to as many destinations as the Conference, which has about fifteen to twenty Member Lines operating in this trade, each Member with several ships.

It has been generally agreed by shippers and Government ultimately, that an increase in the freight East to West was justified. Both the Shippers and the Maritime Freight Commission have acknowledged that a freight increase East to West was indicated, if the Lines engaged in this Trade were to function and continue to offer to Shippers an adequate service. It is unfortunate that there has not been an agreement on the rate of increase that would be justified. It may be pointed out that during 1960, 1961 and 1962, every Conference of Lines engaged in other overseas trade, increased the freight rate and some of the Conferences have increased it twice during these three years. The Indian Lines had suggested an increase of 10% in the East to West trade, but the Conference fixed an increase of 12½% on the ground that the increase proposed will result only in an effective 10% increase or even somewhat less, because of the non increase or slightly lower increase in commodities, which have been termed sensitive commodities, whose exports may be affected by freight increases. The question of sensitive commodities and how they should be dealt with is a matter still to be discussed with the Authorities, by the Conference, and I hope as a result of the discussions, a more cordial atmosphere will prevail between the Conference and the Governments concerned.

Promoting Export Trade

I have stated, that the last increase in freight rates was in 1957. Comparing the rates then prevailing with the rates now announced, it would be found that in many cases, the rates are only slightly higher than they were at that time. While I am equally anxious that the export trade should be promoted and that our foreign exchange earnings should meet some portion of the present gap in foreign exchange, I would venture to suggest that the price factor and the profit factor of some at least of the export items, should be carefully evaluated before either an increase in freight, or a decrease in the rate proposed, is finally advocated and adopted.

It is with this background that I would like to deal with the results of your Company during the year under review. The Directors' Report discloses that there has been a loss of about Rs. 30 lakhs in the working of your fleet. I would only like to point out that even if a 10% increase had been allowed in the East to West Trade, during that year, the loss would have been avoided.

I have heard it sugested that while other shipping companies are showing a profit, your company is showing a loss. The fleet of your Company is operating on the India-U.K.-Continent route and the Baltic Sea and Black Sea routes, with a small number of calls to South American ports. It is in this route that the freight rates from East to West was not increased from 1957 to 1961 by the Conference, and has further not been allowed to increase for nearly two years by arrangements with Governments. It is the result of the voyage earnings of Lines in these routes alone, that should be compared to get an exact perspective of the functioning of the companies concerned. Many companies have other routes, in which the large number of ships they have, ply. Some of them have large investments of reserves, the income from which is also appropriated towards profits. As I have already stated, every other route of the ocean going vessels of Lines, had had the freight rate increased at least once and in some cases more than once, since 1961. I hope these factors will be appreciated in the unenviable task of indulging in comparisons.

Freight Earnings

The Directors' Report shows that the freight earned during the year was Rs. 8,00,21,725 as against Rs. 8,97,26,920 in the previous year. The decrease in freight is to a large extent compensated by a corresponding decrease of 53 lakhs in port expenses and other charges generally included under this heading.

During the year, the total number of Liner voyages completed, was 48 as against 54 in the previous year.

While there was no increase in the freight rates from India in the routes followed by your vessels, the increase in port charges, dock levies and stevedornig rates, have been substantial, both in India and abroad. There has also been unusual delays in the time taken to berth vessels at these ports, notably at the port of Bombay. Weather conditions and labour strikes, have increased the delay in some ports more than in the previous year. These factors account for a loss of 541 days by the various ships of your fleet. Another unforesecn and unaccountable delay was sustained in one of the ports of the Baltic Sea, when at the time of the Small Pox scare in Western Europe, a seaman on one of our vessels was suspected to be affected by this disease. It turned out that the suspicion was baseless, but the Port Authorities quarantined the ship for 36 days, involving substantial loss in earnings.

In spite of decrease in freight earnings as compared to last year, owing to a rationalisation, there has been a corresponding decrease in expenditure. The number of ports at which your vessels called was 736 in the Liner voyages, as against 947 in the previous year. The average duration of a round voyage was 126 days as compared to 129 days in 1962. There has been a serious attempt at reducing the expenditure on deck and engineering stores but victualling expenses have gone up slightly in sympathy with the rising costs.

The average age of the fleet of your company was nine years in March 1963, and the fleet is in good condition thanks to the attention which has been paid to maintenance.

Slight Increase

I referred earlier, to the fact that even with the increases proposed by the Conference, there is only a very slight increase in actual freights over those prevailing in 1957, for several of the commodities. Even so, I am in complete agreement with the policy of the Government of India, that Export Promotion should not be hindered by unreasonable freight rates. It is the same policy which has been adopted by countries anxious to promote their exports and thereby minimise their dependence on foreign exchange. Though National Lines of some of these countries have been compensated in various other ways for their loss in earnings. I would, however, point out that the Indian Lines, taken together, are themselves earners of very considerable foreign exchange, particularly if their share in the India-U.K.-Continent trade is taken into consideration. The Government of India is naturally anxious to expand Indian Tonnage, particularly tramp tonnage, thereby avoiding over dependence on foreign carriers. It is, therefore, really a matter of balancing two apparently antagonistic factors, but I believe that the balance can be struck if the varying factors are taken into consideration in their proper perspective.

I would have greatly wished that the Maritime Freight Commission had consulted the Indian Lines in particular, at some stage before they gave their final decision as to what they considered was a fair increase in freight rates from East to West, to the Continent of Europe. As I have already stated, the consideration of what are called sensitive commodities from the export angle, will be taken up by the Government in consultation with the Conference, I believe that representatives of Indian Shipping Lines in this Trade, will be in a position, from their local knowledge of facts, to assist the Government in coming to fair conclusions.

When referring to this subject of export, I stated last year "It is to be emphasized that as against the small voice of Indian shipping companies, the loud and uncontrolled menacing voice of some shippers of comparatively small exports sometimes prevails." I expressed the hope that the shareholders of shipping companies will join with the management in impressing on the public the need for fair play as between Indian shipping companies and Indian exporters and importers.

The Future

Shipping is an unpredictable industry—its factors, some of them are outside the control of the Management of Shipping companies. Even so, I express the hope that we have come to the end of deficit Balance Sheets.

The share of the Indian companies in the import and export trade of the United Kingdom is every year increasing by one per cent. The determined efforts made by the Government to increase exports are beginning to have effect in the volume of trade that is moving both to West Europe and to East Europe.

Recently there has been an improvement in the berthing facilities in some of the Indian ports, and what is more important, the drafts of the River Hooghly, which have the biggest influence in the carriage of cargo to and from the port of Calcutta, have been improved.

The determined effort of the Government to carry through the industrial development that has been planned, affords opportunity for larger import of goods from abroad.

These are factors which may to a certain extent dispel the gloom that shareholders of shipping companies may feel.

Thanks

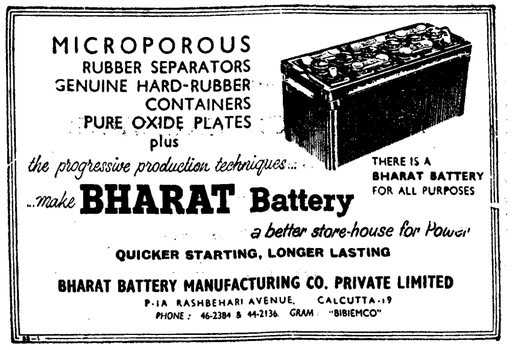
We are grateful to the Minister of Shipping for his continued interest in Indian Shipping and for his helpful advice from time to time. The Officers of the Ministry of Shipping, the Director-General and his Deputies and Assistants in particular, have helped Indian companies and their advice has benefited the mnagement of these companies. We look to their sympathetic guidance in days of difficulty. I am certain that being in charge of the welfare of Indian Shipping, they will, while having regard to the foreign exchange position, also have equal concern about earnings and requirements of Indian Shipping.

Tribute

It is no conventional language that I shall be using when I offer my hearty thanks on behalf of the Board and myself to the Officers and Staff both afloat and ashore, for the devoted services they have rendered during the year.

I should also like to express my thanks to the Shippers, Brokers and Forwarding Agents, for their firm support to us and for the confidence they have reposed in us and in the quality of our shipping service.

N.B.: This does not purport to be a report of the proceedings of the General Meeting.



POYSHA INDUSTRIAL CO., LTD.

CHAIRMAN, MR. M. R. RUIA'S SPEECH

The following is the text of the Speech delivered by Mr. M. R. Ruia, Chairman, at the 6th Annual General Meeting of the Company, held in Bombay on Monday the 30th September 1963.

Our Bombay factory is small and congested, and we are making do with the single automatic bodymaker and printing unit. These in-built difficulties have been a continuing handicap throughout the year, and our general performance at the end of the year must be regarded as satisfactory in the light of this handicap. When the new factory is built at Dighe near Thana and additional equipment is installed, production is bound to increase rapidly, and this should be reflected in the turnover and profits in the coming years.

We have had to contend with a certain amount of difficulty regarding our main raw material. Inadequate import of tinplate for the manufacture of open top sanitary cans was a feature almost throughout the year, with the result that we had to manufacture cans not according to the requirements of canners, but according to the availability of the varieties of tinplate. Our sales of open top sanitary cans naturally suffered because of our failure to make continuous supplies of the right sizes of cans to the canners.

Indigenous Tinplate

In the matter of indigenous tinplate, too, there were difficulties due to excessive variation in the thickness of the tinplate. This not only prevented us from using the tinplate on our automatic machine, but reduced the rate of production on the semi-automatic lines also. Irregularity in supplies was another feature throughout the last year.

We have brought our difficulties to the notice of the Hindustan Steel Limited (Rourkela) and hope that with their co-operation most of these difficulties will be greatly minimised, if they do not altogether disappear, in the coming year.

During the greater part of last year, the supply of aluminium tagger, from the only manufacturer, Messrs. India Foils Limited, was quite inadequate. They had their own difficulties regarding raw material.

A new development in the year under review has been the receipt of orders for supply of cylinders of various types, etc., from the Government. We have already made supplies against certain substantial initial orders, which have met with approval, and are expecting further orders in the near future. This promise to be quite a significant line of manufacture in the coming years, and special tooling and machinery are being contemplated for this purpose. Our suggestions for the modification of some of the specifications, which would have the effect of greatly cheapening the cost of the products without reducing their technical adequacy in any respect, are being received with sympathy by the authorities concerned. I shall have more to say on this new development in the next annual report.

We have also contributed our humble share to the vital export drive now in progress. About Rs. 16 lakhs worth of goods were exported in our contaniers in 1962-63, of which a little over Rs. 10 lakhs were in sanitary cans. Sixty per cent of these sanitary cans consisted of 5½ Oz. juice cans, of which we are the sole manufacturers, the balance relating to general line cans, mostly containers of paints.

Raising Exports

With a little assistance from the Government, a really large export trade can be developed in these 5½ Oz. juice cans. There is a very ready market in the Middle East countries, which are at the moment being dominated by Cuba, Mexico and Egypt. Unless we are able to sell in this export market at prices not exceeding those at which these countries are selling their products, we cannot make any headway in this export. The canners of fruit juice have expressed certain difficulties regarding the high cost of production, due to circumstances beyond their control, and they are likely to make a representation in this respect to the Government. We have also made an independent approach to the Government, pointing out, among other things, the need for the restoration of the subsidy in tinplate which has recently been abolished.

Our total Sales last year amounted in value to about Rs. 0.94 crore, as against the last year's figure of Rs. 0.76 crore.

Other things being equal, the results for 1963-64 should show a substantial increase in turnover and value.

Note: This does not purport to be the proceedings of the Annual General Meeting.



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INDUSTRIAL FINANCE CORPORATION OF INDIA

CHAIRMAN, MR. K. P. MATHRANI'S ADDRESS

The following speech delivered by Mr. K. P. Mathrani, I.C.S., Chairman, Industrial Finance Corporation of India, at the Fifteenth Annual General Meeting of the Corporation held on the 30th September, 1963.

Gentlemen,

I have great pleasure in welcoming you to this Annual General Meeting of the shareholders of the Corporation and placing before you the Fifteenth Annual Report of the Board of Directors and the Accounts of the Corporation for the year ended the 30th June 1963. Printed copies of the Report have been circulated to the shareholders and I shall, with your permission, take the Report as read.

With the close of the year, the Corporation completed the fifteenth year of its service to Indian industry. As the shareholders are aware, the Corporation was established on the 1st July 1948, i.e. during the very first year of our Independence. The activities of the Corporation, therefore, reflect, to some extent, the results of the efforts since Independence to establish a sound industrial base for developing the economy of the country, particularly in the private sector. Starting from a modest beginning, the activities of the Corporation have progressively increased both in scope and in magnitude. Apart from rupee loans, which still constitute the major part of its operations, the Corporation now sanctions loans in foreign currencies, gives guarantees in respect of deferred payments and foreign loans and has, in addition, during the last few years, ventured forth into promotional activities, such as underwriting of public issues in the form of equity and preference shares and debentures and also direct subscription to such issues. The Corporation has thus gradually been assuming the role and functions of a development bank and not merely a lending institution.

Complete Picture

In order to project these widening activities of the Corporation, the form of presentation of the Annual Report has been suitably altered to give a complete picture of the total financial assistance approved and disbursed by the Corporation instead of confining the statistics only to the loans sanctioned, as has been the practice in the past. The appendices, therefore, contain combined statistics of all forms of assistance. Another notable feature of this year's Report is that statistics in the appendices to the Report have been prepared on the basis of net sanctions, i.e. exclusive of the figures relating to the facilities approved by the Corporation which were subsequently not availed of by the applicant concerns or were cancelled or withdrawn by the Corporation for various reasons.

During the 15 years of its existence, the Corporation has sanctioned gross financial asistance of the order of Rs. 202.7 crores. The net amount of the financial facilities approved during this period, after accounting for cancellations and withdrawals aggregating Rs. 38.37 crores, totalled Rs. 164.33 crores, made up of rupee loans of Rs. 118.39 crores, foreign currency loans of Rs. 9.29 crores, underwritings and direct subscriptions of Rs. 9.48 crores and guarantees to the extent of Rs. 27.17 crores. As against the facilities sanctioned, assistance of the order of Rs. 102.57 crores had been disbursed or made available till the 30th June 1963 and the assistance outstanding on that date, after accounting for repayments, aggregated Rs. 78.92 crores.

While the figures of total assistance rendered by the Corporation are impressive enough, they do not tell the whole tale. Even more noteworthy is the total cost of the projects which have come to fruition because of I.F.C. assistance; this is estimated at Rs. 433 crores i.e. roughly 30% of the total net investment in the organised industries in the private sector since Independence. Viewed in this light, I.F.C. may be said to have played not an insignificant part in developing the industrial economy of the country in the private sector. With the contribution it has already made, the experience it has gained and the reserves it has built up, the Corporation now stands poised to assume larger and more positive responsibilities envisaged by the Finance Minister in his statement in the Parliament on the 6th September 1963.

Satisfactory Year

Turning to the year under review, it has been a particularly satisfactory one in every respect—from the point of view of the variety and magnitude of the assistance sanctioned and disbursed, the working results, the areas and regions assisted and the clientele served and the nature of industries financed. During the year the Corporation sanctioned financial facilities of the order of Rs. 40.14 crores made up of loans aggregating Rs. 22.61 crores, underwritings and direct subscriptions amounting to Rs. 5.19 crores and guarantees of deferred payments and foreign loans totalling Rs. 12.34 crores. The assistance disbursed or made available during the year was of the order of Rs. 22.43 crores, out of which the cash out-goings amounted to Rs. 18.1 crores. The figures of both the sanctions and disbursements are the highest in any one year since the inception of the Corporation, being almost twice the corresponding figures of the previous year.

Our gross Income for the year was Rs. 394.72 lacs which shows an increase of Rs. 90.54 lacs i.e. almost 30% over the previous year's figure. The gross profit of Rs. 167.26 lakhs for the year, subject to provision for taxation, is higher than that of the previous year by about Rs. 37 lacs. After providing a sum of Rs. 84.95 lakhs towards taxation, including Rs. 5.76 lakhs towards super-tax for the years ended the 30th June 1962 and the 30th June 1963, the net profit for the year comes to Rs. 82.67 lacs. These results could be regarded as satisfactory and satisfying.

Out of the current year's profits a sum of Rs. 30 lakhs has been transferred to the General Reserve Fund which now stands at Rs. 166.08 lakhs. In addition Rs. 17.60 lakhs have been appropriated to the Special Reserve Fund under Section 36(1) (viii) of the Income-tax Act, 1961. We have further transferred a sum of Rs. 15.82 lakhs to the Special Reserve Fund under Super Profits Tax Act, 1963. With these appropriations, the reserves now total Rs. 3 crores as against the paid-up capital of Rs. 7 crores.

The Corporation did not have to make any further provisions towards the reserve for bad and doubtful debts, the balance in which now stands at Rs. 14.47 lakhs. The existing provision relates largely to three very old accounts, action in regard to which is in progress. It is hoped that the bulk of these will be cleared or regularised during the course of the current year. Apart from these, our borrowers have, with rare exceptions, been prompt and punctual in the payment of our dues. Some of the old arrears of principal have been cleared and the percentage of defaults in the repayment of the instalments of principal has come down further from 1.24% to 0.87%. It is a matter of some satisfaction that one of the concerns which was in arrears for some time past has now been leased out to enable liquidation of the account in an orderly manner.

I am glad to inform you that as envisaged in my last year's Speech, the balance of Rs. 18 lakhs in respect of the subvention availed of by the Corporation from Government for paying the minimum guaranteed dividend was repaid during the year and thus the statutory liability in this regard stands completely discharged. A provision of Rs. 19.25 lakhs has been made in this year's accounts towards the payment of guaranteed dividend at 2½% per annum in respect of the original issue of share capital of Rs. 5 crores and 4% per annum in respect of the additional issue of Rs. 2 crores made in March 1962. I am conscious of the fact that the present position in regard to the dividend in respect of the first issue is somewhat anomalous and I hope that a satisfactory solution of this problem will be found when amendments are made to the I.F.C. Act.

Promotional Activities

As I have mentioned earlier, the promotional nature of I.F.C.'s activities has been progressively increasing in the last few years. During the year under review, we approved 18 proposals for under writing of an aggregate amount of Rs. 3.37 crores—Rs. 1.52 crores in respect of equity shares, Rs. 17 lakhs for preference shares and Rs. 1.68 crores in regard to debentures. In a number of cases, the Corporation has sanctioned underwriting facilities in conjunction with loans as also other facilities for substantial amounts. A notable underwriting undertaken by us during the year was in respect of the 6½% debenture stock 1968-77 of the Oil India Ltd., where we acted jointly with a consortium consisting of the Life Insurance Corporation of India, the State Bank of India and its subsidiaries, the Industrial credit and Investment Corporation of India Ltd., and certain leading commercial banks, insurance companies and share brokers. The Corporation underwrote the stock to the extent of Rs. 1.68 crores and in addition subscribed directly to the extent of Rs. 1.82 crores.

As you are, no doubt, aware, the Corporation did not enter underwriting business till December 1956 after it had acquired adequate experience of other activities and had also built up some reserves. Since then, we have progressively increased our operations in this field and have uptodate given net sanctions in 42 cases to the extent of Rs. 7.66 crores. During this period 28 issues involving a commitment on our part of Rs. 6.25 crores were actually placed on the market and shares and debentures worth Rs. 4.51 crores devolved on the Corporation as a result of these operations. The proportion of the shares and debentures which have devolved on the Corporation as a result of its underwriting commitments is no doubt, quite large, but, as you will appreciate, this is due mainly, to the condition of the capital market. The projects assisted by us are however basically sound and viable and we have every reason to hope that after they have gone into production they will give us adequate return.

The depressed state of the market, particularly during the last few months, is obviously, a matter of concern to us and as you will have seen from the press reports, this question has been a subject of consultation between the Central Government, the Reserve Bank of India and the institutions concerned. It is our feeling that this is a temporary phase which need not hold up the industrial development of the country. We propose to continue to play our part in the fulfilment of the Plan targets in respect of industrial development in collaboration with other sister institutions. We shall, naturally, review our policy in this regard from time to time in the light of the conditions that may develop.

Sub-loans in Foreign currencies

Whereas the bulk of our lending operations continue to be in rupees, the number of sub-loans in foreign currencies has been on the increase. Upto the 30th June 1963, the Corporation had approved sub-loans in foreign currencies for a net amount equivalent to Rs. 9.29 crores. Out of the two loans of 30 million dollars sanctioned to the Corporation by the Agency for International Development (AID) of the United States of America, the Corporation had committed itself to a sum of $14.85 million (Rs. 7.07 crores). We have a number of pending applications as also enquiries with us and we therefore propose approaching the AID through Government for a further allocation. We are also committed to a sum of DM 12.25 million (Rs. 1.5 crores) out of the two DM lines of credit aggregating DM 40 million. The demands made on us for sub-loans from the West German credits are particularly numerous and we hope that these credits will be further supplemented in the near future.

During the year under review the Corporation was also sanctioned a line of credit from the Banque Francaise du Commerce Exterieur, Paris (commonly known as BFCE) to the extent of 50 million Francs for financing the import of capital goods mainly from France and the relative protocol was signed in October 1962. A sum of 6.67 million Francs out of this credit has already been committed. A beginning in the sanction of sub-loans in Japanese Yen equivalent to U.S. $0.25 million out of the amount allocated to us by the Central Government last year has also been made during the year.

With the above additions in foreign currency resources, the Corporation hopes to meet the foreign exchange requirements of its borrowers on a larger scale. However, in view of the fact that except for the West German credit, other credits are tied to purchases in the respective countries, the gap in our resources of a substantial line of credit in convertible currencies remains to be bridged. I hope that with the good offices of the Central Government this vital need of the Corporation will be met in the larger interests of the Indian Industry.

Apart from the quantum of assistance rendered by the Corporation during the year, its distribution is of some importance. For some years past, sugar industry has been the largest single recipient of our assistance. During the last year, however, the position has changed and non-ferrous metals industry—principally aluminium—was sanctioned the largest quantum of assistance, namely 16.8% followed by textiles (15.2%), sugar (15.1%) and basic chemicals (10.9%). While considering requests for assistance we have shown particular sympathy to projects enjoying high priority which will help to fill the vital gaps in the industrial economy of the country. Accordingly, we agreed to assist a small project for the manufacture of glass-lined equipment for use in chemical industry, a scheme for the manufacture of tyre bead wires, a

project for the manufacture of malleable iron pipes and fittings, a unit for the manufacture of gelatine, a scheme for the manufacture of injection moulding machines and moulds and an alloy steel project of the cpacity of 25,000 tons per year. In most of these cases, the parties have been able to secure dependable foreign collaboration and know-how.

The distribution of our assistance according to States has also shown a departure from the pattern obtaining in the previous years. While in the past Maharashtra led the list of our beneficiaries, during the current year that distinction goes to Madras State which was sanctioned 29.4% of the total assistance followed by Maharashtra, Assam and Mysore. Uttar Pradesh, Orissa and Punjab have also claimed a sizeable proportion of our sanctions during the year. Thus, in consonance with the Government directive, a larger proportion of our assistance is being availed of by the less developed parts of the country.

Aid to Industrial Co-operatives

As in the past, the Corporation has paid particular attention to industrial co-operatives. The net financial assistance approved by the Corporation upto the 30th June 1963 to this sector of industrial economy amounted to Rs. 36.86 crores representing about 22% of the total sanctions by the Corporation. This assistance has been sanctioned to fifty sugar factories, three spinning mills and one unit engaged in the extraction of vegetable oil. These co-operatives, I am glad to say, have been meeting their obligations to the Corporation in time.

An interesting feature of the operations of the Corporation during the recent years has been the progressively smaller number of requests which have been finally turned down. During the year under review apart from one request for underwriting, no application was finally rejected by the Corporation. Credit for this goes partly to the entrepreneurs who have been bestowing greater care to the preparation of their projects and have been furnishing the information and data required by the Corporation for processing the requests. But this also reflects the constructive approach of the Corporation in considering these requests. Very few of the applications received by us are complete in all details and much work on them is necessary before they are considered acceptable. During the course of our examination it has been our aim to help the prospective entrepreneurs suitably to modify their schemes, where necessary, so as to make them financially and technically viable. This has been facilitated by the setting up of a technical organisation within the Corporation and by our utilising the services of the Technological Consultancy Bureau of the National Industrial Development Corporation Ltd. The parties are thus assured of sound financial and technical advice and are in a position to revamp their schemes to the mutual advantage of themselves and the Corporation. This may sometimes give rise to complaints of delays. We have, however, found that the time spent in careful examination at that stage leads to more expeditious completion of the projects and their successful operation in the long run.

At the last Annual General Meeting I informed the shareholders that the Corporation had entered the market for the issue of bonds for Rs. 6 crores at 4½% p. a. at an issue price of Rs. 99.50. The issue was fully subscribed. I take this opportunity of thanking the shareholders and other investors for their support in making the issue a success. The Corporation has also, since the 1st January 1963, taken over the management of the bonds which hitherto was entrusted to the Reserve Bank of India.

Total Disbursements

It might be of interest to you to know that the total amount of disbursements so far in cash in respect of loans sanctioned and shares and debentures subscribed to or taken up by the Corporation as a part of its underwriting commitments aggregated Rs. 87.79 crores. These have been financed to the extent of Rs. 22.62 crores out of the repayments of loans to the Corporation, Rs. 24.75 crores from borrowings from the Central Government, Rs. 28.24 crores from borrowings from the market by issue of bonds, Rs. 2.18 crores from the foreign credits and the balance of Rs. 10 crores from the paid-up capital and reserves. It will thus be seen that disbursements have been financed from the internal resources (including share capital) of the Corporation to the extent of about 37% and from borrowings from the market to the extent of 32%; the balance of about 31% coming from Government and foreign loans.

Until last year the Corporation used to levy a small premium for premature repayment of loans by the borrower concerns whether from the accumulated profits or from additional share capital or from other sources. This policy has been reconsidered and with a view to encouraging the borrowers to repay our loans from their internal resources, the levy of premium in such cases has been completely withdrawn. Further the payment of premium in respect of premature repayments made from other sources has also been suspended for a period of two years with effect from the 1st July 1963. The system of levy of commitment charges has also been rationalised. Until recently commitment charges were recovered for late execution of mortgage documents and for non-drawal of loan amount according to schedule. A deposit for ensuring the utilisation of the facility sanctioned was also required. These have been replaced by a single commitment charge levied at 1% on the amount of loan not availabled of, calculated from the date of acceptance of terms and conditions by the borrower concerns. The revised basis for the levy of commitment charge is in line with the practice followed by other long-term lending institutions.

We have continued to act in close collaboration with other sister institutions such as the Life Insurance Corporation of India, the Industrial Credit and Investment Corporation of India Ltd. and the State Bank of India and have financed some of the bigger projects in partnership with them. In respect of one project, we have worked jointly with the International Finance Corporation, Washington and the Industrial Credit and Investment Corporation of India Ltd. to assist in the setting up of an alloy steel plant. Our association with commercial banks has also become closer. Such joint collaboration with other institutions and banks helps not only in bringing to fruition large projects which are essential for the econmy of the country, but also in the exchange of ideas and the sharing of risks. I am grateful to these institutions and banks for the co-operation and consideration they are showing to us at every stage.

Cordial Relations

Our relations with various Chambers of Commerce and our borrower concerns continue to be cordial. We deeply appreciate the constructive suggestions that they have made from time to time for improving our service to our beneficiaries.

Our practice of appointing non-officials on the Boards of our borrower concerns has proved fruitful and we have benefited much from their advice and assistance. I take this opportunity to thank them on behalf of the Board of Directors for the keen interest they have taken in their work. I should also like to convey our thanks to the members of our Advisory Committees for the able and objective assistance they have given to the Corporation.

Our appreciation and thanks are due to the United States of America Agency for International Development with whom our relations have been very cordial. We are also grateful to Kreditanstalt Fur Wiederaufbau and to the Banque Francaise du Commerce Exterieur for the consideration they have shown us.

Before concluding I should like to express my sincere thanks to my colleagues on the Board for their valuable co-operation and wise counsels. In particular, I should like to make a reference to Shri S. P. Virmani and Shri K. S. Sundara Rajan, who ceased to be Directors of the Board and to Shri M. Ct. Muthiah, Shri V. P. Varde and Shri C. C. Desai who are retiring this year. Their sound advice and active participation in the affairs of the Corporation has been of great value. Lastly, I record with pleasure the appreciation and thanks of the Board of Directors as well my own to the General Manager and the entire staff of the Corporation for the loyal and devoted work on their part during the year.

Note: This does not purport to be a report of the proceedings of the General Meeting.

1863 1963

100 Years of Banking in India

NATIONAL AND GRINDLAYS BANK LIMITED

(Amalgamating National Bank of India Ltd., Grindlays Bank Ltd., and the Eastern Branches of Lloyds Bank Ltd.)

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

Bankers to the Government in Aden, Kenya, Uganda and Zanzibar.

Authorised Capital	...	**£ 9,000,000**
Issued and Paid-up Capital	...	**£ 5,703,000**
Reserve Fund ...	...	**£ 5,250,000**

Head Office : 26, BISHOPSGATE, LONDON, E.C.2.

London Branches :

54, Parliament Street, S.W.1.
13, St. James's Square, S.W.1.

BRANCHES throughout Aden, Ceylon, India, Kenya, Northern and Southern Rhodesia, Pakistan, Somalia, Tanganyika, Uganda, Zanzibar.

The Bank conducts all classes of Banking and Exchange Business throughout the world.

Calcutta Branches :

19, Netaji Subhas Road ; 29, Netaji Subhas Road, (Lloyds Branch) ; 31, Chowringhee Road ; 41, Chowringhee Road, (Lloyds Branch) ; 6, Church Lane ; 17, Brabourne Road ; 18, Convent Road, Entally ; 17-SD, Block A, Nalini Ranjan Avenue, New Alipore ; 163, Rash Behary Avenue.

NGB/46C

INDIAN OIL COMPANY LIMITED

CHAIRMAN, MR. P. A. GOPALKRISHNAN, ICS, REVIEWS ACTIVITIES

Addressing the fourth Annual General Meeting held at the Registered Office in Bombay on September 25, 1963, Mr. Gopalkrishnan said :

The Balance Sheet and Profit and Loss Statement are in front of you for your ratification. You will see that the Indian Oil Company has made a profit of Rs. 59.61 lakhs after making provision for payment of tax in 1962-63 over an equity capital of Rs. 322.25 lakhs. This gives a net return of 18.5% and a net profit per kilolitre of Rs. 9.3. With this amount of Rs. 59.61 lakhs, it is proposed to wipe off accumulated losses of Rs. 16.85 lakhs, make provision for development reserve of Rs. 43.44 lakhs and carry forward a small balance. The net profit would have been over Rs. 90 lakhs if we had received agreement to receive the following amounts from Government or other parties :

(i) Rs. 10 lakhs and odd which was realised by Government as C & F duty which was really not due.

(ii) Rs. 14 lakhs and odd from Government on account of abnormal bridging expenses, emergency risks insurance, demurrage, etc.

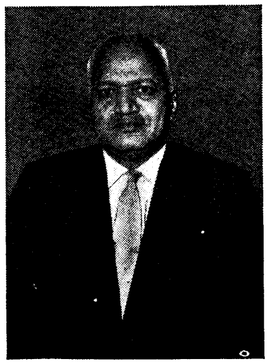
(iii) Rs. 3 lakhs and odd from Government on account of unrecovered freight in Nunmati Supply Area.

(iv) Rs. 4 lakhs and odd from other oil companies on account of Central Sales Tax which the IOC has paid on behalf of other companies.

The Indian Oil Company is pursuing these cases. Besides, the Company has paid Rs. 10.79 crores as Customs Duty, Rs. 6.67 crores as Excise Duty and Rs. 1.04 crores as Sales Tax, making a total of Rs. 18.50 crores (Rs. 4.24 crores received from other oil companies). The total amount by way of these three duties paid by the Indian Oil Company from its very inception is Rs. 22.39 crores.

Sales Trebled

The quantity of product sold in 1961-62 was 322 kilolitres per person employed at the end of March 1962. The quantity of product sold in 1962-63



Mr. P. A. Gopalkrishnan

was 482 kilolitres per person employed at the end of March 1963.

Sales have almost trebled in 1962-63 compared with the previous year. They amounted to 629,639 kilolitres, plus 16,764 kilogrammes of greases and 11,498 metric tons of Petroleum Coke as compared to 211,033 kilolitres (plus nil kilogrammes of greases and nil metric tons of Petroleum Coke) in 1961-62. Starting with two oil products, the Indian Oil Company now sells fourteen products viz., High Speed Diesel, Superior Kerosene, Inferior Kerosene, Aviation Turbine Fuel, Furnace Oil, Tea Drier Oil, Light Diesel Oil, Transformer Oil, Axle Oil, Lubricants of different sorts, Iomex, Motor Spirit, Greases and Petroleum Coke.

Technical advice is now available for giving advice to industrialists and others in the use of proper lube oils and fuel oils. A full-fledged lubrication department has been set up with officers in all branches for the purpose.

Blending Plants

Under a series of agreements with Mobil Petroleum the IOC have become the sole distributors in India for Mobil Premium grade lubricants and two blending plants are being set up by the Indian Oil Blending Limited of which the Chairman of the IOC is the Chairman and the IOC and Mobil hold equal shares. The Blending Plants are expected to go into production in 1964 thus leading to saving in foreign exchange. The IOC has already saved Rs. 7.78 crores in foreign exchange in 1962-63 as against Rs. 4.57 crores in 1961-62 by making rupee payments for the oil products from communist countries and avoiding payment in foreign currency.

Storages

The storage space of the IOC at port and main installations has increased nearly two and a half times during the year under review. The company has also established a large number of inland depots and retail outlets to promote its sales and service to the consumer.

The times are difficult. While the Government is ready to collect Customs Duty and Excise Duty as the products are withdrawn for despatch, they are not prompt in paying the bills. Various rules come into play such as Supply Orders, Inspection Notes and Consignees' Receipts. In result the amount outstanding at the end of August 1963 is over Rs. 8 crores. Out of this over Rs. 4 crores is outstanding on account of DGS & D bills alone and about Rs. 4 crores with the State Government and other State Undertakings. Since the Indian Oil Company caters to the needs of almost all Government Departments and State Undertakings, the burden on the Company is terrific. It has to carry big over-drafts and Rs. 2 lakhs per month becomes the interest charged alone. On the one side there is a ceilng price fixed by Damle Committee on certain assumptions and on the other there are terrific outstanding bills owing to Government Rules and Regulations. The burden on the Company is very much and working capital requirements have gone up. So in the current year, the rate of profit on the equity capital is likely to go down, particularly because of the increase in duty on all kinds of products.

Operational Cost

The next important item is the operational cost per kilolitre of product sold. Excluding sales to Hindustan Organizers, which are made from tankers direct, the operation cost in 1960-61 was Rs. 35.16 per kilolitre. In 1961-62, it was Rs. 31.68 per kilolitre. In 1962-63, it was Rs. 30.16 per kilolitre. It would have been Rs. 25.82 per kilolitre if certain abnormal expenses pertaining to previous years had not been met in 1962-63 and if the expenses had not increased as a result of the emergency and other causes.

Almost all the oil products sold by Indian Oil Company as well as by other companies are used both in the rural areas and urban areas. The tax paid to the Government comes from the pockets of the entire population. Many middle men get profits out of the business. So do the oil companies which employ quite a number of persons. Therefore the oil industry is very important to the people as well as the Government.

World Refining Capacity

The oil industry is about a hundred years old and many international giants have risen, particularly in the United States. In 1950, North America had about two thirds of the world's refining capacity. Now it is less than half. Refining capacity is increasing in consuming countries, the sources of supply supplying only crude oil and there is a frantic and systematic search for crude in almost all countries. The world's refining capacity is very nearly 1,200 million tons. Russia exports 40 million tons of oil and oil products per year. So you can imagine the size of the international oil industry. Compared to it, the Indian Oil Industry is very small and the business of the Indian Oil Company is much smaller. Barauni Refinery is expected to go on stream in March or April 1964 and Koyali and Cochin Refineries are expected to go into production by March 1965 and June 1966 respectively. The ultimate capacity of the four Public Sector Refineries is 9.75 million tons and when the Indian Oil Company begins to distribute the production of these refineries it is bound to become one of the oil giants in the country.

Finally, I wish to point out that this young Indian Oil Company has started off well and has made a profit for the first time in 1962-63, which is creditable. I thank you for your co-operation and advice and thank all those officers and staff in the Company, who have worked hard to make the year successful.

N.B: This does not purport to be a record of the proceedings of the Annual General Meeting.

MALAYALAM PLANTATIONS LIMITED

ISSUED CAPITAL £2,718,032

IN 2s. SHARES

DIRECTORS :
JOHN SANDS, C.A. *(Chairman)*,
J. A. CLUBB, M.M., M.S.M., F. W. HARPER, F.C.A.,
SIR CHARLES MILES, O.B.E.

Secretaries and Agents : HARRISONS & CROSFIELD, LIMITED.

Summary of the directors' report and circulated statement of the Chairman for year ended 31st March, 1963.

TOTAL ASSETS : £6,467,560 NET CURRENT ASSETS : £779,994

CROPS & PRICES.—Crops and net average prices realised were :—

	Planted Acreage	Crops 1962-63 lb.	Crops 1961-62 lb.	Net Average Prices 1962-63 per lb.	Net Average Prices 1961-62 per lb.
Tea ...	20,713	24,161,314	20,095,370	30.83d	31.79d
Rubber ..	19,869	10,724,056	10,050,110	25.77d	25.78d

PROFIT AND DIVIDEND.—The profit before tax was £1,322,428 compared with £984,918 for 1961/62 and, after tax, £513,817 compared with £333,398. A final dividend of 15 per cent. (making a total of 20 per cent. for the year) is recommended.

CURRENT FINANCIAL YEAR.—The level of tea crops has been well maintained, and to the end of August was 927,484 lb. over the same period last year. However, the rubber crop at the same date shows a decrease of 345,113 lb, mainly due to a reduction in the area in tapping.

The Forty-second Annual General Meeting will be held at 11 a.m. on Wednesday 23rd October, 1963, in The Queen's Room, The Baltic Exchange, St. Mary Axe, London, E.C.3.

TRAVELLING ?

THE LONDON & LANCASHIRE INSURANCE Co Ltd

THE LIABILITY OF MEMBERS OF THE COMPANY IS LIMITED.

(INCORPORATED IN ENGLAND)

INSURE YOURSELF AND YOUR LUGGAGE

Calcutta Office:
5 & 7, Netaji Subhas Road,
Calcutta-1
Post Box No. 245.

THE IMPERIAL TOBACCO COMPANY OF INDIA LIMITED

CHAIRMAN, MR. F. A. COLLETT'S REVIEW

The following speech delivered by the Chairman, Mr. F. A. Collett, at the Fifty-second Annual General Meeting of the Company held on 26th September, 1963.

The year under review saw the beginning of the National Emergency with its manifold impact on all aspects of national life. The burden on industry generally of the consequential financial measures introduced in March has been great, but the tobacco industry is affected more heavily than most. In our case there was not only additional income taxation, which involved a further charge of Rs. 20 lakhs after the year's trading had been completed, but also the substantial rise in the level of Excise. This rise affects our business in several ways. Not only do the inevitable increases in selling prices restrict consumption and make the maintenance of adequate profit margins more difficult but the Company's working capital requirements are also increased because of the large amounts of excise and duty included in the stocks of manufactured goods.

I concluded my Speech to you last year with the words "I am confident that taking all foreseeable factors into account we shall be able to maintain our present rate of dividend during the current year after making adequate appropriations to reserves". Obviously we could not foresee the present National Emergency. The trading profits of your Company for the year fully justified my confidence, but the impact of the national financial measures on your Company, and in particular the increased working capital requirements, have obliged your Board with regret to recommend a reduction of the final dividend to 3%, making a total of 8% for the year as against 9% last year.

Additional Working Capital

The need for additional working capital is emphasised by the Company's cash position. Until very recently your Company has been in the position of being able to finance its business without resort to borrowing, but you will see from the Accounts that at 31st March last the Company was dependent on bank finance, albeit for a comparatively small amount.

Whilst the deterioration in the Company's liquidity is in part due to the purchase of our requirements of flue cured leaf tobacco at an earlier date than usual, the most important factor is the very much larger amount tied up in Excise on stocks on hand, due not so much to larger physical stocks as to the higher rate of excise applicable to those stocks as a result of the further increased rates announced in this year's Budget.

As this factor is so important, I think perhaps it would be appropriate if I deal with it in more detail.

Tobacco Excise Duty, with its attendant Special and Additional Excise Duties, is payable at the time that the leaf tobacco is taken into use in the factory, while the much heavier Cigarette Excise Duty (with its attendant Special and Additional Excise Duties) is payable when the finished cigarettes leave the factory.

These cigarettes are then despatched throughout the length and breadth of the country to the many distribution points which we maintain in order to give the ultimate consumer the sales service that he rightly expects. As cigarettes are, particularly during the monsoon, a perishable commodity, it is very much in our interests, and that of the consumer, that the period between the manufacture of the cigarettes and their consumption is reduced to a minimum.

Our Marketing and Traffic departments are constantly and persistently trying to reduce this transit period, and have indeed met with a deal of success. Nevertheless, despite our best endeavours, and with despatches from five factories in different parts of the country, we have not been able to reduce it below an average of three to four weeks, and we are not therefore reimbursed for our outlay on Excise during this time.

Increases in Excise Duty

With successive increases in the rates of Excise this outlay has been steadily mounting : and the 1963 Budget increased it by as much as Rs. 67 lakhs on approximately the same volume of cigarettes, with the result that we now have perforce some Rs. 2 crores of unremunerative capital permanently tied up at any one time in Excise.

I think that it is generally accepted that Excise is intended to be a tax on the consumer, and not on the manufacturer who is taxed by Corporation Tax and Super Profits Tax, not to mention the Excise element in the price paid for raw materials. It is not therefore reasonable to ask the shareholders for new capital to finance this outlay as there is no return on it at all. We have so far been fortunate in that our Bankers have been able to grant us overdraft facilities to enable us to carry this burden.

However, as is well known, in this stage of the country's development Bank funds are not unlimited, and are required for the finance of new development to broaden the base of the economy. We are therefore making representations to Government to allow the industry some credit on their excise payments as is done in many countries, in order that these funds may be put to a more useful purpose than at present, and can only hope for a successful outcome.

The cigarette trade is one of the largest producers of Excise revenue in the country, and consequently our policies are to a very large extent dominated by this impost. The effect of successive increases in excise rates over the last two years has been, and still is, far reaching, particularly as although Government revenue has continued to rise fairly steadily, the volume of business has not.

For the five years until the 1962 Budget there had been a steady increase in volume of some 10% per annum. As a result of that Budget the volume last year was virtually stagnant : and although it is more difficult than ever to forecast the effect of the 1963 Budget it seems highly likely that this year will see a regression in volume, though not in Government revenue, for the first time for several years. In fact, rising costs coupled with annual increases in Excise rates have forced our lowest prices up to a figure which many consumers can no longer afford to pay.

Two Alternatives

In these circumstances after this year's Budget, your Board was faced with two alternative courses : either to pass on the whole of the increased Excise rates to the consumer, thus accentuating the anticipated fall in volume of sales with the consequent laying off of labour in the factories, or, taking the long-term view that this is a temporary setback brought about as a by-product of the National Emergency, to absorb a large part of the Excise increase, thereby restricting price increases to the minimum, particularly in the lower price categories.

We have chosen the latter course because we considered it to be in the best long-term interests of the Company. This must inevitably result in considerably decreased profits for the current year.

In the developing stage of the country periodical increases in Excise rates are probably inevitable : but in the cigarette trade an Excise change means a complete overhaul of the entire business, particularly for a Company such as ours which sells cigarettes over the entire price range from Rs. 1/40 to 12 nP for ten. Thus when the increases come regularly every year it is extremely difficult to maintain a consistent long-term policy, and considerable fluctuations in profits seem inevitable.

In our opinion Tobacco and Cigarette Excise rates have for the time being at least reached the maximum that the consumer can afford to pay, and the trade needs a period of stability : further increases in Excise must clearly be reflected by equivalent increases in prices to consumers, which in present economic circumstances can only result in further decline in volume of sale.

I mentioned to you last year the progress that we were making towards increased productivity through training and this objective has assumed even greater importance under present-day conditions. If volume, and therefore profits, are to remain stagnant or diminish due to the tax burden, any further development must come from greater productivity and greater efficiency. For this reason an intensification of our training programmes is being undertaken and our administrative procedures are being closely re-examined.

Effective Training

The urgent need for effective training, both of our Managers and Labour, has been recognised now for several years and during the past year the momentum in both directions has been stepped up. Wherever possible the fullest advantage has been taken of training opportunities offered overseas for Managers at the senior as well as the intermediate levels, and in this connection two senior Managers have attended sessions at the Administrative Staff College, Henley-on-Thames, in the U.K., and seven of our intermediate Management completed courses at the Training Centre run by our Associates in the U.K. in the recent past. In addition a further seven men have completed other forms of technical training in the U.K. and Australia.

This has not only helped our key personnel to keep up to date with latest developments and techniques but has also assisted us in equipping a larger number of our Indian national staff to take over responsibilities previously held by foreigners in furtherance of the Indianization policy. At home six of our senior Managers were accommodated on courses at the Administrative Staff College at Hyderabad in the past year and two men attended fulltime Management Courses run by the Calcutta Management Association and Indian Institute of Personnel Management. Our own residential Training Centre in Calcutta is being utilized to the full in training Managers at all levels in general management techniques, as well as in imparting a greater awareness of the commercial aspect of their jobs as Managers. Altogether approximately 100 members of the Company's Management have completed courses at this Training Centre during the past twelve months.

The Executive Development Programme is also directed towards the particular objective of more intensive training of labour in which a large number of our Managers are now actively engaged. Our Labour Training programmes are being vigorously carried out in all the Company's branches with two objectives—first to increase the efficiency of operatives and secondly to improve the supervisory and leadership skills of the higher echelons of labour. By these means greater productivity is our aim, and the enthusiasm with which our Labour Training programmes have been received by the labour themselves has also helped to improve our Management's relationships with the work force.

I would like to close with a word about the future and little as I like to end my Speech on a depressing note, the very steep increases in Excise duties imposed by the 1963 Finance Act represent a substantially increased burden for your Company, and our trade has undoubtedly suffered severely. I can only forecast, therefore, that in the current year we must expect profits to show a marked decrease.

Note :—This does not purport to be a record of the proceedings of the Annual General Meeting.

THE BRITISH INDIA CORPORATION LTD., KANPUR

BRANCHES DIVISION :

Cawnpore Woollen Mills Branch — **Cooper Allen Branch**
New Egerton Woollen Mills Branch — **North West Tannery Branch**

London Office:
BEGG SUTHERLAND DIVISION :

Secretaries & Treasurers:

The Elgin Mills Co., Limited — **Cawnpore Sugar Works Ltd.**
Cawnpore Textiles Ltd. — **Champaran Sugar Co., Ltd.**
Brushware Limited — **Saran Engineering Co., Ltd.**

Secretaries for: Beta Picker & Co., Ltd.

Agents for: The Oriental Fire & General Insurance Co., Ltd.

ALUMINIUM CORPORATION OF INDIA LIMITED

MAGNIFICIENT WORKING RESULTS: RISE IN SALES 82% AND PROFITS 60%

EXPANSION PROJECT IN ADVANCED STAGE

25 YEARS NATIONAL SERVICE COMPLETED; SILVER JUBILEE BONUS SHARES DECLARED

NEED FOR THE INDUSTRY'S EXPANSION STRESSED

While presiding over the 25th Annual General Meeting of the Aluminium Corporation of India Limited held in Calcutta on the 30th September 1963, Mr. Lakshmipat Singhania said :

Gentlemen,

I have great pleasure in welcoming you to the 25th Annual General Meeting of the Corporation. The formation of the Corporation in October, 1937, was the first concrete step towards the establishment of this highly technical basic industry by pooling all resources available in the country as no foreign technical assistance worth the name was then available. The Corporation has developed the aluminium industry in India in its natural sequence of operations that is from Indian Bauxite Ore to Aluminium-Oxide to Aluminium Metal to finished products like sheets and circles, etc. By following this natural sequence the Corporation can claim that it has laid the foundation for this Industry and created trained technical personnel wealth in the various sections of the Industry. Therefore, the history of the development of the Corporation during the last 25 years can be rightly taken as the history of the establishment of this basic industry in India. Considering the enormous initial difficulties the Corporation had to face technically and financially the present attainment of the Corporation stands as an achievement of the Indian Capital, Indian Management, Indian Labour and Indian Technical Skill who have toiled over long years with faith, courage and single purposeness of objective.

Pioneers have only the glory of blazing a trail with a reward of privations. This is also true in the case of pioneers who while establishing any basic Industry like Aluminium have to face certain difficulties which the subsequent entrants into that Industry do not have to face. The patience and perseverance of the equity shareholders who had to wait for 19 years before they could get their first dividend is a typical example.

Having received nothing for the first nineteen years, for the remaining last eight years the Ordinary Shareholders have received a return of 9.11% on their original capital, thus maknig a total direct return till end of March 1963 of a bare 3.73% on the original capital, excluding the advantages of Right Shares and Bonus Shares. The highly capital intensive nature of this Industry will be borne out by the fact that an investment of approximately Rs. 10,000 is required for one ton metal production capacity per year that is about one-third in money value per year in Ratio of Capital Investment, and similarly from the employment point of view, a capital investment of Rs. 30,000 to Rs. 40,000 will be required per head of direct employment. For any Industrial investment of such magnitude a rate of return of 3.73% is most inadequate. The total earnings of the Corporation during the last 25 years have been distributed as under :—

31 % on Raw Materials and Stores,
30.8% for Employees.
10.2% to Government as taxes and duties,
12.7% for Fund ploughed back for the Industry itself.
5.9% on Dividend,
1.1% to Management.

It will thus be seen that the shareholders of such an Industry are not directly benefited to a great extent but the Industry becomes a national institution for creation and distribution of wealth for the national economy and it has to be viewed from that angle.

Silver Jubilee Bonus Shares

I am happy to state that in order to compensate the shareholders for their patience and restraint and in order to provide a SILVER JUBILEE gift, the Directors have decided to issue Bonus Shares to the existing holders of Ordinary Shares in the ratio of one Bonus Shares for every four Ordinary Shares held. Consents from the Controller of Capital Issues and the Industrial Finance Corporation of India have been received and the necessary preliminaries are being finalised and the shareholders will hear shortly about the date of allotment.

Here I must mention my appreciation of those Shareholders who have been holding the shares of the Corporation from the very inception. There have been ups and downs in the value of the share in the market. Your shares were quoted as low as Rs. 3/- at one time but with continued good performance of the Corporation the shares are again being quoted, for the last few years, in the range of Rs. 13 to Rs. 21. Those of the shareholders who happened to be able to buy the shares at the lowest price have benefited to the greatest extent but these shareholders who have been holding the shares from the very inception, are indeed to be praised. As the direct total return on the Ordinary Shares from the inception has not been more than 3.73%, I am sure this 25% Bonus will be a compensating effect. I may also mention that to-day the net break up value of the share of the Corporation works out to about Rs. 36/- per share and the market quotation of the share is not always the criterion for the actual worth of the shares in a Company.

Progress Maintained

The Directors' Report with the annual accounts for the year ended 31st March, 1963, which has already been circulated to you deals elaborately with the various aspects of your Corporation. I will satisfy myself by mentioning that we have been able to maintain our progress during the year. The sales have reached a new high being 82% higher and the gross profit accordingly has increased by over 60% than last year. But the Directors had to reduce the dividend on the Ordinary Shares with a view to conserve the liquid cash to meet the requirements of expansion programme. I hope that this cut in dividend is only of a transitional nature. In view of the expansion and increased production, there is every reason to believe that the shareholders will be benefited to a greater extent in the future. It might be mentioned that the cost of this expansion programme will be in the vicinity of about Rs. 5 crores and to finance this expansion the shareholders have been so far called upon to contribute only Rs. 31.25 lacs in the form of fresh capital. The rest of the cost of the project is being financed by way of loan and deferred payments and Company's available resources. This has been indeed a very big task. It can be well realised that no new Industry could pay a first dividend in the very first year of establishment. However, I am quite conscious of the importance of servicing the capital by providing a reasonable return to the shareholders and I can assure you that the interest of the shareholders is of as much primary importance to us as any other matter.

Expansion

I have pleasure in informing you that the expansion programme which has been undertaken by the Company has reached to the final stages. The new Smelter which is the most modern in the East has started functioning from June, 1962, and has in a very short time reached full production capacity of quality metal and today the production level is higher than what was planned. The extension of the Alumina Plant is likely to be in full operation by the end of this year. Trials have already started on the Extrusion Plant and we hope that the plant will be in full operation within month or two. Other plants of sales services of metal like ACSR Cable Plant and Foil Plant are expected to be in operation before the end of the financial year, i.e., 31st March, 1964. The full benefit of all these extensions and new products will only be available to the Company during the next financial year. At present I can only say that the Corporation is completing all these plants most economically and in the most modern manner. A good deal of the plants has been designed and fabricated in India and I have no hesitation in saying that probably we have spent the least amount of foreign exchange compared to any other plant of this nature in India.

Need for the Industry's Expansion

The World production of Aluminium metal during the year 1962 has increased by about 10% over the year 1961, the production for the two years being about 5½ million metric tonnes and about 5 million metric tonnes respectively. The slackennig trend of demand in the countries producing largest quantities which was evident two years back has now changed and the demand for Aluminium has increased all over the World. In fact the World consumption of primary metal for 1962 has shown a rise of 13% over 1961. This is the highest percentage in a single year recorded recently. Further it is reported that the stocks at the end of the year 1962 were substantially lower than the stocks at the end of 1961. This shows that the existing uses of this metal are increasing and yet new uses are also being introduced.

The year 1962 has been of great importance in our country also. The production of metal has jumped from 16,382 metric tonnes in Calendar year 1961 to 35,313 metric tonnes in 1962 because of new plants and extensions of the existing plants coming into operation. Adding to this about 35,000 metric tonnes of metal which were imported during the year (actual figures available only for 10 months) the total metal available for consumption in the country for the first time has reached a peak figure of 70,000 metric tonnes. This is indicative of the trend of consumption of metal in the country. However, the basic factor remains that though we are in the middle of Third Five Year Plan period yet we are importing nearly fifty percent of requirements of metal from abroad. According to the estimate of the Third Five Year Plan the production in 1966 should be 1,17,000 tons; but unfortunately certain Licences granted so far back as 1959-60 for the establishment of new plants have not been still utilised and these are blocking the passage for others who could produce more metal in the country. Thus there is going to be a back-log in production at the end of Third Five Year Plan. However, as stated by me on last year's same occasion the estimated consumption of the metal at the end of the Third Five Year Plan may be in the vicinity of 1,20,000 tons or even higher, if the industrial growth of the country is maintained at the present level. Again there is a possibility of consumption of Aluminium metal going further high especially in view of the non-availability of other Non-ferrous metals in the country. It is, therefore, essential that proper planning has to be done, especially as the rate of return on capital for this Industry is very low and capital requirements are very high. In my opinion for the proper development of this Industry a number of plants have to be established in the country and situated at different sites wherever power is available in sufficient quantities. It is not merely a matter of one or two particular sites in the country. As the most important raw material for the Aluminium Industry is power and as it is necessary that Electro-metallurgical industries are to be developed in the country, it is essential that power be made available from bulk generating stations at least to the extent of 10% of the total generating capacity, at suitable rates. Then only the industry will be able to make proper progress and in time attain a growth to compete with Aluminium producers in the World.

At present due to several factors there is a downward tendency of industrial growth and development which is very disturbing, for, the whole future of the country depends on this growth and if the economy will not grow faster than the population growth then the problems of unemployment, and lowering of standard of living will become more acute and the country as a whole will suffer It is hoped that the Government will soon take appropriate action to revise the industrial economic growth so that industries can be established and expanded. Certain measures adopted by the Government in the past including taxation have to be very seriously reviewed, before it is too late and the tempo of industrial development should not be allowed to come to halt.

Gentlemen, I have great pleasure in felicitating all the shareholders, workers, officers, Managing Agents and esteemed customers of the Corporation who have helped the Corporation in its growth to the present position.

Note : This does not purport to be the proceedings of the Annual General Meeting.

New Delhi

STUDY TEAM REPORTS ON TRADE PROSPECTS WITH E.C.M.

(FROM OUR NEW DELHI CORRESPONDENT)

THE Indian Council of World Affairs recently sent a team to the European Common Market countries to study the latest economic, political, and institutional developments in the E.C.M. It was asked to recommend the lines on which a further study of the impact of the European Common Market on India should be conducted. The leader of the team was Mr. G. L. Mehta and its members were Mr. H. M. Patel and Mrs. Dharma Kumar. The team met a large number of individuals and organisations connected with the E.E.C., the European Coal and Steel Community and the European Atomic Energy Commission, in addition to meeting officials in London and Washington. According to the study, the problem of India's trade with the E.E.C. has two aspects. In the short run, the possibilities of reducing tariff quotas, internal taxes, etcetera, have to be studied. In the long run, the changes in the economic structure, both of the E.E.C. and of India itself, may be more important in bringing about changes in the amount and pattern of trade. The team discussed both these aspects with the E.C.M. Commission and other interested parties; several useful points were made on individual commodities.

Textile Exports

Referring to textiles, the team says that in many countries, and particularly in Italy and West Germany, the need for specialising in the higher types and leaving the cheaper varieties to the under-developed countries is being widely recognised. "In West Germany, the Government is clearly prepared for a fall in the production of textile industries, although this will naturally have to be handled with care in order to avoid sudden unemployment, or losses to investors. While the supply of at least certain types of textiles in some countries of the Six may fall, the consumption will rise, particularly in the poorer countries of the E.E.C. where the demand for textiles still has not reached saturation point. For instance, the team was told that in Italy, the consumption of textiles is likely to rise at the rate of 5 percent a year.

"While these are hopeful factors, the continuation of restrictions on textiles and competition from other areas, particularly Japan, must also be borne in mind. Also, the pattern of consumption may alter in favour of the finer varieties. As the G.A.T.T. officials stressed, it is very important for India to work out exactly what types of textiles can be sold and what is the tolerable level of duty on each type. If the problem is broken up in this way, it would sound much more manageable than if the under-developed countries appear to menace the whole of the textile industry in Europe or to demand nil tariffs on all textiles.

"The demand for tea and coffee is also likely to rise as income increases. The West German Ministry of Agriculture felt that the demand for both these commodities is likely to rise in that country. But the very high internal duties on tea and coffee may keep the demand down. It is argued that tea in West Germany is used mainly by the well-to-do, and even if the duty is taken off, the consumption will not increase much. On the other hand, the revenue on tea is small since the total consumption is still small, and the duty could, therefore, be easily removed. But the Finance Ministry asserts that it cannot remove the duty on tea without also removing the duty on coffee, and the latter step is impossible for revenue reasons. The abolition of the duty on tea is also opposed by French coffee interests and German beer interests.

"Also, the distribution system involving importers, packers, wholesalers and retailers raises the prices unduly and prevents tea exports from rising. To some extent, the rationalisation of the system has been impeded by the differential duty on packaged tea; there is a duty of 23 percent in packaged tea, against 18 percent on unpackaged tea. (And even when the duty on unpackaged tea is suspended, a 5-percent duty will be levied on packaged tea).

Import Duties on Tea

"The big question for Indian tea exports now is how they will be affected if import duties are suspended both in the E.E.C. and in the United Kingdom, as is now proposed. The representatives of the Indian Tea Association fear that the mutual lowering of barriers will, on balance, be dangerous to India. Consumption in the U.K. cannot increase much more, and the removal of the Commonwealth preference may divert some trade to other suppliers, such as Argentina, or even China; last year non-Commonwealth tea accounted for 8 percent of the total intake, but this share will increase. And in the E.E.C., the consumption of tea may not rise unless the internal duties are reduced. On principle, however, the team cannot object to any measure which removes discrimination between under-developed countries.

"The growth of production of oilseeds in the associated overseas States is not likely to be large. In fact, an official of the E.C.M. Comission felt that some of these countries might even be persuaded to move from oilseeds to other crops, since the Commission was anxious that they should diversify their pattern of production. But the common agricultural policy on oils, which still has to be worked out, will undoubtedly discriminate in favour of producers in the Community and the associated overseas States. The Six have agreed to make allowances for the interests of developing States, but they want special studies to be made, so that tropical fats can be encouraged, rather than temperate fats. Another problem is the discrimination against processed oils in favour of oilseeds. A member of the Commission himself pointed out that since the duty on processed oils was 15 percent on the entire commodity, this amounted to a protection of 84 percent for the oil-crushing industry. This is clearly excessive, and India should press for the removal of this difference.

Prospects for Jute Textiles

"Jute textiles appear to be one of the very few commodities where India is highly competitive; I.J.M.A. representatives in London felt that Indian jute goods could compete successfully with the Common Market output even if the common external tariff of 18¾ percent were applied. Here it is the import quotas in the various countries which are important. At present, the E.E.C. imports around 16,000 tons to 17,000 tons of jute textiles a year. The French have proposed to the Commission that quotas for jute imports should be 8,000 tons a year for the Community as a whole. The team was informed that the proposal is unpopular with the other countries, but that nevertheless they are unlikely to dispute this point with the French.

"The Germans have rehabilitated their industry after the second World War but with old machinery, while the Belgians developed their industry because they have some raw jute in the Congo. Even so, India's exports could increase. Not only the representatives of the Indian Jute Mills Association but the G.A.T.T. officials too asserted that jute goods sales both in the U.K. and the Continent need not fall for the next ten years. In fact, sales could be raised somewhat if prices could be kept at a reasonable level. The monopolistic practices of jute associations, both in the U.K. and the Continent, not merely keep Indian goods out but reduce the total demand for jute in the long run, since the high prices encourage consumers to use substitutes. Incidentally, officials in the E.C.M. Commission pointed out that it was difficult to get Pakistan and India to agree on jute policy.

"Mineral ores form one of India's main exports to the E.E.C.; unfortunately, in the long term, the demand for some of these ores may not increase. The E.C.S.C. has invested $5 million in prospecting for ore in Africa, and the associated overseas States are likely to grow in importance as suppliers of ores to the E.E.C. since there are good deposits in Guinea and other countries which have not been opened up as yet. The High Authority also felt that the demand for manganese ore as a whole would go down for technical reasons.

"The G.A.T.T. representatives felt that there might be some possibilities for exports of crude steel by India. The country should, therefore, explore the possibilities of exporting crude steel to be finished in Europe.

"India should also study the possibility of increasing the export of goods required in development projects in the associated overseas States, since the rate of investment in these areas is to be increased significantly.

"During negotiations with Britain, the Community had agreed to suspend or reduce, temporarily at least, duties on some of India's main exports, such as heavy jute goods, coir mats, and East India kips; on tropical goods such as cashewnuts, spices, sandalwood and lemongrass oil; and on handloom products and certain sports goods. The Government of India has recently sent an *aide-mémoire* to the E.C.M. Commission asking that these concessions be reconsidered as soon as possible in order to revive India's flagging exports to the Community. The Commission is examining the memorandum and is expected to submit a detailed study to the Council. The premanent representatives will also examine the memorandum in general terms and then send it to a sub-committee. If the former agree to the memorandum, it will automatically be passed when it is put up to the Council. From the talks the team had with the permanent representatives of the Six in Brussels, it appeared that most Governments were favourable to the Indian memorandum in general.

Comprehensive Trade Pact

"As the team has seen, there may be some difficulties in obtaining a comprehensive trade agreement soon, since the Commission is otherwise preoccupied. And even if a satisfactory comprehensive trade agreement is secured, this is only a preliminary step in the struggle to increase export earnings. It is essential to increase the supply of most of India's export commodities and to improve India's sales efforts in the Community. The weakness of India's export promotion measures was pointed out time after time in the Community. The team was frequently asked if the lowering of trade barriers will really make a significant difference, since even in those countries of the Six where tariffs are low, India's exports are not high; this is obviously a point worth examining in detail. The team was told that West Germany gives aid in improving sales techniques; it was suggested that India should avail herself of such assistance. Apart from selling harder, India must produce more, including such agricultural commodities as oilseeds, since duties on tropical primary products will be small."

INVESTMENT MARKET

Revival of Confidence

The feeling in New Delhi is that there are definite signs of a revival of investment confidence. Foreign investors, it is pointed out, are regaining interest in India, and a number of foreign manufacturers are coming to this country to explore the possibilities of setting up factories in collaboration with Indian firms or the Government. Mr. J. A. Clarke of Plessey Electronics, of the U.K. accompanied by a team of experts, for example, will be arriving here on 9th October, for a ten-day visit during which the team will visit Bombay and Bangalore. The firm manufactures a wide range of components ranging from wireles to *radar*. It is interested in setting up one or more units in India in the public or the private sector. The team will survey India's requirements of the products the firm manufactures.

A high-powered British Coal Board team, headed by Mr. Shepherd, is also arriving here on 8th October, for discussions with the Government of India and the coal industry. An Indian mission, led by the Joint Secretary to the Ministry of Mines and Fuel, went to Belgium and England earlier this year, mainly to buy coal-mining machinery.

LABOUR

Creating New Jobs

Dr. V. K. R. V. Rao, a member of the Planning Commision, is working out a scheme for integrating employment targets with India's development plans. According to present estimates, the addition to the labour force by 1976 is expected to be about 70 million. This figure excludes the carryover from the third plan, plus under-employed or "disguised unemployed." The last category consists of persons who are a surplus, say, in the secretariat of the Government of India, but are being maintained in employment on political

grounds. According to rough estimates, at least 50 million new jobs will have to be created by 1976. Plans are being prepared to link employment to projects on a Statewise basis. In other words, the responsibility for finding new jobs will not be confined to the Centre but will be shared by the States as well.

Dr. Rao, in other words, is planning to tell the social service Ministries that under the federal Constitution of India, the responsibility, say, for creating employment opportunities also rests with the States. This has been the constitutional position since 1921. But a practice took root towards the end of the first five year plan under which the Centre has grabbed the responsibility even for basic education. This issue was raised by Mr. Mahabir Tyagi, chairman of the Public Accounts Committee, during the last session of Parliament. The Central Minister for Education explained away the unconstitutional practice by claiming that the Centre had to maintain standards, which would not be done by only doling out money to the States—the presumption being that educational standards were not being maintained in India before independence.

On the one hand, this practice has made the States dependent on the Centre even for financing their ways and means Budget in some cases; on the other, it has made it necessary for the Centre to raise larger and larger resources in the form of taxation to finance projects which constitutionally should be financed by the States.

OIL

Prospecting in Egypt

Phillips Oil Company of the U.S.A. last week signed an agreement with Egypt for prospecting oil in an area of 36,900 square miles. The Company has undertaken to spend about $30 million during the first ten years of operations. In case an oil strike takes place, Egypt will contribute half the development cost. In areas where oil is found, the Company and the Government will divide the production of oil on a 50 : 50 basis. In addition, Egypt will take 50 percent of the profits from the sale of the Company's share of production.

In contrast, the State-owned Company in India is engaged in the search for oil, either by itself or through its contractors. The newly appointed vice-chairman of the Oil and Natural Gas Commision, Mr. P. R. Nayak, will leave for Iran on 15th October with a team of experts to secure concessions for oil exploration in that country. Side by side, intensified efforts are being made to secure untied foreign exchange which may be used for oil exploration.

EXPORTS

Study of Promotion Technique

The Planning Commission, particularly Dr. V. K. R. V. Rao—a member of the Commission—is engaged in a study of the export promotion techniques adopted by the Central Ministry of International Trade. Export promotion, it is pointed out, cannot be operated in isolation. It needs a modification of India's fiscal system. Secondly, incentives have a marginal rôle to play in any scheme of export promotion; competitive prices, marketing standards and marketing aggressiveness need greater emphasis. Furthermore, import controls and import substitutes have their limits. In a developing economy, imports of certain categories of goods will naturally rise. But import substitutes should not impair or weaken export competitiveness, it is pointed out.

FERTILISERS

Sites for New Units

The planning group on fertilisers has divided itself into two sub-groups, one to plan the production of fertilisers and the other to make plant and equipment for producing them. According to present indications, 2 million tons of nitrogen is the target talked about for the fourth plan. The group is examining various sites for five or six fertiliser plants to be commissioned by 1971. The sites suggested are Rihand for a coal-based plant, the Madras region for a plant based on imported naphtha, and one in Goa also based on imported naphtha. There are four alternative sites for the eastern region, namely, Barauni, Haldia, Durgapur and Sindri, the first three being based on gases or naphtha.

Hanumangarh in Rajasthan was selected as a site for a fertiliser plant during the current plan period. The group will have an additional site in Jai Sumandram, near Udaipur. For the economic operation of the plant, it is explained, a formula has been evolved to determine the cost of naphtha from the Kovali refinery in Gujarat. Jai Sumandram will have the additional advantage of having a zinc smelter in its proximity. The latter will make sulphuric acid available to the project.

The group in charge of plant and equipment will, among other things, consider the requirements of the petroleum refining and petro-chemical industries, which require similar equipment.

Another committee under Dr. Kalelkar has been set up to reappraise the need for a second forge and foundry plant. Some two years ago, a committee had recommended the setting up of a second plant. Since then, new developments have only endorsed the recommendation.

All these committees, it is expected, will submit their reports by November this year.

STEEL

Fourth Plan Target

A production target of 20 million tons of steel by the end of the fourth plan is being considered here, against 18 million tons suggested by the Lokanathan Committee. According to Sir Jehangir Ghandy, quoted by the committee, 18 million tons of steel will require 45 million tons of coking coal, 28 million to 30 million tons of iron ore and about 9 million tons of limestone. This leaves out the human and transport factors. As could be expected, a committee has been set up to prepare a blueprint on the basis of a production capacity of 20 million tons of steel by 1971, against 10 million tons by 1966.

Meanwhile, the Government is trying to speed up the commissioning of the Bokaro project without U.S. aid. As was recently indicated in Parliament by the Central Minister for Steel, the Government will make the maximum use of India-made equipment in the project. The balance of the equipment, if any, will be procured through global tenders from the countries whose tenders are backed by credit.

During the fourth plan, there will be expansion of the three public-sector steel plants for which India will be expecting aid from Russia, the U.K. and West Germany. It is doubtful whether West Germany will give aid in addition to that required for the expansion of the Rourkela steel plant. France, Belgium and Austria are not expected to finance the Bokaro project involving an outlay of Rs. 500 crores. Their credit terms are such that it will be financially impracticable for them to build the Bokaro plant with equipment supplied on credit. Russia is not likely to be interested in the project either. The only possibility, as far as Russia is concerned, is to expand the production of the machine-building plant in Ranchi in order to manufacture major parts for the Bokaro steel project. Soundings in this and other directions are reported to be in progress.

The U.S.A. could finance some items of the mill, on a commercial basis, but at the cost of some other projects. This equally applies to the U.K. Meanwhile, a consortium of Japanese firms, it is reported, has offered to set up the proposed steel plant in Bokaro.

It has been suggested here that the European Coal and Steel Community should be persuaded to take up the project along with the U.K. and the U.S.A. A consortium of this magnitude, it is pointed out, can commission the project without much difficulty. By his persuasiveness, Mr. K. B. Lall, India's Amabassador to the European Common Market, may be able to secure the co-operation of the European Coal and Steel Community for setting up the Bokaro steel plant.

Meanwhile, the Central Minister for Steel, Mr. C. Subramaniam, is believed to be eager to appoint an Indian firm as consultants for the project. Since the firm has not built any steel mill so far, the question asked here is whether it is safe to entrust a Rs. 500-crore project to it. It may be added that an earlier report compiled by the firm was a feasibility study for a 2-million-ton steel plant. The detailed report now being examined by the Government is for a 4-million-ton plant.

JAPAN

Use of Yen Credit

Discussion on the use of the $65 million yen credit granted to India by Japan will shortly begin in Tokyo. Discussions will cover the continuation of assistance for the fertiliser projects in Durgapur and Gorakhpur and the allocation of aid money for some new projects, including an alloy steel plant in the private sector and for certain maintenance imports from Japan. The terms of the credit will also be finalised. The talks are likely to last about two weeks. The $65-million yen credit was offered by Japan at the recent meetings o fthe Aid-India Club in Paris and Washington.

AUSTRIA

Avoiding Double Taxation

A comprehensive agreement between India and Austria for the avoidance of double taxation of income was signed here last week. Dr. George Schlumberger, the Austrian Ambassador to India, signed on behalf of the Government of Austria and Mrs. Tarakeshwari Sinha, Deputy Minister of Finance, signed on behalf of the Government of India. The agreement will come into force after it has been ratified by both the Governments and a notification issued by the Central Government. The agreement was negotiated in Vienna in October 1962, when an Indian tax delegation headed by Mr. V. V. Chari, Additional Secretary to the Central Ministry of Finance, visited Austria at the invitation of the Austrian Government.

India has concluded similar agreements with Ceylon, Pakistan, Sweden, Norway, West Germany, Japan, Finland and Denmark and a limited agreement relating to Swiss-Air with Switzerland.

N.C.D.C.

Aid from C.E.K.O.P.

The National Coal Development Corporation and the Polish Organisation, C.E.K.O.P., last week signed two agreements in Warsaw for technical collaboration and the supply of detailed design for the Corporation's deep-shaft mine project in Monidih, Jharia. The supply of detailed design will cost about Rs. 4.35 lakhs.

The Monidih project of the Corporation will have an ultimate target of 2 million tons of coking coal a year and will involve an approximate capital investment of Rs. 17.60 crores. The area has ten workable seams, with a total minable reserve of about 136 million tons of metallurgical coal.

Initial raisings will start when the shafts touch a depth of 1,500 feet, and will ultimately go down to 3,000 feet. The mine will be worked by what is known as the horizon method—common in metal mines and adopted by the Corporation for the first time in its Sudamdih deep-shaft mine. Monidih will have four horizons. According to preliminary estimates, a return of about 12 percent on the total outlay is expected.

B. I. C. C.

New Contract

British Insulated Callender's Cables Ltd (B.I.C.C.) has been awarded a contract worth more than £250,000 by the Indian Railway Board, it has been announced in London. The contract is for the supply and installation of 39 feeding and switching stations for the 25 kV alternating current electrification of the Northern Railway between Moghalsarai, Subedarganj (Allahabad) and Kanpur.

The contract for the supply and installation of the overhead equipment for the Moghalsarai-Subedarganj section of this route was awarded to B.I.C.C. last February. This order is the tenth major contract for B.I.C.C. from the Indian railways since the inception of the electrification programme in 1958.

NATIONAL HIGHWAY

Aid from I. D. A.

The International Development Association in June 1961 agreed to give a credit of Rs. 28.5 crores to assist the Government of India in speeding up the construction of some selected national highways in West Bengal, Bihar, Orissa and Maharashtra and of the Eastern Express Highway in Bombay city. These involve the construction or reconstruction of nearly 660 miles of roads and about 18 major bridges. The programme also covered a traffic study of the city of Bombay to provide a basis for developing a long range road plan to serve the city.

The credit offered by the I.D.A. will help meet about 57 percent of the expenditure to be incurred on the road and bridge works, 70 percent on the purchase of equipment required for the above works and the entire expenditure on the traffic study. The balance of the expenditure has to be met by the Government of India from its own resources. The I.D.A. agreed that equipment worth Rs. 2.5 crores, including Rs. 1.6 crores of imported equipment, should be purchased to ensure good quality of work throughout.

An expenditure of Rs. 12.59 crores has been incurred on the works covered by the I.D.A. credit up to the end of June 1963, against the total estimated cost of Rs. 44.84 crores. Estimates of the value of about Rs. 29 crores have been sanctioned so far.

Three bridges, namely, Mahananda in Bihar, Kansabati in West Bengal and Birupa in Orissa, have been fully completed at a cost of Rs. 1.40 crores under the I.D.A. programme. Eight important bridges —two in Bihar, four in Orissa and one each in West Bengal and Maharashtra—are now under construction. When completed, these will cost over Rs. 7.5 crores.

F. C. I.

Working Results

The net profit of the Fertiliser Corporation of India during 1962-63 shows an increase of more than Rs. 1¼ crores over that of the previous year. The Corporation's operating factories in Sindri and Nangal recorded a substantial increase in production. The profit, before providing for depreciation and interest on loan from the Government of India, amounted to Rs. 7.28 crores during 1962-63. Out of this, Rs. 5.08 crores was provided for depreciation and Rs. 83.82 lakhs was used for the payment of interest on loan from the Government of India. This left a balance of Rs. 1.36 crores. After adding Rs. 1.90 lakhs carried over from the previous year's profit, the net profit amounted to Rs. 1.38 crores. Out of the net profit, Rs. 1.23 crores was appropriated to development rebate reserve. The balance of Rs. 15.31 lakhs was carried forward. In view of the financial needs of the Corporation for the new projects under construction, the available surplus is being used.

The management of the fertiliser plant in Rourkela, a substantial part of which was designed, engineered, procured and built by the Corporation for Hindustan Steel, has been transferred to the Corporation from 1st April, 1963.

The Corporation's new projects—Trombay in Maharashtra, Namrup in Assam, Gorakhpur in U.P. and Korba in Madhya Pradesh—are in various stages of development. According to present indications, the Trombay plant is expected to start production of ammonia and urea in August 1964 and nitro-phosphate by the end of 1964 or the beginning of 1965. The Namrup factory is expected to go into production by the end of 1965 while the Gorakhpur project will be completed fully in 1966.

The Korba plant in Madhya Pradesh will be the first complete fertiliser unit of the Corporation to be designed, engineered and built by its planning and development division. Only necessary process know-hows for coal gasification and ammonia and urea synthesis will be purchased from specialist foreign firms.

INDUSTRY

New Committee Formed

The Government of India has set up a ten-member committee with Mr. T. Swaminathan, Secretary to the Departments of Supply and Technical Development, as chairman to examine the operation of controls on the establishment of additional industrial capacity under the Industries (Development and Regulation) Act, the import of capital goods, the issue of capital, foreign investment and collaboration and to suggest changes in procedure to reduce delays. The members of the committee are: Messrs. A. R. Foster, Bharat Ram, Lakshmipat Singhania, A. M. M. Murugappa Chettiar, P. Chentsal Rao, N. C. Srivastava, Adviser, Planning Commission, P. Govindan Nair, Additional Secretary to the Ministry of Finance, V. K. Ramaswami, Economic Adviser to the Ministry of Industry and K. J. George, Deputy Secretary to the Ministry of Industry (member-secretary).

The committee will submit interim reports as and when necessary and will complete its work within six months. The resolution setting up the committee says that the Government of India is considering the steps needed to accelerate the pace of industrial development. One of the suggestions made in this context is that there is a need to simplify the procedures and regulations relating to the approval of schemes for industrial expansion. It is necessary that controls operate speedily and efficiently so that industrial growth may be accelerated.

POLAND

Making Coal Mining Machinery

A Polish team is expected here shortly to discuss with the Government of India the possibilities of a second coalmining equipment factory in India. The first such factory is being commissioned in Durgapur in collaboration with Russia.

WORLD BANK

Expert Teams Expected

A number of World Bank teams are expected to come to India from October onwards to study projects for which aid could be made available to this country. As usual, there will be a team for the survey of railway development. In addition, there will be teams to study projects such as irrigation, roadways, power generation, for which the Bank has been giving aid to India.

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POUND-CENT SYSTEM FOR U.K. RECOMMENDED

(FROM OUR LONDON CORRESPONDENT)

BRITAIN should retain the pound sterling as the major unit of a new decimal currency system and should replace the penny by a new unit of currency worth 2.4d: this is the majority recommendation of the committee of enquiry on decimal currency, under the chairmanship of Lord Halsbury, whose report has just been published. Two of the six committee members preferred a system similar to that successfully adopted by South Africa in 1961 with 10s as the main unit of currency and made up of 100 cents each worth 1.2d.

The first school of thought consists of Lord Halsbury himself; Professor R. G. D. Allen, Professor of Statistics at London University; Dame Anne Godwin, (former chairman of the T.U.C.), and Mr. R. G. Thornton, (vice-chairman of Barclays Bank). The two dissentients are Mr. V. N. Ely, chairman of Ely's Wimbledon Department Store; and Mr. J. M. A. Smith, a part-time member of the National Coal Board and former assistant managing director of the Ford Motor Company.

In the £-cent system the present £ would be divided into 100 units worth 2.4d each and called "cents," "decimal pennies" or any other name acceptable to the public. Half-pennies, pennies, threepenny bits, sixpences, and half-crowns would eventually disappear and would be replaced by new coins of different sizes worth 1.2d (½ cent); 2.4d (1 cent), 4.8d (2 cents); and 4s (20 cents). The shilling and florin would remain as 5 and 10 cent pieces and would be gradually replaced by coins closely resembling them. The ½, 1 and 2 cent pieces should be bronze coins, and comparable in size to the old silver 3d bit, the farthing and the halfpenny, respectively. The existing halfpenny would cease to be legal tender nine months before the changeover. The 20 cent coin—to be introduced a year before the change—would be a large cupro-nickel coin with the weight of two florins and would be similar to the double florin which appeared briefly in the coinage after Queen Victoria's Golden Jubilee in 1887. The £1, £5, and projected £10 banknotes would survive. The 10s note would ultimately be succeeded by a 50 cent note, but could retain its existing general appearance, colour, and size.

Both Australia and New Zealand have already announced that they will follow South Africa in the adoption of the "10s-cent" system favoured by Mr. Ely and Mr. Smith. In this the sixpence and half-crown would be retained as 5 and 25 cent coins. Mr. Ely and Mr. Smith argue that it would be a simpler system, since it would make it unnecessary to use fractions of the cent. It would, they claim, be cheaper to introduce and would present fewer problems for the ordinary shopper.

Date of Change

The committee says that the date of the change "is a matter for the Government." However, February 1967 is the earliest possible date for decimalisation ("D-Day"). If the change is put off until later the cost is bound to be greater. The measurable cost of the change in 1967, attributable mostly to the conversion of business machines and slot-machines and their replacement and to the minting of new coins, would be about £100 million. The "£-cent" system of decimal coinage was favoured by the majority on the committee mainly because the world's rising standard of living would gradually erode the importance of currency units. The committee's report says: "The retention of the 'heavy' unit to which we have become accustomed is a considerable convenience and its replacement by a major unit of only half the value seems to go against the economic logic of history." Any currency change meant a considerable upheaval. "To make it worth while, we must build a system which will endure." There could be little doubt that in a generation's time a £-cent system, which might well by then have lost its ½ cent, would be more manageable and economical than a 10s-cent system. "The advantage would be increasingly marked thereafter."

The majority regard as important the evidence of the banks and other City interests on "the international case for the £". This, in short, was that a change in the name and value of the U.K.'s main currency unit—the £ sterling—involved a risk that sterling might cease to be held or used as an international trading or reserve currency. This could have serious economic consequences for Britain.

With both the £-cent and the 10s-cent system, the coin nearest in value to the present penny (½ cent and 1 cent, respectively) would be worth 1.2d and only £ s d amounts in multiples of 6d would have exact equivalents in the decimal system. Therefore, many prices would have to be adjusted to the nearest equivalent. There would be some risk of price increases. The committee attempted to estimate how great these increases might be and especially if there were no coin roughly of the same value as the halfpenny. It unanimously decided against such a coin. It concluded that price increases might amount to no more than three-quarters of a point in the retail prices index or 9d in every £5 spent.

To gain some idea of the difficulties, people would face in adjusting themselves to the new coinage, the committee commissioned experiments from psychologists. It concluded that "associability" problems would be fewer and less severe under a 10s-cent system. One experiment suggested that people might need twice or three times as long under a £-cent system to reach their existing standard of proficiency in coin-handling and change-giving. Lord Halsbury said at a Press conference that he expected it would take the man in the street two or three months to acquire the same proficiency as "a lifetime's proficiency in sterling"; but that 90 percent of this proficiency would be acquired in the first few days.

Phasing the Change

On the timing and phasing of the change and the estimated cost the committee was unanimous: it would take at least three years to prepare for the change and another two years to complete it. The committee suggests that the day on which the change should become official—decimalisation day, "D-Day" for short—should be in February, when certain classes of transaction for banks and many retail businesses are at their minimum. Banks, and many Government and private undertakings, would adopt decimal working on "D-Day," and others would do so gradually over a two-year period as adding and accounting machines and cash registers were replaced or modified. Both old and new currencies and coins would be in use during this period ("We shall just have to keep the old coins in one pocket and the new in the other," Lord Halsbury commented) and shops would have price tags showing both currencies before and after the change.

The committee also recommends that an official conversion table—showing, in particular, recognised equivalents for £ s d amounts which did not translate exactly into the decimal system—should be made available to each household in the country before "D-Day." Copies of these tables would also be displayed in shops. Another recommendation to which the committee attaches importance is the appointment by the Government of an executive board "to explore changeover problems in detail, to promote and supervise a campaign of public education, and to do all things necessary to facilitate a speedy and efficient transition." This board should be appointed as soon as possible and should be responsible for selecting "D-Day" itself, which should be preceded by a long week-end (perhaps Thursday night to Tuesday morning, Lord Halsbury suggested). The banks would be closed during this period.

The estimate of February 1967, as the earliest possible date for "D-Day" presupposes, says the report, a firm decision by the Government by the end of this year or very early in 1964. The executive board would have to be set up soon afterwards. The committee recommends that crown pieces and silver 3d bits should cease to be legal tender as soon as possible. Halfpennies should be dropped nine months before "D-Day," and the withdrawal of half-crowns should begin a year before with actual demonetisation six months before the change.

The issue of 20 cent pieces, with legal tender for 4s, should begin a year before, and the ½ cent, 1 cent and 2 cent pieces should be introduced in quantity on and from "D-Day." Pennies, 3d bits and sixpences should cease to be legal tender "as soon as practicable after the end of the transitional period, which we hope would not substantially exceed two years."

Using Decimal Machines

Five and 10 cent coins should, the committee recommends, be issued as soon as practicable during the preparatory period to meet the normal demand on the Royal Mint for shillings and florins, but the actual withdrawal and replacement of circulating shillings and florins should not begin until "towards the end of the transitional period." One of the first tasks of the executive board would be to study in detail, while memories are still fresh, the conversion of business machines in South Africa; and to send representatives to Australia and New Zealand while conversion is going on there. The Board would also study methods of establishing, and advising industry and trade about the scope for the temporary conversion of machines and for the installation of decimal machines before "D-Day."

The Ministry of Education, in consultation with local education authorities and teachers' organisations, should take steps to co-ordinate activity in the educational field to ensure that the best methods of teaching the new currency are adopted. Lord Halsbury said that the committee had been assured that the schools could take the change in their stride and the firms responsible for reprinting textbooks had said, "Don't worry. We can do it." A Government decision is now awaited. Most important questions at issue concern the external and domestic impact of a change on trade and prices. The position of the pound as an international currency makes it difficult if not impossible to draw much guidance from the experience of other countries. The majority report supports the retention of the pound as the main unit. This view has powerful support in the City, especially from the banking and insurance community. The minority report, significantly from two industrial and commercial members, prefers a main unit of 10s on grounds of greater simplicity and less risk of increased prices. When a decision is taken it must be influenced by official thinking on continued inflation. It can, in fact, be argued that the "heavier" pound unit is more forward looking and also has the psychological support of public familiarity.

For many small price-unit industries the 10s unit appears to present fewer problems. But any apparent reduction in purchasing power in the main unit of currency might prove less acceptable to the general public. Trade Commissioners abroad are known to favour retention of the pound as a unit, and this was the strong feeling of the late Per Jacobsson. The City's defence of the pound is a matter of judgment rather than any rather unprofitable attempt to assess reactions and deserves considerable attention.

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Jute

STRONGER JUTE PRICE SUPPORT MEASURES RECOMMENDED

A three-pronged approach to stabilise the price of raw jute has been recommended by the eight-man committee headed by Mr. B. P. Patel, the new chairman of the State Trading Corporation. It has recommended that the regulation of fibre purchases by jute mills and the Jute Buffer Stock Association under the Jute Licensing Control order should be continued. Raw jute dealers should be registered for effectively enforcing purchase quotas. It has also advocated the export of marginal quantities of specified varieties and grades from time to time.

The Committee has suggested that purchases should be made at the minimum operational prices by mills (against quotas issued by the Jute Commissioner), by the Jute Buffer Stock Association and by the S.T.C. through co-operatives or other agencies in the upcountry markets. The Jute Commissioner's monthly quotas should be so phased as to absorb the expected arrivals at the terminal and upcountry markets from month to month. The quotas should be rigorously enforced by physical verification of mills' stocks. The Jute Commissioner's establishment should be strengthened for the purpose. The Committee has suggested that buffer stock purchases by the J.B.S.A. during this season should be about 300,000 bales in addition to its replacement purchases. The total holding of the Association at the end of the season should be about 900,000 bales.

Support By S.T.C.

Referring to the S.T.C.'s purchases, the Committee says that its buffer stock operations should take note of the availability and use of jute during the peak marketing period around the end of December 1963. It has estimated that 11.1 million bales of jute will be available on the basis of a crop of 7.4 million bales, a carryover of 3.1 million bales and other supplies, including imports of 600,000 bales. Against this the offtake by end-December will be 8.1 million bales, leaving a supply of 3 million bales.

The S.T.C. will have to keep its machinery ready for timely and massive purchases of this enormous stock to strengthen the market. The S.T.C. will have to make adequate financial, storage and other arrangements in advance so as to be able to lift at least 1 million bales of jute through the co-operatives. If co-operatives are not able to complete the quota, the services of other agencies will have to be requisitioned. The report says that the co-operatives should be so organised as to be always available to purchase the fibre offered by the grower at the minimum operational price. The break-down of such purchases in the secondary and feeder markets can be finalised after mutual discussions with the parties concerned in the various States.

The Committee has suggested the continuance of the present system of 90 percent advance payment against documents for despatching jute to Calcutta godowns by co-operatives. But it has asked the S.T.C. to review the question of charging interest on the advance for the period of transit, on the lines followed by mills and the raw jute trade. Provision has to be made for using the available warehousing accommodation in Calcutta as much as possible. Besides, storage has to be provided in the secondary markets. The Committee says that jute should not be stored for long in Assam and Tripura, but should be shifted to Calcutta as and when transport is available. In the event of purchased jute not moving to the mills or to the Calcutta godowns of the S.T.C. until the beginning of the next season, advance arrangements should be made by the S.T.C. to take over the remaining stocks from co-operatives.

Doubts about Co-operatives

The Committee has expressed the doubt that co-operatives will not be able to lift all the available jute. In such an exigency, the S.T.C. should purchase additional supplies in order to offer effective price support. The report has also suggested that jute trade associations may be asked to supplement the purchasing operations of co-operatives. In any scheme of purchase through the trade, arrangements should be made to ensure that the ultimate price paid to the cultivator is the minimum derivative price, the purchases are so timed as to provide the maximum support to the markets, and the purchases by traders for the S.T.C.'s buffer stock are made on the basis of contracts finalised with them on a yearly basis and confined only to areas where there are no co-operative societies or where the existing co-operatives cannot be expected to work up to the desired extent. A panel of recognised traders should be drawn up by the S.T.C. in consultation with representative associations and the Government.

The Committee says that many established jute brokers and even some kutcha balers in the secondary markets are closely associated with mill interests. It alleges that they are able to depress price, particularly during the peak season, by timing their purchases and in various other ways. One of the main reasons why the grower does not get a reasonable price is his ignorance about the ruling price. The weak financial position of the grower is another factor which forces him into distress sales. Usually he hands over a given portion of his crop to the creditor-dealer at a price much below the market rate. To add to this, there is a lack of storage space at the village level. The Committee is "convinced that under the present marketing system, the benefit of improved quality is taken away by the intermediary". Although better jute fetches a premium, "a proportionate advantage does not percolate to the grower".

Purchase Quota for October

In order to prevent a possible decline in prices due to bigger arrivals of jute in the upcountry markets and in Cossipore, the Jute Commissioner has announced a purchase quota of 920,000 bales for October. Of this, the J.J.M.A. mills will lift 850,000 bales and others 70,000 bales. With this quota, the total purchase quotas so far this season come to 2.76 million bales—2.55 million bales for the J.J.M.A. mills and 210,000 bales for the rest. To strengthen the price support scheme, co-operatives will purchase fibre from the secondary markets at fixed derivative prices, based on the official floor price of Rs. 30 a maund, Assam Bottoms, ready f.o.r. Calcutta. In case these measures fail, the Jute Buffer Stock Association may be asked to buy up to 200,000 bales. To help the co-operatives in their purchases, the State Trading Corporation has already advanced Rs. 1.70 crores to the State Governments. Out of this, Bihar has received Rs. 60 lakhs, West Bengal Rs. 40 lakhs, Assam and Orissa Rs. 30 lakhs each and Tripura Rs. 10 lakhs. If necessary, more advances will be given to the State Governments.

Announcing the price-support measures at a Press conference in Calcutta last Saturday, Mr. G. C. L. Joneja, Jute Commissioner, said that the Government was determined to hold the price line. The co-operatives are expected to lift up to 1 million bales. The J.B.S.A. now has a stock of 625,000 bales. After turning it over, it may lift up to 375,000 bales more. With the co-operation of mills, the prices have remained generally steady around the minimum level so far. In most upcountry markets, prices are slightly higher than the parity levels corresponding to the Calcutta floor rates. Only in Saharsa district in Bihar have prices of inferior quality jute tended to sag below the parity level. The I.J.M.A. has promised to look into the position.

Big Market in Eastern Europe

Mr. Joneja said that the recent trade delegation to Russia and east European countries had reported favourably on the prospects of exporting substantial quantities of jute goods to those markets. Orders, it is expected, will "pour in" towards the end of this year or early next year. Indian jute goods have not been pushed in those markets so far on scientific lines. With the collaboration of the industry and the Indian Standards Institution, effective steps are now being taken to introduce voluntary quality control and preshipment inspection. In order to carry on trade with Russia and the U.S.A., there should be strict adherence to specifications, delivery and shipment schedules and terms and conditions of contracts. Asked whether quality control and preshipment inspection would not add to costs, Mr. Joneja said they would promote cost-consciousness; scientific cost control measures would increase the efficiency of the industry and help it to absorb the extra costs of quality control.

Gunny Traders Meet

The recommendations of the Srivastava Committee are "too inadequate to have any effective influence in offsetting the advantage enjoyed by the Pakistani industry from the export bonus scheme", observed Dr. B. P. Kedia while presiding over the annual meeting of the Gunny Trades Association in Calcutta last Friday. He referred to the gradual loss of sacking markets by India as a result of the unhealthy competition from Pakistan and emphasised the need for granting some temporary relief to the Indian industry.

Despite a 75-percent increase in world consumption of jute goods over the last decade, Dr. Kedia said, India's share of exports has risen by only 10 percent. Had her sacking exports kept pace with the rise in hessian offtake, she could have increased her exports of the former by about 200,000 tonnes.

All the same her total exports have increased by 147,000 tonnes to 935,100 tonnes, valued at more than Rs. 150 crores, thus exceeding the third plan target.

Referring to the fall in India's sacking exports, Dr. Kedia observed that this country was priced out because of Pakistan's big cost advantage and the unethical export bonus scheme. India now gets only orders which Pakistan is unable to fulfil. Today Pakistan has 9,500 looms operating 2½ shifts a day and producing 200,000 tonnes of sacking a year, against India's output of 550,000 tonnes. Pakistan proposes to expand its loomage to 14,000 by the end of its second five-year plan. India will then be exposed to the danger of being ousted from the world's sacking markets. This is a situation calling for serious consideration, he warned.

Increase in Broad Looms

He referred to the phenomenal increase in the number of broad looms installed during the last 12 months and said that India is now the largest producer and exporter of carpet-backing cloth, meeting about 75 percent of the world demand. Exports of this material were worth Rs. 25 crores of foreign exchange last year. The mills have also made considerable progress in diversifying their activities.

Dr. Kedia said that the industry might be able to attain its third plan target by the end of this year, two years ahead. In view of the expansion of agricultural and industrial production, the internal consumption of jute goods is likely to go up considerably. In spite of the declining trend of sacking exports, the total overseas offtake of gunnies is expected to rise due to the fast pace of progress in the developing countries and the potential of the vast east European markets.

For meeting the target of 1.1 million tons for export and 600,000 tons for home consumption for the fourth plan suggested by the Srivastava Committee, Dr. Kedia said the industry would need 10 million bales of jute by the end of the fourth plan. So plans should be geared from now on to ensure an adequate supply of fibre. In view of the increasing needs of foodgrains, a 33-percent rise in fibre output cannot be achieved by raising the area under jute by a further one million acres. Dr. Kedia stressed that a 40 percent to 50-percent rise in fibre yield could be secured by the judicious application of fertilisers, use of better seeds, and adoption of improved farming techniques. He urged the Central and State Governments to make an all-out effort substantially to increase the yield of jute and mesta an acre during the next five years.

He also emphasised the need for improving the quality of jute. With a view to producing carpet-backing cloth the industry will require fibre of very good quality. India now meets 75 percent of the world demand for this fabric and the industry cannot thrive by depending on external sources for supplies of the main raw material. An immediate requirement, according to Dr. Kedia, is the provision of suitable tanks for retting the fibre properly, since the fineness and colour of jute depend primarily on retting. He felt that the low quality *jungli* jute of Bihar could be improved by this proper retting.

Impact of Sales Tax

Dr. Kedia has drawn the attention of the authorities to the levy of sales tax on jute manufactures in West Bengal, which is proving vexatious and troublesome to exporters but does not yield much revenue to the Government. It is estimated that not more than 2 percent of the total production of jute goods is consumed within the State. Furthermore, sales tax is not charged on jute goods purchased by other industries for pack-

ing their products. On balance, therefore, only a very small quantity is subject to the levy. Obviously, the revenue accruing to the Government may not be covering even the cost of administering the tax. But the levy calls for completion of elaborate formalities concerning submission of various forms, maintenance of records and their submission to the Sales Tax Department, etcetera. In the interest of the export trade in jute goods, therefore, he urged the authorities to exempt jute goods completely from sales tax or, if that is not possible, to amalgamate it with the Central excise duty, as has been done in the case of some other commodities.

Dr. Kedia made a pointed reference to the serious hardships being experienced by the gunny trade while being assessed for income tax. These difficulties have arisen of late, because income tax officers have started treating transactions in transferable specific delivery contracts in jute goods involving transfer of mill pucca delivery orders (P.D.O.s) as speculative within the meaning of the Income Tax Act, so they are not allowing the losses sustained therein to be set off against profits made under "other heads", with the result that the traders are being called upon to pay more income tax than is actually due. The system of completing delivery of the contracted goods, against which there is no shipping instruction, by issuing mills' P.D.O.s has been in vogue in the jute goods trade for half a century and, during all these years, these contracts have never been treated as speculative.

THE JUTE MARKETS

Manufactured Goods: Buoyant conditions prevailed in the jute goods market during the past week in spite of the lack of overseas enquiries or business or Government tenders. Holders had made forward sales well up to February 1964, and had not covered some of these positions in anticipation of lower prices. In view of the brisk sacking offtake and the fall in output, they were keen to cover their positions. Some prominent shippers also bought sizable lots of heavy goods against their forthcoming shipment programmes. Since Pakistani mills were booked to capacity, operators expected a large number of orders from overseas. This increased the demand for sacking and imparted a firm trend to the market. Hessian, although neglected, gained nominally in sympathy with the general trend. The futures market moved in line with the spot market. Sacking gained on frantic bear-covering, while hessian hardened somewhat. Turnover was fair in sacking and small in hessian and the undertone was steady at the close.

Tuesday's quotations were as follows:

	Ready	Oct.	Oct.-Dec.	Jan.-Mar.	Apr.-June
40in. 7½oz.	36.85	36.90	36.90	36.30	36.05
40in. 8oz.	39.50	—	—	—	—
40in. 10oz.	49.40	49.60	49.35	48.40	49.10
B Twills	115.65	116.40	116.90	116.50	116.25
Cornsacks	118.75	118.75	118.75	118.75	118.25
Heavy Cees (Plain)	113.00	114.50	116.00	115.75	115.90
A Twills	135.00	136.50	137.50	138.50	138.00
Liverpools	128.25	129.00	129.75	129.50	129.25

Raw Jute: Steady conditions prevailed in the raw jute market during the past week. In spite of bigger arrivals in the upcountry stations and in Cossipore, sellers were not keen to discount prices. They were expecting the entry of the co-operatives into the secondary markets and the issue of a purchase quota for October by the Jute Commissioner. On Saturday, the expected relief came. Mills had been virtually absent from the market after completing their September purchase quotas. Routine transactions were reported around the floor levels in selected grades. In the upcountry markets prices ruled above Calcutta parity rates. Turnover was small and the undertone steady at the close. In the futures market, prices hardened on brisk bear-covering, although top gains were pared on intermittent profit-taking. Turnover was fair and the undertone steady at the close.

Tuesday's quotations were as follows:

	Landed at Mills (Basis Bottoms) Current Prices		T.S.D. Minimum Prices	
	Rs. A Qtl.	Rs. A Md.	Rs. A Qtl.	Rs. A Md.
Assam-Agartala Jute	80.38	30.00	80.38	30.00
Northern Jute	79.04	29.50	79.04	29.50
Western Desal Jute	73.68	27.50	73.68	27.50
Selected Daissee	88.41	33.00	85.74	32.00
Assam-Agartala Tossa	85.34	32.00	83.05	31.00
Mesta :				
Assam-Northern	72.34	27.00	72.34	27.00
Local Daissee	72.34	27.00	72.34	27.00
Bihar Dist.	64.30	24.00	66.98	25.00

U.S. BURLAP CONSUMPTION AND STOCKS

U.S. burlap consumption in August was 1,600,000 yards more than in July 1963, but was 3,300,000 yards less than in August a year ago. The average monthly consumption during the first eight months is about 2 million yards a month more than the comparable period of 1962. Last month's bag cut-up was 51 million yards and piecegoods deliveries 18.5 million yards, compared with 54.5 million yards and 18.3 million yards, respectively, in 1962. U.S. spot stocks and afloats fell somewhat. At 278.5 million yards, 159.7 million yards were spots and 118.8 million yards were afloats. It is reported, however, that the spot stock figure is actually about 8 million yards more than what the figures show because of errors in reporting.

U.S. burlap consumption (as reported to T.B.M.A.) (In million yards)

	1963	1962
Jan.	61	82
Feb.	78	69
Mar.	75	67
Apr.	68	62
May	65	64
June	60	56
July	60	57
Aug.	63	65
Total	530	522
Mo. Av.	66	65
Sept.		64
Oct.		69
Nov.		70
Dec.		66
Total		791
Mo. Av.		66

U.S. burlap consumption (estimated industry total) (In million yards)

	1963	1962
Jan.	68	88
Feb.	89	78
Mar.	85	75
Apr.	77	70
May	76	73
June	69	61
July	68	63
Aug.	70	73
Total	602	581
Mo. Av.	75	73
Sept.		71
Oct.		75
Nov.		77
Dec.		74
Total		878
Mo. Av.		73

U.S. burlap stocks (as reported T.B.M.A.) (In million yards)

	1963	1962
Jan.	266	200
Feb.	256	215
Mar.	261	222
Apr.	254	213
May	252	199
June	251	207
July	252	204
Aug.	285	207
Sept.		204
Oct.		203
Nov.		223
Dec.		239

U.S. burlap stocks (estimated industry total) (In million yards)

	1963	1962
Jan.	306	241
Feb.	304	254
Mar.	304	259
Apr.	300	250
May	296	234
June	296	241
July	297	237
Aug.	279	243
Sept.		236
Oct.		249
Nov.		261
Dec.		277

THE U.K. JUTE MARKETS

CLOTH AND YARN FIRM

(FROM OUR DUNDEE CORRESPONDENT)

THE E.P.C. values of the higher grades of both white and Tossa jute were raised by £2 a ton in Pakistan last week. However, this made little difference to the position in Dundee as these qualities were already commanding a premium over official rates. The market in Pakistan was firm and fewer sellers were willing to discount the minimum export rates for the lower grades. Continental spinners showed a fair amount of interest, and buying was taking place in Dundee. The quantities were not large, but they were more than maintaining raw material stocks held by spinners. Dundee spinners were also buying spot jute, and the quantiy available ex warehouse was now smaller, but further quantities which had remained still unsold to spinners were arriving.

Offers for shipment were being made at £132 for Mill Firsts, at £110 10s for Mill Lightnings, at £95 for Mill Hearts and at £79 15s for Grade Hearts, c.i.f. U.K. for September-October shipment. Grade Tossa⅝ was lowest at £126 and Grade Tossa-4 at £108 5s. Dacca Tossa-5 was named at £129 15s and Dacca Tossa-6 at £108 10s. There were sellers of Outport Tossa-⅝ at £97 and of Outport Tossa-4 at £85, for September-October shipment. There was little change in cuttings at £56 for S.N.C. and at £47 5s for N.C. Although the mesta market became firmer there were still sellers of A at £78, of B at £72 and of C at £67 for October-November shipment.

The Siam jute market was rather quiet, and no buying interest was shown by Dundee spinners. Grade A was offered at £67 10s, grade B at £63 10s and grade C at £58 10s, delivered mill Dundee for November-December shipment.

There was very little change in the Calcutta goods market. Quotations were at 75s for 40in. 10oz. and at 55s 10d for 7½oz. a 100 yards f.o.b. Calcutta for September shipment, at 74s 10d and 55s 8d October and at 74s and 55s 6d November-December. B Twills were at 172s 9d, 173s 6d and 175s for the respective shipment periods. Prices of the equated range of imported goods became dearer in the U.K. at the end of the week.

Prices of Dundee yarns and cloth were very firm and a good business took place. Spinners were now asking 16.70d a lb for 8 lb common cops, and it is possible that other qualities will also be raised. The price of 200 lb Rove is now £87 10s.

As the result of the yarn price increase, manufacturers were now asking more for common hessians. The price of 40in. 10½oz. was 16.37d a yard. 10oz. was at 15.27d and 8oz. at 12.97d.

THE PAKISTANI JUTE MARKETS

FIBRE STEADIER

(FROM OUR DACCA CORRESPONDENT)

THE loose jute market in East Pakistan steadied at prices above the E.P.C. minima last week. This was the case with higher grades such as Export Firsts and Dundee Tossa 4s. In Outport Tossa ⅝ and 4, the market was well within the minima, although keen buyers in one or two isolated pockets raised the price of Output Tossa ⅝s above them. In white jute, minimum prices were paid for Export Hearts, particularly in *jat* areas, but for the better quality of Export Lightnings of pure *jat*, prices as much as £2 to £3 were being paid above the minima Jat Tossas have started to come in. The first fibres appearing were fairly good, but the percentage of Dacca 5s was small and the percentage of Output Tossa ⅝ was large.

The pucca bale market continued to be active and cuttings prices were maintained. There was a fair demand locally for Mill Hearts and Dacca Tossa 5, which were not available or were scarce. The overseas market was undoubtedly firm, and many balers were offering even Export Lightnings at minimum prices.

Against the recent purchase of 3,000 tons, the Russians have bought 1,800 tons. They have had to do this through the Jute Board. They have been allocated 200 tons of J.M.C. jute and 1,400 tons of jute from the new Small Shippers' Corporation. This means that although the jute will be baled by several small balers, the seller will simply be the Small Shippers' Corporation and one cannot be surprised at the report that the Russians are not too pleased, especially as they have only been able to buy about 200 tons from their regular sellers so far. It is apparent that the authorities intend to help the small shippers by channelling as much jute as possible through this new Corporation. If the small balers can agree among themselves and if they maintain a reasonable standard, the authorities' attempt may well succeed.

E.P.C. prices have once again been raised, but only in the higher grades. Registrations during the first half of September were unusually high at 174,839 bales. Once again, the U. K. was the largest buyer. Reports of a short crop still persist and most people seem to agree that there is insufficient white jute. Certainly, there will be insufficient good quality white jute, but there should be no scarcity of ordinary Export Hearts and Export Lightnings.

The P.I.D.C. has recently announced that it will have 28,000 looms operating in Pakistan by 1970. This means a consumption of approximately 5.6 million bales, which will not leave very much jute for export. Pakistan's intention obviously is to increase her gunny exports at the expense of India, but she will rival those European and other foreign mills, which produce sacking and standard grades of hessian.

BOOKS RECEIVED

The Work Study Quarterly, October 1963. Edited by K. Pennathur. (Published by Manmohan Singh, on behalf of the Institution of Work Study, 2 Lodhi Estate, New Delhi 3. Pages 38.)

Forward Markets Bulletin, Special Number, September 1963. (Issued by the Forward Markets Commission, 100 Marine Drive, Bombay 2. Pages 280.)

Investing in India. (Published by the Indian Investment Centre, National Insurance Building, Parliament Street, New Delhi 1. Price Re. 1, pages 30.)

Minerals and Industries, Vol. I, No. 1. Edited by Arun Roy Chaudhury. (Published by Jatin Sen Gupta on behalf of A. R. Chaudhuri and Co. (P) Ltd, 12 Stephen Court, 18 Park Street, Calcutta 16. Annual subscription Rs. 20, single copy Rs. 6, pages 128.)

Commodity Survey, 1962. (Published by the United Nations, New York. Price $1.50, pages 129.)

Pocket Compendium of Madhya Pradesh Statistics, 1962. (Published by the Directorate of Economics and Statistics, Madhya Pradesh, Bhopal. Price Rs. 1.50, pages 392.)

GROWTH OF COMMERCE EDUCATION IN INDIA

By K. T. Merchant

The golden jubilee celebrations of the Sydenham College of Commerce and Economics were inaugurated in Bombay yesterday. This article recalls how the University of Bombay first instituted the degree course for commerce in India. Sydenham College was the first institution to be affiliated to the university for teaching this course.

THE growth of educational institutions is to be studied in the context of the needs of society. Commerce, as a distinct subject of study, can be said to owe its birth to the development of business and industry. In early days, training in commerce was acquired from practical experience only, through the apprentice system and no attempts were made to make commerce a subject of study at schools or colleges, except that economics was studied at the higher level. Germany was the first country to recognise the importance of the study of commerce. America and Japan followed suit.

England, "the workshop of the world" in the nineteenth century, was at first lagging behind but soon made up its deficiency in institutions for commercial studies. University commerce education in the U.K. began in 1901 in the Faculty of Commerce of the University of Birmingham; commerce was introduced later in Manchester University in 1904, Leeds in 1905, Liverpool in 1906, London in 1910, Durham in 1913 and Bristol in 1932. London and Durham Universities dropped the title of "Bachelor of Commerce" later on, but this does not mean the giving up of commerce from university education. Two considerations were responsible for this change in London University: (1) there has been for some time no essential difference in structure between the degree of B.Sc.(Econ.) and B.Com., and (2) "It is desirable that incoming students should not be deterred from selecting the 'commerce option' for special study because of any mistaken impression that the possession of a degree entitled Bachelor of Commerce might commit them irrevocably to a career in business while they are still quite undecided as to their future."

Early Beginnings

Mr. Kalyan Subramani Aiyer was the father of commerce education in India. It began in India as early as 1886 when the trustees of Pachiyappa's Charities started the first commercial school in Madras with Mr. K. S. Aiyer as headmaster. Round about the same time, the Madras Government instituted examinations in commerce and the Government of India started the school of commerce in Calicut in February 1895, with Mr. K. S. Aiyer as headmaster. The Presidency College, Calcutta, started commerce classes in 1903 which was later converted into the Government Commercial Institute.

The credit for getting a degree in commerce instituted also goes to Mr. K. S. Aiyer. As early as 1900, a scheme was submitted by him to Lord Northcote, the then Chancellor of Bombay University, who took keen interest in this matter and forwarded it to the Director of Public Instruction for being placed before the university authorities. In his convocation address of February 1901, Lord Northcote made a strong plea for the scientific study of commerce, and urged that "commerce should be thoroughly taught and honoured as a study as any other of those branches of learning, which an Indian university delights to honour". But the consideration of the scheme was postponed as the Government of India appointed a University Commission in January 1902. The commission recognised that "the study of commerce subjects should be fostered as far as possible by the universities and the Government" but did not make any specific recommendations on this matter.

In February 1904, Lord Lamington, in his convocation address, admitted the advisability of instituting a degree in commerce but added that "the need for such specialisation might be met when those who were chiefly concerned made the demand as the medical and legal professions had made in the past". Later on, various business and industrial organisations like the Bombay Millowners Association, the Indian Merchants Chamber and the business magnates of Bombay submitted representations for the institution of a Faculty of Commerce in Bombay University. In January 1905, Mr. K. S. Aiyer again submitted a definite scheme for a degree course in commerce to the Syndicate of the University of Bombay, but the latter postponed consideration as it was busy dealing with the question of revising the existing courses of studies.

Committee of Experts

After the work of revision of courses of studies was complete, the Syndicate appointed in April 1911 a committee of nine experts "to consider and report as to the steps to be taken for inaugurating a scheme of commercial education in connection with the university and for encouraging the study of commerce". The committee consisted of two leading syndics, two European and four Indian business men and Mr. K. S. Aiyer. The committee examined the draft scheme which was prepared by Mr. Iyer in March 1910 and unanimously recommended the institution of an additional degree of Bachelor of Commerce in the Faculty of Arts. The Committee said in its report:

> "Without a well-disciplined mind and the faculties specially trained to analyse new commercial and economic situations and without a scientific study of applied economics and, in India without a good grounding in English, it is difficult for young men to handle scientifically and critically the numerous complicated problems of modern commerce and industry . . .
>
> "Should higher commercial training not be recognised by the university, it is likely to be divorced from culture which is as important for men engaged in business as it is for lawyers, doctors and engineers.
>
> "We are of opinion that there is a distinct demand for the services of young men trained in the way we suggest, and that the institution of a degree on the lines recommended will open out new careers for Indian youths, and help business houses in securing the services of trained youths capable of being gradually advanced to the highest positions in business, and we are at the same time convinced that the cause of liberal education will in no way be imperilled by the recognition of the right of applied economics and the study of business problems to a place in the curriculum of the university".

The signatories of the report were: Rev. Dr. D. Machican, Dr. N. N. Allen, the Hon'ble Mr. C. H. Armstrong, Mr. W. A. Haig-Brown, the Hon'ble Mr. Manmohandas Ramji, the Hon'ble Sir Vithaldas D. Thackersey, Kt., Sir Dinshaw E. Wachha, Mr. Pestonji A. Wadia and Mr. K. Subramani Aiyer.

New Degree College

The Senate at its meeting on 27th January, 1912, under the chairmanship of the then Vice-Chancellor, Mr. N. G. Chandavarkar, unanimously accepted the report and resolved to institute a new degree of Bachelor of Commerce in the Faculty of Arts. The duration of the course for this degree was three years and the subjects prescribed were: English, Elements of Economics, Economic History and Geography, Organisation of Industry and Commerce, Banking, Mercantile Law and Practice, and Elements of Accountancy. The subjects for specialisation were: (1) advanced accountancy and auditing or (2) advanced banking and currency, or (3) actuarial science.

Thus, the credit for instituting the first degree of Bachelor of Commerce in India goes to the University of Bombay. Sydenham College was the first college affiliated to the University for teaching this course.



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Commodity Markets

RECORD CASHEW EXPORTS EXPECTED

(FROM OUR SOUTH INDIAN CORRESPONDENT)

INDIA'S cashew processing industry is likely to set up a new export record. Export demand this year has been much better and the industry was able to sell abroad 1.6 million cases of cashew kernels valued at about Rs. 15 crores during the first eight months of 1963. This compares with 1.41 million cases (one case = 50 lbs) worth Rs. 12.9 crores exported during January-August 1962. Almost all the principal buyers like the United States and Russia took larger quantities during this period. There has recently been a brisk revival of demand from the U.S.A. After having paid up to 47 cents a lb for 320 cases last month, American buyers are reported to have bought about 20,000 cases in the last fortnight paying 52 cents for September shipment, 51 cents for October-November and 50 cents for December. It is said that they are interested in sizable supplies of nearby positions.

Russia has not been showing any buying interest at the present high levels. The revival of American demand at what is considered to be higher prices and the larger exports effected so far this year, encouraged the shippers to forecast that cashew kernel exports in 1963 would touch a new high at 2.3 million cases, compared with 2 million cases last year which itself was a record. But this would happen only if the supply of raw nuts is adequate. As in the past, raw nut prices are shooting up with the improvement in the prices of kernels. For instance, the price of African raw nuts has increased from Rs. 650 to Rs. 725 a ton in the course of the past two weeks. According to one report, the first auctions of British East Africa's new crop held a couple of weeks ago in Matwara was marked by a firm tone and the prices realised were between £55 and £60 a ton.

The Chairman of the Cashew Export Promotion Council, Mr. M. K. K. Nayar, has pleaded for a big-scale propaganda in the markets of the West. He did so in the course of his address at the latest annual general meeting of the Council in Ernakulam recently. Cashew, he said, faced competition from many other edible nuts, but it was unfortunate that in spite of its price advantages, India had not made any appreciable progress. This he ascribed largely to the lack of knowledge about this nut in Europe.

The vice-chairman, Mr. T. S. Menon, who read the address in the absence of Mr. Nayar, disclosed that under a code for grants in aid, the Government had agreed to provide generous grants from the Market Development Fund for publicity efforts during the current year.

The Cashew Export Promotion Council proposes to open a fullfledged office in West Germany under the charge of a senior and experienced officer. Apart from looking after the interests of the cashew trade, this officer will be actively and directly concerned with market surveys, publicity campaigns and other promotional efforts of the Council in western Europe. Referring to quality control, the chairman said that the compulsory quality control scheme operated by the Council had been welcomed by foreign buyers. It was creating a quality consciousness among the exporters also. He announced that the Central Government had approved a standard contract form, drawn up by the Council, on the production of which imports of raw nuts from Africa would be permitted. This would ensure the quality of imported raw nuts and thereby reduce the incidence of bad and defective ones. Mr. Nayar pointed out that with progressive diversification and expanding markets, cashew kernel exports would continue to rise. As a result of diversification, total share in the cashew trade other than the U.S.A. had gone up to nearly 45 percent. This had been achieved through larger exports and without any reduction in the actual American offtake.

Cashew kernel exports to east European countries have been on the increase during recent years. Exports to these countries during 1962 amounted to 10,300 tonnes, compared with 6,000 tonnes in the previous year. To the end of August 1963, these countries including Russia imported over 10,600 tonnes of cashew kernels from India. The Cashew Export Promotion Council lists Australia as a good market for the Indian product. The main use there is for direct consumption, in the roasted and salted form, as snacks with drinks. Small quantities of cashew kernel are used in the confectionery industry also. In recent years, consumption has risen very steeply and the average annual consumption of cashew kernel in Australia at present is reckoned at over 0.32 lb a head, which is probably second only to the consumption rate in the U.S.A. Under present conditions, there are good prospects for increasing consumption further as the Australians have acquired a taste for cashew and with prices being very low when compared with almonds, there is no reason why larger quantities of cashew should not be imported into Australia in the coming years, the Indian Cashew Journal, official organ of the Council, says. The Cashew Export Promotion Council has participated in two trade fairs in Australia this year.

Higher Copra Prices

Copra and coconut oil prices have been ruling higher this year in the world market. To the end of August last, there was a gain of 11 percent on an average in their prices, compared with that of last year. A statement issued by the coconut group of the F.A.O. towards the end of its recent ten-day meeting in Rome says that there has been an almost complete absence of short-term fluctuation in copra and coconut oil prices so far this year. Future prices are expected to continue around recent levels. The volume of production and international trade in coconut products has increased during the year. The volume of imports in 17 countries which accounted for the bulk of world purchases, rose 13 percent in the early months of this year. According to the F.A.O. the present phenomenon of higher prices in the face of large supplies of copra and coconut oil reflects the absence of any large increase in world supplies of all edible fats and oils in 1963. The group's investigations showed that there would be a strong demand for oils and fats in the 1960's.

Pepper Prices Soar

The strained relations between the new-born Malaysia and Indonesia have had their repercussions on the world pepper market in New York, Pepper prices soared to 40 cents from 31 cents a lb last week, on rumours that Indonesia had cut off her exports to the Singapore market. Sentiment in New York continues to be strong, although buyer interest is limited to small lots in spot and afloat positions. Political unrest in the Far East is a bullish factor both in pepper and rubber.

The latest report from Bombay says that the upward trend in black pepper was arrested there on 27th September. Futures met with a small decline. Indonesia which was out for some time has again entered the U.S. market and was offering at 34¼ cents a lb. This affected the market is Singapore which was quoting 36 cents. The offers of Indian shippers at 36 cents a lb is not attractive enough for American buyers, according to this report. However, if tension continues in the Far East, the foreign buyer is likely to turn to India for covering his requirements, at least partially. In India, there cannot be much left behind from the last crop. The new season begins in November and the exportable quality pepper of the new season would become available from December. The new crop may not be as big as the 1962-63 crop in view of the failure of monsoon in Kerala, the main producing centre. There are reports of uneven flowering and fall of berries from several centres.

Categorisation of U.K. Cotton Textile Imports

THE U.K. Cotton Board's views on the categorisation of textile imports have been set out in a memorandum which has been forwarded, through the two Governments concerned, to the Hong Kong Cotton Advisory Board. This represents a further step in the Lancashire textile industry's efforts, to which the President of the U.K. Board of Trade gave his blessing in a written answer to a House of Commons question on 1st August, to ensure that limits are set for particular types of goods within the total quotas which have been fixed for many of the countries whose cotton goods are imported into Britain.

Over a period of many months, several approaches were made on this subject to the Government and its announced agreement that "a reasonable measure of categorisation" was desirable was warmly welcomed by the industry. For some time before the announcement was made, there had been exchanges of views between the Lancashire and Indian Industries, while discussions between the representatives of the two industries were begun in London on 10th September. They were adjourned after three days, partly because some of the participants were to attend the annual meeting in Athens of the International Federation of Cotton and Allied Textile Industries.

Some division of the total quota between different classes of goods is already provided in the arrangements for imports of Hongkong goods, but it is considered that there are insufficient safeguards against sudden increases in particular types which can disrupt the trade of British producers of those types. Wide swings from time to time in the nature of the imports disrupt distribution of domestic goods, affecting both the volume of demand and the level of prices. This instability is a severe handicap to the efficient operation of machinery and the formulation of economic stock policies. The memorandum from the Cotton

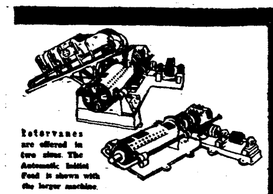
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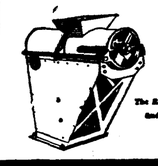
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Board, therefore, requests that Hongkong should consider accepting a greater degree of categorisation. The reasons for the request are set out in general terms and an invitation is given to arrange consultations.

Case for Regulating Tea Production

(BY A SPECIAL CORRESPONDENT)

IT is generally admitted in industry that maximum output reduces costs and, therefore, leads to more profitable working. This rule, however, does not always apply to tea production. In 1952, tea planters experienced overproduction and low prices. Nevertheless, within two years, namely in 1954, short supplies pushed tea prices to a record high which resulted in the biggest tea share boom in the history of the trade. Similarly in 1961, the north Indian tea crop was an all-time record whereas in the following year, about 22 million lbs less tea came to the market. But a study of the reports and accounts of a group of tea estates for these two years shows that the smaller crop made in 1962 produced larger profits than in the previous year with a record supply.

Rubber booms have also been caused by a short supply. The world coffee situation in past years has been a glaring example of the absurdity of producing more and more of the commodity unless the markets are ready to absorb the supply. The points made above indicate the folly of overproducing any commodity. This was fully demonstrated in tea in the early 'fifties. Here are some interesting records: In 1938, north India's prewar output was 376.8 million lbs. By 1951, this had jumped to 531.8 million lbs. The increase caused prices to fall at the Calcutta auctions from Rs. 2.05 a lb in the 1950-51 season to Rs. 1.41 a lb in the 1952-53 season, resulting in serious losses to producers. The amount offered for sale moved up from 1,056,942 chests in 1949-50 to 1,579,094 chests in 1950-51 and 2,102,920 chests in 1951-52 with disastrous results to profits.

The reaction was, however, rapid. From a total crop of 531.8 million lbs in 1951, production fell in two years to 477.8 million lbs, and the prices at the Calcutta auctions jumped up to Rs. 3.09 a lb in the following season. These figures, read in conjunction with the market behaviour between 1961 and 1963, make out a case for regulated production and supplies.

The fluctuating production figures for north Indian tea over a period make it difficult to make a correct forecast. From around 532 million lbs in 1951, supplies improved to 564 million lbs by 1959 (255.8 million kilograms) 273.4 million kilograms was the record in 1961, but the overall increase since 1959 from this area is negligible, the past two years actually showing a decline.

These facts do not, however, tally with estimates. As some members of the I.T.A. planting community admit, newly planted sections are expected to produce between 20 maunds and 30 maunds of tea an acre. It must be noted that over these years, south India has gone steadily ahead, namely, from 34.6 million kilograms in 1938 to 82.1 million kilograms in 1962. In like manner, Ceylon has added to the supply from 112 million kilograms to 211.8 million kilograms over the same period. It, therefore, seems reasonable to conclude that the north Indian crop is due for an increase in the near future.

The question of consumption, therefore, again needs careful consideration. Over the same period, namely, from 1938 to 1961, the world consumption increased from around 497 million kilograms to 807.7 million kilograms. On the basis of these estimates, tea prices should be firm.

So far, the Tea Board's forecast appears to have been more accurate than the forebodings of the F.A.O. If new consuming markets can be developed, the prospects for plantation interests appear to be reasonably hopeful. But there is a growing appreciation that the plantation programmes under the third plan are rather ambitious, one of the main difficulties being finance for extensions.

At the turn of this century Rs. 300 an acre was generally the accepted cost of planting. By 1910, some good estates changed hands on the basis of Rs. 750 an acre. But today the cost figure is nearer Rs. 3,000. The Government is reported to be prepared to lend up to Rs. 5 crores to the Tea Board at 5 percent interest. But the Tea Board is understood to take another 2 percent for supervising details or for providing accommodation. Since it will probably take seven years before profits result, it will be seen that the cost of extending the area under tea is prohibitive.

A tea campaign is planned in all the E.C.M. countries. The programme appears to cover the inauguration of four main tea centres which will serve tea and act as exhibitions for other Indian products. There will also be mobile canteens where tourists and others will be attended to by local waitresses. Centres have recently been opened in Dublin and Edinburgh and plans are in hand for another in Oxford Street, London. These are sensible and praiseworthy efforts to expand the consumer markets.

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BOOKS RECEIVED

Commonwealth Trade 1962. (Published by Her Majesty's Stationery Office for the Commonwealth Economic Committee, Marlborough House, Pall Mall, London, S.W.1. Price 7s 6d, pages 106.)

Some Problems of Commerce and Management Education in India Analysed. By Q. H. Farooquee, Faculty of Commerce, Aligarh Muslim University, Aligarh. Pages 17.

Report of the Indian Productivity Study Team on Cable Industry 1962. Pages 428 + annexures.

Industrial Fibres. (Compiled by the Commonwealth Economic Committee, Marlborough House, Pall Mall, London, S.W.1. Price 10s, pages 230.)

The Bombay Chartered Accountants' Society: Seminar on Accounting and Auditing Techniques, June 1963. (Issued by the Bombay Chartered Accounts' Society, 60 Forbes Street, Fort, Bombay 1. Pages 163.)

Cement in the Commonwealth. (Published by Her Majesty's Stationery Office for the Commonwealth Economic Committee, Marlborough House, Pall Mall. London, S.W.1. Price 7s 6d, pages 69.)

COMPANY AND PUBLIC NOTICES

THE INDIAN IRON AND STEEL CO. LTD.

NOTICE is hereby given that the Register of Members and Share Transfer Books for Preference Shares in the Company will remain closed from the 14th to 16th October, 1963, both days inclusive, for the purpose of payment of Preference Dividend for the half-year ended 30th September, 1963, on or after the 1st November, 1963, to those Preference Shareholders whose names appear on the Company's Register of Members on the 16th October, 1963, or to their mandatees.

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Regd. Office: Dalmianagar (Bihar)

NOTICE

THE Thirtieth Annual General Meeting of the Shareholders of Rohtas Industries Ltd. will be held at the Registered Office of the Company at Dalmianagar on Thursday, the 31st October, 1963 at 11 A.M. to transact the following business:—

1. To receive and adopt the Directors' Report and the Audited Accounts for the financial year ended 31st March, 1963.
2. To declare dividends.
3. To elect a Director in place of Shri B. N. Chaturvedi, who retires by rotation and is eligible for re-election.
4. To appoint Auditors for the current year and fix their remuneration. The retiring Auditors Messrs. K. N. Gutgutia & Co., are eligible for re-appointment.
5. **As a Special Business:**

   To consider and if thought fit to pass the following resolution, which shall be proposed as an Ordinary Resolution, with or without modification:

   "RESOLVED that the appointment of Messrs. Ganga Corporation (Private) Ltd., as sole selling agents for the sale of Asbestos Cement products for Punjab, Himachal Pradesh, Rajasthan, Uttar Pradesh, Madhya Pradesh, Bihar and Delhi for a period of three years from 1st March, 1963 on the terms and conditions enumerated in the Agreement, submitted to this meeting and approved by the Board of Directors of the Company, be and is hereby approved and confirmed."

The Share Transfer Books and Member's Register of the Company will remain closed from 19th October, 1963 till 31st October, 1963, both days inclusive.

By Order of the Board,
For SAHU JAIN LIMITED,
A. K. JAIN,
Managing Director,
Managing Agents.

Calcutta,
28th September, 1963.

N.B. 1. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself. Such proxy need not be a member of the Company. Proxies in order to be effective must be received by the Company not less than 48 hours before the meeting.

2. The dividends, if declared, will be payable to the Shareholders registered in the Books of the Company on 31st October, 1963.

Explanatory note as required under Sec. 173 of the Companies Act is being forwarded to the members of the Company with the notice.

MARTIN BURN LIMITED

NOTICE is hereby given that the Register of Members and Share Transfer Books for Preference Shares in the Company will remain closed from the 8th October to 11th October, 1963, both days inclusive, for the purpose of payment of Preference Dividend for the half-year ending 30th September, 1963, on or after the 11th October, 1963, to those Preference Shareholders whose names appear on the Company's Register of Members on the 11th October, 1963, or to their mandatees.

By Order of the Board,
L. K. SEN CHOWDHRY,
Secretary.

Registered Office:
12, Mission Row,
Calcutta-1.
27th September, 1963.

THE CALCUTTA ELECTRIC SUPPLY CORPORATION LIMITED

(Incorporated in England)

NOTICE is hereby given that the Board of Directors of this Company have decided to recommend to stockholders at the forthcoming Annual General Meeting that a Final Dividend for the year ended 31st March 1963 on the Company's Ordinary Stock at the rate of £4 per cent net (Tax applicable at 7s. 9d. in the £) be paid on the 28th October, 1963 to those stockholders whose names are registered in the Company's Stock Register on the 14th October, 1963.

Applications for transfers received in this office before 12 O'clock noon on Monday, the 14th October, 1963, will, if otherwise satisfactory, be registered at that date for the purpose of participation in the above Dividend.

By Order of the Board,
D. P. M. KANGA,
Agent.

Victoria House,
Calcutta, 28th September, 1963.

COMPANY MEETINGS AND DIVIDENDS DECLARED OR PROPOSED

Name of Company	Date	I.S.T. Hours
British Paints (India) Ltd. ...	22-10-63	11 a.m.
Rohtas Industries Ltd.	31-10-63	11 a.m.

DIVIDENDS DECLARED OR PROPOSED.—Seebpore Coal Co. Ltd.—75nP per share (o) (Int.), subject to tax; New Beerbhoom Coal Co. Ltd.—35nP per share (o) (Int.), subject to tax; Bengal Coal Co. Ltd.—Rs. 6 per share (o) (Int.), subject to tax; Balmadies Plantations Ltd.—5 p.c. (o), subject to tax; Madras Safe Deposit Co. Ltd.—6 p.c. (o), subject to tax; Cheviot Mills Co. Ltd.—75nP per share (o) (Int.), less tax; Budge Budge Jute Mills Co.—Rs. 6 per share (o) (Int.), less tax; Delta Jute Mills Co. Ltd.—Rs. 6 per share (o) (Int.), less tax

"CAPITAL" STOCK AND SHARE LIST

THE INVESTORS GUIDE AND SHAREHOLDERS GAZETTE

Official quotations of the Calcutta Bombay, Madras London Stock Exchange Associations and other sources.
Figures given after stroke (/) mean Naye Paise.

Tuesday, 1st. October, 1963.

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GOVERNMENTS LOANS

Outstanding Amount Rs.	Interest Per cent	Year of Issue	Repayable	Market quotations Rs.
GOVERNMENT OF INDIA				
2,48,91,07,000	3	1946	1986 or later	65/90
8,93,33,000	3	1896-97	At the option of the Government of India after 6 months notice	62/37
1,16,17,46,000	3	1938	1963-65	99/90
1,10,11,78,000	3	1943	1966-68	98/00
30,33,10,000	3	1950	1964	99/00
14,77,48,000	2½	1946	1976	83/50
1,15,05,85,000	3	1948	1970-75	89/40
1,58,17,94,000	3½	1954	1964	99/75
1,53,67,92,000	3½	1955	1965	99/55
58,05,92,000	3½	1958	1963	99/65
86,63,53,000	3½	1456	1974	95/60
56,99,30,000	3½	1957	1967	99/15
1,54,59,21,000	4	1957	1972	99/55
74,51,44,000	4	1958	1973	99/20
1,97,40,92,000	3½	1956	1967	99/10
1,56,58,41,000	3½	1958	1968	98/05
1,90,85,42,000	3½	1959	1969	97/15
81,06,39,000	4	1959	1979	98/40
82,85,41,000	3½	1960	1968	99/60
98,50,17,000	4	1960	1980	98/40
65,96,55,000	4	1961	1981	98/65
BOMBAY				
3,40,34,300	4	1952	1964	99/90
6,57,22,800	4½	1957	1969	98/70
6,58,20,700	4½	1958	1970	98/70
4,35,25,000	4½	1958	1971	98/70
MADHYA PRADESH				
2,03,28,800	3	1948	1964	98/00
MADRAS				
5,24,81,200	4	1952	1964	99/90
5,55,57,300	4½	1958	1970	98/70
UTTAR PRADESH				
1,55,31,200	3	1936	1961 66	93/25
5,89,13,900	4	1952	1964	99/90
7,65,58,900	4½	1958	1970	98/70
WEST BENGAL				
2,00,00,000	4	1952	1964	99/90
7,58,72,200	4	1955	1967	98/70
7,11,46,100	4	1956	1968	98/65
5,10,49,700	4½	1958	1970	98/75
7,69,69,400	4	1959	1971	97/75
7,00,00,000	4	1960	1969	98/35
73,07,21,000	4½	1961	1972	98/80
MYSORE				
2,95,85,200	4	1933	1953-63	100/10
3,83,47,200	4	1953	1963	99/75

PORT TRUST LOANS

Amount Rs.	Interest Per cent	Year of Issue	Repayable	Market quotations Rs.
CALCUTTA				
90,24,300	4	1914	1974	98/25
76,90,100	4	1915	1975	98/25
68,02,300	3	1921	2nd 1981	82/00
1,50,00,000	5½	1921	2nd 1981	144/00N
£892 600	5	1923	1953-83	£61
£901,000	5	1924	1954-84	£61
1,24,00,000	4½	1957	1987	99/50
	4½	1958	1988	99/00
	4½	1959	1989	99/00
50,00,000	4½	1961	1971	98/75
1,50,00,000	4½	1961	1991	93/00
90,00,000	4	1931		
50,00,000	3½	1935	1965	99/00
50,00,000	3	1946	1976	83/50
50,00,000	5	1946	1-2-2005	72/00
50,00,000	3	1945	1-2-1975	83/75
25,00,000	3	1938	1963-68	93/00
50,00,000	3	1946	2006	72/00
50,00,000	2½	1947	1977	78/50
50,00,000	3	1948	1978	83/00
50,00,000	3	1950	1980	81/00
50,00,000	3	1951	1981	80/50
50,00,000	4½	1953	1963	98/75
50,00,000	5	1953	1983	97/50
50,00,000	5	1955	1985	97/25
30,00,000	4	1956	1986	97/25
77,00,000	4	1959	1969	99/50
1,00,00,000				

IMPROVEMENT TRUST LOANS

Amount Rs.	Interest Per cent	Year of Issue	Repayable	Market quotations Rs.
BOMBAY				
36,50,000	4	1906	1964	96/00
35,00,000	4	1905	1965	96/00
15,00,000	4	1906	1967	96/00
44,00,000	4	1907	1968	96/00
75,00,000	4	1908	1968	96/00
40,00,000	4	1908	1970	92/00
56,00,000	4	1910	1971	92/00
75,00,000	4	1911	1972	92/00
STERLING LOANS				
£892 600	5	1923	1953 83	£63
£901,000	5	1924	1954 84	£63
£835,100	5½	1932	1962	£95½
MADRAS				
28,48,275	3½	1947	1977	A
9,88,000	3	1947	1977	A
9,00,000	3	1949	1979	A
CALCUTTA				
50,00,000	5	1934	1964	99/25
35,00,000	4	1935	1965	96/00
30,00,000	3	1936	1966	92/50
20,00,000	3	1938	1963 68	92/00
30,00,000	4	1952	1962	100/00
02,00,000	4	1956	1968	98/50
75,00,000	4½	1958	1968	101/00
BOMBAY				
50,00,000	4	1903	1963	98 25
50,00,000	4	1904	1964	98/25
20,00,000	4	1906	1966	97/50
15,00,000	4	1907	1967	97/50
30,00,000	4	1908	1968	£95½N
£566,600	4	1909	1969	£95½N
£333,000	4	1910	1970	£100/00
25,00,000	4	1912	1972	95/00
13,00,000	4	1913	1973	95/00
50,00,000	4	1914	1974	95/00
25,00,000	4	1916	1976	95/00
66,00,000	5	1920	1945-80	119/50
25,00,000	4	1927	1961 70	99/75
10,00,000	3½	1936	1966	89/00

MUNICIPAL LOANS

Amount Rs.	Interest Per cent	Year of Issue	Repayable	Market quotations Rs.
CALCUTTA				
66,88,000	3½	1951	1966	98/50
10,00,000	5½	1932	1962	100/75N
33,91,000	3½	1935	1965	96/00
72,50,000	4½	1954	1979	100/00
80,00,000	3	1936	1966	93/00
67,50,000	3	1938	1968	92/50
41,10,000	3½	1942	1972	92/00
97,36,000	4	1952	1962	99/75
1,22,72,000	4	1955	1985	97/25N
1,87,32,000	4½	1958	1970	101/00N
73,36,000	4½	1958	1968	100/50
BOMBAY				
20,00,000	4	1913 18	1974	95/00
10,00,000	5	1920	1980	101/00
2,00,34,000	3½	1951	1966	89/00
8,23,00,000	3½	1947	1977	82/00
2,13,14,500	3½	1949	1979	82/00
MADRAS				
15,00,000	3½	1951	1961	107/00
15,00,000	3½	1952	1962	107/50

2½% U.P Zemindary Abolition Compensation Bond (per Rs 100) Rs 41/90*

*Ex eight instalments but inclusive of accrued interest.

These notes refer to the Debentures on the next page.

Option to repay at par on 6 months notice—
(a) Option to extend the redemption period for further 10 years
(b) at any time after.
(c) on or after 1-1-81.
(d) option to redeem at 2½% Prem after 14-5-64 and before 15-5-69

Option to repay on 6 months notice—
(e) at any time after 30-6-61 at 101%.
(f) at 101% between 1-1-64 & 31-12-64.
(g) at 102/8% after 30-6-64 but before 30-6-64.
(h) at any time after 30-6-64 at 101%.

Option to repay on 3 months notice—
(i) at any time at 3% Premium.
(j) at 1% Prem. after 1-3-64 but before 1-3-67 and 1% Prem on or after 1-3-67
(k) at any time at par
(l) at any time after 31-3-62 at the rate of 1% Premium.
(m) redeemable at 103% on 31-12-64 with option to redeem on any interest date at same premium after 30-6-59.
(n) at any time on two months notice—
(o) to be redeemed at a premium of 10% Rs. 70,000 to be redeemed annually by drawing on 3 months notice with option to redeem all after 6 years from date of issue on 6 months notice Option not exercised repayment to be made after full term.

Option to repay
(p) at par after September 1980.
(q) at par on or after 1-12-59.
(r) with option to redeem at 101% after 10 years or at 100/8% after 12 years
(s) Rs 1,00,000 Debentures to be redeemed annually by drawing from 1-6-56 with option to redeem at 100/8% between 1-6-57 to 1-6-61 and at 101% afterwards
(t) with option to redeem at 101% after 10 years or at 100/8% after 12 years
(u) with option to redeem all or any of the Debts at 101% at any time after 31-3-64 and at 100/8% at any time after 31-3-66.
(v) Rs 80,000 are being redeemed annually repayment of Debentures commencing serially from No 1 to No 8 on 31-12-48
(w) Redeemable at any time at a per cent premium (a) on 6 months notice by the Company or (b) in the event of the security becoming enforceable or at par if the Corporation of Calcutta or Howrah purchase the undertaking on 1st January 1945 or every seventh year thereafter
(x) At par all or any of the Debts on 31st December 1980 or on any subsequent interest date.
(y) Redeemable (a) at 102% on 1st October 1974 or in the event of voluntary liquidation of the undertaking being purchased or in the event of the security becoming enforceable or (b) at 105% at any time after 31st March 1953 on 6 months notice from the Co. (c) also redeemable out of a sinking fund (commencing in 1938) by drawing at 102% or purchase at or under 102%
(z) Also redeemable out of a cumulative sinking fund of 1½% per annum commencing in 1945 by purchase at any price less than par or by annual drawing at par.

JOINT STOCK COMPANIES PREFERENCE SHARES

Dividends are cumulative and shares carry a Preferential claim on the property for the payment of capital and on the profits for dividend except in case of companies marked otherwise. Months against names of companies indicate approximately times of payment of dividends. T means that dividend tax is deducted at source.

Year of Issue	NAMES	Amount Issued in 000's Rs	Rate per cent	Paid-up per Share Rs	Market Quotations 1-10-63 Rs	A year ago Rs
	BANK					
1901	Allahabad Bank (May Nov.)	15 00	6	100	96/50	97/00
	COALS					
1896-97	Borrea (June Dec.)	4.00	6½	100	84/00	84/00
1901-19	Burrakur (Jan July)	22 98	7	100	93/00	97/50
1946	Burrakur (June Dec.)	4.50	6T	10	6/00	6/10
1895	Equitable (May Nov.)	4.00	6	100	80/00	79/00
1931	Khas Kajora (March Sept.)	1.93	5	10	9/00	6/95
1920	New Beerbhoom (Jan July)	2.00	7	10	10/25	10/25
1898-00	Ondal (June Dec.)	2.00	5½	100	85/00	64/10
	COTTONS					
1902	Ahmedabad Advance (Apr Oct.)	10.00	5	100	70/00	70/00
1884	Bangalore (Jan July)	6.00	6	100	98/44	106/90
1938	Basanti (Oct.)	5.00	6½	10	7/00	7/00
1896	Bengal-Nagpur (Apr Oct.)	3.00	7	100	48/00	48/00
1900	Bowreah "A" (Apr Oct.)	6.00	8	100	114/00	111/00
1900	Bowreah "B" (6) (1) (Apr Oct.)	6 00	7	100	88/00	82/50
1919	Bradbury "B" (Jan Dec.)	14.85	7	50	61/00	47/00
1920	Buckingham & Carnatic (Jan July)	21.30	7½	100	109/00	114/59
1928	Cambodia (July)	1.00	7	100	83/63	83/63
1912	Central India (Apr Oct.)	50.00	5	500	483/75	407/50
..	Delhi Cloth & General (Oct.)	20.00	4½	25	16/63	16/63
1912	Elgin (May Nov.)	11 00	8	100	113/00	113/00
1943	Elgin "B"	10.00	5	10	6/50	7/25
1919	Elphinstone (May Nov.)	25.00	7T	100	76/00	73/00
1919	Kesoram (June Dec.)	20.00	7	100	107/50	107/50
1925	Khatau Makanji (Nov.)	10 00	6	100	83/50	77/00
1937	Kothari (Nov.)	12 00	6	10	7/75	8/10
1900	Muir (Feb Aug.)	30 00	6	100	122/00	100/00
1913	New Great Eastern (Mar.)	8 00	5½	200	120/00	107/00
1920	New Victoria (Apr Oct.)	16 06	6	5	2/81	2/94
1933	Palani Andavar (Mar.)	2 00	7	50	115/45	118/64
1935	Svadeshi (Bombay) (May)	15.00	5	100	86/00	87/00
1927	Swadeshi (Cawnpore) (Mar.)	35.00	6	100	69/00	68/00
1931	Vasanta (Apr Oct.)	3.00	6½	100	86/14	92/04
1908	Vishnu (Apr.)	16.00	7	500	405/00	385/00
	JUTES					
1927	Agarpara (Jan July)	10 00	7	100	96/50	90/50
1905	Alexandra (Feb Aug.)	9 00	7	100	85/50	85/50
1895	Alliance (March Sept.)	15 00	6	100	73/50	65/00
1917	Anglo-India (May Nov.)	40 00	7	100	99/00	94/50
1909	Auckland (July Jan.)	10.00	5½	100	77/00	74/50
1945	Auckland (July Jan.)	15.00	4½	100	57/00	56/00
1918	Bally (Jan July)	20.00	7	100	111/00	96/00
1896	Barnagore (Oct Dec.)	£200	5T	£5	38/00	38/00
1940	Bengal (June Dec.)	10 00	5½	100	70/00	62/50
1919	Birla (June Dec.)	23 64	7½T	100	80/00	81/00
1894	Budge Budge (May Nov.)	9.00	7	100	90/50	90/50
1934	Calcutta (Jan July)	6.00	6½	100	72/00	59/00
1915	Caledonian (June Dec.)	10.00	7	100	93/00	90/00
1919	Cheviot (June Dec.)	10.00	7	100	98/00	90/50
1928	Chitavalsah (Mar Dec.)	5.00	7	100	89/00	89/00
1900	Clive (First) (May Dec.)	8.00	6	100	69/00	52/00
1905	Clive "A" (Second) (May Dec.)	8.00	7	100	63/50	66/50
1903-13	Dalhousie (July Jan.)	11 76	7	100	93/00	88/50
1897	Delta (June Dec.)	5.00	6	100	64/75	67/75
1912	Empire (Jan July)	10.00	7	100	96/00	88/50
1890-93	Fort Gloster (Jan July)	14.00	7	100	111/00	97/00
1948	Fort Gloster (2nd)	7.00	5	100	65/50	65/50
1911	Fort William (May Nov.)	10 00	7	100	115/00	80/80
1916	Ganges (June Dec.)	6 00	8	100	106/00	108/00
1895-04	Gourepore (June Dec.)	26.50	6	100	91/00	86/00
1935	Hastings (Aug Feb.)	25.00	6	100	91/50	84/50
1913	Hooghly (July)	11.76	10	10	13/06	10/87
1890	Howrah (Jan July)	8.75	7	100	90/50	90/50
1903-06	Howrah "A" (Jan July)	17.50	7	100	94/50	90/00
1919	Hukumchand (June Dec.)	40.00	7	100	100/50	92/00
1898-04	Kamarhatty (Apr Oct.)	16.00	6	100	81/00	73/50
1900	Kanknarrah (Apr Oct.)	10 00	6	100	81/50	100/00
1935	Kedarnath (Jan July)	2.00	7	100	90/00	90/50
1907	Kelvin (Mar Sept.)	10 00	7	100	100/00	90/00
1895-09	Khardah (May Nov.)	9.00	6	100	77/50	77/00
1900-13	Kinnison (July Jan.)	15.00	7	100	98/00	90/00
1905	Lansdowne (July Jan.)	15.00	7	100	114/00	90/00
1912	Lawrence "A" (July Jan.)	5.00	7	100	95/00	90/00
1906-07	Lawrence "B" (July Jan.)	10.00	5½	100	70/50	66/00
1905-06	Naihati (July Jan.)	7.50	7	100	112/00	120/00
1945	Naihati (July Jan.)	10 00	4½	100	85/00	90/00
1917	National (May Nov.)	5 00	7	100	93/50	88/50
1939	Nellimarla (Apr Oct.)	5.00	6	100	76/00	76/00
1915	New Central (Jan July)	33.00	7	100	95/00	94/00
1908-09	Northbrook (July Jan.)	15.00	7	100	75/50	70/50
1935	Rameshwara (Jan July)	7 00	6	10	12/25	9/62
1906-12	Reliance (Jan July)	20.00	7	100	121/00	84/00
1928	Shree Ambica (Mar Sept.)	11 70	7½	100	90/00	90/00
1920	Soorah (Feb Aug.)	10 00	7	100	96/00	93/00
1901-02	Union (July Jan.)	6.00	7	100	98/50	88/00
1913	Waverley (Mar Sept.)	7.50	5	50	42/50	40/50
	MISCELLANEOUS					
1937	Alkali & Chemical (Mar Sept.)	31 00	5	100	88/00	86/00
1938	Aluminium Corpn (Oct.)	20.00	6	10	93/50	92/00
1944	Aluminium Corpn (Oct.)	20.00	5	100	62/00	61/50
1949	Anderson Wright (Dec.)	20.00	4½	100	66/62	66/62
1917	Andhra Valley Power (May Nov.)	49.34	7T	1,000	1,025/00	967/50
1919	Arthur Butler (Mar.)	1 30	7	10	12/00	17/00
1916	Asstd. Hotels of India (Mar Sept.)	21 67	7T	100	54/00	50/25
1895	Bengal Assam Steamship (Nov.)	3.00	7	60	47/00	47/00
1926	Bengal Chemical (Aug.)	6.25	7½	10	11/62	11/62
1889	Bengal Paper Mill (Mar Sept.)	2.00	7	50	46/50	46/50
1928	Bengal Paper Mill "A" (Mar. Sept.)	4.00	7	100	98/00	98/00
1936	Birds Investments (Dec.)	24.00	5½T	100	52/25	53/37
1962	Braithwaite & Co	40,00	9T	100	107/00	..
1918	Britannia Biscuit (Feb Aug.)	15.00	8	10	11/00	11/00
1920	British India Corporation (Feb.)	81.00	8	100	108/00	115/00
1995-99	Burn Eng (1st & 2nd) (Feb Aug.)	13.00	7	100	116/00	111/00
1903-5	Burn Engineering (Feb Aug.)	15.00	6	100	103/00	101/00
1909-11	Calcutta Electric Supply (Mar Sept.)	£1.900	5	£1	8/06	8/31
1937	Calcutta Silk Manufacturing (July Jan.)	2.00	6	100	70/00	49/12
1906	Calcutta Tramways (Jan July)	£250	5T	£1	8/25	7/94
1938	Carew & Co (Jan.)	8 00	6½	100	73/25	81/00
1905-24	Cawnpore Sugar Works (Feb Aug.)	10.00	8	100	104/50	116/00
1940	Chrestien Mica Industries Ltd	30.00	5½T	100	39/00	40/50
1937	Dalmia Cement (Bharat)	35.00	6	10	8/00	8/44
1916	Delhi Flour Mills (Oct.)	90.00	7T	100	101/00	101/00
1935	Deshergarh Power Supply "A" (Jan.)	16.00	5	100	72/00	73/62
1940	Duncan Brothers & Co Ltd	45 00	4	100	56/50	55/00
1926	Dunlop Rubber "First" (Jan July)	30.00	8	100	104/75	105/50
1936	Dunlop Rubber "Second" (Apr.)	40.00	5½T	100	68/00	76/50
1897	East India Distilleries (Jan July)	£200	7	20st	18/90	18/90
1908	General Investment & Trust (Feb Aug.)	1.00	5	100	56/00	56/00
1947	General Investment & Trust (Feb Aug.)	1.00	6T	100	48/00	48/00
1946	Gillanders Arbuthnot (Apr Oct.)	25.00	5T	100	55/00	55/00
1946	Gladstone Lyall & Co Ltd	15.00	6T	100	60/00	60/00
1948	Godfrey Phillips India Ltd	30.00	5½T	100	60/75	56/00
1940	Gwalior Sugar (Redeemable) (Dec.)	6.75	7	100	62/00	62/00
1940	Gwalior Sugar (Dec.)	5.00	7	100	62/00	62/00
1936	Humayan Properties Ltd (Nov.)	12.00	6	10	6/81	6/87
1936	Indian Aluminium (Mar Sept.)	40.00	5T	100	66/75	66/00
1927	Indo Burma Petroleum (Jan July)	50.00	7T	100	70/00	78/50
1899	India General Navg & Railways	£244	6	£10	65/00	79/00
1923	Indian Cable Co (Nov.)	12.88	6	10	31/75	31/75
1918	Indian Standard Wagon (Aug or Sept.)	19.66	7	100	116/50	113/50
1936	Indian Iron & Steel	2,69 95	5	100	84/00	85/00
1936	Investment and Finance (Feb Aug.)	2.00	5	100	69/00	69/00
1935	Investment and Finance (Feb Aug.)	2.00	6T	100	60/00	60/00
1937	James Wright (Jan July)	1.30	6	50	14/00	14/00
1937	Jardine Henderson Ltd	50.00	5½T	100	55/50	56/50
1941	Jessop & Co	10.00	5	100	75/50	75/50
1915	Kumardhubi Engineering (June)	12.00	5	100	68/00	68/00
1915	Martin Burn Ltd	30.00	5	100	85/50	83/50
1946	McLeod & Co.	10.00	5T	100	44/50	47/00
1930	McLeod & Co.	40.00	5	100	59/75	61/00
1936	Mettur Chemical & Industrial (Sept.)	20.00	6	10	9/25	9/25
..	Metal Box Co of India Ltd	30.00	6T	100	77/50	84/00
1938	Mysore Chemical Mfg (Sept.)	2.00	6	10	7/83	7/83
1942	National Tobacco (June Dec.)	25 00	5	100	66/50	66/00
1944	National Tobacco (Jan Dec.)	20.00	4½	100	57/50	57/50
1917	Poona Electric Supply Co. Ltd (June Dec.)	4.00	7	100	99/50	101/00
1935	Premier Construction "First" (Apr.)	10.00	6½T	100	72/00	72/70
1936	Premier Construction "Second" (Apr.)	15.00	6½T	100	70/00	68/50
1922	Purtabpore (Sugar) (Oct.)	6.00	10	10	10/56	10/50
1936	Ramnugger Cane & Sugar (Aug.)	4 00	6	100	82/00	82/00
1933-36	Rohtas Industries (April)	20.00	7	100	99/50	104/00
1935	Rohtas Industries "B" (April)	86.00	4½	100	57/57	55/50
1944-48	Shaw Wallace & Co Ltd.	75.00	6T	100	56/50	56/75
1936	Shree Gopal Paper	7.50	8	100	99/00	107/00
1936-38	Shree Krishna Gyanoday Sugar "A" (Oct.)	6.00	6	100	62/00	62/00
1937	Shree Krishna Gyanoday Sugar "B"	12.00	5	100	70/00	65/00
1918	Smith Stanistreet (Chemists) (Nov.)	5.00	10	50	62/50	62/50
1933	South Behar Sugar (Oct.)	5.00	9	100	20/50	20/50
1897	Spencer & Co "A" (Provisions) (Jan July)	23.20	6½T	10	6/58	6/69
1923	Spencer & Co "B" (Provisions) (Jan. July)	36.80	8½T	10	9/50	9/55
1936	Star Paper (Apr Oct.)	10.00	5	100	65/90	65/90
1925	Surat Electricity (April)	5.00	6½	100	104/00	107/00
1939	Tata Chemicals (Nov.)	60.00	5	100	95/00	85/50
1910	Tata Hydro Electric Power (Sept Mar.)	89.28	7	100	104/00	99/30
1906	Tata Iron & Steel (First) (Nov.)	75.00	6T	150	121/25	133/50
1918	Tata Iron & Steel (Second) (May)	6,93.82	7½T	100	101/50	106/75
1919	Tata Power (May Nov.)	86.97	7½	1,000	1,030/00	1,000/00
1928	Titaghur Paper Mills (Mar. Sept.)	11.50	8	100	117/00	117/00
1936	Titaghur Paper Mills "2nd" (Mar Sept.)	15.00	4½	100	66/50	70/00
1934	Vellore Electric (Sept Mar.)	1.25	6	10	6/25	5/81
	TEAS					
1903	Amluckie (May Nov.)	75.00	7	10	21/96	21/96
1901	Banarhat (Jan.)	4.00	6½	100	91/00	75/08
1900	Birpara (Jan.)	1.00	8	100	104/00	104/00
1947	Brooke Bond Estate India Ltd.	35.00	6T	100	58/00	60/00
1914	Choonabhutti (Jan.)	2.00	6½	100	90/50	92/64
1901	Dimakusi (June Dec.)	70.00	8	10	9/50	9/50
..	Dhunseri	1.20	10	10	7/00	7/00
1894	Gielle (Sept.)	2.00	6	100	50/00	50/00
1901	Hantapara (Jan.)	50.00	8	100	89/84	89/84
1904	Hasimara (Mar.)	3.00	7	100	86/50	86/50
1897-99	Kingsley Golaghat (Dec.)	2.40	6	100	85/00	85/00
1929	Moheema (May Nov.)	3 20	6	10	4/75	5/21
1907	New Dooars (Jan.)	2.00	6½	100	91/00	74/82
1903	New Samanbagh (Nov.)	1.00	8	100	90/50	90/50
1888	Okayti (Dec.)	50.00	7	100	84/50	84/50
1914	Peermade (July)	1.50	6	100	82/77	82/77
1916	Pussimbing (Jan.)	2.05	7	100	89/50	94/00
1909	Sonai River (May)	1.00	8	100	100/00	66/00
1932	Tezpore (Jan.)	2 06	8	10	7/06	10/1'
1922	Tirrihannah (May Nov.)	1.00	10	10	11/46	11/4

BANKS

H indicates that Share capital is half paid O.. C. and Dd indicate Ordinary, Contributory and Deferred Shares respectively. P next to the name of the mpany indicates that the company also has Preference Shares Figures in "accounts closed" column indicate the months of the calendar year in which counts are closed For Managing Agents refer to the Key (last page) under the numbers indicated.

Paid-up Capital Ordinary Rs.	Reserve & other Funds Rs.	Cash & Securities Rs.	Net Profits including taxation Rs.	Carry forward Rs.	Accounts closed	NAMES	Dividends per cent 1960	1961	1962	Paid-up per Share Rs.	Latest Market Quotations as available until 1-10-63 Rs.	25-9-63 Rs.	A year ago Rs.
67,50,000	1,23,75,000	27,37,97,908	22.49.414†	6.09,614	12	Allahabad Bank P.	18	18	..	100	258/00	258/00	396/00
2,00,00,000H	2,09,33,260	36,87,47,482	63,19,169	4,16,722	12	Bank of Baroda	17	17	16	50	88/50	88/50	96/00
4,05,00,000H	4,11,50,000	43,61,96,153	1,11,53,496	13,09,847	12	Bank of India	20	20	20	50	105/50	105/50	112/50
2,62,86,350H 62,50,000	5,10,34,368	86,24,48,298	1,79,95,826	93,249	12	Central Bank of India	20-2/5	20	20	25	54/30	54/50	61/00
£6,600,000	£7,150 000	£141,890,310	£990,238	£540,648	12	Chartered Bank	15	15	..	£1	sh. 62/-	sh. 63/3	sh. 85/9
1,25,00,000H	10,00,000	3,70,50,489	9,68,909	17,401	12	Hindusthan Commercial	Nil	Nil	Nil	50	13/50	13/50	17/12
50,00,000H	2 85,000	94,21,660	1,68,130	28,888	12	Hindusthan Mercantile	Nil	Nil	..	50	15/62	15/62	15/50
HK$79,046,125	HK$240,000,000	£184,516,882	HK$45,789,942	HK$2,462,897	12	Hong Kong & Shanghai	£3¾	£3¾	£3 1/5	HK$25	£18⅝	£18½	£17½
71,79,795 16,60,000	73,44,583	20,13,31,335	15,25,151	143,787	12	Indian Bank	15	15	14	100	156/10	156/10	174/00
75,00,000	78,36,660	14,65,60,072	43,80,498	2,22,933	12	Indian Overseas Bank	14	14	..	100	147/00	146/50	170/00
5,00,00,000	74,41,264	2,23,84,659	7,80,776	21,25,000	12	Industrial Finance Corpn.	..	..	..	50	..	..	..
£5,703,000	£5,250,000	£121,505,208	£714,730	£316,941	12	National & Grindlays Bank	13½	14	16	sh. 15	sh. 33/6	sh. 34/-	sh. 35/3
1,99,63,820	2,36,56,382	79,55,83,097	1,13,83,168	15,20,907	12	Punjab National Bank	20	20	20	10	19/00	19/00	20/44
60,00,000	60,00,000	1,52,610,719	18,13,132	1,45,390	12	Union Bank of India	11-2/5	11-2/5	..	5	5/84	5/88	6/08
2,68,67,461	95,00,000	27,07,57,575	21,20,312	3,26,006	12	United Bank of India	4.3	6	6	10	7/44	7/34	7/87
2,23,33,937	3,03,00,000	44,63,32,187	73,32,623	25,151	12	United Commercial Bank	12	12	12	50	68/50	68/75	80/00

† Excluding taxation

JUTE MILLS

Paid-up Ordinary Capital Rs.	No. of Looms	Net Block Account Rs.	Reserve & other Funds Premiums & Forfeited Shares if any Rs.	Cash & Securities Rs.	Net Profits including taxation Rs.	Carry forward Rs.	Accounts closed	Mg. Agts., Secretaries etc.	NAMES	Dividends per cent 1960	1961	1962	Paid-up per Share Rs.	Latest Market Quotations as available until 1-10-63 Rs.	25-9-63 Rs.	A year ago Rs.
60,00,000	879	1,06,68,526	83,91,980	3,06,760	32,27,075	8,246	3	79	Agarpara P.	10	2½	2½—12*	10	11/53	11/75	10/81
6,00,000	446	30,57,138	21,01,100	6,26,077	22,41,118	32,706	12	165	Alexandra P.	44	15	42½	100	300/00	300/00	305/00
30,00,000	1,264	48,84,147	8,04,850	5,70,976	11,43,880	58,837	6	165	Alliance P.	6	Nil	10	100	139/00	139/00	116/00
49,20,700	2,561	1,34,17,399	1,64,67,331	63,38,766	73,57,877	90,778	3	63	Anglo-India P.	20	7	10—12*	100	224/50	237/00	232/00
40,00,000	810	74,93,222	32,04,394	5,13,154	39,08,352	1,752	3	21	Auckland P.	27	12	Nil—15*	100	144/50	144/50	153/00
20,00,000	959	57,59,081	35,02,335	12,05,050	13,67,235	60,074	3	22	Bally P.	25	25	25	100	262/00	283/00	293/00
£275,000	1,829	£410,570	£828,859	£53,073	—£89,216	£1,042	3	128	Barnagore P.	30	10	10	£5	200/00	199/00	191/00
45,00,000	600	29,61,834	15,46,700	8,93,663	5,85,851	1,33,355	6	235	Bengal P.	5	..	..	10	9/37	9/37	10/25
,59,56,210	1,373	5,92,74,980	3,88,65,994	95,53,646	1,39,85,792	46,410	3	22	Birla	15	15	15—15*	10	33/37	32/75	34/00
36,00,000	991	48,65,076	14,32,140	1,42,233	37,69,101	30,613	10	2	Budge Budge P.	10	Nil	12	100	149/00	146/00	160/00
7,47,380	602	12,59,648	4,17,958	1,73,320	61,970	48,461	6-12	62	Calcutta P.	..	..	..	10	8/12	8/12	8/00
18,00,000	616	38,26,710	28,17,882	36,75,352	1,72,996	11,777	11	440	Caledonian P.	12	5	..	100	190/00	190/00	220/00
29,58,200	1,400	83,84,378	99,79,201	17,71,641	36,62,731	22,643	3	304	Champdany P.	10	5	Nil-40*	10	24/50	24/50	..
38,58,750	630	67,05,590	72,45,112	12,64,351	41,57,628	1,02,122	11	2	Cheviot P.	Nil	5	25	10	22/50	22/50	24/75
30,15,000	500	53,11,479	40,65,400	13,38,874	12,49,444	61,455	7	165	Chitavalsah P.	5	Nil	5	10	10/69	10/87	11/56
16,00,000	959	13,80,489	25,12,433	1,35,556	1,51,574	18,647	3	318	Clive P	..	..	..	10	9/25	9/25	8/37
31,49,200	766	53,32,179	21,35,995	4,07,539	22,78,348	3,316	3	21	Dalhousie P.	1	1	Nil—25*	100	156/00	154/00	121/00
56,00,000	719	1,14,91,098	68,77,425	3,58,234	38,24,413	28,674	11	2	Delta P.	7½	Nil	12	100	169/00	161/00	192/00
15,00,000	500	35,23,149	39,20,700	9,41,963	7,63,955	40,327	7	165	Empire P.	12½	7½	12½	10	18/06	18/00	17/25
63,00,000	1,884	1,86,60,226	1,23,68,695	8,78,531	88,00,061	4,532	3	138	Fort Gloster	25	10	12½—20*	100	372/00	372/00	412/00
21,00,000	1,014	89,78,908	39,25,515	2,10,063	33,89,018	6,051	3	234	Fort William P.	22½	22½	10—20*	10	27/00	25/87	28/00
84,32,100	[illegible]	1,20,88,547	40,93,282	5,26,122	41,38,028	1,89,764	3	367	Ganges P.	10	10	15	10	16/06	15/81	14/75
43,20,000	607	1,06,89,025	37,97,205	1,14,364	19,55,516	16,522	12	339	General Industrial	40	10	13	10	15/31	15/25	18/50
24,00,000	1,394	1,27,87,553	65,59,122	45,82,832	74,09,601	28,659	3	19	Gourepore P.	30	25	20—20*	10	26/37	26/37	..
40,00,000	1,078	89,70,576	1,13,65,042	60,69,113	42,85,744	4,954	3	234	Hastings P.	6	6	6—6*	100	128/00	128/00	126/00
16,80,000	720	32,20,357	44,86,659	2,59,301	9,22,006	4,294	3	356	Hooghly P.	10	20	7½—10*	10	16/00	16/00	31/00
65,62,500	1,940	69,79,752	46,00,997	9,34,173	57,39,425	..	3	128	Howrah P.	12½	10	Nil-10*	10	19/00	18/69	20/12
52,50,000	2,272	1,36,00,000	1,26,22,000	22,50,131	87,88,996	5,058	3	35	Hukumchand P.	28¾	28¾	26⅔-26⅔*	7½	18/69	18/69	26/12
87,30,000	790	1,23,75,753	93,65,745	36,02,644	58,75,996	4,811	3	355	India	14	12	8—22½*	12½	17/87	17/87	18/56
43,20,000	1,797	52,63,977	32,17,016	8,71,993	54,54,653	14,157	12	128	Kamarhatty P.	5	Nil	20	100	195/50	195/50	167/00
54,00,000	1,527	47,44,758	13,48,482	6,39,910	59,38,810	11,179	12	128	Kanknarrah P.	Nil	Nil	10	100	136/00	135/50	128/00
28,00,000	703	53,93,372	56,73,890	13,28,826	45,353	47,758	6	165	Kelvin P.	15	15	5	100	197/50	197/50	190/00
54,00,000	1,530	93,03,019	73,68,631	6,07,972	42,70,729	3,379	3	382	Khardah P.	20	5	12½-12½*	10	19/37	19/94	17/81
48,00,000	1,250	79,54,389	49,03,577	25,23,275	44,01,751	12,641	3	106	Kinnison P.	20	7	Nil—10*	100	143/00	143/00	153/00
24,48,000	931	29,67,596	1,30,000	12,43,413	13,51,372	4,687	3	21	Lansdowne P.	Nil	Nil	Nil-Nil*	100	95/00	95/00	120/00
28,00,000	840	20,00,065	14,09,475	45,59,844	12,94,083	664	3	21	Lawrence P.	7	15	10—10*	100	112/50	121/00	134/50
81,65,200	1,294	1,68,99,178	1,32,00,037	6,94,617	1,07,37,567	37,681	3	355	Megna	12	12½	Nil—22*	10	14/75	15/00	13/44
29,98,900	615	16,99,875	12,04,875	2,94,057	10,35,634	—13,08,719	3	101	Naihati P.	..	..	..	100	93/00	93/00	107/00
20,00,000	425	10,79,854	15,55,000	26,11,429	8,36,343	17,816	4-10	107	Naskarpara	..	..	..	10	8/00	8/00	8/44
35,00,000	832	1,58,24,441	73,10,449	9,33,117	33,24,937	9,507	10	378	National P.	7½	Nil	10	10	23/87	23/50	25/00
26,25,000	816	33,46,239	35,71,072	10,72,888	14,01,865	61,184	7	165	Nellimarla P.	8	6	15	10	12/37	12/50	11/81
1,56,00,000	1,765	8,08,96,118	2,42,19,122	26,20,231	—18,53,066	15,530	3	335	New Central P.	15	15	Nil	10	13/81	12/94	13/87
16,79,880	567	54,75,607	56,86,689	4,76,913	33,32,174	1,076	3	21	Northbrook P.	30	30	20—35*	10	31/00	31/00	36/75
66,79,500	1,092	1,01,51,940	58,00,825	5,39,056	39,43,549	13,111	3	19	Nuddea	8	6	5—10*	50	63/00	62/25	57/75
25,00,000	400	26,00,000	12,61,704	7,07,186	7,54,830	37,324	7	165	Presidency	8	6	10	5	5/81	5/69	5/50
20,00,000	305	43,92,723	5,27,128	97,402	17,07,297	25,500	3	166	Rameshwara P.	Nil	Nil	Nil-Nil*	10	9/20	9/25	9/87
49,50,000	1,276	56,06,891	6,89,006	40,16,382	17,64,511	..	8	128	Reliance P	Nil	Nil	Nil-Nil*	10	9/87	10/19	6/81
£600,000	2,013	£1,501,838	£1,191,136	£265,726	£175,821	£8,338	12	64	Samnugger P.	6	Nil	10	£1	10/50	10/50	10/50
30,00,000	911	47,47,618	15,81,656	27,81,388	2,13,128	3,184	3-9	61	Shree Ambica P.	9	6	Nil	10	35/00	35/00	37/00
14,00,000	401	21,82,940	17,16,854	14,69,644	15,77,802	26,425	12	166	Soorah P	25	25	25	10	23/37	22/75	25/25
£600,000	1,794	£1,390,914	£1,181,938	£351,277	£211,646	£9,976	12	64	Titaghur P.	6	Nil	13	£1	10/50	10/50	10/50
35,98,600	1,326	50,79,284	42,63,667	13,52,676	31,60,784	603	3	21	Union P.	25	6	Nil—20*	100	171/00	171/00	165/00
£400,000	1,331	£1,338,747	£932,577	£189,510	£173,749	£8,551	12	64	Victoria P.	6	Nil	10	£1	10/50	10/50	10/50
2,50,000	465	6,47,472	8,20,000	6,95,642	6,79,756	66,272	5	165	Waverley P.	30	30	60	1	8/16	8/16	5/50

* 1963

COAL COMPANIES

O., Po., F and Dd Indicate Ordinary Preferred Ordinary, Founders and Deferred Shares respectively. 'P' next to the name of the company indicate that the company also has Preference Shares. Figures in "accounts closed" column indicate the months of the calendar year in which accounts are closed. For Managing Agents refer to the Key (last page) under the numbers indicated.

Paid-up Capital Ordinary Rs.	Net Block Account Rs.	Reserve & other Funds Premiums & Forfeited Shares if any Rs.	Cash & Securities Rs.	Net Profits including taxation Rs.	Carry forward Rs.	Accounts closed	Mg Agts. Secretaries etc.	NAMES	Dividends per cent 1960	1961	1962	Paid-up per Share Rs.	Latest Market Quotations as available until 1-10-63 Rs.	25-9-63 Rs.	A year ago Rs.
25,50,000	58,52,284	43,77,800	3,90,484	16,40,057	39,096	6-12	315	Amalgamated	10	12½	15	10	25/00	24/50	22/12
1,20,00,000	3,15,46,304	2,44,30,490	36,03,088	86,68,875	10,42,254	3	236	Bengal P	25	21	..	100	267/00	274/00	341/00
4,49,350	4,37,882	1,30,132	91,796	43,397	4,471	10	2	Bengal Bhatdee	..	..	..	10	3/48	3/48	3/48
2,25,000	3,06,216	5,45,835	5,19,015	1,55,638	16,129	12	368	Bengal Nagpur	10	26	..	10	22/00	22/00	22/00
15,97,000	23,27,321	4,87,308	63,982	2,62,417	21,275	12	..	Bhalgora	..	..	..	10	4/75	4/75	5/18
40,00,000	67,23,620	2,75,000	21,19,681	11,80,816	2,120	9	152	Bharat Collieries P.	..	..	..	10	3/53	3/56	2/95
7,15,000	14,96,845	11,02,672	64,329	−3,06,406	−4,92,536	6	335	Bhulanbararee	..	..	..	10	11/94	11/94	12/00
16,00,000	38,87,275	16,18,636	7,185	1,21,936	−79,196	12	362	Bokaro & Ramgur	..	..	..	10	11/19	11/19	11/19
7,50,000	19,13,792	22,77,003	12,32,439	5,26,414	33,647	12	106	Borrea P	15	15	..	10	22/12	23/87	23/87
90,92,480	2,32,19,267	1,46,53,383	33,70,740	37,97,832	90,768	6	21	Burrakur P.	13	13	13	10	16/37	16/37	17/37
49,97,000	50,93,754	6,86,120	6,35,532	16,11,088	3,58,023	3	166	Central India	8	10	10	10	9/37	9/87	10/06
8,00,000	18,69,439	12,97,490	98,040	6,357	214	12	..	Central Kurkend P.	..	..	..	10	3/87	3/87	8/00
6,00,000		1,55,159	6,05,872	63,785	7,043	12	106	Churulia	3	..	..	4	3/06	3/06	3/06
16,00,000	25,01,205	Nil	19,429	−6,45,261	−5,39,034	12	444	Dhemo Main	Nil	Nil	..	10	4/50	4/50	5/94
£240,000	£868,390	£561,905	£13,858	£288,462	£6,234	4	128	East India	7½	15	20⅝	£1	31/50	31/62	52/37
29,63,700	1,42,23,054	1,18,76,888	27,65,725	10,14,185	33,594	12	19	Equitable P.	15	10	..	10	23/50	23/25	27/00
15,00,000	21,00,420	41,000	26,500	920	−6,24,344	3	307	Ghusick & Muslia	Nil	Nil	Nil	10	14/25	14/25	14/00
6,50,000	4,21,847	Nil	12,025	10,675	−14,705	12	20	Guzdar Kajora	..	..	..	10	2/44	2/44	2/05
8,00,000	5,43,022	..	16,702	−10,172	−3,65,025	12	393	Hurriladih	..	..	..	10	8/12	8/12	8/12
15,00,000O 5,00,000F	23,47,952	27,81,955	39,74,704	3,95,071	1,40,029	12	21	Karanpura Development	5 15	5 15	..	10O 10F	10/31	10/44	16/25
20,00,000	34,15,535	9,86,018	3,72,692	8,92,065	32,810	2	21	Karanpura Collieries P.	7½	10	10	10	16/00	16/00	18/00
14,88,460	20,68,761	16,01,825	8,75,590	8,29,962	1,11,842	1	2	Katras Jherriah	95	40	25	10	34/12	34/12	48/75
1,38,400	6,75,000	95,000	11,80,294†	49,776	1,918	6-12	337	Khas Kajora P.	..	..	..	10	17/62	17/62	18/70
5,65,750	5,95,833	Nil	9,780	−1,60,535	−16,47,497	3	372	Mundulpur	..	..	..	10	2/69	2/69	2/69
7,48,240	3,39,261	56,489	7,29,802	1,15,573	74,711	12	347	Nazira	7½	Nil	Nil	10	5/00	5/00	5/75
31,97,210	61,58,848	34,47,233	3,39,307	9,75,812	93,645	10	2	New Beerbhoom P.	16	10	..	10	19/25	19/25	23/25
9,90,340	9,04,373	5,21,710	75,374	4,12,216	43,822	3	202	New Manbhoom	7½	9	12	10	15/25	15/25	13/75
1,15,000 1,57,500	7,05,719	4,31,409	40,364	1,44,042	15,045	12	441	North West	20	20	..	10 7½	19/75 18/00	19/75 18/00	19/75 18/00
7,50,000	1,33,788	13,22,645	22,85,007	1,91,515	45,060	12	106	Ondal P.	6	7½	..	10	13/50	13/50	15/00
8,34,000	23,69,066	1,52,212	4,78,984	1,79,344	589	12	207	Parasea P.	1½	1½	..	10	12/62	12/62	16/00
15,75,000	32,93,192	24,59,125	4,11,055	5,41,674	54,253	3	236	Pench Valley	10	10	10	10	15/94	15/94	16/50
2,50,000	5,62,405	7,500	11,530	2,003	18,581	6-12	5	Purr Sitalpur	..	..	..	10	8/00	8/00	8/00
33,58,900	50,26,723	40,85,000	1,26,141	11,54,576	35,781	3	370	Raneegunge	15	17	17	10	15/75	16/12	16/00
13,50,000	25,32,135	20,80,190	16,89,318	13,18,197	41,523	12	236	Rewa	20	20	..	10	28/50	28/50	29/12
37,50,000	74,38,430	38,61,070	1,69,086	12,37,914	26,993	12	48	Samla	10	..	..	10	10/00	10/00	7/44
2,50,000	4,47,534	74,281	10,748	−19,279	−4,27,396	1	353	Searsole	Nil	Nil	Nil	2½	1/22	1/22	1/94
2,80,000	10,74,006	12,23,716	10,17,267	5,13,147	67,383	12	2	Seebpore P.	42 6/7	42 6/7	..	7	34/75	34/75	45/00
8,00,000	6,203	4,54,648	13,04,570	78,390	1,540	12	106	Sendra	5	3½	..	10	5/00	5/00	5/87
17,50,000	28,29,652	10,02,341	50,728	2,66,373	2,926	8	21	South Karanpura	2½	Nil	Nil	10	8/37	8/25	8/12
8,00,000	1,30,001	15,48,969	26,78,255	1,84,925	38,908	12	106	Standard	15	10	..	10	13/12	13/12	16/00
2,50,000	4,36,300	3,23,000	36,660	1,37,973	1,77,952	12	..	Union	..	..	..	10	11/12	11/12	10/37
49,98,000	63,57,150	6,09,055	2,69,620	11,72,192	1,19,162	3	166	Western Bengal	6	7½	9	10	8/44	8/47	9/15
7,00,000	26,06,335	Nil	47,091	−6,51,403	−6,23,711	12	444	West Jamuria	Nil	Nil	..	10	4/56	4/56	9/37

COTTON MILLS

Paid-up Capital Ordinary Rs.	Number on Spindle	Looms	Net Block Account Rs.	Reserve & other Funds Premiums & Forfeited Shares if any Rs.	Cash & Securities Rs.	Net Profits including taxation Rs.	Carry forward Rs.	Accounts closed	Mg Agts. Secretaries etc.	NAMES	Dividends per cent 1960	1961	1962	Paid-up per Share Rs.	Latest Market Quotations as available until 1-10-63 Rs.	25-9-63 Rs.	A year ago Rs.
15,00,000	14,108	356	14,06,683	3,15,002	12,59,541	26,012	41,532	12	49	Basanti P.	..	..	..	10	11/25	11/25	8/50
7,11,280	36,000	932	17,17,120	2,20,369	30,842	3,66,177	47,818	3	27	Banga Luxmi	..	..	..	40	30/00	30/00	28/00
27,00,000	31,476	624	17,77,373	..	93,872	−6,24,150	−6,86,163	12	223	Bengal Nagpur P	Nil	..	..	10	3/06	3/06	3/25
50,00,000	..	..	1,66,35,360	49,94,800	52,56,090	28,04,759	17,588	12	394	Bharat Commerce P.	5	15	15	10	23/50	23/44	28/31
39,95,950	38,764	992	60,94,300	1,21,02,782	53,37,204	39,77,025	1,67,525	3	22	Birla Cotton	10	20	20	10	33/00	30/25	32/00
33,60,000	43,136	841	1,00,69,568	40,37,060	2,04,094	21,74,042	1,94,107	12	138	Bowreah P.	10	20	15	10	24/12	23/00	25/75
30,00,000	22,000	510	32,89,583	62,22,574	9,41,816	13,74,402	49,055	12	25	Cawnpore Textiles	7 1/5	10	10	5	7/50	6/69	7/00
3,78,33,535	1,97,348	3,307	6,72,37,739	6,96,27,768	77,61,228	3,08,40,769	4,03,436	6	238	Delhi Cloth & Genl P.	12	13	13	25	46/44	41/56	52/09
38,00,000	43,049	518	61,51,897	54,80,125	1,40,191	32,83,543	1,03,713	12	138	Dunbar	20	20	15	10	28/12	27/06	30/50
63,00,000	54,000	1,200	95,39,870	2,10,49,560	93,81,545	70,11,091	89,499	9	389	Elgin P.	11¼	17½	17½	10	21/87	20/94	19/19
1,25,00,000	..	..	3,48,97,571	56,34,321	85,50,730	19,28,764	1,22,795	12	158	J. K. Cotton (Rayon) P.	12½	..	..	10	12/62	11/62	15/94
49,18,000	6,272	202	51,44,000	24,71,500	4,76,536	28,42,100	87,266	12	22	Jay Shree	10	10	..	10	16/25	16/00	16/95
30,00,000	38,000	1,825	47,44,548	52,19,301	92,65,055	18,77,941	−7,77,290	12	208	Muir P	..	..	..	100	74/50	74/50	100/00
35,11,583	78,848	1,367	47,49,840	3,96,960	1,09,256	12,73,361	−63,55,495	12	237	New Victoria P.	Nil	..	..	2½	1/47	1/50	1/47
48,00,200	..	..	1,08,10,352	78,144	2,34,188	12,34,741	−22,17,524	3	399	Orissa Textiles P.	Nil	Nil	..	10	9/00	9/00	9/00
19,47,750O 6,00,000Dd	23,196	795	15,49,229	80,773	2,37,475	3,38,087	..	6	4	Rampooria Cotton	3 Nil	Nil Nil	Nil	10 1	13/00 2/00	13/00 2/00	12/00 2/00
17,50,000O 1,57,50,000Po	1,14,836	2,077	4,48,79,351	2,63,83,071	2,15,81,189	76,20,241	5,044	12	333	Swadeshi (Kanpur) P.	5 5.51	.. ..	.. ..	10O 10PO	11/62 6/87	11/50 6/87	11/50 7/37

TEA COMPANIES

O., Po and Dd indicate Ordinary Preferred Ordinary and Deferred Shares respectively. P. next to the name of the company indicates that the company also has Preference Shares. Figures in "accounts closed" column indicate the months of the calendar year in which accounts are closed. For Managing Agents refer to the Key (last page) under the numbers indicated.

Paid-up Capital Ordinary Rs.	Net Block Accounts Rs.	Reserve & other Funds Rs.	Area Hectares	Outturn and Average Price per Kg. realised for crop 1961 Kgs.	1961 Rs.	1962 Kgs.	1962 Rs.	Estimate 1963 Kgs.	Net Profits including taxation Rs.	Accounts closed	Mg Agts. Secretaries etc.	NAMES	Dividends per cent 1960	1961	1962	Paid-up per Share Rs.	Latest Market Quotations as available until 1-10-63 Rs.	25-9-63 Rs.	A year ago Rs.
												ASSAM							
4,45,700	16,40,103	16,37,403	..	4,24,104	4.81	413,012	5.67	4,71,700	2,90,039	12	165	Amluckie P.	Nil	10	7½	10	16/50	16/50	20/00
7,00,000	12,87,204	8,65,604	506†	3,11,077	6.58	301,064	6.71	..	3,50,091	12	88	Anandabag P.	30	32½	20	10	33/25	33/25	33/25
5,50,000	16,63,877	15,34,741	..	3,53,284	5.32	320,928	5.99	3,62,900	1,91,082	12	165	Baghmari	Nil	15	7½	10	17/00	16/37	18/50
1,80,000	..	..	..	..	..	..	..	..	..	12	349	Barduar Tea	..	..	..	6	8/50	8/50	8/50
7,65,000	18,61,913	10,56,655	160	3,13,600	6.01	286,800	6.60	2,90,000	3,93858	12	2	Basmatia	35	25	20	10	27/25	27/25	27/25
4,95,900	..	..	..	4,12,342	4.34	..	..	..	..	12	345	Bateli	30	30	..	5	17/50	17/50	18/00
6,40,000	12,12,739	12,28,191	619†	4,08,269	6.56	405,929	6.66	..	5,57,424	12	88	Betjan	40	45	30	10	29/12	29/19	32/62
33,00,000	38,97,401	18,10,167	1,394	16,30,448	5.80	1,517,589	6.71	15,78,600	15,42,968	12	279	Bishnauth	13	13	20	10	19/06	17/94	17/37
6,00,000	11,68,235	5,03,003	194	2,23,909	5.90	209,073	7.12	2,43,125	2,62,960	12	202	Bokakhat	Nil	12	13	10	13/70	13/70	13/70
7,50,000	13,90,224	11,90,375	..	3,03,665	5.50	300,721	5.85	3,08,400	3,94,885	12	165	Bormah Jan P.	15	15	15	10	13/12	13/12	16/12
4,50,000	7,86,600	2,36,500	239	2,65,021	5.25	258,733	6.32	2,90,300	1,15,476	12	279	Bor Pukhuri	Nil	Nil	10	10	12/00	12/00	9/31
35,00,000	..	..	..	14,26,351	5.27	..	..	..	..	6	127	Brooke Bond P.	15	10	7½	10	12/25	12/50	13/00
1,20,000	9,24,434	9,31,522	..	1,73,277	5.19	200,496	5.90	1,99,600	2,85,668	12	165	Dejoo Valley	15	20	30	10	60/00	60/00	49/25
8,40,000	13,39,224	9,51,460	535	5,43,624	5.68	597,724	6.12	5,33,773	7,20,815	12	128	Dessai & Parbuttia	Nil	10	15	100	200/00	200/00	141/00
17,53,440	..	..	..	2,94,761	6.64	..	..	..	..	12	214	Dhelakhat	12½	10	..	10	19/12	19/12	20/12
7,00,000	20,46,600	8,35,000	558	6,32,799	4.70	554,700	5.16	6,20,000	2,14,165	12	365	Dhunseri P.	20	15	10	10	11/75	11/75	16/00
4,50,000	17,18,470	16,36,695	..	3,05,738	6.23	301,917	6.68	3,30,200	5,86,433	12	165	Dibrugarh	40	40	30	10	32/50	32/50	35/50
4,73,400	10,37,000	8,52,500	256	3,01,383	5.81	297,513	6.44	3,08,000	2,71,648	12	279	Dimakusi P.	25	20	25	10	22/62	21/25	21/87
7,00,620	14,88,200	15,53,500	274	4,64,799	5.77	403,594	6.70	4,36,000	5,29,546	12	279	Dufflaghur	25	25	30	10	27/12	26/56	27/87
10,00,000	20,32,480	11,26,500	481	5,25,798	5.76	494,612	6.30	5,27,000	2,06,168	12	279	East India	Nil	Nil	10	10	16/12	16/12	18/87
5,03,760	14,00,556	6,32,810	242	3,58,797	..	319,832	..	4,00,000	49,047	12	354	Gillapukri	25	20	15	10	25/44	25/44	25/44
6,76,000	12,41,500	7,48,500	228	2,54,919	5.81	259,394	7.44	2,62,000	4,74,030	12	279	Gohpur	Nil	5	20	10	16/25	15/44	13/31
23,29,085	54,85,603	36,46,798	1,042	10,79,309	4.98	1,039,276	6.17	11,32,167	3,83,294	12	202	Grob	6	6	6	5	8/06	7/75	8/44
5,00,000	..	..	..	3,58,885	..	..	..	..	..	12	354	Hoograjuli	20	20	..	10	27/12	27/12	27/12
8,70,000	26,52,302	15,02,799	542	4,83,000	5.71	515,500	6.62	3,00,000	4,51,521	12	2	Hoolungoorie	10	7½	20	100	173/00	173/00	190/00
9,00,000	18,88,785	11,65,055	953	5,39,472	5.99	533,423	6.50	..	6,31,655	12	88	Jutlibari	30	30	20	10	31/50	31/50	32/00
2,40,000	..	..	..	5,52,301	5.10	..	..	..	..	12	236	Kingsley Golaghat P.	35	35	..	100	125/00	140/00	212/00
1,80,000	19,59,626	1,45,000	494	5,24,469	4.60	488,346	4.97	5,20,000	1,21,490	12	63	Kotamullai P.	Nil	Nil	Nil	5	10/31	10/31	10/31
5,00,000	11,19,728	3,07,818	140	1,73,581	5.29	166,356	6.02	180,000	1,13,899	12	41	Krishnabehari	15	8	10	10	11/70	10/50	10/50
2,00,000	..	..			..	..	..	..	..	12	236	Kyang Tea	Nil	..	..	10	8/06	8/06	8/06
6,50,000	14,12,161	9,50,234	263	2,79,777	5.15	281,500	5.30	2,85,000	53,354	12	63	Ledo	Nil	Nil	Nil	10	13/75	13/75	17/25
8,00,000	11,99,968	1,30,508	275	2,28,707	4.96	210,642	5.26	2,23,167	1,25,716	12	..	Maud Tea & Seed	10	7½	7½	10	14/81	14/81	14/81
10,00,000	16,16,636	14,78,000	262	3,82,580	6.03	374,221	7.12	3,81,045	6,21,941	12	202	Methoni	5	14	20	10	18/40	16/19	18/94
4,80,000	..	..	..	5,15,200	1.92	..	..	..	..	12	..	Moheema	Nil	Nil	..	10	11/50	11/50	11/50
1,50,000	3,24,738	13,65,825	..	83,921	..	122,745	..	..	1,22,731	12	138	Mothola	30	30	35	100	507/00	507/00	507/00
1,75,000O 2,00,000Po	14,68,025	9,31,447	160	1,82,900	6.01	171,400	8.41	2,00,000	4,99,564	12	2	Murphulani (Assam)	5 10.63	15 20.63	25 30.63	10 10	26/50 26/87	26/50 26/87	26/50 28/75
4,00,000	12,90,728	7,77,459	220	3,19,104	4.51	326,748	5.10	3,40,000	1,24,658	12	143	Naga Hills	10	10	10	10	22/25	22/25	22/60
5,35,000	..	..	..	3,47,154	4.58	..	..	..	..	12	..	Namburnadi	12	12	..	10	12/87	12/87	14/56
5,00,000	7,84,102	3,97,500	299	2,90,978	5.98	296,696	7.64	2,90,000	5,86,793	12	63	New Cinnatolliah	Nil	Nil	Nil	100	302/00	302/00	..
6,00,000	14,50,587	7,57,922	170	2,16,600	5.31	230,700	6.35	2,22,500	3,62,519	12	2	Rajgarh	40	13½	17½	10	19/00	19/00	21/37
13,50,000	..	..	..	6,32,808	..	..	..	..	..	12	354	Sapoi	22½	20	..	10	17/75	17/25	24/44
2,49,000	6,35,900	6,85,000	208	2,42,697	5.56	207,643	7.36	2,21,000	3,75,627	12	279	Seajuli	22½	15	30	10	21/12	21/12	20/75
5,98,000	17,86,091	15,24,544	..	3,73,286	4.99	390,802	5.61	3,81,000	5,06,871	12	165	Teloijan	25	25	25	10	21/37	21/37	27/75
8,00,000	12,80,761	7,41,936	345	3,48,111	6.59	338,378	6.81	..	4,19,888	12	88	Tengpani	30	30	22½	10	35/00	35/00	35/00
19,82,800	30,75,956	23,51,846	1,926†	29,72,880*	1.92	2,301,040*	2.62	2,28,000*	8,36,276	12	236	Tezpore	20	12½	..	10	15/00	15/00	15/81
7,50,000	..	..	..	3,15,004	3.96	..	..	..	..	12	95	Tongani	Nil	Nil	..	10	5/31	5/31	6/50
5,20,000	35,17,473	30,30,165	..	5,90,423	5.14	651,147	5.76	6,71,300	7,11,074	12	165	Tyroon	10	15	25	10	30/37	30/37	34/37
												CACHAR							
3,00,000	..	..	..	1,49,850	4.07	139,861	4.03	1,66,500	..	12	..	Arcuttipore	Nil	5	6	10	7/00	7/00	7/00
4,00,000	..	..	..	1,58,348	4.45	..	..	..	..	12	35	Baltakhal	2½	2½	..	10	8/10	8/10	6/69
11,00,000	20,18,349	9,26,687	..	5,45,645	4.26	454,449	4.77	3,52,060	..	12	128	Central Cachar	5	7½	5	100	85/00	85/00	73/00
7,00,000	..	..	..	1,22,864	4.63	..	..	..	..	12	383	Eastern Cachar	Nil	Nil	..	10	4/50	4/50	4/12
4,50,000	3,31,773	2,80,000	..	1,34,400	3.31	..	..	..	−54,506	12	384	Kallinugger Khorcel	6	2	..	100	87/00	87/00	87/00
12,60,000	19,84,808	13,56,132	943	7,23,716	3.84	580,232	3.97	7,25,747	−3,11,563	12	202	Hattikhira	Nil	8	Nil	10	8/75	8/69	9/44
3,60,000	..	..		1,53,008	3.88	..	..	..	..	12	63	Kunchunpore	Nil	Nil	..	10	6/00	6/00	6/00
5,63,690	5,22,633	1,36,689	228	1,66,156	3.81	151,283	4.26	1,63,293	23,090	12	202	Loobah	Nil	Nil	Nil	10	4/62	4/62	4/44
12,60,000	22,28,419	11,42,054	2,221†	5,70,970	4.08	518,387	4.33	5,80,000	6,13,497	12	..	North Western	30	20	10	100	270/00	270/00	205/00
2,59,050	5,88,340	1,916	231	2,71,967	3.85	213,805	4.21	2,72,155	−49,484	12	202	Pathemara	Nil	Nil	Nil	10	7/50	7/50	7/50
2,60,000	6,82,449	2,92,663	..	3,26,670	4.40	195,018	4.62	2,50,400	−1,73,960	12	165	Roopacherra	Nil	10	Nil	10	9/62	9/62	13/62
5,25,000	12,22,431	12,03,600	310	3,07,903	3.94	279,277	4.46	2,90,000	61,192	12	63	Rungamattee	5	5	5	50	51/50	51/50	50/00
4,00,900	..	..	..	2,47,927	3.56	..	..	..	..	12	..	Sonai River	Nil	Nil	..	10	5/05	5/05	9/12
												DARJEELING							
3,99,750	..	..	..	..	..	..	..	..	..	12	101	Bloomfield	Nil	..	..	10	3/12	3/12	3/25
2,79,900	3,72,700	1,55,000	165	82,803	8.66	77,090	8.74	84,000	51,557	12	279	Chamong	Nil	10	10	10	9/00	9/00	10/25
3,75,900	..	..	..	3,05,978	5.22	313,229	5.63	3,08,443	..	12	139	Darjeeling Tea & Chin	30	20	30	100	197/00	197/00	195/00
2,00,000	..	..	..	72,236	6.12	..	..	..	..	12	200	Dilaram	8	4	..	100	102/50	102/50	102/50
2,00,000	6,39,479	3,58,163	..	1,35,642	7.33	1,37,275	7.58	1,38,000	1,97,231	2	74	Gielle P.	Nil	..	8 4/7-15‡	10	11/69	11/69	11/69
7,00,000	10,11,800	2,25,770	428	2,90,326	668	311,895	7.70	3,22,000	3,89,175	12	279	Lingia P.	15	10	17½	10	14/00	14/56	14/56
10,32,000	..	..	..	5,32,043	2.45	..	..	..	..	12	95	Longview	12½	10	..	10	11/00	11/00	11/00
4,00,000	5,16,891	5,85,879	..	1,74,261	6.94	177,960	8.18	1,81,500	2,23,445	12	165	Margaret's Hope	15	15	15	10	12/25	12/25	11/62
1,39,000	3,73,782	4,14,259	187	1,01,900	8.21	108,800	8.99	1,10,000	1,53,555	12	2	Mim	22½	27½	27½	100	191/50	191/50	191/50
2,99,900	4,95,071	13,97,500	279	2,20,390	7.14	214,750	9.03	2,21,400	15,19,227	12	279	Nagri Farm	30	25	35	10	30/75	30/75	25/44
4,00,000	3,93,839	3,21,500	205	99,223	8.77	99,331	10.07	1,00,000	2,40,000	12	390	Okayti P.	25	25	25	100	600/00	600/00	605/00
3,30,000	..	..	..	5,13,243	4.87	..	..	..	..	12	..	Pashok	10	Nil	..	10	20/00	20/00	20/00
3,00,000	3,88,931	1,25,000	194	1,27,797	5.77	122,495	6.65	1,20,000	1,04,446	12	63	Poobong	Nil	Nil	5	10	7/50	7/50	7/37
2,05,000	4,87,982	2,27,703	570†	1,11,154	5.62	116,997	5.95	1,26,000	1,03,669	12	361	Pussimbing P.	Nil	Nil	Nil	10	7/12	7/12	8/87
1,40,000	3,90,838	5,61,500	138	1,05,192	6.02	85,234	6.64	95,000	8,123	12	63	Runglee Rungliot	35	20	7½	100	386/00	386/00	386/00
3,00,000	..	..	..	1,92,400	2.91	..	..	..	..	12	385	Seeyok	15	Nil	..	10	8/50	8/50	8/50
6,25,000	7,48,893	10,816	..	1,33,674	6.20	138,742	6.51	..	47,720	12	398	Singell	Nil	Nil	Nil	100	36/75	36/75	36/75
9,00,000	..	..	..	1,33,350	5.38	123,431	6.92	..	..	12	101	Singtom	2	Nil	2	10	3/50	3/50	3/50
4,50,000	5,24,500	5,38,800	224	1,66,630	7.38	160,068	8.53	1,63,000	3,55,419	12	279	Soom	50	40	40	10	34/00	34/00	31/00
6,25,000	13,51,854	13,02,062	..	1,95,487	7.32	189,392	9.58	2,06,800	4,76,892	12	165	Sungma	15	15	20	10	14/56	14/56	12/75
3,20,000	9,98,901	8,67,133	..	2,20,000	6.08	2,03,428	6.16	221,000	36,050	2	74	Teesta Valley	Nil	..	8 4/7-10‡	10	13/12	13/12	12/25
12,00,000		..	..	..	..	..	..	..	..	12	..	Tukvar	Nil	Nil	..	10	7/00	7/00	6/00

* lbs. ‡ 1963

TEA COMPANIES—Contd.

O Po.. C and Dd indicate Ordinary Preferred Ordinary. Contributory and Deferred Shares respectively P next to the name of the company indicates that the company also has Preference Shares Figures in 'accounts closed' column indicate the months of the calendar year in which accounts are closed For Managing Agents refer to the Key (last page) under the numbers indicated

Paid-up Capital Ordinary	Net Block Accounts	Reserve & other Funds	Area Hectares	Outturn and Average Price per Kg realised for crop 1961 Kgs	Rs	1962 Kgs	Rs	Estimate 1963 Kgs	Rs	Net Profits including taxation	Accounts closed	Mg. Agts. Secretaries etc.	NAMES	Dividends per cent 1960	1961	1962	Paid-up per Share	Latest Market Quotations as available until 1-10-63 Rs.	25-9-63 Rs.	A year ago Rs.
Rs.	Rs.	Rs.								Rs.							Rs.			
													DOOARS							
27,00,000	62,03,998	32,62,760	1,034	15,51,500	4.51	14,84,400	4.86	15,25,000	11,19,005	12	2	Banarhat P.	22½	21	21	100	241/00	228/00	273/00
12,00,000	27,38,435	23,27,925	436	7,24,364	4.69	6,66,481	5.15	6,64,600	6,59,538	12	128	Baradighi	30	25	25	10	24/12	22/19	23/69
9,00,000	19,19,630	30,59,434	..	5,93,617	4.42	7,00,569	4.68	6,16,885	5,74,696	12	63	Bhatkawa	15	15	20	10	16/81	16/81	17/37
9,00,000	25,07,422	22,16,500	577	6,66,763	4.37	6,69,958	5.01	6,50,000	6,43,459	12	63	Birpara P.	17½	12½	17½	100	162/00	162/00	151/00
6,00,000	12,14,870	10,72,000	244	2,99,250	4.17	2,80,187	4.70	2,95,000	1,58,268	12	63	Carron	20	5	7½	100	151/00	151/00	145/00
9,00,000	24,85,741	14,56,681	365	5,14,200	4.45	5,21,400	4.69	5,30,000	2,82,148	12	2	Choonabhutti P.	32½	20	20	100	210/00	210/00	262/00
3,00,000	5,84,327	5,93,500	197	2,19,489	4.05	2,25,971	4.59	2,03,900	1,33,979	12	63	Ellenbarrie	5	5	10	100	184/00	184/00	184/00
1,20,000	..	..	..	1,62,265	3.73	..	..	..	..	12	397	Engo	60	30	40	100	136/00	136/00	136/00
4,90,000	9,33,182	71,548	..	2,24,026	..	2,64,339	..	..	93,085	12	354	Ethelbari	5	5	7½	10	11/50	10/62	13/12
7,50,000	13,32,430	10,34,583	1,088†	5,33,092	4.88	5,04,794	5.46	..	4,67,197	12	88	Garikhata	25	20	11	10	21/50	21/50	25/12
14,00,000	27,81,035	19,25,521	425	521,329	..	5,85,748	..	..	200,689	12	387	Gopalpur	12	2	10	25	20/00	20/00	20/00
36,00,000	50,92,343	42,81,506	1,048	14,33,022	4.07	13,74,053	4.76	13,90,000	7,93,764	12	63	Hantapara P.	15	5	10	100	116/00	119/00	104/00
64,00,000	..	..	..	28,49,021	5.54	..	..	..	..	3	74	Hasimara	17	18	..	10	13/75	13/69	14/50
16,50,000	..	..	..	8,89,068	4.02	..	..	..	..	2	74	Huldibari	22½	..	19-2/7	10	13/69	13/56	14/00
7,00,000	8,95,117	5,13,133	246	1,90,300	4.48	1,88,900	5.59	..	—61,500	12	2	Jaybirpara	10	Nil	Nil	10	12/00	12/00	11/06
9,00,000	18,12,126	21,89,000	375	5,63,337	4.23	5,07,738	4.50	5,20,000	3,57,699	12	63	Killcott	25	15	15	10	15/94	15/31	17/31
2,00,000	14,67,422	5,58,176	..	2,47,991	..	253,887	..	..	88,005	12	354	Manabarrie	10	6	10	10	59/50	59/50	59/50
9,60,000	20,66,495	24,61,500	..	6,03,619	4.07	5,07,732	4.76	4,90,000	3,31,819	12	63	Nagaisuree	25	15	15	100	140/00	140/00	169/50
14,00,000	34,04,657	21,71,728	471	7,84,700	4.31	6,40,900	5.10	7,50,000	2,30,662	12	2	New Dooars P.	35	20	14½	100	230/00	230/00	258/00
6,40,000	..	..	..	3,07,645	3.89	..	..	..	..	12	363	Oodlabari	12½	7½	..	100	14/00	14/00	14/75
2,30,000	3,90,272	3,37,500	126	1,00,575	4.22	1,26,816	4.64	1,30,000	17,963	12	63	Phaskowa	Nil	Nil	Nil	100	129/00	129/00	127/00
6,00,000	9,22,425	11,53,038	..	3,63,864	4.36	3,91,886	4.70	3,62,900	2,08,311	12	165	Ranabhat	Nil	Nil	6	10	12/12	12/12	12/12
7,65,909	17,57,549	17,47,050	..	5,03,638	4.32	4,76,526	5.07	5,33,500	1,63,000	12	165	Ranicherra	15	15	7½	10	13/37	13/37	16/75
14,92,800	36,77,342	30,35,064	727	9,21,964	4.79	9,78,337	5.44	10,10,245	8,77,496	12	128	Rydak	25	20	25	10	26/31	26/00	27/37
3,46,900	10,20,398	10,25,325	..	4,00,500	4.10	3,30,000	4.76	3,73,200	2,40,377	12	44	Sarugaon	40	40	40	10	26/31	36/31	36/25
													TERAI							
4,50,000	..	..	..	..	..	..	..	..	..	12	101	Atal	5	..	..	10	8/75	8/75	6/75
5,00,000	..	..	..	2,40,454	3.83	..	..	..	..	12	345	Belgachi	20	20	..	10	22/50	22/50	20/50
13,44,000	20,63,841	27,42,000	646	7,94,331	4.01	7,22,909	4.63	730,000	5,50,624	12	63	Gangaram	20	12½	12½	100	131/00	131/00	158/00
5,00,000	11,02,805	13,10,500	214	2,88,960	4.29	3,17,061	4.74	275,000	3,07,829	12	63	Hansqua	20	15	17½	10	20/00	20/00	20/00
3,00,000	6,69,527	9,72,507	..	2,75,784	4.10	295,710	4.54	295,000	2,25,077	2	74	New Chumta	15	..	12 6/7-20*	10	24/62	24/62	33/50
7,20,000	..	..	..	3,14,832	3.83	3,33,644	4.04	312,073	..	12	139	New Terai	22½	10	15	10	23/00	23/00	36/00
11,70,000	..	..	..	4,71,480	4.08	4,71,480	445	489,915	..	12	139	Pahargoomiah	20	20	2½	10	14/25	14/25	31/12
1,00,000	..	..	..	..	..	..	..	..	..	12	63	Putinbaree	14	14	..	10	45/00	45/00	45/00
2,20,000	..	..	..	3,88,528	4.53	3,84,347	5.05	408,200	..	12	165	Tirrihannah P.	60	60	60	10	49/00	49/00	49/00
													CHITTAGONG							
1,25,000	..	..	..	3,07,360*	1.76	..	..	..	..	12	139	Kodala	Nil	Nil	..	10	9/25	9/25	9/25
2,40,000	..	..	..	3,53,000*	1.64	..	..	..	..	12	139	Kornafuli	Nil	Nil	..	10	9/31	9/31	13/06
2,00,000	..	..	..	2,88,000*	1.74	..	..	..	..	12	139	Oodaleah	Nil	Nil	..	10	8/00	8/00	8/00
													SYLHET							
3,00,000	14,19,689	17,99,706	637†	2,76,309	4 48	2,14,907	7.92	254,012	7,17,391	12	..	Chundeecherra	Nil	Nil	Nil	10	26/00	26/00	23/00
6,00,000	9,95,449	12,20,551	230	2,33,890	4.97	2,03,558	8.17	218,000	8,36,913	12	63	Dauracherra	22½	22½	20	10	11/50	11/75	7/31
2,46,050	..	..	..	1,26,336	4.28	..	..	..	..	12	358	Kaliti	Nil	Nil	..	10	10/00	10/00	9/12
5,59,930	..	..	..	11,42,720*	1.99	..	..	..	..	12	236	New Samanbagh P.	25	Nil	Nil	10	18/37	18/37	18/37
36,00,000	59,49,668	63,43,644	1,660	19,52,002	5.02	17,98,140	8.16	1,851,000	90,15,000	12	63	Patrakola	32½	40	15	100	130/00	125/50	149/00
3,20,000	4,21,718	1,48,642	740†	4,28,560*	1.83	4,24,800*	3.23	360,000	4,07,821	12	236	Rajnagar	Nil	Nil	Nil	10	9/50	9/50	9/56
9,00,000	21,92,086	22,53,327	483	4,18,826	5 01	3,69,737	8.08	417,000	12,91,452	12	63	Teliapara	22½	22½	10	100	110/00	110/00	99/00

† Acres. * lbs.

MISCELLANEOUS COMPANIES

Paid-up Capital Ordinary	Net Block Accounts	Reserve & other Funds Premiums & Forfeited Shares if any	Cash & Securities	Net Profits including taxation	Carry forward	Accounts closed	Mg. Agts. Secretaries etc.	NAMES	Dividends per cent 1960	1961	1962	Paid-up per Share	Latest Market Quotations as available until 1-10-63 Rs.	25-9-63 Rs.	A year ago Rs.
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.							Rs.			
								MININGS							
£2,369,796	..	£218,681	£2,781,590	£12,559	£174,204	12	152	Burma Mines	2 3/5	Nil	Nil	3½S	0/44	0/44	0/44
30,00,000O	37,08,889	32,94,468	94,00,335	13,96,846	13,914	12	312	Corestien Mica Industries P.	15	12½	..	10O	10/40	10/40	11/12
15,00,000Do									25	30	..	5Dd			
£1,371,308	£1,758,381	£225,873	£755,274	£1,057,163	£72,310	12	88	Indian Copper Corporation	27	27	..	10O	6/87	6/87	8/85
50,00,000	51,72,631	10,43,352	53,971	5,66,976	14 41 622	3	345	Metal Corporation P	Nil	..	..	2s	5/16	5/08	4/61
20,00,000	46,05,415	67,67,431	55,46,956	13,17,757	38,801	6	21	Orissa Mineral Development	36	28	20	10O	8/25	8/12	9/87
												10	27/69	27/69	39/00
								CEMENT, LIME, SLATE, ETC.							
59,90,843	1,58,98,785	17,06,900	2,33,036	4,97,991	10,914	3	381	Ashoka Cement	7	8	7—7*	10	7/44	7/62	8/19
43,14,800O	41,51,412	21,43,429	29,84,355	1,70,813	6,44,672	3	80	Assam Bengal Cement	..	..	..	10O	4/81	4/81	4/12
70,976Dd												1Dd	9/59	9/75	0/44
55,23,146	98,02,889	19,77,396	66,723	24,46,663	1,703	12	155	Bengal Potteries	15	..	..	2½	5/37	5/37	6/05
40,00,000	73,55,750	38,31,157	3,76,724	23,10,445	50,122	3	21	Bisra Stone Lime	30	30	..	10	22/50	21/50	27/87
1,66,00,000O	1,86,81,933	99,52,704	1,90,71,398	1,16,81,256	..	12	123	Dalmia Cement (Bharat) P.	12	12	12	10O	12/31	12/31	14/00
5,00,000Dd												1Dd	2/81	3/00	2/19
2,50,00,000	5,94,43,463	94,05,545	6,54,170	65,02,100	4,94,598	3	335	Jaipur Udyog P.	6	8	8.36	10	11/87	11/44	12/31
30,00,000	89,55,197	56,55,899	6,48,783	21,48,526	25,499	12	21	Kumardhubi Fireclay & Silica P.	18	18	18	10	18/45	18/45	18/45
2,25,00,000	3,77,58,590	1,36,03,808	30,93,905	98,75,491	..	12	362	Orissa Cement P	15	15	10	10	14/44	14/00	16/69
5,00,000	20,07,006	21,78,065	17,41 738	4,85 846	30,441	2	223	Reliance Firebricks & Pottery	22	15	10	10	22/75	22/75	22/75
75,00,000	63,53,090	32,76,500	2,04,361	16,83,364	7,167	12	357	Sone Valley Portland Cement	4	6	8	5	4/62	4/50	4/66
9,64,520	19,90,054	10,46,690	8,23,484	10,16,971	23,403	12	3	Sutna Stone & Lime	27½	30	..	10	28/12	28/12	37/00

MISCELLANEOUS COMPANIES—Contd.

O. Po.. C and Dd indicate Ordinary Preferred Ordinary Contributory and Deferred Shares respectively P next to the name of the company indicates that the company also has Preference Shares Figures in 'accounts closed' column indicate the months of the calendar year in which accounts are closed For Managing Agents refer to the Key (last page) under the numbers indicated.

Paid up Capital Ordinary	Net Block Accounts	Reserve & other Funds Premiums & Forfeited Shares if any	Cash & Securities	Net Profits including taxation	Carry forward	Accounts closed	Mg. Agts. Secretaries etc.	NAMES	Dividends per cent 1960	1961	1962	Paid-up per Share	Latest Market Quotations as available until 1-10-63 Rs.	25-9-63 Rs.	A year ago Rs.
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.							Rs.			
								CHEMICAL INDUSTRIES							
62,00,000															
2,45,00,000A	5,93,45,653	1,96,10,273	4,78,066	71,72,056	1,37,284	9	121	Alkali & Chemical Corpn. of (I)	12	15	15	10	33/50	33/75	42/37
20,00,000	17,39,281	15,681	11,245	—88,949	—9,86,991	12	442	Bathgate & Co Ltd P.	Nil	Nil	..	5	0/84	0/84	0/84
15,00,000O															
11,08,800A	76,41,344	68,84,605	21,11,440	18,06,053	1,30,717	3	245	Bengal Chemical & Pharm P.	7	10	..	100	102/00	102/00	101/50
22,54,700B															
15,00,000	36,34,102	22,82,883	19,49,050	12,04,892	6,978	6	377	Calcutta Chemical P.	18	18	18	10	17/87	17/87	19/31
4,98,000	99,022	Nil	41,554	72,146	2,586	2	129	Frank Ross P	..	..	..	6	2/19	2/19	3/25
20,00,000	11,71,084	16,07,251	9,33,133	11,60,256	92,801	6	191	Smith Stanistreet P.	25	25	25	5	12/31	12/25	15,50
								ELECTRIC LIGHTING, POWERS							
19,99,600	1,15,72,761	51,20,883	27,74,218	4,56,810	52,889	3	32	Agra Electric Supply	11	11	11	100	118/00	118/00	127/00
8,00,000	29,33,899	15,51,602	8,09,008	2,00,631	25,823	3	32	Bareilly Electric Supply	11	11	11	10	12/37	12/37	12/25
17,00,000	1,03,03,450	52,26,411	19,58,483	4,36,454	41,730	3	202	Benares Electric Supply	11	11	11	10	11/62	11/62	13/00
5,91,660	15,65,473	807,902	2,70,659	1,36,558	47,298	3	32	Bhagalpur Electric Supply	8	10	8	8	6/56	6/56	6/08
£4,262,646	£21,040,641	£10,815,240	£173,696	£1,599,019	£100,524	3	202	Calcutta Electric Supply	7	7½	7½	£1	14/87	14/87	15/25
6,80,000	22,38,497	1,17,141	32,6	151,685	63,000	3	2	Cuttack Electric Supply	7½	10	10	10	11/87	11/87	12/62
43,20,000	66,87,445	29,73,446	41,87,140	14,42,862	4,27,783	3	2	Dishergarh Power Supply P.	10	10	10	100	88/00	88/00	94/00
								ELECTRIC LIGHTING, POWERS							
								Jhansi Electric Supply	..	..	..	10	5/90	5/90	6/00
5,34,640	17,29,086	96,513	95,409	65,283	3,590	3	168	Jubbulpore Electricity Supply	10	10	10	10	11/25	11/25	11/37
22,49,550	66,50,848	29,21,749	5,35,563	1,09,770	33,302	3	32	Mirzapur Electric Supply	..	..	..	9	12/00	12/00	12/00
4,85,000	6,70,324	2,24,149	3,48,986	2,22,292	39,315	3	258	Muzafferpore Electric Supply	12½	..	12½	10	11/50	11/50	12/25
5,82,390	24,50,815	6,87,284	2,15,991	43,664	22,259	3	202	Muttra Electric Supply	..	..	..	10	11/06	11/06	10/75
6,99,700	14,47,574	1,14,377	3,95,468	12,96,460	18,988	3	329	Patna Electric Supply	10	10	10	10	10/00	10/50	11/50
35,07,380	98,50,374	48,67,675			1,27,547	3	202								
								Shahjahanpur Electric P.	6½	6½	6½	10	7/50	7/50	7/50
9,10,000	8,77,208	2,86,892	3,19,022	1,58,667	17,201	3	202	Sijua (Dherriah) Electric	10	9	9	10	8/50	8/50	9/06
16,80,000	24,14,949	16,03,685	9,75,497	458,680	3,975	3	21	United Provinces Electric	11	11	11	100	112/00	117/00	118/00
56,00,000	2,03,16,819	80,84,613	25,53,868	11,09,426	92,879	3	32	Upper Jumna Valley Electric	13½	13½	13½	10	14/25	15/06	15/25
5,00,000	21,74,345	14,00,467	7,69,903	1,92,745	33,674	3	32								
								ENGINEERING & METAL							
								Arthur Butler (Muzafferpore) P	..	..	..	10	14/94	14/94	14/50
6,00,000	6,61,485	63,426	1,48,213	2,93,398	—1,52,122	12	300	Bhartia Electric Steel	10	10	12½	10	14/06	13/44	14/00
50,00,000	38,87,587	44,13,221	72,862	34,13,246	5,246	12	31	Braithwaite & Co. (India)	25	25	14	10	33/12	32/37	35/00
1,00,00,000	1,53,20,721	94,55,491	65,84,179	21,52,136	2,757	12	289	Bridge & Roof	30	30	30	10	52/25	52/25	52/25
12,00,000	62,65,971	50,43,274	7,42,812	1,80,146	..	12	24	Britannia Building & Iron P.	Nil	Nil	Nil	10	3/25	3/25	3/65
19,88,670	33,58,748	1,09,796	1,86,939	24,17,175	—611,196	12	165	Britannia Engineering P.	10	10	10	10	9/97	10/03	11/31
1,00,00,000	1,24,97,389	52,95,465	1,14,787	1'4,07,837	5,115	12	24	British India Electric Cons.	45	20	15	10	33/12	33/12	33/12
25,00,000	20,95,656	18,18,384	24,752	1,42,69,633	..	12	24	Burn P (Engineering)	28½	28½	28½-25*	100	592/00	585/00	695/00
84,30,000	3,58,68,539	2,99,02,509	74,40,547	38,47,174	..	4	32	Burn P (Engineering)	15	15	15-12½*	10	13/19	13/00	14/94
1,00,00,000	57,61,970	17,65,495	8,43,845	22,94,248	65,077	3	437	Calcutta Steel	10	10	10	10	10/87	10/87	11/91
80,00,000	1,12,20,938	24,00,000	2,06,672		1,09,021	F	434	Dalmia Iron							
									..	12	227	Guest, Keen Williams	16	14	14	10	37/00	34/25	37/50
4,00,00,000	6,63,01,978	6,98,32,755	2,11,42,172	1,27,55,590	5,801	12	32	Hooghly Docking	Nil	Nil	12½	50	86/00	86/00	102/00
12,50,000	19,72,898	6,45,100	27,549	3,79,950	..	5	32	Indian Iron & Steel P.	15	16	16-16*	10	23/78	23/62	25/08
12,44,08,990	62,73,23,096	30,89,05,725	1,72,10,301	9,11,89,201	..	6	32		Nil	..	..	5O	6/00	6/00	5/50
3,85,000O				—4,15,836	—4,03,294	3	223	Indian Malleable Casting	Nil	..	..	1D	1/81	1/81	2/50
1,54,000Dd	11,52,812	14,001	1,82,994		24,064	5	32	Indian Standard Wagon P.	28½	28½	28½-20*	10	35/50	34/00	..
77,97,000	50,88,821	87,57,038	63,89,397	1,71,88,152											
					6,022	3	122	Indian Steel & Wire Products	23	24	23-18*	100	39/00	39/00	49/00
96,79,740O	3,43,55,519	3,41,31,025	1,54,09,567	—57,25,817	..	12	24	Industrial Containers	Nil	10	10	10	21/37	21/37	22/00
12,00,070	7,75,186	3,56,629	2,872	9,92,071	9,036	3	443	Jay Engineering	17 3/20	17 3/20	15	10	20/87	20/87	27/12
1,51,83,863	2,75,25,083	1,27,78,929	11,63,784	56,79,346	86,647	t	132	J K Steel P	20	20	10	10	16/37	15/12	16/50
40,00,000	59,72,635	35,85,700	10,46,960	30,45,860	51,159	10	290	Jessop & Co. P.	8.58	8.58	8.58	10	26/19	25/37	23/06
2,04,00,000	3,50,50,970	2,30,16,815	78,81,184	1,52,79,878	3,088	11	21	Kumardhubi Engineering P.	10	11½	15	3	9/50	9/25	7/81
27,64,800	61,46,982	53,04,910	97,324	21,99,856											
								Marshall Sons (India)	Nil	Nil	Nil	2	2/44	2/37	3/25
10,50,000	3,74,383	19,18,004	4,14,975	—8,36,768	—5,63,688	6	170	National Iron and Steel	Nil	Nil	Nil	10	5/81	5/81	5/19
49,98,000	61,94,985	13,58,398	3,83,038	2,56,716	—4,42,817	3	192	Saran Engineering	8½	10	12½	4	8/78	8/78	11/00
6,00,000	10,13,254	18,88,37*	1,40,370	20,72,177	11,859	3	25	Steel Containers	30	20	20	10	29/50	29/50	22/50
14,00,070	8,16,570	12,38,002	2,56,891	52,01,525	..	12	24	Textile Machinery	10	10	..	10	25/80	25/65	22/45
1,50,00,000	2,73,21,766	61,37,433	13,28,341		62,642	12	22								
								SUGAR, BREWERIES, ETC.							
								Balrampur Sugar	8	8	4	2½	1/81	1/81	2/28
								Belsund Sugar	18½	10	6 2/3	7½	8/44	8/37	9/62
14,00,000	17,29,860	10,85,148	39,573	1,10,785	15,763	6	371	Bharat Sugar P.	..	..	..	10	13/00	13/00	12/62
29,23,537	25,58,707	11,43,842	10,86,872	5,09,358	7,767	9	234	Carew (Sugar) P.	Nil	Nil	Nil	10	10/81	10/75	12/19
32,00,000	45,72,835	13,51,512	18,14,343	3,71,540	4,336	6	316	Cawnpore Sugar P.	Nil	Nil	Nil	10	9/75	9/75	12/37
32,00,000	69,84,997	43,34,048	27,81,820	33,71,567	—25,45,362	10	25	Champaran Sugar P.	15	12	Nil	10	13/62	13/62	17/12
30,00,000	90,08,963	69,84,997	6,94,684	—978,687	—9,07,232	t	25	Durbhanga	4	Nil	5	10	8/87	8/87	9/00
18,30,000	27,85,833	48,06,937	9,09,574	4,77,197	1,97,076	8	395	Dyer Meakin (Breweries)	25	30	..	5	28/62	28/50	30/75
38,01,380	25,88,250	31,90,540	1,79,315	1,00,50,837	12,604	3	116								
27,56,355	1,31,99,222	1,76,30,095	24,30,790												
								New Savan Sugar and Gur	..	..	..	10	4/50	4/44	5/25
11,00,000	6,45,722	3,75,000	10,90,564	95 437	52,205	6	140	Purtabpur Sugar P	..	..	..	10	11/50	11/50	11/50
9,00,000	19 47 931	23,02,870	2,05 743	2,86 458	4,006	10	400	Ramnugger Cane & Sugar P.	30	35	30	10	27/50	27/50	30/37
16 59,820	41 29,938	57,22,889	15,35,449	8,47,183	79,042	8	1	Raza Buland	12½	10	10	10	9/62	9/62	10/00
65,00,000	51,91,073	36,97,845	4,77,846	10,38,410	13,204	t	92	Ryam Sugar P.	..	..	..	10	3/56	5/20	8/06
1,00,000	1,77,238	18,54,067	2,09 163	—2,44,407	34,778	t	25	Samastipur Central Sugar	15	..	..	10	5/94	5/94	9/62
11,99,000	22,10,161	25,85,624	21,94,750	1,90,057	7,991	5	335	Shree Krishna Gyanoday Sugar P.	..	..	..	10	7/75	7/50	9/12
39,99,000	67,63,905	11,65,178	11,16 368	—6,89,988	6	140	Shree Sitaram Sugar	..	..	..	10	7/12	7/12	7/12
7,94,500	13 54 858	67,398	2,82,356		6	94	Sitalpore Sugar	¼	Nil	Nil	10	3/94	3/94	6/12
9,99,950	17,83,543			—9,17,147	25,765	6	341	United Provinces	15	5	Nil	10	9/00	9/00	14/72
16,00,000	42,22,843	19,40,304	2,03,163	—11,15,414				Upper Ganges Sugar P.	72½	72½	72½	10	62/00	62/00	77/00
8,00,000	90,57,769	67,09,675	9,18,326	37,10,125											

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MISCELLANEOUS COMPANIES—Contd.

O. Po., C. and Dd indicate Ordinary Preferred Ordinary Contributory and Deferred Shares respectively P next to the name of the company indicates that the company also has Preference Shares Figures in "accounts closed" column indicate the months of the calendar year in which accounts are closed. For Managing Agents refer to the Key (last page) under the numbers indicated.

Paid-up Capital Ordinary Rs.	Net Block Accounts Rs.	Reserve & other Funds Premiums & Forfeited Shares if any Rs.	Cash & Securities Rs.	Net Profits including taxation Rs.	Carry forward Rs.	Accounts closed	Mg. Agts. Secretaries etc.	NAMES	Dividends per cent 1960	1961	1962	Paid-up per Share Rs.	Latest Market Quotations as available until 1-10-63 Rs.	25-9-63 Rs.	A year ago Rs.
								MISCELLANEOUS							
8,00,000	3,65,800	2,09,907	5,89,590	1,44,140	2,623	10	85	A Firpo (Restaurateur)	7½	10½	5	10	5/90	5/90	5/90
93,75,000	5,89,85,976	2,48,84,621	3,09,108	30,38,004	11,965	3	132	Aluminium Corporation P.	12	12	12—5*	10	15/06	15/44	15/56
20,00,000	42,23,258	16,50,000	53,38,477	4,16,437	11,325	12	582	Anderson Wright P.	11½	Nil	6	10	11/50	11/50	11/50
30,00,000	13,34,005	43,57,426	25,11,996	21,50,119	2,34,659	8	268	Angelo Bros.	25	28½	28	10	24/19	23/87	24/25
30,00,000	20,74,660	33,58,937	16,15,347	24,27,878	12,842	12	··	Assam Match	18	20	20	10	28/75	13/50	28/75
13,99,998	20,06,639	20,17,850	6,814	1,70,203	94,397	9	348	Assam Saw Mills & Timber	Nil	Nil	3	3	2/69	2/84	2/75
1,18,00,000	53,91,481	93,43,093	59,95,725	50,77,805	7,18,128	8	391	Associated Battery	25	15	15	10	25/00	24/50	28/87
20,00,000	43,09,876	44,17,208	43,55,171	7,61,605	1,22,491	3	204	Associated Hotels of India P.	Nil	10	10	10	10/31	10/31	10/31
80,01,400	46,97,674	1,20,07,997	93,50,429	51,62,806	..	12	396	Balmer Lawrie & Co.	25	25	25	100	247/00	247/00	257/00
12,00,000	5,51,865	12,52,902	6,77,227	10,64,446	..	3	128	Bararee Coke	Nil	Nil	15-15*	10	21/62	21/25	24/50
44,30,000		9,27,823	68,58,981	2,87,091	50,926	9	160	Birds Investments P.	9½	10	10	10	10/75	10/75	12/50
68,35,530	1,16,23,032	83,79,866	8,27,110	86,51,567	6,999	3	50	Britannia Biscuit P.	25	30	25-21*	10	42/25	42/75	45/12
3,25,00,000	71,55,454	2,19,19,061	1,50,51,719	1,34,25,907	2,53,254	12	33	British India Corporation P.	4	7	9	5	8/25	8/00	10/06
50,00,000	21,38,677	40,58,031	9,91,498	24,64,559	27,856	12	392	British Paints	12½	15	10	10	20/00	20/00	22/00
5,00,000	6,83,781	1,65,739	1,54,429	2,63,717	5,201	3	213	Calcuta Silk Manufacturing P.	Nil	Nil	..	10	6/94	6/94	7/15
1,38,80,000	..	14,77,426	1,78,29,586	15,08,523	2,46,740	12	2	Clive Row Investment	8	7½	7½	10	8/75	8/75	8/37
90,00,000	24,68,979	1,27,43,000	1,98,66,116	35,58,709	2,42,095	12	169	Duncan Brothers & Co P	14	14	14	100	135/00	130/00	157/50
4,50,00,000	6,09,38,229	5,05,74,162	11,32,452	3,30,38,275	25,88,011	12	96	Dunlop Rubber Co (India) P.	21½	20	15	10	35/50	34/37	38/19
76,89,000	..	63,98,196	1,76,05,602	1,11,25,276	1,32,549	12	21	Eastern Investments P.	14	14	12	100	119/50	117/00	129/00
60,93,400	64,20,000	20,22,000	1,61,547	19,35,092	12,311	10	388	Electric Construction	10	10	10	10	13/94	13/69	14/62
30,00,000	28,94,555	27,23,508	19,90,832	15,65,118	2,10,371	3	51	French Motor Car	20	20	..	20	35/12	35/12	34/50
14,00,000	20,83,841	18,85,208	38,577	11,59,599	17,856	12	19	Ganges Rope	17½	20	20	100	236/00	236/00	236/00
2,25,000		76,065	5,16,267	51,428	4,826	2	21	General Investment & Trust P.	5	5	5—5*	75	43/00	43/00	43/00
65,00,000	39,77,135	58,42,190	1,57,85,100	30,47,005	15,471	3	105	Gillanders Arbuthnot & Co P.	10	11	11—11*	10	14/69	14/69	14/06
40,00,000	17,69,681	7,21,434	36,90,302	5,43,666	4,924	12	209	Gladstone Lyall & Co. P	4 2/5	..	..	10	..		
40,00,000	34,79,636	31,88,500	1,29,460	46,26,030	38,310	12	310	Godfrey Phillips (India) P.	40	40	30	10	28/12	28/12	33/25
30,00,000	43,74,366	17,66,360	1,66,432	1,09,512	794	3	225	Great Eastern Hotel	9	6	..	250	225/00	225/00	241/00
4,68,75,000	3,08,48,429	..	2,33,36,909	2,11,555	2,11,555	12	438	Hindustan Aluminium P.	Nil	..	..	10	13/94	13/81	15/87
8,07,66,250	5,43,03,252	3,24,89,610	4,52,97,214	3,50,00,432	3,043	3	22	Hindustan Motors P	9	12	12½-11½*	10	17/66	17/44	18/31
40,40,000	35,37,27	16,00,000	39,49,49	28,88,218	1,31,125	10	..	Hindusthan Pilkington	..	..	..	10	16/37	15/37	19/87
39,88,550	86,39,248	Nil	1,22,648	—12,14,232	—11,50,824	3	211	Hindusthan Pwtyords P.	Nil	Nil	Nil-Nil*	10	14/69	14/25	15/56
35,20,000	23,35,937	16,00,000	24,48,098	5,91,868	66,500	12	494	Hoare Miller & Co.	6	6	..	10	5/62	5/75	7/09
15,16,00,000	8,60,23,900	10,67,60,544	1,25,08,131	4,46,29,511	3,29,429	3	325	Imperial Tobacco	8	9	9—8*	10	10/62	10/91	11/00
4,00,23,880	3,64,77,942	4,53,66,220	60,96,109	2,40,34,073	56,98,466	12	295	Indian Aluminium P.	15	15	17½	10	37/50	36/81	35/06
2,48,65,450	1,86,02,399	3,35,26,675	90,27,691	1,56,84,867	21,521	3	34	Indian Cable	22½	22½	22½-22½*	10	36/50	35/81	36/00
3,64,00,000	5,56,27,815	1,22,35,821	44,62,878	1,35,49,869	17,61,389	9	366	Indian Oxygen	15	15	12	10	27/75	27/50	47/62
8,27,970	8,82,919	12,42,783	10,99,551	12,01,372	53,791	3	223	Indian Rubber Manufacturers P.	20	30	36	10	19/87	19/87	20/94
20,00,000	2,57,217	27,98,665	29,32,360	21,71,601	3,26,125	6	88	Indian Wood Products	30	30	30	10	29/62	29/62	32/00
74,89,150	72,05,408	..	2,88,862	—8,28,784	—14,68,4..	12	63	Isaac Holdens	..	Nil	..	10	15/50	15/19	16/75
5,00,000	..	3,15,956	11,39,628	1,17,622	12,910	2	21	Investments and Finance P.	7½	7½	7½-7½*	100	55/00	55/00	55/00
72,62,500	23,44,049	64,37,500	3,02,73,819	8,00,318	44,050	6	439	J K Synthetics	..	3	..	10	11/56	12/06	13/56
5,87,500D	2,28,843	Nil	5,88,284	—1,19,242	—1,18,804	12	281	James Wright P.	..	..	..	5O	2/75	2/75	2/75
1,17,500D									..	..	..	1Dd	00/43	00/43	00/43
2,00,00,000	61,16,247	87,10,720	5,34,83,359	41,88,190	..	3	39	Jardine Henderson P.	7	7	6—7*	100	80/00	86/00	79/00
87,46,630	1,62,75,806	74,14,126	9,46,513	37,33,223	18,455	12	22	Jay Shree Industries P.	14	12½	..	10	17/75	17/50	16/62
1,99,94,325	8,77,31,151	4,34,03,080	55,33,798	1,07,12,489	26,969	3	22	Kesoram Industries P.	5	12	12—13*	10	26/00	24/62	25/94
3,50,000									..	..	..	50	6/75	6/75	7/00
66,000Dd	3,17,363	6,02,958	3,21,617	—14,078	—4,849	3	133	Macfarlane & Co.	..	..	..	1Dd	2/19	2/19	2/50
1,50,00,000	1,07,01,720	99,61,347	2,91,71,046	33,69,977	43,205	12	334	Macneill & Barry P.	8	8	7½	100	93/50	93/50	93/50
1,47,12,250	70,44,126	1,22,48,546	2,05,42,132	78,17,248	2,44,687	9	309	Martin Burn Ltd P.	27½	27½	25	10	27/31	27/37	31/00
47,12,000	18,46,595	90,33,368	2,73,18,501	25,28,932	2,34,727	12	282	McLeod & Co. P.	15	15	18	100	210/00	210/00	250/00
1,61,00,000	2,76,53,533	2,38,95,151	41,04,252	1,23,59,734	38,785	3	167	Metal Box Co. of India P.	25	25	19	10	50/62	50/62	55/50
1,35,00,000	90,71,426	1,24,32,234	6,55,304	62,89,944	21,708	3	7	National Insulated Cable P.	25	25	25—18*	10	24/75	24/06	31/00
30,00,000	22,68,464	34,26,465	18,44,015	22,10,080	52,804	9	7	National Pipes & Tubes P.	20	20	20	10	27/00	24/69	31/50
40,00,000	37,29,364	39,77,485	31,24,718	20,63,112	35,985	6	7	National Rolling & Steel Ropes	13	15	15	10	21/44	21/44	22/00
90,00,000	69,05,819	16,52,447	4,31,039	11,41,474	75,633	12	375	National Rubber P.	Nil	6½	8	10	12/25	11/87	11/94
79,97,000	77,87,804	1,29,48,132	28,35,366	17,51,943	3,61,143	12	79	New India Investment Corpn.	16	7	7	10	11/75	12/00	13/00
23,31,600	1,014	13,02,891	9,90,509	6,26,950	40,375	12	35	New India Motor	8.7	..	..	75	65/00	65/00	90/00

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MISCELLANEOUS COMPANIES—Contd.

O. Po and Dd Indicate Ordinary Preferred Ordinary and Deferred Shares respectively P next to the name of the company indicates that the company also has Preference Shares Figures in "accounts closed" column indicate the months of the calendar year in which accounts are closed. For Managing Agents refer to the Key (last page) under the numbers indicated.

Paid-up Capital Ordinary Rs.	Net Block Accounts Rs.	Reserve & other Funds Premiums & Forfeited Shares if any Rs.	Cash & Securities Rs.	Net Profits including taxation Rs.	Carry forward Rs.	Accounts closed	Mg. Agts. Secretaries etc.	NAMES	Dividends per cent 1960	1961	1962	Paid-up per Share Rs.	Latest Market Quotations as available until 1-10-63 Rs.	25-9-63 Rs.	A year ago Rs.
								MISCELLANEOUS (Contd.).							
60,00,000	6,27,241	59,20,402	91,23,845	14,28,049	24,342	12	321	Octavius Steel P.	10	7½	7½	100	..	..	..
2,20,00,000	1,99,24,542	89,30,483	25,74,107	1,20,21,148	1,39,632	12	369	Philips India	12	12	13	10	26/75	26/75	29/37
2,95,200	53,496	6,12,800	1,02,081	4,43,784	48,408	3	145	Publicity Society	10	75	75—50*	4	22/62	22/62	26/19
2,25,00,000	86,77,634	14,24,127	1,33,25,576	44,48,355	3,23,563	8	332	Rallis India P.	4	8½	8½	100	124/00	122/50	150/00
5,00,00,000	8,03,38,621	2,57,80,000	1,14,05,040	3,60,253	37,513	9	22	Rohtas Industries P.	20	10	8	10	13/00	12/19	14/25
94,27,380	5,55,68,835	Nil	14,04,497	23,36,729	13,552	9	376	Sirsilk P	Nil	..	..	10	9/44	9/00	9/75
70,00,000	2,31,09,587	58,67,480	20,33,664	41,86,452	5,57,492	12	278	Sen Raleigh Industries P.	8	8	8	10	15/19	15/00	18/87
75,00,000	1,02,89,547	55,43,000	1,78,35,987	17,483	1,739	12	111	Shaw Wallace P.	15	15	7½	10	16/81	16/81	20/69
3,00,000	3,33,174	23,169	90,501	4,44,246	12	301	Spencers Hotel	2½	2½	..	2	0/65	0/65	0/94
2,80,00,000	5,74,94,906	3,16,49,275	38,74,069	1,86,24,531	5,406	12	195	Union Carbide	18	18	12½	10	39/62	39/00	45/37
1,10,200PO	7,04,778	29,75,610	9,48,447	11,31,642				Walford Transport	20	20	20	1PO	2/25	2/12	2/25
8,40,800O									30	30	30	1O	3/69	3/62	3/41
								INSURANCE COMPANIES							
13,50,000	6,89,803	61,56,126	1,56,73,630	5,94,228	32,703	12	174	Concord of India	20	20	20	5	10/62	10/62	11/50
24,00,000	1,43,152	95,20,456	1,36,84,067	17,38,669	20,229	12	248	Hercules	22½	26½	26½	10	22/56	22/56	25/37
32,00,000	27,24,852	1,56,73,464	2,30,92,019	30,35,783	.....	12	38	Ruby General	10	13½	15⅝	8	10/00	9/44	9/69
8,00,000		21,62,072	27,92,808	41,893	12,241	12	..	Standard General	..	..	..	10	6/25	6/25	8/00
5,75,000	7,133	77,12,554	1,06,52,159	10,05,738	.....	12	39	Triton	45	50	50	25	124/00	124/00	131/00
								FLOUR MILLS							
12,00,000	4,11,000	29,55,620	6,63,425	10,87,621	1,80,000	12	24	Bengal	40	25	25	10	29/00	29/00	34/25
5,60,000	6,53,040	2,47,038	2,17,808	1,05,475	1,26,880	10	97	Delhi P.	..	..	..	10	14/00	14/00	14/00
48,90,137	47,18,493	77,72,310	56,85,368	33,61,765	4,07,398	9	175	Ganesh P.	..	..	..	12½	13/50	13/37	17/00
9,00,000	4,53,646	4,52,302	8,883	2,19,375	32,614	12	236	Hooghly	15	Nil	Nil	10	19/75	19/75	19/75
5,00,000	2,77,355	6,61,791	25,812	2,25,689	6,571	11	236	United	35	10	7½	10	27/81	27/81	30/00
								OIL COMPANIES							
£2,900,001	£2,383,591	£1,700,442	£507,508	£1,073,511	£100,742	12	249	Attock Oil	13½	13½	..		£1 sh. 34/9	sh. 35/-	sh. 26/-
£82,419,080	£35,843,358	£12,750,000	£13,148,421	£18,446,093	£582,661	12	52	Burmah Oil P.	9 2/5				£1 sh. 66/6	sh. 63/10½	sh. 40/7½
1,00,00,000	59,29,364	1,75,25,203	2,84,68,306	54,63,502	1,19,330	12	249	Indo Burmah Petroleum P.	30	25	22½	10	22/44	22/00	25/81
6,00,000	3,20,016	9,89,137	4,92,803	4,47,005	12,113	10	2	Tide Water Oil	30	35	35	10	27/12	27/12	27/50
								PAPER MILLS							
58,50,000	1,09,71,994	63,55,637	10,43,959	47,17,412	50,816	12	436	Bengal P.	32	27½	20	10	28/25	26/12	32/81
88,20,000	1,16,27,906	90,40,934	1,10,010	40,65,122	28,615	3	2	India Paper Pulp	15	13	12—15*	10	17/87	17/44	18/87
1,90,87,250	6,87,00,000	2,47,038	90,74,618	1,15,62,333	93,457	3	22	Orient Paper P	22½	22½	22½-20*	10	37/40	36/25	40/10
1,25,51,920	3,84,89,769	1,77,04,218	6,79,140	33,33,899	99,729	6	22	Sirpur P	17 6/7	17 6/7	17 6/7	10	25/12	24/37	24/94
2,18,55,240	4,62,89,369	72,10,000	5,66,797	—1,17,823	56,480	9	36	Star Paper P.	6½	8½	..	10	13/12	12/69	12/85
1,00,00,000	4,41,41,480	8,52,298							Nil	Nil	Nil	10	9/06	9/06	10/00
10,00,000A					15,112	3	106	Titaghur P.	10	13	13—13*	2½PO	3/87	3/87	3/78
4,37,500PO	4,87,90,174	3,15,32,295	20,74,443	—20,620					25	20	10—10*	10AO	16/87	16/62	38/87
56,00,000AO									25	20	10—10*	10BO	16/87	16/62	38/87
56,04,800BO					17,196	6	373	West Coast P.	6	7½	..	100	135/00	135/00	166/00
1,50,00,000O	4,95,97,051	85,00,000	1,73,752	58,44,196											
								PRESSING COMPANY							
4,30,000	1,81,531	1,45,000	5,34,786	65,294	24,928	7	326	Camperdown	11	11	..	100	104/00	104/00	100/00
								REAL PROPERTY STORAGE							
10,00,000A	14,69,599	8,53,120	3,54,870	1,24,262	3,212	6-10	73	Bengal Bonded Warehouse	11	8	8—9*	A500	1,050/00	1,050/00	610/00
1,25,000B												B62½	135/00	135/00	77/25
2,00,000K												C100	122/00	122/00	122/00
25,000D												D12½	14/15	14/15	14/75
7,42,150	11,68,346	4,23,135	33,823	81,259	3,142	3	6	Calcutta Safe Deposit	..	..	..	100	7/87	7/87	7/25
1,00,00,780O	19,85,068	9,01,590	13,43,272	3,61,779	1,33,593	9	432	Humayan Properties P.	6	..	..	10O	11/00	11/00	11/00
2,00,000Dd		Nil	13,17,910	—85,757	—21,89,035	4	2	Midnapore Zemindary P.	Nil	..	..	1Dd	2/10	2/10	2/15
7,99,00,000	13,378								Nil	Nil	Nil	85	11/00	11/00	11/12
								TRAMWAYS & STEAMER							
20,00,000	29,74,805	27,13,587	10,28,887	3,59,472	11,765	10	2	Bengal Assam Steamship P.	7½	7½	..	100	135/00	135/00	110/00
6,25,000	5,18,823	7,61,818	11,59,193	5,18,780	5,967	10	89	Calcutta Landing & Shipping	3½	7½	22	10	34/00	34/00	54/00
12,50,000	23,78,412	13,83,110	42,995	28,490	—42,629	6	598	Calcutta Steam Navigation	10	Nil	Nil	10	9/25	9/25	7/75
£700,000	£2,937,718	£1,560,662	£315,682	£105,509	£1,407	12	98	Calcutta Tramways P.	..	..	..	£10	11/31	11/06	12/25
6,04,880	6,97,987	6,56,706	33,440	1,35,098	—637	3	134	Fraser	Nil	..	..	10	10/00	10/00	10/00
£655,580	£1,970,808	£432,856	£419,913	—£80,988	—£84,854	3	231	India General Nav. & Railway P.	Nil	Nil	Nil-Nil*	10	39/00	39/00	64/50
8,47,50,000	15,60,63,417	1,57,29,564	1,17,13,241	—30,02,498	..	3	231	India Steamship P.	10	Nil	..	10	6/62	6/56	6/81
14,08,220	13,34,804	74,870	7,951	—62,391	—4,09,480	12	..	Port Shipping	Nil	Nil	..	10	14/94	14/69	12/06

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BOMBAY COTTON MILLS

O. Po. C. and Dd. indicate Ordinary. Preferred Ordinary. Contributory and Deferred Shares respectively. P next to the name of the company indicates that the company also has Preferred Shares. Figures in "accounts closed" column indicate the months of the calendar year in which accounts are closed. For Managing Agents refer to the Key (last page) under the numbers indicated.

Paid-up Capital Ordinary	Number of Spindles	Number of Looms	Net Block Account	Reserve & other Funds	Cash & Securities	Net Profits including taxation	Carry forward	Accounts closed	Mg. Agts. Secretaries etc.	NAMES	Dividends per cent 1960	1961	1962	Paid-up per Share	Latest Market Quotations as available until 30-9-63	24-9-63	A year ago
Rs.			Rs.	Rs.	Rs.	Rs.	Rs.							Rs.	Rs.	Rs.	Rs.
40,00,000	48,652	1,016	1,28,56,156	40,70,823	20,69,873	10,39,741	26,920	..	265	Ahmedabad Advance P.	16	..	..	100	145·00	145/00	170/00
50,00,000	43,254	896	20,17,010	9,99,960	10,78,294	1,49,501	2,24,486	12	229	Apollo	..	..	..	100	82·00	81/50	2/8
40,00,000	41,135	980	33,32,511	11,42,781	4,76,501	1,42,728	..	3	356	Behariial Rameharan	Nil	..	..	2	1·98	1/80	80/00
2,50,98,000	2,03,942	4,911	5,87,37,555	3,82,76,018	47,87,842	62,56,837	67,586	12	199	Bombay Dyeing, etc.	14	14	..	100	82·00	81/50	65/00
10,00,000	35,052	948	32,07,738	34,59,612	3,45,176	10,89,189	1,37,996	3	262	Bradbury P.	10	25	..	25	62/50	63/10	187/50
1,37,75,700	1,18,290	2,760	1,98,32,541	1,26,61,469	25,80,078	30,66,350	9,53,042	12	22	Century	..	..	..	50	148·00	148/00	600/00
36,87,500	1,15,182	2,062	3,08,53,158	10,75,722	32,81,429	20,50,911	—69,69,939	6	269	Central India P.	Nil	Nil	..	100	592·00	581/00	112/00
26,00,000	24,916	719	37,34,829	32,52,434	1,01,653	7,46,029	1,28,751	3	68	Coorla	..	..	..	100	115·00	113/50	130/00
28,00,000	43,512	..	33,97,504	29,03,230	5,19,246	23,98,267	2,06,873	12	262	Dawn	30	30	..	100	147·00	147/00	158/00
34,00,000	49,161	920	39,75,487	37,58,286	14,81,759	18,79,691	—2,29,973	12	260	Edward Textiles	9	..	..	50	157·00	147/00	352/00
29,38,050	47,700	886	1,32,62,451	48,56,520	2,59,089	4,04,302	5,844	12	98	Elphinstone P.	18	22	..	200	280·50	280/50	107/00
50,00,000	63,212	784	85,32,658	71,62,852	16,838	4,09,432	37,155	12	241	Finlay	..	..	18	50	192/00	98/00	295/00
39,04,700	77,966	..	19,75,309	43,25,176	23,64,706	12,85,523	85,195	12	56	Gokak	..	..	..	100	325·00	314/00	186/50
12,00,000	40,856	1,116	64,14,595	68,13,226	10,75,832	4,27,954	5,195	3	305	Hindoostan	..	..	..	100	172·00	167/00	..
2,00,00,000	2,48,870	6,498	4,41,45,022	3,84,70,022	31,82,625	1,32,22,197	5,89,816	12	15	India United	..	..	..	250	855/00	855/00	..
60,00,00,000											..	..	..	10	23·00	22/76	25/00
											..	..	..	1Dd	2·80	2·66	3/00
9,00,000	47,824	1,202	75,60,490	61,57,161	4,26,274	..	..	3	305	Indian	..	..	..	..	..	..	..
50,00,000	50,074	1,426	74,72,293	26,00,000	26,71,578	4,58,532	8,880	12	103	Indore Malwa United	8½	10	7½	250	761/25	761/25	890/00
														100	198·00	198/00	212/00
59,85,000	65,260	1,514	1,07,21,545	82,79,165	25,00,707	16,87,297	38,151	6	149	Khatau Makanji P.	32	..	..	100	215·00	212/50	447/50
1,00,30,000	1,20,504	1,846	1,38,52,384	1,07,07,211	9,13,083	38,39,253	1,555	12	146	Kohinoor	15	18	..	100	320·00	314/00	294/00
89,60,000	49,884	1,369	1,26,36,336	62,49,272	7,11,717	—21,14,041	—10,69,896	12	63	Lakshmi Vishnu P.	5.7	6	..	Nil	100	92·00	125/00
51,75,000	71,672	1,620	1,31,30,107	72,11,813	63,197	50,67,194	1,09,099	6	104	Morarjee Goculdas P.	21½	24	24	100	380·00	372/00	460/00
39,63,250	50,480	500	55,13,433	39,56,794	22,08,037	2,05,250	Nil	2	261	Mysore Spg & Mfg P.	14	14	..	50	48·50	48·50	59/50
24,00,000	45,944	432	23,52,760	7,45,700	10,79,000	15,67,753	8,456	12	..	New City of Bombay	..	..	..	100	155·50	155/00	140/00
30,00,000	46,884	1,029	32,27,098	25,72,444	27,32,568	12,48,697	153	12	..	New Great Eastern P.	..	..	..	100	192·00	188/00	262/00
48,00,000	54,244	728	53,94,222	35,02,898	1,54,21,523	21,027	27,380	12	119	Phoenix	..	..	..	100	238/00	231/50	238/00
10,00,000	9,520	277	13,17,604	2,78,222	9,968	3,22,456	—1,07,771	12	257	Sassoon & Alliance	Nil	..	..	10	10·92	10/92	14/88
75,40,000	96,488	2,127	2,21,73,468	1,58,87,342	13,77,729	28,73,996	3,192	12	339	Sassoon Spinning	17	20	..	10	44·00	41/50	55/00
60,48,000	49,840	1,258	1,34,95,513	34,48,460	1,44,640	22,79,548	24,574	3	375	Simplex	15	Nil	22	50	124·00	124/00	156/00
1,00,00,000	77,436	1,640	1,62,20,494	86,36,202	95,49,874	35,49,582	51,723	12	327	Shree Niwas P.	18	20	14	100	238·00	238/00	260/00
4,00,00,000	65,040	2,000	1,68,10,102	1,05,78,408	19,38,911	24,20,000	24,523	12	269	Svadeshi P.	17	..	..	100	250·00	247/00	255/00
39,00,000	49,328	548	56,94,828	71,73,336	7,774	8,20,551	26,062	12	341	Swan	..	..	..	100	273·00	270/00	285/00
65,57,875	63,243	1,800	1,81,82,520	61,75,268	10,05,865	31,74,545	26,322	12	269	Tata	20	..	..	100	273·00	270/00	60/80
12,00,000	45,508	1,308	62,07,441	12,11,933	31,81,227	52,10,985	8,027	3	205	Western India	..	..	..	250	785·00	785/00	881/25

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BOMBAY MISCELLANEOUS COMPANIES

Paid-up Capital Ordinary	Net Block Accounts	Reserve & other Funds Premiums & Forfeited Shares if any	Cash & Securities	Net Profits including Taxation	Carry Forward	Accounts closed	Mg. Agents Secretaries etc	NAMES	Dividends per cent 1960	1961	1962	Paid-up per Share	Latest Market Quotations as available until 30-9-63	24-9-63	A year ago
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.							Rs.	Rs.	Rs.	Rs.
								CEMENT							
19,96,49,908	26,78,49,366	10,52,33,092	4,94,54,294	7,57,20,456	65,991	7	53	Associated Cement	12½	12	12	100	153·00	148/75	155/75
								ELECTRIC LTG. POWER							
8,74,77,100	11,61,05,785	1,36,05,785	30,82,878	78,42,905	639			Ahmedabad Electricity	7	6	..	100	93·30	96·30	94/80
3,02,77,000	9,34,77,781	1,23,89,917	32,52,570	52,28,295	36,154	3	146	Andhra Valley Power P.	5½	5	5	1000	1,055·00	1,055/00	1,025/00
1,74,99,700	2,14,85,122	39,32,485	5,79,834	19,21,739	45	3	267	Bombay Suburban Elec.	..	..	..	100	99·50	100·50	104/00
2,39,99,975	7,17,76,350	1,39,56,841	51,65,971	60,68,808	27,536	3	146	Tata Hydro Elec. Power P.	5½	5	5	100	107·00	107·50	110/00
5,15,36,000	17,59,03,832	3,61,11,341	57,28,753	1,22,80,113	29,933	3	267	Tata Power P.	5½	5	5	1000	1,085·00	1,082·50	1,110·00
								ENGINEERING & METAL							
33,42,200	17,06,292	44,16,374	1,54,08,311	5,79,668	1,35,829	12	268	Alcock Ashdown	..	..	..	..	..	..	..
14,75,050	7,99,713	4,61,618	2,25,568	—24,763	—33,604	3	115	Jost's Engineering	8	10	10-Nil*	100	307·00	300·00	317/00
1,65,00,000	1,36,83,136	1,15,74,779	1,09,19,945	48,29,564	11,973	3	351	Larsen & Toubro P.	12½	18	14-14*	50	60·00	59·50	97/00
11,00,000	1,03,70,225	3,45,914	..	..	1,016	7	283	Mckenzies	..	..	14	10	25·00	23·84	25/60
2,50,00,000	5,834	1,00,53,052	1,79,52,042	3,35,178	59,102	12	284	Premier Construction P.	..	..	..	100	143/00	141/00	140·00
1,31,250F									..	..	..	300	152·00	150·75	138/00
7,99,97,300	17,30,38,918	5,09,28,017	13,84,285	3,61,61,616	14,962	3	269	Tata Eng. & Locomotive P.	12½	14½	14½-14½*	32F	..	..	..
27,55,67,699	1,03,32,39,005	42,98,94,270	10,44,14,243	10,55,68,012	32,096	3	269	Tata Iron & Steel P.	9.1	10.30	10·36-11*	100	284·50	274/50	294/00
												750	142·75	139·25	133·50
								INSURANCE COMPANIES							
20,00,000	..	23,84,913	95,96,033	4,24,629	1,18,606	12	297	British India General	..	..	..	10	12·12	12·12	12/40
18,74,940	25,01,134	2,88,61,155	2,61,49,442	38,851	4,85,316	12	55	Jupiter General P.	..	..	..	15	9/20	9/20	11/00
1,42,42,125	23,46,782	8,80,88,899	3,41,14,741	92,61,250	14,28,395	12	179	New India	..	..	..	15	52/00	52/50	62·50
15,99,270	..	29,41,860	59,86,789	6,05,803	3,81,242	12	255	Vulcan	..	..	..	10	16·80	16·52	16/52
								MISCELLANEOUS							
70,49,650	41,70,604	1,23,53,608	1,09,82,038	87,94,850	3,00,263	9	42	Belapur Sugar	..	..	..	50	203·00	195/00	220/00
89,25,000	3,32,42,226	3,91,11,720	2,03,23,186	1,01,08,049	2,03,146	5	285	Bombay Burmah Trading	30	33	33	25	64/00	63/00	..
42,00,000												50	49/00	48/50	..
9,24,36,000	4,66,81,360	3,67,07,011	23,74,064	4,77,27,501	53,585	12	91	Hindustan Lever	26	26	12	10	41/00	39/00	45/00
99,99,250	3,754	29,08,196	1,44,31,515	8,91,495	30,418	12	299	Industrial Invt. Trust	6½	6½	..	100	75/00	75/00	72/00
11,99,900	13,82,957	7,34,142	14,08,228†	98,232	16,942	6	87	Kemp (Chemists)	..	..	..	200	260/00	260/00	310/00
2,41,12,100	7,40,36,031	2,03,71,161	27,33,065	1,69,61,609	4,41,151	12	352	National Rayon	22	..	..	100	376/50	358/00	466/50
11,27,98,680	25,25,08,055	11,58,24,547	11,18,89,983	48,75,907	2,82,649	6	198	Scindia Steam Navign.	3	3	3	20	12/80	12/08	11/40
20,86,650	61,89,784	6,93,289	3,30,490	—11,30,181	—7,04,525	11	146	Shivrajpur Synd	80	Nil	..	10	25/50	21/00	31/50
3,02,33,705	6,11,37,864	58,26,413	25,12,521	16,94,202	4,550	6	269	Tata Chemicals P.	6	6½	6½	10	17/68	17/08	14/20
1,05,05,475	2,21,88,319	1,25,42,386	47,75,465	50,73,815	1,187	3	269	Tata Oil P.	23	23	23-22	25	67/00	65/50	56/70
2,55,00,000	1,16,85,362	1,08,92,609	71,80,463	1,37,48,151	2,91,854	8	360	Voltas	13	14	14	100	261·00	257/00	249/00
2,75,00,000	2,71,29,042	2,32,60,863	1,47,82,908	1,39,56,381	82,645	12	274	Western India Match	16	16	16	100	251·00	246·50	267·00

*1963

SOUTH INDIA PLANTATION COMPANIES

P. Po. and Dd. indicate Ordinary Preferred Ordinary and Deferred Shares respectively. P next to the name of the company indicates that the Company also has Preference Shares. Figures in "accounts closed" column indicate the months of the Calendar year in which accounts are closed. For Managing Agents refer to the Key (last page) under the numbers indicated.

Paid-up Capital Ordinary	Net Block Account	Reserve & other Funds	Acreage	Outturn and Average Price per kg/lb realised for crop Lbs.	Rs.	Net Profits	Accounts closed	Mg. Agts. Secretaries etc.	NAMES	Dividends per cent 1960	1961	1962	Paid-up per share	Latest Market Quotations as available until 30-9-63	24-9-63	A year ago
Rs.	Rs.	Rs.				Rs.							Rs.	Rs.	Rs.	Rs.
6,75,000	16,06,067	1,50,000	1,992	7,996cwt	9.68	1,19,757	3	401	Amalgamated P.	10	..	..	10	10/36	10/36	11/06
2,50,000	12,57,795	5,72,253	878	1,12,000	1.48	3,501	2	403	Anandam P.	15	..	..	10	14/19	14/19	15/24
3,25,000	6,09,131	1,50,000	402	1,28,902	1.47cts	70,011	12	402	Athimattam	Nil	..	..	2	1/18	1/15	0/80
10,98,990	13,90,078	4,83,841	1,630	225,168†	4.34	27,863	5	404	Balmadies P.	7½	..	..	2	1/70	1/65	1/90
3,00,000	3,73,936	2,35,000	319	76,517cwt	3.2	63,110	5	270	Be Be P.	Nil	..	..	5	2/03	2/03	2/50
17,32,230	13,36,710	3,36,253	977	3,59,531	1.65cts	12,42,823	6	141	Blue Mountain	12½	10	20	2	2/63	2/63	2/26
84,00,000	1,15,75,030	26,08,425	4,586	8,36,263†	3.15	6,16,055	3	210	Chembra Peak	20	20	20	2	4/47	4/47	3/22
14,00,100	27,96,388	14,46,380	8,050	11,59,898†	..	15,14,112	2	210	Cochin Malabar P.	17½	20	20	3	6/10	6/10	6/50
26,91,279	47,43,806	19,53,790	2,710	19,48,320	..	8,71,249	6	405	Coffee Lands P.	6	..	..	10	14/87	14/65	14/70
22,50,000	39,31,709	30,58,661	2,710	60,81,120	..	25,60,562	6	406	Consolidated Coffee P.	20	..	..	10	19/10	18/75	17/75
71,55,000	1,15,74,494	63,44,278	7,001	4,04,655†	26.13	2,55,424	9	203	Coonoor P.	17½	..	..	10	18/35	18/35	23/00
5,66,420	21,24,818	12,20,975	372													
4,80,000	10,36,448	4,76,798	432	3,53,888	1.52	1,19,880	3	407	Coorg P.	20	..	..	2	4/89	4/89	3/95
6,00,000	11,82,508	2,17,761	1,026	1,57,785	1.47	46,942	3	12	Cottanad Plantation P.	10	..	..	10	9/31	9/31	9/75
6,00,000	8,89,831	4,80,155	345	3,25,310†	2.66	1,25,313	12	212	Devashola (Nilgiri)	20	..	..	10	24/39	24/39	25/05
6,00,000	8,89,831	4,80,155	450	1,38,386†	4.26	1,38,712	3	287	Devon P.	15	12	..	10	11/96	11/96	12/66
6,74,650	9,14,844	3,31,040	197	1,12,936†	2.66	28,121	12	408	Emerald Valley	..	..	..	5	6/35	6/35	5/55
7,50,000	3,38,952	1,26,500	278	82,830	..	40,424	12	409	Gokul	10	..	..	2	1/76	1/76	1/90
4,50,000	3,64,462	20,000	1,465	17,21,550	2.04	2,13,414	12	410	Haileyburia P.	15	..	..	10	11/85	11/37	12/62
25,00,000	42,82,150	19,77,705	1,528	9,59,804	1.67	3,60,461	2	402	Kailas	22½	..	..	2	6/05	6/09	5/16
11,85,700	28,02,058	8,86,159	465	2,92,200†	4.64	4,14,877	3	210	Kalasa Tea Produce	25	25	..	2	5/45	4/25	3/45
6,00,000	11,83,359	9,40,446	741	4,46,673	5.17	5,88,691	10	210	Kil Kotagiri P.	25	25	..	2	5/45	5/55	4/75
17,17,076	27,90,278	9,40,446	267	305,757	2.31	96,485	12	203	Lucky Valley	10	10	..	10	12/00	12/00	10/25
5,00,000	9,11,259	1,21,604	267	305,757	2.31	96,485	12	203	Lucky Valley	10	10	..	10	12/00	12/00	10/25
13,50,000	17,31,286	4,85,241	1,691	6,70,174	1.48	2,09,136	3	411	Malankara	15	..	..	10	16/00	16/00	16/90
40,50,000	74,75,217	14,33,242	4,013	740,800†	4.47	13,89,961	3	270	Midland Rub. & Prod. P.	12½	12½	..	10	11/40	11/37	11/20
14,06,250	33,53,804	7,45,346	1,587	9,98,596	2.90	1,60,000	3	402	Nilgiri P.	8	..	..	10	8/65	9/65	9/10
23,10,000	22,24,327	57,73,357	1,057	13,82,085	..	14,10,257	6	14	Nonsuch	20	20	..	10	23/37	23/37	21/62
6,50,000	7,07,991	5,71,464	510	1,35,230†	..	1,41,776	3	210	Ossoor	15	..	..	2	3/45	3/45	2/96
19,45,980	34,53,670	25,53,533	1,498	5,77,573	4.84	6,27,924	10	210	Ouchteriony	13	12	..	2	4/35	4/35	3/63
14,88,960	26,94,604	16,87,314	1,563	10,83,565†	4.20	11,29,838	12	9	Parkside Neilgherry	27½	22½	..	10	26/15	26/15	21/75
17,00,000	27,36,576	12,82,318	1,167	3,83,268	1.50	1,65,244	2	259	Peermade P.	22½	25	..	10	20/90	20/90	21/50
6,00,000	1,90,316	3,35,530	3,724	23,32,142†	..	26,86,596	3	210	Peninsular	20	..	..	10	20/70	20/70	22/10
57,94,880	75,03,172	30,24,711	2,827	798,833†	2.30	9,83,709	6	270	Periakaramalai	13½	20	..	2	3/66	3/65	3/21
13,50,000	45,61,490	9,28,404	711	3,320cwt	1.32	1,18,791	3	412	Rajagiri Rub. & Prod P.	20	20	..	10	18/60	18/60	21/20
2,00,000	3,14,567	1,53,963	216	..	..	43,141	3	413	Rajendra P.	25	..	..	5	11/25	9/80	10/50
1,25,000	1,90,373	15,000							Swinton	12½	..	..	2	2/82	2/82	2/82
10,00,000	20,71,084	2,48,373	1,454	4,30,695	1.51	63,263	3	172	Teekoy P.	Nil	..	..	10	6/60	6/60	5/45
9,15,300	13,14,493	10,80,000	2,227	2,45,549†	3.76	1,27,943	9	210	Thirumbadi	7	12	..	1	2/12	2/10	1/62
6,00,000	6,51,402	46,742	5,028	12,05,890†	3.21	80,950	12	414	Travancore Rubber	13	..	..	10	11/12	11/12	11/00
41,00,000	70,55,954	15,07,686	3,028	6,38,402	..	11,13,227	12	9	Travancore Rub & Prod. P.	9	10	..	10	9/85	9/70	9/20
20,00,000	23,48,701	1,36,000	1,267	9,63,293	1.00	4,02,762	12	271	Tropical Plantation	8	..	..	25	19/15	19/15	18/62
15,75,000	24,78,11	16,00,000	1,267	9,63,293	2.16	1,00,000	12	410	Twyfords	10	..	..	10	8/25	8/25	9/62
21,93,280	30,03,223	17,04,089	3,638	8,28,976†	5.11	12,85,658	3	250	United Nilgiri	21	22	..	10	22/90	23/95	19/35
8,80,010	9,26,339	2,82,051	952	4,94,400	1.50	2,20,096	12	415	Vaikundam	30	..	..	10	30/50	30/50	30/65
47,25,000	54,71,548	32,96,030	2,344	11,30,431	1.78	12,73,061	5	157	Waterfall Estates P.	12½	..	..	2	2/40	2/42	2/09
6,95,000	12,64,609	6,35,454	971	1,65,429	1.78	88,225	3	416	Woodland P.	10	..	..	10	7/85	7/85	7/85

† Kgs.

SOUTH INDIA COTTON MILLS

Paid-up Capital Ordinary	Number on Spindles	Number on Looms	Net Block Account	Reserve & other Funds Premiums & Forfeited Shares if any	Cash & Securities	Net Profits including taxation	Carry forward	Accounts closed	Mg. Agts. Secretaries etc.	NAMES	Dividends per cent 1960	1961	1962	Paid-up per share	Latest Market Quotations as available until 30-9-63	24-9-63	A year ago
Rs.			Rs.	Rs.	Rs.	Rs.	Rs.							Rs.	Rs.	Rs.	Rs.
1,21,50,000	46,240	1,157	1,12,36,515	1,80,16,667	58,73,591	68,01,756	2,53,358	12	..	Bangalore W. C. Silk P.	10	18	18	100	231/00	231/00	247/00
1,78,47,800	1,20,288	2,758	3,99,41,906	4,11,85,586	32,05,619	1,02,53,184	2,05,182	12	..	Buckingham & Carnatic P.	10	18	18	100	269/00	269/00	282/00
20,00,000	28,000	..	22,72,373	31,406	96,302	1,68,513	42,421	12	43	Cambodia P.	9	..	..	100	167/00	167/00	182/50
25,99,500	72,832	..	47,91,212	7,98,681	22,227	—4,52,342	—10,23,340	6	46	Coimbatore Cotton	12	16	..	50	67/40	68/50	73/00
20,76,900	23,864	407	74,98,712	39,35,014	6,68,959	20,95,517	12,617	12	141	Coimbatore Spg & Wvg.	..	8	8	10	9/30	9/30	10/37
67,20,000	30,512	200	1,11,72,576	25,53,151	11,75,098	10,75,051				Coimbatore Textiles P.	10	8	8				
							19,391	3	186	Kothari	20	30	..	50	133/50	133/50	146/00
1,06,50,000	1,10,800	..	1,41,26,625	84,90,160	2,06,207	71,93,831	12,44,769	12	109	Lakshmi	15	15	..	15	32/50	32/60	34/75
1,75,02,480	5,00,000	..	3,19,71,388	5,21,72,932	67,88,400	1,57,67,400	45,412	3	29	Madura	30	30	22½	100	277/00	272/00	342/00
60,00,000	24,252	603	14,89,091	6,00,000	24,24,908	7,39,437	2,687	12	60	Mettur Industries	..	..	..	10	202/75	202/75	215/00
4,00,000	20,187	Nil	3,36,608	43,50,000	11,97,728	16,77,243	91,696	12	47	Palani Andavar P.	20	..	..	100	276/00	276/00	290/00
21,00,000	48,974	270	43,85,330							Vasanta P.							

* 1962

SOUTH INDIA SUGAR MILLS

O., Po., F. and Dd indicate Ordinary, Preferred Ordinary, Founders and Deferred Shares respectively. 'P' next to the name of the company indicate that the company also has Preference Shares. Figures in "accounts closed" column indicate the months of the calendar year in which accounts are closed. For Managing Agents refer to the Key (last page) under the numbers indicated.

Paid-up Capital Ordinary	Net Block Account	Reserve & other Funds Premiums & Forfeited Shares If any	Cash & Securities	Net profits	Carry forward	Accounts closed	Mg. Agts. Secretaries etc.	NAMES	Dividends per cent 1960	1961	1962	Paid-up per share	Latest Market Quotations as available until 30-9-63	24-9-63	A year ago
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.							Rs.	Rs.	Rs.	Rs.
30,00,000	62,64,264	26,55,000	5,52,490	10,92,779	22,959	9	417	Andhra P.	..	..	..	10	17/36	17/36	20/75
40,00,000	80,62,883	12,61,424	1,58,472	13,46,266	1,40,987	6	218	Cauvery P.	6	8	..	100	105/00	105/00	115/50
39,84,000	72,41,268	44,98,500	8,38,760	19,41,784	1,02,809	5	218	Deccan Sugar	25½	12	18	5	10/40	10/41	10/75
₹1,27,700	£3,463,073	£2,075,782	£414,795	£648,473	£21,999	9	319	E.I.D.—Parry	21 3/7	21-3/7	28 3/7	£1	36/87	36/75	41/50
63,97,850	45,80,752	15,25,348	64,67,521	12,34,057	3,17,077	9	418	Indian Sugar P.	14	10	..	10	8/65	8/65	10/10
32,45,572	1,22,66,623	18,99,861	1,51,052	5,98,416	2,000	6	419	Jeypore P.	8	..	..	10	16/00	16/00	14/75
10,52,200	2,87,27,773	1,23,75,000	31,53,982	20,76,426	91,745	6	420	K. C. P.	..	..	..	10	23/90	23/20	22/00
80,00,000	1,69,284	Nil	47,90,533	—8,756	—8,756	6	141	Kothari	Nil	Nil	..	10	7/00	7/00	6/90
21,79,280	56,84,219	1,18,46,596	50,30,761	12,10,353	25,953	6	264	Mysore	30	30	30	10	46/75	46/75	53/40
30,00,000	35,03,381	11,41,000	10,12,037	4,88,902	1,46,735	4	218	Travancore P.	10	..	..	10	7/15	7/15	8/35
25,00,000	45,92,397	91,28,520	73,43,307	34,22,332	..	3	320	United Breweries	60	60	25—Nil*	10	35/00	35/00	97/50

* 1963

SOUTH INDIA MISCELLANEOUS COMPANIES

Paid-up Capital Ordinary	Net Block Account	Reserve & other Funds Premiums & Forfeited Shares If any	Cash & Securities	Net profits	Carry forward	Accounts closed	Mg. Agts. Secretaries etc.	NAMES	Dividends per cent 1960	1961	1962	Paid-up per share	Latest Market Quotations as available until 30-9-63	24-9-63	A year ago
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.							Rs.	Rs.	Rs.	Rs.
1,00,00,000	86,99,116	39,83,750	10,36,602	19,80,945	1,52,818	3	421	Aluminium Industries	18	..	..	10	17/00	17/33	24/90
71,02,270	91,13,952	4,21,345	6,36,276	5,36,659	22,879	12	16	Andhra Cement P.	..	..	..	10	9/60	9/60	10/25
3,02,87,650	1,59,93,383	25,63,610	1,64,694	30,01,343	20,076	12	422	Ashok Leyland	8	..	..	5	7/34	7/65	7/63
4,00,00,000	17,47,081	49,33,435	2,75,867	19,86,813	4,39,222	12	423	Binny	12½	..	..	100	297/00	297/00	335/00
7,50,000	5,45,587	56,538	41,630	93,226	—1,46,143	12	270	Brunton & Co.	..	..	..	10	5/03	5/03	5/30
24,99,000	40,82,511	3,52,644	62,031	3,35,186	4,810	12	424	Enfield P.	5	..	..	10	9/25	9/25	10/45
2,24,44,750	321,08,642	66,66,496	73,60,475	51,28,679	1,38,608	3	425	India Cement P.	11	9	12	5	5/75	5/73	6/30
23,82,732	16,92,196	2,50,222	93,924	2,16,808	2,977	12	230	Indian Steel Rolling P.	..	..	..	10	10/40	10/40	12/50
1,40,00,000	1,39,97,059	37,48,301	36,09,251	29,82,180	11,631	3	263	Mettur Chemical Industries P.	12½	12½	13¾-18¾†	10	13/03	13/65	13/35
24,81,220	12,69,939	10,47,778	17,48,674	6,48,041	8,514	3	235	Mysore Chem & Fert	10	10	..	10	8/10	7/75	10/10
8,00,000	5,20,889	4,52,189	2,18,413	2,33,791	85,187	3	151	Mysore Chemical Mfgs. P.	20	..	..	10	17/15	17/75	21/75
6,56,250	5,13,585	9,38,896	5,374	1,23,899	3,146	3	426	Mysore Lamp P.	20	..	..	10	30/00	30/00	36/75
25,00,000	55,50,342	37,12,500	2,43,669	14,29,395	36,663	3	226	Mysore Paper	15	15	..	10	13/65	13/65	15/00
10,00,000	7,56,329	3,16,884	29,32,342	75,422	622	3	201	Mysore Tobacco	10	..	..	10	10/50	10/50	8/60
10,00,000	6,54,848	8,02,000	2,60,194	4,84,835	1,51,607	3	218	Parrys Conf.	30	..	..	1	3/29	5/35	4/10
40,00,000	82,50,079	1,03,14,883	40,58,627	23,52,432	10,74,117	6	221	Spencer (Provisions)	18	18	18	10	20/12	20/12	23/50
47,00,000	86,53,610	20,85,000	51,902	1,85,966	3,689	12	427	Standard Motors P.	9	..	..	10	11/40	11/40	16/13
11,56,300	5,35,547	14,04,007	16,66,624	4,19,707	41,732	9	428	T. Stanes P.	32½	..	..	10	29/05	29/05	31/00
39,84,400	42,58,650	13,07,759	26,022	6,92,616	932	4	429	Textool	15	..	..	100	154/75	153/00	165/00
4,50,00,000	4,17,90,907	15,68,314	45,93,964	1,12,69,691	12,03,238	6	430	Tube Investments	10	10	..	100	213/00	213/00	269/00

†1963

LIGHT RAILWAY AND ROPEWAY COMPANIES

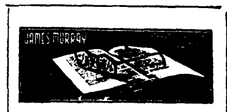
Paid-up Capital Ordinary	Gross Block Accounts	Reserve & other Funds	Net Earnings	Carry Forward	Accounts closed	Mg. Agts. Secretaries etc.	NAMES	Dividends per cent 1960	1961	1962	Paid-up per share	Latest Market Quotations as available until 1-10-63	25-9-63	A year ago
Rs.	Rs.	Rs.	Rs.	Rs.							Rs.	Rs.	Rs.	Rs.
17,24,300	18,02,732	12,576	—2,52,424	..	3	165	Ahmedpur Katwa	1.90	1.90	1.75	100	26/00	26/00	29/50
21,69,500	34,93,419	6,11,706	3,03,621	2,918	3	32	Arrah Sasaram	5	5	5	100	29/50	29/50	30/50
14,00,000	35,33,840	21,816	—4,66,034	..	3	165	Bankura Damoodar	1.90	1.90	1.75	100	30/00	30/00	29/00
17,80,000	20,25,854	10,772	—3,07,176	..	3	165	Burdwan Cutwa	1.90	1.90	1.75	100	29/00	29/00	29/00
31,00,000	28,10,290	44,296	1,72,713	1,480	3	32	Chapparmukh-Silghat	2.90	2.90	2.80	100	40/00	40/00	35/00
4,75,000	1,48,268	5,33,369	1,35,796	3,691	3	296	Cherra Chhatak Ropeway	9	12	12	5	5/75	5/75	5/00
2,47,650	2,28,168	59,790	42,389	4,903	3	101	Darjeeling Ropeway	..	..	..	10	9/12	9/12	8/00
40,00,000	49,60,137	14,51,000	19,14,361	35,951	3	335	Dehri Rohtas	17	20	15	10	12/50	12/62	17/25
11,49,700	15,85,943	8,500	59,013	1,489	3	32	Futwah Islampur	1.90	1.90	1.90	100	28/70	28/70	28/70
16,00,000	49,13,938	13,57,712	1,70,485	3,022	3	32	Howrah Amta (P)	6	5	4½	100	40/00	40/00	46/00
6,00,000	13,66,352	5,14,960	62,731	4,225	3	32	Howrah Sheakhala	6	5	4½	100	45/00	45/00	40/00
9,91,100	11,74,348	15,024	73,560	160	3	165	Katakhal Lala Bazar	3.50	3.10	1.90	100	41/00	41/00	41/00
15,30,000	60,91,311	18,08,821	1,11,807	6,893	3	32	Shandara (Delhi)	6	3	..	100	52/00	52/00	50/75



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SPECULATIVE HOPES AND INVESTMENT REALITIES

THE wave of hope and optimism which has lifted the stock markets since Mr. T. T. Krishnamachari became Finance Minister shows no sign of subsiding yet. The Reserve Bank's index of ordinary share prices (base year 1952-53 equals 100), which stood at 181.4 a year ago and slumped to 160.3 in March 1963, has recovered to 164.5 during the week ended 21st September. The rise in Indian Iron provides a fairer guide to the change in the sentiment of the speculators. Quoted around Rs. 25.08 at this time last year, the shares dropped to a nominal low of Rs. 19.70 after Mr. Morarji Desai's Budget; but by the end of August they had improved to Rs. 23.58, and since then they have shot up to Rs. 24.26. Most of the business done recently has been speculative in nature, since investors are still sitting on the side. But an encouraging feature is that the technical position is not unhealthy; there have been occasional bouts of profit-taking, during which sales have been well absorbed. The more cautious operators, however, feel that the rise in equity prices might have been too sharp considering the vagueness of the assumptions on which it is based. If that is the case, minor measures, such as the imposition of interim margins in Calcutta last week, are not enough. The authorities will need to be vigilant if the stability of the stock markets is to be maintained.

At first glance, the assumptions underlying the recovery in equity prices add up to very little indeed in concrete terms. The economy as a whole continues to stagnate. Agricultural production this year may or may not be higher than it was in 1962-63; nobody seems to know. The growth of industry continues at the old rate of 7 percent or 8 percent, which is well below the target fixed under the third plan. Prices have shot up as consumer purchases have increased with the approach of the festivals, and as the shortage of essential commodities like rice and sugar is becoming desperate. Whatever the speculators may be doing with clearing shares, the capital market as such is dead; hopes of getting a new issue adequately subscribed are not much better now than they were, say, two months ago. The main difference is that the country has got itself a new Finance Minister. Mr. Morarji Desai, overwhelmed by the zeal of his fiscal crusade, might have found that it hurt his vanity unbearably to be compelled to amend some of his favourite economic measures within a year of introduction. Now, Mr. Krishnamachari need have no such inhibitions; although he was a senior member of the Cabinet which in theory bore final responsibility for Mr. Desai's measures, it is perfectly understandable that his private commitment to them is less complete.

As the stock markets see it, Mr. Krishnamachari has already given fair evidence of being flexible, pragmatic and reasonable—at least as much evidence as one would have a right to expect of him after a six-week spell as Finance Minister, of which only three weeks have coincided with a parliamentary session. There was a time not long ago when he had the reputation of not being able to suffer fools gladly. Last month, however, he suffered many fools very gladly. He assured all and sundry that their views would be considered with the greatest respect, to the point where they might even leave an indelible impression on the Government's thinking. Faced with the demand for bank nationalisation from obscure back-benchers, he proceeded to lecture them with patience and courtesy on the untimeliness of their recommendation—until it was withdrawn. Confronted with a demand for the abolition of the gold control rules, he has satisfied those for as well as those against by introducing amendments which in practice make compliance with the rules entirely voluntary. Finally, in response to popular protests, the compulsory deposits scheme has been abolished for everybody except income-tax payers. The stock markets' analysts have noted, therefore, that the list of changes and reassurances forthcoming in a few brief weeks has been long and impressive enough to justify the hope that many more concessions are on the way.

On the one concession which investors as well as speculators are hoping for—the abolition or watering down of the super profits tax—Mr. Krishnamachari has so far said nothing at all. Some claim that he proposes to study the effects of the tax more carefully before he decides to do anything about it, which would seem reasonable but for the fact that the disastrous consequences of the levy are already plain as a pikestaff and so hardly need further "study". Others claim that Mr. Krishnamachari cannot be expected to say what he thinks on such a vital matter outside Parliament, so he will announce his decision as soon as the Lok Sabha meets again next month. Yet others claim that the super profits tax cannot be abolished before the Budget is presented in February next year, as advance collections for the current year have already begun—which sounds strange since adjustments can always be made later when a company is finally assessed for its tax dues. The truth of the matter may be that Mr. Krishnamachari is in no great hurry to do away with the super profits tax, because the political popularity to be gained thereby would be less than has already been gained by amending the gold control rules and the compulsory deposits scheme.

From time to time, reports have appeared that a major way in which the new Finance Minister proposes to revive the capital market is by making bank credit cheaper and more easily available. At the same time, institutions like the Industrial Finance Corporation, the Life Insurance Corporation and the Industrial Credit and Investment Corporation of India would be encouraged to provide more capital for industry, especially by the liberal underwriting of new issues. Cheaper and easier credit would undoubtedly have some influence on the stock markets, but it is likely that the influence would be indirect and psychological rather than real. If the two-tiered structure of interest rates appli-

cable to commercial banks when they borrow money from the Reserve Bank is replaced by a system of liberal lending on Bank rate terms, most of the extra money thus provided would be taken up by trade and industry, especially since their needs, already large, are likely to rise rapidly during the busy season now approaching. The stock market could improve to the extent that easier credit facilitates the normal working of the economy. But the flow of funds directly into stocks and shares is likely to remain meagre as long as the wider uncertainties about fiscal and economic policy continue.

Finally, the point has been made that from the political angle the past few months have been unusually satisfactory for the stock markets. Whatever the dark schemes underlying the Kamaraj plan, operators have for the time being found it possible to dismiss the whole process of implementation as a game of musical chairs among the faceless ones. While senior leaders of the Congress Party have jostled for power, the existence of the Chinese threat too has been largely forgotten. In Lyons Range, as in New Delhi, hardly a soul can be found today who remembers that only two months ago Mr. Nehru was talking about a "massive" concentration of Chinese troops along the northern borders. The assumption that the Kamaraj plan has struck the same terror in the hearts of the Chinese army as in the hearts of the plan's potential victims, may not be wholly correct. What is true, however, is that the markets remain vulnerable to adverse political or military developments. The way share prices drop when news is received of Pakistani rifle-fire across the Assam border indicates that the lions of Lyons Range are no longer the most estimable exponents of once-famous Rajasthani valour.

The next few weeks, possibly months, constitute a period when investors would be justified in tempering optimism with caution. As the Puja holidays are approaching, speculators will tend to reduce their commitments, activity will decrease and price may decline. Looking further ahead, it may be right to assume that the Government is keen to revive the capital market. But it would not be right to assume that any lasting recovery can be achieved without the drastic changes in fiscal policy the Government has not yet shown itself ready to make. Attempts may be seen to push the stock markets up with a flow of soothing words and easier credit but what matter for investors are dividends, yields and growth prospects. The speculators are entitled to think as they please, but as long as the super profits tax continues these three considerations are exactly the ones which make very few shares worth investing in.

SLOW GROWTH IN PAPER

THE slow growth of the paper industry has caused a great deal of anxiety recently. The industry has stagnated during the first two years of the third plan, after having developed satisfactorily during the previous years. The increase in production amounted to only about 18,000 tons a year during 1961 and 1962, compared with an annual rate of growth of 40,000 tons or 45,000 tons from 1958 to 1960. The bulk of the increase during the past two years has been due to five new units coming into production and the expansion of the existing units. All these projects were planned between 1956 and 1959. Meanwhile, the Tariff Commission was asked to recommend fair selling prices for the industry's products. In a memorandum on paper prices recently submitted to the Government of India by the Joint Committee of the Paper Industry, it is shown with the help of statistical data that the stagnation of the industry began early in 1960 when paper prices were pegged down to artificially low levels.

The industry's sluggish growth has naturally given rise to the fear that the third plan target of licensed capacity for 820,000 tons will not be fulfilled. Although the Government issued licences for 1.3 million tons of capacity, some licences were later cancelled. During the year ended March 1963, the Government revoked licences for six big units and 44 small ones, with a total capacity of 233,000 tons, because of the inability of the licensees to implement the schemes. In its mid-term appraisal, the Planning Commission itself has estimated that the industry's production capacity may not exceed 680,000 tons by 1966. Since the demand for paper will rise steadily in the years ahead—the Government has been increasing its own consumption by more than 9 percent a year—there is likely to be an acute shortage of the commodity. In fact, the shortage has already become acute since the retail prices of various grades of paper are much higher than their controlled rates. So consumers have suffered, instead of benefiting, from the low prices fixed by the Government. It is necessary to ensure that the regulation of prices does not retard development.

The prices of paper and boards were fixed on the assumption that the industry would receive a gross return of 12 percent on the capital employed. It was also assumed that a unit would require a net block of Rs. 1,100 and working capital of Rs. 200 for producing a ton of paper. Adding depreciation of Rs. 100 a ton allowed in the costs, the gross margin works out to Rs. 256 a ton. But capital costs have risen substantially since. They now range from Rs. 3,000 to Rs. 4,000 a ton. The joint committee has calculated that even on the basis of the Tariff Commission's formula, the gross return has not worked out to more than 9.8 percent on the capital employed. The return would be substantially less if depreciation has to be provided for on the basis of replacement costs which have risen sharply. According to a study recently published in the *Reserve Bank of India Bulletin*, the industry's gross profit, expressed as a percentage of the total capital employed, has declined from 12.2 percent in 1958-59 to 8.4 percent in 1961-62. In contrast, in the case of other industries, the gross profit, as a percentage of the total capital employed, has risen from 8 percent to 10 percent over the same period. There has, meanwhile, been a sharp increase in production costs. The increases in excise duties, sales tax, Customs duties, coal prices, electricity rates, railway freight rates, etcetera, combined with the premiums under the Emergency Risks Insurance Scheme, have increased production costs by about Rs. 260 a ton since January 1960. But the Government has increased the price of the commodity only marginally.

The industry's capacity to plough back money into the business has suffered greatly as a result of the decline in profits. It has been calculated that it cannot conserve more than Rs. 5 crores a year, including depreciation reserves. But in order to achieve the capacity target fixed under the third plan, an investment of at least Rs. 120 crores is required. This sum the industry cannot possibly raise from its own resources. It is relevant to point out that prior to 1960, most of the expansion was financed by internal resources. The pressure on internal resources is likely to increase during the years ahead, since the industry will have to invest heavily in rehabilitation and modernisation to maintain the existing level of production. Meanwhile, several rehabilitation schemes have had to be deferred due to the shortage of funds.

The possibility of obtaining funds from the open market is also remote. The dividends of paper companies have been slashed as a result of reduced profits. According to a study undertaken by the Reserve Bank which was recently published in its *Bulletin*, the dividends of paper companies, as a percentage of net worth, have declined from 6.80 percent in 1959-60 to 5.5 percent in 1961-62, while they are 6.3 percent in the case of all other industries for 1961-62. The poor outlook for profits and dividends has led to the decline in prices of paper shares by 12.5 percent since the end of 1959, while the shares of other manufacturing and processing industries have gained by 2.7 percent. In spite of the sharp decline in paper shares, there has been no improvement in the yield on these shares because the dividends have been pruned. The yield has fallen from 5.02 percent in 1959-60 to 3.87 percent in 1962-63. The prices of new paper shares are now about 20.7 percent lower than their issue prices. No wonder the confidence of investors has been badly shaken. As for financing rehabilitation, modernisation and expansion by borrowing, the prospect is far from encouraging. Under the present circumstances, it is not possible to borrow funds except at a high rate of interest. A fixed dividend of about 9.3 percent has to be offered if funds are to be raised by issuing preference shares. The Government should, therefore, consider raising the prices of paper and board to a more realistic level. After all, the industry has to have funds for modernisation and expansion if it is to increase production to meet the rising demand.

POWER PUZZLE

THE *First Annual Electric Power Survey of India*, published recently by the Central Electricity Authority, deserves notice only because it marks an important beginning. Anyone turning to it for a reliable and coherent picture of the supply and demand situation is likely to find himself more confused than before because of the wide divergence between the estimates presented in the survey and those published earlier under equally authoritative auspices. No explanation is offered for such differences in the estimates of both demand and supply. One is at a loss, therefore, to understand the basis on which the survey concludes that generating capacity appears "reasonably adequate" for the remaining years of the third plan, when only a few months ago, the Ministry of Irrigation and Power was equally firm in forecasting persisting deficits.

A comparison of the survey's overall estimates with those given to the Lok Sabha Estimates Committee earlier this year shows that the figures for power generating capability have now been revised upwards on the one hand, and demand forecasts lowered on the other. The effect is to raise the positive margin between the two, year by year, whereas the earlier assumption was that the power shortage would last throughout the plan, and would in fact get a lot worse in the peak years 1963 and 1964. A margin of 1,401 MW in 1964-65 is the prospect now held out, against the dire prophecy of a shortage of 1,370 MW in 1964 made earlier. This is a remarkable somersault—capable perhaps of an explanation but none is unfortunately available from the survey.

The difference in the estimates makes the methodology of the survey a matter of considerable interest. Nothing has been said about this except that the phasing of large new industrial loads corresponds to the "latest" information available in the Technical Development Wing in New Delhi, while the generating capability shown conforms to the installation schedules reported by State representatives. It is not clear why it should have been necessary to depend on the Technical Development Wing's data exclusively when a detailed load survey of the country based on field investigation should have been available. (The detailed survey, in progress in one form or another since 1954, was due to have been completed in March 1963.) The questions raised here about methodology derive not merely from an academic interest in how this pioneering exercise was carried out but to judge the degree of reliance that can be reasonably placed in the findings.

These questions gain added interest from the controversy about the way in which future load surveys should be carried out. The Gokhale committee set up to reorganise the Central Water and Power Commission had recommended that each State Electricity Board should make its own arrangements for load surveys in its area. It dismissed the C.W.P.C.'s fear that States might inflate demand figures and thus vitiate the overall national priorities in power planning. The Central Government accepted the recommendation with the proviso that the first load survey should be completed by the C.W.P.C. to evolve satisfactory methodology, which might then be followed by each State to ensure uniformity of approach and comparability of data. The significance attaching to the first annual survey is, therefore, obvious but it unfortunately offers no clue as to how this exercise should be carried out in the future to serve the central purpose of providing dependable forecasts. More will perhaps be known on the subject when the Power Survey Committee, under whose auspices the first survey has been carried out, publishes its report. Its terms of reference specifically require it to recommend the organisational pattern for future power surveys. Apart from having four international experts, the Committee has the advantage of being able to draw upon the experience of the Edison Electric Institute of the U.S.A. whose forecasts have established a high reputation for accuracy. A representative of the Institute is the U.S. expert associated with the Power Survey Committee.

In a developing country like India, where power requirements will continue to double every five years, the need is principally to guard against underestimating demand. The Estimates Committee made a valid point when it argued that a 10 percent excess in power supplies would entail less overall loss to the economy than an equivalent shortage which reduced industrial production correspondingly. The Committee maintained that the cost of installing one kilowatt of power is five to ten times lower than the investment required in setting up power-using industrial capacity. This assumption seems at first too sweeping; whatever the precise ratio obtaining in a particular pattern of industrial development, the idea of investing generously in power and other basic facilities like transport is undoubtedly sound.

Avoiding shortages is not merely a matter of accurate load studies. The shortfall at the end of the second plan was not on account of any misgivings about the level of demand but the sheer inability to execute agreed schemes within the allotted time. It is fanciful to blame the failures on the foreign exchange shortage or the cut made in course of the plan in the total allocation for power. All but 10 percent of the allocation for power was included in the plan core after the 1958 reappraisal but the actual shortfall in terms of capacity installed by 1960-61 was over 25 percent. The purpose in raking up second plan defaults is to underline the fact that administrative delays have hampered progress far more than financial stringency—a fact which is still not adequately realised.

One of the tasks set for the Power Survey Committee is to review the existing organisational structure for power development at the Central and State levels with a view to suggesting improvements. While a fresh look at the problems in this sphere may be of some help, enough is known already on which to base a plan for reform. One specific instance of administrative delay has been the subject of an interesting case study seeking to pinpoint the reasons why a D.V.C. proposal for a fourth power generating unit in Bokaro made in April 1953 should have been cleared only in May 1956. There are also the detailed recommendations made by the Ootacamund seminar on power and irrigation in September 1962, and of the official enquiry conducted by a joint team set up by the Planning Commission, the Ministry and the C.W.P.C. a year earlier. Everyone is agreed on what needs to be done but somehow the means to do it always elude New Delhi's decision-makers.

Whenever the question of delays is raised, the C.W.P.C. attracts a lot of blame because of the time it takes to scrutinise State schemes. The scrutiny is not merely a formality devolving from the Electricity Supply Act but requires going into various technical aspects of the project as a safeguard against mistakes. After the C.W.P.C. has finished its work, each scheme has to come up before an advisory committee set up by the Planning Commission for determining its priority in the overall national scheme. It is then put up before the Planning Commission formally for clearance and goes next to the Finance Ministry which gives the final "go-ahead" after looking into the foreign exchange aspects. There are avoidable delays at every stage, and some means have to be found to cut down the number of steps that are now negotiated. The issues involved here are not technical but purely procedural on which the Power Survey Committee can have little to say. It could, however, usefully enquire into the delay that takes place in the technical examination of schemes by the C.W.P.C. In one recent instance, it took 18 months to clear a hydro-electric project in Mysore but what critics overlooked was the fact that the basic data for making a decision had not been supplied by the State. This is a recurring problem, and has been pinpointed as a major cause of delays by several agencies. The solution may be found in two ways: by building up efficient engineering cadres in the States to undertake the proper and timely investigation of schemes, and by assisting in the growth of consulting engineering services.

INFORMATION ABOUT COMPANIES

AN impediment to the growth of business in continental European shares in London is the inadequacy of information presented in many continental companies' accounts. More information is required by British law (and by the council of the London Stock Exchange) than is obligatory on the Continent. On the other hand, the corresponding regulations are more exacting in the United States than in Britain; and a British investigator, Mr. Harold Rose, has suggested that the obligation to provide more statistical information than is required in other countries is an important factor in the superior management of American companies. Mr. Rose had some years' experience of the financial activities of the City of London before he occupied his present position as Reader in Business Finance at the London School of Economics, and the combination of practical and academic qualities is apparent in his paper on company accounts, published by the Institute of Economic Affairs, which is being carefully studied by business men, accountants and lawyers. It appears opportunely in Britain between the report of the Jenkins Committee, which recommended changes in company law, and a new Companies Act that will, more or less, embody the recommendations.

Mr. Rose's contribution to the discussion is important because it transfers the discussion from the legalistic to the economic plane. To understand the significance of this change it is necessary to remember the origin and development of modern company law. When family firms were formed into companies with limited liability they retained their character as family firms, and the principal concern of the law was to protect their creditors. Later, companies' shares were widely distributed, and the law was adapted to protect their shareholders. More recently, the idea of protecting shareholders was extended to an obligation to provide adequate (or what at the time seemed adequate) information on profits and other finances. The Jenkins Committee did not advance beyond that point although it reflected more modern ideas on the adequacy of information. Now Mr. Rose has argued that more information should be published by companies not simply for the benefit of their shareholders but for the benefit of the whole national economy.

Some of the facts that will be compulsorily revealed if Mr. Rose's recommendations are adopted are: the value of sale, classified by product; the proportion of exports in each category; the contributions of recently-acquired subsidiaries (consolidated accounts including profits and assets of subsidiaries have been obligatory in Britain since the Companies Act of 1948); the insurance values, as well as the book values, of companies' fixed assets; the true reserves of banks (which are at present permitted to retain secret reserves). And the practice of publishing half-yearly figures of sales and profits, and comments on current trading, voluntarily adopted by some companies, would be compulsorily extended to all companies. The customary objection that revealing such information helps competitors cannot be substantiated. Some British companies publish already nearly all the information that Mr. Rose's new law would require, and their position has not noticeably been weakened; they are among the strongest companies in British industry. Regular disclosure of American companies' affairs has made them alert and generally efficient.

The main purpose of Mr. Rose's recommended changes in the law is to reveal the degree of efficiency in companies' management, whereas hitherto the law has been concerned primarily with the integrity of companies' management. Investors are, of course, interested in efficiency in so far as it concerns the capital that they own or control. Mr. Rose is interested in the economic consequences of their reactions. Savings tend to flow towards the most efficient companies and industries and will be directed towards them more rationally if more information on efficiency is revealed. However, the flow of savings is not a simple concept, as it would be if every capital project were financed by a new issue of stock or shares. In reality most capital projects are financed by retained profits, and, as Mr. Rose observes, "the crux of the case for full disclosure by legal compulsion is that without it the check on the use to which retained profits are put is likely to be too weak".

One should not exaggerate the efficacy of the check on the use of resources that would notionally operate if Mr. Rose's requirements were enforced. To many shareholders most of the information presented now is meaningless, and such shareholders would not be competent to interpret additional information and to revise their investments in the light of it. But the big financial institutions are an increasingly powerful factor in investment, and their analysts would quickly discern weaknesses in management, or defects in policy, if full information showed that the return on invested capital was inadequate. Efficiency is not a precise concept, and no one can estimate how much it might, in different circumstances, be improved. But the potentialities of improvement, under compulsion, are considerable.

Current News and Comment

World Population Grows

The population of the world continues to rise. According to the latest figures available from the U.N. *Demographic Yearbook 1962*, the population grew to 3,069 million in mid-1961 (the Population Reference Bureau, U.S.A., calculates it at 3,180 million in mid-1963). The former figure represents a rise of 61 million over 1960, which is equivalent to three times the population of Argentina or one-third that of the United States. Taking the figure over a period of 11 years from 1950 to 1961, the rise is 560 million, which is greater than the total population of India. Asia contributed about 60 percent of this rise. In other words, there has been a net addition of 337 million in 11 years to the population of this Continent. Of the continents, Africa shows the highest birth and death rates. In the tropical and southern regions of this continent, the birth rate averaged 47 a 1,000 and the death rate 26 a 1,000. The lowest estimated birth rate of 18 a 1,000 is reported by northern and western Europe. Russia claims the lowest regional death rate of seven a 1,000. The highest birth rate in the world (56.1 for every 1,000 of population) and also the highest crude death rate (33.3 a 1,000) are reported by the Ivory Coast. The lowest reliable recorded birth rate is 10.6 for every 1,000 of the

population in West Berlin. According to the calculation of the Population Reference Bureau, world population has doubled itself between 1900 and 1962 and it could double itself again in next 18 years or so.

Birth rates throughout the world have either been stable or show increases in some cases, while death rates for most part continue to decline. Consequently, there are now 23 persons for each square kilometre of land in the world, compared with 18 a square kilometre ten years ago. The most densely populated country, according to the *Yearbook*, is the Netherlands with 346 persons a square kilometre. Next come England and Wales (303 persons a square kilometre), Belgium (301 persons), and Japan (254 persons). At the other extreme is Australia where the population density a square kilometre of land is less than one. Tokyo is the largest city in the world and New York the second largest. Next in order come Shanghai, Bombay, Peking, Chicago, Cairo, Rio de Janeiro and Tientsin. But in terms of population density, Hongkong, Singapore, and Gibraltar occupy leading positions. The population of the world, calculates the *Yearbook*, increased at an annual average rate of 1.8 percent between 1950 and 1961, although the rate of rise went up to 2 percent between 1960 and 1961 as during these latter years, the population of South America rose by 3.5 percent, of south-east Asia by 3.2 percent and of central America by 3 percent.

Infant mortality rates are continuing to fall in most countries, except in certain regions of Africa. The estimated mortality rates for Gabon and Togo are 160 and 121 for every 1,000 live-births. Chile comes third with 116.2. Among the lowest reliable recorded birth rates are those of the Netherlands (15.4 a 1,000) and Sweden (15.5 a 1,000). Life expectancy has steadily increased in the prosperous parts of the world, much more than in the poorer countries. Baby girls in Sweden, the Netherlands, Norway and France can now expect to live for almost 75 years, the longest expectation of life for any country in the world. In England and Wales, Denmark, Israel and the United States, a baby girl can look forward to almost 74 years of life. Those in Czechoslovakia expect to live slighty over 73 years, and those in New Zealand exactly 73. There are 16 other countries where girls can expect to live at least 70 years. But boys, says the *Yearbook*, cannot be expected to live as long as girls. As against 26 countries where girls can expect to live at least 70 years, there are only five countries where the expectation of life for boys is over 70 years: in the Netherlands, Sweden and Norway, it is slightly over 71 years and in Israel and Denmark, about 70 years. Another interesting finding of the *Yearbook* is that females outnumber males in most of the countries of Europe, North America and in Russia. Countries of Asia and Oceania have generally more males than females. But regardless of the sex ratio in any one country, males exceed females in number at the younger ages, but the latter outnumber the former at the older ages. This results from the well-known fact, the *Yearbook* comments, that more males are born than females, but females generally have lower death rates at all ages, so proportionately more of them survive to the older ages.

Plan to Boost Rayon Textile Exports

Rayon and synthetic fabric exports realised Rs. 8.41 crores in 1962-63, compared with Rs. 7.6 crores in 1961-62, although the quantity exported was lower at 77.8 million metres, against 81.2 million metres. The improvement has been continued in the current financial year, the figures for the first five months being 29.6 million metres valued at Rs. 3.11 crores, against 28 million metres valued at Rs. 2.81 crores in the corresponding period of 1962-63. Exporters think that the improvement in the trade would have been much better but for the setback received on account of the non-issue of import licences by the Government of Morocco, import restrictions by Ceylon, ban on textile imports in Iran, unsettled political conditions in some countries of the Middle East and British East Africa and the restraining effect on exports to countries linked with the rupee-payment arrangement on account of the non-availability of yarn in those areas. The enlargement of the export trade has been accompanied by a diversified pattern in the items sold as well as the direction of trade. Over 50 items were sent to as many as 73 countries in 1962-63 and exporters continue to explore unchartered markets.

While exports have continued to show an upward trend, the current performance is lagging behind the Rs. 8-crore target set for the current year. But Mr. D. N. Shroff's address at the latest annual general meeting of the Silk and Rayon Textile Export Promotion Council holds out the promise that the current year's target will be achieved. The Council seems fully seized of the need to consolidate the present achievement and to convert the importing countries into well-settled and growing markets. The problem is essentially one of organisation. The export activity has to be so organised that unfair internal competition is eliminated, the overseas buyer is unable to exploit the exporter for the incentive benefits and the exporter is able to realise the maximum price for his product from the foreign buyers To achieve all this, the Council is actively engaged in forming panels of exporters for the markets to which the bulk of the export trade is directed. These panels would lay down the export policy for the respective markets, determine the main qualities, the export price and the target to be achieved. These panels will also keep a watch on the export trade outside their control in order to avoid cut-throat competition and various abuses which have crept into the export trade after the introduction of the export incentive scheme.

The Central Minister for International Trade had recently urged the Development Council for the Art Silk Industry to form a consortium to boost exports. The panels proposed by the Export Promotion Council should meet this end. At a time when competition is getting keener, Governments in different countries are becoming restrictive and marketing of the product is becoming a specialised service practised by large and well-organised firms and consortiums, the Council's decision on shippers' panels is a step in the right direction and it will go a long way in overcoming the structural weakness of the trade.

In order to achieve the standardisation of export qualities, the Council has selected main qualities of export and has laid down constructional specifications and quality standard. These qualities are being given brand numbers which will be widely publicised abroad. The overseas buyer would thus be assured of the quality he is buying. The Council has also prepared an export plan which takes into account the present production, estimated production in the next two years and has fixed an export target which has been distributed marketwise. A long-term plan under which the production and the productive activity will be export-oriented is being prepared. Under this plan, it is visualised that the industry will be equipped with proper preparatory machinery and furnishing equipment. With trained salesmanship, the export activity will recreate itself. Mr. D. N. Shroff has rightly emphasised the need for a separate scheme for the import of machinery in order to enable the industry to modernise itself without which it cannot hope to face international competition in spite of improved organisational effort. Export promotion scheme for art silk fabrics, being raw material-based, depends for its success on early replacement of yarn which in turn provides a quicker utilisation of funds. The Council has succeeded in considerably reducing the time-lag between the shipment and the issue of import licences through quicker preshipment inspection and early issue of entitlement certificates and import licences. It has now prepared a scheme under which the Export Risks Insurance Corporation will issue an open cover for insuring the total exports of rayon and synthetic fabrics. This will enable the manufacturers and exporters of rayon fabrics to obtain short-term and medium-term credits from banks. The scheme, however, has still to receive official sanction.

India's Resources
are Precious
WASTE NOT,
WANT NOT

Provident Fund Contribution Raised

The Government has recently increased the employers' and workers' contribution from 6¼ percent to 8 percent in 18 more industries including textiles, matches, edible oils and fats, rubber products, generation transmission and distribution of electricity, tea, medical and pharmaceutical and toilet preparations, and newspaper establishments as defined in the Working Journalists Act 1955. The action has been taken under the Employees Provident Funds Act 1952 as subsequently amended, but the justification for this is hard to understand. The contribution had already been increased to 8 percent of the basic wage and dearness allowance in five industries, namely, cigarettes, electrical, mechanical and general engineering products, iron and steel, paper (other than handmade paper) and cement. The effort of increasing the provident fund contribution in the other industries would be to increase production costs in all of them. Higher production costs would hamper India's exports, and would create fresh difficulties for industry and the consumer.

It is possible that the Government's intention is to increase the rate of national savings by this indirect method? The industrial worker is already suffering because of the pressure on prices, and any increase in his contributions to the provident fund would cause further hardship. In fact, the compulsory deposits scheme caused such public opposition because the industrial workers, to whom it was applied, were also not in a position to make the additional savings required under the scheme. For the same reason, the workers are unlikely to welcome the increase to 8 percent in their provident fund contributions. It was the Government's declared policy not to create further strains on the industrial economy and to add to the wage bill until the position was consolidated on the basis of labour laws so far enforced. It is not easy to understand why the Government changed its mind so soon in complete disregard of the basic facts of the industrial economy at present.

Foreign Capital in Development

Is India considered a good risk for the foreign investor? Answers to this question in the present context are bound to vary, but the broad trends of investment over the past few years would indicate that India's developing economy has attractions for private foreign capital, and given the necessary incentives and encouragement, the flow would not only be maintained, but might increase. This is the impression one gets from reading the address of Mr. H. K. S. Lindsay, managing director of the Metal Box Company of India, delivered at a symposium in New York held by the Congress International de l'Organisation Scientifique. The subject was the rôle of foreign enterprises in a developing economy and Mr. Lindsay drew on his Indian background and experience to elaborate this theme. The pre-independence attitude of suspicion to foreign capital in India had gradually given way to one of welcome under Mr. Nehru's leadership of the Government, he said. Over the last 15 years, there had been no turning back; in fact, the opportunities for foreign investment had widened over the years, "although the welcome is still selective or 'discriminating' as the Indians would put it." What gives additional emphasis to the rôle of foreign enterprise in this country, as in all other developing economies, is its chronic balance-of-payment deficits. Except for the decreasing proportion coming in as outright grants, foreign aid must carry with it repayment liabilities. In India's case, such obligations went up from an annual average of 1.1 percent of the total export earnings in the first plan to 3.1 percent in the second. More soft loans on a government-to-government basis could be a solution, but Mr. Lindsay pointed out that this by itself was unlikely to suffice. After all, the cost of lending has to be related to the costs actually incurred by donor countries; only the United States is in a position to grant development assistance which carries a service charge of a mere ¾ percent and with maturities upwards of 40 years. This makes foreign private capital very important. Moreover, such scarce factors as managerial talent and technical know-how come only with foreign private investment.

Discussing the broad trend of overseas investments in India, Mr. Lindsay gave the following statistics: the total figure has risen from about $500 million in mid-1948 to $1,400 million at the end of 1960, the latest year for which official Indian figures are available. (The figures include capital provided by foreign official sources, upwards of $160 million from the World Bank—principally in loans to two privately-owned steel plants—and $32 million from the Cooley Amendment Funds which went to 22 Indo-American firms.) An interesting feature in recent years is the rising inflow of U.S. capital—the total of which has gone up from $80 million in 1956 to $225 million in 1960—a rise of 180 percent. Some 130 U.S. firms have entered into collaboration agreements with Indian partners in the last two years. Over 95 percent of the U.S. investment in India is in manufacturing industry and petroleum, two fast growing sectors of the economy. West Germany and Japan are among the other countries taking an increasing interest in this country. Breaking down the investment figures into various sectors, Mr Lindsay said that the most important fact to note is the tremendous increase in the share of manufacturing industries, which has risen from 30.5 percent of the net inflow in 1948-55 to 67.2 percent in 1956-60. The share of plantations has gone down from 17.5 percent to 5.2 percent; of petroleum refining and distribution from 40.7 percent to 20.7 percent; and of services from 12.2 percent to 5.1 percent. The changed ratios were not due to net disinvestment; in fact, the capital at charge has gone up in all the sectors barring trading and cotton textiles in which there has been a fall. Another interesting feature to which Mr. Lindsay referred is the relative decline in the share of branch operations and the corresponding rise in foreign controlled joint-stock companies. Some exclusively foreign enterprises which were already in India have taken the initiative to sell a part of their equity holding to Indian investors—Unilever and Union Carbide, for example.

Dealing with some of the deterrents to foreign investment, Mr. Lindsay said that a major reason for the overseas investor's hesitation had been a misunderstanding about the "socialist" bias of the Indian Government's policies. But "in the Indian context, one must be careful to distinguish between political tub-thumping for the benefit of a domestic audience and the actual policy to which the Government stands committed, a kind of dichotomy not unknown to other maturer democracies." Heavy corporate taxation is yet another discouraging factor. He agreed with an American assessment that in its recent annual Budgets the Government had eliminated some of the grosser inequities in company taxation, but pointed out that taxation had become more burdensome in the new situation created by the border trouble with China.

Working of E.C.M.

When the Treaty of Rome was signed in March 1957, there were genuine doubts even among the participating countries about the success of the European Common Market. It meant the creation of a supra-national economic authority, lifting of trade barriers and exposing national industries to direct competition, and making other far-reaching changes in domestic policies. But the working of the E.C.M. during the last six years has shown how effective and strong the union has been. The Belgian Consul-General, Mr. A. Uyttenhove, explained the historical background, the growth and the present working of the Community at a meeting in Calcutta last Thursday. He stated that the economic results achieved so far by the E.C.M. had surpassed the hopes of even its promoters. The trade within the Market has increased substantially, "much more than the trade among other countries"; there is free movement of almost all industrial products within, 50 percent of the tariff barriers have been removed and the first instalment (30 percent) of a common external tariff has been implemented. The Six have also agreed on the principles of a common agricultural policy. Referring to the blocking of Britain's entry into the E.C.M., Mr. Uyttenhove stated that since the French veto, there have been basic differences between France's foreign policy and that of the other five partners. He, however, felt that the setback to the idea of a unified Europe caused by Britain's exclusion was only temporary and that the E.C.M. would soon open its doors to the other European countries, including Britain. He emphasised that the E.C.M., by becoming the strongest commercial combine in the world, did not aim at becoming an exclusive and self-sufficient community, but wanted the prosperity of the rest of the world since it is basic to its own well-being.

Ferrous Scrap Exports Rise

Ferrous scrap shipments from India in August are placed at 26,480 tonnes. This shows an increase of 3,000 tonnes over the previous month, and is nearly 10,000 tonnes more than the August 1962 figure of 16,676 tonnes. Of the 26,480 tonnes exported in August, 10,599 tonnes were in turnings and borings and the balance in bundles No. 2 and 3. Enquiries in the trade indicate that shipments in August were almost entirely against contracts concluded in April and May Fresh business has been limited because of the sudden fall in overseas prices and increased ocean freight. Scrap exports during the first eight months of the current year total 160,000 tons, which compares well with the rather poor figure for 1962 of around 77,000 tons, but is substantially lower than the figure for January-August 1961, when exports totalled about 200,000 tons. Exports in September are estimated around 20,000 tonnes during the first half of the current financial year—April to September—exports are placed around 130,000 tonnes, compared with the ceiling of 200,000 tonnes for this period.

The shortfall in exports is attributed to a fall in foreign prices, the high incidence of ocean freight and inadequate export incentives. Shippers think that exports can be boosted if freight is reduced by about 15s a ton, and the Government follows a more realistic export policy by allowing the export of heavy melting and No. 1 bundles. The export trade has repeatedly pointed out that there exists a substantial exportable surplus in both heavy melting and No. 1 bundles. The trade is even willing to guarantee all the supplies needed by domestic consumers. It is surprising that the Central Minister of International Trade should not have given sufficient thought to this problem. Scrap has great potentialities for earning foreign exchange, but uncollected it goes waste.

Increasing Tobacco Exports

In his address to the latest annual general meeting of the Tobacco Export Promotion Council, Mr. V. M. Srikumaran Nayar, chairman, pointed out that while the exports of unmanufactured tobacco from India had considerably increased in recent years, those of manufactured products, especially cigarettes, cigars and *biris*, had gone down. Exports of all varieties of Indian tobacco totalled 62.2 million kilograms, valued at Rs. 18.83 crores in 1962-63, compared with only 46.2 million kilograms, valued at Rs. 14.94 crores in 1961-62. It is a matter of concern, however, that in spite of increased world consumption of cigarettes, cigars and *biris*, Indian exports of these products have not increased. One of the reasons, Mr. Nayar pointed out, is import restrictions in certain countries such as Ceylon. But the fact has to be clearly recognised that in all cases, the quality of Indian cigarettes and cigars does not compare favourably with the goods produced by competitors. It is, therefore, necessary that not only has the packaging of export goods to be improved, but the curing of tobacco has to be done better, and the quality of the products must be more acceptable.

As Mr. Nayar disclosed, India's entire 1963 crop of F.C.V. tobacco has been sold out, and there is still some unsatisfied demand. It is, therefore, necessary to step up India's output of F.C.V. tobacco by increasing the yield from each acre of land rather than by bringing more land under cultivation Since there is a considerable demand for air-cured cigarette tobacco, like Burley, and light cigar filler tobaccos, it is necessary to increase their output. There is also need for planning the production of different varieties of tobacco in India according to demand. For unmanufactured tobacco, India has found a good market in several east European countries, including Russia. With some effort, it should be possible to increase the country's tobacco exports to these markets further.

Stainless Steel Utensils

The Central Minister for Steel and Heavy Industries had discussions in Bombay with the representatives of the All-India Stainless Steel Industries Association, in the course of which the difficulties facing more than 400 units manufacturing stainless steel utensils in India, were reviewed. At present, there is an acute shortage of the raw material, which has resulted in the closure of many units, fall in output and a rise in the utensil prices. It is not only for the internal market but also for exports—these latter at present amount to less than Rs. 10 lakhs a year, against an annual target of Rs. 20 lakhs—that the importance of stainless steel utensils is increasing It is unfortunate that the schemes for stepping up the output of stainless steel in the private sector have so far failed for one reason or another.

Under the third plan, the Rs. 50-crore Durgapur special steels project was expected to produce 17,000 tons of stainless steel, as against an estimated home demand of 50,000 tons by 1965 and 68,000 tons by 1970. This plant will be designed to produce good quality stainless steel without the use of nickel which is in short supply; it will use chromium, manganese, nitrogen and copper in which the supply position is less difficult. But the Durgapur project has no chance of going into production before the end of the third plan.

The All-India Stainless Steel Industries Association, therefore, requested Mr. C. Subramaniam that some foreign exchange should be allotted for importing at least 1,500 tons of stainless steel a year for manufacture of utensils until supply from the Durgapur project is available. In 1961, the stainless steel imports totalled 2,100 tons, but since then, they have dwindled considerably due mainly to foreign exchange difficulties. Even if 1,500 tons of stainless steel are imported, only 2 percent to 3 percent of the installed capacity in the utensil manufacturing industry would be kept in production. The future demand for stainless steel utensils, both in India and in foreign markets, is likely to increase. Unless Indian production of these utensils is stepped up, it is not possible to cater in a big way either to the growing internal market or to overseas customers. It has been estimated that nearly Rs. 14 crores have been invested in this industry. In the past, it gave employment to some 25,000 workers But the employment must at present be considerably lower as many of the units have closed down and others have cut down production due to the raw material shortage.

Sales Taxes Affecting Exports

On the recommendation of the Board of Trade, the Government of India appointed a committee to study the incidence of sales taxes on commodities exported from India. The committee was urged to suggest measures for providing relief to traders for increasing exports. In a memorandum submitted to the committee, the Sales Tax Practitioners Association in Bombay points to the need for some uniformity in the sales tax laws of different States. The first and foremost task before the committee will be to devise a scheme which will be acceptable to all the State Governments. In the States of Gujarat and Maharashtra, there are some provisions in the sales tax laws for granting relief to goods meant for export. But there are no such provisions in the laws of other States. Apart from the lack of uniformity in different State laws, the granting of relief to the export trade will not be easy due to a number of complexities. Furthermore, even when a scheme has been prepared and finalised, much will depend on the spirit in which it is implemented in the day-to-day administration.

Although the laws of Gujarat and Maharashtra provide for granting relief, the manner in which

the provisions are being administered is more or less such as to defeat their purpose. The object of providing the benefit is not ultimately achieved because of the bureaucratic zeal to collect revenues. Very exacting proofs are sometimes demanded by the sales tax authorities which, they themselves know, cannot be produced. Moreover, the benefit of the rebate is disallowed on the flimsiest excuse, such as non-production of proof or the slightest departure from technical requirements.

The Association suggests that any schme or rules framed by the committee to give incentives to exporters should be simple and without provisos. Due to the variation in and complexity of sales tax laws in different States, the free movement of goods, for the purpose of export, is sometimes retarded. The Association suggests that the provisions of the State Sales Tax Acts should be such as to encourage "the free movement of goods within a State and from one State to another, from the producer or manufacturer to the ultimate exporter, without any incidence of the sales tax to enable the exporter to compete with goods of foreign countries." The Association also suggests that, with some modifications, provisions should be made in all States on the lines of the authorisation certificates of Maharashtra and there should be no turnover limit for export, under the local State Acts. Provisions should also be made in all States for granting the refund of rebate on the taxes paid by a dealer on his purchases for export on the lines of Rule 43 of the Bombay Sales Tax Rules. Two other suggestions of the Association are that provisions be made for excluding the turnover of non-resident exporter for the purpose of registration, etcetera, under the local sales tax law and that an *ad hoc* rebate be granted to dealers who are exporting the goods.

Inter-linking Power Systems

Every effort is being made to complete the power projects in the third plan ahead of schedule and to set up new projects which would ordinarily have come in the fourth plan period. Yet it may not be possible to achieve the third plan target of 12.7 million kW of electric energy. In view of this, the agreement between the State electricity boards of U.P. and Punjab and the Delhi Electricity Supply Undertaking to inter-connect their power systems, and a similar agreement between the four southern States of Andhra, Kerala, Madras and Mysore to inter-link theirs, is to be welcomed. The generation and distribution of electricity—hydro-electric, thermal and nuclear power—in future will have to be planned on a regional basis. This would ensure the most economical use of the available resources in the shape of coal, lignite, oil and others, and save capital cost. This would also increase the supply of electric energy quickly for industry and others in urban and rural areas. One of the main reasons for the slow progress of power projects has been the inter-State rivalry over the utilisation of available resources. Limited finances at the disposal of each of the State electricity boards is another major cause. With the inter-linking of power systems on a regional basis, these difficulties would be considerably overcome.

The inter-linking of the power systems of U.P., Punjab and Delhi, it is estimated, would result in a saving of Rs. 9.65 crores in capital outlay and Rs. 1.46 crores in the annual running costs. It would also be possible to increase the firm capacity of the system by nearly 100 MW as soon as it is possible to commission the fifth unit of the Bhakra right bank power house. It would also be possible to use a considerable part of secondary power available in Punjab for the Delhi thermal system after the integration process is complete. In the first instance, it is proposed to construct a 220-kV line from Muradnagar to the Delhi C Station. Subsequently, this would be connected with the Punjab system by constructing a 220-kW line from Faridabad. In order to enable an exchange of power under emergency conditions during the interim period, it is proposed to construct a 66-kV single-circuit line between Ghaziabad and Shahdra.

In the case of Andhra, Kerala, Mysore and Madras power systems, there would be an economy of Rs. 22.73 crores in capital cost and Rs. 2.60 crores in annual running charges. There would also be a saving of nearly 265 MW of installed capacity due to diversity in system demands and a reduction in standby capacity. The inter-linking will be achieved by constructing a 220-kV single circuit line between Kerala and Madras, between Madras and Mysore, and between Madras and Andhra. It should be emphasised that both in the case of the U.P.-Punjab-Delhi and the Andhra-Kerala-Mysore-Madras systems, the economy in capital cost and in the annual running expenses would be secured in spite of the capital and running costs involved in the construction of the inter-linking lines, cost of the grid sub-station equipment, and the central load frequency control station.

These inter-linking schemes should be put into operation as quickly as possible. Although the State Governments concerned have accepted the proposition in principle and the necessary plans and schemes have been prepared, the work on any of these schemes has yet to start. As past experience shows, it is necessary to take every possible precaution to avoid delay so that the present electric shortage could be eased as early as possible. It is necessary to ensure in future that there is not only a rapid increase in the generating capacity in different regional grids, but that a proper balance is secured between the hydro-electric and the thermal power generating systems. In the ultimate analysis, it would be necessary to link the entire country under a single grid system to make the most economical use of the available power resources.

CORRESPONDENCE

TAXING THE UNIT TRUSTS

(To The Editor of "Capital")

Sir,

The question of instituting unit trusts in this country was first considered by Mr. Morarji Desai, the former Central Finance Minister, and the scheme, it is reported, is being worked out by the Reserve Bank of India. The new Finance Minister, Mr. T. T. Krishnamachari, also spoke about the matter recently in Parliament. There are a few questions concerning this matter, and it is hoped that the authorities will give full consideration to them in evolving the scheme. The trustees of the unit trust will be holding the trust property for the benefit of the unit holders, and the actual management of the unit trust will be done by a board of management.

The important question is concerning the dividends received by the trustees on the shares held by them. Unless the law is altered, 30 percent of tax will be deducted at source by the companies paying the dividends to the trustees. When the latter further distribute the dividends to the unit holders, they will have to deduct another 30 percent from the dividends distributed by them, so that there will be double taxation, firstly, in the hands of the trust and, secondly, a further distribution in the hands of the unit holders. It is obvious that something will have to be done radically concerning this double taxation. Perhaps the authorities can say that while the trust suffers tax, there will be no further deduction of tax in the hands of the unit holders. But then what about the tax of 30 percent suffered by the trust? As the unit trust is intended, by and large, for the benefit of the middle-class and poor-class people with a view to inculcating the thrift habit among them, some machinery will have to be devised to enable them to claim refund of tax suffered by the trust. Unless this is done, they will have no particular preference for investment in unit trusts.

The second point is in relation to the negotiability. The units are to be freely transferable. This is necessary in order to make them popular with the classes for which they are intended. It will be appropriate if they are made bearer units so that the incidence of stamp and transfer are altogether avoided. But in case this is not considered advisable, they should be transferable like Government paper by endorsement only.

The board of management of the trust will be required to buy and sell the units freely in the market at the rates to be quoted by them. As the office of the board of management will be located in a big city, it is necessary to extend this facility of buying and selling the units through the brokers of recognised stock exchanges in the country at a fixed brokerage, which of necessity must be reasonable.

Looking to the intention in propagating the scheme, it appears to be desirable to exclude limited companies from participation. Therefore, the unit holders must be necessarily individuals. It may also be desirable to impose a ceiling on the holdings of a unit trust by individuals and allowing a higher limit for joint holders.

Yours etcetera,
J. J. Ashar

Bombay, 10th September, 1963.

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U. K. WAR COMMISSION REPORT

MR. Austen Chamberlain has been airing his views this week on the present political situation like "a young cock crawin' on its air-midden head" at Birmingham. He is Chancellor of the Exchequer now, and he has been winking through his eye-glass in a pleasant manner to the income tax payers and hinting that he has something nice in store for them when he brings in his first budget. And then he went on in a serious and oracular manner to tell that the Government had no intention of giving up the reins of office until the lessons of the War Commission Report had been applied, and the War Office re-organised. By that time, Mr. Austen is likely to be "a very old man". The majority of his countrymen think that the lessons of the War Report ought to be applied in the first instance to the backs of Lord Lansdowne and his fellow noodles who are primarily responsible for the ghastly mess they made of the whole business. The Government may try to cling to office if they like, but "circumstances over which they have no control" will deal them a twist in an altogether different direction. The country is thoroughly tired of them.

FROM

CAPITAL
15th October, 1903

A Ditcher's Diary

Except for purposes of cartoon, satire or stage farce, it is quite impossible to lay down how a good diplomatist should talk, act or look; in fact, apart from such stereotyped and usually erroneous notions as that a poet should have long hair or that a professor should forget where he has left his spectacles, there is no such thing as a typical foreign office man, or editor, or business tycoon. Our Man in Havana, for instance, is already a *cliché*. This country's foreign service, still an infant, discloses, whenever discussed, the weirdest popular notions of what it should or should not do. Much as I might have to say against the bureaucrat turned ambassador, I was recently disturbed to see the theory revived that India should employ more political leaders in the foreign service; of all people, the name of Mr. Jai Prakash Narayan has been mentioned. The cheap gibes at correct cocktail party behaviour or suave dress and conversation I will ignore. I see nothing particularly meritorious in being shabbily dressed on formal occasions or being awkward at dinner parties. But to suggest that a "leader" like Mr. Narayan, for all his obvious diplomatic deficiencies, would "be heard with greater respect in Pakistan and have a deeper impact on the public mind than the conventional type of high commissioner" is to betray a misunderstanding of what an envoy is for. He deals with the Government he is accredited to; for him to venture into having an impact on the public mind is to court early eviction. Would India allow, let alone enjoy, a Pakistani High Commissioner's efforts to reach the Muslims in India, bypassing the Government? An incompetent civil service envoy may not do much good; an inept politician in an embassy is capable of causing irreparable harm—as India should know from past experience in Indonesia and Nepal.

If scientific education in India is in a mess—and perhaps not many would care to deny it—Mr. Nehru was certainly entitled to say so in his inaugural address to the Indian Science Congress on Monday. His frankness was no doubt duly admired; it nevertheless worries me that once the admiration subsides, somebody may one day rise to ask the Prime Minister how far the Government over which he presides is to blame for the mess; and what, if anything, he proposes to do about it. I suppose it could pass as a sign of shrewdness, or great insight, to be able to say, as Mr. Nehru did, that "all is not well" with the national laboratories; that there is too much bureaucracy in scientific institutions; or that talent is inadequately encouraged. The criticisms, however, are familiar ones, and one reason may be that the Prime Minister himself has been good enough to go on repeating them for years. There must be some high purpose in rehashing old complaints at regular intervals, while doing nothing about them, although I cannot at the moment even dimly recognise what the purpose might be. While talking of burgeoning bureaucracies, for instance, it struck me as not wholly uncharacteristic of Mr. Nehru to air phrases approximating to witticisms about the Planning Commission having become a flabby elephant instead of the compact, expert body it was meant to be—forgetting that it is under the distinguished chairmanship of Mr. Nehru himself that the process of expansion has gone merrily on. The Prime Minister found nothing wrong in reminding his distinguished audience that age and seniority were not necessarily the best criteria for promotion, and that those endowed with youth and talent should be given a chance too. Perhaps politicians and bureaucrats are a class apart; but some of the scientists present might have been interested to know from Mr. Nehru how far he himself has succeeded in enforcing this worthy principle in the Government he has led for more than sixteen years. I suppose there is some consolation in the fact that the yearning for youthful enterprise survives even under a gerontocracy, as does others' yearning for honesty in an age of hypocrisy.

Among the more interesting points made by the Denning report is that "something should be done to stop trafficking in scandal for reward". The reference, of course, is to the Press, but after studying newspaper photographs of the queues which formed up outside H. M. Stationery Office in Kingsway, London, hours before the report went on sale, and reading that around 100,000 copies have been sold at 7s 6d each, I have been wondering how much the Treasury has made out of this little disclosure. I cannot think the report cost the Stationery Office 7s 6d to produce; it had no royalties to pay and advertising was quite unnecessary. So just how much profit was made I should like to know? Not that this in any way excuses newspapers guilty of "cheque-book" journalism; but it is important to keep a sense of proportion. In particular, it is useful to remember that a great many people have made money out of the Profumo scandal; it proved to be very big business indeed while it lasted. There were the central female characters, for instance. Miss Mandy Rice-Davies boasted openly of having scooped £10,000, which she fondly hoped would escape the attentions of the tax-collector, and although no final figure has been given for what Miss Christine Keeler got out of it, it is known that she was paid £23,000 for her memoires by the *News of the World*. That paper has had cause to congratulate itself on the wisdom of its investment, because its circulation jumped sharply and not all of the new readers have since been lost. Then there were the other newspapers, all of whom vied for the distinction of titillating their readers' imaginations with the best coverage and presentation of the case, and of Stephen Ward's trial. During the period of recrimination which followed the death of Dr. Ward, the *Daily Mirror*, in answer to the castigations of the *Guardian*, pointed out that this newspaper, despite its claim to moral superiority, had in fact devoted more space to reporting the trial than it had itself. So almost everybody shares some of the blame; it is just not reasonable to place it all on the shoulders of the small group of papers to which at one time, as a witness at the trial put it, nearly everybody involved was under contract. I was surprised that Lord Denning did not express himself in stronger terms on this point, although I do not see what could be done about it. While people are interested in scandal, there are others who will make money out of presenting it to them. It is only human nature.

Under Mr. Morarji Desai, the Finance Ministry seemed to consider it a duty to look after not only the country's finances but also its morals. He found it easy, for instance, to believe that conserving exchange was only part of his purpose in making it impossible for Indian nationals to enjoy overseas leave; he may well have decided that the less Indians have to do with the wicked West, the better it is for their morals. The category of executives entitled to overseas leave are now perforce holidaying in some part of India; their employers are paying their train or air fares. The cost of this travel, however, is taxed in the employee's hand. I have ceased to complain of unfair taxation; it is no use. What intrigues me is a provision to the effect that the employee is not taxed if he is a good boy and moves to his home town. What do you think can be the reason for that? It may well be that Mr. Morarji Desai in his wisdom decided that it is morally elevating for us to go to our home towns, that it is not so good to see parts of the country other than where one had been born. It is difficult to think of a greater and less necessary disincentive to internal tourism. Lots of people, I am sure, are employed in Delhi, Calcutta or Bombay; and that's where they were born. There seems neither logic nor justice in presuming that they must holiday in those metropolitan towns or, if they venture out, they must pay through their nose. The Income Tax Act, it seems, has perpetrated a perfectly silly piece of discrimination: and just because the num-

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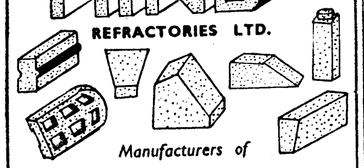
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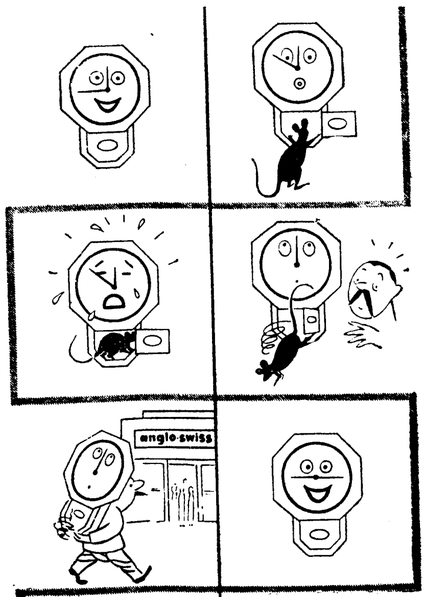
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ber affected is small, and hence electorally negligible, nobody seems to bother. It is because of injustices done to individuals or small groups that I sometimes view the idea of an Ombudsman favourably. But then who will listen to grievances against the Ombudsman? I beg of the Central Board of Revenue to give the holiday regulations a second look and a second thought.

IT IS BEGINNING TO LOOK AS IF THE CHANNEL tunnel will not be built after all, even though a verdict in its favour against the rival project for a bridge has clearly emerged from the findings of a working party representing both sides. All obstacles have been removed from the path of a final decision, but the lack of enthusiasm is becoming more obvious every day. The ostensible reason given in London is the cost, around £143 million, although eventually it would no doubt be higher. But I suspect a deeper motive. The British still want their country to remain an island; it is the same instinct that made them draw back when they had the chance to join the Common Market a few years ago. One cannot altogether blame them for that; their isolation has served them well in the past. But I for one would be sorry to see such a brilliant concept as a tunnel under the English Channel abandoned altogether. Few of man's really ambitious schemes have ever been entirely viable economically; in many cases there has been no pretence that they should be. And when the French and British have already tacitly accepted this fact in their joint project for a supersonic airliner, I cannot see why they should draw the line at a tunnel, especially when on the one side there is such a drive for national self-assertion and on the other a conscious desire to establish a continental identity. Certainly the whole thing should have been done 50 years ago, but that does not mean it will be out-of-date if attempted now. It all depends on the engineering expertise used. Also, it is true that other developments, such as the hovercraft and the hydroplane, might be extremely competitive by the time a tunnel can be finished; but here again the economic facts ought to be looked at in wider perspective. It seems to me that both countries are taking a grave risk by hiding behind purely economic excuses. After all, it is not as if £143 million, spread over seven years, is going to bankrupt either of them; Britain threw away about £200 million on the abortive Skybolt project alone. A tunnel as a symbol of their technical competence and faith in their future should be worth that much money to them.

IF ALIGARH UNIVERSITY'S PURCHASE OF AN American car from the State Trading Corporation for the tidy sum of Rs. 55,000 and more was a bit of a surprise, the explanation offered by the University's public relations officer is astounding too. (Incidentally, it needs a bit of explaining why a university should need a public relations officer.) The defence case includes the fact that the car now purchased is similar to the one hitherto used by the vice-chancellor, that the vice-chancellor has "constantly" to go to Delhi for meetings and that making this "tiring" journey in a small car would be conducive neither to his peace of mind nor to his efficiency. It is further implied that since the profiteering seller is the State Trading Corporation, the Government that finances the University's purchase of the car is the same Government that benefits from the profiteering; there is, therefore, no loss or gain on this account. First, I do not see why the vice-chancellor of a supposedly autonomous university should go to Delhi "constantly". The present vice-chancellor is a former diplomatist who once did serious harm to Indo-German relations by an indiscreet journalistic effort. Perhaps he has got used to limousines and no less, and perhaps his bureaucratic habit of consulting the Government for everything is dying hard? Secondly, the more I hear of the State Trading Corporation's activities, the chief feature of which seems to be that they combine the worst vices of Government with those of trading, the more I am convinced that there is something basically wrong about mixing Government with business. It corrupts both Government and business and does no good to either. When an academic institution gets involved in these goings-on, somebody should really do something about it.

THE DITCHER

Guide for Investors

JUTE SHARES RISE ON GOOD CORPORATE NEWS

(BY A SPECIAL CORRESPONDENT)

THERE has been a fair rise in the quotations of jute shares during the past month. The price of Birla, for instance, has improved from Rs. 30.31 to Rs. 32.56. Ganges have moved up from Rs. 15.62 to Rs. 16.19 and Northbrook from Rs. 30.50 to Rs. 30.75. The improvement has stemmed partly from the general toning up of the stock market on hopes of favourable fiscal changes, and partly because of good corporate news connected with the industry itself. Since all jute companies enjoyed a spell of prosperity in 1962-63, handsome dividends have been declared. The payment of interim dividends by the Andrew Yule group of Companies for the current year suggests that the outlook continues to be fairly encouraging. Yet the profit to be earned during the current year may not be as high as that for the previous year. Dividends apart, some Companies such as Anglo-India and Khardah, have decided to issue bonus shares. A favourable factor has been that several companies have also taken steps to diversify their activities. The diversification has taken place not only in the range of jute products, but also in the field of other commodities.

The prospect of further diversification has had a bullish effect as the Government is likely to adopt a more liberal attitude towards this matter. Some time ago, it was inclined to discourage expansion in spheres other than those in which a company has already been engaged. But this policy defeated the other purpose of the Government to promote development. Hence it is thought that the Government is likely to change its policy soon. As for the diversification of jute products, the mills have taken vigorous measures. During recent months, there has been a substantial expansion in the capacity to produce carpet-backing cloth by installing broad looms. The encouragement has come from the fact that this fabric has met with a rising demand in foreign countries, and in the U.S.A. in particular. But a note of caution needs to be sounded here. In view of the steady decline in the price of this cloth during recent months, it appears that the supply of this fabric has been in excess of demand. Unless vigorous measures are taken to widen the uses of this cloth, the scope of expansion in this particular field is likely to be limited. Since this cloth possesses versatile qualities there is no reason why a bigger demand cannot be promoted, if new uses are exploited commercially.

At the present price of the jute shares, the investors have become more discriminating than before. They are, for the time being busy assessing the outlook of jute goods during the coming months. They wonder whether the increased level of production will be absorbed without difficulty. There is no doubt that the up-to-date statistical position has been fairly sound. But the trend of jute goods has been soft rather than hard. The reasons are obvious. As far as hessian is concerned, the outlook should be assessed cautiously. The U.S.A., a principal buyer, has large stocks amounting to about 286 million yards. Judging by current indications, it appears that during recent months, she has worked off stocks to the extent of about 10 million yards a month. She has bought about 60 million yards from outside sources. Inudia has sold nearly 50 million to 60 million yards, while Pakistan has about 10 million yards to that country every month. Considering the size of the stocks in the U.S.A., it does not look as if she will purchase more aggressively in the coming months. Normally she is expected to take her requirements slowly due to the bumper crops in India and Pakistan. Russia and the Argentine have purchased substantial quantities during the past few months, and they may no longer buy big quantities before the end of 1963. In the circumstances, it remains to be seen whether the total output of hessian up to the end of 1963, will be easily sold.

As for sacking, the outlook looks more encouraging. Judging by the level of consumption during the second half of 1932, it is reasonably expected that the current level of production will be absorbed without difficulty This besides, the internal offtake should increase rather than decline because industrial production has begun to improve. Defence purchases should also be considerable. As far as foreign offtake is concerned, the trade appears to take a fairly bullish view due to the fact that Pakistan is reported to have agreed to supply substantial quantities of sacking to China under an agreement. Anyway, the Pakistani mills are about fully sold for several months ahead. So the spill-over of orders should flow into the Indian mills These fortuitous circumstances should not give rise to a sense of complacency. It should be borne in mind that the Pakistani industry has planned to expand its loomage in the near future. Since it enjoys superior advantages in the matter of raw materials and export subsidy in comparison with the Indian mills, the competition in sacking is likely to increase greatly in the near future. Unless the Indian industry is given the corresponding advantages to counteract Pakistani competition, the outlook on a long-term view appears discouraging.

The broadening support for jute shares is a welcome development. There are substantial investments in this industry. If steadiness in these scrip is maintained the good effects will percolate to other shares. In view of the ample supply of fibre during the current year, the working of the industry should be reasonably satisfactory. Since the prices of jute goods have moved down, it is hoped that the price of the fibre will not be artificially boosted. Considering that the mills have to use a substantial quantity of inferior fibre, it is time to ensure that the prices of these grades are revised downward to make the manufacture of jute goods an economic proposition. This apart, an important factor to discourage the cultivation of inferior fibre is to make its price less attractive.

Indian Rayon to Expand

IN his annual statement to the shareholders, the chairman of Indian Rayon Corporation, Mr. Morarji J. Vaidya, points out that the Company commenced commercial production of rayon filament yarn in September, the rated capacity of 5 tons a day has been reached and the Company is now going ahead with the second stage of the project aimed at doubling the plant's capacity. The chairman says that although the capacity of the existing plant is 5 tons a day, many departments have been designed to produce 10 tons. Apart from raising the capacity to 10 tons of rayon filament yarn a day, the second phase of the project includes the installation of a plant to manufacture 15 tons a day of rayon grade pulp from cotton linters and a plant to manufacture 15 tons a day of sodium sulphate anhydrons.

The Company has received the necessary foreign exchange loan of $4.7 million (about Rs. 2.4 crores) from the Export-Import Bank of Washington for financing the purchase of machinery and equipment for the expansion programme. The order for pulp plant has already been placed with Techno-Puip Machinery Incorporated of the U.S.A. The Company has made satisfactory progress in its project for the manufacture of helical spiral welded pipes. All the necessary licences including the import licence for the plant have been received and necessary arrangements with foreign collaborators have been made. The project is expected to be taken in hand shortly. The original proposal of having a subsidiary company for implementing this project has been given up and other alternatives are being considered. As for the staple fibre unit, the Government has not yet taken any decision on the Company's application. Mr Vaidya has, however, expressed the hope that since the demand and supply position of staple fibre has now been adjusted, the Government would seriously consider the question of permitting the Company to go ahead with the installation of a plant for manufacturing 25 tons of staple fibre a day.

The Company has changed its accounting year from 15th February to 30th June. The latest report for the period 16th February, 1962 to 30th June, 1963, shows a loss of Rs. 1.93 lakhs after providing Rs. 22.050 for taxation. This brings the total deficit to Rs. 4.08 lakhs. The Company incurred during the year an expenditure of Rs. 36.69 lakhs out of which a sum of Rs. 34.31 lakhs has been capitalised. The total capital expenditure incurred so far amounts to Rs. 5.26 crores which includes Rs. 29.81 lakhs spent since the close of the financial year. The Rs. 100-paid share of Indian Rayon is currently quoted around Rs. 86

A Good Year for Nepa Mills

SIR A. Ramaswami Mudaliar, chairman, could not be present at the annual general meeting of the National Newsprint and Paper Mills Ltd held recently in Nepanagar. So his speech was read out by Mr. S. N. Mehta, director, who presided over the meeting. Sir Ramaswami took a fairly optimistic view about the outlook. (A fuller version is printed on a later page in this week's issue of *Capital*.) During the year ended March 1963, the production of newsprint amounted to 26,515 tons, showing a rise of 1,236 tons over that of 1961-62. The target for the current year is 30,000 tons which is the capacity of the plant. Sir Ramaswami hoped that the target would be realised. Steps have been taken to set up a caustic soda chlorine plant in collaboration with a Swiss firm in order to improve the quality of the products. A new method of treating the wood pulp has successfully been tried. So it is hoped that the quality of paper will improve in colour and tensile strength. The caustic soda chlorine plant is expected to start producing in the first half of 1964. As for the prospect of expansion, Sir Ramaswami said that an application for a licence would soon be made to the Government to increase the output from the present capacity of 30,000 tons to 75,000 tons a year. Arrangement to obtain the necessary raw materials is being made with the forest department of the Madhya Pradesh Government.

The profit has amounted to Rs. 50.20 lakhs for 1962-63, after providing for depreciation, development rebate and doubtful debts. The directors could have declared a taxable ordinary dividend of 5 percent but for the fact that there has emerged a contingent liability out of the income tax assessment. But Sir Ramaswami hoped that on appeal, the Company would be exempted from the assessment. He also hoped that the shareholders would soon be rewarded in the form of a satisfactory dividend. For the current year, the Company should pay an ordinary dividend, if not an interim earlier. The debit balance of Rs. 24.83 lakhs brought in has been wiped out and the credit balance of Rs. 25.37 lakhs has been carried forward. There has also been a substantial improvement in the Company's financial position. All loans which carried interest have been repaid to the Central and Madhya Pradesh Governments. The frozen interest on debts to the Government has declined from Rs. 1.11 crores to Rs. 66 lakhs. The Government and

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the public have participated in the Company's equity capital.

Huldibari Tea Cuts Dividend

THE Huldibari Tea Association Ltd (a Dooars garden) has earned a profit of Rs. 2.07 lakhs for the year ended February 1963, compared with one of Rs. 2.09 lakhs for 1961-62, after providing Rs. 19,500 (against Rs. 25,500) for development rebate reserve and Rs. 1.79 lakhs (against Rs. 1.69 lakhs) for depreciation. A taxable ordinary dividend of 11 percent has been declared which works out to a yield of 8.3 percent at the present price of Rs. 13.31 a share of Rs. 10 each. A taxable ordinary dividend of 22.5 percent was paid for 1962. Contingency reserve is allocated Rs. 2.40 lakhs, out of which the dividend declared will be paid. Income tax liability amounting to Rs. 58,000 has not been provided in the accounts. Tax provision amounted to Rs. 98,087 for 1962.

The crop amounted to 699,826 kilograms, against an estimate of 961,616 kilograms because about 350,972 kilograms of tea were lost due to the hailstorm. The Company has changed over to C.T.C. manufacture. It had run the Katihar jute mill for 11 months during 1962-63, but the results have not come up to expectations. So the directors have taken steps to improve the mill's working. The tea crop for 1963-64 has been estimated at 961,600 kilograms at a cost of Rs. 33.20 lakhs.

Rights Issue by Mafatlal Fine

THE Mafatlal Fine Spinning and Manufacturing Co. Ltd proposes to raise fresh capital for financing a new chemical project. Another Company of the Mafatlal group, Navin Fluorine Chemicals Ltd has obtained a licence for the manufacture of synthetic cryolite, aluminium fluoride and sodium fluoride. The management thinks it is preferable to implement this project as a separate unit within Mafatlal Fine itself instead of under a separate Company. The directors propose to increase the Company's capital by the issue of 29,000 equity shares of Rs. 100 each at a premium of Rs. 275 a share, that is, at Rs. 375 a share.

This would fetch a sum of Rs. 108.75 lakhs, which together with the Company's existing resources, would meet the requirements of rupee finance for the new project. Out of the 29,000 shares, 14,500 shares will be offered to existing shareholders of Mafatlal Fine in the ratio of one new share for every four shares held by way of rights. The balance will be offered for public subscription. The issue is subject to the sanction of the Controller of Capital Issues and also of shareholders. The share of Mafatlal Fine rose impressively from Rs. 690 to Rs. 845 in a matter of few days on ideas of a rights issue; the latest quotation is, however, lower around Rs. 815.

Zenith Steel to Expand

THE spectacular rise in the quotation for Zenith Steel shares from Rs. 13.26 to Rs. 18.76 since about the beginning of July reflects the market's confidence in the Company's future. The Company did exceedingly well in the year year ended April 1963 and paid a maiden tax-free dividend of 60nP a share. The outlook for the current year is much better and with the expansion schemes that the Company has on hand, the future seems brighter still. The director, Mr. S. G. Nevatia, told a Press conference held at the factory premises that the Company's present turnover is around Rs. 35 lakhs a month, against last year's total turnover of Rs. 1.48 crores. In 1962-63, the Company produced 12,000 tonnes of steel pipes, but in the last five months it has already produced 11,500 tonnes. The annual capacity of the plant is 24,000 tonnes on a two-shift basis and it has been permitted to raise the capacity to 36,000 tonnes by working a third shift.

The Company has already started working a third shift and the present production is around 2,500 tonnes a month. Mr. Nevatia told newsmen that the Company proposes to set up a workshop for the manufacture of spare parts to meet its own requirements as well as those of other manufacturers in the country. The outlay on this project is estimated around Rs. 20 lakhs. The Company has also applied to the Government of India for permission to set up a plant for the manufacture of seamless tubes with an annual capacity of 48,000 tonnes. These tubes will be of varying sizes up to 8in. in diameter. The project is estimated to cost about Rs. 4 crores, inclusive of foreign exchange requirements. The Company hopes to receive the necessary industrial licence shortly.

Inchcape Increases Dividend

INCHCAPE and Company, general merchants and shipping agents, are holding their final dividend at 11 percent for the year ended 31st March, 1963. The total rate on the £2,262,031 capital is thus brought up from 15 percent to 16 percent. Shareholders are also to get a one-for-two scrip issue. These decisions have been taken in spite of the warning to shareholders last February that the rise in their interim dividend from 4 percent to 5 percent was intended solely to bring interim and final into better proportion. Pre-tax profit is up from £1,115,101 to £1,209,225, a record. This includes dividends of £197,368, against £183,700 received from subsidiaries operating in India, which are not consolidated. After a tax provision of £465,794, against £431,583, the net profit is £743,431, compared with £683,618, of which £660,662, against £654,675, is applicable to the parent Company.

Fibreglass Will Rise Capital Soon

FIBREGLASS Pilkington Ltd which proposes to set up a plant in Thana (Bombay) for the manufacture of glass fibres and glass fibre products is expected to enter the capital market shortly to raise Rs. 45 lakhs in equity shares of Rs. 10 each through public subscription. The project has been sponsored by Bombay Company (Private) Ltd in collaboration with Fibreglass Ltd of the U.K., which is a wholly-owned subsidiary of Pilkington Brothers Ltd of the U.K.—the largest manufacturer of flat glass in the world. The British firm which is collaborating in the venture will participate in the capital of the Company, act as technical consultants and assign certain patents to the Indian firm.

The proposed plant in Thana will have an annual capacity of about 1,100 tons of glass fibres and glass fibre products and this capacity is expected to be reached within three years of the commissioning of the plant. The Company has also been licensed to manufacture annually 2,500 tons of glass wool, 600 tons of glass textile fibres and 75 tons of glass staple tissue. To manufacture these items, the Company is likely to set up two additional plants, one each in Madras and in West Bengal. The glass fibre project is estimated to cost Rs. 1.14 crores, which is proposed to be met by the issue of share capital of Rs. 1.2 crores and by bank borrowings. The Company has an authorised capital of Rs. 2.50 crores, of which Rs. 1.20 lakhs is being issued in the beginning. Shares of the value of Rs. 60 lakhs are being taken up by Fibreglass Ltd which includes Rs. 15 lakhs for consideration other than cash.

The Bombay Company which has sponsored the project will subscribe for Rs. 4.80 lakhs and shares worth Rs. 10.20 lakhs are being taken up by directors, their associates and friends. The remaining 450,000 equity shares of Rs. 10 each are to be offered for public subscription. Most of the raw materials required in the manufacture of glass fibres are available from indigenous sources. Certain chemicals will, however, have to be imported. Orders for imported machinery have been placed in the U.K. and other countries. The first shipment of plant and machinery, it is expected, will arrive within the next 12 months. The market for the Company's products is assured because there is already a good demand for glass fibres and glass fibre products and the demand is expected to grow with years.

Bombay Gas Pleads for Price Rise

IN his annual speech to the shareholders of the Bombay Gas Company, the chairman, Mr. N. K. Jalan, has reiterated his plea for a substantial increase in the price of town gas supplied by the Company. (A fuller version appears on a later page of *Capital*.) The case that he has made out is indeed strong. Unlike other concerns producing basic commodities or services and receiving the benefit of price increases to meet higher costs, the price allowed to the Bombay Gas Company has been pegged down to a figure which is about the same as in 1926, while costs have gone up substantially since then. Between 1957 and 1962, there has been an increase of about 40 percent in costs as a result of higher prices for coal, and increased wages and better amenities for labour. Costs have registered a further increase during the current year. Unless urgent and adequate relief is offered to the Company through a substantial rise in the price of gas, its working results for the current year are likely to be much worse than those of 1962, which itself was an extremely disappointing year. In 1962, the Company incurred a loss of about Rs. 3.28 lakhs and for the first time since the Company was taken over by the present management 17 years ago, no dividend was paid.

While the Company's plea for a higher price is fully justified on the ground of higher costs, the Company has made a definite offer that, if it is allowed an adequate price increase, it will undertake a substantial expansion programme enabling it to give 15,000 to 20,000 new gas connections over a period of three years. The expansion programme is estimated to cost Rs. 1.5 crores, and it is likely to result in a substantial saving on kerosene imports for lighting and heating purposes. The high price of town gas is unlikely to meet any consumer resistance for the simple reason that the 45,000 odd consumers of liquid petroleum gas (commonly known as bottle gas) are already paying a price which is nearly four times that of the town gas supplied by Bombay Gas. The Company, says Mr. Jalan, is willing to give new gas connections either to private consumers or to such industries as may be specified by the Maharashtra Government. Repeated representations by the Company for an increase in the price of its gas have so far gone unheeded. The new Gas Advisory Committee appointed by the Maharashtra Government to enquire into the matter should consider the Company's case sympathetically.

Paper Packaging from Metal Box

THE Metal Box Company of India Ltd has announced the addition of paper to its metal and plastics packaging services. The Company's paper group will be located in Bombay. The Government granted a licence to Metal Box last year for manufacturing treated and laminated papers and boards and containers made from them. By providing in India paper packaging to international standards, the Company will assist exporters of consumer goods, many of whom must still rely on imports for their package requirements. Metal Box will also introduce specialised paper packaging systems. This will assist many industries meeting home and export demand, including food products (particularly frozen foods), pharmaceuticals, toilet products and confectionery. The Metal Box paper group will also produce tamperproof paper cartons. In common with the Company's metal and plastics services, the paper group will be backed by comprehensive facilities of package research and development, design, machinery and the combined resources of its overseas associates.

Travancore Sugar Earns More

THE working results of Travancore Sugar and Chemicals Ltd for the year ended 30th April, 1963, show a considerable improvement over the previous year's performance. The output of sugar at 12,010 tonnes is an all-time record, and it compares with 10,760 tonnes in the previous year. The gross profit has more than doubled from Rs. 3.43 lakhs to Rs. 8.12 lakhs. Allocation to the development rebate has been stepped up from Rs. 6,000 to Rs. 73,000. Taxation accounts for Rs. 3.85 lakhs, against Rs. 2.96 lakhs. A sum of Rs. 1.15 lakhs has been set side for general reserve, against nil in the preceding year. The directors have drawn Rs. 84,000 from taxation equalisation reserve to equate income tax depreciation with book depreciation. The dividend has been maintained at 5 percent, but it is being paid out of the year's profit whereas in the previous year it had been paid out of general reserve. The equity dividend absorbs Rs. 1.50 lakhs, and prefer-

PRINTERS

D. P. GANGULY & COMPANY.

ence dividend accounts for Rs. 97,500, leaving a sum of Rs. 2,632 to be carried forward, against Rs. 11,202 brought in. The Rs. 10-paid share of Travancore Sugar is currently quoted around Rs. 7.

Bharat Bijlee Repeats on Increased Capital

BHARAT Bijlee Ltd has maintained the dividend for the year ended 30th June, 1933, at 8 percent. But since the dividend is payable on the enlarged capital following the one-for-two rights issue made last June, the total amount to be distributed is higher at Rs. 1.90 lakhs, against Rs. 1.60 lakhs in 1961-62. While the dividend on the old share will be Rs. 8 a share, the distribution on the new 10,000 shares (Rs. 50-paid) is Rs. 3 a share. The Company has fared much better than in 1961-62. The gross profit has shot up by about 63 percent from Rs. 6.64 lakhs to Rs. 10.85 lakhs. The provision for taxation is substantially higher at Rs. 6.92 lakhs, compared with Rs. 3.50 lakhs in the preceding year, with the result that the increase in the net profit is around 25 percent from Rs. 3.14 lakhs to Rs. 3.93 lakhs. The Rs. 100-paid share of the Company is currently quoted around Rs. 160, offering a gross return of a little over 5 percent.

John Fowler (India) Share Offer

JOHN Fowler (India) Ltd is offering 106,700 ordinary shares of Rs. 10 each for public subscription at par. (Fuller details appear on a later page of this week's *Capital*.) The list opens on 15th October, 1963. The subscribed capital consists of 40,300 ordinary shares of Rs. 10 each. The prospect is considered encouraging in view of the existing activities and schemes the Company proposes to undertake further. It was a private limited company until 16th May, 1963, when it was converted into a public limited company. It imports spare parts into India and services road rollers, diesel locomotives, etcetera, supplied by John Fowler and Company (Leeds) Ltd. It has entered into an agreement with Vokes Ltd of England to manufacture filters and elements for combustion engines. It also produces these filters and elements. It manufactures lubricating and insulating and aviation oil and fuel filters in collaboration with Stream Line Filters Ltd of England. It has reached an agreement with Vokes Cardwell Ltd of England to manufacture tobacco processing machinery. The Company has two factories situated in Calcutta and in Bangalore.

Shipping Corporation Earns More

THE Shipping Corporation of India Ltd has produced satisfactory results, for the year ended March 1963. The profit has risen from Rs. 1.07 crores for 1961-62 to Rs. 1.32 crores for 1962-63, after providing Rs. 1.55 crores (against Rs. 1.26 crores) for depreciation and Rs. 10.71 lakhs for taxation. Development rebate reserve is allocated Rs. 80.21 lakhs (against Rs. 90 lakhs), staff welfare reserve Rs. 1 lakh, fleet special repairs reserve Rs. 21.08 lakhs (against Rs. 35 lakhs) and general reserve Rs. 32.70 lakhs (against Rs. 40.42 lakhs). The carry-forward is Rs. 22,359.

The directors look forward to a period of continued expansion and progress. They expect that the sea-borne trade of India will rise in the next few years. The Indian shipping companies will increasingly participate in this trade. The fleet of the Corporation will be expanded to enable it to carry an increasing amount of the sea-borne trade. Expansion in India's coastal maritime activity is foreseen in view of her growing economic prosperity and the need to provide economical transport by vessels for such bulk commodities as coal, timber and foodgrains along the coast. So the directors have taken concrete steps to expand the fleet of the Corporation. The Corporation, it is expected, will handle an increasing volume of cargo from year to year. The Corporation's tonnage has risen from 109,263 G.R.T. in 1960 to 220,266 G.R.T. in 1963. Orders for further vessels have also been placed.

A noteworthy feature is that in addition to participating largely in the overseas cargo-liner trade and selected passenger-cum-cargo routes the Corporation will extend its activity to cover at least two other types of operations, namely, the overseas tanker trade and the specialised Indian coastal coal trade. The Corporation confidently looks forward to owing a fleet of nearly 50 vessels of a total gross registered tonnage approaching half-a-million mark within the next three or four years. Although it has tried to secure economies, wherever possible, the effect of rising prices is beginning to be felt.

Southern Structurals Diversifies

THE directors of Southern Structurals Ltd have published an interim statement of accounts for the half-year ended June 1963, since they feel that they should share their information with shareholders. The profit for the half year, subject to taxation, amounts to Rs. 9.48 lakhs. The interim report says that the company has been able in a large measure to adhere to the development programme outlined last year. During the first six months of the year, the Company added considerably to the production capacity of the factory. In the next six months, the directors hope to increase it further.

The directors have decided that the manufacture of wagon components should make progress to the extent possible, since this this will not only help save money, but also avoid uncertainties resulting from dependence on others. The cost of the wagon building programme has kept fairly close to the estimates. On the structural side, the chairman, Mr. V.P. Menon, says that the Company's capacity now is such that in an emergency it can reach a target of 9,000 tonnes a year. It may become necessary for the Company to request the Government to increase the Company's licensed capacity on the structural side.

The construction of the Avadi heavy vehicles factory has been making good progress, and the directors hope to complete this well before the end of the current year. As for the scope for the Company, the chairman says that prospects for a well-established and well-organised structural factory are excellent in south India.

There has been considerable diversification recently in the types of work done by the factory, the activities covering railway wagons, steel structures for big industries, welded works of different types and such special items as cranes in which the Company is working for the famous firm of Krupp-Ardelt of West Germany in building 15 units for Madras Port Trust. The directors hope to present a very satisfactory balance-sheet for 1963, since the results for the second half of 1963 are likely to be slightly better than those for the first half-year.

Sylvania and Laxman to Raise Capital

SPONSORED by Mr. L. S. Agarwal, Sylvania and Laxman Ltd, which proposes to undertake the manufacture of fluorescent tubes, mercury vapour lamps, photo flash lamps, glass shells and tubes, will soon be in the market to raise Rs. 24 lakhs through public subscription. The Company has secured the technical collaboration of Sylvania Electric Products Inc. Delaware, which is a subsidiary of General Telephone and Electronics International Incorporated, U.S.A. Sylvania will participate in the capital of the Company and it will also supply the plant for the lamp factory. The machinery for the glass plant is being obtained from Japan.

The Company which has been incorporated in Delhi will have an issued capital of Rs. 80 lakhs—all in equity shares of Rs. 10 each. Out of this, shares worth Rs. 36 lakhs will be offered to General Telephone and its subsidiary, Sylvania Electric, payable in U.S. dollars. The promoter and his associates and friends will take up shares of the value of Rs. 20 lakhs. The balance of Rs. 24 lakhs will soon be offered for public subscription. The necessary consent of the Controller of Capital Issues has already been obtained. The Company is stated to have applied for a foreign exchange loan of Rs. 19.28 lakhs to the I.C.I.C.I. and for a rupee loan of Rs. 36 lakhs out of the P.L. 480 funds to finance the project.

Herdillia Scrip for Dyeing Shareholders

THE shareholders of Bombay Dyeing and Manufacturing Company will now be able to participate in the petro-chemical project which has been sponsored by the Company's managing agents, Nowrosjee Wadia and Sons Private Ltd. It is now proposed to offer the shares of Herdillia Chemicals Ltd., which had been formed recently in collaboration with Distiller Co. Ltd. of London and Hercules Powder Company Wilmington, U.S.A., to implement the petro-chemical project. The Company has an authorised capital of Rs. 10 crores—all in equity shares of Rs. 10 each—of which Rs. 4.40 crores will be issued in the beginning. The foreign collaborators will subscribe for shares worth Rs. 1.80 crores. Out of the balance, shares of the value of Rs. 1.32 crores will be allotted to the promoters, directors and their friends and associates and the balance will be offered for public subscription.

Out of equity shares reserved for promoters and their friends, it is proposed to issue one share of Herdillia Chemicals for every two shares held by the shareholders of Bombay Dyeing as on 22nd August. The managing agents have made it clear that if any allotment of share is made, it will not in any case allot "rights shares". Therefore, there is no question of renunciation of these shares in favour of other persons. The allotment is subject to the condition that the shares will not be transferred for a period of one year from the date of allotment.

New Capital Issues

A Central Government undertaking which is being newly set up, is among the five companies which have been authorised to raise capital aggregating Rs. 3.02 crores. Of the others, two are issuing part of their capital to their foreign collaborators, one of which will offer a further part to an Indian company. Two companies are offering a share of their capital for subscription by the public and two are partly issuing preference shares. The following are the details:

The Minerals and Metals Trading Corporation of India Ltd, New Delhi (proposed), a Central Government undertaking, has been given consent to issue capital of Rs. 2 crores divided into 200,000 equity shares of Rs. 100 each for cash at par to be issued privately. With this capital, a new corporation will be established for organising and undertaking exports and imports of minerals, ores and concentrates, metals, etcetera.

Shakti Insulated Wires Private Ltd, Bombay, has been granted consent to issue capital of Rs. 17 lakhs. Of this, Rs. 12 lakhs will be in equity shares of Rs. 100 each for cash at par and 5,000 in 9.3 percent cumulative redeemable preference shares of Rs. 100 each for cash at par. The new capital will be used for manufacturing cotton and paper covered, superenamelled and bare and bright annealed copper wires and strips.

R. R. Loiya Textiles Limited, Nagpur, is raising fresh capital of Rs. 40 lakhs divided into 35,000 equity shares of Rs. 100 each and 5,000 9.5 percent cumulative redeemable preference shares of Rs. 100 each. All the shares will be issued for cash at par. Out of these shares, the entire preference shares and equity shares of the value of Rs. 17.5 lakhs will be issued to the public by prospectus. The money is needed for manufacturing cotton yarn.

Frick India Ltd, Delhi, is to issue Rs. 25 lakhs in equity shares of Rs. 10 each at par. Of this capital, Rs. 12.75 lakhs will be subscribed by Frick Company, U.S.A., and used for the purchase of plant and machinery. Shares of the value of Rs. 6,24,930 will be offered to the public for subscription and the balance to be subscribed privately for cash at par. The money will be used for the manufacture of industrial refrigeration machinery.

Mahindra Owen Ltd, Bombay, is to issue capital of Rs. 20,95,000 in equity shares of Rs. 100 each at par. Of this amount, shares of the value of Rs. 10,68,400 will be issued for cash to Mahindra and Mahindra Ltd and Rs. 10,26,600 to Rubery Owen and Company Ltd, U.K., for consideration other than cash against the supply of plant and machinery. The money is to be used for the manufacture of trailers of various types axles and automotive parts.

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The Stock Markets

PRICES RISE ON GOOD CORPORATE NEWS

Wednesday Evening.

THE Calcutta stock market has been very steady during the past week. Despite profit-taking at the bulges, the prices of selected shares have improved. Bulls have been buying more aggressively, so bears have been compelled to cover their sales at rising prices. The cheerfulness has been sustained by several favourable developments. The corporate news has, by and large, been good. Some good dividends have been declared and the profit trend is better than was expected. Operators take the view that in the coming months the foreign exchange shortage will be relieved to some extent. Although the import policy for the current half-year does not contain any changes for established importers, it is believed that the Government will permit bigger imports by actual users. The decision about actual users' imports is likely to be communicated shortly. The World Bank at its recent annual meeting has indicated that it will consider sanctioning loans to the private sector without any government guarantee. This may facilitate the grant of credits to private enterprise. The Bank also proposes to liberalise its lending policy in other ways.

Reports about the recent deliberations between the Central Finance Ministry and the Reserve Bank have hinted at the possibility of the latter liberalising the supply of credit. So it is hoped that trade and industry will receive more financial assistance from banks. The Industrial Finance Corporation too is likely to take steps to supply more funds to industry. Lyons Range is inspired by the belief that during the winter session of the Lok Sabha, the Finance Minister will modify the fiscal system to restore confidence.

Despite rising optimism, turnover has been largely in clearing shares. Support has so far been mainly speculative. Investors are inclined to proceed cautiously and they do not want to extend their commitments in a big way until concrete measures are taken to relieve the tax burden on industry. Since the outlook for profits and dividends has been affected by heavier taxation, they are not likely to take risks unless the prospects improve.

The lull in the border situation has helped to raise the morale of operators. The growing rift between Russia and China has prompted the belief that the latter may be persuaded to accept the Colombo proposals fully. But there is a big question mark: will the recalcitrant attitude of the Pakistani Government change? This apart, investors are inclined to wait and watch how the Kamaraj Plan evolved for revitalising the Congress Party works out in practice.

After an earlier reaction following the decline in the production of the Indian Iron and Steel Company for September, the price of the scrip has improved on sustained buying. The output of pig iron has declined from 115,800 tons in August to 102,648 tons in September and that of steel ingots from 90,125 tons to 81,947 tons. The production of salable steel has fallen from 70,905 to 63,191 tons. Despatches of salable steel have dropped from 69,808 tons to 60,905 tons. The managing agents of the Company have pointed out that the decline in production has been due to operational troubles in one of the large blast furnaces in Burnpur, which has so far produced over 2 million tons in its present campaign. The roughing mill motor has also been burnt out. The repairs in a finishing mill have also contributed to the decline.

Among engineering shares, support has been forthcoming for Guest, Keen, Williams, Indian Standard Wagon, Jessop, Burn and Texmaco. Kumardhubi, Britannia Engineering and Jay Engineering have hardened. Turnover in the miscellaneous section has largely been in clearing shares. Indian Cable, in particular, have met with sustained buying on the prospect that a part of the dividend recently declared will be tax-free. Rohtas have gained on producing better results. Indian Aluminium, Indian Copper, Dunlop Rubber and Hindustan Motors have been steady. Jaipur Udyog and Kesoram Industries have also gained. Alkali Chemical, Union Carbide, Goodyear India, British Paints and Metal Box have risen. Managing agency shares have generally been sluggish. Stray business in Martin Burn and Jardine Henderson has been transacted. There has been little support for electric company shares. Calcutta Electric have been sluggish. Bank shares have been neglected.

Among new shares, interest has been taken in Hindustan Aluminium, Hindusthan Twyfords and Phillips Carbon. In insurance shares, Ruby General have been steady. Among paper shares, Orient have improved on influential support. Sirpur, Titaghur, India Paper Pulp, Bengal and Ballarpur have met with support. Sugar shares have been offered without attracting attention. Dyer Meakin Breweries have nevertheless been steady. But it should be borne in mind that this Company's main interest lies not in sugar but in liquor.

Selected jute shares have met with support at rising prices. The investors take a fairly encouraging view of the outlook for marketing gunnies. Although mill stocks of jute goods at the end of September have risen marginally, it is felt that the stocks may be sold without much difficulty. Birla, Anglo-India, Champdany, Ganges, India, Howrah, Kamarhatty, Northbrook, Delta, Kelvin and Union have been prominent.

Turnover in coal shares has been small and stray business has been transacted in Burrakur, Bengal, Amalgamated and Central India. In the cotton mill section, J. K. Rayon have recovered on short-covering. Support has been extended to Jay Shree Textiles, Dunbar and Bowreah. Good Assam and Dooars gardens have hardened further. Among Dooars companies, Hasimara and Huldibari have been bought. Among Assam gardens, Tezpore, Dhelakhat and Bishnauth have been steady. In Darjeeling group, Soom and Margaret Hope have attracted attention.

Government securities have been firm. Although strong institutional support following easier money conditions has been forthcoming for short- and medium-dated stocks, turnover has been limited due to the shortage of sellers. The prices of long-dated securities have also gained. The 3 percent Conversion loan 1986 has closed higher at Rs. 66.08. Prices of State Government loans have also risen. Interest has been taken in selected preference shares and debentures.

Tata Steel Output

Messrs Tata Industries Private Ltd, managing agents for the Tata Iron and Steel Company Ltd, report that the approximate production of iron and steel at the steel works in Jamshedpur during September 1963 was: iron 140,600 metric tons; steel ingots 144,100 metric tons and salable steel 119,400 metric tons.

Bombay

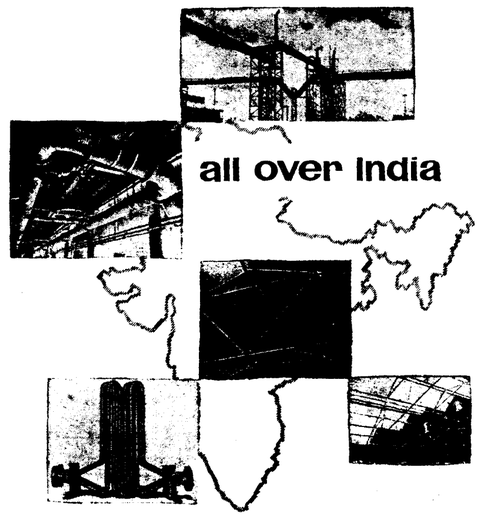
LIBERAL CREDIT IN PROSPECT

TURNOVER MOSTLY IN CLEARING SHARES

Wednesday Evening.

NEAR-BOOM conditions have prevailed in the Bombay stock market during the past week. After an earlier reaction, share prices have hardened on a broad front due to renewed support. There was also nervous short-covering since holders were reluctant to sell even at higher levels. Turnover was, however, largely confined to clearing shares. Operators are inclined to take a

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bullish view of the near-term trend. It is hoped that the Central Finance Minister will soon take steps to liberalise the supply of credit. The reduction in the rates of emergency risks insurance premiums for the current quarter suggests that the Government is inclined to adopt a more pragmatic policy in dealing with trade and industry.

Tata Steel ordinary have risen to Rs. 145.50 on hectic support. The decline in the Company's production during September has been overlooked because the output during the first six months of the current financial year is higher than that for the corresponding period of 1962-63. Among engineering shares, Tata Locomotive, Mukand Iron, Premier Construction and Larsen and Toubro have met with support. Motor-vehicle shares have shown a mixed trend. Hindustan Motors have met with influential support, but Premier Automobiles have been sluggish.

Selected cotton mill shares have scaled new peaks on influential buying, combined with short-covering. Century, Bombay Dyeing and Standard have risen sharply. Support has been extended to Kohinoor, Svadeshi, Morarjee, Tata Mills and Gokak. Fair business has passed in India United ordinary.

Miscellaneous shares have moved up in sympathy with the general trend. In the cement group, Associated Cement and Digvijay have been prominent. Among sugar shares, Belapur and Walchandnagar Industries have been steady. In the mining section, Shivrajpur Syndicate have met with scattered support. In steamship company shares, Scindia Steam have improved on brisk short-covering. Among rayon shares, National Rayon have been boosted on expansion prospects. Gwalior Rayon have been steady. Chemical shares have been fully steady. Tata Chemical, Indian Dyestuff and Polychem have been wanted. Voltas have improved sharply on a shortage of scrip. Interest in new shares has been at a low ebb. Stray business in Synthetics and Chemicals and Permanent Magnets has been transacted.

Bank shares have been quietly steady, and small business has been transacted in Central Bank, Bank of India and Bank of Baroda. New India Assurance have been steady in the insurance section. Electric company shares have been fairly steady. Business has passed in Tata Hydro, Ahmedabad and Bombay Suburban.

THE ALUMINIUM CORPORATION OF INDIA LIMITED

ALUCOM

Registered Office:
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Calcutta.

NOTICE

Issue of 2,34,375 Silver Jubilee Bonus Equity Shares of Rs. 10 each in the Ratio of one Bonus Share of Rs. 10 each, fully paid for every four Equity Shares of Rs. 10 each: Rs. 23,43,750.

The Board of Directors have decided to issue 2,34,375 Equity Shares of Rs 10 each as SILVER JUBILEE EQUITY BONUS SHARES in the ratio of ONE Bonus Share for every FOUR Equity (Ordinary) Shares of Rs. 10 each held by each member and for the purpose of the Register of Members and the Transfer Book of Equity (Ordinary) Shares of the Company will be closed from the 7th to the 15th November, 1963, both days inclusive.

The Bonus Equity Shares will rank in all respects pari passu with the existing Equity (Ordinary) Shares except that the BONUS SHARES will be entitled to dividend out of the earnings of the Company for the financial year commencing 1st April, 1964.

The Bonus Shares will be allocated to those holders of Equity (Ordinary) Shares whose names appear on the Register of Members of Equity (Ordinary) Shares on the 15th November, 1963.

By Order of the Board,
J. K. INDUSTRIES PRIVATE LIMITED,
Managing Agents,
BHARAT HARI,
Director.

The 3rd October, 1963.

Madras

OUTSIDE ADVICES IMPROVE TONE

SELECTED SHARES HARDEN

Tuesday Evening.

THE Madras stock market has shown considerable improvement during the past week. Turnover in clearing and cash shares has broadened and prices of selected shares have hardened. Higher advices from Bombay and support from outside sources helped improve the tone. It is generally believed that the outlook might improve further since the Government might soon modify the fiscal system to promote economic development.

Government securities have been steady, and selected State Government loans have improved on balance. Bank shares have been sluggish, and stray business has been done in Canara and Indian Overseas. In electric companies, Ellore have been transacted at Rs. 22 on the prospect that the Company might make a further payment of Rs. 5 a share, subject to tax. Business has passed in Vellore at Rs. 14 and in West Coast at Rs. 17.35. In the sugar section, Deccan have been fully steady at Rs. 10.50 on producing better results. Andhra have been done at Rs. 17.36 since the Company has decided to issue 100,000 ordinary shares of Rs. 10 each for public subscription, at par. E.I.D. have improved to Rs. 37.50 and Mysore to Rs. 46.75.

Among planting shares, Cochin Malabar have risen to Rs. 6.10 and Consolidated Coffee to Rs. 19.40. Blue Mountain have come to hand at Rs. 2.67 and Periakaramalai at Rs. 3.68. Ouchterlony have been done at Rs. 4.35. Kalpetta have changed hands at Rs. 12 on declaring a taxable ordinary dividend of Rs. 11.25 percent on the increased capital. Kailas have met with support at Rs. 6.15 on the prospect of a bonus share issue in the proportion of one ordinary share for every two shares held. Kalasa have come to hand at Rs. 4.25. The Company has decided to redeem the entire debenture for Rs. 1.05 lakhs. Kumergode have been transacted at Rs. 3.70 and the Company has decided to issue bonus shares in the proportion of one share for every two shares held. Support has been extended to Teekoy at Rs. 6.18, to Emerald Valley at Rs. 6.50, to Coffee Lands at Rs. 14.87 and to Rajendra at Rs. 11.25.

Among textile shares, South India Viscose have hardened to Rs. 133.20 and Travancore Rayon to Rs. 26. Lakshmi have improved to Rs. 136 and Madura to Rs. 33. Business has passed in Buckingham at Rs. 264.80 and in Bangalore Woollen at Rs. 226.80. Akkamamba have been done at Rs. 9.44. The Company has decided to issue 5,000 cumulative redeemable preference shares of Rs. 100 each for public subscription, at par. Ramakrishna have come to hand at Rs. 217.80 and Rayalaseema at Rs. 136. Mettur have been steady at Rs. 278 and Premier at Rs. 281.

In miscellaneous shares, Aluminium Industries have been steady at Rs. 17.10 and Ashok Leyland at Rs. 7.45. The latter Company has issued rights ordinary shares in the proportion of one new share for every nine shares, at par. Mettur Chemical have been done at Rs. 13. The Company has decided to issue fresh debenture for Rs. 1.37 lakhs. Among cement shares, Dalmia have been steady at Rs. 12.70 and India at Rs. 5.75. In the paper section, Seshasayee have improved to Rs. 7.50 and Mysore to Rs. 12.81. Textool have met with support at Rs. 155 on paying a taxable ordinary dividend of 12 percent. Tube Investment have been steady at Rs. 213 and Spencer at Rs. 20.12. Support has been forthcoming for Forest Industries at Rs. 2.03 and for Rane (Madras) at Rs. 8.02. Madras Rubber gained fractionally at Rs. 14.85, but Kirloskar Electric have been sluggish at Rs. 18.12.

THE WEEK'S TRANSACTIONS

(In the following list of stocks and shares in which transactions have taken place during the past week, the figures indicate Opening Quotations. Highest for the week. Lowest for the week. Closing Quotations and Quotations for the corresponding Closing Date a Year Ago. The last-named is shown in parentheses and will not be given where such a quotation is not available.)

CLEARED SECURITIES

Birla Jute—Rs. 32/50 x.d.—33/00—32/31—32/69.
Burrakur Coal—Rs. 17/00—17/37—17/00—17/37.
Dunlop Rubber—Rs. 35/62—38/50—35/62—37/37.
Guest, Keen, Williams—Rs. 37/50—37/87—37/00—37/62.
Hindustan Motor—Rs. 17/72—18/25—17/72—18/12.
Howrah Jute—Rs. 19/25—19/62—19/19—19/19.
Indian Aluminium—Rs. 37/62—38/69—37/37—38/62.
Do. (New)—Rs. 28/00—28/00—28/00—28/00.
Indian Cable—Rs. 35/12 x.d.—38/25—35/00—38/12.
Indian Copper—Rs 5/26—5/53—5/24—5/52.
Indian Iron—Rs. 23/82—24/30—23/78 s.t.—24/30.
J. K. Cotton—Rs. 12/94—13/75—12/87—13/31.
Jaipur Udyog—Rs. 12/25—12/56—11/94—12/31.
Kesoram Industries—Rs. 25/62—26/00—25/06—25/94
Orient Paper—Rs. 36/35 x.d.—37/55—36/35 x.d.—37/45.
Orissa Cement—Rs. 14/69—15/87—14/50—15/37.
Rohtas Industries—Rs. 13/12—13/75—12/94 s.t.—13/69.
Shree Gopal Paper—Rs. 25/44—26/75—25/37—26/75.
Textile Machinery—Rs. 26/00—26/80—25/85 s.t.—26/65.

GOVERNMENT SECURITIES

2½% U.P. Zemindary Compensation Grai Bonds (8 Collected)—Rs. 40/2—40/25—40/25—40/25.
3 % Loan (1986)—Rs. 65/88—66/10—65/88—66/10.
3 % „ (1964)—Rs. 99/33—99/33—99/33—99/33.
3 % „ (1966-68)—Rs. 97/95—97/95—97/95—97/95.
3½% „ (1964)—Rs. 99/85—99/85—99/85—99/85.
3½% „ (1967)—Rs. 99/15—99/18—99/15—99/18.
4 % „ (1969)—Rs. 99/53—99/56—99/45—99/50.
4 % „ (1986)—Rs. 100/05—100/05—100/05—100/05.
4 % „ (1972)—Rs. 99/55—99/60—99/55—99/60.
4 % Madras (1964)—Rs. 99/90—99/90—99/90—99/90.
4 % „ (1969)—Rs. 98/50—98/50—98.50—98/50.
4 % Loan (1973)—Rs. 99/25—99/25—99/—99/25.
4½% „ (1973)—Rs. 99/85 s.t.—99/95—99/85—99/95.
4½% West Bengal (1974)—Rs. 99/60—99/60—99/60—99/60.
4½% Loan (1972)—Rs. 100/50—100/55—100/50—100/55.
4½% „ (1986)—Rs. 100/00—100/00—100/00—100/00.
4½% Madras (1972)—Rs. 98/55—98/55—98/55—98/55.
4½% Orissa (1974)—Rs. 99/05—99/05—99/05—99/05.
4½% U.P (1974)—Rs. 99/13—99/13—99/13—99/13.

RAILWAY

Dehri-Rohtas—Rs. 13/12—13/19—13/06—13/12.

BANKS

Punjab National—Rs. 19/06—19/25—19/00—19/12
United Bank of India (Rs 10 paid)—Rs. 7/37—7/62—7/31—7/31.
United Commercial—Rs. 68/00—69/00—68/00—68/50.

COTTONS

Bharat Commerce—Rs. 23/44—23/62—23/25—23/44.
Bowreah—Rs. 24/12—24/31—24/00—24/25.
Cawnpore—Rs. 7/37—7/56—7/31—7/31.
Dunbar—Rs 28/62—28/62—28/62—28/62.
Elgin—Rs. 21/87—22/56—21/75—22/12.
Jay Shree—Rs. 16/37—16/81—16/25—16/56.
Jiyajeerao—Rs. 12/69—12/75—12/69—12/75.
New Victoria—Rs. 1/44—1/53—1/37—1/53.
Do. (Pref.)—Rs. 2/75—2/81—2/75—2/81.
Shree Madhusudan (Pref.)—Rs. 79/00—79/00—79/00—79/00.

COALS

Amalgamated—Rs. 26/00—26/12—25/62—26/12
Bengal—Rs. 274/00—280/00—266/00—268/50.
Bharat—Rs. 3/56—3/62—3/44—3/47.
Bagdigi Kujama—Rs. 5/75—5/81—5/75—5/81
Bhalgora—Rs. 4/75—4/75—4/75—4/75.

Burrakur (1st Pref.)—Rs 100/00—100/00—100/00—100/00.
Central India—Rs. 9/31—9/69—9/28—9/66.
East Indian—Rs. 30/12—30/12—30/12—30/12.
Jogta—Re. 1/00—1/00—1/00—1/00.
New Beerbhoom (Pref.)—Rs. 10/25—10/25—10/25—10/25.
Pench Valley—Rs. 17/12 x.d.—17/12 x.d.—17/12 x.d.—17/12 x.d.
Standard—Rs 13/00—13/00—12/75—12/75.
Selected Satgram—Rs. 116/00—116/00—116/00—116/00.
South Karanpura—Rs. 8/31—8/56—8/31—8/56.
Union—Rs. 10/87—10/87—10/87—10/87.
Western Bengal—Rs. 8/37—8/75—8/37—8/75.

JUTES

Agarpara—Rs. 11/50 s.t.—11/56 s.t.—10/50—10/56.
Alliance—Rs. 164/00—164/00—159/00—159/00.
Anglo-India—Rs. 234/00—236/00—234/00—236/00.
Auckland—Rs. 142/00—142/00—142/00—142/00.
Budge Budge—Rs. 153/00—155/00—152/00—155/00.
Barnagore—Rs. 200/00—200/00—200/00—200/00.
Champdany—Rs. 24/00—24/00—24/00—24/00.
Chitavalsah—Rs. 10/56—10/87—10/56—10/87.
Cheviot—Rs. 23/12—23/37—23/00—23/00.
Clive—Rs 9/37—9/37—9/37—9/37.
Dalhousie—Rs. 147/00—147/00—147/00—147/00.
Delta—Rs 171/00—172/00—168/00—168/00.
Empire—Rs. 18/06—18/06—17/75—17/75.
Fort William—Rs. 25/31—26/25—25/25—26/19.
Gondalpara—Rs. 15/31—15/44—15/25—15/31.
Ganges—Rs. 16/12—16/25—16/00—16/25.
Gourepore—Rs. 25/19—25/25—25/19—25/25.
Do (Pref.)—Rs. 89/00—89/00—89/00—89/00.
India—Rs. 18/00—18/00—18/00—18/00.
Kelvin—Rs. 195/00—195/00—195/00—195/00.
Kamarhatty—Rs. 195/00—196/00—195/00—196/00.
Lawrence ('B' Pref.)—Rs. 71/50—71/50—71/00—71/00
Lansdowne—Rs. 97/00—97/00—97/00—97/00.
Megna—Rs. 15/00 s.t.—15/00—13/87—13/87.
Nellimarla—Rs. 12/37—12/56—12/31—12/31.
New Central—Rs. 13/94—14/56—13/69—13/94.
Nuddea—Rs. 63/25—63/50—63/00—63/50.
Northbrook—Rs. 29/87—30/75—29/81—30/62.
Naihati (2nd Pref.)—Rs. 90/00—90/00—90/00—90/00.
Presidency—Rs. 5/81—5/87—5/69—5/69.
Rameshwara (Pref.)—Rs. 12/50—12/50—12/44—12/44
Soorah (Pref.)—Rs. 105/50—105/50—105/50—105/50.
Union—Rs. 163/00—166/00—163/00—166/00.
Waverley—Rs. 8/00—8/00—8/00—8/00.

MININGS

Bisra Stone Lime—Rs. 23/50—23/50—23/50—23/50.
Metal Corporation—Rs. 8/25—8/31—8/12—8/31.
Sutna Stone Lime—Rs. 28/31—28/31—28/31—28/31.

CEMENTS

Ashoka—Rs 7/50 s.t.—7/50—7/00—7/06.
Assam Bengal (Defd.)—Re. 0/59—0/59—0/59—0/59.
Dalmia (Bharat)—Rs. 12/50—13/00—12/50—12/87.
Sone Valley—Rs. 4/53—4/75—4/50—4/62.

INSURANCES

Concord of India—Rs. 11/12—11/12—11/12—11/12.
New Asiatic—Rs. 8/50—8/62—8/50—8/62.
Ruby General—Rs 10/00—10/15—10/00—10/15.

CHEMICALS

Alkali & Chemical—Rs. 34/25—34/50—34/00—34/50.
Bengal—Rs. 98/00—98/00—98/00—98/00.
Kanoria (Pref.)—Rs. 75/00—75/00—75/00—75/00.

ELECTRICS

Calcutta—Rs. 14/81 s.t.—15/06—14/81 s.t.—14/87.
Upper Jamuna—Rs. 14/37—14/37—14/37—14/37.
U.P.—Rs. 115/00—116/00—115/00—116/00.

ENGINEERINGS

Bhartia Elec. Steel—Rs. 13/50—14/37—13/50—14/31.
Binani Metal—Rs. 10/94—11/50—10/94—11/50.
Britannia Eng.—10/19—10/44—10/12—10/31
Bharat Ball Bearing—Rs. 13/25—13/62—13/25—13/56.
Braithwaite & Co.—Rs. 34/00—34/25—34/00—34/25.
British India Elec Cons.—31/00—31/00—31/00—31/00.
Burn & Co.—Rs. 592/00—593/00—590/00—590/00.
Calcutta Steel—Rs. 13/62—14/00—13/50—13/87.
Dalmia Iron—Rs. 11/12—11/25—10/94—11/00.
Hindusthan Wires—Rs. 10/00—10/12—10/00—10/12.
Indian Malleable Casting (Defd.)—Rs 2/06—2/06—2/06—2/06.
Indian Steel & Wire Pro.—Rs. 36/25—36/25—36/25—36/25.
Jessop & Co.—Rs. 26/31—26/87—26/19—26/75.
J. K. Steel—Rs. 16/44—16/50—16/31—16/31.
Kumardhubi—Rs. 9/44—9/56—9/25—9/37.
Marshalls—Rs 2/56—2/69—2/56—2/66.
National Iron & Steel—Rs. 5/69—6/00—5/69—6/00
Raymon—Rs. 4/94—5/50—4/94—5/12.
Textile Machinery (6½% Pref.)—Rs. 103/00—103/00—102/50—102/50.
Wellman Incandescent—Rs. 6/12—6/12—6/00—6/05

PRESSING

Camperdown—Rs. 105/00—105/00—105/00—105/00.

MISCELLANEOUS

Aluminium Corpn.—Rs. 15/25—17/06—15/25—17/00.
Angelo Brothers—Rs. 24/12—24/37—24/00—24/37.
Asiatic Oxygen—Rs. 14/00—14/12—14/00—14/12.
Assam Hardboard—Rs. 4/56—4/56—4/56—4/56.
Airways (India)—Rs. 4/87—4/87—4/75—4/81.
Asian Refractories—Rs. 6/62—6/69—6/50—6/69.
Albion Plywood—Rs. 7/91—7/91—7/91—7/91.
Associated Battery—Rs. 26/06—26/19—25/94—26/00.
Bhartia Co.—Rs. 50/00—50/00—50/00—50/00.
Balmer Lawrie—Rs. 245/00—254/00—245/00—251/50
Bararee Coke—Rs. 21/37—31/37—21/25—21/37.
Britannia Biscuits—Rs. 42/25—42/25—42/25—42/25
B I. Corporation—Rs. 8/31—8/84—8/31—8/75.
Bharat Nidhi—Rs. 6/06—6/06—6/06—6/06.
British Paints—Rs. 20/25—21/00—20/12—20/94.
Birds Investment—Rs. 10/50—10/50—10/50—10/50
Calcutta Tramways—Rs. 11/25—11/31—11/19—11/25.
Calcutta Investment—Rs. 60/00—60/00—60/00—60/00.
Calcutta Safe Deposit—Rs. 8/00—8/00—8/00—8/00.
Duncan Brothers—Rs. 140/00—140/00—140/00—140/00.
Dyer Meakin Breweries—Rs. 29/00—29/25—28/81—29/25.
Dr. Paul Lohmann—Rs. 13/87—13/87—13/62—13/62.
Electric Construction—Rs. 14/00—14/06—14/00—14/06.
English Electric—Rs. 14/50—14/50—14/25—14/31.
East-Anglia Plastics—Rs. 9/37—9/69—9/37—9/37.
General Tyres—Rs. 9/44—9/50—9/37—9/50.
Goodyear India—Rs. 33/06—33/75—33/06—33/37.
Gillanders Arbuthnot—Rs. 14/12—14/12—14/06 x.d.—14/12.
Great Eastern Hotel—Rs. 250/00—250/00—250/00—250/00.
Hindustan Gas—Rs. 23/00—23/00—23/00—23/00.
Hindustan Aluminium—Rs. 13/81—14/00—13/56—13/81.
Hindusthan Development—Rs. 4/12—4/19—4/12—4/12.
Hindusthan Twyfords—Rs. 14/75—15/00—14/56—14/94.
Hindusthan Pilkington Glass—Rs. 16/50—16/56—16/50—16/56.
Indian Forge & Drop Stampings—Rs. 6/50—6/87—6/50—6/87.
Indian Oxygen—Rs. 28/62—29/37—28/62—29/37.
Indian Tack & Nail—Rs. 12/00—12/31—12/00—12/12.
Imperial Tobacco—Rs. 10/56—10/62—10/37—10/50.
Isaac Holdens—Rs. 15/25—15/25—15/19—15/25.
Indian Plastics—Rs. 7/44—7/56—7/44—7/50.
Jay Shree Industries—Rs. 17/69 s.t.—18/12—17/69—18/12.
Jardine Henderson—Rs. 81/00—83/50—80/00 x.d.—81/50.
J K. Synthetics—Rs. 11/75—12/06—11/62—11/87
Kusum Products—Rs. 35/00 x.d.—35/00 x.d.—35/00 x.d.—35/00 x.d.
Metal Distributors—Rs. 4/44—4/62—4/37—4/50.
Madras Rubber—Rs. 15/12—15/12—15/06—15/06.
Martin Burn—Rs. 27/25—27/50—27/00—27/19.
Metal Box—Rs. 51/00—51/25—51/00—51/25.
National Pipes & Tubes—Rs. 27/25—27/50—27/19—27/50.
National Rubber Manfg.—Rs. 12/62—13/12—12/44—12/94.
National Standard Duncan—Rs. 87/00—87/00—87/00—87/00.
New India Investment—Rs. 58/50—59/50—58/50—59/50.
National Insulated Cable—Rs. 24/69—25/12—24/50—24/87.
Phillips Carbon Black—Rs. 16/56—17/50—16/50—17/50.
Phillips India—Rs 30/50—30/37—30/50 30/37
Rallis India—Rs. 131/50—132/00—131/50—132/00.
Rohtas India ('B' Pref.)—Rs. 58/00—58/00—58/00—58/00.
Shaw Wallace—Rs. 17/00—17/00—17/00—17/00.
Sirsilk—Rs. 9/37—9/50—9/25—9/25.
Tungabhadra—Rs. 8/25—8/25—8/25—8/25.
Universal Cables—Rs. 11/37—12/50—11/31—12/25.
Universal Elec.—Rs. 10/19—10/25—10/06—10/19.
Usha Martin Black—Rs. 16/06—16/75—16/00—16/62.
Union Carbide—Rs. 41/37—42/00—41/37—42/00.
Walford Transport—Rs. 3/69—3/94—3/69—3/80.

PAPERS

Ballarpur—Rs 18/06—18/25—18/00—18/25.
Bengal—Rs. 27/31—28/12—27/31—27/75.
Do. (Pref.)—Rs 51/00—51/00—51/00—51/00.
India Paper Pulp—Rs. 18/25—18/94—17/94—18/94.
Seshasayee—Rs 7/50—7/69—7/50—7/62.
Sirpur—Rs. 12/87—13/62—12/87—13/62.
Star (7% Convertible 3rd Pref.)—Rs 83/50—84/00—83/50—84/00
Straw Products—Rs. 9/81—11/00—9/75—10/75.
Do. (Pref.)—Rs. 85/00—85/50—85/00—85/50.
Shree Gopal (2nd Pref.)—Rs. 99/00—99/00—99/00—99/00.
Titaghur—Rs. 16/81—17/44—16/81—17/12.
West Coast—Rs. 150/00—159/00—150/00—155/00.

SHIPPING

India Steamship—Rs. 6/50—6/75—6/44—6/56.

OIL

Indo-Burma Petrol—Rs. 22/94—23/00—22/62—23/00.

SUGARS

Belsund—Rs. 8/69—8/75—8/69—8/75.
Carew & Co.—Rs. 10/87—11/06—10/87—11/06.
Champaran—Rs. 14/00—14/00—13/75—13/81.
Darbhanga—Rs. 8/81—8/81—8/62—8/69.
Ramnugger Cane—Rs. 28/50—28/50—28/50—28/50
Raza Buland—Rs. 10/19—10/19—10/19—10/19.
Shree Krishna Gyanoday—Rs. 7/62—7/81—7/62—7/81.
Upper Ganges—Rs. 80/00—85/00—80/00—85/00.

TEAS

Borpukuri—Rs. 10/98—11/00—10/98—11/00.
Bishnauth—Rs. 18/87—19/00—18/87—18/94.
Baitakhal—Rs. 8/06—8/06—7/94—8/06.
Brooke Bond—Rs. 12/37—12/56—12/25—12/37.
Baghmari—Rs. 17/25—17/25—17/25—17/25.
Bhatkawa—Rs. 17/06—17/12—17/00—17/06.
Dhelakhat—Rs. 19/25—19/37—19/25—19/37.
Dufflaghur—Rs. 27/87—28/25—27/69—28/00.
Dauracherra—Rs. 11/75—11/75—11/75—11/75.
Grob—Rs. 8/00—8/12—7/94—8/12.
Hantapara—Rs. 116/00—116/00—114/00—114/00.
Hasimara—Rs. 13/75—14/25—13/62—14/12.
Huldibari—Rs. 13/44—13/50—13/31—13/50.
Joonktoolie—Rs 17/37—17/50—17/37—17/50.
Killcott—Rs. 15/81—16/12—15/75—16/06.
Rydak—Rs. 26/37—26/37—26/37—26/37.
Sungma—Rs 14/19—14/56—14/19—14/44.
Tezpore—Rs. 14/94—15/00—14/81—14/94.

DEBENTURES

6½% Guest, Keen, Williams—Rs. 100/00—100/00—99/75—100/00.
5½% Burmah-Shell—Rs. 93/50—93/75—93/50—93/75.

London

GOOD CORPORATE NEWS BOOSTS PRICES

RANK ORGANISATION OUTSTANDING

London, 9th October.

ALTHOUGH political uncertainties had a restrictive influence on business, the stock market gave a good account of itself over the past week. There was a steady selective demand for equities on most days and with the supply of stock becoming scarcer, prices sometimes advanced rather out of proportion to the business transacted. In the last two days, of the week, there was a tendency for investors to hold off while awaiting the outcome of the Conservative Party conference. Some people were tempted to take to profit-taking. This caused some reaction in prices. Good company news of assistance at times and the excellent results from Plessey made a marked impression. Rank Organisation was an outstanding feature on further consideration of the good results and the group's prospects. Sugar shares were wanted following good company results. G.E.C., Dunlops, Boots and B.M.C. were other leaders to have gained ground. Dollar stocks gave a mixed performance. In the gilt-edged market, it was the short-dated stocks which were favoured most. Further comment on the South African political situation did not help gold shares, and although one weekly newspaper recommended gold shares it was of little influence. Coppers were very quiet. Burmah gained little benefit from the interim dividend. Rubbers responded well to selective buying, and teas made some headway.

HIDES AND SKINS STEADY

The market was steady. Stocks were less than in the previous week.

Bazaar Sales

(Between 1st October and 7th October, 1963)

Cowhides: Wet salted (Ord) 8,000 pcs. on the basis of Rs. 8 to Rs. 11.25; Wet salted (Slaughtered) 31,000 pcs. on the basis of Rs. 10.50 to Rs. 16.50 and Rs. 19.50 to Rs. 28; Wet salted (Ord.) 2,000 pcs. on the basis of 94 nP.

Goatskins: Wet salted (Patna, Daissee, Kustia) 52,500 pcs. on the basis of Rs. 230 to Rs. 250, Rs. 300 to Rs. 315 and Rs. 370 to Rs. 380; Wet salted (he-Killed) on the basis of Rs. 4.50 and (she-Killed) on the basis of Rs. 4.25 a piece; Assam-Dinajpur 40,600 pcs. on the basis of Rs. 235 to Rs. 245 and Rs. 280 to Rs. 300; Pakur 1,000 pcs. on the basis of Rs. 310.

RESERVE BANK

ISSUE DEPARTMENT

(In 000's of Rupees)

	Week Ended 4-10-63	27-9-63	5-10-62
Liabilities—			
Notes in Banking Dept.	27,11,07	32,57,78	17,84,70
Notes in Circulation	22,20,69,44	21,92,30,95	20,54,33,82
Total Notes issued	22,47,80,49	22,24,88,73	21,72,18,52
Assets—			
A. Gold Coin and Bullion	1,17,76,10	1,17,76,10	1,17,76,10
Foreign Securities	92,45,69	89,45,69	88,33,43
Total of A	2,10,21,79	2,07,21,79	2,06,09,53
B. Rupee Coin	1,23,27,68	1,25,36,12	1,23,04,25
Rupee Securities	19,14,31,02	18,52,30,82	17,43,04,74
Total	22,47,80,49	22,24,88,73	21,72,18,52

BANKING DEPARTMENT

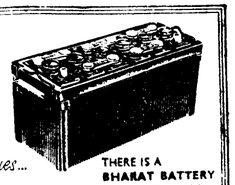
Liabilities—			
Capital Paid-up	5,00,00	5,00,00	5,00,00
Reserve Fund	80,00,00	80,00,00	80,00,00
National Agricultural Credit (Long Term Operations) Fund	73,00,00	73,00,00	61,00,00
National Agricultural Credit (Stabilisation) Fund	8,00,00	8,00,00	7,00,00
Deposits—			
(a) 1. Central Govt.	78,28,68	64,29,61	60,86,70
2. State Govts.	2,34,37	6,08,19	17,95,37
(b) Banks :—			
(i) Scheduled Banks	75,66,45	85,65,09	83,48,21
(ii) State Co-operative Banks	2,24,43	2,23,66	2,32,21
(iii) Other Banks	2,24	4,63	2,00
	1,65,67,74	1,59,43,06	1,60,08,25
(c) Others	40,68,31	36,07,14	21,02,67
Bills Payable	24,07,52	25,09,23	25,28,17
Other Liabilities	5,55,79,74	5,44,90,71	5,24,83,38
Total			
Assets—			
Notes	27,11,07	32,57,78	17,84,70
Rupee Coin	2,31	2,06	2,71
Small Coin	2,77	2,62	3,63
National Agricultural Credit (Long Term Operations) Fund			
(a) Loans and Advances to :—			
(i) State Govts.	27,11,72	27,12,42	23,56,95
(ii) State Co-operative Banks	16,66,33	16,66,88	11,68,17
(iii) Central Land Mortgage Banks	...	...	...
(b) Investment in Central Land Mortgage Bank Debentures	3,55,31	3,55,31	2,84,68
National Agricultural Credit (Stabilisation) Fund			
Loans and Advances to State Co-operative Banks	...	...	...
Bills Purchased and Discounted :—			
(a) Internal	...	...	...
(b) External	...	...	...
(c) Govt. treasury Bills	67,29,86	77,59,61	1,36,73,29
Balances Held abroad	9,67,31	7,62,39	5,63,67
Loans and Advances to Govt	30,37,76	33,45,72	11,43,02
Loans and Advances to :—			
(i) Scheduled Banks	3,14,50	1,37,90	11,17,95
(ii) State Co-operative Banks	1,29,63,32	1,26,85,21	1,36,35,67
(iii) Others	1,79,65	1,64,55	1,36,57
Investments	1,73,27,33	1,65,71,49	1,36,64,27
Other Assets	24,84,20	24,76,86	35,04,50
Total	5,55,79,74	5,44,90,71	5,24,83,38

SCHEDULED BANKS

(In 000's of Rupees)

	Week Ended 27-9-63	20-9-63	28-9-62
(I) Demand Liabilities—			
(a) Demand Deposits			
(1) From Banks	52,40,22	52,64,40	45,54,64
(2) From others	9,68,97,20	9,66,47,98	7,99,16,39
(b) Borrowing from Banks	24,26,52	24,06,23	19,93,74
(c) Others	63,17,27	64,62,39	52,85,98
(II) Time Liabilities—			
(a) Time Deposits			
(1) From Banks	26,67,33	35,27,70	23,68,12
(2) From others	12,46,48,26	12,41,72,85	12,35,80,26
(b) Borrowing from Banks	24,42,07	25,72,69	14,77,57
(c) Others	9,24,15	9,39,05	12,62,85
(III) Borrowing from State Bank—			
(a) Demand Liabilities	6,00,53	4,60,54	7,67,45
(b) Time Liabilities	13,85,90	15,00,00	13,20,53
(iv) Borrowing from Reserve Bank	1,85,90	1,39,40	4,51,05
(v) Cash	50,91,51	51,19,02	47,28,40
(vi) Balances with the Reserve Bank	81,50,09	83,91,54	79,05,38
(vii) Balances with other Banks in current account	21,91,30	20,97,45	16,68,55
(viii) Money at call and short notice	57,62,65	54,20,95	46,58,06
(ix) Investments in Central and State Govt. Securities	7,79,42,03	7,72,64,96	6,89,93,28
(x) (a) Loans Cash credits and Overdrafts	12,33,15,02	12,33,95,63	11,30,24,44
(b) Due from Banks	13,57,55	14,22,09	7,52,22
(xi) Inland Bills purchased and discounted	1,68,06,89	1,64,44,63	1,49,60,59
(xii) Foreign Bills purchased and discounted	50,89,77	52,25,01	48,52,57
(xiii) Total of X XI and XII	14,65,69,03	14,64,87,56	13,83,89,82

MICROPOROUS
RUBBER SEPARATORS
GENUINE HARD-RUBBER
CONTAINERS
PURE OXIDE PLATES
plus
the progressive production techniques...
...make **BHARAT Battery**
a better store-house for Power



THERE IS A BHARAT BATTERY FOR ALL PURPOSES

QUICKER STARTING, LONGER LASTING

BHARAT BATTERY MANUFACTURING CO. PRIVATE LIMITED
P-1A, RASHBEHARI AVENUE, . CALCUTTA-19
PHONE : 46-2384 & 44-2136. GRAM : "BIBIEMCO"

Money

THE CALCUTTA MONEY MARKET

SMALL INCREASE IN ADVANCES

Wednesday, 9th October.

THE general level of advances has increased slightly in the Calcutta money market during the past week. More money has been given to the jute mills, and to the iron, steel and engineering units, but cotton advances are unchanged. The credit requirements of the sugar mills, and of the foodgrains and seeds trade, have declined a little. In the interbank market, conditions have been changing fairly rapidly. The call rate rose to 4 percent at one time, but has eased to 3¼ percent at the close.

The exchange market has been active, with a good supply of tea and gunny bills. The demand for remittances has been fairly strong. In London, sterling has fluctuated narrowly, and the closing quotations show a mixed trend.

SILVER WAS EASIER IN CALCUTTA during the past week. The price declined from the previous week's level of Rs. 230.50 to Rs. 230 quoted for ready. The London and New York prices were 111½d and 129.3 cents. Gold was also quiet and the price of 14-carat fell from Rs. 64.50 to Rs. 62.75.

DURING THE WEEK ENDED 4TH OCTOBER, Government of India Treasury bills for Rs. 56.60 crores were sold in favour of the Reserve Bank.

TENDERS FOR Rs. 2 CRORES OF 91-DAY Government of India Treasury bills were opened on 8th October. The total amount offered was Rs. 2 crores. Tenders at Rs. 99.420 percent and above were accepted in full. The total amount accepted was Rs. 2 crores, the average rate of acceptance being Rs. 2.318 percent a year. Tenders for Rs. 2 crores of 91-day Government of India Treasury bills will be received at all centres up to the close of business on 14th October.

IT IS STATED THAT 91-DAY Intermediate Treasury bills will be sold from 9th October to 12th October at Rs. 99.436 percent. Sales can be stopped at any time without notice if the Government thinks it necessary. These bills sold from 3rd October to 5th October amounted to Rs. 1 crore.

THERE WERE RISES OF Rs. 28.38 crores to Rs. 2,220.69 crores in active notes and of Rs. 22.91 crores to Rs. 2,247.80 crores in the total note issue, according to the return of the Reserve Bank of India for the week ended 4th October, 1963. The currency expansion was covered by raising rupee securities of the paper currency reserve by Rs. 22 crores to Rs. 1,914.31 crores. This was done by transferring securities from the Banking Department in which investments declined by Rs. 22.44 crores to Rs. 173.27 crores. Deposits of the Government of India rose by Rs. 13.99 crores to Rs. 78.29 crores, while those of other Governments fell by Rs. 3.54 crores to Rs. 2.54 crores. Balances of scheduled banks at Rs. 75.66 crores showed a decline of Rs. 9.99 crores. Their loans from the Reserve Bank rose from Rs. 1.88 crores to Rs. 3.14 crores of which advances against usance bills amounted to Rs. 7 lakhs (Rs. 10 lakhs). Balances held abroad rose by Rs. 98 lakhs to Rs. 8.60 crores. Foreign securities in the Issue Department also increased by Rs. 3 crores to Rs. 92.46 crores.

THE RETURN OF THE STATE BANK OF India for the week ended 27th September, 1963, shows a rise of Rs. 2.02 crores to Rs. 599.65 crores in total deposits. Investments in Government securities are up by Rs. 4.04 crores to Rs. 318.41 crores, while other authorised investments remain unchanged at Rs. 8.95 crores. Advances, including loans, cash credits, overdrafts and bills discounted and purchased have declined by Rs. 1.32 crores to Rs. 250.28 crores. Cash and balances are, in consequence, shown at Rs. 28.15 crores or Rs. 3.30 crores higher.

THE STATEMENT OF THE POSITION OF scheduled banks for the week ended 27th September, 1963, shows Demand and Time liabilities at Rs. 1,108.81 crores (Rs. 24.27 crores on account of borrowings from banks) and Rs. 1,316.22 crores (Rs. 24.42 crores), compared with Rs. 1,107.81 crores (Rs. 24.06 crores) and Rs. 1,312.32 crores (Rs. 25.73 crores) in the previous week. Cash and balances with the Reserve Bank have declined by Rs. 27 lakhs and Rs. 2.42 crores to Rs. 50.92 crores and Rs. 81.50 crores, respectively. There is a rise of Rs. 6.78 crores to Rs. 779.43 crores in investments. Advances and bills discounted at Rs. 1,465.69 crores show a rise of Rs. 81 crores. The ratios to total liabilities of cash and balances, and of advances and discounts are, in consequence, shown at 5.4 percent and 60.4 percent, against 5.6 percent and 60.5 percent.

TREASURY BILL MATURITIES

Details of 91-day bills outstanding with the public on 11-10-63

Issue Date	Maturity Date	Amount (000's Rs.)	Average Acceptance Rate
11-10-63	14-1-64	2,00,00	Rs. 2.318
4-10-63	7-1-64	2,00,00	Rs. 2.318
27-9-63	30-12-63	2,00,00	Rs 2.318%
20-9-63	23-12-63	2,00,00	Rs 2.318%
13-9-63	16-12-63	2,00,00	Rs 2.318%
6-9-63	9-12-63	2,00,00	Rs 2.318%
30-8-63	2-12-63	2,00,00	Rs 2.320%
23-8-63	26-11-63	2,00,00	Rs 2.320%
16-8-63	19-11-63	2,00,00	Rs 2.320%
9-8-63	12-11-63	2,00,00	Rs 2.320%
2-8-63	5-11-63	2,00,00	Rs 2.320%
19-7-63	22-10-62	2,00,00	Rs 2.317%
12-7-63	15-10-63	2,00,00	Rs. 4.320%

(Monthly Maturities 000's omitted)

October 1963	4,00,00
November 1963	8,00,00
December 1963	10,00,00
January 1964	4,00,00
Total	26,00,00

CLEARING HOUSE RETURNS

Week	Calcutta	Bombay
	Rs. (Lakhs)	
27-9-63	.....	1,10,03
20-9-63	.....	1,08,29
13-9-63	.....	1,17,20

This is not a Prospectus but only an announcement regarding the proposed issue of capital and persons interested are requested to apply for a copy of the Prospectus for full details.

JOHN FOWLER (INDIA) LIMITED

Registered Office: Marshall's Building, Ballard Road, Fort, Bombay.

EXISTING & PROPOSED ACTIVITIES :

(a) The Company was incorporated as a private limited company on 22nd December, 1953. The Company on 16th May, 1963 became a Public Company.

(b) The Company was formed to acquire the business of John Fowler & Co. (India) Ltd., with the object of Importing spare parts into India and servicing Road Rollers, Diesel Locomotives, etc., supplied to India by John Fowler & Co. (Leeds) Ltd.

(c) The Company entered into an Agreement on 27th September, 1957 with Vokes Limited of England for manufacturing of Filters and Elements for mobile and stationary internal combustion engines and also of industrial filters. The Company was issued a manufacturing License by the Government of India bearing Nos. L/8/B-5/N-2/58 of 16th July, 1958 and L/4-2/N-27/60 of 22nd February, 1960, for the manufacture of the said Filters and Elements.

(d) The Company entered into an agreement with Stream-Line Filters Limited of England, a subsidiary of Vokes Group Limited, for the manufacture of lubricating and insulating and aviation oil and fuel Filters. A manufacturing License bearing No. L/4(2)/21/61-AEI dated 1st March, 1961 was issued to the Company.

(e) The Company concluded an Agreement with Vokes-Cardwell Ltd., of England, an Associate of Vokes Group Ltd., on 9th April, 1962 for the manufacture of tobacco processing machinery used for primary processing of tobacco. The Company was issued in connection therewith a manufacturing License bearing No. L/8/B-2/21/61/MET dated 24th November, 1961.

(f) The Company's existing and proposed activities would be carried out at its factories situate at—

(a) 136A, Rash Behari Avenue, Calcutta-29.

(b) Sarjapur Road, Bangalore.

(g) Under licences approved by the Government of India, the Company is either manufacturing or will undertake manufacture of proprietory products of the following Companies :

(i) **Vokes Limited :** (now Vokes Group Ltd.)
Large range of equipment for filtration of air and liquids.

(ii) **Stream-Line Filters Limited :**
Filtration equipment for the clarification and dehydration of lubricating, transformer and fuel oils and gases.

(iii) **Vokes-Cardwell Limited :**
Equipment for threshing, cleaning and classifying of leaf tobacco and pneumatically conveying it to cigarette making machines.

BOARD OF DIRECTORS :

1. **Mr. Frank Charles Kraty,**
Knotts Cottage,
Cross-in-Hand,
Sussex, England.

2. **Mr. Norman Wesley Keyworth,**
Britannia Chambers,
Gainsbourgh,
England.
Director of :—
Marshall Sons & Co Ltd., (U.K.)
Marshalls Tea Machinery Co., Ltd. (U.K.)
Import Export (Technical) Ltd., (U.K.)
Marshalls (Pakistan) Ltd., Pakistan.
Marshall Sons & Co., (Manufacturing) Pvt. Ltd.

ALTERNATE DIRECTOR :

Mr. Hubert Kenneth Ames,
16/1, Raja Santosh Road, Alipore, Calcutta.
Director of :—
Marshalls (Pakistan) Ltd., Pakistan.
Marshall Sons & Co. (Manufacturing) Pvt. Ltd.

3. **Mr. Thondiculam Gopalakrishna Iyer Arunachalam,**
P. 117, Lake Terrace, Calcutta-29.

4. **Sir Ian Stewart-Richardson, Bt.,**
"Lynedale" Longcross,
Near Chertsey, Surrey, England.
Director of :—
Readicut Ltd., U.K.
Masson Scott & Co., Ltd., U.K.
Bulmer & Lumb (Holdings) Ltd., U.K.
Otis Bros. Ltd., U.K.
Prospect Dyeing Co. Ltd., U.K.
Sydney S. Bird & Sons Ltd., U.K.
Morthan Ltd., U.K.
Vokes Group Ltd., U.K.
Vokes Ltd., U.K.
Stream-Line Filters Ltd., U.K.
Vokes-Cardwell Ltd., U.K.
Vokes Genspring Ltd., U.K.
Oxy-Catalyst Sales Ltd., U.K.
Robert Kellie & Sons Ltd., U.K.
Ray-Heet (Process Plant) Ltd., U.K.
Vokes Australia (Pty.) Ltd., Australia.
Vokes Canada Ltd., Canada.
J. E. Hanger & Co. Ltd., U.K.
Vessa Ltd., U.K.
E. J. Reed & Associates (Pty.) Ltd., South Africa.
De Ridder En Kelch NV, Holland.

ALTERNATE DIRECTOR :

Mr. John Alexander Paterson,
12, Fairfield Road, Bangalore-1.
Partner in :—
Robson Morrow & Co., India.

5. **Mr. Birendra Nath Mukerjee,**
"Kulaya",
170/3, Lake Gardens, Calcutta-33.
Director of :—
Marshall Sons & Co., (Manufacturing) Private Ltd. (as alternate to Mr. N. W. Keyworth).

6. **Professor M. Ramanna Krishnamurthy Rao,**
Bungalow 16,
Indian Institute of Science Quarters,
Bangalore 12.
Professor :—
Indian Institute of Science,
Bangalore.

SHARE CAPITAL

AUTHORISED :

	Rs.
5,00,000 Equity Shares of Rs. 10 - each	50,00,000

SUBSCRIBED :

40,360 Equity Shares of Rs 10/- each fully paid up	4,03,000

PROPOSED ISSUE TO THE PUBLIC :

1,06,700 Equity Shares of Rs. 10/- each fully paid up	10,67,000

DATES OF OPENING AND CLOSING OF SUBSCRIPTION LISTS

The subscription list will open at the commencement of Banking hours on 15th October 1963 and will be closed at the close of the Banking hours on 23rd October 1963.

Application forms along with copies of the Prospectus can be had from the underwriters, brokers and bankers to the issue and from the Company's Registered Office.

UNDERWRITERS :

1. **Investment Corporation of India, Ltd.**
'Ewart House',
Bruce Street, Bombay-1.

2. **Messrs. Lewis & Jones,**
Bank of Baroda Building,
Apollo Street, Fort, Bombay-1.

3. **Messrs. Place, Siddons & Gough (Private) Ltd.,**
6, Lyons Range, Calcutta-1.

BANKERS :

1. **National & Grindlays Bank Ltd.,** having their Branches at Bombay, Calcutta, Madras, Bangalore, New Delhi and Hyderabad.

2. **United Bank of India Ltd.,** having their Branches at Calcutta, Bombay, Madras, New Delhi and Ahmedabad.

3 **The Central Bank of India Ltd.,** having their Branch at Indore.

BROKERS :

BOMBAY

Messrs. Lewis & Jones,
Bank of Baroda Building,
Apollo Street, Fort, Bombay-1.

Messrs. Mahadevia Bros.,
Old Stock Exchange Building,
Dalal Street, Bombay-1.

Messrs. Batlivala & Karani,
Union Bank Building, Dalal Street,
Bombay-1.

Messrs. Chimanlal J. Dalal & Co.,
Stock Exchange New Building,
Dalal Street, Bombay-1.

Messrs. Harkisondas-Lukhmidass,
New Stock Exchange Building,
Hamam Street, Bombay-1.

CALCUTTA.

Messrs. Place, Siddons & Gough, (Private) Ltd.,
6, Lyons Range, Calcutta-1.

Messrs. Chunilal T. Mehta,
8, Lyons Range, Calcutta-1.

NEW DELHI

Messrs. Harbans Singh Mehta & Co.,
33, Regal Building,
Parliament Street, New Delhi.

Messrs. Raj Paul Chadha & Co.,
Delite Cinema Building, Ajmere Gate Extension Area, Asaf Ali Road, New Delhi.

MADRAS

Messrs. Paterson & Co.,
22, Errabalu Chetty Street, Madras-1.

Messrs. Chitra & Co.,
16, Bombay Mutual Building Annexe
322/323, Linghi Chetty Street, Madras.

AHMEDABAD

Messrs. Chinubhai Chimanlal Dalal,
Manekchowk,
Ahmedabad.

BANGALORE

Mr. M. Nanjappaiah Jahgirdar,
181, Cavalry Road,
Post Box No. 71,
Bangalore-1.

THE BOMBAY GAS COMPANY LIMITED

CHAIRMAN, MR. N. K. JALAN'S ADDRESS

Chairman's Address by Mr. N. K. Jalan at the Annual General Meeting of The Bombay Gas Company Limited, on the 3rd October 1963, at Bombay.

Gentlemen,

It gives me much pleasure to welcome you to the Annual General Meeting and to present to you the Balance Sheet and the Annual Accounts, together with your Directors' Report, for the year ended 31st December, 1962. These have been in your hands for some time now and, with your permission, we may take them as read.

Disappointing Financial Result

You would have found that the Accounts for the year 1962 reveal, once more, and for the fourth year in succession, an extremely poor and disappointing financial result of the working of the Company. The Accounts under review show a net loss of Rs. 59,636, after providing for taxation at Rs. 52,507. If the income of Rs. 1,32,707, which was derived from the investments of the Company, is excluded, the net financial result of the main operations of the Company, namely, production and distribution of gas, would show a loss of Rs. 1,92,343. To arrive at a correct assessment of the financial result of the Company's working in 1962, however, it is necessary to exclude a further sum of Rs. 1,36,200, being the proceeds of bills for the consumption of gas by the domestic consumers in the earlier years, of which the booking had fallen into arrears due to the altered system of meter reading introduced in 1959 and which were actually booked and realised only in 1962. On this basis, the production and sale of gas by the Company during 1962 actually resulted in a loss of no less than Rs. 3,28,543. On account of this markedly unfavourable financial outcome of the Company's working, your Directors regret very much to say that they were not in a position to recommend the payment of any dividend to the stockholders for the year 1962. This is the first time, since the Company was taken over by the present management seventeen years ago, that a dividend has been passed. It may be recalled that the dividend rate for 1959 and 1960 was 6.5 per cent gross or 4.55 per cent net, each, and for 1961, 5 per cent subject to tax, i.e., 3.5 per cent net and that, even in paying the paltry dividend of 3.5 per cent net for 1961, the Directors had to draw upon the General Reserves of the Company. In your Directors' Reports for the preceding three years, it was explained in detail how a continuous deterioration in the financial condition of the Company had been brought about by progressively increasing costs of coal, railway freight, taxes, wages and amenities for labour, etc. There was a further rise in the main items of cost during the year under review and the result was, as shown by the Accounts, a further serious worsening of the financial position of the Company to the point of a crisis.



Mr. N. K. Jalan

Heavy Increases in Costs

A clear idea of the rapidly increasing costs of manufacturing and distribution of gas will be given by the following figures :

	1957 (Rs.)	1962 (Rs.)	Increase (%)
Price of coal (per ton)	48.12	60.36	25.44
Total cost of coal used	43,14,132	63,18,424	46.46
Wages bill	22,26,922	27,77,468	24.72
Amenities for labour	4,03,634	5,73,198	42.01

It would be noted that the above three items alone caused an increase in expenditure by as much as Rs. 27,24,401 or nearly 40 per cent. In the last few months of the current year (i.e., 1963), the increases in the cost of coal, freight, Emergency Risks Insurance premium (Rs. 1,74,452), cost of electricity, etc., totalled up to, approximately, Rs. 4,44,000 per year. The effect of this further heavy increase in cost in the current year is to aggravate the financial position of the Company still further day by day. And since three quarters of the year have already passed by without any financial relief having been granted through a price increase, it is to be feared that the financial result of the Company's working for the current year would be far worse than ever before, unless urgent and adequate relief is offered to the Company through a substantial rise in the price of gas.

Unsatisfactory Coal Supplies Still Continue

In my address at the last General Meeting, I informed the stockholders how the present system of loading coal in box wagons had been causing serious losses to the Company both financially and operationally. As the shortcomings of the system still continue to affect the Company adversely, I should like to comment, once again, upon this important matter. As the stockholders are no doubt aware, a box wagon has a capacity of 55 tonnes as against a capacity of 22 tonnes of the four-wheeler wagon in which coal was loaded previously. Moreover, to reduce marshalling time, for the last two years, the Railways have adopted the system of Rake Loadings. A Rake consists of 45 (four-wheeler) wagons on South Eastern Railway and 70 (four-wheeler) wagons on Eastern Railway. Therefore, 18 box wagons on the South Eastern Railway and 28 box wagons on the Eastern Railway constitute a rake. As there are very inadequate numbers of heavy weigh-bridges with siding accommodation, at important stations, short loading of coal cannot be checked most often. For this reason, the Company not unoften receives a shorter supply of coal than it has paid for. Secondly, as it is difficult for the collieries to load a rake of box wagons with good quality coal within the demurrage-free time of 5 hours, there is often a tendency to load inferior coal along with good coal. In consequence, the Company receives considerable quantities of low-quality coal, although it has to pay for good quality coal. This is a further source of loss to the Company. Thirdly, the free time allowed for loading and unloading of coal was reduced from 12 hours to 9 hours, then to 6 hours, and thereafter to 5 hours, in the case of four-wheeler wagons. Now, although the carrying capacity of a box wagon is 2½ times that of a four-wheeler, the free time allowed remains the same 5 hours, instead of being increased *pro-rata* to 12½ hours. Like many other coal users, our Company's unloading arrangements and sidings are related to four-wheelers and not to box wagons, and, consequently, the Company is not able to unload the coal supplies within the demurrage-free time and, therefore, has to incur heavy demurrage charges. We would request the railway authorities to review the position and suitably extend the free time for unloading of coal and thereby save the coal users from unfair demurrage charges.

Gas Advisory Committee

As a result of our representations regarding the serious deterioration of the financial position of the Company, the Government of Maharashtra was pleased to appoint a new Gas Advisory Committee on the 16th February, 1963. In response to the Committee's request to furnish it with relevant information and cost data bearing on the case for an increase in the price of gas, the Company submitted a detailed Memorandum, including carefully worked-out cost estimates and other important information, on the 16th March, 1963. Detailed information on several aspects of the Company's operation was called for and furnished.

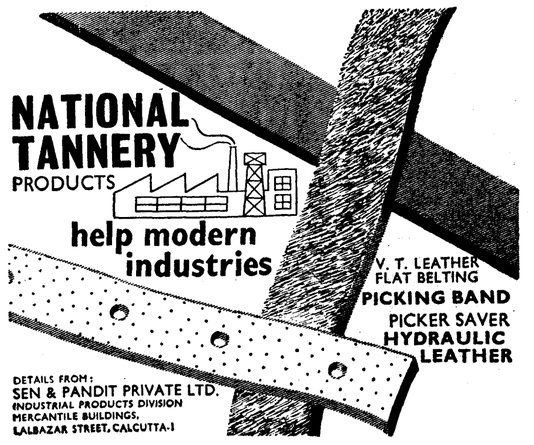
The Company stated that, since the take-over by the new management, it had expanded the sale of gas by over 60 per cent and increased the number of gas connections from 14,831 to 18,261. It was explained that, if the per capita consumption of gas had remained at the level of 1946, the increased gas supply would have been sufficient to enable the Company to give as many as 9,000 new gas connections within the period. However, due to a substantial increase in gas consumption per consumer, the number of new gas connections had to be limited to a little over 3,400. The Company also claimed that the quality of the service provided by it compared favourably with that of the most highly reputed public utility companies, such as the leading electric supply companies of the country.

Price Increases for Basic Commodities and Services

Ever since price control for essential commodities and services was instituted, the Government and other price-fixing authorities have sanctioned repeated and substantial price increases to meet cost increases either as a result of ad hoc inquiries or under an Escalator Clause. Thus, successive price increases during all these years have been granted in respect of basic commodities, such as iron and steel, cement, coal, etc., and basic services, such as electricity, telephones and postal rates, rail fares and freights, coastal freights, air fares, B.E.S.T. bus fares. Indeed, it is now an established principle of price fixation in India, in respect of controlled commodities and services, that increases in the costs of basic factors, such as coal, wages, electricity, rail freights, rates and taxes, Emergency Risks Insurance premium, etc., should be covered by adequate price increases. It is also an established principle that controlled prices should provide for sufficient return on capital so as to permit the distribution of dividends at prevailing rates for comparable industries and also a sufficient margin for reserves, to be ploughed back into the industry by way of rehabilitation and expansion. These principles have been followed in India over many years in the cases of practically all controlled commodities and services. Incidentally, these are also the principles that are followed by price-fixing authorities in other advanced industrial countries of the world.

Case for an Increase in Gas Price

But, unlike other important concerns producing basic commodities or services and receiving the benefit of price increases to meet cost increases, time and again, the Bombay Gas Company had the unenviable distinction of providing a unique instance in the country's post-war economic history, of the price of its service having been pegged down to a figure which was slightly lower than that of 1926, even though the costs had indisputably increased by a substantial margin within the period. In the Memorandum submitted to the Gas Advisory Committee, the Company has suggested that, in determining a fair price for gas, the following factors should be taken into account : (a) Actual costs of production and distribution of gas ; (b) provision for reasonable improvement in salaries and wages ; (c) provision for annual bonus ; (d) provision for gratuity ; (e) provision for contingency with an Escalator Clause to take care of unforeseen cost elements arising out of dynamic changes in the economy ; (f) provision for rehabilitation ; and (g) adequate return on capital so as to provide for reasonable dividends to the stockholders and suitable allocation to reserves. In this connection, the Company invited the Committee's attention to the currently prevailing rates of overall return on the invested capital earned by some of the leading public utility companies and certain other high-ranking industrial concerns of the country.



Company's Expansion Programme

The Company's request for an adequate revision of the price of gas, though fully justifiable on the ground of cost increases, was, however, linked up with a definite offer by the Company to undertake a substantial expansion programme designed to enable the Company to give 15,000 to 20,000 new gas connections over a period of three years, at an estimated capital outlay of some Rs. 150 lakhs.

Possible Saving in Foreign Exchange

The Company pointed out that, apart from its importance in the context of the country's determination to step up industrial and defence production, the proposed expansion of gas supplies could result in a saving of the country's much too precious foreign exchange resources to the tune of some Rs. 46.48 lakhs by reason of the resulting reduction in the consumption of imported kerosene for heating and lighting purposes.

High Price of Substitutes

There was one more important and interesting factor which was brought to the Committee's notice. Over the last few years, two of the leading oil companies had placed on the market a close substitute for piped town's gas, viz., Liquid Petroleum Gas (L.P.G.), or, as it is popularly called, bottled gas. The current selling price for this L.P.G., in terms of British thermal units, was almost four times as high as the present rigidly-controlled price of town's gas in Bombay. It is noteworthy that, even at this price, there were reported to be no fewer than 45,000 consumers of L.P.G. in the city of Bombay itself. It was also reported that a far larger number of potential consumers in the Bombay city and elsewhere were eager to obtain supplies of L.P.G. for their use, even at that high price. In view of the fact that, in spite of its appreciably higher price, there was extensive demand for L.P.G. in Bombay and other places, the Company strongly suggested that the Bombay public was certain to welcome a substantial increase in the availability of town's gas even though it would entail a moderate rise in the gas bill on account of heavy increases in the main elements of cost, such as coal, railway freight, taxes, wages and amenities for labour.

We trust that the Gas Advisory Committee would be considering the entire question of price revision in the larger perspective and would recommend an adequate price for gas which would enable the Company to continue to give and extend its good service to the city of Bombay, specially in the context of the current situation and foreseeable future developments in the country. In this connection, we may note the rapid strides which the gas industry has been making in western countries. It may be pointed out that in London there is one gas meter for every five persons, whereas in Bombay there is at present one gas meter for every 225 persons of the population. Recently, a tripartite agreement was signed for the joint sponsorship of a new company formed to extend the network of gas transmission and distribution system in Pakistan. If the Bombay Gas Company is given an adequate price rise, as it has every hope that it will be, it is the Company's determination to go ahead with installation of more and more gas connections in the City, either to private consumers or to such industries as may be specified by the Government, and the Government of Maharashtra would be in a position to demonstrate that, in the matter of amenities, Bombay, which is perhaps the most progressive city in the country from every point of view, is not lagging behind in this matter of the availability of gas, which is the cheapest fuel on tap. As mentioned earlier, we have already given an assurance to the Government that about 15,000 to 20,000 new gas connections would become possible to be given on an adequate price rise being granted, and it will be the endeavour of the Company to fulfil this programme even ahead of schedule. At present there are only two cities in India, Calcutta and Bombay, supplying town's gas. The result of an extension of the network of distribution which the Company will be able to undertake on being granted a price rise would be that the city of Bombay, which is the *Commercial Metropolis of India*, would have taken one more step in the matter of providing amenities and comforts to the citizens of the enlightened State of Maharashtra, which are the hall-mark of every progressive city in the world today.

Plant and Equipment

You will be glad to know that the New Elevated Purifier Box, which, as I informed you on the last occasion, was under construction, had been in commission since 30th December, 1962. On page 13 of the printed Accounts (Statement 2A), you will find that about Rs. 15 lakhs worth of Plant Machinery and Equipments had been newly added to the Capital Block.

Welfare Activities

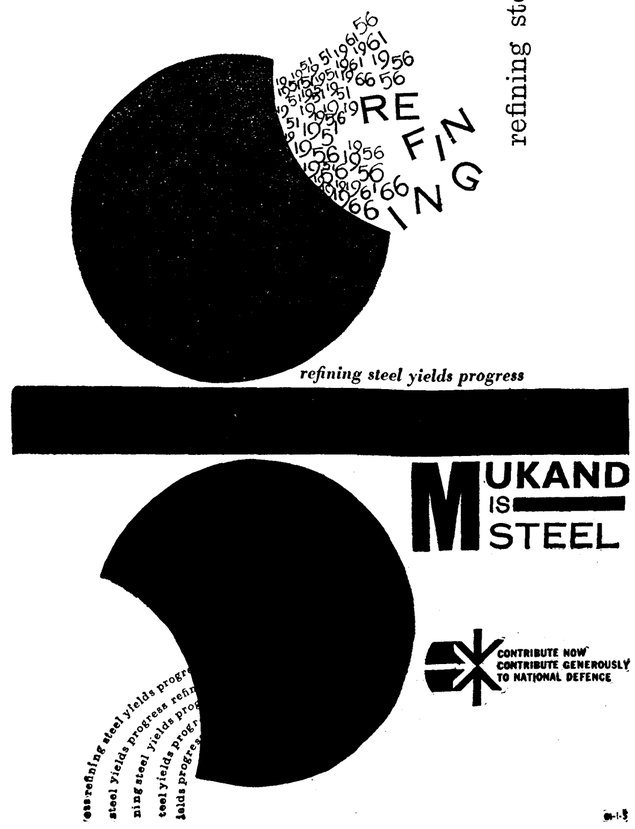
In the months of October and November, 1962, immediately after the declaration of the national emergency, an appeal was issued by the K.E.M. Hospital Authorities for blood donation. The members of the staff and workers made a very good response and donated 19,000 c.c. of blood. In addition, the workers and the members of the staff gave a contribution to the National Defence Fund to the tune of about Rs. 20,000/-. The workers and staff members continued to take advantage of the facilities provided by the Company in its dispensary at the Gas Works. X-Ray and Screening Plant and Diathermy and Infra-Red Equipments in the Physiotherapy Section were well utilised. The annual medical check up of the employees was conducted as usual.

Appreciation

Before I conclude, I would like to express our warmest appreciation to the workers, the staff and officers, for their wholehearted co-operation, and, specially, to Shri S. Chowdhary, your General Manager and Secretary, and Shri A. S. Rao, your Deputy General Manager, for their invaluable services.

Thank you.

Note : This does not purport to be a report of the proceedings of the Anual General Meeting.



THE NATIONAL NEWSPRINT & PAPER MILLS LIMITED

CHAIRMAN REVIEWS PROGRESS

As Sir A. Ramaswami Mudaliar, Chairman, could not be present at the Meeting, speech prepared by him was read out by Mr. S. N. Mehta, a Director of the Company, who was elected as Chairman of the Meeting held at Nepanagar on 30th September, 1963.

Gentlemen,

I have great pleasure in extending to you a cordial welcome to the 16th Annual General Meeting of the Shareholders of the National Newsprint & Paper Mills Limited. The Directors' Report, Balance Sheet and the Audited Accounts for the year ended 31st March 1963, have been in your hands for some time, and with your permission I shall take them as read.

I must apologise for my inability to be present in person, largely due to the difficulties of communication to this somewhat remote place, Nepanagar.

Rise in Production

During the year under review, 26,515 tons of newsprint was produced, an increase of 1,236 tons over that of the previous year. The target for the current year is 30,000 tons which is the capacity indicated for the Plant by the consulting firm which designed and established the Plant.

I have been connected as Director and Chairman of the National Newsprint & Paper Mills Ltd., for over twelve years, and you will excuse me if I give a short review of the progress that has been made durnig this period. Being the first venture of this kind in the country, there were obviously difficulties to overcome before the Mill could come into operation on a satisfactory basis. To these difficulties were added the conditions under which this venture was established. Its location—the raw materials it would use—the supply of water which was essential for the purpose of the Mill and for the township which had inevitably to grow around this area, were so casually dealt with at the inception of the idea, that it produced serious problems which at one time looked almost impossible of solution. Efforts made to overcome these difficulties have not been fully realised by the public who constantly criticise the quality of the paper and particularly its shade. I do not want to go into the manner in which the Board of Directors dealt with these problems and ultimately succeeded in finding a proper solution for them. Difficulties of recruitment of staff had also arisen owing to the rigorous regulations regarding pay and perquisites which the Central Government prescribed.

I must however state, that the great step that was taken by both the Central Government and the Government of Madhya Pradesh in regard to the financing of the scheme, has been the turning point of the fortunes of this public sector venture. In my previous statements I have referred to the fact that the loans given by the two governments were to a certain extent converted into capital and equity shares by the respective governments and that the balance of the loan was repayable with interest thereon to the respective governments. A further concession that was of great value to the Mills was that the M.P. Government agreed that the accumulated interest charges amounting to over 110 lakhs should be frozen and should carry no further interest. The agreement further provided that this accumulated interest should be paid in ten instalments, the first instalment being paid within a year of the reorganisation of the capital structure, i.e., before 1959. Owing to these operations, the position today is that apart from the capital of the two governments and of the private shareholders, all the loans which carried interest have been paid to the two governments, the loans themselves amounting to over 1 crore 37 lakhs. Further, the frozen interest debt to the Madhya Pradesh Government has been reduced from 1 crore 11 lakhs to 66 lakhs, which is the amount now due to that Government.

Caustic Soda Chlorine Plant

To meet the very justifiable criticism of the consumers of newsprint regarding the brown shade of your products, the Board decided that a Caustic Soda Chlorine Plant should be constructed and in collaboration with a Swiss Firm, the Plant and Machinery has been obtained and is being installed. It is expected that the production from this Plant will be available for utilisation by the Mill in the first half of 1964.

I referred to the location of this Factory, which as I described, was made in the most casual manner by the entrepreneurs who formed the idea of such a factory. The result has been, that a whole township with a population of over 5,000 had to be gradually established at Nepanagar. The housing had to be done entirely by the Company, schools had to be established, hospital with fairly modern equipment had to be provided for, medical assistance necessary for running the hospital and looking after the patients, men, women and children of the colony, had to be recruited. All these costs have been borne by the Factory. This required an enthusiastic set of officers and workers to join together in running the Factory in fairly economic conditions and it is gratifying to the officers and workers, as well as to the Board, to receive a Certificate of Honour presented by the President of India, to the National Newsprint & Paper Mills Ltd., Nepanagar, for satisfactory performance during the year 1962.

The Management did not content itself with merely attempting to reach the target of 30,000 tons production, fixed initially by the designers of the Plant. For the last three years they have had under consideration, the expansion of the capacity of the Factory, and as the Directors' Report says, have continuously examined with the help of the experts of the forest department of the Madhya Pradesh Government and the Technical Advisers of the Government of India, the availability of raw materials for doubling the capacity of the Plant. The Board has now decided to apply to the Government of India for licence for carrying out substantial expansion which may reach 75,000 tons instead of the present production of 30,000 tons.

Improving Quality

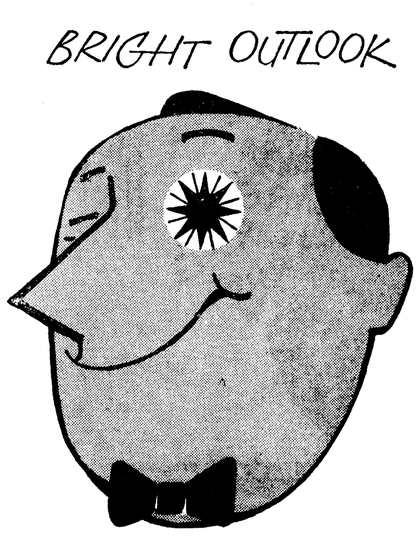
With a view to improving the quality of the paper, experiments are being made for a new method of treating the wood pulp. These experiments have, on the laboratory scale proved successful, and it is hoped that by the utilisation of the caustic soda produced at our own plant, and new methods adopted for treating the hard wood, there will be no serious complaint about the quality of the paper both in the colour and in tensile strength.

In connection with the actual running of the Factory, while I have paid a tribute previously to the Managing Director, Mr. S. L. Visvanadhan, and to the Assistant Works Manager and other technicians in charge of the Mill, I must pay a special tribute to the new Managing Director, Mr. P. S. Kothari, who has given a great impetus to the production in the Factory. I should also like to mention Mr. Singhania who has borne much administrative responsibility and has helped the Board very considerably.

One last word about the net profit which is indicated in the Balance Sheet and how it is proposed to be utilised. The profit after deducting depreciation and development rebate and a small reserve to doubtful debts, amounts 50,19,549.28. There was still a debit balance at the beginning of the year under review of 24,82,980.95. After adjusting the debit balance, the amount at credit will be 25,36,568.33. This profit would have allowed the distribution of a 5 per cent dividend subject to tax on the entire shareholding, and I would have recommended to my colleagues in the Board to accept the proposal, but for the fact that at the last moment, we were presented with a contingent liability from income-tax assessment, which would have absorbed, if correct, the entire profit and a considerable sum over it. The assessment is the subject of an appeal and I am fairly confident that the Company will ultimately be found not liable to this taxation. I have been working in the hope and expectation that during my Chairmanship, I shall be in a position on behalf of the Board, to declare a substantial dividend to the shareholders. Knowing the position of the Company and its working, I feel confident that during the current year 1963-64, the Company will be in a position to declare a dividend, perhaps even an interim dividend during the course of the year. I would like therefore, first to pay tribute to the private shareholders for the patience they have shown and the confidence they have reposd in the successful working of this public project.

My final duty, and it is a pleasant one, is to record my appreciation of the staff and workers for their wholehearted co-operation in making this project a success. To every one of them, from the unskilled worker through all the grades to officers and management, I should like to express my high appreciation for their devoted work.

Note: This does not purport to be a report of the proceedings of the Annual General Meeting.



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New Delhi

EXPERT BODY CONSIDERS STEEL TARGET FOR FOURTH PLAN

(FROM OUR NEW DELHI CORRESPONDENT)

THE committee which is considering the fourth plan steel target, with the Secretary to the Central Ministry of Steel, Mr. N. N. Wanchoo, as its chairman, held its first meeting in New Delhi last week. The planners, it is reported, favour a target of 20 million tons, against 18 million tons suggested by the Lokanathan Committee. But the latter has not indicated the cost of raising steel production from 10 million tons in the third plan to 18 million tons in the fourth.

Certain aspects of the problem need to be examined closely. First, the actual production of steel by the middle of the fourth plan is estimated to be 7 million tons. In other words, India will have to stage a leap forward in steel production from 7 million to 20 million tons within a period of two-and-a-half years. Secondly, it takes about thirty months to place orders for equipment and for the plant to go into actual production. Working backwards, it takes a year to obtain tenders and place firm orders for equipment. Before that, it takes at least 12 months for preparing a project report and examining it. In other words, if credit arrangements had already been made, the plans framed in 1963 for new plants and the expansion of the existing ones may yield results by about 1971. Even if these plans materialised, it is doubtful whether the increased production would be of the order of 18 million or 20 million tons. The establishment of the Bokaro steel plant could go a long way in raising production. But the cost of Bokaro is estimated at Rs. 500 crores and each million tons of additional steel could easily cost Rs. 100 crores. The outlay on additional steel production of 11 million tons during the fourth plan is, therefore, estimated at Rs. 1,200 crores. This should provide an indication of what final outlay on steel under the fourth plan is being talked about.

F. I. C. I.

Levies on Exports

In a Press note issued last week, the Federation of Indian Chambers of Commerce and Industry said: "The Federation's stand all along has been that the State Governments must pursue an active rôle in promoting exports and should not merely concern themselves with the question of giving relief in the matter of sales tax. There are various State levies, such as electricity duty, royalties, cesses and the like which impinge on costs. As for sales tax, it is important that the State Governments should take immediate steps to reduce its incidence on export products and also devise ways and means to enable exporters to obtain a rebate, on an *ad hoc* basis, of sales tax paid on raw materials, accessories and components of the finished products exported."

In this context, a report of India's trade representative in Aden, which is reproduced below, is interesting:

Lungi is a traditional dress of the Arabs in Aden. On a rough estimate, it is gathered that, nearly 3,500,000 yards of cloth in the form of *lungies* enter the Aden market every year. Japan, India and Syria are the main supplying countries, but Japan dominates the local *lungi* market. The following are the main causes for the popularity of rayon *lungies* imported from Japan: (i) extremely low prices; (ii) readiness and capability of Japanese manufacturers to offer products strictly in accordance with the samples, designs and patterns furnished by prospective buyers; and, (iii) the periodical introduction of new and modern designs in the market.

Lungies in darker shades are generally popular in this market, but big multicoloured "checks" with a dark background are also preferred. Each Japanese *lungi* is wrapped in cellophane paper; ten *lungies* are put in a bundle wrapped in brown kraft paper; 25 to 30 bundles (depending on the order) are then put in a wooden case. The packing of Indian *lungies* is also satisfactory, since there are comparatively few complaints from local importers.

Reasons for Setback

Of late, the report continues, the number of *lungies* imported from India has been showing a steep decline. Indian handloom *lungies* are gradually losing their popularity in the local market, due to competition from Japanese *lungies*. The main reasons for this setback are: (i) Higher prices of Indian products, compared with Japanese *lungies* manufactured by power-looms; (ii) clinging to old designs and apathy towards introducing new patterns; and, (iii) unwillingness of Indian manufacturers and the incapacity of the handloom industry to comply with the designs, etcetera, suggested by importers.

"The position of Indian *lungies* in Aden which has been one of their major markets for decades is rather precarious. It calls for a realistic approach and a new outlook towards the problem to meet the challenge facing the Indian export trade in *lungies*. This requires, it is felt, complete reorientation of the mechanism and mode of production, leading to the manufacture of the right product at competitive prices," the report says.

The Federation urges the Government to make it profitable for the Indian trading community to undertake exports. As the report from India's trade representative in Aden shows, it is not high prices alone which are affecting India's *lungi* exports. It is the inability of Indian exporters to move with the times.

FREIGHT RATES

Rise Resented

Mr. G. Venkateswara Ayyar, chairman of the Consultative Committee of Shipping Interests in Overseas Trade and Secretary to the Central Ministry of Transport, said while addressing the committee's meeting here last week that "the Government of India must express its grave disappointment at the short-sighted attitude of the India-U.K.-Continent Conference which had imposed a 12½ percent increase in freight rates." He added that the Government "considers itself free to take whatever steps are required to protect the legitimate interests of Indian trade."

Mr. Ayyar said that the Conferences and shipping companies carrying cargo from Calcutta and the east coast of India to the U.S. north Atlantic ports, U.S. Pacific ports and Canada had also announced a 10-percent increase in freight rates effective from 11th October, 1963. This, Mr. Ayyar said, was a second increase within a short period of two years, the freight rates in these trades having been increased in January 1962.

During the course of examination of various complaints received by the Freight Investigation Bureau, according to Mr. Ayyar, it had been observed that shippers in India were placed at a disadvantage *vis-à-vis* exporters from other countries in relation to freight rates, payment of rebates, etcetera. In many cases, freight rates on export cargo from India were high, compared with those on export cargo from other countries. The shippers in the U.K. and the Continent were allowed an option of either 10 percent deferred rebate or 9½ percent cash rebate, but no such option was allowed to shippers in India. This discriminatory treatment led to the locking up of shippers' money.

Side by side, the trade representatives of Germany, Italy and Japan are discussing whether to lodge a protest against what they allege is "flag discrimination" recently started by India. According to a *Gazette* notification of the Government of Goa, there will be three freight rates for the export of iron ore from that enclave. The floor price of $5.25 a metric ton will be allowed to any dealer exporting all his ore in foreign bottoms. He will be given a rebate of $0.15 if he were to send 20 to 30 percent of his ore in Indian ships. This rebate will be increased to $1.20 if he exports 50 percent of his ore in Indian ships. The following seven shipping companies are scheduled Indian companies which are eligible for the carriage of iron ore, for the purpose of earning the rebate: (1) Shipping Corporation of India, (2) India Steamship Company of Calcutta, (3) Scindia Steamship Company, (4) Apeejay Lines and Surendra Overseas, (5) Great Eastern Shipping Corporation, (6) Jayanti Shipping Company and (7) Thakur Shipping Company.

The notification issued from Goa lays down that the "concessions will be available to persons who undertake to make the first offer to ship 20 to 30 percent or 50 percent as the case may be of the ore agreed to be sold to the shipping companies at world competitive freight rates prevailing at the time of chartering or freight fixtures." The *Gazette* notification is slightly different. It says "at international freight rates prevailing at the time of shipping."

In this connection, Japan has lodged a protest against the change in prices. In any case, it reduces the force of Mr. Ayyar's contention. If the price of an Indian commodity like iron ore, which is in a buyer's market, can be reduced by $1.20 a metric ton when it is carried by Indian ships, the commodity can bear an increase of 12.5 percent in the freight rates. Having earlier agreed to increase the freight rates by rail, road and inland water transport, the Government cannot justifiably threaten to use all possible means to prevent the Conference lines from raising freight rates. Meanwhile, an increase in freight rates has been made inevitable by a rise in the cost of operation.

Mr. Ayyar said that all items of discrimination and disparity in freight rates should be taken up again by the Freight Investigation Bureau with the Conferences concerned directly as well as through the Indian shipping companies which are members of the Conferences concerned. The committee was told of specific instances of discrimination in freight rates for such commodities as coffee, aluminium sulphate and decorticated mattress type fibre, as shipped from Indian ports and foreign ports similarly situated. The attention of the Conferences was also invited to a wide disparity between the freight rates for the same commodity from different ports in India to the same destination.

The committee also noted the additional charge of $4 a ton levied on shipments from the U.S.A.-north Atlantic ports to Cochin, Madras, Visakhapatnam, Kandla and Gujarat ports. It decided that the Indian shipping companies, which are members of the Conferences concerned, should pursue this question further and try to persuade the latter to abolish the additional levies.

The committee was informed that although the local representatives of the India-U.K.-Continent Conference had been posted in India, complaints from shippers were still being received concerning difficulties experienced in getting timely shipping space, particularly from Madras, Cochin, Visakhapatnam and Tuticorin. Shipping interests were requested to take steps to ensure that India's exports to the U.K. and the Continent were adequately and fully covered and whenever they were not in a position to provide shipping space, they should grant immediately "dispensation within 48 hours to enable the shippers to make alternative arrangements without losing their accumulated deferred rebate with the Conference."

MACHINE-MAKING INDUSTRIES

Study Groups Set up

The following ten study groups have been set up in the Central Ministry of Heavy Industries to work out plans for the machine-making industries during the fourth plan period:

(1) *Electrical power equipment*: Equipment required for electrical power generation, transmission and distribution, including thermal boilers and heavy electrical equipment, including large motors and electrical traction equipment.

(2) *Transport equipment*: Rail and road transport equipment, including railway rolling stock and commercial motor-vehicles.

(3) *Steel and metallurgical industries equipment*: Equipment for steel plants and other heavy equipment for metallurgical industries.

(4) *Mining and drilling equipment*: Mining, drilling and other equipment for coal, mineral ore and oil industries, including beneficiation of ores, and coal preparation and washing.

(5) *Fertiliser and chemical equipment*: Equipment for fertiliser, petroleum refining, petro-chemicals and other heavy chemical industries.

(6) *Machine tools*: Machine tools, including hand tools, small tools and

heavy machine tools; welding equipment; pressing equipment; and furnaces.

(7) *Industrial machinery*: Equipment for cement, paper, sugar and other industries.

(8) *Textile machinery*: Equipment for cotton, jute, woollen, silk and artificial fibre industries.

(9) *Structurals*: Structurals, cranes, sluice gates and related items.

(10) *Engineering industries*: Items common to various industries such as castings and forgings, pipes and tubes, gears, ball and roller bearings.

The terms of reference of the study groups are as follows:

"1. To make an estimate of the requirements of equipment falling within the scope of the working group, considering the production programmes and investment in the sectors requiring such equipment during the fourth and fifth plans, in so far as they are relevant to the establishment of capacity for the manufacture of such equipment during the fourth plan. In making this estimate, the requirements of replacements and possibility of exports should be taken into account.

"2. To make an analysis of these requirements in terms of category of equipment and value.

"3. To work out in detail the requirements of each category of equipment, by type and by range, during each of the years of the fourth plan.

"4. To recommend the capacity and production targets for 1970-71, for each category of equipment, by type and by range, to the extent indigenous manufacture is considered feasible and desirable.

"5. To make an assessment of the production capacity of the existing and projected manufacturing facilities and to work out the gaps for each category of equipment.

"6. To investigate the best manner in which the gaps could be covered to the extent feasible and desirable by the end of the fourth plan; and to make specific proposals to this end, by way of expansion or new projects, etcetera.

"7. To make an estimate of the investment and foreign exchange on capital and maintenance account required for implementing the production programmes as recommended.

"8. To make an estimate of power, fuel, transport and other requirements of a significant order.

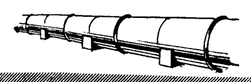
"9. To make an estimate of raw materials, components, etcetera, required for the manufacture of such equipment and to suggest measures for the indigenous manufacture of such items.

"10. To recommend measures by which the use of manufacturing capacity and programmes of production in the consuming sectors are co-ordinated to the fullest extent.

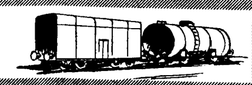
"11. To make such other recommendations as may be relevant."

ALL INDUSTRIES NEED

STEELON STABLE
for pipe joints, general repairs and fabrication work



STEELON STANDARD
for wagon building and medium structural work



STEELON ULTRA
for welding of ships, heavy structural work etc.

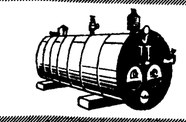


STEELON UNIVERSAL
Low Hydrogen iron powder electrode for welding low alloy high tensile steel for dynamic loading

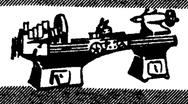


BOILERON
for boiler and pressure vessels welding

TUBERON
for boiler tubes welding



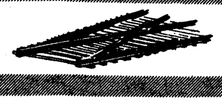
CASTRON (Guss)
for cast iron welding



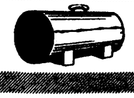
CASTRON (Kalt)
Shaft welding for giving machineable welds on cast iron



CRONI - MANGAN
for welding and hard surfacing of manganese steels



CRONI - NIOB
for welding stablised stainless steel



MODI ARC ELECTRODES

MODI ARC ELECTRODES
MODINAGAR (U.P.)

FERTILISERS

High Prices

The price policy of the international cartel N.I.T.R.E. for fertiliser supply in the free world may have far-reaching effects on India. According to reports, the organisation has made very large sales to east European countries. Sales of fertilisers at comparatively low prices were also made to China.

To break through the present stagnation in agriculture, India needs large quantities of fertilisers. It is explained that due to high prices, the offtake of fertilisers in India has declined. With still higher prices, the offtake of the Indian cultivator may fall further, lowering agricultural productivity.

Agriculture is a favourite subject of discussion at the World Bank meetings. The president of the World Bank, Mr. George Woods, said at the recent meeting of the Bank:

'The scale of our lending for agriculture has not, in my view, been commensurate with the importance of this sector. Thus far most of it has been for large-scale irrigation, flood control or land clearance projects. I believe that we must now intensify our support of agricultural development on a broader front—through such means as helping to finance storage facilities and farm-to-market roads, and through strengthening agricultural organisation that extend credit and technical help to the farmer. Such programmes are unlikely to yield quick and dramatic returns, and they will be expensive to support in terms of both manpower and administrative costs. But the need is clear and urgent."

Fertiliser supply to farmers to some extent, is already being subsidised in India. But there is a limit to subsidies. India, it will be seen, is faced with the alternative of self-sufficiency in food or the indefinite relience on P.L. 480 supplies from the U.S.A. That self-sufficiency in food is better of the two alternatives is evident. For this, India needs fertiliser imports at reasonable prices, till she is able to produce all the fertilisers she needs.

WEST GERMANY

Investment Guarantee

The recent proposal from West Germany for an investment guarantee agreement with India contains an operative clause. It is as follows:

"Investments by nationals or companies of either contracting party shall enjoy full protection and security in the territory of the other contracting party.

"The investments of nationals or companies of either contracting party in the territory of the other contracting party shall not be expropriated except for the public benefit and against compensation. Such compensation shall represent the equivalent of the investment affected; it shall be actually realisable, freely transferable, and shall be made without delay. Provision shall have been made at or prior to the time of expropriation for the determination and the giving of such compensation. The legality of any such expropriation and the amount of compensation shall be subject to review by the due process of law.

"Nationals or companies of either contracting party whose investments suffer losses due to armed conflicts, revolution, or revolt in the territory of the other contracting party, shall be accorded treatment no less favourable by such other contracting party than that party accords to its own nationals or companies concerning restitution, indemnification, compensation or other valuable consideration. As for the transfer of such payments, each contracting party undertakes to accord to the nationals or companies of the other contracting party a treatment no less favourable than it accords in comparable cases to nationals or companies of any third State.

"The provisions of above paragraphs shall likewise apply to returns from investments. Nationals and companies of either contracting party shall enjoy most-favoured nation treatment in the territory of the other contracting party in relation to the matters provided for in the present Article.

"Either contracting party shall guarantee to nationals or companies of the other contracting party the transfer of the capital, of the returns from it and, in the event of liquidation, of the proceeds from such liquidation.

"The term 'investment' shall comprise every kind of asset, and more particularly, though not exclusively,

"(a) movable and immovable property as well as any other rights in *rem*, such as mortgages, liens, pledges, usufructs and similar rights;

"(b) shares or other kinds of interest in companies;

"(c) titles to money or to any performance having an economic value;

"(d) copyrights, industrial property rights, technical processes, trade names, and goodwill;

"(e) business concessions under public law, including concessions to search for, extract or exploit mineral resources, giving their holders a legal position for a certain period.

"Any alteration of the form in which assets are invested shall not affect their classification as investment. The term 'returns' shall mean the amounts yielded by an investment as profit or interest."

The major question is, however, whether the flow of West German investment into India will improve with the signing at the proposed treaty. The experience of some Indian firms seeking collaboration has not been very happy. A climate of suspicion pervades many Indo-German negotiations.

PATENT LAW

Amendment Opposed

Stiff opposition is expected to the proposed amendment of the patents law. The U.K. High Commissioner, Sir Paul Gore-booth, saw the Central Finance Minister, Mr. T. T. Krishnamachari, last week when, it is believed, he placed before him the point of view of his Government as well as patent-holders. Similar representations have been made by the Governments of the U.S.A., West Germany, Switzerland and Denmark. The Indian pharmaceutical industry is unhappy over the proposed amendments.

Meanwhile, according to New Delhi reports, the Italian Government is having second thoughts over its decision not to recognise patents in food and drug industries. It is learned that since this decision was taken, no advance in those two branches of industry has been recorded in Italy. It may not surprise India if Italy were to reverse her earlier decision and reintroduce patents in food and drug industris as well.

U. S. A.

Loans for Power Projects

The Governments of India and the United States have concluded agreements providing for American loans totalling Rs. 24 crores to the Bandel, Cambay and Birsinghpur power projects. The three thermal power-stations will add 665,000 kilowatts to India's installed power generating capacity. The rupee loans have been made from the sale proceeds of U.S. agricultural commodities supplied to India under Public Law 480. The United States is financing the entire cost of the three projects. Earlier agreements provided for loans totaling Rs. 38.1 crores to meet the foreign exchange costs of the projects.

The Bandel power-station, near Calcutta, will become one of India's largest sources of electric energy. Its four turbine generators will produce a total of 355,000 kilowatts to meet the growing demands for power in the country's most industrialised region. Expansion and establishment of the chemical, heavy and light manufacturing industries and railway electrification will be made possible by power produced at Bandel. Power will also be supplied to a large number of irrigation pump sets.

The 250,000-kilowatt Cambay thermal power-station will play an important rôle in stimulating the industrialisation of Gujarat. Much progress has been made in construction at Dhuvaran village, near Cambay. In the initial stage, the boilers will use pulverised coal, but provision is being made for future conversion to oil firing. Additional power is needed in Gujarat for the expansion of existing industrial and for new industries such as cement, textiles, petroleum, heavy chemicals, and for rural and town electrification.

The Birsinghpur project provides for the construction of a 60,000-kilowatt power-station in Amlai, a rapidly growing industrial centre. The undertaking will meet the energy needs of north-eastern Madhya Pradesh, a region of abundant natural resources. Power produced at the plant will facilitate the establishment of cement, paper, coal-mining, diamond-mining and aluminium enterprises. It will also be used by existing Ordnance and chemical factories and to electrify railways.

CZECHOSLOVAKIA

Trade Team Arrives

A Czech trade delegation has arrived here for preliminary negotiations on a new long-term trade agreement with India. The Indian delegation for the talks will be led by Mr. S. Vohra, Joint Secretary to the Central Ministry of International Trade. Mr. F. Hamouz, Czech Minister of Foreign Trade, who will be arriving in India in the latter half of October, will hold talks with Mr. Manubhai Shah, Central Minister of International Trade, for concluding the five-year trade agreement.

The trade between India and Czechoslovakia is expected to be of the order of Rs. 12 crores each way in 1963. As a result of the negotiations, it is likely to be doubled by the end of 1966.

The major items of export from India to Czechoslovakia are iron ore, jute products, spices, coffee, mica, manganese ore and deoiled cakes. Imports from Czechoslovakia into India are machine tools, capital goods, power equipment, steel products, chemicals, etcetera.

MINERALS, METALS

New Export Body

The Minerals and Metals Trading Corporation of India Ltd, a new Government of India undertaking, started functioning from 1st October. It will handle the export of iron ore, manganese ore and other mineral ores and the import of non-ferrous and other metals. The new Corporation has been created primarily by separating the divisions concerning minerals and metals from the State Trading Corporation.

Mr. Govind Narain, at present chairman of the S.T.C., has taken over as chairman of the Minerals and Metals Trading Corporation. Mr. B. P. Patel, Adviser to the Programme Administration Department in the Planning Commission, has become chairman of the S.T.C.

The new Corporation, which is incorporated as a limited Company under the Indian Companies Act, 1956, has taken over all the assets and liabilities pertaining to minerals and metals trade from the S.T.C. It has a subscribed capital of Rs. 2 crores and all the shares, except two, are held by the President of India. Two shares will be held by the senior officers of the Government of India nominated by the President.

The new Corporation will draw and implement the plans for the export of various minerals and ores and coordinate the work with all the other authorities concerned in order to realise the export targets, through a uniform and synchronised development of mining, transport capacity, port handling arrangements and other facilities.

U.K. COAL BOARD

Lord Robens in India

Lord Robens, chairman of the British National Coal Board, is visiting India as the guest of the Government of India. In Delhi, he will have discussions with the Central Minister of Mines and Fuel. He will also visit Calcutta (leaving Delhi on 10th October) where he will have discussions with the private sector of the coal industry. The British National Coal Board is assisting India's National Coal Development Corporation in developing deep coal mining.

HEAVY ELECTRICALS

Project Report Approved

The Government of India has finally approved the Russian project report on the heavy electrical equipment plant to be installed in Hardwar. When in full production, the plant will manufacture 1.5 million kwt of turbo-generators, complete with steam turbos of 50,000 to 200,000 kwt and 1.2 million kwt of hydro-electric turbine of 10,000 to 100,000 kwt in addition to heavy and medium size A.C. and D.C. electric motors.

London

A PLAN FOR COMMONWEALTH TRADE IN NEXT DECADE

(FROM OUR LONDON CORRESPONDENT)

BRITAIN has put forward a plan for a systematic study of Commonwealth trade, with a view to obtaining a total picture of production and consumption as they are likely to develop in this decade and the next. This was made known recently, when the annual conference of the Commonwealth Finance Ministers ended its work at Marlborough House. The proposal was made by the Chancellor of the Exchequer, Mr. Maudling, in his capacity as leader of the British delegation, at the conference, which was attended by Finance Ministers from all 16 sovereign States in the Commonwealth as well as delegates from some of the larger colonial territories. The final *communiqué* describes the proposal as a suggestion for "a more systematic study of world economic trends in general and those of the Commonwealth in particular," and goes on to describe the potential benefits in these words:

"A collation of the economic and trade prospects of individual countries and of their development plans would throw light on the future pattern of demand for and supply of primary products and manufactured goods within the Commonwealth. It might well reveal new opportunities for the expansion of Commonwealth trade on a mutually satisfactory basis within the existing world-trade system."

Britain's proposal for a survey, or in Mr. Maudling's alternative description, "putting our forward projections together" was specifically made in the context of seeking new ways to raise the overall level of trade. But equally, the Chancellor of the Exchequer was careful to say that he was not thinking of any regulatory function, nor of setting targets, nor of trying to make the Commonwealth into a trading bloc. It was accepted by Britain just as much as any other nation represented at this London conference that Comonwealth Governments are sovereign and that they do not wish to be co-ordinated into a single commercial community. It was accepted that there were great differences in the degree of planning and economic development. But, having accepted those limitations, the Chancellor felt that there could usefully be a collation of data at the national level which would reveal future patterns of demand and supply and thus stimulate greater production and consumption.

Given this integrated picture of the way things were likely to go in the years ahead, Comonwealth exporters and bankers could go ahead to satisfy these demands through normal commercial channels and the free functioning of the market. The conference accepted the idea that such a plan would require detailed studies and a central clearing house. No Government has yet given any commitment, nor were they expected to, but the various Finance Ministers will take home with them the outlines of the plan to report to their Cabinet colleagues.

This means there will necessarily be some interval while this sounding-out process is carried on in various Commonwealth capitals, but Mr. Maudling, having set the ball rolling, is anxious to see practical results, and will welcome initiatives by his fellow Finance Ministers to amplify and carry out the plan. This was the normal gathering of Finance Ministers, which by convention, precedes the World Bank meeting in Washington. Looking forward to that, the delegations discussed the problems of primary producers, their vulnerability when the terms of trade go against them, and their difficulties in paying the cost of development loans by selling the products of their new factories in the markets for the more industrialised countries.

New Initiative

Is it time for a new initiative in the field of Commonwealth trade? The latest report from the Commonwealth Economic Committee, which broadly shows that as a trading "bloc" the Commonwealth is becoming steadily more diluted and absorbed in the general pattern of world trade, can be taken in two ways. Either it is a trend, demanding realistic appreciation and adaption of British commercial policy in a changed world: or it is a challenge, requiring a response in the form of attempts to reinvigorate trade on a more exclusive Commonwealth basis.

The Commonwealth contributed to the further increase in international trade in 1962, but accounted for a slightly lower proportion of the world total than in earlier years. *Commonwealth Trade, 1962* (7s 6d) shows how these movements were reflected in the trade of the Commonwealth, with its main trading partners, as well as in the exports and imports of individual member countries. Prices of primary products, which constitute a considerable part of Commonwealth exports, remained weak, and, although the actual value of Commonwealth sales rose to about £10,200 million, their share of the value of world exports (excluding those of the Sino-Soviet bloc) fell from 24 percent to around 23 percent. Over half of Commonwealth imports are manufactures and prices of these commodities were well maintained, so that total Comonwealth purchases exceeded £12,000 million in 1962 and accounted for almost 26 percent of world imports (again excluding the Sino-Soviet bloc).

In recent years, the Commonwealth has markedly increased its trade with non-Commonwealth countries to almost £6,700 million for exports and £7,750 million for imports in 1962. While this rise was more rapid than the growth of intra-Commonwealth trade, Commonwealth countries sold about 34 percent of their exports and bought 31 percent of their imports within the Commonwealth. Trade between the U.K. and other Commonwealth countries, which reached a peak in 1960, subsequently declined. However, the relative importance of the U.K. to other Commonwealth countries in trade both ways continued at about one-fifth. Although there have been appreciable annual variations, exports of Commonwealth countries, other than the U.K., to each other have shown an upward trend; the 1962 figure, at some £970 million, was one-fifth greater than that for 1958 and accounted for 28 percent of total intra-Commonwealth trade.

Exports to U.S.A. Up

Much of the expansion in Commonwealth trade in 1962 was with the United States. Exports to that market increased by some £230 million and imports from it by £180 million and the United States accounted for over one-fifth of Commonwealth trade in both directions. From the United States' viewpoint, the Commonwealth provided nearly two-fifths of its imports, the highest figure for many years ,and took 35 percent of its exports. The experience of individual Commonwealth countries in the United States market varied, but most of them, with the notable exceptions of Ghana and Pakistan, shipped goods to a higher value than in 1961, and in some cases, such as Australia, the proportionate gain was very substantial. The increase in Commonwealth imports from the United States in 1962 was largely in purchases by Canada, Australia, India and Pakistan; some countries, including the U.K. bought less.

Another feature of Commonwealth trade in recent years has been the growth in trade with European countries. Much of this has been due to higher U.K. sales, but other Commonwealth countries have also shared in the expansion. In 1962, however, the value of U.K. exports to these markets increased substantially, while those of other Commonwealth countries, in the aggregate, declined. The European Economic Community took 15 percent of Commonwealth exports and provided 12 percent of Commonwealth imports last year. The table below gives in summary form the trade of Commonwealth countries with each other and with their main non-Commonwealth trading partners:

	Exports (£ million)			Imports (£ million)		
	1958	1961	1962	1958	1961	1962
Intra-Commonwealth	3,251	3,518	3,417	3,323	3,611	3,555
U.S.A.	1,688	1,903	2,134	2,018	2,471	2,652
E.E.C.	1,062	1,409	1,492	1,046	1,365	1,351
E.F.T.A. a	412	559	588	495	625	629
Eastern Europe	165	312	312	149	244	282
China	77	137	111	163	135	146
Japan	243	452	413	268	401	441

a Excluding the United Kingdom.

The trade of individual countries is reviewed in detail in the memorandum. While the value of exports from most of the major Commonwealth countries continued to increase in 1962, in the majority of cases, the gain was under 3 percent. The increase for Ceylon was greater due largely to the higher value of sales of tea, rubber and most coconut products, while exports and re-exports from Hongkong rose by 11 percent, partly as a result of increased sales of clothing to the U.S.A. Canadian exports, by value in Canadian dollars, were 8 percent higher than in 1961; while sales of wheat and wheat flour and newsprint declined in value, much more was earned by crude petroleum, lumber and wood pulp. Increased returns from meat, wheat and wool were responsible for much of the growth in the value of Australian exports, while for New Zealand the increase in the value of meat and dairy produce shipments offset the fall for wool.

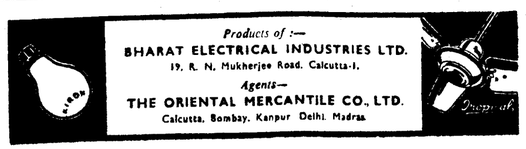
On the import side, the value of purchases by Canada, Pakistan, Malaya, Hongkong and Trinidad reached record levels in 1962, while there was some recovery in these into the U.K. and Australia. On the other hand, imports into Ghana and Nigeria were sharply reduced and there was a further fall in those into India and Ceylon. There was a considerable improvement in the balance of merchandise trade for a number of Commonwealth countries in 1962 and New Zealand, after the small deficit of the preceding year, once again had a surplus. However, the sharp rise in imports into Pakistan and the continued increase in those into Hongkong led to larger deficits for these countries.

Much of the decline in intra-Commonwealth trade arises from the trade of the United Kingdom, whose exports have risen faster in other markets. The U.K.'s import trade has also shifted a little away from the Commonwealth, although it is encouraging to note that it has improved sharply during 1963, with a rise of about 7½ percent so far—especially so because it has been largely due to greater buying from the poorer Commonwealth countries, notably India, Pakistan, and Hongkong.

Recent Recovery

What may be of more practical importance, however, is the recent recovery in sterling area trade. Increased imports from the sterling area do not normally harm the U.K.'s balance of payments because the extra earnings are held in sterling. In fact, the outer sterling area has been a help to the U.K.'s reserves most of the time in recent years—weakness in the reserves has generally been the fault of the U.K. herself. Exports to the sterling area (which excludes Canada, where the Americans continue to displace our exports) have risen due to increased imports by a number of countries, including Ireland and South Africa (not members of the Commonwealth), and could probably increase much more, as the *Guardian* points out, if the U.K. is readier to incur deficits with sterling area countries, not only by imports but also through aid. Over 90 percent of the U.K.'s foreign aid goes to these countries—a recovery of her trade with them is a hopeful sign.

The second series of meetings between the Indian cotton industry delegation and the U.K. cotton industry delegation, at which representatives of both the Indian and U.K. Governments were in attendance, concluded on 28th September. Agreement was reached concerning the categorisation of yarn imports, and for the collection of the necessary statistical information of grey cloth imports from India.



Jute

MR. BAJORIA CRITICISES SRIVASTAVA REPORT

THE rise of the Pakistani jute industry is a natural sequel to the partition of 1947 which left 80 percent of the jute-growing area with that country, says Mr. C. L. Bajoria, former chairman of the Indian Jute Mills Association, replying to the Srivastava Committee's allegation that the growth of the Pakistani industry is a direct consequence of the restrictions on production imposed by the I.J.M.A. since the introduction of the Working Time Agreement. Mr. Bajoria points out that the crippling export duties of Rs. 1,500 a ton on hessian and Rs. 300 a ton on sacking levied by the Government of India some years ago helped the Pakistani industry to become stronger. The heavy export duties deprived Indian mills of the resources which could have otherwise been used to modernise and rationalise their production.

Admitting that during the decade ended 1960, the Indian industry operated around 10 percent below capacity, he says that the restrictions were nothing but an organised adjustment of supply to the then prevailing conditions of world demand. He deplores the fact that the Central Government and the Committee have still not realised the threat to the Indian industry posed by the fast expanding capacity in Pakistan. "The way things are going", Mr. Bajoria warns, "it is only a matter of time before the entire sacking market abroad will be lost." That will be followed soon by a shrinkage of the hessian market. He is surprised that a Committee set up "for the specific purpose of suggesting ways and means to export jute manufactures should have chosen, deliberately, to ignore the greatest single threat not only to the expansion but even to the maintenance of India's existing export markets for jute goods."

Loss of Sacking Market

Referring to two annexures in the report showing the loss of sacking markets between 1948 and 1961, Mr. Bajoria points out that although exports of sacking declined by 38 percent from 451,200 tons in 1948 to 279,200 tons in 1961, the statistical evidence has been ignored in the body of the findings. Another statement shows the countrywise decline in exports between 1957 and 1961 as follows:

	(In tons) 1957	1961
Australia	81,400	36,500
Africa (including Ghana and Nigeria)	90,100	48,700
Burma	24,900	5,500
Cuba	51,400	44,800
Peru	10,400	2,500
Others	116,400	86,500

In fact, these markets were lost to Pakistan. Mr. Bajoria questions the Committee's conclusion that there will be increased opportunities for exporting Indian gunnies to eastern and western Europe and to parts of Asia, Africa and Latin America which do not have facilities for developing jute industries of their own. How could the Committee visualise that these expanding markets would come to India rather than go to Pakistan, he asks.

Referring to the production targets for the third and fourth plan periods, Mr. Bajoria says that the industry has already attained the third plan target of 1.3 million tons. The target can be achieved by the existing capacity with the addition of some spinning and preparatory machinery. Mr. Bajoria describes the "whole exercise in target fixing" as "unrealistic" since it ignores the threat posed by the Pakistani industry.

Working Time Agreement

Replying to the Committee's criticism of the Working Time Agreement, Mr. Bajoria says that its entire approach has been vitiated "by prejudice and a failure to understand the nature, objects and working of the Agreement." Thanks to the Agreement, "there was an orderly adjustment of demand to the available supply of raw jute" during the crucial period of fibre shortage in 1960 and 1961. Every mill got its fair share, price increases in fibre and jute goods were kept down to the minimum, and continuity in production and employment was assured. Denying the charge that the Agreement is "basically restrictionist in outlook", he says that production was curtailed only when fibre, coal or power were in short supply; it was never cut to inflate jute goods prices. Warning that the Pakistani industry will be the biggest beneficiary if the Working Time Agreement is scrapped as recommended by the Committee, Mr. Bajoria says that the smaller Indian mills will have to close down and their export markets will not go to "the bigger and more efficient Indian mills but to Pakistani mills whose competitive strength is greater than that of even the most efficient Indian mills."

To the criticism that the Agreement makes it possible for inefficient units to thrive at the cost of the efficient ones, he says that both in periods of poor and brisk demand, the Agreement has not affected the working of the industry at full capacity. In case of future expansion, the first priority should be given to the smaller mills to raise their capacity to 500 looms. He discourages the suggestion to allot third priority to the setting up of new units.

Buffer Stock for Gunnies

As for the Committee's view that stability in export prices could be better achieved by operating a buffer stock of jute goods than by regulating the level of production by the Working Time Agreement, Mr. Bajoria says that "the operation of the buffer stock will be in the full glare of publicity and closely watched in foreign countries". Foreign buyers will be prone to postpone their purchases in the knowledge that the holding power of the buffer stock will be strained and the stocks may be ultimately disposed of even at unfavourable prices. On the contrary, the use of the Agreement to expand or contract output will not enable overseas buyers to know the correct position. Besides, a jute goods buffer stock will involve heavy capital outlay, it will raise costs because of interest, warehousing and insurance charges. There will also be the problem of storage and of preventing deterioration.

Mr. Bajoria endorses the view that the grower should get an economic price for his crop in order to ensure an adequate supply of raw material for the industry. But he feels that the question of supporting the price of fibre does not arise at present. The all-inclusive cost of cultivation is about Rs. 20 a maund in West Bengal, Rs. 15 in Bihar and Rs. 18 in Assam. On this basis, he feels that Rs. 30 a maund, basis Assam Bottoms, "is clearly far above what can be regarded as a reasonable price." In an export industry in which raw material costs absorb as much as 60 percent of the selling prices of the finished goods, "any shortsighted

I.J.M.A. STOCK FIGURES FOR SEPTEMBER

The Indian Jute Mills Association reports the total stocks of jute goods at the end of September 1963 as follows:

Description	30th September, 1963		31st August, 1963		Increase over (+) or decrease from (−) last month		30th September, 1962	
	000 Metres (Lakh Yds.)	000 Metric Tons (000 Tons)	000 Metres (Lakh Yds.)	000 Metric Tons (000 Tons)	000 Metres (Lakh Yds.)	000 Metric Tons (000 Tons)	000 Metres (Lakh Yds.)	000 Metric Tons (000 Tons)
Hessian cloth and bag	16,18,40 (11.14)	32.7 (32.2)	10,69,14 (11.69)	33.7 (33.2)	−50.74 (−55)	−1.0 (−1.0)	8,04,30 (8.80)	24.7 (24.3)
Sacking cloth and bag	12,08,95 (13.22)	54.9 (54.0)	11,12,90 (12.17)	50.0 (49.2)	+96.05 (+1.05)	+4.9 (+4.8)	11,92,63 (13.04)	55.5 (54.6)
Others		19.5 (19.2)		20.0 (19.7)		−0.5 (−0.5)		13.7 (13.5)
Grand Total (000 Metric Tons/Tons)		1.07.1 (1.05.1)		1.03.7 (1.02.1)		+3.4 (+3.3)		93.9 (92.4)

N.B.—These figures are based on replies received and represent all members of the Association and Gagalbhai with estimates for two non-member mills. The figures in brackets are in British measures.

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generosity to the cultivator will inflate the prices of our jute goods and cause further loss of markets to Pakistan which gets fibre of comparable quality 25 percent cheaper". Mr. Bajoria pleads for a reduction in the price of raw jute to a "realistic" level. As for buffer stock operations in raw jute, he agrees with the Committee that the Government should take full control over the agency. But he differs from the Committee's view that the agency should sell its stocks to mills at cost price. As mills have to sell goods abroad at prevailing world prices, he suggests that buffer stock fibre should be sold at market prices.

Concerning speculation, he feels that the only effective way to end the evil is to close down the East India Jute and Hessian Exchange since it has become a predominantly speculative market because of the shrinkage of opportunities for such dealings in gold, silver, opium, linseed and shares. About creating a Products Development Cell in the Jute Commissioner's organisation, Mr. Bajoria says that the I.J.M.A. and the I.C.J.C. are already doing the work visualised for the Cell. If the Government so desires, instead of setting up a parallel third organisation, it may take over and reorganise the I.J.M.A.R.I.

Timely Showers Save Daissee

The Indian Central Jute Committee has called for the speedy implementation of its model scheme for retting tanks by the jute-growing States. While no effort or expense has been spared to put jute agriculture on a stable footing, a great deal is yet to be done to make good the country's deficiency in the natural facilities for retting. In the absence of slow-flowing clear water from rivers and canals as in Pakistan, jute retting water in India has to come mostly from man-made sources like tanks and tubewells.

Discussing the risks involved in having to depend on water resources in wayside ditches and burrow-pits, it says that but for the few heavy showers in the second and the last weeks of September, cultivators in the Daissee districts might have had to leave their jute fields unharvested. Alarm was spreading in the jute belt because the plants in most areas had grown long past the small-pod stage considered ideal for getting an optimum combination of high yield and good quality.

This is not the first time that half a dozen good showers have stood between a fine jute crop and its total loss. Instances can be multiplied of growers in many pockets who in the past had to abandon their jute plants as good only for cattle-feed because there was no water for retting. Water is basic to a high fibre yield, as well as to quality. As a result of delayed harvesting, the fibre extracted may be less fine and lustreless. Bsides, overmature plants take longer to ret than those cut at the right stage.

Reports indicate that the rain water which has accumulated in ponds and ditches during the last wet spell is barely adequate. The risk is that growers, in their anxiety to make the most of it, may feel tempted to do a quick job of retting by making repeated charges of bundles in the same water at short intervals. This practice damages the quality and reduces the value of the fibre.

The use of clods of earth, banana stems and freshly cut logs of mango tree to weight down jute plants for retting is bad. It is far worse when the supply of water is limited. Concrete slabs, dry logs or even big boulders can be used for weighting the bundles.

I.S.I. Standards

The Indian Standards Institution has published specifications for hessian (I.S. 2435-1963), heavy Cees jute bags (I.S. 2436-1963) and jute cornsacks (I.S. 2437-1963). A study group on quality control and pre-shipment inspection for jute goods was set up by the Government of India in February 1963. It recommended the formulation of Indian standard specifications for important items of jute manufactures. The constructions of the above items are covered in the three standards. The first prescribes the details and other particulars of two varieties of hessian of weight 305 g/m² (or 40in. 10oz.) and 230 g/m² (or 40in. 7½z.) the second of heavy Cees jute bags of dimension 102cm. × 71cm. (or 40in. × 28in.) and the third of jute sacks or corn bags of dimensions 104cm. × 58cm. (or 41in. × 23in.). The specifications, it is intended, will serve the purpose of quality control and pre-shipment inspection of these types of goods. The standard specifications are available from the I.S.I. offices in Bombay, Calcutta, Kanpur and Madras.

Rise in Gunny Stocks

Working to the maximum of their capacity, mills reporting to the I.J.M.A. ended September with jute goods stocks totalling 107,100 tonnes, the highest so far this year; the stocks were 103,700 tonnes at the end of the previous month. Sacking rose by 4,900 tonnes to 54,900 tonnes, while hessian declined by 1,000 tonnes to 32,700 tonnes, and other goods by 500 tonnes to 19,500 tonnes. Last year too, end-September stocks were at the maximum level for the year at 93 900 tonnes. Sacking stocks were slightly higher than last month's figure at 55,500 tonnes. But hessian stocks were considerably lower at 24,700 tonnes and other goods at 13,700 tonnes.

THE JUTE MARKETS

Manufactured Goods: A subdued trend prevailed in the manufactured goods market during the past week. Except for scattered buying of hessian by the U.S.A. for near positions, overseas enquiries were absent. Reports of Pakistan being booked to capacity because of a big deal with China aroused expectations of spill over orders from abroad. Shipper-covering against near positions aided sentiment. There were hopes of a Sudanese tender for about 10,000 bales of heavy goods and possible business with Cambodia. Another report of a contract for 10 million yards of hessian from West Germany was received on Tuesday. There was also a chance of a big Central Government tender for heavy goods. Meanwhile, taking into account the dearth of enquiries in hessian and the increasing interest in sacking, some mills have diverted a percentage of their looms to the production of heavy goods. On Monday, the market suffered a modest setback on the announcement of the rise in sacking stocks during September. But sentiment revived partially on reports that all heavy goods meant for shipment last month could not be moved out of the mills due to the congestion at Calcutta Port and at Sandheads. The week closed with small losses, on balance. Turnover was thin and the undertone easy. The futures market also moved downward in sympathy with the spot section. Nervous bull liquidation affected sentiment and bears showed little interest in covering their positions. As a result, prices dipped further after fluctuating within narrow limits. Turnover was moderate and the undertone hesitant at the close.

Wednesday's quotations were as follows:

	Oct.	Nov.	Dec.	Jan.-Mar.	Apr.-June
40in. 7½oz.	36.35	36.25	36.25	35.95	35.75
40in. 8oz.	39.00	—	—	—	—
40in. 10oz.	48.50	48.35	48.15	47.80	47.70
B Twills	115.50	116.25	116.00	115.75	115.50
Cornsacks	117.25	117.50	117.50	117.50	117.25
Heavy Cees					
(Plain)	113.50	114.75	114.75	114.75	114.75
A Twills	135.50	136.50	137.00	137.50	136.50
Liverpools	127.50	128.50	128.50	128.50	128.00

Raw Jute: Dull conditions prevailed in the raw jute market during the past week. Despite the issue of a purchase quota of 920,000 bales for October and the directive to co-operatives to commence buying in the secondary markets, activity was poor. Mills were virtually absent from the market although daily arrivals were increasing fast in the upcountry and Cossipore markets. All available warehousing accommodation was full. Sentiment was, however, propped up by the hope that the Jute Commissioner's directives would be complied with by mills and co-operatives before the deadline. But weak holders were reported to be transacting small business in selected grades at prices lower than the operational minimum levels in the interior markets. In Calcutta, routine transactions were reported in selected grade fibres around the floor levels. In the futures market, sentiment was disturbed due to tired long liquidation and the absence of worthwhile bear support. So the price declined from the previous week's levels. Turnover was small in the spot section and moderate in the futures market. The undertone was quietly steady in the former and hesitant in the latter.

Wednesday's quotations were as follows:

	Landed at Mills (Basis Bottoms) Current Prices		T.S.D. Minimum Prices	
	Rs. A Qtl.	Rs. A Md.	Rs. A Qtl.	Rs. A Md.
Assam-Agartala Jute	80.38	30.00	80.38	30.00
Northern Jute	79.04	29.50	79.04	29.50
Western Desal Jute	73.68	27.50	73.68	27.50
Selected Daissee	88.41	33.00	85.74	32.00
Assam-Agartala Tossa	85.34	32.00	83.05	31.00
Mesta:				
Assam- Northern	72.34	27.00	72.34	27.00
Local Daissee	72.34	27.00	72.34	27.00
Bihar Dist.	64.30	24.00	66.98	25.00

THE PAKISTANI JUTE MARKETS

FIBRE REMAINS FIRM

(FROM OUR DACCA CORRESPONDENT)

THE firmness in all local markets continued last week. This was largely attributed to purchases by communist countries. The Jute Board is channelling these purchases as far as possible through the Small Shippers' Corporation. Loose jute everywhere was very much in demand, and prices were rising daily. The first ill effects of a firm market appeared in Narayanganj in the shape of increased moisture content in the fibre.

With prices nearer to the overseas minima, some of the difficulties of the trade have been eased, so it would be bad if wet jute again made its appearance. The quality of jute, especially of white jute, which has been coming in has considerably fallen off. It is reported that this deterioration in white jute does not so much reflect the quality of the crop as the tendency of the seller to produce his lower quality jute, not only because

The Challenge

Defence effort necessitates development of a great ability to produce weapons and equipment and to transport them. At the same time, adequate supplies of essentials for civilian consumption must be maintained. All this involves tremendous finance. But to meet the requirement, the less we have to depend upon deficit financing the better for our economy.

The resources of the nation must be mobilised to feed the various needs for production and distribution. Bank is the most suited agency for this purpose. Put all your money in your bank account and make your payments by cheques. That will be your yet another direct contribution to the nation's defence effort.

United Bank of India Ltd.

REGD. OFFICE: 4, CLIVE GHAT STREET, CALCUTTA-1

the market is steady but also because he is concentrating more on tossa for which most attractive prices are being paid.

The rise in the market is more apparent in tossa than in white. There is no doubt that these high prices will be maintained for the higher grades of tossa, but the same cannot be the case with the lower grades since there are large quantities of Outport Tossa 2/3s in a big tossa crop.

The pucca bale market followed the trends in loose jute, but the higher prices are reflected mainly in cuttings with a premium of £2 for forward over ready. Most of the interests seem to be for N.C., and although this may be due to the fact that tossa cuttings are only just appearing, one gets the feeling that later in the season there will be a considerable discount.

Large purchases by the communist countries, namely, Russia, China, Czechoslovakia, Hungary and Poland, mostly in the form of barter, have greatly increased the demand from the other large consuming countries who have also come in for round quantities at the first sign of excitement in the market.

E.P.C. registrations during the second half of September were 311,452 bales, and they are likely to be large during the first half of October. If this steadiness can be maintained at least for a while, balers will be relieved to be able to do business both locally and overseas without any of the unpleasant manoeuvres necessary to sell and buy below the minima.

The authorities are going to start new Pakistan standards with effect from next season. The lowest grade will be Pak Hearts rising to a Pak Lightning, Pak First, Pak Reds and finally to a Pak Special, which will be the highest mark in white. These standards will apparently be set down in writing and will be based on the old original standards where an Export Heart could have up to 2 percent runners and as much as 5-inch hard ends and an Export Lightning could be rough cut. Furthermore, cognisance will be taken of the origin of the jute in certain grades. That is to say, a Pak Special will only be out of jat jute whereas the highest mark in districts will be a Pak Red and the highest mark in northern jute will be Pak First. Similarly and equally complicated will be the grading for tossa.

During the last week, E.P.C. prices in some of the operational grades were raised. All grades of mesta were increased by £1. This quality has just begun to come into the market in quantity. Mill Firsts and upwards, Dacca Tossa 5s and upwards, Crack Tosa 2/3s and 4s and Dundee Tossa 2/3s have all been raised by £2. It is probable that Dundee Tossa 4s and Dacca Tossa 6s and Export Firsts will also be raised, and possibly, Export Lightnings later on.

THE U.K. JUTE MARKETS

FIBRE BUYING RESTRICTED

(FROM OUR DUNDEE CORRESPONDENT)

THE raw jute market in Pakistan was very firm last week. The E.P.C. values of the higher grades of both white and Tossa jute were raised by a further £2 a ton. Barter arrangements have been entered into between Pakistan and other countries in which jute figures, and all this tends to make for higher prices. However, there was little change in the lower grades, and there were still many sellers willing to accept less than minimum export prices. Some shippers were refusing to accept less than official rates, and this resulted in their being left more or less out of the market. Dundee spinners showed less buying interest last week and business in the fibre was small.

The spot market in Dundee was firm, and holders of these parcels were asking more. Spinners were refusing to pay increased prices except for very good parcels and this slowed down business to a certain extent.

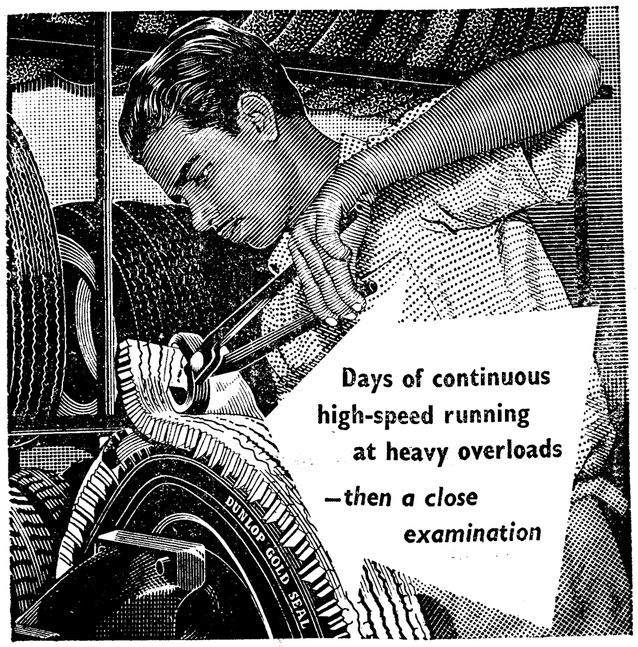
Shipment offers were lowest at £129 for Mill Firsts, at £169 10s for Mill Lightnings, at £95 for Mill Hearts and at £80 for Grade Hearts, c.i.f. U.K., for October-November shipment. Offers of Grade Tossa-2/3 were being made at £125 and of Grade Tossa-4 at £108. Outport Tossa-2/3 was quite freely offered at £97 and Outport Tossa-4 at £85 10s October-November. Cuttings were rather irregular at £56 for S.N.C. and at £47 5s for N.C. More offers of mesta were being made with prices at £78 for A, at £72 for B and at £67 for C, for October-November shipment.

The Siam jute market was quiet and little change in prices would be seen. Grade A was named at £67 10s, grade B at £62 10s and grade C at £58 10s, delivered mill Dundee for November-December shipment.

The Calcutta goods market was firm, but business slowed down because of the Puja holidays. Quotations were at 75s 6d for 40in. 10oz. and at 56s 3d for 7½oz. a 100 yards f.o.b. Calcutta for October shipment, at 74s 7d and 56s 1d November-December and at 73s 6d and 55s 1d January-March. B Twills were at 177s 4d, 178s 4d and 177s 11d for the respective shipment periods.

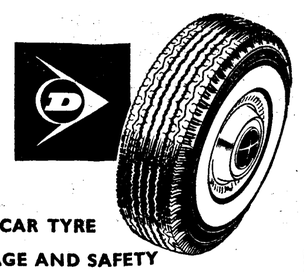
A good demand was shown for yarns in Dundee. Spinners are very busy and can only accept contracts for delivery in the forward position. The lowest price named for common 8 lb cops was 16.70d a lb, and quite a few spinners were asking more. Prices of other qualities were also tending dearer, but there were still sellers at the old price levels. If present demand continues, it is expected that all spinners will raise their selling rates.

As a result of the firmer yarn position, cloth prices were also raised. Common hessians were at 16.37d a yard for 40in. 10½oz. and at 12.97d for 8oz. Some manufacturers asked more for other descriptions of cloth.



That's how Dunlop Gold Seal car tyres are tested at the factory. From every batch of finished tyres, one is taken at random and run on a rotating drum at high speeds for hours and hours at heavy over-loads—and then cut up into pieces and minutely examined to determine just how ably the tyre has stood up to the strain. A large number of tyres are thus dissected every year to ensure the high quality of tyres for your car.

The Dunlop Gold Seal car tyre is continuously and rigorously tested at the factory and on the road, so that you are assured of high and trouble-free mileage with maximum road safety.



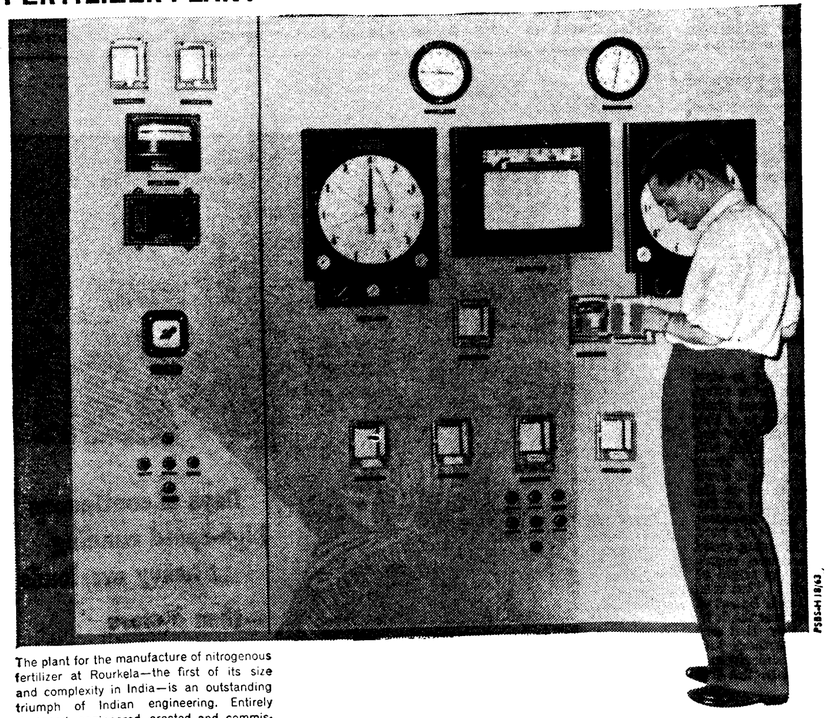
DUNLOP Gold Seal CAR TYRE

FOR TOP MILEAGE AND SAFETY

DC-587

HONEYWELL
INSTRUMENTATION
BY BLUE STAR AT
ROURKELA
FERTILIZER PLANT

One of the four control cubicles in the Nitrolimestone Plant, designed and built in India by BLUE STAR



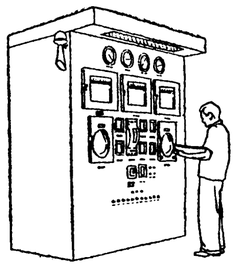
The plant for the manufacture of nitrogenous fertilizer at Rourkela—the first of its size and complexity in India—is an outstanding triumph of Indian engineering. Entirely designed, engineered, erected and commissioned by the F.C.I., it is a magnificent tribute to the skill, ingenuity and resourcefulness of Indian engineers and constructors.

To ensure maximum production at peak operating efficiency, to achieve optimum utilisation of by-products, to secure safety of plant and personnel, the Rourkela Fertilizer plant, like modern fertilizer plants in the technologically advanced countries, relies heavily on Honeywell instrumentation — Honeywell instrumentation by Blue Star.

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Depending upon the currency available, Honeywell instruments can be obtained from any of their plants in U.S.A., U.K., Europe and Japan.



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Commodity Markets

HIGH COST OF MAKING SYNTHETIC RUBBER

(FROM OUR SOUTH INDIAN CORRESPONDENT)

THE high cost of synthetic rubber produced in India is considered as a safety valve for the domestic natural rubber. The price of synthetic now rules at Rs. 4.40 a kilogram which is about Re. 1 more than the controlled price for natural, including cess. This would mean that the Indian-made synthetic rubber is not going to compete with the natural rubber in the near future.

The chairman of the Synthetics and Chemicals Ltd, which owns the synthetic rubber manufacturing plant in India, said the other day that the high cost of manufacture of this man-made rubber was due to the high cost of benzine which was at Rs. 2.84 a gallon, compared with the export price of 84nP a gallon besides the excise and other levies. The Company had already taken up the matter with the authorities and the chairman was hopeful that the claims for a reduction in these charges would be sympathetically considered. The U.P. Government had given an assurance to the Company about the supply of alcohol for the plant's full requirements. The supply of benzine from the steel plants was comfortable, and coal supplies were adequate, the chairman Mr. Tulsidas Kilachand told the recent annual general meeting of the Company.

The Company had produced 5,000 tons of synthetic rubber of the three principal types used by Indian consumers. The products conformed to international standards and have been approved by the tyre-manufacturing industry. It hopes to attain the full production target of 30,000 tons by the end of the year. If Mr. Kilachand's hopes concerning the availability of cheaper raw materials are realised the situation may change and the natural rubber growing industry may have to face competition from man-made rubber. The future of natural rubber depends in the ultimate analysis on its capacity to reduce its cost of production. For this, replanting and fresh planting with high-yelding planting materials are unavoidable.

COCOA

World Agreement Plan

The United Nations is at present working for an international cocoa agreement. At present, a conference of producer and consumer countries is being held in Geneva to prepare the agreement on the basis of a draft compiled by a study group of the F.A.O. An up-and-down pattern in cocoa supplies with sharp price fluctuations has characterised the world cocoa market. Historically, the balance between supply and demand is often so delicate that rather small production variations or trade shifts can cause marked price reactions. Over the past few years producing and consuming countries have made efforts through the F.A.O. and other international forums to develop an international arrangement providing stability for supplies and prices to the mutual benefit of producers and consumers.

The world production of cocoa in 1962-63 is now estimated at 1,163,000 metric tons, still second only to the 1960-61 record of 1,187,000 tons. One of the reasons given for this change was bad weather at harvest time in west Africa, where over two-thirds of the world crop is produced. Another was less Government emphasis on subsidised spraying programmes and lower price guarantees to growers in several major producing countries.

Consumption has been increasing but not as fast as production. This has resulted in a high inventory position with low prices. Most excess stocks are held by consuming countries. Producing countries do not have suitable facilities or favourable climate for cocoa storage. The present supply position contrasts with that of a few years ago when supplies were tight and prices were high. The increase in world consumption has been going on over the past several years and in all major consuming countries. In the U.S.A., for instance, grinding of cocoa beans during 1962 totalled 254,400 tons, compared with 254,100 tons in the previous year, and in 1963, they are expected to increase by 4 percent.

The present estimates indicate that world production and consumption of cocoa will be in virtual balance this year, but this assumes a continued substantial increase in consumption which may not take place if prices rise materially above present levels. They have already advanced in recent weeks from 20 cents to 25 cents a lb, following the reduction in the estimate for 1962-63 crop. Continued price increases might reduce consumption because manufacturers will use more of the lower-priced extenders and substitutes. This year, world cocoa production has reached a high level for the fourth successive time. But there are indications that the upward trend may be levelling off.

TEA

U.K. Buys More from Ceylon

(BY A SPECIAL CORRESPONDENT)

IT will be remembered that early in August, the Minister of Finance of Ceylon threatened British owned tea estates in that country with nationalisation. British sources state that one-third of tea consumed in the U.K. now comes from Ceylon where U.K. investors still own about one-third of the country's plantations. During the past ten years, the U.K. has purchased more and more tea from Ceylon. In 1952, less than 25 percent of U.K. imports came from that country, whereas last year, the proportion was over 33 percent, valued at more than £34 million. In view of these facts, tea interests in London were inclined to consider the Minister's threats as tub-thumping.

The secret of preparing an instant tea powder immediately soluble in hot or cold water seems to have leaked out, for a report from Madras says that "the Tea Board is considering a proposal for setting up plants in the Nilgiris for the manufacture of instant tea from fresh green leaves". Two co-operative factories to produce ordinary tea have been under consideration for some time in the same area.

In Kenya, two large co-operative factories are under construction at a cost of £240,000. These are intended to benefit small plantation holders and the Colonial Development Corporation is said to be financing two-thirds of the cost. The balance required will be put up by the Special Corporation Development Authority under a guarantee by the Kenya Government. The two factories are only part of a scheme to erect half a dozen such aids to small holders. The plan is to increase manufacture from 250,000 lbs in 1964 to approximately 1½ million each a year.

The Special Corporation Authority aims to assist small holding interests and to complete planting up to 11,000 acres in the best tea growing areas. Plans to develop another 12,000 acres between 1964-1970 are under way, and an application has been submitted to the World Bank for necessary finance. In view of the high cost of financing new planting in India, some of these ideas seem to be worth attention.

The key to the supply position may be in East Africa. The fact that so far production in Africa has not flooded consumer markets appears to be due to the extensive manufacture of sun-dried tea and its sale throughout that continent. This method is reported to have caused established factories to be short of leaf for orthodox manufacture and it is reported that because of this practice, teas for export have not shown any material increase in the past two years.

Until recently, sun-baked leaf was illegal. The method appears to be restricted to small holdings and apparently, it is caused by the local landowners not paying the pluckers in cash but in kind. The effect on the tea bushes seems likely to be damaging. The authorities are trying to stamp out this practice. The potential supply of surplus tea from Africa remains a danger to be reckoned with. But an interesting feature is the growing internal demand by the African community.

The total output from the major producing countries so far this season at 897.3 million lbs. compares with 893.8 million lbs in 1962 and 891.1 million lbs in 1691. Tea in sight shows only a small advance over the past two years. While north India falls back, Ceylon goes ahead—by about 16 million lbs. South India and Pakistan record small advances over last year, but the latter country is well below its 1961 record figure.

The weekly offerings in Calcutta now run round 70,000 packages for export and 30,000 packages of dust. Prices have been fairly satisfactory. The average for 1963 so far is Rs. 5.93, against Rs. 5.70 for 1962 and Rs. 5.39 for 1961, a kilogram. The average for Dust Rs. 5.02, against Rs. 4.79 for 1962 and Rs. 5.07 for 1961, a kilogram. Exports from Calcutta from 1st July to 22nd September was 47 million kilograms, compared with 49½ million kilograms during the same period last year and 48¼ million kilograms in 1961. In view of the short crop, this is quite satisfactory. The London auctions on 7th October had 23,276 chests from India on offer out of a total of 28,136 chests. Demand for Assams was strong generally at better rates. Dooars also did well, but orthodox manufacture, were somewhat lower.

BOOKS RECEIVED

How to Sell Successfully Overseas. (Published by B.I. Publications, 359 D. Naoroji Road, Bombay 1. Price Rs. 22, pages 283.)

Investing in India, Supplement to Taxation. (Published by the Indian Investment Centre, National Insurance Building, Parliament Street, New Delhi 1. Price Re. 1, pages 30.)

Report on Free-trade Zone in Maharashtra. (Published by Maharashtra Economic Development Council, 12 Rampart Row, Fort, Bombay 1. Pages 18.)



DMB—NP—337

COMPANY AND PUBLIC NOTICES

THE INDO-BURMA PETROLEUM COMPANY LTD.

Regd. Office : Gillander House, Netaji Subhas Road, Calcutta.

NOTICE is hereby given that the Board of Directors have declared an Interim Dividend of Re. 1.00 (Rupee one only) per share less tax to be deducted in accordance with the provisions of Section 194 of the Income Tax Act, 1961, on the Ordinary Share Capital of the Company for the year ending 31st December 1963, payable on the 22nd November, 1963.

The Ordinary Register of Members of the Company will be closed from the 4th November, 1963 to 22nd November, 1963, both days inclusive.

By Order of the Board,
STEEL BROTHERS AND CO. LTD.,
Managing Agents.

Gillander House,
Netaji Subhas Road,
Calcutta-1.
4th October, 1963.

BURN AND COMPANY LIMITED

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting of the above-named company will be held at the registered office of the company, 12, Mission Row, Calcutta-1, on Tuesday, 19th November 1963 at 11 A.M. for the purpose of considering and, if thought fit, passing the following special resolutions.

Special Resolution

1. That the authorised share capital of the company be increased from Rs. 1,20,00,000 to Rs. 2,00,00,000 by the creation of 80,000 new ordinary shares of Rs. 100 each.

Special Resolution

2. That the Articles of Association of the Company be altered by deleting from the beginning of Article 4 the following words namely "The Capital of the Company is Rs 1,20,00,000 divided into 28,000 Preference shares of Rs. 100 each and 92,000 Ordinary shares of Rs. 100/- each" and substituting therefor the following words namely "The Capital of the Company is Rs. 2,00,00,000 divided into 28,000 Preference shares and 1,72,000 Ordinary shares of Rs. 100 each".

Special Resolution

3. That it is desirable to capitalise the sum of Rs. 84,00,000 out of the amount standing to the credit of Works Reconstruction and Expansion Reserve in the books of the Company and accordingly that such sum be capitalised and distributed amongst the holders of the ordinary shares of the company on the register of members at the 19th day of November 1963 (joint holders being considered as one person for this purpose) in the proportions in which they hold such shares respectively on that day and on the footing that they become entitled thereto as capital and on condition that the same be not paid in cash but be applied in paying up in whole at par 84,000 new Ordinary shares of Rs. 100 each to be allotted and distributed credited as fully paid up Bonus Shares to and amongst the said holders of 84,000 Ordinary Shares in the proportions aforesaid, that is to say, at the rate of one of such new ordinary bonus shares for every one ordinary share held by the Members respectively according to the Register of Members at this the 19th day of November 1963 and that the said ordinary shares so distributed shall rank in all respects *pari passu* with the existing ordinary shares save and except that they will not participate in dividends declared in respect of any period ending on or before the 30th April 1963, and that the Directors be and they are hereby directed to give effect to this Resolution.

The Registers of Members and the Transfer Books of the Company for Ordinary Shares will remain closed from the 4th November to 19th November, 1963, both days inclusive.

A member entitled to vote at the meeting is entitled to appoint a proxy to attend and vote in his stead and a proxy need not be a member.

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

Registered Office :
12, Mission Row,
Calcutta 1.
Dated 9th October, 1963.

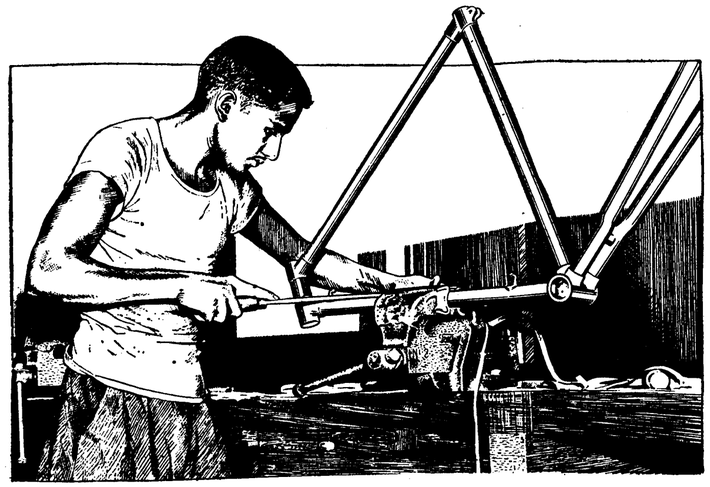
Note: An Explanatory Statement is annexed to the convening notice issued to members of the Company.

COMPANY MEETINGS AND DIVIDENDS DECLARED OR PROPOSED

Name of Company	Date	I.S.T. Hours
British Paints (India) Ltd. ..	22-10-63	11 a.m
Burn and Co. Ltd. ..	19-11-63	11 a.m.
Rohtas Industries Ltd.	31-10-63	11 a.m

DIVIDENDS DECLARED OR PROPOSED.—Hasimara Industries Ltd—Rs. 1.50 nP per share (o), subject to tax; Saran Engineering Co. Ltd—40nP per share (o), subject to tax; Kalpetta Estates Ltd—11½ p.c., subject to tax; Indo-Burma Petroleum Co. Ltd—Re. 1 per share (Int.) (o), less tax.

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INDIAN TUBE THE INDIAN TUBE COMPANY (1953) LIMITED
A TATA-STEWARTS AND LLOYDS ENTERPRISE

ITC-69

"CAPITAL" STOCK AND SHARE LIST

THE INVESTORS GUIDE AND SHAREHOLDERS GAZETTE

Official quotations of the Calcutta Bombay Madras London Stock Exchange Associations and other sources
Figures given after stroke (/) mean Naye Paise.

Wednesday, 9th October, 1963.

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GOVERNMENTS LOANS

Outstanding Amount Rs.	Interest per cent	Year of issue	Repayable	Market quotations Rs.
GOVERNMENT OF INDIA				
2,48,91,07,000	3	1946	1986 or later	66/10
8,93,33,000	3	1896-97	At the option of the Government of India after 6 months notice	62/50
1,10,11,78,000	3	1943	1966-68	99/90
30,33,10,000	3	1950	1964	99/33
14,77,48,000	2½	1946	1976	83/50
1,15,05,83,000	3	1948	1970-75	89/35
1,58,17,94,000	3½	1954	1964	99/85
1,53,67,92,000	3½	1955	1965	99/65
58,05,92,000	3½	1958	1963	99/65
86,63,53,000	3½	1456	1974	95/70
56,99,30,000	3½	1957	1967	99/25
1,54,59,21,000	4	1957	1972	99/60
74,51,44,000	4	1958	1973	99/25
1,97,40,92,000	3½	1956	1967	99/18
1,56,58,41,000	3½	1958	1968	98/10
1,90,85,42,000	3½	1959	1969	97/10
81,06,39,000	4	1959	1979	98/40
92,65,41,000	3½	1960	1966	99/60
98,50,17,000	4	1960	1980	98/40
65,96,55,000	4	1961	1981	98/55
BOMBAY				
3,40,34,300	4	1952	1964	99/00
6,57,22,800	4½	1957	1969	98/70
6,58,20,700	4½	1958	1970	98/70
4,35,25,000	4½	1958	1971	98/70
MADHYA PRADESH				
2,03,28,800	3	1948	1964	98/00
MADRAS				
5,24,81,200	4	1952	1964	99/90
5,55,57,300	4½	1958	1970	98/70
UTTAR PRADESH				
1,55,31,200	3	1936	1961-66	93/25
5,89,13,900	4	1952	1964	99/90
7,65,58,900	4½	1958	1970	98/70
WEST BENGAL				
2,00,00,000	4	1952	1964	99/90
7,58,72,200	4	1955	1967	98/70
7,11,46,100	4	1956	1968	98/65
5,10,49,700	4½	1958	1970	98/75
7,69,69,400	4	1959	1971	97/75
7,00,00,000	4	1960	1969	98/35
73,07,21,000	4½	1961	1972	98/80
MYSORE				
2,95,85,200	4	1933	1953-63	100/00

PORT TRUST LOANS

Amount Rs.	Interest per cent	Year of issue	Repayable	Market quotations Rs.
CALCUTTA				
90,24,300	4	1914	1974	98/25
78,90,100	4	1915	1975	98/25
68,02,300	3	1921	2nd 1981	82/00
1,50,00,000	6½	1921	2nd 1981	144/00N
£892,600	5	1923	1953-83	£61
£901,000	5	1924	1954-84	£61
1,24,00,000	4½	1957	1987	99/50
	4½	1958	1988	99/00
50,00,000	4½	1959	1989	99/00
1,50,00,000	6½	1961	1971	98/75
80,00,000	4	1931	1991	93/00
30,00,000	3½	1935	1965	99/00
40,00,000	3	1941	1976	83/50
50,00,000	3	1945	1-2-2005	72/00
	3	1945	1-2-1975	83/75
15,00,000	3	1938	1963-68	93/00
50,00,000	3	1946	2006	72/00
50,00,000	2½	1947	1977	78/50
50,00,000	3	1948	1978	83/00
50,00,000	3	1950	1980	81/00
50,00,000	3	1951	1981	80/50
50,00,000	4½	1953	1983	98/75
50,00,000	4	1953	1983	97/50
30,00,000	4	1954	1985	97/25
77,00,000	4	1954	1986	97/25
1,00,00,000	4	1959	1969	99/50
BOMBAY				
50,00,000	4	1904	1964	99/25
35,00,000	4	1905	1965	96/00
30,00,000	3	1936	1966	92/50
20,00,000	3	1938	1963-68	92/00
30,00,000	4	1952	1962	100/00
75,00,000	4½	1956	1988	98/50
75,00,000	4½	1958	1968	101/00
STERLING LOANS				
£892,600	5	1923	1953-83	£63
£901,000	5	1924	1954-84	£63
£835,100	5½	1932	1962	£96½
MADRAS				
28,48,275	3½	1947	1977	A
3,88,000	3	1947	1977	A
3,00,000	3	1949	1979	A

IMPROVEMENT TRUST LOANS

Amount Rs.	Interest per cent	Year of issue	Repayable	Market quotations Rs.
CALCUTTA				
50,00,000	4	1934	1964	99/25
35,00,000	3½	1935	1965	96/00
30,00,000	3	1936	1966	92/50
20,00,000	3	1938	1963-68	92/00
30,00,000	4	1952	1962	100/00
75,00,000	4½	1956	1988	98/50
75,00,000	4½	1958	1968	101/00
BOMBAY				
80,00,000	4	1903	1963	98/25
50,00,000	4	1904	1964	98/25
20,00,000	4	1906	1966	97/50
15,00,000	4	1907	1967	97/50
30,00,000	4	1908	1968	£95¼N
£566,600	4	1909	1969	£95¼N
£333,000	4	1910	1970	£100/00
25,00,000	4	1912	1972	95/00
13,00,000	4	1913	1973	95/00
50,00,000	4	1914	1974	95/00
25,00,000	4	1916	1976	95/00
66,00,000	5	1920	1945-80	119/50
25,00,000	4	1927	1961-70	99/75
10,00,000	3½	1936	1966	89/00

MUNICIPAL LOANS

Amount Rs.	Interest per cent	Year of issue	Repayable	Market quotations Rs.
CALCUTTA				
66,88,000	3½	1951	1966	98/50
10,00,000	5½	1932	1962	100/75N
33,91,000	3½	1935	1965	96/00
72,50,000	4½	1954	1979	100/00
60,00,000	3	1936	1966	93/00
47,50,000	3	1938	1968	92/50
21,10,000	3½	1942	1972	92/00
87,36,000	4	1952	1962	99/75
2,22,72,000	4	1955	1985	97/25N
1,67,32,000	4½	1958	1970	101/00N
73,36,000	4½	1958	1988	100/50
BOMBAY				
20,00,000	4	1913-18	1974	95/00
10,00,000	5	1920	1980	101/00
2,00,34,000	3½	1951	1966	89/00
8,25,00,000	3½	1947	1977	82/00
2,13,14,500	3½	1949	1979	82/00
4,00,00,000	3½	1950	1965	95/00
MADRAS				
15,00,000	3½	1951	1961	107/00
15,00,000	3½	1952	1962	107/50

2½% U.P Zemindary Abolition Compensation Bond (per Rs 100) Rs 41/90*

*Ex eight instalments but inclusive of accrued interest.

These notes refer to the Debentures on the next page.

Option to repay at par on 6 months notice—
(a) Option to extend the redemption period for further 10 years.
(b) at any time after.
(c) on or after 1-1-61.
(d) option to redeem at 2½% Prem after 14-5-64 and before 15-5-69

Option to repay on 6 months notice—
(e) at any time after 30-6-61 at 101%.
(f) at 101% between 1-1-64 & 31-12-64.
(g) at 102/8% after 30-6-54 but before 30-6-64.
(h) at any time after 30-6-62 at 101%.

Option to repay on 3 months notice—
(i) at any time at 3% Premium
(j) at 1% Prem after 1-3-64 but before 1-3-67 and 1% Prem on or after 1-3-67
(k) at any time at par.
(l) at any time after 31-3-62 at the rate of 1% Premium.
(m) redeemable at 103% on 31-12-64 with option to redeem on any interest date at same premium after 30-6-59.
(n) at any time on two months notice.
(o) to be redeemed at a premium of 10% Rs. 70,000 to be redeemed annually by drawing on 3 months notice with option to redeem all after 6 years from date of issue on 6 months notice Option not exercised repayment to be made after full term.

Option to repay.
(p) at par after September 1960.
(q) at par on or after 1-12-59.
(r) with option to redeem at 101% after 10 years or at 100/8% after 12 years
(s) Rs 1 lac Debentures to be redeemed annually by drawing from 1-6-56 with option to redeem at 100/8% between 1-6-57 to 1-6-61 and at 101% afterwards
(t) with option to redeem at 101% after 10 years or at 100/8% after 13 years.
(u) with option to redeem all or any of the Debts at 101% at any time after 31-3-64 and at 100/8% at any time after 31-3-66.
(v) Rs 30,000 are being redeemed annually repayment of Debentures commencing serially from No. 1 to No 80 on 31-12-48.
(w) Redeemable at any time at 5 per cent premium (a) on 6 months' notice by the Company or (b) in the event of the security becoming enforceable or at par if the Corporation of Calcutta or Howrah purchase the undertaking on 1st January 1965 or every seventh year thereafter
(x) At par all or any of the Debts on 31st December. 1960 or on any subsequent interest date.
(y) Redeemable (a) at 102% on 1st October 1974 or in the event of voluntary liquidation of the undertaking being purchased or in the event of the Security becoming enforceable or (b) at 105% at any time after 31st March 1953 on 3 months notice from the Co. (c) also redeemable out of a sinking fund (commencing in 1938) by drawing at 102% or purchase at or under 102%.
(z) Also redeemable out of a cumulative sinking fund of 1¼ per annum commencing in 1945 by purchase at any price less than par or by annual drawing at par.

BANKS

NAMES	Dividends per cent 1960	1961	1962	Paid-up per Share Rs.	Latest Market Quotations as available until 9-10-63 Rs.	1-10-63 Rs.	A year ago Rs.
Allahabad Bank P.	18	18	...	100	258/00	258/00	396/00
Bank of Baroda	17	17	16	50	88/50	83/50	95/00
Bank of India	20	20	20	50	105/00	105/50	112/00
Central Bank of India	20 2/5	20	20	25	54/30	54/30	61/39
Chartered Bank	15	15	...	£1	sh. 64/-	sh. 62/-	sh. 55/6
Hindusthan Commercial	Nil	Nil	Nil	50	13/50	13/50	17/12
Hindusthan Mercantile	Nil	Nil	...	50	15/62	15/62	15/50
Hong Kong & Shanghai	£3½	£3½	£3 1/5	HK$25	£18⅞	£18⅝	£17⅝
Indian Bank	15	15	14	100	156/10	156/10	175/00
Indian Overseas Bank	14	14	...	...	147/00	147/00	166/25
Industrial Finance Corpn.	...	...	...	50	...	...	...
National & Grindlays Bank	13½	14	16	sh. 15	sh. 33/-	sh. 33/6	sh. 34/-
Punjab National Bank	20	20	20	10	19/12	19/00	20/44
Union Bank of India	11 2/5	11 2/5	...	5	5/88	5/84	6/16
United Bank of India	4.3	6	6	10	7/31	7/44	7/87
United Commercial Bank	12	12	12	50	68/50	68/50	80/00

*1962

JUTE MILLS

NAMES	Dividends per cent 1960	1961	1962	Paid-up per Share Rs.	Latest Market Quotations as available until 9-10-63 Rs.	1-10-63 Rs.	A year ago Rs.
Agarpara P.	10	2½	2½	10	10/56	11/53	10/81
Alexandra P.	44	15	42½	100	300/00	300/00	305/00
Alliance P.	6	Nil	10	100	139/00	139/00	116/00
Anglo-India P.	20	7	10	100	236/00	224/50	231/00
Auckland P.	25	12	Nil	100	142/00	144/50	153/00
Bally P.	25	25	25	100	262/00	262/00	293/00
Barnagore P.	30	10	10	£5	200/00	200/00	191/00
Bengal P.	b	..	..	10	9/37	9/37	10/25
Birla P.	15	15	15	10	32/69	33/37	33/37
Budge Budge P.	10	Nil	12	100	155/00	149/00	160/00
Calcutta P.	..	..	..	10	9/12	8/12	8/00
Caledonian P.	12	5	..	100	190/00	190/00	220/00
Champdany P.	10	5	Nil-40*	10	24/00	24/50	...
Cheviot P.	Nil	5	25	10	23/00	22/50	24/75
Chitavalsah P.	5	Nil	5	10	10/87	10/69	11/56
Clive P.	..	..	..	10	9/37	9/25	8/37
Dalhousie P.	1	1	Nil	100	147/00	156/00	121/00
Delta P.	7½	Nil	12	100	168/00	169/00	175/00
Empire P.	12½	7½	12½	10	17/75	18/06	17/25
Fort Gloster P.	25	10	12½	100	372/00	372/00	412/00
Fort William P.	22½	22½	10	10	26/19	27/00	27/37
Ganges P.	10	10	15	10	16/25	16/06	14/75
General Industrial	40	10	13	10	15/31	15/31	18/62
Gourepore P.	30	25	20	10	25/25	26/37	...
Hastings P.	6	6	6	100	128/00	128/00	126/00
Hooghly P.	10	..	..	10	16/00	16/00	24/06
Howrah P.	12½	10	Nil—10*	10	19/19	19/00	19/75
Hukumchand P.	28½	28½	26½	7½	18/69	18/69	26/12
India	14	12	8	12½	18/00	17/87	17/94
Kamarhatty P.	b	Nil	20	100	196/00	195/50	167/00
Kankarrah P.	Nil	Nil	10	100	136/00	136/00	127/00
Kelvin P.	15	15	5	100	195/00	197/50	190/00
Khardah P.	20	9	12½	10	19/37	19/37	17/00
Kinnison P.	20	7	Nil	100	143/00	143/00	153/00
Lansdowne P.	Nil	Nil	Nil	100	97/00	95/00	120/00
Lawrence P.	7	15	10	100	112/50	112/50	134/50
Megna P.	12	12½	Nil	10	13/87	14/75	13/50
Naihati P.	...	...	...	100	93/00	93/00	107/00
Naskarpara	...	...	...	10	8/00	8/00	8/44
National P.	7½	Nil	10	10	23/87	23/87	25/00
Nellimarla P.	8	6	15	10	12/31	12/37	11/44
New Central P.	15	15	Nil	10	13/94	13/81	13/44
Northbrook P.	30	30	20	10	30/62	31/00	36/75
Nuddea	6	6	5	50	63/50	62/00	56/50
Presidency	2	6	10	5	5/69	5/81	5/50
Rameshwara P.	Nil	Nil	Nil-Nil*	10	9/20	9/20	9/87
Reliance P.	Nil	Nil	Nil-Nil*	10	9/87	9/87	6/81
Sammugger P.	£	Nil	10	£1	10/50	10/50	10/50
Shree Ambica P.	£	6	Nil	10	35/00	35/00	27/50
Soorah P.	25	25	25	10	23/37	23/37	25/25
Titaghur P.	6	Nil	13	£1	10/50	10/50	10/50
Union P.	25	6	Nil	100	166/00	171/00	165/00
Victoria P.	£	Nil	10	£1	10/50	10/50	10/50
Waverley P.	30	30	60	1	8/00	8/16	5/50

* 1963

COAL COMPANIES

NAMES	Dividends per cent 1960	1961	1962	Paid-up per Share Rs.	Latest Market Quotations as available until 9-10-63 Rs.	1-10-63 Rs.	A year ago Rs.
Amalgamated	10	12½	15	10	26/12	25/00	22/12
Bengal P.	25	21	..	100	268/50	267/00	335/00
Bengal Bhatdee	..	..	..	10	3/48	3/48	3/48
Bengal Nagpur	10	26	..	10	22/00	22/00	22/00
Bhalgora	..	..	..	10	4/75	4/75	5/18
Bharat Collieries P.	..	..	..	10	3/47	3/53	3/40
Bhulanbararee	..	..	..	10	11/94	11/94	12/00
Bokaro & Ramgur	..	..	..	10	11/19	11/19	11/19
Borree P.	15	15	..	10	22/12	22/12	23/87
Burrakur P.	13	13	13	10	17/57	16/37	17/37
Central India	8	10	10	10	9/66	9/37	10/00
Central Kurkend P.	..	..	..	10	3/87	3/85	3/00
Churulia	5	..	..	4	3/06	3/06	3/06
Dhemo Main	Nil	Nil	Nil	10	4/50	4/50	5/94
East Indian	7½	15	20½	£1	30/12	31/50	52/37
Equitable P.	15	10	..	10	23/50	23/50	26/94
Ghusick & Muslia	Nil	Nil	Nil	10	14/25	14/25	15/00
Guzdar Kajora	..	..	..	10	2/44	2/44	2/05
Hurriladih	..	..	..	10	8/12	8/12	8/12
Karanpura Development	5	5	..	100	10/31	10/31	16/25
	15	15		10F			
Karanpura Collieries P.	7½	10	10	10	16/00	16/00	18/00
Katras Jherriah	95	40	25	10	17/62	17/62	18/70
Khas Kajora P.	..	..	..	10			
Mundulpur	..	..	..	10	2/69	2/69	2/69
Nazira	7½	Nil	Nil	10	5/00	5/00	5/75
New Beerbhoom P.	10	10	..	10	19/25	19/25	23/25
New Manbhoom	7½	9	12	10	15/25	15/25	13/75
North West	20	20	..	10	19/75	19/75	19/75
				7½	18/00	18/00	18/00
Ondal P.	6	7½	..	10	13/50	13/50	15/00
Parasea P.	1½	1½	..	10	12/62	12/62	16/00
Pench Valley	10	10	10	10	17/12	15/94	16/50
Pure Sitalpur	..	..	..	10	4/06	8/00	4/00
Raneegunge	15	17	17	10	15/75	15/75	14/75
Rewa	20	20	..	10	28/50	28/50	29/12
Samla	10	..	..	10	10/00	10/00	7/44
Searsole	Nil	Nil	Nil	2½	1/22	1/22	1/94
Seebpore P.	42 6/7	42 6/7	..	8	34/75	34/75	45/00
Sendra	6	3½	..	10	5/00	5/00	5/87
South Karanpura	2½	Nil	Nil	10	8/56	8/37	8/12
Standard	15	10	..	10	13/12	13/12	16/06
Union	..	..	..	10	10/87	11/12	10/37
Western Bengal	6	7½	9	10	8/75	8/44	9/13
West Jamuria	Nil	Nil	..	10	4/56	4/56	9/37

COTTON MILLS

NAMES	Dividends per cent 1960	1961	1962	Paid-up per Share Rs	Latest Market Quotations as available until 9-10-63 Rs.	1-10-63 Rs.	A year ago Rs.
Basanti P.	..	..	..	10	11/25	11/25	8/56
Bengal Luxmi	..	..	..	40	30/00	30/00	28/00
Bengal Nagpur P.	Nil	..	..	10	3/06	3/06	3/25
Bharat Commerce	5	15	15	10	23/44	23/50	28/06
Birla Cotton	10	20	20	10	33/00	33/00	28/87
Bowreah P.	10	20	15	10	24/25	24/12	25/62
Cawnpore Textiles	7-1/5	10	10	5	7/31	7/50	7/06
Delhi Cloth & Genl P.	12	13	13	25	47/25	46/44	50/81
Dunbar	20	20	15	10	28/62	28/12	30/50
Elgin P.	11½	17½	17½	10	22/12	21/87	19/09
J. K. Cotton (Rayon) P.	12½	..	..	10	13/31	12/62	15/94
Jay Shree	10	10	..	10	16/56	16/25	17/12
Muir P.	...	...	..	100	74/50	74/50	100/00
New Victoria P.	Nil	...	..	2½	1/53	1/47	1/50
Orissa Textiles P.	Nil	Nil	..	10	9/00	9/00	9/00
Ramkoorta Cotton	3	Nil	..	10	13/00	13/00	12/00
	Nil	Nil	Nil	1	2/00	2/00	2/00
Swadeshi (Kanpur) P.	5	..	..	10O	11/62	11/62	11/50
	5.51	..	..	10PO	6/87	6/87	7/37

BOMBAY COTTON MILLS

NAMES OF MILLS	Dividends per cent 1959	1960	1961	Paid-up per Share Rs.	Latest Market Quotations as available until 8-10-63 Rs.	30-9-63 Rs.	A year ago Rs.
Ahmedabad Advance P.	7	16	..	100	145/00	145/00	170/00
Apollo	..	..	..	2	1/98	1/98	2/20
Beharilal Ramcharan	Nil	Nil	..	100	88/00	82/00	81/50
Bombay Dyeing, etc.	14	14	14	25	62/80	62/50	64/20
Bradbury P.	10	10	25	50	155/00	148/00	187/50
Century	..	..	..	100	604/00	592/00	607/50
Central India P.	Nil	Nil	Nil	100	125/00	45/00	110/00
Coorla	..	..	..	100	146/25	147/00	142/00
Dawn	20	30	30	50	161/00	157/00	150/00
Edward Textiles	9	9	..	200	285/00	280/50	325/00
Elphinstone P.	14	18	22	50	102/00	102/00	104/50
Finlay	..	..	..	100	335/00	325/00	305/00
Gokak	..	..	..	100	177/00	172/00	186/50
Hindoostan	..	..	..	250	950/00	855/00	..
India United	..	..	..	10	23/00	23/00	26/25
	..	..	..	1Dd	2/80	2/80	3/56
Indian	..	..	..	250	761/25	761/25	890/00
Indore Malwa United	7	8½	10	100	200/00	198/00	204/00
Khatau Makanji P.	16	32	..	100	220/00	215/00	450/00
Kohinoor	9½	15	18	100	323/00	320/00	293/50
Lakshmi Vishnu P.	Nil	5.2	6—Nil*	100	93/50	93/50	125/00
Morarjee Goculdas P.	21½	21½	24—24*	100	393/00	380/00	468/90
Mysore Spg. & Mfg. P.	10	14	14	50	55/00	48/50	60/00
New City of Bombay	..	..	..	100	155/50	155/50	145/00
New Great Eastern P.	..	..	..	100	191/50	192/00	270/00
Phoenix	..	..	..	100	254/00	238/00	228/00
Sassoon & Alliance	Nil	Nil	..	10	10/92	10/92	14/00
Sassoon Spinning	25	17	20	10	45/00	44/00	54/00
Simplex	10	15	Nil	50	125/50	124/00	154/00
Shree Niwas P.	15	18	20	100	242/00	238/00	256/00
Swadeshi P.	14	17	..	100	254/50	250/00	250/00
Swan	..	..	..	100	275/00	275/00	292/50
Tata	10	20	..	25	58/50	58/00	58/20
Western India	..	..	..	250	785/00	785/00	835/00

*1962

BOMBAY MISCELLANEOUS COMPANIES

NAMES	Dividends per cent 1960	1961	1962	Paid-up per Share Rs.	Latest Market Quotations as available until 8-10-63 Rs.	30-9-63 Rs.	A year ago Rs.
CEMENT ENGINEERING & METAL							
Associated Cement	12½	12	12	100	155/25	153/00	157/25
ELECTRIC LTG. POWER							
Ahmedabad Electricity	7	6	..	100	94/00	93/30	95/00
Andhra Valley Power P.	5½	5	5	1000	1,032/50	1,035/00	1,032/50
Bombay Suburban Elec.	..	..	..	100	98/50	99/50	105/00
Tata Hydro Elec. Power P.	5½	5	5	100	107/00	107/00	110/00
Tata Power P.	5½	5	5	1000	1,083/75	1,085/00	1,150/00
Alcock Ashdown	..	..	..	100	320/00	307/00	323/00
Jost's Engineering	6	10	10	50	60/00	60/00	98/00
Larsen & Toubro P.	12½	18	14	10	25/85	25/00	25/80
Mckenzies	..	..	..	100	141/00	141/00	140/00
Premier Construction P.	..	..	..	30O	155/50	152/00	133/00
	..	..	..	31F			
Tata Eng & Locomotive P.	12½	14½	14½	100	290/00	284/50	300/50
Tata Iron & Steel P.	9.1	10.36	10.36	75O	146/00	142/75	136/00
INSURANCE COMPANIES							
British India General	..	..	..	10	12/12	12/12	12/24
Jupiter General P.	..	..	..	15	9/20	9/20	11/00
New India	..	..	..	15	51/50	52/00	62/50
Vulcan	..	..	..	10	16/60	16/60	16/52
MISCELLANEOUS							
Belapur Sugar	..	..	..	50	206/50	203/00	225/00
Bombay Burmah Trading	30	33	33	25	65/00	64/80	..
				20	50/00	49/00	..
Hindustan Lever	26	26	12	10	41/50	41/00	46/75
Industrial Invt. Trust	6½	6½	..	100	75/50	75/00	72/00
Kemi (Chemists)	..	..	..	200	275/00	260/00	310/00
National Rayon	22	..	..	100	383/50	376/50	459/00
Scindia Steam Navign.	3	3	3	20	12/28	12/80	12/20
Shivrajpur Synd.	80	Nil	..	10	23/00	25/50	30/00
Tata Chemicals P.	6	6½	6½	10	17/80	17/68	13/92
Tata Oil P.	23	23	23	25	66/50	67/00	56/00
Voltas	13	14	14	100	272/50	261/00	251/50
Western India Match	16	16	16	100	257/00	251/00	272/00

TEA COMPANIES

NAMES	Dividends per cent 1960	1961	1962	Paid-up per Share Rs.	Latest Market Quotations as available until 9-10-63 Rs.	1-10-63 Rs.	A year ago Rs.
ASSAM GARDENS							
Amluckie	Nil	10	7½	10	12/37	12/25	12/75
Anandabag P.	30	32½	20	10	60/00	60/00	49/25
Baghmari	Nil	15	7½	10	33/25	33/25	33/25
Barduar Tea	Nil	..	..	6	8/50	6/50	8/50
Basmatia	35	25	20	10	27/25	27/25	27/25
Bateli	30	..	..	5	17/50	17/50	18/00
Betjan	40	45	30	10	29/12	29/12	32/62
Bishnauth	13	13	20	10	19/94	19/06	17/44
Bokakhat	Nil	12	13	10	13/70	13/70	13/70
Bormah Jan P.	15	15	15	10	13/12	13/12	16/13
Bor Pukhuri	Nil	Nil	10	10	11/00	12/00	9/31
Brooke Bond P.	15	10	7½	10	12/37	12/25	12/75
Dejoo Valley	15	20	30	10	60/00	60/00	49/25
Jeevan & Purbuttia	Nil	10	15	100	200/00	200/00	141/00
Dhekiakhat	12½	..	..	10	19/37	19/12	20/12
Dhunseri P.	20	15	10	10	11/75	11/75	15/00
Dibrugarh	40	40	30	10	32/50	32/50	32/50
Dimakus P.	25	25	25	10	22/62	22/62	21/87
Duffiazbur	25	25	30	10	28/00	27/12	27/87
East India	Nil	Nil	10	10	16/12	16/12	18/87
Gillapukri	25	20	..	10	25/44	25/44	25/44
Golpur	Nil	5	20	10	16/25	16/25	13/31

‡1962

TEA COMPANIES—Contd.

NAMES	Dividends per cent 1960	1961	1962	Paid-up per Share	Latest Market Quotations as available until 9-10-63	1-10-63	A year ago
				Rs	Rs	Rs	Rs
Grob	6	6	6	5	8/12	8/06	8/06
Hoograhjuli (Assam)	20	20	..	10	27/12	27/12	27/12
Hoolungooree	10	7½	20	100	173/00	173/00	190/00
Jutlibari	30	30	20	10	31/50	31/50	32/00
Kingsley Golaghat P	35	35	..	100	125/00	125/00	212/00
Kotamullai P.	Nil	Nil	Nil	5	10/31	10/31	10/31
Krishnabehari	15	6	..	10	11/70	11/70	10/50
Kyang Tea	Nil	..	..	10	8/06	8/06	8/06
Ledo	Nil	Nil	Nil	10	13/75	13/75	17/25
Maud Tea & Seed	10	7½	7½	10	14/81	14/81	14/81
Methoni	6	14	20	10	18/40	18/40	18/94
Monecma	Nil	Nil	..	10	11/50	11/50	11/50
Mothola	30	30	35	100	507/00	507/00	507/00
Murphulani (Assam)	5	15	25	10	26/50	26/50	26/50
	10 63	20 63	30 63	10	26/87	26/87	28/75
Naga Hills	10	10	10	10	22/25	22/25	22/69
Namburnadi	12	12	..	10	12/87	12/87	14/56
New Cinnatolliah	Nil	Nil	Nil	100	302/00	302/00	450/00
Rangarh	40	13½	17½	10	19/00	19/00	21/37
Sapoi	22½	20	..	10	17/75	17/75	24/44
Seajull	22½	15	30	10	21/12	21/12	20/75
Teloijan	25	25	25	10	21/37	21/37	27/75
Tengpani	30	30	22½	10	35/00	35/00	35/00
Tezpore P.	20	12½	..	10	14/94	15/00	15/81
Tongani	Nil	Nil	..	10	5/31	5/31	6/50
Tyroon	10	15	25	10	30/37	30/37	34/37
CACHAR							
Arcuttipore	Nil	5	6	10	7/00	7/00	7/00
Baitakhal	2½	2½	..	10	8/06	8/10	6/69
Central Cachar	5	7½	5	100	85/00	85/00	73/00
Eastern Cachar	Nil	Nil	..	10	4/50	4/50	4/12
Kallinugger Khoreej	6	..	..	100	87/00	87/00	87/00
Hattikhira	Nil	8	Nil	10	8/75	8/75	9/44
Kunchanpore	Nil	Nil	..	10	6/00	6/00	6/00
Loobah	Nil	Nil	Nil	10	4/62	4/62	4/44
North Western	30	20	10	100	270/00	270/00	205/00
Pathemara	Nil	Nil	Nil	10	7/50	7/50	7/50
Roopacherra	Nil	10	Nil	10	9/62	9/62	13/62
Rungamattee	5	5	5	50	51/50	51/50	50/00
Sonai River	Nil	Nil	..	10	5/05	5/05	9/12
DARJEELING							
Bloomfield	Nil	..	..	10	3/12	3/12	3/25
Chamong	Nil	10	10	10	9/00	9/00	10/25
Darjeeling Tea & Chin	30	30	30	100	197/00	197/00	195/00
Dilaram	8	4	..	100	102/50	102/50	102/50
Gielle	Nil	..	8 4/7	10	11/69	11/69	11/69
Lingia P.	15	10	17½	10	14/00	14/00	14/56
Longview	12½	10	..	10	11/00	11/00	11/00
Margaret's Hope	15	15	15	10	12/25	12/25	11/62
Mim	22½	27½	27½	100	191/50	191/50	191/50
Nagri Farm	30	25	35	10	30/75	30/75	25/44
Okayti	25	25	..	100	600/00	600/00	605/00
Pashok	10	Nil	..	10	20/00	20/00	20/00
Poobong	Nil	Nil	5	10	7/50	7/50	7/37
Pussimbing P.	Nil	Nil	Nil	10	7/12	7/12	8/87
Rungliee Rungliot	35	20	7½	100	386/00	386/00	386/00
Seeyok	15	Nil	..	10	8/50	8/50	8/50

NAMES	Dividends per cent 1960	1961	1962	Paid-up per Share	Latest Market Quotations as available until 9-10-63	1-10-63	A year ago
				Rs.	Rs.	Rs.	Rs.
Singell	Nil	Nil	Nil	100	36/75	36/75	36/75
Singlom	2	Nil	2	10	3/50	3/50	3/50
Soom	50	40	40	10	34/00	34/00	31/00
Sungma	15	15	20	10	14/44	14/56	12/75
Teesta Valley	Nil	..	8 4/7	10	13/12	13/12	12/25
Tukvar	Nil	Nil	..	10	7/00	7/00	6/00
DOOARS							
Banarhat P.	22½	21	21	100	241/00	241/00	255/00
Baradighi	30	25	25	10	24/12	24/12	23/56
Bhatkawa	15	15	20	10	17/06	16/81	17/37
Birpara P.	17½	12½	17½	100	162/00	162/00	151/00
Carron	20	5	7½	100	151/00	151/00	145/00
Choonabhuti P.	32½	20	20	100	210/00	210/00	262/00
Ellenbarrie	5	5	10	100	184/00	184/00	184/00
Enge	60	30	40	100	136/00	136/00	136/00
Ethelbari	5	5	7½	10	11/50	11/50	13/12
Gairkhata	25	20	11	10	21/50	21/50	25/12
Gopalpur	12	2	..	25	20/00	20/00	20/00
Hantapara P.	15	5	10	100	114/00	116/00	104/00
Hasimara P.	17	18	..	10	14/12	13/75	14/81
Huldibari	22½	..	19 2/7	10	13/50	13/69	14/00
Jayoirpara	10	Nil	Nil	10	12/00	12/00	11/06
Killcott	25	15	15	10	16/06	15/94	17/31
Manabarrie	10	6	..	10	59/50	59/50	59/50
Nagaisuree	25	15	15	100	140/00	140/00	169/50
New Dooars P.	35	20	14½	100	230/00	230/00	258/00
Oodlabari	12½	7½	..	100	14/00	14/00	14/75
Panicherra	Nil	Nil	Nil	100	129/00	129/00	127/00
Rydak	Nil	Nil	6	10	12/12	12/12	12/12
Sarugaon	40	40	40	10	36/31	36/31	36/25
TERAI							
Atal	5	..	..	10	8/75	8/75	6/75
Belgachi	20	20	..	10	22/50	22/50	20/50
Gungaram	20	12½	12½	100	131/00	131/00	158/00
Hansqua	20	15	17½	10	20/00	20/00	20/00
New Chumta	15	..	12 6/7	10	24/62	24/62	33/50
New Terai	22½	10	15	10	23/00	23/00	38/00
Panargoomlab	20	20	2½	10	14/25	14/25	31/12
Putinbaree	14	14	..	10	45/00	45/00	45/00
Tirrihannah P.	60	60	60	10	49/00	49/00	49/00
CHITTAGONG							
Kodala	Nil	Nil	..	10	9/25	9/25	9/25
Kornafuli	Nil	Nil	..	10	9/31	9/31	13/06
Oodaleab	Nil	Nil	..	10	8/00	8/00	8/00
SYLHET							
Chundeecherra	Nil	Nil	Nil	10	26/00	26/00	23/00
Dauracherra	22½	22½	20	10	11/75	11/50	9/31
Kaliti	Nil	Nil	..	10	10/00	10/00	9/12
New Samanbagh P.	25	Nil	Nil	10	18/37	18/37	18/37
Patrakola	32½	40	15	100	130/00	130/00	149/00
Rajnagar	Nil	Nil	Nil	10	9/50	9/50	9/56
Tellapara	22½	22½	10	100	110/00	110/00	99/00

† Hectares.

MISCELLANEOUS COMPANIES

NAMES	Dividends per cent 1960	1961	1962	Paid-up per Share	Latest Market Quotations as available until 9-10-63	1-10-63	A year ago
				Rs.	Rs.	Rs.	Rs.
MININGS							
Burma Mines	2 3/8	Nil	Nil	3½S	0/44	0/44	0/44
Chrestien Mica Industries P.	15	12½	..	10O	10/40	10/40	11/12
	25	20	..	5Dd	6/87	6/87	8/85
Indian Copper Corporation	27	27	..	2s	5/52	5/16	4/63
Metal Corporation P	Nil	..	..	10O	8/31	8/25	9/69
Orissa Mineral Development	36	28	20	10	27/69	27/69	36/50
CEMENT, LIME, SLATE ETC.							
Ashoka Cement	8	7	7	10	7/06	7/44	7/75
Assam Bengal Cement	..	..	..	10O	4/81	4/81	4/12
	..	..	..	11Dd	0/59	0/59	0/44
Bengal Potteries	15	..	..	8½	5/37	5/37	5/75
Bisra Stone Lime	30	30	10	..	23/50	22/50	27/87
Dalmia Cement (Bharat) P.	12	12	12	10O	12/87	12/31	14/31
				1Dd	2/81	2/81	2/19
Jaipur Udyog P.	6	8	8.36	10	12/31	11/87	12/12
Kumardhubi Fireclay & Silica P.	18	18	18	10	18/4[illegible]	18/4[illegible]	18/4[illegible]
Orissa Cement P	15	15	10	10	15/37	14/44	16/56
Reliance Firebricks & Pottery	22	15	10	5	22/7[illegible]	22/7[illegible]	22/7[illegible]
Sone Valley Portland Cement	4	6	8	10	4/62	4/62	4/62
Sutna Stone & Lime	27½	30	..	10	28/31	28/12	37/00

NAMES	Dividends per cent 1960	1961	1962	Paid-up per Share	Latest Market Quotations as available until 9-10-63	1-10-63	A year ago
				Rs.	Rs.	Rs.	Rs.
CHEMICAL INDUSTRIES							
Alkali & Chemical Corpn of (I)	12	15	15	10	34/50	33/50	41/87
Sathgate & Co. Ltd P.	Nil	..	..	5	0/84	0/84	0/84
Bengal Chemical & Pharm. P.	7	10	..	100	96/00	102/00	101/00
Calcutta Chemical P.	18	18	18	10	17/87	17/87	19/31
Frank Ross P	..	..	..	5	2/19	2/19	3/25
Smith Stanistreet P.	25	25	25	5	12/31	12/31	15/50
ELECTRIC LIGHTING, POWERS							
Agra Electric Supply	11	11	11	100	118/00	118/00	127/00
Bareilly Electric Supply	11	11	11	10	12/37	12/37	12/25
Benares Electric Supply	11	11	11	10	11/62	11/62	12/25
Bhagalpur Electric Supply	8	10	8	8	6/56	6/56	6/08
Calcutta Electric Supply	7	7½	7½	£1	14/87	14/87	15/19
Cuttack Electric Supply	7½	10	10	10	11/87	11/87	12/62
Dishergarh Power Supply P.	10	10	10	100	88/00	88/00	94/00
Jhansi Electric Supply	..	..	..	10	5/90	5/90	6/00
Jubbulpore Electric Supply	10	10	10	10	11/25	11/25	11/37
Mirzapur Electric Supply	..	..	..	½	12/00	12/00	12/00
Muzafferpore Electric Supply	12½	12½	12½	10	11/50	11/50	12/25
Muttra Electric Supply	..	..	..	10	11/06	11/06	11/12
Patna Electric Supply	10	10	10	10	10/00	10/00	11/50
Shahjahanpur Electric P.	6½	6½	6½	10	7/50	7/50	7/50
Sijua (Dherrish) Electric	10	9	9	10	8/50	8/50	9/06
United Provinces Electric	11	11	11	100	116/00	112/00	118/00
Upper Jumna Valley Electric	13½	13½	13½	10	14/37	14/25	15/25

MISCELLANEOUS COMPANIES—Contd.

NAMES	Dividends per cent 1960	1961	1962	Paid-up per Share	Latest Market Quotations as available until 9-10-63	1-10-63	A year ago
				Rs.	Rs.	Rs.	Rs.
ENGINEERING & METAL							
Arthur Butler (Muzafferpore) P.	..	..	..	10	14/94	14/94	14/50
Bhartia Electric Steel	10	10	12½	10	14/31	14/06	13/37
Braithwaite India	25	25	14	10	34/25	33/12	35/12
Bridge & Roof	30	30	30	10	52/25	52/25	52/25
Britannia Building & Iron P.	Nil	Nil	Nil	10	3/25	3/25	3/65
Britannia Engineering P	10	10	10	10	10/31	9/97	10/94
British India Electric Cons	45	20	15	10	31/00	33/12	33/12
Burn P (Engineering)	28½	28½	28½-25*	100	590/00	592/00	695/00
Calcutta Steel	15	15	15-12½*	10	13/87	13/19	15/00
Dalmia Iron	10	10	10	10	11/00	10/87	12/00
Guest, Keen Williams	16	14	14	10	37/62	37/00	38/37
Hooghly Docking	Nil	Nil	12½	50	86/00	86/00	102/00
Indian Iron & Steel P.	15	16	16—16*	10	24/39	23/78	25/10
Indian Malleable Casting	Nil	..	..	5O	6/00	6/00	6/00
	Nil	..	..	1Dd	2/06	1/81	2/50
Indian Standard Wagon P.	28½	28½	28½-20*	10	35/50	35/50	32/69
Indian Steel & Wire Products	23	24	23	100	36/25	39/00	49/00
Industrial Containers	Nil	10	10	10	21/37	21/37	22/00
Jay Engineering	17 3/20	17	15	10	20/87	20/87	27/12
J. K. Steel P	20	20	10	10	16/31	16/37	17/37
Jessop & Co P	8.58	8.58	8.58	10	26/75	26/19	23/06
Kumardhubi Engineering P.	10	11½	15	5	9/37	9/50	7/69
Marshall Sons (India)	Nil	Nil	Nil	5	2/66	2/44	3/25
National Iron and Steel	Nil	Nil	Nil	10	6/00	5/81	5/19
Saran Engineering	8½	10	12½	4	8/78	8/78	11/12
Steel Containers	30	20	20	10	29/50	29/50	22/50
Textile Machinery	10	10	..	10	26/65	25/80	22/15
SUGAR BREWERIES ETC.							
Balrampur Sugar	8	8	4	2½	1/81	1/81	2/28
Belsund Sugar	18½	10	6 2/3	7½	8/75	8/44	9/62
Bharat Sugar P.	..	..	..	10	13/00	13/00	12/87
Carew (Sugar) P	Nil	Nil	Nil	10	11/06	10/81	12/19
Cawnpore Sugar P.	Nil	Nil	Nil	10	9/75	9/75	12/37
Champaran Sugar	15	12	Nil	10	13/81	13/62	17/12
Durbhanga	6	Nil	5	10	8/69	8/87	9/00
New Savan Sugar and Gur	..	..	..	10	4/50	4/50	5/25
Purtabpur Sugar P.	..	..	..	10	11/50	11/50	11/50
Ramnugger Cane & Sugar P.	30	35	30	10	28/50	27/50	30/37
Raza Sulano	12½	10	10	10	10/19	9/62	10/37
Ryam Sugar P.	..	..	..	10	3/56	3/56	8/06
Samastipur Central Sugar	..	..	..	10	5/94	5/94	9/62
Shree Krishna Gyanoday Sugar P.	15	..	..	10	7/81	7/75	8/15
Shree Sitaram Sugar	..	..	..	10	7/12	7/12	7/12
Sitalpore Sugar	4	Nil	Nil	10	3/94	3/94	6/12
United Provinces	15	5	Nil	10	9/00	9/00	14/72
Upper Ganges Sugar P.	72½	72½	72½	10	85/00	62/00	77/00
MISCELLANEOUS							
A Firpo (Restaurateur)	7½	10½	5	10	5/90	5/90	5/90
Aluminium Corporation P.	12	12	12	10	17/00	15/06	15/69
Anderson Wright Ltd. P.	11½	Nil	..	10	11/50	11/50	11/50
Angelo Bros.	25	28½	28	10	24/37	24/19	23/75
Assam Match	18	20	20	10	28/75	28/75	28/75
Assam Saw Mills & Timber	Nil	Nil	3	3	2/69	2/69	2/75
Associated Battery	25	15	15	10	26/00	25/00	28/87
Associated Hotels of India P.	Nil	10	10	10	10/31	10/31	10/31
Balmer Lawrie & Co.	25	25	25	100	251/50	247/00	257/00
Bararee Coke	Nil	Nil	15—15*	10	21/37	21/62	24/50
Birds Investments P.	9½	10	10	10	10/50	10/75	12/50
Britannia Biscuit P.	25	30	25—21*	10	42/25	42/25	45/12
British India Corporation P.	6	7	9	5	8/75	8/25	10/03
British Paints	12½	15	10	10	20/94	20/00	22/00
Calcutta Silk Manufacturing P.	Nil	Nil	..	10	6/94	6/94	7/15
Clive Row Investment	8	7½	7½	10	8/75	8/75	8/37
Duncan Brothers & Co Ltd P.	14	14	14	100	140/00	135/00	157/50
Dunlop Rubber Co (India) P.	21½	20	15	10	37/37	35/50	38/12
Dyer Meakin (Breweries)	25	30	..	5	29/25	28/62	30/31
Eastern Investments Ltd. P.	14	14	12	100	119/50	119/50	129/00
Electric Construction	10	10	10	10	14/06	13/94	14/69
French Motor Car	30	30	..	10	35/12	35/12	34/50
Ganges Rope	17½	20	20	100	236/00	236/00	236/00
General Investments Trust P.	5	5	5—5*	75	43/00	43/00	43/00
Gillanders Arbuthnot & Co Ltd P.	10	11	11	10	14/12	14/69	14/06
Gladstone Lyall & Co Ltd P.	4 2/5	..	..	10	..	..	..
Godfrey Phillips (India) Ltd P.	40	40	30	10	28/12	28/12	33/25
Great Eastern Hotel	9	6	..	250	250/00	225/00	241/00
Hindustan Aluminium P.	Nil	..	..	10	13/81	13/94	15/94
Hindustan Motors P	8	12	12½-11½*	10	18/12	17/56	18/50
Hindusthan Pilkington	..	..	..	10	16/56	16/37	19/87
Hindusthan Tarytords P.	Nil	Nil	Nil—Nil*	10	14/84	14/69	15/87
Hoare Miller & Co Ltd.	6	6	..	10	5/62	5/62	7/09
Imperial Tobacco	2	9	9	10	10/50	10/62	11/00
Indian Aluminium Co. Ltd P.	15	15	17½	10	38/62	37/50	35/31
Indian Cable P.	22½	22½	22½	10	38/12	36/50	36/50
Indian Oxygen	15	15	12	10	29/37	27/75	47/62
Indian Rubber Manufacturers P.	30	30	36	10	19/87	19/87	20/94
Indian Wood Products	30	30	30	10	29/62	29/62	32/00
Isaac Holdens	..	Nil	..	100	15/25	15/50	16/50
Investments and Finance P.	7½	7½	7½—7½*	10	55/00	55/00	55/00
J K Synthetics	..	8	..	10	11/87	11/56	13/25
James Wright P.	..	..	..	5O	4/45	2/75	2/75
Jardine Henderson Ltd P.	..	..	..	1Do	00/43	00/43	00/43
Jay Shree Industries P.	14	12½	..	10	18/12	17/75	16/75
Kesoram Industries P.	8	12	12	10	25/94	26/00	25/31
Mactarlane & Co.	..	..	..	50	6/75	6/75	7/00
	..	..	..	1Dd	2/19	2/19	2/50
Macneill & Barry Ltd. P.	8	8	7½	100	93/50	93/50	93/50
Martin Burn Ltd P.	27½	27½	25	10	27/19	27/31	30/94
McLeod & Co. P.	15	15	18	100O	210/00	210/00	250/00
Metal Box Co of India Ltd P.	25	25	19	10	51/25	50/62	55/50
National Insulated Cable P.	25	25	25	10	24/87	24/75	28/00
National Pipe & Tubes P.	20	20	20	10	27/50	27/00	31/25
National Rolling & Steel Rope	15	15	15	10	21/44	21/44	21/50
National Rubber P.	Nil	6½	8	10	12/94	12/25	11/94
National Tobacco P	16	7	7	10	11/75	11/75	13/00
New India Investment Corpn.	8.7	..	..	75	59/50	65/00	90/00
Octavius Steel P.	10	7½	7½	100	..	..	..
Philips India	12	12	13	10	30/37	26/75	29/37
Publicity Society	10	75	75	4	22/62	22/62	26/19
Rallis India P	8½	8½	8½	10O	132/00	124/00	130/00
Rohtas Industries P.	20	10	8	10	13/69	13/00	14/00
Sirsilk P.	Nil	..	..	10	9/25	9/44	9/69
Sen Raleigh Industries P.	8	8	8	10	15/19	15/19	18/87
Shaw Wallace P.	15	15	7½	10	17/00	16/81	20/69
Spencer's Hotel	2½	2½	..	2	0/65	0/65	0/94
Union Carbide	18	18	12½	10	42/00	39/62	45/37
Walford Transport	20	20	..	1PO	2/28	2/25	2/25
	30	30	..	1O	3/80	3/69	3/41
INSURANCE COMPANIES							
Concord of India	20	20	20	5	11/12	10/62	11/50
Hercules	22½	26½	20½	10	22/56	22/56	25/37
Ruby General	10	13½	15½	8	10/15	10/00	9/59
Standard General	..	..	..	10	6/25	6/25	8/00
Triton	45	50	50	25	124/00	124/00	131/00
FLOUR MILLS							
Bengal	40	25	25	10	29/00	29/00	34/25
Delhi P.	..	..	..	10	14/00	14/00	14/00
Ganesh P.	..	..	..	12½	14/00	13/50	17/00
Hooghly	15	Nil	Nil	10	19/75	19/75	19/75
United	35	10	7½	10	27/81	27/81	30/00
OIL COMPANIES							
Attock Oil	13½	13½	..	£1	sh 34/6	sh 34/3sh	29/6
Burmah Oil P.	9-2/5	..	..	£1	sh.65/4½	sh 66/3sh	44/1½
Indo Burmah Petroleum P.	30	25	22½	10	23/00	22/44	25/87
Tide Water Oil	30	35	35	10	27/12	27/12	27/00
PAPER MILLS							
Bengal P.	32	27½	20	10	27/75	28/25	32/75
India Paper Pulp	15	13	12	10	18/94	17/87	18/87
Orient Paper P	22½	22½	22½	10	37/45	37/40	40/00
Shree Gopal Paper P.	17-6/7	17 6/7	17 6/7	10	26/75	25/12	24/37
Sirpur P	8½	8½	..	10	13/62	13/12	13/19
Star Paper P.	Nil	Nil	Nil	10	9/06	9/06	10/00
Titaghur P.	10	13	13	4½PO	3/87	3/87	3/78
	25	20	10	10AO	17/12	16/87	38/12
	25	20	10	10BO	17/12	16/87	38/12
West Coast P.	6	7½	..	100	155/00	135/00	160/00
PRESSING COMPANY							
Camperdown	11	11	..	100	105/00	104/00	100/00
REAL PROPERTY STORAGE							
Bengal Bonded Warehouse	13	8	8	A500	1050/00	1050/00	610/00
				B62½	135/00	135/00	77/25
				C10	122/00	122/00	122/00
				D12½	14/18	14/18	14/75
Calcutta Safe Deposit	..	..	..	100	8/00	7/87	7/25
Humayan Properties P.	6	..	..	10O	11/00	11/00	11/00
	Nil	..	..	1Dd	2/10	2/10	2/15
Midnapore Zemindary P.	Nil	Nil	Nil	85	11/00	11/00	11/12
TRAMWAYS & STEAMER							
Bengal Assam Steamship P.	7½	7½	..	100	135/00	135/00	106/00
Calcutta Landing & Shipping	84	7½	22	10	34/00	34/00	45/00
Calcutta Steam Navigation	10	Nil	Nil	10	9/25	9/25	7/69
Calcutta Tramways P.	..	..	..	£1	11/25	11/31	12/25
Fraser	Nil	..	..	10	10/00	10/00	10/00
India General Nav. Railway P.	Nil	..	..	£10	39/00	39/00	64/50
India Steamship P.	10	Nil	Nil	10	6/56	6/62	6/84
Port Shipping	Nil	Nil	..	10	14/94	14/94	12/06

* 1963

SOUTH INDIA PLANTATION COMPANIES

NAMES	Dividend per cent 1959	1960	1961	Paid-up per share Rs.	Latest Market Quotations as available until 8-10-63 Rs.	30-9-63 Rs.	A year ago Rs.	NAMES	Dividends per cent 1959	1960	1961	Paid-up per Share Rs.	Latest Market Quotations as available until 8-10-63 Rs.	30-9-63 Rs.	A year ago Rs.
Amalgamated P.	7½	10	..	10	10/01	10/36	10/36	Malankara	16	15	..	10	16/00	16/00	15/92
Anandam P	15	15	..	10	14/19	14/19	15/24	Midland Rub & Prod P.	10	12½	12½	10	11/60	11/40	10/12
Athimattam	Nil	Nil	..	2	1/18	1/18	0/80	Nilgiri P.	b	8	..	10	8/65	8/65	8/60
Balanoor P	15	15	12	10	11/60	11/30	12/91	Nonsuch	20	20	20	10	23/80	23/37	22/25
Balmadies P	7½	7½	..	2	1/85	1/70	1/90	Jasoor	15	15	..	2	3/43	3/45	2/82
Be Be P	b	Nil	..	5	2/03	2/03	2/50	Juchterlony	15	13	12	2	4/35	4/35	3/85
Blue Mountain	12½	12½	10-10*	2	2/67	2/63	2/38	Parkside Nellgherry	27½	27½	22½	10	26/75	26/15	21/62
Chembra Peak	15	20	20-20*	2	4/60	4/47	3/40	Peermade P.	22½	22½	25	10	20/90	20/90	21/75
Cochin Malabar P.	15	17½	20-20*	3	6/10	6/10	6/60	Peninsular	20	20	..	10	20/70	20/70	22/10
Coffee Lands P	25	b	..	10	14/87	14/87	14/70	Periakaramalai	12½	13½	20	2	3/68	3/66	3/15
Consolidated Coffee P.	25	20	..	10	19/40	19/10	17/05	Rajagiri Rub & Prod P.	20	20	20	10	18/60	18/60	21/00
Coonoor P.	20	17½	..	10	17/83	18/35	22/47	Rajendra P.	50	25	..	5	11/25	11/25	10/50
								Swinton	7½	12½	..	2	2/82	2/82	2/82
Coorg P	20	20	..	2	4/89	4/89	3/98								
Cottanad Plantation P.	15	10	..	10	9/31	9/31	9/75	Teekoy P.	6	Nil	..	10	6/60	6/60	5/03
Devashola (Nilgiri)	25	20	..	10	24/39	24/39	25/05	Thirumbadi	7	7	12	1	2/11	2/12	1/82
Devon P	15	15	12	10	11/96	11/96	12/66	Travancore Rubber	10	13	..	10	11/25	11/42	10/95
Emerald Valley	8	..	..	5	6/50	6/35	5/34	Travancore Rub & Tea P.	7½	9	10	10	9/90	9/85	9/15
Gokul	9	10	..	2	2/10	1/76	1/90	Tropical Plantations	8	8	..	25	19/15	19/15	18/62
Hattevaburie P.	12½	15	..	10	12/00	11/85	12/85	Twyford	10	10	..	10	8/12	8/25	9/50
Kallar	20	22½	..	2	6/15	6/05	5/16	United Nilgiri	19½	21	22	10	22/90	23/90	19/35
Kalasa Tea Produce	15	20	25	2	4/14	4/25	2/31	Vaikundam	25	30	..	10	30/50	30/50	30/65
Kil Kotagiri P.	35	25	25	2	5/40	5/45	4/80	Waterfall Estates P.	12½	12½	..	2	2/42	2/40	2/20
Lucky Valley	10	10	10	10	12/00	12/00	10/25	Woodland P.	5	10	..	10	7/50	7/85	7/85

SOUTH INDIA COTTON MILLS

NAMES	Dividend per cent 1959	1960	1961	Paid-up per share Rs.	Latest Market Quotations as available until 8-10-63 Rs.	30-9-63 Rs.	A year ago Rs.	NAMES	Dividends per cent 1959	1960	1961	Paid-up per Share Rs.	Latest Market Quotations as available until 8-10-63 Rs.	30-9-63 Rs.	A year ago Rs.
Bangalore W C Silk P.	10	10	18	100	226/80	231/00	242/80	Lakshmi	12	20	30	50	136/00	133/50	146/00
Buckingham & Carnatic P.	10	10	18	100	264/80	269/00	277/80								
Cambodia P	Nil	9	..	10	12/37	12/37	13/00	Madura	12½	15	15	15	33/00	32/50	35/65
Coimbatore Cotton	6	12	16	100	167/00	167/00	181/00	Mettur Industries	25	30	30-22½*	100	278/00	277/00	342/00
Coimbatore Spg & Wvg	..	..	..	50	68/50	67/40	69/00	Palani Andavar P.	..	..	..	10	202/75	202/75	215/00
Kothari Textiles P	10	10	8	10	9/30	9/30	10/55	Vasanta P.	16	20	..	100	276/00	276/00	290/00

SOUTH INDIA SUGAR MILLS

NAMES	Dividend per cent 1959	1960	1961	Paid-up per share Rs.	Latest Market Quotations as available until 8-10-63 Rs.	30-9-63 Rs.	A year ago Rs.	NAMES	Dividends per cent 1959	1960	1961	Paid-up per Share Rs.	Latest Market Quotations as available until 8-10-63 Rs.	30-9-63 Rs.	A year ago Rs.
Andhra P	20	..	..	10	17/36	17/36	20/75	K. C P.	15	..	..	10	23/90	23/90	22/00
Cauvery P.	Nil	6	8	100	105/00	105/00	114/50	Kothari	..	Nil	Nil	10	7/00	7/00	7/05
Deccan Sugar	25½	25½	12—18*	5	10/50	10/40	10/80	Mysore	30	30	30-30*	10	46/75	46/75	53/40
E.I.D.—Parry	28 4/7	21 3/7	21 3/7*	£1	37/50	36/87	40/75	Travancore P	10	10		10	7/15	7/15	7/50
Indian Sugar P.	12½	14	10	10	8/65	8/65	11/00	United Breweries	60	60	60-25*	10	34/58	35/00	97/50
Jeypore P	10	8	..	10	16/00	16/00	17/00								

SOUTH INDIA MISCELLANEOUS COMPANIES

NAMES	Dividend per cent 1959	1960	1961	Paid-up per share Rs.	Latest Market Quotations as available until 8-10-63 Rs.	30-9-63 Rs.	A year ago Rs.	NAMES	Dividends per cent 1959	1960	1961	Paid-up per Share Rs.	Latest Market Quotations as available until 8-10-63 Rs.	30-9-63 Rs.	A year ago Rs.
Aluminium Industries	12½	18	..	10	17/10	17/00	24/40	Mysore Chemical Mfgs. P.	20	20	..	10	17/75	17/75	21/75
Andhra Cement P.	10	..	..	10	9/60	9/60	10/35	Mysore Lamp P.	10	20	..	10	30/00	30/00	37/35
Ashok Leyland	8	8	..	5	7/45	7/34	7/95	Mysore Paper	12½	15	15	10	13/65	13/65	14/87
Binny	10	12½	..	100	291/40	297/00	329/40	Mysore Tobacco	12½	10	..	10	10/50	10/50	8/60
Brunton & Co.	Nil	..	..	10	5/03	5/03	5/30	Parrys Conf	20	30	..	1	3/35	3/29	4/15
Enfield P	5	5	..	10	9/25	9/25	10/45	Spencer (Provisions)	18	18	18—18*	10	20/12	20/12	24/50
India Cement P.	9	11	9-12*	9	5/75	5/75	6/40	Standard Motors P.	9	9	..	10	11/40	11/40	16/13
Indian Steel Rolling P.	7	..	..	10	10/40	10/40	11/37	T Stanes P	27½	32½	..	10	27/40	29/05	29/60
Mettur Chemical Industrial P.	8½	12½	12½-13¾*	10	13/00	13/03	14/10	Textool	15	15	..	100	155/00	154/75	166/00
Mysore Chem & Fert.	5	10	10	10	7/75	8/10	10/10	Tube Investments	10	10	10	100	213/00	213/00	269/00

LIGHT RAILWAY AND ROPEWAY COMPANIES

NAMES	Dividends per cent 1960	1961	1962	Paid-up per Share Rs.	Latest Market Quotations as available until 9-10-63 Rs.	1-10-63 Rs.	A year ago Rs.	NAMES	Dividends per cent 1959	1960	1961	Paid-up per Share Rs.	Latest Market Quotations as available until 9-10-63 Rs.	1-10-63 Rs.	A year ago Rs.
Ahmedpur Katwa	1.90	1.90	1.75	100	26/00	26/00	29/50	Darjeeling Ropeway	..	..		10	9/12	9/12	8/00
Arrah Sasaram	5	5	5	100	29/50	29/50	30/50	Dehri Robtas	17	20	15	10	13/12	12/50	17/25
Bankura Damoodar	1.90	1.90	1.75	100	30/00	30/00	29/50	Futwah Islampur	1.90	1.90	1.90	100	28/70	28/70	28/70
Burdwan Cutwa	1.90	1.90	1.75	100	29/00	29/00	29/50	Howrah Amta (P)	6	5	4½	100	40/00	40/00	46/00
Chaparmukh-Silghat	2.90	2.90	2.80	100	40/00	40/00	35/00	Howrah Sheakhala	6	5	4½	100	45/00	45/00	45/00
Cherra Chhatak Ropeway	9	12	12	5	5/75	5/75	5/75	Katakha Lalr Bazar	3.50	3.10	1.90	100	41/00	41/00	41/00
								Shahdara (Delhi)	6	3	..	100	52/00	52/00	50/75

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A FIRESIDE CHAT FROM MR. KRISHNAMACHARI

THE feature of the "fireside chat" broadcast by the Finance Minister, Mr. T. T. Krishnamachari, last Friday was that it posed more questions than it answered. The stock markets have reacted bullishly. Motley business men and editorial writers are pleased. But one suspects that the bullishness and pleasure spring primarily from nothing more substantial than the circumstance that the Finance Minister still says some very nice things in a very nice way, and therefore continues to be "flexible" and "pragmatic". Inflexibility and airy-fairy idealism among the arbitrators of a nation's fiscal destinies are, of course, always dangerous. But satisfaction about the virtues which Mr. Krishnamachari has seemed eager to display will be qualified by the reminder that good thoughts are never enough; they have to be supplemented with good deeds if they are to be of practical value. In Mr. Krishnamachari's case, evidence of such deeds is still awaited.

The most reassuring part of the broadcast was Mr. Krishnamachari's statement that the paramount problem he faces is to accelerate the growth of the economy. As he reminded his listeners, during the past two years agricultural production has stagnated. The expansion of industries, especially consumer goods industries, has slowed down. The growth of the economy, therefore, has hardly kept pace with the growth of population. An improvement is expected in the coming months. For example, the crop prospects this year are good. As the supply of basic requirements such as power, transport, raw cotton raw jute, steel and fertilisers increases, industrial production is likely to rise; at the same time, new capacity will come into being with the maturing of past investments. The capital market is "showing glimmerings of revival". Measures have been taken to stimulate agricultural and power development, and to import more fertilisers—all of which should show results in course of time. But the growth thus expected will still not be enough; "it is clearly necessary to take further measures to quicken the process of expansion."

Mr. Krishnamachari's broadcast unfortunately did not convey any clear idea of what those "further measures" might be. Generalisations are one thing specific remedies quite another—and it was a weakness of the broadcast that it was long on the former but short on the latter. It is good to know, for instance, that the supply of credit for productive purposes is to be liberal, although the Reserve Bank will continue its vigilance in order to ensure that the credit is not used for speculative purposes. However, if memory serves, this is exactly what the Government and the Reserve Bank claim has been their credit policy throughout, not only now but for years. In the circumstances, it is possible that the difference between the present policy and the future one may be more one of shade than one of substance. Rumours are circulating that one tier is going to be knocked off the two-tier interest rate structure applicable to commercial banks when they borrow from the Reserve Bank; that the borrowing quotas of the former are going to be liberalised and that the Reserve Bank will stand by permanently ready to rush in with funds should particular banks find their position over-stretched. But these would not be revolutionary changes even in a purely formal sense. The revolution, if any, has to be in attitudes —in particular, in the attitude which assumes that the consequences of physical shortages and of reckless deficit financing can be neutralised by the manipulation of general and selective credit controls.

In other words, the Government first has to learn to restrain its currency-note-printing orgies in accordance with the realities of the economic situation. Only then would the credit policies of the present or the future have a chance of working. Mr. Krishnamachari indirectly showed awareness of the problem when he referred to "a considerable amount of unaccounted money which is used essentially for speculative transactions and more especially in commodities". He added that "this major factor" had to be borne in mind while devising suitable instruments of monetary control. While the statement as such is unexceptionable, it remains to be seen what "suitable instruments" can be devised to cope with an ocean of black money that has not come within a mile of the Government's reach for the last quarter of a century. The fact is that no instruments will be suitable unless the sum total of the black money is itself first reduced. Apart from stricter measures to prevent tax evasion, this might mean avoiding inflationary policies, reducing taxation, mobilising bank deposits more vigorously and bringing steadily more of the unorganised money market under the Reserve Bank's supervision and control. Mr. Krishnamachari, however, gave not the faintest hint whether he had any of these measures in mind.

More liberal credit, a slightly easier supply of imported raw materials and components, and a considerably easier supply of domestic raw materials and components—these are the factors which may be responsible for the modest recovery in industrial growth which the Finance Minister forecast for the very near future. He rightly emphasised, however, that a steady recovery could not continue "without a significant revival of investment activity." Unfortunately, it seems that this is a subject on which no decision of any importance has yet been reached. The question of setting up a unit trust has been in the air for at least eight months, if not eight years. The proposal for enlarging the functions of the Industrial Finance Corporation is of purely marginal importance too. The disappointment will remain, therefore, that relatively minor matters appear to be taking up Mr. Krishnamachari's time when the far more fundamental problem of getting the capital market as a whole moving again is receiving a somewhat leisurely study. The Finance Minister has hinted that he is not unprepared to take another look at the Government's fiscal and pricing policies which may have hampered industrial investment. The important thing, however, is not merely that these policies should be looked over again; but that they should be looked over quickly and the decisions reached soon.

When Mr. Morarji Desai presented his Budget in February, the economy had already achieved

two years of stagnation, as Mr. Krishnamachri was obliged to recall without pride last Friday. The two years have now got to two-and-a-half years. The country has reached the stage where it can hardly afford the tyranny of the fiscal calendar whereby the two-and-a-half years must now extend to three years before anything even begins to be done. In other words, Mr. Krishnamachari has had several months, as Minister for Economic and Defence Co-ordination if not as Finance Minister, to study the fiscal and pricing policies which have retarded capital investment and industrial growth. Known for shrewdness and insight, he could not be finding it difficult to recognise already which taxes and which pricing regulations are bad. No harm would be done, then, if the worst of the taxes and regulations were to be scrapped, amended or replaced as early as possible, while the more thoroughgoing reform of the fiscal structure with reference to "the requirements of growth and social justice" is left over until the Budget in February next year. If India is in the midst of an emergency, the need for quick decisions may be no less than the need for correct ones.

Finally, parts of Mr. Krishnamachari's broadcast last Friday were devoted to outlining his ideas on socialism, social justice and price stability. It is true, as he said, that the word "socialism" has come to mean all things to all men. To him, the word implies that "socialism, far from curbing the individual, seeks to stimulate and reward individual initiative and enterprise. But this enterprise has to be in the social interest rather than in the direction of promoting dynastic and monopolistic tendencies." It is perhaps permissible to say, with due respect, that the definition once again does not carry us very far, since as a generalised package of theoretical goals it would probably be heartily endorsed by all great men from Dr. Wilhelm Röpke to Mr. Liu Shao-chi. It is, to coin a term, non-anti-pro-socialism of a variety that would be readily acceptable to everybody. Perhaps that is what it is meant to be in its theoretical guise, while the practical content remains largely unknown. In some circles, however, a mild quiver of nervousness has been noticed that the "dynastic and monopolistic tendencies" to which the definition refers might be those featuring a class which Mr. Krishnamachari on an earlier and more famous occasion described as "man-eaters."

As for social justice, it is an excellent idea that those with talent should be given not only greater opportunities, but also the means (i.e., probably the money) to use those opportunities. The problem of devising suitable criteria for recognising talent, however, remains. Hitherto, in large areas of Indian society, whether it be business, politics or bureaucracy, the only criterion accepted as infallible has been the genealogical tree. The Almighty in his wisdom seems to have decreed that in this country discoverable talent must exist only in the sons, nephews and nieces of the already great. The Finance Ministry may find that, if it is to dispense scholarships really fairly for example, the same problem remains. Divine assistance will have to be invoked in order to bring about the revolution in private and social attitudes that is necessary to check nepotism and favouritism.

RAISING COAL PRICES

THE problems of the coal industry have been looked at in overall terms for too long a time. While this may have sufficed in the past, it will not serve the nation's interest to continue to do so in the future. This is obvious from a study of the production figures for the last two years, which highlight a disturbing decline in the output of the better grades of both coking and non-coking coal. Current estimates warn that the decline may not only continue but may even accelerate, a prospect which calls for some serious thinking about basic policy issues. It is undeniable that only a small proportion of the country's coal reserves consist of the better grades. While the exact proportion has not been firmly established, the evidence is sufficient to support the case for conserving the better grades by limiting their supply only to those whose needs cannot be met by lower varieties. This is accepted policy—it has been so for some years—but the policy-makers have suffered from a curious reluctance to accept its full implications. How does one otherwise explain the fact that a ton of Selected A coal is priced at only Rs. 4 a ton above grade II, a difference which ceases to have meaning when freight is added—equal in both cases—to make up the delivered price?

That the price differential is too small to discourage unnecessary consumption is obvious. But New Delhi has preferred to rely on the Coal Control Order which gives the executive the right to specify who will receive what coal and from where. The executive's right does not stop agitation and clamour, creating headaches for Ministers and sundry others who are supposed to hold the scales of justice even between competing claimants. The problem need never have arisen if "rationing by price" had been used to reinforce executive fiats. No injustice would have been involved since there is not the least doubt that if New Delhi relied on the allocative efficiency of the free market, the differentials would immediately widen. This is happening on a limited scale even now; with supply having overtaken aggregate demand, the lower grades are frequently available at a discount given officially or otherwise.

The fact of rebating is capable of varying interpretations. Chair-borne policy-makers can conveniently assume that it connotes a handsome margin of profitability in the grades in which rebates are being offered. At first sight, this seems a convincing explanation, but not when one gets down to details. A fact to remember is the wide spread of the industry: there are units employing less than 50 persons at one end and raising less than 5,000 tons a year, while the largest mines at the other end employ over 1,200 and have an annual output of over 200,000 tons. The report of the committee on the amalgamation of collieries—569 out of the 848 collieries are uneconomic in terms of the accepted criterion of a minimum output of 6,000 tons a month—noted that they have no equipment, no technical staff, and limited possibilities, if any, of expansion. They do not, to quote the committee, provide housing and other amenities to labour. "Labour is not paid wages according to the standards laid down and provident fund and other facilities are denied." Not surprisingly, a price that puts large operators in the red may still yield a goodly margin to those working in the manner the committee has described. The view is supported by everyday experience, and by independent testimony. A World Bank team which looked into the coal industry in 1961, prior to the offer of the $35 million for private sector expansion, held that small undertakings—mostly proprietary companies—hardly kept any books and were doing exceedingly well. The lack of proper book-keeping is nothing new; the Bhoothalingam Committee came up against the same problem when it wanted to go into the costs of the lower grade mines.

The fact, therefore, that a section of the industry may be quite well off even at present prices because it manages to escape statutory liabilities must not be allowed to colour the overall judgment. These mines, numerous as they are, account for only 21 percent of the total production. Many of them will go out of commission as the accessible seams get exhausted since they cannot find the capital outlay required to work deeper seams. In sum, the units are anachronisms on both technical and social grounds and means (other than voluntary amalgamation, which has failed) will have to be found to get at the reserves on which they are sitting. This is a plea for better organised mining to ensure that the country's growing demand is met in time and at the lowest possible cost, consistent with the social obligations the community has imposed on the industry in the shape of mining regulations and labour awards. It does not mean that the economy can do without the lower grades of coal, which most of the small mines raise. What was said earlier about rationalising consumption implies that the entire approach to coal should be geared to making the most of the abundant supplies of lower grades as a corollary to the conservation of better grades.

Planning for coal has so far proceeded on the basis that the country's prospective requirements do not call for any encouragement to Grade II production in West Bengal and Bihar and Grade III in the outlying fields. It may be necessary to examine whether the assumption holds true in the light of the overall demand—some place it at 200 million tons by 1970 and 350 million tons by 1980. Lord Robens, chairman of Britain's National Coal Board, expressed the view in Calcutta last week that the targets were much higher than could conceivably be achieved. He might well have added that aggregate targets are somewhat pointless since the demand for coal cannot be usefully assessed except in terms of the qualities required. Even the National Coal Board project must receive not only technical and financial scrutiny but also a separate one to establish whether the quality and location of the additional output meets marketing criteria. There is an important lesson to be learnt here to avoid the present unhappy situation in which the pattern of production bears no relation to the category break-up of demand. A perspective plan for coal worked out in some detail is an urgent need not only to decide on new capacity but also to determine a rational approach to pricing.

Looked at in this way, it will hardly suffice to peg prices at a level that covers current production costs. Cost neutralisation is important to an industry as hard-pressed as coal, but this is less important in the long run than incorporating in the price mechanism a strong growth stimulus. This requires that prices should be high enough to make returns in coal as attractive as in other comparable industries, so that it continues to receive a fair share of investment support. Whether a given price level satisfies this criterion can be readily judged by comparing profits in coal as a percentage of net worth with the all-industry average. At the present time, the comparison is unfavourable, and there is some danger that it may get more so unless immediate steps are taken to neutralise uncovered cost increases. Another equally important consideration, applying especially in the case of coal, is that the price structure should promote sound mining practices. In other words, nothing should be done which inclines the producer to go in for short-term gains—such as an output bonus may offer—to the detriment of developing the property properly so as to recover the maximum possible coal over the whole of its life.

A long-term view on both counts would justify giving every encouragement to the adoption of modern technology. As a logical corollary, the price would have to allow fully for the increasing cost of opening up new seams and mines so that the entrepreneur is not obliged to skimp on development. Such costs are rising not only on account of the inflation in equipment prices but also because mining conditions are gradually becoming more difficult. This may be judged from the fact that putting down a new mine cost Rs. 20 an annual ton in the late 'fifties, Rs. 50 a ton for third plan schemes assisted by the World Bank and is now reckoned at Rs. 100. Unless this higher investment is made, the coal industry will find itself quite unable to improve its productivity fast enough to absorb increases in wage costs. The result will be, as has been the case for some years now, frequent changes in price to accommodate every rise in labour's emoluments. An adequate price rise now which facilitates modernisation may well be the solution cheaper than occasional small increases that leave the basic problem untouched.

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A NEW ERA FOR THE FUND-BANK

AS was expected, this year's meetings of the International Monetary Fund and the World Bank did not produce any plans to revolutionise the world's monetary system. What they did do, and this again was foreseeable, was to acknowledge the need for some kind of change and approve the mechanism by which the various possibilities might be investigated. Which is what puts the 1963 Washington meetings among the most significant since the war. Before next year's gathering in Tokyo, not only will the question of quotas have been reviewed under the I.M.F.'s five-year rules, but the whole problem of international liquidity too will have been gone into in great detail. It does not follow, of course, that changes are likely now to be rapid and far-reaching. It is more likely they will be slow and extremely tentative, perhaps too slow for the pace of events if the United States' balance-of-payments deficit is reversed quicker than expected. But the risk of this happening does not appear to be very great at the moment. The main point is that although once again the need for a blanket increase in the world's liquid reserves was ruled out as firmly as Mr. Kennedy's rejection of a change in the gold parity of the dollar, the principle of more change and greater flexibility for the future was accepted, however reluctantly in some quarters. This had already been foreshadowed when the United States acknowledged some weeks ago that its own plans for balancing its external payments might cause embarrassment to others; what is important about the Washington deliberations is that France appears to have accepted the principle too. Now, presumably, the task will be to work for reform and not to let the spirit of change become victim to circumstances.

Two committees are to be set up. The first, which will be of the I.M.F. itself, is likely to be concerned chiefly with seeking improvements in the structure and working of the organisation. Possibilities to be looked into are the extension of borrowing periods and the increase of quotas without corresponding increases in gold subscriptions. This would be of importance to countries such as India. But the main work will be carried on by the "Committee of Ten", which is to include the representatives of the Finance Ministers of the Paris Club group of countries, the ten whose operations at present dominate the Fund. This Committee will meet in Paris with Mr. Robert Roosa of the U.S. Treasury in the chair, and its terms of reference could scarcely be wider. There is considerable danger in this, but there is much promise as well, because the problem of easing international monetary stringencies without actually increasing liquidity is likely to be an intricate as well as difficult one. It is not easy to identify exactly on what lines the Committee will decide to work, and so far little light has been thrown on this question by the authorities concerned. The only creditable guess has to be based on a wide appreciation of the facts involved and the attitudes of the various parties concerned.

The European countries, especially France, have taken the stand that although they are not diametrically opposed to an increase in liquidity should circumstances necessitate, they do object to such an expedient at present, and to its being used simply to get the United States out of the troubles its balance-of-payments problem has landed it in. If the U.S.A. needs credits, the argument runs, then it must take steps to put its economy in order and in the meantime approach the I.M.F. for whatever accommodation it requires. To what extent this stand is based on a desire to see the United States swallow the same medicine as other countries have had to in their time, or on the attitude that Europe's growing importance in international financial matters must be more firmly established, is scarcely important. The real point is that whatever changes are to be made, priority will be demanded for those which favour a more "equitable" relationship between debtors and creditors rather than any which seek merely to increase liquidity. There is considerable justification in this stand, although it is apt to appear somewhat irrelevant to countries which, like Britain, suffer from a chronic shortage of reserves even when their economies are otherwise in reasonable health. In the demand for equality, the non-reserve currency countries are apt to ignore the very important question of just how that proportion of the free world's trade which depends on dollars and sterling can be expanded when they themselves are accumulating, and holding on to, the lion's share of the available liquidity.

For better or worse, then, the Committee of Ten will most likely be confined, at least for the time being, to studying how the present "swap" system of international currency co-operation can be improved. In particular, and as suggested by the French representative, M. Giscard d'Estaing, the provision of some "automatic" machinery for a prompt return to equilibrium when central banks accumulate holdings of other currencies, will probably be looked into, as also the problem of the present iniquitable distribution of the world's monetary gold. More reciprocity is also likely to be urged, as when a reserve-currency country finds itself accumulating a debtor's currency. In other words, the emphasis will be on improving co-operation and making the existing system work better rather than simply on pulling the United States' chestnuts out of the fire. There is a good deal of sense in this, because it is useless to deny that the U.S. refusal in the past to accumulate others' currencies, and its readiness to assume a "holier than thou" attitude towards countries in balance-of-payments difficulties, has not helped to improve the international climate or increase the flow of world trade. If the U.S.A. is now being forced to accept the rules that have hitherto embarrassed other I.M.F. members in the past, then it may be no bad thing for the future.

All this will probably have greater significance for the underdeveloped countries in the long run than appears likely at the moment. There is an all-round gain from greater co-operation and this is what the I.M.F. meeting seems to be promising for the future. The meeting of the World Bank, however, offered more obvious benefits for th underdeveloped, and perhaps more immediate ones too. Under its new president, Mr. George Woods, the Bank has this year acknowledged a crisis in its affairs. This has been coming on for some time now, and it is due to a number of factors not all of which can be attributed either to internal policy or departed personalities. The fact has to be faced that many borrowers are no longer in a position to meet the Bank's wholly reasonable but somewhat stringent lending requirements, despite the fact that their needs have declined not at all. Some of the problems have been resolved by the twin satellite institutions, the International Finance Corporation and the International Development Association. But this has not prevented the point being reached where either the Bank adopts new policies or prepares itself for eventual extinction. Mr. Woods announced that these are now being developed, and the volume of loans is already rising in consequence. Briefly, the idea seems to be to blur the present sharp edges of division between the Bank and its satellites so that, to some extent, it can take over the more orthodox of their functions. It is also planned to enter new fields of lending activity and to reduce or liberalise interest and repayment requirements. These could be developments of major significance.

As with the Bank, the I.F.C. and the I.D.A. too have given the impression of being on the threshold of radical change. The scope of the latter should be increased by the promised discretionary transfer to it of a portion of the Bank's annual investment income. But the calls on the I.D.A. will inevitably grow, and some method of supplementing resources before the state of these comes up for review in three years' time would be a great help to developing countries. The work this institution is at present doing in supplying "soft" loans is invaluable. The problem of the I.F.C. is still to find the right kind of investment project, although this has been helped by the decision to permit the purchase of industrial equities. Along with the I.D.A. its functions can be expected to go on increasing, although by its nature it is unlikely to achieve anything as dramatic as its fellow organisation, whose scope is in any case so much greater.

But the main interest this year centres on the possibilities facing the World Bank itself. In the past this institution has done great work within its limitations. Now the task will be to find other work without necessarily abandoning altogether the principles on which the Bank has traditionally worked. Mr. Woods has suggested three possible fields for new lending. The first, and probably the most important so far as India is concerned, is agriculture. Already, of course, the Bank concerns itself with large-scale irrigation projects which help farmers. But what Mr. Woods appears to have in mind is something in the field of storage provision and assistance to institutions designed to provide credit and technical assistance. It is not obvious at first sight how such ventures can be expected to pay an economic return over any reasonable period, but no doubt Mr. Woods has this point firmly in hand. Also of importance to India are the other two possibilities: the provision of finance for imports of machinery and components for industry, and the sponsoring of suitable educational projects such as schools and colleges. These three proposals show considerable imagination, and Mr. Woods is to be congratulated on his initiative so soon after taking over his new post. The fact that it may prove difficult to reconcile such propositions with the orthodox principles on which the Bank has always worked, does not in the least detract from their virtues.

So this has been a significant annual meeting for both the major international institutions. The new men in charge, and the changing requirements of the times, both appear to have had a part in creating the new image. If this year is an earnest of more promising things to come, then the world has reason to be grateful. Both have done great service in the past. But circumstances are changing rapidly and institutions must be reshaped to suit them. The evidence that flexibility remains one of the virtues of the Fund-Bank set-up is to be welcomed by the developed and underdeveloped nations alike.

STEEL PRICING AND DISTRIBUTION

THE Raj Committee's final report, released last week, may be considered in two parts since the pricing of steel raises some issues quite separate from those involved in distribution. To consider pricing first, the point to note is that the Committee's terms of reference did not really require it to go into the principle on which the Tariff Commission has based its awards in the past. If it did so, it was because it found the differentials among categories—price relatives as it calls them—not only arbitrary but also a hindrance in adjusting the pattern of production to demand. Both producers and consumers were fully in agreement with the Committee on this point and warmly welcomed its interim recommendation that the differentials needed thorough overhauling. Once Professor Raj and his colleagues started to question differentials, they seem to have been struck by the fact that the very basis of pricing is unscientific since it has never attempted to allow for the replacement of assets at current costs.

As they said in its interim report—a view reiterated in the final recommendations—the gross block should not be underestimated simply out of fear that the general price level of steel would have to be raised or that the valuation at replacement cost might enable the older plants in private ownership to accentuate large surpluses. The fear of misuse of profits, the Committee emphasised, is not a satisfactory basis for

price policies. A failure to use surpluses for purposes like modernisation and rehabilitation can be corrected by other means, but in any case the record of the steel companies does not warrant this apprehension.

The Committee has reiterated its earlier suggestion that price-fixing should be made the responsibility of a joint committee of the producers, implying self-regulation in place of control from outside, exercised nominally by the Tariff Commission but actually by the Ministry which has frequently overruled this quasi-judicial body's recommendations to the producers' disadvantage. Self-regulation is, of course, attractive, not because it will allow producers to have their way but because it will remove prices from the arena of political pressures. Yet, in the absence of fuller details of the precise rôle which the Committee envisages for the joint committee, serious reservations are warranted about the feasibility of self-regulation. Are prices to be fixed by majority vote in the joint committee, or is it the intention that the Iron and Steel Controller, who is to function as an umpire, will have powers to reserve decisions for Government approval? There is no getting away from the fact that steel prices are of fundamental importance to the economy. Decisions cannot, therefore, be taken only in the light of production economies but have to take the larger national interest into account.

Is a joint committee of producers competent to decide where the national interest lies? This is not to suggest that producers, whether private or public, do not have a high sense of social responsibility, but their judgment can at best be only sectional. They can hardly decide, even if they felt this to be necessary, that metal prices should be kept low relative to other prices to stimulate industrial development. The corollary that follows is that somebody else, the Exchequer perhaps, should make up the difference to the producers, a matter on which the joint committee can hardly legislate. That steel pricing is properly the concern of public policy is not a socialist heresy In the United Kingdom, the Government has now taken a hand in this matter for over 30 years. As the U.K. Iron and Steel Board, the chosen instrument for regulating the industry, has said in a recent review, the forces of the market alone would not always ensure economic and adequate supplies at reasonable prices. This is described as the principal reason why the Government must concern itself with the affairs of the industry, and why "public supervision" of the industry has become established policy (regardless of the political complexion of the Government in power) in the United Kingdom.

Self-regulation in the present form is clearly not going to suffice, especially in Indian circumstances which require high rates of sustained growth in capacity. It is important, therefore, that prices should be high enough to make adequate investment possible in the construction of new capacity; and, at the same time, low enough to bring economic pressure on producers to modernise and replace obsolete equipment and facilities. Making prices higher than immediate production costs warrant requires sanctions which a joint committee of producers can hardly summon. The private sector of the steel industry has rightly demanded, therefore, that the Government must itself broadly decide the level of prices before making over the responsibility for future changes to the self-regulatory agency of the joint committee. This implies taking a decision on the issue of principle, a duty understandably falling within the domain of the Government. Once the larger questions relating to prices have been settled, it can be left to the joint committee to fix the differentials between categories and the extras to be charged over base prices for non-standard sizes and specifications. But even in this narrow field, the question may well be raised why the consumer should not be associated with decision-making. Or again, why the re-rollers—currently supplying 25 percent of the total demand and perhaps a much higher proportion of the non-Government purchases—should not be given a voice? If the Committee has considered these issues and decided against their representation, this is an aspect which needs to be examined again at the policy level.

As for distribution, the Raj Committee's final report reiterates its earlier recommendation of partial decontrol—the first sale from producers at fixed prices but all subsequent sales at what the market will bear. At first sight, the Committee's recommendation seems to be at variance with decontrol as visualised by both Mr. C. Subramaniam, Central Minister for Steel and Heavy Industry, and the private producers. But there is no real difference; whether there is any statutory control or not, no one—least of all the producers—expected the first sale to be made at anything but firmly fixed and stable prices. Beyond the first sale, the producers are not concerned *qua* producers, whatever bearing it may have on their stockyard operations. The public interest is, however, deeply involved because of the repercussions that free market operations may have on the cost of consumer items and on plan projects financed by the taxpayer.

To judge the issue in perspective, the first point to note is that almost every essential user will continue to obtain his requirements direct from the producers. A free market will not, therefore, have anything but a marginal impact on plan projects and State undertakings whose demands on the producers will be planned by a priority committee in New Delhi, in much the same way as now. These priority demands from Government sources constitute 50 percent of the total, and another sizable chunk is accounted for by public utilities and basic industries such as coal, heavy machinery and equipment manufacture. It is only the residual proportion—perhaps no more than 30 percent—which will be available for free marketing *via* the stockists. Even under the total decontrol that a section of the industry favours, the position concerning supplies will not be materially different. It has always been implicit in the decontrol proposals that producers will accept the responsibility for making supplies available to essential consumers on the basis of "fair shares". One may, therefore, conclude that in this instance also the Committee's views are in agreement with the producers' idea of responsible *laissez-faire*.

As for the 30 percent of the supplies reaching the consumers *via* stockists, the idea of a free market represents nothing more than a recognition of the situation as it exists. Such recognition is to be welcomed because it will do away with the unnecessary deviousness now involved in buying and selling steel, and may perhaps (one hopes) bring under-the-counter profits within the tax-gatherer's net. In any case, free trade will reinvigorate the retailers of steel by introducing a greater element of competition. This will be all to the good because much of the trade has ceased to perform its legitimate function of servicing the consumer by taking over bulk supplies and breaking them down into units and sizes required for retailing. This not only hampers the small consumer but also gets in the way of the producers upon whom a part of the demand for meeting individual requirements falls.

While the Raj Committee's recommendations will receive wide support, some doubts have been raised whether it is necessary that the production programme of the major works should be centrally planned by the joint committee. The issue really boils down to deciding whether, in circumstances where shortages will persist for many years still, planning can help to get more out of the mills than otherwise. Hindustan Steel's view reportedly is that the production of the plants can be so rationalised that it reduces the overlap between them to negligible proportions. In addition, such overlap as still remains can be taken care of by assigning to each plant a marketing zone. The ideas are worth trying since maximum specialisation must be the aim so that the plants achieve long and economic production runs, but it still does not do away with the need for a measure of supervision which joint planning may provide.

FREIGHTS: BARK BUT NO BITE

THE acrimonious controversy touched off by the decision of the India-Pakistan-U.K.-Continent Shipping Conference to raise the freight rates on west-bound cargoes by 121 percent has now reached a stage of noisy futility. The Government of India has issued 16 global licences to Indian shipping companies to operate tramp vessels. An Indian company, Apeejay Lines, has offered to carry cargoes at rates even lower than the Conference lines' original rates. To reduce the dependence on Conference shipping, the Government is also thinking of other measures, such as (1) granting loans liberally for acquiring tramping ships, subject to the condition that the companies taking the loans will operate as genuine trampers and not join any conference; (2) allowing tramps to carry all possible cargo; and (3) permitting foreign vessels to be chartered until Indian tramping strength is built up

In normal circumstances the Government's move to increase the tramping fleet would have been a step in the right direction since tramping is a field where rapid expansion of tonnage is easier. Tramps are necessary for the balanced growth of India's merchant fleet, and for meeting the bulk transport needs of her overseas trade. At present her tramping strength is very limited. Only about 10 percent of her total trade is carried in Indian bottoms and if this is to be raised to 50 percent, the expansion of tramping is necessary. But recent developments in the international freight market have rendered the Government's decision inopportune. Freight rates have jumped up because some major harvests in Russia, China and Europe have been poor, so large quantities of foodgrains will have to be imported from North and South America; the prices of second-hand dry cargo vessels have increased by up to 25 percent in response to the rise in freight rates. The *Liberty* vessels built during the second World War have in fact commanded a price of £90,000 recently, compared with £60,000 last June. Owners of this type of vessel, it is reported, are now holding out for £100,000 as they expect a further improvement in freight rates. They may not be disappointed, considering the latest U.S. decision to sell huge quantities of wheat to Russia.

It remains to be seen how far the global licences granted by the Indian Government to operate tramp services will be actually used. The acquisition of ships, already difficult because of the acute shortage of foreign exchange, has now become much more difficult. The third plan has allocated Rs 55 crores for shipping development, and the tonnage has already almost touched the plan target of 1.3 million tons. This rapid expansion has been possible because of the liberal deferred payment terms offered by shipbuilders in their anxiety to attract orders during the period of depression. But in view of the changed conditions it is doubtful if such terms will be available now. A few months ago the Government raised the permissible limit of foreign share capital participation in Indian shipping companies from 25 percent to 40 percent in the hope of attracting external investments in order to acquire additional tonnage. But so far the response from foreign shipping interests has been poor. Thus the only course now open is to acquire ships from rupee payment countries like Yugoslavia and Poland. But their quotations, even during the earlier depression in the ship business, were very high.

The Government's measures to cut down the dependence on the Conference lines will at best be marginal in effect. They may harm Indian interests since three major Indian shipping companies, including the Government-owned Shipping Corporation of India, are Conference members. Their share in the total trade at present is 39.5 percent, and there is a provision for raising it by annual escalations of 1 percent to 48.47 percent by 1971. So on any reckoning, the move to circumvent the Conference is ill-advised. It will be almost impossible to implement it to any serious extent in the absence of sufficient shipping tonnage.

It is obvious that the Government does not have any objection to a freight rise as such, since it had agreed, on the recommendation of the Maritime Freight Commission, to a rise of 7½ percent. Its quarrel is with the amount of rise, namely, 12½ percent, which, it contends, will adversely affect India's exports. Furthermore, it feels that its plea to exempt "sensitive commodities" from the freight rise has been disregarded. The Conference has pointed out that the freight increase is not applicable to some commodities, while in the case of some others the increase is smaller, with the result that the effective overall increase is less than 10 percent. It has also indicated the incidence of the rise on the major export items The Conference lines point out that the total export trade on its route amounts to only Rs. 204 crores, jute manufactures, tea and oilcakes accounting for Rs. 112 crores. The freight incidence, according to it, is as follows:

Commodity	Incidence of freight on value before increase	Incidence of increase
Tea	4.28%	0.47%
Oilcakes	18.79%	1.48%
Jute products	8.54%	0.96%
Average on all other general cargo	6.52%	0.73%

As for the "sensitive items", the incidence of the freight rise is as follows:

Commodities	Percentage incidence on value of the rate increase
Oilcakes	1.48%
Coir yarn	1.19%
Vegetable oils	0.96%
Coffee	0.56%
C. P. goods	0.2 %
Hides and skins	0.10%
Coir matting	nil

The figures show that the impact of the new freight rates is insignificant, except perhaps in the case of oilcakes. There, too, because of the concessions proposed for shipments under contract for minimum quantities of 15,000 tons a year, the incidence may be reduced to about 1 percent.

If it is seriously argued that exports will be affected by the rise in shipping freight, it is difficult to see how increases have been permitted in the charges of other forms of transport. Railway freights, inland transport costs, coastal shipping rates have all gone up during the past few years. The Conference has pointed out that, even after rationalising its working by pooling arrangements, it is not able to operate economically and provide a reasonable return of 12½ percent on capital unless freight rates are put up by 33 percent. The working of some Indian shipping companies seems to corroborate its contention. The India Steamship Company, for example, has been running at a huge loss for the past four years. It could have averted its loss of about Rs. 30 lakhs for 1962-63, had a freight increase of only 10 percent been allowed in the east to west trade last year When the operating costs of shipping companies have gone up everywhere, a freight rise is only natural. In his annual statement to the shareholders of India Steamship Company, Sir A. Ramaswami Mudaliar has stated that "even with the increases proposed by the Conference, there is only a very slight increase in actual freights over those prevailing in 1957, for several of the commodities." While the rise may not affect the competitive position of many export items. Indian exporters ought to be in a position to absorb the rise in the cases of commodities which are really "sensitive".

Current News and Comment

Fall in Currency Values

"The highest law is the highest injustice. This more than 20 century-old sentence still clearly defines the legal masquerade which continues to surround the unabated technique of expropriation of the currency owner everywhere." So begins Dr. Franz Pick's foreword to the 1963 edition of *Pick's Currency Yearbook*, the ninth in an annual series. Dr Pick continues: "During the 12 months which have elapsed since the previous edition of this publication went to press, the world's monetary justice continued to be raped constantly in every country of the globe. Promises of currency stability were cynically broken, purchasing power of even the 'hardest' units was debased in order to chase rainbows such as full employment.

"Between 1st July, 1962, and 30th June, 1963, not less than 15 full devaluations cut the official values of the monetary units of Afghanistan, Brazil (5), Chile (3), Colombia, Indonesia (2), South Korea, Syria and Uruguay. These fraudulent State bankruptcies did not present one instance in which the unfortunate money owner was compensated by the bankrupting authorities. Twenty-six currencies dropped to historic lows of value in free markets. They were the units of Algeria, Argentina, Brazil, Burma, Ceylon, Chile, China, Colombia, Congo, Cuba, Ghana, Guinea, India, Indonesia, Israel, Katanga, South Korea, Laos, Nicaragua, Pakistan, Paraguay, Peru, Ruanda-Urundi, the Sudan, Tunisia, and Uruguay. More than one-third of the globe's population underwent partial or full monetary expropriation by such drops of currency value."

Commenting on recent monetary developments, the author highlighted the following: "A new wave of rising prices swept over a Europe where only a few years ago some hopeful returns to currency stability were appearing. Under the impact of so-called prosperity or over-full employment, wages were increasing and taxes rose, as did prices of all products and the purchasing power of the various currencies was coldly reduced. It was one of the not fully appraised facts that the globe's best and freest currency, namely, the Swiss franc, was debased to a level of less than 50 percent of its pre-second World War buying value. The hard units of the Common Market and E.F.T.A. countries also shrank in value and the internationally respected pound sterling bought less than 29 percent of its 1938 value." Dr. Pick concludes: "The monetary millenium has not come into human reach. The real tragedy of all these events is the horrible fact according to which governments may continue to cheat or to expropriate the individual who has acquired some savings or assets. But should the individual try to protect himself against such a procedure, he becomes subversive and dangerous. From Washington to Peking, legislation to limit the monetary freedom of the individual increases constantly. The fear of devaluation, dominating the thoughts of currency managers, did not subside anywhere during the past 12 months. It will continue to rule in all central banks or Ministries of Finance in the year ahead.

The revised and enlarged 1962 *Yearbook* presents a thorough analysis of 95 leading world currencies, including a general economic survey, monthly free or black market rates since 1954, official monetary statistics, transferability regulations and summary of ten-year monetary records. In addition to a currency mortality table, there are unique global *per capita* tabulations on gross national product, national debt, foreign trade, and currency in circulation. The currency unit of Algeria is included for the first time. Other sections of the book are devoted to statistics and comments on the leading gold markets, transactions and complete data on world public and private gold holdings and production, including the Russian bloc. A comprehensive international trade directory, with names and addresses of foreign departments of leading banks, currency dealers, gold traders, security arbitrageurs, etcetera, completes the scope of the new *Yearbook*.

State Taxation Affects Exports

State Governments grant relief from sales taxes and other levies in the case of exported commodities, but the defective system of allowing this relief does not help export promotion The memorandum which the Federation of Indian Chambers of Commerce and Industry has submitted to the Saraiya Committee on sales tax makes some useful points in this connection. The rates of State taxes have been increased from year to year, thereby affecting industrial costs. For example, various State Governments in their 1963-64 Budgets, have raised the electricity duty by Rs. 2.8 crores. Since industry consumes 60 percent to 70 percent of the electricity generated in the country, the incidence of this duty on industrial costs has been heavy. For instance, the cost of electricity for the Indian ferro-manganese industry, is as high as Rs. 150 to Rs. 225 a tonne, against Rs. 50 to Rs. 65 a tonne in foreign countries. There are also other levies such as royalty rates, surface rent, dead rent on different industries which push up costs.

It is, however, the sales tax which has probably done the greatest damage. According to the 1963-64 State Budgets, the estimated realisation from the general sales tax is Rs. 186.81 crores and from sales tax on motor spirit Rs. 31 crores, making a total of Rs. 271.81 crores. It is not possible to calculate the precise incidence of sales taxes on industrial costs. The Federation has, however, estimated it between 2 percent and 4 percent The total burden of sales tax on export commodities would be of the order of Rs. 20 crores a year. This is naturally preventing India's exports from rising. The complete removal of this burden of Rs. 20 crores would not create any serious difficulty for State finances. The Governments have not yet appreciated the fact that a slight sacrifice of the sales tax revenue would make a big contribution to the export promotion drive.

The real cause of confusion has been that the expression "sale in the course of export" in Article 286 (1) (B) of the Constitution has been so interpreted that only direct export sales are exempted from sales tax. As the Federation has pointed out this means that only the last export sale, that is, the sale which occasions the final export transaction is free from tax with the result that sales to dealers or merchant-exporters, even though meant for subsequent export, are not exempt from the tax. In the States of Maharashtra and Gujarat unlike the other States, even an exporter other than a manufacturer or producer is entitled to the concession, provided he holds an authorisation granted by the sales tax authorities. But even in these States, the relief is of a limited nature as no exemption from sales tax is allowed on raw materials and intermediate products going into exported commodities.

Since it is not possible to measure the exact incidence of sales tax on each export consignment separately, the best method, as was also recommended by the Import and Export Policy Committee, would be to provide *ad hoc* rebates to whosoever exports the commodity finally. The determination of the *ad hoc* rebate would, of course, depend on the incidence of the State and Central sales taxes on exported commodities—not only on finished commodities but also on raw materials, components, and other materials going into such products. A simple and uniform method of giving the rebate will have to be evolved for this purpose in order to help export promotion,

Advertising and Export Promotion

Advertising plays an important part in export promotion; in fact, its rôle is fundamental. It can not only help build a favourable image of the exporting country in its overseas markets, but can also assist in other promotional activities like market surveys and study of consumer tastes. While reviewing the activities of the seven-year old Clarion Advertising Services Private Ltd, in Calcutta recently, the chairman, Sir Dhiren Mitra, dealt with an advertising agency's function in the context of India's emergence as an industrially developing nation which has not only to export her manufactures to neighbouring countries, but, like a good neighbour, has to provide aid to them for fulfilling their own industrial ambitions.

Sir Dhiren commended India's increasing participation in trade fairs abroad as a step in the right direction. She now has 15 trade centres overseas carrying out visual and commercial publicity for exportable goods. But, as Sir Dhiren pointed out, display of goods does only half the job. The most important part of closing a deal is salesmanship which is lacking at these fairs and trade centres. "Export trade is highly competitive and salesmen of competing countries are in close touch with prospective buyers; we, unfortunately, lag behind in persuasive selling". It is also necessary to set up permanent exhibitions or showrooms at leading industrial centres. There is need design houses to improve Indian products to suit the requirements of foreign markets. Equally important is the need to set up an indus-

trial design institute for improving the design of manufactured products in keeping with varying consumers' preference in different countries. Packaging is another field to which special attention needs to be paid.

An unfortunate fact is that the people responsible for the export trade have not had the basic training, Sir Dhiren observed. But he felt that the establishment of the Indian Institute of Foreign Trade by the Board of Trade could help remove this deficiency. It is an autonomous organisation in which the Government, trade and industry, and universities will participate. Its main functions are training, publicity and research. Foreign experts will be available under aid programmes for guiding research and market survey activities and for planning and organising training programmes. The export market development fund of Rs. 3.8 crores, provided in the current Budget, will be at the disposal of this Institute to finance a programme of training, market research and sustained publicity abroad.

A Survey of Export Trade

In a survey of India's export trade, just published, the World Trade Department of the Indian Chamber of Commerce, Calcutta, says that 59 countries of the world including the U.K., the U.S.A., Russia, Yugoslavia, Australia, Canada, Czechoslovakia and France imported more from India during 1962-63. An encouraging fact is that U.K. importers have recently shown keen interest in a number of new Indian goods such as plastics, chemicals, herbs and drugs, handicrafts, footwear, cigarettes, cigars, galvanised buckets, *saris*, towels, sewing-thread, raw silk ties, canned fish, sugar, plywood and timber. Among 42 countries which reduced their purchases were Belgium, Ceylon, West Germany, Indonesia, Japan, New Zealand, the Sudan and Thailand. During the year, India had a deficit trade balance with 40 countries. The deficit was serious with western Europe, particularly West Germany, the gap being Rs. 82 crores with the latter country.

India's exports to the European Common Market were Rs. 47 crores in 1962-63, against Rs. 51 crores in the previous year. In fact, exports to the E.C.M. have remained at a low level for the past several years mainly because of high tariffs, fiscal regulations and quota restrictions But there has been a big increase in India's exports to eastern Europe. From Rs. 25 crores in 1957-58, they rose to Rs. 92 crores in 1962-63. This was 13.3 percent of this country's total exports during that year. Bilateral agreements and the policy of those countries to increase their domestic consumption were the main factors in this trade expansion.

Exports to the U.S.A. improved only by Rs. 1.5 crores, although individual items like fish preparations, raw cotton, mica, coconut fibre yarn, sewing machines, footwear and art works showed substantial increases. But there was a steep fall in coffee, pepper, sugar and cotton waste. The U.S.A. offers scope for increasing the export of engineering goods, but India has so far not availed herself of this opportunity. Almost all countries in south-east Asia reduced their purchases from India during 1962-63. This was due to various factors like foreign exchange shortages, India's inability to offer adequate supplies and uncompetitive prices of certain products The pattern of this country's exports to the countries of west Asia and Africa was also more or less similar.

In a commodity-wise analysis of the export trade, the survey says that a considerable increase has taken place in many of the traditional items. The earnings from jute manufactures went up by Rs. 12 crores, tea by Rs 7 crores, tobacco by Rs. 4 crores, and hides and skins by Rs. 2.6 crores. Exports of non-essential vegetable oils rose by about Rs. 7 crores and oilcakes by Rs. 14 crores. Among the items whose exports markedly fell were cotton textiles (by Rs. 1.9 crores), leather (by Rs. 2.8 crores), manganese ore (by Rs. 2.6 crores), raw cotton and waste (by Rs. 3.3 crores), raw wool (by Rs. 2.7 crores), iron and steel (by Rs. 7.4 crores) and steel scrap (by Rs. 4.2 crores).

Interlocking of Directorships

The interlocking of directorships between banks and the rest of the corporate sector is a common feature in India, although it also prevails in the industrially-advanced countries of the West. It has so far contributed to the vigour and strength of corporate enterprise. In India, in particular, interlocking has done more good than harm. Since the capital market in this country is relatively undeveloped, the industry has to go to the banks for substantial financial assistance, although the growing proportion of bank borrowings in relation to equity capital has already drawn adverse criticism. But under the present circumstances, reliance on banking funds may have actually to increase, especially if the industrial economy is to make quicker progress. Interlocking of directorships between the banks and the rest of the corporate sector has, therefore, been helpful in various ways. It has facilitated a freer exchange of views between the banks and other companies. Because of their close association and often control of various companies, the banks have felt more confident in investing their resources in industry. As long as interlocking is closely regulated as it is now through the Companies Act and the Banking Companies Act, there is no reason why interlocking should not serve a useful purpose without coming in the way of the Government's professed social policy.

An informative contribution on the subject, under the heading "Interlocking of Directorships between Banking and other Companies" and written by Dr. Raj K. Nigam, Director of Research and Statistics in the Department of Company Law Administration, appears in the annual number of *Company News and Notes*. The author has produced elaborate statistics to show the range of interlocking in this country. The coverage of his study is 20 leading banks in the private banking sector. (Since the State Bank of India is largely Government-owned and fully Government-controlled, it has been excluded.) The proportion of the banks' total capital, reserve and deposits to

PUJA HOLIDAYS

On account of the Puja holidays, there will be no issue of CAPITAL on 24th October, 1963. The first issue after the holidays will be dated 31st October, 1963.

the corresponding heads for the entire private banking sector works out to 68 percent and 71 percent, respectively. The study thus covers nearly three-quarters of the private banking sector.

Dr. Nigam has pointed out that interlocking has grown despite the various restrictions on the appointment of directors in banks and companies under the law. The inter-communication between banking companies and other corporate bodies has taken place due to various factors. Firstly, the banks have secured a right to put their own men on the board of directors of companies by virtue of large shareholdings either on their own or as nominees of their clients. Secondly, the banks generally take a right to nominate some directors on the board of companies to protect their interests in case they lend to companies on a long-term basis. Even among Government financial institutions like the Industrial Finance Corporation and the State Financial Corporations, it has been the practice to reserve this right of nominating directors. Thirdly, the bank managements quite often invite directors of other companies to serve on the boards of the banks to ensure greater confidence and prestige. A closer association of the banks with prominent business houses also helps the growth of the banking business itself. Fourthly, some companies generally invite the directors of banks and financial institutions to join their boards of directors in order to facilitate their borrowings for big projects.

Although the banks have not been sufficiently risk capital-minded, they invest in the shares of corporate bodies and exercise decision-making powers on behalf of their clients who hold substantial interests in various companies. In India, some of the leading business groups have their own banks, insurance companies or investment firms. In this way, the needs of the various groups of business men have been conveniently met and they possibly enjoy priority in the matter of loan facilities. The trend does not necessarily imply that the funds have been misused.

At the end of 1961, a total of 188 persons were serving as directors on the boards of 20 banks covered under the study. The number of directorships held by these 188 persons in the banks and other companies totalled 1,640. Excluding the 188 directorships held by them in the 20 banks, the total of their directorships in non-banking companies and other institutions, including co-operative banks, was 1,452. The average number of directorships held by these 188 persons worked out to nine, including that held in the banks. Considering that directorships held by a director belonging to big-sized companies was 6.5, the average number of directorships of these 188 persons was higher. It was also higher than that of the directors of the big ten banks in the U.K. The average size of the board of Indian banks has been nine, while the size of the board has generally varied between four and 13 directors.

The average size of the board of directors of the Indian banks has been bigger than that of big-sized companies having a paid-up capital of Rs. 50 lakhs and more. As for the frequency distribution of directorships held by bank directors, it has been shown that about 12.8 percent of them have held one directorship while 12.2 percent have held more than 20 directorships. The comparison between the directorships held by bank directors and those held by the directors of the big-sized companies shows that multiple directorships have been more marked among the former, although they cannot hold more than one directorship within the banking sector itself.

The Bank of India, the Central Bank of India, the Bank of Baroda, the United Commercial Bank and the Punjab National Bank constitute the first five of the private banking sector Their total directorships, including those in the banks, total 744. If their 55 directorships in the banks are excluded, they have 689 directorships in the corporate sector. Hence the number of directorships held by them in other companies is larger than those held by the directors of the other 15 banks covered in the study The directorships held by the directors of the Bank of India and the Bank of Baroda work out to 16, those of the Central Bank of India and the United Commercial Bank to 11 and those of the Punjab National Bank to seven. The directorships of these five banks form 45 percent of the total directorships of all the 20 banks, whereas the directors of the five banks constitute only 29 percent of the total number of directors. Through common directors these five banks have been connected with 33 insurance companies, six financial companies and 25 investmens trusts. These banks have also been connected with 584 manufacturing and other companies, 26 trading companies and 15 non-profit-making associations.

COMPANY NEWS AND NOTES

THE prospectus of the Baraset Basirhat Light Railway Company was advertised in our issue of August 13th, and we recommended the Company to persons desirous of a good and safe investment. The subscription list closed on the 25th ultimo, and the shares offered to the public were applied for so freely that the Directors have only been able to allot half the number required by the principal applicants and nothing below ten shares. It is evident that the public fully appreciate a good thing when their attention is properly drawn to it.

That enterprising firm, Messrs. Marshall, Sons and Co., Limited, are lengthening their cords and strengthening their stakes in India. Mr. J. Harper, of that firm, has just lately returned to Calcutta from Bombay, where he has been engaged in negotiating the purchase of land for the erection of new offices and godowns in the Western Capital.

The Directors of the Victoria Mills Company, Cawnpore, at their meeting on the 14th October current, decided to pay an *ad interim* dividend of Rs. 5 per share on Ordinary and Rs. 3 per share on Preference shares for the half-year ending 30th September last The Directors intimate that the whole issue of Rs. 6 lakhs Preference shares has been fully subscribed.

The Mercantile Bank of India have declared an *ad interim* dividend on the A Preference shares for the year ended 30th June at the rate of 5 per cent per annum.

FROM

CAPITAL
22nd October, 1903

A Ditcher's Diary

IN ONE OF HIS PLAYS, MR. T. S. ELIOT MAKES ONE OF his characters say that we can only set in motion a certain machine of events; how it will work and what developments it will produce are beyond us. As far as I know, Mr. Kamaraj is not much given to reading modern poetry in his few spare hours, yet he may be reflecting on these very lines as he prepares himself for the first time for an all-India rôle as President of the Indian National Congress. Although it is customary in this country for almost everyone in power to pretend that it has been thrust on him, in Mr. Kamaraj's case I am quite prepared to believe that he has persuaded himself to become the Congress President with extreme reluctance. What does the office mean in terms of real authority? Not, obviously, what it used to. But a truly strong man, such as Mr. Kamaraj doubtless is, can still restore to the office a great deal of power to do good. And I have a feeling that Mr. Kamaraj will. Since Sardar Patel through Govind Ballabh Pant to Lal Bahadur Shastri, it has been the Home Minister's task to make India's warring States pull together. Mr. Nanda has not yet had the time to acquire a comparable stature; and the job is there for the new Congress President to take over. Are Hindi eyes in the north a little moist that the offices of President, Vice-President and Congress President are all occupied by members of minority groups? I should not be surprised; the tendency in recent years has been to make all these offices mainly decorative. Mr. Nehru is apparently happy about the choice of Mr. Kamaraj, whose loyalty to the Prime Minister is said to be unquestionable. Yet Mr. Nehru too may profitably reflect on Eliot's lines Mr. Kamaraj is no man of straw; his relinquishment of the Chief Ministership of Madras does not mean that he has lost his hold on the successor Government; and he is capable of springing surprises. The Dravida Munnetra Kazagham may well be happy that Mr. Kamaraj's attack on it will be inevitably diluted because of his projection over the whole of India, although this was said to be Mr. Kamaraj's main purpose. This is the way our wills get separated from our ways.

IT IS NOT NECESSARY TO LOOK TOO CLOSELY INTO the composition of the new Government of Kashmir. What New Delhi has to remember, and does not seem to, is how it all must look from inside Kashmir. It has been more or less obvious since 1958 that even Mr. Nehru, at times the indefatigable defender of much that is indefensible, was beginning to be a little disturbed over some of Bakshi Ghulam Mohammad's more outrageous unorthodoxies. It took the Prime Minister all of five years to make up his mind and let the Bakshi go. Rightly or wrongly, the impression has been that, after Bakshi, Mr. G. M. Sadiq was New Delhi's choice. (The persistence with which everyone speaks of Mr. Sadiq being an honest man suggests that everybody else is not.) What happens then? Bakshi Ghulam Mohammad suddenly turns very democratic; the leader, says he, must be elected by the National Conference Legislature Party, a body he has stacked with his own men. New Delhi yields. So those Kashmiris who tend to enjoy a match called Kashmir *versus* India are delighted that Kashmir has won. I am not one of those who think that New Delhi should be tough with Kashmir and force its integration; nothing is fraught with greater danger. But I just do not see how New Delhi profits from demonstrating its weakness; and that is how the whole affair has been read. I do not expect the entire world outside to believe it, but it is true that in the past dozen and more years India has done just about everything to be loved by Kashmir; success, let India face it, has not been unlimited. There remains the other objective, no less worthy: respect of Kashmir. This is what India forfeits when she appears to support men and *régimes* of questionable integrity. She earns no more respect when she appears indecisive, as over the recent changes. Stability, New Delhi should know, is the most unstable thing when it is not based on love and/or respect.

ONE QUESTION NAPOLEON IS SUPPOSED ALWAYS TO have asked about a man before promoting him to be a general was: "Is he lucky?". The Emperor knew what he was doing: all the ability in the world is useless without a measure of luck. So when I say that I believe Mr. Macmillan is one of the luckiest men alive, I need not be taken to mean that he has been anything but able both as a politician and a Prime Minister. He has been; and the vision he has shown, notably over Africa and the Common Market, is such that he will always command our admiration. His sudden illness last week is a grave personal misfortune; but it is perhaps permissible to reflect that if the illness had not intervened he would have decided to lead his Party in the next election, and the chances are it would have been to a resounding defeat. I say this because it seems to me that what people in Britain want more than anything else at the moment is a change, not so much a change of Party as of policies and personalities. And the trouble with Mr. Macmillan was that he had become too closely associated with a recent past which the electorate would prefer to forget. Not that any of the dirt of the various scandals rubbed off on Mr. Macmillan. Nor have the numerous disappointments damaged his image beyond repair. Indeed, if they had he might not have been so obviously tempted to carry on—in which case there would have been no fateful choice, from which his illness has so clearly rescued him, between an honoured retirement and the risk of an electoral Waterloo. So I think he will go down in history as one of the outstanding Prime Ministers of this century. I hope his successor will not forget his more forward-looking policies altogether. For instance, I still think that Britain's ultimate destiny is as a member of a united western Europe. But I suppose it all depends on whom the mantle falls. Of the various names I have heard canvassed my choice would be for Mr Maudling, if only because he is so obviously a radical departure from the image of faded aristocracy which still dogs the Conservative leadership. But it will probably be Mr. Butler all the same. I think the Conservatives could do worse, although "Rab", like Anthony Eden before him, may by now have waited in the ante-room too long.

RELUCTANT THOUGH HE WAS TO RESIGN, WHEN Mr. Macmillan steps down his influence on Britain's affairs will cease. Whoever follows him will enjoy a completely free hand, at least so far as his predecessor is concerned. Not so the man who follows Dr. Adenauer: he may have a constant struggle trying to assert his independence. The picture of the crafty old ex-Chancellor manipulating a multitude of tangled strings in his retirement, like some wizened, omniscient puppet-master, is not far from the truth, at least as Dr. Adenauer has probably planned it. Whether he will succeed depends on a number of things, not the least among them being the moral courage of Dr. Erhard. I have too much respect for the latter to doubt that he will play his part adequately. And from what my judgment tells me about the other factors involved, that means I think he will eventually win through. West Germany owes a great deal to Dr. Adenauer, in particular its present internal political stability. But externally, his policies have prospered only because the United States and western Europe have been forced to back him. This has been necessary for one reason only, the cold war; and thanks chiefly to the Chinese, that appears to be disappearing fast. I have my reservations about the trend of events which is bringing the West into line behind the Russians in defence of their Asian colonial possessions, but at least one can say that it has brought a lessening of tension in Europe such as has not been parallelled in the whole postwar period. Thus, by some odd twist of history, Dr. Adenauer is relinquishing office just when the circumstances chiefly responsible for his success are changing. So his successor will soon have an entirely new set to deal with; and that should give him an opportunity of building his own policies and shaking off his predecessor's

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patronage. I think Dr. Erhard should be in his element dealing with a state of affairs which promises to call for more flexibility and imagination on the part of any leader of West Germany. It will not be easy for him . it may be his unhappy lot to go down in German history as the Chancellor who first accepted the division of his country as final. But to try to take advantage of Russia's difficulties to force a union of Germany's two halves would be to court disaster, and it seems to me Dr. Erhard is much too sensible for that.

IT SEEMS TO ME THAT MR. HAROLD WILSON'S vision of a marriage between science and socialism could be a sure election winner. Whatever the cynics might say about its being nothing more than a woolly substitute for more detailed policies, there can be few who read Mr. Wilson's words and remained unimpressed. Altogether I do not think a more appropriate formula for Britain in the 1960s could be found. Mr. Wilson should not to overdo it, though. Too much science can be as dangerous as too little. Planning must always be humane as well as efficient in a free society, and scientists can be every bit as intolerant and hide-bound as bureaucrats. In fact, in the affluent societies of the future, inefficiency may eventually become as much sought after as privacy and quietness are now. This point was suggested to me in a Fabian Society pamphlet I have just been reading, entitled *The Meaning of Work*. There, the interesting idea is put forward that employers might in some cases actually benefit in terms of output by abandoning all the welfare devices provided for their workers and devoting the resources saved simply to reducing the efficiency of their operations. I can see what the author is getting at. Man is not a machine and naturally resents anything which appears to turn him into one. That is why perhaps the greatest benefit of wealth is the luxury of being different from others, of being able to make one's own pace in this world. So Mr. Wilson had better watch his step. Whereas the British people could be inspired by the vision of the scientific society now, they could react very sharply against it in the future. It has often seemed to be in the nature of things for the Labour Party periodically to overdo its otherwise admirably appropriate ideas. This time I hope it is going to be more careful, because a thoroughly scientific approach is something which is sorely needed in Britain today and will be for as far ahead as one can foresee.

ANOTHER FRENCH "IMMORTAL" HAS GONE AND DONE what he was supposed not to do—died. When Diaghilev had just about conquered Paris with his Ballets Russes, Jean Cocteau presented himself to the Master and the Master said, "Surprise me"; and the *enfant terrible* never ceased to surprise all. Even his election to the Academic Française was a surprise; when he appeared in that funny formal dress, some said he was now a member of the Establishment. I don't know. It has been said of some great composer that he did not have enough talent for his genius: one view of Cocteau is that he did not have enough genius for his talent. That talent he had in plenty can hardly be doubted; and think of the diversity of interests to which he devoted his talent. He drew sketches, painted, wrote plays, directed films and goodness knows what he did not do—never without distinction. If a masterpiece is the end-product of an obsession, as Cyril Connolly argues, maybe Cocteau never produced one; his talent was never concentrated on any one thing. And he lived a very full life, not entirely free of scandal. Did Cocteau dissipate his talent in versatility? We can never be sure. Some people are simply made that way and cannot help turning to too many things. Cocteau hated writers who wrote on writing: this, he said, was like a pretty flower holding forth on botany. He was himself guilty of this when he published his diary kept during the making of a film. To combine the rôles of observer and participant in life is a rare talent, found more in France than in the Anglo-Saxon world. This may well be Cocteau's best achievement, to be remembered long after his many aphorisms and epigrams have lost their transient sparkle.

THE DITCHER

Guide for Investors

RISING COSTS WORRY INVESTORS IN BANK SHARES

(BY A SPECIAL CORRESPONDENT)

THE downward trend in bank shares has been striking since they have not responded to the general improvement in the investment climate. The index for the ordinary shares has declined to 203.4 (1952-53 equals 100) for the week ended 28th September, 1963, from 204.6 in the previous week and 229.9 for the week ended 29th September, 1962. Although for the half-year ended June 1963, banking results were by and large satisfactory and the interim dividends were generally maintained, investors have been hesitant due to various uncertainties concerning the future outlook.

As far as their working during the the second half of the current year is concerned, it is possible that the banks will show the same performance as they did for the second half of last year. With some luck, the working might as well improve, although modestly. This optimism arises from the prospect that the Government may liberalise credit supply from the beginning of the coming busy season. In his recent broadcast, Mr. T. T. Krishnamachari, Central Finance Minister, hinted at this prospect. Hitherto the Reserve Bank has restrained the supply of credit by lending to commercial banks under a three-tier system. As a result, the supply of credit has not only been restricted but it has been made too costly, since a large part of the borrowings from the Reserve Bank has to be obtained at a rate of interest much higher than Bank rate. The policy has been self-defeating since the legitimate credit requirements of the economy have not been fully met. The high cost of loans has also increased the production costs of industry. Disturbed by the present stagnation of the economy, the Government has apparently been inclined to adopt corrective measures to stimulate economic development. In accordance with this policy, it proposes to ensure an adequate supply of credit. But it is hoped that the Reserve Bank will henceforth lend more freely to commercial banks at an interest rate equivalent to Bank rate. There is little sense in the argument that a more liberal credit supply will necessarily promote speculation and hoarding. Since the Reserve Bank has been armed with sufficient powers to regulate all banking advances, there is no reason why the increased credit supply should be misused.

Borrowings from the Reserve Bank apart, commercial banks have succeeded in reinforcing their resources greatly before the beginning of the coming busy season. Deposits of scheduled banks have risen by Rs. 141.11 crores to Rs. 2,420.56 crores during the current slack season, compared with a rise of only Rs. 62.44 crores in the 1962 slack season. Advances have also fallen sharply by Rs. 126.05 crores to Rs. 1,475.85 crores. During the 1962 slack season, advances dropped by only Rs. 41.34 crores. But the benefit of the increased resources has been partly offset because the banks have shifted larger funds into Government securities. The investment portfolio of scheduled banks during the current slack season has gained by Rs. 179.15 crores to Rs. 786 crores, while in the 1962 slack season investments rose by only Rs. 99.80 crores. The capacity of the banks to use these investments to raise cash for financing the needs of the busy season has been reduced, since they have to increase their liability-investment ratio considerably by September 1964. It is, however, relevant to point out that the Reserve Bank has meanwhile cut the drawing powers of several commercial banks under the bill market scheme. So they have had to suffer since they are unable to obtain sufficient funds from the Reserve Bank under the scheme. The effect of the move has already become evident in the hardening of the call rate which has risen to around 4 percent during the past few days.

Looking beyond 1963, the outlook is less favourable. The move to increase the investments of commercial banks and the insistence on a lower deposit-advance ratio, should reduce the profitability of the banks. The yield on investments is far too low compared with the return available on general advances and loans. To the extent that the deposit-advance ratio will be tightened, the banking profits will be correspondingly reduced. This besides, operational costs of banks have increased sharply due to various factors. Firstly, there has been a substantial rise in the emoluments of staff under the award while their efficiency has not improved. Secondly, the banking community has been asked to embark on a fairly ambitious branch expansion programme. Since banks are asked to expand activity in areas which have no banking facilities, the operational costs of branches might impose an additional burden on them. In any case, a new branch does not usually become self-reliant before three to four years. If a branch has to be opened in an area not hitherto served by any bank, it might take a longer time to make it self-reliant. Meanwhile, the question agitating the minds of bankers and investors is how to absorb the rising operational costs. There is no doubt that they can be, provided the turnover expands considerably. But this will depend on how much the banks succeed in mobilising new deposits. The task looks difficult considering that the competition for funds is expected to increase rather than decrease in the future. Although it has been the Government's policy to press the banks to increase their share capital, they are not likely to succeed greatly in this direction. Judging by the movements in bank shares, it is obvious that the confidence of investors has been shaken. The poor outlook for bank profits has been a major deterrent. Not only have the banks not succeeded in making bigger profits and paying more remunerative dividends; they also find it difficult to raise funds by issuing new shares. Under the circumstances, it is time that the tax burden on banks was lightened, considering that they have to operate within a framework of rigid controls and they are expected to play an important rôle in India's economic development.

Burn to Issue Bonus Shares

THE ordinary shares of Burn and Company have been steady around Rs. 596. An extraordinary general meeting of the Company has been convened to sanction the issue of bonus shares in the proportion of one new share for each one held by capitalising reserves. As a result of the bonus issue, the Company's ordinary share capital will be doubled to Rs. 1.68 crores divided into shares of Rs. 100 each.

As far as the financial position of the Company is concerned, it is exceptional in that its total reserves stand at Rs. 2.99 crores out of which only Rs. 84 lakhs will be capitalised. Fixed assets amount to Rs. 3.59 crores while current assets exceed Rs. 10.99 crores. These figures have been taken from the balance-sheet for the year ended April 1963, which is the latest available. Investors, meanwhile, have started crystal-gazing into the prospects of these shares. They are by and large fairly encouraging. For 1962-63, the profit amounted to Rs. 1.43 crores, out of which the taxable ordinary dividend of 25 percent absorbed only Rs. 21 lakhs and the fixed preference dividends only Rs. 2.35 lakhs. So on the basis of this profit, the doubled share capital will have sufficient earnings to back it. If the profit were to be maintained as it should be, the shareholders might be right in expecting a repetition of the dividend on the increased capital. Anyway, the next dividend is not likely to be much smaller than that for 1962-63. The ex-bonus price of the scrip, on the basis of the present price, works out to Rs. 298 a share. On the basis of the 25-percent dividend, the yield should work out to 8.4 percent.

This is considered sufficiently attractive for a leading engineering concern like Burn. The optimism has been reinforced by the fact that the Company's earnings should rise rather than fall in the future due to several favourable developments. To begin with, it has diversified its activities. There should be a substantial addition to the profit since the Salem plant is expected to work fully in the near future. The progress in building the factory for producing various products in collaboration with A Reyrolle and Co. Ltd of the U.K. has been satisfactory. The Company's existing works have been renovated, modernised and expanded.

Higher Dividend from Barnagore Jute

A DRAMATIC improvement in the fortunes of the Barnagore Jute Factory was announced recently. The 40-percent dividend, which compares with the 10 percent paid for the two previous years, seems to be a record in the history of the group. The preliminary statement shows that the loss of £89,216 for 1961-62 has been transformed into a net profit of £220,306, a result which has been struck after charging £290,000 for tax. Earnings work out at nearly 130 percent, and the sharply increased dividend is covered 3.2 times. At this time last year, the chairman reported capacity working at the mills and a return to profitable trading conditions, but this outstanding result is a surprise. The increased dividend compensates shareholders for the lean years.

Hasimara Industries Earns More

THE tea crop produced by the Hasimara Industries Ltd for the year ended March 1963 has amounted to 3.1 million kilograms, against an estimate of 2.9 million kilograms. The profit has risen from Rs. 12.99 lakhs for 1961-62 to Rs. 30.07 lakhs, after transferring Rs. 11,000 (against Rs. 29,500) to development rebate reserve and Rs. 4.45 lakhs (against Rs. 5.02 lakhs) to depreciation. For 1961-62, a tax provision of Rs. 14.05 lakhs was made, but no tax provision has been made for 1962-63. Tax liability for this year has been estimated at Rs. 14.50 lakhs. A taxable ordinary dividend of 15 percent has been paid, which will be paid out of contingency reserve. The latter has been allocated Rs. 25 lakhs. The yield amounts to 10.5 percent at the present price of Rs. 14.25 a share of Rs. 10 each. General reserve is allocated Rs. 6 lakhs (against Rs. 5.50 lakhs), leaving a carry-forward of Rs. 1.60 lakhs, against Rs. 2.53 lakhs brought in.

The 1963 crop has been estimated at 3.1 million kilograms at a cost of Rs. 1.03 crores. The Company has run the Seksaria cotton mills on a leave and licence basis from 1st April, 1963, but the results have not been satisfactory. The directors have, therefore, taken steps to improve the working of the mills. The Company's tea gardens are situated in the Dooars district of West Bengal.

Gammon India Fares Well

THE preliminary report on the working of Gammon India Ltd showed that the Company had done very well during the year ended March 1963. The turnover of completed contracts rose by about 28 percent from Rs. 4.32 crores to Rs. 5.55 crores and the gross profit increased by nearly 24 percent from Rs. 42.01 lakhs to Rs. 52.08 lakhs. Dividend has been reduced from 16 percent to 11 percent, but the reduced dividend is on a substantially larger capital of Rs. 1.15 crores (against Rs. 60 lakhs in the previous year) with the result that the total distribution is larger at

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Rs. 12.65 lakhs, against Rs. 8.80 lakhs. The directors' report holds out the promise of better results in future. New contract secured during 1962-63 amounted to Rs. 16 crores. compared with Rs. 5.55 crores completed, and brought to account.

Since the beginning of the current year, additional contracts of substantial amount have been secured. Recent undertakings comprise principally the construction of bridges, foundations, water towers, cooling towers and civil enginering work for coke ovens and power stations.

The directors point out that the increased volume of work on hand requires heavy expenditure on plant, machinery and equipment, despite the large accretions of first-class carefully maintained plant which the Company has accumulated in the past.

The Company purchased during 1962-63 plant and equipment of the value of Rs. 32.17 lakhs, against Rs. 23.27 lakhs in the previous year. In addition, it has had under process of manufacture, during the year, a considerable quantity of special plant and equipment on account of which an expenditure of Rs. 11.14 lakhs was incurred. Purchases of plant in the current year are expected to exceed considerably the figures for 1962-63. The directors add that the type of work undertaken by the Company involves more than normal hazards. The management is taking care not to expand beyond its means or with immoderate speed. Assuming that the Company can maintain the present volume of business and that the burden of taxation is not materially increased, the directors hope to get back to the more normal position of financing the contracts with internal resources. They have, however, cautioned the shareholders against undue optimism by adding that the increase in turnover may not yield proportionate increase in profit because of the general rise in price levels, applicable to staff, labour, plant and materials and the increase in rates of Customs duty and excise duty and increased taxation—all of which have a direct bearing on the Company's profits.

Modi Spinning Disappoints

MODI Spinning and Weaving Mills Co. Ltd has fared badly during the year ended April 1963. In spite of an increase of nearly 26 percent in the sales from Rs. 6.20 crores to Rs. 7.83 crores, the gross profit is down by about 23 percent from Rs. 68.07 lakhs to Rs. 51.93 lakhs and the directors have had to reduce the dividend from 16 percent to 9 percent. The reduced dividend is, however, on the increased capital of Rs. 1.51 crores (against Rs. 1.15 crores), the new shares issued during the year being entitled to a proportionate dividend. The directors attribute the Company's disappointing performance to the rise in raw material costs and operating expenses.

Cotton prices were higher by about 6 to 7 percent and electricity charges and cost of stores rose by about 5 percent, while the compensatory increase in the realisation was about 7 percent compared with that of the previous year. As for the silk unit, the prices of art silk and rayon yarn were higher by 9 to 10 percent, while the compensatory realisation showed an increase of only 4 percent, besides the increase in the cost of stores and other items. The Company's profits have also been hit by the "arbitrary" increase in electricity rates by about 32 percent. From the year's profit, the directors have provided Rs. 25.73 lakhs (against Rs. 26.30 lakhs) for depreciation, Rs. 2.51 lakhs (against Rs. 4 lakhs) for development rebate, Rs. 13.10 lakhs (against Rs. 17 lakhs) for taxation and Rs. 10.65 lakhs (against nil) for dividend reserve out of which is to be paid the proposed dividend. No provision has been made for general reserve which received Rs. 2.50 lakhs in the preceding year.

The directors state in their report that they have decided to increase the production of fine and superfine cloth which offers a better profit margin. The Company has installed a mercerising plant and the sanforising range will begin functioning by the beginning of next year. Drafting system of the composite mill is being converted to produce better quality yarn. The additional 6,400 spindles installed in February 1962 are said to be working properly. The Company's exports of cloth increased by about 39 percent, compared with the preceding year which is an encouraging performance in the context of the setback in the country's total exports. The scheme for setting up a new mill comprising 25,000 spindles and 500 looms is being implemented according to schedule. Buildings are nearly complete and the erection of machinery is in progress. The spinning plant is expected to go into production before the end of the current financial year.

The Company has already received Rs. 45 lakhs, out of the sanctioned loan of Rs. 98 lakhs by the Industrial Finance Corporation to meet part cost of this project. In addition to the above project, the Company installed during 1962-63 a saw-gin and cotton seed delinting plant at a cost of about Rs. 14.50 lakhs in Abohar (Punjab). This plant went into production in December last. The scheme for the installation of a distillery factory in Yamunanagar (Punjab) has made good progres. This factory is expected to go into production by the end of 1963. The Company has a paid-up capital of Rs. 1.51 crores which is supported by reserves and surplus amounting to Rs. 74.77 lakhs. The Company's gross block of Rs. 4.48 crores has been written down to Rs. 2.44 crores. The Rs. 10-paid share of Modi Spinning is quoted around Rs. 12.87.

Jubilee Mills Pays Less, Issues Bonus Shares

IN spite of an increase of over 22 percent in the gross profit from Rs. 22.80 lakhs to Rs. 27.86 lakhs, the directors of the Jubilee Mills Ltd have proposed a cut in the dividend from Rs. 7 to Rs. 4.50 a share for the year ended June 1963. The shareholders are, however, being compensated by a one-for-two bonus share issue. A sum of Rs. 5 lakhs from the general reserve No. 2 is to be capitalised for the proposed bonus issue which is subject to the sanction of the Controller of Capital Issues. Before proceeding with the bonus issue, the Company intends to increase its authorised capital from Rs. 21.25 lakhs to Rs. 41.25 lakhs by the creation of 200,000 equity shares of Rs. 10 each.

The Company's realisation from processing charges are up by about 24.5 percent from Rs. 68.57 lakhs to Rs. 85.37 lakhs, and the gross profit has risen from Rs. 22.80 lakhs to Rs. 27.86 lakhs. Allocations include depreciation Rs. 4.46 lakhs (against Rs. 3.36 lakhs), development rebate Rs. 1.50 lakhs (against Rs. 1.64 lakhs), taxation Rs. 11.40 lakhs (against Rs. 9.10 lakhs), special reserve for super profits tax Rs. 2 lakhs (against nil) and general reserve Rs. 6.40 lakhs. Out of the general reserve, the proposed dividends will be paid, absorbing Rs. 5.05 lakhs, of which the equity dividend is Rs. 4.50 lakhs. After making various appropriations, there remains a sum of Rs. 7,800 to be carried forward, against Rs. 85,519 brought in. The Rs. 10-paid share of the Company is quoted nominally around Rs. 79.

Bonus from T. Maneklal but Dividend Slashed

THE directors of T. Maneklal Mfg. Co. Ltd have recommended a drastic cut in the dividend from 27 percent to a mere 6 percent for the year ended 31st May, 1962. Although the dividend is on the increased capital as raised by the issue of 10,000 new shares, which are entitled to a *pro rata* dividend, the total amount to be distributed by way of dividend is substantially lower at Rs. 1.44 lakhs, against Rs. 5.37 lakhs. The directors have, however, also proposed the issue of bonus shares in the ratio of one share for every five shares held, including the new shares. The bonus issue is, as usual, subject to the consent of the Controller of Capital Issues. The bonus shares are to be issued by capitalising Rs. 5.98 lakhs from general reserve which stands at Rs. 9.17 lakhs. The Company's working results for 1962-63 appear to be fairly satisfactory. Sales are up by about 21 percent from Rs. 1.12 crores to Rs. 1.36 crores. The gross profit is shown at Rs. 26.34 lakhs, against Rs. 27.33 lakhs in the preceding year, but the 1961-62 profit included a sum of Rs. 7.92 lakhs received from an insurance company against a loss of raw materials, stores and spare parts. Appropriations of the year's gross profit include depreciation Rs. 5.16 lakhs (against Rs. 3.60 lakhs), taxation Rs. 11.21 lakhs, including Rs. 2.51 lakhs for super profits tax (against Rs. 11.33 lakhs), development rebate reserve Rs. 2.12 lakhs (against Rs. 1.08 lakhs), super profits tax for 1961-62 Rs. 4 lakhs, general reserve Rs. 1.20 lakhs (against Rs. 3 lakhs), gratuities Rs. 41,600 (against Rs. 37,000) and dividend Rs. 1.44 lakhs (against Rs. 5.37 lakhs).

The Company has big expansion plans on hand. It has procured a large number of licences for the manufacture of a wide variety of items required by textile mills such as float dryers, dyeing ranges, mercerisers, stenters, pneumatic mangles, etcetera. The Company is undertaking the manufacture of hard rubber drums, rubber lining vessels and rubber and ebonite rollers in Ahmedabad. The construction of the building has started and production is expected to start shortly. Negotiations are being finalised with a foreign collaborator for the manufacture of rubber blankets for offset printing, textile printing and shrinkage control. The Company has submitted a collaboration proposal to the Government for the manufacture of 300 automatic looms a year for silk, rayon, nylon and staple fibre mixture. The production of fibre machine is expected to start during the current year; licence for imports of components from Benninger Engineering Company of Switzerland has been received and orders have also been placed.

Rohtas Industries Pays More

IN their report for the year ended March 1963, the directors of the Rohtas Industries Ltd point to the rise in production of the paper mills. The supply of bamboo has improved but the Company has been forced to take forest leases by paying high rates of royalties to the State Governments concerned. The bamboo pulp mill has worked satisfactorily. The installation of the new equipment should help improve production further. If the Government sanctioned foreign exchange to the industry more liberally, the Company might increase the paper output by about 10,000 tons a year. The production of the vulcanised fibre unit has been interrupted by the shortage of imported base paper. The Company has nevertheless been making efforts to produce indigenous base paper. It has been pointed out that vulcanised fibre has diversified industrial uses.

As for the price of paper, the directors think that it is uneconomic and does not fully cover the rising production costs. Although the cement output has increased, the profit has been held down because the price fixed for the commodity does not fully cover the increased production costs. The incentive scheme for higher production has been of little benefit to the Company since the basic level of production under the scheme has been fixed at a far too high level. The production of asbestos cement has steadily increased but the bulk of the output has been acquired by the Government for defence purposes. So there has been a shortage of supply to meet the civilian needs. The production of the sugar mills has declined considerably due to the shortage of cane. So the mills have had to incur heavy losses. Although the production of *vanaspati* has been satisfactory, the profit has been held down because of the high excise duties.

The profit has improved from Rs. 49.28 lakhs to Rs. 1.22 crores, subject to an estimated tax liability of Rs. 56 lakhs, but the tax will be paid out of contingency reserve. The profit figure has been arrived at, after providing Rs. 61.93 lakhs (against Rs. 59.84 lakhs) for depreciation. The taxable ordinary dividend has been increased from 8 percent to 9 percent to absorb Rs. 45 lakhs. The yield amounts to 6.8 percent at the present price of Rs. 13.16 a share of Rs. 10 each. Development rebate reserve is allocated Rs. 6.60 lakhs (against Rs. 3.20 lakhs), general reserve Rs. 12.59 lakhs, contingency reserve Rs. 56 lakhs and dividend reserve Rs. 51.92 lakhs (against Rs. 46.72 lakhs). The dividends declared will be paid out of the latter reserve. The carry-forward is Rs. 4,305, against Rs. 5.08 lakhs brought in. In view of the large capital base, there would be no liability to the super profits tax.

Textool Earns More

TEXTOOL Company Ltd has done well during the year ended 30th April, 1963. Sales are up by about 17.4 percent from Rs. 2.06 crores to Rs. 2.42 crores and the gross profit has increased by nearly 11 percent from Rs. 26.16 lakhs to Rs. 29.10 lakhs. The dividend has been reduced from 15 percent to 12 percent. but since it is on the increased capital as raised by the one-for-two rights issue. the total distribution is higher at Rs. 6.23 lakhs, against Rs. 5.95 lakhs. After providing Rs. 5.75 lakhs (against Rs. 4.48 lakhs) for depreciation, Rs. 2 lakhs (against Rs. 1.80 lakhs) for development rebate and Rs. 9.20 lakhs (against Rs. 5.70 lakhs)for taxation, the net profit amounts to Rs. 10.36 lakhs, against Rs. 12.72 lakhs in 1961-62. From this, the directors have provided Rs. 4.78 lakhs (against Rs. 6.47 lakhs) for donations and bonus relating to previous years, leaving a balance of Rs. 5.60 lakhs, against Rs. 6.25 lakhs. The directors have withdrawn Rs. 50,000 from the dividend equalisation reserve to which has been credited Rs. 30,000 in the preceding year in order to provide for the payment of the proposed dividend which absorbs Rs. 6.23 lakhs, leaving a modest sum of Rs. 3,132 to be carried forward, against Rs. 16,127 brought in.

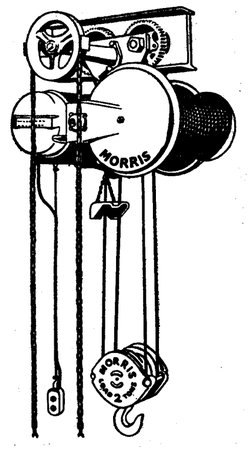
In their report, the directors complain about the shortage of raw materials such as pig iron, tin sheets, etcetera, which affected the Company's production. It will soon place in the market the cone winders that it is manufacturing in collaboration with a Japanese firm. The Company's new branch factory in Singanallur for manufacturing frames which went on stream in the latter half of 1961-62, has still to attain full production. The Rs. 100-paid share of Textool is currently quoted around Rs. 155.

Extra from Burmah Oil

HOPES of an increased interim dividend from Burmah Oil were fulfilled with the announcement recently of a payment of 9d a share, or 3¾ percent free of tax, compared with an interim of 2½ percent tax free a year ago. There is also to be a capital payment of 3d a share, not subject to British tax, against nil. In his letter of 20th July, giving reasons for rejecting the British Petroleum-Shell take-over proposal, Mr. W. E. Eadie, the chairman, forecast a total payment for 1963 of 2s 9d. It is now stated that results to-date in 1963 indicate that the forecast can be met.

What the Burmah board in effect is doing is to pass on the 2.73d a share capital payment accruing from B.P. and to round it off to 3d from other group sources. The capital payment from B.P. was included in the break-down of the prospective 2s 9d distribution for 1963 given by Mr. Eadie in his July statement. That statement referred, in fact, to a total distribution in cash of "not less" than 2s 9d a share. Although

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the phrase "not less than" did not appear in the latest announcement, this does not indicate any downward shift in emphasis.

Bonus Issue by Mysore Spinning

THE Mysore Spinning and Manufacturing Company has skipped the dividend for the year ended February 1963. Instead, the directors propose to issue bonus shares in the ratio of one share for every eight held by capitalising the share premium account and a portion of the general reserve. In the preceding year, the Company had paid a dividend of 12 percent, that is, Rs. 6 a share. The bonus issue is intended to correct the present unbalance between the Company's equity base and the net block which exceeds Rs. 1 crore. Sales, including income from processing, have been virtually unchanged at Rs. 1.97 crores, but the gross profit is down by about 30 percent from Rs. 13.14 lakhs to Rs. 9.09 lakhs.

Allocations include depreciation Rs. 6.11 lakhs (against Rs. 6.40 lakhs), development rebate Rs. 3.09 lakhs (against Rs. 1.12 lakhs), gratuity reserve Rs. 1.55 lakhs (against nil), compensation under rationalisation scheme Rs. 85,186 (against Rs. 85,180) and donations Rs. 45,500 (against nil). No provision has been made for taxation, against Rs. 82,900 provided last year. The directors have written back depreciation amounting Rs. 3.62 lakhs and excess of interest amounting to Rs. 54,000. After making some minor adjustment and providing for the proposed preference dividend which absorbs Rs. 33,527, there remains a balance of Rs. 38,674 to be carried forward.

Apart from rebuilding 80 looms during the year under the renovation programme, the Company has made substantial additions to the plant including the addition of a cotton waste spinning plant of 1,200 spindles. Orders have been placed for 144 automatic looms for the purpose of replacement of the existing equipment and for a similar number for expansion. The looms for replacement have already arrived and those for new installations are expected next year. The State Bank of India has sanctioned a medium-term loan of Rs. 50 lakhs to the Company to meet a part of the capital expenditure on modernisation and expansion programme involving an outlay of about Rs. 50 lakhs. The Bank has already advanced Rs. 40 lakhs. After the close of the financial year, the Company has placed orders for machinery worth Rs. 22.40 lakhs which includes automatic looms.

Canara Workshops Pays the Same

ALTHOUGH the dividend has only been maintained at 20 percent—Rs. 2 a share—the working results of Canara Workshops for the year ended March 1963 show a fair improvement over the previous year. Sales are up by about 30 percent from Rs. 64.15 lakhs to Rs. 83.19 lakhs, and the gross profit is up by nearly 16 percent from Rs. 21.20 lakhs to Rs. 24.68 lakhs. The performance looks impressive in view of the interruption in production on account of inadequate and irregular supplies of imported raw materials and higher operating costs. The delay of some eight months in the transhipment of a large consignment of American steel from Yokohama adversely affected production both in Mangalore and Nagpur factories.

The provision of depreciation is lower at Rs. 3.46 lakhs, against Rs. 4.50 lakhs, while taxation absorbs a substantially larger amount of Rs. 12.30 lakhs, against Rs. 8.30 lakhs. A sum of Rs. 1.2 lakhs has been set aside for contingency reserve and Rs. 1 lakh has been provided for capital redemption reserve. Preference dividend absorbs Rs. 1.68 lakhs (against Rs. 1.09 lakhs) and ordinary dividend Rs. 5.56 lakhs (the same). The Company has a paid-up capital of Rs. 47.88 lakhs, and its reserves total Rs. 30.4 lakhs.

The directors state that the execution of the alloy steel project has been affected by the delay in the delivery of the electric travelling crane without which heavy machines could not be installed. The crane has since been received and the installation work is making satisfactory progress. The production of brake drums and U-bolts has commenced, but mass production has not been possible due to difficulties of getting power supply. This difficulty also is said to have been solved and the machinery and equipment are on the trial run. The Rs 10-paid share of the Company is currently quoted around Rs. 30.

Hyderabad Allwyn Results Impress

HYDERABAD Allwyn Metal Works has done exceedingly well during the year ended 30th April, 1963. Sales have gone up by about 26 percent from Rs. 2.59 crores to Rs. 3.26 crores, and the gross profit has shot up by nearly 50 percent from Rs. 29.33 lakhs to Rs. 43.47 lakhs. Although the dividend has only been maintained at 10 percent, it is on a substantially larger capital following the five-for-two rights issue and it absorbs Rs. 12.05 lakhs, against Rs. 3.44 lakhs in the previous year.

Appropriations of the year's profit include depreciation Rs. 14.63 lakhs, development rebate Rs. 9 lakhs (against Rs. 4 lakhs), taxation nil (against Rs. 7 lakhs), deferred taxation reserve Rs. 5 lakhs (against nil), warranty reserve nil (against Rs. 4.18 lakhs), general reserve Rs. 2.65 lakhs (against nil) and dividend reserve Rs. 12.05. The proposed dividend is to be paid out of the dividend reserve. After making various appropriations, there remains a surplus of Rs. 26,824 to be carried forward, against Rs. 2.74 lakhs brought in.

The directors state that the Company's working was satisfactory due to improvement in production and sales. The expansion of the plant undertaken last year has been mostly completed. The Company has made arrangements on priority basis to manufacture and supply some defence requirements without affecting the production of normal items. The Rs. 10-paid share of the Company is quoted nominally around Rs. 11.

Mysore Stoneware Profit Down

THE Mysore Stoneware Pipes and Potteries Ltd reports disappointing results for the year ended March 1963. Sales, profit, dividend, all are down—sales from Rs. 14.09 lakhs to Rs. 12.27 lakhs, profit from Rs. 3.62 lakhs to Rs. 1.39 lakhs and dividend from 15 percent to 12.5 percent. The directors have had to withdraw from the reserve for contingencies and from the provision for bonus and make a few other adjustments in order to provide for the payment of the proposed dividend which absorbs Rs. 75,000. Allocations include depreciation Rs. 76,950 (against Rs. 77,159), development rebate Rs. 8,800 (against Rs. 5,325), taxation Rs. 25,000 (against Rs. 1.60 lakhs), employee retiring gratuity reserve Rs. 7,500 (against Rs. 20,000) and bad and doubtful debts Rs. 5,000 (against nil). No provision has been made for rehabilitation reserve which received Rs. 10,000 in the preceding year.

The directors attribute the setback in the Company's working results to the serious difficulty experienced in the supply of coal in the first six months of the year and slack production for about a month. The directors intend to substitute oil for coal due to irregular supplies of coal. Manufacturing costs increased, but the Company found itself unable to raise its selling prices because of the stiff competition in stoneware pipes. From November 1962, many large indents were suspended due to the emergency and this adversely affected the Company's sales. The kiln and plant are reported to have been maintained in good repair.

The expansion in the production of stoneware pipes was completed in November 1962. The directors hope to be able to step up the output if

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adequate supplies of coal become available. Experiments in the pilot plant for making sanitaryware have been encouraging and the Company's raw materials are stated to be suitable for making sanitarywares. Expansion of this activity has, however, been put off because of the large investment in this project, and difficulties of obtaining the licence for foreign collaboration.

Saran Engineering Pays Less

THE Saran Engineering Co. Ltd of Kanpur reports unencouraging results for the year ended March 1963. The gross profit is down by about 23 percent from Rs. 8.68 lakhs to Rs. 6.67 lakhs, even though the turnover is almost unchanged at Rs. 36.40 lakhs, against Rs. 36.54 lakhs in the preceding year. The dividend has been reduced from 56nP to 45nP a share (Rs. 4 paid). The directors state that the production during the year consisted mostly of such items on which the profit margin was relatively less. This, coupled with the keen competition from the engineering firms recently established and the high cost of raw materials, adversely affected the Company's working results in 1962-63.

The situation was aggravated by the shortage of raw materials, particularly of pig iron. The directors have, however, assured that all possible steps have been taken to ensure adequate supplies of these materials, and they hope to be able to cover the Company's requirements satisfactorily during the current year. The proposals for rehabilitation of the works have been drawn up. In order to diversify the Company's activities, the management proposes to undertake the manufacture of "Beche" pneumatic hammers in collaboration with Beche and Grohs of West Germany. The Company has applied to the Government for the necessary industrial licence.

From the year's gross profit of Rs. 6.67 lakhs, the directors have provided Rs. 1.10 lakhs (against Rs. 1.22 lakhs) for depreciation. Rs. 3 lakhs (against Rs. 3.50 lakhs) for taxation and nil (against Rs. 1.893) for development rebate. The net profit amounts to Rs. 2.14 lakhs, against Rs. 3.38 lakhs. Including Rs. 11,859 brought forward and Rs. 24,970 being provision made for grautity in the previous year but no longer required, the disposable surplus amounts to Rs. 2.51 lakhs. From this, a sum of Rs. 1.50 lakhs (against Rs 2 lakhs) has been set aside for rehabilitation reserve and Rs. 25,000 (against Rs. 1.25 lakhs) for general reserve. The proposed dividend of 40nP (50nP) a share absorbs Rs. 60,000 (against Rs. 75,000), leaving a sum of Rs. 13,304 to be carried forward.

Madras Rubber Share Allotment

In response to the issue of 625,000 equity shares of Rs. 10 each, Madras Rubber Factory Ltd have received 13,637 applications for a total of 608,745 rights shares and 6,442 applications for a total of 358,326 additionsal shares. The board of directors have allotted 608,745 rights shares. The allotment letters have been posted. As for the 16,255 surplus shares available for the applicants for additional shares, it has been decided in consultation with the Madras Stock Exchange and with the approval of the Controller of Capital Issues to allot in the following manner: Those with one to 20 shares will get one share each: those with 21 to 50 shares will get two shares; those with 51 to 100 shares will get four; those with 101 to 200 shares will get ten; those with 201 to 500 shares will get 20; those with 501 to 1,000 shares will get 45; and those with 1,001 and above will be allotted 65 shares. The above basis leaves a balance of 25 shares which it is proposed to dispose off at the ruling market price or at par whichever is higher.

Bombay Wire Ropes Share Offer

BOMBAY Wire Ropes Ltd which proposes to set up a plant in Kolshet near Thana (Bombay) for the manufacture of wire ropes is likely to enter the market shortly to raise Rs. 27.50 lakhs through public subscription. The Company has been licensed to manufacture 3,000 tons of wire ropes a year on a double-shift basis. The two Japanese firms, Asahi Wire Rope Manufacturing Company and Kobe Steel Works, are providing technical know-how for which they are to be paid a lump-sum amount of 9 million yens (Rs. 1.20 lakhs) and a technical fee of Rs. 23,000 a year for three years. The project is estimated to cost a little over Rs. 1 crore, which is proposed to be met by the issue of share capital of Rs. 55 lakhs, bank borrowings of Rs. 16 lakhs, a loan of Rs. 30 lakhs from the I.C.I.C.I. and deposits of Rs. 5 lakhs from the Company's sole selling agents.

The Company has received the licence for the import of capital goods worth Rs. 38.36 lakhs from Japan. The rest of the plant and equipment is to be obtained from indigenous sources. It has an authorised capital of Rs. 2 crores of which Rs. 55 lakhs—all in equity shares of Rs. 10 each—is proposed to be issued for the present. Out of this, shares worth Rs. 10.03 lakhs have already been taken up by the promoters, directors and their friends and associates. The Life Insurance Corporation is stated to have agreed to subscribe for shares of the value of Rs. 5 lakhs. They and their friends and associates will take up further shares worth Rs. 12.47 lakhs. The balance of Rs. 27.5 lakhs will soon be offered to the public. The entire public issue has been underwritten by the Industrial Finance Corporation, American Express Company and certain firms of stockbrokers.

Mysore Lamp Cuts Dividend

THE Mysore Lamp Works Ltd reports disappointing results for the year ended March 1963. Production, sales, gross profit and dividend—all are substantially down from the previous year's levels. In 1961-62, the Company had distributed a dividend of 37 percent which included a dividend of 12 percent by way of silver jubilee gift. However, for 1962-63, the shareholders will receive no more than 8 percent which had been declared as an interim dividend; the final dividend has been skipped. The dividend has had to be slashed because of the sharp setback in the gross profit from Rs. 5.74 lakhs to Rs. 3.24 lakhs. The total production of lamps during the year amounted to 2.13 million pieces, against 2.41 million pieces in the preceding year. Sales were lower at 1.93 million pieces, against 2.41 million pieces and realisations were lower at Rs. 19.31 lakhs, against Rs. 23.42 lakhs.

From the year's gross profit, the directors have provided Rs. 66,028 (Rs. 46,389) for depreciation, Rs. 27,565 (against Rs. 24,886) for development rebate, Rs. 1.20 lakhs (against Rs. 2.51 lakhs) for taxation and Rs. 45,000 (against nil) for general reserve. After providing for the proposed dividends, preference and ordinary, which absorb Rs. 29,096, there remains a modest surplus of Rs. 1,217 to be carried forward, against Rs. 15,073 brought in.

The Company has concluded a collaboration agreement with the General Electric Company, New York, in pursuance of which 63,052 equity shares forming 49 percent of the total shareholding in the Company have been allotted to the G.E.C. at Rs. 35.07 (including a premium of Rs. 25.07) a share. The Company proposes to manufacture general purpose lamps in collaboration with the American firm. The Company has decided to redeem all preference shares on or before 31st October, 1963.

New Capital Issues

TEN companies have been authorised to raise capital totalling Rs. 11.33 crores. Two of them are yet to be established. One is a Central Government undertaking and two are State Government enterprises. In one company, 51 percent of the shares will be held by the Government of India. Two companies are issuing part of their capital to their foreign collaborators. One is issuing bonus shares and the rest equities of which two companies are partly issuing preference shares also. The consent of the Controller of Capital issues is valid for 12 months in all cases.

Hardcastle and Waud Manufacturing Private Ltd, Bombay, has been authorised to issue bonus capital of Rs. 4 lakhs (in equity shares of Rs. 100 each). It will be offered to its shareholders in the ratio of one bonus share for every three equity shares held, on capitalisation of the Company's reserves to a like extent.

Cochin Refineries Ltd., Kerala, to be floated for refining crude petroleum. in collaboration with Phillips Petroleum Company, U.S.A. is to issue capital of Rs. 7 crores divided into 700,000 equity shares of Rs. 100 each for cash at par. Out of this issue, shares of the value of Rs. 3.57 crores will be offered to the Government of India, Rs. 1.75 crores to the U.S. collaborators, Rs. 14 lakhs to Duncan Brothers and Company, Calcutta, and Rs. 84 lakhs to the public by prospectus. The remaining shares of the value of Rs. 70 lakhs are to be offered to parties to be nominated by the Government.

The Minerals and Metals Trading Corporation of India Ltd, New Delhi (proposed), a Central Government undertaking, will raise capital of Rs. 2 crores divided into 200,000 equity shares of Rs. 100 each for cash at par to be issued privately. The capital will be utilised for establishing a new undertaking to organise and undertake exports and imports of minerals, ores and concentrates, metals, etcetera.

Bharat Bijlee Ltd, Bombay, is to issue further capital of Rs. 60 lakhs for cash at par consisting of Rs. 30 lakhs in equity shares of Rs. 100 each and Rs. 30 lakhs in 9.3 percent cumulative redeemable preference shares of Rs. 100 each. The money will be used to finance the expansion involved in the manufacture of three-phase induction motors and power and distribution transformers.

Andhra Foundry and Machine Company Ltd, incorporated in Andhra, will issue capital of Rs. 55 lakhs divided into 400,000 equity shares of Rs. 10 each and 15,000 9.3 percent cumulative redeemable preference shares of Rs. 100 each for cash at par. Of this, equity shares of the value of Rs. 100 lakhs would be subscribed by the promoters and directors of the Company. The capital will be used for the establishment of a workshop and a plant for the manufacture of spun pipes, malleable pipe fittings and railway castings.

Tractor Engineers Ltd, Bombay, is issuing further capital of Rs. 50 lakhs divided into 5,000 equity shares of Rs. 1,000 each for cash at par. The issue will be subscribed as to Rs. 30 lakhs by Caterpillar Tractor Company of the U.S.A. and Rs. 20 lakhs by Larsen and Toubro Ltd, Bombay The proceeds of the issue will be utilised for the manufacture of crawler tractors.

U.P. State Industrial Corporation Ltd. is to issue Rs. 25 lakhs equity capital in shares of Rs. 100 each for cash at par, to be subscribed entirely by the U.P. Government. The capital will be utilised to develop magnesite deposits in Almora district for the manufacture of dead-burnt magnesite.

Mahindra Owen Ltd, Bombay, will raise Rs. 20,95,000 in equity shares of Rs. 100 each at par, of which shares of the value of Rs. 10,68,400 will be issued for cash to Mahindra and Mahindra Ltd and Rs. 10,26,600 to Rubery Owen and Company Ltd, U.K., for consideration other than cash against the supply of plant and machinery. The capital will be utilised for the manufacture of trailers of various types, axles and automotive parts.

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The Stock Markets

T.T.K. BROADCAST REVERSES DOWNTREND

Wednesday Evening.

THE Calcutta stock market has shown a mixed trend during the past week. Earlier, share prices reacted on bull liquidation since holders were inclined to take their profits in view of the sharp rise which had already taken place. Operators were also prone to lighten their commitments before the clearing on Monday. The settlement passed off smoothly, and the carry-forward charges were higher since the next clearing will take place on 6th November, 1963, after the Puja holidays.

The reaction was welcomed since it helped improve the technical position. In view of the sharp rise over the past month or so, a corrective process was long overdue. But the bullish grip was so strong that the reaction proved to be very temporary. There has again been a sharp spurt in prices. Although Dalal Street has closed for Divali, kerb prices have shot up. Encouraged by this performance, prices in Lyons Range have gone up on a strong buying spree, combined with nervous short-covering.

Attention has centred on the broadcast of the Finance Minister, Mr. T. T. Krishnamachari, last Friday. Although he has not hinted at any immediate relief in taxation, his observations about the economy have been interpreted bullishly. The market has exaggerated the importance of his assurance about a more liberal credit supply from the Reserve Bank. He has not explained how he proposes to liberalise the credit supply. The broad statement that the Reserve Bank will ensure the supply of credit to promote legitimate economic development does not go far since this has always been the objective of the Bank's monetary policy. If the change were to benefit the economy, the Bank should lend freely to commercial banks at Bank rate. The high cost of credit under the present slab system of lending has hindered economic development. His assurance about reviewing the fiscal and pricing policies of the Government has carried little conviction since the Finance Minister is expected to do this all the time in the normal course of his job.

Anyway, activity is expected to decline in view of the approaching Puja holidays. At this time of year, operators generally keep their commitments light. So no great change is expected in the immediate future. The lull in the border situation has been an encouraging factor, for the time being. Lyons Range takes a complacent view about the border situation in the belief that China will not invade India since almost all important countries of the world have backed India.

Indian Iron have been steady on the prospect that partial decontrol of steel is on the way. Among engineering shares, Guest, Keen, Williams, Texmaco, Jessop, Indian Standard Wagon and Kumardhubi have been prominent. Burn have been steady on the prospect of a bonus issue. Coal shares have been sluggish since the investors have been disappointed by the absence of any announcement concerning the increase in the price of the commodity. Stray business in Burrakur, East Indian, Bengal and Central India have been transacted. J. K. Rayon have been active in the cotton mill section. Support has been extended to Elgin, Jay Shree Textiles and Dunbar.

In the miscellaneous section, clearing scrip have attracted attention. The ex-bonus price of Indian Copper has improved. Indian cable have attracted margin on bulls in view of the sharp rise which has taken place. Indian Aluminium, Dunlop Rubber, Rohtas Industries and Kesoram Industries have been steady. Support has been forthcoming for Union Carbide, Metal Box, Alkali Chemical and Goodyear India. Angelo Brothers and British Paints have recovered. Among new shares, Hindustan Aluminium, Hindusthan Twyfords and India Carbon have been supported. Among paper shares, Orient have gained. Sirpur, India Paper Pulp, Bengal and Titaghur have been steady. Electric company shares have been sluggish and nominal business in Calcutta Electric has been transacted. Managing agency shares have generally been neglected. Stray business in Jardine Henderson and Martin Burn have been done. Bank shares have lacked interest. Sugar shares have been difficult to sell but Dyer Meakin Breweries have been steady on reports of good working.

Jute shares have been fairly steady, although turnover has declined. Barnagore have improved on declaring a taxable ordinary dividend of 40 percent. Birla, Champdany, Anglo-India, Kelvin, Fort Gloster, Gouripore, Ganges and Northbrook have been bought. Good tea shares have met with support. Among Assam Gardens, Betjan, Tezpore and Bishnauth have been steady. In the Dooars group, Hasimara and Jaybirpara have improved. Among Darjeeling gardens, Soom and Margaret's Hope have been transacted.

Government securities have been steady. The 3 percent Conversion loan 1986 has closed around Rs. 66. Support has been forthcoming for short- and medium-dated stocks but sellers have been few. The prices of State Government loans have been well maintained.

Bombay

GENERAL RISE IN NEW SHARES

STEELS UP ON HOPES OF PARTIAL DECONTROL

Tuesday Evening.

THE Bombay stock market closed last Tuesday for Diwali in a buoyant mood. So it is expected that the *moorat* session will take place on Thursday on a cheerful note. Earlier, there was a fair reaction and a prominent bull was believed to have unloaded his shares heavily. The selling was nevertheless absorbed without any strain. Renewed buying and short-covering were touched off by the broadcast of the Central Finance Minister, Mr. T. T. Krishnamachari. Dalal Street has been cheered by his assurance that he will soon review fiscal and pricing policies, and might take steps to remove the hindrances to economic growth. Steel shares, in particular, have been boosted by optimism about the possibility of decontrol of the commodity in the near future. The revival of activity in the piecegoods market because of the Diwali festival has been an additional stimulant.

A salient feature of the stock market revival has been that the prices of new shares have appreciated over a broad front. Several scrip, which until recently were quoted at a substantial discount, have recovered to about their par values. Some of them have even been quoted at a small premium. United Wire Ropes, for instance, have gained considerably and the scrip have been quoted at a substantial premium due to the change in the control of the Company.

Tata Steel ordinary have closed around Rs. 145.25. The price has hardened further in curb trading. Among engineering shares, Tata Locomotive, Mukand Iron, Premier Construction and Larsen and Toubro have gained. In motor-vehicle shares, Hindustan Motors have recovered on strong support from Lyons Range. Premier Automobiles have been sluggish.

Selected cotton mill shares have improved considerably. Century have soared on renewed support, combined with short-covering. Morarjee have improved in spite of a cut in the dividend. Support has been forthcoming for Bombay Dyeing, Kohinoor and Tata Mills. India United ordinary and Gokak have been steady.

Miscellaneous shares have also moved up in sympathy with the general trend. In the cement section, Associated Cement and Digvijay have gained. In sugar shares, interest has been concentrated on Belapur and Walchandnagar Industries. Steamship companies have been buoyant on prospects of higher dividends. Scindia Steam have appreciated considerably on a higher taxable ordinary dividend of Re. 1 a share, against 60nP a share last year. Great Eastern Shipping have benefited from rumours of a bonus issue.

Mining shares have been steady, and fair business has been transacted in Shivrajpur Syndicate. Chemical shares have improved on balance. Tata Chemical and Indian Dyestuff have met with support. In rayon shares, National Rayon have been steady. Gwalior Rayon have gained further. Strong support has been extended to Voltas. Business in cash shares has nevertheless been poor, although fluctuations have been narrow.

Bank shares have been devoid of interest, and stray business has been transacted in Bank of India, Bank of Baroda and Central Bank. New India Assurance have been steady in the insurance section. Limited business has been done in electric company shares. Ahmedabad. Bombay Suburban and Tata Power have been taken.

Madras

LIBERAL CREDIT IN PROSPECT

MARKET EXPECTS TAX CHANGES

Tuesday Evening.

THE undertone of the Madras stock market has been steady during the past week, although turnover has

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been limited in view of the forthcoming holidays. Higher advices from Dalal Street and Lyons Range have been an additional stimulant. Operators have interpreted the Central Finance Minister's broadcast on Friday bullishly. It is generally believed that he might soon modify the fiscal system to promote economic development. It is also hoped that he will take concrete steps to revitalise the capital market by ensuring a bigger flow of credit, especially from the Reserve Bank.

Government securities have been steady and selected State Government loans have improved slightly. In bank shares, Indian Overseas have been transacted at Rs. 147.75 and Indian at Rs. 156.10. Among electric companies, South Madras have been steady at Rs. 10.65 on declaring an interim taxable ordinary dividend of 5 percent. Vellore have also been taken up to Rs. 15.25. Sugar shares have improved all round. Deccan have gained at Rs. 11.25 on paying a final taxable ordinary dividend of 11.5 percent. Although the dividend has been maintained, the profits have been higher. E.I.D. have hardened to Rs. 37.65, Andhra to Rs. 17.36 and Travancore to Rs. 7.25.

Despite a decline in turnover, the prices of selected planting shares have been well maintained. Cochin Malabar have been wanted at Rs. 6.15 and Consolidated Coffee at Rs. 19.40. Business has passed in Periakaramalai at Rs. 3.52 and in Ouchterlony at Rs. 4.50. Thirumbadi have changed hands at Rs. 3.03, Haileyburia at Rs. 12.15, Nelliampathy at Rs. 3.50 and United Nilgiri at Rs. 23.87. Good coffee shares have been favoured due to optimism about the marketing outlook for the commodity. Coffee Lands have hardened to Rs. 14.87. Rajendra to Rs. 11.30 and Amalgamated to Rs. 10.01.

Business in textile shares has been meagre. Among clearing scrip, South India Viscose have been bought at Rs. 133 and Travancore Rayon at Rs. 26.50. Madura have been transacted at Rs. 33.10 and Lakshmi at Rs. 135.75. Adoni have changed hands at Rs. 9.40 and Anglo-French at Rs. 139.25. Business has passed in Buckingham at Rs. 266 and in Mettur at Rs. 278. Modi Spinning has been done at Rs. 10 and Rajalakshmi at Rs. 92. Rayalaseema have been steady at Rs. 136 and Ramakrishna at Rs. 217.80.

Among miscellaneous industries, Aluminium Industries have been steady at Rs. 17.35 and Ashok Leyland at Rs. 7.32. Mettur Chemical have been done at Rs. 13.05. In cement shares, Dalmia have been bought up to Rs. 12.70 and India at Rs. 5.75. F.A.C.T. have recovered to Rs. 6 and Seshasayee Paper to Rs. 7.55. Tube Investment have been quoted at Rs. 230 and Enfield at Rs. 9.12. Radio and Electricals have changed hands at Rs. 3.25. The Company proposes to issue 250,000 rights ordinary shares of Rs. 10 each at par. Forest Industries have been done at Rs. 2.03 and Rane at Rs. 8.02. Spencer have been steady at Rs 20.15 and Textool at Rs. 154. Madras Rubber have hardened to Rs. 14.90, but Kirloskar Electric have been freely available at Rs. 18.12.



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THE WEEK'S TRANSACTIONS

[In the following list of stocks and shares in which transactions have taken place during the past week the figures indicate Opening Quotations. Highest for the week, Lowest for the week, Closing Quotations and Quotations for the corresponding Closing Date a Year Ago. The last-named is shown in parentheses and will not be given where such a quotation is not available.]

CLEARED SECURITIES

Birla Jute—Rs. 32/69—32/87—31/44—32/56—(33/37).
Burrakur Coal—Rs. 17/25—17/31—17/00—17/31—(17/37).
Dunlop Rubber—Rs. 37/37—37/37—35/75—37/12—(38/12).
Guest, Keen, Williams—Rs. 37/44—37/69—36/12—37/69—(38/37).
Hindustan Motors—Rs. 18/28—18/37—17/56—18/34—(18/50).
Howrah Jute—Rs. 19/25—19/31—19/25—19/25.
Indian Aluminium—Rs. 38/87—38/87—37/69—38/50—(35/31).
Indian Cable—Rs. 38/50—38/50—37/75—37/75—(36/50).
Indian Copper—Rs. 5/48—5/49—3/59—3/73—(4/63).
Indian Iron—Rs. 24/36—24/68—23/94—24/66—(25/10).
J. K. Cotton—Rs. 13/31—13/44—12/56—13/31—(15/94).
Jaipur Udyog—Rs. 12/31—12/44—12/06—12/37—(12/12).
Kesoram Industries—Rs. 25/81—26/37—24/87—26/31—(25/31).
Orient Paper—Rs. 37/45—37/60—36/30—37/05—(40/00).
Orissa Cement—Rs. 15/37—15/44—14/87—15/31—(16/56).
Rohtas Industries—Rs. 13/69—13/97—13/00—13/69—(14/00).
Shree Gopal Paper—Rs. 26/62—26/62—26/50—26/50
Textile Machinery—Rs. 26/60—27/00—26/00—26/85—(22/15).

GOVERNMENT SECURITIES

3 % Loan (1986)—Rs. 66/00—66/05—65/85—65/85.
3 % „ (1966-68)—Rs. 98/00—98/03—98/00—98/00.
3 % „ (1964)—Rs. 99/40—99/40—99/40—99/40.
3 % „ (1970-75)—Rs. 89/70—89/70—89/70—89/70.
3½ % „ (1964)—Rs. 99/00—99/00—99/00—99/00.
4 % „ (1969)—Rs. 99/47 S.T.—99/55—99/35—99/35.
4 % „ (1979)—Rs. 98/40—98/40—98/40—98/40.
4 % „ (1980)—Rs. 98/40—98/40—98/40—98/40.
4 % „ (1973)—Rs. 100/05—100/05—100/05—100/05.
4 % „ (1981)—Rs. 98/63—98/65—98/60—98/65.
4 % Madras (1967)—Rs. 99/05—99/05—99/05—99/05.
4½% Madras (1974)—Rs. 98/95—98/95—98/95—98/95.
4½% Loan (1973)—Rs. 100/00—100/00—100/00—100/00.
4½% Orissa (1974)—Rs. 98/90—98/90—98/90—98/90.

RAILWAYS

Bankura Damodar—Rs. 26/50 S.T.—26/50—26/50—26/50.
Burdwan Cutwa—Rs. 26/50 S.T.—26/50—26/50—26/50.

BANKS

Bank of Baroda—Rs. 87/75 87/75—87.75—87/75.
Hindusthan Commercial—Rs. 13/25—13/62—13/25—13/44—(17/12).
United Bank of India (Rs. 10/- paid)—Rs. 7/25 S.T.—7/56—7/00—7/31—(7/87).
United Commercial—Rs. 68/50—68/75—68/50—68/50 (80/00).

COTTONS

Basanti—Rs. 13/75—13/75—13/75—13/75.
Bowreah—Rs. 24/56—24/59—24/25—24/59—(25/62).

Bharat Commerce—Rs. 23/12—23/37—23/00—23/37—(28/06).
Elgin—Rs. 22/19—22/19—21/81—22/00—(19/09)
Jiyajeerao—Rs. 12/62—12/62—12/50—12/50.
Jogatit—Rs. 16/50—16/56—16/50—16/56.
Jay Shree—Rs. 16/25—16/50—15/69—16/44—(17/12)
New Victoria (Pref.)—Rs. 2/72—2/75—2/72—2/75—(2/94)
Rajasthan Spinning—Rs. 8/62—8/62—8/62—8/62.
Svadesh: (P.O.)—Rs. 6/62—6/81—6/62—6/81—(7/37).
Shree Madhusudan (Pref.)—Rs. 79/00—79/00—79/00—79/00.

COALS

Amalgamated—Rs. 26/00—26/37—26/00—26/37—(22/12).
Associated Karanpura—Rs. 5/00—5/00—5/00—5/00.
Bharat—Rs. 3/53—3/53—3/50—3/50—(3/40).
Central India—Rs. 9/75—9/87—9/62—9/87—(10/06).
East Indian—Rs. 32/00—32/00—32/00—32/00—(52/37).
Hurriladih—Rs. 7/00—7/06—7/00—7/06—(8/12).
Jogta—Rs. 1/06—1/06—1/06—1/06
Karanpura Collieries—Rs. 16/00—16/00—16/00—16/00—(18/00)
New Beerbhoom (Pref.)—Rs. 10/50 c d—10/50—10/50—10/50—(10/25).
Pench Valley—Rs. 17/31—17/50—17/31—17/50—(16/50)
Parasea—Rs. 13/00—13/06—12/87—13/06—(16/00)
Samla—Rs. 9.00—9/00—9/00—9/00—(7/44).
Shree Mahakali—Rs. 4/56—4/62—4/56—4/62.
South Karanpura—Rs. 8/69—8/72—8/56—8/62—(8/12).
Union—Rs. 10/00—10/00—9/50—9/50—(10/37).
Western Bengal—Rs. 8/75—8/94—8/56—8/94—(9/15)
West Jamuria—Rs. 4/50—4/56—4/50—4/56—(9/37).

JUTES

Agarpara—Rs. 10/50—10/62—10/31—10/31—(10/81)
Alliance—Rs. 158/00—161/00—158/00—161/00—(116/00).
Anglo-India—Rs. 233/00—234/00—233/00—234/00—(231/00).
Barnagore—Rs. 204/00—209/00—204/00—205/00—(191/00)
Birla (1st Pref.)—Rs. 79/00—80/00 x d.—79/00—80/00 x d.—(81/00)
Bally—Rs. 261/00—261/00—261/00—261/00—(293/00).
Budge-Budge—Rs. 151/00—151/00—151/00—151/00—(160/00).
Caledonian—Rs. 180/00—180/00—180/00—180/00—(220/00).
Cheviot—Rs. 23/00—23/56—22/75—23/56—(24/75).
Chitavalsah—Rs. 10/94—11/31—10/94—11/00—(11/56).
Clive (6% Pref.)—Rs. 62/00—62/00—62/00—62/00—(52/00).
Calcutta—Rs. 8/12—8/12—8/12—8/12—(8/00).
Champdany—Rs. 24/37—24/37—24/19—24/19
Delta—Rs. 169/00—169/00—166/00—166/00—(175/00).
Dalhousie—Rs. 147/00—147/00—147/00—147/00—(121/00).
Fort William—Rs. 26/50—26/75—26/31—26/75—(27/37).
Fort Gloster—Rs. 350/00—350/00—350/00—350/00
Ganges—Rs. 16/19—16/25—14/75 x d.—14/75 x d.—(14/75)
Gondalpara—Rs. 15/37—15/44—15/37—15/44—(18/62)
Gourepore (Pref.)—Rs. 87/00—88/00—87/00—88/00—(86/00)
Hukumchand—Rs. 22/00—22/00—22/00—22/00—(26/12).
India—Rs. 16/62—16/62—16/62—16/62—(17/94).
Kamarhatty—Rs. 195/00—195/00—195/00—195/00—(167/00).
Kanknarrah—Rs. 142/00—143/00—139/00—139/00—(127/00).
Kelvin—Rs. 194/00—197/00—194/00—197/00—(190/00).
Kinnison—Rs. 139/00—139/00—139/00—139/00—(153/00).
Do. (Pref.)—Rs. 92/50—93/00—92/50—93/00—(90/00).
Megna—Rs. 13/81—13/87—13/56—13/87—(13/50).
New Central—Rs. 14/12—14/75—13/75—14/75—(13/44).
Northbrook—Rs. 30/69—31/12—30/50—31/00—(36/75).
Nuddea—Rs. 63/00—63/25—63/00—63/00—(56/50).
Presidency—Rs. 5/69—5/72—5/62—5/69—(5/50).
Reliance—Rs. 9/69—9/69—9/62—9/62—(6/81).
Rameshwara (Pref.)—Rs. 12/50—12/50—12/50—12/50—(9/62)
Soorah—Rs. 23/50—23/50—23/50—23/50—(25/25).

MININGS

Bisra Stone Lime—Rs. 23/50—23/50—23/50—23/50—(27/87).
Metal Corporation—Rs. 8/34—9/62—8/19—9/62—(9/69).
Orissa Minerals—Rs. 27/50—27/50—27/50—27/50—(36/50).

CEMENTS

Ashoka—Rs. 7/00—7/19—7/00—7/06—(7/75).
Dalmia (Bharat)—Rs. 12/87—13/00—12/75—12/81—(14/31).
Do. (Pref.)—Rs. 8/00—8/12—8/00—8/06—(8/44).
Sone Valley—Rs. 4/50—4/66—4/44—4/62—(4/62).

ELECTRICS

Benares—Rs. 11/62—11/62—11/62—11/62.
Calcutta—Rs. 14/87—14/94—14/31—14/44 x d.—(15/19).
Do. (Pref.)—Rs. 8/12—8/12—8/00—8/00—(8/31).
Dishergarh Power (1st Pref.)—Rs. 67/00—67/00—67/00—67/00—(73/62).

CHEMICALS

Alkali & Chemical—Rs. 34/50—34/75—34/25—34/75—(41/87).
Do. (Pref.)—Rs. 88/00—90/00—88/00—90/00—(86/00).

ENGINEERINGS

Bharat Ball Bearing—Rs. 13/37—13/50—13/25—13/37.
Bhartia Electric Steel—Rs. 14/37—14/75—14/19—14/75—(13/87).
Binani Metals—Rs. 11/37—11/56—11/37—11/50—(10/75).
Britannia Eng.—Rs. 10/37—10/44—9/94—10/25—(10/94).
Burn & Co.—Rs. 595/00—599/00—595/00—596/00—(695/00).
Braithwaite & Co.—Rs. 35/25—35/50—34/62—34/75—(35/12).
Calcutta Steel—Rs. 13/75—14/06—13/75—13/94—(15/00)
Dalmia Iron—Rs. 11/12—11/12—11/06—11/12—(12/00)
Hooghly Docking—Rs. 95/00—95/00—95/00—95/00—(102/00).
Indian Iron & Steel (Pref.)—Rs. 84/50—84/50—84/00—84/00—(85/00).
Indian St. Wagon—Rs. 35/12—35/12—35/12.
Jessop & Co.—Rs. 26/75—26/87—26/19—26/50—(23/06).
Jay Eng.—Rs. 21/12—21/25—21/12—21/19—(27/12).
J. K. Steel—Rs. 16/37—16/37—16/37—16/37—(17/37).
Kumardhubi—Rs. 9/31—9/31—9/12—9/25—(7/69).
Marshalls—Rs. 2/72—2/72—2/56—2/62—(3/25)
National Iron & Steel—Rs. 5/81—6/00—5/69—5/81—(5/19).
Raymon—Rs. 5/25—5/25—5/00—5/00—(5/62).
Textile Machinery (6½% Pref.)—Rs. 102/00—102/00—102/00—102/00—(98/50).
Wellman Incandescent—Rs. 6/12—6/12—6/00—6/00.

INSURANCES

New Asiatic—Rs. 8/50—8/50—8/41—8/50—(10/19).
Ruby General—Rs. 10/25—10/25—10/19—10/19—(9/59).

MISCELLANEOUS

Aluminium Corpn.—Rs. 16/37—16/44—15/87—16/44—(15/69).
Angelo Brothers—Rs. 24/44—24/50—24/19—(24/31—(23/75).
Asiatic Oxygen—Rs. 14/12—14/12—13/81—13/87—(9/94)
Asian Refractories—Rs. 6/62—6/69—6/50—6/50.
Albion Plywood—Rs. 8/00—9/00—8/00—9/00
Bararee Coke—Rs. 22/00—22/50—22/00—22/50—(24/50).
Bhartia Co.—Rs. 55/00—55/00—55/00—55/00.
B. I. Corporation—Rs. 8/69—8/97—8/69—8/87—(10/03).
Balmer Lawrie—Rs. 252/00—252/00—252/00—252/00—(257/00).
Britannia Biscuits—Rs. 42/00—42/00—42/00—42/00—(45/12).
British Paints—Rs. 20/00—20/00—20/00—20/00—(22/00)
Calcutta Tramways—Rs. 11/19—11/31—11/19—11/19—(12/75).
Dr. Paul Lohmann—Rs. 13/81—14/00—13/62—14/00.
Dyer Meakin Breweries—Rs. 29/37—29/50—29/37—29/50—(30/31).
Electric Construction—Rs. 13/81—14/00—13/69—14/00—(14/69).
East Anglia Plastics—Rs. 9/37—9/37—8/94—8/94—(15/44).
General Tyres—Rs. 9/56—9/75—9/37—9/56—(5/81).
Gillanders Arbuthnot—Rs. 14/06—14/06—14/00—14/00—(14/06).
Goodyear India—Rs. 33/50—33/50—33/25—33/50
Gwalior Rayon—Rs. 47/00—47/00—47/00—47/00
Hindustan Aluminium—Rs. 13/81—13/81—13/44—13/59—(15/94).
Hindusthan Gas—Rs. 23/12—23/12—22/87—23/00.
Hindusthan Development—Rs. 4/06—4/12—4/00—4/10.
Hindusthan Twyfords—Rs. 14/75—14/81—14/69—14/69—(14/69).
Hindusthan Wire Products—Rs. 16/69—16/75—16/69—16/75
Hindusthan Pilkington Glass—Rs. 16/62—17/50—16/50—17/50—(19/87).
Imperial Tobacco—Rs. 10/50—10/56—10/44—10/50—(11/00)
India Forge & Drop Stamping—Rs. 6/75—6/94—6/75—6/94.
Indian Oxygen—Rs. 29/19—29/31—28/50—28/50—(47/62).
Indian Plastics—Rs. 7/56—7/56—7/44—7/44.
Indian Wood Products—Rs. 29/50—29/50—29/50—29/50—(32/00).
Isaac Holdens—Rs. 15/12—15/31—15/12—15/25—(16/50).
Jay Shree Industries—Rs. 18/00—18/25—17/87—17/94—(16/75).
J. K. Synthetics—Rs. 12/00—12/00—11/56—11/81—(13/25).
Jardine Henderson (Pref.)—Rs. 55/00—55/00—55/00—55/00—(56/50).
Madhya Pradesh—Rs. 8/94—8/94—8/87—8/87—(9/25).
Macneill & Barry (Pref.)—Rs. 51/50—52/00—51/00—52/00.
Martin Burn—Rs. 27/12—27/44—27/09—27/37—(30/94).
Metal Box—Rs. 51/62—55/00—51/25—53/87—(55/50).
Metal Distributors—Rs. 4/44—4/69—4/44—4/50
National Insulated Cable—Rs. 24/62—25/12—24/62—25/12—(28/00).
National Pipes & Tubes—Rs. 28/25—28/50—28/25—28/37—(31/25).
National Rubber Mfg.—Rs. 12/62—12/87—12/62—12/81—(11/94).
Phillips Carbon—Rs. 17/25—17/62—17/25—17/62—(21/87).
Philips India—Rs. 30/50 S.T.—30/75—30/25—30/25—(29/37).
Rohtas Industries ("B" Pref.)—Rs. 58/25—58/25—58/25—58/25—(55/50).
Rallis India—Rs. 130/00—132/00—129/00—130/00—(150/00).
Sirsilk—Rs. 9/06—9/19—9/00—9/06—(9/69).
Shalimar Wire—Rs. 5/00—5/00—5/00—5/00.
Shaw Wallace—Rs. 16/69—16/75—16/69—16/75—(20/69).
Do. (Pref.)—Rs. 57/00—57/00—57/00—57/00—(56/75).
Tungabhadra—Rs. 8/62—8/62—8/62—8/62.
Universal Cables—Rs. 12/44—12/69—11/94—12/50.
Universal Elec.—Rs. 10/25—10/25—10/06—10/12
Usha Martin Black—Rs. 17/00—17/19—16/50—17/19—(15/12).
Union Carbide—Rs. 40/87—40/87—40/87—40/87—(45/37).
Walford Transport (P.O.)—Rs. 2/75—2/75—2/75—2/75—(2/25).

OILS

Indo-Burma Petroleum—Rs. 23/25—23/31—22/50—23/31—(25/87).
Tide Water—Rs. 29/50—29/50—29/50—29/50—(27/00).

PAPERS

Ashok—Rs. 3/44—3/44—3/44—3/44—(5/06).
Ballarpur—Rs. 18/75—18/81—18/31—18/31—(18/37).
Bengal—Rs. 27/81—28/75—27/81—28/69—(32/75).
India Paper Pulp—Rs. 18/75—18/87—18/75—18/81—(18/87).
Seshasayee—Rs. 7/62—7/69—7/53—7/53—(8/56).
Sirpur—Rs. 13/50—13/56—12/87—12/94—(13/19).
Straw Products—Rs. 10/69—10/69—10/44—10/56—(9/69)
Shree Gopal (2nd Pref.)—Rs. 98/50—99/00—98/50—99/00—(107/00).
Star—Rs. 8/69—8/81—8/69—8/81.
Titaghur—Rs. 17/19—17/31—16/94—17/00—(38/12).
West Coast—Rs. 159/00—159/00—158/00—158/00—(160/00).

SHIPPINGS

Bengal Assam—Rs. 140/00—140/00—140/00—140/00—(106/00)
India Steamship—Rs. 6/62—6/81—6/44—6/56 (6/84).
Port Shipping—Rs. 14/69—14/69—14/62—14/62—(12/06).

SAW MILL

Assam Saw—Rs. 2/56—2/56—2/56—2/56.

SUGARS

Bharat—Rs. 13/31—13/31—13/31—13/31—(12/87).
Carew & Co.—Rs. 11/00 11/00—11/00—11/00—(12/19).
Deoria—Rs. 5/00—5/00—5/00—5/00.
New India—Rs. 31/00—31/00—31/00—31/00.
Raza Buland—Rs. 9/75 S.T.—10/19—9/75—10/12—(10/37).
Shree Hanuman Rs. 12/44—12/50—12/44—12/50.
Shree Krishna Gyanoday—Rs. 7/75—9/00—7/75—9/00—(8/15).
United Provinces—Rs. 9/00—10/00—9/00—10/00—(14/72).

TEAS

Bhatkawa—Rs. 17/06—17/06—17/06—17/06 (17/37).
Baradighi—Rs. 24/00—24/00—24/00—24/00—(23/56).
Brooke Bond—Rs. 12/37—12/50—12/25 S.T. 12/44—(12/75).
Bormah-Jan—Rs. 13/37—13/37—13/25—13/25—(16/12).
Dhelakhat—Rs. 19/62 19/62—19/50—19/56—(20/12).
Dufflaghur—Rs. 28/12—28/12—28/00—28/06—(27/87)
Dauracherra—Rs. 11/56—11/69—11/50—11/50—(7/31).
East India—Rs. 16/00—16/00—16/00—16/00—(18/87).
Grob—Rs. 8/00—8/00—8/00—8/00—(8/06).
Gohpur—Rs. 15/50—15/62—15/44—15/62—(13/31)
Hasimara—Rs. 14/25—14/50—14/25—14/25—(14/81).
Hantapara—Rs. 115/00—115/00—114/00—114/00—(104/00).
Hoolungoorie—Rs. 184/00—186/00—184/00—186/00.
Jaybirpara—Rs. 11/87—20/12—11/87—20/12—(11/06).
Krishnabehari—Rs. 11/50—11/80—11/50—11/80—(10/50).
Loobah—Rs. 4/44—4/50—4/44—4/50.
Methoni—Rs. 18/25—18/31—18/12—18/19—(18/94).
North Western Cachar—Rs. 175/00—175/00—175/00—(205/00).
Oodlabari—Rs. 14/25—14/25—14/25—(14/75).
Patrakola—Rs. 130/00—131/00—129/00—129/50—(149/00).
Roopacherra—Rs. 9/69—9/81—9/69—9/81—(13/62).
Rajabhat—Rs. 10/81—10/87—10/69—10/69—(12/12).
Sungma—Rs. 14/56—14/56—14/31—14/44—(12/75).
Tyroon—Rs. 31/00—31/12—31/00—31/12—(34/37).

DEBENTURES

6½% Dunlop Rubber—Rs. 100/25—100/25—100/25—100/25—(100/25.
6½% Indian Aluminium—Rs. 95/00—95/00—95/00.

HIDES AND SKINS UNCHANGED

The market showed little change. Stock were higher than in the previous week.

Bazaar Sales

(Between 8th October and 14th October, 1963)

Cowhides: Wet salted (Ord.) 5,000 pcs. on the basis of Rs. 8 to Rs. 12.25; Wet salted (Slaughtered) 33,000 pcs. on the basis of Rs. 10.50 to Rs. 16.50 and Rs. 19.50 to Rs. 28.

Goatskins: Wet salted (Patna, Daissee, Kustia) 47,800 pcs. on the basis of Rs. 240 to Rs. 260, Rs. 300 to Rs. 315 and Rs. 370 to Rs. 380; Wet salted (he-killed) on the basis of Rs. 4.25 and (she-killed) on the basis of Rs. 4.00 a piece; Purneah 22,000 pcs. on the basis of Rs. 225 to Rs. 235; Patna-Muzafferpore 20,300 pcs. on the basis of Rs. 250 to Rs. 260 and Rs. 270 to Rs. 285; Forbesganj 3,000 pcs. on the basis of Rs. 475.

Bazaar Stocks

(14th October, 1963)

Cowhides: Wet salted 72,000 pcs.

Goatskins: Wet salted (Patna, Daissee, Kustia, Killed) 51,000 pcs.; Assam-Dinajpur 80,000 pcs.; Muzafferpore - Patna - Pakur - Purneah-Kissenganj 139,000 pcs.

Money

EXPECTED CHANGES IN MONETARY AND CREDIT POLICIES

(BY A SPECIAL CORRESPONDENT)

THE Central Finance Minister, Mr. T. T. Krishnamachari, has outlined a "positive policy" for stimulating economic growth. An important aspect is that the Reserve Bank will pursue a "liberal credit policy" in meeting demands for all productive purposes without relaxing its vigilance over speculative tendencies. In devising appropriate instruments of monetary control, the Bank will bear in mind the fact that there is a considerable amount of unaccounted money which is used for speculative transactions. The statement may mark a welcome change in monetary and credit policies.

It is claimed by the Reserve Bank that its policies have succeeded in restraining the monetary pressures emanating from speculative activity. The recent rise in prices, especially since the introduction of the 1963-64 Budget, in spite of the operation of quantitative and qualitative controls, has falsified this claim. It has been clear that speculative forces are being fed by funds beyond the control of the monetary and credit authorities. It is a tribute to the frankness of Mr. Krishnamachari that he has accepted the facts of the situation and has instructed the Reserve Bank to reshape its credit and monetary policies on more realistic lines.

What is likely to be the shape of the new monetary and credit policies? This is the question uppermost in the minds of banking and financial circles. Will the Reserve Bank abandon the selective credit controls altogether since it has been proved time and again that their impact on prices has been only marginal? Will there be a cheapening of bank credit? While a positive reply to these questions will be available after the return of the Governor of the Reserve Bank, Mr. P. C. Bhattacharyya, from abroad, some conjectures may be made about the type of relaxations the authorities may be contemplating.

Co-operative Credit

The first important change of approach in monetary and credit policies is likely to be in the sphere of co-operative credit. This is because agricultural production has been stagnating. It is reported that neither the increase in membership nor the amount of loans advanced by credit co-operatives have been in line with the targets fixed under the third plan. For instance, against the plan target for membership of 4 million every year, the increase was only 2.5 million in 1961-62. The target for short and medium-term credit has been fixed at Rs. 512 crores for the third plan which averages out to Rs. 100 crores a year. During 1961-62, loans increased by Rs. 25.3 crores only. Several States showed heavy overdues, central banks were unable to use the full credit limits except in a few States, and no serious attempts were made to help the weaker sections of the community.

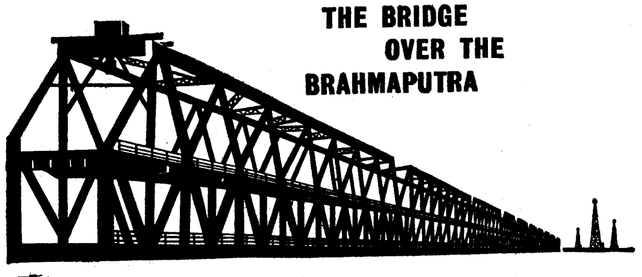
Although the growth of deposits in apex banks and the rise in the share capital of central co-operative banks were satisfactory, the internal resources of the movement did not increase in line with expectations. This in turn retarded the flow of funds to agriculture. An all-out effort is likely to be made by the Reserve Bank to strengthen the movement and stimulate the growth of deposits in the co-operative sector. Deposit insurance is shortly to be extended to co-operative banks. The banks will be permitted to give or quote higher rates of interest than the commercial banks. The State Governments will also be asked to guarantee principal and interest for fixed deposits in the event of failure of any co-operative bank. Local bodies like municipalities are likely to be advised to keep their balances with co-operative institutions. While these measures may to some extent help the growth of deposits in co-operatives, it should be remembered that substantial progress will be difficult without strengthening the base.

No amount of State guidance is a substitute for local initiative and the latter cannot develop as long as there is a dearth of honest and sincere workers. Apart from measures to be taken to strengthen the growth of deposits in co-operative institutions, it is understood that the State Bank may be asked to play a more positive rôle in providing credit. It may function as a sort of apex bank to apex banks with broad policy guidance from the Reserve Bank. The State Bank, it may be noted, has a chairman with a positive rural bias. Undoubtedly, financial supervision by the State Bank would help strengthen the co-operative movement provided there is proper administrative coordination. It is considered unlikely that the emphasis would be on cheapening agricultural credit to the ultimate borrower, because the problem has to be viewed in the context of the present cost of credit in the countryside on the one hand, and the number of intermediaries necessary effectively to supervise the flow of credit, on the other.

Commercial Bank Deposits

As far as commercial banks are concerned, the growth in their deposits during the slack season is expected to take care of the credit needs during the coming busy season. It is the general expectation that except for a few banks with an overstretched position, commercial banks will be able to meet their commitments, and the Reserve Bank will be able to supply the marginal requirements. Since the problem is one of supplying credit liberally for productive purposes, selective credit controls of doubtful utility, such as those relating to rice and paddy, may be scrapped altogether; those on sugar and other commodities will be under close watch. It is to be remembered that the Reserve Bank is giving preferential treatment already to certain sectors like exports and small industries. A relaxation of controls on margins (such as operate in the case of shares) could stimulate investment activity. In this connection, it is understood, a distinction may be made between the credit needed to stimulate investment and production and that used for speculative activity. While the latter will be discouraged, the former will receive encouragement through preferential margins, informed circles say.

It is generally believed that credit will not be made cheaper. This is because the tendency is towards higher interest rates in the economy. The Reserve Bank, along with the World Bank, has succeeded in convincing the Government that low interest rates in a developing economy in the context of physical bottlenecks promote wastage and aggravate monetary pressures. It is, however, likely that the present anomalies in the interest-rate structure will be removed by abolishing the several tiers; a certain amount of Bank rate, and the remainder at a credit may be made available at penal rate of, say, 6½ percent, after a thorough scrutiny of the position of the requesting bank. It is considered possible that the Reserve Bank may prescribe a credit-deposit ratio officially. This is now mentioned in informed quarters at around 65 percent. Banks in a particularly overstretched position may be given a concession of 10 percent with a stipulation that they should correct their over-extended position within a specific period. No major relaxations in the shape of cheaper credit or abolition of restrictions on facilities provided to the commercial banks by the Reserve Bank, are considered likely.



THE BRIDGE OVER THE BRAHMAPUTRA

By day and by night, with deafening roar and rattle, goods and passenger trains hurtle across the new Brahmaputra Bridge, connecting Amingaon and Pandu. When on 7th June 1963, Prime Minister Nehru formally opened the Saraighat Bridge, wholly Indian in design and execution, it marked the culmination of a plan first thought of in 1910.

Work commenced in November 1958, and it took Rs. 10.6 crores and nearly four years of round-the-clock effort to throw the bridge across the mighty and turbulent Brahmaputra.

When the first goods train travelled over the bridge on 31st October 1962, it heralded a new era in the fast-developing economy of north-eastern India. For the first time, an all-rail-cum-road link was established between the tea gardens and the oilfields of Assam and the rest of the country.

No less than 4.2 million cubic feet of concrete, 40,000 tons of cement and 14,000 tons of steel were used to build the 10-span, two-tier bridge with a roadway on top and rail tracks below. Of about 11,000 tons of vital mild and high tensile steel required to build the girders of the bridge, about 60 per cent came from the steel works at Jamshedpur. This is yet another example of Tata Steel in the service of the nation.

GIVE FREELY TO THE NATIONAL DEFENCE FUND

TATA STEEL

The Tata Iron and Steel Company Limited

TWTN 18A

THE CALCUTTA MONEY MARKET

SLIGHT DECREASE IN ADVANCES

Wednesday, 16th October.

THERE has been a slight decrease in the general level of advances in the Calcutta money market during the past week. The credit given to the sugar mills has fallen, and so has that given to the iron, steel and engineering industries. Jute advances show a fair increase. But the accommodation given to the cotton and woollen mills, and to the foodgrains and seeds trade, is unchanged. In the interbank market, conditions were fairly tight in the beginning but have eased towards the close. The call rate has dropped to 1 percent.

The exchange market has been active, with a good supply of tea and gunny bills. The demand for remittance has been fair. Sterling has weakened in relation to most of the important currencies with the exception of the Dutch, Belgian, Norwegian and Austrian ones.

SILVER WAS QUIET IN CALCUTTA IN ..e past week. The price declined from the previous week's level of Rs. 230 to 229 75, quoted for ready. The London and New York prices were 111½d and 129.3 cents.

Gold was quiet. The prices declined from Rs. 62.75 to Rs. 62.25.

DURING THE WEEK ENDED 11TH OCTOBER, Government of India Treasury bills for Rs. 231,65,50,000 were sold in favour of the Reserve Bank.

TENDERS FOR Rs. 2 CRORES OF 91-DAY Government of India Treasury bills were opened on 15th October. The total amount offered was Rs. 2 crores. Tenders at Rs. 99.420 percent were accepted in full. The total amount accepted was Rs. 2 crores, the average rate of acceptance being Rs. 2.320 percent a year. Tenders for Rs. 2 crores of 91-day Government of India Treasury bills will be received at all centres up to the close of business on 21st October.

IT IS STATED THAT 91-DAY INTERMEDIATE Treasury bills will be sold from 16th October to 19th October at Rs. 99.436 percent. Sales can be stopped at any time without notice if the Government thinks it necessary. These bills sold from 9th October to 12th October amounted to Rs. 2.55 crores only.

THERE WERE RISES OF Rs. 36.39 crores to Rs. 2,257.08 crores in active notes and of Rs. 22.70 crores to Rs. 2,270.50 crores in the total note issue according to the return of the Reserve Bank of India for the week ended 11th October, 1963. The currency expansion was covered by raising rupee securities of the paper currency reserve by Rs. 25 crores to Rs. 1,939.31 crores. This was done partly by transferring securities from the Banking Department in which investments fell by Rs. 5.06 crores to Rs. 168.21 crores. Deposits of the Government of India declined by Rs. 26.09 crores to Rs. 52.20 crores while those of State Governments rose by Rs. 7.82 crores to Rs. 10.36 crores. Balances of scheduled banks at Rs. 86.66 crores showed a rise of Rs. 11 crores. Their loans from the Reserve Bank rose from Rs. 1.79 crores to Rs. 1.95 crores, of which advances against usance bills amounted to nil (Rs. 7 lakhs). Balances held abroad gained Rs. 50 lakhs at Rs. 9.10 crores. Ways and means advances stood at Rs. 56.76 crores, against Rs. 59.38 crores.

THE RETURN OF THE STATE BANK OF India for the week ended 4th October, 1963, shows a drop of Rs 5.14 crores to Rs. 594.51 crores in total deposits. Investments in Government securities are up by Rs. 3.96 crores to Rs. 322.37 crores, while other authorised investments remain unchanged at Rs. 8.95 crores. Advances, including loans, cash credits, overdrafts and bills discounted and purchased have declined by Rs. 92 lakhs to Rs. 249.36 crores. Cash and balances are, in consequence, shown at Rs. 18.55 crores or Rs. 9.60 crores less.

THE STATEMENT OF THE POSITION OF scheduled banks for the week ended 4th October, 1963, shows Demand and Time liabilities at Rs. 1,110 54 crores (Rs. 27.27 crores on account of borrowings from banks) and Rs. 1,310.02 crores (Rs. 23.24 crores), compared with Rs. 1,108.81 crores (Rs. 24.26 crores) and Rs. 1,316.22 crores (Rs. 24.42 crores), respectively, in the previous week. Cash has increased by Rs. 4.61 crores to Rs. 55.53 crores, while balances with the Reserve Bank have declined by Rs. 2.06 crores to Rs. 79.44 crores. There is a rise of Rs. 6.57 crores to Rs. 786 crores in investments. Advances and bills discounted at Rs. 1,475.85 crores show an increase of Rs. 10.16 crores. The ratios to total liabilities of cash and balances, and of advances and discounts are, in consequence, shown at 5.6 percent and 61.0 percent, against 5.4 percent and 60.4 percent.

TREASURY BILL MATURITIES

Details of 91-day bills outstanding with the public on 18-10-63.

Issue Date	Maturity Date	Amount (000's Rs.)	Average Acceptance Rate
18-10-63	21-1-64	2.00.00	Rs. 2.320%
11-10-63	14-1-64	2.00.00	Rs. 2.318%
4-10-63	7-1-64	2.00.00	Rs. 2.318%
27-9-63	30-12-63	2.00.00	Rs. 2.318%
20-9-63	23-12-63	2.00.00	Rs. 2.318%
13-9-63	16-12-63	2.00.00	Rs. 2.318%
6-9-63	9-12-63	2.00.00	Rs. 2.318%
30-8-63	2-12-63	2.00.00	Rs. 2.320%
23-8-63	26-11-63	2.00.00	Rs. 2.320%
16-8-63	19-11-63	2.00.00	Rs. 2.320%
9-8-63	12-11-63	2.00.00	Rs. 2.320%
2-8-63	5-11-63	2.00.00	Rs. 2.320%
19-7-63	22-10-63	2.00.00	Rs. 2.317%

(Monthly Maturities (000's omitted)

October 1963	2.00.00
November 1963	8.00.00
December 1963	10.00.00
January 1964	6.00.00
Total	26.00.00

CLEARING HOUSE RETURNS

Week	Calcutta	Bombay
	Rs. (Lakhs)	
11-10-63	98.55.24	1.19.04.21
4-10-63	96,37,52	93,54,11

RESERVE BANK

ISSUE DEPARTMENT

(In 000's of Rupees)

	Week Ended 11-10-63	4-10-63	12-10-62
Liabilities—			
Notes in Banking Dept.	13.41.27	27.11.05	20.11.63
Notes in Circulation	22,57,08,37	22,20,69.44	20,71,13.76
Total Notes issued	22,70,49,64	22,47,80.49	20,91,25.39
Assets—			
A. Gold Coin and Bullion	1,17,76.10	1,17,76.10	1,17,76.10
Foreign Securities	92.45.69	92.45.69	88.08 43
Total of A	2,10,21.79	2,10,21.79	2,05,84.53
B. Rupee Coin	1,20,96,83	1,23,27.68	1,22,10.30
Rupee Securities	19,39 31.02	19,14,31.02	17,63,30.56
Total	22,70,49,64	22,47,80,49	20,91,25.39

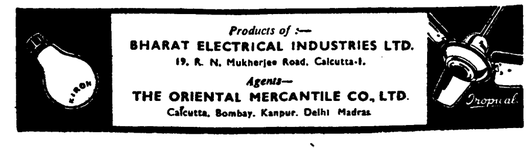
BANKING DEPARTMENT

Liabilities—			
Capital Paid-up	5,00.00	5,00.00	5,00 00
Reserve Fund	80,00.00	80,00.00	80,00.00
National Agricultural Credit (Long Term Operations) Fund	73,00.00	73,00.00	61,00.00
National Agricultural Credit (Stabilisation) Fund	8,00.00	8,00.00	7,00.00
Deposits—			
(a) i. Central Govt.	52 19.53	78,28.68	59,48,52
2 State Govts.	10 35.87	2,34 37	21,19.87
(b) Banks :—			
(i) Scheduled Banks	86,66,61	75,66,45	81,84.22
(ii) State Co-operative Banks	1,79,73	2,24 43	1,81.56
(iii) Other Banks	4.77	2,24	2.01
(c) Others	1,61,95 61	1,65,67.74	1,61,45.05
Bills Payable	31,22.88	40,68.31	20,96.71
Other Liabilities	25,76,68	24,67.32	26,07.33
Total	5,36,00.68	5,55,79.74	5,25,85.27
Assets—			
Notes	13,41.27	27,11,65	20,11.63
Rupee Coin	1.71	2.31	2.20
Small Coin	3.25	2.77	3.80
National Agricultural Credit (Long Term Operations) Fund			
(a) Loans and Advances to :—			
(i) State Govts	27,11.73	27,11.72	23,99.93
(ii) State Co-operative Banks	9,99.87	10,00.33	11,74.42
(iii) Central Land Mortgage Banks	...	...	...
(b) Investment in Central Land Mortgage Bank Debentures	3,55.31	3,55.31	2,84.88
National Agricultural Credit (Stabilisation) Fund			
Loans and Advances to State Co-operative Banks	...	...	...
Bills Purchased and Discounted :—			
(a) Internal	...	...	...
(b) External	...	...	...
(c) Govt. treasury Bills	91,67.04	87,29.86	1,55,05.84
Balances Held abroad	9,09.99	8,69.31	4,58.47
Loans and Advances to Govt.	56,76,22	59,37.78	13,73.95
Loans and Advances to :—			
(i) Scheduled Banks	1,82,90	3,14.20	10,34.55
(ii) State Co-operative Banks	1,27,43.70	1,29,63.52	1,30,28.94
(iii) Others	1,95.30	1,79.05	1,92.37
Investments	1,68,21.39	1,73,27.33	1,15,94.15
Other Assets	24 91.99	24,84.29	35,20.14
Total	5,36,00.68	5,55,79.74	5,25,85.27

SCHEDULED BANKS

(In 000's of Rupees)

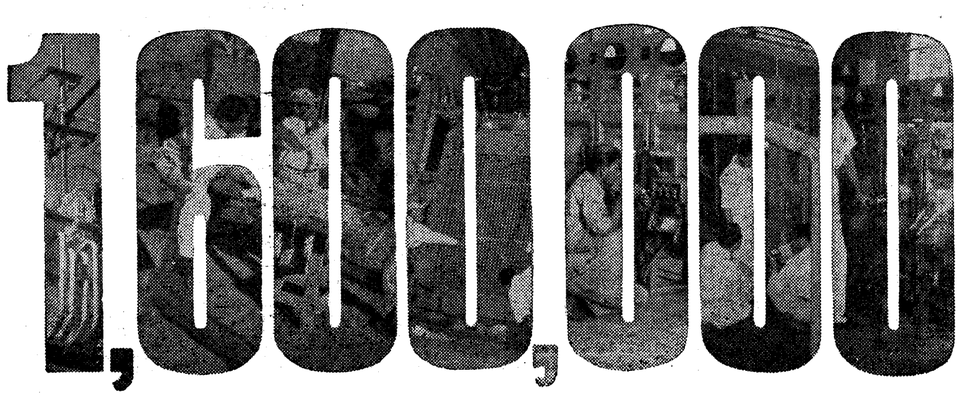
	Week Ended 4-10-63	27-9-63	5-10-62
(I) Demand Liabilities—			
(a) Demand Deposits			
(i) From Banks	52,04.90	52,40.22	46,05.12
(2) From others	9,69,32.44	9,68,97.20	7,96,53.08
(b) Borrowing from Banks	27,26.85	24,26.52	23,99.53
(c) Others	61,69.73	63,17.27	54,15.26
(II) Time Liabilities—			
(a) Time Deposits			
(1) From Banks	33,35.49	36,07.33	23,73.51
(2) From others	12,43,57.29	12,46,48.20	12,39,67.33
(b) Borrowing from Banks	24,42.07		14,24.24
(c) Others	9,24.13		13,15.23
(III) Borrowing from State Bank—			
(a) Demand Liabilities	7,06.79	6,00.53	6,19.08
(b) Time Liabilities	15,00.00	13,85.00	14,06.50
(IV) Borrowing from Reserve Bank	3,11.79	1,85.90	10,61.80
(V) Cash	55,53.13	50,91.51	49,18.52
(VI) Balances with the Reserve Bank	79,43.76	81,50.69	79,96.29
(VII) Balances with Other Banks in current account	21,72.36	21,91.30	79,96.29
(VIII) Money at call and short notice	61,66.45	57,62.65	18,27.92
(IX) Investments in Central and State Govt. Securities	7,25,99.69	7,19,43.03	49,88.91
(X) (a) Loans, Cash credits and Overdrafts	12,38,51.79	12,33,15.02	6,92,56.92
(b) Due from Banks	13,56.62	13,57.55	11,88,81.67
(XI) Inland Bills purchased and discounted	1,70,89.85	1,68,06.89	6,08.24
(XII) Foreign Bills purchased and discounted	52,87.14	50,89.57	1,52,32.39
(XIII) Total of X XI and XII	14,75,85.40	14,65,69.03	13,97,19.29



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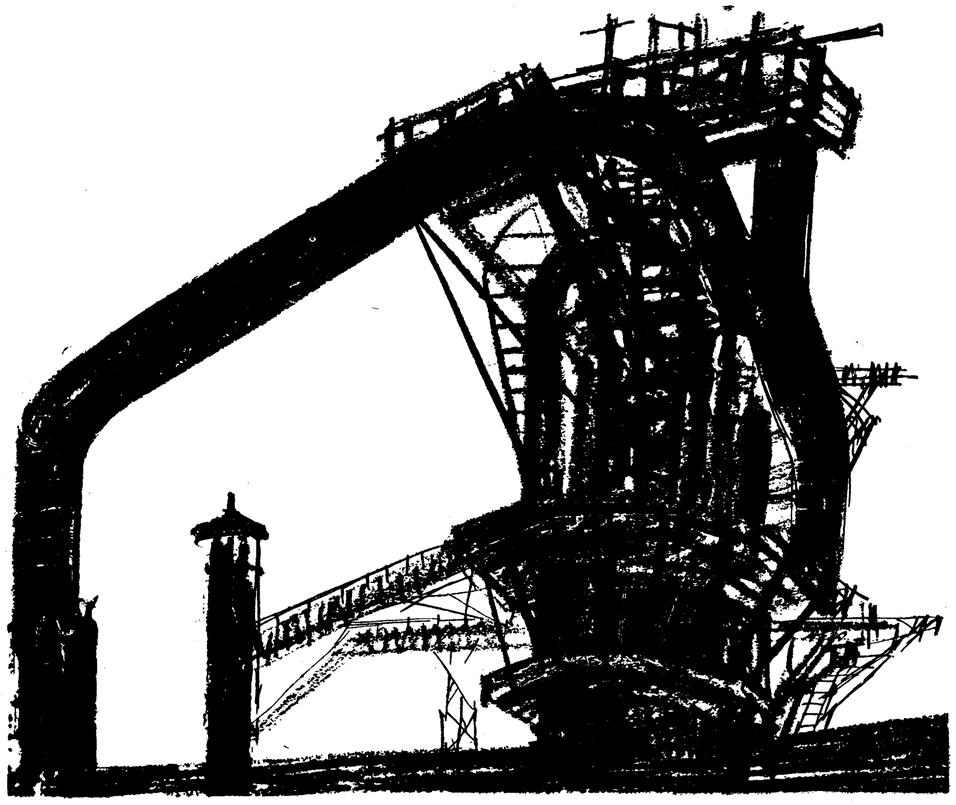
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DIVERSIFYING THE PURPOSES OF WORLD BANK AID

(BY A SPECIAL CORRESPONDENT)

The World Bank is thinking of diversifying its lending activities by providing money for agriculture, education and maintenance imports. A special correspondent expresses his personal opinion that such diversification may bring little benefit to the developing countries.

WHILE the recent World Bank and International Monetary Fund meetings provided renewed evidence of concern for developing nations, the liberalisation of lending policies now being discussed may not yield much practical benefit to India and other nations in a similar position. Making agriculture and education eligible for support from the World Bank is an excellent idea as long as aid in these new directions does not cut into the assistance now being provided for industrial development. Whether a cut can be avoided in a situation of more versatile lending depends on the size of the total aid kitty. Little was heard in Washington to suggest that the industrially advanced nations were rushing in to help the Bank enlarge the volume of its lending. Britain seems to provide the rare exception; she is said to be considering stepping up assistance from the current level of £150 million to £180 million next year or even more. This rise and any others that may be offered may, however, prove too small to offset a cut in U.S development aid. The United States provides roughly half of the total of aid from all western sources, and a major reduction in her programmes may be more than what others can hope to make up.

Anti-aid Sentiment

A look at the factors which are hardening anti-aid sentiment in the U.S. Congress is instructive. Most important among these is the disillusionment about the political effectiveness of aid, brought home by such examples as the new Sino-Pakistani *entente* and the Diem *régime*'s perverse refusal to make peace with the Buddhists to strengthen the fight against communism—into which the United States has poured not only money but also men. In a world where the cold war is beginning to thaw, the political necessity of aid is suffering rapid depreciation. In the new period now opening, assistance will depend far more on considerations of economic self-interest than has hitherto been the case.

This self-interest will be felt most acutely in the countries in which exports constitute a high proportion of the national product, such as Britain. The United States has a payments problem but its solution depends on the lowering of tariff barriers by other industrially advanced countries, not on augmenting through credits the import-absorption capacity of developing nations. These trends may make her less aid-minded than in the past, and thus curtail the resources available to bodies like the World Bank.

Trade Opportunities

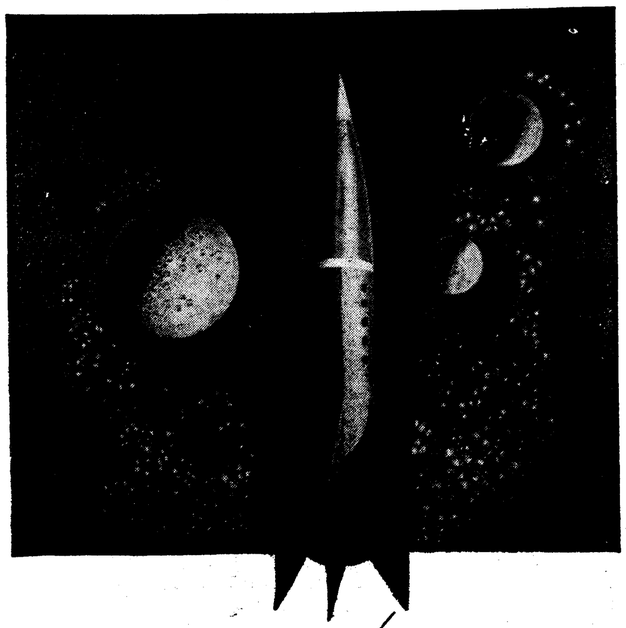
On this long-term view, it would be safer to reduce reliance on assistance but make up for it by expanding trade opportunities open to the developing nations. This is where the Kennedy round at G.A.T.T. next year dovetails into the efforts to expand the volume of assistance, a point dramatically brought home by the Pakistan Finance Minister, Mr. Mohammad Shoaib. As he told the I.M.F., the assistance it provides to support currencies under pressure is like bolting the stable door after the horse has fled. The I.M.F. and the World Bank may help to buy the developing country a new horse, but that does not compensate for the loss sustained. In this context, Mr. Shoaib made the telling point that developing nations supply less than a quarter of the world's textile imports—1,234 million square yards out of a total of 5,610 million square yards.

Admittedly, the World Bank and the I.M.F. can do little directly in the field of international trade. This is the function which G.A.T.T., or whatever else may take its place in the future, has to fulfil. But it is still open to the Bank to help attack the problem from the other end of import substitution. This is a direction in which the Bank's help for industrial development could be specifically channelled to reduce the import deficits, which may go up four-fold in the next 20 years unless corrective steps are taken immediately. It is not difficult to see that an emphasis on import substitution through the diversification of the industrial base of countries like India will call for a shift in the Bank's lending policies. Its loans have, as in India's case, gone mainly into infrastructure development, and a far smaller proportion into basic industries with a large import-saving potential. The Bank has felt handicapped perhaps by the fact that these basic industries, usually with low profitability, tend to be started in developing countries by the State.

This year's meeting did provide some evidence of the Bank's concern for industrial development. This took the form of a waiver of guarantee that Governments have to provide for loans to private enterprise. The waiver will no doubt reduce the procedural complications but will be of little help otherwise. Whether a formal guarantee is given or not, no country facing payments difficulties can permit companies to borrow overseas without prior consultation with the Government. Once the borrowing is made, the Government concerned will have to provide in its foreign exchange budget for the repatriation liability arising, regardless of whether a guarantee has been given or not.

Maintenance Imports

The Bank's move to grant loans to pay for maintenance imports required by countries like India to work their unutilised industrial capacity is of greater interest. Here again, the net benefit to developing nations is hard to judge. If lending for maintenance needs reduced aid on capital account, it may amount to purchasing short-run relief at the cost of the long-term growth needed to ensure enduring viability. The point may legitimately be made that help in maintenance imports, which yield immediate and tangible benefits, is better provided through short-term commercial credits. Long-term development aid should be reserved largely for fields of endeavour in which results are slow in coming and where credit on commercial terms will impose an intolerable burden. The only advantage in World Bank aid for maintenance needs may be its untied character. But the gain may not be large enough to warrant diversion of Bank aid from helping to build the future to buttressing the present.



New Delhi

T.T.K. PROMISES REVIEW OF FISCAL AND MONETARY POLICIES

(FROM OUR NEW DELHI CORRESPONDENT)

IN a broadcast to the nation on Friday, the Central Finance Minister, Mr. T. T. Krishnamachari, stressed the need for stimulating economic growth. "The way in which we seek to achieve this growth", he added, "must not be inconsistent with the vital objective of achieving a socialist pattern of society".

Reviewing current trends, Mr. Krishnamachari said that the economy would turn the corner on its own momentum, since the setback in the past had not been of a "basic nature." The crop prospects this year are good, and the capital market is showing signs of revival. New industrial capacity is being created throughout the country. There has lately been or is soon likely to be a significant improvement in the supply of basic materials and facilities. Some measures taken recently, such as the additional assistance granted to States and the larger foreign exchange allotment for the import of fertilisers, are expected to produce results in time. The Finance Minister hinted that further measures would be taken to quicken the pace of industrial growth. He proposes to review the present fiscal and monetary policies for accelerating economic expansion and ensuring social justice.

On the question of prices, the Finance Minister said that with the prospect of a better crop this year, the situation should not cause undue concern. Several questions, he said, arise in evolving a price policy. But for the present, he would like to leave it to the people to consider the questions. He, however, added that the policy of maintaining stable prices could only be successful if the Government got the support of the public.

Concluding, the Finance Minister said that it would be the Government's endeavour in the months ahead to explore some practical avenues for expanding the scope of social security for at least some sections of the people and for enlarging opportunities for the talented who lacked the means to develop their talents. "As we open up new horizons of hope by a positive policy of growth, we must also narrow the confines of fear for increasing numbers of our people."

The following is a fuller version of the Finance Minister's speech: "It is now nearly six weeks that I assumed my present responsibility in the Central Cabinet. Financial and economic policy directly affects every citizen of the country. To discharge my responsibility adequately, I must consider the needs and aspirations of every section of the community. Equally, I must tell you what I think of the economic realities that confront us as a nation and as individuals. Only so can we create an environment of mutual responsiveness between the people and the Government. It is in that spirit that I propose to share with you a few of my ideas on the current state of the economy.

"Most of us in this country are now agreed on the basic objectives of social and economic policy. They can best be summed up shortly 'socialism', and 'planned development' towards that end. Planning for growth, for more food and fertilisers, for more schools and hospitals, for more steel and other materials of essential production—this is the only way in which we can lift the burden of poverty and want. Financial and economic policy has to serve first and foremost the requirements of rapid growth. At the same time, the way in which we seek to achieve this growth must not be inconsistent with the equally vital objective of achieving a socialist pattern of society.

"The word 'socialism' has come to mean 'all things to all men'. In fact, it is rapidly on the way to being debased. To me, however, socialism is real and positive. Its main accent is on performance as distinguished from privilege, on the enlargement of opportunities to all, irrespective of class, caste, inheritance, social status and the like. To some socialism appears to be synonymous with restraining the individual from excercising his initiative. To me however socialism—far from curbing the individual—seeks to stimulate and reward individual initiative and enterprise. But this enterprise has to be in the social interest rather than in the direction of promoting dynastic and monopolistic tendencies. Positive socialism of this kind cannot be achieved by medieval thinking. There must be a readiness to accept desirable social and institutional changes and to subject all our value judgments to the test of reason, science and social purpose. All these different ingredients that I have mentioned, namely, reward for work and merit, acceptance of change dictated by rational and scientific considerations as well as care and concern for the weak and the needy are essential in a positive and dynamic concept of socialism which seeks to create a society with hope for all and want and fear for none.

Removing Poverty

"We have a long way to go even to approach this idea. More than 16 years ago, on the eve of our independence, our Prime Minister recalled that the ambition of the greatest man of our generation was to wipe every tear from every eye in India. But even Mr. Jawaharlal Nehru, with all the support he can command from the people, cannot banish poverty and want in a decade or two. But however difficult the tasks, it must be pursued steadily with determination and mutual goodwill.

"Right now, the picture that our economy presents is hardly one of adequate growth. Over the first two plan periods, we achieved a compound rate of growth of about 3.5 percent a year. This was at least more than the rate of growth of the population. But during the last two years, the rate of growth has been even lower than before and we are hardly keeping pace with the growth of population. To some extent, this might have been due to bad weather conditions which have affected agricultural production. But there has also been a slackening of the rate of increase in industrial production, notably of consumer goods industries. These point to what is the paramount need of the day, namely, to stimulate economic growth all round.

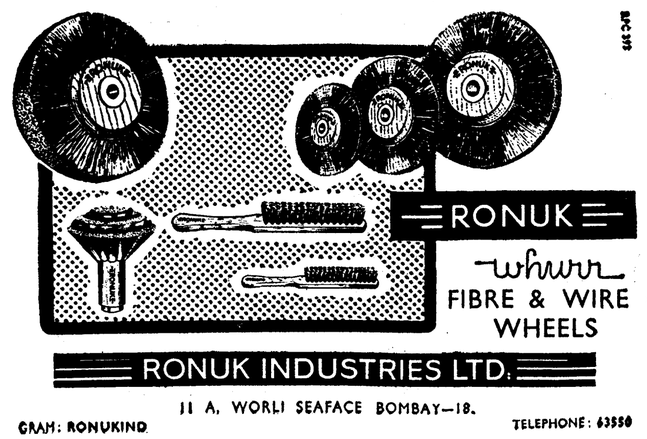
"To a certain extent, we would be justified in expecting that the economy will turn the corner on its own momentum since the setback in the past has not been of a basic nature. The crop prospects this year, for example, are good and the capital market is showing glimmerings of a revival. In the industrial field, new capacity will come into being as a result of past investments and there has lately been or is likely soon to be a significant improvement in the supply of basic materials or facilities such as power, transport, raw cotton and raw jute as well as steel and fertilisers. Some of the measures we have recently taken, such as the grant of additional assistance to the States for accelerating programmes of agricultural and power development, larger foreign exchange allotment for import of fertilisers and the like should produce results in time.

"While we may expect some improvement in production in the coming months, it is, I think, clearly necessary to take further measures to quicken the process of expansion. The demand for credit, for example, in the coming busy season must be adequately met. While fortunately, the banking system is in a better position to do so now than last year, they might still need support and assistance from the Reserve Bank. I have been in touch with the Reserve Bank and I am happy to say that the latter proposes to pursue a liberal and positive policy designed to meet credit demands for all productive purposes, although the Reserve Bank cannot be expected to relinquish its vigilance over speculative and other unhealthy tendencies. We should remember, however, that in our monetary structure, unhealthy tendencies are encouraged not merely or even primarily by bank credit. There is, in our system, a considerable amount of unaccounted money which is used essentially for speculative transactions and more especially in commodities. In devising suitable instruments of monetary control, we cannot lose sight of this major factor.

Imported Components

"Apart from credit requirements, the problem of industrial growth in the short run is one of availability of materials and components. As I have already said, internal availabilities in this direction should show an improvement in the coming months. As for imported components and materials, we have been able to bring about some improvement as a result of the greater availability of non-project assistance from friendly foreign countries and the upward trend in our exports. Nevertheless I am not in a position to hold out any promise of significant liberalisation of imports in the near future, since our underlying reserves and payments position continues to remain difficult. What is more, the requirements of defence will also continue to impinge on our balance of payments till such time as defence production gathers substantial momentum. Altogether, therefore, it is only by vigorous import substitution and the promotion of exports that we could hope to increase substantially the availability of materials and components required for our industries.

"Looking a little beyond the immediate requirement of credit or materials, the rate of growth of industrial production could not be raised on a sustained basis without a significant revival of investment activity. It is my hope that some of the measures we are proposing to take, such as the



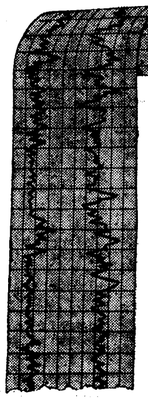
establishment of a unit trust and the enlargement of the functions of the Industrial Finance Corporation, would help in this direction. There is reason to apprehend that the ability of the private sector to raise internal or market resources for substantial expansion of investment in the basic sectors of industries may not come up to the expectations in the plan. It is often said that this situation is the result of pricing or fiscal policies. If that is so, it will be necessary to enquire whether these policies need modification bearing in mind the legitimate requirements of both the public and private sectors. If the present situation reflects inadequacy of resources in the aggregate for the tasks that we have set out to achieve, this fact, too, shall have to be taken into account in framing our future policies. It is my intention to review the present fiscal and related policies with reference both to the immediate needs of the economy as well as the requirements of growth and social justice in the years to come.

Rising Prices

"Perhaps the problem that concerns you all most at the moment is the problem of rising prices. There is no doubt about the fact that a steadily rising price level which deprives thousands of families of a part of their livelihood is not in conformity with the concept of socialism that I outlined a few moments back. It is not unlikely that with the prospect of a better crop, the price situation in the coming months may not continue to cause much concern. But I think I am right in saying that by and large, this question of a need for a stable price policy will remain with us for years to come as it has indeed been with us with minor interruptions for at least the past two decades. If this were so, we should, I think, consider a number of consequential questions seriously. Most of us would agree that price policy for essential consumer goods must reconcile the opposing interests of producers and consumers. The producers must get a fair price, both as a reward for their labour and as an incentive for increasing production.

"At the same time, consumers must not be required to pay excessive prices out of line with their incomes. But how can we reconcile these two interests without reducing, in some way, the rôle and the profits of the middlemen? There is a widespread feeling that with the decline in competition, the margin of profit in distribution has increased in recent years. But if this margin is to be reduced, it cannot be done without a measure of regulation or intervention by the State in the machinery of distribution. And such regulation can be successful only with the active support and co-operation of the people. I think all of us should also ask ourselves whether reasonable stability of prices should be assured to all sections of the people irrespective of their incomes or whether it should be assured only to the more vulnerable sections of the community. I do not propose to answer these questions or to lay down tonight the policy of the Government on this matter. I hope that you, as citizens, will give thought to these questions so that the element of wishful thinking that has dogged us for long in this area of price policy is progressively reduced by an enlightened public opinion as, after all, the discipline that goes with the concept of the policy of maintenance of stable prices can only be enforced by a strong backing of public opinion.

"I have spoken to you about the need for stimulating growth and about price policy. But I am not, repeat not, one of those who believe that we should put on the shelf our aspirations for social justice till such time as we achieve a satisfactory rate of growth on a continuing basis. It shall be our endeavour in the months ahead to explore some practical avenues for expanding the scope of social security for at least some sections of our people as also for enlarging opportunities for the talented who lack the means to develop their talents to the fullest. As we open up new horizons of hope by a positive policy of growth, we must also narrow the confines of fear for increasing numbers of our people. And let us hope that, with determination and mutual goodwill, we shall succeed in enhancing social justice without sacrificing economic progress," Mr. Krishnamachari concluded.



ONE LOG, TWO MILES LONG

It is not possible to see more than a few feet down a well, but there are scientific devices which can produce for the oil explorer a complete photographic chart of the inside of a well, all the way from surface to bottom. When interpreted, such charts, or logs as they are called, indicate the variation in the physical properties of underground rock formations penetrated by the drill, thus helping the scientist to locate levels where maximum production may be expected and giving him other information about the nature of the various strata. Other logging instruments make use of electrodes, gamma rays and radioactivity measuring devices to record the characteristics of the earth's crust.

Looking into the earth in this way calls for highly specialised equipment and skilled men to operate it.

B.O.C. SKILLS EXPERIENCE LOCAL KNOWLEDGE

THE BURMAH GROUP OF OIL COMPANIES

OIL

Pact Signed

A contract for the delivery of oil exploration and drilling equipment was signed here last week between the Oil and Natural Gas Commission and Technoexport of Russia. Under the contract, Technoexport will supply drilling rigs, pipes, transport and geophysical equipment, etcetera, valued at about Rs. 8 crores. The contract has been signed in accordance with the Indo-Russian Agreements of June 1960 and February 1961. The equipment will be used by the Commission for exploration and production of oil in various parts of India.

EAST GERMANY

Leipzig Spring Fair

The Leipzig Spring Fair is to be held in East Germany from 1st to 10th March, 1964. It is proposed to set up at the Fair an "Indian Collective Pavilion" for co-ordinating and arranging the display of exhibits from India and help those who desire to participate in it. The pavilion will, as in earlier years, render commercial service to Indian exporters and manufacturers by showing samples to interested buyers and handling trade enquiries and, if needed, even negotiating orders on behalf of the parties.

CZECHOSLOVAKIA

Trade Team Arrives

A trade delegation from Czechoslovakia, led by Mr. V. Rudolf, Deputy Chief of the Asian Department of the Czech Ministry of Foreign Trade, has arrived in New Delhi. It will hold preliminary negotiations for a new trade agreement between Czechoslovakia and India. Mr. F. Hamouz, Czech Minister of Foreign Trade, is expected to arrive here in the latter half of the current month.

The trade between the two countries, which is estimated to be about Rs. 12 crores each way in the current year, is likely to be doubled by the end of 1966 as a result of the trade negotiations. Major items of export from India to Czechoslovakia are iron ore, jute products, spices, coffee, mica, manganese ore and deoiled cakes. Imports from that country include machine tools, capital goods, power equipment, steel products and chemicals.

PALAM AIRPORT

Accommodation Problem

In order temporarily to ease the accommodation problem at Palam airport, the ground floor hall, occupied till now by a restaurant, has been converted into a departure lounge for internal traffic. This has considerably eased the traffic congestion in the main hall. The retiring rooms on the first floor have been remodelled to serve as a restaurant.

Detailed plans for undertaking additions and alterations to the ground floor accommodation at the airport have been prepared, in consultation with the airline operators, Customs and health authorities and the Department of Tourism. This work is scheduled to be taken up shortly. The additions and alterations, which are expected to cost about Rs. 8.75 lakhs, will provide a separate departure lounge, an additional Customs hall, an enlarged transit lounge, a baggage claims office, a freight hall, and a spectators' gallery. When completed, the areas made available are expected to meet the needs of passenger facilities at Palam, for at least four to five years to come.

Since it is not possible to expand the existing terminal area, it is proposed to develop a new terminal area, south of the new jet runway, and to construct a modern terminal building. The scheme which is now being prepared, envisages the use of about 650 acres of land. The terminal building will be planned after ascertaining the requirements of all international airlines operating through Palam, as well as the Customs, health, immigration and tourist departments.

F. I. C. C. I.

New Industries for Nepal

The Federation of Indian Chambers of Commerce and Industry recently sponsored a delegation to discuss with the Nepalese Government and Nepalese business men and industrialists schemes of joint ventures and trade expansion. In a paper prepared by the Government of Nepal, the following were listed as possible industries, in the setting up of which India could co-operate: jute, paper and pulp, fertilisers, hydro-electric power, low-shaft iron smelting, cement, mica, soapstone, ceramics, plywood and hardboard, resin and turpentine, drugs and pharmaceuticals, bicycles, fruit preservation and canning, brewery and soft drinks, and hotel.

The delegation pointed out that the Government of India is already co-operating in a big way in developing hydro-electric power in Nepal. Moreover, power generation and the development of transport and communications fall in the basic infrastructure, and have to be done by and large by the Government. As far as fertilisers are concerned, the industry is so capital-intensive that even in India private business is facing difficulties in relation to this problem. The delegation felt that the demand for fertilisers in Nepal is not likely to be large enough to sustain even a medium-sized plant. Moreover, there does not seem to be any special advantages for setting up the industry there. Low-shaft iron smelting, even in India, is at an experimental stage. A further difficulty in Nepal will be presented by the lack of coal and the transport costs involved in carrying it to the sites of iron ore or *vice versa*. Considered from these various aspects, the setting up of these industries may not be considered feasible by private Indian entrepreneurs. Mica mineowners in India are experiencing a slump in their trade on account of the development of substitutes, and may, therefore, find it difficult to take interest in exploiting this mineral in Nepal. The development of the ceramic industry appears to be uncertain because of the lack of availability of clay.

The industries which offer reasonable prospects are jute, paper and pulp, cement, soapstone, plywood and



hardboard, resin and turpentine, drugs and pharmaceuticals, bicycle assembly, brewery and soft drinks, fruit preservation and canning.

There are already two jute mills in Nepal. One of them is not functioning because it requires thorough overhauling and rehabilitation. Some administrative and managerial problems are reported to be involved. But there seems to be scope for one more jute factory in the Jhapa area, which is to the north of West Bengal. This place is near a rail-head and there will not, therefore, be any problem in relation to transport and ommunications. The quality of raw jute is reported to be good. The prospects for paper and pulp and plywood and hardboard appear to be excellent because of the plentiful availability of sabai grass in the entire Terai area, and timber, particularly in western Nepal.

The establishment of cement factories is a distinct possibility in some areas where plentiful supplies of limestone are available. The main handicap here is power.

The Government of Nepal has announced liberal tax concessions for new industries, its readiness to provide necessary foreign exchange for machinery and equipment, repatriation facilities and retention of foreign exchange earnings for the import of raw materials. It has also set up the Nepal Industrial Development Corporation on the lines of the Industrial Finance Corporation of India. The former has so far given to industries about Rs. 70 lakhs as loans. Rethinking in the field of banking is also going on, and it is quite on the cards that another bank, called the State Bank of Nepal, may be established shortly, which, it is hoped, will be more responsive to the demands of present-day financial requirements of commerce and industry.

MACHINE-MAKING UNITS

Planning Methods

The Government, it was reported last week, had set up various groups to plan for machine-making units to be set up during the fourth plan. The planning for heavy engineering capacity has hitherto been mainly in terms of a certain number of steel plants, cement plants, etcetera.

The products of heavy engineering could be split up into their constituent elements, and classified with reference to certain similarity of features or purpose. A classification of this kind will include what are termed as unit process equipment. Thus, one has size reduction equipment such as crushers, grinding mills or pulverisers; size-separation equipment such as centrifuges or filters; heat exchange equipment such as autoclaves, evaporators, and condensers. Such a classification implies some similarity and a degree of specialisation, either in the processes involved, design, manufacturing equipment or techniques. For this reason, some manufacturers specialise in a range of such equipment supplied to different user industries.

The next step is to break up heavy engineering equipment as so much castings and forgings, so much plate work, gears, pipes and tubes, structurals, machined items, etcetera. These items can be further grouped into ranges—castings and forgings by piece weight, plate work by thickness and total weight, gears by diameter and so on.

Ultimately, one has a list of bare equipment installed in a heavy engineering factory. This is the true "unmanifest capacity." It can be described only in terms of its specifications. Here again, it is possible to group the equipment into ranges—furnaces by melting capacity, hydraulic presses by pressure, boring mills by size, etcetera.

In the last two years, the idea has been consistently advocated that it is not relevant to talk in terms of a paper plant or a cement plant; that engineering capacity is multi-purpose and versatile; and that planning and use of such capacity must proceed on this basis. Mr. Bhoothalingam has also pointed out that too much emphasis is being laid on the measure of capacity and not enough on the character of capacity. Licensing on this basis tends to be restrictive and inhibits development and diversification. The question arises as to how these ideas should be translated into action.

It should be clear that methods of planning are too generalised and too crude for India's present and future level of development. The well-known example of structurals should illustrate the point India's target for the third plan is 900,000 tons and the present installed capacity is 350,000 tons. It is recognised that India has, at the same time, a surplus and shortage in this industry. For some items, India has a surplus capacity, partly aggravated by the shortage of raw materials. For certain other things, India has little or no capacity. No one knows precisely what capacity India has for the manufacture of, say, heavy plate girders. The extent of recognition of this problem is to put light and medium structurals on the "banned" list and to license only heavy structurals. There is, however, no precise definition of "heavy" structurals, nor any method of ensuring that the equipment and facilities proposed to oe installed by an applicant can, in fact, produce heavy structurals. Again, it is meaningless—at the present level of development—to lay down targets or to plan for the creation of capacity in terms of 200,000 tons of castings or forgings, 14 million numbers of ball and roller bearings, 3 million horse-power of motors, 4 million kVA of transformers, etcetera. The planning for these things has to be more sophisticated. It is necessary that these targets should be demarcated into ranges—by type, weight, size, etcetera. The degree of refinement in such demarcation should be no more and no less than is necessary to reflect essential differences in the type or range of equipment required for their manufacture. Even so, any such demarcation is bound to be arbitrary to some extent and should not be elevated into a sacred principle.

MAN-MADE FIBRE

Setting Up New Plant

Two Indian firms are negotiating for collaboration with the U.S. firm, Van Kohorn Inc., to set up a plant for manufacturing man-made fibre. An early indication of how the U.S. Company reacts to these proposals is expected. It is understood that the Government of India does not like that two Indian firms should be negotiating simultaneously with a foreign collaborator.

SWITZERLAND

Transfer Credits

By an agreement signed in July 1960, the Swiss Government had agreed to facilitate the opening of transfer credits to the extent of 100 million Swiss francs (about Rs. 10.9 crores) for payments to suppliers in Switzerland for capital goods required for India's development programmes. The amount of credit was subsequently raised to 110 million Swiss francs (about Rs. 11.99 crores).

It has been agreed that the first instalment of 60 million Swiss francs (about Rs. 6.6 crores) will be used for financing the following:

	Allocation (Rs. crores)
Part of upper Sileru project	2.00
Circuit breakers and switch-gear required for power transmission schemes	0.80
Machinery for modernisation and expansion of the textile industry	0.80
Turbo alternator sets for the sugar industry	0.60
Printing machinery	0.40
Capital goods and equipment required for private-sector industry	2.00
Total	6.60

Under the second instalment of the Swiss credit, the following items are being financed:

	Allocation (Rs. lakhs)
Upper Sileru project	110
Machine tools equipment for Heavy Electrical (India) Ltd, Bhopal, for the manufacture of heavy electrical plant equipment	20
Ropeways for transporting coal	4
Logging and forestry equipment	11
Travancore-Cochin Chemicals hydro-sulphite plant	30
Textile machinery	100
Capital goods for private-sector industries	120
	395

E.C.M.

Patent Law Worries

One of the problems which faces the European Economic Community is the establishment of a common European patent law and a unified patent office. Draft legislation has been prepared, and a city, Munich, has been proposed for the site.

A German patent office was established in Munich in 1948. It succeeded the former Reichs Patent Office in Berlin, which had been founded in 1877, and which had processed 2.4 million applications and issued 760,000 patents by 1944, when it was closed.

SHIPBUILDING

Reducing Yard Capacity

European shipbuilders, plagued by over-capacity and lack of orders and fierce international competition, are now considering a common scheme to avert an all-out crisis. The programme, which would resemble an international cartel, calls in effect for a reduction of capacities and a common price level for new shipbuilding. The plan was initiated by Adolf Westphal, chairman of the Association of German Shipyards and director of the Kieler Howaldtswerke yards, of Kiel. Mr. Westphal urges a "voluntary restraint on bids and an adaptation of yard capacities to the requirements of shipowners."

In 1962, the world's shipyards produced 8.27 million G.R.T., or 2.6 percent more than in the previous year. This was the first increase in four years, but shipbuilders in Germany, Britain or Denmark, for instance, had no part in this turn of events. Their production declined as a result of fewer orders. Their main complaints are that the world shipbuilding capacity is quickly outgrowing the demand for new tonnage. Price "dumping" and "excessive" Government subsidies granted in some countries have made sound competitive conditions illusory.

Deliveries of new ships totalled 1,882 units last year, 91 fewer than in 1961 but comprising more tonnage. Nearly half of the tonnage produced in 1962 originated in the world's three leading shipbuilding countries—Japan, Britain and West Germany. Japan was the only one of the three countries to increase tonnage built and to record a remarkable export boom on top. Britain and West Germany, by contrast, suffered severe setbacks. Japanese shipbuilders completed nearly 2.2 million G.R.T. in 1962, more than Britain and Germany together.

WORLD BANK

Loans for Industries

World Bank assistance, it is expected, will be available in developing the motor-car industry and the makers of its components as well as to those manufacturing industrial and construction equipment. Loans of the order of $30 million each are being negotiated. They will be subject to proper appraisals by World Bank teams.

There has recently been much talk on the heavy structural and vessel plate projects. As far as heavy structurals are concerned, a team is shortly going to Lez in Austria to negotiate terms of collaboration with Voist, which has indicated the possibility of financial participation in the project. The revised thinking, as far as the vessel plate project is concerned, is to have more than one unit. This is largely due to the increased demand for its products required for fertilizer plants, chemical and petro-chemical industries.

Meanwhile, according to reports, the Davy Ashmore power-gas group of Britain will collaborate with Fertilizers and Chemicals, Travancore Ltd (F.A.C.T.) in fabricating specialised equipment needed for the petroleum, petro-chemical and fertiliser industries. Among the items to be produced are mild steel and stainless steel pressure vessels, heat exchangers, tanks, pipework and valves.

A fabricated workshop close to the F.A.C.T. chemical complex, in the Alwaye area, will be established at an initial cost of Rs. 15 crores by a new Indian company to be formed with foreign collaboration.

On a single-shift working, the F.A.C.T.-Davy Ashmore undertaking hopes to produce in one year 450 tons of grade three stainless steel, with an ultimate capacity of 1,440 tons of simple stainless steel and 720 tons of complex stainless steel.

BOARD OF REVENUE

Regulations on Imports

The Central Board of Revenue has published the regulations governing the import of goods by members of foreign diplomatic missions entitled to "diplomatic immunity". Under the regulations, the head of the diplomatic mission concerned or his duly authorised officer shall have to certify that the goods are meant for official use in the mission or for the personal use of a privileged person or for the use of any member of his family and that they will not be sold or otherwise disposed of in India without obtaining prior concurrence of the Central Board of Revenue and without the payment of Customs duty, if any is payable on them. There is a schedule attached to the regulations requiring the importer to state the number and date of the bill of lading, detailed description of goods according to the invoice, quantity in figures and words and their value. Similar details are required in case of imports of motor-vehicles. The regulation is intended to plug another leak, through which foreign diplomats, it is alleged, sell their personal belongings at non-competitive prices.

London

PERSUADING FIRMS TO LEAVE THE CONGESTED CITY

(FROM OUR LONDON CORRESPONDENT)

At the start of each working week, it is safe to say that at least 300 additional people are in jobs in central London offices. By the end of a month the total will be more than 1,300 higher. Over the year, the increase will be 16,000—over ten years, 160,000, about equal to the population of Brighton or Blackpool. Something must be done to stem the flood before London's transport becomes hopelessly overloaded. Something is being done by the Location of Offices Bureau, which has compiled a wealth of facts and figures on towns keen to attract new employment and on the advantages of moving out of central London.

Many firms do not need to be there, or at least to keep all their staff in the capital. These firms are paying dearly for the privilege. Just for the space taken up by one waste-paper basket, the rent in a new building is likely to be around 45s a year. In "prestige" areas, it can be as much as 95s a square foot. Contrast this with suburban rents—generally in the region of 20s a square foot. Further out of London the figure falls to 10s or 15s.

Big savings can also be made in the hill for wages and rates. Altogether, the L.O.B. has calculated that it costs £275 a year more to employ an office worker in central London than outside. At this rate, there is no doubt that money spent on moving is a first rate investment. Firms which have made the move will confirm this. But they mention many other benefits as well. Staff of good quality, particularly juniors, are easier to find. Time-keeping is better. Away from the strain of central London, people work more cheerfully—and more productively. The numbers needed are reduced. At the same time, it has been found that most senior people are willing, often eager, to move with the firm.

But where? The L.O.B. has the answers after surveying 300 areas. It can supply information on available office space and building sites and on the supply of staff locally, including school-leavers. In addition, it has made enquiries about housing, schools, communications and amenities such as shopping, entertainment and sporting facilities. For intending movers, the L.O.B. is preparing a guide spelling out the factors to look for. It will also be able to put at their disposal the experience of firms that have already moved. Most are enthusiastic about the result and only too glad to help.

Before long also, results will be available of a specially commissioned survey on office locations. The Economist Intelligence Unit is putting a series of questions to about 1,600 firms in central London and within 30 miles of the centre. They are asked about their organisation costs, staffing problems and the reasons for their present location. If based in the centre, for example, is it because they need to be in contact with customers, other firms, Parliament or a trading market? Or is it for reasons of tradition, prestige or simply inertia? The survey asks if they have considered moving and, if they have rejected the idea, why they have not moved. Firms that have moved are also being questioned, asking if entire firm or only part has gone; if so, which parts, how many staff moved with them—and what the main advantages and disadvantages are.

Area Survey

The aim of the area survey mentioned above was to obtain quickly a body of background information about areas that might be suitable for officers decentralised from central London. The survey began in June of this year and questionnaires have so far been sent to 287 local authorities. Initial selection was on the basis of population, to keep the volume of work within reasonable limits, but local planning authorities were consulted and other areas have been included on their advice.

The questionnaire asked, among other things, what new office space was already available in the area and still vacant, how much was under construction, and how much approved but not yet started. There were detailed questions on charges for new offices, on the policy of the local authority on housing and, in particular, whether they would be prepared to provide houses to rent for office employees moving in, or mortgages for those who wished to buy. There were questions on the availability of houses for sale and prices. There was an exhaustive survey of educational facilities and transport and communications generally. There was a question on the general policy of the authorities on office development. The information from these questionnaires is being supplemented by information from the Ministry of Labour and the Youth Employment Officers, the G.P.O., Ministry of Transport, Ministry of Public Building and Works, and other sources. Roughly half the areas questioned show enthusiasm, in varying degrees, for attracting offices. About one-fifth go so far as to look favourably on the supply of local authority houses to people who move.

The results confirmed the general thesis of much lower rents in areas outside London—one northern town even states that office accommodation can be made available at 5s a square foot. Generally, there is an easier supply of labour outside London. One northern seaside resort complains that hundreds of its school-leavers go into other and unsuitable jobs, and another town estimates that only 40 percent of its school-leavers who want clerical work can find it. On the other hand, one town had only one person seeking clerical employment and many others have only elderly people seeking clerical work.

A striking exception to this last trend is the new towns: there, the children of the early immigrants are now coming out of the secondary schools in large and increasing numbers and a high proportion are seeking clerical work. The general conclusion that arises from the survey is the diversity of conditions. This, in fact, matches the diversity of the requirements of firms that seek to move.

Eight New Towns

Harlow is one of the eight new towns being developed around London to relieve over-crowding. It is administered by a development corporation appointed by the Minister of Housing and Local Government. Situated 22 miles north-north-east of the city, on the borders of Essex and Hertfordshire, the original site of the town contained only a few scattered hamlets and farms with the villages of Harlow and Potter Street on the periphery. Today the population exceeds 61,000. The original plan contemplated a total of 80,000 but a revised scheme, currently under discussion, envisages a town with a population between 120,000 and 140,000. More than 1¼ million square feet of factory space is already occupied by 50 firms, including the crystal and rectifier divisions of Standard Telephones and Cables Ltd, British Oxygen Engineering Ltd, and the research laboratories of Standard Telecommunications and the Admiralty. A further 11 firms will occupy the 348,875 square feet of factories nearing completion. Many more factories are planned.

Harlow should prove very attractive for office workers from London. Office staffs need never have more than a five or ten minutes' pleasant journey from their homes. Pedestrian paths and a network of independent cycle tracks link homes, shopping centres and the commercial quarter. Some 45,000 square feet of office accommodation is already occupied or nearing completion. Ten acres of land have been set aside to meet firms' individual needs. Office provision can be met in three ways: (1) Standard accommodation at rents averaging about 12s a square foot; (2) building designed according to the client's instructions; or (3) land to be leased to intending developers who wish to build to their own requirements. Officers for Joseph Rank Ltd, the National Health Service and Royal Insurance are established in this new town.

The Eastern Region of British Railways serve Harlow and Burnt Mill Stations on the main line from Liverpool Street to Cambridge. The average journey time is 45 minutes, but three fast trains operating in both directions take only 32 minutes. London Transport country bus services Harlow with many of the main centres in Essex and Hertfordshire. A major radial route out of London to Norwich, designed to improve communications with East Anglia, will pass very close to Harlow, although the likely construction date of this motorway is uncertain.

A wide range of housing accommodation, to rent or to buy, is available to all grades of staff moving with a firm from London. Employees willing to purchase houses from the Development Corporation can obtain loans. Prices of such dwellings range from £3,700 for a three bedroom semi-detached house with garage to £5,000 for a detached four bedroom house with garage. Bed-sitters and one bedroom self-contained flats—for single persons—are also provided.

The children of the early immigrants are now beginning to leave the secondary schools in substantial numbers: some 1,200 in 1963, rising to 1,400 in the next two years. This figure will continue to rise and very markedly so if the proposed further expansion of the town is approved. A remarkably high proportion of these—about 50 percent—seek clerical employment and, as their needs cannot be met locally, large numbers are already travelling daily into London.

Educational Facilities

The first stages of education provide for more than 9,000 pupils in 17 primary schools. Thereafter two grammer/modern schools have places for 1,920 children, three technical/modern for 2,880 children, and one comprehensive school for 960 children. Further education is offered to 2,600 at the area technical colleges. In addition, there are three private schools (two preparatory, one secondary) and a public school in the area. In addition to the neighbourhood centres, which provide for more daily needs, the town centre includes an Odeon cinema, a 10-pin bowling alley, a dance and concert hall seating 300 people, three restaurants and 130 shops of all kinds. An open market operates twice weekly. Ample car parking facilities are provided close to the shopping centres with pedestrian precincts for the shoppers themselves.

Harlow's "Sports Centre" includes an athletic track and arena of Olympic standard. The newly completed swimming pool is also of international standard. Organisations enjoy the use of 18 sports grounds and facilities are available for sailing, cricket, football, golf, tennis badminton, bowls, fishing, fencing, judo, table-tennis, boxing and motor cycling. The medical centres financed by the Nuffield Foundation, where doctors operate group practices and which provide dental and pre- and post-natal care, are notable features of the town.

What is the Bureau and how does it propose to operate? It was set up at the request of Parliament to tackle the problem of increasing congestion in central London. It is a clearing house for information, the kind of information a company would seek if it was considering moving out of London. After completing its research into the availability of alternative accommodation, the L.O.B. intends to launch out on a big publicity campaign aimed at persuading firms which need not stay in London to move out to more suitable areas outside. At the same time, enquiries received by the Bureau will be dealt with individually.

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Books

CENTRAL BANKING IN MODERN JAPAN

Monetary Policy and Central Banking in Contemporary Japan. By H. T. Patrick. (Published by University of Bombay. Fort, Bombay 1. Price Rs. 9.50, pages 219.)

The economic history of Japan is one of a high rate of growth with limited resources. During the post-war period, the Japanese economy maintained an average rate of growth of 9 percent a year. But the country lacks essential raw materials for industry, so it depends heavily on their imports from abroad. This gives rise to periodical problems of adverse balance of payments which restrict the country's economic expansion. The Japanese Ministry of Finance has traditionally been in favour of an expanding economy but the authorities in the Bank of Japan have often taken a conservative view of expansion and have advocated a "neutral" policy which emphasises the need for price stability.

The contributions of the Japanese banking system towards the country's expansion are quite significant. The City Banks, operating on a branch banking system throughout the country, hold the majority of commercial bank deposits and are the major suppliers of funds to large-scale business enterprises. The composition of assets of City Banks as at 31st March, 1959, showed that 75 percent of their assets consisted of "loans and discounts to business houses." Their holdings of Government securities and debentures amounted to about 12 percent of their total assets whereas the liquid reserves were kept at a low figure of 2.1 percent. Another important feature is the low proportion of "net worth" to total liabilities. The author says that the size of loans relative to bank capital accounts made to an individual borrower is exceptionally large even by the U.S. standard.

All these features sound disturbing. But the Japanese people must have complete confidence in their banking system, and public deposits—particularly time deposits—have shown a steady rise in recent years. The Bank of Japan too has imposed reserve restrictions on City Banks for controlling bank advances.

The author discusses in detail the various techniques of credit control used by the Bank of Japan and has given an interesting account of their application during the postwar period. The book will be of considerable interest to the student of monetary economics in India.

FIASCO OVER BOKARO

Bokaro: A Story of Bungling. By D. K. Rangnekar. (Published by National Institute of Public Affairs, New Delhi. Price Rs. 1.50.)

The great merit of Dr. Rangnekar's 29-page pamphlet is that it is highly topical, being perhaps the first fairly extensive account of India's prize controversy of the past year. Dr. Rangnekar traces the history of the proposal for building the steel plant in Bokaro—from the time it was originally conceived, through the long and tortuous discussions aimed at securing U.S. aid, until the final fiasco where the aid was virtually refused and the Indian request for it had to be withdrawn in ignominy. The quality of the writing is vigorous and provocative, which adds to the interest even if it detracts from the balance of the argument.

Almost nobody seems to escape the swish of the author's sword, with the perhaps significant exception of Messrs Dastur and Co. The worst thrusts are reserved for Professor J. K. Galbraith, former U.S. Ambassador to India, whom Dr. Rangnekar seems to dislike as heartily as many of the Professor's own voluble colleagues in the U.S. Embassy in Delhi. Professor Galbraith is roundly condemned for raising false hopes about U.S. aid for Bokaro, but the Indian authorities are not condemned as rashly for their gullibility. Few will disagree with Dr. Rangnekar's broad conclusion that the basic reason for the Bokaro fiasco was that the Americans had political and ideological objections to the idea of aiding a public-sector project—and that these objections became stronger with Indian equivocation and bungling. It is not so easy to see, however, what choice India had except to wait for the ultimate U.S. decision. A good deal of brave talk has been heard to the effect that India can build the Bokaro plant with her own resources, but the chief of the latter seems to be a still unproductive fœtus called the Heavy Engineering Corporation. Dr. Rangnekar seems to share the confidence. One hopes events will prove him right, without the country having to pay through the nose for its inexperience in steel plant construction.

INDIAN ADMINISTRATION

Cases in Indian Administration. (Published by the Indian Institute of Public Administration, Indraprastha Estate, Ring Road, New Delhi 1. Price Rs. 7.50, pages 261.)

This is the second volume of *Cases in Indian Administration* prepared under the direction of the Committee on Case Studies of the Indian Institute of Public Administration. It contains five cases of different nature, written by competent authors. For the benefit of the reader, the general background of each case is given and events are stated in a chronological order, discussing how the policy of the Government is executed at different administrative levels. The emphasis is on the administrative process rather than on the relative merits or demerits of the policy.

The first case deals with the decontrol of foodgrains in 1952 which has been written by Mr. Ram Saran. There was unanimity of opinion concerning the ultimate decontrol of foodgrains, but opinions were divided when control should be lifted. The author discusses the successive steps taken towards decontrol. The second case written by Mr. M. A. Muttalib on "the grant of extension to the Inspector-General of Forests", shows how difficult it is to settle the issue of an extension of service of a Government official. "The expansion of the Bokaro thermal plant" by Mr. Parmanand Prasad discusses the difficulties encountered by a public undertaking like the D.V.C., which has to obtain the sanction of the Central Government and the Governments of West Bengal and Bihar before it can implement any major policy decision. The procedure involves delay in executing technical plans.

The next essay "the public hospital case," by Mr. A. Avasthi, deals with the report on a public hospital made by a Government inspector in course of routine inspection. The book ends with a well-written essay on the "basic administrative unit for development in Mysore State" by Mr. Dubhashi. The author stresses the mechanics and the process of decision-making in the Government.

Similar case studies will no doubt promote a wider understanding of the administrative problems and will stimulate healthy discussions and constructive criticisms which are considered essential for the efficient working of a democracy.

HEAVY ELECTRICALS

The Establishment of the Heavy Electrical Plant at Bhopal. By S. S. Khera. (Published by the Indian Institute of Public Administration. Indraprastha Estate, Ring Road, New Delhi 1. Price Rs. 5, pages 128.)

The objectives of the case study programme of the Indian Institute of Public Administration are essentially scientific. The present case study is an attempt to sketch in writing an aspect of administrative decision-making. It traces the history of the establishment of the heavy electricals plant in Bhopal—from the inception of the idea in 1948 to the final decision to locate it in Bhopal in 1956. It deals with a long-drawn-out decision-making process which may be split up into the following three parts: (1) the decision to set up the plant in the public sector, (2) the appointment of Associated Electrical Industries as technical consultants and (3) the location of the plant in Bhopal. It is seen that A.E.I. recommended the location of the plant in Barka Khana, Bihar, but the Government of India overruled it and decided in favour of Bhopal. It is remarked (Page 117) that ministerial controversy delayed the project resulting in imports of over Rs. 45 crores which could otherwise have been avoided.

COMPANY LAW

Company Law Journal, Vol. 1, No. 1. Edited by K. Venkoba Rao. (Published by M. L. J. Press Private Ltd, Mylapore, Madras 4. Pages 64.)

Company law is developing so fast that even knowledgable company executives are finding it difficult to keep pace. The Industries (Development and Regulation) Act, the Capital Issues Control Act, the Companies Act, different rules, important judgments of the Supreme Court and High Courts interpreting these Acts require the constant and continuous attention of the secretarial departments of companies and need the services of such specialised people as solicitors and chartered accountants. To help those who deal with company law, the journal is being published and will contain—apart from feature articles—Acts, rules, notifications, departmental circulars, etcetera

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Jute

FIBRE PRICES FALL AS ARRIVALS INCREASE

THE vigorous price-support measures taken by the Jute Commissioner have not been effective and fibre prices have tended to sag during the first half of this month. Expecting heavy arrivals during October, mills were asked to lift 920,000 bales and the co-operatives were advised to start buying in the secondary markets at fixed derivative prices. The Jute Commissioner also intended to ask the Jute Buffer Stock Association to lift up to 200,000 bales, if necessary. To assist the co-operatives in their purchases, a sum of Rs. 1.70 crores was advanced by the State Trading Corporation to the various State Governments.

Up to the third week of September, prices had responded well to the issue of monthly purchase quotas, and mills purchased a total of 1.34 million bales of the new crop around official floor levels. But this month the pressure of arrivals has increased following the earlier harvesting of the crop. Despite regular offtake by mills at the agencies and over the jetties, prices have tended to react. Weak holders and small growers, it is reported, have even disposed of their stocks at slightly lower than the floor levels.

Industry circles say that the mills have been purchasing fibre throughout the month. But this year, the daily arrivals have increased fast, causing a glut of stocks at the terminal markets. The prolonged restrictions on booking from upcountry stations to Kanknarrah and Sealdah on the Eastern Railway have caused a setback to the movement of the fibre to mill warehouses. Bigger lorry hire charges have raised the cost of road transport to prohibitive levels. Besides, mill warehouses are overflowing with stocks and huge quantities of the fibre have been stacked in the open. These are mostly kutcha bales which are likely to deteriorate due to exposure to humidity. Mills are also experiencing difficulty in financing fibre purchases on such a colossal scale.

Selling by Weak Holders

Circles close to the Jute Commissioner attribute the prevalent downward trend to selling pressure from weak holders and small growers. They say that this temporary phase will end soon. Already co-operatives are making brisk purchases at minimum operational prices. The returns of purchases submitted by mills also show that considerable progress has been made in lifting the October quota. Although these circles expect arrivals to increase further when the rural kutcha roads dry up, they believe that the selling pressure will decrease since stockists with more sustaining capacity will be holding the fibre at that time.

But market sources say that the purchases are not brisk enough to allay the concern of operators and so they have failed to arrest the declining trend. They fear that the pressure on the market will increase further in November and December and it will be difficult for the authorities to prevent a fall in prices.

U.S. Burlap Consumption Rises

There has been a sharp increase in U.S. burlap consumption from 70 million yards in August to 79.7 million yards in September. The latter figure is 8.7 million yards more than the consumption during September 1962. The January-September total this year is 681.3 million yards, against 652 million yards for the corresponding period of 1962. The average monthly consumption so far has been 75.7 million yards, against 72.4 million yards last year.

U.S. stocks during September rose by only 2 million yards to 289 million yards. Of these, 127 million yards were afloat, against 119 million yards at the end of August, while spot stocks declined by 6 million yards to 162 million yards. At the end of September 1962, the stocks were 236 million yards—129 million yards spot and 107 million yards afloat.

At the rate of consumption during September 1963, the stocks will last for 3.6 months. At this time last year the corresponding stock-duration was 3.3 months on the same basis.

Hessian Shipments to the U.S.A.

Shipments of hessian from Calcutta to the U.S.A. in August increased by 10.2 million yards to 68.5 million yards, compared with July. In August 1962, fabric shipments to the U.S.A. totalled 79.4 million yards. Total exports during January-August 1963 were 554.9 million yards, against 463.4 million yards for the corresponding period of 1962.

Hessian shipments to South America during August were 18.3 million yards, against 8.9 million yards in July and 13.4 million yards in August 1962. Total exports to that area for the eight-month period showed a small increase from 116.3 million yards to 117.7 million yards.

Fall in Gunny Output

Working at the maximum level for 200 hours in September, against 208 hours during the previous month, the mills reporting to the I.J.M.A. produced 106,900 tonnes of jute goods, against 106,500 tonnes in August. Hessian output declined by 1,500 tonnes to 44,200 tonnes, sacking by 1,200 tonnes to 41,500 tonnes and miscellaneous goods by 2,900 tonnes to 15,200 tonnes. In September 1962, the mills worked for 200 hours, producing 100,500 tonnes. Of this, 41,600 tonnes were hessian, 47,200 tonnes sacking and 11,700 tonnes other goods.

Lower Jute Acreage in West Bengal

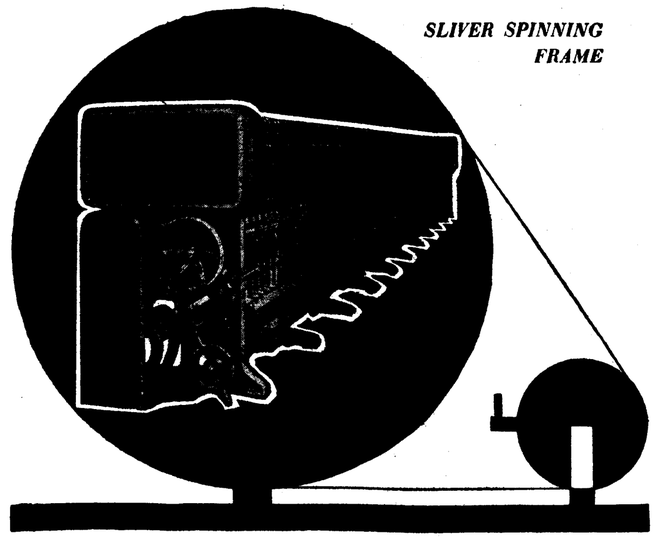
The West Bengal Government proposes to reduce the area under jute from 1.1 million acres to one million acres in the next season. The decision has been taken at a conference of agricultural department officials and district agricultural officers in Calcutta during the week-end. A spokesman of the department stated that despite the lower acreage, the total crop would be maintained at around the 1963-64 level by resorting to more intensive cultivation and greater use of fertilisers.

Pakistani Expansion Plans

The preamble to Pakistan's jute policy clearly states that it intends to make the best use of its golden fibre by initially tapping India's sacking markets. Later it will gradually expand its hessian and broad loom capacity and wrest those markets from India. The Pakistani authorities recently announced that the present capacity of 9,500 looms, would be expanded to 28,000 by 1970. The capacity target for the end of the second plan, namely 865, has been revised upward from 12,000 to 14,000.

On this basis, it seems that by 1970 Pakistani consumption of raw jute will increase to 5.6 million bales

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(which is equivalent to its current output), leaving little fibre to meet its conventional export demands. Pakistan's chances of increasing the jute acreage are not bright in view of its chronic problem of food shortage. As a result, the foreign jute mills which depend on Pakistan for fibre will face the prospect of either suspending work or finding alternative sources of supply. Since no country has such a huge surplus, the chances of obtaining fibre are slim, and they may have to shut down. This will suit Pakistan, since it will not be able to find an easy outlet for its increased output without encroaching on the markets at present catered to by the U.K. and continental mills.

Pakistani Broad Loom Project

Pakistan has in hand a Rs. 4.8-crore broad loom project, which visualises the setting up of 12 mills with an annual capacity of 135,000 tons of carpet-backing cloth. The mills are to be erected in Khulna, Chittagong, Narayanganj and Ghorasal in East Pakistan. The Industrial Development Bank of Pakistan has agreed to help. It has asked the Government to sanction a loan of Rs. 3 crores for the foreign exchange component of the scheme. The balance of Rs. 1.8 crores, will be found in rupees by the sponsors. Pakistan has the great advantage of producing abundant quantities of high-grade long jute, which is essential for the manufacture of carpet-backing material. Against an average annual world demand of 400,000 tons of carpet-backing cloth (about 80 percent of the demand is from the U.S.A.), the present capacity is only about 175,000 tons. Even after completing the present broad loom projects in India, some think, there will be a gap between demand and supply.

Pakistan Evolves Improved Strains

The Pakistan Central Jute Institute in Tejgaon, Dacca, has evolved two improved strains of jute plants, namely, D-154 *(Capsularis)* and *CG* 13 *(Olitorius)*. The new strains yield 10 percent more of a better fibre, compared with the original ones, generally being grown in India and East Pakistan. Seven other improved varieties of jute have also been developed by the Institute so far.

With six main divisions looking after the various technical aspects, the research wing of the Institute has taken up projects for breeding improved strains, devising cultural and manuring practices for raising the yield an acre and reducing the cost of production, arresting pest attacks and producing nucleus jute seeds for further multiplication in Government farms. Field trials conducted by the Institute have demonstrated that line-sowing yields more jute than sowing by the conventional broadcast method. Line-sown plants have proved more resistant to pests and plant diseases, yielding fibre of a better quality. It has also been seen that the yield can be raised by the proper use of fertilisers. In some experimental plots, the yield has been about doubled by the use of fertilisers.

Since 1957, the Institute has made progress in arresting loss of crop through pest infestation by the application of insecticides. Further work is in progress for devising long-term measures against the menace of insects. Research has shown that retting plays an important rôle in the production of jute. The process depends on the activities of organisms like bacteria and fungi. Studies are in progress to step up the activities of these organisms by evolving better strains.

As the use of quality seeds is essential for getting a higher yield and better fibre, a pilot project has been launched for growing improved seeds in Government seed multiplication farms. These seeds are also being grown by a number of registered farmers in various districts. These high-grade seeds will be distributed to farmers.

The technological research wing has been reorganised. The main objective of the wing is to undertake applied research for the industry. It will carry on fundamental studies on jute fibre from the chemical and physical angles, and evolve new uses for jute.



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THE JUTE MARKETS

Manufactured Goods: Opening on an optimistic note, the gunny market suffered a sharp setback during the past week. At first interest was revived on reports of sizable business with Argentina in hessian, a heavy goods deal with Cambodia and scattered hessian transactions with the U.S.A. But a deterioration followed on the publication of the I.J.M.A. production figures for September, which showed a decline of 5,600 tonnes, indicating lower offtake during the month. On Tuesday reports that the 10,000-bale Sudanese sacking tender had gone to Pakistan caused a further weakening of sentiment. The drift could not be halted by reports of a sharp increase in the consumption of burlap in the U.S.A. Some mills emerged as keen sellers for all positions, depressing prices. At the close, sacking showed moderate losses on balance; hessian showed a minor setback. The freight booking position was not encouraging during the week, although it improved because of the movement of the detained ships and the entry of the vessels held up at Sandheads. Now enough space is available for all destinations. In the futures market, sentiment was governed by the trend in the spot market. Bulls were more active and liquited their positions to reduce their commitments. Bears hesitated to cover their blank positions even at the lower levels. So prices retreated on a wide front with sacking suffering heavier losses than hessian. The turnover was moderate and the undertone easier at the close.

Wednesday's quotations were as follows:

	Oct.	Nov.	Dec.	Jan.-Mar.	Apr.-June
40in. 7½oz.	36.65	36.05	36.95	35.90	35.80
40in. 8oz.	38.65	—	—	—	—
40in. 10oz.	48.65	48.05	47.95	47.90	47.80
B Twills	114.40	115.10	115.00	115.00	114.65
Cornsacks	115.90	116.50	116.75	116.75	116.50
Heavy Cees. (Plain)	114.25	114.75	114.50	114.50	114.25
A Twills	134.50	135.50	136.50	137.00	136.00
Liverpools	126.60	127.50	127.50	127.50	127.25

Raw Jute: The raw jute market was sluggish during the past week. Despite the issue of a heavy purchase quota for the mills and buying by the co-operative in the secondary markets, offtake fell short of the arrivals which had increased to around 200,000 maunds a day. Sellers were keen in view of the critical food situation and the approaching festival season. So pressure developed both in the upcountry markets and in Calcutta. Weak holders and small growers disposed of small lots of selected grade fibre at prices lower than the floor. Towards the week-end, Russian buying of some pucca bales against a previous quota did not produce any effect. There was a rumour that licences had been issued by the authorities for importing a small quantity of Pakistani jute cuttings, needed for blending purposes. The futures market also turned quiet following tired long liquidation and the reluctance of shorts to cover their open positions despite the lower levels. The market closed on an easier note with prices dipping to recent lows. The turnover was small in the spot market and moderate in the futures market, and the undertone hesitant in both.

Wednesday's quotations were as follows:

	Landed at Mills (Basis Bottoms) Current Prices		T.S.D. Minimum Prices	
	Rs. A Qtl.	Rs. A Md.	Rs. A Qtl.	Rs. A Md.
Assam-Agartala Jute	79.04	29.50	80.38	30.00
Northern Jute	77.70	29.00	79.04	29.50
Western Desal Jute	72.34	27.00	73.68	27.50
Selected Daissee	87.07	32.50	85.74	32.00
Assam-Agartala Tossa	83.05	31.00	83.05	31.00
Mesta : Assam- Northern	71.00	26.50	72.34	27.00
Local Daissee	71.00	26.50	72.34	27.00
Bihar Dist.	62.06	23.50	66.98	25.00

I.J.M.A. PRODUCTION FIGURES FOR SEPTEMBER

The Indian Jute Mills Association reports the production of jute goods in the month of September as follows:

Description	Quantity
Gunny bags	
(a) Hessian	
6,712 tonnes	(6,606 tons)
2,02,29 thousand metres	(2,21.2 lakh yds.)
1,34.8 lakh nos.	
(b) Sacking	
40,274 tonnes	(39,638 tons)
8,76,57 thousand metres	(9,58.6 lakh yds.)
4,31.9 lakh nos.	
Gunny Cloth	
(a) Hessian	
37,449 tonnes	(36,857 tons)
12,53.83 thousand metres	(13,71.2 lakh yds.)
(b) Sacking	
1,220 tonnes	(1,201 tons)
27,56 thousand metres	(30.1 lakh yds.)
Other Manufactures	
15,248 tonnes	(15,007 tons)
Total Production (All kinds)	
100,903 tonnes	(99,309 tons)

Summary

	('000 metres and '00,000 yds.) Sept. '63	Aug. '63	Sept. '62
Hessian	14,56,12 (15,92)	15,11,49 (16,53)	13,75,70 (15,04)
Sacking	9,04,13 (9,89)	9,26,74 (10,14)	10,18,23 (11,14)
	('000 tonnes and tons		
	Sept. 63	Aug. '63	Sept. '62
Hessian	44.2 (43.5)	45.7 (44.9)	41.6 (40.9)
Sacking	41.5 (40.8)	42.7 (42.0)	47.2 (46.5)
Others	15.2 (15.0)	18.1 (17.9)	11.7 (11.5)
Grand Total	100.9 (99.3)	106.5 (104.8)	100.5 (98.9)
Hours worked	200.0	208.0	200.0

N.B.—These statistics are based on replies received and represent all members of the Association and Gagalbhat with estimates for two non-member mills. The figures in brackets are in British units.

THE U. K. JUTE MARKETS

FIBRE UNCHANGED

(FROM OUR DUNDEE CORRESPONDENT)

THE raw jute market was firm in Pakistan, but little change took place in prices in Dundee during the past week. Dundee spinners were showing less interest in raw material, but a fair amount of business took place towards the end of September. This included both spot and shipment jute. During the past three months, Dundee spinners have secured about five months' consumption of jute which puts them in a satisfactory position.

Offers being made here were very irregular and most of the lower grades could still be obtained at well under the minimum export rates. Mill Firsts were named at £129, Mill Lightnings at £109 10s, Mill Hearts at £94 10s and Grade Hearts at £79 10s, c.i.f. U.K., for October-November shipment. There were sellers of Grade Tossa-2/3 at £125 and of Grade Tossa-4 at £107 5s. Dacca Tossa-5 was offered at £128 and Dacca Tossa-6 at £109. Outport Tossa-2/3 ranged from £95 and Outport Tossa-4 from £85, October-November.

The Siam jute market was steadier possibly due to more buying interest shown by some Continental countries. Offers were now lowest at £67 for grade A, at £63 for grade B and at £58 for grade C, delivered mill Dundee for November-December shipment.

The Calcutta goods market tended easier with quotations at 73s 9d for 40in. 10oz and at 55s 3d for 7½oz. a 100 yards f.o.b. Calcutta for October shipment, at 73s 6d and 55s 6d November and at 73s 3d and 55s 3d December. B Twills were at 176s 9d, 177s 9d and 177s 6d for the respective shipment periods.

Dundee spinners and manufacturers are very busy and have orders in hand for delivery over the first quarter of next year. Prices of both yarns and cloth are becoming dearer due to demand. Many producers have raised their rates, but it is still possible to find sellers at the old rates for forward delivery.

THE PAKISTANI JUTE MARKETS

FIBRE FULLY STEADY

(FROM OUR DACCA CORRESPONDENT)

THE markets in the interior remained steady with the exception of those in north Bengal during last week. In most areas, prices were unchanged, although there was a slight tendency to rise for better quality tossa. In the jat areas in practically every district, a large amount of hard speck has begun to appear. But avoiding this would mean that a substantial premium would have to be paid for the full-grade Dundee Export Hearts.

In the pucca bale market, there was definitely a weaker undertone. Although cuttings have frequently shown a tendency to rise, they remained unchanged with less interest. After a spurt of buying overseas, there was once again a weaker tendency. For genuine Mill Hearts, there is everly likelihood that prices may rise. Dacca Tossa 6s and Dundee Tossa 4s which have been hovering around the minima, are not likely to fall because it does not look as if they will be freely available. There is ample and excellent Output Tossa, which may soon be available below Export Lightings.

The E.P.C. minima for mesta were again recently raised. There is danger that this quality, which is beginning to be popular in world markets, may be priced out. Reports from Siam indicate a 1 million bale crop and prices are low. Although Pakistani mesta is superior and the assortment more regular, price will always remain the main consideration.

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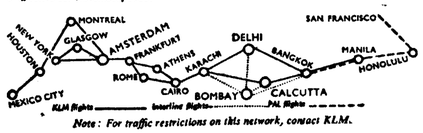
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* *effective 1st November, 1963.*

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K.C.498

Commodity Markets

NORTH INDIAN TEA CROP FALLS: COSTS RISE

ALTHOUGH due to adverse growing conditions the north Indian crop showed a shortfall of 7.5 million kilograms up to the end of September, the overall world supply position remains unchanged since the Ceylon crop up to the end of July showed an increase of 7.4 million kilograms while south India produced 800,000 kilograms more than in 1962. The result of the north Indian shortfall has been to raise the general level of prices on the Calcutta market, particularly for common varieties which are quoted some 95nP a kilogram higher than in 1962, say Messrs J. Thomas and Company Private Ltd in their tea market review for September. While the improved price averages realised by some estates in north India may possibly help to offset the effect of losses in crop, this may not be, in many cases, adequate to cover the increased cost of production, while at the same time the trend of lower production and higher prices must, in the long run, prove detrimental to India's exports, since many of her outmarkets are bound to find other markets cheaper and more attractive. In fact, many Indian exporters during this season have experienced great difficulty in trading against Ceylon and African teas. It is, therefore, imperative that concerted efforts are made to increase production as rapidly as possible to cater to the internal demand and to release more teas for export at cheaper rates. While efforts have admittedly been made to grant loans to the industry, this in itself will not suffice since it will only increase its indebtedness. Bolder measures like plantation subsidies and rebate on exports have to be taken if the industry is to progress on sound lines and attain the targets set for the third five year plan in relation to production as well as exports.

The firm says that manufacture and offerings of tea from north India have experienced two clear trends during the current season. On the one hand, yet more estates changed over to the C.T.C. process of manufacture not only in Assam but also in the plain tea growing areas of the Dooars, Terai and Cachar. This has been a healthy change in view of the fact that many of these teas have now become exportable types. At the same time, they have contributed to satisfying the growing demand for such teas from internal buyers and blenders. On the other hand, many gardens, particularly in upper Assam, have been manufacturing both orthodox and C.T.C. teas simultaneously, especially during the second flush period. As a result, the Calcutta market has seen during this season a wide range of offerings of stylish and tippy teas of orthodox manufacture of a commendable standard. This has gone a long way in catering to the requirements of many of India's traditional overseas buyers for such teas. Such gardens have also stood to gain as prices of orthodox teas have been lucrative. The sale averages of these estates have, by and large, been substantially higher than those of comparable gardens producing only C.T.C. teas.

When the end of August crop figures became known, prices of the cheapest varieties started hardening, while exporters continued to purchase C.T.C. teas in the best category. This improvement in demand in the lower price range was an indication of the underlying strength of the market and may be expected to spread to other descriptions in the coming months, especially if the shortfall in the north Indian crop is not made up during the remainder of the season when the imminence of a sudden drop in supplies following on the little surplus carried over from the 1962 season is bound to create a feeling of urgency among the internal buyers, the firm concludes.

A special correspondent adds: World output of tea is already moving too fast. Had north India harvested normal output during the past two seasons, commodity prices would have collapsed. But according to the law of averages, one would expect 1964 to be at least as good in yield as 1961 was. That will mean about 35 million lbs more than this season. If other areas move forward normally, the F.A.O. forecast of a surplus will prove to be correct in 1964. Had north India produced an average crop instead of a short one in 1961 and 1962, the F.A.O. estimates might have proved correct earlier. With the short crop in north India, commodity prices remain fairly satisfactory for teas above medium grades, but commons are already difficult to sell profitably and if 1964 adds another 25 million to 35 million lbs from north India without an equivalent reduction elsewhere, it will be time to regulate supplies.

To the end of September, the north Indian crop was approximately 16.5 million lbs below last year's. The latest weather reports do not hold out the hope that the shortage will be made good. In north Assam, it is too dry. In the centre it is too wet and lower Assam reports abnormally dry weather. In parts of Cachar, conditions are normal, but in the south, the outlook is unfavourable. News from western Dooars says it is cold. Prospects in the Terai are not favourable. So after a heavy fall in output in 1962, this season will see a further loss of from 17 to 20 million lbs of tea.

Sir Percival Griffiths and other responsible people in the tea trade and industry have already pointed out that steps should be taken to renew a tea producers' agreement to restrict supplies. If north India returns to normal production in 1964 and equals the 1961 figure and the other main producing areas continue to forge ahead, conditions will become chaotic in commodity markets.

The following optimistic remark comes from East Africa. "It is interesting to record that the *per capita* annual consumption of tea over the entire world population now amounts to ½ of a lb, and, if consumption continues to keep pace with population growth, as it has done in the past, there should certainly be no fear of overproduction—average yields are put at 1,500 lbs an acre and improved techniques in manuring, pruning and general cultivation will go a long way to stimulate yields. The Tea Research Institute of Africa is giving serious attention to clonal materials from rooted cutting from the Research Institute at Kericho".

It is reported that on 10th September the U.K. and Common Market authorities signed a two-year agreement to abolish all duties on tea imports from January 1964. Further negotiations with G.A.T.T. will be necessary before this agreement can become permanent.

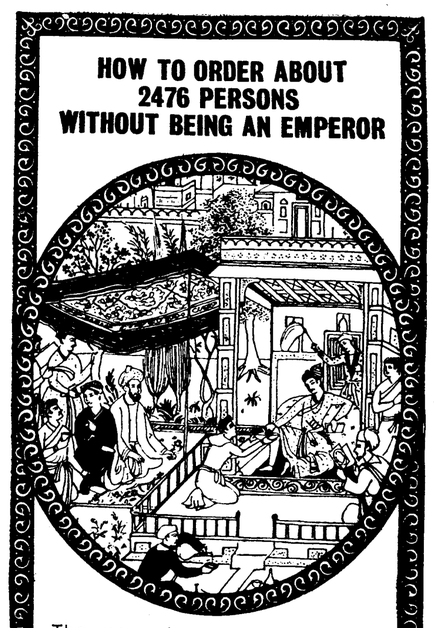
The Tea Board propaganda in the U.K. is making fair progress. An exhibition centre has been opened in Edinburgh. The Oxford Street branch is expected to be opened soon, and it is understood some Indian women will be appointed to supervise the general routine. These efforts to increase consumption are very necessary.

COFFEE

India Wants Higher Export Quota

(BY A SOUTH INDIAN CORRESPONDENT)

IT has now been officially disclosed that India has asked for an enhancement of her export quota under the International Coffee Agreement from 21,500 tonnes to 50,000 tonnes a year. There is a feeling in Indian Government circles that the initial quota this country got under this agreement was on the low side. But a larger quota would become meaningless unless this country is able to produce more. The next crop in India is expected to be round about 60,000 tonnes only, some 5,000 tonnes more than the 1962-63 crop. The internal market would require about 35,000 tonnes a year at present. If the local consumption is allowed to have its normal growth, an annual increase



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of 2,000 to 3,000 tonnes can be expected. In order to take advantage of any increase in the export quota, the coffee-growing industry has to make a concerted effort to raise production in a big way. The Central Minister for International Trade, Mr. Manubhai Shah, has given an assurance to the coffee growers that they need not fear that the drop in prices experienced three years ago will be repeated if a high output is achieved. He has promised a minimum price in the event of a slump in the market.

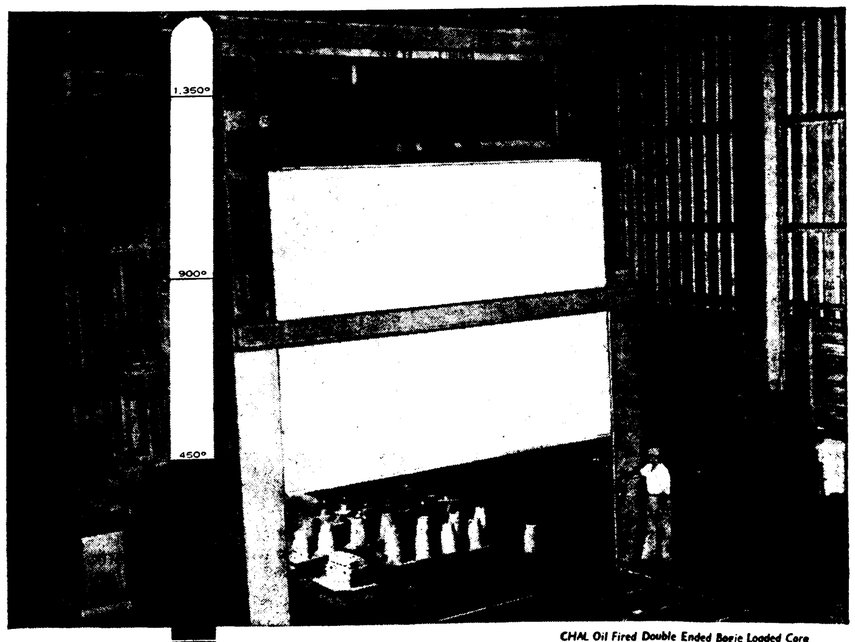
The world market for coffee is at present experiencing a boom. Prices have been looking up since the natural disasters in Cuba and Brazil. The Cuban crop was being harvested when the hurricane "Flora" hit and destroyed the crop in a big way. Consequently, the marketing and distribution of coffee have been halted. Cuba has made arrangements with Russia to make available to her 5,000 tons of Brazilian coffee beans. In Brazil itself, the devastation caused by the fire and frost in the wake of a prolonged drought in the principal coffee-growing States of Sao Paulo and Parana, and the forecasts of the next season's crop have been reduced by as much as a half to 13 million bags. The 1963-64 crop which was a good harvest has already been sold with a heavy New York buying during the summer, and very little will be available for shipment during the early months of 1964. Brazil produces over two-fifths of the world's coffee. Coffee for January shipment is currently quoted in London at over 225s a cwt, compared with 214s a month ago.

President Dr. Radhakrishnan inaugurated on 9th October the new multi-storey building of the Coffee Board in Bangalore. Speaking on the occasion, the President said coffee was a natural beverage healthier than others. He assured the coffee growers that they would get every possible financial assistance to increase production. The Government, the President said, would guarantee a minimum price for growers so that they need not be affraid of over-production.

SYNTHETIC RUBBER

Prices Cut

The Synthetics and Chemicals Ltd, the manufacturers of synthetic rubber in India, have reduced the prices of synthetic rubber with effect from 1st October. The price of grade 1,500 (staining) has been reduced to Rs. 4.05 a kilogram from Rs 4.40 a kilogram of grade 1712 (oil extended) to Rs. 3.40 a kilogram from Rs. 4.10 a kilogram and that of grade 1502 (non-staining) to Rs. 4.05 a kilogram from Rs. 4.40 a kilogram. The reduction follows a representation from the Indian Rubber Industries Association to the Government, according to which prices of indigenous synthetic rubber is higher than those of the imported. The association has also stated that the consumption of synthetic in this country would go up to 13,000 tons in 1963, against 10,400 tons in 1962. The reaction of the rubber manufacturers is that they would be satisfied only when the prices are brought down to the price level of the imported synthetic rubber. The original price of synthetic rubber in India was around Re. 1 more than the controlled price of natural rubber, and that was considered to be an advantage for natural rubber in competition with synthetic. Even at the revised rate, synthetic is costlier than natural.



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WSC-15

COTTON TEXTILES

Improvement in World Trade

(FROM OUR LONDON CORRESPONDENT)

THERE are signs that the decline in cotton textile production in the non-communist part of the world may have slowed down, or even possibly been reversed, according to the latest *Quarterly Statistical Review* issued by the Cotton Board. In the second quarter of this year, cotton yarn output in those countries for which regular figures are available seems to have been about 1 percent less than in the same period of 1962, against a 5 percent drop, compared with a year earlier in the first quarter. Much the biggest decline in cotton yarn production compared with a year earker occurred in the U.S.A. The decrease in the U.K., western Europe as a whole and Japan was no more than marginal, while production in India was greater than in the second quarter of last year.

World trade in cotton fabrics seems also to have taken a turn for the better. In the second quarter of this year exports from the main non-communist exporting countries were much the same as in the first quarter; compared with a year earlier, they showed a drop of only 3 percent as a decrease of 9 percent in the first quarter. Shipments from Japan, the U.S.A. and the U.K. were still running below last year's level, but there were increases in exports from India, Pakistan, Hongkong and the west European countries taken as a whole.

Exports of man-made fibre fabrics from the principal non-communist exporting countries in the first quarter were slightly less than in the same period of 1962, but in the second quarter, they seem to have been much the same as a year earlier. Exports from the U.K., the U.S.A. and west European countries as a whole continued to run at above last year's level, but shipments from Japan were still substantially less than in the corresponding period of 1962.

Cotton yarn output in India expanded in the second quarter, when it was about 3 percent greater than in the second quarter of 1962. Mill production of cotton cloth, on the other hand, was about 4 percent less than a year earlier. Exports of cotton piecegoods expanded further in the first quarter, totalling 156 million yards, against 141 million in the corresponding period of 1962. A big expansion in trade with the U.S.A accounted for the whole of this increase. It is understood that exports in the second quarter continued comfortably to exceed last year's level in yardage terms, but the obligation to export a fixed proportion of production has led to such a degree of price cutting that the return in terms of foreign exchange has been very disappointing. Recently, the percentage of cloth production which must be exported has been cut from 12½ to 10, but the required percentage of yarn production has been increased from 3 to 4. A mission has recently been visiting Russia and eastern Europe in an attempt to step up trade with those countries. Exports in 1962 totalled 3 million yards, against a target of 30 million yards for that year and one of 40 million yards for this year. The Indian Minister of International Trade has been urging the industry to step up exports of finished cloth at the expense of grey cloth.

Other items reported to be under official consideration are a plan to expand spindleage and one to increase the cotton import entitlement granted to exporters of cotton textiles. The industry has asked to be allowed to increase prices on the home market, stating that rising costs have severely eaten into profit margins. It is rumoured, however, that the existing "voluntary" scheme of price ceilings is being widely evaded. The rapid expansion of the Hongkong cotton industry seems to have come to an end, and a problem of surplus capacity has arisen. It is even reported that spindles and looms have been sold to other Asian countries. Exports of cotton piecegoods in the first half of this year seem to have been much the same in total as in the first half of last year and considerably greater than in the second half of 1962.

SHELLAC UNCHANGED

During the week ended 15th October, the market was unchanged.

	Rupees a package
Pure Buttonlac	94 value
Lemon One Shellac	96 buyers
	100 sellers
Lemon Two Shellac	80 buyers
	84 sellers
Standard One Shellac	74 value
Pure TN Shellac	64 value
Golden Kusmi Seedlac	90 value
Kusmi One Seedlac	80 value
Golden Bysacky Seedlac	70 value
Manbhum Fine Bysacky Seedlac	56 value
Fine Bysacky Seedlac	48 value
Genuine Bysacky Seedlac	38 value
Grade One Class B Seedlac	60 value
Grade Two Class B Seedlac	44 value

Shipments during October until the 3rd were 2,430 packages.

BOOKS RECEIVED

Economic Bulletin for Africa, June 1962. (Published by the United Nations. Price 10s 6d, pages 101.)

Transport Problems in Relation to Economic Development in West Africa. (Published by the United Nations. Price 5s, pages 67.)

Company Directors. By V. P. Arya. (Published for Management Publications, Post Box 9100, Calcutta 16, by Oxford Book Company, 17 Park Street, Calcutta 16. Price Rs. 16, pages 164.)



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COMPANY AND PUBLIC NOTICES

THE CHAMPDANY JUTE CO., LIMITED

NOTICE is hereby given that an Interim Dividend of 10% for the year ending 31st March, 1964, has been declared payable on 30th November, 1963; the dividend is subject to deduction of tax under the Income-tax Act, 1961. Dividend Warrants will be issued to the registered shareholders whose names appear in the Register on 30th November, 1963 or to their mandatees.

The Share Register of the Company will be closed from 16th November to 30th November, both days inclusive.

By Order of the Board.
JAMES FINLAY & CO., LIMITED.
Managing Agents.
2, Netaji Subhas Road,
Calcutta-1, 15th October, 1963.

THE BARNAGORE JUTE FACTORY COMPANY, LIMITED

(Incorporated in England with Limited Liability)

DIVIDENDS

THE following Dividends have been recommended in respect of the year ended 31st March, 1963, payable on the 4th December, 1963:—

(1). On the Preference Shares @ 5% (Five Shillings per share) less U.K. Income-tax of Seven Shillings and Nine Pence in the £ Sterling.

(2). On the Ordinary Shares @ 40% (£ 2 per share) less U.K. Income-tax of Seven Shillings and Nine Pence in the £ Sterling.

Payment of any Dividend declared will be made only to those Members whose names are registered in the Books of the Company on 27th November, 1963 or to their Mandatees.

Dividend Warrants to Members on the Calcutta Register will be made payable in Calcutta.

No applications for warrants will be necessary. Claims on behalf of holders of shares on blank transfer will not be entertained.

The Share Transfer Books will be closed from 14th November to 27th November, 1963, both days inclusive.

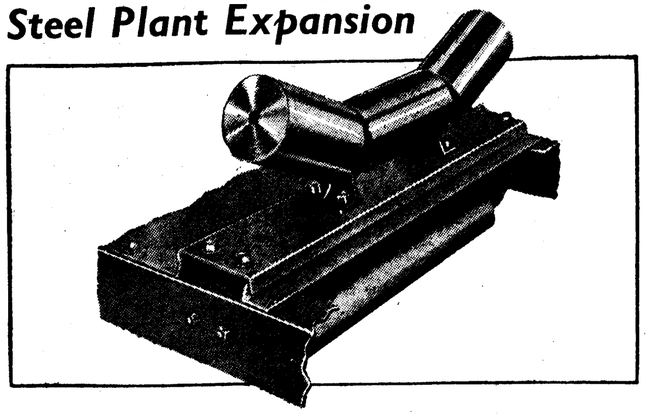
By Order of the Board,
JARDINE HENDERSON, LIMITED,
D. FORDWOOD,
Secretary,
Agents.
4, Clive Row,
Calcutta-1, 10th October, 1963.



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EEC 919 B EVEREST

THE BIRLA JUTE MANUFACTURING CO. LTD.

NOTICE is hereby given that an Extraordinary General Meeting of the Company will be held at its Registered Office at 15, India Exchange Place, Calcutta, on Tuesday, the 24th December, 1963, at 3-30 P.M. to consider and pass the following Resolution as Special Resolution of which Special Notice has been received by the Company and is hereby given to the shareholders:—

"RESOLVED that the appointment of Shri B. R. Mohta as Additional Director on the Board under Article 138 of the Company's Articles of Association to take effect from the date hereof, be and is hereby approved."

By Order of the Board,
R. K. CHHAOCHHARIA,
Secretary.

Registered Office:
15, India Exchange Place,
Calcutta-1.
Dated, the 25th September, 1963.

N.B. (1) A Member entitled to attend and vote at the above Meeting is entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a Member.

(2) **An explanatory statement in regard to the above business is being forwarded to the members of the Company.**

THE CALCUTTA ELECTRIC SUPPLY CORPORATION LIMITED

(Incorporated in England)

NOTICE is hereby given that the Board of Directors of this Company have declared payment of an Interim Dividend on the Company's Preference Stock for the year ending 31st March, 1964 at the rate of £2-14-8.16/49d. per cent less Income Tax at 7s.9d in the pound equal to £1-13-6d. per cent. Payment will be made on 15th November, 1963 to those stockholders whose names are registered in the Company's Stock Register on 28th October, 1963.

Applications for transfers received in this Office before 12 O'clock noon on Monday, the 28th October, 1963, will, if otherwise satisfactory, be registered at that date for the purpose of participation in the above dividend.

By Order of the Board,
D. P. M. KANGA,
Agent.

Victoria House,
Calcutta, the 10th October, 1963.

COMPANY MEETINGS AND DIVIDENDS DECLARED OR PROPOSED

Name of Company	Date	I.S.T. Hours
British Paints (India) Ld. ..	22-10-63	11 a.m.
Rohtas Industries Ld.	31-10-63	11 a.m.
Burn and Co. Ld. ..	19-11-63	11 a.m.
Birla Jute Manufacturing Co. Ld. ..	24-12-63	3-30 p.m.

DIVIDENDS DECLARED OR PROPOSED.—Champdany Jute Co. Ltd.—10 p.c. (Int.) (o), subject to tax; Union Carbide India Ltd.—75nP a share (Int.) (o), subject to tax: Barnagore Jute Factory Co. Ltd.—40 p.c. (o), less U.K. Income-tax of 7s 9d in £ sterling.

"CAPITAL" STOCK AND SHARE LIST

THE INVESTORS GUIDE AND SHAREHOLDERS GAZETTE

Official quotations of the Calcutta Bombay Madras London Stock Exchange Associations and other sources
Figures given after stroke (/) mean Naye Paise.

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BANKS

Wednesday, 16th October, 1963.

NAMES	Dividends per cent 1960	1961	1962	Paid-up per Share Rs.	Latest Market Quotations as available until 16-10-63 Rs.	9-10-63 Rs.	A year ago Rs.
Allahabad Bank P.	18	18	..	100	258/00	258/00	396/00
Bank of Baroda	17	17	16	50	89/00	88/50	95/00
Bank of India	20	20	20	50	105/00	105/00	112/00
Central Bank of India	20 2/5	20	20	25	54/30	54/30	61/30
Chartered Bank	15	15	..	£1	sh. 62/-	sh 64/-	sh. 55/6
Hindusthan Commercial	Nil	Nil	Nil	50	13/44	13/50	17/12
Hindusthan Mercantile	Nil	Nil		50	15/62	15/62	15/50
Hong Kong & Shanghai	£39	£33	£3 1/5	HK$25	£18 7/8	£18 3/8	£17 3/8
Indian Bank	15	15	14	100	156/10	156/10	175/00
Indian Overseas Bank	14	14	..	..	144/75	147/00	166/25
Industrial Finance Corpn.	..	..	..	50	..	..	..
National & Grindlays Bank	13½	14	16	sh 15	sh. 32/6	sh.33/-	sh 34/-
Punjab National Bank	20	20	20	10	19/12	19/12	20/44
Union Bank of India	11 2/5	11 2/5	..	5	5/92	5/88	6/16
United Bank of India	4.3	6	6	10	7/31	7/31	7/87
United Commercial Bank	12	12	12	50	68/50	68/50	80/00

*1962

JUTE MILLS

NAMES	Dividends per cent 1960	1961	1962	Paid up per Share Rs.	Latest Market Quotations as available until 16-10-63 Rs.	9-10-63 Rs.	A year ago Rs.
Agarpara P.	10	2½	2½—12*		10/31	10/56	10/81
Alexandra P.	44	15	42½	10	300/00	300/00	305/00
Alliance P.	4	Nil	10	100	161/00	159/00	116/00
Anglo-India P.	20		10—12*	100	234/00	236/00	231/00
Auckland P.	27	12	Nil—15*	100	144/50	142/00	153/00
Baldy P.	25	25	25	100	261/00	262/00	293/00
Barnagore P.	30	10	10	100	205/00	200/00	191/00
Benga- P.	8	..	..	£5	9/37	9/37	10/25
Birla P.	15	15	15—15*	10	32/56	32/69	33/37
Budge Budge P.	10	Nil	12	10	151/00	155/00	160/00
Calcutta P.	..	..	..	100	8/12	8/12	8/00
Caledonian P.	12	5		10	180/00	190/00	220/00
Champdany P.	10	5	Nil-40*	100	24/19	24/00	..
Chevriot P.	Nil	5	25	10	23/56	23/00	24/75
Chitavalsah P.	5	Nil	5	10	11/00	10/87	11/56
Clive P.	..	..	..	10	9/37	9/37	8/37
Dalhousie P.	8	1	Nil—25*	100	147/00	147/00	121/00
Delta P.	7½	Nil	12	100	166/00	168/00	175/00
Empire P.	12½	7½	12½	10	17/75	17/75	17/25
Fort Gloster P.	25	10	12½—20*	100	350/00	372/00	412/00
Fort William P.	22½	22½	10—20*	10	26/75	26/19	27/37
Ganges P.	10	10	15	10	14/75	16/25	14/75
General Industrial	40	10	13	10	15/44	15/31	18/62
Gourepore P.	20	25	20—20*	10	25/25	25/25	..
Hastings P.	4	5	6—6*	100	128/00	128/00	126/00
Hooghly P.	10	20	7½—10*	10	16/00	16/00	24/06
Howrah P.	12½	10	Nil—10*	10	19/25	19/19	19/75
Hukumchand P.	28½	28½	26⅝-26⅝	7½	22/00	18/69	26/12
India P.	14	12	8	12½	16/62	18/00	17/94
Kamarhatty P.	5	Nil	20	100	195/00	196/00	167/00
Kankinarrah P.	Nil	Nil	10	100	139/00	136/00	127/00
Kelvin P.	15	15	5	100	197/00	195/00	190/00
Khardah P.	20	5	12½-12½*	10	19/37	19/37	17/00
Kinnison P.	20	7	Nil-10*	100	139/00	143/00	153/00
Lansdowne P.	Nil	Nil	Nil-Nil*	100	97/00	97/00	120/00
Lawrence P.	7	15	10-10*	100	112/50	112/50	134/50
Megna P.	12	12½	Nil-22*	10	13/87	13/87	13/50
Naihati P.	..	..	..	100	93/00	93/00	107/00
Naskarpara	..	..	..	10	8/00	8/00	8/44
National P.	7½	Nil	10	10	23/87	23/87	25/00
Nellimarla P.	8	6	15	10	13/87	12/31	11/44
New Central P.	15	15	Nil	10	14/75	13/94	13/44
Northbrook P.	30	30	20-35*	10	31/00	30/62	36/75
Nuddea	8	6	5—10*	50	63/00	63/50	56/50
Presidency	8	6	10	5	5/69	5/69	5/50
Rameshwara P.	Nil	Nil	Nil-Nil*	10	9/20	9/20	9/87
Reliance P.	Nil	Nil	Nil-Nil*	10	9/62	9/87	6/81
Samnuggur P.	4	Nil	10	£1	10/50	10/50	10/50
Shree Ambica P.	1	6	Nil	10	35/00	35/00	27/50
Soorah P.	25	25	25	10	23/50	23/37	25/25
Titaghur P.	6	Nil	13	£1	10/50	10/50	10/50
Union P.	25	5	Nil-20*	100	166/00	166/00	165/00
Victoria P.	4	Nil	10	£1	10/50	10/50	10/50
Waverley P.	30	30	60	1	8/00	8/00	5/50

* 1963

COAL COMPANIES

NAMES	Dividends per cent 1960	1961	1962	Paid-up per Share Rs.	Latest Market Quotations as available until 16-10-63 Rs.	9-10-63 Rs.	A year ago Rs.
Amalgamated	10	12½	15	10	26/37	26/12	22/12
Bengal P.	25	21	..	100	268/50	268/50	335/00
Bengal Bhatdee	..	..	..	10	3/48	3/48	3/48
Bengal Nagpur	10	26	..	10	22/00	22/00	22/00
Bhalgora	..	..	..	10	4/75	4/75	5/18
Bharat Collieries P.	..	..	..	10	3/50	3/47	3/40
Bhulanbararee	..	..	..	10	11/94	11/94	12/00
Bokaro & Ramgur	..	..	..	10	11/19	11/19	11/19
Borree P.	15	15	..	10	22/12	22/12	23/87
Burrakur P.	13	13	13	10	17/31	17/57	17/37
Central India	8	10	10	10	9/87	9/66	10/06
Central Kurkend P.	..	..	..	10	3/8-	3/87	8/00
Churulia	8	..	..	4	3/06	3/06	3/06
Dhemo Main	Nil	Nil	..	10	4/50	4/50	5/94
East Indian	7½	15	20½	£1	32/00	30/12	52/37
Equitable P.	15	10	..	10	23/50	23/50	26/94
Ghusick & Muslia	Nil	Nil	Nil	10	14/25	14/25	15/00
Jhuzdar Kajora	..	..	..	10	2/44	2/44	2/05
Jhurriadih	..	..	..	10	7/06	8/12	8/12
Karanpura Development	8	8	..	100	10/31	10/31	16/25
	15	15	..	10F			
Karanpura Collieries P.	7½	10	10	10	16/00	16/00	18/00
Katras Jherriah	95	40	25	10	34/12	34/12	48/75
Khas Kajora P.	..	..	..	10	17/62	17/62	18/70
Mundulpur	..	..	..	10	2/69	2/69	2/69
Nazira	7½	Nil	Nil	10	5/00	5/00	5/75
New deerbhoom P.	10	10	..	10	19/25	19/25	23/25
New Manbhoom	7½	9	12	10	15/25	15/25	13/75
North West	20	20	..	10	19/75	19/75	19/75
				7½	18/00	18/00	18/00
Ondal P.	6	7½	..	10	13/50	13/50	15/00
Parasea P.	13	13	..	10	13/06	12/62	16/00
Pench Valley	10	10	10	10	17/50	17/12	16/50
Pure Sitalpur	..	..	..	10	8/00	4/00	4/00
Raneegunge	15	17	17	10	15/75	15/75	14/75
Rewa	20	20	..	10	28/50	28/50	29/12
Samla	10	..	..	10	9/00	10/00	7/44
Searsole	Nil	Nil	Nil	2½	1/22	1/22	1/94
Seebpore P.	42 6/7	42 6/7	..	9	34/75	34/75	45/00
Sendra	5	5½	..	10	5/00	5/00	5/87
South Karanpura	2½	Nil	Nil	10	8/62	8/56	8/12
Standard	15	10	..	10	13/12	13/12	16/00
Union	..	..	..	10	9/50	10/87	10/37
Western Bengal	8	7½	9	10	8/94	8/75	9/15
West Jamuria	Nil	Nil	..	10	4/56	4/56	3/37

COTTON MILLS

NAMES	Dividends per cent 1960	1961	1962	Paid-up per share Rs.	Latest Market Quotations as available until 16-10-63 Rs.	9-10-63 Rs.	A year ago Rs.
Basanti P.	...	...	...	10	13/75	11/25	8/56
Bengal Luxmi	...	...	...	40	30/00	30/00	28/00
Bengal Nagpur P.	Nil	...	...	10	3/06	3/06	3/25
Bharat Commerce	6	15	15	10	23/37	23/44	28/06
Birla Cotton	10	20	20	10	33/00	33/00	28/87
Bowreah P.	10	20	15	10	24/50	24/25	25/62
Cawnpore Textiles	7-1/5	10	10	5	7/31	7/31	7/06
Delhi Cloth & Genl P.	12	13	13	25	49/75	47/25	50/31
Dunbar	20	20	15	10	28/62	28/62	30/50
Elgin P.	11¼	17½	17½	10	22/00	22/12	19/00
J. K. Cotton (Rayon) P.	12½	...	...	10	15/31	15/31	15/94
Jay Shree	10	10	...	10	16/44	16/56	17/12
Muir P.	...	...	...	100	74/50	74/50	100/00
New Victoria P.	Nil	...	...	2½	1/56	1/56	1/50
Orissa Textiles P.	Nil	Nil	...	10	9/00	9/00	9/00
Rampuria Cotton	3	Nil	...	10	13/00	13/00	12/00
	Nil	Nil	Nil	1	2/00	2/00	2/00
Swadeshi (Kanpur) P.	5	...	...	10O	12/62	11/62	11/50
	8.81	...	...	10PO	6/81	6/87	7/37

BOMBAY COTTON MILLS

NAMES OF MILLS	Dividends per cent 1959	1960	1961	Paid-up per Share Rs.	Latest Market Quotations as available until 14-10-63 Rs.	8-10-63 Rs.	A year ago Rs.
Ahmedabad Advance P.	7	16	...	100	143/50	145/00	170/00
Apollo	...	...	...	3	2/02	1/98	2/20
Beharilal Ramcharan	Nil	Nil	...	100	88/00	88/00	81/50
Bombay Dyeing, etc.	14	14	14—14*	25	62/50	62/80	64/20
Bradbury P.	10	10	25	50	155/00	155/00	187/50
Century	...	...	...	100	607/50	604/00	607/50
Central India P.	Nil	Nil	Nil	100	124/00	125/00	110/00
Coorla	...	...	...	100	146/25	146/25	142/00
Dawn	20	30	30	50	150/50	161/00	150/00
Edward Textiles	9	9	...	20C	285/00	285/00	325/00
Elphinstone P.	14	18	22	50	100/00	102/00	104/50
Finlay	...	...	...	100	330/00	335/00	305/00
Gokak	...	...	...	100	179/00	177/00	186/50
Hindoostan	...	...	...	250	950/00	950/00	...
India United	...	...	...	10	22/52	23/00	26/25
	...	...	...	10D	2/78	2/80	3/56
Indian	...	...	...	2n0	761/25	761/25	890/00
Indore Malwa United	7	6½	10—7½*	100	202/00	200/00	204/00
Khatau Makanji P.	18	32	...	100	222/50	220/00	450/00
Kohinoor	9½	15	18	100	318/50	323/00	293/50
Lakshmi Vishnu P.	Nil	6.7	6—Nil*	100	93/50	92/50	125/00
Morarjee Goculdas P.	21½	21½	24—24*	100	400/00	393/00	468/00
Mysore Spg. & Mfg. P.	10	14	14	50	54/00	55/00	60/00
New City of Bombay	...	...	...	100	155/00	155/50	145/00
New Great Eastern P.	...	...	...	100	192/00	191/50	270/00
Phoenix	...	...	...	100	233/00	254/00	228/00
Sassoon & Alliance	Nil	Nil	...	10	10/92	10/92	14/00
Sassoon Spinning	25	17	20—10*	10	45/00	45/00	64/00
Simplex	10	15	Nil—22*	50	125/00	123/50	154/00
Shree Niwas P.	15	18	20	100	240/00	242/00	256/00
Svadeshi P.	14	17	...	100	251/00	254/50	250/00
Swan	...	...	...	100	271/25	275/00	292/50
Tata	10	20	...	25	57/50	58/50	58/20
Western India	...	...	...	250	875/00	785/00	835/00

* 1962

BOMBAY MISCELLANEOUS COMPANIES

NAMES	Dividends per cent 1960	1961	1962	Paid-up per Share Rs.	Latest Market Quotations as available until 14-10-63 Rs.	8-10-63 Rs.	A year ago Rs.
CEMENT ENGINEERING & METAL							
Associated Cement	12½	12	12	100	155/75	155/25	137/25
ELECTRIC LTG POWER							
Ahmedabad Electricity	7	6	...	100	94/50	94/00	95/00
Andhra Valley Power P.	5½	5	5	1000	1,040/00	1,032/50	1,032/50
Bombay Suburban Elec	...	...	...	100	98/50	98/50	105/00
Tata Hydro Elec. Power P.	5½	5	5	100	107/00	107/00	110/00
Tata Power P.	5½	5	5	1000	1,083/75	1,082/75	1,150/00
Alcock Ashdown	...	...	...	100	314/00	320/00	323/00
Jost's Engineering	6	10	10	50	60/00	60/00	98/00
Larsen & Toubro P.	12½	18	14	10	25/75	25/85	25/80
Mckenzies	...	...	...	100	135/00	141/00	140/00
Premier Construction P.	...	...	...	30O	157/00	155/50	137/00
	...	...	...	31F			
Tata Eng & Locomotive P.	12½	14½	14½	100	283/50	290/00	300/50
Tata Iron & Steel P.	9.1	10.36	10.36	750	145/25	146/00	136/00
INSURANCE COMPANIES							
British India General	...	...	...	10	12/36	12/12	12/24
Jupiter General P.	...	...	...	15	9/20	9/20	11/00
New India	...	...	...	15	52/00	51/50	62/50
Vulcan	...	...	...	10	16/60	16/60	16/32
MISCELLANEOUS							
Belapur Sugar	...	...	...	50	203/00	206/50	225/00
Bombay Burmah Trading	30	33	33	25	64/40	65/00	...
				20	50/00	50/00	...
Hindustan Lever	20	26	12	10	39/00	41/50	46/75
Industrial Invt. Trust	6½	6½	...	100	75/50	75/50	72/00
Kemp (Chemists)	...	...	...	200	271/00	275/00	310/00
National Rayon	22	...	...	100	375/00	387/50	459/00
Scindia Steam Navign.	6	6	3	20	12/82	12/28	12/20
Shivrajpur Synd	80	Nil	...	10	21/52	23/00	30/00
Tata Chemicals P.	6	6½	6½	10	17/20	17/80	13/92
Tata Oil P.	23	23	23	25	66/50	66/50	56/00
Voltas	13	14	14	100	266/50	272/50	251/50
Western India Match	18	18	18	100	255/00	257/00	272/00

TEA COMPANIES

NAMES	Dividends per cent 1960	1961	1962	Paid-up per Share Rs.	Latest Market Quotations as available until 16-10-63 Rs.	9-10-63 Rs.	A year ago Rs.
ASSAM GARDENS							
Amluckie	Nil	10	7½	10	16/50	16/50	20/00
Anandabag P.	30	32½	20	10	33/25	33/25	33/25
Baghmari	Nil	15	7½	10	17/25	17/25	13/50
Barduar Tea	Nil	...	...	4	8/50	8/50	8/50
Basmatia	25	25	20	10	27/25	27/25	27/25
Bateli	30	...	...	5	17/50	17/50	18/00
Betjan	40	45	30	10	29/12	29/12	33/62
Bishnauth	13	13	20	10	19/94	19/94	17/44
Bokakhat	Nil	12	13	10	13/70	13/70	13/70
Bormah Jan P.	15	15	15	10	13/25	13/12	16/12
Bor Pukhuri	Nil	Nil	10	10	11/00	11/00	9/31
Brooke Bond P.	15	10	7½	10	12/44	12/37	12/75
Dejoo Valley	15	20	30	10	60/00	60/00	49/25
Dessai & Purbuttia	Nil	10	15	100	200/00	200/00	141/00
Dhekakhat	12½	...	...	10	19/56	19/37	20/12
Dhunseri P.	20	15	10	10	11/75	11/75	15/00
Dibrugarh	40	40	30	10	32/50	32/50	32/50
Dimakuse P.	25	30	25	10	22/62	22/62	21/87
Duffla jhur	25	25	30	10	28/00	28/00	27/87
East India	Nil	Nil	10	10	16/00	16/12	18/87
Gillapukri	25	20	15	10	25/44	25/44	25/44
Gohpur	Nil	8	20	10	15/62	16/25	13/31

‡1962

TEA COMPANIES—Contd.

NAMES	Dividends per cent 1960	1961	1962	Paid-up per Share Rs.	Latest Market Quotations as available until 16-10-63 Rs.	9-10-63 Rs.	A year ago Rs.
Grob	6	6	6	5	8/09	8/12	8/06
Hoograjuli (Assam)	20	20	17	10	27/12	27/12	27/12
Hoolungooree	10	7½	20	100	186/00	173/00	190/00
Jutlibari	30	30	20	10	31/50	31/50	32/00
Kingsley Golaghat P.	35	35	...	100	125/00	125/00	212/00
Kotamullai P.	Nil	Nil	Nil	5	10/31	10/31	10/31
Krishnabehari	15	8	10	10	11/80	11/70	10/50
Kyang Tea	Nil	...	...	10	8/06	8/06	8/06
Ledo	Nil	Nil	Nil	10	13/75	13/75	17/25
Maud Tea & Seed	10	7½	7½	10	14/81	14/81	14/81
Methoni	5	14	20	10	18/19	18/40	18/94
Moheema	Nil	Nil	...	10	11/50	11/50	11/50
Mothola	30	30	35	100	507/00	507/00	507/00
Murphulani (Assam)	5	15	25	10	26/50	26/50	26/50
	10.63	20.63	30.63	10	26/87	26/87	28/75
Naga Hills	10	10	10	10	22/25	22/25	22/69
Namburnadi	12	12	...	10	12/87	12/87	14/56
New Cinnatolliah	Nil	Nil	Nil	100	302/00	302/00	450/00
Rajgarh	40	13½	17½	10	19/00	19/00	21/37
Sapoi	22½	20	...	10	17/75	17/75	24/44
Seajuli	22½	15	30	10	21/12	21/12	20/75
Telolian	25	25	25	10	21/37	21/37	27/75
Tengpani	30	30	22½	10	35/00	35/00	35/00
Tezpore P.	20	12½	...	10	14/94	14/94	15/81
Tongani	Nil	Nil	...	10	5/31	5/31	6/50
Tyroon	10	15	25	10	31/12	30/37	34/37
CACHAR							
Arcuttipore	Nil	5	6	10	7/00	7/00	7/00
Baitakhal	2½	2½	...	10	8/06	8/06	6/69
Central Cachar	5	7½	5	100	85/00	85/00	73/00
Eastern Cachar	Nil	Nil	...	10	4/50	4/50	4/12
Kallinugger Khoreel	6	...	...	100	87/00	87/00	87/00
Hattikhira	Nil	8	Nil	10	8/75	8/75	9/44
Kunchanpore	Nil	Nil	...	10	6/00	6/00	6/00
Loobab	Nil	Nil	Nil	10	4/50	4/62	4/44
North Western	30	20	10	100	175/00	270/00	205/00
Pathemara	Nil	Nil	Nil	10	7/50	7/50	7/50
Roopacherra	Nil	10	Nil	10	9/81	9/62	13/62
Rungamattee	5	5	5	50	51/50	51/50	50/00
Sonai River	Nil	Nil	...	10	5/05	5/05	9/12
DARJEELING							
Bloomfield	Nil	...	...	10	3/12	3/12	3/25
Chamong	Nil	10	10	10	9/00	9/00	10/25
Darjeeling Tea & Chin	30	30	30	100	197/00	197/00	195/00
Dilaram	8	4	...	100	102/50	102/50	102/50
Gielle	Nil	...	8 4/7-15*	10	11/69	11/69	11/69
Lingia P.	15	10	17½	10	14/00	14/00	14/56
Longview	12½	10	...	10	11/00	11/00	11/00
Margaret's Hope	15	15	15	10	12/25	12/25	11/62
Mim	22½	27½	27½	100	191/50	191/50	191/50
Nagri Farm	30	25	35	10	30/75	30/75	25/44
Okayti	25	25	...	100	600/00	600/00	605/00
Pashok	10	Nil	...	10	20/00	20/00	20/00
Poobong	Nil	Nil	5	10	7/50	7/50	7/37
Pussimbing P.	Nil	Nil	Nil	10	7/12	7/12	8/87
Runglee Rungliot	35	20	7½	100	386/00	386/00	386/00
Seeyok	15	Nil	...	10	8/50	8/50	8/50
Singell	Nil	Nil	Nil	100	36/75	36/75	36/75
Singtom	2	Nil	2	10	3/50	3/50	3/50
Soom	50	40	40	10	34/00	34/00	31/00
Sungma	15	15	20	10	14/44	14/44	12/75
Teesta Valley	Nil	...	8 4/7-10*	10	13/12	13/12	12/25
Tukvar	Nil	Nil	...	10	7/00	7/00	6/00
DOOARS							
Banarhat P.	22½	21	21	100	241/00	241/00	255/00
Baradighi	30	25	25	10	24/00	24/12	23/56
Bhatkawa	15	15	20	10	17/06	17/06	17/37
Birpara P.	17½	12½	17½	100	162/00	162/00	151/00
Carron	20	5	7½	100	151/00	151/00	145/00
Choonabhuti P.	32½	20	20	100	210/00	210/00	262/00
Ellenbarrie	5	5	10	100	184/00	184/00	184/00
Engc	60	30	40	100	136/00	136/00	136/00
Ethelbari	5	5	7½	10	11/50	11/50	13/12
Gairkhata	25	20	11	10	21/50	21/50	25/12
Gopalpur	12	2	10	25	20/90	20/00	20/00
Hantapara P.	15	5	10	100	114/00	114/00	104/00
Hasimara P.	17	...	18—15*	10	14/25	14/12	14/81
Huldibari	22½	...	19 2/7-11*	10	13/50	13/50	14/00
Jaypirpara	10	Nil	Nil	10	20/12	12/00	11/06
Killcott	25	15	15	10	16/06	16/06	17/31
Manabarrie	10	5	...	10	59/50	59/50	59/50
Nagairuree	25	15	15	100	140/00	140/00	169/50
New Dooars P.	35	30	14½	100	230/00	230/00	258/00
Oodlabari	12½	7½	...	100	14/25	14/00	14/75
Phaskowa	Nil	Nil	Nil	100	129/00	129/00	127/00
Rajabhat	Nil	Nil	6	10	10/69	12/12	12/12
Ranicherra	15	15	7½	10	13/37	13/37	16/75
Rydak	25	20	25	10	26/37	26/37	27/31
Sarugaon	40	40	40	10	36/31	36/31	36/25
TERAI							
Atal	5	...	...	10	8/75	8/75	6/75
Belgachi	20	20	...	10	22/50	22/50	20/50
Gungaram	20	12½	12½	100	131/06	131/00	156/00
Hansqua	20	15	17*	10	20/00	20/00	20/00
New Chumta	15	...	12 6/7-20*	10	24/62	24/62	33/50
New Terai	22½	10	15	10	23/00	23/00	36/00
Panargoomiah	20	20	2½	10	14 /25	14/25	31/12
Putinbaree	14	14	...	10	45/00	45/00	45/00
Tirrihannah P.	60	60	60	10	49/00	49/00	49/00
CHITTAGONG							
Kodala	Nil	Nil	...	10	9/25	9/25	9/25
Kornafuli	Nil	Nil	...	10	9/31	9/31	13/06
Oodaleab	Nil	Nil	...	10	8/00	8/00	8/00
SYLHET							
Chundeecherra	Nil	Nil	Nil	10	26/00	26/00	23/00
Dauraclierra	22½	22½	20	10	11/75	11/75	7/31
Kaliti	Nil	Nil	...	10	10/00	10/00	9/12
New Samanbagh P.	25	Nil	Nil	10	18/37	18/37	18/37
Patrakola	32½	40	15	100	129/00	130/00	149/00
Rainagar	Nil	Nil	Nil	10	9/50	9/50	9/56
Tellapara	22½	22½	10	100	110/00	110/00	99/00

‡ Hectares

* 1963

MISCELLANEOUS COMPANIES

NAMES	Dividends per cent 1960	1961	1962	Paid-up per Share Rs.	Latest Market Quotations as available until 16-10-63 Rs.	9-10-63 Rs.	A year ago Rs.
MININGS							
Burma Mines	2 3/8	Nil	Nil	2½S	0/44	0/44	0/44
Chrestien Mica Industries P.	15	12½	...	10O	10/40	10/40	11/12
	25	20	...	5Dd	6/87	6/87	8/85
Indian Copper Corporation	27	27	...	2s	3/73	5/32	4/63
Metal Corporation P.	Nil	...	...	10O	9/62	8/31	9/69
Orissa Mineral Development	36	28	20	10	27/50	27/69	36/50
CEMENT, LIME, SLATE, ETC.							
Ashoka Cement	7	7	7—7*	10	7/06	7/06	7/75
Assam Bengal Cement	...	...	...	10O	4/81	4/81	4/12
				11Dd	0/59	0/59	0/44
Bengal Potteries	15	...	...	2½	5/37	5/37	5/75
Bisra Stone Lime	30	30	10	...	23/50	23/50	27/87
Dalmia Cement (Bharat) P.	12	12	12	10O	12/81	12/87	14/31
				1Dd	2/81	2/81	2/19
Jaipur Udyog P.	6	8	8.36	10	12/37	12/31	12/12
Kumardhubi Fireclay & Silica P.	18	18	18	10	18/45	18/45	18/45
Orissa Cement P.	15	15	10	10	15/31	15/37	16/56
Reliance Firebricks & Pottery	22	15	10	5	22/75	22/75	22/75
Sone Valley Portland Cement	4	6	8	10	4/62	4/62	4/62
Sutna Stone & Lime	27½	30	...	10	28/31	28/31	37/00
CHEMICAL INDUSTRIES							
Alkali & Chemical Corpn of (I)	12	15	15	10	34/75	34/50	41/87
Sathgate & Co Ltd P	Nil	...	...	5	0/84	0/84	0/84
Bengal Chemical & Pharm P.	7	10	...	100	102/00	98/00	101/00
Calcutta Chemical P.	18	18	18	10	17/87	17/87	19/31
Frank Ross P	...	...	...	6	2/19	2/19	3/25
Smith Stanistreet P.	25	25	25	5	12/31	12/31	15/50
ELECTRIC LIGHTING, POWERS							
Agra Electric Supply	11	11	11	100	118/00	118/00	127/00
Bareilly Electric Supply	11	11	11	10	12/37	12/37	12/25
Benares Electric Supply	11	11	11	10	11/62	11/62	12/25
Bhagalpur Electric Supply	8	10	8	8	6/56	6/56	6/08
Calcutta Electric Supply	7	7½	7½	£1	14/44	14/87	15/19
Cuttack Electric Supply	7½	10	10	10	11/87	11/87	12/62
Dishergarh Power Supply P.	10	10	10	100	88/00	88/00	94/00
Jhansi Electric Supply	...	...	...	10	5/90	5/90	6/00
Jubbulpore Electric Supply	10	10	10	10	11/25	11/25	11/37
Mirzapur Electric Supply	...	...	...	½	12/00	12/00	12/00
Muzafferpore Electric Supply	12½	12½	12½	10	11/50	11/50	12/25
Muttra Electric Supply	...	...	...	10	11/06	11/06	11/12
Patna Electric Supply	10	10	10	10	10/00	10/00	11/50
Shahjahanpur Electric P.	6½	6½	6½	10	7/50	7/50	7/50
Sijua (Jherriah) Electric	10	9	9	10	8/50	8/50	9/06
United Provinces Electric	11	11	11	100	116/00	116/00	118/00
Upper Jumna Valley Electric	13½	13½	13½	10	14/37	14/37	15/25

* 1963

MISCELLANEOUS COMPANIES—Contd.

NAMES	Dividends per cent 1960	1961	1962	Paid-up per share Rs.	Latest Market Quotations as available until 16-10-63 Rs.	9-10-63 Rs.	year ago Rs.
ENGINEERING & METAL							
Arthur Butler (Muzaffarpore) P.	..	..	..	10	14/94	14/94	14/50
Bhartia Electric Steel	10	10	12½	10	14/75	14/75	13/75
Braithwaite India	25	25	14	10	34/25	34/25	35/12
Bridge & Roof	30	30	30	10	52/25	52/25	52/25
Britannia Building & Iron P.	Nil	Nil	Nil	10	3/25	3/25	3/65
Britannia Engineering P.	10	10	10	10	10/25	10/31	10/94
British India Electric Cons	45	20	15	10	31/00	31/00	33/12
Burn P (Engineering)	28½	22½	22½-25*	100	596/00	600/00	695/00
Calcutta Steel	15	15	15-12½*	10	13/94	13/87	15/00
Dalmia Iron	10	10	10	10	11/12	11/00	12/00
Guest Keen Williams	16	14	14	10	37/69	37/62	38/37
Hooghly Docking	Nil	Nil	12½	50	95/00	86/00	102/00
Indian Iron & Steel P.	15	10	10—10*	10	24/66	24/50	25/10
Indian Malleable Casting	Nil	..	..	50	6/00	6/00	6/00
Indian Standard Wagon P.	28½	28½	28½-20*	10	35/12	35/50	32/69
Indian Steel & Wire Products	22	24	25—23*	100	36/25	36/25	49/00
Industrial Containers	Nil	10	10	10	21/37	21/37	22/00
Jay Engineering	17½/20/-	..	15	10	21/19	20/87	27/12
J. K. Steel P.	20	20	10	10	16/37	16/31	17/37
Jessop & Co P.	8.88	4.88	8.88	10	26/50	26/75	23/06
Kumardhubi Engineering P.	10	11½	15	8	9/25	9/37	7/69
Marshall Sons (India)	Nil	Nil	Nil	2	2/62	2/66	3/25
National Iron and Steel	Nil	Nil	Nil	10	5/81	6/00	5/19
Saran Engineering	8½	10	12½—10*	4	8/78	8/78	11/12
Steel Containers	30	20	20	10	29/50	29/50	22/50
Textile Machinery	10	10	..	10	26/65	26/65	22/15
SUGAR BREWERIES ETC.							
Gairampur Sugar	8	8	4	2½	1/81	1/81	2/28
Belsund Sugar	18½	10	6 2/3	7½	8/75	8/75	9/62
Bharat Sugar P.	..		..	10	13/31	13/00	12/87
Carew (Sugar) P.	Nil	Nil	Nil	10	11/00	11/06	12/19
Cawnpore Sugar P.	Nil	Nil	Nil	10	9/75	9/75	12/37
Champaran Sugar	15	12	Nil	10	13/81	13/81	17/12
Durbhanga	4	Nil	5	10	8/69	8/69	9/00
New Savan Sugar and Gur	..	..	..	10	4/50	4/50	5/25
Purtabpur Sugar P.	..	..	..	10	11/50	11/50	11/50
Ramnuggar Cane & Sugar P.	30	30	30	10	28/50	28/50	30/37
Raza Sugars	12½	10	10	10	10/12	10/19	10/37
Ryam Sugar P.	..	..	..	10	3/56	3/56	8/06
Samastipur Central Sugar	..	..	..	10	5/94	5/94	9/62
Shree Krishna Gyanoday Sugar P.	15	..	..	10	9/00	7/81	8/15
Shree Sitaram Sugar	..	..	..	10	7/12	7/12	7/12
Sitalpore Sugar	4	Nil	Nil	10	3/94	3/94	6/12
United Provinces	15	5	Nil	10	10/00	9/00	14/72
Upper Ganges Sugar P.	72½	72½	72½	10	85/00	85/00	77/00
MISCELLANEOUS							
A Firpo (Restaurateur)	7½	10½	5	10	5/93	6/90	5/90
Aluminium Corporation P.	12	12	12—5*	10	16/44	17/00	15/69
Anderson Wright Ltd P.	11½	Nil	..	10	11/50	11/50	11/50
Angelo Bros.	25	28½	28	10	24/31	24/37	23/75
Assam Match	18	20	20	10	28/75	28/75	28/75
Assam Saw Mills & Timber	Nil	Nil	3	3	2/56	2/69	2/75
Associated Battery	25	15	15	10	26/00	26/00	28/87
Associated Hotels of India P.	Nil	10	10	10	10/31	10/31	10/31
Balmer Lawrie & Co.	25	25	25	100	252/00	251/50	257/00
Bararee Coke	Nil	Nil	15—15*	10	22/50	21/37	24/50
Birds Investments P.	9½	10	10	10	10/50	10/50	12/50
Britannia Biscuit P.	25	30	25—21*	10	42/00	42/25	45/12
British India Corporation P.	6	7	9	5	8/87	8/75	10/03
British Paints	12½	15	10	10	20/00	20/94	22/00
Calcutta Silk Manufacturing P.	Nil	Nil	..	10	6/94	6/94	7/15
Clive Row Investment	8	7½	7½	10	8/75	8/75	8/37
Duncan Brothers & Co Ltd P.	14	14	14	100	140/00	140/00	157/50
Dunlop Rubber Co (India) P.	21½	20	15	10	37/12	37/37	38/12
Dyer Meakin (Breweries)	25	30	..	5	29/50	29/25	30/31
Eastern Investments Ltd. P.	14	14	12	100	119/50	119/50	129/00
Electric Construction	10	10	10	10	14/00	14/06	14/69
French Motor Car	20	20	..	20	35/12	35/12	34/50
Ganges Rope	17½	20	20	100	236/00	236/00	236/00
General Investments Trust P.	5	5	5—5*	75	43/00	43/00	43/00
Gillanders Arbuthnot & Co Ltd P	10	11	11—11*	10	14/00	14/12	14/06
Gladstone Lyall & Co Ltd P	2 2/5	..	..	10	..	..	..
Godfrey Phillips (India) Ltd P.	40	60	30	10	28/12	28/12	33/25
Great Eastern Hotel	8	6	..	250	250/00	250/00	241/00
Hindustan Aluminium P.	Nil	..	..	10	13/59	13/81	15/94
Hindustan Motors P.	9	12	12½-11½*	10	18/34	18/12	18/50
Hindusthan Pilkington	..	..	..	10	17/50	16/56	19/87
Hindusthan Twyfords P.	Nil	Nil	Nil—Nil*	10	14/69	14/84	15/87
Hoare Miller & Co Ltd	6	6	..	10	5/62	5/62	7/09
Imperial Tobacco	8	9	9	10	10/50	10/50	11/00
Indian Aluminium Co. Ltd P.	18	15	17½	10	38/50	38/62	35/31
Indian Cable P.	22½	22½	22½-22½*	10	37/75	38/12	36/50
Indian Oxygen	15	15	12	10	28/50	29/37	47/62
Indian Rubber Manufacturers P.	30	30	36	10	19/87	19/87	20/94
Indian Wood Products	30	30	30	10	29/50	29/62	32/00
Isaac Holdens	..	Nil	..	100	15/25	15/25	16/50
Investments and Finance P.	7½	7½	7½—7½*	10	55/00	55/00	55/00

NAMES	Dividends per cent 1960	1961	1962	Paid-up per Share Rs.	Latest Market Quotations as available until 16-10-63 Rs.	9-10-63 Rs.	year ago Rs.
J. K. Synthetics	..	8	..	10	11/81	11/87	13/25
James Wright P.	..	..	..	30	2/75	2/75	2/75
Jardine Henderson Ltd P.	..	..	..	1Do	00/43	00/43	00/43
Jay Shree Industries P.	7	7	8 7½*	100	81/50	81/50	74/00
Kesoram Industries P.	14	12½	..	10	17/94	18/12	16/75
Macfarlane & Co	6	12	12—12½*	10	26/31	25/94	25/31
Macneill & Barry Ltd P.	..	..	..	50	6/75	6/75	7/00
Martin Burn Ltd P.	..	..	..	1Do	2/19	2/19	2/50
	8	8	7½	100	93/50	93/50	93/50
	27½	27½	25	10	27/37	27/19	30/94
McLeod & Co P.	15	15	18	1000	210/00	210/00	250/00
Metal Box Co of India Ltd P	25	25	19	10	53/87	51/25	55/50
National Insulated Cable P.	25	25	25—20*	10	25/12	24/87	28/00
National Pipe & Tubes P.	20	20	20	10	28/37	27/50	31/25
National Rolling & Steel Ropes	12	15	15	10	21/44	21/44	21/50
National Rubber P.	Nil	6½	8	10	12/81	12/94	11/94
National Tobacco P.	10	7	7	10	11/75	11/75	13/00
New India Investment Corpn.	6.7	..	..	75	59/50	59/50	90/00
Octavius Steel P.	10	7½	7½	100	..	..	..
Philips India	12	12	13	10	30/25	30/37	29/37
Publicity Society	10	75	75—50*	4	22/62	22/62	26/19
Ratlis India P	4	8½	8	100	130/00	132/00	150/00
Rohtas Industries P.	20	10	8—9*	10	13/69	13/69	14/00
Sirsilk P.	Nil	..	..	10	9/06	9/25	9/69
Sen Raleigh Industries P.	8	8	8	10	15/19	15/19	18/87
Shaw Wallace P.	15	15	7½	10	16/75	17/00	20/69
Spencer's Hotel	2½	2½	..	8	0/65	0/65	0/94
Union Carbide	15	15	12½	10	40/87	42/00	45/37
Walford Transport	20	20	..	1PO	2/75	2/28	2/25
	30	30	..	10	3/65	3/80	3/41
INSURANCE COMPANIES							
Concord of India	20	20	20	5	11/12	11/12	11/50
Hercules	22½	26½	26½	10	22/56	22/56	25/37
Ruby General	10	13½	15½	8	10/19	10/15	9/50
Standard General	..	..	..	10	8/25	6/25	8/00
Triton	45	60	50	25	124/00	124/00	131/00
FLOUR MILLS							
Bengal	40	35	25	10	29/00	29/00	34/25
Delhi P.	..	..	..	10	14/00	14/00	14/00
Ganesh P.	..	..	..	12½	14/00	14/00	17/00
Hooghly	15	Nil	Nil	10	19/75	19/75	19/75
United	35	10	7½	10	27/81	27/81	30/00
OIL COMPANIES							
Attock Oil	13½	13½	..	£1	sh. 34/9	sh.34/6	sh. 29/6
Burmah Oil P.	9-2/5	..	..	£1	sh 66/4½	sh 65/4½	sh 44/1½
Indo Burmah Petroleum P.	30	25	22½	10	23/31	23/00	25/87
Tide Water Oil	30	35	35	10	29/50	27/12	27/00
PAPER MILLS							
Bengal P.	32	27½	20	10	28/69	27/75	32/75
India Paper Pulp	15	13	12—15*	10	18/81	18/94	18/87
Orient Paper P	22½	22½	22½-20*	10	37/05	37/45	40/00
Shree Gopal Paper P.	17-6/7	17 6/7	17 6/7	10	26/50	26/75	24/37
Sirpur P	6½	6½	..	10	12/94	13/62	13/19
Star Paper P.	Nil	Nil	Nil	10	8/81	9/06	10/00
Titaghur P.	10	13	13—13*	2½PO	3/87	3/87	3/78
	25	20	10—10*	10AO	17/00	17/12	38/12
	25	20	10—10*	10BO	17/00	17/12	38/12
West Coast P.	6	7½	..	100	158/00	155/00	160/00
PRESSING COMPANY							
Camperdown	11	11	..	100	104/00	104/00	100/00
REAL PROPERTY STORAGE							
				A500	1050/00	1050/00	610/00
				B62½	135/00	135/00	77/25
Bengal Bonded Warehouse	11	8	8—9*	C10L	122/00	128/00	122/00
				D12½	14/15	14/15	14/70
Calcutta Safe Deposit	..	..	..	100	8/00	8/00	7/28
Humayan Properties P.	6	..	..	100	11/00	11/00	11/00
	Nil	..	..	1Do	2/10	2/10	2/15
Midnapore Zemindary P.	Nil	Nil	Nil	25	11/00	11/00	11/12
TRAMWAYS & STEAMER							
Bengal Assam Steamship P.	7½	7½	..	100	140/00	135/00	106/00
Calcutta Landing & Shipping	8½	7½	22	10	34/00	34/00	45/00
Calcutta Steam Navigation	10	Nil	Nil	10	9/25	9/25	7/69
Calcutta Tramways P.	..	..	..	£1	11/19	11/25	12/25
Fraser	Nil	..	..	10	10/00	10/00	10/00
India General Nav Railway P.	Nil	..	..	£10	39/00	39/00	64/50
India Steamship P.	10	Nil	Nil-Nil*	10	6/56	6/56	6/84
Port Shipping	Nil	Nil	..	10	14/62	14/94	12/06

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ECONOMIC PLANNING IN EASTERN EUROPE

THE Council for Mutual Economic Assistance (C.M.E.A.) was set up in 1949 as the Soviet *bloc's* east European answer to the Marshall Plan. But as the amount of assistance which Russia could offer the poorer members was very limited indeed, what the C.M.E.A. was able to do for Europe east of the Elbe was small by comparison with the contribution of Marshall aid to the postwar economic recovery of western Europe. Nonetheless, it has survived as the co-ordinating agency for a group of national economic plans, and to this extent it has an established place in the framework of the communist *bloc*. In theory membership is open to all the territories of the communist world, irrespective of particular ideological affiliations; in practice, China does not belong, but the Mongolian People's Republic does, while Albania lost its founder-membership in 1961 as a result of incurring the Kremlin's displeasure. The Council for Mutual Economic Assistance, sometimes also known as Comecon, holds periodical meetings, employs a permanent secretariat and has created a number of technical limbs to assist it in the business of planning. During the years of Stalin's rule, the emphasis was on the dominance of Moscow from which it was held all economic wisdom derived; since his death in 1953, and particularly since the Hungarian and Polish uprisings of 1956, there has been a movement towards more independence of action for the Soviet satellites. This has made things difficult for the C.M.E.A. whose economic logic demands more and more centralised planning, while the political tide flows in precisely the opposite direction.

With the possible exception of Czechoslovakia, prewar eastern Europe was industrially backward. Eighty percent of the population lived in the countryside, and considerably more than half the working population was employed in wresting an exiguous livelihood from the land. Living standards were low and the terms of trade mostly operated against countries exporting primary products and semi-manufactures. Although we generally categorise the poorer countries of Asia, Africa and Latin America as "underdeveloped", a large part of eastern Europe was—and still is—in that condition. But the second World War gave an impetus to industry and, whatever else may be said about Nazi rule, it considerably expanded the manufactures of Czechoslovakia, Hungary and East Germany. Within her new frontiers Poland was also industrially well placed; Rumania, Albania and Bulgaria remained primary producers. Immediate postwar industrial development took place on foundations largely laid down during the years of Nazi rule in central and eastern Europe, and with the help of dismantled German plant.

The 1956 anti-communist uprisings, which disrupted trade and communications over a wide area, represented a major turning point in Comecon thinking. It was clear that in both Russia and the satellite countries, populations already disgruntled by years of low consumption could not be further antagonised, and in 1957, national economic plans were revised so as to hold out some prospect of an early improvement in the standard of living—subject always to the overriding priority of the defence and capital goods industries. To help recovery from the 1956 setback, Russia gave Comecon countries emergency credits valued at the equivalent of about $1,000 million and in the intervening half-dozen years, there has probably been less reliance on Marxist dogma and larger investment allocations to light industry, housing and agriculture. Within Comecon the need for intra-*bloc* specialisation of production and joint development of resources has been stressed. A succession of good harvests have reinforced the somewhat more liberal policies and the result has been some gain in living conditions which are nonetheless still a good long way behind those of western Europe. But throughout the *bloc*, Communist Party control is still rigidly enforced and no economic innovation that does not satisfy the Party line has a chance of acceptance.

It is not easy to calculate (or compare with others) statistics of growth in communist countries. The concept of national income is accepted, but in deference to Marxist materialistic teaching national income is so defined as to include only "material product" and to exclude the value of such important "non-material" activities as education, health services and administration, the rôle of which is growing in the communist part of the world as elsewhere. Thus, the indices used to calculate economic growth in communist countries usually have a narrower base than in the western world. Also as between the Comecon countries, the reliability of the statistical apparatus varies a good deal; in all of them, the accuracy of agricultural data is suspect and greater credibility is generally accorded to figures of output of particular goods in physical units. Economic progress is signposted by a series of production "targets" and success or failure is measured by the extent to which these are attained. Russia herself is currently in the midst of a seven year plan covering the years 1959-65, and it is claimed that in the first three years there has been an annual growth in industrial production of 10 percent, against a planned 8.3 percent, although it seems that the rate of over-fulfilment has lately begun to decline.

Planners are prone to do ever larger and larger sums, and at a recent congress of the Communist Party of Russia a 20 years' economic "perspective" laying down targets up to the year 1980 was submitted for endorsement by the delegates. Even among the most faithful Marxists, such a document can command only a limited credibility and presumably serves as a statement of intention rather than as an integrated economic plan. Among the targets for 1980 is the provision for every family of a well-appointed flat, and it is significant that promises of better and more residential accommodation have figured in every Russian manifesto since 1917. The problem is how to accommodate the ever increasing number of town dwellers which the authorities consistently under-estimate. In this matter, Russian calculations seem to be just as fallible as those made elsewhere.

Planning among the satellite countries is on a smaller scale and the expansion of industry has been the chief contributor to national income growth in eastern Europe. Consumption has been

deliberately restricted in order to achieve a high level of gross capital formation which in some cases is said to have reached 25 percent or more of national income. Two factors have, however, operated against the consumer reaping the full benefits in increased personal consumption: they are high investment in defence and heavy industry and inadequate investment in agriculture. With the possible exception of Poland, shortfalls in agricultural performance have held back the growth of national income in the Comecon territories, penalised the urban consumer and condemned the farmer to a comparatively low standard of life. For the period of the five-year plan 1961-65, fairly high targets for industrialisation and national income growth have been prescribed for all the east European States where the plans are meeting with varying degrees of success.

Except in Czechoslovakia and East Germany, it is claimed that rates of industrial expansion have exceeded the prescribed targets; but the exceptions are important in that Czechoslovakia is regarded as communism's "shop window" in central Europe and failure there is likely to have repercussions throughout the *bloc*. In August of last year it was announced in Czechoslovakia that the 1961-65 plan was to be abandoned and a seven-year plan introduced to cover the period 1964-70 after a one-year interim plan. As late as the end of 1962, no 1961 national income figure had been published for East Germany—an omission which the pundits regarded as an ominous sign that all is not well, and indeed there is other evidence pointing in the same direction. Whether by accident or by design, for communism the rule seems always to be "jam tomorrow and jam yesterday, but never jam today". Everything is for the next generation, although it is to be recognised that policies enshrining this philosophy have brought about—by whatever means—the partial industrialisation of eastern Europe in a matter of 15 years.

Nevertheless, the senior member of Comecon, Russia herself, is still a very substantial net importer of engineering products, of which she currently imports twice as much as she exports. Her export sales are mostly adapted to the needs of the underdeveloped countries inside and outside the Sino-Soviet group and she does very little trade in engineering goods elsewhere. The steel plant in Bhilai and the heavy machine building project in Ranchi, both part of Russian aid to India, are good examples of that country's enterprise in the export of engineering skills and equipment which, in the light of the new connection with Dr. Fidel Castro, it may now endeavour to extend to the Caribbean. This would be about on a par with the proclaimed intention of Bulgaria, a country without any significant industrial base, to achieve a production of 1.2 million tons of steel by 1964. But in communist eyes, iron and steel are the lifeblood of every economy, and the engineering industry its sinews. Each State seeks to have these things without regard to considerations of internal costing or the needs or plans of the other members of the *bloc*. So the construction of large metallurgical complexes, based mostly on imported raw materials, goes ahead practically everywhere in the communist world. The aim is to create an industrial base in each country and to foster specialisation in particular products. Czechoslovakia and East Germany are considerably ahead of the other members of the Soviet *bloc* in the matter of industrial skills, but that is due more to the progress made by private enterprise in the 1930's and 1940's than to the efficacy of more recent communist planning.

Bilateral agreements, which are the chief means by which intra-*bloc* trade and the external trade of the east European States is conducted, do not encourage automatic growth. The members of the C.M.E.A. have not made a free trade area of themselves, nor apparently do they aspire to such an arrangement. They do not maintain a common external tariff or a pool of convertible currency and the C.M.E.A. does not regulate the affairs of a single market in the sense visualised by the signatories of the Rome Treaty. The political sanctions under which the countries of the C.M.E.A. are held together are of a much tougher kind than could be applied in the field of trade. Nevertheless, the promotion of intra-*bloc* trade is regarded as an ideological imperative. Since the political explosions of 1956 the aim has been to establish price parities with outside ("the capitalist") world. In the words of Mr. Mikoyan, a deputy prime minister of Russia, communist philosophy now concedes that "the world market and world prices are not a fiction". Following its meeting in December 1962, the C.M.E.A. announced that average world prices in the period 1957-61 were the base from which price adjustments should proceed—a somewhat vague and exhortatory formula. Inevitably, in bilateral bargaining inside the *bloc*, Russia starts from a strongly entrenched position as the main supplier of many things and the chief customer for others. Over half of the exports of the countries of eastern Europe go to that country, making up more than half of the latter's total imports. As a supplier of capital goods, Russia's rôle is paramount and her importance as a source of raw materials has grown steadily in recent years.

Not only does Russia dominate the internal trade of the east European group, her commerce with the outside world is larger than that of any other communist country. Approximately half of the east-west trade of the Soviet *bloc* is carried on by Russia herself. As to about 80 percent, Russia's exports to western Europe consist of primary products—foodstuffs, fuels and raw materials—a pattern which is common to the exports of the other members of the *bloc*. Britain and West Germany are the principal western trading partners of the east European countries, and Britain's trading ties with Poland are particularly close. Although it has many of the features of a "closed shop" itself, the *bloc* does not conceal its dislike of the European Common Market organisation and criticism was particularly vocal when, a few months ago, there seemed a fair prospect that Britain would join the organisation. Communist anti-Market propaganda against western economic integration takes two main lines: one is that the European Economic Community is the economic counterpart of N.A.T.O. and, therefore, aggressive in intent; the other alleges that the Community is a rich man's club whose real purpose is to subordinate the true interests of the newly independent Afro-Asian countries to European economic purposes. Apart from these crude propaganda claims, the *bloc* has certain genuine and well-grounded apprehensions which would have been even more real had Britain joined the Common Market.

Temperate foodstuffs are a not unimportant item in the *bloc*'s traditional exports to western Europe, and it would be in this sector of their trade that the east European countries might prove most vulnerable to the Common Market discriminatory mechanism. It may be that Russia would not suffer greatly on this count, but Poland, for instance, which does the largest east-west business in foodstuffs, would almost certainly be hard hit especially if her chief customer, Britain, had gone into the Common Market. Oil and petroleum products constitute the largest single item of Russian exports to western Europe and they are highly important to Rumania's trade as well. In recent years, Russia has embarked upon a spectacular drive for oil exports which has met with a measure of success. If the Common Market countries were to take up a more restrictive posture towards oil imports from non-members the effect on the export trade of Russia might be quite serious. Meanwhile, consignments of Russian oil reaching selected points in both the eastern and western hemispheres serve to earn both foreign exchange and political kudos for that country.

But it is not merely in Europe that the Comecon countries are searching for trade openings; in varying degrees practically every member of the east European *bloc* has been able to increase its trade with the south Asian countries, especially India, to which the *bloc*'s exports in 1962-63 amounted to over Rs. 100 crores. Of this, exports from Russia accounted for more than half, with Czechoslovakia coming next with approximately one-fifth of the total. A new bilateral agreement with Russia provides for the exchange of goods worth approximately Rs. 100 crores each way by 1966, and if this target is reached, it will make Russia one of India's most important trading partners.

For the most part, the bilateral trade agreement is the instrument by which the members of the Soviet *bloc* seek to promote, regulate and formalise their external trade. Generally speaking, these agreements fall somewhat short of a formal trade treaty; they express the good intentions of the contracting parties towards one another, reiterate their desire to expand mutual trade, suggest the directions in which this can be done and in some cases quantify the volume of goods or commodities which it is hoped to exchange over a period of time. Where special payments arrangements are involved, these may be specified in some detail, but most bilateral trade agreements are essentially an expression of good intent based on good faith. They practically never provide for any kind of sanction or penalty for non-observance, but they serve to assert respective sovereignties and to that extent are popular with newly sovereign States. Russia and her satellites in eastern Europe are well aware of these facts and the number of bilateral trade agreements which have been signed in their chancelleries must be legion.

These bilateral trade agreements very often enable the contracting parties to surmount currency difficulties by deals that have many of the characteristics of barter transactions; but in a world in which currency relationships are frequently far awry, a plausible case can be made out in their favour. Although the technique of bilateral business is improving, it remains a poor substitute for trade done by the ordinary machinery of international commerce, and from time to time leads to embarrassing surpluses and shortages. Inevitably, Governments play the major rôle in negotiating and executing them, and in those States in which the details of economic policy are directed exclusively by Governments this is regarded with favour. Sometimes the impact of a trade agreement penetrates beyond pure trade to offers of technical and military assistance, thus opening the way to political infiltration. But usually the typical bilateral agreement provides for an exchange of goods or raw materials with perhaps a provision for the use of local currency on one side or the other. The east European economies represented in the C.M.E.A. are criss-crossed with bilateral trading arrangements.

Ten years after Stalin's death, the economic picture which emerges from the east European *bloc* is mixed, but may well appear encouraging to the communist leadership in the jaundiced view which Marxist doctrine bids it take of the free enterprise economies of the West. On the credit side, there is evidence that real wages have risen in publicly-owned projects and that consumption standards have been raised. But nowhere is there anything approaching a condition of affluence, although social services have improved, particularly among urban dwellers. Unemployment appears to be fairly small, but it is persistent. Trade has to some extent been diversified and new commercial links have been established with the West and with some of the developing countries of Asia and Africa to whom it has also been possible to offer a growing quantity of aid. (Three-quarters of Soviet *bloc* aid is distributed among eight countries, namely, India, Egypt, Indonesia, Guinea, Afghanistan, Cuba, Iraq and Ghana.) Russia has scored spectacular successes in the exploration of outer space and the scientific genius which lies behind these triumphs has been universally acclaimed. But no one has questioned whether the hard won assets of what is still a relatively poor country should be expended in this way. For at the heart of the communist doctrine lies the unchallengeable proposition that the State is all-wise and omnipotent and the individual can have no choice in the ultimate disposal of the community's resources.

On the debit side of the account, the progressive collectivisation of agriculture has failed to raise production to the desired levels, and what has been described as "the silent contracting out" of the farmers from the planned economy, remains the biggest single problem of the communist Governments of eastern Europe. Price rises and food shortages when they occur are felt first in the towns, where low housing standards and other disabilities are a constant reminder that the millenium is a long way off. Indeed, the prospect is that the east European States will continue economic dependence upon Russia, which must necessarily play a major rôle in the groups' [illegible] which there is little chance of any of the sa[illegible] breaking away. However ardently these junior members of the *bloc* may desire economic independence, it is likely to be denied them as long as their manufactured exports are lacking in competitive power and they are unable to produce adequate farm surpluses.

A POLICY FOR JUTE

INDICTMENTS come easily to official committees, not least because this is a popular attitude to adopt towards a well-established industry. Anyone looking objectively into the Srivastava Committee report, which recently reviewed the problems of the jute industry, will find not only a good deal of attitudinising but also a persistent effort to score points off the industry by innuendo. In a section which ostensibly presents the basic facts of production and exports in the decade of the 'fifties, the level of operations obtaining in India is juxtaposed with the comment that the Pakistani industry, starting from scratch, developed during this period a capability equivalent to 20,000 looms. It seems to be implied that restrictions on Indian output brought this about, which is wholly unwarranted by the facts. In the normal course, one need not have bothered unduly about how a group of officials interpret the course of events, especially if the analysis is as skimpy as presented in this particular report. A correct understanding is important, however, if New Delhi is to arrive at a coherent policy for the future which will be shaped more than anything else by the measures taken to restore competitive parity with Pakistan.

In March 1962, when the Srivastava Committee was appointed, Pakistan had just completed a record year of exports. Its declared plans to install a further 6,000 looms, representing a 75 percent increase over present capacity was at last beginning to register in New Delhi. There was a glimmering of recognition that the strength of Pakistani competition was reducing India in some ways to the rôle of a residual supplier. The pressure was acutest in sacking, in which India had lost a good deal of ground already in her traditional markets. In Australia, sacking shipments were down from about 100,000 tons a year before 1955-56 to a mere 33,000 tons and in the Far East from over 80,000 tons to 50,000 tons. The realisation that further losses were in store finally persuaded the Government to have the industry's prospects assessed so as to evolve a new policy. A report was required in three months but the Committee apparently found its allotted task so difficult that it took over nine months to complete its labours. The delay was compounded by the fact that it took New Delhi another eight months to make the report public.

One would have little reason to grumble about the delay had the time taken been used to formulate a well-conceived plan of action in consultation with the interests concerned. What specific proposals the Committee has in view to deal with the central problem of unequal competition with Pakistan is not yet public knowledge since this is the subject of a separate and supposedly confidential report. While there are no doubt good reasons for secrecy, the obvious drawback is that it limits the scope for interchange of ideas on the concrete measures to be taken. In relation to jute goods exports, with an infinitely diversified pattern of trading, one need hardly point out that arm-chair theorising is worse than useless. It is to be hoped, therefore, that further consultations will take place between New Delhi and the jute industry before any decisions are taken. There can be no objection to these being held *in camera* since there is no point at all in giving advance notice to one's competitors of counter-measures until one is ready to implement them. Secondly, even in the present troubled political situation between the two countries, the door must be left ajar as long as possible in the hope of arriving at a *modus vivendi*. India and Pakistan together account for over 90 percent of the jute goods entering the world market, and growing competition between the two might involve both in losses. Finally, Pakistan's export bonus vouchers—the main point at issue—are not a device that India can easily counter without going in for something similar herself. Such a step cannot be taken lightly for it amounts to operating a dual exchange rate with inevitable repercussions on the whole economy.

Since the Committee's view on these difficult issues are still New Delhi's secret, one has to judge its contribution by its approach to the wider problem of ensuring the industry's orderly growth. One finds here a curious contrast between the helpful and constructive attitude to matters like the release of foreign exchange to facilitate modernisation and renovation, and the arbitrary, *ex cathedra* pronouncements against the Working Time Agreement used by the industry for many years to regulate production. Going by the fact that India's share of the world market has declined over the last ten years, it is immediately assumed without any further enquiry into the circumstances in which this happened that the Agreement is "basically restrictionist" in its outlook. It is further alleged that it has operated to protect inefficiency in the jute industry by safeguarding marginal units from the full fury of competition.

The first point to note is that the Srivastava Committee held its enquiry at a time when the basic circumstances of the industry had already undergone important changes. Jute has been in plentiful supply for three seasons running, and overseas demand has been maintained at surprisingly high levels. In these conditions, as an I.J.M.A. memorandum pointedly remarks, it is easy to advocate being progressive, overlooking the factors which justified—and indeed dictated—restraints in the past. From partition right up to 1961-62, except in one single year the domestic supply of jute fell short of the mills' consumption of fibre by a large margin—ranging from 2 million bales in 1954-55 to 600,000 bales in 1960-61. The fibre consumption, as calculated here, represents only the requirements of the I.J.M.A. members and three reporting mills, which leaves a certain percentage of the loomage still unaccounted for. It is of some interest to recall what happened in the freak 1958-59 season when a 7-million-bale crop was produced. The operation of the mills geared to the level of world demand required no more than 6.46 million bales, which left a sizeable surplus. Acting with a full sense of responsibility, steps were taken to cope with the fibre surplus, as is evident from the published statistics which show an increase in the end-of-season stockholding of the I.J.M.A. mills alone of very nearly 600,000 bales. Prices did drop during the season by an average of Rs. 4 a bale, which may have discouraged farmers from growing enough jute during the next season, as has at times been alleged. But if this was the case, there was no means of anticipating the outcome since an average of over Rs. 25 a bale was not at that time regarded as unduly low. It is to the credit of the mills that they soon reconciled themselves to the idea of assuring the grower of a higher return in advance of the growing season, regardless of the prices realised for jute goods. In a trade subject to such wide variations, a commitment of this nature cannot be easy to give because the price of the fibre accounts for 60 percent of the production cost of jute goods.

Since the 1961-62 season, price maintenance has relied heavily on the I.J.M.A.'s co-operation. The Association operated a quota scheme designed to support the fibre market. Additionally, it took the initiative to organise a Jute Buffer Stock Association which has, by and large, worked to good effect. Not only is the Government represented on the J.B.S.A.'s managing committee by the Deputy Jute Commissioner; all major decisions have been arrived at after full consultation at other levels in Calcutta and New Delhi. The Srivastava Committee complains that the working of the J.B.S.A. does not enjoy the full confidence of the growers or the trade, and goes on to suggest that the Government should take over full operational control. The reasoning is difficult to understand: if individual reservations are held sufficient to discredit the J.B.S.A., this may well be the case with a Government-controlled agency because no particular course of policy can be expected to satisfy everyone.

A more fundamental objection to a bureaucratic takeover is that a commercial operation like the buying of raw jute must be safeguarded from political interference if it is to succeed. Unless one wants the J.B.S.A. to be diverted from its real purpose, would it not be much better to insulate its management from political pressures which an official agency may find hard to combat? There is, for instance, a very real danger that price support may be carried to a point where it begins to hurt not only the mills but also the long-term interests of the growers and the States. In West Bengal, warnings have already been given by responsible leaders against the unnecessary diversion of paddy land to jute with disastrous consequences for the price of rice. The right policy is obviously one which relies upon higher yields, rather than extension of acreage, to raise a crop of the size that the industry will need to maintain its present momentum of growth. At the same time, grade differentials should provide a built-in incentive for the improvement of quality. These considerations are vital for the future of jute goods exports, and cannot be expected to weigh sufficiently with local political aspirants to make them desist from agitation which deflects the State and Central Governments from pursuing a rational policy.

PROSPECTS FOR METALS

THE prices of the four major non-ferrous metals—copper, lead, zinc and tin—have been very high in India because of an acute shortage. A quintal of copper scrap now fetches as high a price as Rs. 590, as against Rs. 520 about a year ago. Lead costs about Rs. 210 a quintal (against Rs. 140), zinc Rs. 260 a quintal (same) and tin Rs. 3,400 a quintal (against Rs 2,650). Tin, in particular, has risen appreciably on fears of reduced imports as a result of high international prices. With the improvement in exports and bigger availability of credits for maintenance imports, the trade had hoped that the import policy for the October 1963-March 1964 period would be liberalised. The decision to continue the previous restrictive policy for established importers has naturally caused much disappointment; it has been pointed out that their considerable experience in importing metals, a highly specialised activity, is not being sufficiently used. Since the importers are subject to strict controls—although controls do not operate after the metals pass out of their hands—there is little justification for continuing State trading in metals, which reduces the share of the established importers without offering any special advantage to the consumer.

Indigenous production is limited, amounting to barely 9,800 tons of fire-refined copper and 3,000 tons of lead. Zinc is not being produced, but the 10,000 odd tons of concentrates obtained from the combined lead-zinc ore in Rajasthan are shipped to Japan for refining. As for tin, there are no domestic resources and the entire demand has to be met out of imports. The Development Council for Non-ferrous Metals estimated that during the third plan period, the annual demand for copper would rise from 85,000 tonnes to 170,000 tonnes, for lead from 35,000 tonnes to 65,000 tonnes, for zinc from 85,000 tonnes to 185,000 tonnes, and for tin from 7,000 tonnes to 10,000 tonnes. Imports, however, have lagged considerably behind demand because of the foreign exchange shortage. In 1962, imports amounted to only 67,500 tonnes of copper, 35,000 tonnes of lead, 75,000 tonnes of zinc and 4,900 tonnes of tin: imports during the first half of 1963 have been 37,000 tonnes, 20,000 tonnes, 43,200 tonnes and 2,200 tonnes, respectively. Except perhaps in the case of lead, supplies of which have been more or less adequate, there is a serious shortage of metals, which has caused substantial idle capacity in the non-ferrous metal industries. Since this is a feeder industry, meeting the requirements of the engineering, electrical and allied units, the shortage has far-reaching consequences. The recent spurt in the international prices of metals will aggravate the shortage since the import licences are based on value.

Lately, the prices of both zinc and lead have touched new highs in London after remaining depressed for some years. Cash zinc has risen to £83¾

a ton on the London Metal Exchange (as against £65⅞ a ton on 15th October last year) and the market seems to have settled down at the higher level. The rise is due to the improved business outlook in both the U.S.A and the U.K. Market analysts in the U.S.A. are expecting a record consumption of both zinc and lead in 1963. Economic activity, particularly in the motor-car industry, is expected to increase still more in the autumn months. It is confidently forecast that zinc consumption in the U.S.A during 1963 will reach a high of 1.2 million tons because of the record sales of galvanised sheets and larger use of die-castings in the motor-car and appliance industries.

On the supply side, there is a shortage of zinc concentrates in the world, a shortage which has persisted for a long time. Stocks of zinc with U.S. producers have been declining for some months, and the September figures recently released by the American Zinc Institute show a further shrinkage. The tightness in U.S. stocks has raised hopes ot some releases from the Government stockpile surplus which amounts to about 1.4 million short tons. But, according to some observers, there is little immediate prospect of stockpile disposals because of the opposition such a move is likely to provoke from U.S. mining interests. There are also possibilities of increased offerings of zinc and lead by Russia to earn foreign exchange for her grain purchases, but so far that country has been selling only moderate quantities. The offerings, however, are not likely to be very big because Russia and, to a lesser extent the other communist countries, are consuming a larger proportion of their output.

In common with zinc, lead is experiencing a boom. Compared with £52⅜ a ton for cash lead on 15th October last year, the London quotations are now around £70¼ a ton, the highest level for about three years. Demand is rising faster than production, with a consequent fall in world supplies. The boom originates from increased activity, particularly in the U.S motor-car industry. According to observers, U.S. lead consumption this year may exceed the previous peak level of 1.23 million short tons in 1955. Russian offerings on the London market have been quickly absorbed and the trend is strong The latest reports suggest that world consumption is somewhat higher than the total of new production and imports from Russia.

With industries working at a high level in the U.S.A. and fair indications from Europe, tin consumption so far has been very good and may continue to exceed new production. The political friction between Malaysia and Indonesia has prompted the latter to transfer her smelting arrangements from Malaya to Holland—a move which caused some dislocation in supplies. Cash tin jumped from £932½ a ton on 16th September to £962 on 19th September in the wake of the disturbances, but later declined gradually. Now, it has again shot up, this time to £976½ a ton in spite of the sales from the International Tin Council's buffer stock when the price pierced the ceiling of £965 a ton. This boom is attributed to the falling output in Bolivia and Indonesia. From the long-term point of view, a more important influence in the tin market—and one which has dominated it for well over a year—is the U.S. stockpile surplus. Total U.S. stockpile holdings stood at 346,000 long tons on 31st March this year. Of this, 161,000 long tons were "in excess of maximum objective". This surplus alone is about equal to the total world consumption in a year. If the stockpile releases continue at the present rate of 400 tons a week, no serious disruption of the market is feared in view of the rising consumer demand both in the U.S.A. and in Europe. The International Tin Council will be shortly sending a mission to Washington to obtain a firm undertaking about the future disposal of stockpile tin. The object is to ensure that disposals will be made in such a manner as not to jeopardise the development of the tin mining industry. However, if experience is any guide, it is doubtful if anything concrete—such as about the size and pace of releases and the price at which they will be made—will result. The Tin Council wants the stockpile sales to stop when tin falls below £910 a ton in London and to increase when the price touches £965 a ton.

As for copper, price changes on the London Metal Exchange have not been wide. Producers continue to support the cash wirebar price at £234 a ton. Consumption prospects are considered reasonably good in view of the high level of industrial activity in the U.S.A. In the U.K. too, consumption is higher than in 1962 and sales to European countries have been good. However, the producers have not yet been able to decide whether the position warrants restoration of the production cuts now in operation.

India's Resources
are Precious
WASTE NOT,
WANT NOT

Current News and Comment

Dastur Report on Bokaro

It is not necessary to agree with all the formulations made by Dr. M. N. Dastur and his colleagues in their detailed project report on the Bokaro steel plant to recognise that their work constitutes something of a landmark. The report is the first blueprint for a major engineering enterprise prepared by an Indian group without any assistance from abroad. The basic technical concepts adopted by Dr. Dastur have, in effect, been endorsed by the team of experts sent out by the U.S. Steel Corporation on behalf of U.S. Agency for International Development because the plant, equipment and facilities proposed by the two are in many ways identical. Both approaches recognise that the Indian perspective of demand justifies setting up a plant exclusively for flat products, which is designed from the start to make the most of economies of scale. Hence the choice of both is in favour of units with an in-built capacity for expansion.

But the differences between the two are as striking as the points of agreement. Dr. Dastur sets a price on the total complex which, at Rs. 588 crores, is 21 percent lower than the U.S. estimate of Rs. 712 crores. In terms of the foreign exchange component, the Dastur estimates are almost half of what the U.S. team proposed—a disparity which calls for an explanation since both sets of figures are based on U.S. prices for equipment. The inference from published reports is that the U.S. estimates included a much bigger provision for capital charges accumulating in the 20-year period over which the construction of the plant to its 4-million-ton capacity was to be spread. Secondly, the U.S. team relied to a far greater extent than Dr. Dastur does on imported supplies and services on the plea that these were not likely to be available in time and on the scale required. Since the last stage of construction was, according to the U.S. schedule, phased to start only in 1972 for completion in 1976, this assumption seems questionable. It is difficult to say more on the available evidence but one assumes that the difference between the two reports is basically one of outlook—one trying to make the most of Indian resources, existing and potential, to reduce the foreign exchange component, while the other prefers the safety of assured supplies. There is something to be said for caution unless a policy decision is taken to use Bokaro to stimulate the growth of supplying and servicing agencies. This will involve some uncertainty and risk but the price may be well worth paying because of the permanent increase in India's capability to build major plants herself that may be expected to accrue. Where the line is finally drawn will depend on the proportion of risk to certainty that the Government feels it can accept.

The same sort of considerations are involved in deciding on the construction schedule—Dr. Dastur's proposals require only eight years from start to finish, against 20 years recommended by the Americans. There is no dispute that demand, present and prospective, requires building up flat product capacity as rapidly as possible. But the U.S. team thought it preferable to go slow because of several factors, one being the time it would take to build up the raw material and manpower base. Dr. Dastur obviously disagrees with this view; his argument is that a good deal of work has been done to prepare for Bokaro unlike in the case of the three Government steel plants set up during the second plan. The raw materials sources have been located, and mining development has begun. Even though the preparations should have been much further advanced by now had they been pushed as hard as in the past year, it is not rash to think that the necessary quantities can be raised and moved by the time Bokaro's first stage is commissioned.

That still leaves unanswered the question of how Bokaro is to be built. The present presumption is that the Aid-India Club members other than the U.S.A. will allow some part of their credits to be used for purchasing equipment for Bokaro over the next few years. The interest shown by supplier-firms from the member-countries is no doubt encouraging but not very much more. As far as Britain and West Germany are concerned, they will be called upon to assist in expanding the Durgapur and Rourkela works during the fourth plan. It is only natural that they should treat these projects as having the first claim on their help. Will there be enough left in the aid kitty, in the case of these two countries, to be of any great benefit to Bokaro? From the aid-giver's viewpoint, excessive concentration on steel creates political difficulties at home because the benefits of aid in the shape of contracts would then flow only to a limited number of large engineering firms. There are, of course, other Western nations to look to but can they collectively put together a plant of the size and complexity of a 4-million-ton flat product plant?

Tax Impact on Company Profits

In a study of the balance-sheets of several listed companies issued during August and September 1963, the Calcutta Stock Exchange Association Ltd has discussed the heavy incidence of taxation on profits and retained profits. Although the profit trends have been mixed, almost every company has suffered due to heavy taxation. It is not possible to measure the exact incidence of the super profits tax, as all companies have not shown their provisions for liability to this levy. It is, however, believed that its impact is considerable. The companies have been classified into three categories. In the first category have been included companies which have made bigger profits in 1963, but their net and retained profits have considerably fallen because of heavy taxation. The second category of companies have earned smaller incomes and lower profits. Hence their retained profits have fallen.

The study says that these profits would not have been so disappointing had the tax provision not moved up. The third category of companies have earned bigger profits. So they have shown larger net and retained profits, but the results would have been much more impressive but for the high rate of tax. It may be interesting to note that the first category consists of Dyer Meakin Breweries, Hindustan Motors, Bararee Coke, Indian Plastics and Kusum Products. In the second category have been included Bhartia Company, Gwalior Rayon, Hindusthan National Glass, Metal Box, Jiyajeerao Cotton, Orient Paper and Teesta Valley Tea. The third category covers, among others, Auckland Jute, Agarpara Jute Company, Anglo-India Jute, Bally Jute, Birla Jute, Dalhousie Jute, Fort Gloster Industries, Gourepore Company, Howrah Mills, Hukumchand Jute, India Jute, Indian Iron and Steel, Imperial Tobacco, India Paper Pulp, Jardine Henderson, Kinnison Jute, Lawrence Jute, Megna, Nuddea Mills, Northbrooke Jute, Union Jute and New Chumta Tea.

New U.K. Aid for India

An agreement was recently signed in New Delhi under which Britain is to make a £4 million loan to the Indian Government. The loan, which is for a period of 25 years, is part of an offer, made by the British Government at the recent meetings of the Aid India Consortium in Paris and Washington, of £30 million of additional aid in 1963 and 1964 as a contribution towards the foreign exchange costs of economic development under India's third five year plan. It has been agreed that the money should be used to improve the operating efficiency of manufacturers in India who traditionally look to Britain for their supplies and who are at present experiencing difficulty because of India's tight foreign exchange situation. The need to make funds available for this purpose was emphasised to both the British and Indian Governments by Sir Norman Kipping, director-general of the Federation of British Industries, following a visit to India earlier this year.

The loan will be allocated among three categories of companies. Firms producing machinery and equipment of British design will be given additional licences for components, and, in exceptional cases, for small amounts of specialised raw materials essential to production which have to be obtained from Britain. Small amounts may also be used for spares in certain cases. Those eligible for allocations in this first category—which is expected to receive about half the total—include firms producing sugar, cement, textile and electrical machinery, and motor-vehicles and their components. The second category covers representatives of British manufacturers of machinery and equipment who have received import licences in the past as established importers They will be given additional allocations to import the spare parts necessary to service and maintain the equipment which is already installed in India. The spare parts which can be imported under this scheme include those for machine tools, coalmining machinery, weighing and office machinery, electrical machinery, and transport and earth-moving equipment. The third category covers firms producing metal products which may wish to replace obsolete and written-off machine tools and other equipment of British origin.

Repayments are not to begin until after the seventh year, and the interest due during the first seven years of the loan will also be waived. On the basis of current interest rates, it is estimated that the effect of the waiver of interest is equivalent to a reduction in the interest rate over the life of the loan from about 5½ percent to below 3½ percent. Conclusion of the loan agreement brings to £112.5 million the total of loan agreements signed since the beginning of the Indian third plan period in April 1961, out of a total of £125 million now committed. Discussions are currently taking place between the two Governments on the allocation of the balance of £12.5 million.

Coal Production Paradox

It is officially claimed that coal production in the country has already overtaken demand. How misleading the claim is, is shown by the presidential speech of Mr. D. C. Driver at the latest annual general meeting of the Coal Consumers Association of India recently in Calcutta. Production of coal, of course, has increased, but the improvement is only in quantity. As Mr. Driver rightly points out, this has led to the anomaly that there is now more low-grade coal than the country needs. During the year ended 31st March, 1963, output totalled about 64 million tonnes, compared with the previous year's 55 million tonnes and the plan target of about 75 million tonnes for the year. Low-grade production, it is estimated, is 2 million tonnes in excess of its target, but the fall in the production of the better grades has been serious. The selected A grade coal produced in 1960 was 7.577 million tonnes. Its output fell to 7.439 million tonnes in 1961 and to 6.899 million tonnes in 1962. Selected B grade coal production fell from 10.059 million tonnes in 1960 to 6.685 million tonnes in the following year. It rose only slightly to 7.753 million tonnes in 1962.

It is generally suggested that the anomaly can be corrected by washing lower-grade coals to remove its higher ash content, but the remedy itself has created a new difficulty. Middlings, which are a by-product of washing, have only a limited use as fuel in newly-designed boilers and in brick burning; they are otherwise difficult to sell. This pushes up the price of washed coal of better quality to "unaccustomed heights". Mr. Driver observed. Coal has to be washed to supply adequate good coking coal of the steel industry. But, Mr. Driver points out, the same reasoning cannot apply to the washing of ordinary non-coking coal of lower grades. The output of middlings is already much in excess of demand. By the end of the fourth plan, there will be a glut of these in the market. The Central Minister of Mines and Fuel, Mr. O. V. Alagesan, himself has estimated that the annual production of middlings by the end of the fourth plan will be 25 million tonnes.

There is now a tendency in the economy to consume less coal. Mr. Driver lists several causes for this, apart from the well-known one that during and after the emergency, organised industries have built up a stock of over 3.5 million tonnes. The following are some of the other causes: the rate of industrial expansion has slowed down, and the unsatisfactory supply during the last three years has forced industrialists starting new units to indent both oil and coal-using equipment. For example, Tata Chemicals new boilers in Mithapur burn 40 percent oil and 60 percent coal, and the Indian Wire Products Company's new units in Jamshedpur can use both oil and coal. Cement factories in the northern and western regions of the country are gradually switching over to oil. The railways, a major consumer of coal, are speeding up the process of dieselisation in the entire north-east frontier, in Saurashtra and in south India. Electrification of tracks is proceeding apace. The railways, will, thus be using 1 million tonnes of coal less by the end of the third plan, and lesser during the fourth plan. The development of hydro-electric energy, the production of lignite in south India for power briquetting and low temperature carbonisation are some of the other factors which may lessen the demand for lower grades of coal. Thus the economic outlook for the industry as a whole is far from satisfactory. Mr. Driver urges the Government to take timely and appropriate measures to forestall the coming crisis. A badly needed measure is to curtail the production of lower grade coals wherever possible, and to find new uses for them. Another is to reduce the cost of transporting coal by rail and road. Mr. Driver has, however, omitted to stress the important point that the coal industry's economic problem will not be solved only by reducing the output of lower grades: it is necessary to raise the production of better grades through realistic price incentives.

Raising Engineering Exports

The study group on the export of minerals, steel and engineering products with Mr. C. M. Poonacha as chairman, is reported to have reached the conclusion that it is feasible to increase engineering goods exports. The level of these exports stood at nearly 3 percent of the output in 1962—that is, Rs. 11 crores out of a total production worth Rs. 366 crores. In the study group's view, the proportion can be raised to 7½ percent, that is, Rs. 163 crores out of an expected output of 2,000 crores by 1970-71. There has been an encouraging rise in the exports of engineering products from India during the past few years. These goods are being sold not only to countries in Asia, Africa, as well as to Australia and New Zealand, but also to the industrially developed countries in Europe and the United States. The new export target will have little chance of being fulfilled unless some of the difficulties standing in the way of higher engineering production are first removed.

One of the difficulties is the shortage of raw materials and machinery, and their high costs. The study team has suggested that pig iron, steel, aluminium and other engineering materials produced internally should be made available to the industry at world prices for manufacturing engineering products for export. A point which the study team does not appear to have sufficiently emphasised is that in order to be able to produce engineering products in India at competitive prices, it is necessary that the industry's dependence on imported raw materials and components should be reduced by raising their domestic production. Unless this could be done, it might not be possible to increase engineering goods exports to the desired level. Moreover, the exports need to be diversified to enhance their marketability abroad.

As long as production costs in the engineering industry remain high, it would be necessary for the Government to subsidise these exports. One of the methods suggested by the study team is that an export cess might be levied on all engineering industries in the country for reimbursing exporters to the extent of the difference between domestic and international prices for their end-products. But the great disadvantage of this suggestion is that it will further increase the prices of engineering products for Indian consumers who are already paying high prices.

A remarkable suggestion of the study team is that manufacturer-exporters who are able to sell an appreciable percentage of their output overseas, say, 10 percent or more, should be treated more favourably than those who sell less, while allocating raw materials and components, power and transport facilities. This would not only encourage producers to become export-orientated, but would also raise the output of exportable goods. The present system of refunding Customs, excise and sales tax levies on export goods is not working satisfactorily. The study team has suggested that concessions given in the shape of drawbacks of Customs or excise duties, reduction in pig iron and steel prices, and refund of sales tax and other levies should be lumped into a consolidated packet for each item of export and granted promptly and expeditiously.

Finance for State Plans

In a communication to State Chief Ministers, the Planning Commission has emphasised the need to pay greater attention to tax collection, economies in non-plan expenditure and in general administrative costs. This, it is pointed out, is necessary to finance State development programmes in the fourth year of the third plan. According to the Commission's estimate, State Governments total outlay on the plan in 1964-65 is likely to be Rs. 850 crores—nearly Rs. 100 crores more than the expected total outlay in the current financial year—out of which Central assistance would be Rs. 500 crores. So the States will have to provide Rs. 350 crores from their own resources. In the current financial year, their performance in mobilising resources has not been quite satisfactory. This is so especially in the case of Assam, Andhra Pradesh, Kerala, Madhya Pradesh, Jammu and Kashmir and Rajasthan.

The third plan target for raising Rs. 610 crores from additional taxation in the States is not likely to be realised. Concerted efforts will, therefore, have to be made to tax the rural sector more. The increase in taxation as well as fresh levies by the States so far are expected to yield an additional revenue of Rs. 425 crores over the entire plan period. But in view of the withdrawal of the compulsory savings deposit scheme for the cultivators and for persons in lower income groups and because of the suspension of measures to increase land revenue in U.P., Madhya Pradesh and Bihar, the total yield from additional taxes is likely to be even smaller.

As the Planning Commission has rightly emphasised, there is considerable scope, roughly estimated at not less than Rs. 50 crores for all the States taken together, for increasing the funds available for plan projects, if the States make efforts to economise on non-plan outlay and to avoid waste in general administration. But this will not suffice. The State Governments will have to increase their tax revenues to be able successfully to finance their plan projects. The conclusion is irresistible that they will have to tax the rural population more courageously than they have done so far. There may be some scope for increasing the revenue from sales tax, excise duties and other State taxes on trade and industry and on people in their urban areas, but the scope is necessarily limited. It is only through ot

increased land revenue, betterment levies and other taxes on land that the State Governments can hope to raise Rs. 610 crores from additional taxation during the plan period.

In the first three years of the third plan, the State Governments used nearly Rs. 1,200 crores out of a total allocation of Rs. 2,375 crores for the entire plan period. A sum of Rs. 1,175 crores remains unused and would be available in the remaining two years of the plan period, out of which nearly Rs. 500 crores would be available in 1964-65. This means that the scope for the State Governments to draw on Central assistance for implementing their plan projects is limited and there is no escape from increasing the level of taxation.

As far as the State Governments' expenditure is concerned, the Planning Commission has emphasised the need for giving high priority to the outlay on agriculture. The States have been rightly warned against the tendency to divert funds from agriculture and co-operation to other schemes. In order to be able to achieve the third plan target of 100 million tons of foodgrains a year and to achieve higher outputs of raw cotton, jute, sugarcane, oilseeds and other cash crops, it is necessary not only to strengthen the agricultural administration in the States, but also to provide for a larger outlay on irrigation and farm production programmes.

Sugar Company Land Take-over Void

The Maharashtra High Court has declared Section 28 of the Maharashtra Agricultural Lands (Ceiling on Holdings) Act *ultra vires* of the Constitution and hence void, while saving the rest of the Act. This ruling has been given in a special judgment on the writ petition filed under Article 226 of the Constitution by certain sugar companies and owners of sugarcane lands challenging the validity of the Act. Section 28 of the Act made a special provision for land taken over from industrial undertakings in order to ensure efficient cultivation and continued supply of raw material. The Act seeks to secure the distribution of the agricultural land to landless and other persons, and the imposition of a maximum limit on the holdings of agricultural land in the State and for providing for the acquisition of land in excess of the ceiling. Their Lordships felt that vesting surplus land in the Maharashtra State Farming Corporation would bring into being a state of things contrary to the very purpose of the enactment. Section 28 has been held repugnant to the Constitution as the acquisition of lands was not for a public purpose; nor was it an agrarian reform. The competence of the State to pass a ceiling Act like the Maharashtra Agricultural Lands (Ceiling on Holdings) Act has, however, been upheld.

The High Court judgment is likely to create a complicated situation as several sugar companies are known to have already surrendered their surplus lands to the State Government. The uncertainty will naturally persist for quite some time because the State Government is bound to take the matter to the Supreme Court. The stock market's immediate reaction to the High Court ruling has been to mark up sugar shares, but it might prove to be risky to "bull" sugar shares purely on the basis of the Court ruling declaring Section 28 as null and void, because of the Constitution (Seventeenth Amendment) Bill which is now being examined by the Select Committee. This Bill seeks to amend Article 31A of the Constitution which provides that notwithstanding anything contained in Article 13, no law providing for acquisition by the State of any estate or of any rights therein, or the extinguishment or modification of any such right shall be deemed to be void on the ground that it is inconsistent with or takes away or abridges any of the rights conferred by Articles 14, 19 and 31. The expression "estate" contained in Article 31A is sought to be amended so as to include therein lands held under Ryotwari settlement and all other lands for which provisions are normally made in the Land Reform Enactments. In addition, the Bill seeks to add to the Ninth Schedule of the Constitution 124 State Enactments passed during the last 13 years in order to remove any uncertainty or doubt which may arise concerning their validity. The proposed amendment will have far-reaching implications. Business circles feel that it would leave great scope for arbitrary action by the executive in the acquisition of Ryotwari land or any other land held or let for purposes of agriculture. The Indian Merchants' Chamber has represented to the Central Government not to put through the proposed amendment.

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Protection for Piston Assembly

The Central Government has accepted the Tariff Commission's recommendation to continue protection to the piston assembly industry for a further period of three years, that is, up to December 1966, at the existing rate of protective duty. Although the industry has made considerable progress in recent years, indigenous production of pistons, piston rings and gudgeon pins by the four major producers in the organised sector and some 80 units in the small-scale sector is still far short of the country's requirements. Protection is, therefore, necessary for the stabilisation and future expansion of the industry. In the absence of imports on account of restrictions, comparison of all types of indigenous products with the corresponding types when imported is not feasible. But if taken with due weightage of products for the costed units, the average disadvantage, according to the Tariff Commission's report, works out to 22 percent of the c.i.f. value which is lower than the present landed cost with duty at the protected rate of 50 percent plus a 10 percent surcharge. For this reason alone, the Commission has not recommended any reduction in duty. Till indigenous raw material becomes readily available at prices comparable with those at which overseas producers are able to get, a certain disadvantage will persist. The Commission has, however, strongly deprecated the practice of marking up the prices of motor-vehicle spares at 70 percent or 100 percent over the landed cost of imported products, particularly when a higher rate of protective duty is taken as part of the landed cost. Producers have been advised not to show any complacency concerning their performance by comparing their current selling prices with such mark-up over the landed cost, including the duty on imported products.

The acid test of an industry having properly established itself under the shelter of protection is the extent to which, by achieving economies of output, it can gradually bring down prices so that part of the benefit of protection can be passed on in later years to the consumer who had to bear the full impact of the burden in the early stages of protection. Fortunately, with good technical collaboration, the piston assembly industry has developed satisfactorily and the quality of its products has improved considerably. The manufacturers are now more confident about diversifying production. But the size of the domestic market as such precludes the producers reaching a unit size and product economy comparable with that of the main motor-vehicle or ancillary producers overseas. Higher efficiency in operation, coupled with a comparative lower conversion cost a unit, will alone help domestic industry to face open competition. Economies of large-scale production will only accrue with the implementation of the expansion plans involving substantial capital investment which the main producers have already on hand.

In view of the rising targets of demand and the installation of capacities of new units before 1965-66 being unlikely, shortages are likely to develop if the expansion plans of established producers are not expedited and priority accorded to them in the matter of releasing foreign exchange. The main producers have pointed out certain lacunae in the import control policy. They contend that neither the protective duty nor the restriction on imports has been able to check effectively this, some consumers, particularly of agricultural tractors, have complained against the meagre allocation of import quota and suggested the issue of actual user licences for items not available indigenously. The Commission has suggested that in order to remove the complaints of producers, the list of restricted categories of pistons should be revised so that the indigenous industry may be helped and import restrictions relaxed where small and special requirements of customers cannot be economically met by indigenous producers.

'CAPITAL' CHRISTMAS TOY FUND

STATEMENT OF ACCOUNTS FOR 1962

		Rs nP	Rs. nP
Balance from 1961	...	288.20	
Collection for 1962	...	3,580.00	
			3,868.20*
Less cost of toys distributed to 8,410 children in 1962	...	3,532.37	
Postage	... ...	13.93	
Miscellaneous	... ...	15.65	
			3,561.95
Balance in 1962 B.F.	...		306.25

*This amount includes the following sums received in the last few days of 1962, and not acknowledged previously:

	Rs.
1. Miss Manjushree Birla ...	100
2. Governor of Orissa ...	50
3. Officers of the Metal Box Co. of India Ltd, Chowringhee	45
4. Mrs. K. Malcolm ...	5
	200

WONDER-WORKER

IN *The Mystics, Ascetics, and Saints of India*, by John Campbell Oman (T. Fisher Union, 14s. net) the author tells a story of a wonder-worker, a certain Hassan Khan, well known in Calcutta some thirty years ago, whose performances could not be easily matched. He was not a conjuror, nor in any way a professional performer, but sometimes he could be induced to show his powers. One was that of producing at will bottles of European wine which bore the label of a well known firm. Once when a fellow traveller by railway said he wanted a "drink" "Put your hand out of the window," said Hassan Khan. The traveller did so and had a bottle of wine put into it. The man's explanation was that he was served by a djinn whom he had learned to control by mystic signs taught him by a Hindu whom he had protected from insult. If Hassan Khan is still among the things that are seen and temporal, I would like to make his acquaintance, not alone on the score of satisfying my occasional thirst, but of having a talk with one of a class of men said still to exist in India but who apparently never reveal themselves to Europeans. If there are any old residents in Calcutta whose memory goes back upwards of thirty years and who knew Hassan Khan, or even about him, I would be glad to hear from them. The djinn who was able, at Hssan Khan's bidding to make so free with some wine merchant's cellar belonged, according to Mahommedan Mythology, to a class of spirits somewhat lower than angels, made of fire, and excercising supernatural influence over mankind both for good and evil. They are called genii in the *Arabian Nights Entertainments*. When they appeared in Human form the good ones were handsome and the evil ones hideous. Hassan Khan's djinn must have been one of the handsome order.

FROM

CAPITAL

5th November, 1903

A Ditcher's Diary

AS WE BEGIN TO LOOK FORWARD ALREADY TO THE END of 1963—myself no less impatiently than the rest—I imagine to most of us it will seem, in retrospect, to have been a thoroughly dismal year. It is no consolation to be told that others have been worse; nor is it necessary for once, to heed the admonition of the proverb which implored the ancient Latins to speak not ill of the year till it be gone. The last two months of 1963 could not possibly be gloomier than the first ten months have been; only in that measure could our pessimism be circumscribed. For *Capital*, however, 1963 is a very special year and Wednesday of next week will be a very special day; assuming regretfully that the world survives until then, the achievement will be duly recorded in an issue of this newspaper on the following Thursday—an issue which will mark our having completed seventy-five years of publication and entered the seventy-sixth. I am well aware of the dictates of fashion which prescribe that birthdays be celebrated with lavish tea-parties, complete with cakes and ale and windy speeches. We shall desist from inflicting upon friends and well-wishers so mortifying an experience. Devoted, as ever, to the supply of provender for the soul rather than the stomach, we shall commemorate the occasion instead by issuing a special seventy-fifth birthday number in December this year as an alternative to our Annual Supplement—a special number, incidentally, which we hope will contain articles from rather more than the usual quota of distinguished contributors.

THAT, HOWEVER, IS NOT OUR MAIN CONCERN for the time being; the more immediate interest centres on the circumstance that this week marks the rebirth of an institution which, although younger than *Capital*, is no less valued—the institution being, of course, the *Capital* Christmas Toy Fund, which is now open for subscriptions. With sorrow, I have to record that last year the Fund did not prosper: total collections were only Rs. 3,580, against Rs. 4,410 in 1961. But, considering the orgy of fund-raising at the time, to fight an invasion that almost was, we perhaps did not do too badly. This year, the rapacity of the tax-collectors remains undiminished, but the appeals to charity are perhaps not as numerous. The generosity of old contributors, and of several new ones each year, therefore moves me to hope that the disappointing shortfall of 1962 will be more than made up by the liberal donations of the coming eight weeks. Please remember that the Fund provides small, inexpensive toys to thousands of children on Christmas morning; and for the vast majority of them, the only gift they receive is the one that comes from the readers of *Capital*. The children, without exception, are all poor: many are orphans; and in distributing our toys we take no account of race, colour, caste or creed. Few causes can be as worthy as the one the Fund represents: the effort to bring a little happiness into the lives of young ones far less fortunate than ourselves. So please be liberal: send as much as you can, as soon as you can. Cash, cheques and toys for the little ones—all are welcome, addressed to *Capital* Christmas Toy Fund, 5 Mission Row, Calcutta 1.

SO I WAS WRONG ABOUT MR. BUTLER; BUT THEN, so were many millions of others. Not that there was any real excuse for being. When I look back I begin to suspect strongly that in fact it was Lord Home all the time: Mr. Macmillan had it fixed a few hours after entering hospital, perhaps even before. What happened subsequently was simply a ruse to convince the British electorate and the less discerning members of the Tory Party that in fact there was only one possible choice. I am surprised the Conservatives tolerated such eyewash, although they themselves never tire of reaffirming that for them unity comes before everything. Apparently Messrs Macleod and Powell do not think so. But as Mr. Macmillan put it afterwards in the tones he usually reserves for pariahs, no doubt they will work their way back in time. For the rest, and especially for Mr. Butler, it has been simply a question of making the best possible job of an ingeniously contrived, but nevertheless blatant, *fait accompli*. The fact they have done so in such double quick time must be a tribute to something or other, but perhaps I may be forgiven if I cannot quite put a name to it at the moment. Will Sir Alec Douglas-Home make a good Prime Minister? Quite honestly I do not know enough about him to judge; nor for that matter does the vast majority of the electorate. But I do think the Conservatives will find him a big risk. When discussing Mr. Macmillan's resignation two weeks ago I spoke about "the image of faded aristocracy which still dogs the Conservative leadership". Well, there you have it: who personified that better than the fourteenth Earl of Home? I am not under-estimating the British love of a Lord, even one who has renounced his title. But I can see what Mr. Wilson is driving at when he questions whether such a man can possibly understand the problems of ordinary people in the twentieth century. In the hands of skilful opposition, the point could be a certain election-loser for the Conservatives. And it is no answer for Sir Alec Douglas-Home to say, as he has done, that because of his experience in farming everything is going to be all right. The British people have little in common with Scottish grouse, and their complicated economic society cannot be run on the lines of an eighteenth century deer-park. One only hopes for Britain's sake that Sir Alec's undoubted personal qualities prove sufficient to outweigh his obvious lack of professionalism. But I should imagine there is not going to be any hurry to consult the electorate: Britain's new Prime Minister will be too eager for achievements before he risks his Government at the polls. There should be consolations in next April's Budget.

THERE IS, FOR OLD-FASHIONED FOLK LIKE ME, something odd about Government servants, past and present, criticising the Government and its policies. Even if Mr. Nehru had not decided to act at once as Prime Minister as well as Leader of the Opposition in this country—a point made here some years ago and adopted since by, of all people, Dr. Ram Manohar Lohia!—the mix-up between the public sector and the private was certain to blur the necessary dividing line. Mr. Nehru, bound by no norms or rules (with some good side-effects), lately criticised the monster the Planning Commission had grown into, not only under his very eyes but also with his presumed indulgence; this was curious but welcome. Mr. A. K. Chanda, former Auditor-General and Comptroller, apparently took this as a cue and then proceeded to say some rather harsh things about planning in general and the Planning Commission in particular. I have not always been kind to either; but then I am not a former Government servant. Mr Chanda's side of the argument must also be placed on record: he knows more than most people about the ways of the Government and private enterprise and is thus more than usually qualified to speak on the respective demerits of both. It still looks somewhat odd. Anybody who points to an evil in public life does something useful; I am the first to admire criticism of the kind Mr. Chanda lately came out with. Yet, apart from the question of propriety, there is that of what I have in the past called "innocence by dissociation". Mr. Chanda's case against the public sector or the private, it doesn't matter which, would be so much stronger if his independence of interest could be easily demonstrated. I, as a journalist, am entitled to theorise: it is not so obvious that Government servants not quite in retirement also are.

DID INDIA I WONDER, SEND A DELEGATION TO THE recent International Conference on Tourism? If she did, I read nothing about it in the Calcutta papers, although that may have been my fault. It was

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Then said another with
a long-drawn sigh,
"My clay with long
oblivion is gone dry :
But, fill me with the
Gold Coin Apple Juice
Methinks I might
recover by-and-bye"

...with apologies to Omar Khayyam



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the first conference of its kind, it was held in Florence, and from what I have heard subsequently this country could have learned a good deal from what passed there. Interest in tourism here has not been what it should be since the Chinese attack last year. I suppose that is only to be expected; tourists themselves have been thinking twice before paying us a visit. But tourism is still a valuable foreign-exchange earner and it is distressing to think that we are neglecting it, since India has so much to offer visitors, especially those who are getting tired of the usual haunts. One of the more prominent of these, Italy, has recently found her tourist trade declining in relation to the world's as a whole, although last year the number of visitors topped the 20-million mark, and the earnings from tourism are still the largest single item in the national revenue. The Italians themselves have been discussing their problem with a great deal of frankness, and their conclusions are that the main reasons may be noise and dirt. I would certainly agree on the former. Noise these days has become inescapable in Latin countries; I have always myself put it down to some long-dormant predisposition in the local character brought to life by the advent of the motor-scooter. It is the same in France, although the popularity of the French Riviera continues to grow immoderately, a fact which, at least this year, can hardly be ascribed to the weather. I was struck some years ago by the contrast between the French and the German-speaking parts of Switzerland in the degree of noise emitted: compare Lausanne or Neuchâtel with Freiburg or Berne. So it must be a matter of communal temperament. I suppose it would be unfair to say categorically whether any communities in India are "noise prone", although I have my suspicions. But mercifully the motor-scooter is still a novelty here, and although heavy lorries and low-flying aircraft are more common than a few years ago, they are still not the problem they have become in Europe. That might be a good reason why India could gain some of the tourist traffic which is by-passing Europe these days. It may be true that there is nothing noisier than an Indian bazaar, and all visitors like to see those. But there are still vast areas of this country where peace and quietness are the features of a traditional life. Before they disappear, and I suspect eventually they will, there is just a chance that with a bit of initiative we could turn them to excellent advantage.

EACH YEAR IN THIS DIARY I DRAW ATTENTION TO the season's concerts to be given by the Calcutta Symphony Orchestra. This year, however, there is to be a rather special concert season. Forty years ago, on 25th November, 1923, the first symphony concert was given by the Calcutta Symphony Orchestra, conducted by Mr. A. de Bois Shrosbree and it is to this gentleman and to Dr. Philip Sandre who was then Principal of the Calcutta School of Music, that one has to pay tribute for the enthusiasm and hard work which enabled the Orchestra to grow and flourish through many difficult years. The coming season thus marks the fortieth anniversary of symphony concerts by the Orchestra in Calcutta—a run which has not been broken by war or civil commotion, which has taken place annually and which has given much pleasure to lovers of Western music in this city. The first concert this year is on 7th November; the second, on 28th November, is planned as a gala concert. To celebrate the fortieth anniversary, there are to be seven concerts instead of the usual six. Apart from performances by Daphne Spottiswoode and Liesl Stary, the Orchestra will be accompanying the famous Swedish mezzo soprano, Kirsten Meyer at the gala concert, while the first concert will be given by the Swiss pianist, Paul Baumgartner. The season promises to be an interesting one; and I hope the concerts get the strong support they undoubtedly deserve.

THE ANNUAL REPORT OF THE AVANA ASSOCIATED Bakeries Ltd, of Britain, states that "at the Dowlais factory the automatic tart production plant is working and has effected an improvement in quality, output and production costs."

The company, I am assured, sought no technical guidance from Miss Christine Keeler.

THE DITCHER

Guide for Investors

SELECTIVE SUPPORT FOR TEA SHARES

(BY A SPECIAL CORRESPONDENT)

TEA shares have received selective support during the past month or so. Attention has been concentrated on the shares of good Assam and Dooars gardens. Bishnauth have risen from Rs. 19.06 to Rs. 19.94 and Jaybirpara from Rs. 12 to Rs. 20.31. The rise has largely been due to the improvement in the general investment psychology following hopes of fiscal reliefs. But investors have been cautious since the index for ordinary shares has declined to 141.8 from 143.2 (1952-53 equals 100) a year ago. The confidence in these shares suffered heavily towards the close of 1962 when the Chinese army invaded India. Prices have not recovered since because the border situation continues to remain unsettled. Until the Sino-Indian conflict is resolved, investors are likely to remain cautious.

The political factor apart, the industry's economic condition has not been particularly encouraging. Since only about a month is left to close the plucking season in north India, it is now possible to have an idea about the total crop. Up to the end of September, the north Indian crop has been 16.4 million lbs smaller at 397.8 million lbs, compared with that in the corresponding period of 1962. The shortfall has helped maintain a fairly steady price level for the commodity but it is doubtful whether the estates have benefited from this. It is true that the average price of leaf tea has improved from Rs. 5.65 to Rs. 5.77 a kilogram over the past year, but it is unlikely that this small rise has been sufficient to compensate the tea companies for the fall in output since the production costs have meanwhile risen substantially due to statutory and other obligations.

This besides, the improvement in the average price has not been uniform throughout all districts. The average price for Assam gardens has declined from Rs. 6.25 to Rs. 6.21 a kilogram and that for the Darjeeling ones from Rs. 7.73 to Rs. 7.47 a kilogram over the past year. Under the circumstances, it is unlikely that estates situated in Assam and Darjeeling will make better profits during 1963 than in 1962. But this general observation might not apply to all gardens if the trends of manufacture and offerings are studied more closely. During the current season, several estates have changed over to the C.T.C. process of manufacture not only in Assam but also in the plain tea growing areas of the Dooars, Terai and Cachar. The trend is welcome because the C.T.C. teas have generally become popular exportable types. Internal buyers and blenders have also evinced greater interest in these grades. At the same time, several gardens—particularly in upper Assam—are manufacturing both orthodox and C.T.C. teas simultaneously. Some orthodox manufacture has, in fact, been of such a commendable standard that the requirements of several traditional buyers have been satisfied. These composite gardens have also succeeded in realising remunerative prices for the orthodox teas. As a result, the sale averages of these gardens have been substantially higher than those of comparable gardens producing only C.T.C. teas. So investors will be rewarded if they exercise discretion in buying tea shares.

Judging from the trend of production during October, it is almost certain that the north Indian crop will close with a substantial shortfall during the current season, compared with 1962. So the marketing outlook for the rest of the season is likely to be fairly steady. Bigger support from internal buyers, in particular, is expected in the coming weeks. The small carryover from the 1962 season, combined with the shortfall during the current season, might create a feeling of urgency among internal buyers. The market for Dusts, meanwhile, is expected to remain buoyant. The smaller crop has not, however, been an unmixed blessing because it has not been helpful in promoting exports. Due to the high price of Indian teas, the latter have been difficult to sell in foreign markets against Ceylon and African teas. It is, therefore, necessary to take steps to raise production in the interest of export promotion. Although the Government is providing more funds to tea gardens, it is doubtful whether production can be raised up to the third plan target by merely giving loans to the industry. In view of the less favourable marketing outlook, the industry has not been prone to borrow on a large scale. It is, therefore, time to think whether bolder measures like plantation subsidy and rebate on exports could be adopted to help the industry make progress on sound lines.

Although the statistics relating to internal consumption are not reliable, it has been guessed that domestic consumption declined in 1962. The trade has rightly expressed its concern over the trend. There is no reason to think that the decline in domestic consumption necessarily promotes exports. On the other hand, the importance of a strong internal demand to act as a buffer against possible overproduction cannot be exaggerated. The *per capita* consumption of tea in India is extremely low, but if the tea drinking habit is discouraged, it will be difficult to revive it at a later date.

Over the past month or so, the average price of tea has not risen in spite of the shortfall in the north Indian crop. The reason is that the deficit has been made up by bigger production from south India, Pakistan, Ceylon and Africa. The world supply has, therefore, been about 18.5 million lbs larger at 1,023.5 million lbs to-date. So there is likely to be an abundant supply of the commodity in the world markets. Since the other producing countries enjoy certain advantages compared with India, the latter will meet rising competition in foreign markets. So steps should be taken to make Indian teas cheaper by holding the production costs down and relieving the industry of the onerous tax burdens.

Brooke Bond India Maintains

THE Brooke Bond Estates India Ltd has maintained the taxable ordinary dividend at 7.5 percent for the year ended June 1963, absorbing Rs. 2.63 lakhs. At the present price of Rs. 12.72 a share of Rs. 10 each, the yield works out to 5.9 percent. The profit has risen from Rs. 3.09 lakhs for 1961-62 to Rs. 4.12 lakhs for 1962-63, after increasing depreciation from Rs. 2.88 lakhs to Rs. 3.11 lakhs and providing Rs. 5.40 lakhs (against Rs. 2.85 lakhs) for taxation. General reserve is allocated Rs. 2.50 lakhs and development rebate reserve Rs. 1,200. The carry-forward is Rs. 7,816, against Rs. 2.43 lakhs brought in.

The crop declined by 75,000 kilograms to 1.4 million kilograms. But the directors say that the current crop prospects have become favourable. The average price rose from Rs. 4.75 to Rs. 5.27 a kilogram. The adoption of the C.T.C. process of manufacture has been successful, and the quality of teas has improved. Steps have been taken to install further equipment to improve the standard of production. The extension programme of the estates has made good progress. The directors point to the rising taxation. Direct taxes have absorbed nearly 57 percent of the profits earned by the Company. There have also been a substantial rise in the cost of materials and wages.

Higher Dividend from Brooke Bond, U.K.

BROOKE BOND, which supplies roughly one-third of the tea consumed in Britain, is raising total (tax-free) distribution from 6½ percent to 7½ percent with a final dividend of 5 percent. Net profits have recovered from £2,146,144 to £2,538,587 after paying £388,930 more tax at £3,473,817 and deducting tax adjustment of £55,423 (against nil). World turnover of the group rose from £113,565,000 to a record £117,382,000, Mr. John Brooke reported to the shareholders. Net attributable profits (after deducting minority interests of £62,898, against £72,729) show an increase of 19.4 percent at £2,475,929. This cheerful brew is topped up with a one-for-four scrip issue.

Sales of packed tea and coffee products were again higher, although sales of export teas from Ceylon suffered a temporary setback as a result of strike conditions in the closing months of the year. Results also benefited by the inclusion of a full year's profits from Doom Dooma (£278,887 before tax), compared with three months in 1961-62. Improved profit margins in some overseas offshoots also played a part in the recovery, though profits earned in the U.K. were "not greatly changed." This suggests that margins in the U.K. are under some strain, since home sales accounted for most of the £2,285,000 increase in the half-year turnover reported in April.

The sales increase appears to have slowed down slightly in the second six months of the financial year, showing a gain of 3½ percent, compared with 4 percent at the half-way mark. But overall profit margins have widened significantly from 4.6 percent to 5.1 percent. Earnings have risen from 29.5 percent (or 18.1 percent on a tax-free basis) to 35.4 percent (21.7 percent), leaving the current payment 2.8 times covered. Even allowing for overseas tax burdens (the new Indian tax absorbed £184,150 in 1962-63), this gives ample scope for a further increase in the dividend.

Tata Chemicals Sets New Records

THE impressive rise in the quotation for Tata Chemicals from Rs. 12 to Rs. 18 over the past few months seems fully justified by the Company's excellent performance during the year ended June 1963. Sales, profit and dividend have set new records. Sales are up by about 34 percent from Rs. 5.31 crores to Rs. 7.15 crores and the gross profit has shot up by as much as 156 percent from Rs. 52.69 lakhs to Rs. 1.24 lakhs. The dividend has been raised from 6.5 percent to 10 percent. Since the dividend is payable in full on the new 503,920 equity shares issued in the previous year at a premium of 50nP a share (in 1961-62, these shares were entitled to only one month's dividend), the total distribution among the equity shareholders is substantially larger at Rs. 30.24 lakhs, against Rs. 16.65 lakhs. The increased dividend is being paid on the increased capital after providing large sums for taxation, development rebate and general reserve which did not receive anything in the previous year. In 1961-62, the Company has had to draw on its reserve for the payment of dividend.

The impressive performance is said to be due to record production and increased efficiency allround. Apparently, the Company's expansion programme is beginning to bear fruit. Informed sources expect the Company to show still better results in the current year. Out of the gross profit of Rs. 1.34 crores earned in 1962-63, the directors have provided Rs. 44.18 lakhs (against Rs. 35.75 lakhs) for depreciation, Rs. 41 lakhs (against nil) for development rebate reserve, Rs. 10.49 lakhs (against nil) for taxation and Rs. 3.94 lakhs (against nil) for general reserve. The preference dividend absorbs Rs. 4.28 lakhs (the same) and the ordinary dividend Rs. 30.24 lakhs (against Rs. 16.65 lakhs). After making all these appropriations, there remains a modest surplus of Rs. 3,923 to be carried forward, against Rs. 4,550 brought in.

Case of Calcutta Tramways for Higher Fares

IN his chairman's address at the annual general meeting of the Calcutta Tramways Co. Ltd held recently in London, Mr. David Webb

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has hinted at the possibility of an upward revision of the fare structure. (A fuller version appears on a later page in this week's issue of *Capital*). An increase in the fares is justified on various grounds. There has been a substantial rise in expenses all-round. The costs of electrical energy and materials have risen. There has been an urgent need to put more trams on the road to handle the growing traffic. The equipment also needs to be modernised and brought up-to-date. The Company has, meanwhile, been forced to spend a lot of money due to the various projects of the Government. The new Majerhat bridge and the raising of the Tollygunge bridge have involved the Company in additional expenses. This apart, the emoluments to the staff need to be increased. Mr. Webb has rightly pointed out that these additional costs cannot be met except by increased receipts made possible through a rise in fares.

The rising trend of receipts during 1962 has been well maintained in the current year. The track and rolling stock have been brought back to the former first-class condition. The receipts have improved due to the vigilance of the traffic department, and better results are expected in the current year. The chairman has pointed to the heavier taxation which has increased by £14.000 to £86.000. The shareholders' account has received £58.778 for 1962, against £53.252 for 1961, but the sum is still below £87.457 which the shareholders are entitled to, after payment of all expenses and taxation, under the agreement with the Government of West Bengal. The final instalment of the loan received from the Government to cover the expenses in connection with the track realignment at Dalhousie Square was repaid on 1st January, 1963. So in three years £75.000 has been borrowed from and repaid to the Government.

Scindia Steam Raises Dividend

THE Rs. 20-paid share of the Scindia Steam Navigation Company which had been sold down to Rs. 9.76 earlier in the year—a record low for many years—is currently quoted around Rs. 14.40. The sustained support for these shares in recent months reflects the market's growing belief that the Company has at last turned the corner. The market's optimism does not seem misplaced. The preliminary report on the Company's working results for the year ended June 1963, shows a marked improvement over the previous year's performance and this has encouraged the directors to step up the dividend from 60nP a share to Re. 1 a share. What is more, for the first time after four years, the Company is not drawing on its reserves to meet even a part of the dividend distribution.

The gross income of the Company is shown at Rs. 18.20 crores, against Rs. 17.01 crores in 1961-62. Of this, freight and passenger money earned account for Rs. 17.68 crores, against Rs. 16.49 crores in the preceding year. The gross profit is higher at Rs. 3.31 crores, against Rs. 2.46 crores. A sum of Rs. 1.92 crores (against Rs. 1.95 crores) has been set aside for depreciation and allocation to the special depreciation reserve (statutory development rebate reserve) amounts to Rs. 9 lakhs, against Rs. 64.50 lakhs. While no provision had been made for taxation in the preceding year, the directors have provided a sum of Rs. 68 lakhs out of the 1962-63 profit. The proposed dividend absorbs Rs. 56.32 lakhs, against Rs. 33.79 lakhs in 1961-62. The Company's working during the current year is stated to be quite encouraging. According to the latest information received from the Company, the net dividend for 1962-63 will work out to 74nP instead of 70nP because out of the gross dividend of Re. 1 a share, no tax deduction will be made from 18nP which is exempted from taxation.

No Bonus and Rights from Morarji Mills

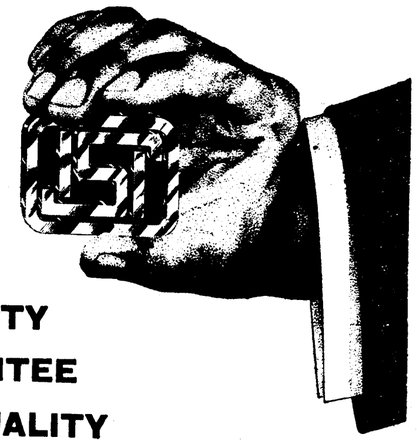
IN spite of an increase of about 26 percent in the sales from Rs. 4.61 crores to Rs. 5.82 crores, the gross profit of Morarji Goculdas Spinning and Weaving Company for the year ended June 1963, shows a small decline from Rs. 73.43 lakhs to Rs. 71.17 lakhs. Since the Company has had to make large provisions for bonus to employees and for depreciation and development rebate, the dividend has been reduced from 24 percent to 20 percent, that is, from Rs. 24 to Rs. 20 a share. Even for the payment of the reduced dividend, the directors have had to draw heavily on the reserves. They have also decided not to issue bonus and rights shares which had already been approved by the shareholders. Last year the Company had resolved to issue one bonus share for every three equity shares held and this was to be followed by a one-for-two rights issue. The bonus issue is said to have been given up because of the setback in the Company's working results which have compelled the management to reduce the dividend even on the existing capital. The rights issue is said to have been dropped because of the insistence on heavy premium by the Controller of Capital Issues.

Allocations include managing agents' commission Rs. 1.56 lakhs (against Rs. 5.50 lakhs), additional provision for bonus to employees for 1959, 1960, 1961 Rs. 18.85 lakhs, depreciation Rs. 36.21 lakhs (against Rs. 17.26 lakhs), development rebate Rs. 13 lakhs (against Rs. 3.35 lakhs) and taxation Rs. 8.90 lakhs (against Rs. 26 lakhs). The preference dividend absorbs Rs. 1.11 lakhs (the same) and the equity dividend Rs. 10.35 lakhs (against Rs. 12.42 lakhs). The directors have withdrawn Rs. 17.72 lakhs from general reserve which had received Rs. 8.25 lakhs in the previous year. Additions to assets made during the year amounted to Rs. 1.48 crores. In 1962-63, the Company had acquired the assets of B R. Cotton Mills for a compensation of Rs. 1 crore. The Rs. 100-paid share of Morarji Mills is currently quoted around Rs. 395.

West Coast Paper Pays More

THE West Coast Paper Mills Ltd has reported highly encouraging results for the year ended June 1963. Production, sales, profit and dividend —all are higher compared with the previous year. Production of paper has increased from 25.604 tonnes to 27.252 tonnes. Sales are higher at Rs. 4.83 crores, against Rs. 4.36 crores. The gross profit has increased from Rs. 92.27 lakhs to Rs. 109.87 lakhs. The steady improvement in the Company's working results has encouraged the directors to raise the dividend for the third successive year to 11 percent, against 8 percent in 1961-62, 7.5 percent in 1960-61 and the maiden dividend of 6 percent in 1959-60. Apart from higher production, the increase in the Company's turnover in 1962-63 is attributed to the rise in paper prices with effect from 21st June, 1962.

Appropriations of the year's profit include depreciation Rs. 39.38 lakhs (against Rs. 39.12 lakhs), development rebate reserve Rs. 75.000 (against Rs. 25 lakhs), taxation Rs. 10 lakhs (against nil), general reserve Rs. 39 lakhs (against Rs. 7 lakhs), preference dividend Rs. 7.02 lakhs (the same) and the equity dividend Rs. 16.5 lakhs (against Rs. 12 lakhs). After making these appropriations, there remains a surplus of Rs. 6,036 to be carried forward, against Rs. 2.84 lakhs brought in. Part of the dividend for 1962-63 is likely to be exempted from income tax as the management feels that part of the year's profit should be exempted from payment of tax under Sections 84 and 101 of the Income Tax Act, 1961. The exact amount of the tax-free dividend will, however, become



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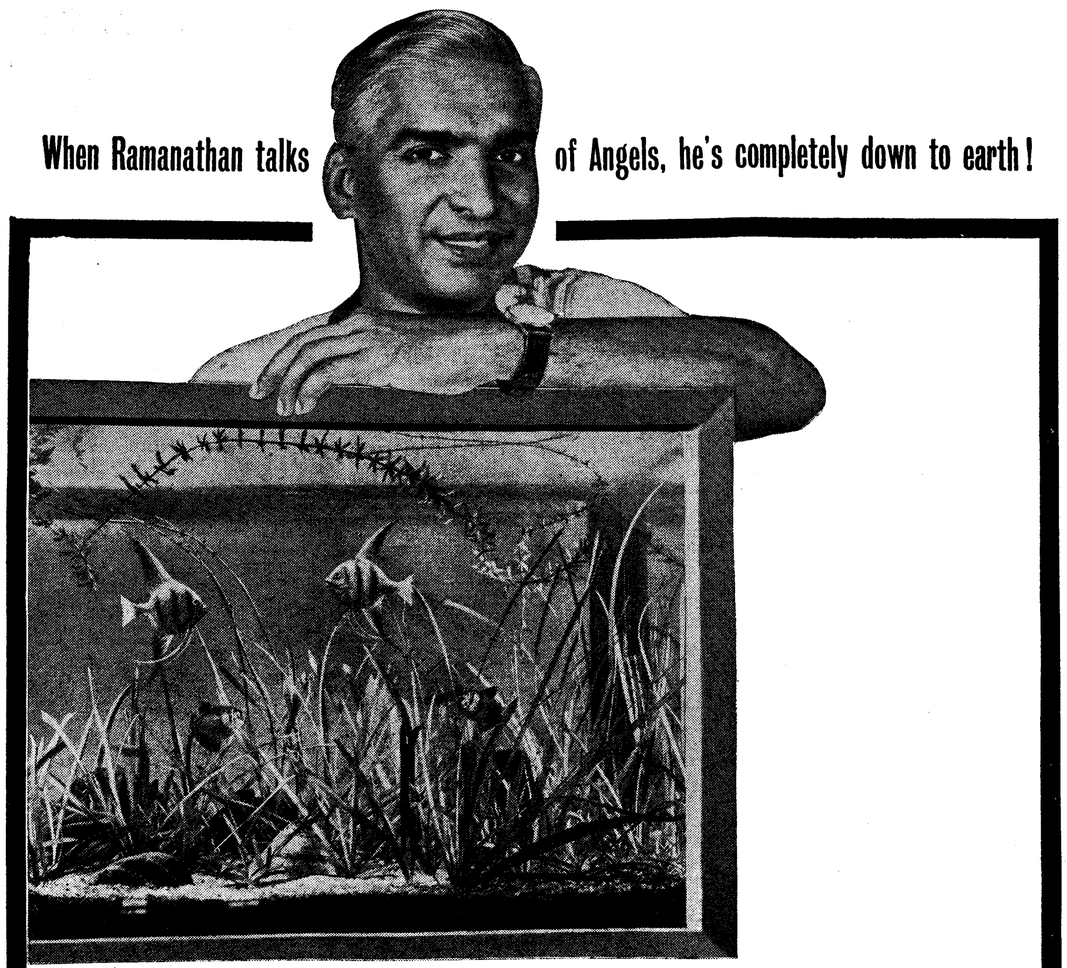
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When Ramanathan talks of Angels, he's completely down to earth!



'Angel fish,' says Ramanathan 'are among the nicest things with fins.' He's kept an aquarium for six years and has a vast reservoir of fish lore. 'My Black Mollys and Swordtails,' he says, 'have reproduced half a dozen times.' The only fish which produce live young, they have large families. Ramanathan rears fish as he does most things with deep interest, care and knowledge. Ramanathan is a Fuelling Superintendent with Burmah-Shell, New Delhi.

SIMPLE PISTONS . . . SOPHISTICATED JETS. His job is to supervise the receipt/storage/delivery of aviation fuels. It's a complicated and difficult task. There are many grades of aviation fuels that must meet the highest standards of quality; oils and specialities; aircraft ranging from simple pistons to sophisticated jets; time schedules—worked to the minute. Constant vigilance is an absolute necessity. And there's the question of speed,' says Ramanathan. 'A record 45 litres per minute in 1943 when I joined and 4,500 litres per minute now.' Presently on a special assignment at the Branch Office, Ramanathan co-ordinates quality control, equipment and stores for eight airfields in the Delhi area.

TODAY, AS EVER, PEOPLE LIKE RAMANATHAN ARE WORKING FOR YOU. 'Ramanathan,' says a colleague, recalling Kipling, 'can move with kings and keep the common touch. He's friendly and respected.' His interests are few and simple. They include a good library and travel. 'I've seen India,' Ramanathan says, 'working for Burmah-Shell!' Ramanathan and people like him—at all levels of responsibility—are Burmah-Shell. Today, as ever, they are hard at work . . . working to ensure that vital petroleum products, essential to India's growth and progress, are brought to you at the right place and time, in the right quantities.

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known only when the certificate from the Income Tax Department is received. The Company's working during the current year is said to be as encouraging as in the previous year. The Rs. 100-paid share of West Coast Papers, which could be had around Rs. 125 earlier in the year, is currently quoted around Rs. 165.

Prospects for John Fowler (India)

THE recent offer of shares by John Fowler (India) Ltd has met with a warm response in view of the good business the Company has been transacting and the expansion it has undertaken. The issue has been thrice over-subscribed. At the inception, the Company used to import spare parts and service road rollers supplied by John Fowler and Co. (Leeds) Ltd. With the restrictions on import, and the decline in the supply of road rollers, the Company started manufacturing ventures in the country itself. It has entered into an agreement with Vokes Ltd of the U.K for producing filters and elements for mobile and stationary internal combustion engines. Encouraged by the results, the Company has negotiated with Stream-Line Filters Ltd of the U.K. for manufacturing lubricating and insulating and aviation oil and fuel filters. The necessary collaboration agreement has been finalised. It has also made an agreement with Vokes Cardwell Ltd of England to produce tobacco-processing machinery used for the primary processing of tobacco.

Land has been acquired to set up a new factory in Bangalore. The income from the new factory will enjoy the usual tax benefits available to a new industrial undertaking. The cost of the project has been estimated at Rs. 12.67 lakhs. Arrangements have been made to obtain the necessary raw materials from foreign and domestic sources. Under the licences, John Fowler (India) will enjoy the exclusive privilege of producing these goods. Since the scope of the industry served by its products is very wide, the prospect is considered encouraging. There has been a good demand for the products of the Company and its turnover should improve with the installation of the new factory. The directors are confident of earning good profits and pay reasonable dividends in due course.

Tube Investments Earns Less

THE preliminary report on the working of Tube Investments of India Ltd, Madras, for the year ended July 1963 shows a further setback. The gross profit is down from Rs. 1.35 crores to Rs. 1.29 crores. The dividend has been maintained at 10 percent for the fourth year in succession. Out of the gross profit, the directors have provided Rs. 40.43 lakhs (against Rs. 37.11 lakhs) for depreciation, Rs. 3.22 lakhs (against Rs. 20.76 lakhs) for development rebate and Rs. 45.25 lakhs (against Rs. 40.60 lakhs) for taxation. The net profit amounts to Rs 40.08 lakhs, against Rs. 36.87 lakhs. From this, a sum of Rs. 13 lakhs (against Rs 15 lakhs) has been set aside for general reserve, Rs. 2 lakhs (the same) for dividend equalisation reserve and Rs. 3.58 lakhs (against Rs. 4 lakhs) for additional tax liability in relation to the previous year. After providing for the proposed dividend which absorbs Rs. 25 lakhs (the same), there remains a surplus of Rs 50,510 to be carried forward, against Rs. 4 lakhs brought in. The Rs. 100-paid share of Tube Investments is currently quoted around Rs. 213 cum dividend, offering a gross return of about 4.9 percent.

Kusum Engineering Earns More

THE Kusum Engineering Co. Ltd has made a profit of Rs. 73,256 for the year ended March 1963, compared with one of Rs. 42,635 for 1961-62, after transferring Rs. 85,701 (against Rs. 82,237) to depreciation. The taxable ordinary dividend of 6 percent has been declared to absorb Rs. 25,864. Taxation is allocated Rs. 25,165 and general reserve Rs. 67,230. The carry-forward is Rs. 28,777, against Rs. 73,771 brought in. Sales rose from Rs. 15.66 lakhs to Rs. 16.98 lakhs. The directors say that the working has been interrupted by the shortages of raw materials, power and coal. The productive capacity of the machine shop has increased and the steel foundry has been expanded. There has been a rising demand for the Company's products.

W. S. Insulators Share Offer

THE offer of shares by W. S. Insulators of India Ltd should meet with good response in view of the fact that there is a rising demand for the products the Company will manufacture. (Details of the share issue are published on a later page in this week's issue of *Capital*). The Company will build a factory in Chingleput, Madras, for producing electro porcelain products consisting of H.T. insulators of all types and distribution apparatus like lightning arresters and fuse cutouts of all voltages and types. The original licensed capacity has been doubled to 4,800 tons a year by an expansion licence already granted. Technical collaboration has been arranged with Messrs Westinghouse Electric International Company of the U.S.A. The foreign collaborators will also participate in the share capital of the Indian Company.

The issued capital of the Company is Rs. 1.10 crores consisting of 900,000 ordinary shares of Rs. 10 each and 20,000 cumulative preference shares of Rs. 100 each. The foreign collaborators will take up shares worth Rs. 238,750. The directors and their friends will subscribe for shares of Rs. 20.11 lakhs. The Life Insurance Corporation is taking up ordinary shares of Rs. 5 lakhs. The remaining 625,000 ordinary shares and 20,000 preference shares are being offered to the public for subscription at par. Preference shares carry a fixed dividend of 9.5 percent which is considered attractive. The list opens on 6th November, 1963. The entire public issue has been underwritten.

The capital outlay is estimated at Rs. 2.06 crores. The Industrial Credit and Investment Corporation has agreed to give a foreign exchange loan of Rs. 58 lakhs, and a rupee loan of Rs. 10 lakhs. Production may begin by the end of 1964. The Company will enjoy all tax benefits available to a new industrial undertaking.

Burma Corporation Makes Profit

THE Burma Corporation (1951) Ltd produced 160,512 tons of ore for the year ended June 1963, compared with 38,266 tons for 1961-62. The gross revenue has risen from £472,853 to £2,161,470. Expenditure has increased from £484,178 to £1,988,078. A sum of £86,175 (against £20,527) has been provided for depreciation. So the net profit has amounted to £87,217, compared with a loss of £31,852 for 1961-62. Capital expenditure has risen from £5,063 to £50,940.

The directors have pointed out that it has been decided to close the Corporation's accounts for the 15-month period ended September 1963, instead of the usual year of June 1963 in order to conform to the new Burma Income Tax Act Amending Law 1963. So the net profit and loss account and the balance-sheet will cover the 15-month period mentioned and their issue may be somewhat delayed.

Textool Profit Rises

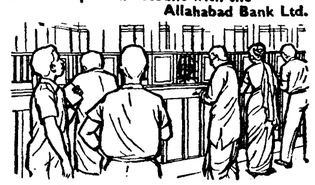
THE working of Textool Co. Ltd for the year ended April 1963, has resulted in a net profit (before taxa-

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tion) of Rs. 21,58,791, after providing Rs. 5,75,865 for depreciation, compared with the previous year's net profit of Rs. 20,21,965, after providing Rs. 4,47,835 for depreciation. With the balance of Rs. 16,127 brought forward from the previous year and with a sum of Rs. 50,000 transferred from dividend equalisation reserve, the total available for appropriation comes to Rs. 22,24,918. Out of this, provision for taxation is higher at Rs. 9,20,000 (against Rs. 5,70,000). A sum of Rs. 200,000 is transferred to development rebate reserve (against Rs. 1,80,000), and bonus paid for the prior years amounted to Rs. 4,47,753. Donations and contributions totalled to Rs. 25,849. Share issue expenses amounted to Rs. 4,634. A dividend of 12 percent is declared on the increased capital (against 15 percent), and this dividend accounts for Rs. 6,23,550 (against Rs. 5,95,481 last year). The balance of Rs. 3,132 is carried forward. Provision for taxation includes that for super profits tax for the years ended April 1962 and April 1963, which amounts to about Rs. 1,90,000.

An encouraging feature is that turnover has increased by about Rs. 36 lakhs over that of last year. The directors point out that although the prices of raw materials as well as stores have increased, the management has not raised selling rates appreciably. It is also reported that the new branch factory in Singanallur, which was commissioned in the latter half of 1962, for production of fly frames, has not gone into full production.

Outlook for Inchcape

THE chairman of Inchcape expects satisfactory results again. During the year ended 31st March, 1963, profits before tax were up from £1.1 million to £1.2 million and the dividend was raised by one point to 16 percent. But the current period will certainly not be without its problems. One example is the ending of a valuable agency held by the U.K. merchant banking, travel agency and secretarial subsidiary of Gray, Dawes. Another is the rapidly shifting world economic and political situation to which this worldwide concern is susceptible.

Still, last year had its full share of these latter problems and they did not stifle the advance in income from the U.K., Australian, North American, Indian and Pakistani assets. For the future, the improving east African political climate, the development of the U.K. merchant banking service, interests in tea and coffee vending machines and hydrofoil marine craft, and the rising sales of Kilburn and Company in India, are among the more encouraging points in Lord Inchcape's review.

For the second year in succession, Lord Inchcape gives a table showing the group's sources of income in terms of book value at 31st March. This shows that British interests represented a higher proportion of group assets and income in March 1963, than in March last year. They held 36 percent of total assets, against 35 percent, and contributed 26 percent of income, against 23 percent. The Persian Gulf and east Africa represented a smaller part. Their share of group assets fell from 27 percent to 26 percent, and they supplied 27 percent of income, against 31 percent. India and Pakistan retained the major share, practically unchanged, representing 38 percent of assets and 47 percent of income. Bank loans and bank customers' balances of £5.26 million are well matched by liquid funds, but the chairman's observations on the need for a high level of retentions can be taken as a warning not to read any immediate dividend significance into the proposed one-for-two scrip issue.

Consolidated Coffee Pays More

THE directors of Consolidated Coffee Estates Ltd have recommended a higher dividend of 20 percent on the ordinary shares for the year ended June 1963 (against 15 percent in the preceding year). According to the preliminary figures, the net profit of the Company for the year amounts to Rs. 18,19,961, against Rs. 13,50,234 in the previous year. Adding to this profit a sum of Rs. 1,86,053 brought forward, and also Rs. 1,25,000 being provision for taxation relating to previous years no longer required, the total surplus available for appropriation comes to Rs. 21,31,014. Out of this, a sum of Rs. 300,000 is transferred to generel reserve, and Rs. 2,70,000 is transferred to dividend equalisation reserve. Super profits tax for previous year amounts to Rs. 10,000. The dividend on preference shares at 6.24 percent subject to tax, amounts to Rs. 1,17,000. The ordinary dividend of 20 percent amounts to Rs. 14,31,000. The balance of Rs. 1,607 is carried forward.

S. B. Joshi and Company Fares Well

SHAREHOLDERS of S. B. Joshi and Company have no reason to feel uneasy over the cut in the dividend for the year ended June 1963 from 15 percent to 12 percent as the dividend for 1962-63 is on a substantially larger capital with the result that the total distribution among the equity shareholders is appreciably higher at Rs. 1.15 lakhs, against a mere Rs. 17,984 in the preceding year. The Company has done very well indeed. Its turnover at Rs. 82.21 lakhs shows an increase of about 23 percent over the 1961-62 figure of Rs. 67.05 lakhs. The gross profit has risen nearly three-fold from Rs. 2.57 lakhs to Rs. 7.23 lakhs. Provision for depreciation has been raised from Rs. 1.16 lakhs to Rs. 1.76 lakhs and for development rebate reserve from Rs. 18,500 to Rs. 84,300. After providing Rs. 2.99 lakhs (against Rs. 48,000) for taxation, the net profit amounts to Rs. 1.75 lakhs, against Rs. 1.26 lakhs. Allocation to general reserve is lower at Rs. 60,000, against Rs. 75,000. The proposed dividend absorbs Rs. 1.15 lakhs (against Rs. 17,984), leaving Rs. 87 to be carried forward, against Rs. 11,847 brought in. The Company, it is stated, has an adequate volume of work secured to maintain the turnover for the next three years. The Company issued equity capital of Rs. 19.36 lakhs in September 1963. The new shares rank for dividend for the current year.

Sirpur Paper Disappoints

THE preliminary report on the working of the Sirpur Paper Mills Ltd during the year ended June 1963, shows that the Company has fared badly. The gross profit had declined sharply by about 54 percent from Rs. 84.06 lakhs to Rs. 38.49 lakhs which, of course, was not altogether unexpected because of the closure of the mills for nearly three months early in the year. The sharp decline in the profit has obliged the directors to reduce the dividend from 8.5 percent to 5 percent, that is, from 85nP to 50nP a share. Even for the payment of the reduced dividend, the directors have had to withdraw Rs. 11 lakhs from general reserve and Rs. 5 lakhs from contingency reserve. Out of the year's gross profit of Rs. 38.49 lakhs, the directors have provided Rs. 32.46 lakhs (against Rs. 39.05 lakhs) for depreciation and Rs. 3 lakhs (against Rs. 7 lakhs) for development rebate. The proposed dividend absorbs Rs. 18.04 lakhs, against Rs. 28.75 lakhs in the previous year.

The directors think that the Company has no income tax liability for 1962-63 due to the carry-forward of unabsorbed depreciation and development rebate of the previous years. In spite of the Company's disappointing performance, the quotation for the share of Sirpur Paper has firmed up from Rs. 12.76 to Rs. 13.40 on considerable influential support.

Oriental Power Cables Shows Loss

THE directors of Oriental Power Cables Ltd state in their second annual report for the year ended May 1963 that the Company is likely to go into regular production by April 1964. The erection of machinery is expected to be completed by March. The trial production of certain section of the plant in Kota, Rajasthan, is likely to start in January. The Company has received the licence for the import of plant and machinery worth Rs. 90.90 lakhs. The suppliers of foreign machinery have already shipped about 56 percent (in terms of value) of the machinery and a considerable part of it has also reached the factory site. Arrangements have also been made for the import of raw materials. The Company has executed a regular mortgage deed in favour of the Industrial Finance Corporation for the loan of Rs. 85 lakhs agreed to be granted to the Company against its existing as well as future fixed assets.

The Company's accounts for 1962-63 show a small loss of Rs. 19,211 (against Rs. 12,973), after providing Rs. 27,000 (against nil) for taxation and after transferring Rs. 5.79 lakhs to construction account expenditure. This loss, together with the loss of Rs. 12,973 brought forward from the previous year, is being carried forward.

United Carbon will Enter Market Soon

UNITED Carbon Ltd, which proposes to undertake the manufacture of carbon black, furnace black, gas black, natural gas black, etcetera, in collaboration with the United Carbon Company of the U.S.A., will soon be in the market to raise funds required for the project through public subscription. The plant which will have an annual capacity of 13,600 tons of furnace black will be located in Mulund, Bombay. The factory building is expected to be completed during 1964. The U.S. firm will provide the technical know-how, supply machinery and participate in the capital of the Company. The project is estimated to cost Rs. 2.82 crores, of which Rs. 2 crores will be spent on plant and machinery. Machinery worth Rs. 47.80 lakhs will be supplied by the United Carbon Company. The cost of the project is proposed to be met by the issue of share capital and by bank borrowings.

The Company has an authorised capital of Rs. 3 crores, of which Rs. 155.35 lakhs in equity shares of Rs. 100 each is to be issued. Out of this, the promoters, directors and their friends have subscribed for Rs. 6 lakhs and the United Carbon Company has taken up Rs. 4 lakhs. Out of the balance of Rs. 145.35 lakhs, the U.S. firm will take up shares worth Rs. 58.14 lakhs, including Rs. 14.34 lakhs for consideration other than cash. The directors and their friends will take up further shares worth Rs. 40.61 lakhs. The balance of Rs. 46.61 lakhs will shortly be offered for public subscription.

Omega Insulated Cable Share Offer

THE Omega Insulated Cable Co. (India) Ltd which is setting up a factory in Ambattur, Madras, for manufacturing V.I.R. and P.V.C. cables, is offering 40,000 equity shares of Rs. 100 each for public subscription to raise part of the funds for the project. The list will open on 4th November and will close on 20th November or earlier but not before 11th November. The entire public issue has been underwritten by leading financial institutions. The Company has been licensed to manufacture 45 million core yards of V.I.R. and P.V.C. cables and 280 miles of P.I.L.C. cables a year. The present programme is to manufacture 30 million core yards of V.I.R. and P.V.C. cables of all sizes and descriptions. Apart from the steadily growing demand in the country, there is considerable scope for the export of these cables and wires to other countries in the Middle and Far East. The total outlay for the first phase of the project is estimated around Rs. 1.15 crores which is proposed to be met by the issue of equity capital of Rs. 70 lakhs and by bank borrowings. The Company has an authorised capital of Rs. 3 crores, of which Rs. 70 lakhs is being issued in the first instance. Shares worth Rs. 30 lakhs are being taken up by the directors, their friends and associates and the balance is being offered for public subscription.

The Company has secured the technical collaboration of the reputed Kelsey Engineering Ltd of Canada. Besides bringing the factory into commercial production, the technical collaborators will also arrange for the training of Indian operators in Canadian and U.S. factories. The construction of the factory in Ambattur is in an advanced stage and it is expected to be completed by about the middle of December 1963. Orders for imported machinery worth Rs. 32.64 lakhs have already been placed. If all goes well, the factory is likely to be ready for production by about the middle of 1964.

New Capital Issues

FOUR companies have been authorised to raise fresh capital amounting to Rs. 97.84 lakhs. Two



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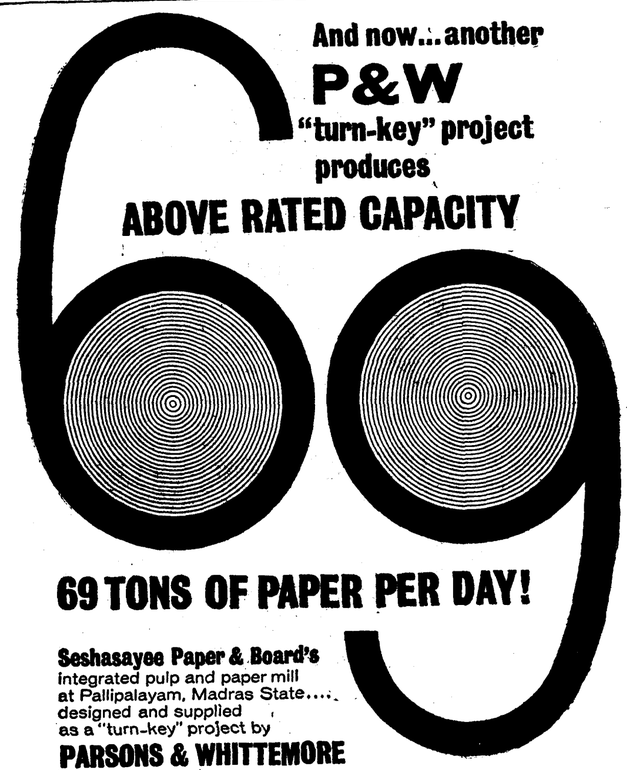
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companies are issuing bonus shares, one cumulative redeemable preference shares and the other equities. One of the companies is throwing open for subscription by the public equities worth Rs. 25 lakhs. In all cases, the consent of the Controller of Capital Issues is valid for 12 months. The following are the details:

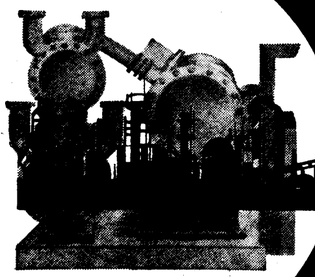
Mahalakshmi Fibres and Industries Ltd, Calcutta, is to issue a capital of Rs. 39,84,800 divided into Rs. 10 lakhs in cumulative redeemable preference shares and the balance in equity shares. The capital is required for the establishment of a spinning mill with 12,000 spindles in Ranchi.

Waldies Zinc Pigments Ltd, Calcutta, is issuing 60,000 equity shares of Rs. 10 each as fully paid-up bonus shares on capitalisation of reserves to the extent of Rs. 6 lakhs. The bonus shares will be issued in the ratio of one bonus share for every two shares held.

D. Waldie and Company (Lead Oxides) Ltd., Calcutta, will issue 7,000 equity shares of Rs. 100 each as fully paid-up bonus shares on capitalisation of reserves to the extent of Rs. 7 lakhs. The bonus shares will be issued in the ratio of one bonus share for each one held.

Bombay Cutting Tools Ltd., Bombay, will issue a capital of Rs. 45 lakhs in equity shares of Rs. 10 each for cash at par: out of this, shares of the value of Rs. 25 lakhs would be issued to the public by prospectus. The proceeds of the issue would be used for the manufacture of hand taps, two-piece dies, round dies, milling cutters, reamers, tool bits, dies etcetera.

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The Stock Markets

INDIAN IRON FALL IN KERB TRADING DURING HOLIDAYS

Wednesday Evening.

THE Calcutta stock market closed on 25rd October for the Puja vacation and will reopen on 4th November. There has nevertheless been vigorous activity in the kerb market. The price of Indian Iron has drifted downwards on profit-taking, prompted by the sharp rise in price. It is distressing that whenever the upward movement begins, activity is largely transferred to the kerb. This is very undesirable considering that kerb trading promotes speculation. The evils of excessive speculation on the kerb take no time to affect trading inside the stock market.

Despite protestations to the contrary, it is commonly believed that there is a quiet alliance between some operators on the stock exchange and those on the kerb market. It is time the stock exchange authorities took strong action to stop kerb trading. Since the police has been ineffective in discouraging this evil, remedial measures need to be taken from inside the stock market. Unless excessive speculation is voluntarily restrained, the entire clearing system may attract severe criticism. It should be remembered that the clearing system, which allows futures contracts in shares, has for the time being been tolerated on the ground that in the present undeveloped condition of the capital market its existence has some justification.

Investors have used the holidays to crystal-gaze into the near-term prospects. The bullish spree has so far been sustained on expectations of fiscal reliefs within the next few months. The enthusiasm about credit liberalisation has cooled down since the recent meeting of the directors of the Reserve Bank held in Madras has decided nothing. It is, however, believed that the Reserve Bank will announce its credit policy shortly since the busy season begins from November. Current indications, however, call for caution. It is doubtful whether the Bank will make any fundamental changes in its credit policy. It has reiterated that by continuing its policy of selective credit controls, it has taken due steps to ensure an adequate supply of credit for meeting the legitimate requirements of the economy. But the main point does not seem to have attracted attention. This relates to the high cost of credit, which is due to the Reserve Bank charging an exorbitant rate of interest on its loans to commercial banks. The authorities have not been bold enough to admit that the high cost of credit has not succeeded in restraining inflation. Anyway, a bigger supply of credit from the Reserve Bank has little relevance for the time being.

By sheer coincidence, the banking system has been bursting with funds. There has been a sharper decline in advances during the current slack season than during the 1962 slack season. During the past three months or so deposits have substantially increased. Since Government disbursements may be considerable in the coming months the rising trend in deposits should continue. So banks may not be hard-pressed to go to the Reserve Bank for funds to finance the credit requirements of the next busy season. However, the stock market may be disappointed if it were to expect a bigger credit supply from commercial banks. Trade and industrial demands may absorb a substantial part of bank funds. Due to the poor outlook for corporate profits more funds for investment in stocks and shares may be difficult to attract.

Despite a corrective decline, steel shares have been favoured on prospects of decontrol of the commodity. Since decontrol, if introduced, is likely to be only partial, it is difficult to say whether the producers will fare better. Engineering shares have generally been supported on the view that the idle capacity may be reduced due to the possibility of bigger imports of raw materials, components and spare parts. The outlook for miscellaneous shares depends greatly on whether the tax burden on the corporate sector will be relieved in the near future. The prospects for paper, cement and sugar shares will continue to be bleak, unless the prices of these commodities are raised.

Investors in jute shares have been hesitant due to the uncertain marketing outlook for gunnies. The foreign enquiries for jute goods have fallen in face of rising production. The industry has already decided to continue the maximum level of output until the end of November. The competition from Pakistani mills has, meanwhile, been increasing. Vigorous efforts are being made to hold the price of Indian fibre up, although the price of jute goods has steadily declined.

The fall in the demand for coal, combined with the growing accumulation of stocks at pitheads, has made coal shares unattractive. Talks about fixing a smaller output target for the commodity during the third plan have begun. Investors have, meanwhile, been watching closely whether the Government decides to raise the price of the commodity to promote production. Except for scattered support in selected cotton mill shares, they have generally been dealt in cautiously due to the uncertain export prospect for piecegoods. Tea shares are not likely to attract interest in view of the shortfall in the north Indian crop. It is doubtful whether the estates will succeed in compensating themselves for the smaller crop by realising higher prices for the commodity.

Government securities have been quietly steady, but business has been restrained. There has been good support for short- and medium-dated stocks. The prices of long-dated loans have been lower. The prices of State Government loans have been fairly steady.

Bombay

CREDIT MAY NOT BE LIBERALISED

SMALL TURNOVER TOWARDS CLOSE

Wednesday Evening.

THE Bombay stock market has reacted during the past fortnight, but the decline was expected

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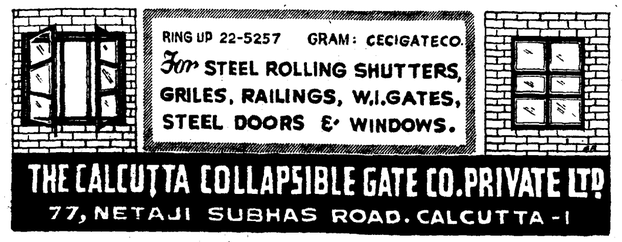
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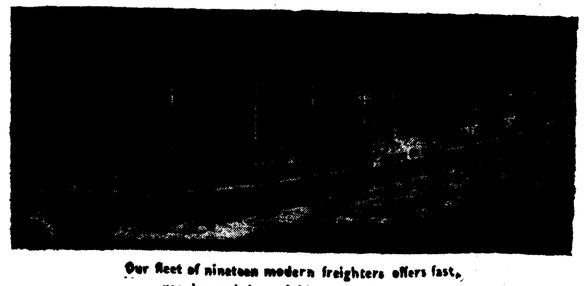
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In view of the sharp rise which had taken place earlier. Although all offerings have been absorbed, turnover has been very small towards the close. Operators are inclined to take a cautious view of the near-term outlook. It is believed that the Reserve Bank may not make any fundamental change in its credit policy. There has been growing concern due to the fact that Mr. T. T. Krishnamachari, Central Finance Minister, has turned his attention to the substantial volume of "unaccounted money". Operators have wondered whether he will take stern measures to immobilise a part of this money in order to restrain inflation. Dalal Street was somewhat cheered by the news that the export of cloth to the United Kingdom might not be affected by the recent agreement between India and Britain.

Towards the close, sentiment improved somewhat due to good corporate news. Tata Steel ordinary have recovered to Rs. 147.25 on short-covering. The prospect of decontrol of the commodity is being bullishly interpreted. Among engineering shares, attention centred on Tata Locomotive, Larsen and Turbo, Premier Construction and Mukand Iron. Among motor-vehicle shares, Hindustan Motors were active on influential support. Premier Automobiles were steady. The prospect of a substantial foreign exchange loan by the World Bank to the motor-vehicle industry has been an encouraging factor.

Selected cotton mill shares improved on replacement buying. Century were prominent on hopes of expansion. Interest was shown in Kohinoor, Bombay Dyeing, Gokak and Morarjee. Khatau, New Great and Shree Niwas were steady.

In the miscellaneous section, sugar shares were prominent. The Bombay High Court judgment declaring the Maharashtra Land Ceilings Act void, has led to bullishness. Belapur rose on reports that the Gangapur Sugar Mills Ltd, a subsidiary Company, might be sold at a satisfactory price. Walchandnagar Industries and Phalton were steady. Among steamship Company shares, Scindia Steam improved on a higher dividend. Great Eastern Shipping were steady on prospect of a higher dividend or bonus shares.

Mining shares were quietly steady and scattered business in Shivrajpur Syndicate was transacted. Cement shares were steady. Associated Cement and Digvijay met with support. Bombay Burmah rose smartly on producing a good report. Larger dividends, including a centenary one, have been paid. National Rayon spurted on bear-covering. In banks Central Bank forged ahead on reports that the Company might issue rights shares which were deferred earlier. Selected electric company shares met with support. Ahmedabad, Bombay Suburban and Tata Hydro were wanted.

Madras

OPERATORS AWAIT NEW CREDIT POLICY

ATTENTION CENTRES ON PLANTINGS

Tuesday Evening.

THE Madras stock market has been dull but steady during the past fortnight. Turnover has declined to almost a trickle partly due to the reactionary trend in Dalal Street and partly because of the holidays. Business in clearing shares has been negligible but the trend is steady. Operators are inclined to proceed cautiously until the credit policy of the Reserve Bank for the next busy season is announced. The investors are restrained due to the uncertain prospects of fiscal relief.

Government securities have been steady. Limited business in selected State Government loans has been transacted. Among bank shares, Canara have been prominent at Rs. 88 and Indian Overseas were done at Rs. 147.75. In electric companies, South Madras have been steady at Rs. 10.95 and Vellore at Rs. 15.25.

Attention has been largely concentrated on planting shares. Coffee shares in particular have attracted interest due to an optimistic assessment of the export outlook. The improvement in the international price of the commodity has been bullishly interpreted. Selected tea shares have been favoured on good output, combined with satisfactory prices realised for the commodity. Consolidated Coffee have improved on paying a bigger dividend of 20 percent, taxable. The price is quoted around Rs. 21.80. Blue Mountain have fetched Rs. 2.67 and Cochin Malabar Rs. 6.18. Ouchterlony have come to hand at Rs. 4.70 and Periakaramalai at Rs. 3.55. Coffee Land have been done at Rs. 14.87 on paying a taxable ordinary dividend of 9 percent. Interest has been shown in Thamarapally at Rs. 16.40, in Peermade at Rs. 20.55 and in Kil Kotagiri at Rs. 5.30. Mysore Coffee have been bought at Rs. 4.25 and Wartyhully at Rs. 2.80.

Among cotton mill shares, South India Viscose have changed hands at Rs. 135 and Travancore Rayon at Rs. 27.50. Asher have been bought at Rs. 218.50 on declaring a taxable ordinary dividend of 12.5 percent. Akkamamba have been done at Rs. 9.44. The Company has issued 5,000 cumulative redeemable preference shares of Rs. 100 each for subscription at par by the existing shareholders. The shares carry a fixed dividend of 9.5 percent. Lakshmi have been transacted at Rs. 136 and Madura at Rs. 33.65. Mettur have been steady at Rs. 282 and Loyal at Rs. 41.75. Bangalore Woollen have met with support up to Rs 226.80 and Kothari have been done at Rs. 9.30.

Among miscellaneous shares, Aluminium Industries have been prominent at Rs. 18.20, while Ashok Leyland have been transacted at Rs. 7.50. Among cement shares, Dalmia have been steady at Rs. 13 and India Cement at Rs. 5.42. Mettur Chemical have come to hand at Rs. 13.05 and Seshasayee Paper at Rs. 7.58. Tube Investments have been transacted at Rs. 213, Standard Motor Products have been dealt in at Rs. 11.15 on issuing 250,000 rights ordinary shares at par in the proportion of one new share for every Rs. 20 of paid-up capital on the equity and deferred shares. Business passed in Madras Rubber at Rs. 15 and in Kirloskar Electric at Rs. 18.25. Rane (Madras) have improved to Rs. 8.10 and Parrys Confectionery to Rs. 3.40.

THE TRANSACTIONS

[In the following list of Stocks and Shares in which transactions took place on 19th, 21st and 22nd October, the figures indicate Opening, Highest, Lowest, Closing Quotations and Quotations for the corresponding Closing Date a Year Ago. The last name is shown in parentheses and will not be given where such a quotation is not available.]

CLEARED SECURITIES

Birla Jute—Rs. 32/75—32/87—32/44—32/56—(30/00).
Burrakur Coal—Rs. 17/50—17/50—17/37—17/37—(16/12).
Dunlop Rubber—Rs. 37/31—37/81—37/06—37/06—(36/00).
Guest, Keen, Williams—Rs. 37/37—38/12—37/00—37/69—(34/87).
Hindustan Motors—Rs. 18/97—19/12—18/81—18/94—(16/50).
Indian Aluminium—Rs. 38/44—38/56—37/94—37/94—(32/50).
Indian Cable—Rs. 37/75—37/75—36/62—36/75—(34/50).
Indian Copper—Rs. 3/76—3/78—3/65—3/69—(4/28)
Indian Iron—Rs 24/80—24/90—24/66—24/70—(23/30).
J K Cotton—Rs 13/31—13/44—13/06—13/19—(14/25)
Jaipur Udyog—Rs 12/56—12/62—12/31—12/41—(11/12).
Kesoram Industries—Rs. 26/50—26/94—26/31—26/62—(22/75)
Orient Paper—Rs 37/40—37/40—36/75—36/85—(37/25)
Orissa Cement—Rs. 15/56—15/62—15/25—15/25—(15/25).
Rohtas Industries—Rs. 13/94—14/06—13/69—13/75—(12/62)
Shree Gopal Paper—Rs. 26/69—26/75—26/62—26/62—(23/25)
Textile Machinery—Rs. 27/20—27/35—27/00—27/35—(20/00).

GOVERNMENT SECURITIES

3 % Loan (1986)—Rs. 65/75—65/75—65/75—65/75
3½ % „ (1967)—Rs. 99/15—99/15—99/15—(99/15
3½ % „ (1964)—Rs. 99/85—99/85—99/85—99/85
4 % „ (1969)—Rs. 99/50—99/53—99/40—99/50.
4 % „ (1973)—Rs. 99/10—99/10—99/10—99/10.
4 % „ (1972)—Rs. 99/40—99/40—99/40—99/40
4 % „ (1981)—Rs. 98/60—98/60—98/60—98/60
4½ % „ (1973)—Rs. 100/00—100/05—100/00—100/00.
4½ % West Bengal (1974)—Rs. 99/50—99/50—99/50—99/50
4½ % U. P. (1972)—Rs. 98/50—98/50—98/50—98/50
4½ % Loan (1986)—Rs. 100/12—100/12—100/12—100/12.
4½ % Madras (1974)—Rs. 98/95—98/95—98/95—98/95.
4½ % Orissa (1972)—Rs. 98/55—98/55—98/50—98/50
4½ % U. P. (1970)—Rs. 98/60—98/60—98/60—98/60

BANKS

Bank of Baroda—Rs. 87/00—87/00—87/00—87/00.
Hindusthan Commercial—Rs. 13/37—13/50—13/31—13/50—(17/12).
United Bank of India (Rs 10 paid)—Rs. 7/44—7/44—7/44—7/44—(7/62).
United Commercial—Rs. 69/50—69/50—69/50—69/50—(80/00).

COTTONS

Bharat Commerce—Rs. 24/37—24/81—24/25—24/25—(25/81).
Bowreah—Rs. 25/62—25/62—25/62—25/62—(25/06)
Cawnpore—Rs. 7/44—7/56—7/44—7/56—(7/06).
Dunbar—Rs. 28/75—30/00—28/75—29/75—(27/25).
Elgin—Rs. 22/25—22/87—22/25—22/81—(19/50).
Jay Shree—Rs. 16/75—17/00—16/50—16/50—(16/25).
New Victoria—Rs. 1/44—1/50—1/44—1/50—(1/37).
Do. (Pref.)—Rs 2/75—2/75—2/62—2/69.
Swadeshi (Pref.)—Rs 68/00—68/00—68/00—68/00.

COALS

Amalgamated—Rs 26/00—26/00—26/00—26/00—(22/12).
Bengal—Rs 276/00—280/00—276/00—280/00—(335/00)
Bharat—Rs 3/56—3/62—3/50—3/53—(5/00)
Central India—Rs. 9/94—10/00—9/94—10/00—(10/12).
Parasea—Rs 13/56—14/00—13/56—14/00—(16/00).
Raneegunge—Rs. 14/25 x d. x.r.—14/25—14/25—14/25—(15/00)
Selected Satgram—Rs. 116/00—117/00—116/00—117/00
Union—Rs. 10/12—10/12—10/12—10/12—(10/37).
Western Bengal—Rs. 9/00—9/12—8/87—8/87—(8/87).

JUTES

Agarpara—Rs —(10/19)
Barnagore—Rs. 210/00—212/00—209/00—212/00—(176/00).
Budge Budge—Rs. 153/00—155/00—153/00—155/00—(160/00).
Birla (2nd Pref.)—Rs. 90/00—90/00—90/00—90/00
Champdany—Rs 24/62—24/62—24/62—24/62
Chitavalsah—Rs. 11/06—11/06—11/06—11/06—(11/25).
Clive—Rs 9/37—9/44—9/19—9/19—(8/37).
Do. (6% Pref.)—Rs 68/50—68/50—68/50—68/50
Do. (7% Pref.)—Rs 67/01—67/01—67/01—67/01.
Cheviot (Pref.)—Rs. 99/00—99/00—99/00—99/00
Delta—Rs. 171/00—171/00—171/00—171/00—(175/00).
Fort Gloster—Rs. 350/00—350/00—350/00—350/00—(412/00)
Do (2nd Pref.)—Rs. 66/62—66/62—66/62—66/62
Fort William—Rs. 26/81—27/12—26/81—26/94—(25/37).
Ganges—Rs. 14/75—14/94—14/75—14/75—13/12).
Gondalpara—Rs. 15/50—15/50—15/37—15/37—(18/62).
Hukumchand—Rs. 21/87—21/87—21/87—21/87—(26/12).
Kanknarrah—Rs 140/00—144/00—140/00—144/00—(130/00)
Kelvin—Rs 194/00—201/00—194/00—198/00—(190/00)
Lansdowne—Rs 98/00—98/00—98/00—98/00—(120/00).
Megna—Rs 13/94—14/00—13/94—14/00—(12/62).
New Central—Rs. 14/69—14/87—14/50—14/81—(13/50)
Nuddea—Rs. 64/00—64/00—64/00—64/00
Presidency—Rs. 5/69—5/81—5/69—5/75—(4/87).
Reliance—Rs 9/37—9/56—9/31—9/31—(6/44).

MININGS

Bisra Stone Lime—Rs. 22/50—22/50—22/50—22/50—(27/87)
Karanpura Development— Rs. 11/44—12/06—11/44—12/06—(12/00).
Metal Corpn.—Rs. 9/37—9/50—8/53—8/84—(9/37)
Orissa Minerals—Rs. 27/50—27/50—27/37—27/37—(36/50).

CEMENTS

Ashoka—Rs 7/12—7/19—7/03—7/06—(7/19).
Dalmia (Bharat) (Pref.)—Rs. 8/00—8/12—8/00—8/12
Sone Valley—Rs. 4/72—4/91—4/62—4/90—(4/53).

ELECTRICS

Calcutta—Rs 14/37—14/50—14/37—14/37—(14/87).
Patna—Rs. 10/62—10/62—10/62—10/62—(10/81).

ENGINEERINGS

Bhartia Electric Steel—Rs. 15/06—15/12—13/19—13/37—(14/19).
Bhartia Electric Steel—Rs. 15/06—15/12—15/06—15/12—(13/75).
Britannia Eng.—Rs. 10/31—10/44—10/12—10/44—(10/25)
Binani Metals—Rs. 11/37—11/50—11/37—11/50—(9/81)
Braithwaite—Rs 34/87—35/12—34/87—35/12—(34/87).
Burn & Co.—Rs 670/00—670/00—670/00—670/00—(600/00)
Hindusthan Wires—Rs. 10/06—10/37—10/06—10/25—(11/00).
Indian Standard Wagon—Rs. 35/00—36/37—35/00—35/75—(32/69).
Indian Steel & Wire Products—Rs. 35/75—35/87—35/25—35/25—(49/00).
Jessop & Co.—Rs 26/31—26/44—25/81—26/25—(22/00)
Marshalls—Rs. 2/62—2/62—2/56—2/56—(3/25).
Machinery Manfrs.—Rs. 23/37—23/37—23/37—23/37.
National Iron & Steel—Rs. 6/06—6/12—5/87—6/00—(4/75).
Raymon—Rs. 4/91—5/12—4/91—5/12.
Textile Machinery (6% Pref.)—Rs. 101/00—101/00—100/50—100/50
Wellman Incandescent—Rs. 6/06—6/31—6/00—6/31

INSURANCES

New Asiatic—Rs. 8/37 S.T.—8/37—8/12—8/12—(9/87)
Ruby General—Rs. 10/50—10/56—10/50—10/56—(9/69).
Trilon—Rs. 128/00—128/00—128/00—128/00—(131/00).

MISCELLANEOUS

Aluminium Corpn.—Rs. 16/50—16/81—16/50—16/62—(15/25)
Asiatic Oxygen—Rs 14/13—14/13—14/13—14/13—(9/28)
Associated Battery—Rs. 26/25—26/25—26/00—26/00—(28/06).
Angelo Brothers—Rs. 24/25—24/25—24/25—24/25—(23/44)
Assam Hard Board—Rs. 4/65—4/78—4/65—4/78
Assam Match—Rs. 27/50—27/50—27/50—27/50—(28/75)
Balmer Lawrie—Rs 260/00—260/00—260/00—260/00—(257/00).
Bararee Coke—Rs. 22/25—22/25—22/25—22/25—(24/50)
B. I. Corpn—Rs 8/87—8/87—8/81—8/81.
Bharat Nidhi—Rs. 6/37—6/75—6/37—6/75.
Bhartia Sons—Rs. 2/62—2/62—2/62—2/62
Britannia Biscuits—Rs 42/00—42/00—42/00—42/00—(45/12).
Calcutta Investment—Rs. 50/00—50/00—50/00—50/00.
Dr. Paul Lohmann—Rs. 13/50—13/75—13/50—13/75
Duncan Brothers—Rs. 142/00—142/00—140/00—140/00—(157/50).
English Electric—Rs. 14/28—14/50—14/28—14/50.
Electric Construction—Rs. 14/06—14/12—13/87—13/87—(13/50)
Eastern Investment—Rs.121/00—121/00—121/00—121/00—(129/00)
French Motor Car—Rs. 35/37—35/37—35/37—35/37—(35/12)
General Tyres—Rs. 9/56—9/87—9/50—9/85—(5/62)
Gillanders Arbuthnot—Rs. 14/06—14/06—14/00—14/00—(14/06).
Hindustan Aluminium—Rs. 13/87—13/87—13/62—13/62—(13/81).
Hindusthan Development—Rs. 4/06—4/06—3/94—4/06—(5/06).
Hindusthan Pilkington Glass—Rs. 17/00—17/31—17/00—17/31—(19/50)
Hindusthan Gas—Rs. 23/25—23/25—23/25.—23/25.
Hindusthan Twyfords—Rs. 15/03—15/06—15/00—15/00—(15/75).
Indian Tack & Nail—Rs. 12/25—12/37—12/25—12/37—(15/37)
Indian Wood Products—Rs 29/69—29/69—29/62—29/62—(32/00)
Imperial Tobacco—Rs. 10/56—10/56—10/31—10/31—(10/87)
Isaac Holdens—Rs 15/37—15/75—15/37—15/75—(15/56).
Indian Oxygen—Rs. 28/75—28/75—28/50—28/50—(31/87).
J. K. Synthetics—Rs. 12/00—12/19—11/75—11/75—(12/44).
Jardine Henderson—Rs. 80/00—80/00—80/00—80/00—(73/00).
Jay Shree Industries—Rs. 18/37—18/56—18/37—18/56—(16/50).
Metal Distributors—Rs. 4/62—4/69—4/62—4/69
Multimetals—Rs. 5/00—5/00—5/00—5/00
Martin Burn—Rs. 27/25—27/81—27/25—27/81—(29/75)
Metal Box—Rs. 53/50—53/50—53/50—53/50—(55/50)
National Insulated Cable—Rs. 25/25—25/31—25/12—25/19—(25/19).
National Standard Duncan—Rs. 88/00—88/00—88/00—88/00
National Rubber—Rs 12/75—12/81—12/75—12/81—(11/25)
Philips India—Rs. 30/25—30/75—30/25—30/75—(28/12)
Phillips Carbon—Rs. 17/25—17/25—17/25—17/25
Rallis India—Rs. 131/00—131/00—130/00—130/00—(150/00)
Shaw Wallace—Rs 16/62—16/75—16/62—16/69—(19/87).
Sirsilk—Rs. 9/06—9/06—8/94—8/94—(8/75)
Union Carbide—Rs. 41/12—41/50—40/75—41/12—(45/00).
Universal Cables—Rs. 12/69—12/94—12/37—12/62.
Usha Martin Black—Rs. 17/25—17/69—17/25—17/69.
Walford Transport—Rs. 3/75—3/87—3/75—3/87—(3/37).
Do. (P.O.)—Rs. 2/75—2/75—2/75—2/75—(2/25).

PAPERS

Ballarpur—Rs. 18/81—19/37—18/75—18/87—(17/50)
Bengal—Rs 28/62—28/69—28/62—28/62—(32/75)
Seshasayee—Rs 7/56—7/75—7/56—7/69—(8/09)
Sirpur—Rs. 12/75—13/12—12/75—12/94—(12/75).
Straw Products—Rs. 10/50—10/50—10/12—10/12—(9/60)
Shree Gopal (2nd Pref.)—Rs. 98/50—99/00—98/50—99/00.
Titaghur—Rs. 17/31—17/37—17/12—17/25—(37/00).
Do. (P.O.)—Rs 3/34—3/34—3/10—3/15—(3/78).

SAW MILL

Assam Saw—Rs 2/56—2/62—2/50—2/50—(2/75).

SHIPPING

India Steamship—Rs. 6/69—7/19—6/62—7/09—(6/31).

SUGARS

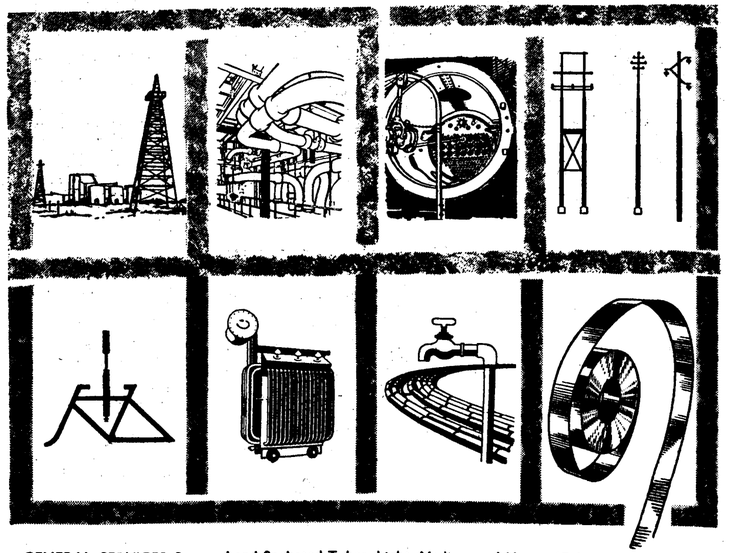
Belsund—Rs. 8/81—8/81—8/75—8/81—(9/62).
Raza Buland—Rs. 10/25—10/31—10/25—10/31—(10/15).
Shree Krishna Gyanoday—Rs. 9/06—9/15—9/06—9/15—(9/06).

TEAS

Brooke Bond—Rs. 12/81—12/87—12/65—12/75—(12/31).
Dhelakhat—Rs. 20/25—20/25—20/25—20/25—(20/00)
Gohpur—Rs 15/75—15/75—15/62—15/75—(13/31).
Gungaram—Rs. 130/00—130/00—130/00—130/00—(158/00)
Grob—Rs 8/15—8/15—8/15—8/15—(8/12).
Hasimara—Rs. 14/81—14/94—14/75—14/81—(14/81)
Hoolungooree—Rs. 199/00—200/00—199/00—199/00—(190/00).
Jaybirpara—Rs. 19/87—20/50—19/87—20/31—(11/06).
Loobah—Rs. 4/56—4/56—4/56—4/56—(4/94).
North Western Cachar—Rs. 175/00—175/00—175/00—175/00—(205/00)
Oodlabari—Rs. 13/50 S.T.—13/62—13/50—13/62—(14/25)
Ranicherra—Rs. 12/50—12/50—12/50—12/50—(16/75).
Sungma—Rs 14/75—14/75—14/75—14/75—(12/75)
Tezpore—Rs. 15/06—15/19—15/06—15/19—(15/56)
Tukvar—Rs. 6/00—6/00—6/00—6/00—(6/00).

DEBENTURES

6½% Guest, Keen, Williams—Rs. 99/50—99/75—99/50—99/75.
6½% Bengal Paper (Convertible Notes)—Rs. 256/00—256/00—256/00—256/00.



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INDIAN TUBE

THE INDIAN TUBE COMPANY (1953) LIMITED
A Tata-Stewarts and Lloyds Enterprise.

ITC-439

THE CALCUTTA ELECTRIC SUPPLY CORPORATION LIMITED

The Sixty-sixth Annual General Meeting was held on October 24th at Victoria House, Bloomsbury Square, London, W.C.1., Sir William Lamond, the Chairman presiding.

The Report of the Directors was adopted and payment was sanctioned of a Final Ordinary Dividend of 4% (actual) for the year ended 31st March. 1963. Sir William Lamond, Mr. J. W. Gauntlett and Sir Walter Michelmore were re-elected Directors. The remuneration of the Auditors was fixed.

The above statement is not a report of the proceedings of the Annual General Meeting referred to.

London

INVESTORS MORE CONFIDENT

GOOD CORPORATE NEWS BOOSTS INDUSTRIALS

London, 30th October.

WITH the domestic political uncertainties very much diminished, the stock market looked a good deal more confident, and a vigorous investment demand was experienced. With the new Prime Minister rapidly establishing himself and with a steady flow of good economic news and company statements to help sentiment, buyers returned on a considerable scale. The buying came from all types of investors, from the small man to the large institutional investors and unit trusts. Equities, of course, were the main attraction and many prices reached new 1963 peaks. The excellent interim statements from Courtaulds and Dunlops came as a considerable boost and the shares of both these companies were in the forefront of the market rise. Shipping shares were prominent on the recent sharp rise in freight rates and shipbuilding and other engineering shares moved up sharply. Gilt-edged, however, were out of the picture. Indeed there was a marked weakening in prices last Monday following Press comment on Bank rate which put forward the view that a rise was likely in order to curb what looks like a return to inflation. Although Wall Street surged upwards to a new all-time peak, London prices for dollar stocks did not always respond. Commodity shares were very much in the limelight, and a feature was the strength of tin shares following the exhaustion of the buffer stock and the consequent jump in the metal prices.

Money

COLLECTING RURAL SAVINGS THROUGH MOBILE BANKS

(BY A SPECIAL CORRESPONDENT)

ALTHOUGH the growth of deposits and the contraction of credit during the current slack season has been satisfactory, there is reason to believe that the big banks have not fared as well as the medium and small ones. One of the handicaps faced by big banks in mobilising deposits is the insurance of bank deposits which has made deposits in small banks equally secure. The ½ percent higher interest paid on deposits by medium banks is seemingly working to the disadvantage of big banks. The latter are, therefore, forced to search for new devices for increasing deposits. The Bank of Baroda, for example, has recently announced two innovations. One is the introduction of a "drive-in bank" in Ahmedabad and the other is the starting of mobile banks in some areas of Gujarat. The bank is also experimenting with the "teller system" in some of its offices, especially at the head office in Baroda.

Mobilising Deposits

In his annual speech to the shareholders, Mr. Tulsidas Kilachand, chairman, said that the bank had applied to the Reserve Bank in August 1962 for operating mobile banks in certain areas. The object of the experiment is to mop up deposits from the countryside where the operation of an office—even a pay office—of the bank is considered uneconomical. Several questions need to be answered in this context. Is the idea of mobile banks feasible on a large scale? What are the chances of success in such experiments? The answers to the questions can be provided by examining the idea of mobile banks against the background of economic conditions in India.

The idea of mobile banks is not altogether new. Some banks in Punjab and Rajasthan experimented with the idea, but it was abandoned after trial because mobile banks proved uneconomical. The papers read at the Indian Banks Seminar held last year highlighted this fact. In logic, the idea of mobile banks has much to commend itself. Since it is not feasible to open bank offices in every small town or village, and there are over 1,000 unbanked places in the country, a mobile bank should in theory be able to mobilise the rural savings without an undue increase in operational costs. In some advanced countries these banks have worked successfully. There is no reason, it is argued, why they cannot be successful in India too. It is true that conditions in the countryside during the past few years have changed for the better because of the rise in incomes and the improvement in literacy. Even so, can one say that conditions in the Indian countryside are anything like those prevailing in advanced countries with the exception of some neighbourhoods of well-developed cities? The latter are well supplied with a network of commercial bank branches, but in the underdeveloped countryside, which the mobile banks intend to serve, there is a lack of communication facilities. Even now, several regions are practically cut off from the rest of the country during the monsoon season.

Problem of Security

In addition, there is the problem of security. Bank robberies are not unknown even in such big cities as Bombay. In England, a bank robbery committed recently, involving several thousands of pounds, has raised doubts whether it is advisable to transport large sums of money. Several parts of India are still under medieval conditions. For instance, in Madhya Pradesh, Rajasthan and Uttar Pradesh regular dacoit gangs operate and police vigilance there has so far proved to be poor. Likewise, even in Gujarat until recently, conditions were extremely insecure due to the depradations of a notorious dacoit gang. Under the circumstances, the experiment with mobile banks may prove somewhat risky. None of the banks in south India, where conditions are comparatively secure, has ventured with the experiment. It is probably felt that the idea is not worth the trouble because the countryside in the south is well served by a network of offices of the State Bank of India, its subsidiaries, post-office savings banks and co-operative institutions.

A few other questions require to be answered in this connection. It is the people in the countryside who support the post-office savings banks and buy small savings certificates and "janata insurance" policies. Besides, co-operative institutions are clamouring for deposits. Their progress so far is unsatisfactory in mobilising deposits from the public. Furthermore, various fiscal measures included in the 1963-64 Central Budget, such as the levy of heavy excise duties on a wide variety of consumer goods, will leave very little savings for fruitful mobilisation by commercial banks. The layer of savings in the rural areas is quite thin and the Indian villager is, by and large, conservative. He does not believe in keeping his savings in mobile banks which come once or twice a week in his area. He prefers to put the money either in gold or in land or real estate, such as houses or cattle. The hold of the village moneylender-*cum*-landlord-*cum*-trader is still very strong in the countryside. It is obvious that mobile banks have to function against heavy odds. The banks should, therefore, launch a sustained educational campaign in favour of mobile banks before undertaking experiments. The Indian Banks Association can launch this campaign since the experiment, if it proves successful, will benefit every bank.

High Interest Rates

There is yet another angle from which the experiment requires to be examined. The rates of interest which the banks offer on deposits from the public bear no relation whatsoever to those prevailing in the countryside. Against 3 percent offered by banks on savings deposits and 4 percent on fixed deposits for varying periods, the normal rates of interest in the countryside, which again vary from region to region, are around 12 percent against the mortgage of immovable property and 17 percent to 18 percent for clean credit. Loans for business purposes are given at an interest of 25 percent and often for a share in profits also. Savings in villages are concentrated in the hands of a few—moneylenders, landlords and traders—and they are able to employ their resources profitably. This explains the shyness of rural savings to come to the organised money market. Under the circumstances, it is clear that banks will not be able to attract deposits unless they offer a rate of interest which is commensurate with that prevailing in the countryside. Are the commercial banks in a position to do so? Probably they are not. This is because the difference in interest rates between rural and urban areas is very wide and the demand for funds in rural areas is much in excess of supply. This is the greatest hurdle for launching a successful experiment with mobile banks in this country.

It is obvious that none of these difficulties is within the capacity of banks to overcome since they stem from the general economic conditions in the country. Mr. Kilachand is not unaware of the difficulties. Yet if he feels that the idea is worth pursuing, it must be because there are some rural areas where conditions are favourable. The Reserve Bank could perhaps obtain fuller particulars from the promoters of new ideas so as to examine the prospects of success. It should satisfy itself, in particular, that the experiment does not retard the branch expansion programme of commercial banks.

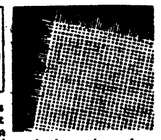
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A close view of MOKOLIN'S 'porous' weave

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26th October amounted to Rs. 6.59 crores.

ACTIVE NOTES DECLINED BY Rs. 5.70 crores to Rs. 2,251.38 crores, according to the return of the Reserve Bank of India for the fortnight ended 25th October, 1963. The total note issue was Rs. 32 lakhs smaller at Rs. 2,270.18 crores. Notes held in the Banking Department consequently rose by Rs. 5.39 crores to Rs. 18.80 crores. Deposits of the Government of India declined by Rs. 4.23 crores to Rs. 47.97 crores while those of State Governments rose by Rs. 4.44 crores to Rs. 14.80 crores. Balances of scheduled banks improved sharply by Rs. 31.84 crores to Rs. 118.50 crores. Their loans from the Bank amounted to Rs. 1.75 crores, against Rs. 1.83 crores of which advances against usance bills were again nil. Balances held abroad were Rs. 84 lakhs larger at Rs. 9.94 crores. Investments rose by Rs. 68.58 crores to Rs. 236.79 crores. Ways and means advances to Governments stood at Rs. 36.38 crores, against Rs. 56.76 crores.

THE RETURN OF THE STATE BANK OF India for the week ended 18th October, 1963, shows a drop of Rs. 1.56 crores to Rs. 592.49 crores in total deposits. Investments in Government securities are up by Rs. 11.23 crores to Rs. 313.62 crores, while other authorised investments remain unchanged at Rs. 8.95 crores. Advances, including loans, cash credits, overdrafts, bills discounted and purchased have increased by Rs. 56 lakhs to Rs. 251.55 crores. Cash and balances are, in consequence, shown at Rs. 20.73 crores or Rs. 10.30 crores less.

THE STATEMENT OF THE POSITION OF scheduled banks for the week ended 18th October, 1963, shows Demand and Time liabilities at Rs. 1,095.48 crores (Rs. 21.65 crores on account of borrowings from banks) and Rs. 1,319.88 crores (Rs. 23.43 crores), compared with Rs. 1,101.43 crores (Rs. 24.62 crores) and Rs. 1,316.04 crores (Rs. 21.94 crores), respectively, in the previous week. Cash and balances with the Reserve Bank have declined by Rs. 95 lakhs and Rs. 11.96 crores to Rs. 56.98 crores and Rs. 75.20 crores, respectively. There is a rise of Rs. 10.64 crores to Rs. 769.09 crores in investments. Advances and bills discounted at Rs. 1,488.19 crores show a rise of Rs. 4.43 crores. The ratios to total liabilities of cash and balances, and of advances and discounts are, in consequence, shown at 5.4 percent and 61.6 percent, against 6 percent and 61.4 percent.

THE CALCUTTA MONEY MARKET

ADVANCES DECREASE A LITTLE

Wednesday, 30th October.

THE general level of advances has decreased a little in the Calcutta money market during the past fortnight. The main fall is in the credit given to the sugar mills, and to iron, steel and engineering units. But the accommodation given to the cotton and woollen mills, and to the food-grains and seeds trade, is also nominally down. Only jute advances show a minor increase. In the interbank market, conditions have been easy and the call rate quotes 1 percent.

The exchange market has been active, with a good supply of tea and gunny bills. The demand for remittances has been moderate. In the London foreign exchange market, sterling has shown a mixed tendency after narrow fluctuations.

SILVER WAS STEADY IN CALCUTTA during the past fortnight. The price rose from Rs. 229.75 to Rs. 231.75 quoted for ready. The London and New York prices were 111½d and 129.3 cents. Gold was quiet on lack of demand and the price of 14 carat dropped from Rs. 62.25 to Rs. 61.75.

DURING THE WEEK ENDED 25TH OCTOber, Government of India Treasury bills for Rs. 54,86,50,000 were sold in favour of the Reserve Bank.

TENDERS FOR Rs. 2 CRORES OF 91-DAY Government of India Treasury bills were opened on 29th October. The total amount offered was Rs. 2 crores. Tenders at Rs. 99.420 percent and above were accepted in full. The total amount accepted was Rs. 2 crores, the average rate of acceptance being Rs. 2.318 percent a year. Tenders for Rs. 2 crores of 91-day Government of India Treasury bills will be received at all centres up to the close of business on 4th November.

IT IS STATED THAT 91-DAY INTERMEDIATE Treasury bills will be sold from 30th October to 2nd November at Rs. 99.436 percent, subject to the conditions previously announced that sales can be stopped at any time without notice, if the Government thinks it necessary. These bills sold from 23rd October to

TREASURY BILL MATURITIES

Details of 91-day bills outstanding with the public on 28-10-63

Issue Date	Maturity Date	Amount (000's Rs.)	Average Acceptance Rate
28-10-63	31-1-64	2,00.00	Rs. 2.318%
23-10-63	26-1-64	2,00.00	Rs. 2.320%
18-10-63	21-1-64	2,00.00	Rs. 2.320%
11-10-63	14-1-64	2,00.00	Rs. 2.318%
4-10-63	7-1-64	2,00.00	Rs. 2.318%
27-9-63	30-12-63	2,00.00	Rs. 2.318%
20-9-63	23-12-63	2,00.00	Rs. 2.318%
13-9-63	16-12-63	2,00.00	Rs. 2.318%
6-9-63	9-12-63	2,00.00	Rs. 2.318%
30-8-63	2-12-63	2,00.00	Rs. 2.320%
23-8-63	26-11-63	2,00.00	Rs. 2.320%
16-8-63	19-11-63	2,00.00	Rs. 2.320%
9-8-63	12-11-63	2,00.00	Rs. 2.320%
2-8-63	5-11-63	2,00.00	Rs. 2.320%

(Monthly Maturities (000's omitted)

November 1963	8,00.00
December 1963	10,00.00
January 1964	10,00.00
Total	28,00.00

CLEARING HOUSE RETURNS

Week	Calcutta	Bombay
	Rs. (Lakhs)	
16-10-63	.....	78,45.64
11-10-63	98,55.24	1,19,04.21
4-10-63	96,37.52	93,54.11

RESERVE BANK

ISSUE DEPARTMENT

	(In 000's of Rupees)	Week Ended 25-10-63	18-10-63	26-10-62
Liabilities—				
Notes in Banking Dept.		18,80,13	23,61,45	17,73,97
Notes in Circulation		22,51,37,83	22,61,31,25	20,49,21,56
Total Notes issued		22,70,17,96	22,84,94,70	20,66,95,53
Assets—				
A Gold Coin and Bullion		1,17,76,10	1,17,76,10	1,17,76,10
Foreign Securities		92,45,69	92,45,69	88,08,43
Total of A		2,10,21,79	2,10,21,79	2,05,84,53
B Rupee Coin		1,20,65,15	1,20,41,89	1,22,8,90
Rupee Securities		19,39,31,02	19,54,31,02	17,38,29,10
Total		22,70,17,96	22,84,94,70	20,66,95,53

BANKING DEPARTMENT

Liabilities—			
Capital Paid-up	5,00,00	5,00,00	5,00,00
Reserve Fund	80,00,00	80,00,00	80,00,00
National Agricultural Credit (Long Term Operations) Fund	73,00,00	73,00,00	61,00,00
National Agricultural Credit (Stabilisation) Fund	8,00,00	8,00,00	7,00,00
Deposits—			
(a) Central Govt.	47,95,79	48,80,44	51,00,54
(b) State Govts	14,79,87	11,01,13	9,85,00
(c) Banks—			
(i) Scheduled Banks	1,18,49,62	81,92,43	79,17,18
(ii) State Co-operative Banks	2,02,31	1,84,78	1,50,29
(iii) Other Banks	5,13	12,11	3,12
(d) Others	1,67,12,50	1,63,05,54	1,61,04,58
Bills Payable	3,28,14	38,04,62	22,86,00
Other Liabilities	28,51,13	27,04,80	29,86,00
Total	5,69,23,51	5,37,95,85	5,08,31,02
Assets—			
Notes	18,80,13	23,61,45	17,73,97
Rupee Coin	4,03	2,85	2,27
Small Coin	3,42	3,47	3,01
National Agricultural Credit (Long Term Operations) Fund			
(a) Loans and Advances to :—			
(i) State Govts.	27,10,41	27,10,97	23,98,87
(ii) State Co-operative Banks	9,84,97	9,91,20	11,69,65
(iii) Central Land Mortgage Banks	..	..	..
(b) Investment in Central Land Mortgage Bank Debentures	3,55,31	3,55,31	2,84,88
National Agricultural Credit (Stabilisation) Fund			
Loans and Advances to State Co-operative Banks	..	..	..
Bills Purchased and Discounted :—			
(a) Internal	..	..	..
(b) External	..	..	..
(c) Govt. treasury Bills	72,50,03	74,61,61	1,05,24,85
Balances Held abroad	9,94,48	7,99,70	4,48,61
Loans and Advances to Govt.	36,38,17	56,20,02	19,60,28
Loans and Advances to :—			
(i) Scheduled Banks	1,75,00	2,10,75	9,34,70
(ii) State Co-operative Banks	1,25,17,00	1,32,63,09	1,31,10,55
(iii) Others	2,02,05	2,03,05	1,42,57
Investments	2,36,78,64	1,72,99,93	1,43,24,58
Other Assets	25,31,84	25,12,45	37,52,23
Total	5,69,25,51	5,37,95,85	5,08,31,02

SCHEDULED BANKS

	(In 000's of Rupees)	Week Ended 18-10-63	11-10-63	19-10-62
(i) Demand Liabilities—				
(a) Demand Deposits				
(1) From Banks		51,53,69	51,75,25	47,04,07
(2) From others		9,62,80,06	9,63,78,30	8,13,93,53
(b) Borrowing from Banks		21,65,33	24,62,42	18,19,80
(c) Others		59,48,97	61,26,53	54,07,89
(ii) Time Liabilities—				
(a) Time Deposits				
(1) From Banks		32,57,09	32,82,91	21,69,83
(2) From others		12,53,27,16	12,50,52,39	12,43,36,85
(b) Borrowing from Banks		23,42,93	21,94,16	14,95,79
(c) Others		9,60,37	9,74,42	10,88,93
(iii) Borrowing from State Bank—				
(a) Demand Liabilities		8,30,76	10,91,26	6,14,44
(b) Time Liabilities		18,46,82	16,77,01	16,48,00
(iv) Borrowing from Reserve Bank		1,93,90	1,92,95	1,76,05
(v) Bank		56,97,88	57,92,84	52,69,48
(vi) Balances with the Reserve Bank		75,19,96	87,15,99	84,53,15
(vii) Balances with other Banks in current account		21,51,57	21,44,61	18,52,02
(viii) Money at call and short notice		56,78,81	57,84,15	48,15,95
(ix) Investments in Central and State Govt. Securities		7,69,08,85	7,58,45,36	6,97,12,58
(x) (a) Loans, Cash Credits and Overdrafts		12,46,51,00	12,40,80,85	11,69,13,77
(b) Due from Banks		12,18,81	12,59,99	8,19,27
(xi) Inland Bills purchased and discounted		1,73,09,70	1,74,64,59	1,57,16,81
(xii) Foreign Bills purchased and discounted		56,39,11	55,70,32	49,39,65
xiii) Total of X (1 and XI)		14,88,18,62	14,83,75,75	13,83,99,50

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ANNOUNCEMENT REGARDING PROPOSED ISSUE OF CAPITAL

THIS IS ONLY AN ANNOUNCEMENT AND NOT A PROSPECTUS

Applications are invited on the basis of the Prospectus, copies whereof are available from the Company's Bankers, Underwriters and Brokers.

A copy of this Prospectus together with the documents specified therein has been duly delivered to the Registrar of Companies, Madras, for registration as required by Section 60 of the Companies Act, 1 of 1956.

Consent of the Central Government has been obtained to this issue by an order, a complete copy of which is open for inspection at the Registered Office of the Company. It must be distinctly understood that in giving this consent, the Government of India do not take any responsibility for the financial soundness of any scheme or for the correctness of any of the statements made or opinion expressed in regard to them.

An Industrial Licence (bearing No. L/34(6)/12/60/L/IND dated 15th July, 1960 together with an amendment letter No. 6 (58) L ind/60 dated 5th November, 1960) has been obtained from the Central Government for the establishment of this new industrial undertaking at Madras (Porur, Saidapet Taluk, Chingleput District, Madras State) a copy of which is open for inspection at the Registered Office of the Company. It must be distinctly understood that in granting this licence, the Government of India do not take any responsibility for the financial soundness of this undertaking or for the correctness of any of the statements made or opinion expressed in regard to it.

Application has been made to the Madras Stock Exchange and an application will be made to the Bombay Stock Exchange for permission to deal in and for an official quotation for the shares of the Company

The Subscription List will open at the commencement of banking hours on 6th November, 1963 and will remain open until the close of banking hours on 18th November, 1963 unless closed earlier if the issue is oversubscribed or later at the discretion of the Directors but not earlier than the close of the banking hours on 8th November, 1963.

W. S. INSULATORS OF INDIA LIMITED

Licensed by Westinghouse

(Incorporated on 23rd August, 1961 under the Companies Act, 1956)

SHARE CAPITAL

		Rs.	
(i)	**Authorised:**		
	50,000 9.5% (free from Income-tax payable by the Company, but subject to deduction of taxes at source at the prescribed rates) Cumulative Preference Shares of Rs. 100/- each		50,00,000
	15,00,000 Equity Shares of Rs. 10/- each		1,50,00,000
			2,00,00,000
(ii)	**Issued:**		
	20,000 9.5% (free from Income-tax payable by the Company, but subject to deduction of taxes at source at the prescribed rates) Cumulative Preference Shares of Rs. 100/- each		20,00,000
	9,00,000 Equity Shares of Rs. 10/- each		90,00,000
			1,10,00,000
(iii)	**Subscribed:**		
	The Promoters, Directors of the Company, their friends and associates have subscribed as under:		
	51,000 Equity Shares of Rs. 10/- each subscribed and allotted	Rs. 5,10,000	
	1,50,125 Equity Shares of Rs. 10/- each which will be allotted in full	Rs. 15,01,250	20,11,250

It is a condition of the consent of the Controller of Capital Issues that the above shares shall be non-transferable for a period of one year from the respective dates of allotment thereof.

(iv)	**Capital agreed to be reserved for firm allotment:**	
	(a) The Technical Collaborators M/s. Westinghouse Electric International Co. of New York (U.S.A.) have agreed to subscribe for 23,875 Equity Shares of Rs. 10/- each of the aggregate value of ...	2,38,750
	(b) The Life Insurance Corporation of India, Bombay, against underwriting arrangement with them have agreed to subscribe for 50,000 equity shares of Rs. 10/- each to an aggregate value of ...	5,00,000
(v)	**Now offered at par for public Subscription:**	
	20,000 9.5% (free of Company's tax, but subject to deduction of taxes at source at the prescribed rates) Cumulative Preference Shares of Rs. 100/- each ...	20,00,000
	6,25,000 Equity Shares of Rs. 10/- each	62,50,000
		82,50,000

Necessary resolution under Section 81 of the Companies Act, has been passed by the Company in General meeting on 29th October, 1962 for the public issue of Capital.

UNDERWRITING:

The entire issue offered to the public for subscription is fully underwritten as follows:

		Class and face value of shares underwritten	
		Equity Shares. Rs.	Preference Shares. Rs.
1.	The Madras Industrial Investment Corporation Ltd. ...	16,00,000	11,50,000
2.	The Life Insurance Corporation of India	10,00,000	5,00,000
3.	The Industrial Finance Corporation of India ...	15,00,000	.....
4.	The Punjab National Bank Ltd. ...	10,00,000	.....
5.	The Canara Bank Ltd. ...	5,00,000	.....
6.	The Canara Industrial and Banking Syndicate Ltd. ...	2,50,000	2,50,000
7.	M/s. H. P. Mehta & Co., Share Brokers, Delhi ...	3,00,000	.....
8.	M/s. Raja Ram Bhasin & Co., Share Brokers, Delhi ...	3,00,000	.....
9.	The Oriental Fire and General Insurance Co., Ltd., Bombay ...	.....	1,00,000
10.	M/s. Chitra & Co., Share Brokers, Madras ...	1,00,000	.....
11.	M/s. Paterson & Co., Share Brokers, Madras ...	1,00,000	.....
12.	M/s. Subramaniam & Co., Share Brokers, Madras ...	1,00,000	.....
		67,50,000	20,00,000

In the opinion of the Directors, the resources of the Underwriters are sufficient to discharge their underwriting obligations.

TERMS OF PAYMENT:

6,25,000 Equity Shares and 20,000 Preference Shares offered for public subscription at par for cash in terms of this Prospectus are payable as follows:

Equity Shares:

On application—Rs. 2.50 per share.

On allotment—(within 2 months from date of allotment) Rs. 2.50 per share.

The balance Rs. 5/- per share payable will be called up in two equal instalments at the discretion of the Directors at an interval of not less than 3 months between the calls, the first of such calls being made not earlier than 4 months from date of allotment.

Preference Shares:

On application—Rs. 25/- per share.

On allotment—Rs. 25/- per share (within two months from date of allotment).

The Balance of Rs. 50/- per share payable will be called up in two instalments at the discretion of the Directors at an interval of not less than 3 months between the calls, the first of such calls being made not earlier than 4 months from date of allotment.

The application moneys not utilised will be returned within a period of two months from the date of closing the subscription list or within such extended period as may be found necessary by the Board and agreed to by Government.

The Calls on both the Equity and Preference Shares will be made simultaneously so that at no time the ratio of the paid up Equity Capital to the paid up Preference Capital is less than 9: 2.

No shares have been issued at a premium nor are any shares presently to be issued at a premium.

BOARD OF DIRECTORS

1. Sri C. S. Loganathan,
Industrialist,
s/o. Sri C. Shanmugham,
6, Vasu Street, Kilpauk,
Madras-10.

Chairman:
Board of Directors:
The Travancore Cements Ltd.
The Tirupati Cotton Mills Ltd.
Cauvery Spinning and Weaving Mills Ltd.

Director:
The India Cements Ltd.
The Travancore Rayons Ltd.

2. Sri T. S. Narayanaswami,
Industrialist,
s/o. Sri T. S. Srinivasa Iyer,
No. 2,
Sir C. P. Ramaswami Iyer Road,
Madras 18.

Director:
The India Cements Ltd.
Industrial Chemicals Ltd.
The Madras Aluminium Co., Ltd.
The Madras Industrial and Investment Corpn. Ltd.
Zenith Lamps and Electricals Ltd.
Chemicals and Plastics India Ltd.

3. Sri K. Palani,
Industrialist,
s/o. Sri Kumaraswami,
25, Venkatanarayana Road,
Thyagarayanagar,
Madras-17.

Director:
The India Cements Ltd.
Industrial Chemicals Ltd.
The Madras Aluminium Co., Ltd.
J. V. Gokul & Co. Private Ltd.
Chemicals and Plastics India Ltd.
Nataraj Spinning and Weaving Mills Ltd.

W. S. INSULATORS OF INDIA LIMITED—*Cont'd.*

BOARD OF DIRECTORS—Cont'd.

4. Sri N. S. Sethuramon,
Engineer and Businessman,
s/o. Sri N. S. Sundaram Iyer,
62, St Mary's Road,
Madras-18.

Proprietor:
Sethuraman Thiagarajan & Co. (Electrical and Mechanical Engineers) Electro Lighting Co.
Managing Partner:
W. S. Industries (Managing Agents for W. S. Insulators of India Ltd.)

5. Sri V. Srinivasan, B.E., (Hons.),
Engineer and Businessman,
s/o. Sri M. R Venkataram,
2, Satvanarayana Avenue,
Madras-28.

Partner:
W. S. Industries (Managing Agents for W. S Insulators of India Ltd.)

MANAGING AGENTS

Messrs W. S. INDUSTRIES,
272/273, Angappa Naicken Street, Madras-1.

TECHNICAL COLLABORATORS

Messrs WESTINGHOUSE ELECTRIC INTERNATIONAL CO.,
NEW YORK, N.Y. (U.S.A.).

BANKERS

1. **The Punjab National Bank Ltd.,** Madras.
2. **The Canara Bank Ltd.,** Madras.
3. **The Canara Industrial and Banking Syndicate Ltd.,** Madras.

BROKERS:

Madras

M/s. Paterson & Co.,
22, Errabalu Chetti Street,
Madras-1.

M/s. Chitra & Co.,
322-23, Linghi Chetty Street,
Madras-1.

M/s. Maconochie & Co.,
Mercantile Bank Buildings,
First Line Beach, Madras-1.

M/s. Subramaniam & Co.,
14, Second Line Beach, Madras-1.

M/s. Dalal & Co.,
632-C, N. S. C. Bose Road,
Madras-1.

Bangalore

M/s. P. R. Subramanyam,
"Shree Siva", Plot 6,
4th Street, Benson Cross Road,
Bangalore-6.

M/s. Lokur & Co.,
Kempegowda Road, Bangalore-9.

Calcutta

M/s. G. M. Pyne,
Allahabad Bank Building,
14, India Exchange Place,
Calcutta-1

M/s. Place Siddons & Gough Private Ltd.,
6, Lyons Range, Calcutta.

New Delhi

M/s. H. P Mehta & Co.,
Connaught House, 1st Floor,
Connaught Place, New Delhi.
M/s Raja Ram Bhasin & Co.,
A-320 Defence Colony,
New Delhi.
M/s. Harbans Singh Mehta & Co.,
33 Regal Building,
Parliament Street, New Delhi-1.
M/s. Raj Paul Chadha & Co.,
Delite Cinema Building,
Asaf Ali Road, New Delhi.

Bombay

M/s. Batlivala & Karani,
Union Bank Building,
Dalal Street, Fort, Bombay-1.
M/s. Harkisondass Lukhmidass,
Stock Exchange Building,
5th Floor, Apollo Street,
Fort, Bombay-1
M/s. Lewis & Jones,
Bank of Baroda Building,
Apollo Street, Fort, Bombay-1.
M/s. P R Subramanyam,
70-A, Stock Exchange Building,
Apollo Street Fort, Bombay-1.
M/s. Merwanjee Bommanjee Dalal,
Allahabad Bank Building
Apollo Street, Fort, Bombay-1.
Mahadevia Bros.,
Stock Exchange Old Building,
P.O. No 424
Dalal Street, Fort, Bombay-1.
M/s. A B Pandit & Co.,
32, Apollo Street, Fort, Bombay-1.

AUDITORS

Messrs. S. VISWANATHAN,
Chartered Accountants,
Indian Chamber Buildings, Madras-1.

LEGAL ADVISER

SRI T. RAGHAVAN, Advocate,
11-B, Mowbrays Road, Madras-18.

REGISTERED OFFICE

No 33, ERRABALU CHETTI STREET, MADRAS-1.

OBJECTS

The Company was incorporated on 23rd August 1961 for carrying out the several objects set out in its Memorandum of Association The main objects of the Company are as set out in the Memorandum of Association, a printed copy of which is available for inspection and include inter-alia the following:

To manufacture, buy, sell, exchange, alter, improve, manipulate, prepare for market, import or export or otherwise deal in all kinds of insulators of all types and of all voltages from low tension to high tension voltages upto 330 K. V. and above, porcelain supports, separaters, baffles, fixtures, bushings, condensers of all makes and of all types for all industrial, domestic and other uses, apparatus insulators, condenser bushings transformers and circuit breakers for voltages upto 330 K. V. and above distribution transformer bushings bulk type transformer bushings, capacitor oushings, fuse cutout prcelain, voltage regulator bushings, potential and current transformer oushings wall bushings, ceramic condensers, switch, bus station and post insulators for outdoor voltages upto 330 K. V. and above, indoor switch and bus insulators station porcelain insulators, distribution insulators guy strain insulators H. V. and L. V. type insulators, suspension type insulators, line post insulators, spool type insulators upto 330 K. V. and above, telegraph and telephone insulators insulators for Railway requirements, Insulators for Electronic and Radio Industries Fuse Units, Outdoor and Indoor Fuse Cutouts of all voltages and ranges L. T. and H. T. Switchgear insulating materials, switch bases and all kinds of porcelain and other insulating products, disconnecting and air break switches of all types and descriptions.

To carry on the business of manufacturing, buying selling, reselling altering, importing, exporting, improving, assembling, distributing lightning arresters or surge divertors of all voltages and of all types ranging from low tension to high tension voltages upto 330 K. V. and above distribution type lightning arresters, station type lightning arresters auto-valve lightning arresters, encapsulation type lightning arresters and all other types and designs of lightning arresters required for the electrical trade industry, power stations, substations, distribution networks and for all other allied uses.

To carry on the business of manufacture of Porcelain fuse cutouts of all types and Enclosed, open and distribution by-pass switches and of all voltages.

SCOPE AND PROSPECTS

Electric Power Generation Transmission and Distribution in India are to be more than doubled during the Third Five-Year Plan. The installed generating capacity by the end of the Third Five-Year Plan will be 12.69 million K. W. as against 5.7 million K. W. in the Second Five-Year Plan. No large scale transmission and distribution of electrical power is possible without insulators and lightning arresters. The present installed capacity for H. T. and L. T insulators in the country is about 13,250 tons. However, only about 8,500 tons of Insulators are manufactured. The demand anticipated by 1965 is 30,000 tons and by 1970, it is likely to be about 47,000 tons.

The factory proposes to manufacture High Tension Insulators of all types from 11 K. V. to 220 K. V. Apart from Insulators required for power transmission and distribution systems, there is a growing demand for Apparatus Insulators like busbar supports, bushings for current, potential and high voltage transformers and for circuit breakers and switchgears. These are at present mainly imported and will have to be met by future production. The company, therefore expects to satisfy to a very large extent the present demand for these products at prices which will be attractive to the consumers.

TECHNICAL COLLABORATION

The Company has concluded a technical collaboration agreement with the approval of the Government of India with Messrs. Westinghouse Electric International Co., New York, U.S.A. The period of the agreement will be for 10 years in the first instance The Collaborators besides providing the Company with Technical Know-how with regard to the design and manufacture of licensed products, have agreed to train necessary Indian personnel at their works in the U.S.A. The agreement provides for the payment, in two equal instalments of U.S. $30,000 to "Westinghouse" towards the Know-how charges and for the training of three Indian personnel for a period of 4 months each. The Company will get the benefit of all Westinghouse patents for these products and also of the research continuously carried on by over 6,000 scientists and engineers in the Westinghouse Laboratories, which are spread over the World

In the field of Electrical Porcelain, over 80% of all major design developments have been made by Westinghouse. A tremendous store of experience goes with the manufacture of Westinghouse Electrical Porcelain.

LOAN CAPITAL

The Industrial Credit and Investment Corporation of India Limited have agreed in principle as per their letter No. PW/12342 dated October 19, 1962 to lend to the Company an amount in foreign currencies equivalent to U.S. $1,218,000 (about Rs 58 lakhs), subject to the approval of the Agency for International Development, U.S.A. and a rupee loan of Rs. 10 lakhs to meet the capital cost of putting up a plant.

FACTORY SITE

The Company has taken possession of about 40 acres of land sanctioned for acquisition by the Government of Madras in Porur Village, Saidapet Taluk, Chingleput District, Madras State on the St. Thomas Mount—Poonamallee Trunk Road. The site has the advantage of road and rail (metre and broad gauge) transport facilities. Madras Port facilities can also be availed of for export promotion.

INDUSTRIAL LICENCE

The Government of India have issued an Industrial Licence for the establishment of a new industrial undertaking with a capacity of 2,400 tons per annum of H. T. and L. T. Insulators, Lightning Arresters, Condenser Bushings, etc. on a single shift basis.

The Company also holds an Industrial Licence for the manufacture of Fuse Cutouts, Distribution By-Pass Switches, etc., with a capacity of 1,200 Nos. per annum.

EXPANSION

It may be mentioned that the Company has also received an industrial Licence for doubling the capacity

PLANT AND MACHINERY

It is estimated that the total cost of Plant and Machinery will be about Rs. 81.7 lakhs (erected at site). Out of the above Plant and Machinery, the equipment to be imported amounting to Rs. 58 lakhs will be paid out of the ICICI loan as aforesaid.

The American Suppliers of Plant and Machinery have offered very favourable delivery periods, which will enable the Plant to go into production at an early date.

IMPORT LICENCE

The Import Licence has been received and further action is being taken to import the machinery

RAW MATERIALS

Raw materials required like china clay, ball clay (partly), quartz, feldspar, etc are available in South India: Silicon Carbide and part of ball clay have to be imported The Company is making necessary arrangements for the timely supply of these raw materials.

POWER AND WATER SUPPLY

The Madras State Electricity Board has agreed to supply electric power to an extent of 1,250 KVA maximum demand Adequate water is available from wells at site.

PRODUCTION AND PROFITABILITY

Production is expected to commence by the end of 1964. The Plant and Machinery to be installed will make this Plant one of the most modern industries in the World

With the Westinghouse collaboration the scheme is expected to be very successful.

TAX BENEFITS

The Company will be entitled to the tax benefits under Sections 33 and 84 of the Income-tax Act, 1961 and the Shareholders will be entitled to the benefits under Section 85 of the above Act. It may also be noted that the shareholders who are Companies, will be entitled to exemption from super-tax under Section 99 (i) (iv) of the Income-tax Act, 1961

MINIMUM SUBSCRIPTION

The minimum subscription on which the Directors will proceed to allot shares offered by this prospectus to the public for subscription is Rs. 50,00,000. Subscription of this amount is assured in terms of the underwriting arrangement referred to below.

THE CALCUTTA TRAMWAYS COMPANY LIMITED

Mr. DAVID WEBB'S SPEECH

The Annual General Meeting of The Calcutta Tramways Co. Ltd. was held on October 15 at 30, Cursitor Street, Chancery Lane, London, E.C.

Mr. David E. Webb, F.C.A., chairman of the company, who presided, said :—

The latter months of the year 1962 were overshadowed by the calamities on the Northern Frontiers of India. Whilst these did not affect the day-to-day running of our undertaking, the indirect repercussions from them in the form of increased costs and taxation may well remain. Nevertheless it was a year of steady progress in bringing our track and rolling stock back towards their former first-class condition.

During the year there was a small increase in receipts, the result of a vigorous policy pursued by the Traffic Department in the better utilisation of the rolling stock and the introduction of improved measures of control and supervision in the collection of fares. The results of the measures taken should be more apparent in 1963. Equally, expenditure was rigidly controlled, with the result that total operating expenses for the year increased only by some £8,000. Taxation, however, at £86,000 was up by £14,000.

The final result for the year was that Shareholders' Account received £58,778 against £53,252 for the preceding year. This is still a long way from the £87,457 to which the Shareholders are entitled, after payment of all expenses and taxation, in the terms of the Agreement with the Government of West Bengal.

The Balance Sheet shows that the final instalment of the loan received from Government to cover the expenses in connection with the track re-alignment at Dalhousie Square was repaid on the 1st January 1963. Thus, in three years, £75,000 has been borrowed from and repaid to Government to enable us to carry out a re-alignment of our tracks at the request of Government. No extra receipts have accrued to the Company from this re-alignment or are likely to do so, and £75,000 which would otherwise have been available for extra rolling stock or improved permanent way cannot now be used for this purpose. It is to be hoped, in the future, that where such items of expenditure have to be undertaken at the behest of Government some form of longer term financing can be arranged.

Current Year

With regard to the current year, the receipts have continued to show an increase, mainly as the result of the efforts of the Traffic Department, but this has, unfortunately, been accompanied by heavy increases in the cost of electrical energy and materials. In addition, there is the urgent and long-standing need for more trams on the road, the ever pressing necessity of bringing our equipment up to date, and there are always a number of Government projects coming forward or in being, such as the new Majerhat Bridge and the raising of the Tollygunge Bridge. In these cases the Company is expected to bear a share of the costs, which amount to considerable sums.

Finally, and by no means least, there is the necessity of looking after our employees. The time is fast approaching when their emoluments ought to be reappraised, though this is not possible on the present fare structure.

Your Directors are fully conscious of the importance of keeping the fares down to the lowest possible level, but all these additional expenses mentioned can only be met by increased receipts, and increased receipts sufficient to meet such demands can only come from an increase in fares. We are, therefore, proposing to make some changes in the structure of our fares in the near future. At the same time our staff have continually under review the possibility of introducing concessions where these are practicable in an endeavour to attract more passengers.

In conclusion, may I once again, on your behalf, express our appreciation of the splendid work on the part of our agent in Calcutta and all his staff in running our undertaking so efficiently in the face of the constant difficulties which beset them.

The report and accounts were adopted.

"The above statement is not a report of the proceedings of the Annual General Meeting referred to".

W. S. INSULATORS OF INDIA LIMITED—*Cont'd.*

UNDERWRITING COMMISSION AND BROKERAGE

Underwriting Commission at the rate of 2½% on the nominal value of the share underwritten is payable to the Underwriters. In addition to the said commission, brokerage at the rate of 1% on the nominal value of the shares on allotments made in respect of applications made or procured by them provided that the relative forms of applications bear their respective stamps.

Brokerage at the rate of 1% on the nominal value of the shares will be paid on allotment in respect of application bearing the stamp of a Bank or of a member of a recognised Stock Exchange.

No underwriting commission or brokerage will be allowed on shares which have been agreed to be subscribed by the Promoters, Directors, their friends and associates, Managing Agents and foreign collaborators.

MANAGING AGENTS

Messrs W. S. Industries, Madras have been appointed as Managing Agents of the Company for a period of 10 years from the date of appointment on terms defined in the prospectus.

APPLICATION FOR ALLOTMENT OF SHARES

The application forms duly completed together with cheques or draft for the full amount of Rs. 2.50 per share for Equity Shares and Rs. 25/- per share for Preference Shares payable on application must be delivered before the closing of the subscription list to the Registered Office of the Company at No. 33, Errabalu Chetti Street, Madras-1, or the Office of the Underwriters or Brokers to the issue or to any one of the Company's Bankers or their Branches.

Application sent to the Registered Office of the Company and accompanied by cheques drawn on the offices of any of the scheduled banks only at the following places will be considered.

MADRAS, BOMBAY, CALCUTTA, BANGALORE, NEW DELHI, HYDERABAD, AHMEDABAD AND INDORE

Cheques or demand drafts should be made payable to "W. S. INSULATORS OF INDIA LIMITED Equity Issue "Preference Issue". Alternatively, cheques may be made in favour of one of the Bankers to the issue drawn on any scheduled bank at the places where the applications are submitted: "A/c W. S. INSULATORS OF INDIA LIMITED, Equity Issue/Preference Issue".

For the applicant's protection, cheques or drafts should be crossed "Account Payee only".

A separate cheque or draft must accompany each application.

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Registered Office :
10. Clive Row, Calcutta-1.

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

BOARD OF DIRECTORS :

Sri Mohan Lal Jaian (Chairman).
Sri Bhagirath Kanoria.
Sri Manmull Bhuwalka.
Sri Kamal Singh Rampuria.
Sri Promode Ranjan Sarkar.
Sri Hari Lal Mehta
Sri Chhoteylall Kanoria.
Branches and Agencies throughout India.

B. S. MAZUMDAR.
Manager, Head Office.

FIBREGLASS PILKINGTON LIMITED

This announcement is not a prospectus. Persons interested in full details are requested to obtain copies of the Prospectus which are available from the Registered Office of the Company or from the offices of the Company's Underwriters Brokers and Bankers.

FIBREGLASS PILKINGTON LIMITED

(Incorporated on 27th day of June, 1962 under the Companies Act, 1956).

REGISTERED OFFICE :

9, Wallace Street, Fort, Bombay-1. BR.

EXISTING & PROPOSED ACTIVITIES OF THE COMPANY :

The Company was incorporated on 27th day of June, 1962 as a public Company limited by shares with the objects stated in its Memorandum of Association and with the immediate object of carrying on the business of manufacturers of and merchants in glass fibres and glass fibre products, the three main types of products to be manufactured being—

1. **Glass Wool Insulation. This can be used to preserve heat and cold, to reduce sound and noise, as insulation for boilers, ships, cold stores, refrigerators, air-conditioning equipment, cooking equipment, road and rail transport, and many other varied applications.**
2. **Glass textile yarns, fabrics and mats which can be used as a basic reinforcement material for the manufacture of glass fibre reinforced plastics, translucent roofing sheets, boat and car bodies, structural parts of road and rail vehicles, containers and many other products. Glass textile yarns can be woven into decorative textiles, coated fabrics and material for the insulation of electrical equipment.**
3. **Glass staple tissue, which can be used as an anti-corrosive wrapping for pipelines, as a base for bituminous roofing felts and canal lining membrane, and as a spacer in electric batteries, and in many other ways.**

The Company holds a number of patents and patent licence and the Technical Consultants of the Company are Fibreglass Limited, England, who are the leading manufacturers of glass fibres in the United Kingdom.

LOCATION OF THE INDUSTRY :

The first plant of the Company will be erected at Thana near Bombay. The Company has purchased two plots of land which together have an area of approximately 50,664 sq. yds. The Company has also entered into an agreement with The Bombay Company (Private) Limited for the purchase of a further plot of adjacent land admeasuring 5,607 sq. yds. approximately.

The site is connected with Thana by road and Thana is directly linked with Bombay by rail.

BOARD OF DIRCTORS

Name	Description & Address :	Occupation
1. Mr. John Creek (Chairman), British.	Ravenhead Works, St. Helens, Lancashire, England.	Managing Director, Fibreglass Limited, England.
2. Mr. Rajendra Ambalal Shah, (Alternate for Mr. John Creek), Indian,	State Bank Building Annexe, Bank Street, Bombay	(1) Solicitor & Partner of Crawford Bayley & Co. Solicitors. (2) Director of (a) Suhrid Geigy Ltd. (b) Rockwell India Ltd and other Companies.
3. Mr. Muthiah Annamalai Chidambaram, Indian,	Catholic Centre, No. 6, Armenian Street, Madras-1.	(1) Chairman of South India Steel & Sugars Ltd. (2) Director of (a) Indian Aluminium Co. Ltd (b) Machinery Manufacturers' Corpn. Ltd and other Companies.
4. Mr. Nityanand Mangesh Wagle, Indian,	1, Forbes Street, Bombay.	(1) Managing Director of Greaves Cotton & Co. Ltd. (2) Director of (a) Bombay Dyeing & Manufacturing Co Ltd. (b) Central Bank of India Ltd. and other Companies.
5. Mr. Ghanshyam Vishwa Nath, Indian,	9 Wallace Street, Fort, Bombay-1. BR.	(1) Chairman The Bombay Company (Private) Ltd. (2) Director of (a) The Bombay Burmah Trading Corpn. Ltd (b) The Lakshmi-Vishnu Cotton Mills Ltd and other Companies.
6. Mr. Dipti Kumar Basu, Indian,	National Insurance Building, Parliament Street, New Delhi.	(1) Solicitor & Partner of (a) Orr, Dignam & Co. Calcutta & New Delhi. (b) King and Partridge Madras. Ootacamund & Bangalore. (2) Director of (a) Goodyear India Ltd. (b) Arbor Acres Farms India Ltd. and other Companies.
7. Mr. Reginald Gordon Hayes, British.	9, Wallace Street, Fort, Bombay-1 BR.	Managing Director, Fibreglass Pilkington Limited.

MANAGING DIRECTOR

Mr Reginald Gordon Hayes,
9, Wallace Street, Fort Bombay-1. BR.

SHARE CAPITAL

	Rs.
Authorised :	
25,00,000 Equity Shares of Rs. 10/- each	2,50,00,000
Issued, Subscribed and Fully paid :	
7 Equity Shares of Rs. 10/- each	70
Present Issue :	
11,99,993 Equity Shares of Rs. 10/- each	1,19,99,930
	1,20,00,000
Out of the Present Issue the following have agreed to take up shares as follows :—	
(i) Fibreglass Limited, U.K.	60,00,000
(ii) The Bombay Company (Private) Limited.	4,80,000
(iii) Directors, Friends and Associates	3,19,930
NOW OFFERED AT PAR FOR PUBLIC SUBSCRIPTION	
5,20,000 Equity Shares of Rs 10/- each (on which Rs. 5/- are payable on application)	52,00,000
	1,19,99,930

DATE OF THE OPENING AND CLOSING OF THE SUBSCRIPTION LIST

The Subscription List will open at the commencement of banking hours on 11th November, 1963 and will close at the close of banking hours on 20th November 1963 or earlier at the discretion of the Directors but not earlier than the close of Banking hours on 13th November 1963.

COPIES OF APPLICATION FORMS AND PROSPECTUS CAN BE OBTAINED FROM THE REGISTERED OFFICE OF THE COMPANY OR FROM THE UNDERMENTIONED UNDERWRITERS, BROKERS AND BANKERS.

UNDERWRITERS

1. **The Bank of India Limited,** Mahatma Gandhi Road, Bombay-1 BR.
2. **The Chartered Bank** 23/25, Mahatma Gandhi Road, Bombay-1. BR.
3. **Place, Siddons & Gough (Private) Ltd.,** 6, Lyons Range, Calcutta-1.
4. **Messrs Lewis & Jones,** Bank of Baroda Building, Apollo Street, Bombay-1 BR
5. **The Investment Corporation of India Ltd.,** Fwart House, Bruce Street, Fort, Bombay-1 BR.

BANKERS TO THE ISSUE

The Bank of India Limited
At their Branches at Bombay, New Delhi, Calcutta, Madras, Ahmedabad, Indore, Hyderabad and Bangalore.

The Chartered Bank,
At their Branches at Bombay, New Delhi, Calcutta and Madras.

First National City Bank,
At their Branches at Bombay, Calcutta and Madras.

BROKERS

Bombay

1. **Messrs. Lewis & Jones,** Bank of Baroda Building, Apollo Street, Fort, Bombay-1. BR.
2. **Messrs. Batlivala & Karani,** Union Bank Buildings, Dalal Street, Fort Bombay-1 BR.
3. **Messrs. Harkisondass Lukhmidass,** Stock Exchange Buildings, Apollo Street, Bombay-1 BR.
4. **Messrs. Merwanjee Bamanjee Dalal,** Allahabad Bank Building, Apollo Street, Fort Bombay-1. BR.

Calcutta

1. **Place Siddons & Gough (Private) Ltd.,** 6, Lyons Range, Calcutta-1.
2. **Messrs. G. M. Pyne,** 14, India Exchange Place, Calcutta-1.

Madras

1. **Messrs. Paterson & Co.,** P O Box No 48, 22 Errabalu Chetty Street, Madras-1.
2. **Messrs. Chitty & Co.,** Post Box No. 1557, 322/323, Linghi Chetty Street, Madras-1.

Delhi

1. **Messrs. Harbans Singh Mehta & Co.,** 33 Regal Buildings, Parliament Street, New Delhi-1.
2. **Messrs Raj Paul Chadha & Co.,** Delite Cinema Building, Asaf Ali Road New Delhi.

Ahmedabad

Messrs. Narendrabhai Lalbhai Sheth, Maneck Chowk, Ahmedabad.

Bangalore

Messrs. M. Najappaiah Jahgirdar, 181, Cavalry Road, Bangalore-1.

INDO-E.C.M. TRADE PROSPECTS: THE COMING TALKS IN GENEVA

By Malcolm Subhan

BRUSSELS:

WITHIN six months or so, two major international trade conferences will have opened in Geneva. As one of the principal export markets for the less developed countries, the E.C.M. may be expected to play an important rôle in both. If coming events do cast their shadow, then the discussions within the Community on how to help India, culminating in the recent decision to grant a number of tariff suspensions on a unilateral basis, deserve close attention.

Any account of these discussions must read like a twice-told tale. All the products on which the Six are now offering to suspend their tariffs were fully considered during the British-E.C.M. negotiations. What is new is the fact that the concessions are being offered directly to India (although they will be available to all countries enjoying most-favoured-nation terms), within the framework, this time, of the Community's commercial relations with India. The main point at issue, therefore, has been not whether concessions should be granted, but whether there should be official negotiations between the Community and India over the entire field of Indo-E.C.M. relations.

Five events may be said to mark the unofficial negotiations between the E.C.M. and India. The first was represented by the *aide-mémoire* of last April. The second was the Six's decision to suspend their tariffs on tea and tropical woods. The third was the Commission's request to the Council of Ministers in July for authorisation to hold exploratory talks with India on the possibility of concluding a trade agreement. The fourth event was the second Indian *aide-mémoire*, submitted during the discussions in late-September-early-October among the permanent representatives of the Six in Brussels, while the fifth was the Council's decision of 15th October.

At this meeting, the Council agreed in principle to suspend the common external tariff on a number of products for which India is the Community's main supplier. The list contained no surprises, although official sources were quick to point out that it was incomplete as discussions on a number of other products—notably, handloom textiles—were still going on. However, none of the important Indian manufactures, such as heavy jute goods, hand-knotted carpets and coir matting, had been discussed, although minor tariff suspensions had been offered in each case during the British negotiations.

The Commodities

The products on which the Six have agreed to suspend their tariffs entirely for a two-year period include cashewnuts, cardamoms and amons, pimento, capsicum, coriander, crystallised and preserved ginger, curry powder and paste, mango chutney, condiments, tobaccoseed oil, bleached gum lac, and polo and cricket bats. The tariff on castor oil will be suspended at 7 percent (it is 8 percent at present). The Six have agreed to suspend the tariff on handloom products also, provided a satisfactory definition can be adopted by the experts (satisfactory in this context meaning one which will keep out handloom fabrics from the Far East as well as mill-made fabrics masquerading as hand-made).

One very technical, but extremely important, point has yet to be clarified. The decision is to suspend the common external tariff; given a firm decision next month this could be carried out by 1st January, 1964, when the tariffs on tea and tropical woods are to be suspended. The major problem is one of nomenclature: several of the products in question will have to be separated from the tariff position in which they appear at present. But the common external tariff only serves as the basis for the calculation of the national tariffs; it does not come into force before the end of the transitional period, towards 1970. In the case of tea, the six member-Governments agreed to adopt the new common external tariff as their national tariff from 1st January, 1964. Some such step will be necessary in the case of the score or so of products covered by the decision of 15th October, as otherwise the national tariffs will only be reduced by 30 percent of the difference between them and the reduced common external tariff.

All these problems may be solved by 4th November, when the Council of Ministers is to take a final decision on the concessions it wants to offer India. In principle, it could have done so at its last meeting; after all, the consultations with the Community's 18 African partners are a mere formality—the latter have no veto power and can only draw the Community's attention to the possible harmful effects on their own exports which the suspensions may have. The Greek Government was, in fact, consulted on certain products, even while the matter was under discussion by the permanent representatives.

Reason for Hesitation

The principal reason for the hesitation shown by the Council of Ministers is that it wishes to avoid giving the impression of rejecting out of hand India's request to be consulted before the concessions are made. The Six feel that the difference between what they are offering and what the Indian Government has been seeking is no more than one of language, a procedural difference at most; nevertheless, they wish to assure themselves that the Indian reaction will be favourable before proceeding to take the final decision.

In order to understand the differences in approach, it is necessary to go back to last January. The Six took the view that with the collapse of the British negotiations, the various concessions which they had offered India lost their justification. The Indian *aide-mémoire*, thereafter, sought to dissociate these concessions from the British negotiations. It pointed to India's growing trade deficit with the Six and her efforts to expand her exports and put her trade relations with the E.C.M. on a more normal basis. The *aide-mémoire* suggested that as a first step, the tariff measures approved in August 1962 be given effect to at once. More comprehensive arrangements for a more balanced economic relationship could be worked out in due course, bilaterally as well as multilaterally through G.A.T.T.

Even before the *aide-mémoire* was delivered, the Six had decided to suspend their tariffs on tea and tropical woods. They felt that tea being one of India's principal exports, a suspension of the duty would go far towards meeting India's wishes. This largely explains the Six's manifest reluctance to take up the *aide-mémoire*, and the cool reception they gave the Commission's proposals for exploratory talks with India. The proposals suggested a trade agreement incorporating not only various tariff concessions, but also other measures to promote trade between the Community and India. In the Commission's view, the projected agreement could also provide for a mixed commission along the lines of the one which was being discussed with Iran at that time.

At its meeting in July, the Council decided to seek additional information, hoping by this means to shelve the proposals until after the autumn. Some of the Six in fact refused to say precisely when they would take up the matter again, although unofficially it was agreed to do so in November. However, under pressure from India, the Council agreed to consider the *aide-mémoire* in October, provided the permanent representatives were in a position to report on it by then.

Two Schools of Thought

Both the permanent representatives and the experts held a number of meetings in September and October; their last meeting was held on 12th October. It was soon evident that there were two major schools of thought. One favoured the immediate grant of a series of tariff concessions on a unilateral, autonomous basis; this was the "package deal" school. The other, which was in the minority, supported the Commission's request for authorisation to hold exploratory talks. (The latter was the solution favoured by India also as she feared that a unilateral offer would be followed by a long silence.)

The unilateralists, including Belgium and Italy, maintained that the Community would retain its freedom of action if the concessions were granted unilaterally, an important consideration in their view being the multilateral negotiations fixed for next year. Some also argued it would be unwise to open bilateral talks now when many of the same problems will come up in due course in Geneva, although others felt that the Community should try to settle bilaterally what it can, leaving only the basic problems for the Kennedy round. Some felt that exploratory talks would serve no useful purpose as the Community had little else to offer India once the unilateral concessions had been made. As a result, they saw nothing to recommend the compromise—the immediate grant of certain suspensions to be followed by exploratory talks on the other problems raised by India—which the Commission as well as India have recommended.

Against this, the minority in favour of exploratory talks appears to have had little to say. The French, who favoured both alternatives equally, declared themselves willing to support the majority provided the concessions were reasonably substantial—that is to say, included handloom products as well. But as the French textile industry (along with the Belgian and Italian) fears massive imports from Asia, the search for an adequate definition is proving long and difficult.

The position of the Commission has been altogether simpler and more consistent. As a Community rather than a national body, it inevitably favours measures which strengthen the powers of the Community over those of the member-States. In its view, the conclusion of a trade agreement with India would mark a step forward in the development of the Community's commercial policy, which must be in force by the end of the transitional period. Since the breakdown of the British negotiations, the Commission has been particularly anxious to develop a Comunity policy towards third countries: unfortunately for it, the member-Governments have become equally reluctant, since January, to subordinate national policies to a supra-national one.

Indian Suggestions

The obvious disagreement among the Six seems to have promoted the second Indian *aide-mémoire*, which was delivered to the member-Governments and the Commission at the end of September. After noting that the majority favoured unilateral concessions on a number of products—but not some of the most important—the *aide-mémoire* welcomed the proposed suspensions and expressed the hope they would be in force by 1st January, 1964, in order to enable a concerted sales campaign for both tea and the other products to be launched. In an obvious attempt to reconcile the conflicting viewpoints, the *aide-mémoire* suggested that for the problems on which prompt and unilateral action was not possible, more detailed discussions should take place. It proposed, therefore, informal high-level talks during October and November, between representatives of India and the member-States, the results of which would be embodied in a report to be presented to the Council.

These talks, according to the Indian view, would cover the question of tariff reductions on traditional Indian exports, preferential tariff quotas for the products of India's new industries, and co-operation between Indian and west European producers for the sale of each others' goods. They would allow a distinction to be made between those problems requiring national solutions and those for which only a Community solution was possible. At the same time, they would enable both India and the E.C.M. to formulate their policies towards the various problems which would be raised in G.A.T.T. and the U.N. World Trade Conference.

Although it was clear during the recent Ministerial session that the Indian proposals had been received with little enthusiasm, almost none of the delegations was prepared to reject them outright. One delegate pointed out that the Community had already refused a British proposal for talks with the permanent representatives on the grounds that contacts between the Community and third countries should be through the Commission. He felt that exploratory talks would serve little purpose as the Six did not foresee negotiations in the immediate future. Moreover, the Community was already discussing in Geneva the Indian proposal for preferential tariffs for manufactured goods from the developing countries. It was, therefore, possible that tariff concessions on other products would be offered by the E.C.M. in Geneva.

However, none of the Six wished to give the impression that the Community was not prepared to discuss India's problems any further. It was pointed out that informal exchanges of views between the Commission and the Indian mission in Brussels would continue as in the past, as also with India's representatives in the six E.C.M. capitals. There is a difference between talks which have the Council's blessings and routine exchanges of views, but that has been disregarded.

Paradoxical as it may seem, the very importance of India is one of the obstacles to formal talks. The problems which are raised are so important and their solution will have so profound an effect on the Six's relations with other developing countries, that the member-Governments are unwilling to undertake their examination. They have preferred to shy away, perhaps in the hope that, unlike the bilateral formula, the forthcoming multilateral talks in Geneva will favour a fairly vague, and relatively ineffective, compromise.

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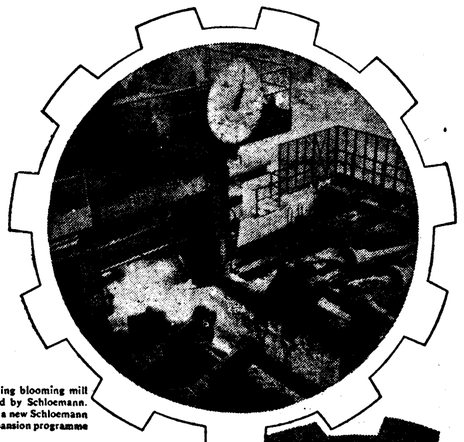
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EXPORTING INDIAN TEXTILES TO WEST GERMANY

By Kamal Rohtagi

With the sharp rise in national income and consumer spending, people in West Germany are buying more and more textiles. So textile imports into that country are rising steadily Most of the imported textiles come from the E.E.C. countries, and the share of Asian countries is only 5 percent of the total. There is scope for increasing Indian textile exports to West Germany.

WITH the growth of economic prosperity in West Germany, it was only natural that imports of consumer goods into that country should increase. Quality textiles are a case in point. Improved retail sales have shown that along with the growth of consumer spending, West Germany has bought more and more textiles in the past six years than before. The trend is towards further growth and expansion, especially as the Germans attain the lavish living standards of their North American cousins.

A measure of this growth is that during the current year, textile imports into West Germany are running at the rate of some Rs. 450 crores a year, which is about 5 percent higher than those in 1962. Since 1958, textile imports into West Germany have been increasing steadily. Imports in 1962 were higher by 18 percent over 1961, those in 1961 were higher by 12 percent over 1960 and the 1960 figures were higher by 9 percent over those for 1959 and so on. But this is no consolation to Indian or for that matter other Asian, exporters because their exports to West Germany are restricted through severe quotas, although Asian countries (and certainly India) have an unfavourable balance of trade with that country.

Share of Asian Countries

Most of the textile imports into West Germany came from the European countries, principally the E.E.C. countries. Italy to be more specific. A greater part of these consisted of woven materials and finished goods as knitwear in the woollen range. The share of the Asian countries, like India and Japan, was less than 5 percent of these huge imports and consisted mostly of woven cotton and cellular woollen materials. There is definitely more scope for the export of quality Indian woollen goods (knitwear and heavy suitings) as the import quotas are gradually being lifted because of the general demand to liberalise this trade and also because of the U.S. pressure on the European Economic Community, more so after the failure of the talks on Britain's entry into the E.E.C.

India's protected markets are already being affected by the stagnation in the British economy and a mild protectionist wave in that country. Today it is imperative for her to seek fresh European markets, and West Germany is the ideal market for her textiles. It is a big market and is expanding every day. It offers opportunities for exporting semi-finished materials (as grey cloth exports to the U.K. market) and to finish them to its own requirements as well as for exports to third countries, even within the E.E.C.

TOTAL SALES AND IMPORTS OF TEXTILES INTO WEST GERMANY

Selected categories

	1960		1961	
Categories	Sales in million deutschemarks	Imports percent of sales	Sales in million deutschemarks	Imports percent of sales
Total textiles	16,461.6	15.2	17,081.1	11.6
Cotton fabrics	2,782.2	7.8	2,777.0	6.7
Cellular wool fabrics	505.8	10.2	491.2	14.8
Synthetic fibres	44.9	0.8	81.9	1.1
Woollen fabrics	1,368.5	27.7	1,326.9	30.2
Velvet and plush	127.0	29.5	114.8	39.6
Tapestry	128.1	7.8	121.8	9.2
Woollen worsteds	765.8	48.8	792.3	54.7
Jute yarn	128.7	4.5	132.1	4.4
Jute bags	33.8	30.3	29.9	83.6

Source: the West German Ministry of Economic Affairs

The West German textile industry is unable to take full advantage of this growth in demand for textiles because of its high production costs. Wages in that country are still increasing. West German cotton weavers have most up-to-date machines but have been unable to reduce production costs because of several factors. For instance, West German wages are roughly Rs. 5 an hour. They have a 40-hour week and Sunday working is prohibited and so is the night shift in the textile industry. These are irreversible factors and favour the low cost countries like India. No wonder, therefore, that in spite of the increase in total sales of textiles in West Germany, the net increase in the domestic textile production in that country during the 24 months from January 1961 till December 1962, was only slightly less than 2 percent. So the imports had to be stepped up. The following table will show the respective sales and imports of textiles into that country for 1960 and 1961 (the 1962 figures are not available yet). But the trend is confirmed otherwise too.

One can see that the biggest increase in imports is in the case of woollen fabrics, worsteds and the velvet. India should, therefore, concentrate on these lines. The latest trend in West Germany is that more cotton weaving factories are going out of production and more cotton yarn imports will be necessary to meet the growing demand.

Quota Restrictions to Go

The West German Government has appreciated these factors and has told the textile producers there that the protection granted to them hitherto will not be available for good. Quota restrictions will have to go, although gradually. In the case of Spanish, Portuguese and Greek textile imports, to that country in a better and more organised manner. At the moment, Indian textile exports to that country are running at roughly Rs. 5 crores to Rs 7 crores a year. This could easily go up to Rs. 30 crores to Rs. 40 crores a year, if suitable arrangements for finishing the Indian grey cloth could be made. It is in this field that Indian manufacturers and exporters should look and plan. One has to be cautious in matters of textile exports, because these are highly susceptible to fashion changes. So the designs have to be up-to-date and prints must have a fresh look every season. Novelties do not remain novelties if these are repeated many times.

Competition from Synthetics

There is, however, a serious danger to textile exports to West Germany. All over the world, synthetic fibres are tending to replace cotton and wool yarns. The German chemical industry is concentrating on new types of synthetic fibres and at a cheaper cost. If textile developments in India lag behind in exploiting the synthetic yarns to their full, then Indian textile exports to West Germany will certainly sag. So the development of synthetic fibre plants in India (as an urgent export measure) has become an urgent necessity It is reported that at the moment synthetic yarns account for 30 percent of all textiles produced in West Germany. But by 1970, these would account for nearly 70 percent. So the cost advantage India has today with home-grown cotton and raw wools may tend to lessen or may even vanish by 1970 when the production of synthetic textiles will sharply increase. By that time, India's wage costs may also go up. It is this point that needs watching.

At the moment, when India's textile exports have sagged and stagnated, the new chances to increase Indian exports to the West German markets are a welcome change and also a challenge. One only hopes that India's textile industry will be able to meet this challenge.

where quota restrictions do not apply for much and where wages are sometimes as low as in India, the authorities in Bonn have shown their helplessness.

A sort of similar situation is developing in West Germany, which developed in the U.K. a decade ago. The continued export of German goods to underdeveloped countries now largely depends on the country's liberalised trade with them and especially in admitting their consumer goods. The U.K.-Commonwealth trade would have got a severe jolt if the U.K. Government had taken a full-fledged protectionist view of its domestic textile industry. They had to sacrifice some British textile interests in the larger perspective. because countries like India could not otherwise balance their trade with the U.K.

Having ruled out the protectionist danger in West Germany, one can begin to plan Indian textile exports

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PHILLIPS PETROLEUM OFFERS TO SET UP SYNTHETIC RUBBER PLANT

(FROM OUR NEW DELHI CORRESPONDENT)

PHILLIPS Petroleum of the U.S.A. has put up a proposal to the Government of India to set up a plant for manufacturing synthetic rubber. The proposal hinges on the availability of naphtha in this country. On the basis of the "Malaviya plan", which visualises the expansion of public-sector oil refineries, including the one in Gujarat and the proposed one in Cochin, 3 million tons of naphtha is expected to be available in India by 1966. Half of this quantity will be used for producing motor-spirit. According to tentative estimates, the demand for naphtha for manufacturing fertilisers should be 1 million tons by 1970. By that time, at least two more oil refineries, one in Madras and another in Haldia, may go on stream. Side by side, the production of gas in Cambay and Ankleshwar is being increased and the output may reach 1 million cubic metres a year. Gas is now largely being used for the generation of electricity in Gujarat.

The proposal of Phillips Petroleum for setting up a synthetic rubber plant can be considered if two issues are settled. Firstly, it is necessary to be definite about the total supply of naphtha and the priorities that will be officially accorded to the fertiliser plants and the petro-chemical units, including the plants for manufacturing synthetic rubber.

It is interesting to consider in this context India's refinery capacity and the proposals of Burmah-Shell and Esso Standard Eastern to replace their refinery agreements by industrial licences, granted under the Industries (Development and Regulation) Act. The Government's first priority is to set up a 2-million ton oil refinery in Madras in the "public sector". The "public sector", as far as new oil refineries are concerned, now means majority participation in the equity capital. In addition to Burmah-Shell, Esso and Caltex, E.N.I. of Italy, Phillips Petroleum, Standard of Indianna of the U.S.A., a Japanese and a German concern have shown interest; two of them—presumably E.N.I. and Phillips Petroleum—have submitted project reports. The Government's plan appears to be to start negotiations early next year.

Refinery Agreements

As for the refinery agreements, both Burmah-Shell and Esso Standard Eastern have given up their earlier demand, under which the replacement of the agreements by industrial licences was linked with the expansion of their refineries. As desired by the Government, they are ready for the question of expansion to be considered on its own merits. They are, however, convinced that the expansion of their oil refineries is inevitable, firstly because the demand for petroleum products is rising faster than originally anticipated and secondly because of the reported difficulties in the expansion programme of the public-sector oil refineries. The Nunmati refinery, for example, may not be expanded to the targeted figure.

As far as the replacement of the refinery agreements by industrial licences is concerned, there seems to be three stipulations which the two oil companies have made as *sine qua non* to the changeover. Both Burmah-Shell and Esso want to have an assurance from the Government that they will be allowed to import crude oil from their sources at competitive world prices and that the Government of India will not reduce their competitiveness by levying import duties on crude. Secondly, they want an assurance from the Government that they will not be discriminated against, particularly in relation to taxation and marketing *vis-à-vis* public-sector oil refineries. This is a principle which is being observed in all industrial units, such as iron and steel, in which private-sector units compete with those in the public-sector. Thirdly, they want an assurance that foreign exchange will be made available to them for the repatriation of their profits or the price of crude. Esso, in addition, proposes merging its refinery and marketing organisations into the unit.

It needs to be examined why these demands have been made. The demand concerning the import of crude may be regarded as reasonable, the Government having permitted Phillips Petroleum to do the same. As for discrimination, the cardinal principle underlying the Prime Minister's statement on foreign capital is that once a foreign company is permitted to enter the Indian market, there should be no discrimination against it. Unfortunately, there is a wide gap between precept and practice. The Caltex refinery on the east coast of India is a case in point. Judged by modern standards, this is too small a unit. And yet the Government will first set up an oil refinery in Madras and another in Haldia, near Calcutta, before it considers the question of the expansion of the Caltex refinery. The expansion of the other two refineries in the private sector has been ruled out, at least for the present.

The former Central Oil Minister, Mr. Malaviya, had laid down that the refining capacity in the public sector should be at least 51 percent of the total. In other words, it could be said that the refining capacity in the private sector should not exceed 49 percent. Since the Prime Minister recently told Parliament that there was no change in India's oil policy after Mr. Malaviya had resigned from the Cabinet, the rigid proportion probably still holds good for the oil industry. The question of a drain on India's foreign exchange resources is usually raised to counteract the demand for expanding the refinery capacity in the private sector. But there is bound to be a drain on those resources in the whole scheme of development proposed by the Planning Commission. The drain on foreign exchange is a universal phenomenon. There will be a drain on India's resources even under the agreement with Phillips Petroleum for constructing the Cochin refinery.

THIRD PLAN

MID-TERM APPRAISAL

The following are some of the important findings of the mid-term appraisal of the third plan recenaly made by the Planning Commission:

The implementation of a number of industrial projects has been impeded due largely to delays in finalising schemes and in arranging foreign aid or collaboration. As a result of this delay, some of the benefits which were expected to accrue in the last year of the third plan would be available only in the initial period of the fourth plan.

Among the important projects which are likely to be completed in the first or second year of the fourth plan instead of the last year of the third plan as originally scheduled are: the Gorakhpur fertliser factory, Korba fertiliser factory, second heavy electrical project (Ranipur), high-pressure boiler plant (Tiruchi), heavy electrical project (Ramchandrapuram), heavy machine tool factory (Ranchi), machine tool factory (Kerala), precision instrument project (Kotah), ophthalmic glass project (Durgapur), alloy and tool steel plant (Durgapur) and the expansion of Praga Tools. The Gujarat and Durgapur fertiliser factories are likely to be completed even later.

Projects which will at best be only in the preliminary stages and will be carried forward substantially into the fourth plan are: the organic intermediates plant (Panvel), phyto-chemicals plant (Kerala), basic refractory project (Bhilai), heavy structural works and heavy plate and vessels works (Wardha), precision instrument project (Kerala), ball and roller bearing project, heavy compressor and pump project and marine diesel engine factory, and the expansion of Nepa Mills. No progress has so far been made in relation to the second heavy structural works and the second heavy plate and vessels works.

Although in terms of industrial licensing, capacities to the full extent of the plan targets have already been covered in several industries, the progress in the private sector in certain crucial fields has not been satisfactory. The overall investments in the private sector in the first two years of the plan have been broadly up to plan expectations; but the plan priorities have not been adhered to. So in several basic industries such as steel castings, steel forgings, machine tools, industrial machinery, alloy steel, cement, fertilisers, aluminium and paper, there will be large shortfalls. Basically, the difficulty is that the private sector does not seem to be keen on entering into fields involving difficult technology and/or uncertainty about providing immediate and large returns. There are also difficulties of arranging foreign collaboration.

Experience in the last few years has shown that delays in the implementation of public-sector projects can be minimised or avoided if adequate care is taken initially to plan the projects in detail, to define their scope (and adhere to it), to estimate the cost and foreign exchange requirements with precision and to lay down realistic schedules of implementation. The lack of preparatory planning has largely contributed to the delay in the implementation of several projects in the public sector for which foreign exchange or foreign credit was available. In order to ensure that such delays are reduced, it is necessary to set up or strengthen the appropriate planning machinery in the Ministries and in public-sector undertakings. This matter is currently being examined in consultation with the Ministries.

The Gestation Period

Because of the change in the structure of industrial development as well as on account of the limitations on foreign exchange, the establishment of industries takes a considerably longer time than in the past. On average, the gestation period for industries is about three to four years and in some of the heavy industries it is as much as seven to eight years. The preliminary investigations on projects to decide their scope, location, arrangements for foreign credit, etcetera, are time-consuming. It is, therefore, necessary to initiate action on major projects to be undertaken in the fourth plan sufficiently in advance so that these are ready to be taken up for construction in the early years of that plan. A list of such projects to be undertaken in the public sector has to be drawn up and studies on them initiated straightaway. Similarly, in the case of private-sector projects, licensing beyond the third plan targets should be considered in industries having a comparatively long gestation period, *e.g.*, aluminium, paper and newsprint.

Reduction of the cost of production is an important aspect requiring attention in planning and operation of industries. Reduction of costs will help increase the surpluses available for further investment; it will strengthen the position of Indian industry in the export market. The emphasis in implementation has hitherto been on the achievement of certain predetermined physical targets; adequate attention has not been bestowed on economies of scale and the cost of production. Two steps are essential. Firstly, productivity in industries has to be improved and waste eliminated to bring down costs in existing units. Secondly, it is necessary that in the creation of further capacity, the expansion of existing units to optimum size and establishment of new units of only economic size should be permitted. These considerations are particularly relevant in the context of heavy industries like steel, aluminium, petro-chemicals, and fertilisers.

On the basis of present expectations, the commercial vehicle capacity will be only about 54,000 in 1965-66, against the target of 60,000. In the case of passenger cars, production up to the targeted capacity may be possible if adequate foreign exchange is provided. But in view of the low priority attached to the industry, the output may not increase beyond 25,000, against the target of 30,000.

Fertiliser Production

There will be a significant shortfall in the fertiliser programme. A recent review carried out by the Department of Heavy Industries shows that the output in 1965-63 will be only of the order of 500,000 tons, against the target of 800,000 tons (in terms of nitrogen). One of the main reasons for the shortfall in production is the failure of the private sector to fulfil its programme as originally envisaged. None of the major private-sector projects has so far advanced beyond the preliminary stage.

In the case of phosphatic fertilisers, there is expected to be a significant shortfall in production in relation to the target. This is not so much on account of the inadequate capacity as such as on account of the poor offtake of fertilisers. The anticipated production in 1962-63 is only about 75,000 tons and it is unlikely that the offtake in 1965-66 will be more than about 200,000 tons (of P.O.).

Paper and paperboard and newsprint: In both these industries, there will be significant shortfalls. Although capacity over 1 million tons has been licensed in the paper and paper board industry, the progress in

implementation of these projects has been extremely slow. In the case of newsprint, three schemes have been licensed in the private sector, but there have been various difficulties and no significant progress has been made. It is, therefore, unlikely that any substantial increase in output will be achieved during the third plan period.

Cement: Against the output target of 13 million tons in the third plan, production in 1965-66 is expected to be only about 12 million tons. One of the reasons for the slow progress of the cement industry is the decision taken some time ago to tie the further expansion of the industry with the purchase of indigenous machinery. Unfortunately, there has been a lag in the implementation of the cement machinery programme, and this has in turn slowed down the implementation of cement projects. A decision has recently been taken to allow the import of a few cement plants. This decision may, to some extent, help in stepping up capacity at a somewhat faster rate than would otherwise have been possible.

Refinery Programme

Petroleum refining: Considering the revised estimates of demand for petroleum products made by the Oil Advisory Committee, the refinery programme has been enlarged to include (a) marginal expansion of the coastal refinery in Bombay by 410,000 tons, (b) expansion of the capacity of the public sector refineries by 2.25 millions tons and (c) establishment of a new refinery in Cochin (capacity 2.35 million tons) in collaboration with Phillips Petroleum of the U.S.A. With the implementation of these programmes the total capacity will be 17.9 million tons. The Central Oil Ministry expects that the expanded capacity of the public-sector refineries will be in full commission by early 1966, which is doubtful considering the experience in Gauhati. The question whether further additional refining capacity is required to be in effective operation in the third plan, is being examined in view of the possibility of delays that may occur in the completion of these schemes.

As for the products pipelines, the Calcutta-Barauni section of the products pipeline is expected to be completed by April 1965 and the Barauni-Kanpur section by June 1964. The Barauni-Calcutta section will—in addition to moving products from the refinery—also transport crude oil from Calcutta to Barauni. The Gauhati-Siliguri pipeline is expected to be completed by August 1964, against the original schedule of March 1964. Subsequent to the finalisation of the plan, five pipelines for transporting oil and one for gas in the Gujarat area were considered necessary. They are expected to be completed by December 1964.

The actual production of foodgrains in 1951-62 was 78.6 million tons, compared with 79.7 million tons reached in 1960-61. The final estimates of production of all foodgrains for 1962-63 are not yet available, but production is not expected to exceed that in 1961-62.

The district, block and village plans are intended to serve as a medium for placing before the people certain vital objectives, bringing resources and skills to them and seeking from them the maximum effort of which they are capable. This object has not been realised. The observations of the Central teams show that the village production plans have not become a reality in any State. Even where village production plans have been prepared, they are—for the most part—unrealistic, incomplete and unintegrated. The plans have not attracted the farmers as they have not been backed by commitments for the provision of necessary resources and services, such as technical guidance, supplies and credit. There is no organic link between the plans at the district, block and village levels. The State plans, in most cases, have not been broken into district and block plans so as to provide the necessary framework for the village production plans.

The gaps and deficiencies arising from diffused and divided responsibility, lack of definition of relationship between different agencies and organs dealing with inter-related and inter-dependent aspects of the same programme, clogged lines of communication, inadequate arrangement for co-ordination at various levels, insufficient opportunity for the technical staff to have an effective voice and to play a key rôle in the planning and implementation of agricultural programmes, unmanageable area of operation of village level workers, their quality, training and service conditions, too frequent transfers of the staff, inadequate arrangement for technical support, guidance and supervision, etcetera call for immediate and careful consideration.

Licences Revoked

The appraisal does not disclose how many industrial licences had to be revoked during the last 18 months and the reasons why they had to be revoked. It may be news to many that till 31st December, 1962, as many as 679 licences had been revoked. The number of licences revoked since then could easily raise the total of revoked licences to 1,000. This was done after issuing a proper "show-cause" notice, asking a licensee to explain why his licences should not be revoked.

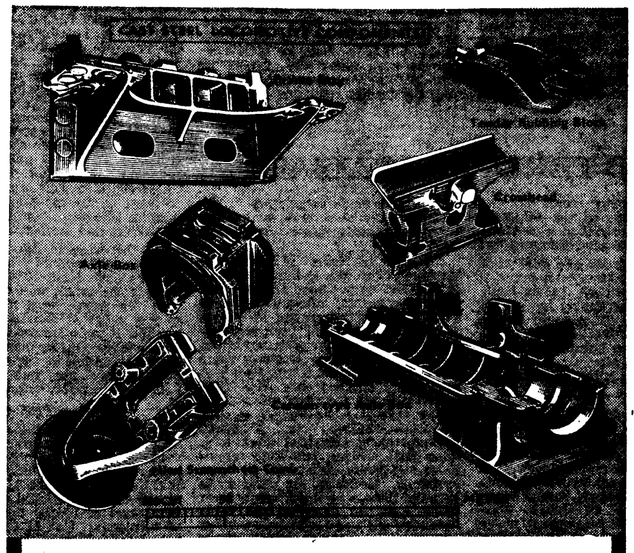
One obvious answer to the question as to why the licences had to be revoked could be that they were given to the wrong party. The case of aluminium plants licensed in the private sector illustrates the point. In one case, the licence had to be revoked with the result that the foreign collaborator lost interest in the project. In the other case, the licensee had to be changed. Then again, in one case a well-known foreign collaborator was directed to tie up, say, with Mr. X instead of Mr. Y, which the foreign collaborator declined to do. In another case, an Indian party was permitted to go abroad a number of times for which foreign exchange was given. He was able to secure a first-rate foreign collaborator with equally first-class terms of collaboration. But his collaboration agreement was handed over to an unknown party, with whom the foreign collaborator was directed to collaborate.

Some units in the public sector have shown an unsatisfactory performance. In its appraisal, the Planning Commission should explain why the organic intermediates project has not made any progress and why the German collaborators, Bayers, cooled off.

In the agricultural sector, the Planning Commission has been fixing production targets without making any attempt to prevent the diversion of acreage, say, from food crops to cash crops. The results could have been anticipated. In Himachal Pradesh, the food acreage is being diverted to the production of fruit. Meanwhile although there had been no grow-more-sugarcane campaign, the acreage under sugarcane has been going up at the cost of foodgrains.

In the third year of the third plan, the Planning Commission has discovered that the stagnation in agriculture was, by and large, due to faulty administration at the village and district levels and that there have been too many unco-ordinated agencies dealing with the farmer. Yet some of the men who had been pointing to these lacunae in administration have been sacked and the planners, meanwhile, are being promoted.

The whole exercise betrays a large element of self-delusion. Attempts are being made to show that the Planning Commission, like the king, can do no wrong. The State Governments, or the private sector, or the Government of India are blamed for their unsatisfactory performance. Yet, after providing finance on the basis of its own planning, the Commission has discovered after seven years that the Community Development organisation has not helped



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agricultural progress. Even today, the organisation is busy organising village defence force, labour banks and village schools for offering as gifts to the Prime Minister on his birthday.

The plan is drawn in the same way as the Finance Minister draws up his Budget. The strategy of a Budget is to estimate a year's exjenditure and then find ways of financing the expenditure. The Commission likewise puts together all the items of expenditure and recommends its financing from internal resources, existing or assumed. The gap is left over for the foreigners to bridge, on the well-known theory that the West has a moral obligation to finance India's development.

The exercises for the fourth plan are now well on the way, despite the admittedly unsatisfactory implementation of the third plan. The Central Ministry of Steel, for example, is working on a target of 20 million tons of steel by 1971 at an estimated cost of Rs. 2,125 crores. This is an indication of what the total outlay under the plan could be. It is easily forgotten that it is the present generation which has to pay for the presumed prosperity of its unknown successors.

UREA

Purchase Pact with Japan

The Government of India has entered into an agreement with Japanese suppliers for purchasing 50,000 tons of urea for cash. A further quantity of urea may be purchased provided there is an agreement on prices. The Government has also decided not to make any purchases of ammonium sulphate because its price is unduly high. It is said that this year, there is a world shortage of fertilisers, particularly of ammonium sulphate because of fresh demand from east European countries. Nevertheless, the Government feels that a line has to be drawn somewhere and a combination of producers, especially from western Europe, should not be allowed to push up prices to the detriment of food production and maintenance of the price line.

ENGINEERING

Talks on Consultancy Firms

A meeting of the committee, which was appointed last summer to examine and make recommendations in relation to consultancy engineering firms to be set up with foreign collaboration, was held here recently under the chairmanship of Mr. T. Swaminathan, Secretary to the Department of Supply and Technical Development. The committee was set up to review the principles to be adopted to govern the approvals to the establishment of consultancy, design and related services by foreign firms in the light of experience since gained with particular reference, among others, to the following:

(1) What are the fields in which scope exists for setting up technical consultancy organisations.

(2) What should be the scope of activities of the organisations: whether they should be limited to technical consultancy or design only or whether they should undertake turnkey jobs also.

(3) What are the safeguards to be observed to see that foreign exchange is not spent abroad on jobs that can be undertaken in India by Indian organisations.

There are nine consultancy engineering firms which have so far been approved by the Government, including Simon-Carves Ltd, Koppers India Ltd, Tata-Ebasco Consulting Engineering Services and National Rayon Corporation Ltd. There are 12 applications pending before the Government.

During the discussion one view was that consultancy firms should not have a tie-up with financiers or suppliers of machinery and equipment. The meeting, however, felt that it would be advisable to consult various institutes, such as the institutes of engineers, of chemical engineering and of metallurgical engineering before reaching any final conclusions.

UNIT TRUST

Bill Drafted

Reference was recently made in these columns to a proposal for establishing a unit trust in India. Enquiries show that the Reserve Bank of India has drafted a Bill, which will be examined by a U.S. expert who is due to arrive here shortly. The Bill, it is expected, will be brought up before Parliament during its forthcoming winter session.

Two other Bills are planned by the Central Ministry of Finance, one to convert the Industrial Finance Corporation into a development bank and the other to amend the Reserve Bank of India Act to enable the Bank to exercise a larger measure of control over commercial banks, and in particular to ensure that they are not used by any business group to its own advantage.

The Company Law Department, meanwhile, has ceased to exist. It has been temporarily merged with the Revenue Department in the Central Ministry of Finance. Its future set up is at present being discussed here.

EASTERN EUROPE

More Trade Teams Expected

In addition to the Czech trade delegation which is already in New Delhi, trade delegations from Hungary and East Germany are expected here shortly. They will help draw up longer-term trade plans, as was recently done with Russia.

While on the subject of export trade, it may be pointed out that the manufacturers-*cum*-exporters have been demanding more and more incentives while the Government has been setting up committees creating more of bureaucratic machinery and entering into bitaleral trade agreements, particularly with the communist *bloc*. In contrast, there has been severe criticism of the selling section of the British cotton industry for the lack of vigorous campaign in the European markets. The criticism was made not by the Government, nor by the trade unionists but by the deputy chairman of the Cotton and Rayon Merchants Association, who, among other things, said that "too few salesman visit the markets. Of those who do, all too few are really fluent in the language. Clearly, in the countries of smaller populations it is less important to know the language to convince a Frenchman, a Belgian, a German or an Italian that you seriously want his business: it is almost essential to have a fluent command of his language." *The British Board of Trade Journal* has been publishing a series of articles on the U.S. market for British goods. These articles are featured in advance of a seven-week tour of Britain by six of British Government's commercial officers in the U.S.A., who will be talking to business men individually about the prospects for exporting their goods to the American market.

A contraversy is going on in Britain whether the fall in British exports was due to lack of innovations or high prices or both. These matters are of little interest to India in whose case an importer is expected to buy Indian goods on India's conditions without making any complaint. How many, for instance, know here that Indian shoes are becoming unpopular in Russia?

KHADI

Scrutiny of Rebate System

The Khadi and Village Industries Commission, it will be recalled, had made a proposal to the Government that the present system of allowing rebate sales of *khadi* cloth should be replaced by a system under which the cost of weaving *khadi* yarn into cloth was met by the Government. The Government is having the whole question examined, not with a view to ending protection to *khadi* but to find out whether the change-over will be more expensive to the tax-payer. Three questions need to be considered in this context. It is not time to end the protection to *khadi*, granted without any reference to the Tariff Commission, in view of the fact that *khadi* has become a dollar-earner because Americans are becoming *khadi*-minded. Secondly, why has not a wage board been set up for this labour-sweated industry? Thirdly, what is the incidence of tuberculosis on *khadi* weavers?

JAPAN

Talks on Yen Credit

Discussions were recently held in Tokyo from 2nd October, 1963, between the representatives of the Governments of Japan and India concerning Japan's third yen credit of 23.4 million yen (Rs. 30.95 crores) to India for her third five year plan. The credit offer was announced by the Government of Japan at the Aid-India Club meeting concluded on 7th August, 1963.

As a result of the recent discussions, an understanding has been reached to the effect that the Export-Import Bank of Japan, together with the private Japanese banks, will make available to the Government of India a credit of 23,400 million yen for India's third plan to assist in financing purchases from Japan as was the case with the previous yen credits. The credit will be used for further financing the Gorakhpur fertiliser factory and the Durgapur alloy and tool steel plant as well as for other projects and for purchases from Japan of plant and machinery and equipment required for the economic development of India.

The credit of 23,400 million yen is repayable in 15 years, including a grace period of five years, the rate of interest being 5.75 percent a year. This compares with 6 percent interest in the case of previous credits. The details of the procedures have been discussed and agreed upon and a loan agreement has been signed by the Government of India and the Export-Import Bank of Japan and the Japanese banks concerned.

GOLD CONTROL

Rules Clarified

Under the Gold Control Rules, no person other than a licensed dealer can buy or otherwise acquire gold for the purpose of manufacturing ornaments or any other article. In order to meet the difficulties of persons employed as outworkers by licensed dealers to carry on the manufacture of gold ornaments in their own premises, the Central Finance Minister announced in the Lok Sabha on 21st September, 1963, that such outworkers will be permitted to handle limited stocks of primary gold up to 14 carats. The Gold Control Administrator has issued the necessary directions explaining the procedure to be followed in this matter.

Persons who have been notified to the Central excise authorities as outworkers of licensed dealers may now be issued primary gold of purity not exceeding 14 carats for manufacturing ornaments for which an order has been placed with the licensed dealer. The outworker is permitted to keep in his possession at any one time not more than 100 grammes of primary gold belonging to any one dealer. There is no objection to any person being employed as an outworker by more than one licensed dealer, provided the total quantity of primary gold received by such outworker from all dealers does not exceed 250 grammes at any one time. The outworkers are required to return to the dealers the ornaments manufactured by them together with the residue of gold. Simple accounts are required to be maintained by the licensed dealers as well as their outworkers about these transactions.

Since self-employed goldsmiths have been given the concession of remaking ornaments of over 14-carat purity, they are not eligible to work as outworkers of any licensed dealer.

PLAN PROJECTS

Directives on Location

The Planning Commission is understood to have stressed the need for a "systematic and concerted attention" to the location of projects. The general objective suggested is to use further the available facilities like transport, power, water and townships, and not to disperse too many projects as if they are units by themselves. This advice is part of the several suggestions which the Commission has made to the chairmen of groups working on the future targets for industry, minerals, transport and power.

The Commission has also recommended a comparative study of different lines of action for a particular project. In the past, the Commission feels, projects were selected and investment decisions taken without detailed cost-benefit studies. Another thing pointed out is that the available construction organisations are too inadequate for the tasks in the third plan, including those of the Centre, States and the private sector. The situation would still be aggravated in the future. Some thought will, therefore, need to be given to the building up of a larger construction potential.

The working groups have also been advised to pay attention to the manpower aspects of development, both quantitative and qualitative. It has been suggested that the study should cover not only the needs of individual groups but also the overall demand. In the past, the Commission feels, projects have been included in the plans without they being adequately worked out. Consequently, time schedules and cost estimates which were indicated in the plan could not be realised. The real weakness was that much more was promised than the facts could sustain. Therefore, in the future, unless the feasibility study of a project is available, it should not be included in the plan. For projects not fully worked out, the provision in the plan should be on a broader basis.

Prior to the finalisation of the fourth plan, the Commission feels that decisions on advanced action should be taken. Steps would entail the initiation of negotiations for foreign exchange, sanction of preliminary works, etcetera.

The Commission has also pointed out that there are a number of industrial projects from the third plan list on which action has yet to be initiated. These projects should be con-

sidered specifically and proposals made at an early date.

Scientists and technologists in universities and national laboratories, according to the Commission, are not being made use of adequately. Given time and specific problems, they could make valuable contribution, especially by way of import substitutions and development on the basis of indigenous materials and techniques. This should be done and, where necessary, the resources required should be made available.

CHEMICALS

Producing Ethyl Alcohol

All India Distillers Association and the U.N.E.S.C.O. had organised a symposium earlier this month on new developments of chemical industries relating to ethyl alcohol, its by-products and wastes Among the papers read was one on the operational efficiency of the industry. It gave a brief account of its establishment. Another stressed the need for reducing production costs. In his paper on operational efficiency, Mr. S. L. Venkateswaran said:

"The establishment of the ethyl alcohol industry in India was rather haphazard during the early stages. The industry was conceived as a source of supplementary motor fuel during the war years and the entire approach to the establishment and organisation of the industry between 1945 and 1955 was coloured by this objective. The industry had to be established at a short notice and any entrepreneur showing a certain amount of initiative was allowed to go ahead. Questions of economic capacity or appropriate locations were treated as more or less of secondary importance. The licensing under the Industries (Development and Regulation) Act was a procedure applied only in 1951-52 and prior to that the State Governments were granted permission for such enterprises. The import of plant and machinery not being possible, the entrepreneur had to take the initiative for getting the required distillation equipment designed and fabricated within the country. Some of the early plants were exact copies of one or two units which had been imported prior to the outbreak of the second World War.

"The early development of the alcohol industry was also circumscribed by the need to sell alcohol as a motor fuel at the price at which petrol was being sold. The pressure of oil companies was a force to be reckoned with and the Government of India had to guarantee that no fiscal or other preferences was given to alcohol used as fuel. Not only did the selling prices of petrol dictate the price to be paid to an alcohol producer but the oil companies were also assured of margins of profit on alcohol at levels earned by them by selling petrol itself. The pressure of circumstances required the use of 90 percent alcohol as a fuel for some time and large quantities of such material were absorbed before the distilleries installed dehydration equipment and started producing absolute alcohol. For some time, absolute alcohol was also used as a neat fuel and it was only gradually that arrangements for the mixing of alcohol with petrol were made at petrol depôts so that the absolute alcohol could be used more advantageously in admixture with petrol.

"Gradually the alcohol industry settled down to a programme of fuel usage and such use was developed substantially during the period of the first five year plan and the programme of mixing was extended to States adjacent to U.P. so as to absorb the increasing production. The above circumstances governing the development of the alcohol industry emphasise the difficulties in maintaining maximum efficiencies of operation due to the early handicaps when producers could not plan efficient or economic units.

"It was in 1952 that the E.C.A.F.E. organised a seminar on the power alcohol industry in Lucknow in U.P. This was the first occasion when the industry itself was made conscious of the need to have highly efficient plants. The seminar brought out several suggestions for improvement and economy in the production of alcohol. The general impression left on experts who visited some Indian factories was that the industry was not properly organised and that the levels of efficiency varied widely from unit to unit. Many plants being only copies of old prewar models, the techniques of distillation were rather old fashioned. It was only in one or two cases that improved processes like Demelle's fourth techniques system introduced at most of the units and in most cases even a measure of the steam consumed was not available.

"As a follow-up of the seminar, the Development Wing constituted a small committee to formulate standard methods of tests and analyses which could be adopted by distilleries uniformly throughout the country and to suggest appropriate norms of efficiency. This committee carefully examined several available methods of analysis and control and worked out a system of uniform control for the alcohol industry, dealing separately with the two distinct processes of fermentation and distillation. The system of uniform control has been adopted by most distilleries even though there was no method of enforcement.

"The first Development Council for Alcohol and Fermentation Industries reviewed and recommended a fresh norm of efficiency not only for fermentation and distillation sections but also for the steam consumption in the distillation section in 1959-60. Some State Governments have attempted to enforce these norms out not with any measure of success, and the general impression is that the maintenance of norms of efficiency is largely a matter for the industry itself. The recent shortage of coal has affected the industry very greatly so that the need to reduce the fuel requirement of this industry has become very important. The industrial programmes for using alcohol have also been planned in a big way so that it is now necessary to produce the maximum quantities of alcohol from all available molasses if adequate supplies of this raw material were to be maintained. The price of alcohol which prevailed when it was used as motor fuel has now become the standard yardstick, for it is this price which has attracted alcohol-based industries in India. It is in this context that the Development Council for Organic Chemical Industries was obliged to constitute a sub-committee to study the standards of efficiency maintained at different units and to suggest possible lines of improvements. The sub-committee has recently completed its report and made several useful recommendations which will be considered by the Development Council as well as a technical body of the Distillers Association."

Reducing Production Costs

In his paper on the economics of alcohol manufacture, Mr. G. Narasimha Iyengar of Mysore said:

"With the establishment of several chemical industries during the second and third plan periods, alcohol has become an indispensable chemical as a raw material. Since most of the distilleries that were established in the preplan periods were more for the disposal of molasses produced from the sugar industry economically or otherwise, the distilleries then were more looked upon (at any rate by the sugar factories who owned distilleris) as a sort of a 'disposal plant'. Naturally, therefore, greater economies in the process of manufacture did not come in for consideration in that context. Moreover, as the major use for alcohol then was for beverage purposes, there were certain inhibiting excise laws which came in the way of adopting progressive methods of operation. Hence, if alcohol-based industries have to survive at all, they will have to be assured of alcohol at economical and workable prices, and in adequate quantities. It is, therefore, appropriate to consider some of the ways and means of lowering the cost of production."

SHIPPING

New Service to U.K., Continent

For the first time, Indian shipowners will provide a monthly sailing from India to the U.K. and the Continent on a regular basis. This follows discussions held in Bombay on 19th October, 1963, between the independent Indian shipowners, shippers and representatives of the Central Ministry of Transport.

The service, which will be outside the India/U.K. Continent Conference, is a reflection of the determination of all shipping and other interests in India to develop an independent service which "will not be subject to such arbitrary increases in freight rates were recently announced by the India/U.K.-Continent Conference."

The Inter-Governmental Maritime Consultative Organisation Convention has elected India as a member of the I.M.C.O. Council. India is one of the maritime nations having a substantial interest in providing international shipping services. The leader of the Indian delegation, Dr. Nagendra Singh, Additional Secretary to the Central Ministry of Transport, has been elected as president of the I.M.C.O. Assembly.

U.S.A.

New Loan Pacts

The Governments of India and the United States concluded three agreements providing for U.S. loans totalling $39.6 million (Rs. 18.8 crores) for the expansion of the Chandrapura thermal power-station, supply of 54 diesel locomotives for the Indian railways and a ropeway project in the Jharia coalfields. The loans are repayable by the Government of India over a period of 40 years with a grace period of ten years. They are free of interest and carry a service charge of three-quarters of 1 percent a year.

The largest of the loans, $16 million, is for meeting the foreign exchange costs of adding a 140,000-kilowatt generator to the Chandrapura thermal power-station in the Damodar valley. Earlier U.S. loans totalling Rs. 34.8 crores were for financing the entire cost of the first stage of the project, which is nearing completion and provides for construction of the power-station and the installation of two 140,000 killowatt units. On completion of the second stage covered by the latest agreement, Chandrapura will have a total installed capacity of 420,000 kilowatts, which will make it the largest thermal power-station in India.

The second loan of $15.5 million will finance 54 broad-gauge diesel locomotives for the Indian railways. The third plan calls for 229 broad-gauge diesel locomotives to be put into service. All of these are being supplied by credits extended by the U.S. Agency for International Development and its predecessor, the U.S. Development Loan Fund. The U.S. Export-Import Bank has authorised a loan of $19 million for India's only diesel locomotive factory currently under construction in Varanasi. Compared with a steam engine, the diesel locomotive has a higher speed and can haul a larger load. Furthermore, it can operate for long periods without taking time off for maintenance. The diesel engines already in service are helping in the faster movement of goods trains carrying coal, iron ore and steel.

The third loan, for $7.7 million, is for a ropeway project in the Jharia coalfields, Bihar, which will transport 3 million tons of sand annually. The sand, obtained from the Damodar river bed, will be used to fill up mined spaces in the coalfields. The roofs of the rich coal mines in the region are supported by vast coal pillars. By stowing sand, most of the good quality coking coal in the pillars can be removed. The project will increase coal production by 1.5 million tons a year.

POWER

New Grid for South

Details for setting up a super-power grid for the southern region were discussed at a high level meeting in Bangalore on 26th October. The four States have already agreed to interlink their power systems. The forthcoming meeting will discuss the details of administrative set-up, the need for setting up a regional agency and other technical details connected with the formation of the grid. At present arrangements are being made for constructing a 220-kilowatt single-circuit line between Kerala and Madras, Madras and Mysore and Madras and Andhra. There will be a saving of about 265,000 kilowatts in the installed capacity when the power systems of these four States are interlinked. In terms of money, it will mean a saving of Rs. 22.73 crores in the capital outlay and Rs. 2.60 crores in the annual running charges.

Apart from the four southern States, Punjab, Delhi and U.P. have also agreed to interlink their power systems. This link-up will make it possible to increase the firm capacity of the systems by about 100,000 kilowatts at the commissioning of the fifth unit of the Bhakra Right Bank Power House. The saving in money will be Rs. 9.65 crores in capital outlay and Rs. 1.46 crores in annual running charges.

Measures are also being taken to inter-connect the power systems within those States where no such connections exist at present, such as U.P., Rajasthan, Bihar and Gujarat. This is an essential preliminary step for deriving full benefits from super-power grids when they are set up.

Five new power schemes, which will yield results in the beginning of the fourth plan, have been sanctioned by the Central Ministry of Irrigation and Power. The schemes have been sanctioned in advance to ensure that there is no lack of balance in the demand and supply of power in the beginning of the next plan. The five new schemes consisting of nine units will generate 715,000 kilowatts of power. The power-stations sanctioned include the following:

Dhuvaran thermal station extension	Gujarat	= 250 MW
Harduaganj thermal station extension	U.P.	= 120 MW
Kodayar hydro electric station	Madras	= 75 MW
Durgapur coke oven thermal station extension	Andhra Pradesh	= 150 MW
Kothagudam thermal station extension	WestBengal	= 120 MW

London

NEW U.K. CABINET TO PROMOTE ECONOMIC EXPANSION

(FROM OUR LONDON CORRESPONDENT)

THE past fortnight has given Britain a new Prime Minister, Sir Alexander Douglas-Home (formerly the fourteenth Earl of Home and Foreign Secretary), and a reconstituted Cabinet. Most of the old faces are still there, and the majority of them carrying on with their former Ministerial activities, but the few changes which have been made are undoubtedly significant ones. They suggest that whatever reservations there may have been—and, perhaps, still are—at the selection of a peer as leader of the Conservative Party and Mr. Macmillan's successor in the Premiership, events may well prove that the selection has been a good one from the point of view of the country's economic well-being.

The apointment of Mr. Heath as co-ordinator of regional development plans does appear to underline a new trend. For good or bad reasons, economic or political (probably a mixture of them all), the Government has become convinced that more active intervention to steer capital investment, contracts and social expenditure towards the underdeveloped areas of the country is on balance worth while. Until fairly recently, these efforts had been rather half-hearted because of a basic conviction in Whitehall that an artificial redistribution of work on non-economic grounds would weaken the competitiveness of the economy as a whole.

Mr. Maudling has cleared up the misunderstanding that Mr. Heath's appointment in some way resembled the production planning Ministry which the Labour leaders have proposed. The Treasury remains supreme. All that will happen inside the Government machine is the creation of an office within the Board of Trade charged with the co-ordination of steps taken by various departments to put into effect the regional development policy. A Cabinet Minister had to be placed in charge to give the necessary authority to this work.

A good deal has, of course, been done already. There are the important tax incentives for capital expenditure in well-defined areas. Some contracts from the services and nationalised industries have been deliberately placed with firms in these areas—presumably without much regard to comparative costs. The large fund for shipbuilding credits works in the same way. From now on, however, much more is to be done. Details should become clearer when the two regional surveys—on the North-east and on Scotland—are published next month. It will remain problematical whether the venture will really help the British economy as a whole. On economic grounds, much regional expenditure has, in the past, proved to be wasteful. But there is a broader case to be made in favour of intervention. Apart from the relief of unemployment, the resources of the north are essential if the economy is not to run up against a low ceiling within a year of starting to expand.

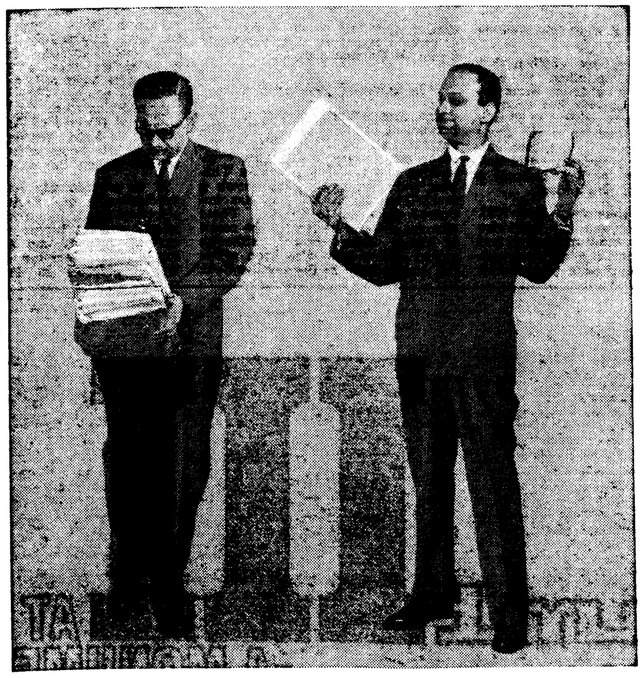
Investment Implications

If it is correct that a new policy is afoot then the investment implications have to be carefully reviewed. Many firms now depressed by the general slackness of business in the north would find their prospects transformed if public money were to be spent in their neighbourhood on a large scale. Action taken last year is just beginning to show some results. Anything done in the coming months may not show up in employment, production or profits before next summer. By that time industry in the Midlands and the South may well be working at full stretch and the extension of boom conditions to the less privileged areas could give expansion a new lease of life.

Confident expectations that the Chancellor of the Exchequer would seize the opportunity of the Mansion House dinner to the bankers and merchants of the City of London to give a fresh push to the expanding economy were amply fulfilled. Mr. Maudling reaffirmed his view that "we are at the beginning of a phase of expansion" and that the bottlenecks which may impede rapid growth are being tackled effectively. Public expenditure and public investment he sees as moving upward and even in the field of private investment in manufacturing industry he discerned "clear signs" that the tide is now on the turn. On the monetary side, he saw no reason for fearing such pressures as might jeopardise further progress, with sterling riding high and supported by massive reserves.

A refreshingly expansionary contribution also came at the Mansion House from the Governor of the Bank of England. Giving point to his conviction that the British economy is now expanding on sound lines, the Earl of Cromer disclosed that fresh steps have recently been taken to give more elbow room to the joint-stock banks in sustaining growth by supplying an adequate volume of lending. In the spring, the Bank of England intimated that no exception would be taken if the banks saw fit to allow their liquidity ratios to drop from the conventional 30 percent to a minimum of 29 percent. Now the clearing banks have been informed that they should aim to achieve a ratio of not less than 28 percent between now and April 1964.

On the broader issues of economic policy, the Bank Governor made the right distinction between expenditure in the public sector and the demands





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SAVE FOR SECURITY

of the private sector of the economy. In the past 18 months, he pointed out, a significant proportion of the stimulation which has been applied has been in the public sector This, he thought, should be kept in mind if and when overall demand reaches a height which might again threaten stability He posed the right question in asking whether the appropriate action might not be to withdraw some of the demand from the public sector which has recently been brought in to take up the running while private expenditure has lagged.

Business Optimism

Continued optimism among British manufacturers is shown in the latest survey of the Federation of British Industries. Confidence in both home and export trades remains at the high level first shown in June. Of the 644 firms which replied to enquiries, 42 percent reported increased production since June (against 37 percent who reported higher production in June over February). Only 13 percent report a drop in output. The majority is more optimistic about the general business situation in the country than they were four months ago.

The detailed results confirm that this continued optimism is well founded. The number of firms reporting spare capacity has dropped since June from 65 percent to 56 percent. About a quarter of the firms report an increase in numbers employed and only 17 percent a decrease. Nearly half the replies indicate a higher inflow of new orders.

For the first time since June 1960, those firms expecting to authorise more capital expenditure on plant and machinery in the coming year outnumber those expecting to authorise less. As the F.B.I. points out, there are as yet few signs of strain on available resources, although the replies point strongly to a full tide of boom in 1964. But the shortage of skilled labour is beginning to limit further expansion of output in 14 percent of the reporting firms.

Another optimistic forecast for industrial production and employment in the next few months is made in a survey of industrial trends carried out by the National Association of British Manufacturers. The enquiry covered about 500 firms, mainly small and medium-sized manufacturers employing less than 500 workers each. The results show an even more encouraging picture of industrial recovery than was revealed in the forecast made by members of the Association at the end of June. At that time, 38 percent of the firms questioned forecast a rise of production in the third quarter, while 53 percent expected no change. In the event, 51 percent of the sample now state that production has been rising, 40 percent say that it was unchanged and only 9 percent record a fall. In making a forecast for the fourth quarter, 48 percent expect the expansion of trade and output to continue, 44 percent expect no change and only 8 percent forecast a decline.

Industrial Production

The Association says that the improvement has been general throughout industry, but the position seems to be particularly good in the engineering and vehicles industries. Textiles and food have also shown a marked advance. Building has improved according to forecast. These changes seem to be largely the result of higher home orders, although export orders have also been growing, particularly in the textiles field. The survey also indicates that costs have continued to rise in most industries. About half the firms record increased costs and virtually all the others report no change. Prices were largely unchanged with some reductions, mainly in chemicals and textiles Most firms (65 percent) report employment as unchanged: the greatest improvement was in engineering and vehicles. Increasing shortage of skilled labour was reported, particularly in the London area and in the Midlands.

In contrast to the F.B.I. survey, which was based mainly on reports from large companies, the Association has found that "there is little likelihood of any marked increase in private capital investment during the next three months." Perhaps most encouraging of all, however is that good news comes at last from the engineering industry. In August, there was a further rise in the volume of net new orders received by industries producing engineering and electrical goods, the Board of Trade reports. Taking July and August together to eliminate the different timing of holidays this year and in 1962, the increase in net new orders was more than one-fifth. In the July-August period, new export orders were 17 percent higher than a year earlier while new home orders increased by almost a quarter. The high rate of new ordering made for larger order-books; at the end of August, export orders on hand reached a record level, while home orders on hand were 8 percent up on the year.

It is provisionally estimated that production in the engineering and electrical goods industries in August was 6 percent higher than a year earlier. In July and August taken together, the increase on the year was 5 percent. In the first six months of 1963, the level of production had been unchanged from a year earlier. Deliveries in July and August were 6 percent up on the year for exports and 5 percent up for home markets These statistics refer mainly to capital goods The abrupt change for the better at mid-year has raised hopes that the improvement may be spreading to the heavy engineering section which has, so far, received little benefit from the general expansion.

Demand for Steel

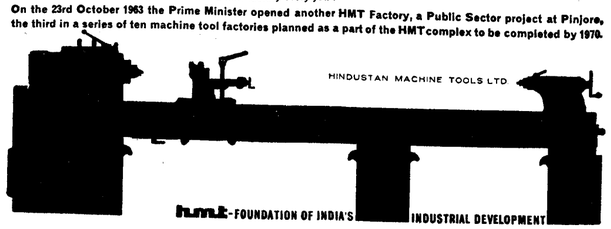
One indication that this may have begun to happen is the dramatic improvement in the heavy sector of the steel industry Demand for heavy products including plates and universal beams has sharply increased and some of the mills specialising in these products are working at a higher rate of capacity than they have done for two years. But managements are not yet certain whether the rise in orders is due to a turnround in stocks (which had previously been run down for longer than anyone foresaw) or to a real increase in steel consumption.

To some extent, perhaps to a large extent, the increase in these orders may reflect the sharp rise in the Government's electricity programme, which was decided on last year, but is now working through to the contract stage As these large contracts are processed, there is much subcontracting and ordering of materials and components to be done. What is not known so far is how much the new upsurge in orders has spread to mechanical engineering. The direct evidence from companies is interesting but not yet conclusive. However, one or two more months of rising orders would clinch this question which is so vital for the British economy as a whole.

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VISION—of the Government of India to plan for the manufacture of machine tools in the Public Sector to meet the industrial needs for "Machines that make machines". **COURAGE**—to go into the manufacture of machine tools against the opinion of experts who considered the project economically unsound and doubted the ability of the Indian worker to acquire the necessary skill. **DYNAMISM**—of the workers and management of HMT whose resolution and hard work made such an unparalleled success of the two machine tool factories and the high precision watch factory at Jalahalli, and their continued determination to gift the nation a new factory every year.

On the 23rd October 1963 the Prime Minister opened another HMT Factory, a Public Sector project at Pinjore, the third in a series of ten machine tool factories planned as a part of the HMT complex to be completed by 1970.



hmt-FOUNDATION OF INDIA'S INDUSTRIAL DEVELOPMENT

Jute

MILLS TO CONTINUE MAXIMUM PRODUCTION

DESPITE the uncertain marketing outlook for jute goods and a gradual decline in prices, the I.J.M.A. has decided to continue the maximum level of production till the end of November. Although the prices of raw jute are 50nP or Re. 1 a maund lower than what they were a year ago, those of manufactured goods are down even more, mainly due to Pakistani competition. Assam Bottoms ready, for instance, have declined from Rs. 30 to Rs. 29.50 a maund, Nothern Bottoms from Rs. 29.50 to Rs. 28.50 a maund. Daissee Bottoms have been around Rs. 32. But during the period, B Twills have reacted sharply from Rs. 121.15 to Rs. 113.10 a 100 bags for November, Rs. 121 to Rs. 113.50 for December, Rs. 121 to Rs. 114 for January-March and Rs. 119.75 to Rs. 113.75 for April-June.

In hessian, the decline has been sharper—40in. 10oz. has slumped from Rs. 59 to Rs. 47.55 a 100 yards for November, Rs. 57.25 to Rs. 47.60 for December, Rs. 54.50 to Rs. 47.65 for January-March and Rs. 53.50 to Rs. 47.55 for April-June. In the futures market, prices have fallen similarly. Meanwhile, production costs have risen further due to the impact of higher wages following the implementation of the Wage Board award with retrospective effect from July 1963. There has been a sharp rise in the prices of other raw and processing materials, spare parts and accessories. Power-shedding during the summer months has raised production costs. Furthermore, the holding of heavy stocks of raw jute, equivalent to about seven months' consumption, has caused extra expense to the mills in the form of interest and insurance premium. Previously, Pakistani competition had been mainly in sacking, but now it is keen in hessian too. Soon Pakistan may enter in a big way the more remunerative market for carpet-backing cloth.

U.S. Hessian Purchases

U.S. hessian purchases for August show that out of a total of 36.95 million yards, India's share has been 29.53 million yards, or 79.9 percent, and Pakistan's 7.27 million yards or 19.7 percent. Of 11.16 million yards purchased for ready delivery, 10.81 million yards had been supplied by India and the remainder by Pakistan. Of 12 million yards bought for September-October delivery, orders for 9.92 million yards were secured by India and 1.97 million yards by Pakistan. For the November position 8.8 million yards went to the former and 4.95 million yards to the latter. Against the total forward purchases of 140.2 million yards up to the end of August, India's share was 81.7 percent or 114.49 million yards and Pakistan's 17.7 percent or 24.78 million yards. From these figures it is evident that Pakistani competition is growing.

Since Pakistani mills were fully booked with orders, Indian mills had hoped that they would get all the surplus orders. But the optimism vanished when Pakistan bagged the 10,000-bale Sudanese tender for grain sacks. The Australian tender for 6,000 bales of cornsacks and woolpacks was shared equally by India and Pakistan. Except for a Government of India tender for 10,000 bales of B Twills for October shipment and scattered business of a routine nature, Indian mills have not been able to secure any sizable order during the past fortnight.

With stocks of 289 million yards of burlap, equivalent to about 3½ months consumption, and substantial forward business in hand, the U.S.A. has been sitting on the sidelines anticipating a further fall in the price. Barring fresh political developments, it is not likely to enter the market in a big way at present prices. Argentina may buy slowly because of the foreign exchange shortage. Russia may buy more under the bilateral trade agreement. But she has bought briskly from Pakistan. She may also be running her own jute mills on full steam with an adequate supply of fibre from Pakistan and India.

In sacking, the trend has been quiet because the Middle East countries, Australia and Argentina have virtually completed their purchases. So the industry will have to depend largely on domestic offtake. Internal consumption has risen due to the broadening of economic activity. But this will not be sufficient to absorb the rising output.

Fall in Gunny Offtake

Despatches of jute goods from mills reporting to the I.J.M.A. have sharply declined from 106,000 tonnes in August to 96,500 tonnes in September. The setback is attributed mainly to the difficulty in shipping substantial lots of heavy goods due to the congestion of lighters in Calcutta Port and the bottleneck caused by incoming vessels at the sandheads. Sacking offtake has fallen sharply from 45,000 tonnes to 35,500 tonnes and that of miscellaneous goods from 16,100 tonnes to 15,200 tonnes. Hessian, however, showed a small rise from 44,900 tonnes to 45,800 tonnes. Total exports have fallen from 82,000 tonnes to 74,000 tonnes. Sacking declined by 7,500 tonnes to 19,100 tonnes and other goods by 1,300 tonnes to 12,400 tonnes. But hessian offtake is 800 tonnes higher at 42,500 tonnes.

Internal consumption shows a minor decline of 1,500 tonnes at 22,500 tonnes; of this, the small increase in the offtake of miscellaneous goods by 400 tonnes to 2,800 tonnes and in the offtake of hessian by 100 tonnes to 3,300 tonnes has been more than offset by the decrease in sacking by 2,000 tonnes to 16,400 tonnes. In September 1962, total despatches were 96,800 tonnes—42,200 tonnes of hessian, 43,000 tonnes of sacking and 1,600 tonnes of other goods. Exports absorbed 75,400 tonnes—hessian 43,000 tonnes, sacking 28,100 tonnes and others 8,300 tonnes. Internal consumption totalled 21,400 tonnes—hessian 3,200 tonnes, sacking 14,900 tonnes and other goods 3,300 tonnes.

Raw Jute Arrivals

Arrivals of raw jute in Calcutta and mill stations during Septemoer rose to 536,710 bales from 306,100 bales in August, according to the Bengal Chamber of Commerce and Industry. The inflow of Indian jute increased from 295,200 bales in August to 530,130 bales in September But imports of Pakistani fibre declined from 10,900 bales to 6,580 bales.

In spite of a substantial increase in imports during the month raw jute arrivals during the first quarter of the current jute season were lower at 1.07 million bales, against 1.21 million bales during the corresponding period of 1962. The inflow of Indian fibre fell from 1.18 million bales between July and September 1962 to 1.03 million bales during the same period this year, while arrivals of Pakistani fibre rose from 27,150 bales to 42,380 bales.

THE JUTE MARKETS

Manufactured Goods: Dull conditions marked trading in the gunny market during the past fortnight. The holiday spirit, combined with the virtual absence of overseas enquiries or business, depressed sentiment. Barring scattered covering of a routine nature, some hessian business with the Middle East and the U.S.A. and an Indian Government tender for 10,000 bales of B Twills for October delivery were reported. Shipping instructions for October were considered disappointing. The decline in offtake was attributed to lower shipments to Russia and Argentina. Operators feared that hessian stocks would record a marked increase at the end of the month. Those for sacking might be more evenly balanced because of the backlog of September shipments. Although mills were keen sellers for all positions, there was little evidence of selling pressure. Besides, there was no tendency to discount prices further. But tired long liquidation in the futures market with bears reluctant to cover their open positions even at the lower levels depressed sentiment, and prices quietened both in the spot and futures markets. Sacking suffered more for ready and near positions, although hessian too was marked lower in sympathy. After the holidays, sentiment continued to be depressed. Shippers deferred covering against forthcoming shipments on reports that loading would be restricted during the severe bore tides from 30th October to 6th November. Due to the restrictions on the movement of incoming vessels from sandheads during the period, shipments might also be affected during the second week of November. The turnover was small in hessian and moderate in sacking and the undertone hesitant in both the spot and futures markets.

Wednesday's quotations were as follows:

	Oct.	Nov.	Dec.	Jan-Mar	Apr.-June
40in. 7½oz.	35.55	35.70	35.70	35.70	35.70
40in. 8oz.	38.60	—	—	—	—
40in 10oz.	47.45	47.70	47.75	47.75	47.65
B Twills	113.10	112.75	114.10	114.40	114.15
Heavy Cees					
(Plain)	114.25	—	—	—	—
A Twills	133.50	134.50	135.50	136.00	135.50
Liverpools	125.00	126.00	126.25	126.56	126.50

Raw Jute: Dull conditions prevailed in the raw jute market during the past fortnight because of the festive season. Despite brisk purchases by mills against the heavy

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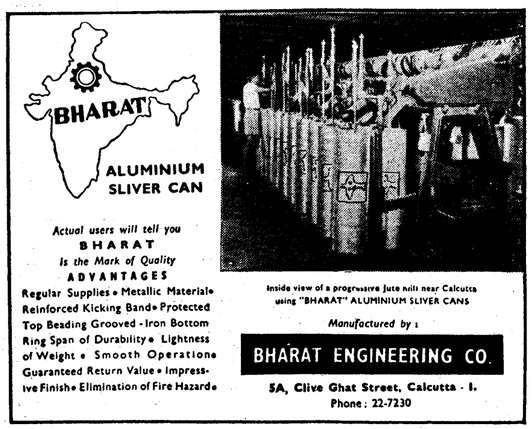
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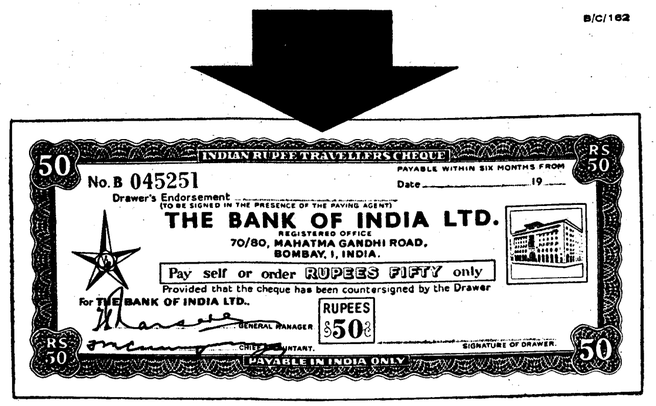
quota of 920,000 bales for October, and by co-operatives in the secondary markets, sentiment could not be maintained due to the heavy pressure of arrivals. Towards the middle of the month, the Jute Commissioner asked the J.B.S.A. to lift 150,000 bales from the market in a renewed effort to revive sentiment. But a predominance of weak holders and urgent pre-puja demand for funds induced distress sales in all the markets with prices declining by about 50nP to 75nP from the operational minimums. After the holidays, there was a mild reversal of the trend due to reduced selling pressure and hopes of the Jute Commissioner issuing a larger purchase quota for November. The decline in arrivals following heavy rains, which made the rural kutcha roads unsuitable for cart traffic, also helped in reducing the selling pressure. So prices closed steadier around the official floor levels. The futures market moved in line with the spot market. Stray covering by bears at lower levels towards the close helped the price of Upper Assam White Bottoms December close firm with a modest gain on balance. Turnover was fair in the spot market and moderate in the futures section. The undertone was cautious but steady at the close.

Wednesday's quotations were as follows:

	Landed at Mills (Basis Bottoms)			
	Current Prices		T.S.D. Minimum Prices	
	Rs. A Qtl.	Rs. A Md	Rs. A. Qtl.	Rs. A Md.
Assam-Agartala jute	79.04	29.50	80.38	30.00
Northern jute	77.70	29.00	79.04	29.50
Western Desal jute	72.34	27.00	73.68	27.50
Selected Daissee	85.74	32.00	85.74	32.00
Assam-Agartala Tossa	83.05	31.00	83.05	31.00
Mesta : Assam-				
Northern	71.00	26.50	72.34	27.00
Local Daissee	71.00	26.50	72.34	27.00
Bihar Dist.	62.96	23.50	66.98	25.00



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U.S. BURLAP CONSUMPTION AND STOCKS

U.S. burlap consumption in September was 10.2 million yards more than in August 1963 and was 9.2 million yards more than in September a year ago. The average monthly consumption during the first nine months continued to be about 2 million yards a month more than during the same period of 1962. Last month's bag cut-up was 58.7 million yards and piece-goods deliveries 21 million yards, compared with 51.6 million yards and 18.9 million yards, respectively, in 1962. U.S. spot stocks and afloats increased over last month, but the increase was in afloat stocks due to buying goods before the ocean freight rate was increased while spot stocks declined (after making allowance for the reporting error last month). At 288.6 million yards, 161.6 million yards were spots and 127 million yards were afloats. The afloat figure next month is expected to be lower as the U.S.A. reduces its purchases and stocks.

U.S. burlap consumption (as reported to T.B.M.A.)
(In million yards)

	1963	1962
Jan.	61	82
Feb.	78	69
Mar.	75	67
Apr.	68	62
May	65	64
June	60	56
July	60	57
Aug.	63	65
Sept.	67	64
Total	597	586
Mo. Av.	66	65
Oct.		69
Nov.		70
Dec.		66
Total		791
Mo. Av.		66

U.S burlap consumption (estimated industry total)
(In million yards)

	1963	1962
Jan.	68	88
Feb.	89	78
Mar.	85	75
Apr.	77	70
May	76	73
June	69	61
July	68	63
Aug.	70	73
Sept.	80	71
Total	682	652
Mo. Av.	76	72
Oct.		75
Nov.		77
Dec.		74
Total		878
Mo. Av.		73

U.S burlap stocks (as reported to T.B.M.A.)
(In million yards)

	1963	1962
Jan.	266	200
Feb.	256	215
Mar.	261	222
Apr.	254	213
May	252	199
June	251	207
July	252	204
Aug.	235	207
Sept.	232	204
Oct.		203
Nov.		223
Dec.		239

U.S. burlap stocks (estimated industry total)
(In million yards)

	1963	1962
Jan.	306	241
Feb.	304	254
Mar.	304	259
Apr.	300	250
May	296	234
June	296	241
July	297	237
Aug.	279	243
Sept.	289	236
Oct.		249
Nov.		261
Dec.		277

THE U.K. JUTE MARKETS

FIBRE IRREGULAR

(FROM OUR DUNDEE CORRESPONDENT)

THERE was little change in the raw jute market in Pakistan during the past two weeks, and the position generally was very quiet. Some shippers reduced their rates, but this was not general. However, the position in Dundee was very irregular with little or no buying interest shown by spinners. Offers of the lower grades of both white and Tossa jute were being made at well below minimum export rates in spite of measures adopted by Pakistan.

Offers were lowest at £128 10s for Mill Firsts, at £109 for Mill Lightnings, at £94 for Mill Hearts and at £78 15s for Grade Hearts, c.i.f. U.K. for October-November shipment. Grade Tossa-½ was available at £125 and Grade Tossa-4 at £106. Outport Tossa-½ was at £95 and Outport Tossa-4 at £84, October-November. There was nothing to indicate that much change was likely to take place in raw prices in the near future as the available supply should be ample to meet demand.

Commodity Markets

BETTER PROSPECTS FOR INDIAN PEPPER

(FROM OUR SOUTH INDIAN CORRESPONDENT)

INDIA'S new pepper season begins next month on a hopeful tone. Prices have improved as the present indications are that the world supply will be smaller in 1963-64 with no sign of a proportionate fall in consumption. The standing crop in India has been adversely affected by the failure of monsoon in Kerala, which is the main producing centre in the country. Sarawak and Indonesia—the other important sources of supply in Asia—are in the grip of a political turmoil so much so they too are not expected to contribute more than what they did last season. Natural calamities like floods have also played their part in reducing supply from these countries as well as from South America which is developing into an important production centre. If the present forecasts materialise, the world supply will be less than last year's, so one can expect an improvement in price.

India, it is estimated, has produced 28,000 tons of pepper during the season ended October 1963, against 31,000 tons of the previous season. Exports might have come to round about 17,500 tons. The previous season's export was over 23,000 tons. Domestic consumption is believed to have remained at the previous year's level of 10,000 tons.

Prices were zigzagging and that, too, at a level lower than previous year's during the period under review. From the initial rate of Rs. 300 a quintal, the price of ready garbled variety slipped down to Rs. 244 by mid-January, and after maintaining that level for one month, it went up suddenly to Rs. 284. The market saw another landslide when the price fell to Rs. 256 by the end of March, and there was again a marked improvement in April to Rs. 289. For the succeeding two months, there was again a fall. From the second week of June, prices started to recover. By the end of September it had reached Rs. 295. The factors that contributed to these variations were the international developments like the Cuban crisis, the Sino-Indian border conflicts and Indonesia's quarrel with Malaya on the formation of Malaysia, the American dock strike and the threat of a smaller supply.

The strained relations between the Indonesian Government and the Government of the newly-formed Malaysia are expected to place India in an advantageous position over Singapore in the pepper trade during the coming season. Singapore may not get the normal supply from Indonesia for its export trade with major consuming countries like the U.S.A. and they will have to depend more on India for their requirements unless the relations between these two neighbouring countries of the Far East become normal in the meanwhile. Another factor which is expected to help the Indian export trade is the introduction of quality control. The foreign buyer's confidence in the quality of the pepper he buys from India will grow on account of this, and that might result in larger exports. The steady growth of the Indian pepper export trade with east European countries including Russia also holds out better chances for pepper export trade in the coming years. These countries are taking more and more of Indian pepper.

The pepper trade in the country is divided over the proposal to set up a corporation for undertaking export trade in this commodity. The smaller dealers are apprehensive that they would be muscled out from the field once this corporation is formed. They are trying to create the impression among the growers that their interests would be adversely affected by this officially-sponsored move. The avowed objective of the constitution of this corporation for the pepper export trade is to stabilise the trade and to ensure reasonable prices for the producers.

BANANAS

Selling More Abroad

Banana is also becoming an export commodity of some importance. An Indian delegation which visited recently several countries of West Asia and western Europe has secured firm orders for the export of 11,000 tons of bananas to Italy. The shipment will commence next month. Tentatively, another 10,000 tons of bananas also can be exported during the year to Iraq, Iran, Syria, Lebanon, Switzerland, Belgium and the U.K. But this quota has to be finalised after further discussions. These exports are likely to yield a foreign exchange earning of Rs. 1.25 crores.

RUBBER

Fears of Competition Allayed

Mr. A. M. Thomas, Central Deputy Minister for Food and Agriculture, has assured the rubber growers of Kerala that there need be no apprehension about the future of natural rubber, and the indigenously produced synthetic rubber was not going to offer any serious competition to the natural product. While inaugurating the Rubber Board's new extension office in Moovattupuzha in Ernakulam District recently, he said that the demand for raw rubber was increasing at a much faster rate than what the natural rubber industry could produce in the near future. Although the production of synthetic rubber in the country was expected to go up from the present 2,000 tons to 30,000 tons a year within a year from now, the demand for natural rubber as a general purpose rubber would continue. He said there was no likelihood of any threat from the synthetic rubber industry if the production of natural rubber could be brought about with an increase in yield an acre and at reduced cost. If the rubber industry could get an average yield of 1,000 to 1,200 lbs an acre, synthetic rubber would not be able to compete with natural rubber in price, in the opinion of Mr. Thomas.

ORANGES

Exports Rise

Indian oranges are getting a larger export market. The U.K. which is a fairly big market for oranges has started accepting Indian oranges, too. The Ministry of International Trade is taking measures for developing the export trade in this commodity. The U.K. and Europe are big consumers of orange. Italy and Spain provide supplies to some extent. Californian oranges are also dumped in these markets. The Indian varieties ranging from the loose-jacketed Nagpur and Coorg to the tight-jacketed Sathgudies of Madras and the Maltas of Punjab and Rajasthan are now finding better consumer preference than their Californian rivals, according to some trade reports. Until recently, Indian oranges had only a limited export market—Afghanistan, Persian Gulf countries and Kuwait. To match the export effort, a number of measures have been taken in the field as well to produce more. The Food and Agriculture Ministry has created two zones—Nagpur and Coorg for this purpose of enhancing production. The orange cultivation in the South was until recently threatened by pest attacks. The I.C.A.R. could successfully combat this threat.

TEA

Indian Share in World Exports Falls

(BY A SPECIAL CORRESPONDENT)

NORTH India's production continues to fall while that from the other major producing countries is rising. To compensate India for the loss, the commodity price should have shown a marked improvement. In the early part of this season, prices were maintained at a healthy level, but apart from quality lots, the tendency for some time past has been disappointing. For the week ended 19th October, prices at the Calcutta auctions showed a discouraging trend. At the Dust Sale No. 20 held on 16th October, better C.T.C. medium, opened 20nP easier, but the demand fell off further and by the close, these teas were difficult to sell. Good C.T.C. were supported, but sometimes only at a fall of 30nP a kilogram.

At the Colombo Sale, prices have been reasonably satisfactory at the following rates: high-grown B.O.P. Rs. 3.25 a lb, good medium B.O.P. Rs. 2.27 a lb, medium liquoring B.O.P. Rs. 2.12 a lb, medium liquoring B.P. Rs. 1.35 a lb, medium liquoring P. FNGS. Rs. 2.40 a lb, medium liquoring O.P. Rs. 1.75 a lb, low medium Rs. 1.90 a lb, medium Fannings Rs. 1.95 a lb, low medium O.P. Rs. 1.60 a lb, low medium pekoe Rs. 1.70 a lb, medium pekoe Rs 1.90 a lb, and good pekoe Rs. 2.60 a lb.

Gross earnings for the current year may still work out near the 1962 figure, because during the first half of the season prices recorded a moderate advance over last year's. But apart from taxation, costs of production continue to rise and the Wage Board set up by the Central Government is expected to conclude its hearings early next year, and the general impression is that the award will cost more money.

It will be noted that the official programme appears to be contrary to the national needs which are to maximise exports. A few years ago, tea actually headed the list of foreign exchange earners. Although official efforts to increase other exports, need to be praised, tea remains the commodity which could earn more foreign exchange but the industry is not being assisted to produce and offer the goods at world competitive prices. It still looks as if costs in 1964 will be higher instead of lower. Of the export earning of around Rs. 650 crores last year, tea secured Rs. 125 crores and the value remains constant, within small limits. The percentage of Indian exports, as compared with total world tea exports, is actually going down. It has fallen from approximately 45 percent in 1951 to 37½ percent in 1961.

The Indian Tea Board is continuing its "drink more tea" campaign and has set up a "promotional unit" in

MIDDLE CLASS COST OF LIVING INDEX NUMBER FOR CALCUTTA

(Base: August 1939)

THE Middle Class Cost of Living Indices, by groups, have now been brought up to September 1963. As compared with August, the September indices for Food and clothing reveal rises of 8 points and 7 points, while those for Fuel & Lighting and Miscellaneous remain unchanged at 308 and 317 points, respectively.

Combining all the factors, the Middle Class Cost of Living Index for Calcutta shows that the cost of living increased by 5 points during September 1963.

Middle Class Cost of Living Index Number for Calcutta. Prices in August 1939=100.

Groups	Weights	GROUP INDICES											
		Sept., 1962	Oct., 1962	Nov., 1962	Dec., 1962	Jan., 1963	Feb., 1963	Mar., 1963	Apl., 1963	May 1963	June 1963	July 1963	Aug., 1963	Sept., 1963
Food	53.6	568	573	573	562	550	553	563	578	578	586	591	598	606
Fuel and Lighting	4.4	299	299	299	299	299	299	307	304	308	308	308	308	308
Clothing	12.4	598	598	598	598	598	598	598	602	602	602	602	602	609
Miscellaneous	29.6	311	311	311	311	311	311	314	317	317	317	317	317	317
Combined Index	100.0	484	487	487	481	474	476	482	491	492	496	499	502	507

Compiled and constructed by the Statistical Department of "Capital"

Brussels. It will also have representation in the 1964 Fair in New York. Tea vans are also serving tea free in selected campaign areas.

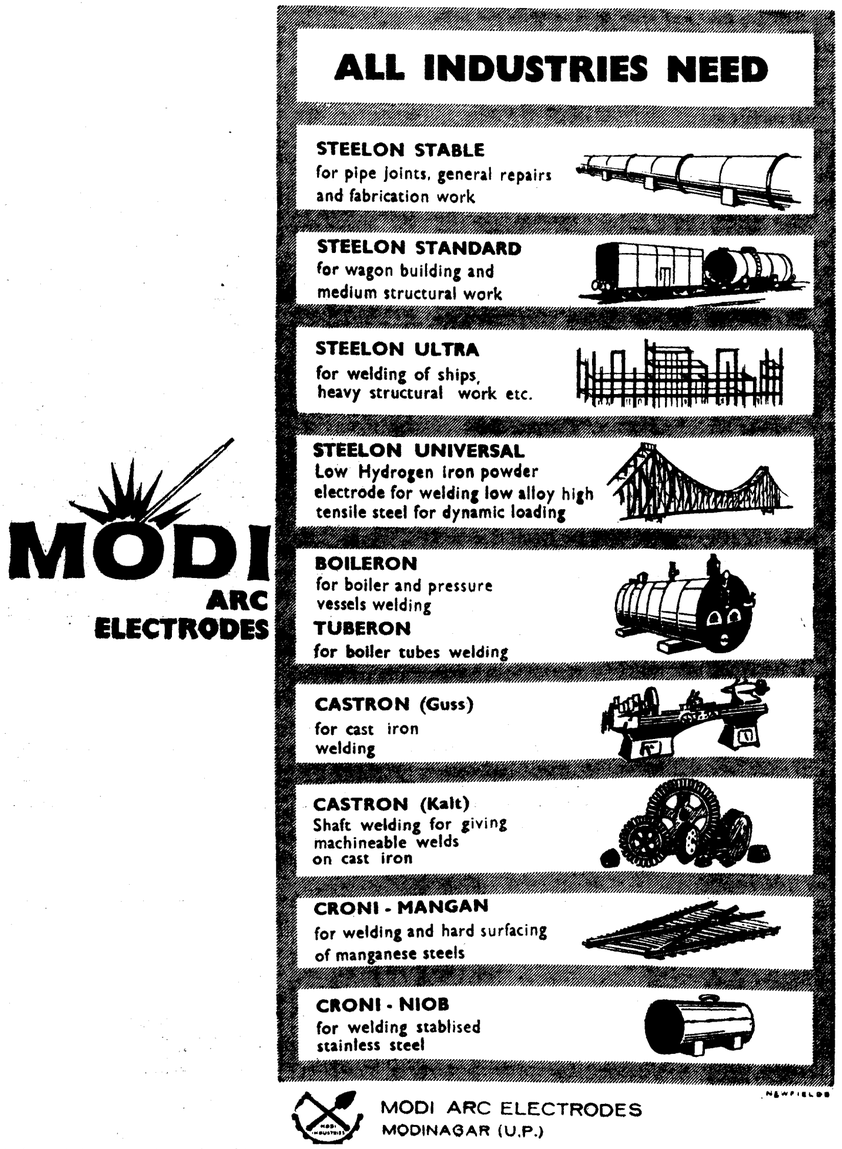
For many years past, it has been known that Russia has devoted much study to scientific development of tea production. Latest advances state that that country is now cultivating hardy types of bushes which will stand up to snow and frost, but yet give a vigorous yield in the sunny season. Darjeeling district has tea gardens at high elevations, so there is really nothing particularly remarkable in these Russian claims. The average yield claimed in the Caucasus area is "1 tonne of tea an acre, say 25 maunds. If they mean green leaf, it would come down by 75 percent. However, some recent reports on this subject give Russia's production record at 65,000 tons of tea a year with imports round 11,000 tons of tea a year. The Sino-Russian troubles seem to have made the wind more favourable for India as imports from China have fallen, and that shortage appears to have been made good by increased trade with India. Export prospects, therefore, seem more favourable, particularly because in addition to the E.E.C. markets which will be duty-free from next January, the countries of eastern Europe are entering into new commitments with India direct.

According to a recent publication from American sources Ceylon is making much headway in tea production. In 1948, that country's output was 298½ million lbs but by 1953 the estimated output is 470 million lbs.

Over the same period, India raised her production from 262.1 million kilograms in 1948 to an estimated, 344.4 million kilograms in 1963. It will be noted that while India added about 32 percent, Ceylon has moved forward by approximately 50 percent. To achieve this result, the U.S. figures state, Ceylon increased the acreage under tea from 491,500 to approximately 591,100. Figures (in hectares) from Indian sources compare as follows: From 224,634 hectares in 1948, the acreage has increased to 240,000 in 1962, but because of unfavourable climatic conditions, output has been restricted.

India planted more over the same period, namely, from 311,000 hectares to approximately 333,325 hectares yet why is Ceylon making quicker progress? Tea crops in China and Indonesia were seriously curtailed until about 1950. But in the last decade, China appears to have made a marked recovery. The American statistics recently published show that from less than 100 million lbs in 1949, Chinese production this year may reach 350 million lbs.

The International Tea Committee's *Annual Bulletin of Statistics* confirms China's production in 1949 at 90 million lbs exclusive of Formosa. This island does not appear to give cause for anxiety, but Japan has more than doubled her offerings during the above years.



COMPANY AND PUBLIC NOTICES

THE BOMBAY BURMAH TRADING CORPORATION, LIMITED

NOTICE

NOTICE is hereby given that the One Hundredth Annual General Meeting of the Shareholders of the Corporation will be held at the Birla Matushri Sabhagar, 19 Marine Lines, Bombay 1, on Friday the 22nd November, 1963, at 4-30 p.m. (S.T.), for the purpose of transacting the following business:—

1. To receive and adopt the Directors' Report and Audited Accounts for the year ended 31st May, 1963.
2. To sanction the declaration of a dividend.
3. To elect a Director in place of Mr. Pratapsinh Mathuradas, who retires by rotation and being eligible offers himself for re-election.
4. To elect a Director in place of Sir Jamsetjee Jejeebhoy, Bart., who retires by rotation and being eligible offers himself for re-election.
5. To elect a Director in place of Mr. P. E. Isserlis, who retires by rotation and being eligible offers himself for re-election
6. To appoint Auditors for the period until the next Annual General Meeting of the Corporation and to fix their remuneration.
7. To appoint Branch Auditors at a remuneration to be fixed by the Board.
8. To consider and, if thought fit, to pass the following resolution as a Special Resolution :—

That the following alterations shall be made in the Articles of Association:—

(A) That Article 53 be deleted.
(B) That the words "or dividend" shall be added at the end of Article 159.

By Order of the Board,
WALLACE AND COMPANY,
Secretaries and Treasurers.

Registered Office:
9, Wallace Street,
Fort, Bombay.
Dated 23rd October, 1963.

Notes: (1) Any member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and such proxy need not be a member of the Company.

(2) An Explanatory Statement, in terms of Section 173 of The Companies Act, 1956, and covering material facts in respect of item 8, has been forwarded to the members of the Company.

(3) The Memorandum and Articles of Association of the Company are open for inspection at the Registered Office of the Company at 9, Wallace Street, Fort, Bombay, on any working day, except Saturdays, between the hours of 3 p.m. and 5 p.m. and on Saturdays between the hours of 11 a.m. and 1 p.m.

(4) The Transfer Books of the Corporation will be closed from the 26th October, 1963 to the 16th November, 1963, both days inclusive.

(5) Warrants for the dividend, if declared, will be posted to shareholders on the 25th November, 1963. Dividend will be payable on and from that date to those shareholders whose names stand on the Register at the close of business on the 16th November, 1963.

BROOKE BOND ESTATES INDIA LIMITED

Notice of the Sixteenth Annual General Meeting

NOTICE is hereby given that the Sixteenth Annual General Meeting of the Shareholders of the Company will be held at the Registered Office of the Company, Brooke House, 2, Metcalfe Street (Ganesh Chandra Avenue), Calcutta on Friday the 29th November, 1963 at 12 noon for the following purposes—

1. To consider and to adopt the Profit & Loss Account for the year ended 30th June, 1963 the Balance Sheet as at that date and the Reports of the Directors and Auditors thereon.
2. To declare dividends on Ordinary and Preference Shares.
3. To appoint Directors in the places of those retiring.
4. To re-appoint the Auditors and to fix their remuneration.

NOTICE is also hereby given that the Register of Members of the Company will be closed from the 3rd November to 29th November, 1963, both days inclusive.

By Order of the Board,
BROOKE BOND ESTATES INDIA LIMITED,
D. A. SHARMAN,
Secretary.

Calcutta, 23rd October, 1963.

NOTE:

A member entitled to vote at the Meeting is entitled to appoint a proxy to attend and vote in his stead. A proxy need not be a member of the Company.

NEW CENTRAL JUTE MILLS CO., LTD.

Registered Office: 11, Clive Row, Calcutta-1.

NOTICE

THE Board of Directors of the Company have recommended dividends (subject to tax) at Rs. 9.10nP per Preference Share and final dividend of Re. 1/- i.e. 10% making a total of 15% (including 5% interim already paid) on ordinary shares in respect of financial year ended 31st March, 1963. Share Transfer Books of the Company will remain closed from 14th November to 20th November, 1963, both days inclusive. Dividends declared at the Annual General Meeting will be payable to the registered shareholders as on 14th November, 1963.

By Order of the Board,
for NEW CENTRAL JUTE MILLS Co., LTD.,
for SAHU JAIN LIMITED,
A. K. JAIN,
Managing Director,
Managing Agents.

October 15, 1963.

BURN AND COMPANY LIMITED

NOTICE is hereby given that the Registers of Members and Share Transfer Books for 6% and 7% Preference Shares in the Company will remain closed from the 4th to the 8th November, 1963, both days inclusive for the purpose of payment of Preference Dividends for the half-year ending 31st October, 1963, on or after the 11th November, 1963, to those Preference Shareholders whose names appear on the Company's Registers of Members for 6% and 7% Preference Shares on the 8th November, 1963, or to their mandatees.

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

Registered Office:
12, Mission Row,
Calcutta-1,
18th October, 1963.

ANGLO-INDIA JUTE MILLS CO. LTD.

Registered Office: 31, Netaji Subhas Road, Calcutta-1.

NOTICE

General Meeting for the purpose of issuing Bonus Shares

NOTICE is hereby given that the Register of Members and Share Transfer Books of the Company for Ordinary Shares will remain closed from 6th November to 18th November, 1963, both days inclusive.

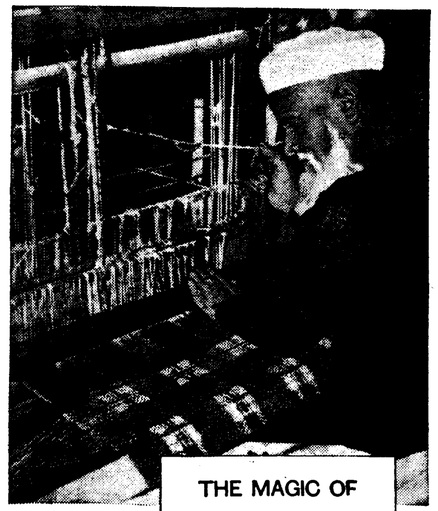
By Order of the Board,
DUNCAN BROTHERS & CO. LTD.,
Managing Agents.

Calcutta, 16th October, 1963.

COMPANY MEETINGS AND DIVIDENDS DECLARED OR PROPOSED

Name of Company	Date	I.S.T. Hours
Rohtas Industries Ltd.	31-10-63	11 a.m.

DIVIDENDS DECLARED OR PROPOSED.—Brooke Bond Estates India Ltd—7½ p.c. (o), subject to tax; Calcutta Electric Supply Corporation Ltd—4 p.c. (o) (f) (actual).



THE MAGIC OF THE WEAVER'S CRAFT

The veteran weaver tends his loom. His sharp old eyes take in every detail...watch every thread. The magic of his craft is a skill handed down from father to son - a skill that the Indian weaver has perfected.

It is difficult to imagine India without the handloom weaver...for handlooms are part of our very life. Equally impossible is the thought of India without its leading bank. In cities, towns and villages throughout the land, the State Bank of India gives its customers prompt and courteous service.



SBTA'S-58-78

"CAPITAL" STOCK AND SHARE LIST

THE INVESTORS GUIDE AND SHAREHOLDERS GAZETTE

Official quotations of the Calcutta, Bombay, Madras, London Stock Exchange Associations and other sources.
Figures given after stroke (/) mean Naye Paise.

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Wednesday, 22nd October, 1963.

GOVERNMENTS LOANS

Outstanding Amount Rs.	Interest Per cent	Year of Issue	Repayable	Market quotations Rs.
GOVERNMENT OF INDIA				
2,48,91,07,000	3	1946	1986 or later	65/75
8,93,33,000	3	1896-97	At the option of the Government of India after 6 months notice	63/00
1,10,11,78,000	3	1943	1966-68	98/00
30,33,10,000	3	1950	1964	99/35
14,77,48,000	2½	1946	1976	83/50
1,15,05,83,000	3	1948	1970-75	89/70
1,58,17,94,000	3½	1954	1964	99/85
1,53,67,92,000	3½	1955	1965	99/65
86,63,53,000	3½	1456	1974	96/10
56,99,30,000	3½	1957	1967	99/45
1,54,59,21,000	4	1957	1972	99/40
74,51,44,000	4	1958	1973	99/10
1,97,40,92,000	3½	1956	1967	99/15
1,56,58,41,000	3½	1958	1968	98/20
1,90,85,42,000	3½	1959	1969	97/10
81,06,39,000	4	1959	1979	98/40
82,65,41,000	3½	1960	1968	99/60
98,50,17,000	4	1960	1980	98/40
65,96,55,000	4	1961	1981	98/60
BOMBAY				
3,40,34,300	4	1952	1964	99/95
6,57,22,800	4½	1957	1969	98/35
6,58,20,700	4½	1958	1970	98/75
4,35,25,000	4½	1958	1971	98/70
MADHYA PRADESH				
2,03,28,800	3	1948	1964	98/00
MADRAS				
5,24,81,200	4	1952	1964	99/95
5,55,57,300	4½	1958	1970	98/70
UTTAR PRADESH				
1,55,31,200	3	1936	1961-66	93/25
5,89,13,900	4	1952	1964	99/95
7,65,58,900	4½	1958	1970	98/70
WEST BENGAL				
2,00,00,000	4	1952	1964	99/95
7,58,72,200	4	1955	1967	99/05
7,11,46,100	4	1956	1968	98/80
5,10,49,700	4½	1958	1970	98/75
7,69,69,400	4	1959	1971	97/75
7,00,00,000	4	1960	1969	98/35
73,07,21,000	4½	1961	1972	98/80
MYSORE				
2,95,85,200	4	1933	1953-63	100/00

PORT TRUST LOANS

Amount Rs.	Interest Per cent	Year of Issue	Repayable	Market quotations Rs.
CALCUTTA				
90,24,300	4	1914	1974	98/25
76,90,100	4	1915	1975	98/25
68,02,300	3	1921	2nd 1981	82/00
1,50,00,000	6½	1921	2nd 1981	144/00N
£892,600	5	1923	1953-83	£61
£901,000	5	1924	1954-84	£61
1,24,00,000	4½	1957	1987	99/50
	4½	1958	1988	99/00
50,00,000	4½	1959	1989	99/00
1,50,00,000	4½	1961	1971	98/75
30,00,000	4	1931	1991	93/00
60,00,000	3½	1935	1965	99/00
50,00,000	3	1946	1976	83/50
50,00,00C	3	1945	1-2-2005	72/00
	3	1945	1-2-1975	83/75
25,00,000	3	1938	1963-68	93/00
50,00,000	3	1946	2006	72/00
50,00,000	2½	1947	1977	78/50
50,00,000	3	1948	1978	83/00
50,00,000	3	1950	1980	81/00
50,00,000	3	1951	1981	80/50
50,00,000	4½	1953	1963	98/75
50,00,000	4	1953	1983	97/50
90,00,000	4	1955	1985	97/25
77,00,000	4	1956	1986	97/25
1,00,00,000	4	1959	1969	99/50
1,67,32,000	4½	1958	1970	101/00N
73,36,000	4½	1958	1968	100/50

Amount Rs.	Interest Per cent	Year of Issue	Repayable	Market quotations Rs.
BOMBAY				
36,50,000	4	1904	1964	96/00
35,00,000	4	1905	1965	96/00
15,00,000	4	1906	1967	96/00
44,00,000	4	1907	1968	96/00
75,00,000	4	1908	1968	96/00
40,00,000	4	1909	1970	92/00
56,00,000	4	1910	1971	92/00
75,00,000	4	1911	1972	92/00
STERLING LOANS				
£892,600	5	1923	1953-83	£63
£901,000	5	1924	1954-84	£63
£835,100	5½	1932	1962	£96½
MADRAS				
28,48,275	3½	1947	1977	A
9,88,000	3	1947	1977	A
8,00,000	3	1949	1979	A

Amount Rs.	Interest Per cent	Year of Issue	Repayable	Market quotations Rs.
CALCUTTA				
50,00,000	4	1934	1964	99/25
35,00,000	3½	1935	1965	96/00
30,00,000	3	1936	1966	92/50
20,00,000	3	1938	1963-68	92/00
60,00,000	4	1952	1962	100/00
02,00,000	4	1956	1968	98/50
75,00,000	4½	1958	1968	101/00
BOMBAY				
60,00,000	4	1903	1963	98/25
50,00,000	4	1904	1964	98/25
20,00,000	4	1906	1966	97/50
15,00,000	4	1907	1967	97/50
30,00,000	4	1908	1968	£95½N
£566,600	4	1909	1969	£95½N
£333,000	4	1910	1970	£100/00
25,00,000	4	1912	1972	95/00
13,00,000	4	1913	1973	95/00
50,00,000	4	1914	1974	95/00
25,00,000	4	1916	1976	95/00
66,00,000	6	1920	1945-80	119/50
25,00,000	4	1927	1961-70	99/75
10,00,000	3½	1936	1966	89/00

IMPROVEMENT TRUST LOANS

Amount Rs.	Interest Per cent	Year of Issue	Repayable	Market quotations Rs.
CALCUTTA				
50,00,000	4	1934	1964	99/25
35,00,000	3½	1935	1965	96/00
30,00,000	3	1936	1966	92/50
20,00,000	3	1938	1963-68	92/00
60,00,000	4	1952	1962	100/00
02,00,000	4	1956	1968	98/50
75,00,000	4½	1958	1968	101/00
BOMBAY				
60,00,000	4	1903	1963	98/25
50,00,000	4	1904	1964	98/25
20,00,000	4	1906	1966	97/50
15,00,000	4	1907	1967	97/50
30,00,000	4	1908	1968	£95½N
£566,600	4	1909	1969	£95½N
£333,000	4	1910	1970	£100/00
25,00,000	4	1912	1972	95/00
13,00,000	4	1913	1973	95/00
50,00,000	4	1914	1974	95/00
25,00,000	4	1916	1976	95/00
66,00,000	6	1920	1945-80	119/50
25,00,000	4	1927	1961-70	99/75
10,00,000	3½	1936	1966	89/00

MUNICIPAL LOANS

Amount Rs.	Interest Per cent	Year of Issue	Repayable	Market quotations Rs.
CALCUTTA				
66,88,000	3½	1951	1966	98/50
10,00,000	5½	1932	1962	100/75N
33,91,000	3½	1935	1965	96/00
72,50,000	4½	1954	1979	100/00
60,00,000	3	1936	1966	93/00
47,50,000	3	1938	1968	92/50
21,10,000	3½	1942	1972	92/00
87,36,000	4	1952	1962	99/75
2,22,72,000	4	1955	1985	97/25N
1,67,32,000	4½	1958	1970	101/00N
73,36,000	4½	1958	1968	100/50

Amount Rs.	Interest Per cent	Year of Issue	Repayable	Market quotations Rs.
BOMBAY				
20,00,000	4	1913-18	1974	95/00
10,00,000	5	1920	1980	101/00
2,00,34,000	3½	1951	1966	89/00
8,25,00,000	3½	1947	1977	82/00
2,13,14,500	3½	1949	1979	82/00
4,00,00,000	3½	1950	1965	95/00

Amount Rs.	Interest Per cent	Year of Issue	Repayable	Market quotations Rs.
MADRAS				
15,00,000	3½	1951	1961	107/00
15,00,000	3½	1952	1962	107/50

2½% U.P. Zemindary Abolition Compensation Bond (per Rs. 100) Rs 41/00*

*Ex eight instalments but inclusive of accrued interest.

These notes refer to the Debentures on the next page.

Option to repay at par on 6 months' notice—

(a) Option to extend the redemption period for further 10 years.
(b) at any time after.
(c) on or after 1-1-61.
(d) option to redeem at 2½% Prem. after 14-5-64 and before 15-5-69.

Option to repay on 6 months' notice—

(e) at any time after 30-6-61 at 101%.
(f) at 101% oetween 1-1-60 & 31-12-64.
(g) at 102/8% after 30-6-59 but before 30-6-64.
(h) at any time after 30-6-65 at 101%.

Option to repay on 3 months' notice—

(i) at any time at 3% Premium.
(j) at 1% Prem. after 1-3-64 but before 1-3-67 and 1% Prem. on or after 1-3-67
(k) at any time at par.
(l) at any time after 31-3-62 at the rate of 1% Premium.
(m) redeemable at 103% on 31-12-64 with option to redeem on any interest date at same premium after 30-6-59.
(n) at any time on two months' notice—
(o) to be redeemed at a premium of 10% Rs. 70,000 to be redeemed annually by drawing on 3 months notice with option to redeem all after 6 years from date of issue on 6 months notice. Option not exercised repayment to be made after full term.

Option to repay

(p) at par after September 1960.
(q) at par on or after 1-12-59.
(r) with option to redeem at 101% after 10 years or at 100/8% after 12 years
(s) Rs 1 lac Debentures to be redeemed annually by drawing from 1-6-56 with option to redeem at 100/8% between 1-6-57 to 1-6-61 and at 101% afterwards.
(t) with option to redeem at 101% after 10 years or at 100/8% after 12 years.
(u) with option to redeem all or any of the Debts at 101% at any time after 31-3 64 and at 100/8% at any time after 31-3-66.
(v) Rs. 80,000 are being redeemed annually repayment of Debentures commencing serially from No. 1 to No. 80 on 31-12-48.
(w) Redeemable at any time at 5 per cent premium (s) on 6 months' notice by the Company or (b) in the event of the security becoming enforceable or at par if the Corporation of Calcutta or Howrah purchase the undertaking on 1st January 1945 or every seventh year thereafter.
(x) At par all or any of the Debts on 31st December. 1960 or on any subsequent interest date.
(y) Redeemable (a) at 102% on 1st October, 1974 or in the event of voluntary liquidation of the undertaking being purchased or in the event of the security becoming enforceable or (b) at 105% at any time after 31st March 1955 on 6 months notice from the Co. (c) also redeemable out of a sinking fund (commencing in 1938) by drawing at 102% or purchase at or under 102%.
(z) Also redeemable out of a cumulative sinking fund of 1½% per annum commencing in 1943 by purchase at any price less than par or by annual drawing at par.

JOINT STOCK COMPANIES' DEBENTURES

Amount Authorised Rs.	Amount Outstanding Rs.	Rate of Interest Per cent	NAME OF COMPANIES	Year of Issue	MARKET PRICE 22-10-63	MARKET PRICE 16-10-63	A year ago Rs.	Interest payable	Principal Repayable	Remarks
			(CALCUTTA)							
			COAL							
60,00,000	60,00,000	6½	Bengal	1961	100/00	100/00	101/00	1st May 1st Nov	31-10-75	(X)
30,00,000	30,00,000	6	Bharat Collieries	1944	90/00	90/00	90/00	30th April 31st Oct	30-6-64	..
20,00,000	20,00,000	4½	Burrakur	1947	85/00	85/00	85/00	30th June 31st Dec	30-6-67	(G*)
50,00,000	50,00,000	5½	Equitable	1933	98/00	98/00	100/00	1st July 1st Jan	14-12-68	(r*)
			COTTON MILL							
4,00,000	4,00,000	8	Bengal Nagpur	1897	85/00	85/00	85/00	10th May 10th Nov	15-11-68	(I)
			JUTE MILLS							
15,00,000	12,00,000	5½	Agarpara	1939	92/00	92/00	92/00	1st Oct 1st April	31-3-69	..
15,00,000	15,00,000	4	Auckland	1945	78/00	78/00	92/00	30th June 31st Dec	31-12-64	(F)
9,00,000	6,00,000	5½	Alexandra	1939	91/00	91/00	91/00	30th June 31st Dec	30-6-69	(g)
10,00,000	10,00,000	5½	Bengal (2nd Mortgage)	1940	95/50	95/50	95/50	30th June 31st Dec	30-6-65	(b)
12,00,000	10,69,000	5	Chitavalsah	1951	88/50	88/50	88/50	30th June 31st Dec	30-6-66	(e)
25,00,000	20,48,000	5½	Dalhousie	1934	90/00	90/00	90/00	31st March 30th Sept	31 3-69	(u*)
10,00,000	8,86,000	5	Empire	1951	91/00	91/00	90/00	15th Jan 15th July	15-7-66	(e*)
25,00,000	25,00,000	5½	Fort Gloster	1952	98/00	98/00	98/00	31st March 30th Sept	30-9 66	(Q*)
30,00,000	30,00,000	5½	Howrah	1935	92/50	92/50	92/50	31st March 30th Sept	31-3-70	(N)
25,00,000	25,00,000	5	Kinnison	1948	90/00	90/00	90/00	30th June 31st Dec	31-12-64	(f*)
25,00,000	13,04,000	5½	Kamarhatty	1955	89/50	89/00	89/00	30th June 31st Dec	30-6-70	(h*)
25,00,000	25,00,000	5½	Naihati	1952	90/00	90/00	90/00	30th June 31st Dec	31-3-67	(I*)
5,00,000	5,00,000	6½	Nellimarla	1939	92/00	92/00	92/00	14th Nov 14th May	14 3-74	(d)
20,00,000	20,00,000	4	Northbrook	1945	85/00	85/00	92/00	30th June 31st Dec	31-12-64	(B)
25,00,000	25,00,000	5	Reliance	1950	81/00	81/00	81/00	31st March 30th Sept	30-9-65	(M*)
12,00,000	12,00,000	5½	Union	1937	95/50	95/50	95/50	31st March 30th Sept	31 3-67	..
10,00,000	10,00,000	6½	Waverley	1925	80/00	80/00	80/00	31st Jan 31st July	31-7-72	..
			MISCELLANEOUS							
30,00,000	19,80,000	4½	Associated Hotels of India	1948	850/00	850/00	850/00	1st Jan 1st July	31-12-82	(v)
10,00,000	10,00,000	5	Aluminium Corporation of India Ltd	1949	92/00	92/00	92/00	1st Jan 1st July	31-12-65	(U)
5,00,000	5,00,000	4½	Bareilly Electric Supply Co Ltd	1949	88/00	88/00	88/00	30th June 31st Dec	31-12-64	(m*)
12,00,000	12,00,000	4½	Benares Elec Ltd & Power Co Ltd	1949	90/00	90/00	90/00	30th June 31st Dec.	31-12-64	(m*)
1,00,00,000	90,00,000	5	Buckingham & Carnatic Co Ltd	1952	100/00	100/00	100/00	1st April 1st Oct	1-3-72	(T*)
5,00,000	5,00,000	6½	Britannia Engineering	1945	94/00	94/00	94/00	30th June 31st Dec	31 12-69	(g)
8,00,00,000	8,00,00,000	5½	Burmah Shell Refineries Ltd	1954	93/75	93/75	93/00N	1st March 1st Sept	1-9-69	(K*)
2,66,00,000	2,32,89,400	5	Calcutta Electric Supply Corporation	1950	90/50	90/50	97/75	1st Jan 1st July	1-1-70	(e*)
£350 000	£325,280	4½	Calcutta Tramways	1900	£66/00	£66/00	£66/10	1st Jan 1st July	..	(w)
£250,000	£157,788	5	Calcutta Tramways	1933	£74/00	£74/00	£74/10	1st April 1st Oct	1-10-74	(v)
19,50,000	17,50,000	6	Carew & Co	1928	100/00	100/00	98/00	1st June 1st Oct	1-6-63	(s)
5,50,000	4,00,000	6½	Carew & Co (2nd Mortgage)	1941	95/00	95/00	98/00	1st March 1st Sept	28 2-70	(i)
21,00,000	21,00,000	5½	Chowringhee Properties	1915	85/00N	85/00N	85/00N	1st Feb 1st August	1-2-64	..
26,00,000	26,00,000	5	Chowringhee Properties (2nd Mortgage)	1945	80/00	80/00	80/00	1st Feb 1st August	1-2-64	..
25,00,000	19,29,000	4½	Clive Buildings	1936	82/00	82/00	82/00	1st July 1st Jan	1-7-86	(A)
1,00,00,000	1,00,00,000	6½	Dalmia Cement	1946	86/00	86/00	86/00	31st March 30th Sept	1970	(p)
1,30,00,000	1,04,55,000	6½	Dunlop Rubber Co (I) Ltd.	0	100/25	100/25	102/00	1st Jan 1st July	1-1 73	(h*)
1,00,00,000	1,00,00,000	6½	Dunlop Rubber Co (I) Ltd	8	100/25	100/25	102/00	1st Jan 1st July	1-1 73	(W*)
25,00,000	25,00,000	4	Gourepore Electric Supply	45	90/00	90/00	90/00	30th June 31st Dec	31-12-70	(z)
1,00,00,000	97,80,000	5½	Indian Cable Co Ltd	4	98/00	98/00	100/00	1st Jan 1st July	30-6-69	(t*)
20,00,000	20,00,000	5½	Kumardhubi Fireclay & Silica Works	1954	92/00	92/00	96/00	31st Dec	31-12-69	(D*)
10,00,000	10,00,000	5½	Kumardhubi Engineering Works Ltd	1946	84/00	84/00	84/00	31st May 30th Nov	31 5-71	(O)
6,50,000	6,50,000	4	Katakhal Lala Bazar Railways	1945	85/00	85/00	85/00	30th June 31st Dec	31-12 74	(s)
45,00,000	45,00,000	6	Katakhal Lala Bazar Railways	1947	410/00 P note	410/00 P note	410/00P note	30th June 31st Dec.	31-12-72	(I*)
2,00,00,000	75,00,000	4	McLeod & Co Ltd (Con Notes)	1951	85/00	85/00	85/00	1st April 1st Oct	1-4-71	(P*)
13,00,000	12,00,000	5	Macneill & Barry Ltd	1946	85/00	85/00	82/00	30th June 31st Dec	30-6-66	(S)
30,00,000	20,00,000	4	National Tobacco Co India Ltd	1949	90/00	90/00	90/00	31st May 30th Nov	1-12-64	(V)
1,00,00,000	1,00,00,000	5	Patna Electric Supply Co Ltd.	1946	96/00	96/00	96/00	30th June 31st Dec	31-12-69	(a*)
6,00,00,000	4,00,00,000	6	Rohtas Industries Ltd	1946	91/00	91/00	95/00	1st May 1st Nov	1-5-68	(H)
10,00,000	10,00,000	5½	Esso Standard Ltd	1953	95/00	95/00	95/00	Jan & July	15-7 66	(E*)
£200 000	£200,000	6½	Shree Gopal Paper Mills Ltd	1944	£64N	£64N	£64N	1st Jan 1st July	..	..
13,00,000	11,40,000	4½	Shahdara (Delhi) Saharanpur Rly	1951	91/00	91/00	91/00	1st Jan 1st July	30 6-76	(*L)
30,00,000	30,00,000	5	Silua Therriah	1949	90/00	90/00	90/00	31st March 30th Sept	31-12-64	(C*)
		4½	United Provinces Elec Supply Co Ltd							(*m)
			TEA							
2,50,000	2,50,000	6	Baitakhal	1943	95/00	95/00	95/00	30th June 31st Dec.	1-7-63	..
			(BOMBAY)							
1,00,00,000	98 28 000	4	Andhra Valley Power Supply	1940	98/50	98/50	98/50	1st April 1st Oct	1952	..
90,00,000	50,00,000	4	Tata Power	1941	86/00	86/00	86/00	..	1951-55	..

(Continued from foot of previous page)

(A) Repayable at par by 1988 by annual Drawings on 1st July each year May repay the issue in full after 30th June 1961 on 6 months notice.
(B) Repayment at par on 31st Dec. 1964 with the option of repayment on 31.12-54 or any subsequent interest date at a prem of 2%.
(C) Rs. 56,000 to be redeemed at par annually by drawing.
(D) With option to redeem any part at 101% after 31-12-64 and at 100½% after 31-12-66.
(E) Rs 80 Lacs will be redeemed annually by drawings from 1st May 1964 onwards. The Co. has option to redeem all Debentures at 101% on 1st May. 1963 on 6 months notice.
(F) Option to redeem all or any of the Debentures at a premium of Re. 1/- per cent by giving one month's notice on the 31st December. 1954 or any subsequent interest date.
(G) May be redeemed on 30th June. 1957 at a premium of 5% or on 30th June, 1962, at a premium of 4%.
(H) May be redeemed at a premium of Rs 20/- per debenture (i.e 2%) if redeemed earlier than 31st Dec., 1955 on 3 months notice.
(I) The Company has option to repay all or any at par by giving notice for 6 months expiring on any interest date after 30th Sept. 1955 At any time on or after 1st Oct. 1957 the holders may convert each note of Rs 500/- into 25 ordinary shares to take effect on 1st Oct. in each year on giving 15 days' notice prior to such day
(J) May be redeemed at 101% at any time after 31st March. 1963 and at 100½% on any time after 31st March 1965.
(K) Rs 1,600,00(Debentures will be redeemed at par annually by drawing from 1-9-68 Any Debenture outstanding on 1-9-68 will be redeemed on that date with option to redeem all Debentures at 101% on 1-9-64.
(L) Any time on 6 months notice.
(M) At par in September 1960.
(N) May be redeemed at the end of 1965 or thereafter at 101%
(O) Option to repay at par on or after 31st May 1961.
(P) Redeemable at par on 31st Dec. 1972 with option to redeem at par at any time on 6 months notice after 30th June 1958 At any time after 31st Dec. 1948 each note of Rs 500/- may be converted into two ordinary shares of Rs 100/- each ranking for dividend from 1st January following
(Q) With option to redeem annually Rs. 4,00,000/- at par after 31-3.58 by drawing or by purchase in the open market
(R) May be redeemed annually at par by drawing after 10th year also the whole issue at 101% on or after 31-3-63
(S) (Option to repay at par one month's notice) At any time after 1st October. 1956
(T) (Option to repay at par on 6 months notice) after 1-1-67
(U) (Option to repay on 3 months notice) At any time after 31st December 1960
(V) May be redeemed at par on 30-6-56 or any subsequent interest date on one month's notice.
(W) After giving six months notice
(X) Rs 5,00,000 will be redeemed each year from and after 1964.

* These Debentures are registered and are transferable by transfer Deeds.

JOINT STOCK COMPANIES PREFERENCE SHARES

Dividends are cumulative and shares carry a Preferential claim on the property for the payment of capital and on the profits for dividend except in case of companies marked otherwise. Months against names of companies indicate approximately times of payment of dividends. T means that dividend tax is deducted at source.

Year of Issue	NAMES	Amount Issued in 000's Rs	Rate per cent	Paid-up per Share Rs	Market Quotations 22-10-63 Rs.	A year ago Rs.
	BANK					
1901	Allahabad Bank (May Nov.)	15 00	6	100	96/50	97/00
	COALS					
1896-97	Borrea (June Dec.)	4.00	6½	100	84/00	84/00
1901-19	Burrakur (Jan July)	22 98	7	100	100/00	97/50
1946	Burrakur (June Dec.)	4.50	6T	10	6/00	6/10
1895	Equitable (May Nov.)	4.00	6	100	80/00	79/00
1931	Khas Kajora (March Sept.)	1.93	5	10	9/00	6/95
1920	New Beerbhoom (Jan July)	2 00	7	10	10/50	10/25
1898-00	Ondal (June Dec.)	2.00	5½	100	85/00	64/10
	COTTONS					
1902	Ahmedabad Advance (Apr. Oct.)	10.00	5	100	70/00	70/00
1884	Bangalore (Jan July)	6.00	6	100	98/44	106/90
1938	Basanti (Oct.)	5.00	6½	10	7/00	7/00
1896	Bengal-Nagpur (Apr Oct.)	3.00	7	100	48/00	48/00
1900	Bowreah "A" (Apr Oct.)	6.00	8	100	114/00	111/00
1900	Bowreah "B" (6) (1) (Apr Oct.)	6 00	7	100	88/00	82/50
1919	Bradbury "B" (Jan Dec.)	14.85	7	50	61/00	47/00
1920	Buckingham & Carnatic (Jan July)	21.30	7½	100	109/00	114/59
1928	Cambodia (July)	1.00	7	100	83/63	83/63
1912	Central India (Apr Oct.)	50.00	5	500	483/75	407/50
..	Delhi Cloth & General (Oct.)	20.00	4½	25	16/63	16/63
1912	Elgin (May Nov.)	11 00	8	100	113/00	113/00
1943	Elgin "B"	10.00	5	10	6/50	7/25
1919	Elphinstone (May Nov.)	25.00	7T	100	76/00	73/00
1919	Kesoram (June Dec.)	20.00	7	100	107/50	107/50
1925	Khatau Makanji (Nov.)	10.00	6	100	83/50	77/00
1937	Kothari (Nov)	12 00	6	10	7/75	8/10
1900	Muir (Feb Aug.)	30.00	6	100	122/00	100/00
1913	New Great Eastern (Mar.)	8.00	5½	200	120/00	107/00
1920	New Victoria (Apr Oct.)	16.06	6	5	2/69	2/94
1933	Palani Andavar (Mar.)	2 00	7	50	115/45	118/64
1935	Svadeshi (Bombay) (May)	15.00	5	100	86/00	87/00
1927	Swadeshi (Cawnpore) (Mar.)	35.00	6	100	68/00	68/00
1931	Vasanta (Apr. Oct.)	3.00	6½	100	86/14	92/04
1908	Vishnu (Apr.)	16.00	7	500	405/00	385/00
	JUTES					
1927	Agarpara (Jan. July)	10 00	7	100	96/50	90/50
1905	Alexandra (Feb Aug.)	9 00	7	100	85/50	85/50
1895	Alliance (March Sept.)	15 00	6	100	76/00	65/00
1917	Anglo-India (May Nov.)	40 00	7	100	99/00	94/50
1909	Auckland (July Jan.)	10.00	5½	100	77/00	74/50
1945	Auckland (July Jan.)	15.00	4½	100	57/00	56/00
1918	Bally (Jan July)	20.00	7	100	111/00	96/00
1896	Barnagore (Oct Dec.)	£200	5T	£5	38/00	38/00
1940	Bengal (June Dec.)	10.00	5½	100	70/00	62/50
1919	Birla (June Dec.)	23 64	7½T	100	90/00	81/00
1894	Budge Budge (May Nov.)	9.00	7	100	90/50	90/50
1934	Calcutta (Jan July)	6.00	6½	100	72/00	59/00
1915	Caledonian (June Dec.)	10.00	7	100	93/00	90/00
1919	Cheviot (June Dec.)	10.00	7	100	99/00	90/50
1928	Chitavalsah (Mar Dec.)	5.00	7	100	89/00	89/00
1900	Clive (First) (May Dec.)	8.00	6	100	68/50	52/00
1905	Clive "A" (Second) (May Dec.)	8.00	7	100	70/00	66/50
1903-13	Dalhousie (July Jan.)	11.76	7	100	93/00	88/50
1897	Delta (June Dec.)	5.00	6	100	64/75	67/75
1912	Empire (Jan. July)	10.00	7	100	96/00	88/50
1890-93	Fort Gloster (Jan. July)	14.00	7	100	111/00	97/00
1948	Fort Gloster (2nd)	7.00	5	100	66/62	65/50
1911	Fort William (May Nov.)	10.00	7	100	115/00	80/80
1916	Ganges (June Dec.)	6.00	8	100	106/00	108/00
1895-04	Gourepore (June Dec.)	26.50	6	100	88/00	86/00
1935	Hastings (Aug Feb.)	25.00	6	100	91/50	84/50
1913	Hooghly (July)	11.76	10	10	13/06	10/87
1890	Howrah (Jan July)	8.75	7	100	90/50	90/50
1903-06	Howrah "A" (Jan July)	17.50	7	100	94/50	90/00
1919	Hukumchand (June Dec.)	40.00	7	100	98/00	92/00
1898-04	Kamarhatty (Apr Oct.)	16.00	6	100	81/00	73/50
1900	Kanknarrah (Apr Oct.)	10 00	6	100	81/50	100/00
1935	Kedarnath (Jan July)	2.00	7	100	90/00	90/50
1907	Kelvin (Mar Sept.)	10.00	7	100	100/00	90/00
1895-09	Khardah (May Nov.)	9.00	6	100	77/50	77/00
1900-13	Kinnison (July Jan.)	15.00	7	100	93/00	90/00
1905	Lansdowne (July Jan.)	15.00	7	100	114/00	90/00
1912	Lawrence "A" (July Jan.)	5.00	7	100	95/00	85/50
1906-07	Lawrence "B" (July Jan.)	10.00	5½	100	71/00	66/00
1905-06	Naihati (July Jan.)	7.50	7	100	112/00	120/00
1945	Naihati (July Jan.)	10 00	4½	100	90/00	90/00
1917	National (May Nov.)	5.00	7	100	93/50	88/50
1939	Nellimarla (Apr Oct.)	5.00	6	100	76/00	76/00
1915	New Central (Jan. July)	33.00	7	100	94/00	94/00
1908-09	Northbrook (July Jan.)	15.00	7	100	73/00	70/50
1935	Rameshwara (Jan July)	7.00	6	10	12/50	9/62
1906-12	Reliance (Jan July)	20.00	7	100	121/50	84/00
1928	Shree Ambica (Mar. Sept.)	11.70	7½	100	90/00	90/00
1920	Soorah (Feb Aug.)	10.00	7	100	105/50	93/00
1901-02	Union (July Jan.)	6.00	7	100	98/50	88/00
1913	Waverley (Mar. Sept.)	7.50	5	50	42/50	40/50
	MISCELLANEOUS					
1937	Alkali & Chemical (Mar. Sept.)	31 00	5	100	90/00	86/00
1938	Aluminium Corpn (Oct.)	20.00	6	100	93/50	92/00
1944	Aluminium Corpn (Oct.)	20.00	5	100	62/00	61/50
1949	Anderson Wright (Dec.)	20.00	4½	100	66/62	66/62
1917	Andhra Valley Power (May Nov.)	49.34	7T	1,000	1,025/00	967/50
1919	Arthur Butler (Mar.)	1.30	7	10	12/00	17/00
1916	Asstd. Hotels of India (Mar. Sept.)	21.67	7T	100	54/00	50/50

Year of Issue	NAMES	Amount Issued in 000's Rs.	Rate per cent	Paid-up per Share Rs.	Market Quotations 22-10-63 Rs.	A year ago Rs.
1895	Bengal Assam Steamship (Nov.)	3 00	7	60	54/75	47/00
1926	Bengal Chemical (Aug.)	6.25	7½	10	11/62	11/62
1889	Bengal Paper Mill (Mar Sept.)	2.00	7	50	51/00	46/50
1928	Bengal Paper Mill "A" (Mar Sept.)	4.00	7	100	98/00	98/00
1936	Birds Investments (Dec.)	24.00	5½T	100	52/50	53/37
1962	Braithwaite & Co	40.00	9T	100	107/00	..
1918	Britannia Biscuit (Feb Aug.)	15.00	8	10	11/00	11/00
1920	British India Corporation (Feb.)	81.00	8	100	108/50	115/00
1995-99	Burn Eng (1st & 2nd) (Feb Aug.)	13.00	7	100	120/00	111/00
1903-5	Burn Engineering (Feb Aug.)	15.00	6	100	103/00	101/00
1909-11	Calcutta Electric Supply (Mar Sept.)	£1,900	5	£1	8/00	8/31
1937	Calcutta Silk Manufacturing (July Jan.)	2.00	6	100	70/00	49/12
1906	Calcutta Tramways (Jan July)	£250	5T	£1	8/25	7/94
1938	Carew & Co (Jan)	8 00	6½	100	73/25	81/00
1905-24	Cawnpore Sugar Works (Feb Aug.)	10.00	8	100	104/50	117/00
1940	Chrestien Mica Industries Ltd.	30.00	5½T	100	39/00	40/50
1937	Dalmia Cement (Bharat)	35.00	6	10	8/12	8/44
1916	Delhi Flour Mills (Oct.)	90.00	7T	100	101/00	101/00
1935	Deshergarh Power Supply "A" (Jan.)	16.00	5	100	67/00	73/62
1940	Duncan Brothers & Co Ltd	45 00	4	100	56/50	55/00
1926	Dunlop Rubber "First" (Jan July)	30.00	8	100	104/75	105/50
1936	Dunlop Rubber "Second" (Apr.)	40.00	5½T	100	68/00	76/50
1897	East India Distilleries (Jan July)	£200	7	20st	18/90	18/90
1908	General Investment & Trust (Feb Aug.)	1.00	5	100	56/00	56/00
1947	General Investment & Trust (Feb. Aug.)	1.00	6T	100	48/00	48/00
1946	Gillanders Arbuthnot (Apr. Oct.)	25.00	5T	100	55/00	55/00
1946	Gladstone Lyall & Co. Ltd.	15.00	6T	100	60/00	60/00
1948	Godfrey Phillips India Ltd.	30.00	5½T	100	60/75	56/00
1940	Gwalior Sugar (Redeemable) (Dec.)	6.75	7	100	62/00	62/00
1940	Gwalior Sugar (Dec.)	5.00	7	100	62/00	62/00
1936	Humayan Properties Ltd (Nov.)	12.00	6	10	6/81	6/87
1936	Indian Aluminium (Mar Sept.)	40.00	5T	100	66/75	66/00
1927	Indo Burma Petroleum (Jan July)	50.00	7T	100	70/00	78/00
1899	India General Navg & Railways	£244	6	£10	65/00	79/00
1923	Indian Cable Co (Nov.)	12.88	6	10	31/75	31/75
1918	Indian Standard Wagon (Aug or Sept.)	19.66	7	100	116/50	113/50
1936	Indian Iron & Steel	2,69.95	5	100	84/25	85/00
1936	Investment and Finance (Feb Aug.)	2.00	5	100	69/00	69/00
1935	Investment and Finance (Feb Aug.)	2.00	6T	100	60/00	60/00
1937	James Wright (Jan July)	1.30	6	50	14/00	14/00
1937	Jardine Henderson Ltd.	50.00	5½T	100	55/00	56/50
1941	Jessop & Co	10.00	5	100	75/50	75/50
1915	Kumardhubi Engineering (June)	12.00	5	100	68/00	68/00
1915	Martin Burn Ltd.	30.00	5	100	85/50	83/50
1946	McLeod & Co.	10.00	5T	100	44/50	47/00
1930	McLeod & Co.	40.00	5	100	59/75	61/00
1936	Mettur Chemical & Industrial (Sept.)	20.00	6	10	9/25	9/25
..	Metal Box Co of India Ltd.	30.00	6T	100	77/50	84/00
1938	Mysore Chemical Mfg (Sept.)	2.00	6	10	7/83	7/83
1942	National Tobacco (June Dec.)	25.00	5	100	66/50	66/00
1944	National Tobacco (Jan Dec.)	20.00	4½	100	58/00	57/50
1917	Poona Electric Supply Co. Ltd (June Dec.)	4.00	7	100	99/50	101/00
1935	Premier Construction "First" (Apr.)	10.00	6½T	100	72/00	72/70
1936	Premier Construction "Second" (Apr.)	15.00	6½T	100	70/00	68/50
1922	Purtabpore (Sugar) (Oct.)	6.00	10	10	10/56	10/50
1936	Ramnugger Cane & Sugar (Aug.)	4.00	6	100	82/00	82/00
1933-36	Rohtas Industries (April)	20.00	7	100	99/50	104/00
1935	Rohtas Industries "B" (April)	86.00	4½	100	58/25	55/50
1944-48	Shaw Wallace & Co. Ltd.	75.00	6T	100	57/00	56/75
1936	Shree Gopal Paper	7.50	8	100	99/00	107/00
1936-38	Shree Krishna Gyanoday Sugar "A" (Oct.)	6.00	6	100	62/00	62/00
1937	Shree Krishna Gyanoday Sugar "B"	12.00	5	100	70/00	65/00
1918	Smith Stanistreet (Chemists) (Nov.)	5.00	10	50	62/50	62/50
1933	South Behar Sugar (Oct.)	5.00	9	100	20/50	20/50
1897	Spencer & Co. "A" (Provisions) (Jan July)	23.20	6½T	10	6/58	6/69
1923	Spencer & Co "B" (Provisions) (Jan. July)	36.80	8½T	10	9/50	9/55
1936	Star Paper (Apr Oct.)	10.00	5	100	65/90	65/90
1925	Surat Electricity (April)	5.00	6½	100	104/00	107/00
1939	Tata Chemicals (Nov.)	60.00	5	100	95/00	85/50
1910	Tata Hydro Electric Power (Sept. Mar.)	89.28	7	100	104/00	99/50
1906	Tata Iron & Steel (First) (Nov.)	75.00	6T	150	121/25	133/50
1918	Tata Iron & Steel (Second) (May)	6,93.82	7½T	100	101/50	106/75
1919	Tata Power (May Nov.)	86.97	7½	1,000	1,030/00	1,000/00
1928	Titaghur Paper Mills (Mar. Sept.)	11.50	8	100	117/00	117/00
1936	Titaghur Paper Mills "2nd" (Mar. Sept.)	15.00	4½	100	66/50	70/00
1934	Vellore Electric (Sept. Mar.)	1.25	6	10	6/25	5/81
	TEAS					
1903	Amluckie (May Nov.)	75.00	7	10	21/96	21/96
1901	Banarhat (Jan.)	4.00	6½	100	91/00	75/08
1900	Birpara (Jan.)	1.00	8	100	104/00	104/00
1947	Brooke Bond Estate India Ltd.	35.00	6T	100	56/00	60/00
1914	Choonabhutti (Jan.)	2.00	6½	100	90/50	92/64
1901	Dimakusi (June Dec.)	70.00	8	10	9/50	9/50
..	Dhunseri	1.20	10	10	7/00	7/00
1894	Gielle (Sept.)	2.00	6	100	50/00	50/00
1901	Hantapara (Jan.)	50.00	8	100	89/84	89/84
1904	Hasimara (Mar.)	3.00	7	100	86/50	86/50
1897-99	Kingsley Golaghat (Dec.)	2.40	6	100	85/00	85/00
1929	Moheema (May Nov.)	3.20	6	10	4/75	5/21
1907	New Dooars (Jan.)	2.00	6½	100	91/00	74/82
1903	New Samanbagh (Nov.)	1.00	8	100	90/50	90/50
1888	Okayti (Dec.)	50.00	7	100	84/50	84/50
1914	Peermade (July)	1.50	6	100	82/77	82/77
1916	Pussimbing (Jan.)	2.05	7	100	89/50	94/00
1909	Sonai River (May)	1.00	8	100	100/00	66/00
1932	Tezpore (Jan.)	2.06	8	10	7/06	10/12
1922	Tirrihannah (May Nov.)	1.00	10	10	11/46	11/46

BANKS

H indicates that Share capital is half paid O. C. and Dd indicate Ordinary Contributory and Deferred Shares respectively P next to the name of the company indicates that the company also has Preference Shares Figures in "accounts closed" column indicate the months of the calendar year in which accounts are closed For Managing Agents refer to the Key (last page) under the numbers indicated.

Paid-up Capital Ordinary Rs.	Reserve & other Funds Rs.	Cash & Securities Rs.	Net Profits including taxation Rs.	Carry forward Rs.	Accounts closed	NAMES	Dividends per cent 1960	1961	1962	Paid-up per Share Rs.	Latest Market Quotations as available until 22-10-63 Rs.	16-10-63 Rs.	A year ago Rs.
67,50,000	1,23,75,000	27,37,97,908	22,49,414†	6,09,614	12	Allahabad Bank P.	18	18	..	100	258/00	258/00	396/00
2,00,00,000H	2,09,33,260	36,87,47,482	63,19,169	4,16,722	12	Bank of Baroda	17	17	16	50	93/00	89/00	95/00
4,05,00,000H	4,11,50,000	43,61,96,153	1,11,53,496	13,09,847	12	Bank of India	20	20	20	50	107/00	105/00	111/50
2,62,86,350H 52,50,000	5,10,34,368	86,24,48,298	1,79,95,826	93,249	12	Central Bank of India	20-2/5	20	20	25	55/50	54/30	61/00
£6,600,000	£7,150,000	£141,890,310	£990,238	£540,648	12	Chartered Bank	15	15	..	£1	sh. 60/9	sh. 62/-	sh. 55/-
1,25,00,000H	10,00,000	3,70,50,489	9,68,909	17,401	12	Hindusthan Commercial	Nil	Nil	Nil	50	13/50	13/44	17/12
50,00,000H	2,85,000	94,21,660	1,68,136	28,888	12	Hindusthan Mercantile	Nil	Nil	..	50	15/62	15/62	15/62
HK$79,046,125	HK$240,000,000	£184,516,882	HK$45,789,942	HK$2,462,897	12	Hong Kong & Shanghai	£3¾	£3¾	£3 1/5	HK$25	£19½	£18⅞	£17½
71,79,795 16,60,000	75,44,583	20,13,31,335	15,25,151	143,787	12	Indian Bank	15	15	14	100	155/00	156/10	175/00
75,00,000	78,36,660	14,65,60,072	43,80,498	2,22,933	12	Indian Overseas Bank	14	14	..	100	147/75	144/75	166/25
5,00,00,000	74,41,264	2,23,84,659	7,80,776	21,25,000	12	Industrial Finance Corpn.	..	..	..	50	..	..	..
£5,703,000	£5,250,000	£121,505,208	£714,730	£316,941	12	National & Grindlays Bank	13½	14	16	sh 15	sh. 32/9	sh. 32/6	sh. 33/6
1,99,63,820	2,36,56,382	79,55,83,097	1,13,83,168	15,20,907	12	Punjab National Bank	20	20	20	10	19/12	19/12	20/62
60,00,000	60,00,000	1,52,610,719	18,13,132	1,45,390	12	Union Bank of India	11-2/5	11-2/5	..	5	6/12	5/92	6/36
2,68,67,461	95,00,000	27,07,57,575	21,20,312	3,26,006	12	United Bank of India	4.3	6	6	10	7/44	7/31	7/62
2,23,33,937	3,03,00,000	44,63,32,187	73,32,625	25,151	12	United Commercial Bank	12	12	12	50	69/50	68/50	80/00

† Excluding taxation

JUTE MILLS

Paid-up Ordinary Capital Rs.	No. of Looms	Net Block Account Rs	Reserve & other Funds Premiums & Forfeited Shares if any Rs.	Cash & Securities Rs.	Net Profits including taxation Rs.	Carry forward Rs	Accounts closed	Mg. Agts. Secretaries etc.	NAMES	Dividends per cent 1960	1961	1962	Paid-up per Share Rs	Latest Market Quotations as available until 22-10-63 Rs	16-10-63 Rs	A year ago Rs.
60,00,000	879	1,06,68,526	83,91,980	3,06,760	32,27,075	8,246	3	79	Agarpara P.	10	2½	2½—12*	10	10/50	161/00	10/19
6,00,000	440	30,57,138	21,01,100	6,26,077	22,41,118	32,706	12	165	Alexandra P.	44	15	42½	100	300/00	116/00	305/00
30,00,000	1,264	48,84,147	8,04,850	5,70,976	11,43,880	58,837	5	165	Alliance P	6	Nil	10	100	161/00	234/00	116/00
49,20,700	2,561	1,34,17,399	1,64,67,331	63,38,766	73,57,877	90,778	3	63	Anglo-India P.	20	7	10—12*	100	234/00	144/50	223/00
40,00,000	810	74,93,222	32,04,394	5,13,154	39,08,352	1,752	3	21	Auckland P.	27	12	Nil—15*	100	144/50	261/00	153/00
20,00,000	939	57,59,081	35,02,335	12,05,050	13,67,235	60,074	3	22	Bally P	25	25	25	100	261/00	30/75	293/00
£275,000	1,889	£410,570	£828,859	£53,073	—£89,216	£1,042	3	128	Barnagore P.	30	10	10	£5	212/00	205/00	176/00
45,00,000	600	29,61,854	15,46,700	8,93,663	5,85,851	1,33,355	6	235	Bengal P.	5	..	..	10	9/37	9/37	10/25
1,59,56,210	1,373	5,92,74,980	3,88,65,994	95,53,646	1,39,85,792	46,410	3	22	Birla	15	15	15—15*	10	32/56	32/56	30/75
36,00,000	991	48,65,076	14,32,140	1,42,233	37,69,101	30,613	10	2	Budge Budge P.	10	Nil	12	100	155/00	151/00	160/00
7,47,380	602	12,59,648	4,17,958	1,73,320	61,970	48,481	6-12	62	Calcutta P	..	..	..	10	8/12	8/12	8/30
18,00,000	616	38,26,710	28,17,882	36,75,352	1,72,996	11,777	11	440	Caledonian P.	12	5	..	100	180/00	180/00	220/00
29,58,200	1,400	83,84,378	99,79,201	17,71,641	36,62,731	22,643	3	304	Champdany P.	10	5	Nil-40*	10	24/62	24/19	..
38,58,750	530	67,05,590	72,45,112	12,64,351	41,57,638	1,02,122	11	2	Cheviot P	Nil	5	25	10	22/56	23/56	24/75
30,15,000	500	53,11,479	40,65,400	13,38,874	12,49,444	61,455	7	165	Chitavalsah P.	5	Nil	5	10	11/06	11/00	11/25
16,00,000	959	13,80,489	25,12,433	1,35,556	1,51,574	18,847	3	318	Clive P	..	..	..	10	9/19	9/37	8/37
31,49,200	766	53,32,179	21,35,995	4,07,539	22,78,348	3,316	3	21	Dalhousie P.	1	1	Nil—25*	100	147/00	147/00	125/00
56,00,000	115	1,14,91,098	68,77,425	3,58,234	38,24,413	28,674	11	2	Delta P	7½	Nil	12	100	171/00	166/00	175/00
15,00,000	500	35,23,149	39,20,700	9,41,963	7,63,955	40,327	7	185	Empire P.	12½	7½	12½	10	17/75	17/75	17/25
63,00,000	1,884	1,86,60,226	1,23,68,695	8,78,531	88,00,061	4,532	3	138	Fort Gloster	25	10	12½—20*	100	350/00	350/00	412/00
21,00,000	1,014	89,78,908	39,25,515	2,10,063	33,89,018	6,051	3	234	Fort William P.	22½	22½	10—20*	10	26/94	26/75	25/37
84,32,100	1,195	1,38,06,625	77,96,303	3,39,780	84,23,155	16,267	3	367	Ganges P	10	10	15—20*	10	14/75	14/75	13/12
43,20,000	604	1,06,89,025	37,97,205	1,14,364	19,55,516	16,522	12	359	General Industrial	40	10	13	10	15/37	15/44	18/62
24,00,000	1,394	1,27,87,553	65,59,122	45,82,832	74,09,601	28,659	3	19	Gourepore P.	30	25	20—20*	10	25/25	25/25	
40,00,000	1,078	89,70,576	1,13,65,042	60,69,113	42,85,744	4,954	3	234	Hastings P.	6	6	6—6*	100	128/00	128/00	126/00
16,80,000	720	32,20,357	44,86,659	2,59,301	9,22,006	4,294	3	356	Hooghly P.	10	20	7½—10*	10	16/00	16/00	20/00
65,62,500	1,940	69,79,752	46,00,997	9,34,173	57,39,425	..	3	128	Howrah P.	12½	10	Nil-10*	10	19/25	19/25	19/37
52,50,000	2,212	1,36,00,000	1,26,22,000	22,50,131	87,88,996	5,058	3	35	Hukumchand P.	28¾	28¾	26¾-26¾*	7½	21/87	22/00	26/12
87,30,000	790	1,23,75,753	93,65,745	36,02,644	58,75,996	4,811	3	355	India	14	12	8—22½*	12½	16/62	16/62	17/31
43,20,000	1,191	52,63,977	32,17,016	8,71,993	54,54,653	14,157	12	128	Kamarhatty P.	5	Nil	20	100	195/00	195/00	164/50
54,00,000	1,527	47,44,758	13,48,482	6,39,910	59,38,810	11,179	12	128	Kanknarrah P.	Nil	Nil	10	100	144/00	139/00	130/00
28,00,000	703	53,93,372	56,73,800	13,28,826	45,353	47,758	6	165	Kelvin P	15	15	5	100	198/00	197/00	190/00
54,00,000	1,530	93,03,019	73,68,631	6,07,972	42,70,729	3,379	3	382	Khardah P.	20	5	12½-12½*	10	19/37	19/37	17/00
48,00,000	1,250	79,54,389	49,03,577	25,23,275	44,01,751	12,641	3	106	Kinnison P.	20	7	Nil—10*	100	139/00	139/00	153/00
24,48,000	931	29,67,596	1,30,000	12,43,413	13,51,372	4,687	3	21	Lansdowne P.	Nil	Nil	Nil-Nil*	100	98/00	97/00	120/00
28,00,000	840	20,00,065	14,09,475	45,59,844	12,94,083	664	3	21	Lawrence P.	7	15	10—10*	100	112/50	112/50	116/00
81,65,200	1,294	1,68,99,178	1,32,00,037	6,94,617	1,07,37,567	37,681	3	355	Megna	12	12½	Nil—22*	10	14/00	13/87	12/62
29,98,900	615	76,99,875	12,04,575	2,94,057	10,35,634	—13,08,719	3	101	Naihati P.	..	..	..	100	93/00	93/00	107/00
20,00,000	425	10,79,854	15,55,000	26,11,429	3,36,343	17,816	4-10	107	Naskarpara	..	..	..	10	8/00	8/00	8/44
35,00,000	852	1,58,24,441	73,10,449	9,33,117	33,24,937	9,507	10	378	National P	7½	Nil	10	10	23/87	23/87	24/00
26,25,000	316	33,46,239	35,71,072	10,72,888	14,01,865	61,184	7	165	Nellimarla P	3	6	15	10	13/87	13/87	11/25
4,56,00,000	1,765	8,08,96,118	2,42,19,122	26,20,231	—18,53,066	15,530	3	335	New Central P.	15	15	Nil	10	14/81	14/75	13/50
16,79,880	567	54,75,607	56,86,689	4,76,913	33,32,174	1,076	3	21	Northbrook P.	30	30	20—35*	10	31/00	31/00	36/75
66,79,500	1,092	1,01,51,940	58,00,825	5,39,056	39,43,549	13,111	3	19	Nuddea	8	6	5—10*	50	64/00	63/00	54/75
25,00,000	400	26,00,000	12,61,704	7,07,186	7,54,830	37,324	7	165	Presidency	8	6	10	5	5/75	5/69	4/87
20,00,000	305	43,92,723	5,27,128	97,402	17,07,297	25,500	3	166	Rameshwara P.	Nil	Nil	Nil-Nil*	10	9/20	9/20	9/87
49,50,000	1,276	56,06,891	6,89,006	40,16,382	17,64,511	..	3	128	Reliance P	Nil	Nil	Nil-Nil*	10	9/31	9/62	6/44
£600,000	2,013	£1,501,838	£1,191,136	£265,726	£175,821	£8,338	12	64	Samnugger P	6	Nil	10	£1	10/50	10/50	10/50
30,00,000	911	47,47,618	15,81,656	27,81,388	2,13,128	3,184	3-9	61	Shree Ambica P.	9	6	Nil	10	35/00	35/00	27/50
14,00,000	401	21,82,940	17,16,854	14,69,644	15,77,802	26,425	12	166	Soorah P	25	25	25	10	23/50	23/50	25/25
£600,000	1,794	£1,390,914	£1,181,938	£351,277	£211,646	£9,976	12	64	Titaghur P.	6	Nil	13	£1	10/50	10/50	10/50
35,98,600	1,326	50,79,284	42,63,667	13,52,676	31,60,784	603	3	21	Union P.	25	6	Nil—20*	100	166/00	166/00	165/00
£400,000	1,331	£1,338,747	£932,577	£189,510	£173,749	£8,551	12	64	Victoria P.	6	Nil	10	£1	10/50	10/50	10/50
2,50,000	465	6,47,472	8,20,000	6,95,642	6,79,756	66,272	5	165	Waverley P.	30	30	60	1	8/00	8/00	5/50

* 1963

COAL COMPANIES

O Po F and Dd Indicate Ordinary Preferred Ordinary Founders and Deferred Shares respectively 'P' next to the name of the company indicate that the company also has Preference Shares Figures in "accounts closed" column indicate the months of the calendar year in which accounts are closed For Managing Agents refer to the Key (last page) under the numbers indicated.

Paid-up Capital Ordinary Rs.	Net Block Account Rs.	Reserve & other Funds Premiums & Forfeited Shares if any Rs.	Cash & Securities Rs.	Net Profits including taxation Rs.	Carry forward Rs.	Accounts closed	Mg Agts. Secretaries etc.	NAMES	Dividends per cent 1960	1961	1962	Paid-up per Share Rs.	Latest Market Quotations as available until 22-10-63 Rs.	16-10-63 Rs.	A year ago Rs
25,50.000	58 52.284	43 77.800	3.90.484	16.40.057	39 096	6-12	315	Amalgamated	10	12½	15	10	26/00	26/37	22/12
1,29.00.000	3,15.46.304	2.44.30.490	36.03.088	86.68.875	10.42 254	3	236	Bengal P	25	21	..	100	280/00	268/50	335/00
4.49 350	4.37.382	1.30.132	91 796	43.397	4.471	10	2	Bengal Bhatdee	..	..	..	10	3/48	3/48	3/48
2.25.000	3.06.216	5.45.835	5.19.015	1.55.638	16.129	12	368	Bengal Nagpur	10	26	..	10	22/00	22/00	22/00
15.97.000	23.27 321	4.87.308	63.982	2.62.417	21.275	12	.	Bhalgora	..	..	..	10	3/53	4/75	5/00
40,00.000	67 23.620	2.75.000	21.19.681	11 80 816	2.120	9	152	Bharat Collieries P.	..	..	..	10	3/50	3/50	3/53
7,15.000	14 96 845	11.02.672	64.329	−3.06.406	−4.92.536	6	335	Bhulanbararee	..	..	..	10	11/94	11/94	12/00
16.00.000	38.87.275	16 18 636	7.185	1.21.936	−79 196	12	362	Bokaro & Ramgur	..	..	..	10	11/19	11/19	11/19
7.50.000	19 13.792	22 77.003	12.32.439	5.26.414	33.647	12	106	Borrea P	15	15	..	10	22/12	22/12	23/87
90.92.480	2.32.19.267	1.46.53.383	33.70.740	37.97.832	90.768	6	21	Burrakur P	13	13	13	10	17/37	17/31	16/12
49.97.000	50.93.754	6.86.120	6.35.532	16.11.088	3.58.023	3	106	Central India	8	10	10	10	10/00	9/87	10/12
8.00.000	18 69.439	12.97 430	98 040	6.357	214	12	..	Central Kurkend P.	..	..	..	10	3/87	3/87	8/00
6.00.000		1.55.159	6.05.872	63.765	7.043	12	106	Churulia	3	..	..	4	3/06	3/06	3/06
16.00.000	25.01 705	Nil	19 429	−6 45.261	−5.39.034	12	444	Dhemo Main	Nil	Nil	..	10	4/50	4/50	5/94
£240.000	£868.390	£561 905	£13.858	£288.462	£6.234	4	128	East India	7½	15	20‡	£1	32/00	32/00	50/00
29 63 700	1.42 23.054	1,18 76.888	27.65 725	10.14 185	33.594	12	19	Equitable P	15	10	.	10	23/50	23/50	25/62
15,00.000	21.00.420	41.000	26.500	920	−6.24.344	3	307	Ghusick & Muslia	Nil	Nil	Nil	10	14/25	14/25	15/00
6.50.000	4.21.847	Nil	12.025	10.670	−14.705	12	30	Guzdar Kajora	..	..	..	10	2/44	2/44	2/05
8.00.000	5.43.022	..	16.702	−10.172	−3.65.025	12	393	Hurriladih	..	..	..	10	7/06	7/06	8/12
15.00.000O 5.00.000F	23.47.952	27.81.955	39.74.704	3.95.071	1.40.029	12	21	Karanpura Development	5 15	5 15	..	10O 10F	12/06	10/31	12/00
20.00.000	34 15.535	9.86.018	3.72.692	8.92 065	32 810	2	21	Karanpura Collieries P.	7½	10	10	10	16/00	16/00	18/00
14.88 460	20.68.761	16.01 825	8.75.590	8.29.962	1,11 842	1	2	Katras Jherriah	95	40	25	10	34/12	34/12	48/75
1.38.400	6.75.000	95.000	11.80.294†	49 776	1.918	6-12	337	Khas Kajora P.	..	..	..	10	17/62	17/62	18/70
5.65.750	5.95 833	Nil	9.780	−1 60 535	−16.47.497	3	372	Mundulpur	..	..	..	10	2/69	2/69	2/69
7.48 240	3.39.261	56.489	7,29.302	1,15.573	74.711	12	347	Nazira	7½	Nil	Nil	10	5/00	5/00	5/75
31 97 210	61 58 848	34.47.233	3.39.307	9 75.812	93.645	10	2	New Beerbhoom P.	16	10	..	10	19/25	19/25	20/94
9.90.340	9.04.373	5.21.710	75.374	4.12.216	43.822	3	202	New Manbhoom	7½	9	12	10	15/25	15/25	13/75
1 15.000 1,57.500	7.05.719	4.31.409	40.364	1.44.042	15.045	12	441	North West	20	20	..	10 7½	19/75 18/00	19/75 18/00	19/75 18/00
7,50.000	1.33 788	13.22 645	22.85.097	1.91.515	45 060	12	106	Ondal P	6	7½	..	10	13/50	13/50	13/00
8.34 000	23.69 066	1.52,212	4.78.984	1.79.344	589	12	207	Parasea P.	1½	1½	..	10	14/00	13/06	16/00
15.75.000	32.93.192	24.59.125	4.11.055	5.41.674	54.253	3	236	Pench Valley	10	10	10	10	17/50	17/50	16/50
2.50.000	5.62.405	7,500	11.530	2.003	18 581	6-12	5	Pure Sitalpur	..	..	..	10	8/00	8/00	8/00
33 58.900	50.26.723	40.85.000	1.26.141	11.54.576	35.781	3	370	Raneegunge	15	17	17	10	14/25	15/75	15/00
13.50.000	25.32.135	20.80.190	16.89.318	13 18 197	41.523	12	236	Rewa	20	20	..	10	28/50	28/50	29/12
37.50.000	74.38 430	38 61.070	1.69.086	12 37 914	26.993	12	48	[illegible]	10	..	..	10	9/00	9/00	7/44
2,50.000	4.47 534	74.281	10,748	−19.279	−4.27 396	1	353	Searsole	Nil	Nil	Nil	2½	1/22	1/22	1/94
2.80.000	10.74.006	12.23.716	10.17.267	5.13.147	67.383	12	2	Seebpore P.	42 6/7	42 6/7	..	7	34/75	34/75	45/00
8.00.000	6.203	4.54.648	13.04.570	78.390	1.540	12	106	Sendra	5	3½	..	10	5/00	5/00	5/75
17,50.000	28.29.652	10.02.341	50.728	2.66.373	2.926	8	21	South Karanpura	2½	Nil	Nil	10	8/62	8/62	7/00
8.00.000	1.30.091	15.48.939	26.78 255	1.84.925	38.908	12	106	Standard	15	10	..	10	13/12	13/12	16/00
2.50.000	4.36.300	3.23.000	36.660	1.37.973	1.77.952	12	..	Union	..	..	..	10	10/12	9/50	10/37
49 98.000	63.57.150	6.09.355	2.69.620	11.72.192	1.19.162	3	166	Western Bengal	6	7½	9	10	8/87	8/94	8/87
7.00.000	26.06.335	Nil	47.091	−6.51.403	−6.23.711	12	444	West Jamuria	Nil	Nil	..	10	4/56	4/56	9/37

COTTON MILLS

Paid-up Capital Ordinary Rs.	Number on Spindle	Looms	Net Block Account Rs.	Reserve & other Funds Premiums & Forfeited Shares if any Rs.	Cash & Securities Rs.	Net Profits including taxation Rs.	Carry forward Rs.	Accounts closed	Mg Agts. Secretaries etc.	NAMES	Dividends per cent 1960	1961	1962	Paid-up per Share Rs.	Latest Market Quotations as available until 22-10-63 Rs.	16-10-63 Rs.	A year ago Rs.
15.00.000	14 108	356	14 06 683	3.15.002	12.59.541	26.012	41.532	12	49	Basanti P.	..	..	..	10	13/75	13/75	9/19
7.11.280	36.000	932	17.17.120	2.20.369	30.842	3.66.177	47.818	3	27	Banga Luxmi	..	..	..	40	30/00	30/00	28/00
27.00.000	31.476	624	17 77.373	..	93.872	−6.24.150	−6.86.163	12	223	Bengal Nagpur P.	Nil	..	..	10	3/06	3/06	3/25
50.00.000	..	..	1.66.35.360	49.94.800	52.56.090	28.04.759	17.588	12	394	Bharat Commerce P.	5	15	15	10	24/25	23/37	25/81
39.95.950	38.764	992	60.94.300	1.21.02.782	53.37.204	39.77.025	1.67.525	3	22	Birla Cotton	10	20	20	10	33/00	33/00	28/87
33.60.000	43.136	841	1,00.69.568	40.37.060	2.04.094	21.74.042	1.94.107	12	138	Bowreah P.	10	20	15	10	25/62	24/59	25/06
30.00.000	22.000	510	32.89.583	62.22,574	9.41.816	13.74.402	49.055	12	25	Cawnpore Textiles	7 1/5	10	10	5	7/56	7/31	7/06
3,78.33.535	1.97.348	3,307	6,72.37.739	6.96.27.768	77.61.228	3,08.40.769	4.03.436	6	238	Delhi Cloth & Genl P.	12	13	13	25	49/75	49/75	49/50
38.00.000	43.049	618	61.51.892	54.80.125	1.40.191	32.83.543	1.03.713	12	138	Dunbar	20	20	15	10	29/75	28/62	27/25
63.00.000	84.000	1,200	95.39.870	2.10.49.560	93.81.545	70.11.091	89.499	9	389	Elgin P.	11½	17½	17½	10	22/81	22/00	19/50
1,25.00.000	..	..	3,48.97.571	56.34.321	85.50.730	19 28 764	1.22 795	12	158	J. K. Cotton (Rayon) P.	12½	..	..	10	13/19	13/31	15/00
49.18.000	6.272	202	51.44 000	24.71.500	4.76.536	28 42.100	87.266	12	22	Jay Shree	10	10	..	10	16/50	16/44	16/25
30.00.000	38.000	1,825	47 44.548	52.19.301	92.65.055	18 77 941	−7.77.290	12	206	Muir P.	..	..	..	100	74/50	74/50	100/00
35.11.583	78.848	1,367	47.49 840	3.96.960	1.09.256	12.73.361	−63.55.495	12	237	New Victoria P.	Nil	..	..	2½	1/50	1/53	1/37
48.00.200	..	..	1.08.10.352	78.144	2.34.188	12.34.741	−22.17.524	3	399	Orissa Textiles P.	Nil	Nil	..	10	9/00	9/00	9/00
19 47.750O 5,00.000Dd	23.196	795	15.49.229	80.773	2.37.475	3.38.087	..	6	4	Rampooria Cotton	3 Nil	Nil Nil	.. Nil	10 1	13/00 2/00	13/00 2/00	12/00 2/00
17.50.000O 1,57.50.000Po	1.14.836	2,077	4.48.79,351	2.63.83.071	2.15.81.189	76.20.241	5,044	12	333	Swadeshi (Kanpur) P.	5 5.51	.. ..	.. ..	10O 10PO	12/62 6/81	12/62 6/81	11/50 7/37

TEA COMPANIES

O. Po and Dd indicate Ordinary Preferred Ordinary and Deferred Shares respectively P next to the name of the company indicates that the company also has Preference Shares Figures in "accounts closed" column indicate the months of the calendar year in which accounts are closed For Managing Agents refer to the Key (last page) under the numbers indicated

Paid-up Capital Ordinary Rs.	Net Block Accounts Rs.	Reserve & other Funds Rs.	Area Hectares	Outturn and Average Price per Kg realised for crop 1961 Kgs.	1961 Rs.	1962 Kgs.	1962 Rs.	Estimate 1963 Kgs.	Net Profits including taxation Rs.	Accounts closed	Mg Agts. Secretaries etc.	NAMES	Dividends per cent 1960	1961	1962	Paid-up per Share Rs.	Latest Market Quotations as available until 22-10-63 Rs.	16-10-63 Rs.	A year ago Rs.
												ASSAM							
4,45.700	16.40.103	16,37.403	..	4,24.104	4.81	413.012	5.67	4.71.700	2.90.039	12	165	Amluckie P	Nil	10	7½	10	16/50	16/50	20/00
7,00.000	12.87,204	8,65,604	506†	3,11.077	6.58	301.064	6.71	..	3.50.091	12	88	Anandabag P.	30	32½	20	10	33/25	33/25	33/25
5,50.000	16.63.877	15.34.741	..	3,53.284	5.32	320.928	5.99	3.62.900	1.91.082	12	165	Baghmari	Nil	15	7½	10	17/25	17/25	18/50
1,80.000	..	..	..	..	..	..	..	..	..	12	349	Barduar Tea	..	..	..	6	8/50	8/50	8/50
7,65.000	18.61.913	10.56.655	160	3.13.600	6.01	286.800	6.60	2,90,000	3.93858	12	2	Basmatia	35	25	20	10	27/25	27/25	27/25
4.95.900	..	..	..	4.12.342	4.34	..	..	..	..	12	345	Bateli	30	30	..	5	17/50	17/50	18/00
6.40.000	12,12,739	12,28.191	619†	4,08.269	6.56	405,929	6.66	..	5,57,424	12	88	Betjan	40	45	30	10	29/19	29/12	32/62
33,00.000	38.97.401	18.10.167	1,394	16,30.448	5.80	1,517.589	6.71	15,78.600	15,42.968	12	279	Bishnauth	13	13	20	10	19/94	19/94	17/25
6,00.000	11.68.235	5,03.003	194	2.23.909	5.90	209.073	7.12	2,43.125	2.62.960	12	202	Bokakhat	Nil	12	13	10	13/70	13/70	13/70
7,50.000	13.90,224	11.90,375	..	3.03.665	5.50	300.721	5.85	3.08.430	3.94.885	12	165	Bormah Jan P.	15	15	15	10	13/25	13/25	16/12
4,50.000	7.86.600	2.36.500	239	2.65.021	5.25	258.733	6.32	2.90.300	1.15.476	12	279	Bor Pukhuri	Nil	Nil	10	10	11/00	11/00	11/75
35,00.000	..	..	..	14.26.351	5.27	..	..	..	..	6	127	Brooke Bond P.	15	10	7½	10	12/72	12/44	12/31
1,20.000	9,24.434	9,31,522	..	1.73.277	5.19	200.496	5.90	1,99,600	2,85.668	12	165	Dejoo Valley	15	20	30	10	60/00	60/00	49/25
8,40.000	13.39.224	9,51.460	535	5,43.624	5.68	597.724	6.12	5.33.773	7,20.815	12	128	Dessai & Parbuttia	Nil	10	15	100	200/00	200/00	141/00
17,53.440	..	..	..	2,94.761	6.64	..	..	..	..	12	214	Dhelakhat	12½	10	..	10	20/25	19/56	20/00
7,00.000	20,46,600	8,35.000	558	6.32 799	4.70	554.700	5.16	6,20.000	2,14.165	12	365	Dhunseri P.	20	15	10	10	11/75	11/75	15/00
4,50.000	17,18.470	16,36.695	..	3,05.738	6.23	301.917	6.68	3,30.200	5,86.433	12	165	Dibrugarh	40	40	30	10	32/50	32/50	32/50
4,73.400	10.37,000	8.52.500	256	3.01.383	5.81	297.513	6.44	3.08.000	2,71.648	12	279	Dimakusi P.	25	20	25	10	22/62	22/62	21/87
7,00.620	14.88.200	15.53.500	274	4.64.799	5.77	403.594	6.70	4.36.000	5,29.546	12	279	Dufflaghur	25	25	30	10	28/06	28/06	27/87
10,00,000	20.32.480	11.26.500	481	5.25.798	5.76	494.612	6.30	5.27.000	2.06.168	12	279	East India	Nil	Nil	10	10	16/00	16/00	18/87
5,03.760	14,00,556	6,32.810	242	3.58.797	..	319.832	..	4,00.000	49.047	12	354	Gillapukri	25	20	15	10	25/44	25/44	25/44
6,76.000	12,41,500	7,48.500	228	2.54.919	5.81	259.394	7.44	2.62.000	4.74.030	12	279	Gohpur	Nil	5	20	10	15/75	15/62	13/31
23,29.085	54.85.603	36.46.798	1,042	10.79.309	4.98	1,039.276	6.17	11,32,167	3.83.294	12	202	Grob	6	6	6	5	8/15	8/00	8/12
5,00,000	11,67,377	7,55,258	..	3,58.885	..	3,45,217	..	..	1,67.965	12	354	Hoograjuli	20	20	17	10	27/12	27/12	27/12
8,70.000	26.52.302	15.02.799	542	4.83.000	5.71	515.500	6.62	3.00,000	4.51.521	12	2	Hoolungoorie	10	7½	20	100	199/00	186/00	190/00
9,00.000	18.88.785	11,65.055	953	5,39.472	5.99	533.423	6.50	..	6.31.655	12	88	Jutlibari	30	30	20	10	31/50	31/50	32/00
2,40.000	..	..	..	5,52.301	5.10	..	..	..	..	12	236	Kingsley Golaghat P.	35	35	..	100	125/00	125/00	212/00
1,80.000	19.59,626	1,45.000	494	5.24.469	4.60	488.346	4.97	5,20.000	1.21.490	12	63	Kotamullai P.	Nil	Nil	Nil	5	10/31	10/31	10/31
5,00.000	11.19.728	3.07.818	140	1.73.581	5.29	166.356	6.02	180.000	1.13.899	12	41	Krishnabehari	15	8	10	10	11/80	11/80	10/50
2,00.000	..	..	..	..	..	..	..	..	..	12	236	Kyang Tea	Nil	..	..	10	8/06	8/06	8/06
6,50.000	14,12,161	9,50.234	268	2,79.777	5.15	281,500	5.30	2.85,000	53,354	12	63	Ledo	Nil	Nil	Nil	10	13/75	13/75	17/25
8,00.000	11,99.968	1,30.508	275	2.28.707	4.96	210.642	5.26	2.23.167	1,25.716	12	..	Maud Tea & Seed	10	7½	7½	10	14/81	14/81	14/81
10,00.000	16,16.636	14.78.000	262	3.82.580	6.03	374.221	7.12	3,81.045	6,21.941	12	202	Methoni	5	14	20	10	16/19	18/19	18/50
4,80.000	..	..	..	5,15.200	1.92	..	..	..	..	12	..	Moheema	Nil	Nil	..	10	11/50	11/50	11/50
1,50,000	3,24,738	13,65,825	..	83,921	..	122,745	..	..	1,22,731	12	138	Mothola	30	30	35	100	507/00	507/00	507/00
1,75,000O 1,00,000Po	14,68,025	9,31,447	160	1,82,900	6.01	171,400	8.41	2.00,000	4,99.564	12	2	Murphulani (Assam)	5 10.63	15 20.63	25 30.63	10 10	26/50 26/87	26/50 26/87	26/50 28/75
4,00.000	12,90,728	7,77,459	220	3,19,104	4.51	326.748	5.10	3,40.000	1,24.658	12	143	Naga Hills	10	10	10	10	22/25	22/25	22/69
5,35.000	..	..	..	3,47,154	4.58	..	..	..	..	12	..	Namburnadi	12	12	..	10	12/87	12/87	14/56
5,00.000	7,84,102	3,97,500	299	2,90.978	5.98	296,696	7.64	2,90.000	5,86.793	12	63	New Chinatolliah	Nil	Nil	Nil	100	302/00	302/00	450/00
6,00.000	14,50.587	7,57,922	170	2.16.600	5.31	230.700	6.35	2,22.500	3,62.519	12	2	Rajgarh	40	13½	17½	10	19/00	19/00	21/37
13,50.000	..	..	..	6,32.808	..	..	..	..	..	12	354	Sapoi	22½	20	..	10	17/25	17/75	24/44
2,49.000	6,35,900	6,85,000	208	2.42.697	5.56	207.643	7.36	2,21.000	3,75.627	12	279	Seajuli	22½	15	30	10	21/12	21/12	20/75
5,98.000	17,86,091	15,24,544	..	3,73,286	4.99	390.802	5.61	3,81.000	5,06.871	12	165	Teloijan	25	25	25	10	21/37	21/37	27/75
8,00.000	12,80,761	7,41,936	345	3,48,111	6.59	338.378	6.81	..	4,19.888	12	88	Tengpani	30	30	22½	10	35/00	35/00	35/00
19,82.800	30,75.956	23,51.846	1,926†	29,72.880*	1.92	2,301.040*	2.62	2,28.000*	8,36.276	12	236	Tezpore	20	12½	..	10	15/19	14/94	15/56
7,50.000	..	..	..	3,15.004	3.96	..	..	..	..	12	95	Tongani	Nil	Nil	..	10	5/31	5/31	6/50
5,20,000	35,17,473	30,30,165	..	5,90,423	5.14	651,147	5.76	6,71,300	7,11,074	12	165	Tyroon	10	15	25	10	31/12	31/12	34/37
												CACHAR							
3,00.000	..	..	..	1,49,850	4.07	139.861	4.03	1.66.500	..	12	..	Arcuttipore	Nil	5	6	10	7/00	7/00	7/00
4,00,000	..	..	..	1,58.348	4.45	..	..	..	..	12	35	Baitakhal	2½	2½	..	10	8/06	8/06	6/69
11,00,000	20.18.349	9.26.687	..	5,45.645	4.26	454.449	4.77	3,52,060	..	12	128	Central Cachar	5	7½	5	100	85/00	85/00	73/00
7,00,000	..	..	..	1,22.864	4.63	..	..	..	..	12	383	Eastern Cachar	Nil	Nil	..	10	4/50	4/50	4/12
4,50,000	3,31,773	2,80,000	..	1,34.400	3.31	..	..	..	−54.506	12	384	Kallinugger Khoreel	6	2	..	100	87/00	87/00	87/00
12,60.000	19.84.808	13,56.132	943	7,23.716	3.84	580.232	3.97	7,25.747	−3,11.563	12	202	Hattikhira	Nil	8	Nil	10	8/75	8/75	9/44
3,60,000	..	..	..	1.53.008	3.88	..	..	..	..	12	63	Kunchunpore	Nil	Nil	..	10	6/00	6/00	6/00
5,63,690	5,22,633	1,36,689	228	1,66.156	3.81	151,283	4.26	1,63,293	23.090	12	202	Loobah	Nil	Nil	Nil	10	4/56	4/50	4/94
12,60.000	22.28.419	11.42,054	2,221†	5,70.970	4.08	518.387	4.33	5,80.000	6,13.497	12	..	North Western	30	20	10	100	175/00	175/00	205/00
2,59,050	5.88,340	1,916	231	2,71.967	3.85	213.805	4.21	2,72.155	−49.484	12	202	Pathemara	Nil	Nil	Nil	10	7/50	7/50	7/50
2,60,000	6.82,449	2,92.663	..	3,26.670	4.40	195.018	4.62	2,50.400	−1,73.960	12	165	Roopacherra	Nil	10	Nil	10	9/81	9/81	13/62
5,25,000	12,22,431	12,03,600	310	3,07.903	3.94	279.277	4.46	2,90.000	61.192	12	63	Rungamattee	5	5	5	50	51/50	51/50	50/00
4,00,000	..	..	..	2,47,927	3.56	..	..	..	..	12	..	Sonai River	Nil	Nil	..	10	5/05	5/05	9/12
												DARJEELING							
3,99,750	..	..	..	..	..	..	..	..	..	12	101	Bloomfield	Nil	..	..	10	3/12	3/12	3/25
2,79,900	3,72,700	1,55,000	165	82.803	8.66	77,090	8.74	84.000	51,557	12	279	Chamong	Nil	10	10	10	9/00	9/00	10/25
3,75,900	..	..	..	3,05.978	5.22	313.229	5.63	3,08.443	..	12	139	Darjeeling Tea & Chin	30	20	30	100	197/00	197/00	195/00
2,00,000	..	..	..	72.236	6.12	..	..	..	..	12	200	Dilaram	8	4	..	100	102/50	102/50	102/50
2,00,000	6,39.479	3,58,163	..	1,35.642	7.33	1,37,275	7.58	1,38,000	1,97.231	2	74	Gielle P.	Nil	..	8 4/7-15‡	10	11/69	11/69	11/69
7,00,000	10,11.800	2,25.770	428	2,90.326	668	311.895	7.70	3,22.000	3,89.175	12	279	Lingia P.	15	10	17½	10	14/00	14/00	14/56
10,32,000	..	..	..	5,32.043	2.45	..	..	..	..	12	95	Longview	12½	10	..	10	11/00	11/00	11/00
4,00,000	5.16.891	5,85.879	..	1,74.261	6.94	177.960	8.18	1,81.500	2,23.445	12	165	Margaret's Hope	15	15	15	10	12/25	12/25	11/62
1,59,000	3,73.782	4,14,259	187	1,01.900	8.21	108.800	8.93	1,10.000	1.53.555	12	2	Mim	22½	27½	27½	100	191/50	191/50	191/50
2,99,900	4,95.071	13.97.500	279	2.20.390	7.14	214.750	9.03	2,21.400	15.19.227	12	279	Nagri Farm	30	25	35	10	30/75	30/75	27/00
4,00,000	3.93.839	3.21.500	205	99.223	8.77	99.331	10.07	1,00.000	2,40.000	12	390	Okayti P.	25	25	25	100	600/00	600/00	605/00
3,30,000	..	..	..	5,13.243	4.87	..	..	..	..	12	.	Pashok	10	Nil	..	10	20/00	20/00	20/00
3,00,000	3.88.931	1,25,000	194	1.27.797	5.77	122.495	6.65	1,20.000	1,04.446	12	63	Poobong	Nil	Nil	5	10	7/50	7/50	7/37
2,05,000	4,87.982	2,27.703	570†	1,11.154	5.62	116.997	5.95	1,26.000	1,03.669	12	361	Pussimbing P	Nil	Nil	Nil	10	7/12	7/12	8/87
1,40,000	3,90.838	5,61.500	138	1,05.192	6.02	85.234	6.64	95.000	8.123	12	63	Runglee Rungliot	35	20	7½	100	386/00	386/00	386/00
3,00,000	..	..	..	1,92.400	2.91	..	..	..	..	12	385	Seeyok	15	Nil	..	10	9/50	9/50	8/50
6,25,000	7.48.893	10.816	..	1,33.674	6.20	138.742	6.51	..	47.720	12	398	Singell	Nil	Nil	Nil	100	36/75	36/75	36/75
9,00,000	..	..	..	1,33.350	5.58	123.431	6.92	..	..	12	101	Singtom	2	Nil	2	10	3/50	3/50	3/50
4,50,000	5,24,500	5,38,800	224	1,66.630	7.38	160.068	8.53	1,63.000	3,55.419	12	279	Soom	50	40	40	10	34/00	34/00	31/00
6,25,000	13,51 854	13,02,062	..	1,95.487	7.32	189.392	9.58	2,06.800	4,76.892	12	165	Sungma	15	15	20	10	14/75	14/44	12/75
3,20,000	9,98.901	8,67.133	..	2,20.000	6.08	2,03.428	6.16	221,000	36,050	2	74	Teesta Valley	Nil	..	8 4/7-10‡	10	13/12	13/12	12/25
13,00,000	..	..	..	..	..	..	..	..	..	12	..	Tukvar	Nil	Nil	..	10	6/00	7/00	6/00

† Acres * lbs. ‡ 1963

TEA COMPANIES—Contd.

O., Po., C. and Dd indicate Ordinary, Preferred Ordinary, Contributory and Deferred Shares respectively. P next to the name of the company indicates that the company also has Preference Shares. Figures in "accounts closed" column indicate the months of the calendar year in which accounts are closed. For Managing Agents refer to the Key (last page) under the numbers indicated.

Paid-up Capital Ordinary	Net Block Accounts	Reserve & other Funds	Area Hectares	Outturn and Average Price per Kg. realised for crop 1961 Kgs.	1961 Rs.	1962 Kgs.	1962 Rs.	Estimate 1963 Kgs.	Net Profits including taxation	Accounts closed	Mg. Agts. Secretaries etc.	NAMES	Dividends per cent 1960	1961	1962	Paid-up per Share	Latest Market Quotations as available until 22-10-63	16-10-63	A year ago
Rs.	Rs.	Rs.							Rs.							Rs.	Rs.	Rs.	Rs.
												DOOARS							
27,00,000	62,03,995	32,62,760	1,034	15,51,500	4.51	14,84,400	4.86	15,25,000	11,19,005	12	2	Banarhat P.	22½	21	21	100	241/00	241/00	255/00
12,00,000	27,38,435	23,27,925	436	7,24,364	4.69	6,66,481	5.13	6,64,600	6,59,538	12	128	Baradighi	30	25	25	10	24/00	24/00	23/87
9,00,000	19,19,630	30,59,434	..	5,93,617	4.42	7,00,569	4.68	6,16,885	5,74,696	12	386	Bhatkawa	15	15	20	10	17/06	17/06	17/37
9,00,000	25,07,423	22,16,500	577	6,66,763	4.37	6,69,958	5.01	6,50,000	6,43,459	12	63	Birpara P.	17½	12½	17½	100	162/00	162/00	151/30
6,00,000	12,14,870	10,73,000	244	2,99,250	4.17	2,80,187	4.70	2,95,000	1,58,268	12	63	Carron	20	5	7½	100	151/00	151/00	145/00
9,00,000	24,85,741	14,56,681	365	5,14,200	4.45	5,21,400	4.69	5,30,000	2,82,148	12	2	Choonabhutti P.	32½	20	20	100	210/00	210/00	262/00
3,00,000	5,84,327	5,93,500	197	2,19,480	4.05	2,25,971	4.59	2,03,000	1,33,979	12	63	Ellenbarrie	5	5	10	100	184/00	184/00	184/00
1,20,000	..	..	..	1,62,265	3.73	..	..	..	..	12	397	Engo	60	30	40	100	136/00	136/50	136/00
4,90,000	9,33,182	71,548	..	2,24,026	..	2,64,339	..	..	93,085	12	354	Ethelbari	5	5	7½	10	11/50	11/50	13/12
7,50,000	13,32,430	10,34,583	1,088†	5,33,092	4.88	5,04,794	5.46	..	4,67,197	12	88	Gairkhata	25	20	11	10	21/50	21/50	21/50
14,00,000	27,81,035	19,25,521	425	521,329	..	5,85,748	..	..	200,689	12	387	Gopalpur	12	2	10	25	20/00	20/00	20/00
36,00,000	50,92,343	42,81,500	1,048	14,33,022	4.07	13,74,053	4.76	13,90,000	7,93,764	12	63	Hantapara P.	15	5	10	100	114/00	114/00	102/00
64,00,000	70,47,491	75,82,749	..	28,49,021	5.54	30,66,464	5.78	30,64,500	30,07,101	3	74	Hasimara	17	..	18—15†	10	14/81	14/25	14/81
16,50,000	26,67,650	17,26,078	..	8,89,068	4.02	699,826	4.51	961,600	2,06,848	2	74	Huldibari	22½	..	19 2/7-11†	10	13/50	13/50	13/69
7,00,000	8,95,117	5,13,133	246	1,90,300	4.48	1,88,900	5.59	..	—61,500	12	2	Jaybirpara	10	Nil	Nil	10	20/31	20/12	11/06
9,00,000	18,12,126	21,89,000	375	5,63,337	4.23	5,07,738	4.50	5,20,000	3,57,699	12	63	Killcott	25	15	15	10	16/06	16/06	17/31
2,00,000	14,67,422	5,58,176	..	2,47,991	..	253,887	..	..	88,005	12	354	Manabarrie	10	6	10	10	59/50	59/50	59/50
9,60,000	20,66,495	24,61,500	..	6,03,619	4.07	5,07,732	4.76	4,90,000	3,31,819	12	63	Nagaisuree	25	15	15	100	140/00	140/00	169/50
14,00,000	34,04,657	21,71,728	471	7,84,700	4.31	6,40,900	5.10	7,50,000	2,30,662	12	2	New Dooars P.	35	20	14½	100	230/00	230/00	258/00
6,40,000	..	..	..	3,07,645	3.89	..	..	..	..	12	363	Oodlabari	12½	7½	..	100	13/62	14/25	14/25
2,50,000	3,90,272	3,37,500	126	1,00,575	4.22	1,26,816	4.64	1,30,000	17,963	12	63	Phaskawa	Nil	Nil	Nil	100	129/00	129/00	127/00
6,00,000	9,22,423	11,53,058	..	3,63,864	4.36	3,91,886	4.70	3,62,900	2,08,311	12	165	Rajabhat	Nil	Nil	6	10	10/69	10/69	12/12
7,65,000	17,57,543	17,47,050	..	5,03,638	4.32	4,76,526	5.07	5,33,500	1,63,000	12	165	Ranicherra	15	15	7½	10	12/50	13/37	16/75
14,92,800	36,77,342	30,35,064	727	9,21,964	4.79	9,78,337	5.44	10,10,245	8,77,496	12	128	Rydak	25	20	25	10	26/37	26/37	27/31
3,46,000	10,20,398	10,25,325	..	4,00,500	4.10	3,30,000	4.76	3,73,200	2,40,377	12	44	Sarugaon	40	40	40	10	36/31	36/31	36/25
												TERAI							
4,50,000	..	..	..	..	..	..	..	..	..	12	101	Atal	5	..	..	10	8/75	8/75	6/75
5,00,000	..	..	..	2,40,454	3.83	..	..	..	..	12	345	Belgachi	20	20	..	10	22/50	22/50	20/50
13,44,000	20,65,841	27,42,000	646	7,94,331	4.01	7,22,909	4.63	730,000	5,50,624	12	63	Gungaram	20	12½	12½	100	130/00	131/00	158/00
5,00,000	11,02,805	13,16,500	214	2,88,960	4.29	3,17,061	4.74	275,000	3,07,829	12	63	Hansqua	20	15	.. 12 6/7-20*	10	24/62	24/62	33/50
3,00,000	6,69,527	9,72,507	..	2,75,784	4.10	295,710	4.54	295,000	2,25,077	2	74	New Chumta	15	..	15	10	23/00	23/00	36/00
7,20,000	..	..	..	3,14,832	3.83	3,33,644	4.04	312,073	..	12	139	New Terai	22½	10	15	10	14/25	14/25	31/12
11,70,000	..	..	..	4,71,480	4.08	4,71,480	445	489,915	..	12	139	Pahargoomiah	20	20	2½	10	45/00	45/00	45/00
1,00,000	..	..	..	..	..	..	..	..	..	12	63	Putinbaree	14	14	..	10	49/00	49/00	49/00
2,20,000	..	..	..	3,88,528	4.53	3,84,347	5.05	408,200	..	12	165	Tirrihannah P.	60	60	60	10			
												CHITTAGONG							
1,25,000	..	..	..	3,07,360*	1.76	..	..	..	..	12	139	Kodala	Nil	Nil	..	10	9/25	9/25	9/25
2,40,000	..	..	..	3,53,000*	1.64	..	..	..	..	12	139	Kornafuli	Nil	Nil	..	10	9/31	9/31	13/06
2,00,000	..	..	..	2,88,000*	1.74	..	..	..	..	12	139	Oodaleah	Nil	Nil	..	10	8/00	8/00	8/00
												SYLHET							
3,00,000	14,19,689	17,99,706	637†	2,76,309	4.48	2,14,907	7.92	254,012	7,17,391	12	..	Chundeecherra	Nil	Nil	Nil	10	26/00	26/00	23/00
6,00,000	9,95,449	12,20,551	230	2,33,890	4.97	2,03,358	8.17	218,000	8,36,913	12	63	Dauracherra	22½	22½	20	10	11/75	11/75	7/31
2,46,050	..	..	..	1,26,336	4.28	..	..	..	..	12	358	Kalitl	Nil	Nil	..	10	10/00	10/00	9/12
5,59,930	..	..	..	11,42,720*	1.99	..	..	..	..	12	236	New Samanbagh P.	25	Nil	Nil	10	18/37	18/37	18/37
36,00,000	59,49,669	63,43,644	1,660	19,52,002	5.02	17,98,140	8.16	1,851,000	90,15,000	12	63	Patrakola	22½	40	15	100	129/00	129/00	148/00
3,20,000	4,21,718	1,48,642	740†	4,28,560*	1.83	4,24,800*	3.23	360,000	4,07,821	12	236	Rajnagar	Nil	Nil	Nil	10	9/50	9/50	9/56
9,00,000	21,92,086	22,53,327	483	4,18,826	5.01	3,69,737	8.08	417,000	12,91,452	12	63	Tellapara	22½	22½	10	100	110/00	110/00	99/00

† Acres. * lbs. † 1963

MISCELLANEOUS COMPANIES

Paid-up Capital Ordinary	Net Block Accounts	Reserve & other Funds Premiums & Forfeited Shares if any	Cash & Securities	Net Profits including taxation	Carry forward	Accounts closed	Mg. Agts. Secretaries etc.	NAMES	Dividends per cent 1960	1961	1962	Paid-up per Share	Latest Market Quotations as available until 22-10-63	16-10-63	A year ago
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.							Rs.	Rs.	Rs.	Rs.
								MININGS							
£2 369,796	..	£218 681	£2,781.590	£12,559	£174.204	12	153	Burma Mines	2 3/5	Nil	Nil	3½S	0/44	0/44	0/44
30,00,000O 15,00,000Dd	37,08,889	32,54,468	34,85,500	15,96,846	13,914	12	312	Chrestien Mica Industries P.	15 25	12½ 20	.. ..	10O 5Dd	10/40 6/87	10/40 6/87	11/12 8/85
£1,371,300	£1,758,331	£225,873	£755,274	£1,357,163	£72,310	12	88	Indian Copper Corporation	27	27	..	2s	3/69	3/73	4/38
50,00,000	51,72,031	10,43,352	53,971	5,66,976	14,41,622	3	343	Metal Corporation P	Nil	..	..	10O	8/84	9/62	9/37
20,00,000	46,05,415	67,67,431	55,46,956	13,17,757	38,801	6	21	Orissa Mineral Development	36	28	20	10	27/37	27/50	36/50
								CEMENT, LIME, SLATE, ETC.							
59,90,843	1,58,98,785	17,06,000	2,33,036	4,97,991	10,914	3	381	Ashoka Cement	7	7	7—7*	10	7/06	7/06	7/19
63,14,600O 70,976Dd	41,51,412	41,43,429	29,64,072	1,70,813	5,44,675	3	80	Assam Bengal Cement	..	..	..	10O 1Dd	4/81 0/59	4/81 0/59	4/00 0/44
55,23,146	98,02,889	19,77,396	66,723	24 46,663	1,703	12	156	Bengal Potteries	15	..	..	2½	5/37	5/37	5/54
40,00,000	73,55,750	28,31,157	3,76,724	23,10,445	50,122	3	21	Bisra Stone Lime	30	30	10	10	22/50	23/50	27/87
1,58,00,000O 5,00,000Dd	1,86,81,933	99,52,704	1,90,71,398	1,16,81,256	..	12	123	Dalmia Cement (Bharat) P.	12	12	12	10O 1Dd	12/81 2/81	12/81 2/81	13/81 2/15
2,50,00,000	5 94,43,463	94,05,545	5,54,170	35,02,100	4,94,598	3	335	Jaipur Udyog P.	6	8	8.36	10	12/41	12/37	11/31
30,00,000	89,55,197	56,55,899	6,48,783	21,48,526	25,499	12	21	Kumardhubi Fireclay & Silica P.	18	18	18	10	18/45	18/45	18/45
2,25,00,000	3,77,58,590	1,36,03,806	30,93,905	98,75,491	..	12	362	Orissa Cement P	15	15	10	10	15/25	15/31	15/12
6,00,000	20,07,006	21,78,065	17,41 738	4,85 806	30,441	2	223	Reliance Firebricks & Pottery	22	15	10	10	22/75	22/75	22/75
25,00,000	63,53,090	32,76,500	2,04,361	16,83,364	7,167	12	357	Sone Valley Portland Cement	4	6	8	5	4/90	4/62	4/53
9,84,320	19,80,054	10,46,890	6,23,484	10,16,971	23,403	12	3	Sutna Stone & Lime	27½	30	..	10	28/31	28/31	37/00

MISCELLANEOUS COMPANIES—Contd.

O., Po., C. and Dd indicate Ordinary, Preferred Ordinary, Contributory and Deferred Shares respectively. P next to the name of the company indicates that the company also has Preference Shares. Figures in "accounts closed" column indicate the months of the calendar year in which accounts are closed. For Managing Agents refer to the Key (last page) under the numbers indicated.

Paid-up Capital Ordinary	Net Block Accounts	Reserve & other Funds Premiums & Forfeited Shares if any	Cash & Securities	Net Profits including taxation	Carry forward	Accounts closed	Mg. Agts. Secretaries etc.	NAMES	Dividends per cent 1960	1961	1962	Paid-up per Share	Latest Market Quotations as available until 22-10-63	16-10-63	A year ago
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.							Rs.	Rs.	Rs.	Rs.
								CHEMICAL INDUSTRIES							
62,00,000 2,45,00,000A	93 45 653	1,96,10 273	4 78,066	71,72,056	1,37,284	9	121	Alkali & Chemical Corpn of (I)	12	15	15	10	34/75	34/75	39/75
20,00,000	17,39,281	15,681	11,245	—88,949	—9,86,991	12	442	Bathgate & Co Ltd P.	Nil	Nil	..	5	0/84	0/84	0/84
15,00,000O 11,08,900A 22,54,700B	76,41,344	68 84,605	21 11,440	18,06,053	1,30,717	3	245	Bengal Chemical & Pharm P.	7	10	..	100	102/00	102/00	101/00
15,00,000	36,34,102	22,82,883	19,49,050	12,04,892	6,978	6	377	Calcutta Chemical P.	18	18	18	10	17/87	17/87	19/31
4,95,000	99,022	Nil	41,554	72,146	2,560	2	129	Frank Boss P	..	..	..	6	2/19	2/19	3/25
20,00,000	11,71,084	16,07,251	9,33,133	11,60,256	92,801	6	191	Smith Stanistreet P.	25	25	25	5	12/31	12/31	15/50
								ELECTRIC LIGHTING, POWERS							
19,99,600	1,15,72,761	51,20,883	27,74,218	4,56,810	52,889	3	32	Agra Electric Supply	11	11	11	100	118/00	118/00	120/00
8,00,000	29,33,899	15,51,802	8,09,008	2,00,631	25,923	3	32	Bareilly Electric Supply	11	11	11	10	12/37	12/37	12/25
17,00,000	1,03,03,450	52,26,411	19,58,483	4,34,454	47,298	3	32	Benares Electric Supply	11	11	11	10	11/62	11/62	12/44
5,91,360	15,65,473	807,902	2,70,659	1,36,558	41,730	3	202	Bhagalpur Electric Supply	8	10	8	8	6/56	6/56	6/08
£4,262,646	£21,040,641	£10 815,240	£173,696	£1,599,019	£100,524	3	90	Calcutta Electric Supply	7	7½	7½	£1	14/37	14/44	14/87
6,80,040	22 18 493	7 17 141	32,6	151 465	63 000	3	202	Cuttack Electric Supply	7½	10	10	10	11/87	11/87	12/62
43,20,000	66,87,445	29,73,446	41,87,140	14,42,862	4,27,783	3	2	Dishergarh Power Supply P.	10	10	10	100	88/00	88/00	94/00
5,34,640	17,29,086	96,513	95,409	65,283	3,590	3	168	Jhansi Electric Supply	..	..	..	10	5/90	5/90	5/90
22,49,550	66,50,848	29,21,749	5,35,563	2,69,909	33,302	3	32	Jubbulpore Electricity Supply	10	10	10	10	11/25	11/25	11/37
4,95,000	6,70,324	2,24,149	1,09,770	46,495	39,015	3	258	Mirzapur Electric Supply	..	..	..	9	12/00	12/00	12/00
5,82,390	24,50,815	6,87,284	3,48,986	2,22,292	22,259	3	202	Muzafferpore Electric Supply	12½	12½	12½	10	11/50	11/50	12/25
6,99,700	13,47,574	1,14,377	2,15,991	83,664	18,988	3	329	Muttra Electric Supply	..	..	..	10	11/06	11/06	11/12
35,07,380	98,50,374	48,67,675	3,95,468	12,96,460	1,27,547	3	202	Patna Electric Supply	10	10	10	10	10/62	10/00	10/81
9,10,000	8,77,208	2,86,692	3,19,022	1,58,667	17,201	3	202	Shahjahanpur Electric P.	6½	6½	6½	10	7/50	7/50	7/50
16,80,000	24,13,949	16,03,685	9,75,497	458,680	3,875	3	21	Sijua (Dherriah) Electric	10	9	9	10	8/50	8/50	9/06
56,00,000	2,03,16,819	80,84,613	25,53,868	11,08,426	92,879	3	32	United Provinces Electric	11	11	11	100	116/00	116/00	120/00
5,00,000	21,74,345	14,00,467	7,69,903	1,82,745	33,674	3	32	Upper Jumna Valley Electric	13½	13½	13½	10	14/37	14/37	15/25
								ENGINEERING & METAL							
6,00,000	6 61 485	63 426	1,48 213	2 93 398	—1,52,122	12	300	Arthur Butler (Muzaffarpore) P.	..	..	..	10	14/94	14/94	14/50
50,00,000	36,87,587	44,13,221	72,862	34,13,246	5,246	12	31	Bhartia Electric Steel	10	10	12½	10	15/12	14/75	13/75
4,00 00,000	1,53,20,721	94,55,491	65,84,179	1,06,44,579	2,757	12	289	Braithwaite & Co (India)	25	25	14	10	35/12	34/75	34/87
12,00,000	62,65,971	50,43,274	7,42,812	21,52,136	..	12	24	Bridge & Roof	30	30	30	10	52/25	52/25	52/25
19 88,670	33,56,748	1,09,796	1,86,939	1,80,146	—611,196	12	192	Britannia Building & Iron P.	Nil	Nil	Nil	10	3/25	3/25	3/65
1,00,00,000	1,24,97 389	52,95,465	1,14,787	24,17 175	5,115	12	165	Britannia Engineering P	10	10	10	10	10/44	10/25	10/25
25,00,000	20,95,656	18,18,384	24 752	1'4,07,837	..	12	24	British India Electric Cons.	45	20	15	10	31/00	31/00	33/12
84,00,000	3,58,68,539	2,99,02,509	74,40,547	1,42,69,633	..	4	32	Burn P (Engineering)	28½	28½	28½-25*	100	670/00	596/00	600/00
1,00,00,000	57,61,970	17,65,495	8,43,845	38,47,174	65,077	3	437	Calcutta Steel	15	15	15-12½*	10	13/94	13/94	14/87
80,00,000	1,12,20,938	24,09,000	2,06,672	22,94,248	1,09,021	P	434	Dalmia Iron	10	10	10	10	11/12	11/12	11/31
6,00,00,000	6,83,01,978	6,98,32,755	2,11,42,172	1,27,55,590	..	12	227	Guest, Keen Williams	16	14	14	10	37/69	37/69	35/37
12,50,000	19,72,898	6,45,100	27,549	3,79,950	5,801	12	32	Hooghly Docking	Nil	Nil	12½	50	95/00	95/00	102/00
82,44,08,990	62,73,23,096	30,89,05,725	1,72,10,301	9,11,89,201	..	8	32	Indian Iron & Steel P.	15	16	16-16*	10	24/70	24/66	23/40
3,85,000O 1,54,000Dd	11,52 812	14,001	1,82,994	—4,15 836	—4,03,294	3	223	Indian Malleable Casting	Nil Nil	..	..	50 1D	6/00 2/06	6/00 2/06	6/00 2/50
77,97,000	50,88,821	87,57,038	63,89,397	1,71,88,152	24,064	8	32	Indian Standard Wagon P.	28½	28½	28½-20*	10	35/75	35/12	32/69
96,79,740O	3,43,55,519	3,41,31,025	1,54,09,567	—57,25,817	6,022	3	122	Indian Steel & Wire Products	23	24	23-18*	10O	35/25	36/25	49/00
12,00,070	7,75,186	3,56,629	2,872	9,92,071	..	12	24	Industrial Containers	Nil	10	10	10	21/37	21/37	22/00
1,51,83,863	2,75,25,083	1,27,78,829	11,63,784	56,79,346	9,036	3	443	Jay Engineering	17 3/20	17 3/20	15	10	21/19	21/19	27/12
40,00,000	59,72,635	35,85,700	10,46,960	20,45,860	86,647	t	132	J. K. Steel P	20	20	10	10	16/37	16/37	16/25
2,04,00,000	3,50,50,970	2,30,16,815	78,81,184	1,52,79,678	51,159	10	290	Jessop & Co. P.	8.58	8.58	8.58	10	26/25	26/50	22/00
27,64,800	61,46,982	53,04,910	97,324	21,99,856	3,088	11	21	Kumardhubi Engineering P.	10	11½	15	3	9/25	9/25	7/50
10,50,000	3,74,383	19,18,004	4,14,975	—8,36,768	—5,63,688	6	170	Marshall Sons (India)	Nil	Nil	Nil	2	2/56	2/62	3/25
49,96,000	61,94,985	13,58,398	3,83,036	2,56,716	—4,42,917	3	192	National Iron and Steel	Nil	Nil	Nil	10	6/00	5/81	4/75
6,00,000	9,79,466	20,52,302	2,49,725	5,14,476	13,304	3	25	Saran Engineering	8½	10	12½—10*	4	8/78	8/78	11/12
14,00 070	8,16,570	12,38,902	2,56,891	20,72,177	..	12	24	Steel Containers	30	20	20	10	29/50	29/50	22/50
1,50,00,000	2,73,21,766	61,37,433	13,28,341	52,51,525	62,642	12	22	Textile Machinery	10	10	..	10	27/35	26/85	20/25
								SUGAR, BREWERIES, ETC.							
14,00,000	17,29 860	10,85,148	39,573	1,10,785	15,763	6	371	Balrampur Sugar	8	8	8	2½	1/81	1/81	2/34
29,23,537	25,58,707	11,43,342	10,86,872	5,09,358	7,767	9	234	Belsund Sugar	18½	10	6 2/3	7½	8/81	8/75	9/62
32,00,000	5,64,327	13,51,513	18,14,343	1,45,081	2,330	6	315	Bharat Sugar P.	..	..	..	10	13/31	13/31	12/87
32,00,000	45,72,835	43,34,048	27,81,820	33,71,567	3,71,540	3	4a	Carew (Sugar) P.	Nil	Nil	Nil	10	11/00	11/00	12/25
30,00,000	90,08,963	59,84,997	6,94,684	—21,74,424	—25,45,362	10	25	Cawnpore Sugar P.	Nil	Nil	Nil	10	9/75	9/75	12/37
18,00,000	27,85,833	46,06,937	9,09,574	—978,687	—9,07,232	t	25	Champaran Sugar P.	15	12	Nil	10	13/81	13/81	15/87
38,01,380	25,88,250	31,90,540	1,79,345	4,77,197	1,97,076	8	365	Durbhanga	4	Nil	5	10	8/69	8/69	9/00
11,00,000	6,45,722	3,75,000	10,90,564	95,437	52,205	6	140	New Savan Sugar and Gur	..	..	..	10	4/50	4/50	5/25
9,00,000	19 47,931	23,02,870	2,05,743	2,86,458	4,006	10	400	Purtabpur Sugar P	..	..	..	10	11/50	11/50	11/50
16 59,820	41,29,938	57,22,889	2,532	8,47,183	79,042	8	1	Ramnugger Cane & Sugar P.	30	35	30	10	28/50	28/50	30/37
65,00,000	51,91,073	36,97,845	15,35,449	19,41,864	10,384	10	62	Raza Buland	12½	10	10	10	10/31	10/12	10/15
8,00,000	6,07,238	1,72,778	3,77,546	6,24,492	13,204	t	25	Ryam Sugar P.	..	..	..	10	3/56	3/56	8/06
11,99,000	22,10,161	18,54,067	2,09,163	—2,24,407	—2,20,553	6	..	Samastipur Central Sugar	..	..	..	10	5/94	5/94	9/62
39,99,000	67,63,905	25,93,624	21,94,759	16,75,658	34,778	P	335	Shree Krishna Gyanoday Sugar P.	15	..	..	10	9/15	9/00	9/06
7,94,900	13,54,858	11,65,175	11,16,368	1,90,057	7,991	6	140	Shree Sitaram Sugar	..	..	..	10	7/12	7/12	7/12
9,99,950	17,83,543	67,398	2,82,356	—6,97,343	—6,89,998	6	94	Sitalpore Sugar	4	Nil	Nil	10	3/94	3/94	6/12
16,00,000	42,22,843	19,40,304	2,03,163	—11,15,414	—9,17,147	9	361	United Provinces	15	5	Nil	10	10/00	10/00	10/62
8,00,000	90,57,769	67,09,675	9,18,326	37,10,125	25,765	6	316	Upper Ganges Sugar P.	72½	72½	72½	5o	85/00	85/00	77/00

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MISCELLANEOUS COMPANIES—Contd.

O., Po., C. and Dd indicate Ordinary Preferred Ordinary Contributory and Deferred Shares respectively P next to the name of the company indicates that the company also has Preference Shares Figures in "accounts closed" column indicate the months of the calendar year in which accounts are closed. For Managing Agents refer to the Key (last page) under the numbers indicated.

Paid-up Capital Ordinary Rs.	Net Block Accounts Rs.	Reserve & other Funds Premiums & Forfeited Shares if any Rs.	Cash & Securities Rs.	Net Profits including taxation Rs.	Carry forward Rs.	Accounts closed	Mkt. Quots. Secs. etc.	NAMES	Dividends per cent 1960	1961	1962	Paid-up per Share Rs.	Latest Market Quotations as available until 22-10-63 Rs.	16-10-63 Rs.	A year ago Rs.
								MISCELLANEOUS							
8,00,000	3,65,800	2,09,907	5,89,590	1,44,140	2,623	10	85	A Firpo (Restaurateur)	7½	10½	5	10	5/90	5/90	5/90
93,75,000	5,89,85,976	2,48,84,621	3,09,198	30,38,004	11,965	3	132	Aluminium Corporation P.	12	12	12—5*	10	16/62	16/44	15/25
20,00,000	42,23,258	16,50,000	53,38,477	4,16,437	11,325	12	82	Anderson Wright P.	11½	Nil	6	10	11/50	11/50	11/50
30,00,000	13,34,003	43,57,426	25,11,996	21,30,119	2,34,639	8	268	Angelo Bros	25	28½	28	10	24/25	24/31	23/44
30,00,000	20,74,660	33,58,937	16,15,347	24,27,878	12,842	12	..	Assam Match	18	20	20	10	27/50	28/75	28/75
13,99,998	20,06,639	20,17,850	6,814	1,70,203	94,397	9	348	Assam Saw Mills & Timber	Nil	Nil	3	3	2/50	2/56	2/75
1,18,00,000	53,31,481	93,45,093	59,45,725	50,77,803	7,18,229	8	191	Associated Battery	25	15	15	10	26/25	26/00	28/06
20,00,000	43,09,876	44,17,208	43,55,171	7,61,605	1,22,491	3	204	Associated Hotels of India P.	Nil	10	10	10	10/31	10/31	10/31
80,01,400	46,97,674	1,20,07,997	93,50,429	51,62,806	..	12	396	Balmer Lawrie & Co.	25	25	25	100	260/00	252/00	257/00
12,00,000	5,51,865	12,52,902	8,77,227	10,64,446	..	3	128	Bararee Coke	Nil	Nil	15-15*	10	22/25	22/50	24/50
44,00,000	..	9,27,823	68,58,981	2,87,091	50,926	9	160	Birds Investments P.	9½	10	10	10	10/50	10/50	12/50
68,95,530	1,16,23,032	89,79,866	8,27,110	16,51,567	6,999	3	50	Britannia Biscuit P	25	30	25-21*	10	42/00	42/00	45/12
3,25,00,000	71,55,454	2,19,19,061	1,50,51,719	1,34,25,907	2,53,254	12	33	British India Corporation P.	4	7	8	5	8/81	8/87	9/56
50,00,000	21,88,677	40,58,031	9,91,498	24,64,559	27,856	12	392	British Paints	12½	15	10	10	20/00	20/00	22/25
5,00,000	6,83,781	1,65,739	1,54,429	2,63,717	5,201	3	213	Calcuta Silk Manufacturing P.	Nil	Nil	..	10	6/94	6/94	7/15
1,38,80,000	..	14,77,426	1,78,29,586	15,08,523	2,46,740	12	2	Clive Row Investment	8	7½	7½	10	8/75	8/75	8/25
90,00,000	24,68,979	1,27,43,000	1,98,66,116	35,58,709	2,42,095	12	180	Duncan Brothers & Co P	14	14	14	100	140/00	140/00	157/50
6,50,00,000	6,09,38,229	5,05,74,162	11,32,452	3,30,38,275	25,88,011	12	96	Dunlop Rubber Co (India) P.	21½	20	15	10	37/06	37/12	36/44
27,56,355	1,31,99,222	1,76,30,095	24,30,790	1,00,50,937	12,604	3	116	Dyer Meakin (Breweries)	25	30	..	5	29/50	29/50	29/62
76,89,000	..	63,98,198	1,76,05,602	1,11,25,276	1,32,549	12	41	Eastern Investments P.	14	14	12	100	121/00	119/50	129/00
60,93,400	64,20,000	20,22,000	1,61,547	19,35,092	12,311	10	388	Electric Construction	10	10	10	10	13/87	14/00	13/50
30,00,000	28,94,553	27,23,508	19,90,832	15,65,118	2,10,371	3	51	French Motor Car	20	20	..	20	35/37	35/12	35/12
14,00,000	20,83,841	18,85,308	38,577	11,59,599	17,856	12	19	Ganges Rope	17½	20	20	100	236/00	236/00	236/00
2,25,000	..	76,065	5,16,267	51,428	4,826	2	21	General Investment & Trust P.	5	5	5—5*	75	43/00	43/00	43/00
65,00,000	31,77,135	58,42,190	1,57,85,100	30,47,005	15,471	3	105	Gillanders Arbuthnot & Co P.	10	11	11—11*	10	14/00	14/00	14/06
40,00,000	17,69,681	7,21,544	36,90,302	5,43,666	8,524	12	209	Gladstone Lyall & Co. P	4 2/5	..	..	10	..	..	..
40,00,000	34,79,636	31,88,500	1,29,460	46,26,030	38,310	12	310	Godfrey Phillips (India) P.	40	40	30	10	28/12	28/12	33/25
30,00,000	43,74,366	17,66,560	1,66,432	1,09,512	794	3	225	Great Eastern Hotel	9	6	..	250	250/00	250/00	241/00
4,68,75,000	3,08,48,429	..	2,33,36,909	2,11,555	2,11,555	12	438	Hindustan Aluminium P.	Nil	..	..	10	13/62	13/59	13/81
8,07,66,250	5,43,03,252	3,24,89,610	4,52,97,214	3,50,00,432	3,049	3	22	Hindustan Motors P	9	12	12½-11½*	10	18/94	18/34	16/78
81,11,000	98,34,27	16,00,000	39,00,79	15,46,11	1,91,125	10	..	Hindustan Pilkington	..	..	..	10	17/31	17/50	19/50
39,88,550	86,39,248	Nil	1,22,648	—12,14,232	—11,50,824	3	211	Hindusthan Twyfords P.	Nil	Nil	Nil-Nil*	10	15/00	14/69	15/75
35,20,000	23,35,537	16,00,000	24,48,098	4,91,968	16,500	12	299	Hoare Miller & Co.	6	6	..	10	5/62	5/62	6/62
15,16,00,000	8,60,23,900	10,67,60,544	1,25,08,131	4,46,29,511	3,29,429	3	325	Imperial Tobacco	8	9	9—8*	10	10/31	10/50	10/87
4,00,23,880	3,64,77,942	4,53,66,220	60,96,109	2,40,34,073	56,98,466	12	295	Indian Aluminium P.	15	15	17½	10	37/94	38/50	33/81
2,48,65,450	1,86,02,399	3,35,26,675	90,27,691	1,56,84,867	21,521	3	34	Indian Cable	22½	22½	22½-22½*	10	36/75	37/75	35/06
3,64,00,000	5,56,27,815	1,22,35,821	44,62,878	1,35,49,869	17,61,389	9	366	Indian Oxygen	15	15	12	10	28/50	28/50	31/87
8,27,970	8,82,919	12,42,783	10,99,551	12,01,372	53,791	3	223	Indian Rubber Manufacturers P.	20	30	36	10	19/87	19/87	20/00
20,00,000	2,57,217	27,98,665	29,32,360	21,71,601	3,26,125	9	88	Indian Wood Products	30	30	30	10	29/62	29/50	32/00
74,89,150	72,05,408	..	2,48,902	—8,28,786	—14,69,1..	12	65	Isaac Holdens	..	Nil	..	10	15/75	15/25	15/56
5,00,000	..	3,15,956	11,39,628	1,17,622	12,910	4	21	Investments and Finance P.	7½	7½	7½-7½*	100	55/00	55/00	55/00
72,62,500	23,44,049	64,37,500	3,02,73,819	8,00,318	44,050	6	439	J K Synthetics	..	3	..	10	11/75	11/81	12/44
5,87,500D	4,28,843	Nil	5,88,284	—1,19,242	—1,18,804	12	281	James Wright P.	..	..	..	6O	2/75	2/75	4/75
1,17,500D									..	..	..	1Dd	00/43	00/43	00/43
2,00,00,000	61,16,247	87,10,720	5,34,83,359	41,88,190	..	3	39	Jardine Henderson P.	7	7	6—7*	100	80/00	81/50	73/00
97,46,630	1,62,75,000	73,74,125	2,66,513	37,33,223	18,455	12	22	Jay Shree Industries P.	14	12½	..	10	18/56	17/94	16/50
1,99,94,325	8,77,31,151	4,34,03,080	55,33,798	1,07,12,489	26,969	3	22	Kesoram Industries P.	5	12	12—13*	10	26/62	26/31	22/25
5,44,000C									..	..	..	50	6/75	6/75	7/00
56,000Dd	3,17,363	6,02,850	3,21,617	—14,078	—4,849	3	133	Macfarlane & Co.	..	..	..	1Dd	2/19	2/19	2/50
1,50,00,000	1,07,01,720	99,61,347	2,91,71,046	33,69,977	43,205	12	334	Macneill & Barry P.	8	8	7½	100	93/50	93/50	93/50
1,47,12,250	70,44,126	1,22,48,546	2,05,42,132	78,17,248	2,44,687	9	309	Martin Burn Ltd P.	27½	27½	25	10	27/81	27/37	29/75
47,12,000	18,46,595	90,33,368	2,73,18,501	25,28,932	2,34,727	12	282	McLeod & Co. P.	15	15	18	100	210/00	210/00	215/00
1,81,30,000	4,76,53,533	2,38,95,151	41,04,252	1,23,59,734	38,785	3	167	Metal Box Co. of India P.	25	25	19	10	53/50	53/87	55/50
1,35,00,000	90,71,426	1,24,32,234	6,55,304	62,89,944	21,708	3	7	National Insulated Cable P.	25	25	25—18*	10	25/19	25/12	25/19
30,00,000	22,68,464	34,26,465	18,44,015	22,10,080	52,804	9	7	National Pipes & Tubes P.	20	20	20	10	28/37	28/37	29/75
40,00,000	37,29,384	39,77,435	31,24,718	20,63,112	35,995	6	7	National Rolling & Steel Ropes	13	15	15	10	21/44	21/44	21/37
60,00,000	69,05,819	16,52,447	4,31,039	11,41,474	75,833	12	375	National Rubber P	Nil	6½	8	10	12/81	12/81	11/25
19,97,000	77,87,804	1,29,48,132	28,35,386	17,51,943	3,61,143	12	79	National Tobacco P	16	7	7	10	11/75	11/75	13/00
23,31,600	1,014	13,02,891	9,90,509	6,26,950	40,375	12	35	New India Investment Corpn.	8.7	..	..	75	59/50	59/50	90/00

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MISCELLANEOUS COMPANIES—Contd.

O Po and Dd indicate Ordinary Preferred Ordinary and Deferred Shares respectively P next to the name of the company indicates that the company also has Preference Shares Figures in accounts closed' column indicate the months of the calendar year in which accounts are closed. For Managing Agents refer to the Key (last page) under the numbers indicated.

Paid up Capital Ordinary Rs.	Net Block Accounts Rs.	Reserve & Other Funds Premiums & Forfeited Shares if any Rs.	Cash & Securities Rs.	Net Profits including taxation Rs.	Carry forward Rs.	Accounts closed	Mkt. Quots. Secs. etc.	NAMES	Dividends per cent 1960	1961	1962	Paid-up per Share Rs.	Latest Market Quotations as available until 22-10-63 Rs.	16-10-63 Rs.	A year ago Rs.
								MISCELLANEOUS (Contd.)							
60,00,000	6,27,241	59,20,402	91,23,845	14,28,049	24,342	12	121	Octavius Steel P.	10	7½	7½	100	..	..	..
2,20,00,000	1,99,24,542	89,30,883	25,74,107	1,20,21,148	1,39,632	12	166	Phillips India	12	12	13	10	30/75	30/25	28/12
4,86,200	53,496	6,12,800	1,02,081	4,43,784	48,408	3	147	Publicity Society	10	75	75—50*	4	22/62	22/62	26/19
4,25,00,000	86,72,634	14,29,127	1,33,25,576	44,48,455	3,23,963	8	332	Rallis India P	4	8½	8½	100	130/00	130/00	150/00
5,00,00,000	7,93,37,818	3,87,81,885	1,16,91,228	1,22,07,255	4,305	3	335	Rantas Industries P	20	10	8—9*	10	13/75	13/69	12/69
94,27,386	5,55,68,852	Nil	14,04,495	1,89,253	35,514	9	72	Sirsilk P	Nil	..	..	10	8/94	9/06	8/75
70,00,000	2,31,09,587	58,67,480	20,33,664	23,36,729	13,552	9	47e	Sen Raleigh Industries P.	8	8	8	10	15/19	15/19	18/87
75,00,000	1,02,89,547	55,43,000	1,78,35,987	41,86,452	5,57,492	12	278	Shaw Wallace P.	15	15	7½	10	16/69	16/75	19/87
3,00,000	4,33,174	23,198	80,501	17,483	1,739	12	111	Spencers Hotel	2½	2½	..	2	0/65	0/65	0/94
2,80,00,000	5,74,94,906	3,16,49,275	38,74,069	1,86,24,531	4,44,246	12	301	Union Carbide	18	18	12½	10	41/12	40/87	45/00
2,10,200PO									20	20	20	1PO	2/75	2/75	2/25
8,40,800O	7,04,778	29,75,610	9,48,447	11,31,642	5,406	12	195	Walford Transport	30	30	30	10	3/87	3/65	3/37
								INSURANCE COMPANIES							
13,50,000	6,89,803	61,56,126	1,56,73,630	5,94,228	32,703	12	174	Concord of India	20	20	20	5	11/12	11/12	11/50
24,00,000	1,43,152	95,20,454	1,36,84,067	17,38,669	20,229	12	248	Hercules	22½	26½	26½	10	22/56	22/56	25/37
32,00,000	27,24,852	1,56,73,464	2,30,92,019	30,35,783	....	12	98	Ruby General	10	13½	15½	8	10/56	10/19	9/69
8,00,000		21,82,172	27,92,808	51,493	12,241	12	..	Standard General				10	6/25	6/25	8/00
5,75,000	7,133	77,12,554	1,06,52,159	10,05,738	....	12	39	Triton	65	50	50	25	128/00	124/00	131/00
								FLOUR MILLS							
12,00,000	4,11,000	29,55,620	6,63,425	10,87,621	1,80,000	12	24	Bengal	40	25	25	10	29/00	29/00	34/25
5,80,000	6,51,040	2,47,038	2,17,808	1,05,475	1,26,889	10	81	Delhi P.	..	..	..	10	14/00	14/00	14/00
48,90,137	47,18,433	77,72,310	56,85,388	33,61,767	4,07,398	9	175	Ganesh P.	..	..	..	12½	14/06	14/06	16/75
9,00,000	4,53,646	4,52,302	8,883	2,19,375	32,614	12	238	Hooghly	15	Nil	Nil	10	19/75	19/75	19/75
5,00,000	2,77,355	6,61,791	25,812	2,25,689	6,571	11	236	United	35	10	7½	10	27/81	27/81	30/00
								OIL COMPANIES							
£2,900,001	£2,383,581	£1,700,442	£507,508	£1,073,511	£100,742	12	249	Attock Oil	13½	13½	..	£1	sh 34/9	sh 34/6	sh 26/6
£82,419,000	£36,843,356	£12,750,000	£13,146,421	£18,446,993	£582,661	12	92	Burmah Oil P	9 2/5	..	..	£1	sh 69/-	sh 66/4½	sh 40/7½
1,00,00,000	59,29,364	1,75,25,203	2,84,68,306	54,63,502	1,19,330	12	249	Indo Burmah Petroleum P.	30	25	22½	10	23/31	23/31	25/44
6,00,000	3,20,016	9,89,137	4,92,803	4,47,005	12,113	10	2	Tide Water Oil	30	35	35	10	29/50	29/50	26/00
								PAPER MILLS							
58,50,000	1,09,71,994	63,55,637	10,43,959	45,17,412	50,816	12	136	Bengal P	32	27½	20	10	28/62	28/69	32/75
88,20,000	1,16,27,906	90,40,934	1,10,010	40,65,122	28,615	3	2	India Paper Pulp	15	13	12—15*	10	18/81	18/81	18/87
1,90,87,250	6,87,00,000	57,39,270	1,08,97,843	1,40,08,528	93,457	3	22	Orient Paper P	22½	22½	22½-20*	10	36/85	37/05	36/50
1,25,51,920	3,84,89,769	1,77,04,218	90,74,618	1,15,62,333	73,294	12	140	Shree Gopal Paper P.	17 6/7	17 6/7	17 6/7	10	26/62	26/50	23/75
2,18,55,240	4,62,89,369	72,10,000	6,79,140	33,33,859	99,729	6	22	Sirpur P	8½	8½	..	10	12/94	12/94	12/75
1,00,00,000									Nil	Nil	Nil	10	8/81	8/81	10/00
10,00,000A	4,41,41,480	8,52,298	5,66,797	—1,17,823	56,480	9	86	Star Paper P.							
4,37,500PO									10	13	13—13*	2½PO	3/15	3/87	3/78
56,00,000AO	4,87,90,174	3,15,32,295	20,74,443	—20,620	15,112	3	106	Titaghur P.	25	20	10—10*	10AO	17/25	17/00	37/00
56,04,800BO									25	20	10—10*	10BO	17/25	17/00	37/00
1,50,00,000O	4,95,97,051	85,00,000	1,73,752	58,44,196	17,196	6	373	West Coast P.	6	7½	..	100	158/00	158/00	160/00
								PRESSING COMPANY							
4,30,000	1,81,531	1,45,000	5,34,786	65,294	24,928	7	326	Camperdown	11	11	..	100	104/00	104/00	100/00
								REAL PROPERTY STORAGE							
10,00,000A												A500	1,050/00	1,050/00	610/00
1,25,000B												B62½	135/00	135/00	77/25
2,00,000C	14,69,599	8,53,120	3,54,870	1,24,262	3,212	4-10	73	Bengal Bonded Warehouse	11	8	8—9*	C100	122/00	122/00	122/00
25,000D												D12½	14/15	14/15	14/75
7,42,150												100	8/00	8/00	7/25
1,00,00,780O	11,68,346	4,23,135	33,823	81,259	3,142	3	6	Calcutta Safe Deposit	..	..	..	10O	11/00	11/00	11/00
2,00,000Pd	19,85,066	9,01,590	13,43,272	3,61,779	1,33,593	9	432	Humayan Properties P.	6	..	..	1Dd	2/10	2/10	2/15
79,90,000	8,080	Nil	13,10,942	—74,850	—19,01,272	4	2	Midnapore Zemindary P.	Nil	Nil	Nil-Nil*	65	11/00	11/00	11/12
								TRAMWAYS & STEAMER							
20,00,000	29,74,808	27,13,587	10,28,887	3,59,472	11,765	10	2	Bengal Assam Steamship P.	7½	7½	..	100	140/00	140/00	106/00
6,25,000	5,18,823	7,61,819	11,59,093	5,18,780	5,967	10	69	Calcutta Landing & Shipping	3½	7½	22	10	34/00	34/00	49/50
12,50,000	23,78,412	13,83,110	42,995	28,490	—42,629	6	398	Calcutta Steam Navigation	10	Nil	Nil	10	9/25	9/25	7/75
£700,000	£2,937,715	£1,560,682	£315,682	£195,509	£1,467	12	98	Calcutta Tramways P	..	..	..	£10	11/19	11/19	12/25
6,04,880	6,97,987	6,56,706	33,440	1,35,096	—632	3	136	Fraser	Nil	..	..	10	10/00	10/00	10/00
£635,566	£1,970,808	£432,856	£419,913	—£80,988	—£84,854	3	131	India General Nav. & Railway P.	Nil	..	..	10	39/00	39/00	66/50
8,47,50,000	15,60,63,417	1,57,29,564	1,17,13,241	—30,02,498	..	3	231	India Steamship P.	10	Nil	Nil-Nil*	10	7/09	6/56	6/31
14,08,220	13,34,804	74,870	7,951	—62,301	—4,09,480	12	..	Port Shipping	Nil	Nil	..	10	14/62	14/62	12/06

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BOMBAY COTTON MILLS

O., Po., C and Dd indicate Ordinary. Preferred Ordinary Contributory and Deferred Shares respectively 'P' next to the name of the company indicate that the company also has Preferred Shares. Figures in "accounts closed" column indicate the months of the calendar year in which accounts are closed. For Managing Agents refer to the Key (last page) under the numbers indicated.

Paid-up Capital Ordinary	Number of		Net Block Account	Reserve & other Funds	Cash & Securities	Net Profits including taxation	Carry forward	Accounts closed	Mg. Agts. Secretaries etc.	NAMES	Dividends per cent 1960	1961	1962	Paid-up per Share	Latest Market Quotations as available until 29-10-63	14-10-63	A year ago
Rs.	Spindles	Looms	Rs.	Rs.	Rs.	Rs.	Rs.							Rs.	Rs.	Rs.	Rs.
40.00.000	48 652	1.016	1.28.56.156	46.70.828	20.69.878	10.39.741	26.620	..	269	Ahmedabad Advance P.	16	12	..	100	145/00	143/50	170/00
50.00.000	48.254	996	20.17.010	3.99.861	10.78.699	1.49.501	2.24 486	12	229	Apollo	Nil	Nil	..	2	2/22	2/02	2/22
40.00.000	41.136	980	43.32.511	11.42.781	4.76.901	1.42.728		3	356	Beharilal Ramcharan	Nil	Nil	..	100	92/00	88/00	80/50
2,50.98.000	2.03.942	4.911	5,87,37,535	3,82,76,018	47,37,842	62,56,837	67,586	12	196	Bombay Dyeing etc.	14	14	14	25	63/60	62/50	65/00
10.00.000	35.052	948	32.07.738	34.59.612	3.40.172	10.89.180	1.37.996	3	262	Bradbury P.	10	25	..	50	157/50	155/00	187/50
1,27,75,700	1,18,296	2,760	4,98,32,541	1,26,61,468	25,80,075	30,66,350	9,53,042	12	22	Century	30	30	..	100	631/00	607/50	600/00
46,87,500	1,15,188	2,062	3,00,10,277	15,79,749	24,82,450	25,86,888	—43,79,051	6	269	Central India P.	Nil	Nil	Nil	100	121/00	124/00	112/00
26.00.000	24.916	719	47.34.829	12.52.434	1.01.655	1.46.028	1.28.751	3	68	Coorla	11	11	..	100	152/50	146/25	130/50
28.00.000	43.512	..	33.97.504	29.03.220	5.19.248	23.98.267	2.06.873	12	262	Dawn	30	30	..	50	153/00	155/00	158/00
34.00.000	49 164	920	74.35.701	43.13.002	1.86.928	—9,41.132	—9,38.834	12	266	Edward Textiles	9	9	6	200	285/00.	100/00	107/00
29.98.050	47 700	886	1,32,62,451	48,56,520	2,59,089	4,04,302	5,844	12	59	Elphinstone P.	18	22	18	50	102/00	330/00	295/00
50.00.000	63.212	784	85.32.658	71.62.852	16.830	4.09 432	37 155	12	241	Finlay	23	23	..	100	183/00	179/00	186/50
39 04.700	77.966	..	19 75.306	43.25.176	23.64 706	12.85.523	85 195	12	56	Gokak	14	18	..	100	950/00	950/00	..
12.00.000	40.856	1.116	64.14.598	68.13.236	10 75 932	4.27.954	5.195	3	305	Hindoostan	50	50	..	250			
2,00.00.000 / 60.00.00.000	2,48 870	6.498	4,41,45,022	3,84,70,022	31,82,624	1,32,22,197	5,89,816	12	15	India United	8 / 13½	14 / 37½	5 / ..	10 / 1Dd	22/52 / 2/84	22/52 / 2/78	25/00 / 3/60
9.00.000	47 824	1 202	75.60 490	61 57.161	4 26.274	..	..	3	305	Indian	23 1/5	25	..	250	800/00	761/25	890/00
50.00.000	50.074	1.426	74.72 293	26.00.000	26,71.578	4.58.532	8.880	12	103	Indore Malwa United	8½	10	7½	100	196/00	202/00	212/00
59.85.000	65.260	1,514	1.07 21 545	82 79.165	25.00 707	76.87.297	38.151	6	149	Khatau Makanji P.	32	16	..	100	218/75	222/50	447/50
1,00.00.000	1.20.504	1.846	1,38,52 384	1,07,07 211	9.13.088	38.39.253	1.555	12	146	Kohinoor	15	18	..	100	331/00	318/50	294/00
89.60.000	49.881	1.369	1.26.36.356	62.49.272	7.11.717	—21.14.041	—10.60.896	12	83	Lakshmi Vishnu P.	5.7	6	Nil	100	101/00	93/50	125/00
51.75.000	71 652	1.620	1,31,30,107	72.11.813	63.197	50,67,194	1,09,099	6	104	Morarjee Goculdas P.	21½	24	24	100	395/00	400/00	460/00
39.58.250	50.480	500	55.13 433	39.56.794	22.08.037	2.05.250	Nil	2	261	Mysore Spg & Mfg P.	14	14	..	50	50/00	54/00	59/50
24.00.000	45 944	432	23.52 760	7.45.700	10.79.000	15.67.753	8 456	12	..	New City of Bombay	Nil	Nil	..	100	155/00	155/00	140/00
30.00.000	46.884	1.029	22.27.088	25 72 444	27.32 562	12.48.697	153	12	..	New Great Eastern P.	Nil	12	..	100	189/00	192/00	262/00
48 00.000	54.244	728	53.94.222	35.02.899	1,54.21.523	21 027	27.380	12	119	Phoenix	15	20	..	100	232/00	233/00	238/00
10.00.000	9.520	277	13.17 604	2.78 222	9 963	3.22 456	—1,07 771	12	257	Sassoon & Alliance	Nil	Nil	..	10	10/92	10/92	14/88
75.40.000	96.488	2,127	2,21,73,468	1,58,87,542	13,77,729	28,73,996	3,192	12	339	Sassoon Spinning	17	20	10	10	45/00	45/00	55/00
60.48.000	49.840	1,258	1,34,95,513	34,48,460	1,44,640	22,79,548	24,574	3	379	Simplex	15	Nil	22—16*	50	122/00	125/00	156/00
1,00.00.000	77 436	1,640	1,62,20,494	86,36,202	95,49,874	35,49,582	51 723	12	327	Shree Niwas P.	18	20	14	100	268/00	240/00	260/00
4,00.00.000	65.040	2,000	1,96,83,714	1,42,81,829	24,73,107	35,08,617	9,176	12	269	Svadeshi P.	17	19	17	100	253/50	251/00	255/00
36,00.000	40.328	549	58 94 859	71 78 359	1 774	4 20 551	2e 085	12	341	Swan	36	21 3/5	..	100	273/75	271/25	285/00
65.57.875	63.248	1 800	2,12,86,475	1,12,83,538	11,32,192	20,80,953	1.422	12	269	Tata	20	22	20	25	59/00	57/50	60/80
12.00.000	45.508	1,308	62.07.441	12.11.933	31.81.227	52.10.985	8.027	3	205	Western India	46 2/5	25	..	250	875/00	875/00	881/25

* 1962 * 1963

BOMBAY MISCELLANEOUS COMPANIES

Paid-up Capital Ordinary	Net Block Accounts	Reserve & other Funds Premiums & Forfeited Shares if any	Cash & Securities	Net Profits Including Taxation	Carry Forward	Accounts closed	Mg. Agents Secretaries etc.	NAMES	Dividends per cent 1960	1961	1962	Paid-up per Share	Latest Market Quotations as available until 29-10-63	14-10-63	A year ago
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.							Rs.	Rs.	Rs.	Rs.
								CEMENT							
38 96,49,908	26,78,49,366	10,52,33,092	4,94,54,294	7,57,20,456	65,991	7	53	Associated Cement	12½	12	12	100	156/25	156/75	155/75
								ELECTRIC LTG. POWER							
8,74,77,100	11,61 05,785	1,36,05,785	30 82 878	78,42 905	638			Ahmedabad Electricity	7	6	..	100	94/30	94/30	94/80
3,02,77,000	9,34,77,781	1,23,89,917	32,52,570	52,28,395	36,154	3	146	Andhra Valley Power P.	5½	5	8½	100	99/50	98/30	104/00
1,75,00,000	3,95,16,553	1,21,07,263	17,22,888	39,87,421	3,370	3	267	Bombay Suburban Elec.	8	5	5	100	107/25	107/00	110/00
2,39,99,975	7,17,76,350	1,39,56,841	51,65,971	60,68,808	27,536	3	146	Tata Hydro Elec Power P.	5½	5	5	1000	1,085/00	1,083/75	1,110/00
8,15,36,000	17,59,03,832	3,61,11,341	57,28,753	1,22,80,113	29,988	3	267	Tata Power P.	5½						
								ENGINEERING & METAL							
33,42,200	17,06,292	44,16,374	1,54 08,311	6,79 666	1,35 820	12	268	Alcock Ashdown	17	22½	..	100	319/00	314/00	317/00
14,75,050	7,99,713	4,61,618	2,25,568	—24,763	—33,604	3	115	Jost's Engineering	8	10	10-Nil*	50	60/00	60/00	97/00
1,65,00,000	1,36,83,136	1,15,74,779	1,09,19,945	48,29,564	11,973	3	351	Larsen & Toubro P.	12½	18	14-14*	10	25/00	25/75	25/60
11,00,000	1,03,70,225	3,45,914	..	..	1,016	7	283	Mckenzies	10	12	14	100	137/50	135/00	140/00
2,50,0000 / 1,31,250F	5.834	1,00,53,052	1,79,52,042	3,35,178	59 102	12	284	Premier Construction P.	43 1/3	33 1/3	..	30O / 3½F	166/50	157/00	138/00
7,99,97 300	17,30,38,018	5,09,28,017	13,84,385	3,61,61,616	14,962	3	269	Tata Eng & Locomotive P.	12½	14½	14½-14½*	100	287/75	283/50	294/00
27,55,67,699	1,03,32,39,005	42,98,94,270	10,44,14,243	10,55,68,012	32,096	3	269	Tata Iron & Steel P.	9.1	10.36	10.36-11*	75O	146/75	145/25	133/50
								INSURANCE COMPANIES							
20.00.000	..	23 84.913	95.96 033	4.24 629	1.18 606	12	297	British India General	..	..	..	10	13/00	12/36	12/40
18.74 940	25.01 134	2.88 61.155	2.81 49 442	38.951	4.65.216	12	55	Jupiter General P.	..	..	..	15	9/20	9/20	11/00
1,42 42 125	23,46,782	3,80 68.899	9.41 74 741	92.81 230	44 28.397	12	179	New India	38	38	..	15	58/00	52/00	62/50
15.99.270	..	29.41.860	59.86.789	6,05,803	3,81,242	12	255	Vulcan	20	20	..	10	16/76	16/60	16/52
								MISCELLANEOUS							
70.49.650	41 70.604	1.23 53.608	1.09 82.038	67.94 850	3.00.263	9	42	Belapur Sugar	58	50	..	50	240/00	203/00	220/00
89.25.000 / 42.00 000	3.32.42.226	3.91.11.720	2.03.23.186	1.01.08.049	2,03.146	5	285	Bombay Burmah Trading	30	33	33	25 / 50	65/00 / 50/00	64/40 / 50/00	.. / ..
8,24,36,000	4,66,81,380	3,87,07,011	23,74,064	4,77,27,501	53,585	12	91	Hindustan Lever	26	26	12	10	39/00	39/00	45/00
99.99.250	5,754	20,08,796	1,44,31,515	8,97,490	30,418	12	299	Industrial Invt. Trust.	6½	6½	..	100	77/00	75/50	72/00
11.99.900	13.82.957	7.34.142	14,05,2231	48,232	16.942	5	57	Kemp (Chemists)	12½	12½	..	200	271/00	271/00	310/00
2,41,12,100	7,40,36,031	2,03 71 161	27,33,085	1,69 61 606	4,41 151	12	352	National Rayon	22	..	..	100	389/00	375/00	466/50
11,27,98,680	25,25,08,055	11,58,24,547	11,18,69,983	48,75,907	2,82,649	6	198	Scindia Steam Navign.	3	3	3	20	14/88	12/92	11/40
20,86,650	61 89 784	6,93,280	3,30,496	—11,30 191	—7,04 525	11	146	Shivrajpur Synd	80	Nil	..	10	23/00	21/52	31/50
3,02,33,705	6,11,37,864	58,26,418	25,12,521	16,94,201	4,550	6	269	Tata Chemicals P.	6	6½	6½	10	17/48	17/20	14/20
1,05,05,475	2,21,88,319	1,25,42,386	47,75,465	50,73,815	1,187	3	269	Tata Oil P.	23	23	23-22*	25	67/00	66/50	58/70
4,55,00,000	1,16,85,362	1,08,92,603	71,80,468	1,37,48,151	2,91,854	8	360	Voltas	13	14	14	100	268/50	266/50	249/00
4,75,00,000	2,71,29,042	2,32,60,865	1,47,82,908	1,39,56,381	82,645	12	274	Western India Match	16	16	16	100	258/00	255/00	267/00

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SOUTH INDIA PLANTATION COMPANIES

P., Po. and Dd indicate Ordinary. Preferred Ordinary and Deferred Shares respectively. 'P' next to the name of the company indicates that the Company also has Preference Shares. Figures in "accounts closed" column indicate the months of the Calendar year in which accounts are closed. For Managing Agents refer to the Key (last page) under the numbers indicated.

Paid-up Capital Ordinary	Net Block Account	Reserve & other Funds	Acreage	Outturn and Average Price per kg/lb realised for crop		Net Profits	Accounts closed	Mg. Agts. Secretaries etc.	NAMES	Dividends per cent 1960	1961	1962	Paid-up per share	Latest Market Quotations as available until 29-10-63	15-10-63	A year ago
Rs.	Rs.	Rs.		Lbs	Rs.	Rs.							Rs.	Rs.	Rs.	Rs.
6.75 000	16.06 067	1,50.000	1,992	7,996cwt	9 68	1,19 757	3	401	Amalgamated P.	10	..	..	10	10/01	10/01	11/06
2,50.000	12,57,795	3,72,253	878	1,12.000	1 45	70.011	12	402	Anandam P.	15	..	..	10	14/19	14/19	15/24
3,25.000	5.09.131	1,50.000	402	1,28.902	1.47cts	3,501	2	403	Athimattam	Nil	..	..	2	1/18	1/18	0/80
10,98,990	13,86 078	4,83,841	1,630	222 1881	4 34	4,11 296	3	285	Balanoor P.	15	12	..	10	13/12	11/60	12/91
3.00.000	3.94.072	2,05.000	319	1,07,785†	3.2	1,11.970	5	404	Balmadies P.	7½	5	Nil—5*	2	1/78	1/85	1/90
17,32,230	13 36 711	4,36 223	977	5,59,531	1 65cts	43 110	5	274	Be Be P.	Nil	..	..	5	2/03	2/03	2/50
84.00.000	1,15,75,030	26,08,425	1,329	7,16,244†	4.84	12,42,823	6	141	Blue Mountain	12½	10	20	2	2/67	2/67	2/26
14.00.100	27,96,388	14,46,380	4,586	8,36,263††	3.15	6,16,055	3	210	Chembra Peak	20	20	20	2	4/50	4/60	3/22
26,91,275	47,43,806	19,53,790	8,050	11,59,898†	..	15,14,112	2	211	Cochin Malabar P.	17½	20	20	3	6/18	6/10	6/50
22,50,000	39,31 708	30,58,661	2,710	19 48 320	..	5,71 249	6	405	Coffee Lands P.	8	..	..	10	21/75	19/40	17/75
71,55 000	1,15 74 403	63 44 278	7,001	60 81 120	..	25 60 662	6	406	Consolidated Coffee P.	20	..	..	10	17/83	17/83	23/00
5,66,730	21,85,561	13,31,210	411	4,49,666	2.32	1,58,198	9	203	Coonoor P.	17½	15	17½	10			
4,80.000	10,36 448	4,76,788	432	3,53,888	1.52	1,19 880	3	407	Coorg P.	20	..	..	2	4/60	4/89	3/95
6,00.000	11,82,508	2,17,761	1,026	1,57,785	1.44	*46,942	3	12	Cottanad Plantation P.	10	..	..	10	9/31	9/31	9/75
6,00.000	8,89,831	4,80,155	345	3,25,310†	2.66	1,25,313	12	212	Devashola (Nilgiri)	20	..	..	10	24/60	24/39	25/05
6,74,650	9,14,544	3,31,040	450	1,38,386†	4.26	1,36,712	3	287	Devon P.	15	12	..	10	11/96	11/96	12/66
1,50.000	3,38,952	1,26,500	197	1,12,936†	2.66	28,121	12	408	Emerald Valley	..	..	..	5	5/80	6/50	5/55
4,50.000	3,84,462	20.000	278	42,830	..	40,424	12	409	Gokul	10	..	..	2	2/23	2/10	1/90
25.00.000	42,82,150	17,77,500	1,465	17,21,550	2.04	2,13,414	12	410	Haileyburia P.	15	..	..	10	12/25	12/00	12/62
11,85,700	28,02,058	10,77,705	1,528	9,59 804	1.67	3,60,461	2	402	Kailas	22½	..	..	2	6/28	6/15	5/16
6,00.000	11 83.359	3,86 159	465	2,92 200†	4.64	4,14,877	3	210	Kalasa Tea Produce	20	25	..	2	4/25	4/14	3/45
17,17,076	27,90,278	9,40 446	741	4,46,673	5.17	5,88 691	10	210	Kil Kotagiri P.	25	25	..	2	5/30	5/40	4/75
5,00,000	9,11,259	1,21,604	267	305,757	2.31	96,485	12	203	Lucky Valley	10	10	..	10	12/90	12/00	10/25
13,50,000	17,31,286	4,85,241	1,691	6,70,174	1.48	2,09,136	3	411	Malankara	15	..	..	10	15/02	16/00	16/90
40,50,000	74,75,217	14,33,242	4,013	740,800†	4 47	13,89 961	3	270	Midland Rub & Prod P.	12½	12½	..	10	11/00	11/60	11/20
14,06,250	33,53,804	7,45,340	1,587	9 98,996	2.90	1,60,000	3	402	Nilgiri P.	8	..	..	10	8/65	8/65	9/10
23,10,000	22,24,327	57,73,357	1,057	13,82,595	..	14,10,257	t	14	Nonsuch	20	20	..	10	23/80	23/80	21/62
6,50,000	7,07,991	5,71,464	810	1,25,230†	..	1,41 776	3	210	Ossoor	15	..	..	2	3/36	3/43	2/96
19,45,980	34,53,670	25,53,533	1,498	5,77,573	4.84	6,27,924	10	210	Ouchterlony	13	12	..	2	4/70	4/35	3/63
14,88,960	26,94,604	16,87 314	579	8,45 700	2 68	7,40,158	t	203	Parkside Neilgherry	27½	22½	..	10	27/00	26/75	21/75
17,00.000	27,36,576	12,82,318	1,563	10,83,565†	4.20	11,29,838	12	9	Peermade P.	22½	25	..	10	20/50	20/90	21/50
5,00.000	7,90,316	3,35,530	1,167	3,83,268	1.50	1,65,244	2	259	Peninsular	20	..	..	10	20/70	20/70	22/10
57,94,880	75,03,172	30,24,711	3,724	23,32,142†	..	26,86,596	3	210	Periakaramalai	13½	20	..	2	3/47	3/68	3/21
13,50,000	45,61,480	9,28,404	2,827	798,833†	3.30	9,83 709	6	270	Rajagiri Rub & Prod P.	20	20	..	10	8/60	8/60	6/20
3,00,000	3,14,567	1,53,963	711	3,320cwt	1.32	1,18,791	3	412	Rajendra P.	25	..	..	5	11/30	11/25	21/30
1,25,000	1,90,373	15,000	216	..	..	43,141	3	413	Swinton	12½	..	..	2	2/68	2/82	2/82
10,00,000	20,71 084	2,48,373	1,454	4,30,695	1.51	63,263	3	172	Teekoy P.	Nil	..	..	10	6/18	6/60	5/45
9,15,300	13,14,493	10,80,000	2,227	2,45,549†	3.76	1,27,943	9	210	Thirumbadi	7	12	..	1	2/03	2/11	1/62
6,00,000	6,51 402	45,742	1,303	2,23,794	3.21	80,950	12	414	Travancore Rubber	13	..	..	10	11/25	11/25	11/00
41,00,000	70,55,954	15,07,686	5,028	12,05,890†	..	11,13,227	12	9	Travancore Rub & Prod P.	9	10	..	10	9/80	9/90	9/20
20,00,000	23,48,701	1,36,000	3,028	6,38 402	1.00	4,02,762	12	271	Tropical Plantation	8	..	..	25	20/50	19/15	18/62
15,75,000	24,78,11	16,00,000	1,267	3,83,268	2.16	1,00,000	12	410	Twyfords	10	..	..	10	8/12	8/12	9/62
21,93,280	30,03,223	17,04,089	3,638	8,28,976†	5.11	12,85,658	3	250	United Nilgiri	21	22	..	10	24/00	22/90	19/35
8,80,010	9,26,839	2,82,051	952	4,94 400	1.50	2,20,098	12	413	Vaikundam	30	..	..	10	33/75	30/50	30/65
47,25,000	54,71,548	32,96,030	2,344	11,30,431	1.78	12,73 961	6	157	Waterfall Estates P.	12½	..	..	2	2/50	2/42	2/09
6,95,000	12,64,609	6,35,454	971	1,65,429	1.78	88,225	3	416	Woodland P.	10	..	..	10	7/50	7/50	7/85

† Kgs. * 1963

SOUTH INDIA COTTON MILLS

Paid-up Capital Ordinary	Number on Spindles	Looms	Net Block Account	Reserves & other Funds Premiums & Forfeited Shares if any	Cash & Securities	Net Profits including taxation	Carry forward	Accounts closed	Mg. Agts. Secretaries etc.	NAMES	Dividends per cent 1960	1961	1962	Paid-up per share	Latest Market Quotations as available until 29-10-63	15-10-63	A year ago
Rs.			Rs.	Rs.	Rs.	Rs.	Rs.							Rs.	Rs.	Rs.	Rs.
1,21,50,000	46,240	1,157	1,12,36,515	1,80,16,667	58,73,591	68,01 756	2,53,358	12	..	Bangalore W. C. Silk P.	10	18	18	100	226/80	226/80	247/00
1,78,47,800	1,20,288	2,758	3,99,41,906	4,11,85,586	32,05,619	1,02,53,184	2,05,182	12	..	Buckingham & Carnatic P.	10	18	18	100	268/00	264/80	282/00
20,00,000	28,000	..	22,72,373	31,400	96 302	7,68,513	42,421	12	43	Cambodia P.	9	..	..	10	12/37	12/37	13/00
35,99,600	23,864	..	74,88,712	39,35,014	6,68,958	20,95,517	..	12	188	Coimbatore Cotton	12	16	..	100	167/00	167/00	182/50
20,76,900	72,832	401	67,91,212	7,98,681	22,227	—7,52,342	—10,23,340	6	46	Coimbatore Spg & Wvg.	..	8	8	50	68/50	68/50	73/00
57,20,000	30,512	200	1,11,72,576	25 53,151	11,75,098	10,75,051	12,617	12	141	Kothari Textiles P.	10	8	8	10	9/30	9/30	10/37
1,06,50,000	1,10,800	..	1,41,26,628	84,90,166	2,06,207	71,93,831	19,391	3	186	Lakshmi	20	30	..	50	136/00	136/00	146/00
1,75,02,480	3,00,000	..	3,19,71,388	5,21,72,932	67,88,400	1,57,67,400	12,44,769	12	108	Madura	15	15	..	15	33/45	33/00	34/75
80,00,000	24,252	603	14,89 091	29,77,275	59,12,326	31,05,185	45,412	3	29	Mettur Industries	30	30	22½	100	284/00	278/00	342/00
4,00,300	20,137	Nil	5,36,608	6,00,000	24,24,908	2,687	12	60	Palani Andavar P.	..	..	..	10	202/75	202/75	215/00	
31,00,000	48,974	270	43,85,330	43,50,000	11,97,728	16,77,243	91,696	12	47	Vasanta P.	20	..	..	100	276/00	276/00	290/00

* 1962

SOUTH INDIA SUGAR MILLS

O., Pc., F. and Dd indicate Ordinary, Preferred Ordinary, Founders and Deferred Shares respectively. 'P' next to the name of the company indicate that the company also has Preference Shares. Figures in "accounts closed" column indicate the months of the calendar year in which accounts are closed. For Managing Agents refer to the Key (last page) under the numbers indicated.

Paid-up Capital Ordinary	Net Block Account	Reserve & other Funds Premiums & Forfeited Shares if any	Cash & Securities	Net profits	Carry forward	Accounts closed	Mg. Agts. Secretaries etc.	NAMES	Dividends per cent 1960	1961	1962	Paid-up per share	Latest Market Quotations as available until 29-10-63	15-10-63	A year ago
	Rs.	Rs.	Rs.	Rs.	Rs.							Rs.	Rs.	Rs.	Rs.
30,00,000	62,64,264	26,55,000	5,52,400	10,92,779	22,959	9	417	Andhra P.	..	..	..	10	17/36	17/36	20/75
40,00,000	80,62,883	12,61,424	1,58,472	13,46,266	1,40,987	6	218	Cauvery P.	6	8	..	100	110/50	105/00	115/50
39,84,000	72,41,268	44,98,500	8,38,760	19,41,784	1,02,809	6	218	Deccan Sugar	25½	12	18	6	11/70	10/50	10/75
£1,127,700	£3,463,073	£2,075,782	£414,795	£648,473	£21,999	9	319	E I D —Parry	21 3/7	21-3/7	28 3/7	£1	37/40	37/50	41/50
63,97,650	45,80,752	15,25,348	64,67,521	12,34,067	3,17,077	9	418	Indian Sugar P.	14	10	..	10	8/65	8/65	10/10
32,45,572	1,22,66,623	18,99,861	1,51,052	5,99,416	2,090	6	419	Jeypore P.	8	..	..	10	16/00	16/00	14/75
10,52,200	2,87,27,773	1,23,75,000	31,53,982	20,76,426	91,745	6	420	K. C. P.	..	..	..	10	23/90	23/90	22/00
80,00,000	1,69,284	Nil	47,90,532	—8,756	—8,756	6	141	Kothari	Nil	Nil	..	10	7/00	7/00	6/90
21,79,280	56,84,219	1,13,46,596	50,30,701	12,10,353	25,953	6	364	Mysore	30	30	30	10	46/75	46/75	53/40
30,00,000	38,93,381	11,41,000	10,12,037	4,88,902	1,46,735	4	218	Travancore P.	10	..	..	10	7/45	7/15	8/35
25,00,000	45,92,397	91,28,520	73,43,307	34,22,332	..	3	320	United Breweries	60	60	25—Nil*	10	33/37	34/58	97/50

* 1963

SOUTH INDIA MISCELLANEOUS COMPANIES

Paid-up Capital Ordinary	Net Block Account	Reserve & other Funds Premiums & Forfeited Shares if any	Cash & Securities	Net profits	Carry forward	Accounts closed	Mg. Agts. Secretaries etc.	NAMES	Dividends per cent 1960	1961	1962	Paid-up per share	Latest Market Quotations as available until 29-10-63	15-10-63	A year ago
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.							Rs.	Rs.	Rs.	Rs.
1,00,00,000	86,99,118	39,83,730	10,36,603	19,80,945	1,52,818	3	421	Aluminium Industries	18	..	..	10	18/35	17/10	24/90
71,02,270	91,13,952	4,21,545	6,36,276	8,56,859	22,879	12	16	Andhra Cement P.	..	..	..	10	9/60	9/60	10/25
3,02,87,655	1,59,33,383	25,63,616	1,84,094	30,01,343	30,076	12	422	Ashok Leyland	6	..	..	5	7/50	7/45	7/63
1,00,00,000	17,47,081	49,33,435	2,75,867	19,86,813	4,39,222	12	423	Binny	12½	..	..	100	291/40	291/40	335/00
7,50,000	5,45,587	86,538	41,650	93,226	—1,46,143	12	270	Brunton & Co.	..	..	..	10	5/03	5/03	5/30
24,99,000	49,82,511	3,52,644	62,061	3,35,186	4,810	12	424	Enfield P.	5	..	..	10	9/12	9/25	10/45
3,24,44,750	321,08,642	66,66,496	73,60,475	51,28,679	1,38,608	3	425	India Cement P.	11	9	12	5	5/53	5/75	6/30
23,82,732	16,92,196	2,50,222	93,924	2,16,808	2,977	12	230	Indian Steel Rolling P.	..	..	..	10	10/40	10/40	12/50
1,40,00,000	1,39,97,059	37,48,801	36,09,251	29,82,180	11,631	3	263	Mettur Chemical Industries P.	12½	12½	13¾-18¾	10	13/05	13/00	13/35
24,81,220	12,69,959	10,47,473	17,48,674	4,48,641	8,514	3	433	Mysore Chem & Fert.	10	10	..	10	8/10	7/75	10/10
5,00,000	5,20,889	4,52,139	2,15,413	2,33,791	85,187	3	151	Mysore Chemical Mfgs. P.	20	..	..	10	16/70	17/75	21/75
6,56,250	5,13,585	9,38,696	6,374	1,23,899	3,146	3	426	Mysore Lamp P.	20	..	..	10	30/00	30/00	36/75
25,00,000	55,50,342	37,12,500	2,43,664	14,29,395	36,663	3	226	Mysore Paper	15	15	..	10	12/70	13/65	15/00
10,00,000	7,58,329	3,16,884	29,32,342	75,422	622	3	201	Mysore Tobacco	10	..	..	10	10/50	10/50	8/68
10,00,000	6,54,848	3,02,000	2,60,194	4,84,835	1,51,607	3	218	Parrys Conf.	30	..	..	1	3/40	3/35	4/10
40,00,000	32,50,078	1,03,14,883	40,58,627	23,52,432	10,74,117	6	221	Spencer (Provisions)	18	18	18	10	20/37	20/12	23/50
47,00,000	36,53,610	20,65,000	51,902	7,85,986	3,869	12	427	Standard Motors P.	9	..	..	10	11/15	11/40	16/12
11,56,300	5,95,547	14,04,007	16,66,624	4,19,707	41,732	9	428	T. Stanes P.	32½	..	..	10	27/40	27/40	31/00
39,84,400	42,58,650	13,07,759	26,021	6,92,616	932	4	429	Textool	15	..	..	100	155/00	155/00	165/00
3,50,00,000	4,17,90,907	15,68,314	45,93,964	1,12,69,691	12,03,238	6	430	Tube Investments	10	10	..	100	228/00	213/00	269/00

†1963

LIGHT RAILWAY AND ROPEWAY COMPANIES

Paid-up Capital Ordinary	Gross Block Accounts	Reserve & other Funds	Net Earnings	Carry Forward	Accounts closed	Mg. Agts. Secretaries etc.	NAMES	Dividends per cent 1960	1961	1962	Paid-up per share	Latest Market Quotations as available until 22-10-63	16-10-63	A year ago
Rs.	Rs.	Rs.	Rs.	Rs.							Rs.	Rs.	Rs.	Rs.
17,24,000	18,02,732	12,576	—2,52,424	..	3	165	Ahmedpur Katwa	1.90	1.90	1.75	100	26/00	26/00	29/50
21,89,300	34,93,819	6,11,706	3,03,621	2,918	3	32	Arrah Sasaram	5	5	5	100	29/50	29/50	30/50
34,00,000	35,33,840	21,816	—4,66,034	..	3	165	Bankura Damoodar	1.90	1.90	1.75	100	26/50	26/50	29/00
17,80,000	20,25,854	10,772	—3,07,176	..	3	165	Burdwan Cutwa	1.90	1.90	1.75	100	26/50	26/50	29/00
31,00,000	28,10,290	44,296	1,72,713	1,480	3	32	Chaparmukh-Silghat	2.90	2.90	2.80	100	40/00	40/00	35/00
4,75,000	1,48,268	5,33,389	1,35,796	3,691	3	296	Cherra Chhatak Ropeway	9	12	12	5	5/75	5/75	5/00
2,47,650	2,28,169	59,790	42,389	4,003	3	101	Darjeeling Ropeway	..	..	..	10	9/12	9/12	8/00
40,00,000	49,60,137	14,51,000	19,14,361	35,951	3	335	Dehri Rohtas	17	20	15	10	13/12	13/12	17/25
11,49,700	15,85,943	8,500	59,013	1,489	3	32	Futwah Islampur	1.90	1.90	1.90	100	28/70	28/70	28/70
16,00,000	49,13,938	13,57,712	1,70,485	3,022	3	32	Howrah Amta (P)	6	5	4½	100	40/00	40/00	46/00
6,00,000	13,66,252	5,14,960	62,731	4,225	3	32	Howrah Sheakhala	6	5	4½	100	45/00	45/00	40/00
8,91,100	11,74,348	15,024	73,580	160	3	165	Katakhal Lala Bazar	3.50	3.10	1.90	100	41/00	41/00	41/00
15,00,000	60,91,311	18,08,821	1,11,807	6,893	3	32	Shahdara (Delhi)	6	3	..	100	52/00	52/00	50/75

MANAGING AGENTS, MANAGING DIRECTORS, DIRECTORS OR SECRETARIES WITH THEIR RESPECTIVE ADDRESSES.

1. Anderson Wright Ltd.—7, Wellesley Place Calcutta.
2. Andrew Yule & Co., Ltd.—8, Clive Row Calcutta
3. S. N. Bert—6, Middle Road Hastings, Calcutta
4. Bazareemull, Heeralall—148, Cotton Street, Calcutta
5. Amritlal Ojha & Co. Ltd.—"Security House" Netaji Subhas Road Calcutta.
6. Alcock, N. C.—Hultsdrof Mills, Colombo.
7. Associated Industrial Development Co. (Private) Ltd.—"Nicco House", Hare Street, Calcutta-1.
8. Agarwala S. L.—Indian Insurance Building, Old Cantonment Road, Dehra Dun.
9. Aspinwall & Co. (Travancore) Ltd.—Alleppey
10. Aryan Planter Agency—P-12, Chowringhee Square, Calcutta.
11. Allum Bharucha & Co.—214, Hornby Road, Bombay.
12. Associated Planters Private Ltd.—25, General Patters Road, Madras.
13. Antony, M. K.—Alleppey.
14. Harrison and Crossfield Ltd.—Cochin.
15. Agarwal & Co.—E. D Sassoon Building, Dougall Road, Ballard Estate, Bombay.
16. Andhra Eng. Co., Ltd.—22/422, Danavayipeta Rajahmundry.
17. Amte & Co.—Hubli.
18. S. M. Krishan—Sri Jayachamaraja wadiyar Road Bangalore-2
19. Macneill and Barry Ltd.—2, Fairlie Place, Calcutta.
20. Ojha Brothers Ltd.—Security House, Netaji Subhas Road, Calcutta.
21. Bird & Co. (Private) Ltd.—Chartered Bank Buildings, Calcutta.
22. Birla Bros. Private Ltd.—8, India Exchange Place, Calcutta.
23. Babulal & Co., Ltd.—13, Syed Salley Lane, Calcutta.
24. Balmer Lawrie & Co., Ltd.—21, Netaji Subhas Road, Calcutta.
25. British India Corporation Ltd.—Sutherland House, Kanpur.
26. R. L. Thompson, Agraharam Road, Bangalore-2.
27. Bengal Textile Agency Ltd.—11, Clive Row, Calcutta.
28. Swadeshi Enterprise Ltd.—41, Chowringhee Road, Calcutta.
29. Beardsell, W. A. & Co. Private Ltd.—Second Line Beach, Madras.
30. Bhagyalakshmi & Co.—Dehali Road, Udamalpet Dt. Coimbatore.
31. Rameshwar Tantia—1 & 2, Old Court House Street, Calcutta.
32. Martin Burn Ltd.—12, Mission Row, Calcutta.
33. K. M. Wilcox—Sutherland House, Kanpur.
34. J. V. Jardine Paterson—9, Hare Street, Calcutta.
35. Ramdutt Ramkissendas—9, Brabourne Road Calcutta.
36. Bajoria & Co.—27, Brabourne Road, Calcutta.
37. Birla, L. N.—8, Royal Exchange Place, Calcutta.
38. Birla, B. M.—"India Exchange", Calcutta-1.
39. John Valentine Jardine Paterson—4, Clive Row, Calcutta.
40. Bhargava R. K.—Mohalla Masjid Bagh, Badshanagar.
41. Binarilal Lahoty—161-1, Harrison Road Calcutta.
42. W. H. Brady & Co., Ltd.—Brady House, 12-14, Veer Nariman Road, Bombay-1.
43. Brijlal Bilasvai & Co.—Aga Khan Buildings, Dalal Street, Fort, Bombay.
44. Punam Chand Batia—19, Circular Garden Reach Road Calcutta.
45. Chakravarti Sons & Co.—22, Canning Street Calcutta.
46. G. L. Purushotham Naidu—24, Krishnaswamy Mudaliar Road, Coimbatore.
47. Chetty R. K. S. & Bros.—Singanallur, Coimbatore-5.
48. S. R. Poddar—33, Netaji Subhas Road, Calcutta.
49. Calcutta Agency Ltd.—24, Netaji Subhas Road, Calcutta.
50. Chanda, A. P.—15, Taratola Road, Calcutta.
51. Shoobridge, F. G.—234-3, Lower Circular Road Calcutta.
52. R. A. R. Mackay—175, West George Street Glasgow C.2.
53. Cement Agencies (Private) Ltd.—121, Queen's Road Fort Bombay
54. Consolidated Elec. Agencies—17-B, Elphinstone Circus Fort, Bombay.
65. K. S. R. Iyer—Imperial Bank Buildings, Bank Street, Fort Bombay
56. Chinoy F. M. & Co. Ltd.—Radio House, Apollo Bunder Bombay.
57. Cumberbatch & Co.—Colombo.
58. Cowasjee Jehangir & Co., Ltd.—Ready Money Mansion, Churchgate Street, Fort Bombay
59. N. K. Jalan—Kamini Chamber 32 Nicol Road, Ballard Estate, Bombay.
60. Chandrie & Co., Ltd.—Madras.
61. Bagaria More Co., Ltd.—5, Clive Row, Calcutta.
62. Dayaram & Sons—9, Old Court House Street, Calcutta.
63. Duncan Brothers & Co., Ltd.—31, Netaji Subhas Road, Calcutta.
64. Duff Thomas & Co.—2 and 3, Clive Row Calcutta
65. Dass Bros.—29 and 30, Strand Road, Calcutta.
66. A. K. Das—15, Netaji Subhas Road, Calcutta.
67. Day, P. E.—Alderman's House, Bishopsgate, London E.C.2.
68. Hari Brothers Private Ltd.—Scindia House New Delhi
69. Dadabhoy Sir M. B.—Kampte Road, Civil Lines Nagpur.
70. N. D. Bangur—14, Netaji Subhas Road, Calcutta.
71. B. C. Roy—Hindustnan Buildings 4, Chittaranjan Avenue, Calcutta
72. Duffs, J. C. & Co., Ltd.—National Bank Buildings, Netaji Subhas Road, Calcutta.
73. C. C. Dey—25, Netaji Subhas Road, Calcutta.
74. Davenport & Co. Private Ltd.—6, Church Lane, Calcutta
75. Desai, R. M.—14, Nicol Road, Ballard Estate, Port, Bombay
76. Dodwell & Co., Ltd.—Glennie Street, Slave Island, Colombo.
77. Darragh Small & Co., Ltd.—Alleppey.
78. Dadabhoy B. A. & Co.—Ilaco House, Sir Phirozesbah Mehta Road Bombay.
79. B. N. Elias & Co. Private Ltd.—1 and 2, Old Court House Corner Calcutta.
80. Eastern Corpn. Ltd.—7, Wellesley Place, Calcutta.
81. Ebeling A. F.—Rawalpindi.
82. Poddar, P. L.—135, Canning Street, Calcutta.
83. Pratapsingh Mathuradas—9, Wallace Street, Fort, Bombay
84. S. E. Industrial Development Co. Ltd.—12, Old Court House Street, Calcutta.
85. A. Firpo, Jr.—18/2, Chowringhee, Calcutta.
86. Forbes, Forbes, Campbell Ltd.—Forbes Buildings, Home Street, Fort, Bombay.
87. S. V. S. Iyer—88C, Old Prabhadevi Road Bombay-28.
88. Gillanders Arbuthnot & Co., Ltd.—Clive Buildings, Netaji Subhas Road, Calcutta.
89. Gladstone Lyall & Co., Ltd.—4, Fairlie Place, Calcutta.
90. H. C. Bowker—"Victoria House" Calcutta.
91. P. L. Tandon—India House, Fort Street, Bombay.
92. Govan Bros. (Rampur) Private Ltd.—4, Scindia House New Delhi.
93. Govan Bros. Ltd.—Malbours Building, Queensway, New Delhi.
94. R. K. Deva—93-A, Dharamtalla St., Calcutta.
95. Daga & Co., Ltd.—9, Royal Exchange Place, Calcutta.
96. M. L. Bexon—57B, Free School Street, Calcutta-16.
97. Govan R. G. & Co.—Scindia House, Connaught Circus, New Delhi.
98. Turnbull R. W.—P-4, Mission Row Extension Calcutta
99. Abinash Chandra Das—Jalpaiguri.
100. Guha Nalini Kumar—18/11/1-B Raja Raj Ballav Street Calcutta.
101. Purushottamlall—5, Clive Row, Calcutta.
102. George A. F. & Co., Ltd.—Ancherli Bank Bldgs Kottayam, Travancore.
103. Kundila, G. Seksaria—139 Meadow Street Fort Bombay
104. Gopikisan Piramal—Soparibaug Road, Parel Bombay-12.
105. John Whitlon Easson.—Gillander House, Netaji Subhas Road, Calcutta.
106. F. W. Heitgers & Co. (Private) Ltd.—Chartered Bank Buildings Calcutta.
107. Howrah Trading Co. Ltd.—6, Dalhousie Square East, Calcutta
108. A. & F. Harvey Ltd.—Madurai.
109. Holmes Wilson & Co., Ltd.—"Stephen House" Calcutta.
110. R. G. Khanna—Solan Brewery Simla.
111. Hotel (Control) Private Ltd.—4 & 4/1, Wellesley Place Calcutta.
112. Glass, L. O. H.—Bilbao House, 36, New Broad Street, London, E.C.2.
113. B. P. Khaitan—14, Netaji Subhas Road, Calcutta
114. Harrison & Crossfield Ltd.—Calcutta.
115. I. V. Braddeley—The Great Social Buildings, Sir Phirozeshah Mehta Road Fort Bombay
116. K. G. Khanna—Solan Brewery (H.P.).
117. Hari Sons—Aviur (Cochin State).
118. Hormusjee Sons & Co.—60b, Girgaum Road Dhobi Talao Bombay-2
119. Ramnarayan Sons Ltd.—Bombay.
120. Industrial Financing Co.—63, College Street, Calcutta.
121. Imperial Chemical Industries (India) Private Ltd.—34, Chowringhee, Calcutta.
122. Indra Singh & Sons Private Ltd.—7, Wellesley Place, Calcutta.
123. Hari Brothers Private Ltd.—Scindia House New Delhi-1
124. R. Raja Rao—Honnawal Road, Shimoga
125. Iyer, L. R. Anantharam & Bros. Ltd.—Pushpagiri Trichur
126. N. Sirur & Co. Private Ltd.—70, Forbes Street Fort Bombay
127. J. P. Hannay—2, Metcalfe St. Calcutta.
128. Jardine Henderson Ltd.—4, Clive Row, Calcutta
129. S. S. Bhimwal—7, Chowringhee Road, Calcutta
130. Jhajharia Bros. Ltd.—138, Harrison Road Calcutta.
131. Jain, N. K. & Co Ltd.—"Devashram", Arrah, Shahabad.
132. J. K. Industries (Private) Ltd.—7, Council House Street, Calcutta.
133. James & Co. Ltd.—25, Netaji Subhas Road Calcutta.
134. Jute Industries Ltd.—4, Lyons Range, Calcutta.
135. John, V. C.—Kottayam, Travancore State
136. Jones, B. Edwin—Oriental Building, Bombay Elec. House Ahmedabad
137. John Kurian—Kottayam, Travancore State.
138. Kettlewell Bullen & Co. Ltd.—21, Strand Road, Calcutta.
139. Kilburn & Co. Private Ltd.—4, Fairlie Place Calcutta.
140. Karamchand Thapper & Bros. Private Ltd.—Thapar House, 25, Brabourne Road Calcutta-1
141. Kothari & Sons Agency Private Ltd.—Armenian Street Madras.
142. R. Suryanarayan Rao—Channapatna, Mysore State.
143. S. L. Dhanuka—P-15, Bentinck Street, Calcutta
144. Khaitan, D. K. Sons—14, Netaji Subhas Road Calcutta.
145. P. S. Nilkantan—1, Waterloo Street, Calcutta.
146. Killick Industries Ltd.—Home Street, Fort, Bombay.
147. Kanga, R. D.—Electric House, Post Fort, Bombay.
148. Kurian John—Alleppey.
149. Khatau Makanji & Co.—6, Ballard Road Fort, Bombay.
150. Killick A. S.—2-6, 2nd Line Beach, Madras.
151. S. Ramanathan—Chitkbanavar P.O., Bangalore Dt.
152. Broken Hill Secretariat Ltd.—31, Dover Street, London E.C.2.
153. Low H. Y. & Co. Private Ltd.—3, Synagogue Street, Calcutta.
154. Lomas J. E. W.—19, St. Swithin's Lane London E.C.4.
155. Bharat Ram Bhagat & Co.—45, Tangra Road Calcutta.
156. Hind Agents Ltd.—Indu House 15, Dougall Rd Ballard Estate, Bombay.
157. Kothari Mehta & Co. Private Ltd.—Armenian Street Madras.
158. Padampat Singhania—Kamla Tower, Kanpur.
159. Lala Gurusharan Lall—Gururu Dist., Gaya
160. Lovelock & Lewes—4, Lyons Range Calcutta.
161. Lohia D. D.—173, Harrison Road, Calcutta.
162. G. A. Solomon—Dare House, Parry's Corner Madras
163. Mackinon Mackenzie & Co. Private Ltd.—16, Strand Road, Calcutta.
164. L. R. Anantaram Iyer & Bros Ltd.—Pushpagiri, Trichur.
165. McLeod & Co. Ltd.—3, Netaji Subhas Road Calcutta.
166. Hindusthan Investment Corporation Ltd.—15, India Exchange Place, Calcutta
167. B. Barker—'Barlow House 59A, Chowringhee Road, Calcutta.
168. Moona Lall & Sons—120/1, Civil Lines Jhansi.
169. K. P. Goenka—31, Netaji Subhas Road, Calcutta
170. Marshalls (Direction) Private Ltd.—33/1 Netaji Subhas Road, Calcutta.
171. W. E. Malden—P.O. Lohat Dist, Darbhanga.
172. East India Agencies Private Ltd.—Palai Kerala State.
173. Moulton G. S. & Co (India) Ltd.—11 and 12, Esplanade Mansions, Calcutta.
174. N. M. Cole—8, Clive Row, Calcutta.
175. Satya Narain Gupta—Subzimandi, Delhi.
176. Moton & Co.—Maung Pauley St., Rangoon.
177. H. B. Marshall—1, Humayan Place, Calcutta
178. Madura & Co. Ltd.—Cochin.
179. A. D. Shroff—New India Assurance Bldgs. Mahatma Gandhi Road, Fort, Bombay.
180. Matatlal Gagalbhai & Sons—Rustam Bldgs., 29, Churchgate Street, Fort, Bombay.
181. Murphy C.—Rampart Row, Fort, Bombay.
182. Menta, Chunilal V. & Co., Ltd.—Queen's Mansions, Prescott Road Bombay.
183. Sir V. N. Chandavarkar—Standard Buildings, Hornby Road Fort Bombay.
184. Mysore Industrial Development Co.—33, Gandhinagar, Bangalore City.
185. Mascarenhas B. M.—Platform Road, Bangalore City.
186. Naidu G. Kuppuswamy & Co.—Pappanaikenpalayam, Coimbatore.
187. Best & Co. Ltd.—The Hyderabad Laminated Products Ltd., Secunderabad-3.
188. R. Beema Naidu & Co.—Singanallur, Coimbatore.
189. Naidu A. G. Guruswamy & Co.—Peelamedu, Coimbatore.
190. Naidu P. S. Govindaswami & Sons—Coimbatore
191. K. Mookerjee—18, Convent Road, Entally, Calcutta.
192. B. D. Agarwalla—Stephen House, 4, Dalhousie Square, Calcutta.
193. Kesarmal Manocha—529/1, Hall Bagh, Amritsar.
194. G. V. Swaika—"Pollock House" 18/B, Brabourne Road, Calcutta.
195. R. R. Aiyer—71, Park Street, Calcutta.
196. Srinivasan S. D.—7, Council House Street Calcutta.
197. Narandas Laxmandas Ltd.—Ratlampura, Kanpur.
198. Dharamsey M. Khatau—Scindia House, Dougall Road Ballard Estate, Bombay.
199. Nowrosjee Wadia & Sons (Private) Ltd.—Neville House, Ballard Estate, Bombay.
200. Doodhwalla & Sons—5, Muktaram Babu Street, Calcutta-7.
201. R. Arunachalam—17, Richmond Road, Bangalore-1.
202. Octavius Steel & Co., Ltd.—14, Old Court House Street, Calcutta.
203. Matheson Bosanquet & Company Ltd, Belmount Coonoor Nilgiris.
204. Oberoi Hotels (India) Private Ltd.—17, Chowringhee Calcutta.
205. Oakley Bowden & Co. Ltd.—15, Armenian Street Madras.
206. Ogale Glass Works Ltd.—43, Gandhinagar Bangalore City.
207. Deepchand Kisenchal—25, Netaji Subhas Road Calcutta.
208. Indian Textile Syndicate Ltd.—Kanpur.
209. E. A. Elliot Lockhart—4, Fairlie Place, Calcutta.
210. Peirce Leslie & Co., Ltd.—5/222, Beach Road Calicut Kerala
211. B. L. Somany—2, Wellesley Place, Calcutta
212. P. G. Krishna Iyer—Mount Pleasant, Coonoor Nilgiris.
213. Poddar, R. N.—37, Vivekananda Road Calcutta.
214. James Warren & Co., Ltd.—31, Chowringhee Road Calcutta.
215. Parkins Ltd —Kottalam.
216. Parikh, G. & Co.—26, Apollo Street, Fort, Bombay.

MANAGING AGENTS, MANAGING DIRECTORS, DIRECTORS OR SECRETARIES WITH THEIR RESPECTIVE ADDRESSES.

217. L. C. Kanoi—P-8, Mission Row Extension Calcutta.
218. Parry & Co., Ltd.—Dare House, Parry's Corner Madras.
219. India Sugar Agencies Ltd.—Mangalore.
220. Price, R. G. N.—National Bank Bldgs., Madras.
221. Z. R. Irani—1/153, Mount Road, Madras.
222. Chrestien Mica Industries Ltd.—4, Lyons Range, Calcutta.
223. R. N. Agarwala—4, Lyons Range, Calcutta.
224. Lohia Brothers Ltd.—138 Canning Street, Calcutta.
225. Roy, B. K.—1, 2 and 3, Old Court House Street Calcutta.
226. M. D. Shivananjappa—Kampegowda Road, Bangalore 9.
227. W. Morrice—41, Chowringhee Road, Calcutta-16.
228. Ramnaram Sons Ltd.—Bank Street, Fort Bombay.
229. Rajputana Textile (Agencies) Ltd.—Delisle Road, Chenchpeta Bombay.
230. Ratam, C.—Oriental Bldgs, Armenian Street, Madras.
231. Ramamurthy, A.—Ravakhada (Orissa), Koraput Dist.
232. Rathams Ltd.—Pugalur, Trichinopoly.
233. T. Shamanna—1129, Vani Vilasa Road, Mysore.
234. Bangur Bros. Ltd.—14, Netaji Subhas Road, Calcutta.
235. Soorajmull Nagarmull—8, Dalhousie Square East, Calcutta.
236. Shaw Wallace & Co. Ltd.—4/5 Bankshall Street, Calcutta.
237. Srivastava J. P. & Sons—Kanpur.
238. Bharat Ram Charat Ram Private Ltd.—Bara Hindu Rao Delhi.
239. A. R. Kalaraja Chettiar—Coimbatore.
240. A. K. I. K. M. Narayanan Nambudriroad—Kallai Malabar
241. Singh, Ranjit—Lucknow.
242. N. L. Roy & Co.—9, Royal Exchange Place, Calcutta.
243. Shyamlal Agarwal—9, Dalhousie Sq. East, Calcutta.
244. Suvarana Keshavdeo—15, Netaji Subhas Road, Calcutta.
245. Dr. B. N. Ghose—6, Ganesh Avenue, Calcutta-13.
246. Sundaren, S.—Indian Mercantile Chambers, Nicol Road, Bombay.
247. Singhania Padampat—Kamala Tower, Kanpur.
248. B. K. Srinivasan—16, Hare Street, Calcutta.
249. Steel Bros. & Co., Ltd.—Gillanders House, Netaji Subhas Road, Calcutta.
250. I. Stanes & Co.—Coimbatore.
251. Southern India Plantations Agency Ltd.—Coonoor.
252. Sana, Banubalbay—18/11/1B, Raja Raj Ballav Street, Calcutta.
253. R. B. Pradhan—Empire House, 214, Hornby Road Bombay.
254. Sindia, M. Ramchandra Rao—3rd Road, Chamarajpet Bangalore City.
255. Setalvad, J. C.—73, Oppo: Churchgate Station Fort Bombay.
256. Scindia Steam Navigation Co., Ltd.—Ballard Estate, Bombay.
257. Ramnath A. Podar—Podar Chambers, Parsee Bazer St., Fort Bombay.
258. Swedish Match Co.—Nicol Road, Ballard Estate, Bombay.
259. S. Ramashramony Aiyer—Trivandrum.
260. Puranmal Bubna Sons—Indu House, Dougall Road, Ballard Estate Bombay.
261. N. Sirur & Co. Private Ltd.—70, Forbes Street, Fort Bombay
262. Ramnarayan Sons Ltd.—Bank Street, Fort Bombay
263. Seshasayee Bros. Private Ltd.—Mettur Dam, S.S.
264. V. Venugopal Naidu—Sir Jayachamaraja Wadiyar Road, Bangalore-2.
265. Shree Hanuman Jovt. Co. Ltd.—173, Harrison Road, Calcutta.
266. Talukdar S. S. Amlasadarpur Nadia (West Bengal).
267. Tata Hydro-Elec. Agency, Ltd.—34, Bruce Street, Bombay.
268. Turner Morrison & Co., Ltd.—6, Lyons Range, Calcutta.
269. Tata Industries Private Ltd.—Bombay House, Bruce Street, Fort, Bombay.
270. Thomas, A. V. & Co. Ltd.—Alleppey, drum.
271. Thomas, P. T.—Kottayam (Kerala State).
272. Thomas, M. K. & Co., Ltd.—Trivandrum.
273. Tayabjee, O. S.—159, Gunfoundry Rd., Hyderabad (Deccan).
274. A. Aydari and S. Gothberg—Indian Mercantile Chambers, Nicol Road, Ballard Estate Bombay.
275. United Eastern Agencies—Bombay House, Bruce Street, Fort Bombay.
276. United Agencies Ltd.—Punalur.
277. Villiers Private Ltd.—F-3, Clive Buildings, Calcutta
278. S. M. Smith—4 Bankshall St., Calcutta.
279. Williamson Magor & Co., Ltd.—4, Mangoe Lane, Calcutta.
280. Whitman Mj. M. C.—Mayo Road, Rawalpindi.
281. N. K. Jhajharia—22, Chittaranjan Avenue, Calcutta.
282. C. Buckley—3, Netaji Subhas Road, Calcutta.
283. P. R. Jhunjhunwala—Sewrie, Bombay-15.
284. Walchand & Co., Ltd.—Ballard Estate, Fort Bombay
285. Wallace & Co.—9 Wallace Street, Bombay.
286. Wilkinson, A.—117/119, Esplanade Road Bombay.
287. Young India Agencies Private Ltd.—175/1 Mount Road, Madras-2.
288. Dass Group Private Ltd.—29, Strand Road, Calcutta
289. B. L. Mathur—4, Clive Row, Calcutta-1.
290. K. S. Basu—65, Netaji Subhas Road, Calcutta
291. Lionel Edwards (Private) Ltd.- 21, Old Court House Street, Calcutta
292. R. N. Jhunjhunwala & Co., Ltd.—9, Ezra Street, Calcutta.
293. J. F. Horwood—31, Chowringhee Road, Calcutta
294. R. L. Rampuria—5, Fairlie Place, Calcutta
295. Premnath & Sons, Ltd.—New Delhi.
296. S. N. Tantia—1 & 2, Old Court House Corner, Calcutta
297. F. H. Menta—Menta House, Apollo Street, Bombay
298. L. S. Vaidyananthan—Oriental Buildings, Bombay
299. Kishore M. Premchand—61, Apollo Street, Fort, Bombay
300. Madanlali Kakarania—P-23/24, Radha Bazar Street, Calcutta-1.
301. Jennis Roy Galloway—1 & 3, Brabourne Road, Calcutta-1.
302. Mitra Mondal—Khatauli, Dt. Muzaffarnagar
303. G. S. Shroff—2, Hardinge Avenue, New Delhi
304. James Finlay & Co., Ltd.—2, Netaji Subhas Road, Calcutta.
305. Thackersey Mooljee & Co.—16, Apollo Street, Fort, Bombay.
306. Jatia Brothers Ltd.—21, Rupchand Roy Street, Calcutta.
307. Bhatter's Agency Ltd.— 18, Netaji Subhas Road, Calcutta
308. The Hyderabad Constructions Co., Ltd.—Kothagudium Collieries, Singareni P.O., Deccan.
309. T. Leslie Martin-12, Mission Row, Calcutta.
310. D. S. Barron—Chakala Andheri P.O., Bombay.
311. Pyne & Sons—23A, Netaji Subnas Road, Calcutta
312. Ram Kumar Agarwalla & Sons.—4, Lyons Range, Calcutta.
313. Bullion Co., Ltd.—, Canning Street, Calcutta
314. Brooke Bond India Ltd.—2, Metcalfe Street, Calcutta.
315. Anderson Wright (Ramgarh) Ltd.—7, Wellesley Place, Calcutta.
316. The Cotton Agents Private Ltd.—14, Radha Bazar Lane, Calcutta-1
317. Bird & Co. (Pakistan) Ltd.—Narayanganj.
318. Shree Krishna Investment Co, Ltd.—1-B, Halwasiya Road, Calcutta
319. R. V. R. Iengar—Dare House, Parry's Corner, Madras.
320. F. W. J. Penn—32, Grant Road, Bangalore-1
321. B. Ghosh—14, Old Court House Street, Calcutta
322. Messrs Tata Sons Ltd.—New India Assurance Buildings, Mahatma Gandhi Road, Fort Bombay-1.
323. Anderson Wright & Co.—7, Wellesley Place, Calcutta
324. Indo Corporation Private Ltd.—5, Swinhoe Street, Calcutta-19
325. Brian Granger Pearson—Virginia House, 37, Chowringhee, Calcutta
326. B. L. Pyne—14, India Exchange Place, Calcutta
327. Marwar Textiles (Agency) Ltd.—Wadbi Road, Fort Bombay-1
328. John Taylor & Sons (India) Ltd.—Mysore Goorgam, South India.
329. Sri G. D. Bhagat—15, Shib Thakur Lane, Calcutta
330. Mahindra & Mahindra Ltd.—Gateway Building, Apollo Bunder, Bombay.
331. N. L. Roy & Sons—Canning Street, Calcutta
332. M. P. A. Paspatti—16, Hare Street, Calcutta
333. Mungturam Jalpuria—Swadeshi House, Civil Lines, Kanpur.
334. H. Mackay Pallack—2, Fairlie Place, Calcutta
335. Sahu Jain Ltd.—11, Clive Row, Calcutta.
336. Tulsidas Kilachand—Scindia House, Dougall Road, Bombay
337. Berlwala & Co.—63, Netaji Subhas Road, Calcutta.
338. D. R. Sons Ltd.—Hornby Road, Fort, Bombay.
339. M. G. Investment Corpn. Ltd.—Matatial House, Backbay Reclamation, Bombay-1.
340. K. O. Cheriyan—Travancore.
341. N. L. Kanoria—India Exchange, Calcutta-1.
342. O. N. Chatterjee—2, Royal Exchange Place, Calcutta.
343. Indra Singh—135, Canning Street, Calcutta-1.
344. V. J. Pitani—Victoria Bunder, Colaba.
345. The National Tea Corporation—130, Cotton Street, Calcutta
346. Seshasayee Brothers (Travancore) Ltd.—Eloor Factory, Alwaye.
347. Tantia Brothers Private Ltd.—1 & 2, Old Court House Corner, Calcutta.
348. M. D. Jalan—62, Ballygunge Circular Road, Calcutta-19
349. Seth Sonanlal Murarka—19, Circular Garden Reach, Calcutta-23
350. K. Agarwal—Empire House, Dr. Dada-Bhoy Naoroji Road, Fort, Bombay.
351. L. & I. (Management) Private Ltd.—I. C. House, Dougall Road, Ballard Estate, Bombay
352. Chinai And Co. Private Ltd.—Sadhana Rayon House, Dr. Dadabhai Naoroji Road, Bombay-1.
353. N. K. Jhajharia—14, Netaji Subhas Road, Calcutta
354. L. C. Kanoi—P-8, Mission Row Extension, Calcutta
355. T. R. Jalan—16, Strand Road, Calcutta.
356. R. Bajoria—10, Clive Row, Calcutta.
357. A. K. Jain—11, Clive Row, Calcutta.
358. L. P. Goenka—14, Old Court House Street, Calcutta-1.
359. G. D. Kothari—15, India Exchange Place, Calcutta
360. R. F. S. Talyarkhan—Volkart Building, 19, Graham Road, Bombay-1.
361. N. K. Bose—85, Netaji Subhas Road, Calcutta
362. Dalmia Agencies Private Ltd.—Rajgangpur (Orissa)
363. G. L. Nanata—14, Old Court House Street, Calcutta
364. W. A. C. H. Bosschaart—7, Justice Chandra Madhab Road, Calcutta-20.
365. S. L. Dhanuka & P. L. Dhanuka—5, Mission Row, Calcutta
366. A. K. Sen—48/1, Diamond Harbour Road, Calcutta-27.
367. Lakshmipat Singhania—7, Council House Street, Calcutta.
368. Kalyanji Mavji & Company—14, Netaji Subhas Road, Calcutta
369. P. L. Batia—7, Canning Street, Calcutta
370. Pannalal Saraogi—8, Lyons Range, Calcutta-1.
371. P. L. Sarogi—55, Sir Hariram Goenka Street, Calcutta-7.
372. H. K. Newar—9, Brabourne Road, Calcutta.
373. C. L. Maheswari—Shreeniwas House, Waudby Road, Fort, Bombay
374. Talukdar Law & Co. Private Ltd.—4, Chittaranjan Avenue, Calcutta-13.
375. K. N. Mookerjee—Leslie House, 19, Chowringhee, Calcutta-13.
376. K. D. Ganguli—Mercantile Buildings, Lalbazar, Calcutta
377. K. C. Dass & B. Maitra—35, Panditia Road, Calcutta-20
378. R. N. Goenka—18-A, Brabourne Road, Calcutta.
379. S. K. Damani—30, Clerk Road, Bombay-11.
380. British India Corporation Ltd.—Sutherland House, Kanpur
381. A. K. Jain—Dalmianagar, Bihar.
382. B. P. Kedia—7, Wellesley Place, Calcutta-1
383. W. H. G. Baird—9, Brabourne Road, Calcutta
384. Punam Chand Batia—15, Circular Garden Reach Road, Calcutta-23.
385. G. P. Kanoria—5, Clive Row, Calcutta.
386. O. N. Jalan—McLeod House, 3, Netaji Subhas Road, Calcutta.
387. Shibendra Sankar Sarbadhyksha—Jalpaiguri.
388. A. V. Birla—9, Kaliprasanna Singhee Road, Calcutta-2
389. British India Corporation Ltd.—Kanpur.
390. I. Ratan—16/3, Chowringhee Road, Calcutta-13.
391. H. M. Cox—59-C, Chowringhee Road, Calcutta-20.
392. R. A. Godwin—32, Chowringhee Road, Calcutta-16
393. Khatau M. Shethia—14, Netaji Subhas Road, Calcutta-1.
394. B. M. Birla—India Exchange, Calcutta-1.
395. W. F. Malden—Lohat, Darbhanga.
396. D. Manson—21, Netaji Subhas Road, Calcutta.
397. N. M. Bhuwalka—135, Canning Street, Calcutta
398. Hoare Miller & Co., Ltd.—5, Fairlie Place, Calcutta.
399. B. Patnaik & Co. Private Ltd.—P.O. Chowdwar, Cuttack
400. R. K. Kanoria—9, Brabourne Road, Calcutta-1
401. K. V. Venkitasubramoney Iyer—Seetagundy Estate, Sirkarkunda P.O. Palghat, Dist. Kerala State
402. A. V. George & Co. Ltd.—Ancherli Bank Buildings, Post Box 1, Kottayam, Kerala State.
403. Mathew Sebastian—Thodupuzha, Kerala State.
404. Planting Agencies Private Ltd.—Oriental Buildings, Armenian Street, Madras-1
405. The Consolidated Coffee Estates (1943) Ltd.—Pollibetta, Coorg.
406. C. L. Machia—Pollibetta, S. Coorg.
407. Srinivas Agencies—Coimbatore-2.
408. K. N. Krishna Iyer—22, Rovapettah High Road, Madras-14.
409. Young India Agencies Pvt. Ltd.—Monorama Bldgs. K. K. Road, Kottayam (Kerala State)
410. Parkins Private Ltd.—Kottayam.
411. Johnsons Estates & Agencies (Private) Ltd.—Malankara Bldgs., Kodimatha, Kottayam, Kerala
412. Associated Planters (Pvt.) Ltd.—25, General Patters Road, Madras-2
413. J. R. Motishaw—Mercantile Bank Building, 16, First Line Beach, Madras-1.
414. R. V. Mathew—Kottayam, Kerala State.
415. K. S. Ramachandran—Pattom Palace, P.O. Trivandrum-4.
416. N. Kunjukrishna Pillai— T. C. 6/750, Pattom Palace, P.O. Trivandrum-4.
417. Rango Rao & Co.—Venkataraypuram, Tanuku, West Godavari Dist., Andhra Pradesh
418. The India Sugar Agencies Private Ltd.—139, Meadows Street, Fort, Bombay-1.
419. R. S. Industrial Corporation, Private Ltd.—Ravagada, Koraput Dist., Orissa State
420. V. Ramakrishna Sons (Private) Ltd.—38, Mount Road, Madras-6
421. Seshasayee Brothers (Travancore) Pvt. Ltd.—1, Ceramic Factory Road, Kundara (Kerala)
422. Sir A. Ramaswamy Mudaliar—Ennore, Madras
423. P. J. M. Leigh—7, Armenian Street, Madras-1
424. K. R. Sundaram Iyer—Tiruvottiyur, Madras-19
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IMPLICATIONS OF THE NEW CREDIT POLICY

As expected, the Reserve Bank announced its new credit policy on Wednesday of last week—just before the commencement of the 1963-64 busy season. The policy has three main features. The first is that the quota of statutory borrowing permitted from the Reserve Bank at each of the two tiers of interest rates—4½ percent and 6 percent—has been increased. The second is that the penal slab of 6½ percent has been abolished. The third is that the obligation to maintain a minimum margin of 40 percent on bank advances against shares has been scrapped. The stock markets have greeted the new credit policy with a substantial rise in share prices, but the reception from leading bankers has been lukewarm.

What are the implications of the new credit policy for the busy season? The most important point to note is that the policy has been framed against a background of comfortable conditions in the money market. The call rate has been hovering around the low level of 2 percent or 2½ percent, with lenders over. The accretion to bank resources during the slack season this year has been considerable. For instance, the reduction in credit during the 1963 slack season has amounted to Rs. 114 crores, as against only Rs. 53 crores in the 1962 slack season. The growth of deposits too has been substantial—Rs. 150 crores, compared with an increase of Rs. 95 crores in the 1962 slack season. The banking system has thus increased its resources by about Rs. 265 crores during the past six months. A substantial portion of this money has been invested in holdings of gilt-edged securities, with the result that they touched a new high in October.

On the other hand, the demand for bank credit is expected to be somewhat higher in 1963-64—maybe 15 percent or 20 percent more than it was a year ago. During the 1962-63 busy season, bank credit increased by Rs. 205 crores—the increase being almost the same as in the 1961-62 busy season. There are several reasons for expecting that the demand for credit during the new busy season will be bigger than in the busy seasons of 1962-63 and 1961-62. Agricultural production, including the output of foodgrains and cash crops like cotton, oilseeds and sugarcane, is expected to improve. Industrial production is estimated to be running at a level 7 percent or 8 percent higher than last year. With several big industrial projects going into operation in the next few months, the demand for credit, especially for inventory accumulation, raw materials and components, is expected to be sizeable. In informed circles, credit during the 1963-64 busy season is expected to expand by around Rs 250 crores, and this figure too may prove an under-estimate. The banking system is well placed to meet this demand without any strain. Under the circumstances, the relaxations announced by the Reserve Bank may turn out to be symbolic gestures designed to take care of unforeseen contingencies.

It is worth noting that the Reserve Bank has not made any modifications in the two-tier system of lending rates. The quota of credit available at each tier, which was hitherto 50 percent of the statutory reserve of an individual bank, has now been increased to 75 percent of the statutory reserve. Assuming that the aggregate of statutory reserves at present is Rs. 66 crores (calculated on the basis of deposits at Rs. 2,200 crores), banks would be entitled to borrow another Rs. 33 crores from the Reserve Bank, in terms of the relaxations announced last week. The amount the banks can borrow will of course also increase with each successive rise in deposits. Another question to consider is the extent to which the cost of credit might be reduced. One calculation is that the average cost of credit will decline from 5 percent under the previous system to 4½ percent if the borrowing equals 75 percent of the statutory reserve; from 5¼ percent to 4¾ percent if the borrowing equals 100 percent of the reserve; from 5⅜ percent to 5¼ percent if the borrowing equals 150 percent of the reserve; and from 5½ percent to 5⅛ percent if the borrowing equals twice the reserve.

Considering the limited nature of the facilities under the statutory reserve criterion, the total relief to the banking system will be less than Rs. 35 crores, with deposits at the present level of Rs. 2,200 crores. Furthermore, the advance-deposit ratio of individual banks varies so widely that in many cases the actual gain is likely to be negligible. In some big banks, the advance-deposit ratio is very high, being 70 percent or so even now. These banks will presumably try to secure more funds from the inter-bank call money market—where interest rates will tend to rise as the busy season advances. It is unlikely that the banks will lend money more cheaply to their customers since, in effect, the concessional terms of credit are of no great significance to many banks, taken individually. The Reserve Bank has expressed the hope that the banks will pass on the benefits of cheaper credit accruing from last week's relaxations to customers but it is unlikely that this fond hope will materialise.

The minimum margin of 40 percent prescribed for advances against shares has been abolished. Once again, this does not mean much in practice. Abolishing the minimum for the margin does not absolve banks of the responsibility to keep their usual prudential margin on advances against shares. Before the minimum margin was introduced by the Reserve Bank, individual banks were keeping a margin of 20 percent or 25 percent on advances against shares. Only a few banks lend against shares, and they have their own system of margins against each specific share, based on their experience of fluctuations in the stock markets. The Reserve Bank has now removed the minimum margin against shares because the stock exchange authorities have their own margin system against both bulls and bears to check abnormal fluctuations. Informed observers are, therefore, surprised that the response from the stock markets should have been bullish. The ban on banks investing in *budla* operations continues, but it has no practical significance since such transactions are nowadays

financed by the so-called "unaccounted money" floating on the fringe of the banking system.

The relaxations in credit policy announced last week are thus at best of psychological value. They are intended to maintain the mood of optimism generated by such events as the modification of the compulsory deposits scheme in September and the pep talk broadcast by the Finance Minister, Mr. T. T. Krishnamachari, in October. The intention is to keep industry and the stock markets in hopeful good humour. This the concessions seem to have achieved for the time being. But it has to be remembered that credit and monetary policies are only part of the overall programme for reviving the economy which Mr. Krishnamachari has yet to announce. The schemes for starting a unit trust, for converting the Industrial Finance Corporation into a development bank and for amending the Banking Companies Act, are yet to be finalised. The real direction of monetary policy will be known only when the nature of these changes is clear. Until then, the credit relaxations announced by the Reserve Bank are of no great consequence. Conditions in the money market are expected to be fairly comfortable even in the busy season, and banks may, therefore, have no major difficulty in raising the resources they need without approaching the Reserve Bank for large sums.

NEW ISSUES STAGNATE

THE recent rise in prices in the stock market has created a sense of complacency about the revival of investment confidence. The weakness of the upward movement lies in the fact that it is based only on speculative support, so activity has centred on clearing scrip. Investors have shown their lack of confidence in the new issue market, so most new shares are quoted below par. It is disturbing that new issues in such important industries as paper, cement and sugar have been offered freely at a substantial discount. Various factors have contributed to the lack of confidence. The working of new companies has been hindered by the shortages of raw materials, power, transport and spare parts. Some new companies have failed to show progress according to their original plans, which is partly their own fault and partly due to factors beyond their control.

Although gross mismanagement has harmed only a few new companies, some of them have suffered because they have been sponsored by inexperienced people. Progress has been hampered by the cumbersome procedures relating to licensing and imports. Project costs have often exceeded the original estimates due to the sharp rise in the price of foreign equipment following the imposition of heavier import duties. Investors have been shaky since the gestation period has been far too long. This apart, their enthusiasm has cooled due to the poor profit outlook for the corporate sector. In such industries as paper, cement and sugar, the outlook has suffered since the prices of these commodities have been fixed at unrealistically low levels which do not even ensure an adequate return, let alone an attractive one. Although new undertakings enjoy the benefit of tax exemption in the initial years, they have lost a great deal of attraction on a long-term view. They stand to suffer due to heavier taxation in the long run along with the established companies.

Statistics relating to new issues for 1962-63 are depressing in that greater reliance has had to be placed on raising funds through debentures rather than shares. Although total new issues have amounted to Rs. 59.12 crores for 1962-63, compared with Rs. 26.41 crores for 1961-62, shares of new companies have contributed only Rs. 16.44 crores to the total for 1962-63 and new issues of established companies have accounted for Rs. 8.42 crores, while debenture issues have been worth Rs. 34.25 crores. The trend has deteriorated subsequently. A large part of the recent new issues have had to be taken up by the underwriters themselves. If the latter continue to be burdened with new issues, they might be less inclined to underwrite them in future.

At its recent meeting in Bombay, the Advisory Committee on Capital Issues has recommended some measures in a bid to revive investment confidence. The Committee has recommended that the exemption limit on capital issues not requiring the consent of the Controller of Capital Issues should be raised from Rs. 10 lakhs to Rs. 15 lakhs. Since the Rs. 10-lakh limit was fixed in August 1959, there has been a substantial decline in the purchasing power of the rupee. Project costs have risen sharply. Under the circumstances, the recommendation is worth accepting. The Committee has also suggested that the Government should allow existing companies to diversify their activities. Although diversification is commendable under certain circumstances, the Government should regulate it carefully. Diversification is justified when a company has surplus funds which cannot be profitably employed in the existing line of activity. But before a company is permitted to diversify its activity, it should be asked to get the specific approval of its shareholders. It is also necessary to see to it that the company has the expertise and experience necessary for the new line it proposes to undertake. Funds may be misused unless close vigilance is kept on such activities. But there is not much scope for diversification under present circumstances since a large part of the existing industrial capacity has been rendered idle by the shortage of raw materials, spares and components. The committee has also endorsed the principle of maintaining the ceiling on the corporate debt-equity ratio at 2:1. This is a harmless recommendation. But it is likely to be of little practical significance in the present circumstances. In view of the poor prospects for the corporate sector, combined with the high cost of credit, companies by and large have been less inclined to borrow funds.

The new issue market is not expected to benefit from the Reserve Bank's credit policy formulated for the 1963-64 busy season. The stock market has exaggerated the significance of the move to scrap the restrictions on bank advances against shares. Although the banks will henceforth be able to advance funds against shares freely at their discretion, it is doubtful whether they will consider it prudent to advance more than 60 percent of the share value due to the prevailing uncertainties. Banks have hitherto been permitted to advance money against shares by keeping a margin of at least 40 percent of the share value. The latest liberalisation is insignificant for all practical purposes as far as new shares are concerned. It has generally been the practice of banks not to advance funds against new shares Banks generally are not willing to advance money against shares unless they have a continuous dividend-paying record for several years. This apart, it is not sensible to buy new shares by borrowing. The main aim of offering new shares is to mobilise savings for industrial investment. This objective is unlikely to be achieved if the purchase of new shares by borrowing is encouraged. Considering the high cost of credit, it is also doubtful whether investors will take the risk of buying new shares with borrowed funds.

To revive investment confidence will be difficult. Political factors apart, investors will not take the risk of starting new ventures unless they are assured of an attractive return in the long run. So it is urgently necessary to take concrete measures to improve the outlook for the corporate sector. The gestation period for new industrial undertakings in India has been unnecessarily prolonged by bureaucratic delays in licensing and sanctioning foreign collaboration agreements and in allocating foreign exchange. Cumbersome Governmental procedures can be removed to some extent if red tape is cut to the minimum. The Government has been influenced by ideological rather than practical considerations in fixing the prices of various commodities. It is not possible to promote industrial development unless the price of a commodity is fixed in such a way that a fair and reasonable return is ensured on capital employed. The industry must be allowed to earn a profit which helps it to pay good dividends and allows it to plough back funds for modernisation and expansion. Although new industrial undertakings enjoy some tax concessions in the initial stages, they have not been sufficient to attract investors. The outlook for corporate profits will not improve until the tax burden is lightened. Meanwhile, the Controller of Capital Issues has not hesitated to impose the penalty of a premium on the issue of rights shares even by a new company which has not started paying dividends. There can be no logic in asking shareholders of a new non-dividend-paying company to buy its rights shares at a premium. The Government should, therefore, suitably modify its policy on the sanctioning of rights shares, particularly in the case of new companies.

A LONG LOOK AT COAL

WHEN technical issues have wide social implications, one can hardly blame professional men from entering the lists even if this involves straying into the alien sphere of politics. Perhaps some such considerations provoked Mr. Narendra Singh Singhi, president, into a detailed discussion of several controversial issues last week in his address to the Geological, Mining and Metallurgical Society in Calcutta. The intervention would have served a better purpose, however, if the views expressed from this respected professional forum had looked beyond the operating day-to-day problems towards the long-term policy goals. After all, current problems have already been aired adequately by the trade and industrial bodies directly concerned, making further reiteration only of marginal value.

Consider, for instance, Mr. Singhi's thoughts on the problems of coal transport. Quite rightly, he points out that the railways have adopted an unreasonable basis for calculating the demurrage charged on box wagon rates or are being needlessly rigid in their insistence that the full cost of strengthening railway sidings to take the heavier trainloads should be borne solely by the collieries. These are valid points but they have already been discussed several times over between the parties concerned. It would have been far more useful if Mr. Singhi had, from a professional viewpoint, offered some ideas on what the pattern of future transportation should be, and the concrete steps to be taken to move towards it avoiding unnecessary hardship and disruption *en route*.

Anyone looking into the future of coal will agree that the size of output and demand are fast approaching the level where present concepts about the industry will have to undergo very substantial changes if further progress is to be reasonably orderly. Whichever way one looks at it, the problems posed by a production level of 70 million tons—the estimated figure for 1963—are of an order entirely different from what obtained seven years ago when the output was only 39 million tons. The gap between the past and the present will widen steadily as production rises, even though the pace of advance may not be as dizzy as some people expect. The changing dimensions require an appropriate response in many ways but perhaps most of all in the mental approach to the industry.

It needs to be firmly recognised that the rising output cannot be transported by methods which may have served well in the past. To cling to them may avoid immediate difficulties but it will only mean accumulating headaches for the future. Units of movement have to rise in step with increasing production. If once the maximum trainload was around 600 tons, the aim should be to move 1,500 tons or 2,000 tons at a time to reduce the strain on the railways' carrying capacity. This is the rationale of the box wagon rakes that the railways are progressively using for moving bulk traffic, an effort at rationalisation which should receive support, particularly from those who are alarmed at the steady rise in freight rates. A large part of the investment in the five year plans already goes into the railways; the burden will become heavier if the country fails to get better value out of existing plant and equipment through more intensive use. In principle, the railway users

—the coal industry the biggest among them—has a direct stake in the efficiency of the system.

Principles cannot, however, be translated into practice without a great deal of mutual adjustment between the railways and the consumers. This adjustment is being impeded by the lack of funds to carry out changes at the colliery end corresponding to the larger units of movement. If 1,500 tons or 2,000 tons are to be loaded in a few daylight hours, the task cannot *prima facie* be handled by an old-style labour gang supplied by a contractor. First, the size of the gang will be too unwieldy—a minimum of 400 persons being required to load one rake. But that is less intractable than providing regular employment on a year-round basis because of fluctuations not only in wagon supplies but also in demand. Again, the placement of rakes at sidings is subject to such uncertainties that it is almost impossible to make any advance arrangements. Inevitably, therefore, one has to assume the gradual adoption of mechanical loading devices—bunkers for the larger collieries and mobile loading equipment for small individual collieries or groups of them. Leaders of the coal industry recognise that this is the direction to take, while continuing to press for an extension of the free-loading time to facilitate the transition. The only snag, of course, is the simple one of funds, including the foreign exchange component, needed for mechanising the loading operation.

In today's situation, where the industry is so short of resources for its basic needs, collieries are understandably reluctant to invest money in handling equipment when it can be more usefully employed both from their and the national viewpoint in augmenting their raisings. This points to the conclusion that the transformation of the industry from its present technological level requires enlarging the scale of every operation not only to break even but for the new system to work at all. Collieries have to attain a minimum economic size through expansion where feasible or mergers. Trying to load block rakes—the tonnage moved on each train should go up even further in due course in line with worldwide trends—while production is distributed over 844 units is like coupling a powerful motor-car to a bullock cart. In 1956, an official committee said that any unit producing less than 72,000 tons a year was to be regarded as uneconomic, a criterion by which 569 units were judged to be below the minimum viable size.

The Government is committed to promoting a healthier structure within the industry by encouraging mergers but this does not seem to prevent it from licensing new units well below the minimum size it has itself prescribed. In the week ended 19th October, the list of industrial licences includes one for a colliery which will start with an output of 6,000 tonnes and go up in the fourth year to only 18,000 tonnes. It would have been useful if Mr. Singhi had, while protesting against present inequities, made it clear that responsible sections of the coal industry are not averse to technological changes. They only want that these should be put through with some consistency so that reforms do not defeat themselves.

The plea separately entered by Mr. Singhi for conserving coking coal and the better grades of non-coking coal is entirely sound. In fact, there has never been any disagreement on the need for conservation but the practical means of doing so continue nevertheless to elude definition. There is, for instance, the problem of supplying steam locomotives with a suitable fuel on which no agreement is yet in slight. The thermal efficiency of the steam locomotive is already so low that forcing it to use low-grade coal may well make the situation intolerable because of the technical difficulties arising from the small size of the boiler. Is the washing of low-grade non-coking coal the right answer to the railways' problems? Since steam traction will continue to provide a sizeable part of the total transport needs for many years yet, the issue is not going to be solved by letting matters drift. But, as Mr. D. C. Driver pointed out in his speech to coal consumers, the weight of middlings which will be thrown on the fuel market by coking coal washeries alone will be so large that any increase is hard to contemplate. Mr. Singhi did not go into any of these issues; he confined himself only to a statement of broad principles. These principles already being well understood, no helpful lead to public opinion can be given unless one gets down to the problems in detail.

This has already been done in the steel industry in relation to coking coal. Blending of non-coking coal is an idea many years old but at last a beginning is being made towards its implementation At the last meeting of the steel steering group, the decision was taken to conduct full-scale trials in existing coke ovens on the basis of the work done in laboratories and pilot plants. Similarly, a start with fuel injection has been made at Jamshedpur. The point in recalling these efforts is to underline the urgency of moving over from the general to specific in this vital field of fuel technology.

A final word about Mr. Singhi's views on the conservation of India's mineral resources. He has asked for a ban on the export of bauxite, chromite and sillimanite. Whatever may be said about the last two, where bauxite is concerned the plea is hard to justify. According to the latest reckoning, India has 30 million tons of proved high-grade ore and another 34 million tons of quotable reserves, but the latter does not figure at all in Mr. Singhi's calculation. At current and prospective rates of consumption, these reserves will last more than 70 years—long before which technology will undoubtedly have found the means to use low-grade ores, of which India has further large reserves. On grounds which he does not clearly specify, Mr. Singhi has warned against complacency about iron ore presumably because he thinks that better prices may be realised for exports in the future. His judgment runs counter to all authoritative estimates of the situation. It is difficult to assess, therefore, the validity of Mr. Singhi's highly individualistic standpoint, and one only hopes that he will some day explain it more fully.

THE CHALLENGE OF AUTOMATION

BRITONS have become unusually aware of politics, and British politicians have become unusually aware of automation. But ideas on this immensely important subject are various. Mr. Edward Heath, whose function in the reorganised Government is concerned with industry, has said that some of the biggest British companies are already fully exploiting automation, and that the Government is now trying to improve efficiency in the broad mass of British companies by the same means. Mr. Harold Wilson, the science-conscious leader of the Labour Party, has hinted that his Party, if put in power, will exert stronger pressure in the same direction. Mr. Basil de Ferranti, head of the Ferranti electrical group (whose computer division has recently been acquired by International Computers and Tabulators) has criticised the Government for unnecessarily buying foreign computers, thereby failing to promote in Britain the basic equipment of automation. But Sir Geoffrey Vickers, an eminent British social scientist, has argued that the whole process should be slowed down, throughout the western world, to avert the violent social upheaval that it will cause if it proceeds at its present pace.

Sir Geoffrey was speaking at the Conference on Automation and Social Change in Toronto a few weeks ago—in a region where automation is already a major social problem. In North America, not even substantial increases in production this year have appreciably reduced the big surplus of labour. In Britain, by contrast, the growth of the economy has reduced unemployment, even reversed the normal seasonal trend: the mid-October figure this year, for the first time since the end of the War, was lower than the mid-September figure. But even in Britain, where the national average of unemployment is comparatively low (a little over 2 percent of the registered working population), there are areas of serious unemployment, where big new factories are being built but, because they are semi-automated, are not absorbing much idle labour.

Mainly, however, Britain has avoided the ill effects of automation. This year she has increased her production, improved the standard of living, strengthened her balance of payments: and these improvements, achieved mainly by conventional means, have involved no social problems. This happy position seems to be an outcome of "the British genius for compromise". Closer inspection reveals it to be, rather, an outcome of British conservatism; and conservatism in business can accumulate a load of trouble for the future. British companies are modernising their organisations and their plants faster than their critics acknowledge, but not as fast as their competitors, particularly in the United States. Mr Basil de Ferranti has attributed the comparatively slow progress of the British computer industry not only to the unhelpful policy of the Government but also—indeed, primarily—to the comparatively low cost of British labour. But the labour unions are responding to the evidence of increasing profits, and the cost of labour is rising. The position of British industry as a whole, in the world market has been improved this year by a comparative improvement in wage costs; it can be maintained in the future only by a comparative improvement in efficiency. The movement towards automation is already perceptibly accelerating.

Britain is advanced in the technology of automation (it has been estimated that about two-thirds of the theory that evolved computers was British) but backward in the application of it. More than four-fifths of the world's computers are made in the United States, and British computers are accepted more readily in continental Europe than at home. Inevitably, this anomaly will be corrected. The evidence of savings in costs achieved by computers—in planning production, optimising industrial processes, controlling stocks, calculating wages, performing the routine functions of banking and insurance, and so on—cannot be ignored. No advanced country can permanently avoid a consequence of the new technological revolution, technological unemployment, unless it succumbs to the demands of organised labour that workers be kept on payrolls regardless of the need for them; and if it succumbs it will let its industry languish in a competitive world: so it will only delay, not prevent, unemployment. The representatives of both employers and employees seem generally willing to discuss the problem sensibly, but conflict is inevitable. Even ships are being automated now, and British shipowners who have tried to get agreement that stewards shall do the jobs of ordinary seamen at the beginning and the end of a voyage, because there are no jobs for ordinary seamen during the voyage, have encountered strong resistance.

Optimists assert that economic expansion can solve this problem. They remind us that similar fears in the early phase of the first industrial revolution were not justified by subsequent events, be-

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cause mass-production techniques expanded the market for goods and so broadened the whole industrial base, so that labour displaced from one industry was easily absorbed in others. The relevance of this comparison is debatable. The new techniques are so versatile that almost any industry or service can be partly or wholly automated. But the temptation to apply orthodox solutions will be strong. Any British Government confronted by a serious problem of unemployment would be urged to inflate the economy; for, Britain, peculiarly dependent on international trade, could not evade the issue by restraining modernisation. American experience shows that orthodox monetary stimulants are irrelevant. Yet Sir Geoffrey Vickers's suggestion to inhibit automation is impracticable. A monetary upheaval coinciding with a social upheaval would be disastrous.

Current News and Comment

Feeble Move to Raise Sugar Output

The basic sugarcane price to be paid by sugar factories in 1963-64 for a recovery of 9 percent or less was recently increased to Rs. 1.56 a maund —which could be raised to Rs. 1.75 a maund in case the factories were facing severe competition from *gur* and *khandsari* units—and restrictions were imposed on the production and inter-State movement of *gur* and *khandsari*. Yet the sugar mills were not getting cane in sufficient quantities. *gur* and *khandsari* prices in most Indian markets have been 25 percent to 50 percent higher than those of factory sugar. Consequently, the producers of the former commodities have been able to pay a price of Rs. 2.50 for a maund of sugarcane.

In order to prevent the diversion of cane, the Central Government has announced last week an increase of 12nP a maund in cane prices. This would increase the basic price to be paid by sugar factories to Rs. 1.68 a maund for a recovery of 9 percent or less; in extreme cases where sugar factories are facing severe competition from *gur* and *khandsari* units, the price would be raised to Rs. 2 a maund. It is obvious that even the higher price to be paid by sugar factories would not prevent diversion. Besides, the higher prices of cane would be taken into account in determining the ex-factory costs of sugar under the Tariff Commission formula. When sugar prices increase, those of *gur* and *khandsari* are also bound to rise. In that case, the producers of the latter commodities would be able to pay still higher prices for cane. It is thus likely that as a result of the competition for the raw material, the sugar factories may not get more cane than what they got before the cane price was raised by the Government. If this were to happen, sugar consumers would have suffered without the factories deriving any benefit and without moving towards the target of 3.3 million tons fixed for 1963-64.

At the present time, the effective method of increasing the supply of cane to factories is to control the production and distribution of *gur* and *khandsari* more rigorously. Although the Central Government's order raising cane prices also provides for the regulation of inter-State movement of *gur* to ensure a fair and equitable distribution of the commodity, it is the States which actually control *gur* and *khandsari* production. Either because the State officials have not realised the urgency of this problem or because the necessary administrative machinery is lacking in most of the States, *gur* and *khandsari* units are able to function as they please in spite of the restrictions which the State Governments have imposed upon them.

Shortfall in Oil Capacity

Burmah-Shell is credited with the view that the gap between refinery capacity and the supply of petroleum products may widen to 4.35 million tons at the end of the third plan. This merely confirms the suspicion held all along that the neat calculations made in the Central Ministry of Mines and Fuel disclosing a fine balance between domestic supply and demand rested on no securer a basis than the hopes of the redoubtable Mr. Malaviya, who has now mercifully moved to other pastures. Some day Indian refining capacity will indeed go up to the 17 million tons that Mr. Malaviya had planned, but no amount of socialist zeal can cut down construction time below a minimum. Nor can enthusiasm and hope coax oil out of a field in which prospecting has barely begun.

Oil India, which is to supply crude from the upper Assam field to Barauni and Nunmati, could not get started on the essential task of extending its operations because the State and the Central Governments were engaged in a long-drawn tussle over royalties. Present expectations are that actual supplies flowing down the pipelines will not be much more than 3 million tons, just sufficient to keep the two public sector refineries in eastern India going at the capacity originally scheduled, before the jacking up operation performed by Mr Malaviya to convince himself, if no one else, that everything was right with his refinery programme. Barauni's completion, now put back to June 1964, will, therefore, contribute no more than 2 million tons, but the third million will depend less on the Russian construction schedule than on the supplies of crude. Since the Calcutta-Barauni pipeline will not be ready until well after the third plan, this means abandoning hopes of additional production.

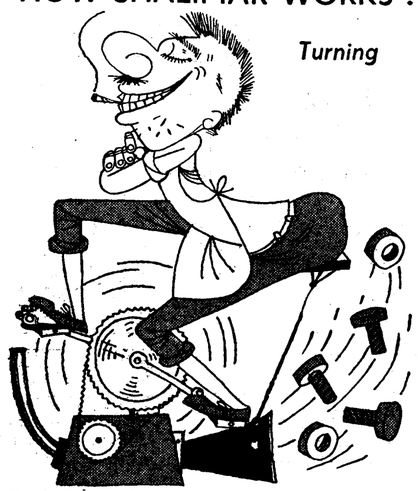
Nunmati, never a happy choice for locating a refinery, has run into a series of problems qualifying it to be called the oil industry's "sick child" a phrase once applied to Rourkela. Its current rated capacity is 750,000 tons, but sustained output at this rate has yet to be achieved. Design defects were discovered and eventually acknowledged after an initial attempt to pass the buck by the Rumanians. These have reportedly been set right by a team of technicians who brought in a top-ranking Minister to pacify the irate Indian crew who had been left to take the rap. Adding to difficulties within the refinery is the waywardness of the Brahmaputra, which by changing its course, has left Nunmati without water. In the light of all this, one can readily agree with the assessment that Nunmati will have done well indeed if it achieves production at its present rated capacity by 1966. There will be plenty to do to get to this goal. To expect anything more is just not practical. The story of Koyali in Gujarat runs on closely parallel lines; scheduled to be completed by June 1964, the deadline has now been put back to the end of 1965. According to the Burmah-Shell study, the autumn of 1966 would be a more realistic target, although the delay of a few months will make little difference in the final analysis. This is because the Gujarat field is presently capable of producing only 2 million tons of crude while the refinery has been ambitiously enlarged to 3 million tons. Unless more oil is found or some steps taken to pipe imported crude to the inland site, Koyali can well afford to take its time in getting the third million ton of capacity into commission.

Cochin is to work wholly on imported crude and has, therefore, no worries of the kind facing Barauni and Koyali. But as anyone in Calcutta can find out for himself, the private participants are having a hard time getting New Delhi to complete the formalities which must be got over before building can start. The site has not yet been finally selected and the import licence for bringing in equipment is still to come. There are quite a few other unsettled problems waiting for the Central Minister's attention who has had little time to devote to this apple of his predecessor's eye. If Phillips Petroleum succeeds in building the refinery in three years, Cochin should be ready for operation by the end of 1966.

On this showing, refinery capacity in commission in the public sector in late 1966 or early 1967 will not be more than 6.75 million tons. Adding the 7.75 million tons existing in the private sector, the total is only 14.50 million tons. Output will, of course, be lower since it takes time to build up to full production. Assuming 1966 production to be 12.50 million tons, the shortfall may well be as serious as Burmah-Shell's forecast.

Deficit-covering imports will cost the country Rs. 35 a ton more than equivalent crude, thus aggravating the drain on foreign exchange resources at a time when the strain on the balance of payments will have reached a peak. Burmah-Shell does not, however, need to predicate its plea to be allowed to expand on the size of the deficit in 1966.

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After all, demand will not stay put. If the further increases year by year have to be met, there is every reason to let anyone, who is willing to put in the money, add to his existing refining capacity. And there is also the bonus to consider—the scrapping of the old refinery agreements which the oil companies have offered as a gesture to propitiate New Delhi.

Company Finances Surveyed

In an interesting study on the finances of small public limited companies in 1961, published in the September issue of the *Reserve Bank of India Bulletin*, a comparison between the working of these companies and that of the large and medium-sized public limited companies has been made. It covers small public limited companies each with a paid-up capital of Rs. 5 lakhs or below and covers 1,018 small companies which represent 28 percent of the paid-up capital of the entire sector of non-Government non-financial small public limited companies. Their working, on the whole, has been adversely affected along with the medium and large companies by the general slackness in economic activity. The working of the corporate sector has been hampered by the shortages of raw materials, power and transport following the slow rise in agricultural and industrial production. There has also been a considerable increase in manufacturing and other expenses which have held down sales and profits. So the profitability of all companies has suffered in 1961, compared with 1960.

The poor working of the small companies compared with that of the large and medium companies is understandable since the latter enjoy the advantages of large-scale production. In view of their well-balanced size, they also enjoy greater facilities in obtaining funds from banks and other financial institutions. They can obtain funds from the open market more easily since they have been able to give larger dividends due to their greater profitability. The margin of profit measured by the ratio of gross profits to sales for 1960 and 1961, has been around 6 percent for the small companies, against 8 percent to 12 percent for the bigger ones. The return on capital employed has also been lower at 7 percent to 8 percent for small companies, against 10 percent for the bigger ones. The ratio of tax provision to profits before taxation has tended to be larger in the case of smaller companies than in the case of the bigger ones. It has been around 49 percent to 55 percent in the case of the former. The small companies have paid dividends ranging between 6 percent and 7 percent while the dividends of the bigger companies have moved between 10 percent and 12 percent.

Motor-vehicle Expansion Held Up

Although the total motor-vehicle output in India in 1962 at 56,967 was about 6 percent higher than in the previous year, it is not likely that the industry will reach the third plan target of 60,000. In fact, the output by the end of the plan may be much short of the demand estimated at about 100,000 vehicles. Inaugurating a meeting of the reconstituted Development Council for the Automobile Industry in New Delhi last week, the Central Minister for Steel and Heavy Industries, Mr. C. Subramaniam, pointed out that in view of the tight foreign exchange position it was not possible for the Government to allow an expansion of motor-car and motor-cycle production unless the third plan target of 90 percent indigenous content was achieved by the end of 1964. The indigenous content of motor-cars at present is around 65 percent. With proper effort, the percentage could be increased further by the end of the third plan period. But it is not in the best interests of the country to hold up capacity expansion in the motor-vehicles industry.

The industry's requirements of foreign exchange, in addition to the amount already allotted under the third plan, is estimated at $(U.S.) 60 million. Out of the World Bank loan of $90 million for three Indian industries—motor-vehicles, machine tools and construction equipment—the motor-car industry would get $30 million. In this way, the gap between requirement and availability is now being reduced and with some adjustment it should be possible for the Government to allot a slightly larger amount of foreign exchange from its own resources to fill this gap further.

At present, the ancillary industries are contributing nearly 30 percent in terms of value to the manufacture of a complete vehicle. They have made remarkable progress during the past few years. Excluding the output of tyres, tubes, batteries, lamps, bulbs, cables, springs, ball bearings and bodies and the production of small-scale manufacturers (estimated at Rs. 10 crores in 1962), the value of component production in India has increased from Rs. 2¼ crores in 1956 to Rs. 20 crores in 1962. There are at present nearly 200 organised units producing such components, but some 50 percent of their capacity is lying idle for want of imported raw materials and machinery. Their capacity could be fully used if the foreign exchange allotment to them is increased from Rs. 5 crores to Rs. 10 crores. There is also the problem of improving the quality of indigenous components, of standardising them and of increasing the servicing facilities, but the industry should be able to take care of these requirements provided it gets the foreign exchange it requires.

Stepping Up Cloth Output

The chairman of the Indian Cotton Mills Federation, Mr. Ramnath A. Podar, has done well in appealing to the member mills to increase production by working a larger number of looms in all shifts, particularly in the third shift. The mill industry's performance has not been creditable. Cloth production by the organised mill sector has not only failed to keep pace with the plan schedule, but it has actually suffered a decline and that, too, in spite of improved availability of raw cotton. While yarn production during the first nine months of the current year at 1,442 million lbs shows a modest increase of 21 million lbs, compared with the corresponding figure in 1962, cloth production is appreciably lower at 3,605 million yards, against 3,773 million yards in January-September 1962. Unlike many other industries, the cotton mill industry has had no problem concerning the supply of its raw material: cotton has been available in plenty throughout the year and at prices which have been generally lower than in the previous year. The setback in production cannot be explained away in terms of mills having gone finer in line with consumer preference. Nor can the argument that uneconomic cloth prices have been restraining production, carry much conviction. The decline in cloth production in face of improved supply of cotton is a matter of serious concern. It deserves to be looked into very carefully.

There seems little doubt that a higher rate of production can be attained by stepping up loom activity. It is significant to note that there has been a fall in the number of looms run during the current year, the monthly average for the first, second and third shifts during January-July being 178,000, 173,000 and 50,000, respectively. The monthly average for 1962 was 183,000, 177,000 and 54,000, respectively. There was, on the other hand, a small improvement in the number of spindles, the monthly average for the first, second and third shifts being 12.45 million, 12.28 million and 8.27 million, respectively, against the 1962 monthly average of 12.37 million, 12.20 million and 7.98 million, respectively.

With a view to stepping up yarn and cloth output in the organised mill sector, the Central Government has recently permitted mills to expand their spindleage and loomage within certain specified limits for which they have been assured necessary assistance. The composite mills have been allowed to increase their spindles and looms up to 7.5 percent and 10 percent, respectively, of their licensed capacity and purely spinning mills can become composite units by installing up to 100 looms each. When there is an unbalance between the expanded spindleage and the total preparatory capacity after installation of the minimum number of preparatory machines required to feed the 7½ percent additional spindles, mills can install further spindles up to an overall limit of an increase of 10 percent of the present licensed spindleage in order to achieve balanced and economic working. The authorities have promised necessary assistance for expeditious installation of additional spindleage. The Textile Commissioner has emphasised that "it is desirable that the expansion in the loomage as permitted is effected by automatic looms."

It is understood that the existing limitation of earmarking cloth produced from automatic looms for purposes of export will not apply to the expansion contemplated under the latest decision. The expansion of spindleage and loomage which has now been permitted should help to rectify the unbalance between loomage and spindleage about which several composite mills have long been complaining. But it is difficult to appreciate why the



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authorities should have stipulated that the mills should install the additional spindles and looms before the end of the current year. It is extremely doubtful whether the industry will be able to complete the additional installation within such a short period of time.

Working of Co-operatives

The All-India Co-operative Week has provided an occasion for political leaders to reiterate the merits of co-operation. Inaugurating the International Co-operative Day and the all-India week in Jaipur last Saturday, the Prime Minister, Mr. Nehru, stated that co-operatives were essential for setting up a socialist society. He called co-operation the first step towards socialism. While co-operation undoubtedly has its merits, in that it offers freedom and opportunity to the small man and also the benefits of large-scale organisation, it has unfortunately taken the colour of a political dogma in this country. For this reason it has all along been a Government-imposed movement, bereft of the real spirit, namely, its voluntary nature. The third plan has provided Rs. 80 crores for developing co-operation and visualises its development in various fields, including agriculture, minor irrigation, small industry and processing, marketing, rural electrification, housing and construction, and distribution of goods. But so far its progress has been mainly in the supply of credit, although it has also progressed in a few other spheres under active Government sponsorship. But even in the sphere of credit provision, the development has been very uneven in various States, as was brought out in a recent Reserve Bank study. In some States the proportion of dormant societies has been high and all efforts to revitalise them have been of no avail.

The recent rise in prices and talk of "holding the price-line" have brought to the fore the idea of consumer co-operatives. The Government proposes to establish a wide network of consumer societies to supply essential commodities at fair prices. The scheme seeks to set up 200 wholesale stores, with 4,000 primary societies affiliated to them, and also open consumer stores in all factories employing over 300 persons. The aim is that these stores should be made to handle about 25 percent to 30 percent of the total wholesale and retail trade, so that a price rise could be checked. However, so far no definite blueprint for such a big expansion has been made public. It is also highly doubtful if co-operatives could fulfil the big rôle visualised for them in view of their indifferent working so far.

CORRESPONDENCE

WORKING OF HINDUSTAN MACHINE TOOLS

(To The Editor of "Capital")

Sir,

One swallow does not make a summer and the recent statements on the working of Hindustan Machine Tools look more like the boosting of its successful working *vis-à-vis* companies in the private sector than a factual appraisal. What are the figures? Its funds comprise: share capital Rs. 6.56 crores, of which Rs. 1.25 crores was further obtained from the Government during the years; advance from the Government for the third H.M.T. plant in Pinjore, etcetera, Rs. 1.50 crores; loans Rs. 2.82 crores; and reserves Rs. 1.70 crores; total Rs. 12.58 crores. Against this is the outlay on block of Rs. 9.16 crores, less depreciation Rs. 1.97 crores, or Rs. 7.19 crores, works in progress at the second H.M.T. plant Rs. 9.42 lakhs, and the third H.M.T. plant Rs. 44.60 lakhs, and others Rs. 136 lakhs; total Rs. 9.09 crores.

Against the estimated cost of Rs. 7.5 crores on the third H.M.T. plant in Pinjore, a loan of Rs. 1.75 crores has already been taken from the Government, the expenditure so far is Rs. 54 lakhs and there is Rs. 7 crores still to be spent. The fourth H.M.T. plant is also expected to cost Rs. 7.50 crores and no expenditure has been shown in the accounts for 1962-63. The estimated cost of the fifth H.M.T. plant has not been given and for its execution it is expected that foreign aid will be made available by the Government of Poland.

The third H.M.T. plant has just begun to function and the fourth H.M.T. plant is expected to start working before the end of 1963. It is rather too much of an exaggeration to state that the later H.M.T. plants are being entirely begotten by the earlier H.M.T. plants. It used to be the talk in certain quarters that in the early years of its working, the H.M.T. imported machines in parts, assembled them locally and included their proceeds in the sales, thus giving a rather exaggerated picture of its working. It would be reassuring to know that the figures shown under sales relate to machines produced in the factories only and that the figure under "raw materials" relate entirely to raw materials and that the sum of Rs. 60,145 under sales agency commission does not relate to sales proper referred to above.

The sale price is said to have been fixed with effect from 1st April, 1963, at a uniform rate of 15 percent below the current landed cost of European machines of equivalent quality. As the term landed cost includes packing and freight charges, insurance, etcetera, plus import duty the total ranging between 25 percent and 50 percent of the cost of the machine alone, it is difficult to understand how the cost of manufacture by H.M.T. compares with the cost of production in foreign countries. Such information should be useful for effecting economies in manufacture and in other ways.

The sum of Rs. 274.60 lakhs is shown as loan from the Government and includes Rs. 7.51 lakhs as interest accrued and due, whereas a sum of Rs. 12.25 lakhs is shown under expenditure as interest on account of loan from the Government. It would be interesting to know the rate of interest charged by the Government and how such rate compares with that which private companies of good standing have to pay for loans obtained by them from banks or the Government Finance Corporations.

Yours etcetera,

K. V. Iyer

Madras, 29th October, 1963.

"CAPITAL" CHRISTMAS TOY FUND

We acknowledge, with thanks, the receipt of the following donations for the 1963 Fund:

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The Fund totals Rs. 566.25, including a carry-forward of Rs. 306.25.

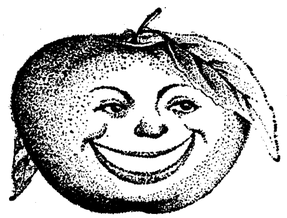
DISCIPLINE IN CORPORATION

The following notice is posted up for the benefit of all whom it may concern as servants of the Calcutta Corporation: "The chairman has noticed an article which appeared without authority in a newspaper regarding Corporation matters. He directs that anyone sending a communication to the Press in connection with the affairs of the Corporation without authority will, on discovery, be instantly dismissed from the service." This kind of conduct is not only petty, it is supremely silly. Mr. Greer may as well shake his fist and gnash his teeth at the Man in the Moon to try and frighten him out of his solemn smile, as imagine that the breathing out of such threatening and slaughters will reveal anything else than his own impotency to prevent Corporation matters of public interest reaching the Calcutta Press, without what he is pleased to call his authority. Mr. Greer knows well enough that he has no power to direct the instant dismissal of any servant of the Corporation drawing a salary of over Rs. 300 a month for sending communications to the newspapers or for anythnig else, not even for visiting a newspaper office and kicking up a row with the editor, or else he might have enquired at his Secretary and have obtained information about such individual on whom he could have tried his powers.

FROM

CAPITAL

12th November, 1903



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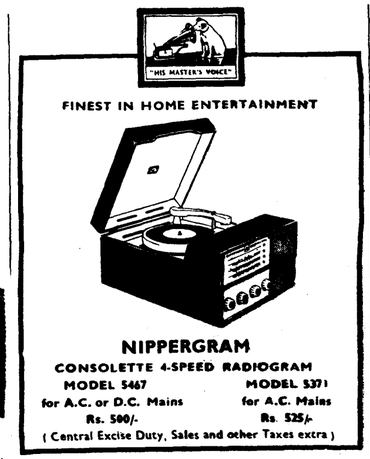
Quite frankly, I have not read every word of the million or so filed by our industrious correspondents from the A.I.C.C. session at Jaipur. (Perhaps some kindly reader will be good enough to write and tell me what I may have missed?) I have, however, read enough to gather that, ten years after Avadi, the Congress has decided to ask itself what it meant when it adopted socialism as its credo. I am surprised that nobody has thought of congratulating the Congress with the highly original observation that it is better late than never. Is it, really? Being no believer in socialism myself, it is not for me to accuse the Congress of being insufficiently socialist; Mr. Malaviya is quite right in saying that the Party has always contained Right and Left elements, and he certainly demonstrated how maddeningly Left he himself is. What Mr. Morarji Desai meant when he spoke of the non-existence of Right and Left in the Congress is that he is implacably Right, for it always helps the Right to pretend that there is no such thing. In the middle, totally undecided, stands Mr. Nehru, who will go on moaning that disparities of wealth have increased since the Congress plumped for socialism, without recognising that this is the direct result of his own Government's policies, some of them wise. Did the Jaipur session serve the minimum purpose of giving some Congressmen an opportunity of letting off steam? I am beginning to doubt even that. Messrs Tyagi and Ghulam Mohammed reduced the proceedings once to a sort of Urdu *mushaira* and Mr. Nanda remained the most tiresome pedlar of platitudes. If the Bhubaneswar jamboree is going to produce further meaningless verbiage, as seems more than likely, I suggest the Congress call it off. There are better uses even for black money than holding pointless, aimless *melas*. Everyone seems to have forgotten that there is an emergency, or is it impolite to mention that?

In the United States, it is a common saying that the probe is always worse than the racket; and I have been wondering whether in this matter, as in so many others, this country is not going American. I take Mr. Nehru's word for it that Messrs Sankar and Damodara Menon of Kerala did nothing improper, if only because impropriety is a flexible term, hard to define. In any event, the Prime Minister has discovered the Kerala gentlemen's innocence through his own efforts, such as they may have been. In the case of Punjab's Chief Minister, however, Mr. Nehru has adopted a different procedure: it is an ex-Chief Justice of the Supreme Court who will conduct the enquiry. I wonder why. If my information is not wrong, on this occasion Mr. Nehru failed to find a working judge to do what in fact is not judicial work at all. Be that as it may, is there by any chance a kind of caste system in it all? So that if a Minister is accused of a particular category of misdemeanour it is all right for the Prime Minister to set himself up as the judge, while for another set of alleged offences a Minister makes the grade for a real or former judge? In a Bengali farce of yesteryear, a landlord's wife was most annoyed when told by the doctor that she had a temperature of only ninety-nine while her maidservant had a hundred and four. Similarly, I wonder whose *amour-propre* has been hurt, Mr. Sankar's or Mr. Kairon's, that his case has gone to the Prime Minister and not to a judge. Mr. Nehru, I fear, has made a mess of this whole business of corruption and enquiry into it. The point, I think, was made by Mr Rajagopalachari that this country had something called the Indian Penal Code to take care of all allegations of corruption: and that it was quite unnecessary to appoint commissions of enquiry. But then we all know why courts of law have to be bypassed for certain individuals; either the Congress needs them or the Congress boss loves them. That is all there is to it.

In his latest television interview in aid of American audiences, President Ayub Khan described a renewal of Indo-Pakistani hostilities over Kashmir as "unthinkable" and then proceeded to demonstrate that, as far as he was concerned, he can think of little besides. But let that pass; so far as verbal toughness over Kashmir is concerned, India has not done too badly either in recent months. More interesting, if utterly pointless, was President Ayub's mighty generous offer to play the "very honest broker" between China and the United States. The phrase has a familiar ring, hasn't it? I seem to remember that someone called Krishna Menon once sought to play that rôle between I forget who and who; he mediated so often in so many disputes. And now see what has happened to him. It is possible that small boys have on occasion a useful part to play in rows between big boys; but small boys always overreach themselves when they imagine they can go beyond the line drawn by the big boys. Between enemies there is that much accord that the small ones must not be too impertinent. Even Mr. Kennedy's "new frontiers" do not obliterate the age-old frontier between the small and the big; and Pakistan, let us say it, is small. If there is to be a dialogue between the Americans and the Chinese—about which, at this point, I discern no desperate hurry—it is the Americans or the Chinese that will have to bring it about. The manner in which Pakistan has allowed itself to be wooed by China to the detriment of India's interests, and hence of the free world's interests, must make Americans ask just how honest this latest "honest broker" is. Come to think of it, even the Chinese may look rather closely at President Ayub's credentials. It was a bit much, I thought, when he linked himself to Napoleon, Cromwell and such personalities in history.

The Commonwealth Immigrants Act has certainly cut down the number of people migrating to Britain, but the 14,680 voucher-holders admitted in the first 12 months represent a total which is still considerable. What surprises me about the figure is that almost one-half was made up of people from India and Pakistan. Hitherto, the majority of migrants have gone from the West Indies, and I am told that in many ways they have proved more suitable. For one thing, the standard of spoken and written English among them has tended to be much higher than among those from the subcontinent. As a result, they have been more easily absorbed into employment and into Britain's social life generally. Also, their living standards being more western, they themselves have been happier in their new surroundings. Indians and Pakistanis have had to face a number of drawbacks. Where their knowledge of English has not been up to scratch they have often found themselves unable to get suitable employment. What is worse, perhaps, their children have been backward at school, and the brake this has imposed on educational progress in the districts in which they have congregated has in some cases driven British parents to take their children elsewhere, thus giving rise to a form of spontaneous and undesirable segregation. Lack of familiarity with western living has sometimes caused new immigrants to crowd into sub-standard accommodation, and this has rapidly brought them into conflict with the law. Indian and Pakistani landlords have not helped matters either; their tendency to exploit their fellow-countrymen as tenants, and the genius they have often shown for evading their legal responsibilities, have attracted charges of "Rachmanism" All this is unfortunate, because otherwise Indians and Pakistanis have made good immigrants. For example, they have been far less violent than the West Indians, more easily disciplined and not as likely to become involved in crime—always a danger with new entrants to any country. They have not aroused as much colour conflict either, partly because they do not have the same tendency to carry a chip on their shoulders. Finally, although they do tend to concentrate in communities and often insist on trying to live some semblance of their







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traditional lives, their attitude towards their British neighbours has been much more tolerant and accommodating.

WHATEVER THE BRITISH ELECTORATE MAY THINK OF Sir Alec Douglas-Home, he must find it consoling to know that he has already gained the warm approval of the *Tailor and Cutter*. The fulsome praise from that unyielding arbiter of men's sartorial fashions—"Britain now has a Prime Minister who at least looks like one"—is a contrast to what it had to say about Mr. Macmillan. The latter was the despair of the *Tailor and Cutter*—to the extent that when Mr. Macmillan resigned it delivered itself of the immortal judgment that his sartorial image "had been projected in such eccentric terms of late that despite the unhappy circumstances of his departure we were not too distressed to see him go". So much for a Prime Minister: such are the terrible consequences of offending the mighty. But whether Mr. Macmillan deserved such an epitaph or not—and he always seemed elegant enough to me—the *Tailor and Cutter* does have a point. Politicians have to think of their public "image", and remember that publicity being international these days they have a responsibility towards their country's too. Slack habits of dress can create an impression of shortcomings elsewhere; at worst they can suggest irresponsibility. That is why I have been watching anxiously for some improvement in India during the past few years, so far without result. Mr. Nehru sets a good enough example, although I suspect his preference for what has now become almost a uniform would break the heart of the *Tailor and Cutter*. But with a few exceptions the remainder of India's politicians run a grave risk of laying themselves open to a charge of neglecting hygiene, never mind elegance. I wish it were better at the State level, but on the whole the situation is worse. Perhaps it is a feature of India's unfortunate tendency always to equate the desirable with the traditional. Or possibly it is the result of having an electorate 80 percent of which can afford no form of dress other than a single white cloth. But whatever the reason, something ought to be done about it if only because this country has a habit of intruding into the world's limelight rather more often these days than she used to.

A COLLEAGUE SHAMELESSLY HOLIDAYING IN Kashmir when friends are in harness seems at last to have been stung into a mild sense of remorse or contrition. He writes: "There must be an airport not very far from where I am staying. An incorrigible early riser, as you know, I now wake up even earlier; by about 4-30 I begin to hear the whirl of planes taking off or landing. One needs no military intelligence to know that these are the planes carrying supplies to our posts in distant Ladakh. There, you immediately feel, somebody somewhere is doing his job, without a thought of what they say in Parliament or what you or I write in the papers about the country's military inadequacies. Some journalists and M.P.s have sometimes been taken to Leh and shown a thing or two; it still seems to me that the magnificent job done by the Air Force and auxiliary services in flying supplies to faraway posts in the most difficult flying conditions has never been given its due in terms of publicity. Lying in bed, warm and comfy, I suddenly felt a rapport with those anonymous airmen as I had never experienced before. I am fully aware of the risks, to both, in permitting too free intercourse between the civil and the military; it may yet be true that the estrangement of the colonial days continued a shade too long. How come that I, who have written much about the emergency, had to wait until this morning, purely fortuitous, to know that the *jawans* in inaccessible Leh and those who keep them supplied were all part of me? I have not many constructive ideas to offer on how to improve our defence publicity; but it seems to me that far too much effort has been expended on making the war national rather than personal. The war effort will not be total until each one of us feels somewhat as I am doing at this moment: that there is a little more I could do and am not doing for those who are risking their lives". New Delhi is free to use this extract from a letter as it wishes, with or without acknowledgment.

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Guide for Investors

BONUS ISSUE FROM GUEST, KEEN AND INDIAN ALUMINIUM

THE strong support for the ordinary shares of Guest, Keen, Williams Ltd during recent weeks has been well-founded on good reasons, as has now been testified by the decision of the directors to issue bonus shares in the proportion of one bonus share for every two shares held by capitalising reserves. The Company has applied to the Government for its sanction.

Prospects for these shares are fairly encouraging in that the ex-bonus price works out to only Rs. 27.37 a share. If the dividend of 14 percent, taxable, were to be repeated on the increased share capital, the yield would amount to 5.1 percent. Shareholders might be well justified in expecting a repetition of the dividend, judging by the results achieved for 1962, the year for which the latest balance-sheet is available. The profit amounted to Rs. 1.28 crores for 1962, out of which the ordinary dividends absorbed only Rs. 56 lakhs. This apart, the Company's future working should improve with a more liberal supply of raw materials. The greater flow of maintenance imports should help contribute to the improved working of the engineering industry in general and Guest, Keen, Williams in particular. The diversification which the Company has undertaken should be an important factor to reckon with. The ordinary share capital will rise from Rs. 4 crores to Rs. 6 crores when the bonus shares are issued. The ordinary share capital has been backed by impressive reserves of more than Rs. 6.98 crores, out of which Rs. 2 crores will be used to capitalise the bonus issue. The scrip have been quoted at Rs. 41.06 a share. The directors have also declared a taxable interim ordinary dividend of 6 percent for 1963.

The price of the ordinary shares of Indian Aluminium Co. Ltd has shot up from Rs. 37.56 to Rs. 39 over the past month. The support is justified as the Company has decided to issue bonus shares in the proportion of one share for every four held by capitalising reserves. An extraordinary general meeting of the Company will be held on 16th December, 1963, to pass a resolution sanctioning the issue of the new shares. When these shares are issued, the ordinary share capital of the Company will rise from Rs. 4 crores to Rs. 5 crores. The ex-bonus price of the scrip works out to Rs. 31 a share. Judging by the recent performance of the Company, the scrip look fairly attractive for investment.

According to the latest available balance-sheet of Indian Aluminium for the year ended December 1962, the profit amounted to Rs. 1.79 crores out of which ordinary dividends at the rate of 17.5 percent absorbed a sum of Rs. 74 lakhs. In view of the adequate cover, it may be expected that the dividend will be maintained on the increased share capital. The hope is strengthened because the Company should show steadily improved results in view of the expansion which has taken place. The integrated expansion programme for the Hirakud smelter has been completed, and its capacity has been doubled. A new extrusion press has been installed in Alupuram. The expansion of the Muri alumina plant has been completed. The sheet-rolling facilities in Belur have been expanded. The Company has also undertaken further expansion programmes. The ingot capacity at the Alupuram smelter will be increased to 10,850 tons by putting up a second smelter adjacent to the existing one.

An aluminium foil rolling and finishing mill will be set up in Kalwa with an annual capacity of 2,500 tons. The new smelter in Alupuram should go into production by the middle of 1964. The foil mill may be completed by the middle of 1965. Considering these expansion schemes the profit trend is expected to improve. It is encouraging that the directors have already declared an interim dividend of 7.5 percent on the ordinary shares, subject to tax, for 1963. Since the interim has been the same as that for 1962, the total final dividend for 1963 is expected to be maintained at 17.5 percent. If this dividend were paid on the increased share capital, the yield at the ex-bonus price of Rs. 31, would amount to 5.8 percent.

Gillanders Tea Group Crop Results

THE crop results of the Gillanders group of tea companies up to the end of August 1963, have been published. Except the Gairkhata Tea Co. Ltd, which is a Dooars garden, all the estates are situated in Assam. The Tengpani Tea Co. Ltd has produced a crop of 170,243 kilograms, against 176,542 kilograms for the corresponding period of 1962. Combined sales have declined from 27,096 kilograms to 14,766 kilograms, but the average sale price has hardened from Rs. 7.06 to Rs 10.64 a kilogram. Export sales have dropped from 12,694 kilograms to 11,026 kilograms, although the average price has improved from Rs. 8.12 to Rs. 12.07 a kilogram. Internal sales have fallen sharply from 14,402 kilograms to 3,740 kilograms, but the average price has been up from Rs. 6.12 to Rs. 6.44 a kilogram. The Jutlibari Tea Co. Ltd has produced 250,905 kilograms, against 291,898 kilograms. Combined sales have dropped from 64,944 kilograms to 23,813 kilograms, but the average price has improved from Rs. 6.33 to Rs. 8.76 a kilogram. Exports have been down from 42,368 kilograms to 15,369 kilograms, and the average price has risen from Rs. 7.01 to Rs. 10.05 a kilogram. Internal sales have declined from 22,576 kilograms to 8,444 kilograms while the average price has increased from Rs. 5.62 to Rs. 6.40 a kilogram.

The crop of the Ananda-Bag Tea Co. Ltd has risen from 156,352 kilograms to 159,878 kilograms. Combined sales have dropped from 15,438 kilograms to 7,044 kilograms while the average price has risen from Rs. 7.33 to Rs. 12.63 a kilogram. Export sales have amounted to 3,696 kilograms at an average price of Rs. 18.15 a kilogram, compared with 4,704 kilograms at an average price of Rs. 7.35 a kilogram. Internal sales have dropped from 10,734 kilograms to 3,348 kilograms, but the average price has improved from Rs. 5.88 to Rs. 6.54 a kilogram. The Betjan Tea Co. Ltd has produced a crop of 201,381 kilograms, against 227,410 kilograms. Combined sales have declined from 22,032 kilograms to 19,945 kilograms, but the average price has improved from Rs. 7.32 to Rs. 10.91 a kilogram. Exports have risen from 13,494 kilograms to 16,076 kilograms and the average price has hardened from Rs. 7.97 to Rs. 11.93 a kilogram. Internal sales have declined from 8,538 kilograms to 3,869 kilograms and the average price has risen from Rs. 6.29 to Rs. 6.71 a kilogram. The Gairkhata Tea Co. Ltd has produced 238,973 kilograms, against 267,280 kilograms Combined sales have dropped from 83,316 kilograms to 76,864 kilograms, but the average price has risen from Rs. 5.31 to Rs. 5.48 a kilogram. Exports have improved from 39,594 kilograms to 43,655 kilograms and the average price has risen from Rs. 5.39 to Rs. 5.49 a kilogram. Internal sales have amounted to 33,209 kilograms at Rs. 5.46 a kilogram, against 43,722 kilograms at Rs. 5.23 a kilogram.

Mysore Kirloskar Earns More but Cuts Dividend

IN spite of substantial improvement in its working results, the Mysore Kirloskar Ltd has reduced the dividend for the year ended June 1963 from 12 percent to 10 percent. The sales are up by about 23 percent from Rs. 1.81 crores to Rs. 2.23 crores, and the gross profit has gone up by as much as 53 percent from Rs. 39.34 lakhs to Rs. 60.38 lakhs. Appropriations include depreciation Rs. 13.86 lakhs (against Rs. 11.86 lakhs) development rebate reserve Rs. 6.08 lakhs (against Rs. 1.45 lakhs), general reserve Rs. 1.05 lakhs ((against Rs. 20,000), contingency reserve Rs. 2 lakhs (against nil), replacement and rehabilitation reserve Rs. 2 lakhs (against nil) and debt redemption reserve Rs. 1.25 lakhs (against Rs. 2 lakhs). After making some minor adjustments and providing for the proposed dividends which absorb Rs. 6.75 lakhs (against Rs. 7.90 lakhs), there remains a small surplus of Rs. 2,975 to be carried forward, against Rs. 3,365 brought in.

The directors state that the Company has continued to make good progress in the manufacture of existing lines. But its progress in the manufacture of No. 4 capstan lathes and 7B combination turret lathes could not be according to plan on account of the delay in receiving the imported components. The Company has plans to take up the manufacture of No. 2D capstan and No. 9C combination turret lathes. It also intends to undertake the manufacture of automatic chucking lathes and other types of machine tools for which negotiations are in progress. The Rs. 100-paid share of the Company is currently quoted around Rs. 162.50.

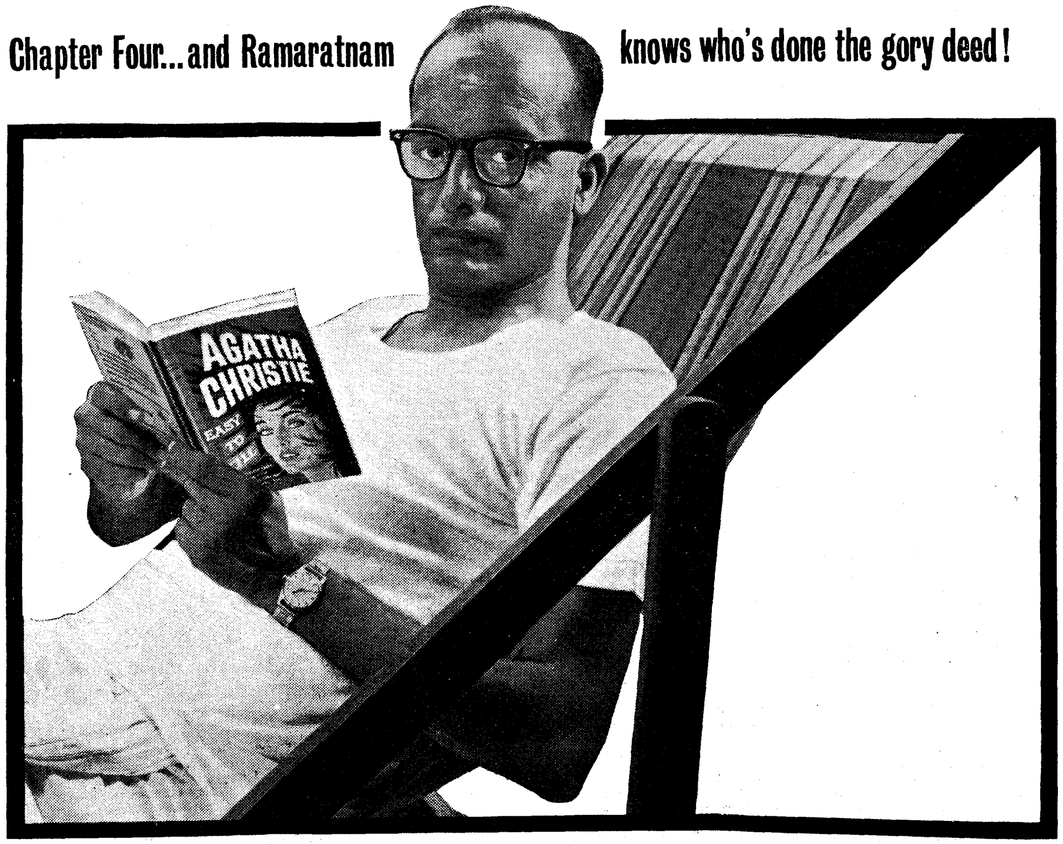
Bombay Burmah Fares Well

THE Bombay Burmah Trading Corporation reports encouraging results for the year ended May 1963 —the centenary year. The gross trading receipts are higher at Rs. 5.92 crores, against Rs. 5.77 crores in the preceding year. Income by way of dividends from subsidiaries and sundry receipts is up from Rs. 38.71 lakhs to Rs. 54.20 lakhs. There has also been an increase, from Rs. 7.99 lakhs to Rs. 11.57 lakhs, in profit on sale of assets concerning a wide range of surplus equipment and properties, mainly in overseas countries. The directors have attributed the increase in gross trading receipts to the increase in sale income from tea, coffee, manufactured goods and timber. Against this is to be offset a fall in proceeds from boat-building and repair work in Rangoon. Other income has also shown an overall increase, the closure of earnings from the Joint Timber Company, Thailand, being more than offset by receipts from rosewood disposals and from the North Borneo Timber's higher dividend. Stocks of finished goods dropped slightly, while work in progress relating to the Rangoon boat-building yard showed little change. Expenses showed a substantial increase, mainly due to the rise in the consumption of stores and spare parts in North Borneo, south India and Rangoon, additional salary and wage costs and higher transport and carriage and miscellaneous expenses. Purchases of materials recorded an overall increase, a decline in Rangoon being offset by higher purchases of logs in North Borneo.

Appropriations of the year's profits include depreciation Rs. 36.64 lakhs (against Rs. 33.11 lakhs), taxation, including bonus tax liability of Rs. 13.30 lakhs, Rs. 60.60 lakhs (against Rs. 49.50 lakhs), development rebate reserve Rs. 5 lakhs (against Rs. 4.10 lakhs) and general reserve Rs. 16.50 lakhs (against nil). No transfer has been made to dividend equalisation reserve and investment reserve which received Rs. 6.50 lakhs and Rs. 5.50 lakhs, respectively, in the preceding year. A sum of Rs. 4.95 lakhs has been provided for the National Defence Fund. Dividends, including centenary dividend, absorb Rs. 53.50 lakhs (against Rs. 44.14 lakhs). Contributions to the National Defence Fund and the centenary dividend are being met out of the dividend equalisation reserve and general reserve. After making various appropriations there remains a surplus of Rs. 2.26 lakhs to be carried

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Chapter Four... and Ramaratnam knows who's done the gory deed!



You or I would suspect the moustachioed foreigner who appears on Page Five. Or the elderly spinster who keeps cats. We would reserve opinion on the cheerful undergraduate. And our hearts would go out to the beautiful, blonde wife of the violently departed. We would, of course, be wrong. Not so K. S. Ramaratnam, Selection Grade Clerk with Burmah-Shell, Madras, and armchair detective. By Chapter Four, he'd have guessed that the ravishing widow murdered her spouse to marry the bright young undergraduate. And by book's end, he would be proved right.

'A MATTER OF COMMON SENSE'

Ramaratnam works in Supplies section. The section plans for and arranges supplies of bulk and packed products to main Installations and Depots to meet the day to day demand. Demand fluctuates and his section must anticipate... divert a supply, tide over a gap in stock and flex to suit any change. 'It's a matter of common sense,' says Ramaratnam, 'applied to data and trends.'

TODAY, AS EVER, PEOPLE LIKE RAMARATNAM ARE WORKING FOR YOU

On Sundays, you'll find Ramaratnam playing cricket with his five sons. Simplicity appeals to him. 'All a man needs,' he says, 'is a good job and a happy family.' As an afterthought, he adds, 'And a good "Whodunit" on a rainy afternoon!'

Ramaratnam and people like him — at all levels of responsibility — are Burmah-Shell. Today, as ever, they are hard at work... working to ensure that vital petroleum products, essential to India's growth and progress, are brought to you at the right place and time, in the right quantities.

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forward, against Rs. 2.03 lakhs brought in.

The directors' report states that the activities of the Wallace Bay branch were adversely affected by exceptionally bad weather conditions which hampered forest working, impeded rafting and shipping operations and occasioned extra outlay on road and equipment repair and maintenance. There were resultant cost increases which reflected also the extended length of timber haul. The production of hardwood logs from the Kalabakan concession, however, rose slightly from 178,731 tons to 183,571 tons. Mill production of sawn timber declined from 5,926 tons to 4,920 tons. Selling prices realised on log shipments were satisfactory and sawn timber sales showed an increase. Continued progress was made in survey of new areas for future working. The forest workings of the North Borneo Timbers were seriously affected by the adverse weather conditions. Costs tended to rise and there was some contraction in log supplies from the Bay lands around Sandakan. The profit for the year from this Company fell from M$ 5.38 million to M$ 3.19 million. The Company declared two interim dividends of 20 percent each free of North Borneo tax. No final dividend was recommended.

Plantation development work continued during the year. As for south Indian plantations, the directors state that all estates, with the exception of Nilgiris, showed an increase in production. Tea output at 3.81 million kilograms was an all-time record. The unit cost rose from Rs. 3.07 a kilogram to Rs. 3.20 a kilogram while the average return increased from Rs. 5.26 to Rs. 5.42 a kilogram. The final coffee crop totalled 930 tonnes, against 785 tonnes. The cardamom crop was 10,627 kilograms, against 8,126 kilograms. The Namshan Tea Factory was closed on May 1962, and most of the tea stocks were sold during the year. Activities at the Rangoon dockyard continued to decline. Activities in the Burma branch centred on the concrete products plant and the asbestos cement plant, both in Rangoon. Production in the Tanganyika estates showed an increase. The Company's activities in Thailand were confined to a holding in Thai Tapioca Ltd. The working of N. V. The Indo Java Rubber Planting and Trading Company suffered a setback. The construction of the factory of Formica India Ltd has begun.

Great Eastern to Issue Bonus Shares

THE preliminary report on the working of the Great Eastern Shipping Co. Ltd for the year ended June 1963 shows that the Company has done exceedingly well, with gross earnings and profit recording impressive improvement over the previous year's performance. The freight and charter hire earnings have risen by about 40 percent from Rs. 3.25 crores to Rs. 4.51 crores—an all-time record. The gross profit has gone up by nearly 70 percent from Rs. 74.30 lakhs to Rs. 1.26 crores. The directors have, however, decided to skip the dividend, and instead, they have proposed the issue of bonus shares in the ratio of one share for every two fully-paid equity shares of Rs. 10 each, and to increase the paid-up amount on the partly-paid shares from Rs. 5 to Rs. 7.50 a share,

The decision to issue bonus shares has been taken with a view to strengthening its financial position. The development and expansion of the Company's activities are dependent on the ploughing back of profits. It might be recalled that the Government and the Shipping Development Fund Committee consider the granting of loans to shipping companies only if their total loans and borrowings have not exceeded four times their capital plus reserves. For the purpose of bonus issue, which is subject to the sanction of the Controller of Capital Issues, the directors propose to draw the entire sum of Rs. 25 lakhs standing to the credit of the capital redemption reserve account and another Rs. 20 lakhs from general reserve No. 2. Out of the 1962-63 gross profit of Rs. 1.26 crores, provision for depreciation is Rs. 64.10 lakhs (against Rs. 60.93 lakhs) and allocation to development rebate reserve has been stepped up from Rs. 16 lakhs to Rs. 51 lakhs. A sum of Rs. 6 lakhs (against Rs. 1 lakh) has been transferred to general reserve No. 2. The directors propose to transfer Rs. 5.62 lakhs from general reserve No. 2 to meet the bonus tax liability when it arises. The Company has no tax liability for 1962-63. The Company's working results for the current year (1963-64) are expected to show a further improvement. The implementation of the expansion programme at a cost of Rs. 1.70 crores is likely to result in a substantial increase in freight earnings although the full benefit will be reflected only in 1964-65. The Rs. 10-paid shares of Great Eastern Shipping which could be had around Rs. 15 a few weeks ago were bid up to Rs. 20 in kerb dealings on 31st October after the announcement of bonus issue. Later, the quotation receded to Rs. 18.36 on corrective profit-taking.

Modella Woollens Pays More

THE preliminary report on the working of Modella Woollens Ltd for the year ended June 1963 shows that the Company has done exceedingly well, with the gross profit shooting up from Rs. 7.24 lakhs to Rs. 18.11 lakhs. The dividend has been stepped up from a maiden 4 percent in 1961-62 to 6 percent, and, what is more the dividend for 1962-63 is on the increased capital of Rs. 51.67 lakhs, against Rs. 30.83 lakhs in the preceding year. A part of the proposed dividend is expected to be exempt from tax and an application is being made to the income tax authorities for ascertaining the percentage of such exemption. Allocation to depreciation has been raised from Rs. 2.02 lakhs to Rs. 5.25 lakhs and provision for development rebate reserve is substantially higher at Rs. 5.82 lakhs, against Rs. 1.88 lakhs. Taxation accounts for Rs. 1.31 lakhs, against Rs. 1.10 lakhs. After bringing in a surplus of Rs. 45,995 from the previous year, the directors have created a general reserve with an allocation of Rs. 2.50 lakhs. A small sum of Rs. 56,626 (against Rs. 54,824) has been used to write off preliminary expenses. The proposed dividend absorbs Rs. 3.10 lakhs, against Rs. 1.23 lakhs. The Rs. 10-paid shares of the Company is currently quoted around Rs. 15.

Better Results from Indian Telephone Industries

THE Indian Telephone Industries Ltd has done well for the year ended March 1963. The profit has improved from Rs. 64.43 lakhs for 1961-62 to Rs. 1.02 crores for 1962-63, after providing Rs. 31.30 lakhs (against Rs. 27.58 lakhs) for depreciation on fixed assets and Rs. 7.99 lakhs (against Rs. 8.29 lakhs) for depreciation on tools and gauges. The dividend has been increased from 3.5 percent to 4 percent on the share capital of Rs. 4 crores. Taxation absorbs Rs. 62 lakhs, including a sum of Rs. 7.56 lakhs for super profits tax. Tax provision amounted to Rs. 39.50 lakhs for 1961-62. Development rebate reserve is allocated Rs. 5 lakhs (against Rs. 4.84 lakhs), capital reserve Rs. 26,033 (against Rs. 8,409) and general reserve Rs. 25 lakhs (against Rs. 6 lakhs). The carry-forward is Rs. 53,828, against Rs. 38,455 brought in.

Sales rose from Rs. 5.65 crores to Rs. 7.73 crores. They are expected to amount to Rs. 9 crores for 1963-64, so it is hoped that the sales target of Rs. 40 crores set for the third plan will be achieved in due course. I.T.I. has diversified its activity. In addition to telephone exchange lines and long-distance channelling equipment, it has begun to produce resistors, magneto generators, special relays for railways and various cable equipment. The instrument division has produced several instruments. It has also made efforts to export its products to earn foreign exchange. The expansion scheme has been progressing satisfactorily. New plant and equipment have arrived. The Company is expected to manufacture new types of switching equipment. It may be mentioned that the 15-year collaboration agreement with the Automatic Telephone and Electric Co. of England expired on 3rd May, 1963.

Hindustan Polymers Will Enter Market Soon

HINDUSTAN Polymers Ltd which has been licensed to manufacture 10,000 tons a year of styrene monomer, 7,500 tons of polystyrene and its copolymers and 1.5 million gallons a year of power alcohol, will soon be in the market to raise Rs. 1.27 crores in equity shares of Rs. 100 each. The project is estimated to cost Rs. 6.35 crores which will be met by the share capital of Rs. 3 crores, foreign exchange loans of Rs. 2.16 crores and bank borrowings of Rs. 1.19 crores. The Company has entered into technical collaboration agreements with Universal Oil Products Co. of Illinois, U.S.A. and BX Plastic Ltd, England, a wholly-owned subsidiary of Bakelite Xylonite Ltd, London. The U.S. firm will be paid a lump-sum of $350,300 for technical know-how and royalty for the manufacture of styrene monomer, designs, drawings, etcetera. The British firm will be paid Rs. 20 lakhs in pound sterling for the technical know-how and assistance. Machinery will cost Rs. 4.39 crores of which the imported component will be worth Rs. 2.36 crores. Plant and equipment will be supplied by the Power Gas Corporation Ltd of the U.K. The foreign exchange requirements will be met by loans from the Commonwealth Development Finance Company, I.C.I.C.I., and the Industrial Finance Corporation and the Mercantile Bank.

The factory will be located in Visakhapatnam which is well situated concerning the supply of molasses, a major raw material. The other important raw material, benzene, will be obtained from Hindustan Steel and other steel plants. If all goes well, the factory is likely to go into production of power alcohol by the first quarter of 1965 and of styrene monomer and polystyrene by the second half of 1965. The authorised capital of the Company is Rs. 5 crores and the issued capital will be Rs. 3 crores of which the directors, promoters and their friends will take up Rs. 52.60 lakhs. Shree Ram Mills Ltd will subscribe for Rs. 60 lakhs and Bakelite Xylonite Ltd. C.D.F.C. and the I.C.I.C.I. will each take up shares of the value of Rs. 20 lakhs. The balance of Rs. 1.27 crores is to be offered for public subscription. The board of directors includes Mr. Kasturbhai Lalbhai (chairman), Mr. Pratap Bhogilal, Mr. Bhogilal Leherchand, Mr. R. G. Saraiya, Mr. R. V. G. K. Ranga Rao, Mr. J. P. Patel, Mr. N. K. Petigara and Mr. R. K. Parikh.

New Products from Mysore Sugar

THE Mysore Sugar Co. Ltd has obtained an industrial licence from the Government of India for manufacturing a new product called "Acetate". The licensed capacity is 10 tons a day. The project will be undertaken by a new Company, the Mysore Acetate and Chemicals Co. Ltd, which is being formed. The Mysore Sugar Co. Ltd contemplates manufacturing two products from alcohol, namely, acetic acid and acetic anhydride which are the two important chemicals required for the manufacture of "Acetate". Mysore Sugar will sell these products to the new Company. The latter has a programme to produce, 1,000 tons of cellulose triacetate a year and the balance in the form of acetate moulding powders. It is proposed to sell the cellulose triacetate to a leading photo films manufacturing company since this is an important raw material for manufacturing raw films. Acetate moulding powders are employed in the plastic industry. There is a good market in India for both cellulose triacetate and acetate moulding powders.

As for foreign collaboration for the new venture, the Mysore Sugar Co. Ltd has made arrangements with well-known foreign firms for the supply of plant and machinery as well as technical know-how. The project is estimated to cost Rs. 4.15 crores, of which Rs. 2.25 crores will be raised through share capital, Rs. 1 crore through a dollar loan and the balance through the I.C.I.C.I. and other banks. The authorised capital of the Company will be Rs. 5 crores. Out of the proposed capital issue of Rs. 2.25 crores, the foreign collaborators will take shares worth Rs. 68 lakhs in part payment of the cost of plant and machinery and the supply of technical know-how. The Mysore Sugar Co. Ltd and the Government of Mysore will take up shares worth Rs. 30 lakhs and Rs. 50 lakhs, respectively. The balance of Rs. 77 lakhs is expected to be offered to the public for subscription.

Arunoday Mills Share Offer

THE subscription list for the Rs. 17.5-lakh public issue of Arunoday Mills Ltd will open soon. The Company has been licensed to set up a cotton textile mill with a capacity of 12,000 spindles and 324 automatic looms. The project is estimated to cost Rs. 79.50 lakhs, which it is proposed to meet by the issued capital of Rs. 30 lakhs, deferred payment of Rs. 5.50 lakhs and bank borrowings of Rs. 44 lakhs. The authorised capital of the Company is Rs. 1 crore. The issued capital is Rs. 30 lakhs made up of Rs. 25 lakhs in equity shares of Rs. 10 each and Rs 5 lakhs in 9.5 percent redeemable cumulative preference shares. Of this, the directors and their friends and associates have subscribed for Rs. 12.5 lakhs of equity capital. The balance of Rs. 12.5 lakhs of equity capital and Rs. 5 lakhs of preference capital is now being offered to the public. The Company has been permitted to import combers, cone winders, etcetera, against foreign exchange obtained by the issue of equity shares worth Rs. 4.45 lakhs to non-residents. Orders for machinery, indigenous and imported, have been placed. Building construction in

Morvi is in progress and the erection of machinery is expected to start soon. The directors expect to start partial production by the second half of 1964, and full production by the end of 1964. The Company's turnover, when in full production, will be around Rs. 70 lakhs and the directors hope to be able to declare a maiden dividend for 1965-66. Mr. Chinubhai Chimanlal of the Kasturbhai Lalbhai group will be the chairman of the Company.

Indo-Nepal Industrial Corporation

INDO-NEPAL Industrial Corporation Ltd is a new Company which has been promoted by the house of Birlas for setting up a cotton textile mill in Simra, Nepal, at an estimated cost of Rs. 1.70 crores. The mill will be a composite unit with 12,000 spindles, 300 fully automatic looms and complete processing plant. The output is expected to be 50,000 yards of cloth a day on a three-shift basis, of which 50 percent will be grey cloth. It is expected to meet nearly 20 percent of the demand for cloth in Nepal. The Government of Nepal has granted many concessions to the Corporation. There will be no excise or any other duty on the mills' production and the corporation will be exempt from income tax for a period of 12 years from the date of commencement of production. Full facilities have been granted for the remittance of dividends, management fees and managing agency commission, etcetera. The Government of Nepal has also given an undertaking that the mill will not be nationalised for a period of 41 years.

The cost of the project, estimated at Rs. 1.70 crores, will be met by the share capital of Rs. 1 crore (Rs. 1.60 crores Nepalese currency), deferred payment credit and loan from the Nepal Industrial Development Corporation and other sources. The Nepal Industrial Development Corporation has agreed to give a loan equivalent to Rs. 60 lakhs (Nepalese currency) of which Rs. 40 lakhs will be in Indian currency and Rs. 20 lakhs in U.S. dollars. The authorised capital of the Company is Rs. 3 crores in Nepalese currency (Rs. 1.87 crores in Indian currency) made up of 1 million equity shares of Rs. 20 each (equivalent to Rs. 12.50 Indian) and 50,000 preference shares of Rs. 200 each (equivalent to Rs. 125 Indian). The issued capital will be Rs. 1 crore of which the Government of Nepal and the promoters will each take up 160,000 equity shares of Rs. 12.50 each (Indian currency). The public will be offered 320,000 equity shares of Rs. 12.50 each and 16,000 9 percent redeemable cumulative preference shares of Rs. 125 each (Indian currency). The subscription list is expected to open shortly.



THE CHEMPRODUCTS CO.,
12, TAMER LANE, CAL.-9.

Devidayal Tube to Raise Fresh Capital

DEVIDAYAL Tube Industries Ltd, manufacturers of brass and copper tubes, is offering for public subscription 41,040 equity shares of Rs. 100 each and 10,000 9.5 percent cumulative preference shares of Rs. 100 each to raise additional funds required for the expansion of its activities. (Details of the issue appear on a later page in this issue of *Capital*.) The subscription list will open on 11th November and close on the 16th or earlier, but not before 13th November. The entire public issue has been underwritten. The Company's plant in Bhandup (Bombay) has a licensed capacity of 3,600 tons of tubes a year. Its current rate of production is around 1,500 tons on a double shift basis. The directors hope to achieve full capacity by the end of 1964. The total capital outlay on the project is estimated at Rs. 1.831 crores. Of this, a sum of Rs. 95 lakhs is provided by the share capital already subscribed and the capital now offered for public subscription. A sum of Rs. 12 lakhs will be provided by the collaborators—Delta Metal Co. Ltd, London—in the form of machinery. The balance of Rs. 76.43 lakhs will be met partly by borrowings and partly from internal resources. The Company is already doing well. Its sales during the year ended June 1963 amounted to Rs. 67.91 lakhs, on which it made a gross profit of Rs. 13.98 lakhs. The net profit after making various provisions amounted to Rs. 4.38 lakhs. The Company paid a gross interim dividend of Rs. 7 a share and the directors have recommended a final dividend of Rs. 3 a share. The Company's sales during the current year are expected to be around Rs. 1.50 crores, and the sales are estimated to rise to around Rs. 2.75 crores when the expanded plant comes into operation. The directors think that in the absence of any unforeseen circumstances, the Company would be able to maintain the dividend on the increased capital for the current year also. The order-book is stated to be full till the first half of 1964.

The Company has an authorised capital of Rs. 2 crores dividend into 150,000 equity shares and 50,000 preferences shares, both of Rs. 100 each. The issued capital is Rs. 1.25 crores of which Rs. 1 crore is in equity shares. Out of this, equity shares worth Rs. 34.89 lakhs have been allotted to the promoters—Devidayal (Sales) Private Ltd—in consideration for the transfer of net assets. The promoters have further subscribed for cash shares of the value of Rs. 6.90 lakhs. The technical collaborators have been allotted equity shares worth Rs. 2 lakhs for the supply of technical know-how. The subscribers to the memorandum and the directors have taken up equity shares worth Rs. 17,000. The Company is now offering equity shares worth Rs. 41.04 lakhs and preference shares worth Rs. 10 lakhs for public subscription.

Kerala Industrial Development Corporation

PRESIDING at the recent annual general meeting of the Kerala State Industrial Development Corporation Ltd, Mr. K. R. K. Menon, chairman, pointed to the satisfactory working of the Corporation during the second year of its working. (A full text of the speech is published on a later page in this issue of *Capital*.) The Corporation has earned a small profit. The more significant feature of its working is that it has suceeded in attracting investments and deposits from the public without much difficulty.

Mr. Menon said that the main objective of the Corporation was to develop a congenial climate in Kerala State for industrial expansion. Since the State has been under-developed, industrial development there depends on attracting outside capital and entrepreneurial skill. If the political stability of the State is ensured, it will greatly help in attracting outside capital for industrial expansion. Mr. Menon urged the Central Government to take a sympathetic attitude towards the developing industries in the State. Industrial licences for the State should, therefore, be more liberally sanctioned. If a free trade zone near Cochin or any other suitable port in Kerala were established, it would stimulate economic development of the State. An important impediment to industrial expansion has been the shortage of electric power. The State Government should, therefore, take active steps to ensure a regular supply of cheap electric power to attract investments from outside.

Fibreglass Pilkington Share Offer

FIBREGLASS Pilkington Ltd, which has been licensed to manufacture annually 2,500 tons of glass wool, 600 tons of glass textile fibres and 75 tons of glass staple tissues, is offering 520,000 equity shares of Rs. 10 each for public subscription to raise funds for the project involving a capital outlay of Rs. 1.15 crores. (Details of the issue appeared in last week's *Capital*.) The list will open on 11th November and will close on 20th November or earlier but not before 13th November. The public issue has been fully underwritten by leading financial institutions and two prominent firms of stockbrokers. The Company has been promoted by Fibreglass Limited of the U.K. and the Bombay Company (Private) Ltd to undertake the manufacture of fibre glass and fibre glass products which have a wide variety of uses. The Company has entered into an agreement with Owens-Corning Fibreglass Corporation of the U.S.A. for the assignment of patents and it has been licensed by Fibreglass Ltd to operate specialised centrifuge wool process. Fibreglass has been appointed its technical consultants and the Company will have the ability to draw on the most advanced technology.

Glass fibre products have a varied range of potential uses in the growing industrial economy of India as in other progressive countries, such products constituting a versatile basic engineering and constructional material because of their unique combination of properties. Up to now, glass fibres have only been made in India in relatively simple forms, and it has been difficult in recent years to import products from abroad. These products will be made on a large scale for the first time when Fibreglass Pilkington's plans materialise. To begin with, the Company proposes to set up a rotary type glass wool plant in Thana (Bombay), together with a continuous filament plant and a staple tissue plant. This plant has been designed to achieve quick expansion of textile and reinforcement production. The initial capacity of this plant is placed around 1,108 tons of glass fibres and glass fibre products. Thereafter, the Company will erect a second rotary type glass wool plant in West Bengal and another similar plant in Madras.

The first commercial production of glass fibres will be possible some 18 months after the commencement of the factory building in Thana. Except for certain chemicals and special alkali-free glass known as "E" glass which will need to be imported, other raw materials—sand, soda ash, dolomite, feldspar, limestone and saltcake—are available indigenously. The project is estimated to cost Rs. 1.15 crores of which Rs. 38.93 lakhs is to be spent on land and buildings and Rs. 43.93 lakhs on plant, machinery and equipment. Arrangements have been made in consultation with Fibreglass to place orders for machinery to be imported from abroad. The first shipment of such plant and machinery is expected to arrive in India within the next 12 months. The cost of the project, it is proposed, will be met by the issue of share capital of Rs. 1.05 crores and by bank borrowings.

The Company has an authorised capital of Rs. 2.50 crores—all in equity shares of Rs. 10 each. The issued capital will be Rs. 1.20 crores of which Fibreglass Ltd will take up Rs. 60 lakhs, including Rs. 15 lakhs to be allotted for consideration other than cash. The Bombay Company will be allotted shares worth Rs. 4.80 lakhs against cash payment. The directors, their associates and friends have agreed to subscribe for Rs. 3.20 lakhs. The balance of Rs. 52 lakhs is to be offered for public subscription. The board of directors includes Mr. John Creek (chairman), Mr. Reginald Gordon Hayes (managing director), Mr. Rajendra Ambalal Shah, Mr. Muthiah Annamalai Chidambaram, Mr. Nityanand Mangesh Wagle, Mr. Ghanshyam Vishwa Nath and Mr. Dilip Kumar Basu. The Bombay Company (Private) Ltd will be the sole selling agents. The Company has developed an extensive organisation for the sale of glass fibre products as it has been the sole sales agents of Fibreglass Ltd since 1947.

New Capital Issues

THREE companies have been authorised to raise fresh capital aggregating Rs. 1.7 crores. One company is issuing bonus shares and the other two equity and preference shares. One of the companies is offering part of its shares for public subscription by prospectus. In all cases, the consent of the Controller of Capital issues is valid for 12 months. The following are the details:

Ruberoid Company of India Ltd, Bombay, is to issue capital of Rs. 25 lakhs—Rs. 20 lakhs equity and Rs. 5 lakhs preference—in shares of Rs. 10 each, out of which equity shares of the value of Rs. 2 lakhs will be allotted to Ruberoid Co. Ltd, London, in consideration of know-how and trade marks. The proceeds will be utilised in the manufacture of asphalt corrugated sheets and roll roofings.

Vijay Spinning Mills Ltd, Vijayawada, is to issue capital of Rs. 25 lakhs divided into 200,000 equity shares of Rs. 10 each for cash at par and 5,000 cumulative redeemable preference shares of Rs. 100 each for cash at par. Shares of the value of Rs. 15 lakhs would be offered to the public for cash by prospectus. The proceeds, will be utilised to erect a spinning mill of 12,000 spindles in Krishna district.

The Indian Aluminium Company Ltd, Calcutta, is issuing 12,01,915 equity shares of Rs. 10 each as fully paid-up bonus shares on capitalisation of its share premium to the extent of Rs. 1,20,19,150. The bonus shares will be issued after the existing outstanding convertible 5 percent debenture stock has been converted into equity shares.

The Stock Markets

PROSPECT OF LIBERAL CREDIT HELPS SENTIMENT

Wednesday Evening.

WEDNESDAY has been a quieter day for the Calcutta stock market, although the general undertone is firm. The clearing has passed off smoothly and the higher carry-forward charges have not been a deterrent. Turnover has been confined to clearing scrip. The growing tension in Indo-Pakistani relations has been overlooked. The buying spree has continued because Lyons Range has exaggerated the importance of the move to liberalise credit supply from the Reserve Bank. Although the minimum margin requirement against share advances by banks has been scrapped, it is likely to be of little material benefit. Banks have always followed the prudent policy of advancing money against shares after keeping a sufficient margin. It is doubtful whether they will take the risk of relaxing the margin under the present circumstances. Not only has there been a rapid rise in share values during recent weeks, but there are also possibilities of sharp fluctuations in view of excessive speculation. The danger has been indicated by the substantial broadening of option business.

The authorities have, meanwhile, imposed interim margins for Hindustan Motors, Guest, Keen, Williams and Kesoram Industries, since the prices of these scrip have risen by more than 10 percent above their last clearing rates. Corporate news has been good. Two leading companies —Guest, Keen, Williams and Indian Aluminium—will issue bonus shares by capitalising reserves. So the bullish trend has survived despite profit-taking at the bulges.

After touching a new high for the year, Indian Iron have reacted on profit-taking. The output and despatches of the Company during October have been satisfactory, compared with September. The output of pig iron has, nevertheless, declined from 102,648 metric tons to 81,704 metric tons due to one furnace being put out for relining. Production of steel ingots has risen from 81,947 metric tons to 85,840 metric tons and that of salable steel from 63,191 metric tons to 76,520 metric tons. Despatches of salable steel have improved from 60,905 metric tons to 73,051 metric tons. Guest, Keen, Williams have been a firm feature and have risen satisfactorily due to informed buying. The Company will issue bonus shares in the proportion of one new share for every two held by capitalising reserves. Texmaco, Burn, Indian Standard Wagon and Jessop have been firm, although their closing prices have reacted somewhat.

In the miscellaneous section, attention has centred on clearing scrip. There has been an all-round improvement, although the top prices have been pared towards the close due to profit-taking. Indian Aluminium have been supported because of the decision to issue bonus shares in the proportion of one new share for every four held. Hindustan Motors have enjoyed support since the World Bank has agreed to give a substantial loan to the industry for development and modernisation. Indian Oxygen have shot up on sustained investment buying. Alkali Chemical, Union Carbide, British Paints and Associated Battery have hardened. India Steamship have gained on optimism concerning the freight outlook. Among new shares, Hindustan Aluminium, Universal Cable, Hindusthan Twyfords and Phillips Carbon have attracted attention. In paper shares, Orient and Sirpur have been active on influential support. Stray business in Titaghur, India Paper Pulp and Bengal have been transacted. In the banking section, United Bank of India have hardened. Sugar shares have been generally neglected, since the start of the new season has been marked by a shortage of cane.

Jute shares have been steady. Birla have reacted after an earlier rise. Fort Gloster have been bought on prospects of a rights issue at a premium of Rs. 90 a share. Barnagore have improved on producing good results. Interest has been taken in Champdany, Union, Northbrook, India, Kelvin and Ganges. Stray business in coal shares has been transacted. Burrakur, Bengal, Central India and East Indian have been steady. In cotton mills, Elgin and Dunbar have been prominent. J. K. Rayon have moved both days. Despite limited turnover in tea shares, good Assam and Dooars gardens have been bought. Jaybirpara in particular have improved sharply.

Government securities have been quietly steady. Turnover has been limited. Banks are interested in short-dated securities but their support has been restrained due to advent of the busy season. The 3 percent Conversion loan 1986 has reacted to Rs. 65.60. There has been support for selected State Government loans.

Tata Steel Output

Messrs Tata Industries Private Ltd, managing agents for the Tata Iron and Steel Company Ltd, report that the approximate production of iron and steel at the steel works in Jamshedpur during October 1963 was: iron 144,800 metric tons; steel ingots 153,500 metric tons and salable steel 125,300 metric tons.

Bombay

MARGINS RELAXED A LITTLE

REACTIONARY TREND AT THE CLOSE

Wednesday Evening.

THE Bombay stock market has begun the new account on a buoyant note during the past week. Share prices have generally scaled new peaks for the year, although a reactionary trend has set in towards the close due to profit-taking. All offerings have, nevertheless, been absorbed without difficulty. The Stock Exchange authorities have relaxed the margin restrictions somewhat in that the interim margins imposed on purchases of Century and Hindustan Motors have been halved. The authorities claim that the rise in the prices of these scrip has taken place due to an improvement in the economic outlook, and not due to speculation.

Dalal Street takes the view that the scrapping of the minimum margin requirement against share advances might lead to a bigger supply of bank credit for investment in stocks and shares. Knowledgeable circles, however, hold different views. Banks are not likely to invest liberally in shares because of the possibility of wide fluctuations in prices. Towards the close, there is an undercurrent of caution, since investors are inclined to wait until the Central Finance Minister unfolds his policy concerning tax changes during the winter session of the Lok Sabha.

Tata Steel ordinary have shot up to Rs. 147.25 on higher production figures for October in comparison with those for September. Among engineering shares, Tata Locomotive, Alcock Ashdown and Mukand Iron have met with support. Hindustan Motors have been active in motor-vehicle shares due to the prospect of a World Bank loan for expansion of the industry. Premier Automobiles have gained.

Selected cotton mill shares have improved on balance because of the decision of the Government to allow expansion of looms and spindles in the mill sector. Century have risen sharply and have attracted an interim margin. Support has been extended to Kohinoor, Morarjee, Bombay Dyeing, Svadeshi and Tata Mills. Standard Mills have gained. India United ordinary have been bought freely.

Miscellaneous shares have moved up in sympathy with the general trend. Sugar shares have been buoyant on expectations of a higher output during the current season. Belapur, in particular, have shot up on hopes of a higher dividend. Phalton and Walchandnagar Industries have been steady. In steamship company shares, Scindia have risen. Great Eastern Shipping have enjoyed support on prospects of a bonus issue. The Company has nevertheless skipped the dividend.

Cement shares have been steady. Associated Cement and Digvijay have been bought. In mining shares, Shivrajpur Syndicate have met with stray buying. Bombay Burmah have been active. Rayon shares have gained. National Rayon and Gwalior Rayon have been prominent. Among

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SUBSCRIPTION WILL OPEN ON 12TH NOVEMBER, 1963 AND CLOSE NOT LATER THAN 18TH NOVEMBER, 1963.

chemicals shares, Tata Chemical have improved on an optimistic assessment of the outlook by the chairman of the Company in his address at the annual general meeting. Support to cash scrip has been selective.

In banks, Central Bank have been active on prospects of a rights issue. Among insurance shares, New India Assurance have met with support. Selected electric company shares have gained on balance. Ahmedabad Electric and Bombay Suburban have enjoyed support. Tata Power have been bought.

Madras

MORE L.I.C. PURCHASES EXPECTED

ATTENTION CENTRES ON PLANTINGS

Tuesday Evening.

THE undertone of the Madras stock market has improved appreciably during the past week on higher advices from Dalal Street. There has also been substantial support from outside sources. The more liberal credit policy announced by the Reserve Bank has been interpreted bullishly. Operators have also been cheered by the prospect that the Life Insurance Corporation might increase its purchases at the Madras centre.

Government securities have been steady, and selected State loans have hardened on balance. Business in bank shares has been scattered. Canara have been transacted at Rs. 88 and Indian Overseas at Rs. 147.50. In electric companies, Salem-Erode have fetched Rs. 14 28 and West Coast Rs. 17.35. Selected sugar shares have been supported. Cauvery have changed hands at Rs. 110 on paying a taxable ordinary dividend of 6 percent. Deccan have hardened to Rs. 12.40, but E.I.D. have reacted to Rs. 37.40.

Most of the attention has been concentrated on planting shares. Tea shares have been bought on good crop reports. Coffee shares have been favoured due to the improved export outlook. Blue Mountain have been transacted at Rs. 2.70 and Consolidated Coffee at Rs. 22. Cochin Malabar have been taken at Rs. 6.18 and Ouchterlony at Rs. 4.70. Periakaramalai have been at Rs. 3.45. Business has passed in Nonsuch at Rs. 23.80 on declaring a taxable ordinary dividend of 15 percent, making 20 percent for the year. Interest has been taken in Pullangode at Rs. 22.42, in Rajagiri at Rs. 18.60, in Kalpetta at Rs. 12 and in Peermade at Rs. 20.55. Composite gardens producing tea and coffee have been steady. Kil Kotagiri have changed hands at Rs. 5 30, Nilgiri at Rs. 8.40 and Stanes Amalgamated at Rs. 14.55.

Selected coton mill shares have been buoyant. South India Viscose have shot up to Rs. 140 and Travancore Rayon to Rs. 27.50. Business has passed in Lakshmi at Rs. 137.50 and in Madura at Rs. 33.65. Hemalatha have been taken at Rs. 8.98 on paying a taxable ordinary dividend of 5 percent. Bangalore Woollen have been transacted at Rs. 233.50 and Buckingham at Rs. 268. Kothari have reacted to Rs. 9.25, but Mettur have been steady at Rs. 285. Radhakrishna have been wanted at Rs. 29.25 and Ramakrishna at Rs. 217.80.

In the miscellaneous section, Aluminium Industries have hardened to Rs. 19 and Mettur Chemical to Rs. 13.20. Ashok Leyland have been sluggish around Rs. 7.50 despite the prospects of a rights issue. Among cement shares, Dalmia have come to hand at Rs. 13 and India Cement at Rs. 5.70. F.A.C.T. have been quiet at Rs. 6.25. Seshasayee Paper have gained at Rs. 7.58. Standard Motors have been transacted at Rs. 10.58. Kirloskar Electric have reacted to Rs. 18.45 on declaring a taxable ordinary dividend of 10 percent on the increased share capital. Business has passed in Madras Rubber at Rs. 15 and in Ogale Glass at Rs. 4.60 Spencer have been transacted at Rs. 20.37 and Parry's Confectionery at Rs. 3.42. Textool have been steady at Rs. 14.60 and Rane (Madras) at Rs. 8.10.

THE TRANSACTIONS

[In the following list of Stocks and Shares in which transactions took place on 4th, 5th and 6th November, the figures indicate Opening, Highest, Lowest, Closing Quotations and Quotations for the corresponding Closing Date a Year Ago. The last-named is shown in parentheses and will not be given where such a quotation is not available.]

CLEARED SECURITIES

Birla Jute—Rs. 33/94—34/00—33/44—33/62—(33/50).
Burrakur Coal—Rs. 17/50—17/50—17/12—17/12—(16/12).
Dunlop Rubber—Rs. 38/62—38/62—37/50—37/81—(36/00).
Guest, Keen, Williams—Rs. 40/94—41/75—40/50—41/37—(34/87).
Hindustan Motor—Rs. 19/97—20/25—19/81—19/81—(16/50).
Indian Aluminium—Rs. 39/25—39/50—38/75—38/75—(32/75).
Indian Copper—Rs. 3/71—3/74—3/60—3/66—(4/28)
Indian Iron—Rs. 25/14—25/22—24/98—25/00—(23/30).
Indian Cable—Rs. 37/31—38/12—37/25—37/37—(35/00).
J. K. Cotton—Rs. 13/37—13/69—13/19—13/31—(14/69).
Jaipur Udyog—Rs. 12/69—12/69—12/44—12/44—(11/12).
Kesoram Industries—Rs. 27/69—27/75—27/12—27/25—(22/31).
Orient Paper—Rs. 38/10—40/00—37/90—39/50—(36/25).
Orissa Cement—Rs. 15/50—15/75—15/44—15/56—(15/31).
Rohtas Industries—Rs. 14/31—14/56—14/19—14/31—(12/00).
Shree Gopal Paper—Rs 27/50—27/50—26/81—26/87—(23/25).
Textile Machinery—Rs. 28/40—28/45—28/10—28/10—(20/05).

GOVERNMENT SECURITIES

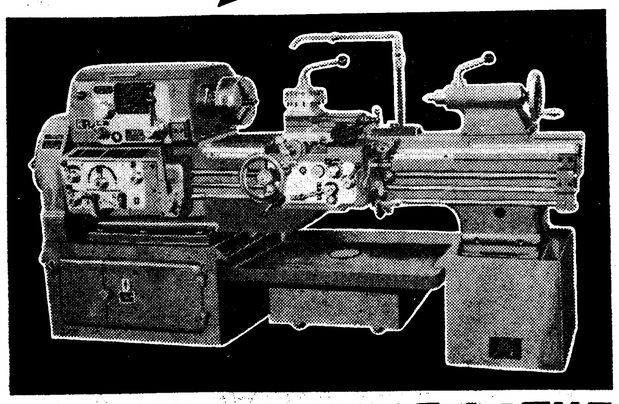
3 % Loan (1986)—Rs. 65/65—65/65—65/55—65/55.
3½ % „ (1964)—Rs 99/85—99/85—99/85—99/85.
3½ % „ (1965)—Rs. 99/65—99/65—99/65—99/65.
4 % West Bengal (1968)—Rs. 98/75—98/75—98/75—98/75.
4 % Loan (1969)—Rs. 99/50—99/50—99/50—99/50.
4 % „ (1973)—Rs. 99/20—99/20—99/20—99/20.
4½ % „ (1973)—Rs. 100/00—100/00—100/00—100/00.
4½ % Madras (1974)—Rs. 98/85—98/90—98/85—98/90
4½ % Orissa (1974)—Rs. 98/95—98/95—98/90—98/95.
4½ % U.P. (1974)—Rs. 98/80—99/00—98/80—98/90.
4½ % West Bengal (1974)—Rs 99/55—99/55—99/55.

BANKS

United Bank of India (Rs. 10/- paid)—Rs. 7/65—7/87—7/65—7/69—(7/62).
Do. (Conty) (Rs. 20/-) (Rs. 10/- paid)—Rs. 6/75—6/75—6/75—6/75.
United Commercial—Rs 72/50—73/50—72/00—73/50—(80/00).

COTTONS

Bowreah—Rs. 26/31—26/31—26/31—26/31—(25/06)
Bharat Commerce—Rs. 24/50—24/62—24/50—24/62—(25/87).
Dunbar—Rs 30/00—30/56—30/00—30/56—(27/37).
Elgin—Rs. 22/69—23/62—22/69—23/12—(19/50).
Jay Shree—Rs 17/25—17/44—16/50—17/00—(16/25).



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New Victoria—Rs. 1/62—1/62—1/44—1/53—(1/37).
Do. (Pref.)—Rs. 2/69—3/00—2/69—3/00.

COALS

Bengal—Rs. 286/00 S T.—286/00—273/00—273/00—(335/00).
Bharat—Rs 3/53—3/62—3/53—3/62—(3/53)
Central India—Rs. 10/00—10/12—9/87—10/12—(10/12).
East India—Rs 31/25—31/44—31/25—31/44—(50/00).
Western Bengal—Rs. 9/00—9/12—9/00—9/12—(8/87).

JUTES

Agarpara—Rs. 10/62—10/94—10/44—10/62—(10/19).
Barnagore—Rs. 216/00—216/00—214/00—214/00—(180/00).
Chitavalsah—Rs. 11/25—11/25—11/25—11/25—(11/25).
Clive ('A' Pref.)—Rs. 74/00—74/00—74/00—74/00
Fort Gloster—Rs. 366/00—368/00—366/00—368/00—(412/00).
Ganges—Rs. 14/87—15/00—14/87—15/00—(13/12).
Kinnison—Rs. 143/00—145/00—141/00—141/00—(153/00).
Kamarhatty—Rs. 200/00—200/00—200/00—200/00—(200/00.
Megna—Rs. 14/25—14/25—13/87—13/87—(12/62).
Naihati—Rs. 92/00—92/00—92/00—92/00—(107/00).
New Central—Rs. 14/62 S.T.—15/00—14/62—14/84—(13/62).
Nuddea—Rs. 65/00—68/25—65/00—68/25—(54/75).
Nellimarla—Rs. 12/62—12/75—12/62—12/75.
Presidency—Rs. 5/75—5/81—5/75—5/81.
Union—Rs. 166/00—166/00—166/00—166/00.
Waverley—Rs. 8/94—9/06—8/94—9/06.

MINING

Bisra Stone Lime—Rs. 22/06—22/12—22/00—22/12—(27/87).

CEMENTS

Ashoka—Rs. 7/19—7/44—7/19—7/31—(7/19)
Dalmia (Bharat)—Rs 13/00—13/12—13/00—13/12—(13/81).
Sone Valley—Rs. 5/00—5/06—4/94—4/97—(4/53).

CHEMICAL

Alkali & Chemical—Rs. 35/25—35/75—35/00—35/50—(39/75).

ELECTRICS

Calcutta—Rs. 14/50—14/56—14/44—14/44—(14/87).
Upper Jumna—Rs. 17/37—17/50—17/37—17/50—(15/25).
U.P.—Rs. 130/00—136/50—130/00—136/50—(120/00).

ENGINEERINGS

Bharat Ball Bearing—Rs. 13/50—15/25—13/50—15/25
Binani Metal—Rs 11/37—11/56—11/37—11/56.
Braithwaite & Co.—Rs. 35/25—35/75—35/25—35/75—(34/87).
Do. (Pref.)—Rs. 108/50—108/50—108/50—108/50.
Britannia Eng.—Rs. 10/50—10/69—10/50—10/62—(10/25).
Calcutta Steel—Rs. 14/19—14/19—14/00—14/00—(14/87).
Dalmia Iron—Rs. 11/44—11/44—11/25—11/44
Hindusthan Wires—Rs. 10/50—10/81—10/12—10/81—(11/00)
Indian Standard Wagon—Rs. 36/50—36/75—36/50—36/62—(32/69).
Jessop & Co.—Rs. 26/00—26/50—26/00—26/50—(22/06).
J. K. Steel—Rs. 16/50—16/81—16/50—16/81—(16/25).
Machinery Mfgs.—Rs. 23/25—23/44—23/25—23/44
Marshalls—Rs. 2/62—2/70—2/62—2/70—(3/25).
National Iron & Steel—Rs. 6/00—6/06—5/87—5/94—(4/75)
Raymon—Rs. 5/00 S.T.—5/12—5/00—5/12.
Wellman Incandescent—Rs. 6/56—7/31—6/37—7/31.

INSURANCES

New Asiatic—Rs. 8/75—9/06—8/75—9/06.
Ruby General—Rs. 10/37—10/56—10/37—10/56—(9/69).

MISCELLANEOUS

Aluminium Corpn.—Rs. 16/75 S.T.—17/56—16/75—17/19—(15/25).
Angelo Brothers—Rs. 26/06—26/25—25/75—26/12—(23/44).
Associated Battery—Rs. 26/50—26/75—26/37—26/37—(28/06).
Albion Plywood—Rs. 9/06—9/06—9/06—9/06
Assam Hardboard—Rs. 4/81—4/94—4/75—4/75.
Asiatic Oxygen—Rs. 13/75—13/75—13/75—13/75.
Britannia Biscuits—Rs. 42/00—42/00—42/00—42/00—(45/12)
B. I. Corpn.—Rs. 8/69—8/75—8/25—8/25—(9/56).
British Paints—Rs. 21/37—23/06—21/25—22/12—(20/25)
Balmer Lawrie—Rs 256/00—257/00—256/00—257/00—(257/00).
Clive Row Investment—Rs. 8/87—8/87—8/60—8/60—(8/25).
Calcutta Gas—Rs. 2/50—2/50—2/50—2/50.
Calcutta Safe Deposit—Rs. 7/94—7/94—7/94—7/94—(7/25).
Calcutta Tramways—Rs. 11/25—11/25—11/25—11/25—(12/25).
Dyer Meakin Breweries—Rs. 29/69—31/50—29/69—31/50—(29/62).
Dunlop Rubber (1st Pref.)—Rs. 108/00—108/00—107/00—107/50
Electric Construction—Rs. 14/25—14/37—14/06—14/25—(13/50).
East Anglia Plastics—Rs. 9/25—9/25—9/25—9/25—(14/56).
General Tyres—Rs. 10/19—10/25—9/94—10/12.
Goodyear India—Rs 33/50—33/50—33/37—33/37—(40/75).
Gwalior Rayon—Rs. 49/00—49/00—49/00—49/00
Gillanders—Rs. 14/00—14/00—14/00—14/00—(14/06).
Do. (Pref.)—Rs. 55/00—56/00—55/00—56/00
Hindustan Aluminium—Rs. 14/06—14/06—13/75—13/94—(13/56).
Hindusthan Development—Rs. 3/87 S.T.—4/12—3/87—4/12.
Imperial Tobacco—Rs. 10/37—10/50—10/31—10/50—(10/87).
Indian Oxygen—Rs. 28/62—30/00—28/50—28/50—(31/87).
Indian Wood Products—Rs 29/94—30/31—29/94—30/31—(32/00).
Isaac Holdens—Rs. 16/00—16/12—15/75—16/06—(15/56).
Jay Shree Industries—Rs. 18/62—18/81—18/50—18/62—(16/50).
J. K. Synthetics—Rs 12/12—12/19—12/06—12/19—(12/19).
Martin Burn—Rs 29/00—29/19—28/75—29/12—(29/75).
Metal Box—Rs. 54/00—54/00—53/75—53/75—(55/50)
Metal Distributors—Rs. 4/56—4/62—4/56—4/56
National Insulated Cable—Rs. 26/00—26/06—25/75—25/87—(25/00).
National Tobacco—Rs. 12/25—12/50—12/25—12/50—(13/00)
National Pipes & Tubes—Rs 28/75—28/75—28/75—28/75—(29/75).
National Rolling & Steel Ropes—Rs 21/25—21/25—21/19—21/19—(21/37).
National Rubber—Rs. 12/87—12/87—12/87—12/87—(11/25).
Phillips Carbon—Rs. 17/19—17/31—16/94—17/00
Philips India—Rs. 30/75—30/87—30/75—30/87—(28/12).
Rallis—Rs. 131/00—132/00—131/00—131/50—(150/00).
Sirsilk—Rs. 9/37—10/50—9/37—10/50—(8/75).
Shaw Wallace—Rs. 16/75—16/75—16/69—16/69—(20/06).
Universal Cables—Rs. 12/37—12/62—12/37—12/50.
Usha Martin Black—Rs. 18/00—18/12—17/62—18/00.
Union Carbide—Rs. 41/37—42/00—41/37—42/00—(45/00).
Wallford Transport—Rs 4/00—4/00—3/94—3/97—(3/37).
Do. (P.O.)—Rs. 2/81—2/94—2/81—2/94.

OIL

Indo-Burma Petroleum—Rs. 23/56—23/87—23/56—23/87—(25/44).

PAPERS

Ashok—Rs. 3/37—3/44—3/37—3/44.
Bengal—Rs. 28/50—28/56—28/50—28/56—(32/78).
India Paper Pulp—Rs. 19/00—19/25—19/00—19/25—(18/87).
Seshasayee—Rs. 8/12—8/12—7/87—8/00.
Sirpur—Rs. 14/50—14/62—14/37—14/56—(12/75)
Star (7% Convertible 3rd Pref.)—Rs. 84/50—84/50—84/00—84/00
Do. (Ord.)—Rs. 9/12—9/12—9/12—9/12.
Straw Products—Rs. 10/25—10/56—10/19—10/37—(9/62).
Titaghur—Rs. 17/50—17/62—17/31—17/56.
Do. (P.O.)—Rs. 3/31—3/31—3/25—3/25—(3/78)
West Coast—Rs. 173/00—173/00—173/00—173/00—(160/00)

SAW MILL

Assam Saws—Rs. 2/62—2/62—2/50—2/56—(2/75).

SHIPPINGS

India Steamship—Rs. 7/56—7/69—7/31—7/47—(6/25).
India General Nav.—Rs. 42/00—43/25—40/75—43/25—(66/50).

REAL PROPERTIES

Bengal Bonded Warehouse ('A' Share)—Rs. 900/00—900/00—900/00—900/00—(610/00).
Do. ('B Share)—Rs 125/00—125/00—125/00—125/00—(77/25).

SUGARS

Balrampore—Rs. 1/95—1/95—1/95—1/95—(2/34).
Carew & Co.—Rs. 11/50—11/94—11/19—11/62—(12/25).
Cawnpore—Rs 9/75—9/75—9/75—9/75—(12/37)
Champaran—Rs 13/87—13/87—13/87—13/87—(15/87)
Raza Buland—Rs 10/37—10/37—10/37—10/37—(15/15)
Ryam—Rs 3/56—3/56—3/56—3/56—(8/06).
9/06—8/87—9/06—(9/06).

TEAS

Amluckie—Rs. 18/50—18/50—18/37—18/37—(20/00).
Bhatkawa—Rs. 17/00—17/00—17/00—17/00—(17/37).
Dhelakhat—Rs. 20/25—20/25—20/25—20/25—(20/00).
Dauracherra—Rs. 11/69—11/69—11/44—11/50—(7/31).
Hasimara—Rs. 13/87—14/00—13/81 x.d.—13/81 x.d.—(14/81).
Jaybirpara—Rs. 23/31—23/37—22/87—23/00—(11/06).
Joonktollee—Rs. 17/37—17/50—17/37—17/50
Killcott—Rs. 16/12—16/12—15/94—15/94—(17/31).
Rajabhat—Rs. 11/56—11/75—11/56—11/75—(12/12).
Seajuli—Rs 24/00—24/12—24/00—24/12—(20/75).

DEBENTURE

7 % Indian Aluminium—Rs. 101/00—101/00—101/00—101/00.

TRAVELLING?

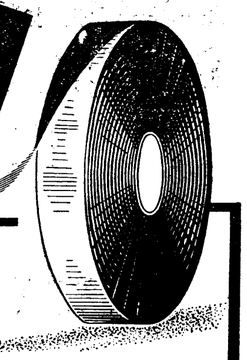
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QUICKER BANK PAYMENTS AT THE COUNTER

(BY A SPECIAL CORRESPONDENT)

Commercial banks compete keenly among themselves to attract deposits, but they are not as keen to serve their customers well. Payment facilities, especially across the counter, are generally unsatisfactory. Only a few have adopted a quick method of payment known as the "teller system".

COMMERCIAL banks in India have been operating as if they were in a sellers' market. They have evolved various interest rate agreements to borrow and lend at specified rates. Thus a system of controlled banking obtains in this country. Even though there is keen competition to attract deposits, the urgent need to improve payment facilities—especially across the counter—does not seem to be enjoying as high a priority as, say, the modernisation of offices. That is why when customers go to an Indian bank they are often made to wait for a long time. One has to visit the counters of some commercial banks, especially the bigger ones, to see long queues on heavy payment days, such as the first few days of each month or when the payment of big sums like income tax and sales tax has to be made to the State Bank.

While this is the general picture, the foreign banks and a few Indian banks, such as the Bank of Baroda and the Punjab National Bank, have been experimenting in a few offices with what is known as "the teller system" for making quick payments across the counter. The system is not yet common enough to make its impact on the public. Under the system, payment is often made to a customer in a matter of minutes. Since the "teller system" reduces the abnormal delay involved in banking transactions and saves the customer time, its *modus operandi* is of particular interest.

What is the "teller system"? The term "teller" is used to indicate a bank cashier abroad. The cashier discharges the important functions of the cheque-receiving ledger-keeper, the passing officer and paying cashier. A limit is usually fixed for cashing cheques under the system. For instance, when it introduced the experiment for savings bank accounts in 1962, the Punjab National Bank fixed a limit of Rs. 1,000 at some of its offices. The significant feature of the system is that the customer is paid cash immediately on presenting the cheque.

Record Card

How is this done? The "teller" maintains a record card of each customer which, among other things, shows the specimen signature of the account holder, the serial number of the cheque book and the last outstanding balance. Insurance cover is obtained by the bank for unforeseen risks, if any, under the system. In certain foreign banks in Bombay, the system followed is as follows: As soon as a customer comes to cash a cheque, he signs it like a traveller's cheque in the presence of the teller and hands it over to him. The teller verifies that the cheque is in order, namely, that the amount is in order or words and figures of the amount tally and the signature is clear and puts it in the pigeonhole behind him. The peon hands over the cheque to the ledger-keeper sitting immediately behind the teller. The ledger-keeper verifies the last outstanding balance which is available in an adjacent indexing cabinet.

Meanwhile, the teller keeps the requisite denominations of cash ready. On receiving the payment, the customer is requested to sign the cheque once again. If both signatures tally, the payment is made immediately. Thus the "teller system" cuts down the three stages of transaction in payment—through the ledger-keeper, the passing officer and the cashier—to a single transaction. There is no formality of issuing and receiving back tokens. In foreign banks operating in India and abroad the system is widely practised. This is because the customers, by and large, are well known to bank staff, and the minimum balance maintained in each account is usually a comfortable figure. Usually, the tellers are given limits in case of various customers and they are authorised to make payments to the extent of such specified limits.

In some banks following the "teller system", the specimen signature is pasted on the loose leaf of the savings bank ledger. The teller quickly verifies the signature. Since the minimum amount of withdrawal is fixed at a low figure, it is probably possible to limit the risk involved in transactions.

Some Preconditions

The teller system requires certain preconditions for its implementation. These are, firstly, experienced senior officers should attend at the payment counters; secondly, the accounts are required to be maintained in loose leaf ledgers or cards; and thirdly, it involves a certain amount of risk in view of the large number of customers to serve and the absence of the personal touch between the banker and customer, especially in big banks. In almost all banks, the present practice is to keep the junior staff—mostly clerical staff—at the counters The senior staff perform supervisory functions. If the system is to be implemented, there should be a complete reorientation of the attitude of the staff, especially the senior staff. This will not be easy to achieve since the staff are, by and large, conservative and resist changes.

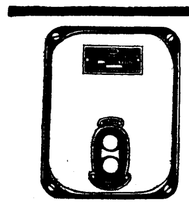
Again, there is the question of the switchover to loose leaf ledgers in account books. It is the considered opinion of several experienced bankers that loose leaf ledgers are undesirable since they enhance the risk of loss through carelessness or wilful neglect. The existing procedures followed in various banks also require considerable reorientation if the teller system is to be introduced.

In view of the reluctance to take risks involved in the teller system, certain banks in India have started experimenting in other directions. A leading bank in Bombay has rearranged its seating arrangement in counters and claims that it is able to make payment to customers within a few minutes. This is only confined to its head office. All other banks are not, however, in that happy position since most of them suffer from a shortage of space which does not permit a drastic rearrangement of the counters. This is particularly the case with the State Bank of India where congestion at the local head offices is common. One of the medium banks in Bombay introduced a conveyor belt system for carrying cheques from ledger-keepers to cashiers to cut the time lag in the carriage of cheques by peons from one end to another. Several banks are planning to go in for "drive-in banks" to save the customers' time. This helps, however, only big customers. But the zeal for experiments is confined to a few banks at a few centres. By and large, it is, the general experience of a bank customer that he has to waste a precious half an hour even in an uncrowded suburban office to cash his cheque or to withdraw the money he has deposited. In other words, no effort is generally made by commercial banks in this country to save the time of their customers.

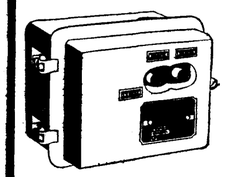
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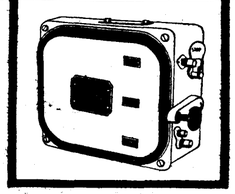
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THE CALCUTTA MONEY MARKET

MODERATE INCREASE IN ADVANCES

Wednesday, 6th November.

THERE has been a moderate increase in the general level of advances in the Calcutta money market during the past week—due entirely to the rise in the requirements of the iron, steel and engineering industries. The credit given to the cotton and jute mills, and to the foodgrains and seeds trade, is unchanged, while sugar advances show another slight decline. In the inter-bank market, conditions were relatively easy at first, but have become tighter towards the close, and the call rate is quoted around 2¾ percent.

The exchange market has been active, with an excellent supply of tea bills and a fair number of gunny bills. The demand for remittances has been moderate. The trend in sterling has been mixed: the closing quotations show fractional losses in relation to all the major currencies except the Austrian and the Scandinavian.

SILVER WAS STEADY IN CALCUTTA during the past week. Turnover was small. The price closed at Rs. 231.35 for ready. The price was quoted at 111⅛d in London and at 129.3 cents in New York. Nominal business in gold was transacted The closing price of 14-carat stood at Rs. 62.

DURING THE WEEK ENDED 1ST NOVEMBER, Government of India Treasury bills for Rs. 109,79,25,000 were sold in favour of the Reserve Bank.

TENDERS FOR RS. 2 CRORES OF 91-DAY Government of India Treasury bills were opened on 5th November. The total amount offered was Rs. 3,03,00,000. Tenders at Rs. 99.425 percent were accepted in full, and those at Rs. 99.420 percent were allotted 49 percent. The total amount accepted was Rs. 2 crores, the average rate of acceptance being Rs. 2.310 percent a year. Tenders for Rs. 2 crores of 91-day Government of India Treasury bills will be received at all centres up to the close of business on 11th November.

IT IS STATED THAT 91-DAY INTERMEDIATE Treasury bills will be closed from 6th November to 9th November at Rs. 99.441 percent. Sales can be stopped at any time without notice if the Government thinks it necessary. These bills sold from 30th October to 2nd November amounted to Rs. 8.10 crores.

THERE WAS A DROP OF RS. 7.46 CRORES to Rs. 2,243.92 crores in active notes, according to the return of the Reserve Bank of India for the week ended 1st November, 1963, while the total note issue was Rs. 30 lakhs larger at Rs. 2,270.48 crores. Notes held in the Banking Department consequently rose by Rs. 7.76 crores to Rs 26.56 crores. Deposits of the Central Government were up by Rs. 71 lakhs to Rs. 48.68 crores while those of State Governments declined by Rs. 7.43 crores to Rs. 7.37 crores. Balances of scheduled banks were Rs. 19.77 crores smaller at Rs. 98.73 crores. Their loans from the Reserve Bank rose from Rs. 1.75 crores to Rs. 2.04 crores, but there was no advance against usance bills. Balances held abroad fell by Rs. 2.63 crores to Rs. 7.31 crores. The investment portfolio was Rs. 6.69 crores smaller at Rs. 230.10 crores. Ways and means advances to Governments amounted to Rs. 37.14 crores, against Rs. 36.38 crores.

THE RETURN OF THE STATE BANK OF India for the week ended 25th October, 1963, shows a rise of Rs. 9.17 crores to Rs. 601.66 crores in total deposits. Investments in Government securities are down by Rs. 5.02 crores to Rs. 308.60 crores, while other authorised investments remain unchanged at Rs. 8.95 crores. Advances, including loans, cash credits, overdrafts and bills discounted and purchased have declined by Rs. 1.02 crores to Rs 250.53 crores. Cash and balances are, in consequence, shown at Rs 42.70 crores or Rs. 21.97 crores higher.

THE STATEMENT OF THE POSITION OF scheduled banks for the week ended 25th October, 1963, shows Demand and Time liabilities at Rs. 1,111.05 crores (Rs 18.93 crores on account of borrowings from banks) and Rs. 1,328.20 crores (Rs. 25.07 crores), compared with Rs. 1,095.48 crores (Rs. 21.65 crores) and Rs. 1,319.88 crores (Rs. 23.43 crores), respectively, in the previous week. Cash has declined by Rs. 52 lakhs to Rs. 56.46 crores, while balances with the Reserve Bank have increased by Rs. 38.57 crores to Rs. 113.77 crores. There is a drop of Rs. 9.75 crores to Rs. 759.34 crores in investments. Advances and bills discounted at Rs. 1,482.04 crores show a fall of Rs. 6.15 crores. The ratios to total liabilities of cash and balances, and of advances and discounts are, in consequence, shown at 7 percent and 60.8 percent, against 5.4 percent and 61.6 percent.

TREASURY BILL MATURITIES

Details of 91-day bills outstanding with the public on 8-11-63.

Issue Date	Maturity Date	Amount (000's Rs.)	Average Acceptance Rate
8-11-62	11-2-64	2,00.00	Rs. 2.310%
28-10-63	31-1-64	2,00.00	Rs 2.318%
23-10-63	26-1-64	2,00.00	Rs 2.320%
18-10-63	21-1-64	2,00.00	Rs 2.320%
11-10-63	14-1-64	2,00.00	Rs 2.318%
4-10-63	7-1-64	2,00.00	Rs 2.318%
27-9-63	30-12-63	2,00.00	Rs 2.318%
20-9-63	23-12-63	2,00.00	Rs 2.318%
13-9-63	16-12-63	2,00.00	Rs 2.318%
6-9-63	9-12-63	2,00.00	Rs 2.318%
30-8-63	2-12-63	2,00.00	Rs 2.320%
23-8-63	26-11-63	2,00.00	Rs 2.320%
16-8-63	19-11-63	2,00.00	Rs 2.320%
9-8-63	12-11-63	2,00.00	Rs 2.320%

(Monthly Maturities 000's omitted)

November 1963	6,00.00
December 1963	10,00.00
January 1964	10,00.00
February 1964	2,00.00
Total	28,00.00

CLEARING HOUSE RETURNS

Week	Calcutta Rs (Lakhs)	Bombay
1-11-63	.....	1,17,26
25-10-63	.....	1,35,75
16-10-63	.....	78,45,64

RESERVE BANK

ISSUE DEPARTMENT

(in 000's of Rupees)

	Week Ended 1-11-63	25-10-63	2-11-62
Liabilities—			
Notes in Banking Dept.	26,55,77	18,80,13	21,48,35
Notes in Circulation	22,43,92,41	22,51,37,83	20,63,79,29
Total Notes issued	22,70,48,18	22,70,17,96	20,85,27,64
Assets—			
A. Gold Coin and Bullion	1,17,76,10	1,17,76,10	1,17,76,10
Foreign Securities	92,45,69	92,45,69	88,08,43
Total of A	2,10,21,79	2,10,21,79	2,05,84,53
B. Rupee Coin	1,20,95,37	1,20,65,15	1,21,14,01
Rupee Securities	19,39,31,02	19,39,31,02	17,58,23,10
Total	22,70,48,18	22,70,17,96	20,85,27,64

BANKING DEPARTMENT

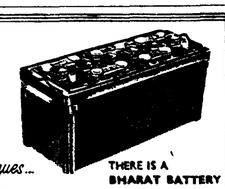
Liabilities—			
Capital Paid-up	5,00,00	5,00,00	5,00,00
Reserve Fund	80,00,00	80,00,00	80,00,00
National Agricultural Credit (Long Term Operations) Fund	73,00,00	73,00,00	61,00,00
National Agricultural Credit (Stabilisation) Fund	8,00,00	8,00,00	7,00,00
Deposits—			
(a) i. Central Govt.	48,67,83	47,96,79	49,94,53
ii. State Govts.	7,36,61	14,79,87	10,07,59
(b) Banks :—			
(i) Scheduled Banks	98,72,70	1,18,49,62	72,38,25
(ii) State Co-operative Banks	2,34,18	2,02,31	1,71,71
(iii) Other Banks	2,57	3,15	3,11
(c) Others	1,63,77,22	1,61,12,50	1,60,15,10
Bills Payable	32,89,28	30,28,14	30,13,29
Other Liabilities	29,76,68	28,51,13	30,14,53
Total	5,49,59,07	5,69,25,51	5,07,58,41
Assets—			
Notes	26,55,77	18,80,13	21,48,35
Rupee Coin	2,00	4,03	5,58
Small Coin	3,77	3,42	3,25
National Agricultural Credit (Long Term Operations) Fund			23,98,87
(a) Loans and Advances to :—			11,62,69
(i) State Govts.	27,07,52	27,10,41	
(ii) State Co-operative Banks	9,75,10	9,84,97	
(iii) Central Land Mortgage Banks	...	...	...
(b) Investment in Central Land Mortgage Bank Debentures	3,55,31	3,55,31	2,84,81
National Agricultural Credit (Stabilisation) Fund			
Loans and Advances to State Co-operative Banks	...	...	...
Bills Purchased and Discounted :—			
(a) Internal	...	...	...
(b) External	...	...	...
(c) Govt. treasury Bills	53,38,21	72,50,06	96,05,09
Balances Held abroad	7,31,26	9,94,48	5,53,65
Loans and Advances to Govt.	37,14,29	36,38,17	16,53,94
Loans and Advances to :—			
(i) Scheduled Banks	2,03,85	1,75,00	5,97,40
(ii) State Co-operative Banks	1,24,60,12	1,25,17,00	1,33,08,58
(iii) Others	2,25,80	2,02,05	1,21,07
Investments	2,30,09,66	2,36,78,64	1,59,79,83
Other Assets	25,76,41	25,31,84	29,35,61
Total	5,49,59,07	5,69,25,51	5,07,58,41

SCHEDULED BANKS

(In 000's of Rupees)

	Week Ended 25-10-63	18-10-63	26-10-62
(i) Demand Liabilities—			
(a) Demand Deposits			
(1) From Banks	53,04,97	51,33,69	45,21,23
(2) From others	9,74,75,02	9,62,80,06	8,01,93,54
(b) Borrowing from Banks	18,92,55	21,65,35	19,77,73
(c) Others	62,32,92	59,48,97	54,69,97
(ii) Time Liabilities—			
(a) Time Deposits			
(1) From Banks	34,74,37	33,57,09	24,64,34
(2) From others	12,58,80,75	12,53,27,19	12,45,09,44
(b Borrowing from Banks	25,07,23	23,42,93	16,50,11
(c) Others	9,57,22	9,60,37	10,72,63
(iii) Borrowing from State Bank—			
(a) Demand Liabilities	8,58,75	8,30,76	6,00,95
(b) Time Liabilities	17,70,69	18,46,82	14,75,00
(iv) Borrowing from Reserve Bank	1,87,75	1,93,90	9,06,35
(v) Cash	56,45,67	56,97,86	49,94,28
(vi) Balances with the Reserve Bank	1,13,77,18	75,19,96	77,75,72
(vii) Balances with other Banks in current account	23,70,94	21,51,37	17,59,32
(viii) Money at call and short notice	59,74,51	56,78,81	54,59,90
(ix) Investments in Central and State Govt Securities	7,59,33,88	7,69,08,85	7,11,15,68
(x) (a) Loans Cash Credits and Overdrafts	12,37,66,19	12,46,51,00	11,74,26,81
(b) Due from Banks	13,09,22	12,18,81	8,9:,76
(xi) Inland Bills purchased and discounted	1,73,97,81	1,73,09,70	1,59,10,91
(xii) Foreign Bills purchased and discounted	57,30,85	56,39,11	51,37,84
xiii) Total of X XI and XII	14,82,03,87	14,88,18,62	13,93,67,32

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KERALA STATE INDUSTRIAL DEVELOPMENT CORPORATION LTD.

CHAIRMAN, MR. K. R. K. MENON'S SPEECH

Speech delivered by Mr. K. R. K. Menon, Chairman, at the Second Annual General Meeting on 30th October, 1963.

Gentlemen

I have great pleasure in placing before you the accounts of the Kerala State Industrial Development Corporation Ltd. for the year ending 31st March, 1963 and the Report of the Board of Directors of the Corporation on the working of the Corporation during that period. With your permission I shall take the report as read.

You will perhaps agree that purely from a statistical point of view—and against the background of our admittedly limited monetary resources—the Corporation has done fairly well last year, and what it has done in that year represents a definite advance, qualitatively as well as quantitatively, on our achievements in the previous year, which was the first year of our existence. The total paid-up capital of the 9 concerns for whom financial assistance was sanctioned by the Corporation during the year under review amounted to Rs. 170 lakhs. It is also worthy of note that in our very second year such services as we were called upon to render to industry have been performed by us on a financially self-supporting basis with a small profit thrown in. I confidently hope that with progressively better balance sheets to our credit in the coming years we should be able to attract investments and deposits from the public without much difficulty, I take this opportunity to express our thanks again to our Managing Director and the staff who have worked hard and loyally to make a financially success of our operations last year.

Satisfactory Climate

The adequacy or otherwise of a Development Corporation like ours cannot, however, be truly assessed wholly in terms of either the numbers and categories of new industrial enterprises which the Corporation helps to bring into existence or old ones which it helps to expand, nor indeed in terms of the Corporation's own balance sheet, reflecting as it does the financial results of its operations during a particular year. The more appropriate basis for judgment, should in my opinion, be the contribution that the Corporation makes towards the creation of a progressively congenial "climate" for the expansion of existing industrial units and the institution of new ones. This is particularly so in the case of an industrially backward State like Kerala, where the crux of industrial expansion is very definitely the creation of a satisfactory "climate" for attracting capital and entrepreneurial skill from outside the State. The main question that I therefore propose to ask of myself this afternoon—and on which I should like to share my thoughts with you if I may—is whether and if so to what extent, this climate for industrial investment in our State has bettered since I had the pleasure of addressing you last. I shall also attempt, briefly, to bring to your notice certain salient aspects of this problem which strikes me as being worthy of serious consideration by you, the representatives of the Government of Kerala, who happen to be the sole shareholders of this Corporation.

My own personal assessment of the degree of improvement that has been brought about in the climate for investment of outside industrial capital and entrepreneurial skill in Kerala over the past twelve months is that, taken by and large, it has been fairly satisfactory, though, I must hasten to add that I had hoped it would have been much better than it actually was. Our personal contacts with outside entrepreneurs—including those from abroad—during the past year were more numerous and frequent than in the preceding year, and I am glad to say, the results of these contacts—some of them which are still in the process of active negotiations, will therefore take some time to bear fruit—have also been somewhat better. The labour problem, which is usually one which weighs greatly on the minds of outside investors, has, I am glad to say, presented no serious difficulties during the year under report. Other, and more serious difficulties, however, there have been, and it is about these difficulties only that I propose to speak today, I trust I will not be misunderstood as a pessimistic prophet of doom for choosing to dwell exclusively on the dark side of the picture.

Doubts and Difficulties

The first and the foremost factor which has tended to—and still continues—to engender doubts and difficulties in the minds of outside capitalists and industrial enterpreneurs so far as large-scale investment in Kerala is concerned, is the "alleged" instability in the political situation in the State. I use the word "alleged" in this connection deliberately and advisedly, as I do not know anything about the real state of affairs so far as this particular aspect is concerned. I do know, however, that doubts and suspicions regarding political stability, however baseless they are, and however hazy and incoherent in shape and content, are nevertheless insidious and destructive in their cumulative effect on the minds of business people who are invited to risk the investment of appreciably large amounts of capital in industrial ventures in politically "instable" areas. Also, a rather curious feature of the operation of this political "instability" factor so far as Kerala is concerned, is that, contrary to the ordinary laws of physics, the visibility —and therefore, unfortunately, the impact—of this factor seems to grow in alarming and direct proportion to the distance at which the onlooker is placed. The result is that the slightest ripple, the gentlest whisper, the most innocuous gesture, emanating from the political front in Kerala have a disastrous habit of swelling into shapes and forms of almost cataclysmic proportions by the time they fall on the eyes and ears of people outside the State, and more especially the business community who are quite understandably more sensitive to this factor than others. I recollect that on one of the occasions when doubts and suspicions regarding the Kerala political situation happened to make their periodic and unfortunately, all too frequent, appearances in Delhi—a leading businessman, whom I had been trying to induce to come to Kerala with an appreciably large investment in an industrial unit asked me quite bluntly whether I did not think that it would be safer for him to wait for a few days more to make up his mind—that was, he told me, till after the President's rule for the State had been declared in a formal announcement which he thought was imminent! We in Kerala of course know that nothing could have been more ridiculous than this, but I sincerely hope and trust that neither our political workers nor the press and public of our State will treat this as a ludicrous or insignificant incident to be laughed away. I aver solemnly that this is a matter which deserves our serious attention if we wish to ensure an appropriate degree of economic progress in our State. There is a moral to this which is obvious, as it is inescapable, namely, that we in Kerala are dangerously vulnerable.

We are vulnerable not only because by a sheer freak of fortune a long and tiresome distance separates us from the seat of Central power and authority in the country, but also because this same distance factor tends to distort the very image of our being to the vision of our friends outside on whose active help and co-operation we depend almost solely for our industrial expansion. It is my humble opinion, therefore, that all of us, from the highest political dignitaries of our State-ministerial and otherwise to the smallest worker, should refrain from saying or doing anything which, however innocent or innocuous it might look to our own domestic eyes, would lend itself to distortion and exaggeration in quarters outside which matter to us most. I hope you will not consider it presumptuous on my part if I were to take this opportunity to make a special appeal to those who are in the forefront of Kerala politics to bear in mind that, today, economics is our prime problem, and that, in this view, we just cannot afford to take the risk of being hurt by placing ourselves continuously in this vulnerable position. The crucial—and in a sense fundamental—economic problem of our State today is the problem of attracting outside capital for our industrial expansion, which alone can help us to tackle our twin problems of poverty and unemployment. In the solution of this problem we are dependent almost totally and completely on the creation of a proper climate of political stability and unity in the State, which would give businessmen from outside the necessary confidence and courage to risk investing their capital in industrial enterprises in our State. I beg leave to say with all the emphasis at my command that to ignore this will be at our peril.

Travancore Titanium Products

Before I leave this subject I crave your indulgence for being allowed to cite one more example of how the creation, and fostering, of the necessary "climate" for outside industrial capital to flow into our State can be impeded by even the most well meaning among us. The example that I am going to give you pertains to the negotiations that I had been conducting on behalf of the Corporation during the past year for inducing one of the biggest business houses in India to invest a risk capital of a few crores of rupees in the expansion scheme of our Travancore Titanium Products Ltd., who had been granted, more than two years ago, an industrial licence for increasing their daily output from 18 tons of titanium dioxide to 68 tons. On two different occasions during my negotiations when I had come to a stage where success was not only in sight, but could easily have been achieved, a spanner was thrown into the works—not deliberately perhaps—by an eminent citizen of Kerala agitating each time at the highest quarters in New Delhi, the point that the success of these negotiations would mean the swalling up of a public sector concern by a unit of the private sector. The 2 eminent gentlemen who had initiated this move in the midst of my delicate negotiations had not unfortunately paused to ascertain the relevant facts. If they had done so they would have known that the balance of advantage for our State would certainly have lain in our inducing this firm to collaborate with our Government in working this scheme on terms and conditions which could have been settled to the satisfaction of both parties. However, my negotiations had to be suspended twice on account of this opposition, which was presumably based on "ideological" grounds. Finally, when the threads were taken up again I found that the party concerned had cooled off—a not unnatural or surprising sequel—and, very politely and quietly, they withdrew their offer. We are now left still searching high and low, and far and wide, for a suitable collaborator to work this very expensive, but highly profitable, scheme. The moral of this is obvious, namely, that you cannot have the cake and eat it too. It is perhaps incongruous to speak of cake in present conditions in Kerala; so, if I may change over to its poor country—cousin, bread, it is good to remember that the proverbial half a loaf is certainly very much better than none. If we ignore or forget this almost arithmetically true aphorism in our ideological or other enthusiasm in the economic field we are bound to suffer, and we shall have only ourselves to thank, for it.

A very important factor which continues to operate as an effective handicap in the way of speedy industrialisation in Kerala is the paucity of industrial licences which can be implemented is our State. I must make it quite clear that by this I do not mean that the Central Government have not treated applications for industrial licences from Kerala with sympathy and expedition. Indeed they have done so, and I wish to take this opportunity to place on record our Corporation's appreciation of and gratefulness for, this. I must however repeat now, what I ventured to say in my last year's speech in this connection, namely, that in the case of a State like Kerala, where local capital and entrepreneurship are almost totally absent, a solution to our large-scale industrial development problem must necessarily be looked for in the direction of positive intervention on our behalf and in our favour by the one all-powerful authority in our controlled economy of today, namely, the Central Government. It just will not do for the Central Government to be merely liberal and sympathetic—as they undoubtedly are—in the disposal of such applications as come forward from Kerala or elsewhere for the setting up industries in this State. I suggested last year—and I repeat this suggestion again today—that the Central Government must be persuaded to take steps to ensure that, out of the large number of industrial licences granted throughout the country, an adequate number is reserved for and divered to Kerala till such time as our backward State attains a minimum level of industrialisation suited to the requirements of its relatively large and poor population.

Geographical Imbalances

Action on these lines to set right geographical imbalances in the distribution of industrial potential is by no means so revolutionary or so unorthodox as it may sound. You will be interested to know in this connection that, recently, the Indian Investment centre —one of the leading organisations in this country which has been set up by the Government of India for promoting industrial investment—conducted a special study of this problem of imbalances in the geographical distribution of industries in India, with a view to locating specific areas where industrial development has been lagging behind and is essential and feasible. The Centre's recommendations are now understood to be under active consideration by the Government of India. I would suggest that the Government of Kerala should take this opportunity to press our case on the Central Government for special and preferential treatment with renewed strength.

Besides industrial licences there is another field in which the Central Government can assist Kerala to an appreciable extent in the matter of acceleration of our industrial development. This is by the establishment of a Free-Trade Zone near about Cochin or any other suitable port in Kerala. This will help the establishment of many engineering industries such as copper rods, sheets, circles and tubes, portable machine tools, sewing machine needles, typewriters, duplicators, water-coolers, etc., the manufacture of which is dependent on imported raw material in short supply. A Free-Trade Zone is, as is well-known, "an area, separated from the rest of the country, in which foreign merchandise, machinery, raw materials, processed goods and finished products can be brought in and exported without customs duty. Its main purpose is to encourage the exports of the country by reducing the restrictions and red tape involved in import and export procedures". There are Free-Trade Zones even in advanced industrial countries like the U.S.A. round about the great port cities of New York, Bosten and Philadelphia. In India we have one at Khandla, and it is understood that the feasibility of having one at Shewa-Neva seven miles east of Bombay harbour is under active consideration at present. Kerala would, from many points of view, be an ideal place to locate a Free-Trade Zone, and I trust this matter will be taken up seriously by the Government of Kerala with the Central Government.

It may be useful, before I leave this topic of geographical imbalances, if I place before you certain observations that have been made by a celebrated American economist, Mr. W. W. Rostow, Counsellor and Chairman of the Policy Planning Council of the United States, Department of State in an article entitled "The question of Rich and Poor." Starting with the observation that "the most critical difference among nations is not whether they are rich or poor, but whether they are regularly growing or stagnant", Mr. Rostow goes on to point out that "within most of the major nations, whatever their average level of income, there are rich and poor areas". Italy and France for example, Mr. Rostow says, still have special problems of under-development, in their southern regions; so has Brazil in her north-east region. And these problems of the under-developed areas in each of these countries are being tackled with concentrated vigour by the respective government concerned. It need, therefore, cause no special alarm or uneasiness if Kerala also, by coincidence, located in the southern corner of India, which has a similar problem of under-development, and possibly in a more acute form, seeks to impress on the Central Government the urgent and pressing need for special steps being taken to solve this problem urgently and effectively. The per capita annual income in Kerala is only Rs. 124, as against the national figure of Rs. 544. This latter figure is itself piteously low in all conscience, but I submit that, as the Kerala figure is even lower—I would say, dangerously lower—there should be no hesitation on the part of the Government of India or of the Central Planning Commission to give top priority to Kerala's case, the case of the "weak and needy", in the words of our Central Finance Minister, in the great family that India represents.

It is pertinent to recall here another significant Statement made by Mr. Rostow in the article from which I have been quoting; it is this—

"In short, the critical problems of difference in level of income and of growth rate may not lie as between different nations but within developing nations themselves". It would almost seem—but of course it is not true—that Mr. Rostow might have had Kerala in mind when he said this. I would, therefore, very respectfully, and with all the emphasis at my command, again urge the Government of Kerala to take up this matter with the Central Government and try and persuade them to give a re-orientation to their industrial development policy, and start on an effective scheme of giving special and preferential treatment, in the matter of industrial licences, to backward States like Kerala.

Supply of Electric Power

Another step that I would strongly urge the Government of Kerala to take as early as possible in connection with the creation of a proper climate for the attraction of outside industrial capital into the State is the adoption of a rational and effective scheme for the supply of adequate amount of electric power to industrial units, without the interruptions that have of late become a normal incident of our electric supply system. Cheap electricity is about the biggest attraction we can offer to the industrial entrepreneurs from outside, but we have now arrived at the stage where talking of the quantity we can supply and the cheapness of our rates alone will not cut much ice with the managements of factories. To them, an uninterrupted supply is of equal, if not, greater, importance and, much as we may aver that the interruptions are due, almost entirely, to factor beyond our control, such as, fall in the level of our reservoirs at our Hydro-Electric stations on account of drop in the rainfall, we must face the problem squarely in the face, and set about remedying this defect, which looks as if it is going to be an almost perennial one, by setting up thermal stations of the requisite capacity wherever possible and necessary. I trust this matter also will claim the urgent attention of the Government of Kerala.

It is possible that my repeated references and appeals in the course of this speech, to the two Governments concerned—Kerala Government and the Government of India—might have jarred on your ears as inappropriate, coming from the Chairman of an Industrial Development Corporation registered as a private limited company whose primary function is the development of large-scale industries in the private sector. In case it has, let me in self-defence, quote again from Mr. Rostow, who, as I said, is a top-ranking official of the Government of the United State of America, which country, as is well known, is deeply attached to the virtues of private enterprise. Here is what Mr. Rostow says :—

"We believe national programming of the development process is required as a basis both for the domestic mobilisation of resources and effective foreign aid. National programme are needed because, as Adam Smith noted long ago—when prescribing for under-developed Britain of the eighteenth century—governments must help create their basic framework within which a modern economy can develop."

"It is the government which must organise and finance the education system and reshape it to the nation's changing needs. It is the government which must lay out and, in most cases, finance the fundamental social overhead projects—highways, irrigation projects, and the like—on which private agricultural and industrial development depends. It is the government which must solve problems of land tenure and create the framework within which agricultural productivity can be improved by the individual peasant."

"It is the government which must assure that the savings of the community are effectively mobilised be equitable taxation, so that social overhead projects can be financed without inflation and on terms the people will regard as fair. It is the government which must devise policies which insure that the foreign accounts are kept in balance and that the development effort is not frustrated by a foreign exchange crisis."

"These minimal functions were performed by governments even in nations most deeply committed to private enterprises, blessed with ample land and an old tradition of private entrepreneurship—like Canada and the United States."

Note: This does not purport to be a record of the proceedings of the Annual General Meeting.

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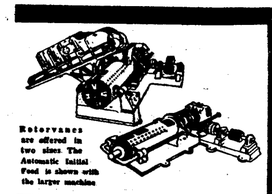
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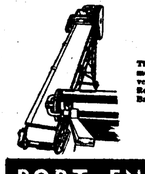


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DEVIDAYAL TUBE INDUSTRIES LIMITED

(Incorporated under the Companies Act, 1956 as a Private Company on 7th February, 1962 and converted into a Public Limited Company on 30th April, 1963.)

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SHARE CAPITAL

Authorised:	**Rs. 2,00,00,000**
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41,040 Equity Shares of Rs. 100 each at Par	**Rs. 41,04,000**
10,000 9.5% (Free of Company's tax but subject to deduction of tax at source at the prescribed rates) Cumulative Redeemable Preference Shares of Rs. 100 each at Par	**Rs. 10,00,000**

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3. **SHRI SURESH T. KILACHAND,** Industrialist, 45-47, Apollo Street, Bombay-1.
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MANAGING DIRECTOR

Shri Amirchand T. Gupta, 74, Marine Drive, Bombay-1.

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1. **The Bank of Baroda Ltd.,** Apollo Street, Bombay-1.
2. **The Punjab National Bank Ltd.,** Sir Phirozesha Mehta Road, Bombay-1.
3. **The Canara Bank Ltd.,** Sir Phirozesha Mehta Road, Bombay-1.
4. **The Indian Bank Ltd.,** Sir Phirozesha Mehta Road, Bombay-1.

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6. **Messrs. Ramanlal L. Sheth,** Stock Exchange New Building, Apollo Street, Fort, Bombay-1.
7. **Messrs. Rajnikant C. Sheth,** Stock Exchange New Building, Apollo Street, Fort, Bombay-1.
8. **Messrs. Lewis & Jones,** Bank of Baroda Building, Apollo Street, Fort, Bombay-1.
9. **Messrs. Devkaran Nanjee & Co.,** Stock Exchange New Building, Apollo Street, Fort, Bombay-1.
10. **Messrs. R. R. Nabar & Co.,** 31, Dalal Street, Fort, Bombay-1.
11. **Messrs. H. P. Mehta & Co.,** Connaught House, Connaught Place, New Delhi.
12. **Messrs. Raja Ram Bhasin & Co.,** A-320, Defence Colony, New Delhi-1.
13. **Messrs. M. M. Saigal,** 33, Stock Exchange Building, Asaf Ali Road, New Delhi.
14. **Messrs. Nanjappaiah Jhagirdar,** 181, Cavalry Road, Bangalore.
15. **Messrs. Sushil Brothers,** 7/166-A, Swaroop Nagar, Kanpur.

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3. **Messrs. Rajnikant C. Sheth,** Stock Exchange New Building, Apollo Street, Bombay-1.
4. **Messrs. Lewis & Jones,** Bank of Baroda Building, Apollo Street, Fort, Bombay-1.
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2. **Messrs. G. M. Pyne,** Allahabad Bank Building, 14 India Exchange Place, Calcutta.

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2. **Messrs Raja Ram Bhasin & Co.,** A-320, Defence Colony, New Delhi-1.
3. **Messrs. M. M. Saigal,** 33, Stock Exchange Building, Asaf Ali Road, New Delhi.

MADRAS:

1. **Messrs. Maconochie & Co.,** Mercantile Bank Building, Madras.

HYDERABAD:

1. **Messrs. Kapurchand Shrimal,** Sultan Bazaar, Hyderabad.

AHMEDABAD:

1. **Messrs. Chimanlal Lalbhai,** Manek Chowk, Ahmedabad.
2. **Messrs. Narendrabhai Lalbhai Sheth,** Manek Chowk, Ahmedabad.

BANGALORE:

1. **Messrs. P. R. Subramanyam,** Shri Siva, Benson Cross Road, Bangalore-6.
2. **Messrs. Nanjappaiah Jhagirdar,** 181 Cavalry Road, Bangalore.

KANPUR:

1. **Messrs. Sushil Bros.,** 7/166-A, Swaroop Nagar, Kanpur.

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The Company's factory is situated at Kanjur Village, Bhandup, a Suburb of Bombay and is functioning since 1960.

ACTIVITIES

Messrs. Devidayal (Sales) Private Ltd., Bombay obtained an Industrial Licence No. L/20/10/56 dated the 6th November, 1956 for the manufacture of 3,600 tons of non-ferrous Metal Tubes per year. The said Company was running its Tube Manufacturing as a distinct and separate unit.

Devidayal (Sales) Private Ltd., promoted Devidayal Tube Industries Private Limited on 7th February, 1962 as a Private Limited Company. The Company took over the Fixed Assets of the Tube Department of Devidayal (Sales) Private Limited as on 29th June, 1962 at the written down value and also took over the Current Assets of the Tube Department of Devidayal (Sales) Private Ltd. as on 1st July, 1962 The Industrial Licence has been transferred to the Company by Devidayal (Sales) Private Ltd without any consideration The Company was converted into a Public Limited Company on 30th April 1963. Non-ferrous Metal Tubes and pipes particularly Copper and Brass Tubes produced by special extrusion process are particularly required for Sugar Industry, Chemical Industry, Refrigeration and Air Conditioning and Electrical Industries, Petromax and Stove Manufacturing Industries, Automobile Industries, Railways and Defence purposes. Manufacture of these tubes in a highly specialised process and the Company has entered into a Technical and Financial Collaboration Agreement with Messrs. Delta Metal Co. Ltd. London. The benefits of their technical skill and experience in manufacture of non-ferrous metal tubes, pipes, etc by the special extrusion process as well as of their patent rights are available to the Company

FROM WHOM APPLICATION FORMS ALONG WITH COPIES OF THE PROSPECTUS CAN BE OBTAINED

Application forms along with copies of Prospectus can be had from the Company's Brokers mentioned above as well as at any of the following offices of the Company's Bankers:

AHMEDABAD, ALLAHABAD, AMRITSAR, ANAND, BARODA, BOMBAY, BANGALORE, BHAVNAGAR, BROACH, BULSAR, CALCUTTA, COCHIN, COIMBATORE, DELHI, NEW DELHI, GOA, GWALIOR, HYDERABAD, (Dn.) JAIPUR, JAMNAGAR, KANPUR, LUCKNOW, MADRAS, PUNJAB, PATNA, POONA, RAJKOT, SURAT, TRIVANDRUM, VIJAYAWADA

The subscription list will open at the commencement of Banking hours on the 11th November 1963 and will close at the close of Banking hours on the 16th November 1963 or earlier at the discretion of the Directors provided that the subscription list will not in any event be closed earlier than the close of the Banking hours on the 13th November, 1963.

This is only an announcement of the proposed issue of capital and not a prospectus and interested persons may apply for a copy of the prospectus.

THE OMEGA INSULATED CABLE COMPANY (INDIA) LTD.

Registered Office: 122/2, Mount Rd., MADRAS-6.

The subscription list has opened on the 4th November, 1963, and will close at the closing of the banking hours on 20th November, 1963, or earlier at the discretion of the Directors, but in no case earlier than the close of banking hours on the 11th November, 1963.

SCOPE AND PROPOSED ACTIVITIES

In the first phase, the company will produce 30 million core yards of PVC and VIR cables per annum. But the company has got also an industrial licence for 45 million core yards of VIR and PVC and 280 miles of PILC cables per annum. The company has been fortunate in securing the technical collaboration of Messrs Kelsey Engineering Ltd., North Vancouver B.C., Canada, who have long experience in designing similar factories in many parts of the world.

The total outlay of the project is Rs. 1.15 crores, out of which Rs. 70 lakhs is equity capital and the balance loan capital arranged through banks. Orders have been placed for the entire machinery for the factory valued at Rs. 32.64 lakhs from American suppliers and all the machinery will be shipped before December 1963 and commencement of production is expected to be by May 1964.

The demand for cables and wires has been rapidly rising in tune with the growing tempo of industrialisation in the country.

LOCATION OF THE INDUSTRY

At Ambattur, 8 miles from Madras. For this purpose 16.31 acres have been assigned by the Government of Madras.

BOARD OF DIRECTORS

1. Sri M. N. M. Veerabhadra Chettiar,
2. Sri Kamatchi Chettiar,
3. Sri S. Nata Raj,
4. Sri J. K. K. Angappan,
5. Sri J. K. K. Natarajah,
6. Sri O. V. Krishnasamy Chettiar,
7. Sri V. S. Sivasubramaniam,
8. Sri B. S. A. Rahman.
9. Sri M. K. Sathak Abdul Kadir, Madras.
10. Sri S. Nataraja Chettiar, Elampillai, P.O., Salem Dt.
11. Sri K. Lakshminarayanan, Komarapalayam.

MANAGING AGENTS

SOUTHWIRE AGENCIES PRIVATE LTD. 122/2, Mount Road, Madras-6.

SHARE CAPITAL

Authorised: Divided into 3,00,000 Equity shares of Rs. 100/- each	Rs.	3,00,00,000
Issued: 70,000 Equity shares of Rs. 100/- each	Rs.	70,00,000
Subscribed: 30,000 Equity shares of Rs. 100/- each	Rs.	30,00,000
(i) 20,000 Equity shares of Rs. 100/- each already subscribed and fully paid up by directors, friends and their associates	Rs.	20,00,000.
(ii) 10,000 Equity shares of Rs. 100/- each now subscribed for and allotted to directors, friends and associates on 1-10-1963:	Rs.	10,00,000

Now offered for public subscription at par for cash

40,000 equity shares of Rs. 100/- each which is fully underwritten in the manner hereinafter stated. .. Rs. 40,00,000

The amount payable in respect of shares comprising the present offer are as follows —

(i) On application .. Rs. 12/50 per share.

(ii) On allotment .. Rs. 12/50 per share payable within 30 days from the date of allotment.

(iii) Balance of .. Rs. 75/- per share payable by way of three calls to be made at an interval of not less than three months between the calls.

Application forms along with the copies of the prospectus can be had from the Registered Office of the Company and at the offices of the underwriters, bankers, official brokers whose names and addresses are given below :—

Underwriters	**Amount underwritten**
1 The Madras Industrial Investment Corporation Ltd., 23, Nungambakkavi High Road Madras-34 ..	Rs. 15 lakhs.
2. The Industrial Finance Corporation of India, Reserve Bank Building. New Delhi	Rs. 10 lakhs.
3. The Industrial Credit and Investment Corporation of India Ltd., 163, Backbay Reclamation Bombay-1 ..	Rs. 5 lakhs.
4. The Life Insurance Corporation of India, Jamshedji Tata Road. Bombay-1	Rs 5 lakhs.
5 The Canara Bank Ltd., Madras-2 ..	Rs. 3 lakhs.
6 M/s. Somayajulu & Co., 337, Thambu Chetty Street, Madras-1 ..	Rs. 2 lakhs.

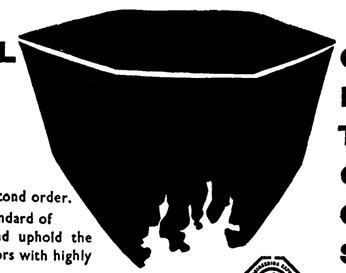
BANKERS TO THE ISSUE

State Bank of India. Canara Bank Ltd.
Punjab National Bank Ltd.

BROKERS

1. M/s Maconochie & Co., Mercantile Bank Building, Madras-1
2. M/s Paterson & Co., 22, Erabalu Chetty Street, Madras-1.
3. M/s Somayajulu & Co., 337, Thambu Chetty Street, Madras-1.
4. M/s. Subramaniam & Co., 14, 2nd Line Beach, Madras-1.
5. M/s P. R. Subramanyam, 70A, Stock Exchange Buildings Bombay-1.
6. M/s. S. H. Merchant, 4, Stock Exchange Annexe, Bombay-1
7. M/s. Champaklal Devidas, Agakhan Building, Dalal Street Fort, Bombay.
8. M/s. Chunilal I Mehta, 8, Lyons Range, Calcutta-1.
9. M/s. M. R. Dhawan & Co., 4/B, Asaf Ali Road, New Delhi.
10. M/s. Raj Paul Chadha & Co., Asaf Ali Road, New Delhi.
11. M/s P. Roy & Company, 3/8, M. M. Road, New Delhi
12. M/s. P. R. Subramanyam, "Shree Siva", 4th Street, Benson Cross Road, Bangalore-6.

"A WOODEN BOWL



CANNOT BE USED TWICE ON A COOKING STOVE"

The first order is only half as important as the second order. Therefore exporters must maintain a very high standard of business in order to make long term profits and uphold the country's prestige—particularly as new competitors with highly industrialised countries.

The export market can be a source of continuous earning power—if quality goods, prompt service, competitive prices and service facilities are provided.

Export is a Sacred Trust

ENGINEERING EXPORT PROMOTION COUNCIL,
India Exchange (7th Floor),
Calcutta-1.

ASP/EEPC-2/63

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or do you ?



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AIR FRANCE

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New Delhi

EXPERT TEAM BLAMES RAILWAYS FOR COAL SHORTAGE

(FROM OUR NEW DELHI CORRESPONDENT)

THE team sponsored by the World Bank to study India's coal transport problems has submitted its interim report to the Government of India. The World Bank has liberally advanced loans to India for the development and modernisation of the Indian railways. It has also advanced a loan for the development of the coal industry in the private sector. The team now says in its interim report: "The one, single, all-embracing cause of the transport crisis in 1960 and 1961 was the failure to provide transport capacity, especially in rolling stock, ahead of demand. At no time was a real reserve of capacity created to take care of changes in plan, fluctuations in traffic or unexpected events which add to the demand."

The team was asked to recommend measures to put coal transport on a sound footing, in the light of (i) the coal programme for the third plan and the projections for the fourth plan; and (ii) other bulk transport requirements and the overall limitations on the resources, particularly foreign exchange, likely to be available in India for development. Its study was to embrace all available and possible means of transport, including the railways, lorries, inland waterways, coastal shipping, pipelines and ropeways. Under the terms of reference, particular attention was to be given to the following subjects:

(a) Measures for rationalising the use and transport of coal, including substitution by petroleum products, natural gas or other sources of agency.

(b) geographical distribution of coal production, considering the data available on mines and deposits, and the possibilities of more rapid development of production in the outlying fields where the transport situation is comparatively easy;

(c) considerations affecting the present and prospective magnitude and the location of the demand for coal and other energy sources;

(d) techniques and equipment for facilitating the transport of coal by the railways through increasing the line capacity, use of improved wagons, better marshalling and turnround facilities for wagons, dieselisation, electrification, etcetera, with specific attention to the following: (i) Movement in full train-loads of bogie wagons for large consumers, including steel plants, thermal power-stations and merchant coke-ovens, and for small consumers by setting up coal dumps at suitable points; (ii) improved manual or mechanical handling facilities for rapid loading and unloading of full terminal loads and (iii) the feasibility of pooling the output of groups of small collieries for facilitating movement in full train-loads;

(e) feasibility and comparative economies of short haul transport of coal by rail and the means other than rail with special reference to: (i) transport of coal from mines to coal washeries and thermal power plants; and (ii) disposal of middlings from washeries to power plants and other users;

(f) for movement by road, the study may specifically cover its economics, types of vehicles and loading and unloading arrangements; and

(g) principles affecting the apportionment of coal traffic between different modes of transport with special reference to relative costs and charges.

Interim Report

The study team was asked to prepare an interim report within a period of six months, recommending measures which could be implemented readily with a view to providing quick relief for the present shortage of coal transport, particularly in the West Bengal-Bihar area. The interim report was to include measures for the maximisation of coal movement with the facilities already available or those which can be provided within a period of one year from the date of submission of the interim report, in the light of the items under (d), (e) and (f). The terms of reference said that it would be useful if the interim report also included separate recommendations on the measures which could be implemented by the end of the third plan period. This would be followed by a final report which would recommend measures for establishing a sound long-term basis for the transport of coal in India. The entire study would be completed in about one year.

The consultants' work-plans and time-schedule, it was pointed out, shall be determined in consultation with the steering committee. Preliminary drafts of reports and tentative recommendations shall be made available to the members of the committee for their comments and suggestions. The steering committee shall decide as to what interim reports will be prepared by the consultants in addition to that referred to in the previous paragraph. The Government of India was to provide a team of specialists to assist the consultants.

After examining the viewpoints of the industry and the railways, the study team, in appraising the costs and losses caused by the transport crisis, says:

Costs Raised

"In our judgment, the most important effect of the transport crisis of 1961 and 1962 was the heavy cost and losses imposed upon the collieries, industry and the railways. It is impossible—even with an exhaustive study—to state accurately the total of the sums involved. Factors which did result in losses to each of the three groups involved in the situation can, however, be stated. In the case of the collieries, they include (1) extra payment to additional wagon loaders and packers incident to irregular placement of wagons; (2) demurrage of wagons retained at colliery siding for completion of loading; (3) losses incident to the overloading of coal; (4) losses incident to the underloading of coal; (5) effect on production because of the irregular supply of wagons. In the case of washeries, the irregularity in the movement of coal for washing likewise affected the operations of these plants. It has been stated that the production of the Kargali coal washery was affected to the extent of 10,000 tons in May and 4,500 tons in June 1963 on account of the irregular supply of wagons, and that this loss in production resulted in an increase in ashing cost of 47nP and 24nP a ton.

"In the case of other industries, the crisis unquestionably resulted in both added costs and decreased revenues. Such added costs included those incident to irregularity in the receipt of coal and consequent higher costs for unloading, and higher cost because of the necessity of moving coal by other means such as by highways. One of the most important industries in Delhi found it necessary to transport coal by lorries from the coalfields to Delhi for a long period because of the non-receipt of coal. Higher costs were imposed on some of the industries which used the railway and sea routes even though certain of these costs were met by subsidy. Losses in revenue were due to the slowing down of production because of the non-receipt or fear of non-receipt of coal. Losses in certain fields were caused by the necessity of shutting down plants entirely. Higher costs were imposed on the construction industry through the difficulty of brick burners in obtaining coal for that industry with the result that the price of brick rose rapidly in some areas because of the shortage.

"The railways themselves have also been subjected to higher costs because of these shortages. This situation has necessitated the holding in service of cars which long since should have been retired and which unquestionably added to the hot-box problem. The shortage of locomotives has made it impossible for the railways to obtain the full benefits of electrification and dieselisation. Motive power was assigned to areas to assist lime capacity, as a result of which a rational dieselisation programme was impossible.

"As previously stated, it would be impossible, even after an exhaustive study, to estimate with any accuracy the cost of the transport crisis and the results of the shortage of wagons and motive power. It is our considered judgment, however, that, from the point of view of the nation, these losses in production and added costs would have paid the carrying charges of a substantial amount of new railway rolling stock.

General conclusions on transport demand and railways capacity. As previously stated, the main purpose of the above discussion is to supply a background for the study of the coal transport problem. We believe that the evidence is overwhelming that the fundamental causes of the transport crisis of the year 1961 and 1962 and the present shortages of rolling stock are the following:

"(1) Inadequate supply of wagons at the start of the first plan;

"(2) A rapid increase in transport demand during the first plan which was in excess of the small increases in equipment added in that period;

"(3) A similar lag during the period of the second plan when added capacity in equipment did not quite meet the added demands;

"(4) The strain on the transport structure of enormous increases in the volume of traffic while various improvements on line capacity were being carried on; and

"(5) The shifts in the demand brought about by unexpected or unplanned events."

Annual Production

According to the study team, the total annual production of coal in the private sector increased from 45.8 million tons in 1961 to 50.6 million tons in 1932 or by about 10 percent. The total daily supply of wagons increased from 3,658 to 3,842 or by 5 percent. The annual production of the N. C. D. C. coalfields decreased from 6,011,000 tons in 1961 to 5,979,000 tons in 1962. The number of wagons supplied daily increased from 630 in 1961 to 641 in 1962 or about 2 percent. The relationship between annual production by the National Coal Development Corporation and the number of wagons supplied did not vary significantly in the two years. The total annual production at Singareni increased from 2,795,000 tons in 1961 to 3,121,000 tons in 1962 or about 12 percent. The total number of wagons supplied daily increased from 330 in 1961 to 345 in 1962 or about 5 percent.

Referring to the railways', rôle in coal movement, the World Bank team says that "through personal interviews with colliery operators and communications from them and mining associations, we have assembled considerable information about their dissatisfaction with the railway service. The most frequently voiced complaint is about the irregularity in the supply of wagons, both as to time of delivery of empties and the number delivered. These irregularities have the following bad effects on colliery operation:

"(1) With the five-hour loading period required by the railways, it is frequently difficult to assemble loading crews at any hour of the day or night to meet the varying time schedule. This difficulty is aggravated by the failure of the railways to notify the collieries when to expect the delivery of wagons or how many. This difficulty is aggravated by the failure of the railways to notify the collieries when to expect the delivery of wagons or how many. This failure apparently is caused partly by the inadequacies in the telecommunication system.

"2. When a rake has only one or two wagons still left empty at the end of the five-hour loading period, demurrage has to be paid for the whole rake and the next allotted rake is cancelled. This rule is not in effect now. Demurrage is charged at the rate of Rs. 42 a wagon a day. At times the pilots are arbitrary in enforcing the five-hour rule and will not wait a short time for the complete loading of a rake. This lack of co-operation not only causes the collieries extra expense for labour and demurrage but decreases the use of wagons.

"3 Many large collieries have screening plants which, for economical use, are designed generally for continuous operation. Their function is primarily for the separation of different grades of coal and only as a by-product the loading of coal. There seldom are storage bins or bunkers to take up the surge in production as related to the supply of wagons. When there are too few or no wagons available for loading, coal has to be stockpiled along the siding and loaded later. The screening plants are used mostly for the separation of steam and slack coal. Frequently, wagons are supplied for one kind of coal only, the other kind must be dumped for subsequent hand loading.

"There have been many complaints about the adequacy of transport in general. Eight of the colliery managements interviewed reported that their production had been cut by the lack of transport. While no definite estimate of the amount of production loss was obtainable, the fact that the problem was brought out merits attention.

Case of the Railways

"In the first nine months of 1961, 5.4 percent of the allotted wagons

were left behind in the National Coal Development Corporation and the private sector and 1.3 percent were drawn empty from private-sector collieries. In the first eight months of 1962, these percentages were 7.2 and 1, respectively. We have seen data indicating that there were times when no coal was on hand for loading at some collieries. There appears to be some support for arguments on both sides about the irregularity and unevenness in the supply of wagons.

"The railways have made good progress in the use of block rakes for more efficient handling of coal, both in four-wheel and box wagon block rakes. However, there are problems at the collieries:

"(1) Few collieries have sidings of sufficient capacity to handle block rakes. This fact is shown in our analysis of the five-hour loading capacity of collieries.

"(2) Many collieries have insufficient labour to load a block rake in five hours and short notice does not permit increasing the force.

"(3) The effort to load wagons in poor light causes some collieries to load them with whatever kind of coal comes to hand which results in many consumers receiving the wrong size or quality of coal. Also, the coal from many collieries has been downgraded on the basis of wagon samples which show inferior quality of coal because of the unsatisfactory loading conditions. These collieries have been adversely affected financially by the interruption of production programmes and the increase in stockpiles while consumers are found that are eligible for the lower grades of coal.

Many Complaints

"Many complaints have been received from collieries concerning the delivery of covered wagons by the railways instead of open wagons requested. The 1961 report of the Indian Mining Association on coal statistics shows the percentage of open wagons to the total supplied to collieries in 1960 and 1961. The following table shows this percentage at four depôts:

Year	Sitarampur	Radhanagar	Chowrashi	Asansol
1960	35.2	47.5	61.1	41.5
1961	36.1	52.2	73.8	41.5

"There are almost no mechanical facilities in India for loading covered wagons; nevertheless, many of these are delivered to collieries that have only standard means of loading open-top wagons mechanically. The labour cost for hand-loading covered wagons is higher than that for open-top ones. The obvious reason for supplying covered wagons for coal movement is the shortage of the open-top type on the Indian railways. The greater increase in the demand for transport facilities for the movement of coal compared with a lesser increase in other traffic is one of the reasons that the supply of wagons by type does not now fit the coal transport requirement.

"Finally, there is a general and strong criticism of the attitude of the railway management and personnel towards the problems of the collieries. Their attitude is characterised as arbitrary and arrogant with little realisation and scant sympathy for the collieries' problems. The statements of the representatives of the collieries, which characterised the attitude on the part of the railway management as intransigent, include the following examples in support of their position:

"(1) The strict adherence to the five-hour loading rule without considering the local or special problems at certain collieries.

"(2) The charging of demurrage on occasions when the fault lay with the railways.

"(3) The insistence that the collieries must accept responsibility for the condition of the wagons which they load.

"Many wagons in poor condition are supplied by the railways; hand-shunting is necessary to remove them from rakes, causing delay in loading and extra expense for crews. The situation has been made worse by the controversies over whether the railways or collieries should pay in various instances for the strengthening of colliery sidings and the pressure by the railways for the installation of weighbridges at collieries with a capacity of 10,000 tons or more a month.

"The problems mentioned last are not within the terms of reference of this study, and these items are mentioned merely as added reasons for the poor relationship that exists between many of the collieries and the railways. Nevertheless, we find ourselves sympathetic with many of the complaints of the colliery operators because it is obvious that their own operations are seriously affected by poor railway service. Whether or not the railways are in a position to supply better service with the equipment at hand, the fact is that colliery operations have been seriously disrupted by poor service. We agree that the railways should be a service organisation and that they should be in a position to meet the reasonable demands of shippers and consignees. The regular supply of empty wagons and withdrawal of loaded wagons in accordance with the requirements of the production of the collieries is a service which collieries have a right to expect.

"In our judgment, the provision of adequate service to the collieries cannot be met by the railways without an additional supply of wagons. Our analysis has shown clearly that the irregularity in the timing, the inadequate supply of wagons, the inclusion of wrong types of wagons and those in poor condition all stem from a basic shortage. The various efforts of the railways, such as the use of the box wagon, the use of block rakes, and the insistence on quick loading are devices of the railways to make an inadequate supply cover the demand in a better manner. Even if the problem of the relationship between the two groups was solved in an entirely satisfactory manner, the problem of inadequate service would remain. The fundamental conclusion which we draw from the analysis of these complaints and the railways' answers is that more wagons must be available in order to assure the service which the collieries require if they are to meet production targets. The question of whether the additional wagons can be provided by more efficient operation as some of the colliery representatives claim is a subject for consideration. What needs to be made clear at this point is that the real solution of the transport problems of the collieries is a greater supply of the right type of wagons to haul their production.

Problems of Consumers

"As in the case of coal operators, the problems of coal consumers and their complaints about railway service were solicited so that the viewpoint of all groups concerned with rail transport would be made available. The principal complaints of coal consumers are as follows:

"(1) Irregularity in receipt of coal and fluctuation in the amount received, resulting in the necessity for larger inventories than otherwise required. This problem also affected labour costs because of the necessity of calling unloading crews in varying numbers and at various times to unload wagons within the five-hour limit.

"(2) Arrivals of wagons short of weight. Such shortages are attributed to lack of weighbridges at points of shipment and to pilferage in transit. The use of lines marked on the wagons in the absence of weighbridges is considered unsatisfactory by the consumer.

"(3) Receipt of either the wrong grade of coal or coal of a lower quality than that required. This trouble is blamed on the collieries which in turn attribute the mistake to the necessity of loading some coal at night, making the selection of grades difficult.

"(4) Difficulty in the handling of box wagons. While it is desirable to use wagons made empty for outgoing loads, the steel plants object to the use of box wagons for shipping out their finished products because some of the steel consumers cannot handle the longer and heavier wagons. Furthermore, some steel plants, coking plants and power-stations have underground bins for receiving coal in bottom dump wagons. With box wagons such installations are ineffective.

"(5) Difficulty in handling block rakes. As shown earlier, many of the coal consumers do not have adequate siding capacity to handle full rakes. Furthermore, they prefer to receive coal more often and in smaller amounts, all of which enable them to operate with smaller coal inventories.

"(6) Inability to obtain coal. These complaints include those from companies which have such a low priority that their authorisations to obtain coal are not fulfilled, or from industries which have authorisations but whose coal is received at such irregular intervals that they must move coal by lorries in order to assure an adequate supply.

"The complaints of coal consumers, as in the case of those from coal producers, illustrate the many aspects of the coal transport problem. Some of the complaints, particularly those involving poor service, are fully justified, as the results of the poor service affect their costs and probably the prices of their products. Other complaints reflect the fact that industry in some cases is itself not providing additional capacity to meet the demands of the rapidly growing economy of the country. As stated previously, there is no question that the use of the bogie wagon and the block rake for the large consumer is sound and essential. The appropriate method of distribution to the small consumer, however, is subject to further study and will be covered in the final report.

Other Complaints

"Other complaints are a part of the controversies existing between producers and consumers of coal on the one hand and the railways on the other. Private sidings adequate to handle increasing amounts of coal received are a necessity. Likewise, in our opinion, weighbridges should be used for all shipments of coal, and, except where the amounts shipped currently are small, weighbridges should be close to the collieries.

"As previously stated, the terms of reference do not include participation in the settlement of the dispute between coal producers and the railways on the question of the appropriate party to supply the capital for weighbridges. Nevertheless, we believe that weighbridges of adequate capacity are essential for both. Certainly the consumer is entitled to receive the grade and quantity of coal which he is authorised to receive and should not be deprived of these by controversies between other parties. One possible solution, in the event the parties to the controversy cannot come to an agreement, would be for the appropriate Governmental machinery to supply the needed capital and charge both parties for the services rendered.

"Finally, the complaints involve the question of inadequacies in the supply of wagons. The problems of irregularity in the receipt of coal and the requirement that the consumer must maintain stocks greater than would normally be necessary are a cost to the economy of the country chargeable to the wagon shortage. As previously indicated, this wagon shortage can be met only by the purchase of additional rolling stock.

"A general comparison of the operating performance of the Indian railways with those of other countries leads to the conclusion that the performance of the former is a creditable one, especially in the light of the conditions under which operations are conducted. Traffic is exceptionally heavy, line capacity intensively used, signalling and types of motive power and wagons are antiquated by modern standards. Nevertheless, the operating performance compares very well with those of other more highly developed countries, indicating that the managements are to be commended for this performance".

The D.V.C. Canal

The study team points out that even under conditions most favourable to movement via the D.V.C. canal, the cost of transporting coal to industries on the Hooghly river would be approximately 22 percent greater than the present rail rates.

"As a result of an analysis, we conclude that it would not be economical to use the D.V.C. canal for the bulk transport of coal. In the final report, the interest rate established for all capital expenditures will be used, and the calculations compared with actual rail costs. For reasons stated above, we seriously doubt that the final results will justify the canal as an economical mode of transport for coal.

"At the request of certain officers of the Indian Government, a special study was made to determine if the volume of coal now being transported by sea to southern and western areas could be handled by the railways. The reason given for this request is because the cost a ton by sea exceeds the present rail rates, with the Government absorbing the excess cost. This movement was inaugurated to relieve the railways during the transport shortage.

"The coal transport by sea is hauled to Calcutta by rail from the West Bengal-Bihar coalfields. A portion of this coal is consumed at the destination ports and the remainder hauled inland by rail.

"During the year ended 31st March, 1963, the volume of coal so handled, divided between that consumed by the railways and by industries, is shown in the table below:

Port	(In tons) Railways	Industrial	Total
Southern			
Madras	402.592	127.778	530.370
Cochin	230.200	65.748	355.948
Cuddalore	104.561	79.192	183.753
Tuticorin	263.536	104 497	368.033
Nagapatnam	—	4 486	4.486
Sub-total	1,060,889	381,701	1,442.590
Western			
Bombay	181.562	—	181.562
Bhavnagar	83.400	53.074	136.474
Okha	65.220	44.893	110,113
Sikha	—	93,453	93.453
Sub-total	330.182	191.420	521,602
Total	1,391.071	573.121	1,964,192

"To determine the ability of the railways to take on this additional volume of tariffic, it was necessary to determine the effect on lines capacity and equipment requirements, and the availability of both.

"All of the coal to Madras, Cochin and Bombay could be transported by broad-gauge railway without transhipment. The remainder, 896,312 tons, would require transhipment from broad to metre-gauge.

Movement to Ports

"The most direct rail movement of coal to the southern port areas would be via the east coast route, the South Eastern Railway to Waltair and on the Southern Railway to Madras. The movement over this route would be increased by 2.5 or three trains a day each way. This route is over some sections which at the present time have no extra capacity. The improvement works now under way on this route to increase the line capacity are not expected to be in full operation until 1965-66 or later. This condition of shortage of line capacity precludes the handling of the 1,422,590 additional tons now being transported by sea to the southern port area.

"The volume to the western port areas would be transported over railway lines which do not lack line capacity for additional trains. The problems of trans shipment of the indicated volume to metre-gauge do not appear to be particularly difficult to overcome.

"After taking into account the present locomotive and car usage to move coal from the coalfields to Calcutta, and to distribute coal over the areas beyond the ports, we have determined that under optimum conditions this additional volume would result in the operation of at least 1,200 to 1,300 more trains a year.

"Assuming an additional turnround time of ten days a load, the additional wagons required would be of the order of 2,500 four-wheelers or 1,000 box wagons. Based on additional distance of 1,500 kilometres one way a train, the additional power required would be at least 66 steam locomotives, or 27 diesel locomotives.

"As shown in preceding sections, there is already a shortage of both locomotives and wagons.

"In view of the lack of any surplus line capacity on the east coast route at this time and the present shortage of locomotive and car equipment on the railways generally, we believe that it would be impossible for the railways to carry this additional volume during the next few years without drastically disrupting railway operations.

"In the final report to be submitted later, the subject of the movement of coal by sea, including the relative costs of rail and sea transport, will be covered fully."

Estimated Traffic

The study team holds that "even if the actual traffic demand at the end of the third plan should fall below the estimates by 10 percent, because of failures to meet production targets for other reasons, the planned increases in rolling stock would not equal the rise in estimated tonne-kilometres in the third plan period. The minimum gap of 20,000 wagons and 200 locomotives would remain.

"As a result of the analysis of the rolling stock situation and of our appraisal of the railway situation in the 12 years since the beginning of the first plan, it is our judgment that further additions to rolling stock



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should be provided for as early as possible. We believe that it is necessary in the course of the remaining years of the third plan at least to make a start in closing the gap between transport demand and rolling stock available. We recommend the purchase of all of the rolling stock called for in the latest revision of the third plan, and that, in addition, 4,000 wagons and 100 diesel locomotives should be ordered promptly. This would not close the estimated gap, but if measures are approved promptly this equipment might be in service at the end of the third plan.

"The estimated cost of 4,000 box wagons, to be manufactured in India, is placed at Rs. 22.40 crores and for the 100 diesel locomotives should be of the type already in service or on order. Thirty of them should be for use in hump and marshalling yards where the continuity of service of the diesel locomotives at Rs. 11.90 crores. We recommend that the diesel locomotives would improve . . . g operations," the study team concludes.

SUGARCANE

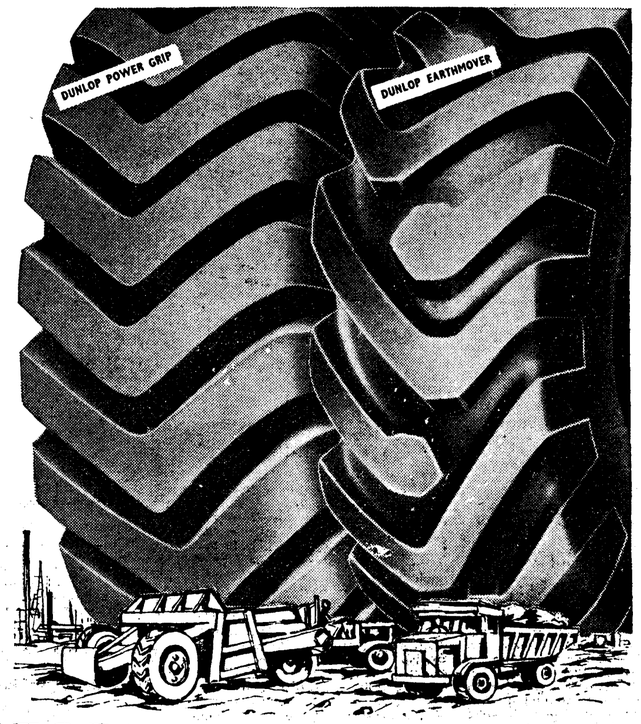
Minimum Prices Raised

The Government has reviewed the question of fixing the minimum cane price for the 1963-64 season in the light of prevailing conditions and circumstances governing such price under the Sugarcane Control Order and, in particular, the need for increasing the availability of sugar to consumers at reasonable prices. It considers that the prices which had been settled earlier are inadequate to meet the needs of the situation and have, therefore, decided to make an increase of 12nP a maund in the price of sugarcane related to recovery at all points from 9 percent or below and upwards. The base price at 9 percent or below would thus be Rs. 1.68, instead of Rs. 1.56 and corresponding increases would be made at all higher levels of recovery. The schedule of minimum prices on this basis is being worked out and a notification applying the formula to individual factories will be issued shortly.

The Government has decided that "in factory areas in which the factories are likely to experience difficulty in securing cane supply due to higher cane prices which manufacturers of *gur* and *khandsari* can afford to pay and where the minimum price would be less than Rs. 2 under the new formula, the factories should be enabled to pay a price of Rs. 2 a maund, instead of Rs. 1.75 a maund as previously decided". The Government expects that this price should be sufficiently competitive to enable the factories to obtain adequate supplies of cane for their allotted production in competition with *gur* and *khandsari* manufacturers. This price would be used for working out ex-factory costs under the Tariff Commission's formula.

The Government has been keeping a careful watch on the prices of *gur* and *khandsari* during recent weeks and find that the prices still rule at a high level. It finds that prices vary from State to State and consequently affect inequitably the supplies for local consumption in various States. In order to ensure supplies and distribution of *gur* in a fair and equitable manner at reasonable prices to consumers, the Government considers it necessary to regulate the inter-State movement of *gur*. Accordingly, a Gur Control Order is being promulgated under the Defence of India Rules prohibiting the import or export of *gur* from one State to another except under permits. Administrative arrangements are being devised to allocate quotas to exporting States for export and to importing States for import. The arrangements would generally be that in the light of transactions that may be settled in the normal course of business, the importing States will appoint nominees from among importers to lift quotas from exporting States and to transport them to their own States. The quantities already booked will not be affected by this order so that supplies to consuming States would be assured for some time until new arrangements are completed. For the time being, provisional quotas for November are being communicated to the States concerned and the final arrangements would be settled as soon as possible in consultation with the State Governments. Powers are also being taken to regulate transport of *gur* by rail, road and water as may be deemed expedient from time to time.

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FERTILISER

Raising Production

Addressing the Development Council for Inorganic Chemical Industries here, Mr. C. Subramaniam, Central Minister for Steel and Heavy Industries, stressed the need for raising fertiliser production "much faster than we have done so far." The Minister said that "the total licensed capacity for nitrogenous fertilisers today is more than 1 million tons. The actual installed capacity today is only 380,000 tons and by the end of the plan period, we expect to reach a capacity of 640,000 tons of nitrogen.

"We will thus be short of 350,000 tons. I do not want to get into an argument as to who is responsible for this, but the stark fact is that out of the seven fertiliser projects which we have approved for establishment in the private sector, only the ones in Kothagudam, Visakhapatnam and Gujarat have made some progress. The licensees for the projects in Hanumangarh, Tuticorin and Mangalore have not yet submitted their final proposals for their projects. In the case of the Durgapur fertiliser project, it has been found that the surplus of coke-oven gas from the Durgapur coke-oven plant is not adequate to sustain a fertiliser plant. As you may know, the State Government has requested the Central Government to take up the project through the Fertiliser Corporation of India. This is being examined.

"For the fourth five year plan, some tentative proposals have been formulated by the Planning Group for the Fertiliser Industry. We visualise the production of 1.7 million tons of nitrogen and 800,000 tons of P. O. in 1970-71. The Planning Group is currently engaged in determining the regionwise requirements in both these fertilisers. Meantime, the Fertiliser Corporation of India is also investigating the feasibility of expanding some of the existing factories. The techno-economic studies of location have also commenced in Rihand, Madras, Barauni, Durgapur, Haldia, etcetera.

"One creditable feature of our fertiliser industry in the public sector is the fact that the Fertiliser Corporation of India has built up adequate talent to design and build fertiliser plants without foreign collaboration. You may be aware of the pioneering achievement of the Corporation in the building up of the Rourkela fertiliser plant. It is our intention that future fertiliser plants should be built by using Indian technical know-how and Indian organisation. With this end in view, we have authorised, besides the Fertiliser Corporation of India, the F.A.C.T. Ltd., Alwaye, to gear itself for setting up new fertiliser plants.

"As for sulphuric acid, I am informed that in this industry, the targeted capacity of 1.5 million tons for the third plan is being achieved. This is a very heartening picture. Although all the sulphur needed for the production of sulphuric acid has been imported so long, the Pyrites and Chemicals Development Company will shortly be placing orders for a large sulphuric acid plant near the Sindri Fertilisers for supplying sulphuric acid for the manufacture of ammonium sulphate. This would enable us to open up Amjore mines and I hope, in the years to come, the yield from these mines will feed several such factories for the production of sulphuric acid. In addition to this, a sizable production of sulphuric acid based on materials other than elemental sulphur is expected to materialise in the near future such as sulphur from refinery gases, zinc smelter gases, and coke oven gases. It is visualised that at least 175,000 tons of sulphuric acid will be made from indigenous sulphur resources in the next five years.

"The prices of fertilisers and inorganic chemicals in this country are still very much higher than corresponding prices in the world market. This is a very distressing picture as this is bound to hamper not only the development of the industry and our country but also our ability to export at competitive prices in the international market."

MOTOR-CARS

Higher Indigenous Content

Addressing the Development Council for the Automobile industry, Mr. C. Subramaniam recently said that in view of the difficult foreign exchange position, it would not be possible for the Government to allow the expansion of motor-car and motor-cycle production unless the target of 90-percent indigenous content was achieved.

The biggest problem facing the industry, he said, is that of foreign exchange shortage. The industry required, at the present level of production, Rs. 30 crores in foreign exchange every year for importing components and raw materials "while we require much larger production to meet the full requirements of transport vehicles of all types." But this is hardly possible, unless the drain on India's foreign exchange resources is stopped. Although the motor-car manufacturers may not be able to do much in the matter of stopping imports of raw materials, it is only they who can solve the problem of component imports. They should themselves produce more components indigenously and also buy more of them from indigenous ancillary industries.

POWER

New Regional Board

At a conference held here last week, Jammu and Kashmir, Himachal Pradesh, Punjab, Delhi and Rajasthan agreed to form the Northern Regional Electricity Board. The main function of the board, which will have an advisory status, will be to plan and ensure integrated operation of the systems in the region in such a manner that at any time the total amount of electricity generated and transmitted gives the maximum possible benefit to the region as a whole.

This is the second regional board which has been constituted. Earlier last week, Madras, Andhra Pradesh, Mysore and Kerala agreed to form the Southern Regional Electricity Board. It is proposed to have seven regional boards in the country which will operate regional supergrids and ultimately help form an all-India power grid.

The scope of the regional board, to start with, would be very limited. It will not interfere with the generation or distribution of electricity within a State or a Union Territory. It will, however, help in reducing the standby capacity which can be distributed among the States. The board will also ensure supply of electricity in a particular State in case of a power failure.

The functions of the board will ultimately include the following:

(1) Reviewing the progress of power development schemes in the region.

(2) Planning and ensuring integrated operation of the systems in the region in such a manner that at any time the total amount of electricity generated and transmitted shall give the maximum possible benefits to the region as a whole.

(3) Preparation of a co-ordinated overhaul and maintenance programme for the generating plants in the region.

(4) Determining the generation schedules to be followed by the constitutent systems.

(5) Determining the amount of power available for exchange from time to time between the States, over and above the requirements of each State.

(6) Determination of a suitable tariff structure to govern the exchange of power within the region.

(7) Consideration of any other relevant matter for appropriate action.

POWER TILLERS

Imports from Japan Planned

The Government of India, it is understood, has decided to import Japanese power tillers to help raise agricultural production. Until recently, the power tiller was unknown to agriculturists in India. Its use in the four State farms set up in Ranaghat in West Bengal, Chakuli in Orissa, Arrah in Bihar and Vyara in Gujarat, where cultivation is carried on under the Japanese method with the aid of Japanese implements, has shown that the power tiller is a good implement, and its efficiency and utility have been appreciated by agriculturists as well as the Central Government. The import of these power tillers, it is understood, is to be financed out of the third yen credit.

The Government of India, it is learnt, is also examining the possibility of importing some power tillers as part of the assistance under the Colombo Plan.

DURGAPUR STEEL WORKS

Orders for U.K. Firm

The Erith Works of G.E.C. (Engineering) Ltd has received two orders for blending plant, worth a total of about £164,000 for extensions now being carried out at the Durgapur Steel works, it has been announced in London. The plant is similar to the one supplied by G.E.C. in 1958. The first order, which was received through Head Wrightson Iron and Steel Works Engineering Co. Ltd, includes two Mark III Robins-Messiter reclaiming machines, a double-wing stacker and four apron feeders, all of which will be incorporated in the ore preparation plant for which Messrs Head Wrightson are the main contractors.

The second order, placed with G.E.C. by Simonacco Ltd, covers the supply of a new wing stacker and the uprating of an existing wing stacker in the coal preparation plant. The equipment is to be supplied complete with the necessary motors and control gear. Part of it will be manufactured in Britain and part in India.

FOREIGN EXCHANGE

Reserve Bank Directive

The Reserve Bank of India has directed all authorised dealers in foreign exchange against granting overdraft facilities in excess of Rs. 5,000 to foreign nationals temporarily resident in India, without its prior approval, which, it has been made clear, will not be given in those cases where advances or overdraft facilities were required by the applicant for the purpose of investment or dealing in stocks and shares. Even in cases falling within the general list of Rs. 5,000, the facilities should not be granted if used for investment or for dealing in stocks and shares. In other words, a foreigner is debarred from investing or dealing in stocks and shares by means of overdraft facilities.

The authorised dealers may, however, continue the existing overdraft arrangements in excess of Rs. 5,000 for such temporary period, not exceeding beyond 31st December, 1963, as may be required to enable the borrowers to liquidate their dues or bring them within the limit of Rs. 5,000.

THIRD PLAN

Prospects for Untied Aid

From deferred payments to non-project loans is a deliberate and well-planned development of India's technique to finance the third five year plan. The basic mistake the Planning Commission made in formulating the second plan was that it made no provision for maintenance imports, which have been rapidly rising. Main efforts of the Government of India were, therefore, directed in securing non-project aid to finance maintenance imports. The British were first to object to this practice, because their traditional exports to India were being bagged by the U.S.A. through the mechanism of non-project aid. West Germans took a definite step by earmarking 100 million deutschemarks to finance imports needed by the German-based undertakings in India. Britain followed suit by earmarking £5 million for similar imports, following the recommendations of Sir Norman Kippings, Director-General of the Federation of British Industries.

The other countries raised objections to these non-project loans on psychological, commercial or institutional grounds. Special efforts are, therefore, needed to explain India's viewpoint. It is explained that all non-project aid is not used in financing maintenance imports.

India is fast industrialising herself and is producing many an item needed in an industrial project. Items, which are not yet being manufactured in India have to be imported, for which foreign exchange is needed. Then again, in many a project financed by tied aid, there are items of equipment which the financing country doing manufacture. Some parts of equipment, say, for the Nunmati oil refinery, had to be financed from free foreign exchange resources. Meanwhile, psychological resistance is melting away in France, Belgium and West Germany, which have started giving small untied aid for the import of capital goods. Canada has been financing a variety of imports for India. As already reported, a World Bank team is now in this country to assess India's requirements, among others, of motor-car components. Meantime, a $30 million loan is expected for three Indian untied projects. New Delhi is confident that a larger portion of assistance for next year will be untied.

COAL MINING

Training Scheme Planned

The chairman of Britain's National Coal Board, Lord Robens, spent a busy week here, discussing the problems of the coal industry and the training schemes for miners. Lord Robens has gone back convinced that India needs training facilities for coal miners. His plan includes the training of miners as well as of trainers. A training centre in India may be set up and facilities provided for trainers to be trained in Britain. Lord Robens has returned to Britain to have a project report prepared. He proposes to come here again in January. His plan, it is felt, has met with an enthusiastic reception in India.

WEST GERMANY

Investment Guarantee Pact

The West German Government, it is learned, has demanded an investment guarantee. The Government of India will be prepared to enter into such an agreement, provided it is on the pattern of the India-U.S.A. investment guarantee agreement. Present thinking is opposed to any deviation from this pattern, it is learned.

COFFEE

Higher Export Quota Wanted

India wants a higher export quota for Indian coffee through the International Coffee Council, the next meeting of which is scheduled to be held on 30th November. India is seeking the support of the U.K. and the U.S. Governments in this matter.

ATOMIC POWER-STATION

Talks on Rajasthan Project

The Central Cabinet Secretary, Mr. S. S. Khera, the Canadian High Commissioner in India, and the Secretary of the Atomic Energy Commission, Dr. J. H. Bhabha, are flying to Ottwa this week to negotiate on a 200 megawatts Canada-type power-station to be located in the vicinity of Rana Pratap Sagar, near Kotah, in Rajasthan. It will use natural uranium oxide and heavy water as moderator and coolant. The cost of the power-station will exceed $65 million, including $30 million in foreign exchange. The latter amount may be increased, if necessary. Negotiations in Ottawa will mainly relate to safeguards for ensuring the use of the power-station for peaceful purposes. The Ottawa meeting will commence on 11th November.

London

TRADING STAMPS START A WAR AMONG GROCERS

(FROM OUR LONDON CORRESPONDENT)

TO the majority of housewives, the advent of the trading stamps now being issued to her when she buys her weekly groceries represents a new gimmick in retail trade salesmanship. In fact, however, trading stamps have been quite widely used in Britain for many years. They represent a £6 million turnover a year and this is estimated to be increasing at something like 30 percent each year. This boom stems from the increasing bargaining power of consumers in a competitive retail market. Why it should have developed now is discussed in "Why Trading Stamps Now?", an article by Mr. Walter Taplin, formerly Research Fellow in Advertising and Promotional Activity at the London School of Economics, in the latest *District Bank Review*. He claims that because rationing continued in Britain until 1954, the growth of the stamp system has lagged behind the United States, where turnover is more than $800 million and stamps are given with 18 percent of retail sales (about 50 percent in the food trades).

But, he adds, since the end of rationing, and especially in the past five years, the buyers' market has forced retailers to compete for shoppers' custom in a way which has not been seen before. Before and during the war, writes Mr. Taplin, "trade associations, encouraged in many cases by Government agencies, restricted competition" and "this attitude persisted well into the 'fifties." But now, he says: "Shoppers must be wooed; retailers must make concessions." And retailers find trading stamps a happy compromise to more aggressive competition, such as across-the-board price cutting.

Convenience to Consumers

The consumer, he says, "welcomes the convenience of being able to buy a number of items in one place and obtain a series of small incidental benefits at the same time. The lower income consumers can do a little painless saving and thus obtain household items without either putting aside cash or the inconvenience of hire-purchase payments." A number of the largest multiple stores groups, however, are getting together to fight the spread of trading stamps. They have announced that they plan to form a "distributive trades alliance", under the leadership of Lord Sainsbury, chairman of J. Sainsbury, the grocery group, and Mr. Malcolm E. Cooper, chairman of Allied Suppliers—Home and Colonial, Lipton and Maypole group with 3,289 shops in Britain and Ireland. Firms which have already pledged their support to the alliance include Boots, the chemists (with 1,29 retail shops), British Home Stores (82 branches), Marks and Spencer (238 stores), W. H. Smith and Son (302 bookstalls and 362 shops), Express Dairies (300 shops), United Dairies, Mac Fisheries, Victoria Wine Company, International Stores (1,262 branches), Key Markets (part of the Fitch Lovell group) and Moores Stores (980 branches). These groups and their supporters claim to represent 81 percent of the membership of the Multiple Shops' Federation, covering a total of 37,536 shops.

The formation of the alliance means there is now a split in the attitude of the members of the Federation towards trading stamps. Two members, Associated British Foods (through Fine-Fare supermarkets, which is controlled by a Canadian associate) with 650 shops and supermarkets, and Pricerite, have already announced the introduction of stamps. Pricerite controls 27 supermarkets in London and south-east England. The Green Shield Trading Stamp Company, with which Pricerite has made its agreement, already supplies stamps to more than 70 supermarkets. Altogether it issues more than 8,000 million stamps a year, covering about £250 million of retail turnover.

Opposition by Grocers

Trading stamp schemes were also decisively rejected in a statement from the executive committee of the National Federation of Wholsesale Grocers. The committee said it had decided, after comprehensive examination of various schemes, that the only beneficiaries in the end were the stamp companies themselves. "In the Federation's view," the statement continued, "there can be no stable or permanent advantage to the retailer, because the claim that the stamps increase sales clearly cannot apply in a situation of stamp saturation. Similarly, there can be no permanent advantage to the housewife. Stamp trading companies incur operating expenses and make profits. It seems abundantly clear to the Federation that the main source of the funds required to cover these items of cost and profit must eventually be the housewife's purse even if, initially, they are borne by the retailers or the manufacturer." A Federation spokesman said: "We are afraid that we are moving towards a cut-price war, which in the ultimate will help nobody." Reliable sources believe that more than four-fifths of all leading multiple shop companies are opposed to stamp schemes. The general view is that the stamps would be bad business for the trader, since they would be injurious to profits, and bad business for the housewife since, as one man put it, "she would be fooled over values."

The rise in the popularity of the trading stamp could be explained in some cases—according to an authority—as a way out when competition was becoming too hot. In such a situation a trader might be anxious to "confuse the issue." The trading stamp companies see things differently. The Yellow Trading Stamp Company, of London, whose public relations officer described it as the oldest in the country (35 years), announced that it was negotiating with many large multiple organisations to introduce a new "super" stamp. Apart from the usual range of articles, super stamps could be exchanged for holidays and life insurance. They could be saved in bookfuls to the value of 15s which would be placed in a savings bank yielding 5 percent a year.

Drive-in Centres

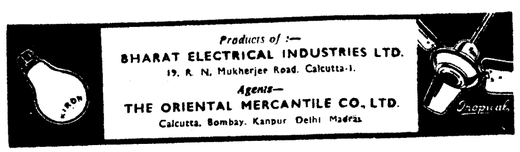
The Company plans to open drive-in centres on the outskirts of cities to display the goods which will be obtainable with the stamps. The spokesman said: "You just drive in, choose your gift, and collect it without getting out of the car." There will also be mobile showrooms for people who live too far from the redemption centres. The Gift Coupon Company Ltd, London, which issues Star stamps, said that it regarded threats of a price war as a vindication of the effectiveness of trading stamps. In its *communiqué* from the trading stamp front, the Company said: "Where necessary we will provide extra stamps on any items drastically cut. The extra stamps will be worth more to the housewife than the cut in price.

Mr. Tompkins, the 44-year-old managing director of Green Shield Stamps, was in the mail order advertising business until just over five years ago. Now he has cornered 65 percent of the trading stamp market, has 32 gift shops, 18,000 retailers on his books. His stamps are collected by one in every seven British audits. So far in 1963, Green Shield have had 8,000 million of their stamps licked. This is more than the G.P.O. can manage. Mr. Tompkins explained: "When we move into an area we guarantee that our stamps will bring the retailer a 30 percent in turnover. We put it in writing." The cost of the stamps works out at about 2 percent of the shopkeeper's gross turnover. And the profit to Mr. Tompkins? From every £1-worth of stamps given away he gets between 5s and 6s. This, he claims, has to cover the cost of the stamps themselves, the gift catalogues, salaries for his 700 staff, the little skyscraper office he has in Edgware, and the capital expenditure on the gifts. Green Shield shopkeepers now have 3 percent of retail trade. Mr. Tompkins calculates that the most one stamp company could hope for is 10 percent, and he reckons he will get that in the next few years. He deals in discount, but he does not discount the harm the Sainsbury opposition can do him. "The noise of the war will hurt us, but in the end it is the housewife who will decide who is the winner. I think we'll win, you know. Housewives know when you're on to something."

LOSS OR GAIN ON USE OF TRADING STAMPS*

Sales	Percentage Increase in Sales	Cost of Goods Sold	Operating Expense	Stamp Cost	Operating Profit	Loss or Gain on Stamps
1,000	—	830	150	—	20	—
1,000	—	830	150	20	—	Without stamps −20
1,050	5	871.5	150	21	7.5	With stamps −12.5
1,100	10	913	150	22	15	−5 — Break-even point
1,140	14	946	150	22.8	21	+1
1,150	15	954.5	150	23	22.5	+2.5
1,200	20	996	150	24	30	+10
1,250	25	1,037.5	150	25	37.5	+17.5
1,300	30	1,078	150	26	45	+25
+ 83% of sales						= 2% of sales

* These figures were calculated using a 17 percent gross margin and keeping operating expense and margin constant. The table was adapted from "Trading Stamps" by Harvey L. Vandenburg as Indiana Business Report No. 21, published by the Bureau of Business Research, School of Business Indiana University (1956).



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INCREASING SUGAR PRODUCTION THROUGH TOTAL DECONTROL

By M. N. Mitra, M.Sc.
(Managing Director, The National Sugar Mills Ltd)

In spite of the latest incentives, the controlled sugar industry is unlikely to reach the 1963-64 production target as long as gur and khandsari producers take away cane in increasing proportions. Only total decontrol of sugar prices will enable the industry to compete for the raw material on economic terms and raise its output substantially.

THE Central Ministry of Food and Agriculture has fixed the production target of sugar during the 1963-64 season at 3.3 million tons. This estimate has been arrived at on the basis that the industry produced 3 million tons of sugar in the 1960-61 season, against an installed capacity of about 2.4 million tons. The Government, therefore, expects that with the present installed capacity of 2.7 million tons, it will not be difficult to achieve the production target of 3.3 million tons during the coming season. The Government has also fixed the following State-wise production target for sugar during the coming season:

Name of the State	Quantity produced during the 1962-63 season (In '00,000 tons)	Anticipated production during the 1963-64 season (In '00,000 tons)	Percentage of increase of production in the 1963-64 season over that of the previous season
Punjab ...	0.62	1.40	126.00
Bihar ...	1.70	3.50	105.09
Uttar Pradesh ...	8.48	15.00	76.9
Madras ...	0.90	1.40	55.55
Andhra Pradesh ...	1.72	2.50	45.35
Mysore ...	1.13	1.50	32.75
Maharashtra ...	5.15	6.50	26.2
Madhya Pradesh ...	0.34	0.40	18.00
Other States ...	1.46	0.80	
	21.50	33.00	

Unrealistic Target

The industry contends that the target is most unrealistic in view of the exorbitant prices of *gur* and *khandsari* now prevailing in the country. It is true that India produced 3 million tons of sugar during the 1960-61 season, as against an installed capacity of 2.4 million tons. But during that season, the prices of *gur* and *khandsari* were extremely low and the mills could secure abundant supplies of sugarcane. Since the 1960-61 season, the prices of *gur* and *khandsari* have been gradually on the increase. As a result, sugar production during the 1961-62 and 1962-63 seasons has gradually declined as is evident from the following figures:

Season	Quantity of sugar produced (In '00,000 tons)
1960-61	30.29
1961-62	26.80
1962-63	21.50

In between the 1960-61 and 1962-63 seasons, sugar production in India has dropped by about 30 percent due to the large diversion of cane into *gur* and *khandsari* manufacture. During the 1962-63 season, the prices of the latter ruled between Rs. 20 and Rs. 22 and Rs. 30 to Rs. 32 a maund, respectively. But now their prices have shot up to Rs. 40 to Rs. 44 and Rs. 60 to Rs. 64 a maund. Naturally, it is futile to anticipate that with these high prices of *gur* and *khandsari*, the sugar industry can produce 3.3 million tons of sugar, against an installed capacity of 2.7 million tons.

The 1962-63 season started with a huge carryover of 1,012,000 tons. To this is to be added the season's production of 2.15 million tons—thus making the total availability of sugar in the country of a little over 3.162 million tons. By making allowances for internal consumption at about 2.6 million tons and the export at about 500,000 tons, there will be an insignificant opening stock of about 62,000 tons only on 1st November, 1963. It is, therefore, clear that the entire requirement for internal consumption as well as the firm export commitment of 300,000 tons of raw sugar will have to be met from the 1963-64 season's production. The industry holds the view that the total production of sugar during the current season will not exceed 2.6 million tons.

Due to the acute shortage of sugar, the consumption of *gur* and *khandsari* has naturally gone up and that is the principal reason why the prices of these two commodities have shot up beyond any expectation and calculation. It is paradoxical to state the fact that the present average ex-mill and control price of sugar—exclusive of Central excise duty—is Rs. 30.80 only a maund while that of *gur* is Rs. 40 to Rs. 44 a maund. The production of white sugar needs now a capital investment of over Rs. 1 crore for a medium-sized plant, but practically no capital outlay is necessary to produce *gur*. This disparity in the prices of sugar and *gur* is also due to another reason. While the Government has imposed a very heavy Central excise duty on sugar at Rs. 10.70 a maund, there is no duty at all on *gur*. The *khandsari* units have to pay only a nominal excise duty.

The reason for the gradual decline in sugar production in the past two seasons is not any actual shortage in cane production but the unavailability of raw material, because a larger portion of the crop was diverted for the production of *gur* and *khandsari*. The following percentages of utilisation of the cane crop in India in the 1961-62 season for various purposes would conclusively prove that only 36 percent of the total crop is being used for the production of white sugar:

(i) *Gur*	39.61 percent
(ii) *Khandsari*	6.00 percent
(iii) White sugar	35.69 percent
(iv) Chewing and for seed purposes	18.70 percent

It used thus appear that during the 1961-62 season about 46 percent of the total crop in India was diverted for the manufacture of *gur* and *khandsari*. This diversion was much more in the 1962-63 season when the production of sugar fell from 2.68 million tons in the 1961-62 season to 2.15 million tons. Sugar production is bound to increase if sufficient inducement can be offered to the growers not to divert their cane for the production of *gur* and *khandsari*, but to sell it to the mills. This is the crux of the problem. The Government is also fully aware of this aspect of the present crisis of the industry and has, therefore, offered the following incentives:

The Incentives

(i) The minimum price of cane has been raised from Rs. 1.62 a maund to Rs. 1.75 a maund.

(ii) A rebate of 50 percent of the basic excise duty has been allowed on additional production between 1st July, 1963, and 31st October, 1963, compared with the corresponding period of 1962 concerning those mills which commenced their production during this period. This concession will benefit the mills in the south where they have a special advantage of a second crushing season from July to October. The majority of the mills, located in the northern region, will not be able to derive any benefit out of this tax rebate.

(iii) A similar rebate has also been granted for an additional production in Novtmber 1963, compared with the production of November 1961.

In view of the high prices of *gur* and *khandsari* which are yet prevailing, most of the mills have not thought it profitable to start production in November 1963, when the recovery percentage of sugar from cane is very low.

(iv) For additional production during the normal season commencing from November or December 1963, and ending on 31st March, 1964, the mills would be entitled to a rebate in the basic excise duty to the extent of 20 percent—base year being the 1961-62 season.

A peak production of 3.029 million tons of sugar was achieved by the industry during the 1960-61 season while the prices of *gur* and *khandsari* were very low. The industry will reap the benefit of this tax concessions if it can produce sugar over 3.029 million tons during the 1963-64 season. In the present context of *gur* and *khandsari* prices, it is rather impossible for the industry to go beyond the peak production of 3.029 million tons achieved during the 1960-61 season.

(v) Maximum deduction for road transport charges is limited to 12nP a maund, and the balance left from the existing maximum of 36nP a maund will be allowed in calculating the ex-mill prices of sugar.

These incentives were announced by the new Central Minister for Food and Agriculture on 6th September, 1963. During the time of this announcement and according to the Minister, the prices of *gur* and *khandsari* were Rs. 35 and Rs. 60 a maund, respectively. It was admitted by the Food Minister that the prices of *gur* and *khandsari* were over 100 percent more than that prevailed during the 1962-63 season. The Minister anticipated that the incentives would lower down the prices of *gur* and *khandsari* to Rs. 18 or Rs. 20 and Rs. 37 a maund, respectively. But in fact, the prices have been pushed further.

The Government evidently appears to put much reliance on the incentives to attract sufficient supplies of sugarcane to feed the mills. But a Press message from New Delhi dated 24th October, 1963, stated that the *khandsari* and *gur* units in Uttar Pradesh had already begun to purchase cane at Rs. 2.44 a maund. Against this price, the industry can now offer to the growers a price of Rs. 1.75 a maund. The result can well be imagined.

Defence of India Rules

The Government was also fully conscious of the fact that the incentives would not help the industry to achieve the production target of 3.3 million tons during the coming season. It has, therefore, assumed powers under the Defence of India Rules to regulate the supply of sugarcane to the mills through the creation of reserved zones. The following are the salient aspects of the scheme of reservation:

(a) Dependent on the crushing capacity of the mills and the availability of sugarcane in its neighbourhood, sugarcane areas will be reserved for the mills.

(b) In the reserved areas, the sugarcane growers will have to deliver a "specific portion" of the crop to the nearest mills.

(c) Similarly, it will be obligatory on the part of the mills to accept and crush the reserved sugarcane.

(d) If necessary, the Government might restrict the use of sugarcane or sugarcane juice by the manufacturers of *gur* and *khandsari*.

(e) The Government may also lay down that in the reserved areas only the licensed units would be able to produce *gur* and *khandsari*.

Apparently, it may be considered that the scheme, if it can be at all enforced, might ensure an assured supply of sugarcane to the mills. But it would be wise to remember the following defects and loopholes:

(i) The growers might resist the enforcement of the scheme of reservation. A Press message from Jullundar, Punjab, dated 23rd October, 1963, stated that a convention of 1,000 representatives of sugarcane growers in the State had unanimously decided to refuse to sell sugarcane to the mills at a rate of not less than Rs. 2 a maund. The convention has also accepted a proposal to defy, if necessary, the State Government's ban on *gur* making within a radius of ten miles of every sugar mill in the State.

(ii) In the reserved areas, a "specific portion" of the cane crop is to be delivered to the mills. What is the criterion to determine this "specific portion"? The entire purpose of creating the reserved areas might be well defeated through this loophole of "specific portion".

(iii) The growers might adopt an attitude that in accordance with Government orders, they would not divert their cane to *gur* and *khandsari* production, but are prepared to sell it to the sugar mills even at Rs. 1.75 a maund provided the mill authorities arrange for harvesting the crop. By adopting such an attitude, the growers might try to escape the arms of law, but at the same time, it would be physically impossible for the mills to arrange for themselves harvesting the crop in the reserved areas.

(iv) The most serious effect of this scheme of reservation might be that the cultivation of sugarcane will be restricted during the 1964-65 season.

The question would now, naturally, arise: what then is the solution? The Government thinks that by offering the incentives and also by retaining the present control on ex-mill prices of sugar and its distribution through Government channels, a target production of 3.3 million tons is quite

feasible during the 1963-64 season. The essence of the Government decision is "control". But control has failed in the past and it will never solve the present crisis of the industry.

The sugar industry was firmly established in India after the grant of protection in 1932. From 1932 to 1939-40, there was no control when the production had been gradually on the increase. During the second World War, the control was imposed in April 1942. Since 1942 and till 1963, the industry has been subjected to frequent controls and decontrols. During this period, the industry has "groaned" under control for a total period of 12 years. A close scrutiny of figures of production and consumption during the period of control would convince anybody that control has always inhibited production or consumption or both. Besides, the following are the evil effects of control and rationing:

(i) Under the present rules of rationing in West Bengal, a quantity of 300 grammes of sugar has been allotted a head a week irrespective of the income of the ration card holders. The result has been that a majority of the middle-income groups and the entirety of the low-income groups cannot lift their full quotas of sugar. Such unlifted quotas are, therefore, sold in the black market and the high-income groups buy it at exorbitant prices to balance their actual requirement of sugar.

(ii) Unscrupulous people draw their quotas through forged ration cards in addition to their usual quotas and such quantities are invariably diverted to the black market.

(iii) Control has always disrupted the permanent sale arrangements between the mills and the trade because after the imposition of the control, the mills are forced to sell their stocks through the nominees of the respective State Governments.

Raising Price through Controls

(iv) In the pre-control period, the traders have always lifted their sugar from the mills at the prevailing market rates and sold it to the consumers at a nominal profit. But after the imposition of control, a sum of Rs. 6 a quintal has been allowed by way of commission to the importers, wholesalers and the retailers. As a result, the price of Rs. 1.15 a kilogram—which prevailed during the pre-control period—has now been raised to Rs. 1.25 a kilogram in West Bengal. In fact, a majority of the mills located in the north-eastern part of the country are selling their sugar at losses while the midle men, namely, the importers and wholesalers, are making good profit out of the sale of sugar.

(v) Experiences have always proved that control has spread corruption among the Government employees entrusted with the task of enforcing the measures of control.

(vi) Frequent and irritating controls have brought the industry to the verge of collapse as would be evident from the following facts:

(a) A scrutiny of the balance-sheets of 22 well-established and well managed sugar mills in Bihar and U.P. would reveal the fact that as many as 15 of them have suffered losses in 1962 ranging from Rs. 7 lakhs to Rs. 47,000. Only seven mills have been able to earn some amount of profit.

(b) For every rupee worth of sugar produced, the industry has to incur the following expenses:

(i) Cane price	45nP
(ii) Government taxes	35nP
(iii) Manufacturing expenses	19nP
(iv) Profit subject to taxes	1nP

The imposition of control has caused severe hardships not only to the industry and trade, but to the consumers as well. In the remote villages and small towns, sugar is either not available or can be had only at exorbitant high prices. A recent publication in a trade journal observed as follows: "Control has worked havoc with another industry namely, sugar. The growth of this industry has been spectacular. But it would have developed much more vigorously if only it had not been subjected from time to time to irritating controls."

If the Government does not change the outlook concerning control, it is sure that the second largest industry in India will be completely wiped out very soon.

Absolute decontrol is necessary to maximise sugar production in the country. The beneficial effects of the policy of decontrol may be summarised as follows:

(i) The mills can offer equitable prices for the supply of sugarcane in competition with the *gur* and *khandsari* units.

(ii) If the growers receive high prices for the crop during the coming season, cultivation during the 1964-65 season will be automatically expanded.

(iii) Expansion of cane acreage and the diversion of more cane for sugar production will maximise sugar production to such an extent that after meeting the internal demand, the industry will be in a position to export substantial quantities to earn foreign exchange.

Against the policy of decontrol, the Government might raise the "bogey" of consumer interests. The Government may argue that if sugar is decontrolled, the price may shoot even to the tune of Rs. 1.80 a kilogram. All aspects of this "bogey" of consumer interest need to be analysed.

A microscopic percentage of India's populace can afford to buy sugar at the present control rate of Rs. 1.25 a kilogram. Sugar forms a very small portion of a family budget. Millions of India's population have no means to buy sugar. They are to depend on *gur*, *khandsari* and cheap sweetening materials. Only high and a very small portion of the middle-income groups take sugar as routine diet. So the retention of control might give relief to a very small fraction of India's populace. Let us admit for argument's sake that if sugar is decontrolled, the retail price will go even up to Rs. 1.80 a kilogram. It may be so, but only for a very brief period. Normal conditions in the market are bound to set in quickly after decontrol. Even then, it may be conceded that after decontrol, the price of sugar might increase up to Rs. 1.80 a kilogram. But in that eventuality, to what extent would the consumers be affected by buying sugar at Rs. 1.80 a kilogram?

Per Capita Consumption

The average *per capita* consumption of sugar in India 5.6 kilograms only. The price difference between the present control rate of Rs. 1.25 a kilogram, and the assumed decontrol rate of Rs. 1.80 a kilogram is only 55nP a kilogram. This means that the consumer might have to pay an extra amount of Rs. 3.08 a head a year, that is, 25nP a head a month provided, after decontrol, the retail price shoots to Rs. 1.80 a kilogram. Is that too much? The consumers will be glad to make this small sacrifice not only in the cause of stabilisation of an important industry but also to avoid the vagaries of conntrol by waiting in long queues to receive a doleful of sugar from the ration shops.

For the present high price of sugar, the entire blame has been thrown on the industry. But a close scrutiny of the cost structure of sugar would prove otherwise. The principal constituents of the cost of sugar are the price of cane, Government taxes and the manufacturing expenses. Cane accounts for 45 percent, Government taxes 35 percent and manufacturing expenses 20 percent. The industry has, therefore, no control over 80 percent of the cost because the minimum prices of sugarcane are fixed by the Government and the industry has to pay the prescribed taxes. Of the 20 percent manufacturing expenses, 18 percent accounts for salaries and wages (which have already been fixed by the Central Sugar Wage Board), repairs, renewals, interests, etcetera. Only 2 percent remains as gross profit to the industry subject to taxes.

It will thus be seen that it is absolutely useless to blame the industry for the high prices of sugar. Only by way of Government taxes, the industry is paying 35 percent of the ex-mill price of sugar. India pays the highest amount of production taxes on sugar in the world by way of Central excise duty, cane cess, etcetera. The rate of excise duty on sugar was 97nP a maund in 1934. The present levy is Rs. 10.70 a maund. This reflects an increase by 1,000 percent over that which prevailed in 1934. The industry has made endless representations to the Government for the reduction of excise duty, but they have had no effect.

Comparative Prices

The latest ex-mill prices of sugar (inclusive of taxes) in other sugar producing countries of the world are as follows:

Name of the country	Rate a maund ex-mills
	Rs.
(1) Indonesia	85.61
(2) The Philippines, Mexico and Egypt	78.40
(3) Japan	72.59
(4) Israel	67.07
(5) Pakistan	61.17
(6) West Germany	55.23
(7) Ceylon	51.29
(8) Sweden	48.41
(9) The U.S.A.	45.76
(10) India	41.50

It will appear that India's ex-mill price of sugar is lowest among some of the important sugar producing countries in the world.

It is admitted by all that the development of the sugar industry in India has been phenomenal. The industry has not only met the entire internal consumption requirement, but has also been able to build up a steady export market. The following figures of export, during the past three years, will speak for themselves:

Year	Quantity of sugar exported (In '00,000 tons)
1961	2.69
1962	3.73
1963	5.00 (approximately)

Export Earnings

In 1962, India earned foreign exchange worth Rs. 15 crores on export. This earning is expected to reach a peak figure of Rs. 30 crores in 1963. But most of the exports have been made on low world market rates varying between £20 to £22 a ton. The world market price of sugar shot up in April and May 1963. It attained the highest level of £101 a ton in the London market in May 1963. But during the period of soaring prices in the world market, India had no surplus stock for export. After a temporary fall in the world sugar market, the price is again shooting up. On the 28th October, 1963, the London daily price was quoted at £102 10s a ton c.i.f. It has broken the record of the last 42 years. Two months ago, this quotation was at £48 10s a ton. This unprecedented rise in sugar prices has been due to the damage of the Cuban crop by a hurricane.

It has been estimated that this damage of the crop will cause a drop in the production of sugar by about 1 million tons. It will be extremely difficult to fill up this gap in production. A unique opportunity has, therefore, presented itself to export sugar at unprecedentedly high prices. But the present stock of sugar does not justify further commitments of export. If sugar is decontrolled, its price may go up a little higher than the present control rates. But this rise might reduce internal consumption which would then enable the Government to export larger quantities of sugar at the high prices which have been prevailing in the world market at present.

The industry really feels that the 1963-64 season is a very crucial one. If the industry fails to produce even 2.6 million tons of sugar—a contingency which should not be ruled out in the present context of *gur* and *khandsari* prices—in that case the country may have to import sugar to balance its own consumption not to speak of export. This serious situation can well be avoided if the Central Government takes a bold stand and introduces complete decontrol with immediate effect. This is the only solution through which the production of sugar in India during the coming season can reach the target of 3.3 million tons.

The writer, who is very closely associated with the industry, knows very well the reasons which impelled the Central Government to intorduce the present control from 17th April, 1963, all on a sudden. The reason was political, but not economic. Neither the interest of the industry nor that of the growers nor even that of the consumers weighed with the Government for the sudden imposition of the present control. This will be amply borne out from a very frank speech delivered by Mr. V. Shankar, the present Secretary of the Central Ministry of Food and Agriculture at the fifteenth meeting of the Development Council for the Sugar Industry held on 6th April, 1963, that is, just on the eve of the imposition of the control.

Policy Motivations

"You take the price of sugar to-day —more than 45 percent is the cost of cane, more than 30 percent is taxation and the balance is the manufacturing cost. If we raise the price of sugarcane, the cost goes up and the Government has to face rising criticisms. Statisticians never spare us and it has also to deal with agitation in Parliament. If we increase the cost, then again, the price rises and if the price rises, the situation is even more difficult than what it is when we increase the price of cane. At least, if we raise the price of cane, you can say it is to the advantage of millions. When you make an increase in the cost of manufacture, even though it is justified, it is seldom conceded that it is for the benefit of the economy as a whole. It is always taken to be for the benefit of the industry which is quite wrong, but the fact is there. You have to deal with the physical facts, you have to deal with psychology as well. I am frankly stating these things because I would like you to appreciate these basic facts because you cannot expect the Government to rise above normal level of its clientele beyond a certain limit".

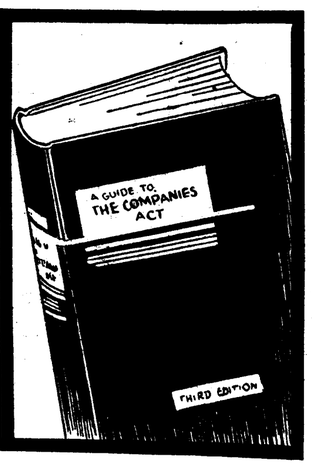
It appears from the above speech that sugar policies are being framed not so much for the economic rehabilitation of the industry, but to meet the criticism in and outside Parliament. It is now an open secret that the former Central Minister for Food and Agriculture, Mr. S. K. Patil, did not support the imposition of the recent control on the ex-mill prices of sugar and its distribution. It was thrust on the industry by the Planning Commission.

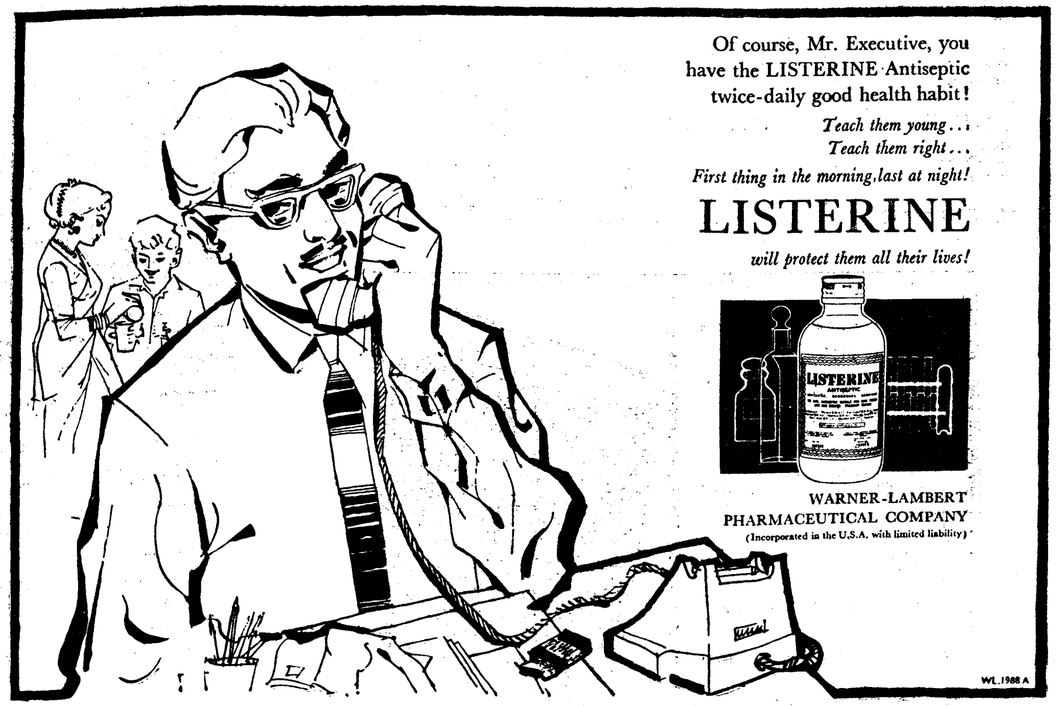
The Government should remember that it has played much with the fortunes and misfortunes of the industry by resorting to frequent controls and decontrols. The Government probably feels that because the industry is well organised, controls can be easily clamped on it. Rice and wheat are the staple food of India's millions. These two items together form a very sizable portion of a family budget. In spite of an acute shortage of rice and wheat in the country, the Government has not thought it desirable to control and ration these two items of India's staple food. One wonders why of all the industries on the food front, the Central Government has singled out the sugar industry to make experiments by subjecting it to frequent controls and decontrols. Time has come when the Government should take a long view of the potentialities of this industry which is based on the utilisation of an important commercial crop in the country.

A word or two to the present executive of the Indian Sugar Mills Association. It is the only accredited and representative body of the industry. Times without number, the Association has shown good gestures to the Central Ministry of Food and Agriculture by acceding to the requests of the Ministry in many vital matters affecting the industry. But time has now come when the Association should take a very firm stand and persuade the Government to accept the most legitimate demands of the industry just to save it from total collapse.

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Books

NATIONAL INCOME OF INDIA

National Income of India. (Published by the Indian Merchants Chamber Economic Research and Training Foundation, 76, Veer Nariman Road, Bombay 1. Price : Rs. 15, pages 271.)

Based on the available published data, the present study is concerned specifically with the examination of growth of national income in India between 1950-51 and 1960-61. Two aspects are covered, namely, the analysis of trends in the growth of national income and the changing pattern of the flows in its distribution. The first part gives the factual background relating to the characteristics of the Indian economy, the estimates of national income made from to time and the various problems connected with an estimate of national income, particularly relating to non-monetary sectors. Inferences have been drawn that the growth of national income during the period of the two plans as well as the growth in *per capita* income have not been progressive and steady but erratic. The analysis on income growth with reference to the population and price indicates an over-estimate in relation to the major sectors. Estimates in agriculture have limited use. Income from forestry suffers due to the lack of firm estimate, so does income from fisheries. There is an all-round over-estimate in the income from minerals and output from factory establishments. The estimates of income from commerce, transport and communications are extremely conjectural except in banking and insurance. The limitations of a comparison of the Indian national income with those of the industrially advanced countries as well as underdeveloped countries are pointed out in the book.

There has been a reduction in personal savings. Relating this to the pattern of shifts in income distribution within the income-tax range, it appears that the effect of redistribution is more in evidence than that of a rise in income. There is a shift in the number of assessees from the highest income groups to the middle and lower income groups. In the corporate sector, the position concerning retained profits and the trend of borrowings for expansion and development indicates a low rate of saving.

The analyses of the growth and distribution of national income pose some important questions in relation to both the basic data collected and the methodological approaches followed. It is suggested that there is a need for building up an organisation independent of the Government for continuous study and assessment of the changes in national income. This may appropriately be the function of the Reserve Bank of India since it has a direct knowledge of the income structure in the economy. In the alternative, the constitution of a National Income Commission as a statutory organisation may also be considered. The facts collected in the book are supported by 84 statistical tables.

TRADE MARKS LAW

The Law of Trade and Merchandise Marks. By S. Venkateswaran. (Published by Eastern Law House Private Ltd, 54, Ganesh Chander Avenue, Calcutta 13. Price: Rs. 50, pages 1,042.)

The first book on the law of trade marks in India was published by the author in 1936, when there was no legislation for trade marks in this country. As a result of the public interest in arousing in which the book had its share, the Trade Marks Act, 1040, was passed. The working of the Act showed the need for revising the statute so as to facilitate registration and provide for more effective protection of trade marks. Accordingly, trade marks registration was reviewed, first by a committee and then by an eminent judge and the result was the Trade and Merchandise Marks Act, 1958. The Act introduced many useful changes in the law, some are of substance and importance and others improvements in the matter of procedure. The Act also consolidated the civil and criminnal legislation relating to trade marks. Uncertainties which existed in the Act of 1940 were also removed. The amalgamation of the Patent Office with the Trade Marks Registry is a matter of administrative importance.

Apart from the Act and comments on it, all the Indian decisions have been collected and discussed in the present book. Important decisions in the United Kingdom have also been included. Reference has been made, where necessary, to the decisions of the Australian High Court. The book contains useful information on the practice of the registry, which has not been published so far. A properly conducted registry of trade marks and the institution of the right to bring a suit for infringement depend upon the fundamental conceptions which underlie the common law, but the remedy is made swifter and far less expensive. The explanation of the legal principles is admirably done. The book will prove useful to legal experts and administrative authorities who have something to do with the law of trade and merchandise marks.

OFFICIAL EFFORT

Indian and Foreign Review Vol. I. No. I. (Published by the Publications Division, Ministry of Information and Broadcasting, Government of India. Chief Editor: G. N. S. Raghavan. Price 50nP. Pages 34.)

The object of this fortnightly, judging from its contents, is apparently to interpret Afro-Asian affairs to the home audience and explain Indian developments to foreign readers. But the first issue provides a rather disappointing fare, in spite of contributions from writers like Dr. V. K. R. V. Rao and Mr. C. Von Furer Haimendorf. All topics connected with the western world have been generally excluded, but this does not quite fit in with the title of the journal. Writing is generally dull —too dull even for an official publication and this is not made up on the factual side. Since propaganda is also its object, a fair measure of vitality or vigour of expression could have been introduced while dealing with subjects like Kashmir or the Chinese aggression.

As for the contents, the article on Mahatma Gandhi is appropriate, considering that the journal makes its appearance in the month of Gandhiji's birth and the great respect in which he is held in the Afro-Asian world. Mr. C. Von Furer Haimendorf, who is Professor of Asian Anthropology, School of Oriental and African Studies, London University, makes an interesting anthropological study of the Nepalese people, He says they are a mixture of the north Indian and Mongolian elements and culturally belong partly to the Buddhist and partly to the Hindu tradition. The three principal elements of the population are the Newars, Parbatias and tribals but their common language is Gurkhali, or more currently, Nepali, which is a blend of the Aryan and Tibeto-Burman dialects.

Dr. Rao's article on Indonesia provides useful information on a subject which has aroused such passion and controversy in India—the national language problem. He writes: "The greatest achievement of the Indonesian freedom movement in the sphere of national integration is undoubtedly the fashioning and popularisation of the national language called Bhasa Indonesia." Contrary to what one might expect, it is not the language traditionally spoken by the people, and originates from what is called Malay, which was the means of communication among traders from different areas of the archipelago. The leaders popularised it through a mass literacy campaign. Dr. Rao pays a tribute to the far-sightedness of the Indonesian leaders who have discarded Dutch in favour of English as the more appropriate language of international communication.

APPELLATE TRIBUNAL

The Abolition of the Labour Appellate Tribunal. By B. S. Narula. (Published by the Indian Institute of Public Administration, Indraprastha Estate, Ring Road, New Delhi 1. Price Rs. 10, pages 390.)

The Indian Institute of Public Administration has done an excellent job by bringing out this volume which is a case study about three interrelated policy decisions of the Government of India, namely, the decision to set up the Labour Appellate Tribunal in 1950; the decision to abolish it in 1956 and the review and decision not to revive it. This case study attempts to examine how in a developing country with a parliamentary form of Government, committed to establish social justice, the formulation of public policies has to be continuously balanced against the conflicting interests of different groups of the community. The three policy decisions of the Government mentioned above are described in the book in the wider background of the Government's general policies concerning labour-management relations. The main interest in the study is the decision concerning the abolition of the Labour Appellate Tribunal and the developments leading to the decision not to revive it.

The then Central Labour Minister said that the consensus of opinion among the representatives of the State Governments and workers' organisations was against the revival of the Tribunal. As access to the Supreme Court under the Constitution could not be barred, the revival of the Tribunal, the Minister contended, would only "add one more stage to decisions on appeals." How far this contention of the Minister was tenable would be clear when one remembers that access to the Supreme Court under the Constitution existed at the time when the Government decided to establish the Tribunal!

The most important awards of the Tribunal have been mentioned in the main case narrative and some others in the appendices. The most controversial decision of the Tribunal on which attention was concentrated was the award of bonus to workers which led to its eventual abolition.

A careful reading of this book as well as the awards of the Tribunal would enable the reader to make his own judgment on how far it succeeded in its objective in achieving uniformity of basic principles to govern the adjudication of disputes concerning bonus, wages, etcetera.

DISCRIMINATION IN JOBS

Discrimination (Employment and Occupation). (Published by the International Labour Office, Geneva. Price: 6s 6d, pages 171-262.)

The book contains the general conclusions on the reports relating to the convention and recommendations concerning discrimination in employment and occupation. Equality of rights for all human beings, which is acknowledged as one of the fundamental principles of law in almost all countries, is also becoming a focal point of international interest. The Declaration of Philadelphia stated that all human beings, irrespective of race, creed or sex had the right to both their material well-being and their spiritual development in conditions of freedom and dignity, of economic security and equal opportunity. The growth of contacts between men of different origin and background, the repercussions of material changes on social, family and working life, the intermingling of peoples, increased political activity as well as other factors have posed some difficult problems. At the same time, there is an even stronger call for equality, not only in the eyes of the law but in everyday dealings between man and man.

In the crucial sphere of employment, respect for equality of opportunity and treatment has been one of the fundamental objectives of the I.L.O. The 1958 convention and recommendation were the first instruments adopted by the I.L.O. against discrimination in relation to employment and occupation. Thirtynine countries have ratified the convention and a few others have decided on ratification, but the Commonwealth countries have not yet ratified it. The present survey has been made from the information made available. The purpose of the survey is a revision of the various problems which are likely to arise out of the application of international standards concerning discrimination in relation to employment and occupation rather than giving a detailed picture of varying situations in individual countries. No attempt has been made to collect adverse data but an attempt has been made to assist Governments to appreciate the bearing of the international instruments in relation to the positive action they may take for the abolition of discrimination.

INCOME TAX JOURNAL

Income-tax Journal, Vol. 1, No. 1. Edited by V. Balasubrahmanyan. (Published by M. L. J. Press Private Ltd, Mylapore, Madras 4. Pages 92.)

It may be truly said that from the point of view of public finance, India has been in a state of emergency from 1951 when the first five year plan was launched. The introduction of estate duty, followed by wealth tax, expenditure tax, gift tax, the reintroduction of income tax on capital gains, are some which deserve mention. Many of the enactments relating to the levy and collection of taxes are framed in a language which is difficult to understand by a layman and sometimes even by an expert. The legislature has to close the loopholes in the law discovered by the administration, whose principal function seems to be to deal with manifest as well as lurking tendencies for the evasion of taxes. Although attempts are made from time to time to amend, consolidate and codify the law, the subject continues to present problems to the administrator, the practitioner and the assessee. *The Income Tax Journal* promises to provide its readers with reports of judgments of the Supreme Court and different High Courts on taxation, apart from publishing Acts, rules, notifications and circulars.

Jute

LARGE FIBRE PURCHASE QUOTA ISSUED FOR NOVEMBER

THE Jute Commissioner has issued a purchase quota of 1.05 million bales for November, against 920,000 bales for October. The I.J.M.A. mills will lift 970,000 bales and others 80,000 bales. With the November quota, the total of purchase quotas issued during this season comes to 3.96 million bales—3.52 million bales for I.J.M.A. members, 290,000 bales for other mills and 150,000 bales for the J.B.S.A. This accounts for about 55 percent of the season's estimated output of 7.2 million bales. The J.B.S.A. may be asked to lift a second quota around the middle of the month, should prices weaken meanwhile. The co-operatives too are actively operating in those secondary markets where prices have tended to sag. But their precise offtake so far is not available.

A report from New Delhi says that the State Trading Corporation proposes to open 400 purchasing centres in the jute-growing States and buy about 1.5 million bales of the fibre during the season. The report estimates the total supplies of raw jute around 11.1 million bales. Consumption, it is expected, will be only 7.9 million bales—7.2 million bales by I.J.M.A. mills, 500,000 bales by other mills and 200,000 bales for miscellaneous uses—leaving a carry-forward of over 3 million bales. Trade circles feel that this huge surplus, unless properly absorbed, will depress the price of jute. The co-operatives are likely to increase their offtake from 80,000 bales in 1962-63 to around 400,000 bales.

Purchases by Mills

According to reports from circles close to the I.J.M.A., the mills purchased 1.89 million bales of Indian jute during the first quarter of the current season, against a total quota of 1.84 million bales. During the same period of 1962, they lifted 1.63 million bales. Purchases from Pakistan have been 13,000 bales during July-September this year, against 111,000 bales in July-September 1962.

Announcing the November quota at a Press conference in Calcutta last Thursday, Mr. G. C. L. Joneja, Jute Commissioner, said that the price-support scheme had worked fairly satisfactorily so far. By the end of October about 40 percent of the season's estimated crop has been purchased by mills and the J.B.S.A. The price too has remained more or less stable around the official floor level in Calcutta and near about the derivative levels in the upcountry markets. He observed that instead of Calcutta prices determining the trend in the upcountry markets, which has usually been the case so far, the prices ruling in the mofussil markets were now governing the trend in Calcutta. He attributed the temporary weakness in the market during the second and third weeks of October to selling pressure among weak holders who needed money urgently for festival expenses. However, the fluctuations were narrow and the decline in prices nominal.

Asked whether the mills would experience any difficulty in lifting such a huge quota, he said that no difficulty should arise for they were generally used to purchasing jute on this scale during this time of year in order to be assured of adequate supplies. The warehousing capacity has been expanded to 3.7 million bales (mainly around Calcutta), which is slightly over six months' consumption by the mills. As for financing, he said that the mills should not have any difficulty for they could get bank accommodation of up to 75 percent against warehouse receipts. The J.B.S.A. gets loans equivalent to the full value of stocks from the State Bank of India—85 percent against warehouse receipts and 15 percent against Government guarantee.

Offgrade Jute

Asked whether the industry had complained about the predominance of offgrade jute in the lots offered for sale and whether he would consider its suggestion to allow a suitable reduction in the prices of such fibre, Mr. Joneja said that such requests had come off and on from the industry. About 10 percent to 15 percent of the total output was of the inferior grades. The Government was trying to tackle the problem of inferior grades in a constructive way by trying to introduce modern farming techniques in areas where bad quality jute was grown. Apart from this, no step could be taken to ensure a minimum price for off-quality jute, which naturally sold at rates the market could bear. A sum of Rs. 3 crores is proposed to be spent during the remaining two years of the current plan on measures to improve quality.

Mr. Joneja referred to the Rs. 3.8-crore export promotion fund started by the Central Government. The Jute industry is to be one of the beneficiaries under this scheme. It has been asked to set up a permanent exhibition of jute goods in Calcutta. Besides, it is preparing plans for export promotion, including the sending of trade delegations, overseas publicity, and other measures, to stimulate the demand for Indian jute products abroad. At home, steps are being taken for product development, standardisation, preshipment inspection and quality control. Mr. Joneja said that 50 percent to 75 percent of the expenses incurred on these measures would be met out of the export promotion fund.

Output Rises

Despite a decline in the production and offtake of sacking, the output and despatches of jute goods have improved substantially during the first nine months of 1963, compared with the corresponding period of 1962. Working at the maximum level for 1,842 hours from January to September this year, against 1,824 hours during the comparable months of 1962, the total output has risen from 890.300 tonnes to 928.900 tonnes. While hessian has increased from 351.800 tonnes to 394.900 tonnes and other goods (including carpet-backing cloth and coton bagging) from 121.600 tonnes to 154.000 tonnes. sacking production has declined from 416,900 tonnes to 380,000 tonnes.

The total offtake has kept pace with the rising output. It was 898.900 tonnes, against 845.500 tonnes. Hessian despatches have risen from 343,700 tonnes to 388.500 tonnes and miscellaneous goods from 113,800 tonnes to 143,100 tonnes. In sacking, the offtake has declined to 367,300 tonnes from 388 000 tonnes. Exports have increased from 623.200 tonnes to 658.400 tonnes in spite of a sharp decline in sacking, due to Pakistani competition, from 225,100 tonnes to 187,100 tonnes. Hessian offtake has improved from 311.200 tonnes to 353.300 tonnes and other goods from 86,900 tonnes to 118.000 tonnes. Internal consumption too has improved from 222.300 tonnes to 240.500 tonnes; sacking leads with 180.200 tonnes, against 162 900 tonnes. followed by hessian with 35,200 tonnes, against 32,500 tonnes. In miscellaneous goods, consumption has fallen slightly from 26.900 tonnes to 25,100 tonnes.

Turning Over of Buffer Stocks

In view of the risk of jute stocks deteriorating due to prolonged storage, the Jute Buffer Stock Association has decided to turn over 50 percent of its stocks of the previous season's fibre by the end of December, it is reported. The decision has been taken after consulting the State Bank of India and the Jute Commissioner. The bank, it is reported, has emphasised the need for replacing old stocks with new fibre by the end of the current season at the latest. At first, 40 percent of the holdings of mills on buffer stock account will be released on registration of replacement contracts for the current season's fibre, and the remaining 10 percent in December. The percentage of stocks already turned over will be taken into account while sanctioning the releases. To facilitate the operation, it has been agreed that the replacement purchases will be adjusted against the current compulsory purchase quotas of the mills. The turning over of the remaining 50 percent of the stocks will be arranged after delivery of the replaced fibre in the warehouses.

THE JUTE MARKETS

Manufactured Goods: Trading was dull during the past week. Operators were in a holiday mood. Besides, end-of-month and the forthcoming Diwali end-of-account considerations induced them not to extend their commitments. Except for the loading of heavy goods in a Cuba-bound vessel, shipping instructions were poor. Shippers held back awaiting a further decline in prices, while mills were reserved and not inclined to reduce prices further. The restrictions on the berthing of vessels in Calcutta port during the week due to heavy bore tides also discouraged activity. In the absence of overseas enquiries or business and Government tenders, lethargic conditions ruled in the market earlier in the week. After midweek, scattered covering for the Cuban steamer and against the Diwali book-closing brough about a mild reversal in the form of small gains over the previous week's levels. In forward deals, sentiment was governed by the trend in the spot market. After midweek, November sacking and hessian hardened on brisk bear-covering for the end-of-account. Sacking gained more after wide fluctuations, while hessian was steady in sympathy after moving within a narrow groove. Some conversion of November contracts into February ones was reported and the contango charges were higher than the differential. Turnover was small in the spot market and moderate in the futures section. The undertone was steady in both.

Wednesday's quotations were as follows:

	Nov.	Dec.	Jan.-Mar.	Apr.-June
40in. 7½oz.	35.35	35.45	35.50	35.50
40in. 8oz	37.85	—	—	—
40in. 10oz.	47.25	47.35	47.40	47.40
B Twills	113.55	113.90	114.20	114.10
Cornsacks	114.65	115.25	115.75	115.75
Heavy Cees (Plain)	113.50	—	—	—
A Twills	134.00	134.75	135.50	135.00
Liverpools	125.00	125.75	126.00	126.00

Raw Jute: Divergent trends prevailed during the past week. With the completion of the Puja festivities and the issue of the November purchase quota of 1.05 million bales, selling pressure eased in the spot market. But still there were some weak holders, although they declined to reduce prices below the operational minima. Arrivals in the agencies came down to around 150,000 maunds a day. Purchases were made against quotas by mills over the jetties and by their agents in upcountry stations. Co-operatives were buying in secondary markets where prices had tended to sag. In the forward market, sentiment suffered a mild setback due to scattered realising and the reluctance of bears to cover their short positions at the prevailing levels. Turnover was moderate. The undertone was steady in the spot market and hesitant in the futures section.

Wednesday's quotations were as follows:

	Landed at Mills (Basis Bottoms)			
	Current Prices		T.S.D. Minimum Prices	
	Rs. A Qtl.	Rs. A Md.	Rs. A. Qtl.	Rs. A Md.
Assam-Agartala Jute	80.38	30.00	80.38	30.00
Northern Jute	77.70	29.00	79.04	29.50
Western Desal Jute	72.34	27.00	73.68	27.50
Selected Daissee	85.74	32.00	85.74	32.00
Assam-Agartala Tossa	84.39	31.50	83.05	31.00
Mesta: Assam-Northern	71.00	26.50	72.34	27.00
Local Daissee	71.00	26.50	72.34	27.00
Bihar Dist.	62.96	23.50	66.98	25.00

THE PAKISTANI JUTE MARKETS

FIBRE WEAKER

(FROM OUR DACCA CORRESPONDENT)

IN spite of the fact that it is three weeks since this report last ap-

THE BRITISH INDIA CORPORATION LTD., KANPUR

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Agents for: The Oriental Fire & General Insurance Co., Ltd.

peared, very little fresh has happened other meanwhile. If anything, the weakness has been accentuated. Loose jute imports continue unchanged. It becomes apparent that the quality of the northern area is very poor producing almost entirely S.M.R. and Export Hearts. The district areas and the Jessore area are only slightly better, but fortunately, there is an improvement in the Faridpur white jute. The jat areas, as reported earlier, are producing a lot of speck, but mainly in what is generally supposed to be the best jat area around Ashuganj. The area to the north, namely, around Mymensingh, is producing a more samla jute which is at least free from speck. The tossas follow more or less the same pattern.

In the pucca bale market, transactions in cuttings continue at unchanged or slightly reduced prices, the main buyers being the mills and nothing further has been heard about the report that India will issue licences. Unfortunately, both overseas buyers and local buyers seem to be keeping away from T.C. so that one may expect that this grade will soon be sold at a discount. After a few days of no wagon movement at all due to most stations refusing to accept bookings, this restriction has been lifted and large quantities of jute are flowing to the ports for export. It is scarcely necessary to add that Chalna is once again getting congested. Overseas markets continue very weak with free sellers at ridiculously discounted prices.

A new jute ordinance has been promulgated which permits the Jute Board to order any mill or baler to sell all or part of his stocks at prices to be fixed by the Government under certain circumstances. Similarly, the Jute Board is authorised to make any mill or baler purchase jute and stock it. It is understood that this new ordinance is aimed mainly at the jute mills rather than balers.

JUTE OVERCOATS FOR SHEEP

Research into possible new uses for jute textiles is nowadays considered a matter of urgency even though the Calcutta mills are working to full capacity. An interesting new use has recently been devised by a farmer in Cumberland, in the English Lake District, who has designed an overcoat made from jute fabric to keep his sheep warm in the winter. A correspondent in Britain writes that "there is nothing particularly ludicrous about jute keeping wool warm. It gets cold on those Lakeland fells when the wind blows, and whereas jute is very efficient protection against the icy blast, wool, for all its many other virtues, is not. So why should sheep not have jute overcoats, and cattle too for that matter? In fact, it does not take much imagination to realise that the whole thing has tremendous potentialities. If the world's farmers could be persuaded that jute overcoats are the answer to winter stock losses, and the idea could be fostered that here is a method of extending grazing grounds to higher altitudes and latitudes, then look what a field of opportunity would open up for the jute industry.

"There is just no telling where it could all end, because if man is to feed his rapidly increasing numbers he is going to have to use land which he has previously regarded as unusable. All of which would give the jute industry a growing stake in humanity's future on this planet. And why not eventually human clothing? There is an increasing demand in cold climates for lighter garments which keep the wearer warm mainly by protecting him from cold winds. Up to now plastic seems to be well favoured for this and the scope for jute cloth might be limited. But plastic has disadvantages, one of the most obvious being its lack of durability under conditions of hard wear, and in some ways jute might offer a satisfactory alternative. I am sure the keen brains of the industry in Calcutta already have such possibilities in mind."

THE U.K. JUTE MARKETS

LESS BUYING OF FIBRE

(FROM OUR DUNDEE CORRESPONDENT)

THE raw jute market was very quiet in Pakistan, and the tendency was for prices of the lower grades to decline. Sellers had been making offers of these qualities since the start of the season at under minimum export rates, but the discount in some cases increased to about £10 a ton. There still appeared to be some doubt concerning the size of the Pakistani crop, but it has been quite evident there will be sufficient fibre to meet all demands. The weakness in the raw jute market slowed down buying as there was nothing to indicate that the present trend would not continue. Dundee spinners have already secured about half of their annual needs from the present crop and they were in no hurry to add to their raw material stocks.

The current business in jute was confined to small quantities of selected marks at very low prices. Both Dundee and Continental spinners refused to come into the market for large quantities so that the present fall in prices might continue. Offers being made were very irregular with the lowest rates at £128 10s for Mill Firsts, at £109 10s for Mill Lightnings, at £94 for Mill Hearts and at £78 10s for Grade Hearts, c.i.f. the U.K. for November-December shipment. Grade Tossa-$\frac{3}{4}$ was offered at £124 10s and Grade Tossa-4 at £106 15s. Outport Tossa-$\frac{3}{4}$ was at £94 and Outport Tossa-4 at £83 5s November-December.

Cuttings were also quiet at £56 for S.N.C. and at £47 for N.C. There was not much change in mesta prices at £79 for A, at £73 for B, at £68 for C and at £42 for cuttings, c.i.f. U.K., November-December. The position in Thailand was now a little quieter with offers at £68 10s for grade A, at £63 10s for grade B and at £58 10s for grade C, delivered mill Dundee for November-December shipment.

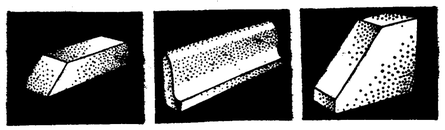
Prices of Calcutta goods have became easier. To some extent, the quieter market was presumably due to the Puja holidays. Demand from the U.K. was not large, but there some movement was taking place Quotations were at 71s 10d for 40in. 10oz. and at 53s 9d for 7$\frac{1}{2}$oz. a 100 yards f.o.b. Calcutta for November shipment, at 72s and 53s 11d December and at 72s 5d and 53s 11d January-March. B Twills were at 173s 3d, 173s 3d and 175s 2d for the respective shipment periods.

Dundee spinners and manufacturers are very busy and have orders in hand for delivery over the first quarter of next year. This applies to all types of yarns and goods. A further substantial demand was shown for sackings last week. More skilled labour is required to keep deliveries up to date, and this is most noticeable in sewing departments.

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Commodity Markets

NEW COFFEE MARKETING SYSTEM DEMANDED

(FROM OUR SOUTH INDIAN CORRESPONDENT)

A POWERFUL section among the Indian coffee growers is now demanding some vital changes in the present coffee marketing system. The present system of pooled marketing is now 20 years old and it was introduced at a time when coffee was in distress, and India's production was only 17,000 to 18,000 tons. This system, which was introduced at the instance of the growers, served them fairly well in the sense that it helped to stabilise the market. At the same time, the pooled marketing system wiped away almost completely the individual initiative and desire to produce quality coffee. There was a time when certain individual estate marks had a reputation in the world market for quality. Whereas India's best coffees were 30s to 40s a cwt. above Kenya's best 30 years ago, today India's plantation A fetches 40s to 70s less in the world market. This is said to be an adverse effect of the pooled system of marketing which does not help in the promotion of quality grades because the identity of individual production is lost and the planter who takes some extra care for quality does not get any special reward.

One suggestion which has the backing of leading producers is that an estate which produces quality coffee should be allowed to export it under its own name. If any one does not wish to take the risk as many may not in the beginning, he can continue to hand over his crop into the pool in the usual way. Some of course fear that this may lead to disruption of the pooled marketing system. There is, however, a strong feeling that it is time that India made an all-out attempt to regain the prestige for her quality coffee abroad, and some encouragement should be given to those who take some special care for quality. Under the conditions of international quotas, it is believed that more will be gained through higher quality than by exporting a larger volume of inferior quality coffee. The campaign for stimulating coffee consumption has started showing results. The brightest aspect of the world coffee scene today is the growing demand for coffee in the producing countries and the steady increase in consumption in Europe and more particularly in east European countries. If India is to make headway in these markets it is the quality of her coffee that will have to do the job. The United Planters Association of Southern India put in a proposal some time ago for the consideration of the Coffee Board and the Central Government, and this, among other things contemplated optional exports as a means to encourage the establishment of individual estate marks. It is not known whether this proposal has found favour with the authorities.

Another aspect of the marketing policy about which this section of the growers feel unhappy is the abandoning of the open auction system after a brief period of trial and the reversion to the closed bid system. Mr. P. G. Gurjer, chairman of the Mysore State Planters Association while addressing the latest annual general meeting of his association recently said that a bad for export sales by closed tenders in the same way as Public Works Department contracts are tendered for is not in keeping with open commercial practices". In defence of his case for introducing open auctions for coffee marketing, he said that some 600 million lbs of tea were regularly brought to market each year through open auctions and it had been done with perfect protection for the producers, brokers and buyers for over a century. Why should it not work for coffee, he asked. Rubber and cardamom were auctioned at Cochin, copra and other produce in Calicut and other centres. Primary agricultural commodities were auctioned in terminal markets in most of the free market countries, and there was no reason why open auction was not permitted in coffee. The coffee marketing system was devised for the efficient marketing of the produce pooled by the producers of coffee and in this matter, the views of the producers should be accepted unless public interest was injured by the proposal, Mr. Gurjer asserted.

"The Government may well disregard our suggestion because it is not the producer of coffee who decides how his produce should be marketed, but the Government through its instrument, the Coffee Board. We do not say that open auctions are a panacea for our economic problems. But sale of a commodity of this kind is best done in the market place openly. The same applies to internal sales where the conduct of sales could be left to brokers as in the case of tea. Neither of the suggestion would imply that pooled marketing is abondoned. But it would mean an easier, less cumbersome and involved procedure", Mr. Gurjer added.

Referring to the need for replacement of the basic capital stock of the industry, Mr. Gurjer said that the U.P.A.S.I., the central association of the planting interests in south India, had submitted two carefully thought out notes, one to the Coffee Board and another, to a panel on plantation crop studies set up by the Board of Trade. These notes were considered and approved by the planters and they represented the industry's suggestions for the renovation of the old coffee, expansion of processing facilities and greater production and exports. The U.P.A.S.I. had recommended the replacement of 120,000 acres or 40 percent of the existing coffee area to be replanted with high-yielding material over a period of 12 years, so that India could have a stand of coffee giving an average yield of 8 cwts over the whole industry as against less than 4 cwts today. This was not an over-ambitious programme because yield of over 20 cwts had been obtained on a commercial scale by successful planters in India. There was also need for renovation and expansion of handling, processing, curing, transporting and warehousing facilities. The chairman said that the capital required for this purpose could not be found from within the industry. In 1961, several companies had to draw from their reserves to pay a minimum return to shareholders. Last year and this year, lending institutions were insisting on a bigger margin for hypothecation of crops. With rising costs and the increased appropriation of the proceeds of the industry by an "insatiable exchequer" the industry could not accumulate the resources required for such vast renovation and rehabilitation programme. "Without it all talk of increased production and export and larger supply to meet internal demand will be unreal", he added.

The chairman quoted certain figures to substantiate his case that the coffee planting companies were making lesser profits in spite of increased production. According to a recent survey, the average coffee company which realised Rs. 387 an acre from the sale of coffee in 1950 had raised it to Rs. 1,107 in 1960, but the profits after expenses during the same period increased from only Rs. 160 an acre to Rs. 265. In other words, the cost of production increased nearly four-fold to wipe out almost the whole advantage of increased production. Still there was an increase in profit before tax of Rs. 105 an acre, but the after-tax-profit left with the growers was Rs. 158 in 1950, against Rs. 90 in 1960. Taking the total gross realisation from the sale of the produce, the item which has made the most spectacular rise between 1950 and 1960 was taxation, he said. He pleaded for a co-ordination in the taxation policies of the Central and State Governments lest the concessions given by one Government should be siphoned off by the other. Referring to the system of subsidising exports, Mr. Gurjer said this was invariably a means to overcome the consequences of bad economic policies. The responsible planters would like to see the excise duty on their produce abolished, the *octroi* and sales tax removed or lightened, the weight of taxation directly or indirectly levied lowered to tolerable levels instead of receiving this subsidy, he said and added that if a subsidy was to be given, he would like to see that given to assist and stimulate replanting and modernisation because without depreciation being given the planters had been over-taxed.

CARDAMOM

Marketing Method

Explaining the objection of the organised section of the cardamom planters to the Government's proposal to make cardamom marketing a monopoly business of the Cardamom Board, the chairman of the Mysore State Planters Association said they were not quite convinced that this was wise or necessary or in the end beneficial to the producers. Indian production of cardamom is about 3,200 tons, a quantity too small for setting up a marketing board without costing the producers dearly in the matter of administration charges. Cardamom is easily perishable. Its quality is judged by the size and colour both of which might suffer in storage. So the original value given on pooling might not be realised by the time the sale takes place. The valuation and appeal processes through the Board would take place while the stored article is changing its colour and value. Coffee payments are stretched out to two years even on an overdraft of more than Rs. 10 crores. What is the tolerable waiting period for the cardamom growers? Will the owners' interest in quality persist if all the grades of cardamom fetch the same price? We are aware of opinions in favour of a pooling and marketing system. In a crop, the growers of which are in the majority small, scattered with no background of organised approach to their problems, a pooled marketing scheme can be painted as a highly successful, beneficial and desirable change. But the Government should critically approach such solutions. In these matters, the right course may not necessarily lie along with the one most noisily canvassed. If the Government were to choose the path of prudence in this matter, the first course obviously is to set up a board to organise research and publicity and study cardamom's economic and product problems and provide warehousing and organised sale facilities in different centres. By the time these various measures are introduced, there would appear the directions to lead from thereon, Mr. Gurjer said.

CASHEW

Kernel Export Rise

India's cashew kernel export made another welcome jump in September last. Exports during September 1963 amounting to 150,000 cases of 50 lbs each were 50 percent more than those in the same month last year. The total shipments during the first nine months of this year amounted to 1,76,000 cases, about 280,000 more than that of the same period last year. Cashew kernel exports fetched Rs. 16.50 crores during this period, against Rs. 13.68 crores during the corresponding period last year. Among the countries which enlarged their imports of Indian cashew kernels during the period were the U.S.A., Russia, Czechoslovakia and Australia. The U.S.A. took 959,000 cases during the first nine months of 1963, compared with 850,000 cases in the same period last year. Russian offtake amounted to 300 000 cases to against 200,000 cases at this time last year.

TEA

Production Recovers

(BY A SPECIAL CORRESPONDENT)

CLIMATIC conditions in Assam since October have become more favourable, tea output has also made a useful recovery and was last reported about 10 million lbs short.

An eighteenth century advertisement may give the Indian Tea Board some new ideas about tea advertisements: "This herb is prodigiously used and esteem'd and deserves great recommendation, it being admirably grateful to the smell and taste and carries an agreeable roughness along with it into the stomach; it is a very gentle astringent and very requisite to a good digestion; it is accounted one of the best, pleasantest and safest herbs that was ever introduced into food or medicine".

Professor R. D. Haworth, scientific consultant to the Indian Tea Association, London, after visiting several tea gardens in Assam and Darjeeling said that he had found that gardens in these areas favoured tea propogation by clones instead of by seeding. He added this method had its advantages, particularly where retention of flavour was concerned, although there was scope for experimenting by mixing green leaves plucked from different clones before manufacture instead of, as practised at present, blending manufactured tea. The last proposal is beyond the imagination of an old *qui hai*, but clones in place of tea seeds sounds common sence and the wonder is that so little progress appears to have been made with such a sensible proposition, for, under the old tea seed process one had: (1) to grow the seed one year (assuming tea seed gardens were available), (2) clear a nursery site, (3) germinate and plant seeds, (4) grow and keep young plants clean (these operations could take two years); and (5) plant out the extensions and wait another five years for the crop to yield.

Professor Haworth said that he was impressed with the general standard of research work in India. This expert has been investigating the colouring matter in tea.

He recently visited the Tocklai Experminental Station in Jorhat and tea estates in Assam and Darjeeling. He also visited Calcutta University and spoke at the School of Tropical Medicine, Calcutta. He suggests that those engaged in tea research should put emphasis on the breeding and chemical aspects of production.

COMPANY AND PUBLIC NOTICES

THE NATIONAL ROLLING & STEEL ROPES LIMITED

NOTICE

NOTICE is hereby given that the Twenty-first Annual General Meeting of the Members of The National Rolling & Steel Ropes Ltd., will be held at the Registered Office of the Company, NICCO HOUSE, Hare Street, Calcutta, on Monday the 9th December, 1963, at 4 P.M. to transact the following business:

1. To receive and adopt the Directors' Report and the Audited Balance Sheet and Profit & Loss Account for the year ended 30th June, 1963.
2. To declare Dividend.
3. To appoint a Director in place of Sir A. Ramaswami Mudaliar, K.C.S.I., who retires by rotation and is eligible for re-appointment subject to compliance with the provisions of Section 281 of the Companies Act, 1956 and to consider and, if thought fit, to pass the following Resolution of which a Special Notice as required under Section 281 of the Companies Act, 1956 has been received by the Company:—

   "RESOLVED that pursuant to the provisions of Section 281 of the Companies Act, 1956, Sir A. Ramaswami Mudaliar, K.C.S.I., who has attained the age of 76 years and who retires by rotation be and is hereby re-appointed a Director of the Company and it is hereby specifically declared that the age limit for the Directors, prescribed under Section 280 of the said Act, shall not apply to him".
4. To appoint a Director in place of Shri R. K. Deb who retires by rotation and is eligible for re-appointment.
5. To appoint Auditors and fix their remuneration.
6. AS SPECIAL BUSINESS, to consider and, if thought fit, to pass the following Resolutions with or without modification, as Ordinary Resolutions:—

(a) "RESOLVED that the appointment of Messrs. Vijay Trading Co., Bombay, as the Sole Selling Agents, for the sale of Wire Ropes manufactured by the Company for the whole of Western India, comprising the States of Maharashtra, Gujarat, Madhya Pradesh, including the Union territories of Goa, Daman & Diu, for a period of three years as on and from 1st June, 1963, subject to termination by three calendar months' notice on either side upon the terms and conditions as recorded in the Agreement dated 9th August, 1963 made between the Company of the One Part and the said Sole Selling Agents of the Other Part, be and is hereby approved."

(b) "RESOLVED that the Books, Registers and other documents of the Company required to be maintained and disclosed under the provisions of the Companies Act, 1956, shall be kept open for inspection by the persons entitled thereto to the extent and in the manner and on payment of the requisite fees, as provided in the said Act at the Registered Office of the Company on any working day between the hours 11 A.M. and 1 P.M. except when the Registers and Books are closed under the provisions of the aforesaid Act, provided, however, that the Register required to be maintained under Section 307 of the Act shall be open for inspection by any Member in the time as aforesaid during the period prescribed under Clause (a) of Sub-Section (5) of Section 307 of the Act."

The Share Transfer Books of the Company will remain closed from 26th November to 9th December, 1963, both days inclusive.

By Order of the Board,

For THE NATIONAL ROLLING & STEEL ROPES LIMITED,

For ASSOCIATED INDUSTRIAL DEVELOPMENT CO. (PRIVATE) LTD.,

S. C ROY,

Director,

Managing Agents.

Registered Office:

Nicco House,

Hare Street,

Calcutta-1.

The 3rd October, 1963.

N.B.—A Member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote instead of himself and that a proxy need not be a Member.

The Dividend, if declared, will be paid to those Members whose names appear in the Register of the Company on 9th December, 1963 or their mandatees and the dividend warrants will be posted from 23rd December, 1963, onwards.

An Explanatory Statement pursuant to Section 173 of the Companies Act, 1956 in respect of Item Nos. 3, 6(a) and 6(b) has been appended to the Notice of the Meeting and forwarded to the Shareholders.

TO ALL SHAREHOLDERS:

And in particular to:

R. R. Bhandary Esq., M/s. Mahendra Prasad and Hrishikesh Prasad, Mr. Cali Shawakshaw Dinshaw & Mrs. Louise Cali Shawakshaw Dinshaw.

THE CALCUTTA ELECTRIC SUPPLY CORPORATION LIMITED

(Incorporated in England)

Drawing of 5% Rupee Debenture Stock, 1970 For Redemption

HOLDERS of 5% Debenture Stock (Indian Issue) are hereby advised that a Drawing will be held on Tuesday, the 3rd December, 1963, in London.

Notice is hereby given that the Indian Debenture Register and the relative Transfer Books will be closed for a period of 10 days from 24th November to 3rd December, 1963, both dates inclusive.

By Order of the Board,

D. P. M. KANGA,

Agent.

Victoria House,

Calcutta, 4th November, 1963.

THE MYSORE KIRLOSKAR LIMITED

YANTRAPUR P.O. HARIHAR.

NOTICE

NOTICE is hereby given that the Twenty-second Annual General Meeting of the Company will be held on Saturday the 23rd November, 1963 at 4-00 P.M. (I.S.T.) at the Registered Office of the Company at Harihar to transact the business, the details of which have been made known to the shareholders separately by notice sent along with the Balance Sheet and Profit and Loss account and Directors' Report.

The Share Transfer Books and Membership Register shall remain closed from the 9th November, 1963 to 23rd November, 1963 (both days inclusive).

By Order of the Board.

For THE MYSORE KIRLOSKAR LIMITED,

V. K. BODAS,

Asst. Secretary.

Dated: 21st September, 1963.

COMPANY MEETINGS AND DIVIDENDS DECLARED OR PROPOSED

Name of Company	Date	I.S.T. Hours
Rohtas Industries Ltd.	31-10-63	11 a.m.
Mysore Kirloskar Ltd.	23-11-63	4 p.m.
National Rolling & Steel Ropes Ltd.	9-12-63	4 p.m.

DIVIDENDS DECLARED OR PROPOSED.—Nonsuch Tea Estates Ltd.—15 p.c. (f), subject to tax; Barnagore Jute Factory Co Ltd.—40 p.c. (o), less tax; Arthur Butler & Co (Mozufferpore) Ltd.—10 p.c. (o), subject to tax.

4¾ PER CENT

KERALA STATE ELECTRICITY BONDS, 1975

FOR Rs. 150 LAKHS

(Payment of interest and repayment of Principal, Guaranteed by the Government of Kerala)

The bonds will be trustee securities under the Indian Trusts Act and also approved securities for the purposes of the Insurance Act and the Banking Companies Act. The bonds will also be eligible for the purpose of advances under Section 17 (4) (a) of the Reserve Bank of India Act, 1934.

ISSUE PRICE Rs. 99.50 PER CENT REDEEMABLE AT PAR

ON THE 11th NOVEMBER, 1975

Subscriptions will be received in cash or cheques from the 11th November, 1963. But the list will be closed without notice as soon as the total subscriptions amount to approximately Rs. 150 lakhs and in any case not later than the close of the business on the 18th November, 1963.

Applications will be received at the Offices of the State Bank of India at Bombay, Calcutta, Madras, New Delhi, Trivandrum, Madurai, Bangalore, Bangalore City, Coimbatore, Nagercoil, Thiruchirappally, Thirunelveli and at the local branches in Madras City and in Kerala State.

Copies of the Bond Prospectus announcing the terms of issue and application forms are available at all the receiving offices mentioned above, at all District Treasuries and Sub-Treasuries in the Kerala State and at all Division Offices of the Kerala State Electricity Board.

U. CHANDU NAIR,
CHAIRMAN,
KERALA STATE ELECTRICITY BOARD.

TRIVANDRUM,
1-11-1963.

"CAPITAL" STOCK AND SHARE LIST

THE INVESTORS GUIDE AND SHAREHOLDERS GAZETTE

Official quotations of the Calcutta Bombay Madras London Stock Exchange Associations and other sources

Figures given after stroke (/) mean Naye Paise

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Wednesday, 6th November, 1963.

BANKS

NAMES	Dividends per cent 1960	1961	1962	Paid-up per Share Rs.	Latest Market Quotations as available until 6-11-63 Rs	22-10-63 Rs	A year ago Rs	NAMES	Dividends per cent 1960	1961	1962	Paid-up per Share Rs.	Latest Market Quotations as available until 6-11-63 Rs	22-10-63 Rs	A year ago Rs
Allahabad Bank P.	18	18	..	100	258/00	258/00	396/00	Indian Overseas Bank	14	14	..	..	147/50	147/75	161/00
Bank of Baroda	17	17	16	50	97/00	93/00	95/00	Industrial Finance Corpn.	..	..	..	50	..	..	..
Bank of India	20	20	20	50	111/00	107/00	111/50	National & Grindlays Bank	13½	14	16	4th 15	sh 32/9	sh. 32/9	sh. 33/6
Central Bank of India	20 2/5	20	20	25	63/00	55/50	61/00	Punjab National Bank	20	20	20	10	19/12	19/12	20/62
Chartered Bank	15	15	..	£1	sh 60/1½	sh 60/9	sh 57/9	Union Bank of India	11 2/5	11 2/5	..	5	6/32	6/12	6/36
Hindusthan Commercial	Nil	Nil	Nil	50	13/50	13/50	17/12								
Hindusthan Mercantile	Nil	Nil	..	50	15/62	15/62	15/62	United Bank of India	4.3	6	6	10	7/69	7/44	7/62
Hong Kong & Shanghai	£3½	£3½	£3 1/5	HK$25	£18½	£19½	£17⅞	United Commercial Bank	12	12	12	50	73/50	69/50	80/00
Indian Bank	15	15	14	100	156/25	155/00	173/00								

*1962

JUTE MILLS

NAMES	Dividends per cent 1960	1961	1962	Paid-up per Share Rs.	Latest Market Quotations as available until 6-11-63 Rs	22-10-63 Rs	A year ago Rs	NAMES	Dividends per cent 1960	1961	1962	Paid-up Share per Rs.	Latest Market Quotations as available until 6-11-63 Rs	22-10-63 Rs	A year ago Rs
Agarpara P.	10	2½	2½—12*	10	10/62	10/50	10/19	Hukumchand P.	28½	28½	26⅝-26⅝	7½	21/87	21/87	26/12
Alexandra P.	44	15	42½	100	300/00	300/00	305/00	India	14	12	..	12½	18/62	16/62	17/31
Alliance P	5	Nil	10	100	161/00	161/00	117/00	Kamarhatty P.	5	Nil	20	100	200/00	195/00	164/50
Anglo-India P.	20	7½	10—12*	100	234/00	234/00	223/00	Kankinarrah P.	Nil	Nil	10	100	144/00	144/00	130/00
Auckland P.	27½	12	Nil—15*	100	144/50	144/50	153/00	Kelvin P	15	15	5	100	198/00	198/00	190/00
Baily P	25	25	25	100	261/00	261/00	293/00	Khardah P.	20	5	12½-12½*	10	19/37	19/37	17/00
Barnagore P.	30	10	10	£5	214/00	212/00	180/00	Kinnison P	20	..	Nil-10*	100	141/00	139/00	153/00
Bengal P.	5	..	..	10	9/37	9/37	10/25	Lansdowne P.	Nil	Nil	Nil-Nil*	100	98/00	98/00	120/00
Birla P	15	15	15—15*	10	32/62	32/56	30/50	Lawrence P.	7	15	10-10*	100	112/50	112/50	116/00
Budge Budge P.	10	Nil	12	100	155/00	155/00	160/00	Megna P.	12	12½	Nil-22*	10	13/87	14/00	12/62
Calcutta P	..	..	..	10	3/12	3/12	3/00	Naihati P	..	..	..	100	92/00	93/00	107/00
Caledonian P.	12	5	..	100	180/00	180/00	220/00	Naskarpara	..	..	..	10	4/00	8/00	8/44
Champdany P.	10	5	Nil-40*	10	24/62	24/62		National P	7½	Nil	10	10	23/87	23/87	24/00
Cheviot P	Nil	5	25	10	22/56	22/56	24/75	Nellimarla P	5	6	15	10	12/75	13/87	11/25
Chittavaisah P.	5	Nil	5	10	11/25	11/06	11/25	New Central P	15	15	Nil	10	14/84	14/81	13/62
Clive P	..	..	..	10	9/19	9/19	8/37	Northbrook P.	30	30	20-35*	10	31/00	31/00	36/75
Dalhousie P.	5	1	Nil—25*	100	147/00	147/00	125/00	Nuddea	8	6	5—10*	50	68/25	64/80	54/75
Delta P	7½	Nil	12	100	171/00	171/00	175/00	Presidency	5	6	10	5	5/81	5/75	4/87
Empire P	12½	7½	12½—20*	10	17/75	17/75	17/25	Rameshwara P.	Nil	Nil	Nil-Nil*	10	9/20	9/20	9/87
Fort Gloster P.	25	10	10—20*	100	368/00	350/00	412/00	Reliance P	Nil	Nil	Nil-Nil*	10	9/31	9/31	6/44
Fort William P.	22½	22½	15	10	26/94	26/94	25/37	Samnuggar P	5	Nil	10	£1	10/50	10/50	10/50
Ganges P	10	10	13	10	15/00	14/75	13/12	Shree Ambica P	5	6	Nil	10	35/00	35/00	27/50
General Industrial	40	10	20—20*	10	15/37	15/37	18/62	Soorah P	25	25	25	10	23/50	23/50	22/50
Gourepore P.	30	25	6—6*	100	25/25	25/25		Titaghur P.	5	Nil	13	£1	10/50	10/50	10/50
Hastings P.	5	5	7½—10*	10	128/00	128/00	128/00	Union P	25	5	Nil-20*	100	166/00	166/00	165/00
Hooghly P.	10	20	7½—10*	10	16/00	16/00	20/00	Victoria P.	5	Nil	10	£1	10/50	10/50	10/50
Howrah P	12½	10	Nil—10*	10	19/25	19/25	19/37	Waverley P.	30	30	60	1	9/06	8/00	5/50

*1963

COAL COMPANIES

NAMES	Dividends per cent 1960	1961	1962	Paid-up per Share Rs.	Latest Market Quotations as available until 6-11-63 Rs	22-10-63 Rs	A year ago Rs	NAMES	Dividends per cent 1960	1961	1962	Paid-up per Share Rs.	Latest Market Quotations as available until 6-11-63 Rs	22-10-63 Rs	A year ago Rs
Amalgamated	10	12½	15	10	26/00	26/00	22/12	Munduipur	..	..	..	10	2/69	2/69	2/69
Bengal P	25	21	..	100	273/00	280/00	335/00	Nazire	7½	Nil	Nil	10	5/00	5/00	5/75
Bengal Bhatdee	..	..	..	10	3/48	3/48	3/48	New Beerbhoom P.	10	10	..	10	19/25	19/25	20/94
Bengal Nagpur	10	30	..	10	22/00	22/00	22/00	New Manbhoom	7½	9	12	10	15/25	15/25	13/75
Bhalgora	..	..	..	10	3/53	3/53	5/00								
Bharat Collieries P.	..	..	..	10	3/62	3/50	3/53								
Bhuiasbarares	..	..	..	10	11/94	11/94	12/00	North West	20	20	..	10	19/75	19/75	19/75
Bokaro & Ramgur	..	..	..	10	11/19	11/19	11/19					7½	18/00	18/00	18/00
Borres P	15	15	..	10	22/12	22/12	23/87								
Burrakur P.	13	13	13	10	17/12	17/37	16/12	Ondal P.	5	7½	..	10	13/50	13/50	13/00
Central India	8	10	10	10	10/12	10/00	10/12	Parasea P.	5½	5½	..	10	14/00	14/00	16/00
Central Kurkend P.	..	..	..	5	3/87	3/87	8/00	Pench Valley	10	10	10	10	17/50	17/50	16/50
Churulia	5	..	..	5	3/06	3/06	3/06	Pure Sitalpur	..	..	..	10	4/00	8/00	4/00
Dhemc Main	Nil	Nil	..	10	4/50	4/50	5/94	Raneegunge	15	17	17	10	14/25	14/25	15/00
East Indian	7½	15	20§	£1	61/44	32/00	50/00	Rewa	20	20	..	10	28/50	28/50	29/12
Equitable P	15	10	..	10	23/50	23/50	25/62								
Ghusick & Muslia	Nil	Nil	Nil	10	14/25	14/25	15/00	Samla	10	..	..	10	9/00	9/00	7/44
Guzdar Kalora	..	..	..	10	2/44	2/44	26/94	Searsole	Nil	Nil	Nil	2½	1/22	1/22	1/94
Hurriladih	..	..	..	10	7/06	7/06	8/12	Seebpore P	42 6/7	42 6/7	..	9	34/75	34/75	45/00
								Sendra	5	5½	..	10	5/00	5/00	5/75
Karanpura Development	5	5	..	100	12/06	12/06	12/00	South Karanpura	2½	Nil	Nil	10	8/62	8/62	7/00
	15	15		10F				Standard	15	10	..	10	13/12	13/12	16/00
Karanpura Collieries P	7½	10	10	10	16/00	16/00	18/00	Union	..	..	..	10	10/12	10/12	10/37
Katras Jherriah	95	40	25	10	34/12	34/12	48/75	Western Bengal	5	7½	5	10	9/12	8/87	8/87
Khas Kalora P	..	..	..	10	17/62	17/62	18/75	West Jamuria	Nil	Nil	..	10	4/56	4/56	3/37

COTTON MILLS

NAMES	Dividends per cent 1960	1961	1962	Paid-up per Share Rs.	Latest Market Quotations as available until 6-11-63 Rs.	22-10-63 Rs.	A year ago Rs.
Basanti P.	..	..	..	10	13/75	13/75	9/19
Bengal Luxmi	..	..	..	40	30/00	30/00	28/00
Bengal Nagpur P.	Nil	..	..	10	3/06	3/06	3/25
Bharat Commerce	5	15	15	10	24/62	24/25	25/87
Birla Cotton	10	20	20	10	33/00	33/00	28/87
Bowreah P.	10	20	15	10	26/31	25/62	25/00
Cawnpore Textiles	7-1/5	10	10	5	7/56	7/56	7/06
Delhi Cloth & Genl P.	12	13	13	25	53/75	49/75	49/50
Dunbar	20	20	15	10	30/56	29/75	27/37
Elgin P.	11½	17½	17½	10	23/12	22/81	19/50
J. K. Cotton (Rayon) P.	12½	..	..	10	13/31	13/19	14/69
Jay Shree	10	10	..	10	17/00	16/50	16/25
Mukerian P.	..	..	..	100	74/50	74/50	100/00
New Victoria P.	Nil	..	..	2½	1/33	1/50	1/37
Orissa Textiles P.	Nil	Nil	..	10	9/00	9/00	9/00
Ramkrishna Cotton	3	Nil	..	10	13/00	13/00	12/00
	Nil	Nil	Nil	1	2/00	2/00	2/00
Swadeshi (Kanpur) P.	5	..	..	100	12/62	12/62	11/50
	5.51	..	..	10PO	6/81	6/81	7/37

BOMBAY COTTON MILLS

NAMES OF MILLS	Dividends per cent 1959	1960	1961	Paid-up per Share Rs.	Latest Market Quotations as available until 5-11-63 Rs.	29-10-63 Rs.	A year ago Rs.
Ahmedabad Advance P.	7	18	..	100	145/00	145/00	170/00
Apollo	..	..	..	2	2/14	2/22	2/20
Beharilal Ramcharan	Nil	Nil	..	100	93/00	92/00	81/50
Bombay Dyeing etc.	14	14	14—14*	25	64/00	63/60	64/20
Bradbury P.	10	10	25	50	157/50	157/50	187/50
Century	..	..	..	100	652/50	631/00	607/50
Central India P.	Nil	Nil	Nil	100	122/50	121/00	110/00
Coorla	..	..	..	100	155/00	152/50	142/00
Dawn	20	30	30	50	155/00	153/00	150/00
Edward Textiles	9	9	..	200	285/00	285/00	325/00
Elphinstone P.	14	18	22	50	103/00	102/00	104/50
Finlay	..	..	..	100	335/00	330/00	305/00
Gokak	..	..	..	100	186/00	183/00	186/50
Hindoostan	..	..	..	250	950/00	950/00	..
India United	..	..	..	10	22/50	22/52	26/25
	..	..	..	1Dd	2/88	2/84	3/56
Indian	..	..	..	250	800/00	800/00	800/00
Indore Malwa United	7	8½	10—7½*	100	200/00	196/00	204/00
Khatau Makanji P.	16	32	..	100	215/00	218/75	450/00
Kohinoor	9½	15	18	100	335/50	331/00	293/50
Lakshmi Vishnu P.	Nil	6.7	6—Nil*	100	104/00	101/00	125/00
Morarjee Goculdas P.	21½	21½	24—24*	100	406/00	395/00	468/00
Mysore Spg. & Mfg. P.	10	14	14	50	51/00	50/00	60/00
New City of Bombay	..	..	..	100	155/00	153/00	145/00
New Great Eastern P.	..	..	..	100	187/00	189/00	270/00
Phoenix	..	..	..	100	236/00	232/00	228/00
Sassoon & Alliance	Nil	Nil	..	10	11/24	10/92	14/00
Sassoon Spinning	25	17	20—10*	10	45/50	45/00	54/00
Simplex	10	15	Nil—22*	50	131/00	122/00	154/00
Shree Niwas P.	15	18	20	100	270/00	268/00	256/00
Svadeshi P.	14	17	..	100	265/00	253/50	250/00
Swap	..	..	..	100	275/00	273/75	292/50
Tata	10	20	..	25	58/50	59/00	58/26
Western India	..	..	..	250	875/00	875/00	835/00

* 1962

BOMBAY MISCELLANEOUS COMPANIES

NAMES	Dividends per cent 1960	1961	1962	Paid-up per Share Rs.	Latest Market Quotations as available until 5-11-63 Rs.	29-10-63 Rs.	A year ago Rs.
CEMENT ENGINEERING & METAL							
Associated Cement	12½	12	12	100	159/50	156/25	157/25
ELECTRIC LTG POWER							
Ahmedabad Electricity	7	6	..	100	94/30	94/30	95/00
Andhra Valley Power P.	5½	5	5	1000	1,057/50	1,042/50	1,032/50
Bombay Suburban Elec.	..	..	..	100	100/75	99/50	103/00
Tata Hydro Elec. Power P.	5½	5	5	100	107/50	107/25	110/00
Tata Power P.	5½	5	5	1000	1,100/00	1,085/00	1,150/00
Alcock Ashdown	..	..	..	100	321/00	319/00	323/00
Jost's Engineering	8	10	10	50	60/00	60/00	98/00
Larsen & Toubro P.	12½	13	14	10	25/40	25/00	25/80
Mckenzies	..	..	..	100	137/50	137/50	140/00
Premier Construction P.	..	..	..	30O	32F	170/00	166/50	133/00
Tata Eng. & Locomotive P.	12½	14½	14½	100	297/00	287/75	300/50
Tata Iron & Steel P.	9.1	10.36	10.36	75O	148/00	146/75	136/00
INSURANCE COMPANIES							
British India General	..	..	..	10	13/00	13/00	12/24
Jupiter General P.	..	..	..	15	9/20	9/20	11/00
New India	..	..	..	15	60/50	58/00	62/50
Vulcan	..	..	..	10	16/76	16/76	16/32
MISCELLANEOUS							
Belapur Sugar	..	..	..	50	268/00	240/00	225/00
Bombay Burmah Trading	30	33	33	25	67/00	65/00	..
				20	50/80	50/00	..
Hindustan Lever	26	26	12	10	39/00	39/00	46/75
Industrial Invt. Trust	6½	6½	..	100	77/00	77/00	72/00
Kemi (Chemists)	..	..	..	200	271/00	271/00	310/00
National Rayon	22	..	..	100	404/00	389/00	459/00
Scindia Steam Navign.	3	3	3	20	15/32	14/88	12/20
Shivrajpur Synd.	80	Nil	..	10	23/00	23/00	30/00
Tata Chemicals P.	6	6½	6½	10	18/08	17/43	13/92
Tata Oil P.	23	23	23	25	68/20	67/00	56/00
Voltas	13	14	14	100	273/50	268/50	251/50
Western India Match	16	16	16	100	270/00	258/00	272/00

TEA COMPANIES

NAMES	Dividends per cent 1960	1961	1962	Paid-up per Share Rs.	Latest Market Quotations as available until 6-11-63 Rs.	22-10-63 Rs.	A year ago Rs.
ASSAM GARDENS							
Amluckie	Nil	10	7½	10	18/37	16/50	20/00
Anandabag P.	30	32½	20	10	33/25	33/25	33/25
Baghmari	Nil	15	7½	10	17/25	17/25	18/50
Barduar Tea	Nil	..	..	4	8/50	8/50	8/50
Basmatia	35	25	20	10	27/25	27/25	27/25
Bateli	30	..	..	8	17/50	17/50	18/00
Betjan	60	45	30	10	29/19	29/19	32/62
Bishnauth	13	13	20	10	19/94	19/94	17/25
Bokaknat	Nil	12	13	10	13/70	13/70	13/70
Bormah Jan P.	15	15	15	10	13/25	13/25	16/12
Bor Pukhuri	Nil	Nil	10	10	11/00	11/00	11/75
Brooke Bond P.	15	10	7½—7½‡	10	12/72	12/72	12/19
Dejoo Valley	15	20	30	10	60/00	60/00	49/25
Dessai & Purbuttia	Nil	10	15	100	200/00	200/00	141/00
Dhelaknai	12½	..	..	10	20/25	20/25	20/00
Dhunseer P.	30	15	10	10	11/75	11/75	15/00
Dibrugarh	40	40	30	10	32/50	32/50	32/50
Dimakusi P.	25	20	25	10	22/62	22/62	21/87
Duffiaghur	25	25	30	10	28/06	28/06	27/87
East India	Nil	Nil	10	10	16/00	16/00	13/87
Gillapukri	25	30	15	10	25/44	25/44	25/44
Jokpur	Nil		20	10	15/75	15/75	13/31

‡1962

TEA COMPANIES—Contd.

NAMES	Dividends per cent 1960	1961	1962	Paid-up per Share Rs.	Latest Market Quotations as available until 6-11-63 Rs.	22-10-63 Rs.	A year ago Rs.
Grob	6	6	6	5	8/15	8/15	8/12
Hoograjuli (Assam)	20	20	17	10	27/12	27/12	27/12
Hoolungooree	10	7½	20	100	199/00	199/00	190/00
Jutlibari	30	30	20	10	31/50	31/50	32/00
Kingsley Golaghat P.	35	35	..	100	125/00	125/00	212/00
Kotamullai P.	Nil	Nil	Nil	5	10/31	10/31	10/31
Krishnabehari	15	8	10	10	11/80	11/80	10/50
Kyang Tea	Nil	..	..	10	8/06	8/06	8/06
Ledo	Nil	Nil	Nil	10	13/75	13/75	17/25
Maud Tea & Seed	10	7½	7½	10	14/81	14/81	14/81
Methoni	5	14	20	10	16/19	16/19	18/56
Moheema	Nil	Nil	..	10	11/50	11/50	11/50
Mothola	30	30	35	100	507/00	507/00	507/00
Murphulani (Assam)	5	15	25	10	26/50	26/50	26/50
	10.63	20.63	30.63	10	26/87	26/87	28/75
Naga Hills	10	10	10	10	22/25	22/25	22/69
Namburnadi	12	12	..	10	12/87	12/87	14/56
New Cinnatolliah	Nil	Nil	Nil	100	302/00	302/00	450/00
Rajgarh	40	13½	17½	10	19/00	19/00	21/37
Sapoi	22½	20	..	10	17/25	17/25	24/44
Seajuli	22½	15	30	10	24/12	21/12	20/75
Teloitan	25	25	25	10	21/37	21/37	27/75
Tengpani	30	30	22½	10	35/00	35/00	35/00
Tezpore P.	20	12½	..	10	15/19	15/19	15/56
Tongani	Nil	Nil	..	10	5/31	5/31	6/50
Tyroon	10	15	25	10	31/12	31/12	34/37
CACHAR							
Arcuttipore	Nil	5	6	10	7/00	7/00	7/00
Baitakhal	2½	2½	..	10	8/06	8/06	6/69
Central Cachar	5	7½	5	100	85/00	85/00	73/00
Eastern Cachar	Nil	Nil	..	10	4/50	4/50	4/12
Kallinugger Khoreel	6	..	..	100	87/00	87/00	87/00
Hattikhira	Nil	8	Nil	10	8/75	8/75	9/44
Kunchanpore	Nil	Nil	..	10	6/00	6/00	6/00
Loobah	Nil	Nil	Nil	10	4/56	4/56	4/94
North Western	30	20	10	100	175/00	175/00	205/00
Pathemara	Nil	Nil	Nil	10	1/50	1/50	7/50
Roopacherra	Nil	10	Nil	10	9/81	9/81	13/62
Rungamattee	5	5	5	50	51/50	51/50	50/00
Sonai River	Nil	Nil	..	10	5/05	5/05	9/12
DARJEELING							
Bloomfield	Nil	..	..	10	3/12	3/12	3/25
Chamong	Nil	10	10	10	9/00	9/00	10/25
Darjeeling Tea & Chin	30	30	30	100	197/00	197/00	195/00
Dilaram	8	4	..	100	102/50	102/50	102/50
Gielle	Nil	..	8 4/7-15*	10	11/69	11/69	11/69
Lingia P.	15	10	17½	10	14/00	14/00	14/56
Longview	12½	10	..	10	11/00	11/00	11/00
Margaret's Hope	15	15	15	10	12/25	12/25	11/62
Mim	22½	27½	27½	100	191/50	191/50	191/50
Nagri Farm	30	25	35	10	30/75	30/75	27/00
Okayti	25	25	..	100	600/00	600/00	605/00
Pashok	10	Nil	..	10	20/00	20/00	20/00
Poobong	Nil	Nil	5	10	7/50	7/50	7/37
Pussimbing P.	Nil	Nil	Nil	10	7/12	7/12	8/87
Runglee Rungliot	55	20	7½	100	386/00	386/00	386/00
Seeyok	15	Nil	..	10	8/50	8/50	8/50
Singell	Nil	Nil	Nil	100	36/75	36/75	36/75
Singtom	2	Nil	2	10	3/50	3/50	3/50
Soom	50	40	40	10	34/00	34/00	31/00
Sungma	15	15	20	10	14/75	14/75	12/75
Teesta Valley	Nil		8 4/7-10*	10	13/12	13/12	12/25
Tukvar	Nil	Nil	..	10	6/00	6/00	6/00
DOOARS							
Banarhat P.	22½	21	21	100	241/00	241/00	255/00
Baradighi	30	25	25	10	24/00	24/00	23/37
Bhatkawa	15	15	20	10	17/00	17/06	17/37
Birpara P.	17½	12½	17½	100	162/00	162/00	151/00
Carron	20	5	7½	100	151/00	151/00	145/00
Choonabhuti P.	32½	20	20	100	210/00	210/00	262/00
Ellenbarrie	5	5	10	100	184/00	184/00	184/00
Engo	60	30	40	100	136/00	136/00	136/00
Ethelbari	5	5	7½	10	11/50	11/50	13/12
Garikhata	25	20	11	10	21/50	21/50	21/50
Gopalpur	12	2	10	25	20/00	20/00	20/00
Hantapara P.	15	5	10	100	114/00	114/00	106/50
Hasimara P.	17	..	18—15*	10	13/81	14/81	14/81
Huldibari	22½	..	19 2/7-11*	10	13/50	13/50	13/69
Jaybirpara	10	Nil	Nil	10	23/00	20/31	11/06
Killcott	25	15	15	10	15/94	16/06	17/31
Manabarrie	10	8	..	10	59/50	59/50	59/50
Nagaisuree	25	15	15	100	140/00	140/00	169/50
New Dooars P.	35	20	14½	100	230/00	230/00	258/00
Oodlabari	12½	7½	..	100	13/62	13/62	14/25
Phaskowa	Nil	Nil	Nil	100	129/00	129/00	127/00
Rajabhat	Nil	Nil	6	10	11/75	10/69	12/12
Ranicherra	15	15	7½	10	12/50	12/50	16/75
Rydak	25	20	25	10	26/37	26/37	27/31
Sarugaon	40	40	40	10	36/31	36/31	36/23
TERAI							
Atal	5	..	..	10	8/75	8/75	6/75
Belgachi	20	20	..	10	22/50	22/50	20/50
Gungaram	20	12½	12½	100	130/00	130/00	138/00
Hansqua	20	15	17½	10	20/06	20/06	20/00
New Chumta	15	..	12 6/7-20*	10	24/62	24/62	33/50
New Terai	22½	10	15	10	23/00	23/00	46/00
Panargoomiah	20	20	2½	10	14/25	14 25	11/12
Putinbaree	14	14	..	10	45/00	45/00	45/00
Tirrihannah P.	60	60	60	10	49/00	49/00	49/00
CHITTAGONG							
Kodala	Nil	Nil	..	10	9/25	9/25	9/25
Kornafuli	Nil	Nil	..	10	9/31	9/31	13/06
Oodaleah	Nil	Nil	..	10	8/00	8/00	8/00
SYLHET							
Chundeecherra	Nil	Nil	Nil	10	26/00	26/00	23/00
Dharscherra	22½	22½	20	10	11/50	11/75	7/31
Kaliti	Nil	Nil	..	10	10/00	10/00	9/12
New Samanbagh P.	25	Nil	Nil	10	18/37	18/37	18/37
Patrakola	32½	40	15	100	129/00	129/00	148/00
Rainagar	Nil	Nil	Nil	10	9/50	9/50	9/56
Teliapara	22½	22½	10	100	110/00	110/00	99/00

‡ Hectares

* 1963

MISCELLANEOUS COMPANIES

NAMES	Dividends per cent 1960	1961	1962	Paid-up per Share Rs.	Latest Market Quotations as available until 6-11-63 Rs.	22-10-63 Rs.	A year ago Rs.
MININGS							
Burma Mines	2 3/5	Nil	Nil	3½S	0/44	0/44	0/44
Chrestien Mica Industries P.	15	12½	..	10O	10/40	10/40	11/12
	25	20	..	51Dd	6/87	6/87	8/85
Indian Copper Corporation	27	27	..	2s	3/06	3/69	4/28
Metal Corporation P.	Nil	..	..	10O	8/84	8/84	9/37
Orissa Mineral Development	36	28	20	10	27/37	27/37	36/50
CEMENT LIME SLATE ETC.							
Ashoka Cement	7	7	7—7*	10	7/31	7/06	7/19
Assam Bengal Cement	..	..	..	10O	4/81	4/81	4/00
				11Dd	0/59	0/59	0/44
Bengal Potteries	15	..	..	2½	5/37	5/37	5/54
Bisra Stone Lime	30	30	10	..	22/12	22/50	27/87
Dalmia Cement (Bharat) P.	12	12	12	10O	13/12	12/81	13/81
				1Dd	2/81	2/81	2/15
Jaipur Udyog P.	6	8	8.36	10	12/44	12/41	11/12
Kumardhubi Fireclay & Silica P.	18	18	18	10	18/43	18/43	18/43
Orissa Cement P.	15	15	10	10	15/56	15/25	15/31
Reliance Firebricks & Pottery	22	15	10	5	22/75	22/75	22/75
Rohne Valley Portland Cement	4	6	8	10	4/97	4/90	4/53
Rohtas Stone & Lime	27½	30	..	10	28/31	28/31	37/00
CHEMICAL INDUSTRIES							
Alkali & Chemical Corpn. of (I)	12	15	15	10	35/50	34/75	39/75
Sahgate & Co. Ltd. P.	Nil	..	..	5	0/84	0/84	0/84
Bengal Chemical & Pharm. P.	7	10	..	100	102/00	102/00	101/00
Calcutta Chemical P.	18	18	18	10	17/87	17/87	19/31
Frank Ross P.	..	..	..	£	2/19	2/19	3/25
Smith Stanistreet P.	25	25	25	5	12/31	12/31	15/50
ELECTRIC LIGHTING POWERS							
Agra Electric Supply	11	11	11	100	118/00	118/00	120/00
Bareilly Electric Supply	11	11	11	10	12/37	12/37	12/25
Benares Electric Supply	11	11	11	10	11/62	11/62	12/44
Bhagalpur Electric Supply	8	10	8	8	6/56	6/56	6/08
Calcutta Electric Supply	7	7½	7½	£1	14/44	14/37	14/87
Cuttack Electric Supply	7½	10	10	10	11/87	11/87	12/62
Dishergarh Power Supply P.	10	10	10	100	88/00	88/00	94/00
Jhansi Electric Supply	..	..	..	10	5/90	5/90	5/90
Jubbulpore Electric Supply	10	10	10	10	11/25	11/25	11/37
Mirzapur Electric Supply	..	..	..	5	12/00	12/00	12/00
Muzafferpore Electric Supply	12½	12½	12½	10	11/50	11/50	12/25
Muttra Electric Supply	..	..	..	10	11/06	11/06	11/12
Patna Electric Supply	10	10	10	10	10/62	10/62	10/81
Shahjehanpur Electric P.	6½	6½	6½	10	7/50	7/50	7/00
Sitsa (Dhariah) Electric	10	9	9	10	8/50	8/50	9/06
United Provinces Electric	11	11	11	100	136/50	116/00	120/00
Upper Jumna Valley Electric	13½	13½	13½	10	17/50	14/37	15/25

* 1963

MISCELLANEOUS COMPANIES—Contd.

NAMES	Dividends per cent 1960	1961	1962	Paid-up per Share Rs.	Latest Market Quotations as available until 6-11-63 Rs.	22-10-63 Rs.	year ago Rs.
ENGINEERING & METAL							
Arthur Butler (Muzafferpore) P.	..	..	..	10	14/94	14/94	14/50
Bhartia Electric Steel	10	10	12½	10	15/12	15/12	13/75
Braithwaite India	25	25	14	10	35/75	35/12	34/87
Bridge & Roof	30	30	30	10	52/25	52/25	52/25
Britannia Building & Iron P.	Nil	Nil	Nil	10	3/25	3/25	3/65
Britannia Engineering P	10	10	10	10	10/62	10/44	10/25
British India Electric Cons	45	20	15	10	31/00	31/00	33/12
Burn P (Engineering)	28½	28½	28½-25*	100	670/00	670/00	600/00
Calcutta Steel	15	15	15-12½*	10	14/00	13/94	14/87
Dalmia Iron	10	10	10	10	11/44	11/12	11/31
Guest, Keen Williams	16	14	14	10	41/37	37/69	34/87
Hooghly Docking	Nil	Nil	12½	50	95/00	95/00	102/00
Indian Iron & Steel P.	15	16	16—16*	10	25/00	24/70	23/30
Indian Malleable Casting	Nil	..	..	50	6/00	6/00	6/00
Indian Standard Wagon P.	Nil	..	..	1Do	2/06	2/06	2/50
	28½	28½	28½-20*	10	36/62	35/75	32/69
Indian Steel & Wire Products	23	24	23—28*	100	36/25	36/25	49/00
Industrial Containers	Nil	10	10	10	21/37	21/37	22/00
Jay Engineering	17 3/29	..	15	10	21/19	21/19	24/19
J. K. Steel P.	20	20	10	10	16/81	16/37	16/25
Jessop & Co P.	8.58	4.58	8.58	10	26/50	26/25	23/06
Kumardhubi Engineering P.	10	11½	15	2	9/25	9/25	7/50
Marshall Sons (India)	Nil	Nil	Nil	2	2/70	2/56	3/25
National Iron and Steel	Nil	Nil	Nil	10	5/94	6/00	4/75
Saran Engineering	8½	10	12½—10*	4	8/78	8/78	11/12
Steel Containers	30	20	20	10	29/50	29/50	22/50
Textile Machinery	10	10	..	10	28/10	27/35	20/05
SUGAR BREWERIES ETC							
Bairampur Sugar	8	8	4	2½	1/95	1/81	2/34
Belsund Sugar	18½	10	6 2/3	7½	8/81	8/81	9/62
Bharat Sugar P.	..	..	..	10	13/31	13/31	12/87
Carew (Sugar) P	Nil	Nil	Nil	10	11/62	11/00	12/25
Cawnpore Sugar P.	Nil	Nil	Nil	10	9/75	9/75	12/37
Champaran Sugar	15	12	Nil	10	13/87	13/81	15/87
Darbhanga	4	Nil	5	10	8/69	8/69	9/00
New Savan Sugar and Gur	..	..	..	10	4/50	4/50	5/25
Purtabpur Sugar P	..	..	..	10	11/50	11/50	11/50
Ramnagger Cane & Sugar P.	30	35	30	10	28/50	28/50	30/37
Raza Buland	12½	10	10	10	10/37	10/31	10/15
Ryam Sugar P.	..	..	..	10	3/56	3/56	8/06
Samastipur Central Sugar	..	..	..	10	5/94	5/94	9/62
Shree Krishna Gyanoday Sugar P.	15	..	..	10	9/06	9/15	9/06
Shree Sitaram Sugar	..	..	..	10	7/12	7/12	7/12
Sitalpore Sugar	4	Nil	Nil	10	3/94	3/94	6/12
United Provinces	15	5	Nil	10	10/00	10/00	10/62
Upper Ganges Sugar P.	72½	72½	72½	10	85/00	85/00	77/08
MISCELLANEOUS							
A Firpo (Restaurateur)	7½	10½	5	10	5/90	5/90	5/90
Aluminium Corporation P.	12	12	12—5*	10	17/19	16/62	15/25
Anderson Wright Ltd P.	11½	Nil	..	10	11/50	11/50	11/50
Angelo Bros	25	28½	28	10	26/12	24/25	23/44
Assam Match	18	20	20	10	27/50	27/50	28/75
Assam Saw Mills & Timber	Nil	Nil	3	3	2/56	2/50	2/75
Associated Battery	25	15	15	10	26/37	26/25	28/06
Associated Hotels of India P.	Nil	10	10	10	10/31	10/31	10/31
Balmer Lawrie & Co.	25	25	25	100	257/00	260/00	257/00
Bararee Coke	Nil	Nil	15—15*	10	22/25	22/25	24/50
Birds Investments P.	9½	10	10	10	10/50	10/50	12/50
Britannia Biscuit P.	25	30	25—21*	10	42/00	42/00	45/12
British India Corporation P.	4	7	9	5	8/25	8/81	9/56
British Paints	12½	15	10	10	22/12	20/00	20/25
Calcutta Silk Manufacturing P.	Nil	Nil	..	10	6/94	6/94	7/15
Clive Row Investment	8	7½	7½	10	8/60	8/75	8/25
Duncan Brothers & Co Ltd P.	14	14	14	100	140/00	140/00	157/50
Dunlop Rubber Co (India) P.	21½	20	15	10	37/81	37/06	36/00
Dyer Meakin (Breweries)	25	30	..	5	31/50	29/50	29/62
Eastern Investments Ltd P.	14	14	12	100	121/00	121/00	129/00
Electric Construction	10	10	10	10	14/25	13/87	13/50
French Motor Car	30	30	..	20	35/37	35/37	35/12
Ganges Rope	17½	20	20	100	235/00	236/00	236/00
General Investments Trust P.	5	5	5—5*	25	43/00	43/00	43/00
Gillanders Arbuthnot & Co Ltd P	10	11	11—11*	10	14/00	14/00	14/06
Gladstone Lyall & Co Ltd P	6 2/5	..	..	10	..	..	..
Godfrey Phillips (India) Ltd P.	40	60	30	10	28/12	28/12	33/25
Great Eastern Hotel	0	0	..	250	250/00	250/00	241/00
Hindustan Aluminium P.	Nil	..	..	10	13/94	13/62	13/56
Hindustan Motors P	9	12	12½-11½*	10	19/81	18/94	18/50
Hindusthan Pilkington	..	..	..	10	17/31	17/31	19/50
Hindusthan Twyfords P.	Nil	Nil	Nil—Nil*	10	15/00	15/00	15/75
Hoare Miller & Co Ltd	0	0	..	10	5/62	5/62	5/62
Imperial Tobacco	8	0	9	10	10/50	10/31	10/87
Indian Aluminium Co. Ltd. P.	15	15	17½	10	38/75	37/94	32/75
Indian Cable P.	22½	22½	22½-22½*	10	37/37	36/75	35/00
Indian Oxygen	15	15	12	10	28/50	28/50	31/87
Indian Rubber Manufacturers P.	30	30	36	10	19/87	19/87	20/00
Indian Wood Products	30	30	30	10	30/31	29/62	32/00
Isaac Holden	..	Nil	..	100	16/06	15/75	15/56
Investments and Finance P.	7½	7½	7½—7½*	10	55/00	55/00	53/00

NAMES	Dividends per cent 1960	1961	1962	Paid-up per Share Rs.	Latest Market Quotations as available until 6-11-63 Rs.	22-10-63 Rs.	year ago Rs.
J. K. Synthetics	..	8	..	10	12/19	11/75	12/19
James Wright P.	..	..	..	50	4/12	2/75	2/75
	..	..	..	1Do	90/45	90/45	90/43
Jardine Henderson Ltd P.	7	7	8—7½	100	80/00	80/00	73/00
Jay Shree Industries P.	14	12½	..	10	18/62	18/56	16/50
Kesoram Industries P.	5	12	12—12*	10	27/25	26/62	22/31
Mactarlane & Co	..	..	..	50	6/75	6/75	7/00
	..	..		1Do	2/19	2/19	2/50
Macneill & Barry Ltd P.	8	8	7½	100	93/50	93/50	93/50
Martin Burn Ltd P.	27½	27½	25	10	29/12	27/81	29/75
McLeod & Co P.	15	15	18	1000	210/00	210/00	215/00
Metal Box Co. of India Ltd P	25	25	19	10	52/75	53/50	55/50
National Insulated Cable P.	25	25	25—28*	10	25/87	25/19	25/00
National Pipe & Tubes P.	20	20	20	10	28/75	28/37	29/75
National Rolling & Steel Corpn	13	15	15	10	21/19	21/44	21/37
National Rubber P.	Nil	6½	8	10	12/87	12/81	11/25
National Tobacco P	16	7	7	10	12/50	11/75	13/00
New India Investment Corpn	8.7	..	..	75	59/50	59/50	90/00
Octavius Steel P.	10	7½	7½	100	..	..	..
Philips India	12	12	13	10	30/87	30/75	28/12
Publicity Society	10	75	75—50*	4	22/62	22/62	26/19
Rallis India P	6	8½	8	100	131/50	130/00	150/00
Rontas Industries P.	20	10	8—9*	10	14/31	13/75	12/00
Sirsilk P	Nil	..	..	10	10/50	8/94	8/75
Sen Raleigh Industries P.	8	8	8	10	15/19	15/19	18/87
Shaw Wallace P.	15	15	7½	10	16/69	16/69	20/06
Spencer's Hotel	2½	2½	..	2	0/65	0/65	0/94
Union Carbide	18	18	12½	10	42/00	41/12	45/00
Walford Transport	20	20	..	1PO	2/94	2/75	2/25
	30	30	..	10	3/97	3/87	3/37
INSURANCE COMPANIES							
Concord of India	20	20	20	5	11/12	11/12	11/50
Hercules	22½	26½	26½	10	22/56	22/56	25/37
Ruby General	10	13½	15½	8	10/56	10/56	9/69
Standard General	..	..	..	10	6/25	6/25	8/00
Triton	45	60	50	25	128/00	128/00	131/00
FLOUR MILLS							
Bengal	40	25	25	10	29/00	29/00	34/25
Delhi P.	..	..	..	10	14/00	14/00	14/00
Ganesh P.	..	..	..	12½	14/25	14/06	16/75
Hooghly	15	Nil	Nil	10	19/75	19/75	19/75
United	85	10	7½	10	27/81	27/81	20/00
OIL COMPANIES							
Attock Oil	13½	13½	..	£1	sh. 39/6	sh. 34/9	sh. 27/-
Burmah Oil P.	9-2/5	..	..	£1	sh. 67/4½	sh. 69/-sh	41/10½
Indo Burmah Petroleum P.	30	35	22½	10	23/87	23/31	25/44
Tide Water Oil	30	35	35	10	29/50	29/50	26/00
PAPER MILLS							
Bengal P.	32	27½	20	10	28/56	28/62	32/78
India Paper Pulp	15	13	12—15*	10	19/25	18/81	18/87
Orient Paper P	22½	22½	22½-20*	10	39/50	36/85	36/25
Shree Gopal Paper P.	17-6/7	17 6/7	17 6/7	10	26/87	26/62	23/25
Sirpur P	6½	9½	..	10	14/56	12/94	12/75
Star Paper P.	Nil	Nil	Nil	10	8/81	8/81	10/00
Titaghur P.	10	13	13—13*	2½PO	3/25	3/15	3/78
	25	20	10—10*	10AO	17/56	17/25	37/00
	25	20	10—10*	10BO	17/56	17/25	37/00
West Coast P.	6	7½	..	100	173/00	158/00	160/50
PRESSING COMPANY							
Camperdown	11	11	..	100	104/00	104/00	100/06
REAL PROPERTY STORAGE							
Bengal Bonded Warehouse	11	8	8—8*	A500	900/00	1050/00	610/00
				B62½	125/00	135/00	77/25
				C10	122/00	132/00	132/00
Calcutta Safe Deposit	..	..	..	D12½	14/19	14/19	14/75
Humayan Properties P.	6	..	..	100	7/94	8/00	1/00
Midnapore Zemindary P.	Nil	..	..	10O	11/00	11/00	11/00
	Nil	..	..	1Do	2/10	2/10	2/15
	Nil	Nil	Nil	85	11/00	11/00	11/12
TRAMWAYS & STEAMER							
Bengal Assam Steamship P.	7½	7½	..	100	140/00	140/00	106/00
Calcutta Landing & Shipping	8½	7½	22	10	34/00	34/00	49/50
Calcutta Steam Navigation	10	Nil	Nil	10	9/25	9/25	7/75
Calcutta Tramways P.	..	..	..	£1	11/25	11/19	12/25
Fraser	Nil	..	..	10	10/00	10/00	10/00
India General Nav Railway P.	Nil	..	..	£10	43/25	39/00	66/50
India Steamship P.	10	Nil	Nil-Nil*	10	7/47	7/09	6/25
Port Shipping	Nil	Nil	..	10	14/62	14/62	13/06

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N.D.C. MEETS: MORE SPEECHES BUT LESS FOOD

THE two-day session of the National Development Council held in New Delhi just before the week-end proved to be a singularly unfruitful affair. In a way, the fact was not altogether surprising. In spite of what distinguished American professors may think, it is some years since the Council began to live up to its reputation as the nation's most futile talking-shop, where great men from the Centre and the States foregather for oratory which reverberates off the walls of the auditorium but leaves the ear-drums of the distinguished assembly within unmoved. Many of the members attending last week's meeting suffered from one accidental handicap : freshly returned from the whining, dining and merry-making of the All-India Congress Committee's jamboree amidst the fading glories of princely Jaipur, it must have been hard indeed for them to concentrate on the grave and earthy realities of the country's economic problems. In the circumstances, it was perhaps understandable that the next best alternative was adopted. The customary quota of speeches was made. A kaleidoscopic variety of opinions was expressed. Criticism of others was leavened by praise of oneself. In the end, a resolution was produced because one had to be produced, its main feature being that it repeated the ancient exhortations and hoary platitudes that have dripped from Congress lips with unfailing regularity for more than 16 years.

The tone for the meeting was set in an opening speech from the Prime Minister, who earned the country's gratitude by meandering, not through the familiar if barren pastures of socialism or foreign affairs, but over a more homely problem—the shortage of food. The background to the speech was provided by the Government's discovery that, after a year of unrestrained jubilation over a supposed increase in foodgrain production during 1962-63, the final estimates just published showed the production to have actually *fallen*. Mr. Nehru did not find it necessary to refer to the fact in specific, statistical terms But he did mercifully concede that it was all "rather distressing", for agriculture "is the key and the base of all progress." The remedies he proposed, however, were familiar ones. One was that the State Governments should stop installing their champion duds as Agriculture Ministers. Another was that land reforms should be pushed through speedily, even though practical experience shows that they have often led to a decrease in farm output. A third was that everybody must work harder. A fourth was that everybody must co-operate with everybody else. A fifth was that, apart from everybody co-operating with everybody else, everybody along with everybody else must co-operate every time on everything everywhere.

And so, as the happy flow of exhortations continued, there emerged from the Prime Minister's speech only one slight shift of emphasis. This was contained in the plea that the State Governments, instead of continually haggling with one another to get large industrial projects located within their own territories, should spend a little more time worrying about their farms. However, the sincerity and effectiveness of even this plea was not immediately evident: the Prime Minister of Kashmir, for one, is reported as having risen soon afterwards to demand that his State be allocated at least one major project straightaway.

Apart from monopolising the pleasure of a speech from Mr. Nehru, the main achievement of the N.D.C. meeting seems to have been the decision to set up an Agricultural Production Board. The purpose of the Board, it is stated, is to ensure "an integrated approach in matters of agricultural policy on behalf of the Central Government" ; and the membership of the Board is to include Ministers and certain other busybodies concerned directly or indirectly with agriculture. One would have imagined that the Ministers and busybodies in question already met often enough to discuss agricultural policy, and to evolve the so-called "integrated approach". Unless, therefore, the implication is that these gentlemen do not so meet, or have not hitherto been on talking terms, the point in establishing the Board is by no means clear. The truth probably is that the Board is intended as a showpiece in support of the pretence that great things are going to be done to push agricultural programmes vigorously forward. In that case, the best that can be said of the Board is that, although useless, it may be less expensive than some of the other bogus schemes hatched in the recent past, such as those for co-operative farming, a village volunteer force or a defence labour bank. The reminder may still not be inappropriate that what the country needs is rice, wheat and pulses, along with cotton, oilseeds and other commercial crops —not the boards, committees, councils and teams that continue passionately to be spawned with frog-like fecundity.

While the agricultural failure was justifiably the N.D.C. meeting's main preoccupation last week, it is a strange commentary on the Council's sense of priorities that the problems of organised industry received almost no mention in the final resolution. The plea for accelerating the development of backward regions in various States received the customary airing ; so did the plea for providing more drinking water in rural areas and for clearing slums in urban areas. It apparently did not occur to any of the distinguished gentlemen present that these may not be among the most important problems facing a country rumoured to be in the midst of an emergency. *En passant*, the N.D.C. resolution referred to "the key importance of stabilising the growth of population"—forgetting that God alone can help a country which tries merely to "stabilise" the annual growth of its population at the 2.4 percent or perhaps the 2.8 percent that India is said to be enjoying.

To the extent that there was a reference to industry at all, it was confined to a moan about the raw material shortages that small industries and industrial estates are facing. It did not strike the N.D.C. luminaries that while these sectors of the economy are of some importance, the similar and no less acute shortages faced by the bigger organised industries are doing far more serious damage to the overall development programme which they themselves have endorsed. The excuse may be offered that the wording and the relative emphasis on various subjects in N.D.C. resolutions

are of no great significance, that the quality of the resolutions is apt to vary according to the personal predilections of the stenographers who happen to be available to draft them. The pity will remain nevertheless that what nominally at least is the country's economic leadership should emerge from two days of confabulations with almost nothing of importance said—and even less done.

STEEL IN DREAMLAND

CLOSE on the heels of the Planning Commission's mid-term appraisal disclosing that the third plan target for steel is not likely to be realised until 1968-69, there comes the fantastic proposal that India should set herself the goal of raising steel manufacturing capacity to 21 million tons by 1970-71. This is described as the minimum that must be installed to obtain 18 million tons of output in that year, implying that New Delhi has belatedly discovered that production at the full rating of the plants is not always achieved. This concession to realism will undoubtedly amuse those who recall that the Government insisted last year on assuming full capacity output for the purpose of fixing retention prices, after rejecting the advice of the Tariff Commission which had suggested taking 90 percent as the norm. Unfortunately for the country this is about the only realistic aspect of the proposed 21-million-ton steel target for the fourth plan, much of the rest being plain wishful thinking unredeemed by any attempt to relate the exercise to larger economic realities.

Few dispute the claim that India's natural resources justify building a sizeable steel industry to meet both home demand and to make a bid for a share of the world trade in the commodity. But before the endowment of natural resources can be translated into cheap and competitive steel, a major effort is necessary to ensure that the industry is developed on sound lines. With each advance in the size of the industry, however, the country seems to be moving in exactly the opposite direction because of planning fantasies in which the cost element is regularly ignored. If this were not so, the emphasis would shift from a preoccupation with installed capacity to the actual production achieved, with a corresponding concentration of effort on reducing the inordinate delays in construction and the slow and tedious build-up of output to rated capacity. The advantages in terms of lowest capital charges are obvious, but of greater importance is the acceleration of returns from investment to the benefit of both the plants and the country. The quicker the returns, the greater will be the accumulation of internal resources provided sensible pricing policies are adopted, and the surer will be the advance of the industry. It follows that the benefits of import substitution too will accrue sooner, making it possible to contemplate allocating the foreign exchange saved towards enlarging capacity. This need not mean slowing down the rate of advance but using steel as lever of growth which stimulates and strengthens the rest of the economy instead of pressing on it as deadweight.

How monstrous the deadweight can be, is evident from a quick look at the implications of the 21-million-ton target now hatched. The direct costs of creating the new steel capacity may, on the official admission, be as much as Rs. 1,650 crores. This figure may itself be an underestimate, as observers have been quick to point out. It assumes that the expansion of the existing plants will cost only Rs. 1,000 a ton of capacity, which is unrealistic considering that all the works but one will have reached the full potential built into their primary rolling facilities by the end of the current expansion programmes. Substantial expenditure will, therefore, be necessary to duplicate the rolling complexes, which makes nonsense of the calculations made by New Delhi. Even otherwise, the assumption of Rs. 1,000 a ton is phoney; the figures officially cited for Rourkela's current expansion, costing Rs. 110 crores for an addition of 800,000 tons, show that the cost a ton there is Rs. 1,375, even though the primary facilities already exist.

Going for the present by the Rs. 1,650-crore figure, one fails to understand why the steel plan should not take into account the related investment needed in ore mines, collieries, and limestone and dolomite quarries without which the new capacity cannot function. These costs will be very substantial, as is evident from the fact that Jamshedpur's case to the Tariff Commission gave a figure of over Rs. 40 crores for developing its existing coal and ore mining facilities to make itself self-sufficient. Such costs should rightly be included in the steel programmes, and there is no excuse at all for ignoring them in the proposition the country is being asked to consider. Was it that the planners' own credulity was so strained by the time they arrived at the Rs. 1,650-crore figure that they left the ancillaries out on some specious plea or the other? Once these costs are added to Rs. 1,650 crores, the bill may well be over Rs. 2,000 crores—or several hundred crores more than the total investment on all organised industries and mineral development during the third plan.

Steel is undoubtedly important, but even steel enthusiasts will agree that it cannot by itself be of much benefit to the economy. Before the commodity can be used to good purpose, the "matching" requirements have to be provided for. There is, for instance, cement without which the use of steel in construction is inconceivable. This is exactly the trouble at present: supplies of bars, rods and lighter structurals are relatively plentiful, but cement is short, so a temporary surplus of steel has developed. Ostensibly, the planners profess to take such interdependence into account in their exercises, but can they honestly claim to have gone beyond the more obvious requirements of consistency? The current shortage of welding electrodes is a striking example of how economic battles can be lost for want of a shoe-nail. Unless the electrodes are made available, fabrication cannot proceed, no matter how much steel or fabricating capacity may exist. The unbalances that have developed even with the present low level of steel output should serve as a salutary warning against letting steel appropriate an inordinately large share of the funds available for industry.

If the size of the fourth plan steel programme is absurd in relation to the resources likely to be available, it is more than absurd when considered in the light of its foreign exchange requiremets. The official assessment places the import content of the Rs. 1,650-crore programme at over Rs. 800 crores, a very sizable chunk of any conceivable total of foreign exchange budget for the fourth plan. In the current plan period roughly one-eighth of the foreign exchange budgeted for all capital goods imports was earmarked for the steel programme, but giving even this modest share meant cutting down on other important sectors. How much greater would be the deprivation if anything like Rs. 800 crores had to be set aside for only the steel programme. The budgeting apart, the likely reaction of aiding countries has also to be considered. None of them, not even Russia, would be willing to commit further funds to the steel programme until the investment already made begins to show results. If the production targets proposed for 1965-66 are not going to be realised until 1968-69, the aid-givers can hardly be expected to come forward with further credits much in advance. The delays over the negotiations with Britain and West Germany for the current plan point to the unreality of making optimistic assumptions. There is the further difficulty that countries giving aid cannot let one industry take away too large a share of aid funds because the benefits, in the shape of orders, will then flow back to just one sector of their own economies, provoking protests from those deprived. This is all the more reason why steel equipment should not be too large an item in India's shopping list; it is necessary to keep the foreign exchange requirements of the industry down to no more than an acceptable proportion of the total.

There cannot be much doubt that the 21-million-ton target for steel is a dream. Unlike in the past, opposition to fantasies is building up inside the Planning Commission itself where those responsible for other sectors of the economy are frankly aghast at the irresponsibility of steel staking such a disproportionate claim on the nation's resources. The point to emphasise is that the rejection of the target must come quickly before further damage is done. The longer the programme—even though it is described as tentative—is left in place, the greater will be the doubts that arise among friends abroad about India's sense of purpose and her ability to formulate well-conceived development programmes.

L.I.C. AS GENERAL INSURER

THE statement that the Life Insurance Corporation will start to do general insurance business as an insurer in a big way has caused consternation among general insurers in the private sector. The report that the Government of India has already come to a decision on the subject has been differently received by different people, including Mr. E. Kolet, chairman of the executive committee of the General Insurance Council. The Life Insurance Corporation Act, 1956, permits the L.I.C. to transact other forms of business. There is, therefore, no bar, in law, against the L.I.C. extending the field of its operations. But the report which has been circulated through various newspapers—that a Bill will be introduced during the winter session of the Lok Sabha specifically for this purpose—lends colour to the view that precise and significant decisions have been taken. The purpose of the L.I.C. entering general insurance as an insurer has been explained with a verbose facade. The Corporation, it is said, will operate not so much for the sake of getting the business or the premium income, which inevitably will be big; it will act primarily as a preceptor and a moral force acting on orthodox and traditional lines to eliminate the malpractices alleged to prevail in general insurance.

A reduction of premium rates is the device that will be adopted by the L.I.C. to eliminate these malpractices. Since insurers in the private sector will have to survive in open competition with the Corporation, they will be forced to offer the same rates if they are to continue in business. Tariff insurers will have to obtain a special dispensation for tariff business, since the L.I.C. by all indications is likely to function as a non-tariff company like Lloyds of London. Competition with the L.I.C. will be a struggle. Private sector companies will find their income depleted as a result of business being lost to the L.I.C. Their premiums from retained business will also be reduced. In this way, the argument runs, they will have no funds to pay rebates or offer illicit inducements; the L.I.C. will thus act as a stabilising force checking the current uncertainty about market payments and will be a powerful instrument to put private insurers in a moral straitjacket.

These are the grand pillars of the new policy reportedly decided upon by the Government of India. The top-dressing cannot, however, blind one to the other consequences of the decision. The L.I.C., with its vast resources of manpower, branches, offices and above all investments in every sector of business, can by pressure tactics take away part—maybe a very large part—of the business now on the books of the private companies. For them, the entry of the L.I.C. could mark the beginning of the end. It would in effect amount to nationalisation of a new variety, inasmuch as the business would be absorbed, but not the companies or their staff. The move would, in a sense, be a revised edition of the tactics adopted by the Government of Ceylon. Although the reassurance has been offered that the intention is not to edge the private companies out of existence, the latter need have no illusions. It would be plainly impossible for the companies to survive in competition with a colossus whose limitless funds can be used to manœuvre private sector business on to its own books, apart from the Government-financed business which will come to it automatically.

The rôle of the L.I.C. in insurance has been compared to that of the State Bank of India in the banking industry. Since the former is ostensibly entering the market to eliminate malpractices through the pressure of competition, Mr. Kolet can now wind up his administrative machinery and inspecting staff. He has spent a vast amount of the insurers' money in locating the channels for the outgo of funds, with or without success. Insurers can hardly afford his expenses—Rs. 30 lakhs to begin with—if they know that the L.I.C. is now to enter the market as a "stabiliser", the surest impact of which will be a large loss of revenue. The L.I.C. is taking over the functions of Mr. Kolet. In self-defence, it seems that Mr. Kolet is now asserting after his chairmanship of the executive committee meeting in Madras that malpractices in general insurance have decreased considerably and that the advent of the L.I.C. in general insurance is not yet a fact. These statements are of tactical interest in the crosscurrents of the insurance world.

It looks as if the strategist in Mr. Kolet is endeavouring to run down the reported decision of the Government. As a last resort, he is asserting that the moral fibre of the companies has improved considerably. If that be so, the usefulness of his machinery—always doubtful—should have ended, particularly with the advent of the L.I.C. Mr. Kolet boasted flamboyantly, when he took over as chairman of the executive committee, that there would be no more reductions in premium rates—the panacea devised by the Controller of Insurance for the ills of general insurance. The same idea of rate reduction in another form has now been bowled at Mr. Kolet. He has no alternative but to withdraw; and if the executive committee sheepishly sides with him and endorses the continuance of the expenses of the administrative machinery, insurers as a whole can voluntarily withdraw the undertakings they had voluntarily given. They do not need two sets of authorities. And for them to be shunted from one end to the other according to the conflicting pulls inside the Government of India is to say the least a nauseating experience.

Insurance is in a sense a commodity for sale, and its terms have to be decided by the laws of demand and supply. The fact is often ignored that its price, which is statutorily fixed at a given rate, differs considerably from the marginal price determined by the laws of economics. If the L.I.C. reduces the premium rates in general assurance so as to sustain the statutory price, it will be as guilty of parting with funds as the insurers are accused of having done through devious means. The only virtue, if it can be so called, would be that the L.I.C.'s outgo would be revealed in the books of account as a straightforward deal, whereas the companies, not having the power to reduce tariff rates or to go against the Act, have reportedly no other way but to dress up the outgo. Some feel that the correct course would be to delete the commission payment clause from the Act altogether. Each payment would then be determined by the profitability of the account and would be made openly. And since the Government itself admits that there is legitimate scope for conceding the outgo of funds other than the commission, at least by rate reduction, there can be no objection to this.

Current News and Comment

Modernising Woollen Industry

The Indian woollen industry is badly in need of modernisation and rehabilitation. The chairman of the Indian Woollen Mills Federation, Mr. R. K. Birla, was only restating the case when he pointed out recently that "we are many years behind in newness of equipment and productive capacity, and are positively losing the race in the production of good and finer materials because our machinery has become absolutely outdated and outmoded." But his account of what he saw in his recent tour abroad, more particularly at the Hanover Fair, considerably reinforces the plea that the replacement of the old machinery is a must if the Indian woollen industry is to survive. From the drawing to spinning stage for worsted fabrics, the conventional system prevalent in India requires about nine machines to prepare medium counts, whereas in foreign countries the same work is done by four to six-machines of better quality. This saves space, power and labour.

The spinning capacity of the new machines is one and a half times more than that of the conventional machines. Warp and weft winding capacity of the new machines is almost doubled compared with that in India. The productive capacity of modern looms is about 25 percent more because of higher speed. The capacity in finishing, blowing, shearing, tendering and other similar processes in the new machines is at least 50 percent more. The new woollen cards can also produce at twice the rate of old machines in India. The same applies to the woollen ring spinning frames. The textile machinery manufacturing industry has no doubt progressed considerably in recent years, but indigenous production is still inadequate. It also does not compare well with foreign machinery. Mr. Birla has emphasised the need for allowing certain import of machinery so as to keep abreast of the developments in advanced countries.

It is comforting to hear that Mr. Birla's proposal to the International Wool Secretariat for getting raw material supplies from Australia of the value of Rs. 3.5 crores on deferred payment with reasonable rates of interest has been well-received. Raw material in adequate quantity and of requisite quality is the industry's major problem. Indian wool is well suited for the production of carpets, coarse blankets, etcetera, but not for the manufacture of finer varieties of fabrics, hosiery goods, knitting yarn and other similar goods. Of the 72 million lbs of wool which the country is producing annually at present, hardly 13 million lbs are of finer variety.

The question of modernising and rehabilitating the woollen industry has been engaging the attention of the authorities for some years. The industry has now assumed great significance because of the defence demand for woollen goods. The Working Group for the Rehabilitation and Modernisation of the Woollen Industry, 1960, estimated the industry's financial requirements at Rs. 11.25 crores, of which the foreign exchange element was assessed at Rs. 9.25 crores. Because of the subsequent increase in the prices of machinery, the cost has been revised higher at Rs. 15 crores. The industry is being asked to earn the necessary foreign exchange through fabric exports. But it is finding it extremely difficult to boost its exports, liberal incentives notwithstanding, precisely because of the outmoded and outdated machinery.

Sponsored by the International Wool Secretariat, a five-man expert team, headed by Mr. J. F. Hopkins, is now in India touring various wool-growing and manufacturing centres to assess the industry's requirements for its vast renovation programme embracing sheep breeding, manufacturing and marketing of wool products. An interim report, it is expected, will be submitted by the beginning of next month, and the final report would be ready by the end of January. The five-year programme of modernisation and rehabilitation which the expert body is to chalk out is expected to help the industry stand "alongside other countries and place this country's wool in a completely competitive situation both at home and in world market." Mr. Hopkins recently said that the cost of the renovation programme would be borne by a consortium of nations. He added, however, that no details were yet available. The renovation programme will give special attention to the introduction of quality control and providing technical service to the industry. Proper attention would be paid to the possibility of mechanising appropriate sections of the industry. The present modernisation programme is a joint effort of the U. N. Special Fund, Australia and New Zealand under the Colombo Plan and the International Wool Secretariat.

Working of Cloth Price Stamping Scheme

The Government of India's decision to appoint a representative ten-member committee to review the working of the existing price stamping system for cotton textiles has been welcomed by the industry and trade circles. Opinion about the efficacy of the price stamping scheme is sharply divided. The primary object of price stamping is to ensure that the consumer pays fair price for his cloth. This is possible only when the mills honestly observe the self-imposed code of discipline for keeping prices pegged at the agreed level. Price stamping becomes meaningless if mills do not stamp the correct price and this is precisely what seems to have been happening on a large scale. Mills are known to have been circumventing voluntary price control by introducing hundreds of new varieties with only slight changes in the construction of cloth and charging higher prices for these fabrics. There have also been numerous instances of mills charging premiums, unofficially of course, on the stamped prices for the more popular varieties in many dubious ways.

The terms of reference of the proposed enquiry are not known, but investigation by a committee representing conflicting interests should help a better appreciation of the various issues involved in the working of the price stamping system. Of course that cannot, by itself, rid the system of various abuses which have crept into it. The success of any control measure depends on how honestly and efficiently it is administered. That the price stamping system is being widely abused is common knowledge. But it does not follow that the scheme should be discarded. Stamping of prices is perhaps about the only way of creating some price-consciousness among consumers. If mills cannot be obliged to stamp correct prices, it will be all the more difficult to make them observe voluntary price control properly if prices are not stamped at all. The truth is that the rise in cloth prices cannot be checked if the supply of cloth does not keep pace with demand both in quantity and quality. It is time the Government made known its decision on the Tariff Commission's report on fair prices of cloth. The inordinate delay in official decision suggests that the Tariff Commission's recommendations have not found favour with the authorities. Uncertainty about cloth prices must be ended soon.

Machine Tool Output and Demand

Inaugurating the third Hindustan Machine Tools factory in Pinjore near Chandigarh recently, the Prime Minister observed that it represented a step nearer to the "stage of self-generation". The different types of machine tools are needed not only for India's development, but also for her defence. It is creditable for Hindustan Machine Tools that its third factory, which went into production on 1st October, has been set up mostly from its own financial and technical resources. The management proposes to set up two more machine tool units before the end of the third plan. In spite of all this activity, however, the total internal production of machine tools in India by 1965-66 would not exceed Rs. 25 crores in value, compared with the third plan target of Rs. 30 crores and the estimated Indian demand worth Rs. 60 crores. India does not as yet possess capacity for producing broaching machines, gear-cutting machines, lapping machines and the like. It is expected that by the end of the fourth plan, the annual demand for machine tools would increase to Rs. 100 crores; besides still more complicated machine tools would be needed to sustain a higher level of industrial development in the future. It is, therefore, necessary that the Government should pay adequate attention to the development of the machine tools industry in the private sector.

At present, the private sector machine tool units depend on foreign help for designs, technical knowledge and machinery. It is possible that in due course, the H.M.T. would be able to set up an engineering and consultancy organisation which would not only design new machine tools, but also help the private sector units in drawing up plans, designs and specifications. Meanwhile, it is necessary to afford all possible facilities to the private sector units to get adequate foreign collaboration. The private machine tools manufacturers should be allowed to import the required machinery in spite of the persistent foreign exchange difficulty. It is unfortunate that the Gov-

ernment has not yet accepted the suggestion of the Machine Tools Industries Association that the rate of royalty for foreign collaborators should be fixed at 7½ percent and the period of time for which it is available should be ten years in order to be attractive to foreign parties. Taking a long-term point of view, it is imprudent for the country to insist that the royalty rate should not exceed 5 percent.

Moratorium on Metropolitan Bank

A correspondent writes: The moratorium imposed by the Reserve Bank on the Metropolitan Bank Ltd has caused a good deal of surprise in West Bengal business circles as the latter has rendered useful service to small and medium-sized industrial units in the State. The Reserve Bank's move was considered to be ill-timed. It came just on the eve of the Puja holidays, causing serious hardship to the numerous depositors, not to mention the many industrial units which depend on the Metropolitan Bank for financing their Puja requirements. The constituents have felt bewildered by the central bankers' unexpected action, but they have shown no excessive anxiety on a longer view; the widespread belief is that the moratorium imposed under Section 45 of the Banking Companies Act implies that the Metropolitan Bank will be either reconstructed or amalgamated with certain other banks. This Section is intended to deal with banks which are not meant to be wound up.

Since the Reserve Bank has decided in principle to strengthen small banks because of their usefulness to the economy, it is rumoured that it wishes to bring about an amalgamation of four or five small banks operating in West Bengal. The idea, of course, is commendable. An amalgamated bank would be a more viable unit and would, therefore, be better suited to serve the requirements of the increasing number of medium and small industrial units in this territory. But events following the moratorium have led to the anxiety that the action of the Reserve Bank might not help the cause of small banks.

It is reliably learnt that as an interim measure, the Reserve Bank has been investigating the possibility of amalgamating the Metropolitan Bank with another small bank for the time being, since the idea of creating a bigger unit by including a number of small banks at once cannot be implemented immediately due to legal difficulties. The idea of the Reserve Bank fails to carry conviction. If legal difficulties were expected, it is hard to understand why the Reserve Bank proceeded to impose the moratorium on the Metropolitan Bank in a hurry. Considering that it has ample powers to supervise the working of a scheduled bank, the Metropolitan Bank should not have been stopped from functioning in the normal way as long as the central bankers were not sure of the steps they wished to take.

There are two criticisms against amalgamating the Metropolitan Bank with the other small bank. First, the principle of imposing a moratorium on a scheduled bank like the Metropolitan Bank in order to amalgamate it with a non-scheduled bank is not a good one. Secondly, the procedure for amalgamation under Section 45 as adopted by the Reserve Bank is unlikely to enhance public confidence. It is believed that under the scheme for amalgamating the Metropolitan Bank with the other bank, the depositors of the former having amounts in excess of the insurance limit of Rs. 1,500 an account will receive immediate credit in the books of the latter in proportion to the value of readily realisable assets and rateably with the Deposit Insurance Corporation. The Corporation will have to pay fully up to Rs. 1,500 an account to all depositors. Subsequent payments to the depositors of the Metropolitan Bank will depend on the actual realisation of its remaining assets. This method of paying the depositors is the same as in the case of a winding up. There is no logic in paying the depositors in this manner as long as the total realisable assets of the Metropolitan Bank are sufficient to pay the constituents up to the full amount of their deposits.

It is said that the Reserve Bank might stick to the above procedure for amalgamating the two banks on the ground that this method of ascertaining deposits to be paid on demand has been insisted upon in previous cases. It is not a convincing argument. A system which has been found faulty should not be continued merely because it has been followed previously. A more rational procedure is called for. The depositors should be offered full payment on demand in case of amalgamation whenever the total realisable assets of a bank are adequate to meet all the demands.

India's Resources
are Precious
WASTE NOT,
WANT NOT

Holman Climax Manufacturing

A party of journalists was shown round the factory of Holman Climax Manufacturing Ltd in Titaghur last Monday. This factory manufactures a wide range of equipment, such as rock drills, portable and stationary air compressors, industrial pneumatic tools and air hoists. Founded in 1958 as a result of collaboration between Holman Brothers of Camborne, Cornwall, and the Bird-Heilgers group, it started production at the close of 1959 with 70 percent of imported and 30 percent of indigenous components. The components are now almost 100 percent indigenous, the main item still imported being alloy steel. Mr. D. L. V. Rowe, chairman of the Company, stated that the factory now manufactured equipment worth Rs. 75 lakhs to Rs. 80 lakhs, and that next year the output would reach Rs. 1.5 crores. He said that in course of time the Company also hoped to export its products. Its products are widely used in mines, quarries, and hydro-electric and irrigation projects, and for defence work.

Foundries Hit by Iron Shortage

At the annual general meeting of the Indian Foundry Association in Calcutta on Wednesday, the chairman, Mr. K. Agarwalla, called attention to the acute shortage of pig iron, as a result of which most of the commercial foundries are on the verge of closure. As against a requirement of 2.5 million tons—the Government's estimate is 2 million tons—supplies of pig iron are only 1.1 million tons. Of this, as much as 804,000 tons has been earmarked for special requirements such as for steel works maintenance, railway sleepers, the spun pipe industry, defence units, export promotion quotas, castings needed by the Director-General of Supplies and Disposals and railway maintenance. The commercial foundries are getting supplies equal to just 10 percent or 12 percent of their capacity. To improve this position, Mr. Agarwalla suggested the urgent import of 1 million tons of pig iron and a reassessment of the special requirements with a view to finding out whether more could not be supplied to commercial foundries. Since the expected supplies of 350,000 tons of pig iron from Bokaro will not materialise for some years, he urged that the Government should encourage the setting up of low-shaft blast furnaces in the private sector and also take steps to establish hot blast furnaces.

As he emphasised, the foundry industry is basic to the economy, since on its supplies depends the working of many other industries, including machinery manufacturing units. The capacity that will be created during the third plan in both the private and public sectors will total 153,500 tons of grey iron castings, 83,200 tons of steel castings and 76,700 tons of steel forgings. There seems to be a good market for Indian foundry products not only in Asia and Africa, but also in the industrialised western countries. The exports of the industry have steadily risen from Rs. 12.30 lakhs in 1959 to Rs. 36.72 lakhs in 1962, and during the eight months of 1963 they have been Rs. 23.96 lakhs. Mr. Agarwalla emphasised that a proper check should be maintained on the quality of castings in order to expand the overseas market. Facilities should be afforded by the Government for preshipment inspection whenever buyers require it.

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COINING ILLICIT RUPEES

"Max" writes from London:

"JUST a few weeks ago, the Commissioner of Police in Calcutta sent to me a letter calling attention to a statement in "Current Coin" alleging that the coining of illicit rupees was a very large and profitable business, and asking to be supplied with the information on which I based my statements. I replied that I would ask permission from my informant to put him in communication with the Commissioner. My informant declined, and declared that if he was to put the Commissioner in possession of one-tenth part of what he knew, he (my informant) would be hauled up for defamation within a week. I sent Mr. Bignell an excerpt from the letter for his information. Mr. Bignell was evidently nettled at this and allowed himself to write a reply in terms which it is charitable to hope he regrets today. He advised me not to make sweeping assertions which were apparently unsupported by facts. In my reply after calling his attention to the unworthy insinuation he evidently meant to convey in his utterly gratuitous piece of advice, I repeated that the statement I had originally made regarding the existence of illegal mints was based on trustworthy information in my possession which I was under no obligation to pass on to him or to anyone else. There was something more in my letter to which I need not refer, but there the correspondence ended."

FROM
CAPITAL
19th November, 1903

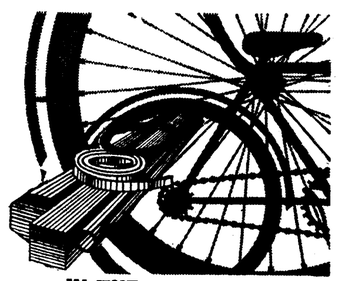
A Ditcher's Diary

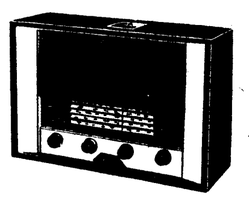
CALCUTTA DID NOT FAIL TO REMEMBER YESTERDAY that, on 13th November half a century ago, news reached this country that an obscure versifier called Rabindranath Tagore, writing in some unknown language called Bengali, had been awarded the Nobel Prize for literature. No Asian language, incidentally, has had the honour since. Even then Tagore was by no means obscure in Bengal; but on a sudden something happened. It was later left to an American philosopher to observe that the fact that Tagore was an Indian was enough reason why India should be free. As I was thinking of it all yesterday it occurred to me that Tagore died a good sixteen years before freedom came. I also remembered what it is not fashionable to remember these days—that Tagore had significant differences with Gandhi, whom he was the first to style the Mahatma. Not as though the evolution of free India conforms much to Gandhian ideas but, except for speeches at centenary celebrations, Tagore's ideas seem to me to have been forgotten even more thoroughly. Tagore never forgot to emphasise that his "memorial" was his poetry: more than once he narrowed the field even further and said that he would be remembered mainly for his lyrics. Yet the amount of time and thought he devoted to national questions, taking time off his poetic preoccupations, seems still amazing. Time and again he declared that he had nothing to do with politics; time and again he found himself in the middle of it all. Even in his penultimate and highly pessimistic last testament bewailing a crisis in civilisation he did not omit to mention his abiding faith in mankind; and, a universal man though he certainly was, India in general and Bengal in particular meant more to him in a hundred ways than can be realised by present-day champions of what I call "unity by committee". It is unthinkable that, if alive today, Tagore would have joined Dr. Lohia in wholesale condemnation of all that has happened since 15th August, 1947. Much of it, I am constrained to say, would have saddened him deeply. And even as he did not hesitate to criticise Gandhi at the height of the latter's popularity, he would not have been silent today. He is. So is Gandhi. Gandhians and Tagoreans must be unspeakably grateful. Alas, they speak only too often. I prefer the silence.

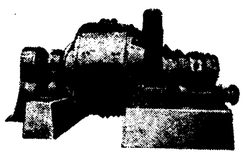
I AM NOT SO CYNICAL AS TO BELIEVE THAT THE nearly thirty Indian diplomatists in Afro-Asia who met in Delhi recently came hither only for holiday, although several are known to have made elaborate arrangements to make sure that the conference did not take all their time in India. Mr. Rajeshwar Dayal, Special Secretary (which can mean anything) in the External Affairs Ministry, is said to have inspired the conference, following the one some months ago of Indian heads of mission in south-east Asia. I do not grudge our ambassadors an occasional spot of vacation back home; if these conferences cost the tax-payer a lot of money, well, he has got used to worse waste. What I cannot understand is the basis of blocking these embassies. It is conceivable that the Indian Ambassador in Tokyo or Rangoon has much to profit from a discussion with Delhi; administrative problems apart, our man in Tokyo can have but little in common with his counterpart in Rangoon. The one lesson we should surely have learnt by now is the irrelevance of geographical "togetherness"; Asia is no more one than Europe, and Mr. Nehru's well-meant efforts to evolve an Asian entity have been no more successful than Dr. Nkrumah's to forge an African personality. Now Delhi now knows that Baghdad, Cairo and Colombo have to be wooed at different levels with different approaches. If this is true, as I believe it is, I cannot see how the Indian Ambassador in Kabul is going to get much from exchanging notes with the Indian Commissioner in Nairobi. Yet both were there in Delhi for the conference. That Mr. Rajeshwar Dayal presides over the desk ruling this empire of embassies is the only thing they have in common; but, surely, this is a matter of detail alone and of no material significance to what is called Afro-Asia. I am, however, glad that so many Indian envoys should have been in Delhi at the same time; and I hope that discussions took place less on policy—there can't be one and must be many—than on administrative problems. In a decade or so of its existence, the Indian Foreign Service had generated greater hatred among its lesser-breed colleagues than the I.C.S. had managed to do in a hundred years or more. Rightly or wrongly, most non-I.F.S. chaps in Indian missions abroad feel they are treated as non-*brahmins*. Only the *brahmins* met in Delhi.

THERE ARE PEOPLE I KNOW WHO READ "MOOMIN" before anything else in their *Statesman*. There are others I have heard confess they read nothing else. As for myself, after some initial resistance I have always taken Moomin with my *chota hazri* since the day a friend stimulated my curiosity by remarking that first thing in the morning Moomin looks exactly how he feels. Needless to say, there have been occasions when I have understood exactly what he was getting at. But Moomin has his fans elsewhere than just in Calcutta. He appears in the London *Evening News*, and I read in that paper the other day that Moomin has now been accorded diplomatic honours. The Finnish Ambassador in Britain, Mr. Leo Olavi Tuominen, recently attended a Moominland reception at the Tivoli Shop in London's Knightsbridge, where admirers of this unique character and his improbable family and associates can view the whole tribe in three dimensions. Apparently somebody has got the idea of making toy Moomins out of leather and fur in some Helsinki workshop and exporting them for sale abroad. I daresay foreign exchange considerations will prevent any large-scale invasion of India by the Moomin dolls, but I have no doubt some will eventually find their way here if they have to do so through the agency of the diplomatic bag. Although Moomin is, of course, the brain-child of Tove Jansson, Finnish artist and writer of children's books, the drawings are now done by her brother, Lars Jansson. It is officially Moomin "troll", which is a Scandinavian word meaning, roughly, fairy. Why, then, should he have such a following among adults? I have often pondered this question. I suppose the sheer impracticability of the character is intriguing in itself. But I suspect it is really the situations in which he finds himself that capture the imagination, and of course the entirely human reactions he reveals to them. I just do not know; and I wonder if it is not better to avoid enquiring too deeply. If some fleeting pleasure can be derived from following his ridiculous adventures before turning to the horrors of the day's news, perhaps we should simply be thankful for it. It is rather like smoking, really, I suppose—a bad habit, but one difficult to give up. Anyway, if somebody is kind enough to send me a Moomin doll for Christmas I shall be most happy to donate it to *Capital*'s Christmas Toy Fund.

EVEN FOR THE SCIENTIFICALLY ILLITERATE LIKE ME, it was fascinating to read how the fraternity of space travellers felt when they were weightless: for some odd reason, Messrs Gagarin and Titov were more forthcoming than their American comrades. Technicians can, I suppose, create in laboratories a pretty good simulation of the condition of weightlessness; but we earth-bound mortals, slaves of the law of gravitation, can scarcely imagine the condition. My mind being the grasshopper it is, I thought of space flight the other day and then thought of the Kamaraj plan and its innocent victims. The matter no doubt has its financial angles too; but if I were looking after another kind of newspaper, I would have invited Messrs Morarji Desai, Jagjivan Ram, Patil and Kamaraj to write me a series of articles on political weightlessness. In space the sensation, we have been told, is curious, not altogether uncomfortable. But then in space there is no one around to tell you that you are weightless. In politics your total environment is there, as before; only you have suddenly become weightless. For all their aura of the glory of sacrifice, no, I do not envy the Kamaraj martyrs. The late Lloyd George wrote touchingly on how it feels to cease to be a Prime Minister. The thing you miss most, according to Lloyd George, is the daily despatch-box contain-


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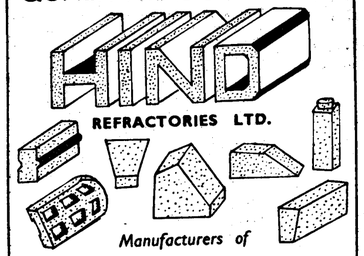
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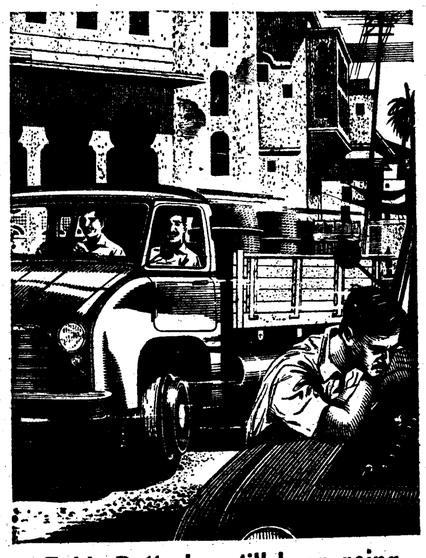
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ing the State secrets. On a sudden, you feel left out; you no longer know what is happening; nobody wants your opinion or advice any more; and you have a feeling that you are useless now to mankind whom only yesterday you had been saving from unspecified perils with your marvellous decisions.

THE LARGEST CITY IN THE WORLD, OF COURSE, IS Tokyo; that is something we have known for some time, but I was under the impression that London came next, and not very far behind at that. Apparently not so according to the U.N. *Demographic Yearbook*; London is not even in the running. In fact, it ranked as number 11 on the list in mid-1961, which anybody who knows London must realise is absurd. Paris, big, sprawling and hopelessly congested though it is, does not even receive a mention in the top bracket. Nor, surprisingly enough, does Calcutta, which to me has always seemed larger than Bombay and certainly dwarfs Cairo. The reason for these rather silly results is, of course, the basis of calculation : it is a question of what population is under a single administration. In London's case the numbers in the London County Council area only are included. I do not know exactly what that covers, but I imagine it excludes the City of London, which does not have many residents anyway, the City of Westminster, which probably does not have many more, and the huge, densely-populated spread of what is known loosely as Greater London, which most certainly does. Taken as a unit I have heard a figure of 12 million mentioned, although this seems to me to be on the high side. But when the L.C.C. is replaced by the Greater London Council next year, the 100 councillors it will elect will each represent 80,000 people, so that will put the figure at 8 million at least. In spite of the occasional statistical nonsense, the *Yearbook* offers some curious titbits. Where, for example, do you think the highest divorce rate was? Hollywood? Las Vegas? Apparently not. It was in the Virgin Islands, of all places.

JUST BECAUSE THE INDIAN AIRLINES CORPORATION has a virtual monopoly on internal routes it should not be allowed to get away with everything. It is trying hard to. The manner in which requests for reservations are treated makes one feel that one is not a customer buying a service but a supplicant for undeserved favours. A friend trying to get a seat on the plane to Calcutta from Delhi tried to behave like an ordinary honest citizen. He went to the I.A.C. office and requested a booking. He was told, after a telephone call to somewhere, that there was nothing doing for a week or more. So he went into action as everyone must if he wants to get anything done in Delhi : he got somebody to talk to somebody. The first "somebody", who was most helpful, regretted that a certain astrologer was away in Nepal and so could not be "contacted"; "he can get anything he wants anywhere in Delhi, including Rashtrapati Bhawan". Less influential contacts worked; and my friend got a booking, while another, who had asked for a seat to Jammu ten days in advance, gave up and bought a railway ticket instead. (This too needed "pull".) When my friend presented himself at Palam he found—without so much as by your leave—that he would be flying not in a *Viscount*, for which he had paid, but in a *Skymaster*. I am sure there is something in the small print on the back of the I.A.C. ticket which says that, for reasons it is under no obligation to adduce, the airline can do just what it pleases and that the passenger has no right to complain; but, surely, there must be a limit to this kind of arbitrariness. Is my friend entitled to a rebate for having been forced to fly in a *Skymaster* instead of what he had paid for? He has yet to hear to it. The point he has to make is that an ordinary citizen in India today cannot get even what he is prepared to pay for unless he knows "somebody". My friend, eventually a beneficiary of the "old boy" network which operates by telephone, is naturally reluctant to expose the evil in greater detail. I have, still, taken the liberty of writing this piece because I think it should be widely known that the ordinary man, which my friend tried to be, has no future at all nor any rights—despite the Constitution. He must operate through "somebody" without whom he is nobody.

THE DITCHER

Guide for Investors

BUYING SPREE IN MOTOR SHARES ON WORLD BANK LOAN REPORT

(BY A SPECIAL CORRESPONDENT)

MOTOR-VEHICLE shares have risen on strong support during the past fortnight. The buying spree has been caused by the decision of the World Bank to offer a loan of about $30 million to the industry for development and expansion. In addition, the Government of India has allocated a substantial amount of foreign exchange to the industry. Although this has improved the immediate outlook for the industry, a cautious view is being taken about its long-term prospects. The erstwhile prosperity of the industry has to be attributed to the fact that the domestic prices of motor-cars and lorries have been artificially high. Although the industry enjoys a protected market, it has done little so far to improve its production and efficiency. Not only has the price of motor-vehicles been high, but the quality has also been far from satisfactory. Apart from the poor after-sales service, the prices of spares have been exorbitant.

It is true that in a heavy industry like motor-vehicles, it is difficult to hold down production costs unless the scale of production is increased to an optimum size. The factories in India, by and large, have been too small to enjoy the advantages of large-scale production. Although their expansion has been hindered by the foreign exchange shortage, combined with the Government's unrealistic policy, especially in the past, producers are also to blame since they have made little effort to improve their operational efficiency. Quality has, therefore, suffered due to defects in manufacture. The industry has sold its products without the least difficulty, so there has virtually been no incentive to improve efficiency. The Government has pursued a short-sighted policy in relation to motor-vehicles. Instead of promoting expansion to obtain greater economies in production, it has urged the industry to raise the indigenous content of motor-vehicles to 90 percent by the end of 1964. The average indigenous content now constitutes about 65 percent. Since the Government is determined to ensure a further rise in the indigenous content before considering expansion, manufacturers find it difficult to reduce production costs. In the past, the industry was unable to increase the indigenous content because it was not allocated sufficient foreign exchange to import the necessary equipment.

The progress towards self-sufficiency depends greatly on the development of the ancillary industries. The official policy on these industries has been half-hearted; so their development has been lopsided. There has been a mushroom growth of these units in some lines while the production of several important components has fallen short of requirements. The unbalanced growth of the ancillary industries is evident from the existing uneconomic units. These industries have also been handicapped by the foreign exchange shortage. They have also represented to the World Bank for a loan, and the outcome is awaited with interest. If the production of quality components is to be promoted, it is necessary to develop the ancillary industries on sound lines by sanctioning them sufficient foreign exchange and eliminating the uneconomic units through a process of amalgamation.

Under the circumstances, it is not surprising that the production of motor-vehicles has been disappointing. The output has amounted to only 56,967 vehicles in 1962. In view of the slow rate of growth, it is unlikely that the industry will succeed in meeting the rising demand. The latter, it is estimated, may be for more than 100,000 vehicles by 1966. Meanwhile, the prices of motor-vehicle shares look sufficiently high considering their current dividend yields and the near-term growth prospects. Producers henceforth may have to plough back more funds than before if the foreign exchange to be made available is to be fully used. So investors should not expect better dividends on these shares in the near future.

Rights Issue by Central Bank

THE Central Bank of India has at last decided to raise additional capital by issuing 634,625 new equity shares. These shares are to be offered to existing shareholders in the ratio of one new ordinary share for every two held—ordinary and/or ordinary A. The rights shares are being issued at a premium of Rs. 5 a share. The sanction of the Controller of Capital Issues has already been obtained, and the shareholders' approval is being sought through an extraordinary general meeting which will be convened on 16th December. It might be recalled that the bank had secured the Government's consent for the rights issue in October 1962, but it did not proceed with it partly because of the unfavourable conditions in the capital market following the Chinese aggression, and partly because the premium of Rs. 10 a share which the Government had insisted upon, was considered to be high.

The Government's decision allowing the bank to offer rights shares at a premium of Rs. 5 a share indicates a welcome change in the official attitude. Besides, there has been a considerable improvement in the market conditions over the past few months, and this has encouraged the management to revive the rights offer. The proposed issue will raise the paid-up capital of the bank from Rs. 3.15 crores to Rs 4.74 crores and reserves from Rs. 5.10 crores to Rs 5.42 crores, bringing the total capital fund to Rs. 10.16 crores. The authorised capital of the bank, it is proposed, will be raised to Rs. 10 crores by the creation of 737,928 new ordinary shares out of which 634,625 shares, it is proposed, will be issued to shareholders on a date to be specified by the board. The quotation for Central Bank shares has risen from around Rs 55 to Rs. 63 over the past few months.

A.C.C. Puts Off Bonus Issue

ASSOCIATED Cement Companies' shares which had touched a high of Rs. 160.50—a record high for a long time—on 6th November were sold down to Rs. 155 on 9th November. The selling that produced this setback was not induced by technical considerations; it reflected mainly the market's disappointment over the Company's announcement that it did not propose to issue any bonus share for the time being. In reply to the representation made by the Bombay Shareholders Association, the managing agents of the Associated Cement Companies have stated that after careful thought, the board has come to the view that the proposal for capitalising the premium on shares cannot be favourably considered, keeping in mind the present earning capacity of the Company which has necessitated withdrawals of large amounts to maintain the dividend of 12 percent during the last four years. If the bonus shares are issued, the drain on the reserves would increase and the capital base on which the "standard deduction" is allowed would diminish.

The Company says that the Shareholders' Association's contention that "the amount of bonus tax is allowed as deduction for arriving at capital basis for the purpose of super profits tax" is not strictly correct. It is, however, conceded that the deduction of the bonus tax from the assessable profits would decrease the incidence of super profits tax for the accounting year in which the bonus shares are issued, provided, of course, there are super profits which would exceed the amount of the bonus tax. How the Company has fared in 1962-63 is not yet known, but the management's reference to the "present earning capacity" and the "withdrawals from reserves" gives the impression that the working results might not come up to the market's best expectations.

Bright Prospects for Tata Chemicals

THE preliminary report on the working of Tata Chemicals released along with the announcement of the dividend showed that the Company had done exceedingly well during the year ended June 1963 with sales, profit and dividend settlements to record. The chairman's statement circulated with the directors' report holds out the promise of still better results for 1963-64. The Company says that it has by now reached the state of self-sustaining growth and barring unforeseen circumstances, beyond the Company's control, shareholders may look forward to the continuing enjoyment of the fruits of their investment and faith in the Company. The greatly improved results for 1962-63 were due primarily to the successful completion of the expansion programme which has enabled the production of soda ash to increase from 57,000 tonnes in 1957 to 128,000 tonnes last year, revenues from Rs. 2.73 crores to Rs. 7.26 crores; profits before tax from Rs. 25 lakhs to Rs. 90 lakhs. During this period, the Company's gross block increased by 132 percent, revenues rose by 166 percent and profits by 261 percent.

The successful completion of the expansion programme is not about all. Hitherto, the Company's working results have considerably depended on the unpredictable behaviour of the monsoon which determined the supply of fresh water and salt. Now that the task of completing the 400 tonnes programme and bringing up the production of the plant to the rated capacity has been achieved, the management is concentrating its efforts on finding lasting solutions to the two major problems, namely, the supply of salt and fresh water. Shareholders will be pleased to know that means have been found of substituting, to a considerable extent, suitably treated sea water for fresh water in the operation of the plant without a serious loss of production and efficiency. Although the new process adopted still requires experimentation and refinement, the Company will from now on be less vulnerable to drought conditions than in the past. Tata Chemicals has at the same time taken initial steps to increase the production of salt beyond its normal requirements so that excessive rains in any one year do not unduly affect the operations of the plant or compel the Company, as in the past two years, to purchase large quantities of salt at heavy cost.

The chairman says that it would now be possible to undertake a substantially larger expansion than visualised earlier in view of the Company's reduced dependence on fresh water supplies for its technical operations, and the steps being taken to bring about a substantial increase in salt production. Both of these were in the past seriously limiting factors in any expansion plan. The management is now engaged in a careful study and appraisal of the technical, economic and financial aspects of further expansion schemes. Approval has already been secured from the Government for doubling the present capacity of 30,000 tonnes a year. Mr. Tata says that while this will improve the Company's profitability, it will not increase the overall output as heavy ash is made by the mechanical compression of light ash. The chairman says that it is too early to give an indication at this stage of the magnitude of cost and likely profitability of the further expansion in Mithapur. But he has assured the shareholders that the management will see to it that such a programme will not adversely affect current

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operations and profit or involve a reduction in the amount distributed as dividends.

The directors point out in their report that the production of soda ash during 1962-63 increased by about 25 percent at 128,100 tonnes. The production of refined sodium bicarbonate was up by 6 percent, but the plant worked much below its capacity because of insufficient sales. There was a drop of 33 percent in the total caustic soda produced during the year due to the closing down of the uneconomic chemical caustic soda plant. The production of caustic soda by the electrolytic process, however, increased by 18 percent during the year. A second batch of Hooker Cells was commissioned and the installed capacity increased to 7,000 tonnes a year. Bromine production increased by 114 percent while that of magnesium chloride fell by 25 percent due to the poor quality of bitterns.

The Company has a capital of Rs. 3.63 crores and its reserves and surplus amount to Rs. 1.44 crores. Its gross block of Rs. 9.38 crores has been written down to Rs. 6.33 crores. The ratio of net block to share capital works out to 1.7 to 1, and the debt equity ratio is 0.8 to 1. The percentage of net profit to sales and capital employed is 11.1 (3.2 in 1961-62) and 8.9 (2 in 1961-62), respectively.

Delhi Cloth to Raise Capital Again

IN spite of an increase of about 9 percent in the sales from Rs. 38.42 crores to Rs. 41.77 crores, the gross profit of the Delhi Cloth and General Mills for the year ended June 1963, is down by nearly 20 percent from Rs. 4.29 crores to Rs. 3.59 crores. The profit margin is said to have been squeezed by the increase in raw material and labour costs and the enhanced tax burden. The dividend has been maintained at 13 percent, but the total distribution is higher because of the increased capital. Besides, the net dividend for 1962-63 will be higher than in the preceding year because 34 percent of the dividend is said to be exempt from tax under Section 15 of the Indian Income Tax Act.

Appropriations of the year's gross profit include depreciation Rs. 1.11 crores (against Rs. 90.85 lakhs), development rebate reserve Rs. 33 lakhs (against Rs. 9.60 lakhs), taxation Rs. 1.05 crores (against Rs. 1.70 crores), general reserve Rs. 21.99 lakhs (against Rs 5.70 lakhs) and renewal reserve Rs. 9.56 lakhs (against nil). No provision has been made for development reserve and reserve for fall in prices, which had received Rs. 40 lakhs each in the preceding year. The proposed ordinary dividend absorbs Rs. 49.82 lakhs (against Rs. 44.12 lakhs) and preference dividend accounts for Rs. 5.36 lakhs (against Rs. 4.27 lakhs). After making these allocations and a few other adjustments, there remains a surplus of Rs. 1.47 lakhs to be carried forward, against Rs. 4.03 lakhs brought in.

The directors state in their report that the Company's export performance during the year was satisfactory. It has now been decided to create a separate subsidiary company which will devote itself entirely to the promotion of exports and eventually handle not only the D.C.M. products, but also those of other companies. The initial investment in the shares of the new Company will be Rs. 1 lakh. The Company's caustic soda plant under the P.V.C. project has been commissioned. The entire P.V.C. plant is expected to start production by the end of the year. The construction work for the rayon tyre chord project is in full swing. Major orders for the plant and machinery have been placed. An agreement has been reached with the I.C.I.C.I. for a loan of 945,000 deutschemarks (equivalent to about Rs. 11.25 lakhs) for the purchase of plant and equipment for the stable bleaching powder project.

The Company proposes to raise additional capital of Rs. 1 crore for financing the new projects The fresh capital issue consists of 200,000 equity shares of Rs. 25 each and 200,000 9 percent redeemable cumulative preference shares of Rs. 25 each. The equity shares, it is proposed, will be issued at a premium of Rs. 5 a share or such premium as the Controller of Capital Issues may fix. While the equity shares will be offered as rights, preference capital will be issued to the public. It might be recalled that during 1962-63, the Company had offered 200,000 9 percent redeemable cumulative preference shares of Rs. 25 each at par which were oversubscribed.

Modernisation of Central Jute Mills

THE ordinary shares of New Central Jute Mills Co. Ltd have improved to Rs. 14.69 on hopes of improved results. The investor confidence has been justified by the publication of the interim results for the year ended March 1963. The output of the jute mills and Sahu Chemicals and Fertilisers has risen. The jute mills have produced 48,078 tons of goods with a complement of 2,021 looms. A further 104 broad looms have been put into operation. With the installation of another 71 looms, the total broad loomage amounts to 327, out of which 108 have been fabricated by the Company itself. It is proposed to install further broad looms to reach the full licensed capacity of 350 looms. Two single-beam dressing machines have been installed for producing better quality carpet-backing cloth preferred by U.S. buyers. The Company has entered into a callaboration agreement with a Thai Company for supplying technical know-how to put up a jute mill in that country. The latter has also agreed to buy jute mill machinery equipment from India through New Central Jute.

The profit has amounted to Rs. 1.32 crores, after providing Rs. 53.56 lakhs (against Rs. 47.46 lakhs) for depreciation. The Company incurred a loss in 1961-62. A taxable ordinary dividend of 15 percent, including an interim of 5 percent, has been declared. The ordinary share capital has meanwhile been raised from Rs. 1.71 crores to Rs. 2.56 crores. The dividend will be paid out of the dividend reserve. At the present price, the yield amounts to 10.2 percent. Development rebate reserve is allocated Rs. 27.15 lakhs (against nil), general reserve Rs. 61.75 lakhs (against nil) and dividend reserve Rs. 28.60 lakhs. A balance of Rs. 13,603 has been carried forward, against Rs. 15,513 brought in Total reserves have been strengthened by further Rs 88.9 lakhs. The net block amounts to Rs. 9.27 crores.

Shaw Wallace Group Tea Crop Results

THE crop results of the Shaw Wallace group of tea Companies up to 30th September, 1963, have been published. The Tezpore Tea Co. Ltd has produced a crop of 825,549 kilograms, against 735,400 kilograms for the corresponding period of 1962. Sales have improved from 268,233 kilograms to 294,031 kilograms, but the average sale price has declined from Rs. 5.85 to Rs. 5.66 a kilogram. The crop of the New Samanbagh Tea Co. Ltd has amounted to 9,613 maunds, against 9,731 maunds. Sales have fallen from 6,083 maunds to 5,285 maunds and the average sale price has fallen from Rs. 3.14 to Rs. 2.17 a lb.

Barnagore Jute Pays More

DISCUSSING the satisfactory results of the Barnagore Jute Factory Co. Ltd for the year ended March 1963, the directors have taken a cautious view of the current prospects in their report. They think that the prosperity during 1962-63 was exceptional. Although the current working has been profitable, the previous level of profit is unlikely to be maintained. The prices of jute goods have tended to fall in 1963 and the competitive position of sacking has caused a great deal of concern. Along with other mills, Barnagore Jute has transferred as many looms as possible from sacking to hessian production. They think that the demand for high-quality jute will ensure remunerative prices for these grades, but the unduly large proportion of inferior fibre has imposed a strain on the mills.

The profit has amounted to £510,306, compared with a loss of £89,216 for 1961-62, after transferring £53,333 (against £55,808) to depreciation. The taxable ordinary dividend has been increased from 10 percent to 40 percent to absorb £67,375. The yield works out to 12 percent at the present price of Rs. 220 a share of £5 each. Taxation absorbs £290,000, general reserve £14,507 and development rebate reserve £14,507. The carry-forward is £1,341, against £1,042 brought in.

A Satisfactory Year for National Rolling

THE National Rolling and Steel Ropes Ltd has produced satisfactory results for the year ended June 1963. The directors have pointed to the all-round improvement made in the output of all departments. Although the demand for M.S. wires has declined, it has been more than offset by the increased production of H.T. wires. The supply of billets has been irregular, but the directors hope that the Government will take steps to increase the supply of billets. The capacity of the wire mill is likely to be increased substantially when the balancing plant, which has been shipped, is installed. The Company is exploring the possibility of exporting wire rods abroad.

Sales rose from Rs. 1.24 crores for 1961-62 to Rs. 1.54 crores for 1962-63 and the trading profit has increased from Rs. 24.06 lakhs to Rs. 33.08 lakhs. The taxable ordinary dividend of 15 percent has been maintained. The yield works out to 7.1 percent at the present price of Rs. 21.19 a share of Rs. 10 each. Depreciation has been allocated Rs. 3.07 lakhs (against Rs. 3.43 lakhs) while tax provision has been increased from Rs. 11.65 lakhs to Rs. 21.70 lakhs. Out of this, the super profits tax absorbs Rs. 2.04 lakhs for 1961-62 and Rs. 4.21 lakhs for 1962-63.

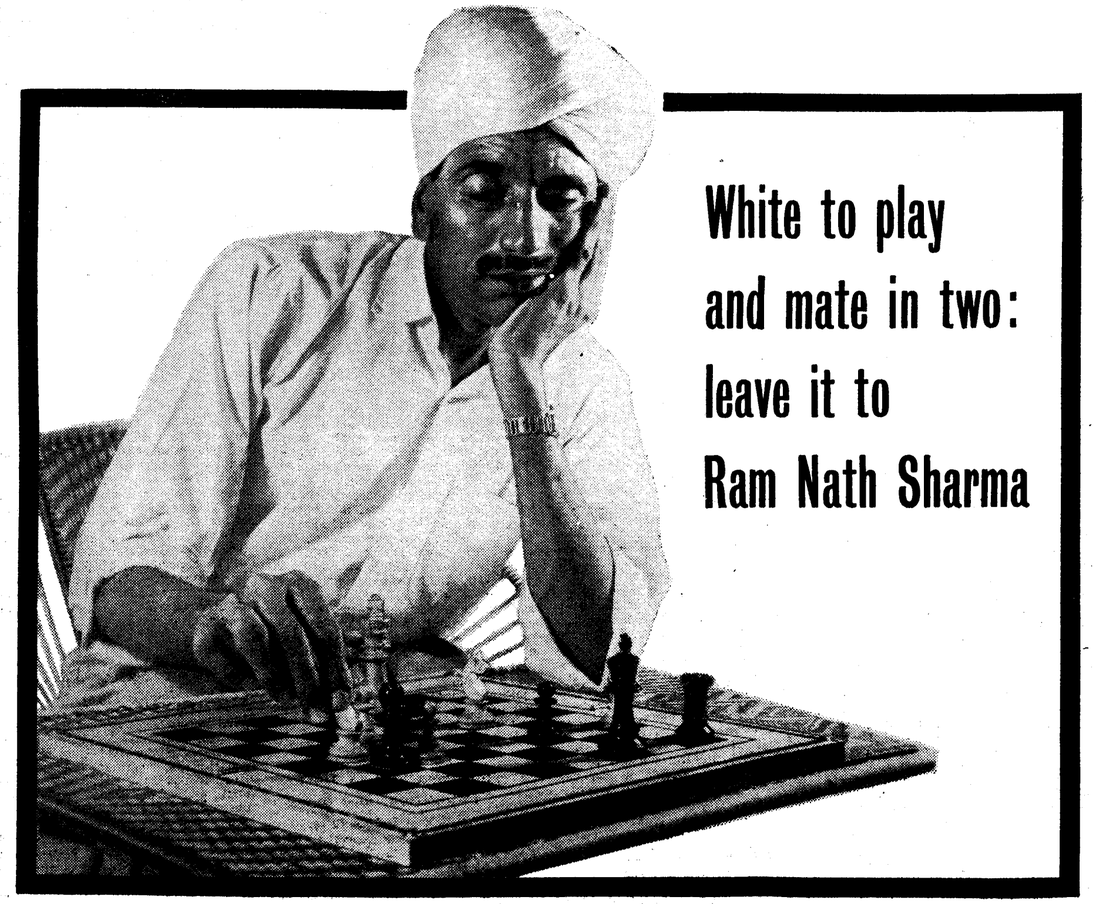
Deccan Sugar to Expand Capacity

THOUGH the dividend has been maintained at 18 percent, the working results of the Deccan Sugar and Abkhari Company Ltd for the year ended May 1963, show an appreciable improvement over those of the previous year. Sales are up by about 20 percent from Rs. 3.58 crores to Rs. 4.29 crores, and the gross profit has risen by 40 percent from Rs. 28.29 lakhs to Rs. 39.62 lakhs. The impressive increase in profit, it is said, has been brought about largely by the higher sugar selling prices —the control on sugar was imposed only towards the end of the Company's financial year—larger releases for sale in the internal market and slightly higher prices realised for export. After providing Rs. 7.71 lakhs (against Rs. 6.81 lakhs) for depreciation and Rs. 16.83 lakhs (against Rs. 10.33 lakhs) for taxation and deducting other prior charges, provision for taxation in 1962-63 includes Rs. 2.55 lakhs for super profits tax for the current year and Rs. 95,000 for the earlier year, the net profit for 1962-63 amounts to Rs. 12.18 lakhs, against Rs. 8.88 lakhs in the preceding year. Out of this, the directors have set aside Rs. 5.30 lakhs (against Rs. 1.53 lakhs) for various reserves. The proposed dividends, preference and ordinary, absorb Rs. 7.81 lakhs, leaving a sum of Rs. 9,587 to be carried forward, against Rs. 1.03 lakhs brought in.

The Company crushed during the 1962-63 season a total quantity of 275,632 tonnes of sugarcane producing 29,294 tonnes of sugar, compared with 311,043 tonnes of cane and 32,268 tonnes of sugar in the previous season. The production of sugar in Pugalur was 17,537 tonnes, compared with 20,596 tonnes in the previous year. It would have been perhaps 10 percent more than what it was had it not been for the restriction on production imposed by the Government during the sugar year ended October 1962. The sugar recovery in the special season increased from 9.19 percent to 9.39 percent, but in the main season it fell from 10.92 percent to 10.55 percent due to climatic conditions. The production of sugar at the Samalkot factory was slightly higher at 11,757 tonnes, against 11,672 tonnes, and the sugar recovery from 10.39 percent to 11.03 percent. The entire raw sugar production at this factory was for the first time reserved for export.

In his statement to shareholders, the chairman, Mr. H. V. R. Iengar, says that subject to there being no diversion of cane for making jaggery, the normal level of production is likely to be achieved in the coming season for which the omens so far are propitious. (A fuller version appears on a later page in this week's issue of *Capital*.) It is likely that the Samalkot factory will again be called upon to make raw sugar in the forthcoming season as the country has a definite commitment to export 300,000 tonnes in 1964. It is stated that the additional three-roller mill for Samalkot will be erected by the end of 1964. A bigger boiler and 1000 kW power generator will be installed early in 1965, and with these, the factory can be deemed to have attained a high degree of modernisation. Nearly all the machinery ordered for the expansion of the Pugalur factory from 1,000 to 1,250 tonnes has arrived, and erection is making good progress. The expansion is likely to be completed by the end of April 1964. The rehabilitation and expansion programme undertaken three years ago may thus be said to have been nearly completed.

The Company has applied to the Government for permission to expand the capacity of the Samalkot factory from 800 to 1,000 tonnes and that of Pugalur from 1,250 to 1,500 tonnes. The chairman says that the tendency in the industry today is to look upon a capacity of 2,000 tonnes as the minimum for economic working, and if adequate supply of cane can be assured there is no reason why the Pugalur factory should not



White to play and mate in two: leave it to Ram Nath Sharma

The Black King stands aloof and defiant. He is guarded by a Pawn, a squat, menacing Castle and a scheming Bishop. Dark and determined, they surround him in a defensive phalanx. But White is attacking with two crafty Knights, a disdainful Queen and a spearhead of Pawns...Ram Nath Sharma masterminds the strategy. Two moves, and the Black King is checkmated: Sharma, chess player and tank lorry driver at Shakurbasti Depot, Delhi, smiles. Careful strategy has won the day!

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be expanded to an annual crushing capacity of 2,000 tonnes in the not distant future. Mr. Iengar has defended the directors' decision to maintain the dividend at 18 percent in spite of substantially better results on the plea that the Company needs large funds for further expansion and for the replacement of machinery. Besides, the future of the industry is beset with uncertainty in view of the changing policy of the Government on sugarcane prices.

Karam Chand Thapar Earns Less

KARAM Chand Thapar and Sons Ltd has made a profit of Rs. 3.24 lakhs for the year ended June 1963, compared with Rs. 4.72 lakhs for 1961-62. A taxable ordinary dividend of 8 percent has been declared, absorbing Rs. 1.92 lakhs. Taxation is allocated Rs. 1.20 lakhs (against Rs. 2.95 lakhs), leaving a carry-forward of Rs. 21,990, against Rs. 13,391 brought in.

Bharat Bijlee Results Impress

BHARAT Bijlee Ltd reports highly encouraging results for the year ended June 1963. Sales have risen by 33.6 percent from Rs. 81.36 lakhs to Rs. 1.09 crores, and the gross profit has gone up by 46.5 percent from Rs. 9.72 lakhs to Rs. 14.21 lakhs. The dividend, however, has been maintained at 8 percent, but the total distribution is higher at Rs. 1.90 lakhs, against Rs. 1.60 lakhs because of the increased capital, the new shares being entitled to a proportionate dividend of Rs. 3 a share as against Rs. 8 on the old shares. In spite of the impressive increase in the gross profit, the net profit shows only a modest increase because of the substantially larger provision for taxation which has been stepped up from Rs. 3.50 lakhs to Rs. 6.92 lakhs. The amount set aside for depreciation is also higher at Rs. 2.91 lakhs, against Rs. 2.60 lakhs. The provision for statutory development rebate amounts to Rs. 45,286, against Rs. 48,195. After making these allocations, the net profit amounts to Rs. 3.93 lakhs, against Rs. 3.14 lakhs in the preceding year.

After writing back excess provisions and writing off capital issue expenses, the directors have provided Rs. 66,000 for taxation for the previous year and transferred Rs. 3.45 lakhs to the dividend reserve out of which the proposed dividend for 1962-63 is to be paid. The Company's order position, it is reported, is satisfactory, but it is experiencing some difficulties in securing certain raw materials. It has plans for further expansion and it has applied to the Maharashtra Industrial Development Corporation for allotment of a large area of land on long-term lease at Kalwa industrial estate.

The Company proposes to issue further capital of Rs. 60 lakhs in 30,000 equity shares of Rs. 100 each and 30,000 9.3 percent redeemable cumulative preference shares of Rs. 100 each. The shares will be offered to the existing shareholders as rights. The issue is subject to the sanction of the Controller of Capital Issues. The additional finance is required for implementing the expansion programme which the Company has on hand. It is stated that an agreement has been reached with a bank for a long-term loan of Rs. 50 lakhs. Arrangements are being made with Siemens Schuckertwerke A.G., West Germany, and Siemens Engineering and Manufacturing Company of India Ltd for foreign exchange requirements.

Kirloskar Electric Fares Well

KIRLOSKAR Electric Company Ltd, Bangalore, reports satisfactory results for the year ended June 1963, with the gross profit showing an impressive rise of 50 percent from Rs. 48.79 lakhs to Rs. 72.94 lakhs. The dividend, however, has been reduced from 12 percent to 10 percent. It is not merely that the dividend for 1962-63 is on the increased capital following the bonus issue, but the net profit itself is lower because of the substantially larger provision for taxation which is in part due to the bonus issue. The provision for income tax and super profits tax has been raised from Rs. 24 lakhs to Rs. 31.25 lakhs, and the directors have had to provide, in addition, a sum of Rs. 16.15 lakhs for super profits tax for 1962-63 and 1961-62.

After allowing for the income tax liability and providing Rs. 13.85 lakhs (against Rs. 9.43 lakhs) for depreciation, the net profit for 1962-63 amounts to Rs. 11.59 lakhs, against Rs. 15.36 lakhs in the preceding year. Allocation to the general reserve has been reduced from Rs. 6.88 lakhs to Rs. 4.25 lakhs, but the provision for rehabilitation and modernisation reserve has been raised from Rs. 1.25 lakhs to Rs. 2 lakhs. Allocation to the loan redemption reserve has been maintained at Rs. 1 lakh, but no provision has been made for dividend equalisation reserve and deferred taxation reserve which received Rs. 1 lakh and Rs. 50,000, respectively, in the preceding year. After transferring Rs. 1.78 lakhs from provisions no longer required, the directors have transferred Rs. 6.14 lakhs to the dividend reserve out of which is to be paid the proposed 10 percent dividend. After making various appropriations, there remains a modest sum of Rs 578 to be carried forward, against Rs. 2,192 brought in.

Bharat Steel Tubes to Raise Capital

BHARAT Steel Tubes Ltd which proposes to set up a tube mill in Ganaur (Punjab) in technical and financial collaboration with Abbey Etna Machine Company, Ohio, U.S.A., will soon be in the market to raise through public subscription Rs. 72.90 lakhs made up of Rs. 42.90 lakhs in equity shares of Rs. 10 each and Rs. 30 lakhs in 9.3 percent redeemable cumulative preference shares of Rs. 100 each. The proposed tube mill will have an installed annual capacity of 36,000 tons of steel tubes and pipes of varying sizes—1.5 inches to 6 inches diameter—on a single shift basis. The factory is already under construction and if all goes well, it is likely to go into production during the third quarter of 1964.

The project, it is estimated, will cost about Rs. 3 crores which will be met partly by the share capital of Rs. 1.50 crores and long-term loans from well-known financial institutions. The Company, it is said, has secured a long-term loan of Rs. 1.30 crores from the Industrial Finance Corporation of India and Rs. 25 lakhs from the Agency for International Development, U.S.A. The Company has been licensed to import capital goods worth Rs. 1.41 crores. The issued capital of the Company consists of Rs. 1.20 crores in equity shares and Rs. 30 lakhs in preference shares. Out of the equity capital, shares worth Rs. 30 lakhs are being taken up by the promoters, directors and their friends. The U.S. firm which is collaborating in the venture is taking up equity shares of the value of Rs. 47.10 lakhs. The remaining equity shares worth Rs. 42.90 lakhs and preference shares worth Rs. 30 lakhs, it is proposed, will be offered for public subscription. The entire public issue has been underwritten.

Cauvery Sugars Pays the Same

THE working of the Cauvery Sugars and Chemicals for the year ended June 1963, shows a small setback in the gross profit from Rs. 11.18 lakhs to Rs. 10.55 lakhs. The dividend has been maintained at 6 percent. The provision for taxation including allocation to the taxation equalisation reserve, is substantially lower at Rs. 1.31 lakhs, against Rs. 6.35 lakhs, but the amount set aside for development rebate is higher at Rs. 1.27 lakhs, against Rs. 14,000. Preliminary expenses written off amount to Rs. 3 lakhs, against Rs. 1 lakh. General reserve gets Rs. 1 lakh, against nil in the preceding year. Preference dividend absorbs Rs. 1.56 lakhs (the same) and equity dividend accounts for Rs. 2.40 lakhs (the same). After making various appropriations, there remains a sum of Rs. 3,114 to be carried forward.

Prestolite Factory to Start Production Soon

PRESTOLITE of India's factory in Faridabad, it is expected, will go into production in January 1964. The building has already been completed, and most of the machinery and equipment have been installed. The Company proposes to manufacture a wide range of automotive electrical equipment such as condensers, regulators, horn relays, solenoids, S.P. cleaners, rotors, contact points, ignition cables, ignition coils, horns, lamps, governors, windscreen wiper assembly, etcetera. The indigenous content of these products which will be about 50 percent in the initial stages would gradually increase to about 75 percent within two years.

The production will be supervised and directed by engineers trained at the plant of Electric Autolite Company of the U.S.A. which is one of the largest manufacturers of electric automotive products in the world. Prestolite has received additional industrial licence for the manufacture of 50,000 pieces each of distributors and windscreen wipers. Production of these two items, which is expected to start towards the end of 1964, is likely to result in a saving of about Rs. 1 crore in foreign exchange a year. For its expansion programme, the Company has already secured a loan of Rs. 10 lakhs from the Punjab Financial Corporation, and hopes to receive another loan of Rs. 10 lakhs from the same source.

New Savan Sugar Passes Dividend

THE New Savan Sugar and Gur Refining Co. Ltd has passed the dividend for the year ended May 1963, since it has earned a small net profit. The net profit amounts to only Rs. 9,317, against Rs. 1.06 lakhs for 1961-62, after providing Rs. 1.09 lakhs (against Rs. 1.31 lakhs) for depreciation. Taxation absorbs Rs. 6,800 (against Rs. 66,000) and development rebate reserve Rs. 5,670 (against Rs. 4,500). The carry-forward is Rs. 321, against Rs. 3,474 brought in.

The sugar output declined from from 101,291 quintals to 50,522 quintals. There was a shortage of cane, since a large part of it was diverted to the production of *gur* and *khandsari*. The directors consider the prospects for 1963-64 not encouraging. The production incentive in the form of a rebate in the excise duty is not likely to be helpful. But the condition of the current crop is satisfactory. The area under cane cultivation has increased by about 10 percent. The Company has applied to the Government for expanding the capacity to 1,500 tons a day. The Company has also requested the Government to help it in relation to rehabilitation, expansion and modernisation.

Bengal Rolling Mills Earns More

THE profit of the Bengal Rolling Mills Ltd has increased from Rs. 2.71 lakhs for 1961-62 to Rs. 3.51 lakhs for the year ended April 1963, after transferring Rs. 2.27 lakhs (against Rs. 1.61 lakhs) to depreciation and Rs. 9,164 (against Rs. 1.17 lakhs) to development rebate reserve. A taxable ordinary dividend of 18 percent has been paid, absorbing Rs. 91,350. Contingencies reserve is allocated Rs. 1.70 lakhs, out of which the tax liability for 1962-63 will be met. A sum of Rs. 1.85 lakhs (against Rs. 60,000) has been transferred to general reserve, leaving a carry-forward of Rs. 37,474, against Rs. 7,434 brought in. The directors say in their report that the full capacity has not been used because of the shortage of steel billets. The Company proposes to install a wire rod mill. The licence for importing equipment has been obtained and the new venture may be completed next year.

W. S. Insulators of India

THE foundation-stone for the factory of W. S. Insulators of India Ltd has been laid near Madras city. It is proposed to manufacture electro-porcelain articles for electrical transmission and distribution systems in collaboration with Westinghouse of the U.S.A. Since insulators have largely been imported so far,

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the production of the Company will help save foreign exchange. The factory will have its own grinding plant. It is proposed to build a high tension testing station at a cost of about Rs. 25 lakhs. The Company has recently offered its shares for public subscription.

Asher Textiles Earns More but Pays Less

IN spite of an increase of about 12 percent in the gross profit from Rs. 11.75 lakhs to Rs. 13.16 lakhs, the directors of Asher Textiles Ltd have reduced the dividend for the year ended June 1963 from 15 percent to 12½ percent. This seems to be due mainly to the larger provision for taxation. After providing Rs. 3.67 lakhs (against Rs. 3.56 lakhs) for depreciation and Rs. 5.55 lakhs, including Rs. 1.70 lakhs for super profits tax (against Rs. 3 lakhs) for taxation, the net profit for 1962-63 amounts to Rs. 3.15 lakhs, against Rs. 4.39 lakhs in the preceding year. The provision for development rebate reserve has been reduced from Rs. 93,000 to Rs. 60,000 for general reserve from Rs. 75,000 to Rs. 30,000 and that for gratuity reserve from Rs 50,000 to Rs. 20,000. The directors have provided Rs. 23,703 for donations and charity and Rs. 42,368 for bonus relating to earlier years. The proposed dividend absorbs Rs. 1.50 lakhs, against Rs. 1.80 lakhs, leaving a sum of Rs. 9,861 to be carried forward against Rs. 21,462 brought in. The directors state in their report that the Company's working results during the year were affected by high cost of cotton, stores, lubricants, etcetera. Rationalisation has been introduced in the spinning department and the modernisation and expansion of the existing power house of the mills is expected to be completed shortly. The Company exported yarn to the tune of Rs. 10.89 lakhs during 1962-63. It undertook obligations of other mills to the extent of Rs. 6.55 lakhs, against the receipt of premium of Rs. 67,327 from such mills.

Waterfall Estates Maintains

THE directors of Waterfall Estates Ltd have maintained the dividend at 10 percent for the year ended June 1963. Shareholders will be disappointed because the Company has not announced even a token rise in the dividend following a higher profit for the year, compared with that of the previous year. Out of the profit, a sum of Rs. 2.50 lakhs has been transferred to general reserve. According to the preliminary figures, the net profit amounts to Rs. 7.22 lakhs, after providing Rs. 8 lakhs for taxation, Rs. 24,800 for development rebate and Rs. 2.58 lakhs for depreciation. The previous year's net profit was Rs. 5.26 lakhs, after providing Rs. 5,08,550 for taxation Rs. 49,908 for development rebate and Rs. 2.20 lakhs for depreciation.

New Cement Venture in Maharashtra

PLANS are well under way for setting up a cement plant in Yeotmal. This will be the first cement unit to come up in the Maharashtra State. The plant will have an annual capacity of 400,000 tonnes and it is estimated to cost about Rs. 6 crores. The project has been sponsored by the State Government in collaboration with the Maharashtra Industrial Development Corporation, the Cement Agencies Ltd, which are the managing agents of the Associated Cement Companies, and M. L. Dhanukar and Co. A new company is being floated to implement this project. The company will have an authorised capital of Rs. 10 crores. The issued capital will be Rs. 6 crores and subscribed capital Rs. 3 crores

The Company will raise Rs. 1.50 crores by way of public subscription. Of the remaining Rs. 1.50 crores, 26 percent will be taken up by the Maharashtra Industrial Development Corporation and 24 percent is likely to be provided by Cement Agencies and Dhanukar. The remaining Rs. 3 crores of the capital outlay is to be secured through loans from the Industrial Finance Corporation, I.C.I.C.I. and the Life Insurance Corporation. The M.I.D.C. will assist the company in getting land, water and power Technical assistance will be provided by the A.C.C. The initial geological survey work will be taken up immediately and the production of cement will start in 1966-67.

Blue Mountain Estates Repeats

THE directors of the Blue Mountain Estates and Industries Ltd have maintained the dividend at 10 percent for the year ended June 1963. The dividend was in keeping with the market's expectations, although the diversification of the Company's interest in the fertiliser manufacture led some market men to expect a slightly higher dividend.

The striking feature of the working figures of the year and the appropriations is the larger provision for depreciation and taxation. This has resulted in a substantially lower net profit for the year, compared with the previous year. The directors have maintained the dividend at 10 percent in spite of lower profit by transferring Rs. 2.50 lakhs from dividend equalisation reserve. According to the preliminary figures, the net profit of the Company amounts to Rs. 5.79 lakhs, after providing Rs. 9.03 lakhs for depreciation, Rs. 6.50 lakhs for taxation and Rs. 1.53 lakhs for development rebate. The previous year's net profit was Rs. 8.19 lakhs, after providing Rs. 2.03 lakhs for depreciation, Rs. 4.24 lakhs for taxation and Rs. 2.30 lakhs for development rebate.

Somasundaram Paper to Enter Market

A NEW Company under the name of Somasundaram Paper Mills Ltd, with its registered office in Madras, is expected to enter the market shortly with a capital issue. It has been granted a licence by the Government to establish a new industrial undertaking with an installed capacity of 10 tons a day of writing and printing paper. The main object of the Company is to carry on the business of manufacture of paper and cardboard of all kinds from any suitable material as also paper pulp, wood pulp, straw pulp, bamboo pulp and all fibrous pulps. The factory is proposed to be set up in Pattukottai Taluk, Tanjore district, Madras State.

The factory's basic raw material is rice straw, and plentiful supplies of straw are assured as rice is cultivated intensively and extensively throughout the district of Tanjore. The annual capacity of the plant will be 3,000 tons of paper and pulp. The capital outlay of the project is placed at Rs. 40 lakhs.

Out of this, Rs. 25 lakhs will be met through the issue of capital and the balance will be raised through borrowings. The board of directors consists of industrialists and business men, already connected with various industrial enterprises in the south. The authorised capital of the Company is Rs. 50 lakhs, of which Rs. 35 lakhs is in the form of equity shares of Rs. 10 each and Rs 15 lakhs in the form of 9.5 percent preference shares (subject to deduction of tax). The issued capital is Rs. 25 lakhs, Rs. 20 lakhs in equity capital and Rs. 5 lakhs in preference shares. The subscribed and paid-up capital is Rs. 66,430. The present issue is for Rs. 19,33,570 in equity shares and Rs. 500,000 in preference shares. Excluding Rs 7,33,570 which the directors propose to subscribe in equity shares, the public issue will be for Rs. 17 lakhs, at par, consisting of Rs. 12 lakhs in equity shares and Rs. 5 lakhs in preference shares.



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Rajesh Textiles Cuts Dividend

THE Rajesh Textiles Ltd has reduced the dividend for the year ended June 1963 from 14 percent to 9 percent. The cut appears to have been necessitated by the fall in the net profit following larger provisions for depreciation and taxation. The gross profit is only slightly lower at Rs. 40.25 lakhs, against Rs. 41.76 lakhs in 1961-62. After providing Rs. 11.01 lakhs (agains Rs. 9.90 lakhs) for depreciation and Rs. 15.37 lakhs (against Rs. 13.54 lakhs) for taxation, the net profit amounts to Rs. 11.47 lakhs, against Rs. 16.72 lakhs in the preceding year. Provision for development rebate has been reduced from Rs. 3.90 lakhs to Rs. 3.47 lakhs and the allocation to general reserve is also lower at Rs. 3.50 lakhs, against Rs. 5.50 lakhs. The proposed dividend absorbs Rs. 4.46 lakhs (against Rs. 6.94 lakhs), leaving a sum of Rs. 41,527 to be carried forward, against Rs. 37,726 brought in.

Polyester Fibre from Indian Produce Export

THE Indian Produce Export Corporation of Madras proposes to set up a plant in Ponneri (Madras) for the manufacture of polyester fibre. The reputed U.S. firm of Von Kohorn Universal Corporation is collaborating in the venture; it will provide the technical know-how and also participate in the capital of the Indian firm. The proposed plant will have an annual capacity of 2 million kilograms of polyester fibre and the project is esiimated to cost about Rs. 3.5 crores. The factory, it is claimed, will be the first of its kind in the country. Polyester fibres are made from compounds derived from petroleum. The raw materials required for the manufacture of polyester fibre are ethylene glycol and and dimethyl terephthalate and these will have to be imported from abroad until such time as they are produced by the refineries in India. The project will provide the basis for long-range industrial development in other petro-chemicals, especially those utilising methanol and also auxiliary industries based on the polyester industry. Polyester fibre has been popularised in India by the Imperial Chemical Industries under the trade mark "terylene".

Nonsuch Tea Estates Pays the Same

IMPROVED crops and lower production costs have combined to produce higher gross earnings, despite lower price realisation, for the Nonsuch Tea Estates Ltd for the year ended June 1963. But the net profit after taxation is lower, when compared with that of the previous year, as the total provision for taxation including the provision for super profits tax is higher than that of the previous year by about Rs. 2.4 lakhs. The total dividend for the year is maintained at 20 percent (the same).

The net profit for the year amounts to Rs. 7,84,932, after providing for depreciation and all other expenses and also after providing Rs. 8,77,600 for taxation which includes a provision of Rs. 1,10,600 for super profits tax This compares with the previous year's net profit of Rs 7,85,474, after providing Rs. 6,38,000 for taxation. With the amount of Rs. 44,424 brought forward and with Rs. 5,600 being provision for sales tax no longer required, the total surplus available for appropriation comes to Rs. 8,34,956. Out of this, a sum of Rs. 100,000 is transferred to development reserve (against Rs. 100,000). Development rebate accounts for Rs. 14,438 (against Rs. 10,826). Contingency reserve gets Rs. 1,25,000 (against Rs. 1,75,000). Provision for super profits tax for the year ended June 1962 amounts to Rs. 88,000. Taxation relating to previous years amounted to Rs. 13,605. The balance bonus for 1961-62 amounted to Rs. 3,476. The interim dividend of 5 percent has absorbed Rs. 1,15,500. The proposed final dividend of 15 percent will absorb Rs. 3,46,500. A sum of Rs. 28,437 is carried forward.

The total tea crop for the year amounted to 729,106 kilograms, compared with 621,193 kilograms for the previous year. The cost of production a kilogram amounted to Rs. 2.68 a kilogram, against Rs. 2.97 a kilogram. The net price realised amounted to Rs. 2.92 a kilogram, against Rs. 3.01 a kilogram. The estimated tea crop for 1963-64 is put at 570,000 kilograms at a cost of Rs. 3.37 a kilogram. The capital expenditure during the year amounted to Rs. 1,86,474. The proposed capital expenditure for 1963-64 is Rs. 1,71,400.

Mysore Tobacco Maintains Dividend

THE working of the Mysore Tobacco Co. Ltd for the year ended March 1963, has resulted in a net profit of Rs. 2,39,756, after providing Rs. 84,382 for depreciation and Rs. 2,42,000 for taxation. The previous year's net profit was Rs. 1,09,192, after providing Rs. 81,454 for depreciation and Rs. 1,11,000 for taxation. With the amount of Rs. 20,645 brought forward, the total available for appropriation comes to Rs. 2,60,401. Out of this, provision for super profits tax comes to Rs. 58,000. A sum of Rs. 36,000 is transferred to reserve for employees retiring gratuity (against nil). A sum of Rs. 65,000 is transferred to dividend equalisation reserve (against nil). The dividend of 10 percent (the same) absorbs Rs. 100,000. The balance of Rs. 1,401 is carried forward.

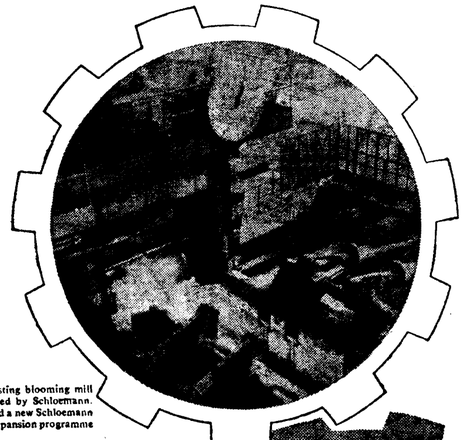
The Company acquired 6,844,477 kilograms of green leaf from a planted area of 3,970 acres, compared with 3,351,418 kilograms obtained from 3,718 acres in the previous year. The quantity of cured leaf acquired was 354,579 kilograms, against 360,953 kilograms in the previous year. The Company exported 161,870 kilograms of tobacco, against 136,729 kilograms in the previous year.

Arthur Butler Fares Well

ARTHUR Butler and Co. (Mozufferpore) Ltd has produced satisfactory results for the year ended December 1962. The profit has improved from Rs. 35,972 to Rs. 8.31 lakhs, after transferring Rs. 2.45 lakhs (against Rs. 1.83 lakhs) to depreciation and Rs. 52,140 (against Rs. 49,640) to development rebate reserve. The directors have declared

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a taxable ordinary dividend of 10 percent to absorb Rs. 60,000. The yield amounts to 6.7 percent at the present price of Rs. 14.94 a share of Rs. 10 each. The dividend was passed for 1961. General reserve absorbs Rs. 3 lakhs (against Rs. 65,429) and taxation Rs. 2.75 lakhs. Income tax for earlier years has been allocated Rs. 38,676. The carry-forward is Rs. 4.14 lakhs, against Rs. 3.78 lakhs brought in.

The Company has produced several new types of petrol tank wagons, but the directors have mentioned that the working has been adversely affected by heavier electric and gas charges. Transport costs for bringing raw materials to the factory have been considerable. They also think that the prospect for the current year may not be as satisfactory as it was in 1962.

Kalpetta Estates Earns More

A RISE in the profit and a dividend of 11¼ percent on the increased capital necessitating a slightly higher outlay on the dividend, feature the working results of the Kalpetta Estates Ltd for the year ended April 1963. The profit for the year, before taxation, amounts to Rs. 3,55,698.72, compared with the previous year's profit of Rs. 1,78,053. With the amount of Rs. 1,965.42 brought forward, the total available for appropriation comes to Rs. 3,57,664.14. Out of this, provision for taxation is higher at Rs. 1,75,000 (against Rs 80,000). A sum of Rs. 2,500 is transferred to reserve for development rebate (against nil). Rubber replanting reserve gets Rs. 10,000 (against nil). A sum of Rs. 30,000 is transferred to dividend equalisation reserve (against nil).

The equity dividend of 11¼ percent on the increased capital (against 12½ percent on the old capital), amounts to Rs. 1,35,000 (against Rs. 100,000). The balance of Rs. 5,164.14 is carried forward. The tea crop for the year amounted to 180,858 kilograms, against 161,000 kilograms. The yield per acre amounted to 619 kilograms, against 551 kilograms. The cost of production was lower at Rs. 2.89 a kilogram, against Rs. 3.26 a kilogram. But the average price realised was lower at Rs. 4.07 a kilogram, against Rs. 4.38 a kilogram. The rubber crop amounted to 218,091 kilograms, against 154,112 kilograms. The tea crop for 1963-64 is estimated at 170,000 kilograms at a cost of Rs. 3.06 a kilogram. The rubber crop is estimated at 200,000 kilograms. The cardamom crop for the year amounted to 12,523 kilograms, against 7,829 kilograms. The estimated cardamom crop for 1963-64 is put at 13,000 kilograms. The production of tea and rubber during the current year has been satisfactory, it is stated. Prices that are being obtained in the current season are also better. The directors say that new planting in both rubber and cardamom is going forward according to programme.

New Capital Issues

SIX companies have been authorised to raise capital totalling Rs. 16.80 crores. They include two Central Government undertakings and one private in which both the Centre and a State have shares. Two companies are issuing preference shares plus equities, three are issuing equities and one debentures. One company is offering part of its shares for public subscription. One of the companies is a daily newspaper. The consent of the Controller of Capital Issues is valid for 12 months in all cases. The following are the details:

Madras Tube Company Ltd, Madras, has been given consent to issue capital of Rs. 25 crores, divided into 949,300 equity shares of Rs. 10 each and 30,000 preference shares of Rs. 100 each, to be issued for cash at par. Of these, shares of the value of not less than Rs. 61.25 lakhs will be offered for public subscription. The proceeds will be used for setting up a new undertaking for the manufacture of welded steel tubes.

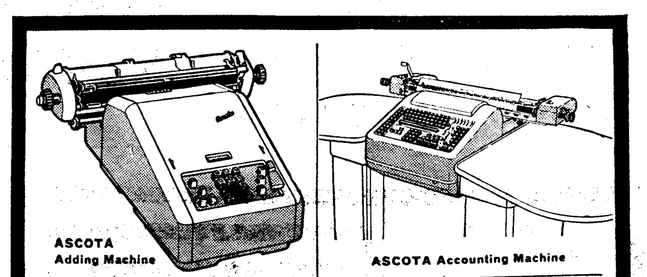
Hindustan Times Ltd, New Delhi, is to issue capital of Rs. 1.20 crores in debentures of Rs. 1,000 each carrying an interest not exceeding 7½ percent. This is in supersession of an earlier issue. The proceeds of the issue will be used for the construction of its own building.

Usha Spinning and Weaving Mills Ltd, Delhi, is raising further capital of Rs. 35 lakhs divided into preference shares of the value of Rs. 13 lakhs and equity shares of the value of Rs 22 lakhs. The capital is required for the installation of additional 13,000 spindles at the Company's spinning mill in Badarpur (Punjab).

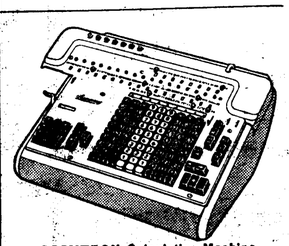
Indian Drug and Pharmaceuticals Ltd, Delhi, a Central Government undertaking, is to issue further capital of Rs. 3 crores divided into 30,000 equity shares of Rs. 1,000 each for cash at par. The money will be used for establishing drugs and surgical plants.

National Coal Development Corporation Ltd, Ranchi, a Central Government undertaking, is to issue further capital of Rs. 10 crores divided into 100,000 equity shares of Rs. 1,000 each to be issued for cash at par. The new capital will be used for increasing the Corporation's production.

The Singareni Collieries Company Ltd Hyderabad, a Government company, is issuing capital of Rs. 1 crore divided into 1 million equity shares of Rs. 10 each to be subscribed privately at par. The money will be used for financing the expansion programme of the Company.



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BOOKS RECEIVED

Contractual Saving in Urban India. (Published by V. G. K. Thathachary, Publications Division, National Council of Applied Economic Research, New Delhi 1. Price Rs. 7.50, pages 120.)

Agricultural Income by States. 1960-61. (Published by V. G. K. Thathachary, Publications Division, National Council of Applied Economic Research, New Delhi. Price Rs. 6, pages 88.)

Coal and Steel, Annual Number 1963. (Edited by B. M. Chatterjee and published by K. R. Banerjee for *Coal and Steel*, Ranchi. Pages 104.)

The Stock Markets

PRICES REACT: BANKING BILL INDUCES CAUTION

Wednesday Evening.

THE modest reaction in the Calcutta stock market towards the close of the past week has been welcomed as a corrective to the sharp rise which had taken place earlier. Operators have been inclined to lighten their commitments and take their profit before the Lok Sabha opens for its winter session next Monday.

Considering that the falls have been much less than the earlier rises, the trend is likely to be softer. Lyons Range is inclined to take a cautious view of the Banking Companies Amendment Bill, which is likely to be introduced in the coming session of the Lok Sabha. There is no doubt that more stringent measures will be taken to regulate the working of banks in the private sector. Investors might well be advised to wait until the details of the amendments become available.

An important factor contributing to the caution is the prospect that the Life Insurance Corporation may undertake general insurance business. Apart from the fact that it will automatically get a large part of the general insurance business, particularly from public-sector and Government-controlled enterprises, there may be intense competition if the premium rates are cut. The recent meeting of the National Development Council in New Delhi has been a big disappointment in that its deliberations have been fruitless. Except for issuing empty exhortations and platitudes, it has shown no keenness to deal with economic problems in a realistic way. Rumours that the banking community has been seriously discussing measures to prevent commercial houses from taking public deposits, have called for caution. If the flow of funds into industries is interrupted, the benefits of a more liberal credit policy announced by the Reserve Bank for the 1963-64 busy season may be offset to a great extent.

The earlier buoyancy resulted largely from the decision of some leading companies to issue bonus shares by capitalising reserves. Since the bonus share tax will be considered as a deduction for computing the super profits tax, the tendency may continue.

Indian Iron have retreated on profit-taking. Among engineering shares, Guest, Keen, Williams, Burn, Jessop and Texmaco have been in the limelight, although they have closed below their best levels. In cotton mills, Elgin, Dunbar, Bowreah and Jay Shree Textiles have attracted attention. The move to allow the mill sector to expand production by increasing spindles and looms has had a good effect. The prospect of an abundant supply of raw cotton during the current year has also helped the steadiness. J. K. Rayon have, nevertheless, reacted on profit-taking. Coal shares have been sluggish and stray business in Burrakur, Equitable, Amalgamated and Central India has been transacted.

Turnover in miscellaneous shares has increased appreciably and prices have improved all-round. Profit-taking has pared top prices towards the close. All clearing scrip have been in the fore. Indian Cable in particular have risen smartly on hopes of a bonus share issue. Associated Battery have gained considerably due to the shortage of sellers. Interest has been taken in Indian Oxygen. Electric company shares have been neglected and stray business in Calcutta Electric has been done. In bank shares, United Commercial have been active. Among managing agency shares, Martin Burn have been fully steady. In insurance companies, Ruby General have gained. Paper shares have generally been supported on hopes of a rise in the price of the commodity. Orient, Sirpur, Titaghur, Seshasayee, Bengal and Indian Paper Pulp have gained. Among sugar shares, Dyer Meakin Breweries have met with support.

Despite support for selected jute shares, investors have been cautious due to the slow offtake of jute goods by foreign countries. There has also been a decline in the prices of gunnies, while the fibre prices have shown an upward trend. Birla, Barnagore, Union, Northbrook, Howrah and Kamarhatty have been transacted. New Central have gained on producing good results. Scattered support has been extended to selected Assam and Dooars tea gardens. The increase in the north Indian crop in October has been welcomed. Jaibirpara, Betjan, Tezpore and Hasimara have been prominent.

Government securities have been quietly steady but turnover has been limited. The prices of short- and medium-dated stocks have been steady, although institutional support has declined. The 3 percent Conversion loan 1986 has closed around Rs. 65.60.

Bombay

GENERAL FALL IN SHARE PRICES

L.I.C. SALES AFFECT SENTIMENT

Wednesday Evening.

THE Bombay stock market has shown an easier trend during the past week. Except for one or two selected scrip which have hardened on influential support, share prices have generally weakened on a broad front on long liquidation. Rumours that the Life Insurance Corporation also sold some shares were considered an additional factor. Operators have generally been inclined to take profits at the present high prices. They have considered it expedient to lighten their commitments in view of the Lok Sabha session which opens next Monday. Pressure has also stemmed from weak holders. There has nevertheless been no great selling pressure, and all offerings have been absorbed without difficulty. Although the delivery of shares has increased at the past settlement, the technical position is believed to be fairly healthy.

Dalal Street has been somewhat upset by reports that commercial

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banks may soon take steps to discourage business houses from taking public deposits. It is claimed by the banking community that such deposits have largely contributed to the sharp decline in bank advances during the 1963 slack season, and, as a result, the profitability of banks has suffered. Although the decision to allow the mill sector to expand production by increasing their spindles and looms has been welcomed, the industry has been disturbed by the possibility that there will be no increase in cloth prices in the present circumstances.

Tata Steel ordinary have closed at Rs. 148.25. Among engineering shares, Tata Locomotive have been steady. Cooper Engineering have been maintained on increasing the taxable ordinary dividend. Larsen and Toubro, Alcock Ashdown and Mukand Iron have met with support. In motor-vehicle shares, Hindustan Motors have been active, while Premier Automobiles have been sluggish.

Century have been an outstanding feature in the cotton mill section, although the price of the scrip has reacted somewhat towards the close. Interest has been taken in Bombay Dyeing, Khatau, Morarjee, Standard and Kohinoor. India United ordinary and Simplex have been steady. Sugar shares have been prominent in the miscellaneous section. Investors have been inspired by the prospect of higher production during the current season. Belapur, Phalton and Walchandnagar Industries have gained.

In cement shares, Associated have reacted, after an earlier improvement, due to the reiteration by the Company that it would not issue any bonus shares for the time being. Digvijay Cement have been steady. Mining shares have been neglected, and Shivrajpur Syndicate have been freely sold. Steamship company shares have been buoyant on prospects of improved freight earnings. Scindia have gained. Great Eastern Shipping have been bought due to the issue of bonus shares in the proportion of one new share for every two held.

Chemical shares have been steady. Tata Chemical have met with support on hopes of further expansion. Among rayon shares, National Rayon have gained smartly. Gwalior Rayon have been steady. Business in cash shares has declined considerably.

In banks, Central Bank have improved due to the decision to issue rights shares. Among insurance shares, New India Assurance have fallen on the prospect that the Life Insurance Corporation might enter the field of general insurance. Electric company shares have been steady, and scattered business has passed in Ahmedabad and Tata Hydro.

Madras

POOR BUSINESS IN CLEARING SCRIP

SELECTIVE SUPPORT FOR STATE LOANS

Tuesday Evening.

THE Madras stock market has reacted during the past week due to easier advices from Dalal Street. Support from outside sources has declined, so business in clearing scrip has been negligible. Investors have turned cautious on reports that the Banking Companies Amendment Bill will be introduced during the winter session of the Lok Sabha. It has been rumoured that banks would be subjected to greater controls by the Reserve Bank.

Government securities have been steady and turnover has centred on selected State Government loans. In electric companies, Tinnevelley-Tuticorin have been transacted around Rs. 14. Sugar shares have generally been steady on prospects of bigger production during the current season. Deccan have been prominent at Rs. 12.55. Business has passed in E.I.D. at Rs. 37.95. Scattered support has been extended to Mysore and Kothari.

Turnover in planting shares has declined considerably, although prices have been more or less maintained. Blue Mountain have been transacted at Rs. 2.67 and Cochin Malabar at Rs. 6.20. Consolidated Coffee have come to hand at Rs. 21.85 and Ouchterlony at Rs. 4.65. Business has passed in Periakaramalai at Rs. 3.44 and in Be Be Rubber at Rs. 2.27. Bababudin have declared a taxable ordinary dividend of 6 percent and Cowcoody a taxable ordinary dividend of 17.5 percent.

Cotton mill shares have been dull and the trend has been softer. South India Viscose have slipped back to Rs. 147.25 and Travancore Rayon to Rs. 27.60. Lakshmi have been transacted at Rs. 135.50 and Madura at Rs. 34. Buckingham have been taken at Rs. 273 and Rajalakshmi at Rs. 96.50.

Among miscellaneous industries, Aluminium Industries have been steady up to Rs 19.75, while Ashok Leyland have been available down to Rs. 7.4. Cement shares have generally been steady. Dalmia Cement have been transacted at Rs. 13.10 and India Cement at Rs. 5.70. Mettur Chemical have been bought up to Rs. 13.30, but F.A.C.T. have been sold down to Rs 6.43 Seshasayee Paper have hardened to Rs. 8.10 and Parry's Confectionery to Rs. 3.37. Radio and Electrical have been active and quoted at Rs. 3.82. Business in Textool have been done at Rs. 147 and in W. I. Plywoods at Rs. 235. Indian Steel Rolling have been available at Rs. 10.35 and Tube Investment at Rs. 213.

THE WEEK'S TRANSACTIONS

[In the following list of stocks and shares in which transactions have taken place during the past week, the figures indicate Opening Quotations, Highest for the week, Lowest for the week, Closing Quotations and Quotations for the corresponding Closing Date a Year Ago. The last-named is shown in parentheses and will not be given where such a quotation is not available.]

CLEARED SECURITIES

Birla Jute—Rs. 33/62—34/62—33/50—34/12—(30/37).
Burrakur Coal—Rs. 17/19—18/00—17/06—18/00—(16/12).
Dunlop Rubber—Rs. 37/87—39/62—37/87—39/12—(36/37).
Guest, Keen, Williams—Rs. 41/75—43/50—41/75—43/25—(34/87).
Hindustan Motor—Rs. 19/78—20/16—19/50—19/81—(16/50).
Howrah Jute—Rs. 18/62—20/12—18/56—20/12—(19/06).
Indian Aluminium—Rs. 39/00—41.12—38/37—39/75—(32/50).
Indian Copper—Rs. 3/66—3/70—3/60 S.T.—3/66—(4/28).
Indian Iron—Rs. 25/20—25/62—24/98—25/38—(23/30).
Indian Cable—Rs 38/00—42/12—38/00—41/37—(34/50).
J. K. Cotton—Rs. 13/31—13/50—13/09—13/25—(14/50).
Jaipur Udyog—Rs. 12/50—12/81—12/50—12/62—(11/12).
Kesoram Industries—Rs. 27/37—28/87—27/25—28/60—(22/25).
Orient Paper—Rs. 39/75—41/20—39/70—40/70—(36/20).
Orissa Cement—Rs. 15/69—15/87—15/37—15/56—(15/31).
Rohtas Industries—Rs. 13/78 x.d.—14/25—13/65—14/00—(12/00).
Shree Gopal Paper—Rs. 25/75 x.d.—26/60—25/75 x.d.—26/62—(23/25).
Textile Machinery—Rs. 28/25—28/90—28/15—28/55—(20/00).

GOVERNMENT SECURITIES

2½ Loan (1926)—Rs. 65/60—65/60—65/60—65/60.
3 % „ (1964)—Rs. 99/40—99/40—99/40—99/40.
2½ Govt. Paper—Rs. 63/00—63/00—63/00—63/00
3 % Loan (1966-68)—Rs. 97/85—97/85—97/85—97/85.
3 % „ (1970-75)—Rs. 90/00—90/00—90/00—90/00.
3½ % „ (1967)—Rs. 99/15—99/15—99/15—99/15.
3½ % „ (1969)—Rs. 97/05—97/12—97/05—97/12.
3½ % „ (1964)—Rs. 99/85—99/85—99/85—99/85
4 % Andhra (1969)—Rs. 99/35—99/35—99/35—99/35.
4 % Loan (1969)—Rs. 99/50—99/60—99/50—99/60.
4 % „ (1979)—Rs. 98/15—98/15—98/15—98/15.
4 % „ (1972)—Rs. 99/40—99/40—99/40—99/40.
4½ % „ (1973)—Rs. 100/00—100/00—100/00—100/00.
4½ % Orissa (1974)—Rs. 98/90—98/90—98/90—98/90.
4½ % Loan (1986)—Rs. 100/05 S.T.—100/05—100/05.
4½ % Madras (1974)—Rs. 98/90—99/00—98/90—98/95.
4½ % Orissa (1972)—Rs. 99/55—99/55—98/55—98/55.
4½ % U.P. (1974)—Rs. 98/75—98/75—98/75—98/75.

RAILWAY

Dehri Rohtas—Rs. 13/00—13/12—13/00—13/12.

BANKS

Punjab National—Rs. 19/25—19/25—19/25—19/25—(20/62).
United Bank of India (Rs. 10 paid)—Rs. 7/81—7/81—7/69—7/69—(7/62).
United Commercial—Rs. 73/50—76/00—73/00—75/00—(80/00).

COTTONS

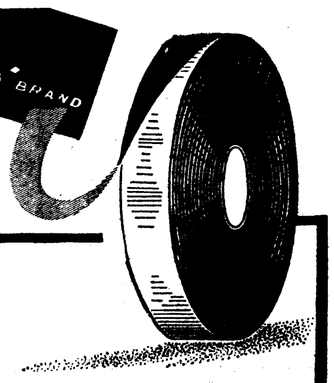
Basanti—Rs 13/75—13/75—13/69—13/69—(9/19)
Bengal Nagpur—Rs. 3/25—3/25—3/25—3/25—(3/25).
Bharat Commerce—Rs. 25/75—26/00—25/75—26/00—(25/87).
Bowreah—Rs. 26/37—26/62—25/94—26.12—(25/06).
Cawnpore—Rs. 7/62—7/81—7/62—7/81—(7/06).
Dunbar—Rs 30/44—30/44—30/44—30/44—(27/37).
Elgin—Rs. 23/31—23/56—23/12—23/44—(19/50).
Jay Shree—Rs. 16 87—17/12—16/50—16.69—(16/25).
New Victoria—Rs. 1/53—1/66—1/50—1/60—(1/37).
Do (Pref.)—Rs. 2/87—3/00—2/87—3/00.
Swadeshi (Pref.)—Rs. 69/50—69/50—69/50—69/50—(69/50.
Shree Madhusudan—Rs. 12/00—12/00—12/00—12/00.

COALS

Amalgamated—Rs. 26/00—26/00—26/00—26/00—(22/12).
Associated Laikdih—Rs. 6/00—6/00—6/00—6/00.
Bharat—Rs. 3/62—3/69—3/53—3/62—(3/53).
Bhalgora—Rs. 4/75—4/81—4/75—4/81—(5/00).
Burrakur (1st Pref.)—Rs. 101/00—102.00—101/00—102/00.
Bengal—Rs. 276/00—276/00—276/00—276/00—(335/00).
Central India—Rs. 10/06—10/19—10.00—10/00—(10/12).
Equitable—Rs. 23/94—24/31—23/94—24.31—(25/62).
East Indian—Rs. 30/75—30/87—30/50—30/62—(50/00).
Katras Jherriah—Rs. 33/94—34/00—33.81—33/81—(48/75).
Nazira—Rs. 6/25—6/25—6/25—6/25—(5/75).
Pench Valley—Rs. 18/25—18/31—18.12—18/31—(16/50).
Raneegunge—Rs. 13/81—13/87—13/75—13/75—(15/00).
Selected Satgram—Rs. 118/00—119/00—118/00—119/00.
Western Bengal—Rs 9/06—9/19—8/94—9/06—(8/87).

JUTES

Agarpara—Rs 10/53—10/56—10/50—10.56—(10/19).
Alliance—Rs. 160/00—160/00—160/00—160/00—(117/00).
Auckland (2nd Pref.)—Rs. 59/00—59/00—59/00—59/00
Batnagore—Rs. 220/00—229/00—220/00—228/00—(160/00).

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Budge Budge—Rs. 154/00—158/00—154/00—158/00—(160/00).
Caledonian—Rs. 180/00—180/00—180/00—180/00—(220/00).
Champdany—Rs. 24/31—24/37—24/12—24/37.
Cheviot—Rs. 23/56—23/69—23/56—23/62 S.T.—(23/75).
Chitavalsah—Rs. 11/25—11/37—11/12—11/12—(11/25).
Delta—Rs. 172/00—172/00—171/00—171/00—(175/00).
Dalhousie—Rs. 152/00—154/00—152/00—154/00—(125/00).
Do. (Pref.)—Rs. 91/00—91/00—90/00—90/00.
Fort William—Rs. 28/25—28/25—28/25—28/25—(25/37).
Ganges—Rs. 14/44—14/87—14/06—14/12—(13/12).
Gondalpara—Rs. 15/75—16/12—15/37—16/12—(18/62).
Goureporo (Pref.)—Rs 89/00—89/50—89/00—89/50.
Hastings (Pref.)—Rs. 88/50—89/00—88/50—89/00.
Hukumchand—Rs. 21/00—21/00—20/50—20/62—(26/12).
India—Rs. 17/00—17/00—17/00—17/00—(17/31).
Kelvin—Rs. 192/00—194/00—192/00—194/00—(190/00).
Kinnison—Rs. 145/00—148/00—144/00—148/00—(153/00).
Kamarhatty—Rs 200/00—201/00—200/00—201/00—(164/50)
Kanknarrah—Rs. 146/00—147/00—146/00—147/00—(130/00).
Megna—Rs 13/62—13/62—13/31—13/31—(12/62).
New Central—Rs. 14/50—15/50—14/50—15/37—(13/69).
National—Rs. 24/12—24/12—24/00—24/00—(24/00)
Nellimarla—Rs. 12/75—12/87—12/75—12/87—(11/25).
Naihati—Rs. 90/00—104/00—90/00—104/00—(107/00).
Presidency—Rs. 5/69—5/81—5/69—5/81—(4/94).
Reliance—Rs. 9/00—9/00—8/94—9/00—(6/44).
Rameshwara (Pref.)—Rs. 12/50—12/50—12/44—12/44.
Union—Rs. 166/00—168/00—164/00—165/00—(165/00).
Waverley—Rs. 10/00—10/06—9/87—9/87—(5/62).

MININGS

Assam Sillimanite—Rs. 7/75—7/81—7/75—7/81—(10/22)
Bisra Stone Lime—Rs. 22/50—22/50—22/50—22/50—(27/87).
Chrestien Mica—Rs. 10/25—10/31—10/00—10/25—(11/12).
Metal Corpn.—Rs. 8/44—8/75—8/44—8/75—(9/37).

CEMENTS

Ashoka—Rs. 7/37—7/44—7/25—7/37—(7/19).
Bengal Potteries—Rs. 5/37—5/37—5/37—5/37—(5/54).
Dalmia (Bharat)—Rs. 13/06—13/19—13/06—13/19—(13/81).
Do. (Pref.)—Rs. 8/06—8/19—8/00—8/03.
Sone Valley—Rs. 4/87—4/94—4/75—4/91—(4/53).

CHEMICALS

Alkali & Chemical—Rs. 35/62—35/75—35/44—35/62—(37/50).
Frank Ross—Rs. 2/87—2/87—2/87—2/87—(3/25).

ELECTRICS

Calcutta—Rs. 14/44—14/56—14/31—14/50—(14/87).
Jubbulpore—Rs. 10/75—11/25—10/75—11/25—(11/37).
Patna—Rs. 10/56—10/75—10/56—10/75—(10/81).
U. P.—Rs. 144/00—151/00—142/00—142/00—(120/00).
Upper Jumna—Rs. 17/75—17/75—17/75—17/75—(15/25).

ENGINEERINGS

Bharat Ball Bearing—Rs. 15/25—15/62—15/12—15/50—(14/25).
Binani Metal—Rs. 11/56—11/62—11/41—11/44.
Britannia Eng.—Rs. 10/56—10/75—10/37—10/50—(10/25).
Braithwaite & Co (Pref.)—Rs. 108/50—110/00—108/50—110/00.
Britannia Building & Iron—Rs. 3/37—3/37—3/37—3/37—(3/65).
Burn & Co.—Rs. 700/00—700/00—698/00—698/00—(600/00).
Do. (7% Pref.)—Rs. 117/00—117/00—117/00—117/00.
Do (6% Pref.)—Rs. 103/00—103/00—103/00—103/00.
Calcutta Steel—Rs. 14/00—14/12—13/94—13/94—(14/87)
Dalmia Iron—Rs. 11/44—11/87—11/44—11/75—(11/31).
Hindusthan Wires—Rs. 10/62 S.T.—11/06—10/62—10/81.
Hope's Metal Windows—Rs. 10/94—11/12 10/94—11/12.
Indian Standard Wagon—Rs. 36/62—37/25—36/62—36/87—(32/69).
Indian Iron & Steel (Pref.)—Rs. 81/50—82/50—81/50—82/00.
Jessop & Co.—Rs. 26/62—26/62—26/25—26/31—(22/06).
J. K. Steel—Rs. 17/12—17/72—17/00—17/00—(16/25).
Jay Engineering—Rs. 21/31—21/75—21/31—21/75—(24/19).
Kumardhubi—Rs. 9/31—9/56—9/25—9/37—(7/50).
Machinery Mfrs.—Rs. 24/00—24/37—24/00—24/37.
Marshalls—Rs. 2/70—2/70—2/67—2/67—(3/25).
National Iron & Steel—Rs. 5/94—6/00—5/90—5/90—(4/75).
Raymon—Rs 5/19—5/25—5/19—5/25.
Textile Machiney (6½% Pref.)—Rs. 101/00—101/00—101/00.
Do. (2nd Pref.)—Rs. 61/75—61/75—61/75—61/75
Wellman Incandescent—Rs. 7/36—8/37—7/36—8/31.

INSURANCES

Concord of India—Rs. 11/25—11/25—11/25—11/25—(11/50)
New Asiatic—Rs 9/06—9/12—8/94—9/00.
Ruby General—Rs. 10/75—10/87—10/70—10/81—(9/69).

MISCELLANEOUS

Airways (India)—Rs. 4/00—4/00—4/00—4/00.
Aluminium Corpn.—Rs. 17/00—18/00—16/94—18/00—(15/25).
Do. (2nd Pref.)—Rs. 61/00—61/00—61/00—61/00
Angelo Brothers—Rs. 26/00—26/62—25/87—26/62—(22/75).
Asian Refractories—Rs 12/75 S.T.—11/75—11/56—11/56.
Associated Battery—Rs. 27/75—30/25—27/75—30/25—(28/06)
Asiatic Oxygen—Rs. 13/87—14/00—13/62—13/69—(9/28)
Assam Hardboard—Rs. 5/00—5/06—5/00—5/06.
Bolmer Lawrie—Rs. 259/00—261/00—253/00—256/00—(257/00).
Britannia Biscuit—Rs. 42/25—43/25—42/25—42/50—(45/12).
B. I. Corpn.—Rs. 8/81—9/00—8/37—9/00—(9/62)
British Paints—Rs. 22/19—23/50—22/19—22/25—(20/25).
Bharat Nidhi—Rs. 6/94—7/00—6/94—7/00.
Bararee Coke—Rs. 22/00—22/25—22/00—22/25—(24/50).
Calcutta Tramways—Rs. 11/19—11/25—11/00—11/19—(12/75).
Clive Row Investment—Rs. 8/55—8/65—8/55—8/58—(8/25).
Darjeeling Ropeways—Rs. 8/50—8/50—8/50—8/50—(8/00).
Dr. Paul Lohmann—Rs. 13/87—14/00—13/62—14/00
Dyer Meakin Breweries—Rs. 31/44—34/31—31/44—33/81—(29/62).
Dunlop Rubber (1st Pref.)—Rs. 108/00—108/50—107/00—107/50.
East Anglia Plastics—Rs. 9/31—9/50—9/25—9/37—(14/50)
Electric Construction—Rs. 14/12—14/25—14/06—14/12—(13/50).
English Electric—Rs. 14/25—14/50—14/19—14/50.
French Motor Car—Rs. 32/75 x.d.—32/75—32/75—32/75—(35/12).
General Tyres—Rs. 9/87—10/00—9/81—10/00—(8/19).
Goodyear India—Rs. 33/69—33/75—33/69—33/75—(40/75).
Gillanders Arbuthnot—Rs. 14/12 S.T.—14/37—14/12—14/12—(14/06).
Do (Pref.)—Rs. 56/50—56/50—56/00—56/00
Gwalior Rayon—Rs. 48/50—48/75—48/50—48/75.
Hindustan Aluminium—Rs. 14/31—14/87—14/00—14/62—(13/62).
Hindusthan Development—Rs. 4/12—4/37—4/00—4/37
Hindustan Gas—Rs. 24/50—25/25—24/50—25/25
Hindusthan Twyfords—Rs 15/00—15/00—14/87—14/87—(15/75).
Hindusthan Pilkington Glass—Rs. 17/50—17/50—17/50—17/50—(19/50).
Hindustan Ice—Rs. 2/62—2/62—2/56—2/56.
Imperial Tobacco—Rs. 10/12—10/25—10/00—10/00—(10/87).
India Carbon—Rs. 17/19—17/31—17/19—17/31—(24/87)
Indian Oxygen—Rs 29/00—30/00—29/00—29/50—(31/87).
Isaac Holdens—Rs 16/25—16/62—15/87—16/44—(15/56).
Indian Tack & Nail—Rs. 12/50—12/56—12/37—12/56.
Jay Shree Industries—Rs. 18/75—18/75—18/44—18/62—(16/44).
J. K. Synthetics—Rs. 12/19—12/62—12/12—12/50—(12/31).
Jardine Henderson—Rs. 80/00—80/00—79/50—79/75—(73/00).
Madhya Pradesh (Pref.)—Rs. 90/00—90/00—90/00—90/00.
Martin Burn—Rs. 29/06—29/12—28/87—28/87—(29/75).
Metal Distributors—Rs. 4/62—4/87—4/56—4/75.
Macneill & Barry—Rs. 100/00—100/00—100/00—100/00—(93/50).
National Insulated Cable—Rs. 25/56—25/75—25/56—25/75—(25/00).
National Rubber Mfg.—Rs. 13/12—13/12—12/69—12/69—(11/25).
National Tobacco—Rs 12/50—13/19—12/50—12/81—(13/00).
Do. (Pref.)—Rs 65/00—65/00—65/00—65/00
National Rolling & Steel Ropes—Rs. 21/50—22/00—21/37—21/37—(21/37).
National Pipe & Tube—Rs. 28/75—28/75—28/75—28/75—(29/75).
Phillips Carbon Black—Rs. 16/87—17/06—16/87—16/87.
Philips India—Rs 30/75—30/75—30/50—30/50—(28/12).
Rallis India—Rs 132/00—133/00—131/50—133/00—(150/00).
Rohtas Industries ("B" Pref.)—Rs. 54/00—55/00—54/00—54/00.
Sirsilk—Rs. 10/31—10/69—10/31—10/56—(8/75).
Shaw Wallace—Rs. 16/69—16/81—16/69—16/81—(20/06).
Do (Pref.)—Rs. 56/75—57/50—56/75—57/50.
Union Carbide—Rs. 42/12—43/50—42/12—43/31—(45/00).
Universal Cables—Rs. 12/44—12/75—12/06—12/44.
Usha Martin Black—Rs 17/81—18/00—17/75—17/81
Universal Elec.—Rs. 10/19—10/31—10/12—10/12
Walford Transport—Rs. 3/94—4/06—3/94—4/00—(3/37).
Do (P.O.)—Rs. 2/87—2/87—2/81—2/87—(2/25).

PAPERS

Ballarpur—Rs. 18/81—18/87—18/69—18/81.
Bengal—Rs. 28/75—30/12—28/75—30/00—(32/12)
Do (New)—Rs. 22/37—22/37—22/37—22/37.
India Paper Pulp—Rs. 19/19—19/81—18/75—19/69—(18/87).
Seshasayee—Rs. 8/00—8/31—7/87—8/31.
Sirpur—Rs. 14/56—15/31—14/44—14/69—(12/00).
Star—Rs 8/87—9/12—8/87—9/12—(10/00).
Do (6½% Pref.)—Rs. 86/00—86/00—86/00—86/00.
Straw Products—Rs. 10/56—11/06—10/56—10/81.
Do. (Pref.)—Rs. 95/00—95/00—95/00—95/00.
Titaghur—Rs. 17/44—18/62—17/37—17/62—(36/12).
Do (P.O.)—Rs, 3/50—3/50—3/50—3/50—(3/78).
West Coast—Rs 169/00—170/00—169/00—170/00—(160/50).

SHIPPINGS

India General Nav.—Rs. 44/00—44/00—43/50—43/50—(66/50).
India Steamship—Rs. 7/44—8/44—7/40—7/87—(6/25).
Port Shipping—Rs. 15/00—15/37—15/00—15/19—(12/06).

SAW MILL

Andaman Timber—Rs. 7/00—7/06—7/00—7/06.

SUGARS

Cawnpore—Rs. 9/87—9/94—9/87—9/94—(12/37).
Carew & Co.—Rs. 11/75—11/87—11/69—11/69—(12/25).
Champaran—Rs 13/81—13/87—13/81—13/87—(15/87).
Darbhanga—Rs. 9/25—10/00—9/19—10/00—9/00)
Purtaspore—Rs. 10/75—10/81—10/75—10/81—(11/50).
Raza Buland—Rs. 10/25—10/31—10/25—10/25—(10/20).
Shree Krishna Gyanoday—Rs. 8/94—9/06—8/87—8/87—(9/06).
Samastipore Central—Rs. 6/00—6/00—5/81—5/87—(9/62).

TEAS

Baradighi—Rs. 24/06—24/12—24/06—24/12—(23/87).
Betjan—Rs 30/00—30/12—30/00—30/12—(32/62)
Basmatia—Rs. 23/62—23/25—23/50—23/62—(27/25).
Bhatkawa—Rs. 17/19—17/37—17/12—17/25—(17/37).
Bishnauth—Rs. 18/37—18/37—18/37—18/37—(17/25).
Brooke Bond—Rs. 13/06—13/00—12/87—12/94—(12/19).
Carron—Rs. 155/00—155/00—155/00—155/00—(145/00).
Dhelakhat—Rs. 20/37—20/44—20/37—20/44—(20/00).
Dehra Dun—Rs. 84/00—84/00—84/00—84/00.
Dhunseri—Rs. 12/00—12/00—12/00—12/00—(15/00).
Dauracherra—Rs. 11/44—11/56—11/44—11/56—(7/31).
East India—Rs. 15/56—15/56—15/56—15/56—(18/87).
Gohpur—Rs. 15/50—15/50—14/94—14/94—(13/31).
Hasimara—Rs 13/75—13/94—13/75—13/81—(14/81).
Jaybirpara—Rs. 22/75—23/56—22/75—23/37—(11/06).
Lingia (Pref.)—Rs. 59/00—60/00—59/00—60/00
Margaret's Hope—Rs. 12/50—12/50—12/50—12/50—(11/62).
Methoni—Rs 18/00—18/06—17/87—17/87—(18/50)
Nagri Farm—Rs. 30/12—30/12—30/12—30/12—(27/00).
Pahargoomiah—Rs. 14/50—14/62—14/37—14/37—(31/12).
Rajabhat—Rs. 12/00—12/00—12/00—12/00—(12/12).
Roopacherra—Rs. 11/00—11/00—11/00—11/00—(13/62).
Rydak—Rs. 26/00—26/12—25/87—26/12—(27/31).
Tezpore (Pref.)—Rs. 7/25—7/31—7/25—7/31
Teesta Valley—Rs. 15/25—15/75—15/25—15/75—(12/25).
Tyroon—Rs 31/12—31/12—31/00—31/00—(34/37).

DEBENTURES

5½% Indian Cable—Rs. 93/00—94/00—93/00—94/00.
6 % East Indian Coal—Rs. 97/25—97/25—87/25—97/25.
4 % McLeod & Co. (Conv. Note)—Rs.—532/00—532/00—531/00—531/00.

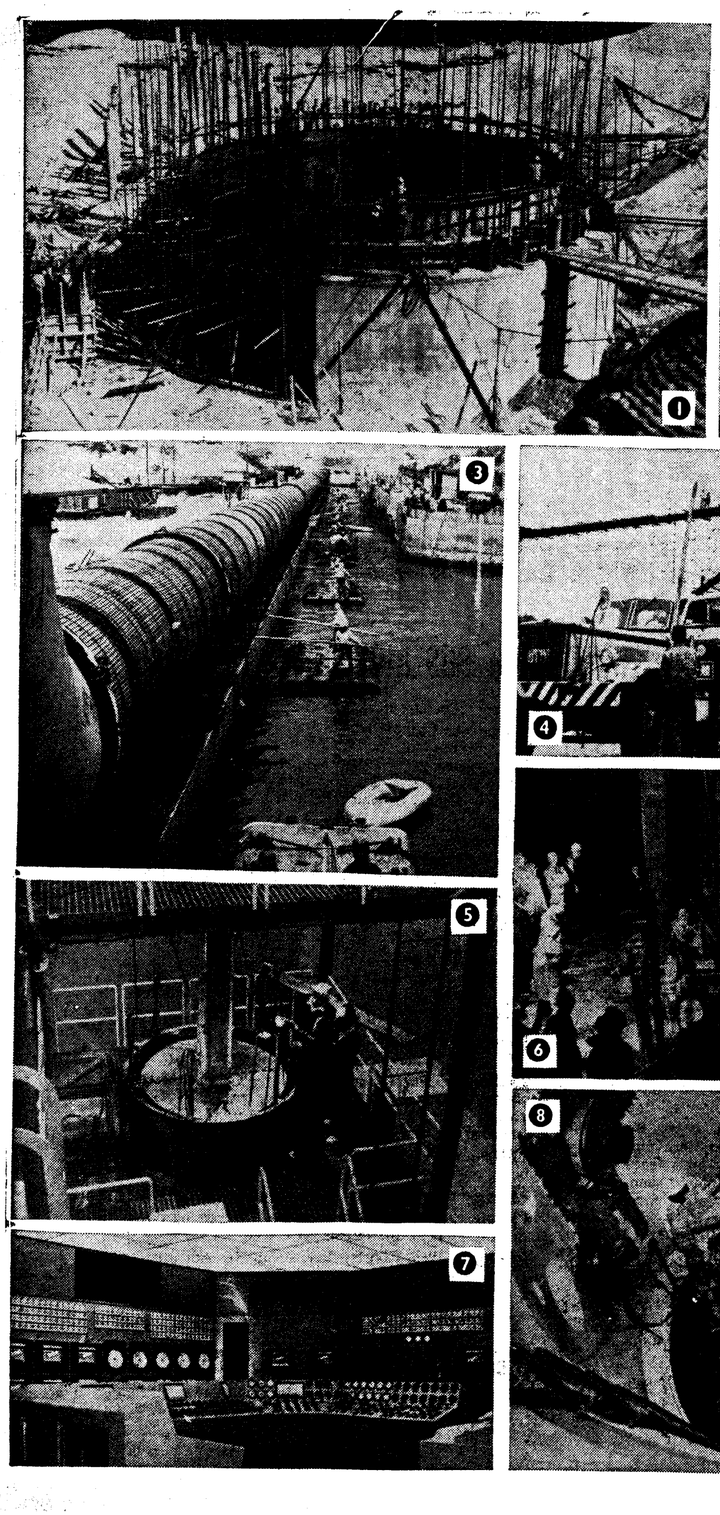
London

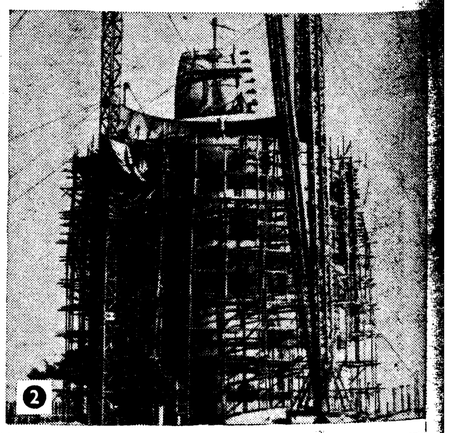
POLITICAL FACTORS CHECK RISE

GILT-EDGED DOWN ON BANK RATE FEARS

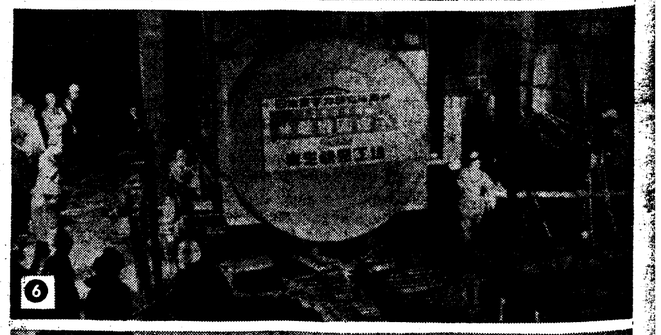
London, 13th November.

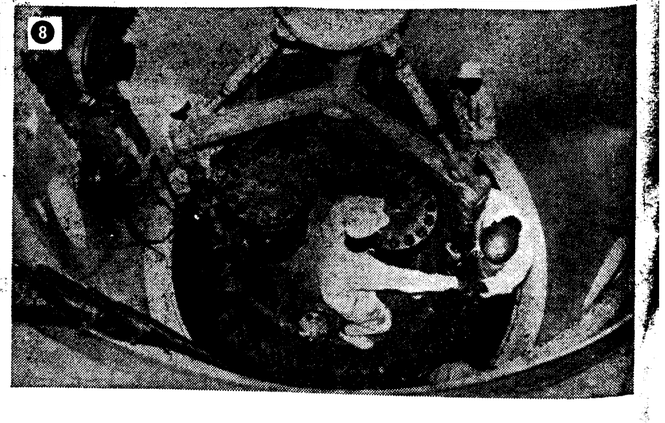
THE past week was another very active week in the stock market, but with the buying fairly evenly matched by sale, prices moved irregularly. Good company statements were a stimulating influence, but for most of the time, these were offset by political uncertainties which increased when the Conservatives lost an important by-election. The position was, however, largely restored when the Prime Minister was elected to Parliament by a large majority. It was a bad week for gilt-edged where there was persistent small selling which was stimulated by fears concerning Bank rate due to the steady upward movement in U.S. interest rates. Losses ranged to well over a point. Dollar stocks, as usual, followed Wall Street which was in good heart in the past few days. In equities, the profit statements from the British Motor Corporation and Tube Investments were well received, and both stocks responded, particularly Tubes, where something rather worse had been anticipated. Rank Organisation were an active market, but there was some reaction from the top. The recent flow of takeover bids for the smaller textile companies which have usually come from Courtaulds, attracted buyers and prices moved up quite sharply. City Centre remained a dull spot in property shares. Gold shares were quiet, but there was a strong revival of interest in coppers and persistent London investment buying brought sharp gains. Tins moved narrowly. Oils continued quiet, but Shell were wanted after a good quarterly profit statement, although Royal Dutch eased slightly. Rubbers attracted selective buying at times.

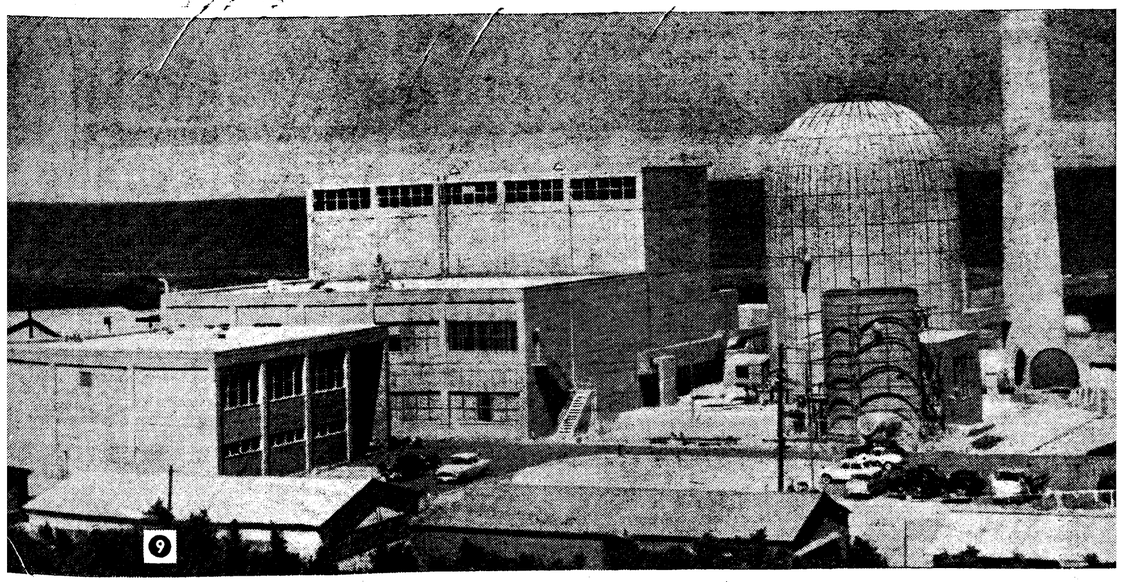












G-E power reactor at Tokai-mura sustains chain reaction

On August 22, at 3 hours, 40 minutes Greenwich Mean Time, the first nuclear power plant in the Far East produced its first nuclear reaction. The plant is the Japan Power Demonstration Reactor (JPDR), owned by the Japan Atomic Energy Research Institute (JAERI). Its 12,500-kwe boiling water reactor was built by General Electric Japan, Ltd., a wholly owned subsidiary of the General Electric Company, U.S.A.

The plant is at the Tokai-mura Research Establishment, 75 miles northeast of Tokyo, a nuclear development centre that already has several research reactors. It will be used by JAERI for nuclear research and development as well as for power production.

The G-E reactor is a direct-cycle type with natural-circulation cooling. It uses slightly enriched uranium dioxide fuel in the form of nuclear fuel-element assemblies fabricated by General Electric.

To prepare to operate JPDR, 16 members of JAERI visited the California atomic headquarters of General Electric for nine weeks. After returning to Japan, they continued their training at the JPDR site, under the supervision of G-E personnel.

General Electric can provide *you* with a BWR plant to suit your system requirement, incorporating the optimum combination of current plant features, such as pressure-suppression containment and internal steam separation. For the facts—and information on G-E atomic products and services—contact **International General Electric Company (India) Pvt. Ltd., Thackersey House, Graham Road, Ballard Estate, Bombay-1.** or write ***International General Electric Company, Dept. 30-33CP, 159, Madison Avenue, New York, NY 10016, U.S.A.***

The Japan Power Demonstration Reactor (JPDR: 12,500 kwe) at Tokai-mura Research Establishment, 75 miles northeast of Tokyo. Owner: Japan Atomic Energy Research Institute (JAERI).

Prime contractor: General Electric Japan, Ltd., a subsidiary of General Electric Co., U.S.A. Architect-engineer: Ebasco Services, Inc. Design and construction of the nuclear steam supply system and reactor, and fabrication of nuclear fuel: Atomic Power Equipment Department of G.E. Many components and services: Hitachi, Ltd.; Kajima Construction; Nippon Atomic Industry Group of which Toshiba and Ishikawajima-Harima Heavy Industries Co. Ltd., are member companies.

❶ **September, 1961.** Completed foundation and first course of plates for steel cylinder that will contain the direct-cycle BWR with natural-circulation cooling.

❷ **December, 1961.** Guy derrick hoists steel subassembly into position in top hemisphere of domed reactor enclosure.

❸ **June, 1962.** Japan Atomic Power Co. (JAPC) engineered and placed the intake pipe. Here, workers guide portion of pipe out into supply canal.

❹ **July, 1962.** Reactor pressure vessel in position for unloading and movement into reactor enclosure.

❺ **October, 1962.** Inside Light Water Critical Assembly (LWCA), near JPDR. Built for JAERI by G.E., started up in August, 1962. Operated up to 200 watts (thermal) to gain fuel data for JPDR.

❻ **November, 1962.** Inside turbine building. Generator being lowered onto sole plates.

❼ **December, 1962.** Main control room.

❽ **June, 1963.** Inside reactor enclosure, looking down on reactor pressure vessel.

❾ **August, 1963.** Construction complete. Administration building in left foreground, turbine hall behind it.

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GENERAL ELECTRIC
—U.S.A.—

Money

ADVANCE RATES MAY NOT FALL DESPITE LIBERAL CREDIT

(BY A SPECIAL CORRESPONDENT)

Although the Reserve Bank has liberalised its credit policy for the busy season, there is little prospect that commercial banks will be in a position to pass on the benefit of lower cost of credit to their constituents. Due to the rise in operational costs, bankers argue, it may not be possible to reduce the interest rates now charged to customers.

ON 30th October, the Reserve Bank announced its new credit policy for the 1963-64 busy season. The policy is liberal, since it abolishes the penal tier (6½ percent) and increases the credit quota for banks at each of the two tiers (4½ percent and 6 percent) by 25 percent to 75 percent. This will make accommodation from the Reserve Bank somewhat cheaper than before. The minimum margin prescribed on shares (40 percent) is no longer considered necessary. The new credit policy has been interpreted in various ways. While some bankers feel that it contains nothing worth while, the sharebroking fraternity thinks that the relaxations will help the investment market. The relaxation of the margin on bank advances against shares is considered favourable, since it is thought that the banks will henceforth offer advances at nominal margins. Since the Reserve Bank's initial circular left much room for conjecture, the Bank has come forward with further clarifications of its new credit policy.

Second Circular

The Bank issued its second circular on 7th November. It informed the scheduled banks that it expects them to make suitable amendments in the pattern of lending rates—especially in the higher ranges. In the earlier circular, it will be recalled, the Reserve Bank expressed the hope that banks would pass on the benefit of the lower cost of credit to customers. But it did not specify to which categories of customers the banks are expected to pass on the concession.

Big customers of commercial banks, the export sector and small-scale industries, already enjoy relatively cheap credit facilities, compared with the average rate charged to general constituents. The average borrowing rate from big banks is 6½ percent to 7½ percent for the general clientele, against 6 to 6½ percent for preferred categories. There is little scope for further reduction. In some cases, depending on the creditworthiness of the party, some banks, of course, charge 8 percent to 9 percent. This is especially the case with medium and small banks. There is some scope for reducing the rates, especially in the higher ranges, charged by medium banks. Whether or not banks will reduce the rate will, however, be governed by the supply and demand conditions for credit in the next busy season. Since the banks are operating in a sellers' market, the general impression is that they are unlikely to lower the cost of accommodation to their clients.

The main argument advanced by bankers is that there has been a trend towards rising interest rates in the past six months or so; Bank rate was raised to 4½ percent in January last, heralding the dearer money policy. The Government loans were also floated subsequently at higher rates of interest than before. This apart, bankers are of the view that operational costs are going up with the branch expansion programme. So they may not be able to reduce the prevailing rates of interest charged to customers. It is, therefore, likely that the Reserve Bank's appeal to bankers to pass on the benefit of cheaper credit to customers in the higher ranges will go unheeded.

Advances against Shares

The Reserve Bank has advised the banks to exercise caution in giving advances against shares and to maintain the normal margins they consider necessary on the basis of past experience. This directive more or less cancels the hopes entertained by sharebrokers that banks would provide them with more funds for their day-to-day activity. Meanwhile, banks continue to exercise caution in granting advances against shares, and many banks are even now maintaining a 40 percent margin. This is considered necessary to guard against sharp fluctuations in the share market. It has, however, surprised informed circles that the Reserve Bank should follow its credit liberalisation policy as far as the stock market is concerned by a rider which in effect neutralises its earlier directive.

The Reserve Bank has cautioned the banks against unrestrained credit expansion in the next busy season. The object can be achieved—according to the Reserve Bank—in two ways: first, by doing away with unutilised limits and, secondly, by ensuring that the total of the limits sanctioned by banks bears a realistic relationship to their resources. In other words, scheduled banks are advised to balance their credit with resources and avoid relying heavily on accommodation from the Reserve Bank. A cut in unutilised limits will enable scheduled banks to have more realistic limits of accommodation from the Reserve Bank under the bill market scheme.

A word about the unsecured limits is appropriate in this context. It is the practice of commercial banks to give customers limits in excess of their requirements. Customers also prefer higher limits as a safeguard against any sudden demands. The constituents of Indian banks generally show a tendency to seek credit limits far in excess of their requirements. The embarrassment to the banking system in the event of credit stringency from what is called "open liability" is really great. Last year, when there was unusual credit stringency, several banks had to approach the Reserve Bank for special accommodation for meeting the threat of the activisation of unutilised credit limits. The "open liability" of commercial banks in India is estimated at several hundred crores. If the "open liability" of customers is taken into account, banks may be lending too much. The Reserve Bank has done well to draw the attention of banks to this danger.

Accommodation from Reserve Bank

As for the suggestion that banks should avoid relying heavily on accommodation from the Reserve Bank in the busy season, banking circles feel that the caution is redundant. This is because the credit demands which are likely to rise during the busy season can be met from the resources which accrued to the banking system during the slack season of the current year. Resources of scheduled banks are estimated to have increased by about Rs. 270 crores in the slack season, against the estimated possible credit needs of Rs. 230 crores to Rs. 240 crores. The Reserve Bank has, however, done the right thing by cautioning banks. This comfortable position notwithstanding, some banks are, it is gathered, inclined to apply for higher limits than last year as a safety measure under the bill market scheme. The Reserve Bank will, however, do well to prune the limits of such banks under the bill market scheme to realistic levels and make it a condition that they should bring down their "open liability" to more realistic levels.

1863 1963

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London Branches :

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The Bank conducts all classes of Banking and Exchange Business throughout the world.

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19, Netaji Subhas Road ; 29, Netaji Subhas Road, (Lloyds Branch) ; 31, Chowringhee Road ; 41, Chowringhee Road, (Lloyds Branch) ; 6, Church Lane ; 17, Brabourne Road ; 18, Convent Road, Entally ; 17-SD, Block A, Nalini Ranjan Avenue, New Alipore ; 163, Rash Behary Avenue.

NGB/46C

THE CALCUTTA MONEY MARKET

SLIGHT FALL IN ADVANCES

Wednesday, 13th November.

THE aggregate level of advances has decreased slightly in the Calcutta money market during the past week. This is because money has been returning from the sugar mills and from the iron, steel and engineering industries. The credit given to the cotton and jute mills, and to the foodgrains and seeds trade, is unchanged. In the inter-bank market, conditions are easy and the call rate is 1½ percent.

The exchange market has been active, with a good supply of tea bills and a moderate number of gunny bills. But the demand for remittances has been poor. In the London market, sterling has shown a mixed trend in the course of narrow fluctuations.

SILVER WAS QUIET IN CALCUTTA during the past week. The price declined from the previous week's level of Rs. 230.50 to Rs. 230, quoted today for ready. The London and New York prices were shown at 111⅛d and 129.3 cents. Gold was also quiet. The price of 14-carat fell from Rs. 61.50 to Rs. 61.

DURING THE WEEK ENDED 8TH NOVEMBER, Government of India Treasury bills for Rs. 49,66,00,000 were sold in favour of the Reserve Bank.

TENDERS FOR RS. 2 CRORES OF 91-DAY Government of India Treasury bills were opened on 12th November. The total amount offered was Rs. 4 crores. Tenders at Rs. 99.425 percent were accepted in full. Lower tenders were rejected. The total amount accepted was Rs. 2 crores, the average rate of acceptance being Rs. 2.300 percent a year. Tenders for Rs. 2 crores of 91-day Government of India Treasury bills will be received at all centres up to the close of business on 18th November.

IT IS STATED THAT 91-DAY INTERMEDIATE Treasury bills will be sold from 13th November to 16th November at Rs. 99.441 percent. Sales can be stopped at any time without notice if the Government thinks it necessary. These bills sold from 6th November to 9th November amounted to Rs. 45 lakhs.

THERE WERE RISES OF RS. 35.77 crores to Rs. 2,279.69 crores in active notes and of Rs. 22.64 crores to Rs. 2,293.12 crores in the total note issue, according to the return of the Reserve Bank of India for the week ended 8th November, 1963. The currency expansion was covered by raising rupee securities of the paper currency reserve by Rs. 25 crores to Rs. 1,964.31 crores. Deposits of the Government of India rose by Rs. 71 lakhs to Rs. 49.39 crores and those of State Governments by Rs. 6.98 crores to Rs. 14.35 crores. Balances of scheduled banks at Rs. 77.44 crores showed a decline of Rs. 21.29 crores. Balances held abroad were Rs. 64 lakhs larger at Rs. 7.95 crores. Investments fell by Rs. 10.87 crores to Rs. 219.23 crores. Loans to scheduled banks declined from Rs. 2.04 crores to Rs. 50.90 lakhs of which there was again no advance against usance bills. Ways and means advances stood at Rs. 40.04 crores, against Rs. 37.14 crores.

THE RETURN OF THE STATE BANK OF India for the week ended 1st November, 1963, shows a rise of Rs. 7.97 crores to Rs. 609.63 crores in total deposits. Investments in Government securities are up by Rs. 11.27 crores to Rs. 319.87 crores, while other authorised investments remain unchanged at Rs. 8.95 crores. Advances, including loans, cash credits, overdrafts, bills discounted and purchased have increased by Rs. 3.21 crores to Rs. 253.74 crores. Cash and balances are, in consequence, shown at Rs. 26.63 crores or Rs. 16.07 crores less.

THE STATEMENT OF THE POSITION OF scheduled banks for the week ended 1st November, 1963, shows Demand and Time liabilities at Rs. 1,123.91 crores (Rs. 22.27 crores on account of borrowings from banks) and Rs. 1,322.74 crores (Rs. 21.01 crores), compared with Rs. 1,111.05 crores (Rs. 18.93 crores) and Rs. 1,328.20 crores (Rs. 25.07 crores), respectively. Cash has increased by Rs. 11 lakhs to Rs. 56.57 crores, while balances with the Reserve Bank have fallen by Rs. 15.98 crores to Rs. 97.79 crores. There is a rise of Rs. 17.41 crores to Rs. 776.75 crores in investments. Advances and bills discounted at Rs. 1,480.44 crores show a drop of Rs. 1.60 crores. The ratios to total liabilities of cash and balances, and of advances and discounts are, in consequence, shown at 6.3 percent and 60.5 percent, against 7 percent and 60.8 percent.

TREASURY BILL MATURITIES

Details of 91-day bills outstanding with the public on 14-11-63.

Issue Date	Maturity Date	Amount (000's Rs.)	Average Acceptance Rate
14-11-63	17-2-64	2,00,00	Rs. 2.300%
8-11-63	11-2-64	2,00,00	Rs. 2.310%
28-10-63	21-1-64	2,00,00	Rs. 2.318%
23-10-63	16-1-64	2,00,00	Rs. 2.320%
18-10-63	11-1-64	2,00,00	Rs. 2.320%
11-10-63	4-1-64	2,00,00	Rs. 2.318%
4-10-63	28-12-63	2,00,00	Rs. 2.318%
27-9-63	20-12-63	2,00,00	Rs. 2.318%
20-9-63	13-12-63	2,00,00	Rs. 2.318%
13-9-63	6-12-63	2,00,00	Rs. 2.318%
6-9-63	29-11-63	2,00,00	Rs. 2.320%
30-8-63	22-11-63	2,00,00	Rs. 2.320%
23-8-63	15-11-63	2,00,00	Rs. 2.320%
16-8-63	8-11-63	2,00,00	Rs. 2.320%

(Monthly Maturities 000's omitted)

November 1963	4,00,00
December 1963	10,00,00
January 1964	10,00,00
February 1964	4,00,00
Total	28,00,00

CLEARING HOUSE RETURNS

Week	Calcutta	Bombay
	Rs. (Lakhs)	
1-11-63	.....	1,17,29
25-10-63	.....	1,35,75

RESERVE BANK

ISSUE DEPARTMENT

(In 000's of Rupees)	Week Ended 8-11-63	1-11-63	9-11-62
Liabilities—			
Notes in Banking Dept.	13,42,06	26,55,77	17,49,36
Notes in Circulation	22,70,69,47	22,43,92,41	20,86,95,93
Total Notes Issued	22,83,12,23	22,70,48,18	21,04,45,29
Assets—			
A. Gold Coin and Bullion	1,17,76,10	1,17,76,10	1,17,76,10
Foreign Securities	92,45,69	92,45,69	1,85,05 43
Total of A	2,10,21,79	2,10,21,79	3,02,84,53
B. Rupee Coin	1,18,59,52	1,20,95,37	1,20,32,16
Rupee Securities	19,64,31,02	19,39,31,02	17,78,29,10
Total	22,83,12,23	22,70,48,18	21,04,45,29

BANKING DEPARTMENT

Liabilities—			
Capital Paid-up	5,00,00	5,00,00	5,00,00
Reserve Fund	50,00,00	50,00,00	50,00,00
National Agricultural Credit (Long Term Operations) Fund	73,00,00	73,00,00	61,00,00
National Agricultural Credit (Stabilisation) Fund	3,00,00	3,00,00	3,00,00
Deposits—			
(a) i. Central Govt.	49,39,44	48,67,93	50,12,72
2. State Govts.	14,34,95	7,36,61	13,30,43
(b) Banks :—			
(i) Scheduled Banks	77,43,96	98,72,70	89,31,24
(ii) State Co-operative Banks	2,32,16	2,34,18	1,94,78
(iii) Other Banks	2,01	2,57	3,13
(c) Others	1,61,36,04	1,63,77,22	1,60,07,43
Bills Payable	33,57,63	32,89,28	25,30,71
Other Liabilities	30,35,70	29,78,68	30,94,05
Total	5,37,74,92	5,49,59,07	5,20,40,49
Assets—			
Notes	13,42,86	26,55,77	17,49,36
Rupee Coin	3,21	2,00	3,54
Small Coin	4,00	3,77	2,70
National Agricultural Credit (Long Term Operations) Fund			
(a) Loans and Advances to :—			22,98,79
(i) State Govts	27,07,63	27,07,52	17,61,73
(ii) State Co-operative Banks	9,72,55	9,75,10	
(iii) Central Land Mortgage Banks			
(b) Investment in Central Land Mortgage Bank Debentures	3,55,21	3,55,21	2,84,38
National Agricultural Credit (Stabilisation) Fund			
Loans and Advances to State Co-operative Banks			
Bills Purchased and Discounted :—			
(a) Internal			
(b) External			
(c) Govt. Treasury Bills	42,49,10	53,38,21	1,03,51 37
Balances Held abroad	7,95,29	7,31,26	5,92,26
Loans and Advances to Govt	40,03,56	37,14,29	3,71,00
Loans and Advances to :—			
(i) Scheduled Banks	50,90	2,03,85	3,97,65
(ii) State Co-operative Banks	1,53,55,51	1,24,60,12	1,33,32,30
(iii) Others	2,53,00	2,25,99	1,29,57
Investments	2,19,23,01	2,30,09,68	1,74,22,32
Other Assets	25,78,65	25,76,41	32 44,53
Total	5,37,74,92	5,49,59,07	5,20,40,49

SCHEDULED BANKS

(In 000's of Rupees)

	Week Ended 1-11-63	25-10-63	2-11-62
(i) Demand Liabilities—			
(a) Demand Deposits			
(1) From Banks	53,11,59	55,98,97	44,19,87
(2) From others	9,96,73,29	9,74,15,02	8,14,62,72
(b) Borrowing from Banks	22,26,81	18,92,55	19,65,35
(c) Others	61,79,29	62,32,92	55,78,16
(ii) Time Liabilities—			
(a) Time Deposits			
(1) From Banks	35,52,68	34,74,37	25,73,32
(2) From others	12,55,95,04	12,38,80,75	12,26,84,18
(b) Borrowing from Banks	21,01,57	25,07,23	15,05,42
(c) Others	10,24,77	9,37,22	10,90,94
(iii) Borrowing from State Bank—			
(a) Demand Liabilities	8,31,46	8,58,75	5,07,40
(b) Time Liabilities	19,31,00	17,70,69	15,63,00
(iv) Borrowing from Reserve Bank	2,39,75	1,97,75	6,02,00
(v) Cash	56,57,35	56,45,67	53,31,43
(vi) Balances with the Reserve Bank	97,78,52	1,13,77,18	72,73,20
(vii) Balances with other Banks in current account	22,23,60	23,70,94	18,60,16
(viii) Money at call and short notice	64,52,09	59,74,51	51,73,70
(ix) Investments in Central and State Govt. Securities	7,76,74,72	7,59,33,88	6,32,64,86
(x) (a) Loans, Cash credits and Overdrafts	12,34,43,04	12,37,66,19	11,74,02,11
(b) Due from Banks	12,62,33	13,00,22	6,38,85
(xi) Inland Bills purchased and discounted	1,77,15,55	1,73,97,61	1,65,08,65
(xii) Foreign Bills purchased and discounted	56,22,51	57,30,85	51,13,30
(xiii) Total of X, XI and XII	14,80,44,42	14,82,03,87	13,96,62,51

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THE DECCAN SUGAR AND ABKHARI COMPANY LIMITED

STATEMENT BY THE CHAIRMAN, MR. H. V. R. IENGAR

The following statement has been circulated to Shareholders of The Deccan Sugar & Abkhari Company Limited by the Chairman, Mr. H. V. R. Iengar.

In my speech last year, I referred to the retirement from the Board of Sir T. S. Venkataraman for reasons of health. I am sorry to say that he passed away on 18th January, 1963. His contribution to sugarcane breeding was outstanding, and his work has brought prosperity to millions of people.

Production

The production of sugar at Pugalur was 17,537 tonnes compared with 20,596 tonnes in the previous year. It would have been perhaps 10% more than what it was, had it not been for the restriction on production in the sugar year ending 31st October, 1962. This, in anticipation of a similar cut in the following year, resulted in reduced planting of cane. In retrospect, it was an unfortunate decision of Government to have restricted sugar production at a time when the world was actually on the eve of a reduction of output and a spectacular rise in prices. It is hoped to regain the normal level of production in the coming season, subject to there being no diversion of cane for making jaggery. The special season will start early in November. So far, the omens are propitious.

In Samalkot the entire cane crop was converted into raw sugar for export. The production of 11,800 tonnes was part of the 2.5 lakh tonnes which the Government of India called upon the industry to manufacture for export, mainly to Japan and U.S.A. This was the first time that raw sugar was being made in any appreciable quantity in the country, and it is a tribute to the technical skill of the Samalkot factory staff that the raw sugar made without any special equipment stood up to the rigid specification of the foreign buyers. It is likely that the Samalkot factory will be called upon to make raw sugar again in the forthcoming season, as the country has a definite commitment to export 3 lakh tonnes in 1964.

The production of our two factories may now be set against all-India figures. Contrary to all expectations, the all-India production of sugar for the 1962-63 season was only 21.6 lakh tonnes against 27.2 lakh tonnes in 1961-62. This was due to the large-scale diversion of cane for the manufacture of gur and khandsari, particularly in U.P. and Bihar. The carry over of a million tonnes on 31st October, 1962 therefore came in handy to fill the gap in internal consumption and export commitments. Even so, control over distribution of sugar became inevitable when factories in the North closed earlier than usual in the 1962-63 season. Control was, in fact, imposed with effect from 17th April, 1963. The price fixed was Rs. 110.70 per quintal against Rs. 112 which Pugalur was realising in previous months. At the time this speech is being written, the Government of India have announced a further increase in sugarcane prices, but there is no indication as to what increase will be allowed in sugar prices.

Profit and a Basis for Dividend Policy

The net profit after taxation for the year amounts to Rs. 12.18 lakhs as against Rs. 8.88 lakhs in the previous year. This has been brought about largely by the higher sugar selling prices,—the control on sugar was imposed only towards the end of the Company's financial year—larger releases for sale in the internal market, and slightly higher prices realised for export.

In the ordinary course, I am sure shareholders would have desired that the dividend which was reduced last year to 18% should be restored to the previous year's level of 21%. The Directors have given careful consideration to the adoption of such a course, but have decided against a dividend beyond 18% for a variety of reasons. In the first place, the future of the industry is beset with uncertainty in view of the changing policy of the Government of India regarding sugarcane prices. Secondly, your Directors feel that provision should be made out of profits for a further expansion programme and for the replacement of machinery to an extent that cannot be met from normal depreciation.

Rehabilitation Programme

In my speech last year, I referred to the rehabilitation programme then in progress at Samalkot and Pugalur, and stated that further equipment at a total cost of about Rs. 13 lakhs would be necessary. All this equipment has been ordered. The additional 3-roller mill for Samalkot will be erected by the end of 1964. A bigger boiler and 1000KW power generator will be installed early in 1965 and with these the factory can be deemed to have attained a high degree of modernisation. Nearly all the machinery ordered for the expansion of the Pugalur factory from 1000 to 1250 tonnes has arrived, and erection is making good progress. The expansion is likely to be completed by the end of April, 1964. The rehabilitation and expansion programme undertaken three years ago may thus be said to have been nearly completed.

The Board feels however that it would be a shortsighted policy to stop at this point. It takes the view, having regard to the difficulties facing the sugar industry, that still further expansion is essential to bring down the cost of production. The Government of India's policy in this connection is to allow expansion of existing units and to give preference to the co-operative sector for establishing new units. Accordingly, your Company has applied to Government for permission to expand Samalkot from 800 to 1000 tonnes and Pugalur from 1250 to 1500 tonnes. The tendency in the industry today is to look upon a capacity of 2000 tonnes as the minimum for economic working. If adequate supply of cane can be assured, there is no reason why the Pugalur factory should not be expanded to 2000 tonnes in the not distant future.

As shareholders are aware, in the Accounts we only provide depreciation on the basis of historical cost. In an era of steadily rising prices, the depreciation reserve proves inadequate for carrying out replacements arising out of normal wear and tear. The Board considers that it would be sound policy to provide an additional sum, from time to time, so that the actual cost of replacements might be met from out of the reserves.

It is in the light of these considerations that your Directors recommend a final dividend of not more than 11.5% on the ordinary share capital to bring the total dividend to 18% for the year, which is the same as for the previous year and also a specific appropriation of Rs. 2½ lakhs for a rehabilitation reserve.

Miscellaneous

In accordance with your Company's agreement with Seshasayee Paper & Boards Ltd., it is expected that delivery of bagasse in exchange for oil will commence early in 1964. The bagasse handling equipment and oil-fired boilers will be ready for commissioning by then.

The calculation of the additional price for cane under the Government of India's 'Price Linking Formula' has been taken a step further by the appointment of the Sugar Cane (Addl.) Price Fixation Authority. The Authority has been furnished with all the particulars required and an announcement can be expected in the near future.

Our staff and labour relations have been cordial and are no little responsible for what, I am sure, you will regard as a successful year for the Company.

The above statement is not a report of the proceedings of the Annual General Meeting, which will be held on the 29th November, 1963.

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PRATAP

New Delhi

IRAN AND KUWAIT TO SEND OIL TEAMS TO INDIA FOR TALKS

(FROM OUR NEW DELHI CORRESPONDENT)

FOLLOWING the visit of the vice-chairman of the Oil and Natural Gas Commission to Iran and Kuwait last month, the Governments of the two countries have decided to send separate delegations to India within the next few weeks for further discussion on the proposal for a joint oil exploration programme. The discussions may cover the question of importing into India crude and petroleum products on a long-term basis on special concessional terms.

Meanwhile, there has been some loose talk on the proposals of the three oil companies to replace their refinery agreements by industrial licences. The three western oil companies in India, it is explained, have dual organisations—one being the rupee companies owning and managing their oil refineries and the other being the older organisations based on sterling or dollar capital which own and manage the distribution and marketing of petroleum products. The three oil refineries in the private sector are almost wholly owned by the western oil companies, outsiders holding only some preference shares. The distribution companies are, however, wholly non-Indian.

Two of the oil companies, namely, Esso and Caltex, have put forth proposals to the Government to merge their two organisations into one. In the event of their agreement with the Government, the dollar-based distribution companies will cease to exist and will be merged with the rupee refinery companies.

Meanwhile, the demand for petroleum products is placed at 17.25 million tons by 1966. While the Government is confident of reaching the production target by 1966, the oil companies—or at least some of them—have expressed their doubts whether the expansion of the public-sector oil refineries can be completed in time. On this basis, the private-sector oil refineries have pointed to the necessity of allowing them to expand their refining capacity. The basic issue, however, relates to the question of attaining self-sufficiency in oil products. Apart from creating extra refining capacity, there is the problem of the lack of balance in the production of the refineries. The creation of more refining capacity will necessarily mean the production of more motor spirit, the surplus production of which will have to be exported. One question which could be asked is whether the creation of 17.25 million tons oil capacity will help meet India's demand for such products as kerosene, diesel and furnace oils.

Furthermore, the issue of creating further refining capacity should be based on economic rather than political considerations. India is already paying heavily for an uneconomic public-sector refinery in Nunmati in Assam. Lastly, the State Governments are vying with one another to have oil refineries within their own territories, so some formula should be evolved to safeguard their profitability. One way to solve the problem is to make the State Governments the shareholders in public-sector refineries.

STATE FINANCE MINISTERS

Conference Discusses Issues

The State Finance Ministers met here last week to discuss measures for accelerating economic growth and development. The conference, which was convened by the Central Finance Minister, Mr. T. T. Krishnamachari, was attended by the Finance Ministers from all the States.

Discussions at the conference covered a wide range of topics, including measures to accelerate economic growth, problems connected with sales tax, agricultural income tax, urban property values, and the importance of getting a better return on the investment in irrigation and power projects. In the light of the discussions, specific proposals will be formulated both by the Central and State Governments.

In his opening address, the Central Finance Minister, Mr. T. T. Krishnamachari, stressed the need to go ahead with the "joint venture" of the economic development of the country. The Finance Ministers today have not only to see that public monies are well spent, but also to work for accelerating the development and growth of the economy. For some reason—not wholly within the control of the Central and Sate Governments—the economy has been running low. Part of it is due to the shortfall in agricultural production. But generally, whether in the public or in the private sector, there does not seem to be a sense of doing something really well and getting full satisfaction out of it. Reference is sometimes made to making the economy more dynamic, but it seems to have lost most of its practical significance. To him, the Finance Minister said, dynamism means that there should be a quickening in the tempo of action and in the pace of progress so that the results from all these extra efforts are realised much sooner.

Dealing with small savings, Mr. Krishnamachari said that the Centre and the States were at present sharing the net collections in the ratio of 1 : 2. But after the declaration of the emergency last year, a ceiling was put on the amount of the States' share. Small savings collections are gathering momentum, particularly after the withdrawal of the compulsory deposit scheme. In order that this momentum might be kept up, Mr. Krishnamachari announced that the ceiling would no longer be applicable, and the States would now get two-thirds of the net collections in their respective areas without any effort. The announcement was welcomed by all the State Finance Ministers.

Social Security

Speaking about social security measures, the Central Finance Minister said that the need was to drive fear from the minds of the people and create the feeling that they or their families would be looked after when they were disabled or when they were no longer there. He said that he did not think that social security measures could be introduced in a day, not even in the third plan nor perhaps even in the fourth and the fifth plan periods. They have to be processed by stages. A beginning has to be made now and it is necessary both for the Centre and the States to find out what action has to be taken to deal with the fringe of the problem. Perhaps, the Government could first deal with its own employees and then take up particular sectors of society. A beginning can be made now or the next year. It will be possible to solve the entire problem within the next decade or so.

Mr. Krishnamachari next spoke about tourism. The Finance Ministers know, he said, that part of the difficulties in the development effort is the lack of foreign exchange. The Government of India is going all over the world seeking help and is being helped. Even so, there is a considerable gap and the needs of the country cannot be met adequately. Tourism is one of the ways in which the foreign exchange resources can, to some extent, be augmented. It is a common endeavour, and any result that will come from it will also accrue to the States to some extent. The Centre wants to get the help of the States in the matter of construction of hotels, buildings, the acquisition of land, etcetera, and also in improving tourist centres.

Mr. Krishnamachari also made a reference to the agricultural income tax legislation which, he said, needed rationalisation for purposes of securing some measure of uniformity for the country as a whole.

During discussions in the conference, the State Finance Ministers were unanimous that the rate of economic growth was disappointing and that immediate measures should be adopted to accelerate the tempo of development. They, however, did not agree to the proposal to extend the scheme of replacing sales tax by additional excise to more commodities. They argued that sales tax was the only item which provided flexibility in State taxation. Its merger with excise duty will create serious revenue problems for them.

The conference is understood to have decided that the States and the Centre should float loans separately. This means that the experiment of joint borrowing by the Centre to cover its requirements and those of the States will be given up. The States, it is understood, have agreed to set up a sinking fund to facilitate prompt debt repayments. Two or three States have already created such funds.

Mr. Krishnamachari's proposal that the States should also bear a substantial part of the burden of the proposed security schemes was generally endorsed.

MATERIALS MANAGEMENT

Seminar Opened

While inaugurating an all-India seminar on the buyer-seller relations organised by the National Association of Purchasing Executives, the Rotary Club of Delhi and the *Eastern Purchasing Journal*, in New Delhi last week, Mr. A. K. Roy, Comptroller and Auditor-General of India, stressed the need for buyers and sellers to evolve mutually acceptable procedures in the field of purchasing and materials management. This, he said, could make a major contribution towards holding the price line. Mr. Roy emphasised that proper procedures for purchasing and selling could save the country vast sums of money while at the same time helping to improve quality. The Directorate-General of Supplies and Disposals—the largest buyer in India—is hamstrung by Government procedures which permit little discretion. In normal practice, there is no appeal against these procedures and private-sector units which sell to the Government also face great difficulties.

The seminar came to the conclusion that a steering committee should implement its findings and that all efforts should be made to bring into being an Institute for Materials Management similar to the one in Japan.

TELEPHONE PROJECT

I.T.T. Wins Tender

The Government of India has accepted the tender of the International Telephone and Telegraph Corporation of the U.S.A. for setting up a telephone switching factory in India. Late in 1962, the World Bank granted a loan of $42 million to India for purchasing equipment from abroad to expand and improve telecommunications facilities. The loan was intended to finance the microwave equipment, telephone switching and cable projects. Under the loan, new telephone exchanges were planned for Delhi, Bombay and Madras for which equipment was to be imported. For developing telecommunications facilities, the Government decided to set up a telephone switching factory with financial and technical collaboration from a successful tenderer which is now the I.T.T. of the U.S.A.

In the final selection, the I.T.T., Nippon Electric Company of Japan and Messrs L. N. Ericsson of Sweden were the main competitors. The three-man technical committee which was appointed by the Government was divided in its opinions. The former Secretary to the Central Ministry of Communications, Mr. M. M. Phillips, who examined the report of the technical committee, recommended the acceptance of the tender of the I.T.T. for the purchase of equipment and for collaboration in setting up the telephone switching factory. The Government has accepted the recommendation. It will be recalled that the Government decided to adopt the Continental switching system. The latter is based on the use of crossbar switches with the indirect switching technique. The I.T.T. tender was submitted through its Belgian organisation. Its acceptance should enable the Government to use Belgian credit for financing the factory project.

TRACTORS

New Panel Suggested

The Development Council for the Automobile Industry has recommended to the Government to set up a separate panel to look after the progress of the agricultural tractor, tractor-drawn agricultural implements and earthmoving equipment manufacturing industries. At present, four firms with a combined capacity of 11,000 numbers of agricultural tractors have been licensed, and production has just started. Production achieved in 1962 was 1,627 numbers and up to September 1963 1,032 numbers. The production target set for the industry is 10,000 numbers a year by 1965-66.

Earthmoving equipment consists of the following major items : (1) Crawler tractors and their attachments, (2) motorised scrapers, (3) motorised dumpers, (4) bulldozers, and (5) shovels and draglines.

The Crawler tractors are presently being manufactured by the Central

Ministry of Defence in the ordnance factories and shovels by two establishments in the private sector, namely, the Tata Engineering and Locomotive Co. Ltd and Hindustan Motors Ltd. The latter is also licensed to manufacture tractor attachments. Due to the long gestation period required, the industry has yet to establish itself to make a significant contribution in this field. Furthermore, the industry's progress is retarded due to continued imports to meet the domestic demand. Simultaneously, the domestic demand is of such a nature that unless the industry is able to meet it completely, imports cannot be stopped. Meanwhile, the industry has to be developed further to meet the ever-growing demands for tractors and earthmoving equipment for irrigation projects, mining and other construction projects.

The following are the firms manufacturing agricultural tractors and their capacities :

Name of the firm	Capacity licensed	Name of foreign collaborator
Eicher Tractor Corporation India Ltd. Faridabad	1,000 Nos.	Gebr Eicher Traktoren Fabrik, West Germany
Tractor and Bulldozers Pvt. Ltd. Bombay	1,000 Nos.	Czechoslovakia 1. Technoexport 2. Motokon, Prague
Tractors and Farm Equipment Ltd. Madras	3,000 Nos. 500 Nos.	Massey Ferguson, U.K.
International Tractor Co. of India Ltd, Bombay	3,500 Nos.	International Harvester, U.S.A.
Ghaziabad Engineering Co., Ghaziabad	3,500 Nos.	Renault, France
Tillers (agricultural implements)		
East Asiatic Co. (I) Ltd. Bombay	24,000 Nos.	Landmaster Ltd, U.K.
Indian Landsberg Implements Corporation (P) Ltd, Faridabad	500/3,500 Nos.	Bajerecsge Pflugfabric G.m.b.h., Landsber, Germany
Krishi Engines, Hyderabad	53,000 Nos.	M/s. Akito of Japan
Escorts Ltd. New Delhi	9,000 Nos.	Nil
Marshal Sons and Co. (I) Ltd. Calcutta	200 Nos. 400 Nos.	1. Rubbery Ocean and Co. Ltd. U.K. 2. E. V. Twose Ltd. U.K. 3. John Wilders. U.K.
Agricultural Discs. Ltd, Bombay (L. R. Patel)	100,000 Nos.	W. A. Tyzaele and Co. Ltd. U.K.
The Housing and General Finance Ltd, Delhi	40,000 Nos.	None
Heavy earthmoving equipment		
Hindustan Motors Ltd. Calcutta	Not assessed	Caterpillar Tractor Co., Ohio. U.S.A.
Tata Engineering and Locomotive Co. Ltd, Jamshedpur	100 Nos.	Harnischfoger Corpn., U.S.A.
Tractor and Bulldozers Pvt. Ltd. Bombay	60 units	Vickers Armstrong Ltd, U.K.
Tractor Engineers Pvt. Ltd. Bombay	For 2,000 sets of tractors	Tractors Spares Private Ltd, U.K.
Trackparts of India, Kanpur	For 400 sets of tractors	Track Parts Ltd, U.K.
Automobile and Agriculture Industries Corporation, Bombay	Not assessed	None
Heavy Engineering Corporation Ltd. Ranchi (Bihar)	30 Nos. (4,950 tons)	None

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CZECHOSLOVAKIA

Trade Pact Signed

The Czech Minister of Foreign Trade, who recently led a trade delegation to India, offered to India on behalf of his Government, a new line of credit for $50 million for financing projects included in the third and fourth plans. He also signed—on behalf of his Government—a three-year trade and payments agreement. The agreement, which replaces the existing three-year trade and payments agreement, will be valid for five years from 1st January, 1964.

During his visit to Prague in June this year, the Central Minister for International Trade, Mr. Manubhai Shah, had had discussions with the Czech Minister, Mr. F. Hamouz, on trade and allied matters. As a result of these talks, a high level delegation of officials led by Mr. Rudolf, Chief of the Department in the Czechoslovak Ministry of Foreign Trade, came to India last month and conducted negotiations with an Indian team led by Mr. S. Vohra, Joint Secretary to the Ministry of International Trade.

The agreement signed recently provides for the exchange of goods between India and Czechoslovakia to the tune of Rs. 19.50 crores each way in 1964. Rs. 23.50 crones each way in 1965 and Rs. 24.50 crores each way in 1966.

Exports of manufactured industrial products from India are expected to increase substantially. So also of iron ore. India will also export other traditional items such as jute products, textiles, tea, H.P.S. groundnuts, cashew kernels and coffee. Imports from Czechoslovakia will consist mainly of machine tools, heavy machinery and equipment for power projects and other heavy industries such as tractors. Czechoslovakia will also supply increasing quantities of tools, alloy and special steel and rolled steel products, chemicals, dye-intermediates and other raw materials and components for Indian industries.

After the signing ceremony, Mr. Manubhai Shah said that the happy feature of the agreement was that Indian manufactured goods worth Rs. 2.5 crores to Rs. 3 crores would enter the Czech market every year. He hoped that other industrialised countries would follow the example of Czechoslovakia and buy manufactured goods from developing countries like India and help them to expand their trade. Another important point, he said, was that every year 10 percent of the trade between the two countries would consist of non-traditional items. Trade would be on a balanced basis between the two countries. Mr. Shah expressed the hope that in the years to come the Indo-Czech trade would grow considerably and the international division of labour which had been recognised in the pact would be accepted by other countries also.

The Czech Minister, Mr. Hamouz, said that while the volume of trade in 1960 was about Rs. 13 crores, the turnover in 1962 reached a level of Rs. 30 crores. He advised India to use Indian shipping for her trade with his country and, in particular, for exporting iron ore.

ENGINES AND PUMPS

Estimating Demand

The Central Minister of Steel and Heavy Industries, Mr. C. Subramaniam, last week asked engine and pump manufacturers to make a proper assessment of the demand for their goods "in the context of the massive programme of industrialisation we have taken on ourselves in the coming decade." It is necessary, he said, to spell out the demand by types and categories so that it may be possible to chalk out suitable plans for either the expansion of existing units or for installing new ones.

The Minister said this while inaugurating the Development Council for Internal Combustion Engines and Power-driven Pumps. He pointed out that in original estimates, nearly 60 percent of the demand for engines had been set apart for agricultural and irrigation facilities. It should be examined whether the actual demand has increased in the manner visualised. Furthermore, the engines produced should be able to meet the special requirements of farmers at prices they can afford and the problems posed by irrigation needs of different regions. The production of marine diesel engines should also be increased for the development of fisheries.

Mr. Subramaniam said that heavy-duty pumps and special-purpose pumps were still not manufactured in the country to meet the demands of India's chemicals, fertilisers, refining and other sophisticated industries. The Government, he added, has asked for a detailed project report from Russia for setting up a heavy compressor and pump project. "I am hoping that further progress in the implementation of the scheme will be made fairly quickly, so that our dependence on imports in this area will be reduced", he said.

E.R.I.C.

Indemnity to Banks

The Export Risks Insurance Corporation has raised its indemnity to banks under its packing credit policy from 50 percent to 66⅔ percent. It will be recalled that the study group on export finance, headed by Mr. K. P. Mathrani, had recommended that the Corporation should augment its guarantee to banks under the policy to 65⅔ percent. This recommendation has been accepted by the Government and implemented by the Corporation without enhancing its premium rates.

The Corporation's packing credit policy is designed to help exporters to secure a line of credit from banks for the purpose of buying, processing and packing goods destined for the export market. Often, exporters have firm orders in hand for financing which they need credit which may be in excess of the bank's normal rating of their capacity. In such an event, the Corporation is ready to come to the aid of the exporter and to share the risk with the lending bank. Thus the exporter is able to find a measure of finance which helps him to enlarge his business without unduly deploying or straining his financial resources.

Under the scheme, the Corporation formerly co-shared the risk of loss with the lending banks in the ratio of 1:1 whereas under its revised policy, it will bear the bulk of the risk and cover the banks in the ratio of 2:1. The step will enable the banks to liberalise their lending policies *vis-à-vis* exporters and make a larger amount of finance available to them.

The packing credit policy, which was introduced towards the end of 1960, is becoming increasingly popular with exporters and banks. The value of advances secured by exporters under the Corporation's packing credit policy stood at Rs. 54 lakhs in 1961, but rose sharply to Rs. 2.5 crores in 1962 and is likely to be of the order of Rs. 5 crores at the end of the current year.

HUNGARY

Trade Team in Capital

A trade delegation from Hungary led by Dr. L. Ujhazy, Director General of the Ministry of Foreign Trade, is now in New Delhi to negotiate a long-term trade and payments agreement between India and Hungary and also to fix the amount of trade for the next three years.

The Hungarian Minister for Foreign Trade, Mr. J. Incze, will be arriving here soon when he will sign the trade agreement on behalf of his Government. From the Indian side, Mr. Manubhai Shah, Central Minister for International Trade, will sign the agreement.

As a result of the current negotiations, it is hoped that the volume of Indo-Hungarian trade, which is now of the order of Rs. 8.83 crores each way, will be doubled towards the end of 1966.

WEST GERMANY

Minister to Visit India

Mr. Walter Scheel, West German Minister for Economic Co-operation, will arrive in New Delhi on 23rd November, 1963, on a fortnight's visit to this country at the invitation of the Government of India. He will be accompanied by a team of senior officials. Mr. Scheel is expected to tour some parts of the country visiting some industrial plants, including the steel plant and the fertiliser factory in Rourkela as well as some German-aided industrial establishments. He will also visit the Prototype Technical Centre, Okhla, and the agriculture project in Mandi, Punjab. Mr Scheel will leave for West Germany on 8th December.

F.B.I.

Official to Tour India

Mr. A. St. John Shuttleworth, who was in charge of the Bombay office of the Federation of British Industries from 1952 to 1958, will arrive in Bombay on 22nd November at the start of an intensive four-week tour of India. He will go on to Madras arriving there on 1st December, Calcutta from 6th December, and Delhi from 14th December. This will be the first of the regular twice-yearly visits which will be paid to India by F.B.I. officials now that the organisation has no office in the country.

Interviewed in London, Mr. Shuttleworth said that during his visit to India, he would find out means "to keep alive" F.B.I. interests, and also study the current economic problems and "how British industry can co-operate further". He will also study what opportunities exist for "investment and participation."

"I want to find out, too," said Mr. Shuttleworth, "how the Kipping loan of £4 million is working out in practice."

PARLIAMENT

New Bills for Next Session

Eighteen new Bills, including one to provide for more effective control of banking companies and certain other financial institutions, are to be introduced during the winter session of Parliament, beginning on 18th November.

The Preventive Detention Act, which expires on 31st December is proposed to be continued by a Bill.

The other major Bills are those relating to gold control, the setting up of a unit trust, changes in company law, establishment of a new Press Council, amendments to the Industrial Disputes Act and the tightening up of the Prevention of Food Adulteration Act.

The Gold Control Bill, which is intended to replace the existing rules relating to gold control promulgated under the Defence of India Act, is likely to be referred to a joint committee of Parliament. The Unit Investment Bill is expected to go before a select committee of the Lok Sabha, while amendments to make the Prevention of Food Adulteration Act more stringent would be referred to another joint committee.

A principal amendment to the company law proposed is the setting up of a tribunal to enquire into the misconduct of managerial personnel of companies. This and other amendments are being proposed in the light of the Vivian Bose Commission's report on a group of Dalmia-Jain concerns.

Besides the 18 new Bills, Parliament is expected to have before it the report of the joint committee on the Constitution (17th amendment) Bill. Supplementary demands for grants for 1963-64, both for the Union and the railways, will be presented.

Both Houses will also discuss during the five-week session the motion for constitution of a committee on public undertakings and the progress of the third plan based on the mid-term appraisal.

Among the new Bills are the one to amend the Indian Railways Act to make the unauthorised transfer of railway tickets and berth reservation illegal, another to extend the life of the requisitioning and acquisition of Immovable Property Act to six years, and a Bill to provide for the administration of estates of rulers in certain contingencies.

The raising of the age of retirement of High Court judges from 60 to 62 is being covered by another Bill. It is also proposed to enable, through a Bill, the Judicial Commissioner's court in Goa, Daman and Diu to function as a High Court.

The Indian Tariff Act is being amended to continue or discontinue protection granted to certain industries. An amending Bill to extend the Indian Medical Council Act to Jammu and Kashmir, a Bill to prosecute persons who solicit or receive *nazar* or offerings at the Durgah Khwaja Saheb, Ajmere, in an unauthorised manner, a Bill to provide for the delegation of appellate and revisionary powers of the Chief Commissioner, Delhi, to certain other authorities and another to enable the Coir Board to receive more funds to set up a factory for manufacturing coir goods are also expected to be introduced.

Besides the 18 Bills, seven Bills are pending in the Lok Sabha, including some already passed by the Rajya Sabha.



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MOVE TO METRIC HAS WIDE SUPPORT IN U.K. INDUSTRY

(FROM OUR LONDON CORRESPONDENT)

AN early decision on the adoption by British industry of metric weights and measures is called for in a short report just issued by the British Standards Institution. Based on discussions over the past year within B.S.I. committees which are responsible for standards policy in 50 major industries, it shows that there is now strong support for a move to the metric system. "There emerges", says the report, "a substantial majority view that changes are inevitable and that they should be directed towards the introduction of the metric system as the primary system of weights and measures in the U.K. within the shortest practicable period."

Over a year ago, in view of the growing volume of opinion which advocated the adoption of the metric system, the B.S.I. issued a pamphlet, *Change to the Metric System?* reviewing the considerations involved for industry, the action which would have to be taken if it were decided to go metric, and suggesting a phased programme for the change. This was discussed in this feature at the time. Since then, committees in B.S.I., representatives of manufacturers and other interested bodies in a wide range of industries, have considered this review and the main questions which emerged from it—whether particular industries wished to change to the metric system, how long it would take, and whether it should be dependent on a parallel move by the United States or the Commonwealth, as well as detailed questions on the metric standards to be used. The positive view now reported is, with only a few exceptions, not conditional on similar action by the United States or the Commonwealth. The B.S.I.'s high-level Export Panel favours a change to metric because of the increasing use of the metric system in the more rapidly-expanding world markets, and in view of Britain's growing trade with Europe.

The report recognises that the time required to make a change will vary from industry to industry and that certain of them—notably, petroleum equipment, aircraft and motor-vehicles—must remain basically on the inch-lb system of standards until a change is made in the parallel industries of the United States. In some other parts of the engineering industry, a move would inevitably be protracted, with dual production—to inch and metric standards—to cater for special customers and for spares and replacements over a considerable period. Close co-ordination between industries using one another's products would be required.

The B.S.I., as Britain's national standards organisation, has to look at the question of a change primarily in terms of the dimensional standards which provide industry with its basic production and purchasing pattern, and the report indicates the general lines on which B.S.I.'s work would have to proceed. Although many other aspects of a change to metric are important, the dimensional standards of the engineering industries are unquestionably the key factor and it is changes in them that would be the major cause of the heavy costs which a change to the metric system would involve.

Industrial Standards

Changes made to industrial standards (which in the main are voluntary in Britain) could be quickly reflected—even without Government action—in trade and commerce and in daily life. Use of the metric system is permitted by law in Britain, except for sale of a limited number of goods in specific weights. Clearly, however, a Government pronouncement would decisively influence the pace of any change and the effectiveness of action throughout the economy. The report underlines the need for systematic education in the metric system. The introduction of decimal coinage, although this is an entirely separate issue, would be a move towards the same decimal thinking inherent in the metric system. The views expressed in the report may be summarised as follows:

(a) Although recognising the size and complexity of the task, the great majority of industries accept that a change is inevitable. A few already work substantially on metric standards, examples being the scientific and laboratory apparatus and photographic industries. Others are positive in advocating a change and see no major difficulties in making it if it is planned over a reasonable period; leading examples in this group are the chemical industry and the electrical industry. Others—the iron and steel industry, for example —are ready to do what their customers require. Others again, numerically the large majority, are prepared to face the change and the difficulties which are involved if it is accepted and planned on a national basis.

(b) The nationalised industries, which in the main have no direct interest in manufactured exports, have little urge to change, but they would be prepared to follow if it were agreed to be in the national interest for the change to be made.

(c) There are, however, certain industries which could only contemplate a move if it were to be made concurrently by the corresponding industries in the United States. The most important of these are the motor-vehicle, aircraft and petroleum equipment industries, sectors where American practices have long set the pattern and where it is considered essential to maintain interchangeability with American equipment. In most industries, however, contrary to the general feeling expressed a few years ago and recorded in the joint report of the Committees of the British Association and the Association of British Chambers of Commerce, the view now taken is that U.K. action should not be dependent on parallel action by the United States or the Commonwealth.

Advantage for Exports

(d) The Export Panel of the B.S.I. is confident that, from the point of view of exports, there would be a definite advantage in making the change. The numercial superiority of countries using the metric system, progressively being intensified, the expansion of trade with Europe—irrespective of membership of the Common Market—and the fact that the repidly expanding markets of the future will be predominantly metric are the factors which influence the Panel in favour of this view.

(e) There is a widely-held opinion that some drastic changes in the existing Imperial system of weights and measures (including adoption of the U.S. gallon, short ton, etcetera) would be imperative if it is to remain the primary system. Decimal increments of the inch and pound would, in many instances, have to replace fractions, all of which would mean such formidable changes in the engineering industries that the direct step to adoption of the full metric system is to be preferred.

(f) A notional period of 20 years for the change as a whole—suggested in B.S.I.'s earlier statement—is generally regarded as realistic, although in some sections of industry the changeover could be carried through in a much shorter period. There are, of course, large variations in the period estimated to be required by different sections and many uncertainties because of the dependence of industries on one another internally and internationally. Almost all, however, would favour proceeding as quickly as possible once it is decided what changes are to be made and once it is clear that they have the backing of the country as a whole.

It has, of course, always been open to particular industries or firms to work to metric standards either for their entire production or to satisfy the requirements of export markets. In some cases, metric and inch-lb standards, often based on an international recommendation, are substantially the same and only the presentation of the dimensions needs to differ in the two systems. But in any extensive move to the metric system by industries in this country, it cannot be left to individual industries to plan a change in isolation, since each industry must be dependent on acceptance of metric standards by its customers and suppliers. There must be a co-ordinated move in major sectors—so that manufacturers of materials and components can estimate the demand for those based on metric standards and the users can be confident of obtaining what they need, in order, in turn, to modify their own designs and standards.

Move in Education

There must be a major move in education, both general and technical, to teach the metric system in a systematic way. Action by the B.S.I. itself will be concerned with providing national standards in the metric system as they are required. For use in industry and in teaching the metric system, an up-to-date publication embodying the fundamental quantities and units in the metric system as established by international agreement should be made available. Such a publication is already in preparation and is based on the relevant recommendations of the International Organisation for Standardisation (I.S.O.). In addition, the B.S.I. has already issued extensive publications dealing with conversion factors and tables.

As the new metric standards are introduced, the interests concerned will have to determine, through B.S.I. Committee discussion, their policy on a phased withdrawal of the British Standards in the inch-lb system, bearing in mind the need for replacement and the requirements of non-metric markets. In some sectors of industry, the existence of two standards will be inevitable for a considerable period. In consequence of the continuing use of the inch-lb system, it will be desirable to eliminate obsolescent units in the system and rationalise it as far as possible—the extent to which such rationalisation will be economic will depend on the rate of change to metric and on the needs of those sections of industry using the inch-lb system for a protracted period.

In spite of a large number of indefinite, and sometimes, divided views which the B.S.I. statement *Change to the Metric System?* has elicited from U.K. inudstries, there emerges a substantial majority view that changes are inevitable and that they should be directed towards the introduction of the metric system as the primary system of weights and measures in the U.K. within the shortest practicable period. The timing of the change must clearly vary from industry to industry and must be left to individual industries to work out. In general, however, it is accepted that the longer a move is delayed, the more costly and complicated the operation will be. There is an almost unanimous desire for a decision one way or the other. Indecision is undoubtedly acting as a curb to industrial progress; it is also a serious obstacle to the further development of national standards which are themselves an essential part of an efficient and expanding national economy.

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BOOKS RECEIVED

Investment in India: Dividends on Development. (Published by Industrial and Economic Consultants International Private Ltd, D-172 Defence Colony, New Delhi 3. Price Rs. 5, pages 39.)

Report on Transport Problems in Maharashtra. (Published by Maharashtra Economic Development Council, Bombay 1 Pages 40.)

An Introduction to Postive Economics. By Richard G. Lipsey. (Published by Weidenfeld and Nicolson, 20 New Bond Street, London W.1. Price 45s, pages 559.)

Reappraisal of Steel Demand, Vol. I. (Published by V.G.K. Thathachary, Publications Division, National Council of Applied Economic Research, New Delhi. Price Rs. 12, pages 184.)

Jute

EXPORTS OF MAJOR GUNNY PRODUCERS RISING

EXPORTS of jute goods by six of the world's major manufacturing countries—India, Pakistan, France, Belgium, the United Kingdom and West Germany—during the second quarter of 1963 have totalled 300,000 tons, a rise of 4 percent over the corresponding figures for the preceding quarter, says the latest *Fibres Supplement* of the Commonwealth Economic Committee. The figures have been compiled in the absence of complete returns from Pakistan, Belgium and France. The total output of jute cloth in the six countries has been 440,000 tons during the quarter, which is an increase of 3 percent over the figures for the previous quarter, and 6 percent over those for the corresponding quarter of 1962.

Reviewing Pakistan's jute policy, the C.E.C. report says that in July, the Government raised the minimum export prices for most grades for the 1963-64 season by £2 a ton. However, small shippers and the Jute Marketing Corporation have been allowed to sell at £2 a ton below the minimum price in order to be able to compete with the larger shippers. Pakistan has also introduced an export quota system for raw jute to prevent the concentration of trade in the hands of a few large shippers. Export duties remain unchanged and the system of statutory prices for growers continues.

In order to help maintain minimum export prices, the Pakistan buffer stock, introduced in September 1962, continues to buy jute at prices 10 percent below the minimum, and the size of the 1964-65 crop will be regulated to prevent surplus production. First estimates of the area under jute in Pakistan for the 1963-64 season are put at 1,412,000 acres, compared with 1,723,000 acres in the previous season, the decrease being due to continued low prices and the ban on cultivation within five miles of the Indian border. The first estimate, however, is usually somewhat conservative, and the final figures may well approach the last season's acreage.

Pakistani Consumption May Rise

Jute loomage in the Pakistani industry is to be increased from 8,000 to 11,000 by the end of 1963, which could result in Pakistan consuming up to 40 percent of her annual output of fibre. This increased capacity is designed to secure for Pakistan a larger part of the world's sacking demand and will not, therefore, directly affect the Indian hessian industry, the report says.

Despite the sharp rise in U.K. cloth production this year, a number of uncertainties are now affecting the Dundee industry. These include not only the findings of the Restrictive Trade Practices Court on the minimum price issue, but also the recent announcement of the U.K. Government's new policy on imports of jute goods. The new policy will not, however, come fully into effect for another year, which should give time for readjustment.

The C.E.C. report states that Pakistani goods are making headway in a number of important sacking markets, particularly Australia and New Zealand. These countries are purchasing larger quantities of higher quality material for woolpacks, since raw wool often becomes contaminated by the loose fibres in packs made of poor quality jute cloth. Australia is Pakistan's most important customer for sacking, and other markets include south, west and east Africa and the United States.

Small Increase in Gunny Stocks

Jute goods stocks with mills reporting to the I.J.M.A. have risen by 700 tonnes to 103,100 tonnes in October. Sacking stocks declined by 3,000 tonnes to 52,100 tonnes, due to clearance of sizable lots against the previous months' shipping instructions. But hessian stocks rose by 1,600 tonnes to 34,400 tonnes, and miscellaneous goods by 2,100 tonnes to 21,600 tonnes. In October last year, closing stocks stood at 90,300 tonnes.

The clearance figures issued by the various shipping companies indicated that the total quantity shipped on September vessels which sailed between 7th October and 14th October for the U.S.A., Canada and the Pacific and Atlantic ports, was more than 46,000 bales. Exporters felt that shipments during the month have been better than expected, absorbing the carryover of shipping instructions from September, particularly in sacking. This probably explains why a large surplus of goods was feared but did not materialise at the end of October.

Sharp Fall in October Output

Working at maximum capacity for 200 hours in October, the mills reporting to the I.J.M.A. produced 96,200 tonnes of jute goods last month, against 100,900 tonnes in September. Hessian output declined by 2,400 tonnes to 41,800 tonnes, sacking by 1,000 tonnes to 40,500 tonnes and other goods by 1,300 tonnes to 13,900 tonnes. The bigger fall in hessian output is attributed to poor enquiries and business, due to which some mills have diverted a number of hessian looms to sacking production. In spite of the working hours remaining the same, production has been affected to some extent due to absenteeism on account of the Puja festivities. In October 1962, mills worked for 192 hours, producing 90,900 tonnes of goods. Of these 39,600 tonnes were hessian, 42,900 tonnes sacking and 8,400 tonnes other goods.

Study Team for Europe

A four-man delegation, led by Mr. G. C. L. Joneja, Jute Commissioner, is leaving soon on a four-week study tour of the E.C.M. countries, Denmark, Sweden and the U.K., it is reported. The delegation will include representatives of the Indian Jute Mills Association and the Calcutta Jute Fabrics Shippers Association. It will make an on-the-spot study of these markets in an effort to assess their import potential. The team will also study the manufacturing techniques for jute-mixed fabrics, which are gradually gaining popularity in these markets.

Export Finance Liberalised

Along with other exporters gunny circles have expressed satisfaction over the liberalisation of the packing credit policy by the Export Risks Insurance Corporation. In order to stimulate exports, the Corporation has decided to indemnify banks for up to two-thirds of the export finance advanced by them under the packing credit policy. It will help bankers further to liberalise their lending policies for exporters. Now exporters with firm orders will be able to obtain a line of credit from banks for buying, processing and packing goods meant for the overseas market.

Under the policy, introduced in 1950, the Corporation had been covering bank risks only up to 50 percent. The liberalisation has been made on the recommendation of the official study group on finance. According to the E.R.I.C., the packing credit policy has been increasing in popularity. From Rs. 54 lakhs advanced to exporters in 1961, the figure rose to Rs. 2.5 crores in 1962. During the current year, the accommodation may go up to Rs. 5 crores.

Code of Conduct for Exporters

A code of conduct to guide exporters and manufacturers of goods for export has been formulated by the Central Ministry of International Trade. According to the code, exporters should conform to high ethical standards in business, strictly fulfil all contractual obligations, improve and maintain the quality of goods and adhere to the time of delivery. It is also proposed that all exporting firms, including manufacturer-exporters, should sign a pledge to this effect.

I.S.I. Standard for Gunny Packaging

The Indian Standards Institution has published specifications for seaworthy packaging of jute products (I.S. 2433-1963). It prescribes the requirements of packaging jute products, namely, hessian, sacking, jute bags and jute yarn, intended for overseas markets.

THE JUTE MARKETS

Manufactured Goods: Divergent trends marked trading during the past week. There was no overseas business, nor any Government tenders. The recent series of bore tides corresponding with the usual end-month heavy arrivals of vessels resulted in delays to ships using Calcutta port. So there was an appreciable fall in the demand for ready shipment cargo. The earlier weak trend induced shippers to defer their purchases on expectations of a further fall in prices. But towards midweek, sentiment changed following the publication of the I.J.M.A. gunny stock figures, showing a sharp decline in sacking. Hopes that the Indian Government would enter the market soon for its November-December purchases of heavy goods, and shipper-covering against forthcoming shipments to Cuba and the Argentine, combined with the hardening tendency in fibre prices, reinforced sentiment in sacking—spot and futures. Mill's were not inclined to do much business in heavy goods in view of their good order-book position. Despite the attractive level of hessian prices, overseas buyers were sitting on the fence. Small transactions of a routine nature were reported around the previous rates. In spite of an increase in October stocks, mills were unwilling to discount prices further and the buoyancy in sacking helped stem the drift in the prices. The spot market governed the trend in the futures market. Operators were inclined to keep down their commitments in view of the forthcoming Diwali end-of-account. But hectic covering in sacking helped prices to close with a sizable gain over the previous week's levels. Hessian escaped with a nominal loss. Turnover was fair in sacking and small in hessian. The undertone was firm in the former and easy in the latter.

Wednesday's quotations were as follows:

	Nov.	Dec.	Jan.-Mar.	Apr.-June
40in. 7lbs/z.	35.50	35.60	35.65	35.65
40in. 8oz.	38.10	—	—	—
40in. 10oz.	47.15	47.25	47.35	47.40
B Twills	114.55	114.65	114.85	114.85
Cornsacks	116.00	116.25	116.50	116.50
Heavy Cees (Plain)	114.50	—	—	—
A Twills	134.50	135.50	135.50	135.75
Liverpools	126.10	126.50	127.00	127.00

Raw Jute: Steady conditions prevailed during the past week. A gradual decline in daily arrivals in the upcountry stations and routine purchases by mills and mill agents against the big November quota contributed to the firm trend. The co-operatives were actively operating in the remote secondary markets. With the end on the Puja season, and

I.J.M.A. STOCK FIGURES FOR OCTOBER

The Indian Jute Mills Association reports the total stocks of jute goods at the end of October 1963 as follows:

Description	31st October, 1963		30th September, 1963		Increase over (+) or decrease from (-) last month		31st October, 1962	
	000 Metres (Lakh Yds.)	000 Metric Tons (000 Tons)	000 Metres (Lakh Yds.)	000 Metric Tons (000 Tons)	000 Metres (Lakh Yds.)	000 Metric Tons (000 Tons)	000 Metres (Lakh Yds.)	000 Metric Tons (000 Tons)
Hessian cloth and bag	11,15.70 (12.20)	34.4 (33.9)	10,31.61 (11.28)	32.8 (32.3)	+ 84.09 (+ 92)	+ 1.6 (+ 1.6)	8,07.33 (8.83)	24.6 (24.2)
Sacking cloth and bag	11,48.96 (12.57)	52.1 (51.2)	12,37.59 (13.53)	55.1 (54.2)	− 88.63 (- 96)	− 3.0 (- 3.0)	11,65.15 (12.74)	54.1 (53.3)
Others		21.6 (21.3)		19.5 (19 2)		+ 2.1 (+ 2.1)		12.1 (11.9)
Grand Total		108.1 (106.4)		107.4 (105.7)		+ 0.7 (+ 0.7)		90.8 (89.4)

N.B.—These figures are based on replies received and represent all members of the Association and Gagalbhai with estimates for two non-member mills. The figures in brackets are in British measures.

a fall in foodgrains prices due to the prospect of a bumper *aman* paddy crop, holders were not inclined to dispose of their stocks even at the operational minimum levels. Circles close to the fibre trade doubted whether the Government's price-support scheme had succeeded in ensuring a fair price to the grower. It was said that very large quantities of jute had passed from the hands of the cultivators to the middleman during the festive month of October. Higher advices from the agencies influenced the trend in the Calcutta market. Brisk covering by shorts and regular offtake by mills hardened the prices of all grades. Some mills were purchasing fibre against the current month's quota for turning over the buffer stocks in their custody. In the futures market, sentiment was governed by the trend in the spot market. Fluctuations were narrow and the price closed with a small gain, on balance, over the previous week's level. Turnover was moderate and the undertone firm at the close.

Wednesday's quotations were as follows:

	Landed at Mills (Basis Bottoms)			
	Current Prices		T.S.D. Minimum Prices	
	Rs. A Qtl.	Rs. A Md.	Rs. A. Qtl.	Rs. A Md.
Assam-Agartala Jute	81.72	30.50	80.38	30.00
Northern Jute	79.04	29.50	79.04	29.50
Western Desal Jute	73.68	27.50	73.68	27.50
Selected Daissee	87.07	32.50	85.74	22.00
Assam-Agartala Tossa	85.74	32.00	83.05	31.00
Mesta : Assam-Northern	72.34	27.00	72.34	27.00
Local Daissee	72.34	27.00	72.34	27.00
Bihar Dist.	61.30	24.00	66.98	25.00

I.J.M.A. PRODUCTION FIGURES FOR OCTOBER

The Indian Jute Mills Association reports the production of jute goods in October as follows :

Descriptions	Quantity
1. Gunny Bags	
(a) Hessian	
5,986 tonnes	(5,891 tons)
1,81,26 thousand metres	(1,98.2 lakh yds.)
1,39.8 lakh nos.	
(b) Sacking	
39,769 tonnes	(39,141 tons)
8,64,33 thousand metres	(9,45.2 lakh yds.)
4,28.7 lakh nos.	
2. Gunny Cloth	
(a) Hessian	
35,794 tonnes	(35,229 tons)
12,23.51 thousand metres	(13,38.1 lakh yds.)
(b) Sacking	
744 tonnes	(732 tons)
16,97 thousand metres	(18.6 lakh yds.)
3. Other Manufactures	
13,929 tonnes	(13,709 tons)
4. Total Production (All kinds)	
96,222 tonnes	(94,702 tons)

Summary

(00) metres and 00,000 yds.)

	Oct '63	Sept. '63	Oct. '62
Hessian	14,04.77 (15.36)	14,56.12 (15.92)	13,33,.83 (14.59)
Sacking	8,81.30 (9.64)	9,04.13 (9.89)	9,30.21 (10,17)
	(0'0 tonnes and tons)		
	Oct. '63	Sept. '63	Oct. '62
Hessian	41.8 (41.1)	44.2 (43.5)	39.6 (39.0)
Sacking	40.5 (39.9)	41.5 (40.8)	42.9 (42.2)
Others	3.9 (13.7)	15.2 (15.0)	8.4 (8.3)
Grand Total	96.2 (94.7)	1,00.9 (99.3)	90.9 (89.5)
Hours worked	200.0	200.0	192.0

N.B.—These statistics are based on replies received and represent all members of the Association and Gagalbhai with estimates for two non-member mills. The figures in brackets are in British units.

THE U.K. JUTE MARKETS

FIBRE EASIER

(FROM OUR DUNDEE CORRESPONDENT)

THE raw jute market was reported to be steady in Pakistan, but the position in the U.K. remained weak with many sellers willing to accept lower prices than previously. However, the lowest quoted rates were not attracting spinners to any extent, and business was still confined to small quantities. Although the Pakistani Government promulgated an Ordinance with far-reaching influence in connection with the selling of raw jute, this made no difference to prices quoted for export. In fact, when the contents of this Ordinance were known, the raw jute market in the U.K. became easier.

Some very cheap offers were made here, and the lower grades of jute could be obtained at up to £10 a ton below the minimum export rates. As some sellers were still asking official prices, this made the position very irregular. Offers were lowest at £130 for Mill Firsts, at £107 for Mill Lightnings, at £93 for Mill Hearts and at £78 for Grade Hearts, c.i.f. U.K. for November-December shipment. Grade Tossa-$\frac{3}{4}$ was named at £125 and Grade Tossa-4 at £105 5s. Outport Tossa-$\frac{3}{4}$ was quoted at £93 and Outport Tossa-4 at £83, November-December.

Cuttings were also quieter at £54 for S.N.C. and at £46 15s for N.C. Little change could be seen in mesta prices at £ 78 for A, at £73 for B, at £68 for C and at £42 for cuttings for November-December shipment. The jute market in Thailand was firm with offers lowest at £68 10s for Grade A, at £63 10s for grade B and at £58 10s for grade C, delivered mill Dundee for November-December shipment.

The Calcutta goods market became a little firmer. Buying in Dundee of imported jute goods was fairly steady, but quantities were not large. Quotations were at 71s 6d for 40in. 10oz. and at 53s 11d for 7½oz. a 100 yards f.o.b. Calcutta for November shipment, at 71s 6d and 53s 11d December and at 71s 1d and 53s 11d January-March. B Twills were at 172s 5d, 173s 3d and 173s 10d for the respective shipment periods.

Although the raw jute market tended to be easier of late, there was no change in yarn and cloth prices in Dundee. Spinners and manufacturers have been very busy, and have orders in hand for delivery over the next four to six months. Supplies of both yarn and cloth are only available in the forward position. The carpet trade continues to take regular deliveries and there is every indication that this will continue for some time.

HIDES AND SKINS

The market was steady. Stocks were higher than in the previous week.

Bazaar Sales

(Between 5th November and 11th November, 1963)

Cowhides: Wet salted (Ord.) 3,000 pcs. on the basis of Rs. 8 to Rs. 12.50; Wet salted (Slaughtered) 39,000 pcs. on the basis of Rs. 10.50 to Rs. 16.50 and Rs. 19.50 to Rs. 28.50; Wet salted (Ord.) 1,000 pcs. on the basis of Re. 1 a lb.

Goatskins: Wet salted (Patna, Daissee, Kustia) 49,500 pcs. on the basis of Rs. 260 to Rs. 270, Rs. 350 to Rs. 375 and Rs. 430 to Rs. 440; Wet salted (he killed) on the basis of Rs. 4.63 and (she-killed) on the basis of Rs. 4.37 a piece; Assam 48,500 pcs. on the basis of Rs. 240 to Rs. 260, Rs. 300 to Rs. 310 and Rs. 350 to Rs. 375; Purneah-Kissenganj 42,500 pcs. on the basis of Rs. 300 to Rs. 350; Muzafferpore 5,500 pcs. on the basis of Rs. 330; Purneah 500 pcs. on the basis of Rs. 450.

Bazaar Stocks

(11th November, 1963)

Cowhides: Wet salted 71,500 pcs.

Goatskins: Wet salted (Patna, Daissee, Kustia Killed) 42,000 pcs. Assam-Dinajpur 80,000 pcs.; Muzafferpore-Patna - Purneah-Kissenganj 139,500 pcs.

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NAS-PB-949

Commodity Markets

NO KERALA LAND CEILING FOR PLANTATIONS

(FROM OUR SOUTH INDIAN CORRESPONDENT)

THE new Land Reforms Bill now being considered by the Kerala Legislature provides for total exemption to plantations from the ceiling on landholdings. This Bill is to replace the former communist Ministry's controversial Agrarian Relations Act which stands suspended since the annulment of some of its important provisions by the State High Court and the Supreme Court some time ago. Under the new legislation, a plantation is defined as "any land used principally for the cultivation of tea, coffee, cocoa, rubber, cardamom or cinnamon including the land used for any purpose ancilliary to the cultivation of plantation crops, or for the preparation of the same for the market and land contiguous to, or in the vicinity of, or within the boundaries of, the area cultivated with plantation crops, not exceeding 20 percent of the area so cultivated and reserved by the said person and fit for the expansion of such cultivation." Agricultural lands interspersed with the boundaries of the area cultivated by the said person with plantation crops not exceeding such extent that may be determined by the Land Board as necessary for the protection and efficient management of such cultivation are exempted. Lands used for the construction of office buildings, godowns, factories, quarters for workmen, hospitals, schools and playgrounds are also treated as "plantation." This definition was voted by the State Legislature last week.

Besides the plantation lands listed above, cashew estates existing at the commencement of this Act, and having a contiguous extent of ten acres or more, pure pepper gardens and pure arecanut gardens existing at the commencement of this Act and having a continuous extent of five acres and more, also get the benefit of exemption from the ceiling. In the Communist Ministry's legislation, only plantations of tea, coffee, rubber and cardamom were exempted from the ceiling.

Some members of the Legislature made a bid to get coconut plantations also included in the exempted list. They said that at present the country imported Rs. 15 crores worth of copra every year. The majority of coconut trees in Kerala where 80 percent of the copra was produced were at present more than 50 years old. Normally a coconut tree bore fruit only till its 60th year. So in ten years' time, there would be a steep fall in the production of coconut and India might have to import double the quantity of copra if immediate steps were not taken to plant coconut seedlings in lakhs. Thousand of people are employed in the manufacture of coir made from coconut trees, and their employment requirements also demanded encouragement to coconut cultivation. They further argued that the Planning Commission also had suggested that crops which needed large investment and took a long time to produce should be exempted from the ceiling.

The Home Minister, Mr. P. T. Chacko, who pilots this Bill, rejected this plea on the ground that in Kerala as much as 1.238 million acres were under coconut cultivation, and this was larger than all other plantations put together, and if such a big chunk were to be exempted from ceiling, there would be very little surplus land left and the main purpose of the legislation would thus be defeated. Also, he said, unlike other plantation crops, coconut could be cultivated economically and efficiently even in small plots. This view of the Minister was shared by the majority in the House.

Defending the inclusion of other crops like tea and rubber in the category of lands excluded from the purview of the ceiling clause, the Minister said that the idea to exclude plantation crops from the ceiling originated from the Planning Commission. They were treated on a different footing because plantations had an important rôle to play in the economy, and it would be detrimental to the national interest to fragment plantation holdings and thus stifle the growth of this industry. Some 90 percent of India's rubber was grown in Kerala, and 40 percent of it was produced by smallholders. Unable to cope with the demand for this strategically important commodity, the Government of India was opening up synthetic rubber factories in this country. Unless they in Kerala encouraged rubber production, their economy would be in jeopardy, the Minister warned.

Cocoa and Cinnamon

Referring to the inclusion of cocoa and cinnamon in the list of plantations, the Minister said that the Indian Council of Agricultural Research, as a result of experiments, had come to the conclusion that these crops could be profitably grown on a plantation scale in Kerala. The I.C.A.R. had recommended some special encouragement to the growers of these crops; hence their exclusion from the purview of the ceiling clause. While the total area under cocoa cultivation in Kerala was at present less than 50 acres, there was only one cinnamon plantation in the whole of Kerala covering an extent of 237 acres. By excluding these crops no sizable extent of land was left out of the ceiling, he pointed out. Pure pepper and arecanut gardens of more than five acres were existing only in the northern most part of Kerala, and their owners had made heavy investment to make them what they were today. Fragmentation would only spoil their high productive efficiency. There was also some observations in the Supreme Court judgment compelling the State Government to give them exemption, the Minister added. Lands held by industrial and commercial undertakings at the commencement of this Act and set apart for use for industrial or commercial purposes are also given the benefit of exemption from the ceiling.

The State Government is vested with the power to exempt any land required *bona fide* for the purpose of conversion into plantation or for the expansion or preservation of the existing plantations. The House has not yet come to these provisions of the Bill, so one cannot be absolutely sure at this stage whether all these benefits given to the plantations and lands put to industrial and commercial purposes would be retained as they are when the Bill takes its final shape.

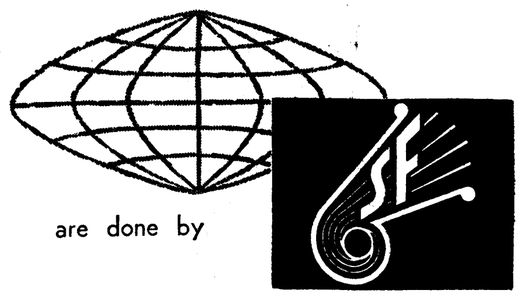
COFFEE

Export Prospect for India

There are fairly reliable reports that Brazil's old stock holdings of coffee are grossly exaggerated and that the blows dealt by drought last season and frost and fire this season were hard and that recovery will be slow. The present indications are that the overall position of coffee is encouraging, especially for those who can produce quality coffee. Those who can offer Robusta have a special advantage now because that grade which in the ordinary course is considered inferior, has at present a very good demand in the world market. Its prices are at present very attrac-

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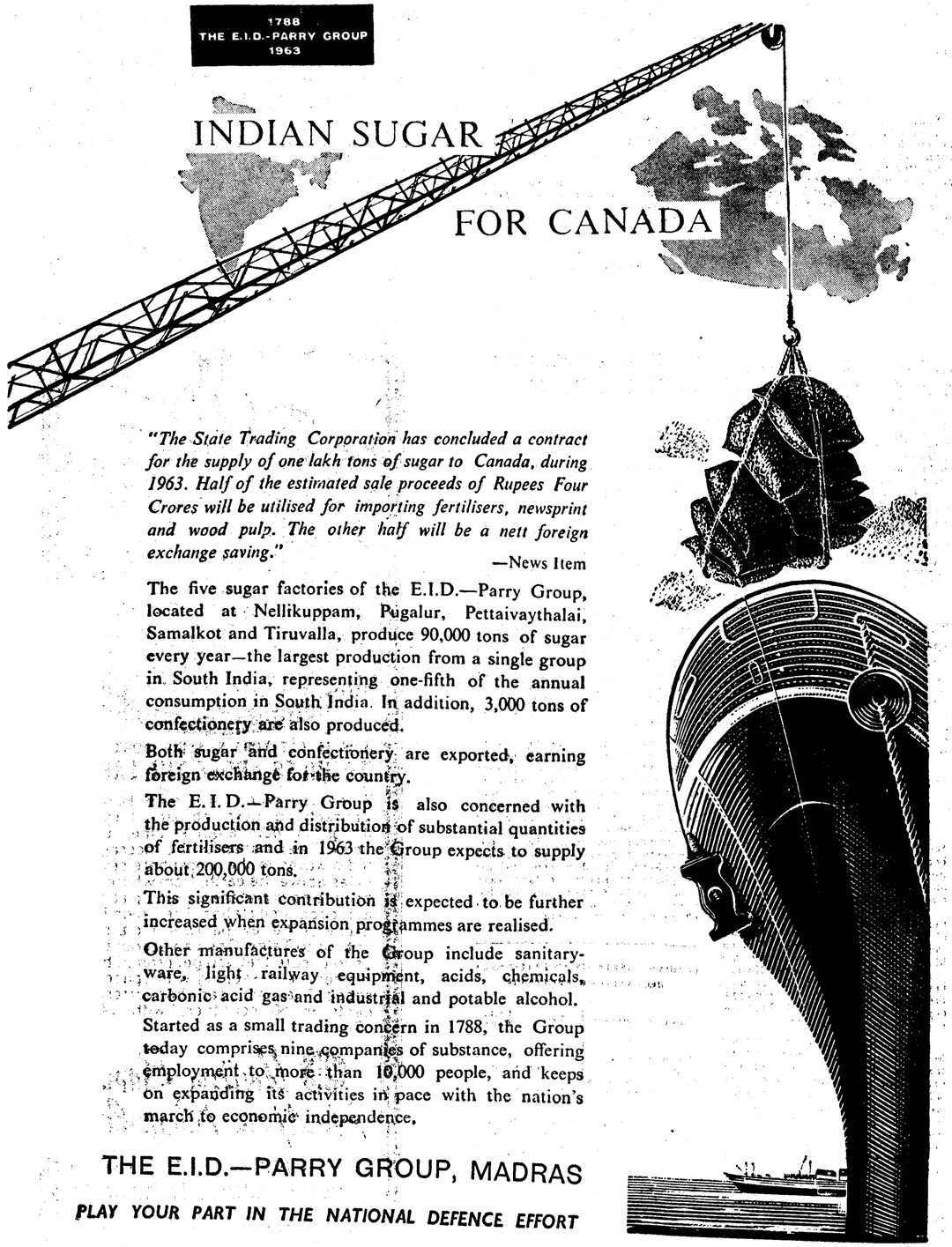
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1788
THE E.I.D.-PARRY GROUP
1963

INDIAN SUGAR FOR CANADA



"The State Trading Corporation has concluded a contract for the supply of one lakh tons of sugar to Canada, during 1963. Half of the estimated sale proceeds of Rupees Four Crores will be utilised for importing fertilisers, newsprint and wood pulp. The other half will be a nett foreign exchange saving."

—News Item

The five sugar factories of the E.I.D.—Parry Group, located at Nellikuppam, Pugalur, Pettaivaythalai, Samalkot and Tiruvalla, produce 90,000 tons of sugar every year—the largest production from a single group in South India, representing one-fifth of the annual consumption in South India. In addition, 3,000 tons of confectionery are also produced.

Both sugar and confectionery are exported, earning foreign exchange for the country.

The E.I.D.—Parry Group is also concerned with the production and distribution of substantial quantities of fertilisers and in 1963 the Group expects to supply about 200,000 tons.

This significant contribution is expected to be further increased when expansion programmes are realised.

Other manufactures of the Group include sanitaryware, light railway equipment, acids, chemicals, carbonic acid gas and industrial and potable alcohol.

Started as a small trading concern in 1788, the Group today comprises nine companies of substance, offering employment to more than 10,000 people, and keeps on expanding its activities in pace with the nation's march to economic independence.

THE E.I.D.—PARRY GROUP, MADRAS

PLAY YOUR PART IN THE NATIONAL DEFENCE EFFORT

tive. India is one of the countries producing Robusta coffee which constitutes almost 50 percent of her production.

TEA

South Indian Output Up

South Indian tea production shows a 2 million lb gain over last year's as on 30th September. The south Indian crop to the end of September amounted to 138 million lbs, compared with north India's 398 million lbs. The total Indian production thus amounted to 536 million lbs. 14 million lbs short of the production during the same period last year. Ceylon's output is better by 27 million lbs and accounts for the 13 million-lb increase in world supply over 1962.

Drop in North Indian Output

A special correspondent writes: North India's crop figures to the end of October are reported at 497,254,571 million lbs, compared with 509,317,321 million lbs up to the same date in 1962, thus showing a shortfall of 12,062,850 million lbs. With only six weeks of plucking time left, the season must again show a lower crop from this area. This deduction is supported by the fact that the monthly output for November and December in 1962 were 26.7 million kilograms and 5.8 million kilograms, compared with 27.2 million kilograms and 5.4 million kilograms in the same months of 1961.

Demand was restricted at the London Sales on 6th November. In Calcutta, at the latest sale, was there a fairly general enquiry at about recent levels. Mediums were in less demand and some of the Assam C.T.C.'s went at lower rates. Other offerings were somewhat irregular.

The season should show fair profits and gardens producing good teas can be expected to maintain last dividends, but it is not easy to foresee 1964 results as there seems to be a danger of too much tea coming on offer, while the question of offtake remains uncertain.

TAXATION

U.P.A.S.I. Seeks Relief

The United Planters Association of South India is a very progressive body. Not satisfied with recommending various adjustments and improvements in agricultural and fiscal matters at its latest general meeting, it is now reported that the Association has presented a complete review of the tax structure on plantation industries to the Central Finance Minister. The deputation which was received in New Delhi on 6th November, consisted of Mr. J. R Henshaw, president, General K. S. Thimayya, deputy president and P. S. Subramaniam, secretary and adviser.

They pointed out to the Finance Minister that apart from indirect taxation of various types such as excise and export duties, export cess, sales tax, etcetera, their companies were subject to direct taxation by both the Central and State Governments, and the lack of co-ordination between the Centre and States had made the industry vulnerable to excessive taxation.

The need to assist plantation industries, especially tea, to export and earn foreign exchange was again emphasised, as it is obvious if Indian products (tea and coffee) are to be sold in world markets in quantity and at reasonable prices, costs must be made competitive. The current taxation policy makes it impossible to set aside sufficient funds to allow for expansion or improvement. All the points in favour of sensible adjustments were listed and some further suggestions developed. For example, the question of price index was taken up.

It was noted that most industries working under increasing "costs" have been compensated by way of increased prices, but although during the period 1950-52, the production index had moved up from 100 to 240 (in south India), the price of plantation products had advanced only from 100 to 101.9.

No depreciation is allowed for the most important fixed asset, namely, the revenue-earning tea bushes, driving power, drivers, rollers and other machinery which all has to be renewed at times, and the replacement of such items must be allowed under revenue account.

To rationalise the list of impositions, the U.P.A.S.I. has suggested a Central Agricultural Income Tax Act to be implemented by the States at rates fixed by the Central Government each year, but not exceeding the rates payable by tea companies under the Indian Income Tax Act. A drawback of excise duty on exported tea was also urged.

PLASTICS

Seminar on Celcon

Marketing and technical representatives of the Amcel Co., an export sales affiliate of the Celanese Corporation of America, held a technical seminar in Calcutta on Monday to discuss Celcon acetal co-polymer, one of the world's newest engineering plastics. Representatives of Duncan Bros. and Co. Ltd., Amcel's agents in India, attended the session. Celcon is claimed to be a high-strength plastic which is replacing metals and other plastics in such industries as appliances, industrial equipment, containers, hardware, motor-vehicle parts and business machine housings. The material is then suited for a broad range of applications in some of the new areas for plastics.

The plastic itself, classified chemically as an acetal co-polymer, is made by a new chemical process, which involves the co-polymerisation of trioxane, a derivative of formaldehyde. It is stated that Celcon is not a substitute material but a new design material which, because of its strength and durability, enables engineers to predict its performance in end-uses. It offers new end-uses for plastic moulders and fabricators, making possible many new applications as well as new decorative effects on old applications.

COMPANY MEETINGS AND DIVIDENDS DECLARED OR PROPOSED

Name of Company	Date	I.S.T. Hours
Mysore Kirloskar Ltd	23-11-63	4 p.m.
National Rolling & Steel Ropes Ltd.	9-12-63	4 p.m.

DIVIDENDS DECLARED OR PROPOSED.—Bengal Rolling Mills Ltd.—Rs. 1.80nP per share, subject to tax; New Savan Sugar and Gur Refining Co. Ltd.—Nil; Karam Chand Thapar & Sons Ltd.—8 p.c., subject to tax; National Rolling & Steel Ropes Ltd.—15 p.c. (o), subject to tax; Deccan Sugar and Abkhari Co. Ltd.—11½ p.c. (f), subject to tax: Morarjee Goculdas Spinning and Weaving Co. Ltd.—Rs. 20 per share (o), subject to tax: Parkside (Neilgherry Hills) Estate Co. Ltd.—17½ p.c. (f), subject to tax: British Paints (India) Ltd.—7½ p.c. (o) (Int.), subject to tax.

COMPANY AND PUBLIC NOTICES

BRITISH PAINTS (INDIA) LIMITED,
32, Chowringhee Road,
Calcutta-16.

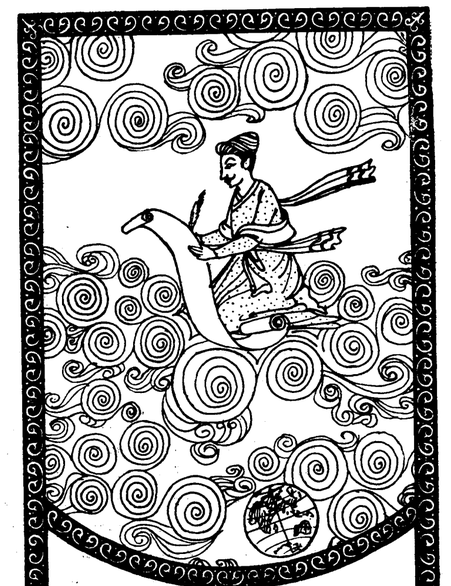
NOTICE is hereby given that:—

(a) The Board of Directors has today declared an Interim Dividend of 7½% (subject to deduction of Income Tax) on the Ordinary Shares of the Company in respect of the current year. The Dividend shall be payable on or after the 2nd day of December, 1963 to those Members whose names are borne by the Register of Members of the Company on that date.

(b) The Register of Members of the Company will be closed from the 22nd November, 1963 to 30th November, 1963, both days inclusive.

By Order of the Board,
S. R. ROY,
Director Secretary.

Dated at Calcutta the
14th November, 1963.



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THE INVESTORS GUIDE AND SHAREHOLDERS GAZETTE

Official quotations of the Calcutta Bombay Madras London Stock Exchange Associations and other sources
Figures given after stroke (/) mean Naye Paise.

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BANKS

Wednesday, 13th November, 1963.

NAMES	Dividends per cent 1960	1961	1962	Paid-up per Share Rs.	Latest Market Quotations as available until 13-11-63 Rs.	6-11-63 Rs.	A year ago Rs.
Allahabad Bank P.	18	18	...	100	253/00	253/00	396/00
Bank of Baroda	17	17	16	50	97/00	97/00	90/50
Bank of India	20	20	20	50	113/00	111/00	110/50
Central Bank of India	20 2/5	20	20	25	62/50	63/00	60/00
Chartered Bank	15	15	...	£1	sh. 59/9	sh. 60/1½	sh.55/1½
Hindusthan Commercial	Nil	Nil	Nil	50	13/50	13/50	17/12
Hindusthan Mercantile	Nil	Nil	...	50	15/62	15/62	15/62
Hong Kong & Shanghai	£33½	£33½	£3 1/5	HK$25	£183/	£187/	£177/
Indian Bank	15	15	14	100	157/50	156/25	173/00
Indian Overseas Bank	14	14	...	...	148/00	147/50	161/00
Industrial Finance Corpn.	...	...	...	50	...	...	...
National & Grindlays Bank	13½	14	16	sh. 15	sh. 32/7½	sh. 32/9	sh. 33/-
Punjab National Bank	20	20	20	10	19/25	19/12	20/62
Union Bank of India	11 2/5	11 2/5	...	5	6/40	6/32	6/24
United Bank of India	6.3	6	6	10	7/69	7/69	7/62
United Commercial Bank	12	12	12	50	75/00	73/50	80/00

*1962

JUTE MILLS

NAMES	Dividends per cent 1960	1961	1962	Paid-up per Share Rs.	Latest Market Quotations as available until 13-11-63 Rs.	6-11-63 Rs.	A year ago Rs.
Agarpara P.	10	2½	2½—12*	10	10/56	10/62	10/19
Alexandra P.	44	15	42½	100	300/00	300/00	395/00
Alliance P.	4	Nil	10	100	160/00	161/00	117/00
Anglo-India P.	20	7	10—12*	100	234/00	234/00	223/00
Auckland P.	6½	12	Nil—15*	100	144/50	144/50	153/00
Bally P.	25	25	25	100	261/00	261/00	293/00
Barnagore P.	30	10	10	25	228/00	214/00	180/00
Bengal P.	5	...	...	10	9/37	9/37	10/25
Birla P.	15	15	15—15*	10	34/12	32/62	30/37
Budge Budge P.	10	Nil	12	100	158/00	155/00	160/00
Calcutta P.	...	...	...	10	8/12	8/12	8/00
Caledonian P.	12	5	...	100	180/00	180/00	220/00
Champdany P.	10	6	Nil-40*	10	24/37	24/62	...
Cheviot P.	Nil	5	25	10	23/62	22/56	23/75
Chitavalsah P.	5	Nil	5	10	11/12	11/25	11/25
Clive P.	...	...	...	10	9/19	9/19	8/37
Dalhousie P.	8	7	Nil—25*	100	154/00	147/00	125/00
Delta P.	7½	Nil	12	100	171/00	171/00	175/00
Empire P.	12½	7½	12½	10	17/75	17/75	17/25
Fort Gloster P.	25	10	12½—20*	100	368/00	368/00	412/00
Fort William P.	22½	22½	10—20*	10	28/25	26/94	25/37
Ganges P.	10	10	15	10	14/12	15/00	13/12
General Industrial	40	10	13	10	16/12	15/37	18/62
Gourepore P.	30	25	20—20*	10	25/25	25/25	...
Hastings P.	6	6	6—6*	100	128/00	128/00	128/00
Hooghly P.	10	20	7½—10*	10	16/00	16/00	20/00
Howrah P.	12½	10	Nil—10*	10	20/12	19/25	19/06
Jagatdal P.	10	10	10	10	9/37	9/37	9/06
Kamarhatty P.	8	Nil	20	100	201/00	200/00	164/50
Kankinarra P.	Nil	Nil	10	100	147/00	144/00	130/00
Kelvin P.	15	15	5	100	194/00	198/00	190/00
Khardah P.	20	5	12½-12½*	10	19/37	19/37	17/00
Kinnison P.	30	7	Nil-10*	100	148/00	141/00	153/00
Lansdowne P.	Nil	Nil	Nil-Nil*	100	98/00	98/00	120/00
Lawrence P.	7	15	10-10*	100	112/50	112/50	116/00
Megna P.	12	12½	Nil-22½	10	13/31	13/87	12/62
Naihati P.	...	...	...	100	104/00	92/00	107/00
Naskarpara	...	...	...	10	8/00	8/00	8/44
National P.	7½	Nil	10	10	24/00	23/87	24/00
Nellimarla P.	8	6	15	10	12/87	12/75	11/25
New Central P.	15	15	Nil	10	15/37	14/84	13/69
Northbrook P.	30	30	20-35*	10	31/00	31/00	36/75
Nuddea	6	6	5—10*	60	68/25	68/25	55/00
Presidency	6	6	10	5	5/81	5/81	4/94
Rameshwara P.	Nil	Nil	Nil-Nil*	10	9/20	9/20	9/87
Reliance P.	Nil	Nil	Nil-Nil*	10	9/00	9/31	6/44
Samnuggar P.	4	Nil	10	£1	10/50	10/50	10/50
Shree Ambica P.	6	6	Nil	10	35/00	35/00	35/00
Soorah P.	25	25	25	10	23/50	23/50	22/50
Titaghur P.	9	Nil	13	£1	10/50	10/50	10/50
Union P.	25	5	Nil-20*	100	165/00	166/00	185/00
Victoria P.	4	Nil	10	£1	10/50	10/50	10/50
Waverley P.	30	30	60	5	9/37	9/06	5/62

*1963

COAL COMPANIES

NAMES	Dividends per cent 1960	1961	1962	Paid-up per Share Rs.	Latest Market Quotations as available until 13-11-63 Rs.	6-11-63 Rs.	A year ago Rs.
Amalgamated	10	12½	15	10	26/00	26/00	22/12
Bengal P.	25	21	...	100	276/00	273/00	335/00
Bengal Bnstdee	...	...	...	10	3/48	3/48	3/48
Bengal Nagpur	10	26	...	10	22/00	22/00	22/00
Bhalgora	...	...	...	10	4/81	3/53	5/00
Bharat Collieries P.	...	...	...	10	3/62	3/62	3/53
Bhulanbararee	...	...	...	10	11/94	11/94	12/00
Bokaro & Ramgur	...	...	...	10	11/19	11/19	11/19
Borres P.	15	15	...	10	22/12	22/12	23/87
Burrakur P.	13	13	13	10	18/00	17/12	16/12
Central India	9	10	10	10	10/00	10/12	10/12
Central Kurkend P.	...	...	...	10	3/87	3/87	8/00
Churulia	6	...	...	4	3/06	3/06	3/06
Dhemc Main	Nil	Nil	...	10	4/50	4/50	5/94
East Indian	7½	15	20½	£1	30/62	31/44	50/00
Equitable P.	15	10	...	10	24/31	23/50	25/62
Ghusick & Musilia	Nil	Nil	Nil	10	14/25	14/25	15/00
Guzdar Kajora	...	...	...	10	2/44	2/44	2/05
Hurrilladih	...	...	...	10	7/06	7/06	6/12
Karanpura Development	5	5	...	100 10P	12/06	12/06	12/00
Karanpura Collieries P.	7½	10	10	10	16/00	16/00	18/00
Katras Jherriah	95	40	25	10	33/81	34/12	48/75
Khas Kajora P.	...	...	...	10	17/62	17/62	18/75
Mundulpur	...	...	...	...	...	...	...
Nazira	7½	Nil	Nil	10	2/69	2/69	2/69
New Beerbhoom P.	10	10	...	10	6/25	5/00	5/75
New Manbhoom	7½	9	12	10	19/25	19/25	20/94
North West	20	20	...	10	19/75	18/75	18/75
				7½	18/00	18/00	18/00
Ondal P.	9	7½	...	10	13/50	13/50	13/00
Parasea P.	1½	1½	...	10	14/00	14/00	16/00
Pench Valley	10	10	10	10	18/31	17/50	16/50
Pure Sitalpur	...	...	...	10	8/00	4/00	4/00
Raneegunge	15	17	17	10	13/75	14/25	15/00
Rewa	20	20	...	10	28/50	28/50	28/12
Samla	10	...	...	10	9/00	9/00	7/44
Searsole	Nil	Nil	...	2½	1/22	1/22	1/04
Seebpore P.	42 6/7	42 6/7	Nil	5	34/75	34/75	45/00
Sendra	4	3½	...	10	5/00	5/00	5/75
South Karanpura	2½	Nil	Nil	10	8/62	8/62	7/00
Standard	15	10	...	10	13/12	13/12	16/00
Union	...	...	...	...	...	...	...
Western Bengal	4	7½	9	10	10/12	10/12	10/37
West Jamuria	Nil	Nil	...	10	9/06	9/12	8/87
				10	4/56	4/56	7/37

COTTON MILLS

NAMES	Dividends per cent 1960	1961	1962	Paid-up per Share Rs.	Latest Market Quotations as available until 13-11-63 Rs.	6-11-63 Rs.	A year ago Rs.
Basanti P.	...	...	...	10	13/69	13/75	9/19
Bengal Luxmi	...	...	...	40	30/00	30/00	28/00
Bengal Nagpur P.	Nil	...	...	10	3/25	3/06	3/25
Bharat Commerce	5	15	15	10	26/00	24/62	25/87
Birla Cotton	10	20	20	10	33/00	33/00	28/87
Bowreah P.	10	20	15	10	26/12	26/31	25/06
Cawnpore Textiles	7-1/5	10	10	5	7/81	7/56	7/06
Delhi Cloth & Genl P.	12	13	13	25	55/50	53/75	49/50
Dunbar	20	20	15	10	30/44	30/56	27/37
Elgin P.	11½	17½	17½	10	23/44	23/12	19/50
J. K. Cotton (Rayon) P.	12½	...	...	10	13/25	13/31	14/50
Jay Shree	10	10	...	10	16/69	17/00	16/25
Muir P.	...	...	...	100	74/50	74/50	100/00
New Victoria P.	Nil	...	...	2½	1/60	1/53	1/37
Orissa Textiles P.	Nil	Nil	...	10	9/00	9/00	9/00
Ramppoorta Cotton	3	Nil	...	10	13/00	13/00	12/00
	Nil	Nil	Nil	1	2/00	2/00	2/00
Swadeshi (Kanpur) P.	5	...	...	100	12/62	12/62	11/50
	5 5/1	...	...	10PO	6/81	6/81	7/37

BOMBAY COTTON MILLS

NAMES OF MILLS	Dividends per cent 1959	1960	1961	Paid-up per Share Rs.	Latest Market Quotations as available until 12-11-63 Rs.	5-11-63 Rs.	A year ago Rs.
Ahmedabad Advance P.	7	16	...	100	147/50	145/00	170/00
Apollo	...	...	...	2	2/08	2/14	2/20
Beharilal Ramcharan	Nil	Nil	...	100	93/00	93/00	81/50
Bombay Dyeing etc.	14	14	14—14*	25	63/80	64/00	64/20
Bradbury P.	10	10	25	50	157/50	157/50	187/50
Century	...	...	...	100	674/00	652/50	607/50
Central India P.	Nil	Nil	Nil	100	120/00	122/50	110/00
Coorla	...	...	...	100	165/00	155/00	142/00
Dawn	...	...	...	50	154/50	155/00	150/00
Edward Textiles	20	30	30	200	285/00	285/00	325/00
Elphinstone P.	9	9	...	50	101/00	103/00	104/50
Finlay	14	18	22	100	335/00	335/00	305/00
Gokak	...	...	...	100	183/50	186/00	186/50
Hindoostan	...	...	...	250	950/00	950/00	...
India United	...	...	...	10	22/48	22/60	26/25
	...	...	...	1Dd	2/88	2/88	3/56
Indian	...	...	...	250	860/00	800/00	890/00
Indore Malwa United	7	8½	10—7½*	100	200/00	200/00	204/00
Khatau Makanji P.	16	32	...	100	216/25	215/00	450/00
Kohinoor	9½	15	18	100	334/50	335/50	293/50
Lakshmi Vishnu P.	Nil	5 7	6—Nil*	100	103/00	104/00	125/00
Morarjee Goculdas P.	21½	21½	24—24*	100	399/00	406/00	468/00
Mysore Spg. & Mfg. P.	10	14	14	50	50/00	51/00	60/00
New City of Bombay	...	...	...	100	160/00	155/00	145/00
New Great Eastern P.	...	...	...	100	187/00	187/00	270/00
Phoenix	...	...	...	100	234/00	236/00	228/00
Sassoon & Alliance	Nil	Nil	...	10	11/24	11/24	14/00
Sassoon Spinning	25	17	20—10*	10	45/50	45/50	54/00
Simplex	10	15	Nil—22*	50	130/00	131/00	154/00
Shree Niwas P.	15	18	20	100	284/00	270/00	256/00
Swadeshi P.	14	17	...	100	262/00	265/00	250/00
Swan	...	...	...	100	275/00	275/00	292/50
Tata	10	20	...	25	57/20	58/50	58/20
Western India	...	...	...	250	875/00	875/00	835/00

*1962

BOMBAY MISCELLANEOUS COMPANIES

NAMES	Dividends per cent 1960	1961	1962	Paid-up per Share Rs.	Latest Market Quotations as available until 12-11-63 Rs.	5-11-63 Rs.	A year ago Rs.
CEMENT ENGINEERING & METAL							
Associated Cement	12½	12	12	100	153/50	159/50	157/25
ELECTRIC LTG POWER							
Ahmedabad Electricity	7	6	...	100	94/80	94/30	95/00
Andhra Valley Power P.	5½	5	5	1000	1,055/00	1,057/50	1,032/50
Bombay Suburban Elec.	...	...	...	100	101/75	100/75	105/00
Tata Hydro Elec. Power P.	5½	5	5	100	108/50	107/50	110/00
Tata Power P.	5½	5	5	1000	1,110/00	1,100/00	1,150/00
Alcock Ashdown	...	...	...	100	317/00	321/00	323/00
Jost's Engineering	8	10	10	50	60/00	60/00	98/00
Larsen & Toubro P.	12½	18	14	10	25/25	25/40	25/80
Mckenzies	...	...	...	100	137/50	137/50	140/00
Premier Construction P.	...	...	...	300	165/00	170/00	133/00
	...	...	...	31F			
Tata Eng & Locomotive P.	12½	14½	14½	100	293/00	297/00	300/50
Tata Iron & Steel P.	9.1	10.36	10.36	750	147/25	148/00	136/00
INSURANCE COMPANIES							
British India General	...	...	...	10	13/00	13/00	12/24
Jupiter (General) P.	...	...	...	15	9/20	9/20	11/00
New India	...	...	...	15	55/70	60/50	62/50
Vulcan	...	...	...	10	16/76	16/76	16/52
MISCELLANEOUS							
Belapur Sugar	...	...	...	50	256/00	268/00	225/00
Bombay Burmah Trading	30	33	33	25	65/90	67/00	...
				20	49/75	50/80	...
Hindustan Lever	25	26	12	10	39/50	39/00	46/75
Industrial Invt Trust	6½	6½	...	100	77/00	77/00	72/00
Kemi (Chemists)	...	...	...	200	273/75	271/00	310/00
National Rayon	22	...	...	100	395/00	404/00	439/00
Scindia Steam Navign.	3	3	3	20	14/92	15/32	12/20
Shivrajpur Synd	80	Nil	...	10	22/52	23/00	30/00
Tata Chemicals P.	6	6½	6½	10	17/84	18/08	13/92
Tata Oil P.	23	23	23	25	69/20	68/30	56/00
Voltas	13	14	14	100	262/00	273/50	251/50
Western India Match	18	18	18	100	270/00	270/00	272/00

TEA COMPANIES

NAMES	Dividends per cent 1960	1961	1962	Paid-up per Share Rs.	Latest Market Quotations as available until 13-11-63 Rs.	6-11-63 Rs.	A year ago Rs.
ASSAM GARDENS							
Amluckie	Nil	10	7½	10	18/37	18/37	20/00
Anandabag P.	30	32½	20	10	33/25	33/25	33/25
Bagmari	Nil	15	7½	10	17/25	17/25	18/50
Barduar Tea	Nil	...	...	4	8/50	8/50	8/50
Basmatia	25	25	20	10	23/62	21/25	21/25
Bateli	30	...	...	5	17/50	17/50	18/00
Betjan	60	45	30	10	30/12	29/19	32/62
Bishnauth	13	13	20	10	18/37	19/94	17/25
Bokakhat	Nil	12	13	10	13/70	13/70	13/75
Borrmah Jan P.	15	15	15	10	13/25	13/25	16/12
Bor Pukhuri	Nil	Nil	10	10	11/00	11/00	11/75
Brooke Bond P.	15	10	7½—7½‡	10	12/94	12/72	12/19
Dejoo Valley	15	20	30	10	60/00	60/00	49/25
Dessai & Purbuttia	Nil	10	15	100	200/00	200/00	141/00
Dhekakhat	12½	...	...	10	20/44	20/25	20/00
Dhunseri P.	20	15	10	10	12/00	11/75	15/00
Dilbrugarh	40	40	30	10	32/50	32/50	32/50
Dimakuse P.	25	20	25	10	22/62	22/62	21/87
Duthaghur	25	25	30	10	28/06	28/06	27/87
East India	Nil	Nil	10	10	15/56	16/00	18/87
Gillapukri	25	20	15	10	25/44	25/44	25/44
Jokpur	Nil		20	10	14/94	15/75	13/31

‡1962

TEA COMPANIES—Contd.

NAMES	Dividends per cent 1960	1961	1962	Paid-up per Share	Latest Market Quotations as available until 13-11-63	6-11-63	A year ago
				Rs.	Rs.	Rs.	Rs.
Grob	6	6	6	5	8/15	8/15	8/06
Hoograjuli (Assam)	20	20	17	10	27/12	27/12	27/12
Hoolungooree	10	7½	20	100	199/00	199/00	190/00
Jutlibari	30	30	20	10	31/50	31/50	32/00
Kingsley Golaghat P.	35	35	..	100	125/00	125/00	212/00
Kotamullia P.	Nil	Nil	Nil	5	10/31	10/31	10/31
Krishnabehari	15	8	10	10	11/80	11/80	10/50
Kyang Tea	Nil	..	..	10	8/06	8/06	8/06
Ledo	Nil	Nil	Nil	10	13/75	13/75	17/25
Maud Tea & Seed	10	7½	7½	10	14/81	14/81	14/81
Methoni	5	1½	20	10	17/87	16/19	18/50
Moheema	Nil	Nil	..	10	11/50	11/50	11/50
Mothola	30	30	35	100	507/00	507/00	507/00
Murphulani (Assam)	5	15	25	10	26/50	26/50	26/50
	10 63	20 63	30 63	10	26/87	26/87	28/75
Naga Hills	10	10	10	10	22/25	22/25	22/69
Namburnadi	12	12	..	10	12/87	12/87	14/56
New Cinnatolliah	Nil	Nil	Nil	100	302/00	302/00	450/00
Rajgarh	40	13½	17½	10	19/00	19/00	21/37
Sanoi	22½	20	..	10	17/25	17/25	24/44
Seajuli	22½	15	30	10	21/12	24/12	20/75
Teloiban	25	25	25	10	24/12	21/37	27/75
Tengpani	30	30	22½	10	35/00	35/00	35/00
Tezpore P.	20	12½	..	10	15/19	15/19	15/56
Tongani	Nil	Nil	..	10	5/31	5/31	6/59
Tyroon	10	15	25	10	31/00	31/12	34/37
CACHAR							
Arcuttipore	Nil	5	6	10	7/00	7/00	7/00
Baitakhat	2½	2½	..	10	8/06	8/06	6/69
Central Cachar	5	7½	5	100	85/00	85/00	73/00
Eastern Cachar	Nil	Nil	..	10	4/50	4/50	4/12
Kattinggar Khoreej	5	..	..	100	87/00	87/00	87/00
Hattikhira	Nil	8	Nil	10	8/75	8/75	9/44
Kunchanpore	Nil	Nil	..	10	6/00	6/00	6/00
Loobah	Nil	Nil	Nil	10	4/56	4/56	5/00
North Western	30	20	10	100	175/00	175/00	205/00
Pathemara	Nil	Nil	Nil	10	1/50	1/50	7/50
Roopacherra	Nil	10	Nil	10	11/00	9/81	13/62
Rungamattee	5	5	5	50	51/50	51/50	50/00
Sonai River	Nil	Nil	..	10	5/05	5/05	9/12
DARJEELING							
Bloomfield	Nil	..	..	10	3/12	3/12	3/25
Chamong	Nil	10	10	10	9/00	9/00	10/25
Darjeeling Tea & Chin	30	30	30	100	197/00	197/00	195/00
Dilaram	8	4	..	100	102/50	102/50	102/50
Gielle	Nil	..	8 4/7-15*	10	11/69	11/69	11/69
Lingia P.	15	10	17½	10	14/00	14/00	14/56
Longview	12½	10	..	10	11/00	11/00	11/00
Margaret's Hope	15	15	15	10	12/50	12/25	11/62
Mim	22½	27½	27½	100	191/50	191/50	191/50
Nagri Farm	30	25	35	10	30/12	30/75	27/00
Okayu	25	25	..	100	600/00	600/00	605/00
Pashok	10	Nil	..	10	20/00	20/00	20/00
Poobong	Nil	Nil	5	10	7/50	7/50	7/37
Pussimbing P	Nil	Nil	Nil	10	7/12	7/12	8/87
Rungliee Rungliot	35	20	7½	100	386/00	386/00	386/00
Seeyok	15	Nil	..	10	8/50	8/50	8/50
Singell	Nil	Nil	Nil	100	36/75	36/75	36/75
Singtom	2	Nil	2	10	3/50	3/50	3/50
Soom	50	40	40	10	34/00	34/00	31/00
Sunama	15	15	20	10	14/75	14/75	12/75
Teesta Valley	Nil	..	8 4/7-10*	10	15/75	13/12	12/25
Tukvar	Nil	Nil	..	10	6/00	6/00	6/00
DOOARS							
Banarhat P.	22½	21	21	100	241/00	241/00	255/00
Baradighi	30	25	25	10	24/12	24/00	23/87
Bhatkawa	15	15	20	10	17/25	17/00	17/37
Birpara P.	17½	12½	17½	100	162/00	162/00	151/00
Carron	20	5	7½	100	155/00	151/00	145/00
Choonabhuti P.	32½	20	20	100	210/00	210/00	262/00
Ellenbarrie	5	5	10	100	184/00	184/00	184/00
Enge	60	30	40	100	136/00	136/00	136/00
Ethelbari	5	5	7½	10	11/50	11/50	13/12
Gairkhata	25	20	11	10	21/50	21/50	21/50
Gopalpur	12	2	10	25	20/00	20/00	20/00
Hantapara P.	15	5	10	100	114/00	114/00	106/50
Hasimara P.	17	..	18—15*	10	13/81	13/81	14/81
Huldibari	22½	..	19 2/7-11*	10	13/50	13/50	13/69
Jayoirpara	10	Nil	Nil	10	23/37	23/00	11/06
Killcott	25	15	15	10	15/94	15/94	17/31
Manabarrie	10	5	..	10	59/50	59/50	59/50
Nagaisuree	25	15	15	100	140/00	140/00	169/50
New Dooars P.	35	20	14½	100	230/00	230/00	258/00
Oodlabari	12½	7½	..	100	13/62	13/62	14/25
Phasikowa	Nil	Nil	Nil	100	129/00	129/00	127/00
Rajabhat	Nil	Nil	6	10	12/00	11/75	12/12
Ranicherra	15	15	7½	10	12/50	12/50	16/75
Rydak	25	20	25	10	26/12	26/37	27/31
Sarugaon	40	40	40	10	36/31	36/31	36/25
TERAI							
Ataj	5	..	..	10	8/75	8/75	6/75
Belgachi	20	20	..	10	22/50	22/50	20/50
Gungaram	20	12½	12½	100	130/00	130/00	158/00
Hansqua	20	15	17½	10	20/00	20/00	20/00
New Chumta	15	..	12 6/7-20*	10	24/62	24/62	33/50
New Terai	22½	10	15	10	23/00	23/00	36/00
Panargoomiah	20	20	2½	10	14/37	14/25	31/12
Putinbaree	14	14	..	10	45/00	45/00	45/00
Tirribannah P.	60	60	60	10	49/00	49/00	49/00
CHITTAGONG							
Kodala	Nil	Nil	..	10	9/25	9/25	9/25
Kornafuli	Nil	Nil	..	10	9/31	9/31	13/06
Oodaleah	Nil	Nil	..	10	8/00	8/00	6/00
SYLHET							
Chundeecherra	Nil	Nil	Nil	10	26/00	26/00	23/00
Dauracherra	22½	22½	20	10	11/56	11/50	7/31
Kalib	Nil	Nil	..	10	10/00	10/00	9/12
New Samanbagh P.	25	Nil	Nil	10	18/37	18/37	18/37
Patrakola	32½	40	15	100	129/00	129/00	148/00
Rajnagar	Nil	Nil	Nil	10	9/50	9/50	9/56
Teliapara	22½	22½	10	100	110/00	110/00	99/00

† Hectares

MISCELLANEOUS COMPANIES

NAMES	Dividends per cent 1960	1961	1962	Paid-up per Share	Latest Market Quotations as available until 13-11-63	6-11-63	A year ago
				Rs.	Rs.	Rs.	Rs.
MININGS							
Burma Mines	2 3/5	Nil	Nil	3½S	0/44	0/44	0/44
Chrestien Mica Industries P.	15	12½	..	10O	10/25	10/40	11/12
	25	20	..	5Dd	6/87	6/87	8/85
Indian Copper Corporation	27	27	..	2s	3/66	3/66	4/28
Metal Corporation P	Nil	..	..	10O	8/75	8/84	9/37
Orissa Mineral Development	36	28	20	10	27/37	27/37	36/50
CEMENT LIME SLATE ETC.							
Ashoka Cement	9	7	7—7*	10	7/37	7/31	7/19
Assam Bengal Cement	..	..	..	10O	4/81	4/81	4/00
				1Dd	0/59	0/59	0/44
Bengal Potteries	15	..	..	2½	5/37	5/37	5/54
Bisra Stone Lime	30	30	10	..	22/50	22/12	27/87
Dalmia Cement (Bharat) P.	12	12	12	10O	13/19	13/12	13/81
				1Dd	2/81	2/81	2/15
Jaipur Udyog P.	6	8	8.36	10	12/62	12/44	11/12
Kumardhubi Fireclay & Silica P.	18	18	18	10	18/45	18/45	18/45
Orissa Cement P.	15	15	10	10	15/56	15/56	15/31
Reliance Firebricks & Pottery	22	15	10	5	22/75	22/75	22/75
Stone Valley Portland Cement	4	6	8	10	4/91	4/97	4/53
Sutna Stone & Lime	27½	30	..	10	28/31	28/31	17/00
CHEMICAL INDUSTRIES							
Alkali & Chemical Corpn of (I)	12	15	15	10	35/62	35/50	37/50
Sathgate & Co Ltd P	Nil	..	..	6	0/84	0/64	0/64
Bengal Chemical & Pharm P.	7	10	..	100	102/00	102/00	101/00
Calcutta Chemical P.	18	18	18	10	17/87	17/87	19/31
Frank Ross P	..	..	..	£	2/87	2/19	3/25
Smith Stanistreet P.	25	25	25	5	12/31	12/31	15/50
ELECTRIC LIGHTING POWERS							
Agra Electric Supply	11	11	11	100	118/00	118/00	120/00
Bareilly Electric Supply	11	11	11	10	12/37	12/37	12/25
Benares Electric Supply	11	11	11	10	11/62	11/62	12/44
Bhagalpur Electric Supply	£	10	8	8	6/56	6/56	8/08
Calcutta Electric Supply	7	7½	7½	£1	14/50	14/44	14/87
Cuttack Electric Supply	7½	10	10	10	11/87	11/87	12/62
Dishergarh Power Supply P.	10	10	10	100	88/00	88/00	94/00
Jhansi Electric Supply	..	..	..	10	5/90	5/90	5/90
Jubbulpore Electric Supply	10	10	10	10	11/25	11/25	11/37
Mirzapur Electric Supply	..	..	..	£	12/00	12/00	12/00
Muzaffarpore Electric Supply	12½	12½	12½	10	11/50	11/50	12/25
Muttra Electric Supply	..	..	..	10	11/06	11/06	11/12
Patna Electric Supply	10	10	10	10	10/75	10/62	10/81
Shahjahanpur Electric P.	6½	6½	6½	10	7/50	7/50	7/00
Sitia (Jherriah) Electric	10	9	9	10	8/50	8/50	9/06
United Provinces Electric	11	11	11	100	142/00	136/50	120/00
Upper Jumna Valley Electric	13½	13½	13½	10	17/75	17/50	15/25

* 1963

MISCELLANEOUS COMPANIES—Contd.

NAMES	Dividends per cent 1960	1961	1962	Paid-up per Share	Latest Market Quotations as available until 13-11-63	6-11-63	A year ago
				Rs.	Rs.	Rs.	Rs.
ENGINEERING & METAL							
Arthur Butler (Muzafferpore) P.	..	..	..	10	14/94	14/94	14/50
Bhartia Electric Steel	10	10	12½	10	15/12	15/12	13/75
Braithwaite India	25	25	14	10	35/75	35/75	34/87
Bridge & Roof	30	30	30	10	52/25	52/25	52/25
Britannia Building & Iron P.	Nil	Nil	Nil	10	3/37	3/25	3/65
Britannia Engineering P	10	10	10	10	10/50	10/62	10/25
British India Electric Cons.	45	20	15	10	31/00	31/00	33/12
Burn P (Engineering)	28½	28½	28½-25*	100	698/00	670/00	600/00
Calcutta Steel	15	15	15-12½*	10	13/94	14/00	14/87
Dalmia Iron	10	10	10	10	11/75	11/44	11/31
Guest, Keen, Williams	16	14	14	10	43/25	41/37	34/87
Hooghly Docking	Nil	Nil	12½	50	95/00	95/00	102/00
Indian Iron & Steel P.	15	16	16—16*	10	25/38	25/00	23/30
Indian Malleable Casting	Nil	..	..	5O	6/00	6/00	6/00
	Nil	..	..	1Dd	2/06	2/06	2/50
Indian Standard Wagon P.	28½	28½	28½-20*	10	36/87	36/62	32/69
Indian Steel & Wire Products	23	24	23—28*	10O	36/25	36/25	49/00
Industrial Containers	Nil	10	10	10	21/37	21/37	22/00
Jay Engineering	17 3/20	17 ..	15	10	21/75	21/19	24/19
J. K Steel P	20	20	10	10	17/00	16/81	16/25
Jessop & Co P	8.58	8.58	8.58	10	26/31	26/50	23/06
Kumardhubi Engineering P.	10	11½	15	8	9/37	9/25	7/50
Marshall Sons (India)	Nil	Nil	Nil	2	2/67	2/70	3/25
National Iron and Steel	Nil	Nil	Nil	10	5/90	5/94	4/75
Saran Engineering	8½	10	12½—10*	4	8/38	8/78	11/12
Steel Containers	30	20	20	10	29/50	29/50	22/50
Textile Machinery	10	10	..	10	28/55	28/10	20/00
SUGAR BREWERIES ETC.							
Bairampur Sugar	8	8	4	2½	1/95	1/95	2/34
Belsund Sugar	18½	10	6 2/3	7½	8/81	8/81	9/62
Bharat Sugar P.	..	..	..	10	13/31	13/31	12/87
Carew (Sugar) P.	Nil	Nil	Nil	10	11/69	11/62	12/25
Cawnpore Sugar P.	Nil	Nil	Nil	10	9/94	9/75	12/37
Champaran Sugar	15	12	Nil	10	13/87	13/87	15/87
Durbhanga	6	Nil	5	10	10/00	8/69	9/00
New Savan Sugar and Gur	..	..	..	10	4/50	4/50	5/25
Purtabpur Sugar P	..	..	..	10	10/81	11/50	11/50
Ramnuggar Cane & Sugar P.	30	35	30	10	28/50	28/50	30/37
Raza Buland	12½	10	10	10	10/25	10/37	10/20
Ryam Sugar P.	..	..	..	10	3/56	3/56	8/06
Samastipur Central Sugar	..	..	..	10	5/87	5/94	9/62
Shree Krishna Gyanoday Sugar P.	15	..	..	10	8/87	9/06	9/06
Shree Sitaram Sugar	..	..	..	10	7/12	7/12	7/12
Sitalpore Sugar	4	Nil	Nil	10	3/94	3/94	6/12
United Provinces	15	5	Nil	10	10/00	10/00	10/62
Upper Ganges Sugar P.	72½	72½	72½	10	85/00	85/00	77/06
MISCELLANEOUS							
A Firpo (Restaurateur)	7½	10½	5	10	5/90	5/90	5/90
Aluminium Corporation P.	12	12	12—5*	10	18/00	17/19	15/25
Anderson Wright Ltd. P.	11½	Nil	..	10	11/50	11/50	11/50
Angelo Bros	25	28½	28	10	26/62	26/12	22/75
Assam Match	18	20	20	10	27/50	27/50	28/75
Assam Saw Mills & Timber	Nil	Nil	3	3	2/56	2/56	2/75
Associated Battery	25	15	15	10	30/25	26/37	28/06
Associated Hotels of India P.	Nil	10	10	10	10/31	10/31	10/31
Balmer Lawrie & Co.	25	25	25	100	256/00	257/00	257/00
Bararee Coke	Nil	Nil	15—15*	10	22/25	22/25	24/50
Birds Investments P.	9½	10	10	10	10/50	10/50	12/50
Britannia Biscuit P.	25	30	25—21*	10	42/50	42/00	45/12
British India Corporation P.	4	7	9	5	9/00	8/25	9/62
British Paints	12½	15	10	10	22/25	22/12	20/25
Calcutta Silk Manufacturing P.	Nil	Nil	..	10	6/94	6/94	7/15
Clive Row Investment	6	7½	7½	10	8/56	8/60	8/25
Duncan Brothers & Co Ltd. P.	14	14	14	100	140/00	140/00	157/50
Dunlop Rubber Co. (India) P.	21½	20	15	10	39/12	37/81	36/37
Dyer Meakin (Breweries)	25	30	..	6	33/81	31/50	29/62
Eastern Investments Ltd. P.	14	14	12	100	121/00	121/00	119/00
Electric Construction	10	10	10	10	14/12	14/25	13/50
French Motor Car	20	20	..	20	32/75	35/37	35/12
Ganges Rope	17½	20	20	100	236/00	236/00	236/00
General Investments Trust P.	6	6	5—5*	75	43/00	43/00	43/00
Gillanders Arbuthnot & Co. Ltd P.	10	11	11—11*	10	14/12	14/00	14/06
Gladstone Lyall & Co Ltd. P.	4 2/5	..	..	10	..	..	..
Godfrey Phillips (India) Ltd. P.	40	40	30	10	28/12	28/12	33/25
Great Eastern Hotel	9	6	..	250	250/00	250/00	241/00
Hindustan Aluminium P.	Nil	..	..	10	14/62	13/94	13/62
Hindustan Motors P.	9	12	12½-11½*	10	19/81	19/81	16/50
Hindusthan Pilkington	..	..	..	10	17/50	17/31	19/50
Hindusthan Twyfords P.	Nil	Nil	Nil—Nil*	10	14/87	15/00	15/75
Hoare Miller & Co Ltd.	6	6	..	10	5/62	5/62	8/62
Imperial Tobacco	8	8	8	10	10/00	10/50	10/87
Indian Aluminium Co. Ltd. P.	15	15	17½	10	39/75	38/75	32/50
Indian Cable P.	22½	22½	22½-22½*	10	41/37	37/37	35/00
Indian Oxygen	15	15	12	10	29/50	28/50	31/87
Indian Rubber Manufacturers P.	20	30	36	10	19/87	19/87	20/00
Isaac Holdens	30	30	30	10	30/31	30/31	32/00
Investments and Finance P.	..	Nil	..	100	16/44	16/06	15/56
Indian Wood Products	7½	7½	7½—7½*	10	55/00	55/00	55/00
J K Synthetics	..	3	..	10	12/50	12/19	12/31
James Wright P.	..	..	..	5O	2/75	2/75	2/75
	..	..	..	1Dd	20/43	20/43	20/43
Jardine Henderson Ltd P.	7	7	8—7*	100	79/75	80/00	73/00
Jay Shree Industries P.	14	12½		10	18/62	18/62	16/44
Kesoram Industries P.	5	12	12—13*	10	29/69	27/25	22/31
Macfarlane & Co	..	..	..	50	6/75	6/75	7/00
	..	..	..	1Dd	2/19	2/19	2/50
Macneill & Barry Ltd. P.	8	8	7½	100	100/00	93/50	93/50
Martin Burn Ltd P.	27½	27½	25	10	28/87	29/12	29/75
McLeod & Co P.	15	15	18	100O	210/00	210/00	215/00
Metal Box Co of India Ltd P	25	25	19	10	53/75	53/75	55/50
National Insulated Cable P	25	25	25—28*	10	25/75	25/87	25/00
National Pipe & Tubes P	20	20	20	10	28/75	28/75	29/75
National Rolling & Steel Ropes	13	15	15	10	21/37	21/19	21/37
National Rubber P	Nil	6½	8	10	12/69	12/87	11/25
National Tobacco P	16	7	7	10	12/81	12/50	13/00
New India Investment Corpn.	8.7	..	..	75	59/50	59/50	90/00
Octavius Steel P.	10	7½	7½	100	..	..	..
Philips India	12	12	13	10	30/50	30/87	28/12
Publicity Society	10	75	75—50*	4	22/62	22/62	26/19
Rallis India P	-	8½	8	100	133/00	131/50	150/00
Rontas Industries P.	20	10	8—9*	10	14/00	14/31	12/00
Strslik P	Nil*	..	..	10	10/50	10/50	8/75
Sen Raleigh Industries P.	-	8	8	10	15/19	15/19	18/87
Shaw Wallace P.	15	15	7½	10	16/81	16/69	20/06
Spencer's Hotel	2½	2½	-	2	0/65	0/65	0/94
Union Carbide	18	18	12½	10	43/31	42/00	45/00
Walford Transport	30	30	..	10	4.00	3/97	3/37
INSURANCE COMPANIES							
Concord of India	20	20	20	5	11/25	11/12	11/50
Hercules	22½	26½	26½	10	22/50	22/50	25/37
Ruby General	10	13½	15½	8	10/81	10/56	9/69
Standard General	..	..		10	6/25	6/25	8/00
Triton	45	50	50	25	128/00	128/00	131/00
FLOUR MILLS							
Bengal	40	25	25	10	29/00	29/00	34/25
Delhi P.	..	..	..	10	14/00	14/00	14/00
Ganesh P.	..	..	..	12½	14/25	14/25	16/75
Hooghly	15	Nil	Nil	10	19/75	19/75	19/75
United	35	10	7½	10	27/81	27/81	30/00
OIL COMPANIES							
Attock Oil	13½	13½	..	£1	sh.37/-	sh 39/6	sh.26/-
Burmah Oil P.	9-2/5	..	..	£1	sh.66/6	sh 67/4½	sh 42/1½
Indo Burmah Petroleum P.	30	25	22½	10	23/87	23/87	25/44
Tide Water Oil	30	35	35	10	29/50	29/50	26/00
PAPER MILLS							
Bengal P.	32	27½	20	10	30/00	28/56	32/12
India Paper Pulp	15	13	12—15*	10	19/69	19/25	18/87
Orient Paper P	22½	22½	22½-20*	10	40/50	39/50	36/25
Shree Gopal Paper P.	17 6/7	17 6/7	17 6/7	10	26/62	26/87	23/25
Sirpur P	6½	8½	..	10	14/69	14/56	12/00
Star Paper P.	Nil	Nil	Nil	10	9/12	8/81	10/00
Titaghur P.	10	13	13—13*	2½PO	3/25	3/25	3/78
	25	20	10—10*	10AO	17/62	17/56	36/12
	25	20	10—10*	10BO	17/62	17/56	36/12
West Coast P.	6	7½	..	100	170/00	173/00	160.50
PRESSING COMPANY							
Camperdown	11	11	..	100	104/00	104/00	100/00
REAL PROPERTY STORAGE							
Bengal Bonded Warehouse	12	8	8—9*	A500	1050/00	900/00	610/00
				B62½	125/00	125/00	77/25
				C100	122/00	122/00	122/00
				D12½	14/75	14/75	14/75
Calcutta Safe Deposit	..	..	..	100	7/94	7/94	7/25
Himayan Properties P.	6	..	..	10O	.../..	.../..	.../..
Midnapore Zemindary P.	Nil	Nil	Nil	1Dd	2/10	2/10	2/15
				65	11/00	11/00	11/12
STEAMSAYS & STEAMER							
Bengal Assam Steamship P.	7½	7½	..	100	140/00	140/00	106/00
Calcutta Landing & Shipping	34	7½	22	10	34/00	34/00	49/50
Calcutta Steam Navigation	10	Nil	Nil	10	9/25	9/25	7/75
Calcutta Tramways P.	..	..	..	£1	11/19	11/25	12/25
Fraser	Nil	..	..	10	10/00	10/00	10/00
India General Nav Railway P.	Nil	..	..	£10	43/50	43/25	66/50
India Steamship P.	10	Nil	Nil-Nil*	10	7/87	7/47	6/25
Port Shipping	Nil	Nil	..	10	15/19	14/62	12/06

* 1963

SOUTH INDIA PLANTATION COMPANIES

NAMES	Dividend per cent 1958	1959	1960	Paid-up per share Rs.	Latest Market Quotations as available until 12-11-63 Rs.	5-11-63 Rs.	A year ago Rs.
Amalgamated P.	7½	10	..	10	10/01	10/01	10/36
Anandam P.	15	15	..	10	14/19	14/19	15/24
Atnimattam	Nil	Nil	..	2	1/18	1/18	0/80
Balanoor P.	15	15	12	10	14/30	13/50	12/91
Balmadies P.	7½	7½	..	2	1/78	1/78	1/90
Be Be P	5	Nil	..	5	2/27	2/03	2/50
Blue Mountain	12½	12½	10-10*	2	2/67	2/70	2/38
Chembra Peak	15	20	20-20*	2	4/50	4/50	3/40
Cochin Malabar P.	15	17½	20-20*	3	6/20	6/18	6/60
Coffee Lands P	25	6	..	10	15/50	14/60	14/70
Consolidated Coffee P.	25	20	..	10	21/85	22/25	17/05
Coonoor P.	20	17½	..	10	17/83	17/83	22/47
Coorg P	20	20	..	2	4/60	4/60	3/98
Cottanad Plantation P.	15	10	..	10	9/31	9/31	9/75
Devashola (Nilgiri)	25	20	..	10	24/60	24/60	25/05
Devon P	15	15	12	10	11/96	11/96	12/66
Emerald Valley	5	..	..	5	6/30	6/30	5/34
Gokul	9	10	..	2	2/23	2/23	1/90
Hailey buria P.	12½	15	..	10	12/40	12/25	12/85
Kallas	20	22½	..	2	6/28	6/28	5/16
Kalasa Tea Produce	15	20	25	2	4/25	4/25	2/31
Kil Kotagiri P.	35	25	25	2	5/30	5/30	4/80
Lucky Valley	10	10	10	10	12/00	12/00	10/25
Malankara	16	15	..	10	15/02	15/02	15/92
Midland Rub & Prod P.	10	12½	12½	10	11/30	11/10	10/12
Nilgiri P.	5	5	..	10	8/30	8/40	8/60
Nonsuch	20	20	20	10	23/80	23/80	22/25
Jasoor	15	15	..	2	3/60	3/65	2/82
Juchterlony	15	13	12	2	4/65	4/65	3/85
Parkside Nelligherry	27½	27½	22½	10	27/50	27/00	21/62
Peermade P.	22½	22½	25	10	20/55	20/53	21/75
Peninsular	20	20	..	10	20/70	20/70	22/10
Periakaramalai	12½	13½	20	2	3/44	3/45	3/15
Rajagiri Rub & Prod P.	20	20	20	10	18/60	18/60	21/00
Rajendra P.	50	25	..	5	10/42	11/30	10/50
Swinton	7½	12½	..	2	2/68	2/68	2/82
Peekoy P.	6	Nil	..	10	6/50	6/50	5/03
Thirumbadi	7	7	12	1	2/03	2/02	1/82
Travancore Rubber	10	13	..	10	11/25	11/25	10/95
Travancore Rub & Tea P.	7½	9	10	10	9/95	9/90	9/15
Tropical Plantations	8	8	..	25	20/50	20/50	18/62
Twyfords	10	10	..	10	8/12	8/12	9/50
United Nilgiri	19½	21	22	10	23/80	24/00	19/35
Valkundam	25	30	..	10	33/75	35/75	30/65
Waterfall Estates P.	12½	12½	..	2	2/53	2/53	2/20
Woodland P.	5	10	..	10	7/50	7/50	7/85

† Kgs

SOUTH INDIA COTTON MILLS

NAMES	Dividend per cent 1959	1960	1961	Paid-up per share Rs.	Latest Market Quotations as available until 12-11-63 Rs.	5-11-63 Rs.	A year ago Rs.
Bangalore W C Silk P.	10	10	18	100	233/50	233/50	242/80
Buckingham & Carnatic P.	10	10	18	100	278/00	268/00	277/80
Cambodia P	Nil	5	..	10	10/12	10/12	13/00
Coimbatore Cotton	6	12	18	100	169/00	167/00	181/00
Coimbatore Spg & Wvg	..	..	..	50	68/50	68/50	69/00
Kothari Textiles P	10	10	8	10	9/35	9/20	10/55
Lakshmi	12	20	30	50	135/50	136/50	146/00
Madura	12½	15	15	15	34/00	34/10	35/65
Mettur Industries	25	30	30-22½*	100	298/00	286/00	342/00
Palani Andavar P.	..	..	..	10	202/75	46/75	202/75
Vasanta P.	16	20	..	100	276/00	276/00	290/00

* 1962

SOUTH INDIA SUGAR MILLS

NAMES	Dividend per cent 1959	1960	1961	Paid-up per share Rs.	Latest Market Quotations as available until 12-11-63 Rs.	5-11-63 Rs.	A year ago Rs.
Andhra P	20	..	..	10	17/36	17/36	20/75
Cauvery P.	Nil	6	8	100	112/00	112/00	114/50
Deccan Sugar	25½	25½	12—18*	5	12/47	12/60	10/80
E.I.D.—Parry	28 4/7	21 3/7	21 3/7*	£1	37/95	37/50	40/75
Indian Sugar P.	12½	14	10	10	10/25	10/25	11/00
Jeypore P	10	8	..	10	16/00	16/00	17/00
K C P.	15	..	..	10	23/90	23/90	22/00
Kothari	..	Nil	Nil	10	7/00	7/00	7/05
Mysore	30	30	30-30*	10	46/75	46/75	53/40
Travancore P	10	10	..	10	7/40	7/40	7/50
United Breweries	60	60	60-25*	10	33/25	33/25	97/50

* 1962

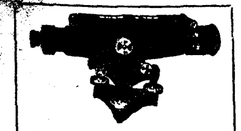
SOUTH INDIA MISCELLANEOUS COMPANIES

NAMES	Dividend per cent 1959	1960	1961	Paid-up per share Rs.	Latest Market Quotations as available until 12-11-63 Rs.	5-11-63 Rs.	A year ago Rs.
Aluminium Industries	12½	18	..	10	19/75	17/40	24/40
Andhra Cement P.	10	..	..	10	9/87	9/37	10/35
Ashok Leyland	8	8	..	5	7/47	7/47	7/95
Binny	10	12½	..	100	228/00	288/00	329/40
Brunton & Co.	Nil	..	..	10	5/03	5/03	5/30
Enfield P	5	6	..	10	9/12	9/12	10/45
India Cement P.	9	11	9-12*	9	5/70	5/38	6/40
Indian Steel Rolling P.	7	..	..	10	10/40	9/37	11/37
Mettur Chemical Industrial P.	8½	12½	12½-13½*	10	13/30	13/30	14/10
Mysore Chem & Fert.	5	10	10	10	7/95	7/95	10/10
Mysore Chemical Mfgs P.	20	20	..	10	16/70	16/70	21/75
Mysore Lamp P.	16	20	..	10	30/00	30/00	37/35
Mysore Paper	12½	15	15	10	12/70	12/70	14/87
Mysore Tobacco	12½	10	..	10	11/50	10/50	8/60
Parrys Corn	20	30	..	1	3/37	3/42	4/15
Spencer (Provisions)	18	18	18—18*	10	20/37	20/37	24/50
Standard Motors P.	5	9	..	10	10/58	10/58	16/13
T Staner P	27½	32½	..	10	27/40	27/40	29/60
Textool	15	15	..	100	147/00	146/00	166/00
Tube Investments	10	10	10	100	228/00	228/00	269/00

* 1962

LIGHT RAILWAY AND ROPEWAY COMPANIES

NAMES	Dividends per cent 1960	1961	1962	Paid-up per Share Rs.	Latest Market Quotations as available until 13-11-63 Rs.	6-11-63 Rs.	A year ago Rs.
Ahmedpur Katwa	1.90	1.90	1.75	100	26/00	26/00	29/50
Arrah Sasaram	5	5	5	100	29/50	29/50	30/50
Bankura Damoodar	1.90	1.90	1.75	100	26/50	26/50	29/50
Burdwan Cutwa	1.90	1.90	1.75	100	26/50	26/50	29/50
Chapramukh-Silghat	2.90	2.90	2.80	100	40/00	40/00	35/00
Cherra Chhatak Ropeway	9	12	12	5	5/75	5/75	5/75
Darjeeling Ropeway	..	..	..	10	8/50	9/12	8/00
Delhi Gohtak	17	20	15	10	13/12	13/12	17/25
Futwah Islampur	1.90	1.90	1.90	100	28/70	28/71	28/70
Howrah Amta (P)	6	5	4½	100	40/00	40/00	46/00
Howrah Sheakhala	6	5	4½	100	45/00	45/00	45/00
Katakha Lalo Bazar	3.50	3.10	1.90	100	41/00	41/00	41/00
Shahdara (Delhi)	6	3	..	100	52/00	52/00	50/75

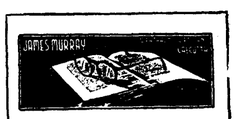


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JAMES MURRAY
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8, Old Court House St.,
Calcutta-1.
Phone 23-2938.

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HUNDRED YEARS OF BANKING IN ASIA AND AFRICA

A HUNDRED years ago last Saturday, the Calcutta City Banking Corporation started business with a mixed bag of British and Indian directors, an authorised capital of Rs. 1 crore, and a subscribed capital of Rs. 50 lakhs, not all of which was easily raised. Within a few months, in response to the breezy optimism of the times, the horizons of the promoters began to widen from the scale of the metropolis to that of the country at large. The name of the Corporation was changed to National Bank of India; after a fierce controversy the head office was shifted from Calcutta to London in an effort to secure access to what was then the world's biggest capital market; and fresh pastures for banking business began to be explored. Following several ups and downs in its early years, and a few amalgamations and mergers in the later ones, the institution today stands as National and Grindlays Bank, one of the great financial links between Britain, Asia and Africa. The original subscribed capital of Rs 50 lakhs (equivalent to a mere £500,000 at the rate of exchange prevailing at the time) has grown to a formidable paid-up capital of over £5.7 million. From the single office at 1/1 Mission Row, Calcutta, not far from where these words are written, there has proliferated a network of branches in territories spanning the northern extremities of the Indian Ocean. The total assets at the end of the first year, 1864, were £328,736; by 1962 they had risen to the far grander total of almost £287 million.

These are the bare bones of a story into which Geoffrey Tyson, editor of *Capital* for twenty eventful years down to 1952, has breathed life in a fascinating volume entitled *100 Years of Banking in Asia and Africa* just published in commemoration of the National and Grindlays centenary. The bones, however, do poor justice to the body to which they belong. For Geoffrey Tyson's story is not just a record of titular transformations and marriages in the banking world, of the ups and downs of business, or of the comings and goings of great men and small. It is much more than all these landmarks if noted in the fulness of their detail could ever be, for the progress of the institutions which merged into National and Grindlays Bank is surveyed against the background of a wider canvas of events and personalities which shaped their fortunes over the years. Most of the narrative is concerned inevitably with the National Bank of India and its activities in this country. The information on its formative years of childhood and adolescence was strikingly meagre. But painstaking research and an erudite understanding of Anglo-Asian history have served to re-create the long-forgotten episodes of yesteryear in a fascinating panorama of vivid reality. Not only do events and controversies come to life in these pages: the people do, too, in an eloquent exposition of the Tysonian philosophy that institutions are only as great as the men who make them. The grace and elegance of the writing are as remarkable as the facts they embody; the whole book is illuminated by flashes of wit and wisdom which spring from an astute but kindly mind that older readers of this newspaper will readily recognise.

No summary can do justice to the book, so none will be attempted here. At best, only a few brief impressions can be recorded, the choice of which is necessarily arbitrary, and of these the outstanding one relates to the courage and shrewdness of the men who have guided the destinies of National and Grindlays since the earliest years. The Calcutta City Banking Corporation, and its successor National Bank, were in some degree the progeny of a boom inspired by the American Civil War, when the textile manufacturers of Lancashire were obliged to turn from Virginia to Bombay for the cotton they had to have. The boom, following tradition, proved short-lived. As the defeat of the Confederate forces drew near, cotton prices in India dropped, the inevitable depression set in, and a host of trading and financial institutions were obliterated in the business earthquake which followed. Among the locally-promoted banks, the National Bank was almost the only survivor; it did not escape unhurt, and its problems were later accentuated by the failure of the London finance house of Overend and Gurney as well as by a costly venture in the China trade. But the important feature is that the lessons of these episodes were well learnt; a period of consolidation followed. Not until the early 1880s was a relatively ambitious programme of branch extension launched, which before long took the Bank as far as Mombasa and Aden in the west, and Rangoon in the east.

In the National Bank, the consolidation was achieved in a number of ways which are by no means irrelevant to modern experience. Originally, the Bank seemed likely to concentrate rather heavily on the then relatively new field of providing advances against securities. After the slump of the late 1860s the emphasis, fortunately, was quickly dropped. Over the years, instead, there was a distinct move into the expanding sectors of trade and industry—first into jute, indigo and tea, and later into bullion, power and other fields. Simultaneously, the bonds with the London capital market were strengthened through alliances and understandings which stood the Bank in good stead in times of uncertainty. In recent years, the process of consolidation has taken more obvious forms, as represented by National's marriage to Grindlays in 1948 and the taking over of the business and management of Lloyds Bank's eastern branches in 1961. But most remarkable of all the phases of consolidation, perhaps, is the fact that barely had the fires of the first slump of the 1860s subsided when a code of rules was drawn up for the guidance of local managers—a code of rules the basic principles of which today, more than 90 years later, are much the same as when it was first drafted, although the amounts and details may have changed. There can be few greater tributes to the wisdom and foresight of the founders of the Bank.

Another striking impression left by Geoffrey Tyson's history is the closeness with which the

progress of the Bank has followed the growth of trade and industry. In 1869, the Suez Canal was opened; it drastically reduced the time for travel between Britain and India. Two years later, a telegraph link was established. By the 1880s, India began to nourish within herself what Geoffrey Tyson succinctly terms the "embryo of a modern economy." As new trading links were forged between Britain, Asia and Africa, the horizons of the Bank widened and the network of offices and representation was expanded.

Not all the areas in which the Bank operated were then, or have been since, models of political stability or rapid economic progress. But the impressive advance the institution has made remains nevertheless as a monument to the adaptability and acumen of the men who have led it. These qualities are as much in evidence today as they were at any other time in the Bank's long and fascinating history. Many of the countries in which it operates have achieved independence. Within the next few years, many more will. The original faith of the founders in being able to cope with the challenges and anxieties of the future, however, continues undiminished. As Geoffrey Tyson puts it, "the confident assertion that trade follows the flag is not always, nor entirely, true; but there are not a few examples to prove that trade survives and grows long after the flag has been honourably hauled down." His own stimulating book provides a faithful reflection of the confidence with which National and Grindlays moves into its second century, one that promises to be no less exciting an era of challenge and opportunity than the first.

REFINANCE FOR THE FARMS

A MAJOR reason for the growing disappointment over the Government's agricultural policy is that although several institutions have been set up to provide farm credit, production in this sector has been stagnating. The Agricultural Refinance Corporation inaugurated on 1st July, 1963, is a young body created to ensure a regular flow of funds for agricultural activities; but like the other institutions it may become ineffective unless certain measures are taken to strengthen the basis of its operations. An article entitled "Commercial Banks and Agricultural Finance", published in the September issue of the *Bank of India Bulletin*, discusses some of the measures which need to be taken for the successful working of the Corporation. The article deserves study.

Agricultural development in this country has been hindered by the fact that no practical measure has yet been devised to ensure an adequate supply of finance to farmrs at a reasonable rate of interest. Most agriculturists even now have to rely on moneylenders and pay an exorbitant rate of interest. Although a network of co-operative credit institutions has been set up in the countryside, it has only touched the fringe of the problem. The societies lack the proper administrative talent and institutional set-up. The setting up of the Agricultural Refinance Corporation in order to increase the flow of credit to agriculture through the medium of banks is, therefore, a step in the right direction, since banks have the institutional set-up and the experience to handle credit. What seems to be a pity is that non-scheduled banks have been excluded from the scope of the Corporation's operations. Some of them have adequate financial resources and have been operating fairly efficiently. They also have some experience in financing agriculture. Under the guarantee scheme for industry, non-member banks have been indirectly associated through member-banks. A similar arrangement in the case of agriculture would prove very useful.

Yet the task of associating commercial banks with agricultural credit more closely is not going to be easy. The refinancing scheme will merely give an additional incentive to them to lend, but it is not certain that the farmer will readily agree to borrow from this source. It is officially estimated that the demand for agricultural credit may amount to about Rs. 150 crores during the next two or three years. But agriculturists might hesitate to take advantage of the new credit facility from banks as they would in that case have to submit income statements. The reliance of farmers on moneylenders, combined with their reluctance to resort to institutional credit, has been a worldwide phenomenon. In States where agricultural income tax has been levied, the reluctance of the farmers is likely to be even more. Hence it is necessary to persuade agriculturists about the benefits of the new institutional credit facility.

The difficulties of commercial banks in providing long-term agricultural credit need to be stressed. They do not have qualified personnel to assess the value of land which would serve as security. The assessment of crop yields requires deep technical knowledge. It has been suggested that the Indian Banks Association and the Agricultural Refinance Corporation should explore the possibility of organising a pool of experts from foreign countries. Land is usually the chief security which agriculturists can offer for a loan, but there are several legal complications in taking land as security for advances. Hence it is necessary to evolve a simpler and less expensive legal arrangement in the case of mortgages under the refinance scheme. This apart, commercial banks will be attracted to agricultural financing only when the projects for which they lend are profitable. Most agricultural operations are carried on for bare existence but banks can finance only commercially feasible schemes.

The Agricultural Refinance Corporation Act gives agriculture a wide connotation and includes animal husbandry, dairy farming, pisciculture and poultry farming. But there must be some organisation to promote schemes allied to agriculture. For example, the rearing of pigs, sheep and goats may increase food output more quickly than the cultivation of crops in some areas. But the supply of these products will not be augmented until marketing facilities are developed through the provision of refrigeration and transport. The Corporation could take a hand in these activities. It could also arrange for foreign exchange to import special breeds of animals and processing equipment for the agricultural industries.

The Agricultural Refinance Corporation Act stipulates that no accommodation will be granted to an eligible institution unless it is fully and unconditionally guaranteed as to the repayment of principal and payment of interest by the Government. Since State Governments are interested in promoting agriculture, they may furnish the guarantee for schemes undertaken within their boundaries. But only the Corporation will be protected by the guarantee, not scheduled banks, who will have to bear the ultimate risk when a borrower defaults. It is worth considering whether the banks' risks can be reduced by some sort of a State Government guarantee to lending banks, as has been done in the case of industrial financing. Finally, the Government has guaranteed a dividend of 4½ percent on the shares of the Corporation. It is, therefore, thought that commercial banks might get refinance from the Corporation at an interest of 5½ percent. If scheduled banks keep a margin of at least 2 percent, the ultimate borrowers may have to pay interest of up to 7½ percent, which will be high in view of the smaller interest charged by co-operative credit societies. Considering the importance of agriculture, it is necessary to take steps for keeping the interest rate down, otherwise agriculturists will not be attracted by the new credit facility.

India's Resources
are Precious
WASTE NOT,
WANT NOT

THE EUROPEAN CAPITAL MARKET

THE suggestion that Europe's international capital market could be and should be developed as an alternative to that of the United States arose—in the United States itself—some time before President Kennedy proposed the interest equalisation tax, and the proposal virtually closed the U.S. capital market against foreign borrowers. But it was not easy to visualise the European market as an effective alternative, as it could not offer a financial centre comparable with New York. The requisite financial facilities and skill in using them are available in London, Amsterdam and Zürich, but these centres have not enough resources for the purpose. Paris and Frankfurt have (at present) more resources, but they lack the requisite facilities and skill. However, the European capital market has lost no time in responding to the change in American policy. It is revealing itself as a flexible instrument which, used with unusually complex techniques, can take full advantage of available resources that are, in the aggregate, substantial. The main centre of the new-style operations is London, but the resources used are multinational. The newly-developed facilities are being used primarily by European borrowers, but European lenders will certainly expand their intercontinental business.

The list of European borrowers who have recently borrowed, or started negotiations to borrow, in the Europeon market includes Italy, Austria, Denmark and Norway. The loan of 60 million Swiss francs raised through London for the City of Copenhagen attracted particular interest in London because it was the first loan in a non-sterling European currency in this centre in the postwar era. Unfortunately, it attracted attention for another reason: the Swiss authorities resented it —and made their objections known throughout Europe. The subsequent loan to Austria, a less complicated issue of £6 million in sterling, was made in London not only because the New York market was virtually inaccessible but also because the dispute between Austria and Switzerland concerning Austria's treatment of some goods imported from Switzerland had temporarily closed the Swiss capital market against Austria. The loan of 18 million "European units of account" to Cassa per il Mezzogiorno (Southern Italy Development Fund) was more cosmopolitan; and the principal of the syndicate of banks that arranged it was not British but Belgian—the Banque Lambert.

The London market has been used in the post-war era mainly by countries of the sterling area, but its recent operations show that it is equally accessible to countries of the European Free Trade Association. At the annual Lord Mayor's dinner at the Mansion House in mid-October, both the U.K. Chancellor of the Exchequer, Mr. Reginald Maudling, and the Governor of the Bank of England, Lord Cromer, indicated that the authorities were interested in the restoration of London as an international capital market and were willing to facilitate the process. (They have already turned their attention to such technicalities as deduction of U.K. income tax at source, which is strongly resented by foreign holders of bonds.) It is regrettable that the first loan representing the more liberal attitude towards E.F.T.A borrowers aroused ill feeling between Britain and another E.F.T.A. country, Switzerland.

In this loan to Copenhagen, London was used as an entrepôt centre; London can provide the facilities, but not yet the local resources for such loans. The Copenhagen bonds were devised for continental European investors, and from the viewpoint of British investors they are "foreign", obtainable only with investment dollars, which are quoted at a considerable premium. The designation of the loan in Swiss currency reflects its "foreign" character. A considerable quantity of non-resident Swiss capital is available for

subscription to such an issue; but the borrower's requirements of Swiss currency are small, and it is assumed that most of the loan will be converted. Although no Swiss banks were included in the issuing syndicate, the Swiss authorities foresaw a risk that their balance of payments would suffer from such transactions, and they resented such use of their currency without their authorisation. A loan whose principal and interest are payable in Swiss francs in foreign centres is not, indeed, very different from a genuine Swiss loan; and the Swiss capital market itself is tightly controlled. The Swiss authorities' objections are appreciated in London, and it is doubtful that this experiment will be repeated.

The "European units of account" adopted for the loan to Italy have the same characteristic—convenient or objectionable according to the viewpoint—that they are outside the range of monetary control of individual countries. Each unit is equivalent to a U.S. dollar at the present official gold price. It represents any of the currencies of the 17 countries that were members of the defunct European Payments Union, and so long as any one of these currencies maintains its value in terms of gold a holder of these units holds the equivalent of an unchanged weight of gold. (However, this provision is not equivalent to a "gold clause", for devaluation of currencies in terms of gold would almost certainly involve all the 17.) Whether Europe is yet ready for such unregulated internationalism is debatable. A less controversial form of financial internationalism was proposed by eminent German bankers, Herr Hermann Abs, chairman of the Deutsche Bank, and Herr Alwin Münchmeier, partner of Bankhaus Müuchmeier and Co., at the recent bankers' conference in Munich. The Germans have conceived the idea of a consortium of private banks that, drawing on the resources of their particular territories, would co-ordinate the two basic factors in the capital market, lending and borrowing. Such financial machinery cannot overcome a basic deficiency of capital, but it can enable the market to use the available resources efficiently.

Current News and Comment

Free Export Zone in Haldia

A scheme for establishing a "free export zone" in Haldia with a view to stepping up exports of engineering goods and other manufactures was outlined by Mr. C. E. Cargin, chairman of the Indian Engineering Association, at a Press conference in Calcutta on Tuesday. He said that exports of engineering goods constituted just 1½ percent of India's total exports. In spite of all incentives, the country's competitive strength is limited since production costs are high because of heavy direct and indirect taxation, and idle capacity resulting from shortages of raw materials, fuel, power, transport, electrodes, spare parts and components, and other items. A free export zone in Haldia with a substantial measure of economic freedom and tax relief will facilitate the establishment of export-orientated industries and also attract foreign enterprise. All units in the Haldia zone, according to the scheme, would be free to import either from India or from foreign countries, any items required for production and they would all be duty-free.

The essentials of the scheme are: (a) The zone would be outside the Indian home market, and any goods which are manufactured or assembled there would be freely exported to all countries. To the extent that the goods are "exported" to India, they must face the same restrictions, duties, etcetera, as are applied to goods imported from any other foreign country. (b) Foreign as well as Indian firms would be permitted, with the minimum of restrictions, to set up factories and assembly plants in Haldia. (c) Imports of capital equipment, spare parts, components and raw materials required for production would be freely permitted and would be free of any duty or tax. Such imports could be from India or from any other country with whom India has trade relations. (d) Employers in the zone would be free to recruit men either from India or from abroad. (e) All supplies (materials, components, electric power, etcetera) from the Indian hinterland to the zone would be regarded as exports, and would qualify for all export concessions, including special export prices and duty drawback. (f) There would be a substantial measure of relief, or exemption, from direct and indirect taxation within the zone. However, profits repatriated from the zone to India or to any other country would be subject to taxation at the rates prevailing in the respective countries. The general tax structure should not be less attractive than similar areas elsewhere in the world (Hongkong might be taken as a model), and the tax concessions should apply equally to Indian and foreign persons or firms operating within the zone.

The establishment of such a free export zone would bring several benefits. Indian firms would be given the opportunity to show, in fair competition with foreign firms, what they can do to make their products competitive once free access is given to raw materials, components and other items at world prices, and conditions are provided for full capacity working. The advantages of operating in Haldia would induce more firms to enter the export business and existing exporters to expand their operations. The conditions of economic freedom combined with a liberal licensing policy would attract foreign firms to Haldia. Most of the requirements of these new units such as structural work, materials, components and electric power would be supplied by India, thus giving the country an export market right on its door-step and a useful source of foreign exchange. "Invisible exports" to the zone like banking, insurance and similar services would also earn foreign exchange.

Besides, foreign manufacturers would be encouraged to stock within the zone a large range of items which they hope to export to India. This would help the established and actual user importers in India, who would not only be able to inspect the goods before placing orders but would also be able to secure early delivery. Prompt supply of imported spare parts and components would be of great help to industry within the country and there would be other economies in that firms would no longer need to carry large stocks of spares and components. The intending exporters to India may also find it worth while to set up units in Haldia for assembly, partial manufacture or finishing of the items which they hope to export to India. Packing materials used would also be Indian. Thus the items imported into India would have some indigenous content.

Mr. Cargin stated that the Indian Engineering Association had already submitted the scheme to the Central Minister for International Trade, and would meet Mr. P. C. Sen, Chief Minister of West Bengal, on Saturday to discuss the proposals. It is understood that assistance from the World Bank will be forthcoming for the development of Haldia as a port and for developing communications with the hinterland.

Export Promotion Bottlenecks

On the basis of the figures for the first six months, it is expected that India's exports in 1963 would total Rs. 720 crores, compared with Rs. 674 crores in 1962, and Rs. 660 crores in 1961. But the exports during the current year would be still below the target of Rs. 745 crores set for 1963. At this rate of increase, it is not likely that the third plan target of Rs. 3,700 crores will be realised. It is, therefore, necessary to intensify the export drive. Furthermore, the traditional markets will have to be maintained. India's exports to Britain, for example, have declined from nearly 24¾ percent of the total in 1961 to 23¼ percent of the total in 1962, and are expected to be less than 20¼ percent of the total in 1963.

The three-day meeting of the chairmen of export promotion councils in New Delhi last week emphasised the fact that one of the causes for the slow growth in Indian exports—and for that matter, in the exports of all the developing countries of the world—was that the G.A.T.T. did not make any sincere efforts at enabling the poorer countries to expand their export trade. While high tariff walls were not being lowered by the developed countries, any efforts made by the developing countries to subsidise their exports to make their prices competitive were frowned upon. It was rightly emphasised that as long as the developing countries did not evolve a common policy for the export of primary commodities, in which they hold a near-monopoly, it would be difficult to bring realism to the trade policies now being followed by some industrialised countries.

For India individually, it would be necessary to make more concerted efforts at export promotion. A more effective implementation of the export promotion and quality control schemes will have to be answered. One of the main difficulties which has hampered the working of export promotion councils in India is inadequate finance. While the code of grants-in-aid has provided for meeting the expenses on trade delegations, study teams sent abroad, export publicity and opening of foreign offices, it has not provided for expenses incurred on quality control and inspection, and trade fairs held abroad. It is gratifying that the code of grants-in-aid will be changed to make a provision for these items of expenditure also. It is also a wise decision that in future, the Government will not insist on the export promotion councils to provide matching funds for grants given on market surveys, but will meet the entire expenses incurred on these projects, at least in the current financial year.

In order to increase exports, India's trade representatives abroad should be able to provide market information to exporters at nominal charges. Unfortunately at present, Indian trade representatives are more concerned with political and diplomatic work. There is also too much delay in granting licences for importing raw materials and machinery for the manufacture of products contracted for exports. The quality of export goods is not always according to specifications in spite of quality control schemes. The manufacturers are not in all cases aware of consumer tastes in foreign countries. All these defects will have to be removed to give a real fillip to Indian exports.

The Economy of Northern Region

The regional conference organised last week in Kanpur by the Federation of Indian Chambers of Commerce and Industry highlighted the fact that the northern region consisting of Delhi, Punjab, Rajasthan and Uttar Pradesh is backward compared with the other three regions of India. The former has nearly 25 percent of the country's population, but it has only 13¾ percent of the factory-employed workers—a little more than 500,000 out of 4 million—and a little more than 14¼ percent of the total industrial units, that is, 7,313 out of a total of 51,000. Another important fact which the conference emphasised was that even inside the northern region, there have been disparities of industrial and economic development. While Punjab and Delhi, and to a certain extent Rajasthan, have made much headway in the field of industry, Uttar Pradesh has not made any worthwhile progress. Mr. Padampat Singhania, president of the Marchants' Chamber of U.P., in his welcome address pointed out that whereas the *per capita* income in other parts of the country had increased by 17.8 percent over the past ten years, it had not risen appreciably in U.P. Another disquieting fact, according to Mr. Singhania, is that whereas the *per capita* output of industrial and agricultural commodities in other parts of the country has increased by 40 percent to 150 percent, it has risen over the same period in U.P. only by 3 percent to 10 percent.

What is the cause of this relative backwardness of this region and how could it be overcome? The conference tried to answer the important question. According to the F.I.C.C.I., one of the causes is the long distance from the centres of coal and steel supply and the ports. The Federation has decided

to make an expert study of the feasibility of equalising freight on the movement of raw materials into this region and of manufactured articles to the ports of export. This study will show ways and means of removing the handicap of the northern region.

Another important cause of the industrial backwardness of this region is that industries suffer from certain peculiar handicaps. The sugar industry in the northern region, for example, is affected by the low sucrose content of sugarcane. The cotton textile industry is suffering, because it produces mostly medium and coarse quality cloth in which profit margins are low and raw cotton has to be obtained from distant places; furthermore, the machinery in most units is in immediate need of replacement and renovation. The F.I.C.C.I. conference did not emphasise this fact, but another cause of slow progress of the northern region, especially of U.P., is that the State Governments have not taken much interest in industrialisation. There is also political instability, especially in the Punjab and U.P., where the leaders are more occupied with intrigues and internal fights than with industrial development. This has slowed down industrial progress.

Checking Tax Evasion

The Central Finance Minister, Mr. T. T. Krishnamachari, told the conference of Income Tax Commissioners in New Delhi recently that the present system of tax collection had led people "to adopt doubtful methods". No reliable estimate of tax evasion in India is available, but it might be anything between Rs. 30 crores and Rs. 100 crores, or even more. It is not only some big business men but also a large section of the community in the lower income groups like shopkeepers and petty traders who escape the tax net. It is to some extent true that the adoption of a human approach by the tax officials to their unpopular task will improve matters, and there might be some reduction in tax evasion. It is also true, as Mr. Krishnamachari emphasised, that a simplification of the income tax law would help matters. But one of the main reasons for evasion is excessive taxation. What is, therefore, necessary is a rationalisation of the fiscal system so as to make the incidence of taxation more fair and equitable.

Another factor, which Mr. Krishnamachari did not touch, is that income tax offices are generally understaffed. The number of assessees is increasing at the rate of 50,000 to 100,000 a year, and the work of income tax officers, inspectors and others at lower levels has been increasing. But their number has not correspondingly gone up. Mr. Krishnamachari's advice to income tax officers that they should go round their localities more frequently may not help in preventing tax evasion, even if they are given more powers, unless the number of officers, inspectors and other staff is adequately raised.

Labour Discipline on Assam Gardens

In his address from the chair at the annual general meeting of the Assam Branch India Tea Association, held recently in Dibrugarh, Mr. J. P. Hannay, expressed satisfaction that industrial relations had improved in the tea gardens and only eight minor strikes were reported by the members last year. There were, however, 11 cases of assault on management and staff and three threatened cases of assault, which marred an otherwise happy picture. These latter incidents were deplorable as well as disgraceful. A committee has been appointed to enquire into lawlessness on tea estates, and he hoped that it would give full weight to the industry's contention that the estates should be rid of people dismissed for serious offences; otherwise the danger of lawlessness would persist. The industry is always willing to listen to workers' legitimate grievances provided they are represented in a lawful and constitutional manner. The Government has been forcing heavy burdens on the industry in the name of labour welfare. The industry itself is keen to promote the welfare of its labour, but a point may soon arrive when it will be outside its capacity to bear any more burdens. In this connection, Mr. Hannay referred to the housing programme for tea estate labour. As it is, the housing programme is very expensive. Yet the Assam Government has prescribed new specifications which would cost the member gardens as big a sum as Rs. 3,005 an acre of registered area under tea, and would, therefore, be well beyond their capacity. Mr. Hannay pointed out that the Central Government's recently appointed working group has already completed its investigation on the question of tea labour housing, although the findings remain to be published. The Assam Government should have awaited the publication of the report instead of rushing with its own specifications in complete disregard of the financial consequences for the industry.

Mr. Hannay had some good things to say about the activities of the Tea Board. It has been doing "truly excellent work" in assisting in the education of the children of staff and labour. At the moment, a total of over 5,000 educational stipends are being paid and approximately 1,800 children from Assam tea estates are benefiting. In some tea areas, great progress has been made in organising scouting on estates, an activity in which the Tea Board is also keenly interested. Mr. Hannay praised the Assam Tea Plantations Employees Provident Fund as a "most worthwhile piece of labour welfare legislation." The amount now invested out of this fund by the Assam Government on behalf of all tea estates staff and labour amounts to over Rs. 25 crores.

Automation in Ships

The availability of monitoring and control equipment is encouraging shipowners and ship designers to include such equipment in new installations concerned with propulsion, auxiliary services, cargo care (including refrigeration) and cargo handling. The principal reasons for this comparatively new line of thought in the marine field are economy or safety, or both. The Lloyd's Register of Shipping in a memorandum entitled *Automation in Ships*, issued to shipowners and others, draws attention to certain features of centralised and automatic control systems, and underlines the basic requirements which are necessary in the interests of reliability and efficiency.

This memorandum, it is believed, is the first to be issued by a classification society dealing with the problems facing the shipowner in deciding whether or not to fit such control systems. The first part offers him guidance by discussing the factors which might influence his decision in such matters as: first cost of the ship, length of route, profitability of the trade, possibility of maintenance in ports visited, normal turnround time in port compared with the time necessary for maintenance, relative cost of maintenance by ship's staff or by shoreside staff, and statutory regulations on manning scales. Each of these matters influences the others and all of them are relevant to the efficiency and cost of operation, and maintenance of ships. The maintenance task is increased in a ship with centralised controls since, in addition to the normal maintenance of the machinery, there is the added task of looking after the monitoring and control equipment. There is no clear-cut answer to this problem which can be applied to all types of ship. Each ship must be considered as an individual case, but it is clear that there are some ships where the fitting of such control systems would not be appropriate. For those ships in which centralised control systems are installed the first priorities are: (a) reliability in main plant items, (b) reliability in control and monitoring equipment, (c) careful planning of the whole installation as an integrated system and (d) adequate emergency means for bringing the ship home on hand control.

The second part of the memorandum contains a number of recommendations which, it is considered, should be observed in the construction and installation of monitoring and control equipment. As experience of the behaviour of these systems is obtained it will be possible for Lloyd's Register of Shipping to formulate classification rules, but in the meantime, it is hoped that the recommendations in the memorandum will serve as a useful guide. The Lloyd's rules governing the survey of machinery during construction have, however, been amended to require that descriptions of schemes be submitted for approval "in order that the effect of the arrangements on the safety of the ship and machinery and the preservation of the cargo may be assessed".

"CAPITAL CHRISTMAS" TOY FUND

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Dr. S. Radhakrishnan, President of India.

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Rs. 20
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Rs. 11
R. S. Shah

Rs. 10
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Grand Total Rs. 1,867.25.

CRUELTY TO DOGS

"WE are certainly spared the horrible street scenes of only a few years ago, when the Commissioner sent abroad his servants armed with clubs, to kill, at their discretion, all stray dogs they happened to meet, but the present system carried out under cover of darkness is also a highly objectionable and dangerous one. The club has been discarded and poison substituted. The servants or emissaries of the Commissioner march out at night fully furnished with pieces of poisoned meat, and woe betide any poor dog, however respectable, who falls a victim to the seductive gift of the irresponsible poisoner. Some years ago, I lost a dog friend for whose character I had a greater respect than for that of many a man I know, through either the wilful act or the culpable stupidity of the Government poisoner. There have been many similar instances. Only the other day, a gentleman in Clive Street, lost his pet dog by it being offered, and unsuspectedly taking the Commissioner's poisoned meat. Of course, the present Commissioner of Police did not originate the present stupid method. He is simply carrying out in a perfunctory manner the methods of his immediate predecessors. But surely the time has come for abandoning that dangerous game, and for adopting the more excellent and humane system in working order elsewhere. And towards this end, the S.P.C.A. could work in hand with the police authorities if we had a Dogs' Home established in Calcutta, with trained expert servants for catching the apparently ownerless animals: conveying them to the Home: keeping them there for a short specified time to give owners the opportunity of recovering their lost dogs, and then afterwards selling the unclaimed worthy animals, and allowing the unworthy to scrape through the lethal chamber to happier hunting grounds than those afforded by the streets and lanes of Calcutta. Let us recognise that dogs have their rights, in matters of life and death, as well as Commissioners of Police and other of God's creatures, and that the present system of poisoning is a brutal and inhuman practice, as well as a highly dangerous one to others than dogs. I will be glad if Mr. Lees can now see his way to proceed with his schemes. The Madras people will be able to give him copies of all their plans and specifications and estimates. I understand he knows where to obtain a suitable site".

FROM

CAPITAL
26th November, 1903

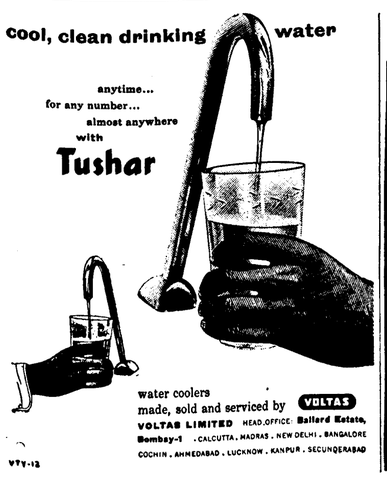
A Ditcher's Diary

I DISCERN SOME DISAPPOINTMENT HERE AND THERE that the first two days of the Lok Sabha's current session failed to produce the fireworks almost everyone had taken for granted. I enjoy the cut and thrust of animated debate as much as anyone else; the embarrassment on Tuesday of Messrs Nanda and Bahadur did them no harm at all. Mr. Nath Pai's crack about the Sadhu Samaj keeping track of Mr. Daniel Walcott and his Piper was entirely parliamentary; the manner in which the Home Minister sought to dismiss the unexplained escape was wholly unconvincing. That the debate took place at all was to the Lok Sabha's credit rather than the Government's. If the Walcott affair was Parliament's chief present to start with, others will no doubt follow. I shall be surprised if Dr. Lohia has not a sensation or two up his sleeve. But, I suspect, there is something not quite right in judging a parliamentary session by the number of stunts or clashes it produces. The country's supreme legislature is meant for serious discussion on serious subjects at a serious level. This does not, of course, mean sustained dullness; humour, alas, is seldom in the House. It seems to me that parliamentary correspondents in particular and journalists in general tend to assess Ministers mainly as performing fleas. Mr. S. K. Patil, for instance, gets more space even if he has said little of substance, just because he has, at a certain level, amused the House. I like a good parliamentarian; but there is danger, as literary critics know, in concentrating too much on form at the expense of content. There is a view that the standard of debate in Indian legislatures would improve if members did not have to struggle with the English language. I wonder. But all too often praise goes to the man who is easier with English than some others. Dr. Lohia's memorable three-anna performance was in Hindi; in Madras, I am told, some D.M.K. members speak excellent Tamil. But only English, I suggest, has parliamentary norms that are recognised in India.

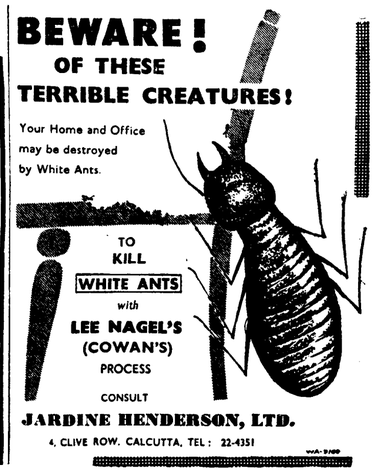
WHEN THE PRIME MINISTER SPOKE SOME TIME AGO in justification of his erstwhile very heterogeneous Government, I wonder if he knew that, some years ago, a young British poet had devised an appropriate name for his aimless mixed polity. I myself discovered it recently; the word is "fascidemoshevism". The inventor was Roy Campbell. The German-looking word, it is hardly necessary to explain, contains bits of fascism, democracy and bolshevism; and I suggest in India today we have a little of all three. Long before Pakistan's Mr. Bhutto saw fascism in India, Mr. Nehru spoke of its incipient existence when he was irritated in Parliament by some Swatantra criticism; it must be slightly difficult for him now to contradict Mr. Bhutto, although I personally do not think that fascism is of any importance here. Of the world's largest democracy we have, of course, heard all we need to and more. Mr. Rajagopalachari at any rate sees nothing but unmitigated bolshevism in the mildest piece of economic planning. To keep moral judgment out of the debate, I believe that up to a point and individually each of the three systems can work reasonably efficiently. An amalgam of all three? Well, in theory, the three cannot possibly co-exist; fascism or bolshevism is surely a negation of democracy. In the world of realities, however, we all know, contradictions do co-exist—leading, as in India, to what phrasemaker Galbraith called "the greatest living example of functioning anarchy". (Perhaps I haven't got the words right but the sense is correct.) I will now surprise you by saying that I rather like it this way. I am rather scared of a society that is too earnest, too purposeful. How about a full democracy? As a Dickens character said about something else, "there ain't no sich thing".

WHENEVER MY OPINION HAS BEEN ASKED ABOUT THE best way to preserve a newspaper's editorial independence I have always advised the formation of a trust. This is the device which has been adopted widely in Europe and the United States to eliminate proprietorial interference, and not the least of the virtues I have always ascribed to it is the irrevocable public proof it provides that the character of the paper is not subject to the whims of any one individual, be he either employer or employee. Now I am not so sure. Not after the way in which Mr. Ian Gilmour, the owner of that adornment of British journalism, the *Spectator*, has been able to sack its editor and promise an end to the paper's political independence by appointing Mr. Iain Macleod, M.P., in his place. The circumstances of Mr. Iain Hamilton's dismissal—he learned about it first when it was reported in another newspaper—were, as Mr. Gilmour admitted, unspeakable, and it is impossible to find words to express the contempt one must feel for whoever was responsible. And the two-faced behaviour of Mr. Macleod—who had only a few days previously declined an invitation from Mr. Hamilton to contribute to the paper on the plea that he did not think he was ready—must destroy for ever the suspicion that he might have made a good Prime Minister. But what astonishes me is the complete impotence of the *Spectator's* trust to block the move, although one of them, Mr. Brian Inglis, himself a former editor who has resigned from the board of directors in protest, and another, Mr. Victor Mishcon, a one-time chairman of the L.C.C., have both expressed themselves very strongly in public, the latter claiming that he would never have approved of Mr. Gilmour becoming owner in 1954 if he had suspected anything like this could have happened. It would appear in fact that the *Spectator's* trust has the power merely to decide who shall *not* own the paper; once a new proprietor has taken over there is nothing to prevent him doing what he wants with editorial policy or with the editor. And what is even more startling, this is apparently true of most of the other newspaper trusts in Britain, including perhaps the most famous of them all, *The Times'*. But not, I am glad to learn, the *Economist's*. That one is able genuinely to preserve the independence of the editor, and in future when I am asked for my opinion I shall point it out as the best possible answer. Or, alternatively, I shall go further and suggest that ownership itself should be vested in the trust. That way there can be no *chalakki*.

BY NOW EVERYBODY IS ACCUSTOMED TO THE FACT that Mr. Khrushchev is an incorrigible boaster. The trouble is that so far every one of the extravagant claims he has made for his country and its prowess has turned out to be true when put to the test. That is why I am prepared to believe him when he says the Russians now have an anti-missile missile which will hit a fly in space. But I still have my doubts about his statement that Russia will be "the first country in the world by 1970". Apart from admiring the nerve it takes to imply any such thing in a year when the persistent failure of Soviet agricultural policy has at last been revealed for everybody to see, I find it impossible to accept the view that Russia can catch up with the United States before 1970, or even within this century. I know there is a discrepancy in populations of about 50 million or so in Russia's favour, but even then it would mean that *per capita* income there would have to be raised to about 75 percent of the U.S. level from its approximate 25 percent, to put the U.S.S.R. ahead in national wealth. Assuming that the U.S. *per capita* income goes no higher than it is now, such an increase is clearly out of the question for the Russians by 1970. Indeed, I doubt whether even the current rate of Soviet industrial progress can be maintained much longer, leave alone the agricultural. I say this because, presumably, even a communist power is not going to base its national income calculations on the output of goods nobody wants, and to produce the other kind will require sweeping changes in the structure of Russian industry. The pace at which decentralisation and diversification has been going on in the Soviet Union, and the rate of expansion of the commercial function which is indispensable if modern consumer goods are to be efficiently distributed, have both been singularly slow compared with elsewhere. So I must reject Mr. Khrushchev's "first country" claim. I know he has never been proved wrong

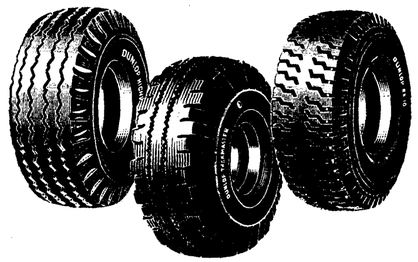






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NALIN

yet. But then, when it comes to judgments about the Soviet economy, neither so far have I.

ONLY THE INCORRIGIBLY INNOCENT OR THE DESIGNEDly stupid can have gone genuinely hysterical over recent Indo-Pakistani exchanges about espionage in this country and that. I am quite certain the Government of India is right in saying that Pakistan has a large army of spies in India and that some of them may well be in the Pakistan High Commission in Delhi. Let me add, with my usual disregard of discretion, that, I hope, there are, at least, as many Indian agents in Pakistan. Espionage seems still the unowned mistress in every foreign mission's harem, for the obvious reason that a harem loses a great deal of its charm and efficacy by being made obvious: the half-concealing, half-revealing veil is the harem's appropriate uniform. I once asked a military attaché in an Indian mission abroad what, roughly, his functions might be. He was rightly, as vague as he could be. It was, I now know, unfair to single out the military attaché but I did, at the time, toy with the idea of a recognised Intelligence Attaché, *alias* spy, in every foreign mission. Why not? That is the world the way it is. More significant, I suggest, are the exchanges of spies, alleged or otherwise. When Shri A is swapped for Janab B, as has happened, or Mr. C for Comrade D, you know that the international network of intelligence is working all right. Disclosures take place only when somebody has not played the game according to its unwritten rules and, more important, got caught. All secret services are lucky if they have no more than two percent of their agents working as double agents and if they can make sense of .005 percent of the reports pouring into their trays. International espionage is a sort of puppetry in which the puppets must be taken as living figures. I don't mind; but, when a string gives way, the conditioned audience must not go berserk. The choice, we should remember, is between correctitude and ineptitude. India, I am glad to be able to report, is pretty good in her intelligence in some countries.

WHEN ON MONDAY MR. J. R D. TATA PRESENTED to Mr. Raj Bahadur a cheque for Rs. 66.69 lakhs, Air-India's dividend for 1962-63, both giver and receiver were all smiles. A happy event it undoubtedly was, for few are the country's nationalised units that are not in the red. For Mr. Tata A.-I.'s record is something of a personal triumph; he makes bigger profits elsewhere in his empire but it is in Air-India that he has a sizable part of his heart. But how did Mr. Raj Bahadur feel on the occasion? For the Government the dividend was, in the strictest sense of the term, "unearned profit". Although it is possible to congratulate the Government for granting the Corporation a considerable degree of autonomy, Parliament has frequently been ignorantly and stubbornly critical of Air-India, especially its highly intelligent advertising campaign. On the same day, Monday, members of the Lok Sabha demanded wider powers for the proposed parliamentary Committee on Public Undertakings. The latter include Air-India; and it seems to me more than likely that, in a few years' time, Mr. Tata, or his successor, will be handing over a very much smaller cheque to Mr. Raj Bahadur, or his successor. Many of India's public corporations have shown that they need a "watchdog" and more; Air-India, let us remember, is an exception. In a service like Air-India's, too much official control can very easily have a stifling effect; and in the highly competitive business of international civil aviation officiousness simply will not do. One has only to compare Air-India with the Indian Airlines Corporation to see the difference. What makes the difference, when both are publicly owned? This is where, I suggest, the personal equation takes precedence over the system, any system. But for the stamp of Mr. Tata's individual personality, Air-India would have been a very different kettle of fish. I know I will be told that it is unhealthy for an organisation to be excessively dependent upon personalities; but an organisation is not healthy either if it does not use such unusual personalities as it may be lucky enough to possess. The Parliament of the Republic may well be wise to leave this one Maharaja alone.

THE DITCHER

Guide for Investors

JOINT-STOCK COMPANIES REDUCE GILT-EDGED HOLDINGS

(BY A SPECIAL CORRESPONDENT)

GOVERNMENT securities have been dull but steady in recent weeks. There has been an adequate supply of funds in the inter-bank market, but banks are unlikely to take much interest in securities due to the approach of the busy season. They are also believed to have invested heavily in recent issues of State electricity boards and co-operative land mortgage banks. The support from the Life Insurance Corporation has decreased as it seems to be keen on diverting funds to the underwriting of new issues. So the resumption of sales of the two new Central loans—4 percent 1969 and 4½ percent 1986—by the Reserve Bank has had no appreciable effect.

The steadiness in gilt-edged securities over the past year or so cannot give rise to complacency. It is due largely to the support of the Reserve Bank, combined with institutional buying. Excluding the former, the largest buyers have been banks, provident funds and insurance companies which are statutorily required to invest substantial funds in securities. As far as private individuals are concerned, they have shown virtually no interest. Although the success of the Government borrowing programmes in recent years has been ensured by support from Government and semi-Government bodies, banks, provident funds and insurance companies, there has been no serious attempt to make securities popular among private investors.

Two important factors have contributed to the apathy of private investors. First, the interest on securities is much less attractive than the return available on other investments. Secondly, inflation leading to an erosion in the purchasing power of the rupee has posed the threat of a depreciation in the value of Government securities.

The latest annual survey, fourth in number, of the ownership pattern of the rupee debt of the Central and State Governments in 1961-62, made by the Economic Department of the Reserve Bank, corroborates these conclusions. The total marketable rupee debt of the Central and State Governments has risen from Rs. 2,784 crores in 1960-61 to Rs. 2,977 crores in the year ended March 1962. It constitutes nearly 38.2 percent of the total public debt of these Government as on 31st March, 1962.

The net absorption of securities by the public since 1952-53 was reversed in 1960-61, when there was a disinvestment of about Rs. 64 crores, although the net market borrowings of Governments amounted to Rs. 134 crores in that year. But in 1961-62 and 1962-63, there was again a net absorption of securities by the public. Of the net market borrowings by the Government amounting to Rs. 137 crores during 1961-62, only Rs. 36 crores was absorbed by the public. The net public absorption of the securities rose sharply to Rs. 89 crores during 1962-63 due to the higher yield offered on the new loans floated by the Central and State Governments.

As for the ownership pattern of the total Government debt, the Reserve Bank has emerged as the principal holder in 1961-62 as in 1960-61. Its share in the total debt has advanced from 25.4 percent at the end of March 1961 to 28.4 percent in March 1962. The holdings of the Central and State Governments have declined from 9.6 percent to 9.1 percent. Those of commercial and co-operative banks, which had risen from 24 percent in December 1957 to 28.4 percent in March 1960, have fallen to 20.2 percent in March 1962. Holdings of insurance companies (the Life Insurance Corporation accounting for the bulk) have risen from 13.9 percent in March 1961 to 14.1 percent in March 1962. Provident funds' holdings have advanced from 5.5 percent in December 1958 to 8.8 percent in March 1962. The holdings of financial corporations, of the Reserve Bank on account of "others" and of non-residents, have been insignificant.

The investment portfolio of the residul category "others", which accounted for 13.9 percent of the total debt at the end of March 1962, shows a decline of Rs. 25 crores to Rs. 502 crores over the year. Other categories like joint-stock companies, local authorities and individuals, have reduced their holdings over the years. Joint-stock companies have been liquidating their investments since 1960 as they have used the funds for modernisation, expansion and diversification. The upward trend in market interest rates, combined with the rising cost of borrowings, has contributed to the liquidation of Government securities.

Larger Interim from British Paints

THE ordinary shares of British Paints (India) Ltd have been steady around Rs. 22.50 on payment of a higher interim ordinary dividend of 7.5 percent, taxable, for 1963, compared with a taxable interim dividend of 6.25 percent for 1962. The total dividend for 1962 amounted to 10 percent. The rise in the interim distribution is in pursuance of the Company's undertaking given last year that the question of paying more to shareholders would be considered at the time of paying the interim dividend for 1963.

When the super profits tax was imposed, the Company had provided a sum of Rs. 4.70 lakhs for it in the 1962 account, but the liability on this account went down substantially to only Rs. 11,000 due to the modification of the levy. In view of the fact that the resin factory has been working profitably and that the Company has taken steps to extend this factory and install modern equipment, hopes have been raised of a higher total dividend for 1963.

Jay Engineering Cuts Dividend

THE profit of the Jay Engineering Works Ltd has declined from Rs. 58.79 lakhs for 1961-62 to Rs. 41.25 lakhs for the year ended March 1963, after transferring Rs. 32.51 lakhs (against Rs. 31.47 lakhs) to depreciation. Despite bigger sales at Rs. 10.44 crores (against Rs. 9.16 crores), the profit has fallen because of rises in production costs. The prices of raw materials have been pushed up by higher excise and import duties, and increases in railway freight. The loss incurred by the Hyderabad factory has also been a contributory factor. Furthermore, the working of Jay Engineering has been interrupted by power shedding. The taxable ordinary dividend has, therefore, been cut from 15 percent to 10 percent and absorbs Rs. 15.19 lakhs. The yield works out to 4.6 percent at the present price of Rs. 21.87 a share of Rs. 10 each. Taxation absorbs Rs. 15.20 lakhs (against Rs. 26 lakhs) and development rebate reserve Rs. 5.40 lakhs (against Rs. 2 lakhs). General reserve is allocated Rs. 50,000 (against Rs. 3 lakhs), leaving a carry-forward of Rs. 4,896, against Rs. 9,036 brought in.

The directors mention that the Hyderabad factory has not yet become profitable. The Industrial Credit and Investment Corporation has sanctioned a loan of Rs. 60 lakhs against a charge on the Hyderabad assets. An interim sum of Rs. 30 lakhs has been drawn from the loan, but the entire loan could not be drawn due to difficulties in transferring the title to land. Usha Industries Ltd, a subsidiary Company in Ceylon, has started assembly operations. The working of this subsidiary should be favourable for the current year. Exports of the Company's products have risen by 20 percent to Rs. 1.1 crores. The recent revision in the export incentive scheme, which permits exporters to sell a part of their import entitlements, has helped to reduce the loss on exports.

Gammon India to Raise Capital

THE managing director of Gammon India Ltd, Mr. James Bates, informed the shareholders' annual meeting on 14th November that the Company proposed to raise additional capital of Rs. 73 lakhs made up of Rs. 23 lakhs in equity shares and Rs. 50 lakhs in 9.3 percent redeemable cumulative preference shares in order to finance the Company's growing business. The value of contracts completed had been increasing year after year. It was Rs. 3.22 crores in 1960-61, Rs. 4.32 crores in 1961-62 and Rs. 5.25 crores in 1962-63. The turnover for the first seven months of the current year is placed at Rs. 3.40 crores. The total value of work now on hand to be completed in the next three years is stated to be around Rs. 28 crores. Mr. Bates said that the Company's activities were expanding so rapidly that bank borrowings could not be relied on to meet all the financial needs. Equity shares worth Rs. 23 lakhs are proposed to be offered to existing shareholders in the proportion of one new share for every five held, for which the Company has already made an application to the Government. The rights shares might have to be offered at a small premium if the Controller of Capital Issues insisted on it. The proposed issue will raise the Company's equity capital from Rs. 1.15 crores to Rs. 1.38 crores. The preference capital of Rs. 50 lakhs is to be offered for public subscription.

Cooper Engineering Results Impress

COOPER Engineering Co. Ltd reports highly encouraging results for the year ended June 1963. Sales are up by about 35 percent from Rs. 1.94 crores to Rs. 2.62 crores and the gross profit has more than doubled from Rs. 11.05 lakhs to Rs. 22.97 lakhs. After providing Rs. 18.69 lakhs (against Rs. 15.49 lakhs) for depreciation and Rs. 3.92 lakhs (against Rs. 4.40 lakhs) for development rebate reserve and deducting other prior charges, the year's working shows a net profit of Rs. 11,375, against a loss of Rs. 9.09 lakhs in 1961-62. Even though the net profit is negligible, the directors have stepped up the dividend from 7 percent to 8 percent which absorbs Rs. 7.23 lakhs, against Rs. 6.28 lakhs. The dividend for 1962-63 is to be paid out of general reserve; in the preceding year, the Company has had to withdraw as much as Rs. 14.62 lakhs from the reserves to provide for the payment of the dividend.

The impressive improvement in the Company's performance in 1962-63 is due to the rise in the sales of diesel engines since September 1962 in contrast to the recession in business in the preceding year. The introduction of a new vertical high-speed engine and the considerable progress made in the manufacture of machine tools also helped to swell the Company's turnover. Sales of diesel engines rose to a record high as a result of Government grant of *taccavi* loans to farmers for the purchase of such engines. The vertical high-speed engines have also been included in the approved list for *taccavi* loans and the management is hopeful of a further improvement in the sales of these engines during the current year. The production of shaping machines is said to be nearing the licensed capacity of 400 machines a year, and in view of the continuing high demand, the Company has secured Government permission to raise the capacity by 50 percent to 600 machines a year. Considerable progress, it is stated, has been achieved in solving some of the initial problems connected with the manufacture of planing and slotting machines, the production of which is

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It is hoped that Government approval will be received shortly for the manufacture of gear hobbling machines in collaboration with a reputed West German firm. The I.C.I.C.I. has sanctioned a loan of Rs. 18.5 lakhs in free foreign exchange to implement the scheme for the production of vertical turret lathes in collaboration with a West German firm. The disappointing feature of the year's activity was the setback in sales of powerlooms due to official policy of suspending further issue of permission to the prospective consumers of ordinary powerlooms which obliged the Company to stop production of these looms from March 1963. It is trying to establish the manufacture of automatic looms in collaboration with Draper Corporation of the U.S.A. Diesel engine exports suffered a setback during the year due to the change in the import policy of the United Arab Republic —the main market for the Company's products. There was, however, an encouraging increase in the demand for machine tools from foreign countries, including some of the technically advanced European countries. The Company has received permission to raise additional capital of Rs. 45.20 lakhs in equity shares of Rs. 100 each at par. These shares are being offered to the existing shareholders in the ratio of one new share for every two held. The I.C.I.C.I. has agreed to underwrite equity issue worth Rs. 20 lakhs.

Smith, Stanistreet Cuts Dividend

THE ordinary shares of Smith, Stanistreet and Co. Ltd have been sluggish around Rs. 12.31 due to the cut from 25 percent to 22.5 percent made in the ordinary dividend, subject to tax, for the year ended June 1963. The yield works out to 9.1 percent at the present share price of Rs. 5 each. Although the profit has risen from Rs. 11.60 lakhs for 1961-62 to Rs. 13.17 lakhs for 1962-63 after providing Rs. 1.41 lakhs, against Rs. 1.39 lakhs for depreciation, tax provision has been higher at Rs. 7.16 lakhs, against Rs. 5.50 lakhs.

Sales rose from Rs. 1.80 crores to Rs. 2.22 crores. The improvement in turnover has largely been due to various health schemes promoted by the Government. The different preparations of the Company have been well received. It has adopted vigorous sales promotion measures. It is proposed to introduce a wide range of cosmetics to take advantage of the rising demand. The caffeine plant could not work fully due to the shortage of equipment and raw materials, but the rated capacity is likely to be worked in the current year. The collaboration with Philips India has been terminated since the latter Company has started its own manufacture. The capacity thus rendered surplus will be used to raise the production of the brands owned by Smith Stanistreet. Active support is being received from other principals. The ordinary share capital of Rs. 20 lakhs is supported by reserves of more than Rs. 17.86 lakhs. The net block amounts to Rs. 13.61 lakhs.

Tube Investments of India Maintains

THE directors of Tube Investments of India Ltd have maintained the dividend at 10 percent for the year ended July 1963. While the gross profit, after providing for depreciation but before making provision for development rebate reserve and taxation, has declined by about Rs. 10 lakhs from the previous year's level, the net profit is higher due to the substantial reduction in the provision for development rebate reserve, compared with that of the previous year. A fall in production, a substantial increase in the cost of raw materials, a severe cut in the value of import licences issued to the Company and the shortage of indigenous raw materials, coupled with the supplies not being of the requisite quality and specifications, were some of the problems facing the Company during the year.

The Company's net profit amounts to Rs. 4.08 lakhs, after providing Rs. 40.43 lakhs (against Rs. 37.11 lakhs) for depreciation, Rs. 3.22 lakhs (against Rs. 20.76 lakhs) for development rebate reserve and Rs. 45.25 lakhs (against Rs. 40.60 lakhs) for taxation. With Rs. 4 lakhs brought forward from the previous year, the total available for appropriation comes to Rs. 44.08 lakhs. Out of this, the directors have provided Rs. 3.58 lakhs towards additional provision for prior tax liability. A sum of Rs. 13 lakhs (against Rs. 15 lakhs) is transferred to general reserve. A sum of Rs. 2 lakhs (the same) is transferred to dividend equalisation reserve. The proposed dividend of 10 percent will absorb Rs. 25 lakhs. The balance of Rs. 50,510 is carried forward.

The total sales for the year amounted to Rs. 5.96 crores (against Rs. 6.19 crores). The purchase of materials for production increased to Rs. 2.69 crores from Rs. 2.55 crores.

Referring to the working of T. I. Cycles of India, the directors' report says that production declined by about 10 percent during the year, compared with the previous year. The fall in production is attributed to many causes. There was a serious raw material shortage, particularly of steel skelp and strips. The import of essential consumable stores—mostly chemicals—was restricted due to the severe import cut. There was also a power cut. The directors have referred to the difficulties experienced in using indigenous raw materials as they are not of the requisite quality. Although it is clear that reliance has to be placed on indigenous supplies in an increasing measure in future, the directors expect that the position of the supplies—both in quality and quantity—will improve during the coming year.

Referring to Tube Products of India, the directors say that the factory did its best by making use of steel obtained from the Rourkela steel plant. But the supplies not being of the requisite quality, production suffered quite often from serious manufacturing defects. In many cases, the defects became manifest only after the steel had been processed, and this affected both efficiency and productivity, resulting in considerable financial loss. The directors point out that the output of the factory can be raised by employing more labour to meet the increasing demand, but until a regular and adequate supply of raw materials of the right quality is assured, it will not be possible to undertake the additional investment involved.

The cold rolling mill has produced good results in its first complete year of operation, in spite of the difficulties which had to be overcome chiefly on account of the shortage of raw materials. The large variety of products to be processed has limited the output of the annealing section to less than 80 percent of its rated capacity. But this difficulty is expected to be overcome when the plans for doubling the factory's capacity materialise. In the Bundy tubing section (copper-coated tubing), there has been some progress, and an industrial licence has been issued by the Government.

As for T. I. Diamond Chain Ltd, this was the first financial year when the factory was working in its new location in Ambattur. The factory achieved a production of about 75 percent of the installed capacity because of the shortage of raw materials. There was delay in receiving raw materials, so the production of industrial chain had to be postponed until the end of the year. An encouraging feature was the execution of an order from Messrs Raleigh Industries Ltd of the U.K. Referring to T. I. Miller Ltd, the report says that the construction of the main factory has been completed and most of the plant and machinery has been installed. Production is expected to start early in 1964.

In view of the handicaps and difficulties mentioned above, the directors consider the year's working results as fairly satisfactory.

Consolidated Coffee Raises Dividend

A SUBSTANTIAL rise in the crop, better financial results and a higher ordinary dividend of 20 percent (against 15 percent) provide the bright spots of the working of Consolidated Coffee Estates Ltd during the year ended June 1963. The net profit of the Company for the year amounts to Rs. 18,19,961, after providing Rs. 24,45,000 for taxation, which includes a provision of Rs. 10,000 for super profits tax. The net profit for the previous year amounted to Rs. 13,50,234, after providing Rs. 13,70,000 for taxation. With the amount of Rs. 1,86,053 brought forward from the previous year and with a sum of Rs. 1,25,000 being provision for taxation for previous years written back, the total available for appropriation comes to Rs. 21,31,014. Out of this, the directors have transferred Rs. 300,000 to general reserve (against Rs. 200,000). A sum of Rs. 2,70,000 is transferred to dividend equalisation reserve (against nil). Development rebate reserve gets Rs. 1,407, while the provision for super profits tax for the previous year amounts to Rs. 10,000. The preference dividend at 6.24 percent amounts to Rs. 1,17,000. The proposed ordinary dividend at 20 percent will absorb Rs. 14,31,000, leaving a balance of Rs. 1,607 to be carried forward.

The total coffee crop for the year amounted to 3,043 tonnes, against 2,059 tonnes in the previous year. The output of Arabica coffee an acre was higher at 421 kilograms, against 310 kilograms in the previous year. The output of Robusta coffee an acre amounted to 406 kilograms (against 234 kilograms). The earning on ordinary capital has risen to 23.8 percent from the previous year's level of 17.24 percent. The estimated coffee crop for 1963-64 is placed at 3,000 tonnes.

Sheveroy Estates Repeats

A better crop, higher profits and maintenance of the dividend at 6¼ percent feature the trading results of Sheveroy Estates Ltd for the year ended June 1963. The net profit for the year amounts to Rs. 1,80,879, compared with Rs. 60,747 for the previous year. With the amount of Rs. 1,226 brought forward and with the excess tax provision of Rs. 8,229, the total available surplus comes to Rs. 1,90,334. Out of this, provision for taxation amounts to Rs. 77,000 (against Rs. 36,000). A sum of Rs. 25,000 is transferred to dividend equalisation reserve (against nil). The proposed dividend of 6¼ percent will absorb Rs. 84,375. The balance of Rs. 3,959 is carried forward.

The coffee crop for the year amounted to 1,89,728 kilograms (against 155,673 kilograms). The yield from each acre is higher at 4.37 cwts, against 3.58 cwts. For the 1961-62 season's coffee, 29,623 bonus points were received resulting in a realisation of Rs. 66,948. The estimated crop for 1963-64 is put at 205 tonnes.

Dilaram Tea Skips Dividend

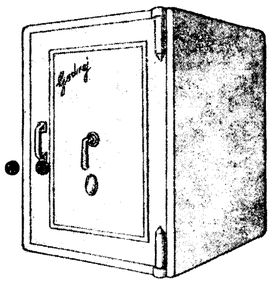
THE Dilaram Tea Co. Ltd has passed the dividend for the year ended December 1962. The dividend amounted to 4 percent for 1961. The Company has incurred a loss of Rs. 91,000, against a profit of Rs. 22,000. The Potong estate's crop rose to 135,000 kilograms while the crop of Dilaram fell to 71,455 kilograms. The former garden is expected to produce 145,000 kilograms at a cost of Rs. 4.9 lakhs and the latter a crop of 75,000 kilograms at a cost of Rs. 2.43 lakhs for 1963.

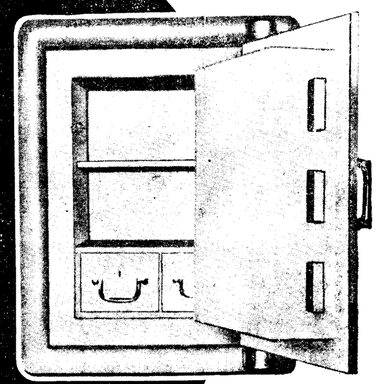
Good Outlook for Sirpur Paper

THE impressive rise in the quotation for Sirpur Paper Mills shares from around Rs. 12.88 to Rs. 15.40—the latest quotation is lower around Rs. 14.72—in spite of the sizable cut in the dividend for the year ended June 1963 from 85nP to 50nP a share (Rs. 10-paid) and equally disappointing results for 1962-63 is based on the promise of an interim dividend towards the end of November and on an optimistic reckoning of the outlook for the current year. The working results for 1962-63 have indeed been very disappointing, which, however, was not altogether unexpected. The factory had been closed for more than three months due to an "illegal" strike and this resulted in a substantial setback in production from 31,700 tonnes to 24,000 tonnes. Besides, the profit margin was also squeezed by the increase in costs of bamboos, chemicals and stores and enhanced fiscal burdens without any corresponding increase in the selling prices of paper. As against a fall of about 26 percent in the sales from Rs. 4.6 crores to Rs. 3.40 crores, the Company's gross profit for 1962-63 is down by about 125 percent from Rs. 86.63 lakhs to Rs. 38.52 lakhs. Even for the payment of the reduced dividend, the directors have had to draw heavily on the reserves. After providing Rs. 32.46 lakhs (against Rs. 39.05 lakhs) for depreciation and Rs. 3 lakhs (against Rs. 7 lakhs) for development rebate reserve and deducting all other necessary charges, the net profit amounts to Rs. 2.94 lakhs, against Rs. 37.87 lakhs. Including a sum of Rs. 1.25 lakhs brought forward from the previous year and writing back Rs. 9,353 being excess provision for taxation, the disposable surplus amounts to Rs. 4.28 lakhs which is inadequate for the payment of the reduced dividend of 50nP a share. The directors have, therefore, transferred Rs. 5 lakhs from contingency reserve and Rs. 11 lakhs from general reserve and created a dividend reserve of Rs. 19.19 lakhs. The preference dividend amounting to Rs. 5.53 lakhs and ordinary dividend amounting to Rs. 13.66 lakhs are to be paid out of dividend reserve.

The outlook for the current year is considered to be quite promising. The Company's working so far is said to be satisfactory and all the pending labour disputes have been settled and a five-year agreement reached between the management and the labour union. Plans for the modernisation and expansion of the mills are in progress in technical and financial collaboration with the U. S.

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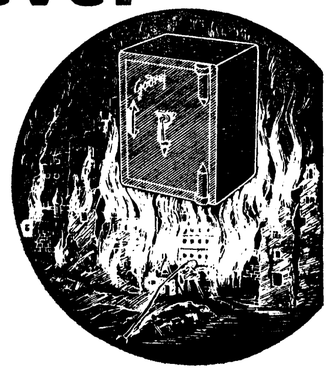


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SPIA/B-63 (33 cm x 24 cm)

firm of Kimberley Clark Corporation, Wisconsin. Arrangements are being made to procure the necessary foreign exchange for the import of plant and machinery.

Indian Hume Pipe Pays the Same

IN spite of a small increase in its sales from Rs. 2.94 crores to Rs. 2.997 crores, the gross profit of Indian Hume Pipe Co. Ltd for the year ended June 1963, is down by about 37 percent from Rs. 66.56 lakhs to Rs. 48.44 lakhs. The dividend, however, has been maintained at 14 percent. After providing Rs. 12.09 lakhs (against Rs. 11.93 lakhs) for depreciation, Rs. 2.40 lakhs (against Rs. 2.05 lakhs) for development rebate reserve and Rs. 17.50 lakhs, including Rs. 2 lakhs for super profits tax for the previous year (against Rs. 28.75 lakhs) and deducting other necessary charges, the net profit for 1962-63 works out to Rs. 13.38 lakhs, compared with Rs. 19.65 lakhs in the preceding year. After writing back excess provisions amounting to Rs. 2.79 lakhs, the disposable surplus amounts to Rs. 16.17 lakhs. The directors have set aside Rs. 1.47 lakhs (against Rs. 8 lakhs) for rehabilitation reserve and Rs. 4 lakhs (against nil) for general reserve. No provision has been made for contingency reserve which received Rs. 1 lakh in the preceding year. A sum of Rs. 11 lakhs has been transferred to the dividend equalisation reserve out of which are to be paid preference dividend of Rs. 2.50 lakhs and equity dividend of Rs. 8.40 lakhs—the same as in the previous year.

The directors state that the prestressed concrete pipe division of the Company is making good progress, and recently, the Company secured a large contract for supply and laying of prestressed concrete pipeline for the Tatipudi water supply scheme for Vishakhapatnam. The Company is setting up a special factory for this purpose. The prestressed concrete pipe factory in Pattancheru is now making steady progress although it has not yet been able to attain full production due to shortage of high tensile steel wire. The Company has recently secured an order of 11,000 prestressed concrete poles from the Mysore Government, and a factory is being established in Bagalkot for this purpose. The penstock division of the Company is also said to be making satisfactory progress. It has received orders for penstocks from the Governments of Maharashtra and Mysore for the second stages of Koyna and Sharavathi hydro-electric projects, respectively. The Company has also been entrusted with another order for the supply of penstocks to the Trishuli Hydro-Electric project in Nepal. It is negotiating with both the Indian and Libyan Governments for their permission to establish a R.C.C. pipe factory in Libya. The Company will shortly be acquiring the patent rights in India for the manufacture of continuous concrete pipeline from No-Joint Concrete Pipe Co. of the U.S.A. The U.S. firm will provide technical assistance for ten years.

Jayant Paper to Expand

THE third annual report of the Jayant Paper Mills Ltd for the year ended June 1963, shews that the Company is making satisfactory progress. It was in October 1962 that the paper plant was commissioned and the sales during the year amounted to Rs. 36.19 lakhs on which it has earned a gross profit of Rs. 7.13 lakhs, compared with a loss of Rs. 54,872 after transferring Rs. 1.15 lakhs as expenditure to capital account in the previous year. Out of this, the directors have provided Rs. 3.57 lakhs (against Rs. 4.473) for depreciation and Rs. 3.42 lakhs (against nil) for development rebate, leaving a balance of Rs. 14,645. The directors have transferred Rs. 55,800 from provision for taxation account and have provided Rs. 56,227 for payment of income tax for 1960-61. The balance has been held to reduce the loss brought forward from Rs. 27,714 to Rs. 8,497.

The directors state that the Company has made an application to the Government of India for permission to increase the production capacity to 30 tons a day. It is negotiating with sugar mills for the purchase of bagasse to be used as additional raw material. The existing plant has already reached full production capacity. The installation work of ground wood pulping plant will be started shortly. When this plant goes into full production, it will supply about 5 tons of ground wood pulp a day for the use of paper mill and will increase the production capacity of the pulp section of the mill. The funds required for the expansion programme will be raised through borrowing and the borrowing limit is being raised to Rs. 30 lakhs. The Rs. 10-lakh loan granted by the Gujarat State Financial Corporation has been fully used. The Rs. 100-paid share of Jayant Paper is currently quoted around Rs. 92.

Investment Corporation Cuts Dividend

THE preliminary report on the working of the Investment Corporation of India Ltd for the year ended June 1963, shows that it has fared very badly with the result that the directors have been obliged to reduce the dividend from Rs. 9.50 (inclusive of silver jubilee bonus of Re. 1) to Rs. 7.50 a share. The net dividend earned on shares and interest on securities is appreciably lower at Rs. 22.69 lakhs, against Rs. 29.45 lakhs in the preceding year. The profit before taxation has shrunk from Rs. 23.75 lakhs to Rs. 13.69 lakhs. No provision has been made for taxation and general reserve which had been allocated Rs. 1.75 lakhs and Rs. 5 lakhs, respectively, in 1961-62. A sum of Rs. 15 lakhs has been allocated to the dividend reserve out of which are to paid the preference and ordinary dividends absorbing Rs. 14.84 lakhs (against Rs. 19.38 lakhs). After making various appropriations, there remains a balance of Rs. 1.228 to be carried forward, against Rs. 1.32 lakhs brought in. The Rs. 100-paid share of Investment Corporation is currently quoted around Rs. 106.

Tensile Steel Plant Goes on Stream

THE Rs. 1.20-crore project of Tensile Steel Ltd which will manufacture high tensile steel wires for prestressed concrete went on stream on 12th November. The plant has a rated capacity of 10,000 tons of prestressed concrete wires a year and is located in Baroda. The project, claimed to be the first of its kind in the country, has been sponsored by Shah Construction Ltd in collaboration with three Japanese firms—C. Itoh and Company, Kobe Steel Works and Shinko Wire Company. The wire-drawing plant is said to be highly automatic and most modern. The project is said to mark the beginning of the wire-drawing processes the Company has undertaken. It has a promising future as the demand for high tensile steel wires is estimated to go up to 30,000 tons by the end of the third plan, against the present installed capacity of about 15,000 tons.

The Company proposes to expand its capacity from 10,000 tons to 15,000 tons a year in order to take up the manufacture of a number of special steel wires. The necessary application for the proposed expansion is likely to be made to the Government shortly. It is stated that he Company has obtained about 1,000 tons of high carbon steel wire rods, the most important raw material, and it hopes to secure additional supplies under the U.K. credit. In order to ensure permanent supplies, the Company proposes to enter into a barter deal for the import of wire rods, against manganese ore exports. When in full production, the Company is likely to have an annual turnover of about Rs. 2 crores. In addition to the fully integrated imported wire-drawing plant, the Company owns a well-equipped workshop, testing house and laboratory.

Parkside Estate Pays Less

ALTHOUGH Parkside Estate Co. Ltd again produced a record crop, the net profit has fallen because of lower tea sale prices and the impact of the super profits tax. The total dividend for the year is lower at 25 percent, compared with 27½ percent for the previous year. The profit for the year before taxation amounts to Rs. 7,70,117, compared with Rs. 9,73,496 in the previous year. Out of this, the provision for income tax amounts to Rs. 3,68,000, and the provision for super profits tax amounts to Rs. 43,000 (against a tax provision of Rs. 4,55,000 in the previous year). This leaves a net profit of Rs. 3,59,117 (against Rs. 5,18,496). With the amount of Rs. 48,876 brought forward and with Rs. 62,000 transferred from general reserve and with some provisions written back, the total surplus available for appropriation comes to Rs. 4,83,546.

Out of the surplus, a sum of Rs. 3,129 is transferred to development rebate reserve. The provision for super profits tax for the previous year amounts to Rs. 62,000. The interim dividend of 7½ percent has absorbed Rs. 1,11,672. The proposed final dividend of 17½ percent will absorb Rs. 2,60,568. The balance of Rs. 46,177 is carried forward.

Hindustan Sugar Repeats

ALTHOUGH the dividend has been maintained at 14 percent, including a bonus of 4 percent, the preliminary report on the working of Hindustan Sugar Mills for the year ended June 1963, shows a substantial setback in the Company's gross profit from Rs. 91.08 lakhs to Rs. 70.48 lakhs. The provision for depreciation is lower at Rs. 15.28 lakhs, against Rs. 16.85 lakhs, and taxation accounts for Rs. 32.28 lakhs, against Rs. 38.59 lakhs. Allocation to the rehabilitation reserve has been drastically reduced from Rs. 22 lakhs to Rs. 8.50 lakhs and the development rebate reserve gets Rs. 59,807, against Rs. 2.25 lakhs in the preceding year. The preference dividend of Rs. 35,715 and ordinary dividend amounting to Rs. 16.80 lakhs (the same as in the previous year) are to be paid out of the dividend reserve to which has been transferred a sum of Rs. 17.25 lakhs. The various appropriations suggest that the directors have had to transfer about Rs. 3 lakhs from the reserves in order to provide for the payment of dividends. In 1961-62, a sum of Rs. 6 lakhs had been transferred from the dividend equalisation reserve. The Rs. 100-paid share of Hindustan Sugar is currently quoted around Rs. 200.

Jagatjit Distilling Earns Profit

THE working results of Jagatjit Distilling and Allied Industries for the year 1962 show that the Company has done fairly well. As against a loss of Rs. 1.54 lakhs in 1961, the Company has made a gross profit of Rs. 2.61 lakhs in 1962. What is more, this has been achieved in spite of a sizable setback in the sales from Rs. 33.66 lakhs to Rs. 25.67 lakhs. After providing Rs. 7,212 (against nil) for development rebate, the directors have transferred the balance of Rs. 2.19 lakhs to the reserves and surplus which now stand at Rs. 17.84 lakhs.

The Company's factory for the manufacture of malt has gone into production from mid-August 1963 and that for the manufacture of malt-extract is being commissioned in November. The Company proposes to set up a new factory for the manufacture of malted milk products for which the necessary industrial licence has already been obtained. The working is expected to improve appreciably after the completion of the expansion schemes.

Madhusudan Mills Clears Preference Dividends

SHAREHOLDERS of Shree Madhusudan Mills Ltd will not perhaps have to wait for long for their investment to bear fruit. The equity dividend for the year ended June 1933 has again been skipped, but the Company has cleared all arrears of preference dividends. In the previous year (1961-62), the Company had paid arrears of preference dividend for six-and-a-quarter years ended June 1957 amounting to Rs. 10.97 lakhs. In 1962-63, it has cleared the remaining arrears for six years ended June 1963 amounting to Rs. 10.53 lakhs. The Company's working results for 1962-63 have, however, suffered a setback with the gross profit down from Rs. 54.54 lakhs to Rs. 48.93 lakhs. This is due mainly to the decline in the profit of the textile mill in Bombay from Rs. 35.17 lakhs to Rs. 23.25 lakhs on account of adverse trading conditions, rise in production costs and the premium that had to be paid for non-fulfilment of the export obligation. The profit of Hall and Anderson, Calcutta, was higher at Rs. 25.71 lakhs, against Rs. 19.37 lakhs. Out of the year's profit of Rs. 48.96 lakhs, the directors have provided Rs. 20.52 lakhs (against Rs. 18.54 lakhs) for depreciation and Rs. 18 lakhs (against nil) for development rebate. Accumulated preference dividends todate absorb Rs. 10.53 lakhs.

The directors attribute the higher profits of Hall and Anderson to the improvement in turnover and increased rent realisation from the Calcutta properties of the Company. In view of the progress made concerning modernisation and renovation, the working of the Company's textile unit in Bombay is expected to show fair improvement in course of time. Additions of plant and machinery during 1962-63 amounted to Rs. 26 lakhs. The Company has placed orders for one set of Japanese combing machinery and has taken steps to implement the installation of 20,000 additional spindles for balancing purpose. It has received a sizable loan from the National Industrial Development Corporation for financing its modernisation and rehabilitation programme. The Company has changed its pattern of production from grey to processed sorts and from coarse to finer varieties. The Rs. 10-paid share of Madhusudan

Mills is currently quoted around Rs. 12.

Arlabs Pays Dividend

THE directors of Arlabs Ltd have recommended a dividend of 5 percent for the year ended June 1963 on the increased capital as raised by the issue of 20,000 equity shares of Rs. 100 each at a premium of Rs. 50 a share, following the conversion of the Company from private to public limited. In 1961-62, it had to skip the dividend because of poor results on account of certain special adverse circumstances. The brief preliminary report on the Company's working shows an appreciable improvement over the previous year's performance. In 1961-62, it had incurred a loss of Rs. 10.73 lakhs, but in 1962-63, the Company has made a profit of Rs. 4.91 lakhs after providing for full depreciation amounting to Rs. 3.49 lakhs. Sales have shot up by about 92 percent from Rs. 51 lakhs to Rs. 98 lakhs. The new shares of Arlabs on which a sum of Rs. 75 has been paid are currently quoted around Rs. 120.

New Capital Issues

FOUR companies have been authorised to raise capital totalling Rs. 2.83 crores. One company will issue bonus shares, two equities and one equities plus redeemable preference shares. One of the companies is offering part of its issue to non-resident Indians in Africa. This is a new company. In the case of three companies, the consent of the Controller of Capital Issues is valid for 12 months while for the fourth it is valid only up to 26th February, 1964. The following are the details:

Guest, Keen, Williams, Ltd. Calcutta, is issuing bonus shares of the value of Rs. 2,10,72,910 on capitalisation out of its share premium account. The proposed issue will be made in the ratio of one bonus share for every two held

The Southern Gas Ltd, Bombay, is to issue capital of Rs. 22,50,000 divided into 22,500 equity shares of Rs. 100 each for cash at par. The money will be used for setting up a factory for the manufacture, compressing and filling of both oxygen and acetylene gases.

Eastern Ceramics Ltd, Bombay, a new company, is to issue capital of Rs. 25 lakhs for cash at par consisting of Rs. 20 lakhs in equity shares of Rs. 10 each and Rs. 5 lakhs in 9.3 percent cumulative redeemable preference shares of Rs. 100 each. Out of this, equity shares of the value of Rs. 13.75 lakhs will be offered for subscription to non-resident Indians in Africa and the remaining shares will be issued privately in India. The proceeds of the issue will be used for the manufacture of sanitary ware and glazed tiles. This is in supersession of an earlier issue. The consent is valid up to 25th February, 1964.

India Pistons Ltd, Madras, is to issue capital of Rs. 25 lakhs divided into 250,000 equity shares of Rs. 10 each to be issued privately at a premium of Rs. 15 a share. Of this, 108,750 shares will be offered to Associated Engineering Ltd, U.K., against the supply of plant and machinery and the balance for cash. The remaining shares will be allotted to Simpson and Company for cash.

DETECTIVE STORY

The search for oil's hiding places goes on. The prospector first needs a map of the region he is to explore in. Mapping done from the air is quickest, and the pictures produced by aerial photography, when examined in pairs under a stereoscope, help to provide clues to what lies beneath the surface of the earth. Then the geologist searches a promising area for outcrops of rock strata exposed by erosion. He examines samples of rock for fossils which may give clues to deeper beds. In these and other ways he begins to piece together data which will enable him to make a three-dimensional map of the underground formations.

Geology, the science of the earth's rocks; photogeology, the study of aerial photographs; and palaeontology, the study of fossils, are only a few of the sciences applied in the initial stages of oil exploration.

B.O.C. SKILLS EXPERIENCE LOCAL KNOWLEDGE

THE BURMAH GROUP OF OIL COMPANIES

The Stock Markets

BANK BILL RUMOURS STILL WORRYING INVESTORS

Wednesday Evening

THE Calcutta stock market has shown an easier trend during the past week. Share prices have declined partly due to long liquidation and partly because of short-selling. The decline should cause no regret since it serves as a corrective to the sharp rise which had taken place earlier. Trading has been cautious in view of the settlement on Wednesday. The carry-forward charges, combined with the rising volume of deliveries, suggest a rather over-bought position. The courage of the bulls has meanwhile diminished and they have begun to lighten their commitments. Forecasts about the Banking Companies Amendment Bill have been bearishly interpreted since it is feared that some stringent new restrictions on banks may interfere with their normal working. If the dividend on bank shares is restricted, confidence in the capital market will suffer.

The bears have been cautious because they are waiting for Mr. T. T. Krishnamachari, Finance Minister, to make his statement on the economic situation in the Lok Sabha. There is no doubt that he is keen to end the economic stagnation. Not only has the Reserve Bank liberalised its credit policy for the current busy season; the Government is expected to go ahead with its plans for setting up a unit investment trust to promote saving and investment. The Life Insurance Corporation is expected to take greater interest in underwriting new issues. The Government has decided to pump more funds into the Industrial Finance Corporation and the Industrial Credit and Investment Corporation so as to help finance the long-term capital requirements of industry. Judging by present indications, it is reasonable to hope that the Government will modify fiscal and pricing policies to promote economic development.

In the circumstances, many feel that there is no reason to take a bearish view of the outlook. If the present reaction helps to improve the technical position of the market, a steadier trend should emerge. There have been several favourable developments. Food production during the current year is expected to show an improvement. The arrival of the new paddy crop will help hold the price of foodgrains down. The shortage of coal has been relieved, and a bigger supply of electric power is expected. Railway transport has improved a great deal. The prospect for more liberal imports of raw materials and components is indicated by the bigger non-project aid sanctioned by the Aid-India Club.

Indian Iron have reacted. Engineering shares have declined. Interest has been confined largely to Guest, Keen, Williams, Jessop, Texmaco and Burn. Britannia Engineering and Jay Engineering have met with scattered support. The latter Company has reduced the taxable ordinary dividend from 15 percent to 10 percent.

Miscellaneous shares have moved down in sympathy with the general trend. Prices, particularly of clearing scrip, have weakened appreciably on profit-taking in the absence of support. British Paints have been steady on paying an interim dividend. Indian Oxygen, Union Carbide, Goodyear India and Associated Battery have been quietly steady. Among managing agency shares, interest has centred on Martin Burn. Electric company shares have been neglected and stray business in Calcutta Electric has been transacted.

Bank shares have become hesitant on fears of a restriction on dividends. In paper shares, Orient have reacted on profit-taking. Sirpur, India Paper Pulp and Seshasayee Paper are quoted lower. Except for Dyer Meakin Breweries, which have been steady, sugar shares have been freely offered without attracting support. J. K. Rayon have declined in the cotton mill section. Elgin and Jay Shree Textiles have lost fractionally but Dunbar are maintained.

Investors in jute shares are worried about the absence of overseas demand for jute goods. Prices of gunnies have fallen in spite of the encouraging U.S. burlap consumption figure for October. Birla, Howrah and Barnagore are quoted lower. New Central and Fort Gloster have been quietly steady. Stray business has been done in coal shares and prices have generally slipped back. Burrakur, Central India and Equitable have been transacted.

Selected Assam and Dooars tea gardens have met with scattered support. In the Dooars group, Hasimara and Jaybirpara have been prominent. Among Assam scrip, interest has been concentrated on Betjan, Tyroon and Tezpore. Margaret's Hope, among Darjeeling gardens, have been bought.

Government securities have been dull. Although the prices of short and medium-dated stocks have been maintained, the support from banks has declined due to the onset of the busy season. The 3 percent Conversion loan 1986 is quoted around Rs. 65.85. Selected State Government loans are steady but turnover has been small.

Bombay

APPRECIABLE FALL IN PRICES

L.I.C. SALES WEAKEN SENTIMENT

Wednesday Evening.

THE Bombay stock market has been quiet during the past week. There has been an appreciable decline in prices due to nervous bull liquidation. The higher *badla* charges at the last settlement have been considered an additional deterrent. The bulls have been unnerved by various uncertainties. Dalal Street has taken a bearish view of the coming Banking Companies Amendment Bill which may propose fresh restrictions on the working of banks.

Rumours that the Government might take steps to regulate the circulation of "unaccounted money" have caused a great deal of concern. The move of the Life Insurance Corporation to undertake general insurance business in a big way has induced pressure, particularly in insurance scrip. Substantial selling of ordinary shares by the L.I.C. has weakened sentiment. Operators have tried to cut their commitments in view of the fact that the Central Finance Minister will soon make a statement on the economic situation in the Lok Sabha.

Tata Steel ordinary have declined to Rs. 145.25. Engineering shares have moved down all round. Tata Locomotive, Mukand Iron, Larsen and Toubro and Premier Construction have weakened. Among motor-vehicle shares, Hindustan Motors have reacted on profit-taking, while Premier Automobiles have been sluggish. Century have fallen after an earlier sharp rise in the cotton mill section. Except for scattered support in Kohinoor, Shree Niwas and Standard, cotton mill shares have been easier. Simplex, Svadeshi, Tata and India United ordinary have been quoted lower. Central India have declined on producing disappointing results.

Turnover in miscellaneous shares has declined. In cement shares, Associated Cement and Dalmia have reacted after an earlier improvement. Among sugar shares, Belapur have been fairly steady, while Walchandnagar Industries have declined. Mining shares have been subdued. B B. Petrol in particular have weakened on reports that the prospect of the Company venturing into new enterprises is remote for the time being.

In steamship company shares, Scindia Steam gained appreciably earlier on influential support, but the scrip have shown considerable losses towards the close. Rayon shares have been quiet, and National Ravon have fallen. Among chemical shares,

HINDUSTHAN GENERAL INSURANCE SOCIETY LIMITED

FOR SERVICE & SECURITY

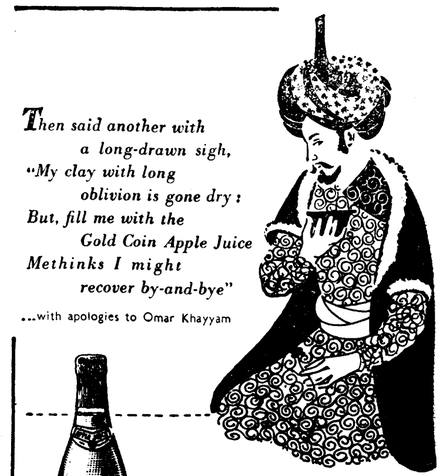
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Managing Director:
Mr. P. N. TALUKDAR, M.A. (Cantab)

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Then said another with a long-drawn sigh,
"My clay with long oblivion is gone dry:
But, fill me with the Gold Coin Apple Juice
Methinks I might recover by-and-bye"
...with apologies to Omar Khayyam



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Real APPLE JUICE
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Tata Chemical have been barely steady, while Indian Dyestuff have declined. Permanent Magnets and T. Maneklal have been smart features among new shares.

Bank shares have turned hesitant on fears of cut in dividends. Central Bank have been quietly steady due to the prospect of a rights issue in the proportion of one new share for every two held, at a premium of Rs. 5 a share. Insurance shares have been quiet, and New India Assurance have lost appreciably. Electric company shares have been easier, and Ahmedabad have reacted. Tata Power have been steady.

Madras

BUSINESS DECLINES FURTHER

SELECTIVE SUPPORT FOR STATE LOANS

Tuesday Evening.

THE Madras stock market has been quiet during the past week. Weaker advices from Dalal Street, combined with the absence of support from outside centres, have weakened sentiment. Turnover has declined to almost a trickle. Business in clearing shares has been very small. Turnover even in planting shares has declined considerably. Investors prefer to wait until the economic debate in the Lok Sabha takes place.

Government securities have been steady, but turnover has been restricted. Support has largely been confined to selected State Government loans. Bank shares have been fairly steady. Indian Overseas have been transacted at Rs. 148 and Pandyan at Rs. 37, although the latter Bank will soon be amalgamated with the Canara Bank.

Scattered support has been seen for selected electric company shares. South Madras has been quoted at Rs. 10.97 on paying a taxable interim ordinary dividend of 5 percent. Kumbakonam have changed hands at Rs. 11.75 and Negapatam at Rs. 10.70. Sugar shares have been sold freely in spite of the prospects of an increase in the price of the commodity. Deccan have been done at Rs. 12.37 and E.I.D. at Rs. 37.95. Cauvery have been taken at Rs. 112 on paying a taxable ordinary dividend of 6 percent. Madura have been quoted at Rs. 10 on declaring a taxable ordinary dividend of 8 percent. Kothari have been easier at Rs. 7 and Kirlampudi at Rs. 81.

The prices of planting shares have generally weakened. Blue Mountain have been available at Rs. 2.67 and Cochin Malabar at Rs. 6.20. Consolidated Coffee have, nevertheless, been steady at Rs. 21.55 on paying a taxable ordinary dividend of 20 percent. Coffee Lands have been weaker at Rs. 15.62, although the Company has declared a taxable ordinary dividend of 9 percent. Scattered support has been extended to Kumergode at Rs. 2.56 and to Kalepetta at Rs. 11.50, but Kalasa have been sold freely down to Rs. 4.25. Rajagiri have been transacted at Rs. 21.10 on declaring a final taxable ordinary dividend of 11.25 percent, making 21.25 percent for the year. Nelliampathy have paid a taxable ordinary dividend of 15 percent and the scrip have been quoted at Rs. 3.65. Parkside have been steady at Rs. 27.50 on declaring a final taxable ordinary dividend of 17.5 percent, making 25 percent for the year. Ouchterlony have been weaker at Rs. 4.65 and Periakaramalai at Rs. 3.43.

Business in textile shares has been small. South India Viscose have reacted to Rs. 146, but Travancore Rayon have been steady at Rs. 27.50. Business has passed in Buckingham at Rs. 281.50 on rumours of a bonus issue. Vijayeswari have been wanted up to Rs. 107, but Loyal have been sold down to Rs. 42.50. Mettur have been steady at Rs. 289, but Modi Spinning have been weaker at Rs. 10. Kannapiran have been offered at Rs. 11.24, but Bangalore Woollen have been taken at Rs. 233.50. Lakshmi have fetched Rs. 135.50 and Madura Rs. 37.90.

Miscellaneous shares have been generally easier. Aluminium Industries have been sluggish around Rs. 19.75 and Ashok Leyland at Rs. 7.37. Dalmia Cement have weakened to Rs. 13.05 and India Cement to Rs. 5.65. Mettur Chemical have been done at Rs. 13.20. F.A.C.T. have been sold freely at Rs. 6.43. Seshasayee Paper have been steady at Rs. 8.20, but Tube Investments have been easier at Rs. 228. Scattered support has been extended to Rane (Madras) at Rs. 8.75 and to Spencer at Rs. 20.50. Kirloskar Electric have been bought at Rs. 18.87, but Madras Rubber have been sold down to Rs. 15.12.

THE WEEK'S TRANSACTIONS

[In the following list of stocks and shares in which transactions have taken place during the past week, the figures indicate Opening Quotations, Highest for the week, Lowest for the week. Closing Quotations and Quotations for the corresponding Closing Date a Year Ago. The last-named is shown in parentheses and will not be given where such a quotation is not available.]

CLEARED SECURITIES

Birla Jute—Rs. 33/87—33/94—32/37—33/00—(30/00).

Burrakur Coal—Rs. 17/87—17/87—17.69—17/69—(16/12).

Dunlop Rubber—Rs. 38/87—38/94—37/69—38/00—(36/50).

Guest, Keen, Williams—Rs. 43/25—43.25—42/25—42/56—(34/87).

Hindustan Motor—Rs. 19/69—19/75—18/91—19/16—(16/50).

Howrah Jute—Rs. 20/12—20/19—19/37—19/62—(19/06).

Indian Aluminium—Rs. 39/75—39.81—38/94—39/37—(32/12).

Indian Aluminium (New)—Rs. 28/75—28/75—28/75—28/75.

India Cable—Rs. 41/50—41/50—40/00—40/00—(34/50).

Indian Copper—Rs. 3.65—3/67—3/54—3/57—(4/28).

Indian Iron—Rs. 25/34—25/38—24/70—24/94—(22/18 x d.).

J. K. Cotton—Rs. 13/25—13.25—12.44—12/62—(14/25).

Jaipur Udyog—Rs. 12.62—12/62—12/06—12/19—(11/25).

Kooram Industries—Rs. 28/56—28/62—27/25—27/81—(22/25).

Orient Paper—Rs. 40/55—40/55—39/15—39/50—(36/20).

Orissa Cement—Rs. 15/62—15/62—14/75—14/94—(15/25).

Rohtas Industries—Rs. 13/94—14/00—13/19—13/37—(12/00).

Shree Gopal Paper—Rs. 26/50—26/62—25/50—26/00—(23/25).

Textile Machinery—Rs. 28/40—28/45—27/60—28/20—(20/00).

GOVERNMENT SECURITIES

3½% Loan (1964)—Rs. 99.40—99/40—99/40—99/40.

3½% „ (1966-68)—Rs. 97.90—97/90—97/85—97/85.

3½% „ (1970-75)—Rs. 90.10—90/10—90/00—90/00.

3½% „ (1967)—Rs. 99.25—99.25—99/25—99/25.

3½% „ (1968)—Rs. 99.40—99/40—99/40—99/40.

3½% „ (1969)—Rs. 97.12—97/12—97/10—97/10.

3½% „ (1974)—Rs. 96.00—96/00—96/00—96/00.

3½% „ (1964)—Rs. 99.85—99/85—99/85—99/85.

4% „ (1969)—Rs. 99.60—99/60—99/50—99/50.

4% „ (1972)—Rs. 99.40—99/40—99/40—99/40.

4% U.P. (1969)—Rs. 98.90—98/90—98/90—98/90.

4% Madras (1967)—Rs. 99.05—99/05—99/05—99/05.

4½% Loan (1973)—Rs. 100.00—100.05—100.00—100.01.

4½% Madras (1974)—Rs. 99.00—99/00—99/00—99/00.

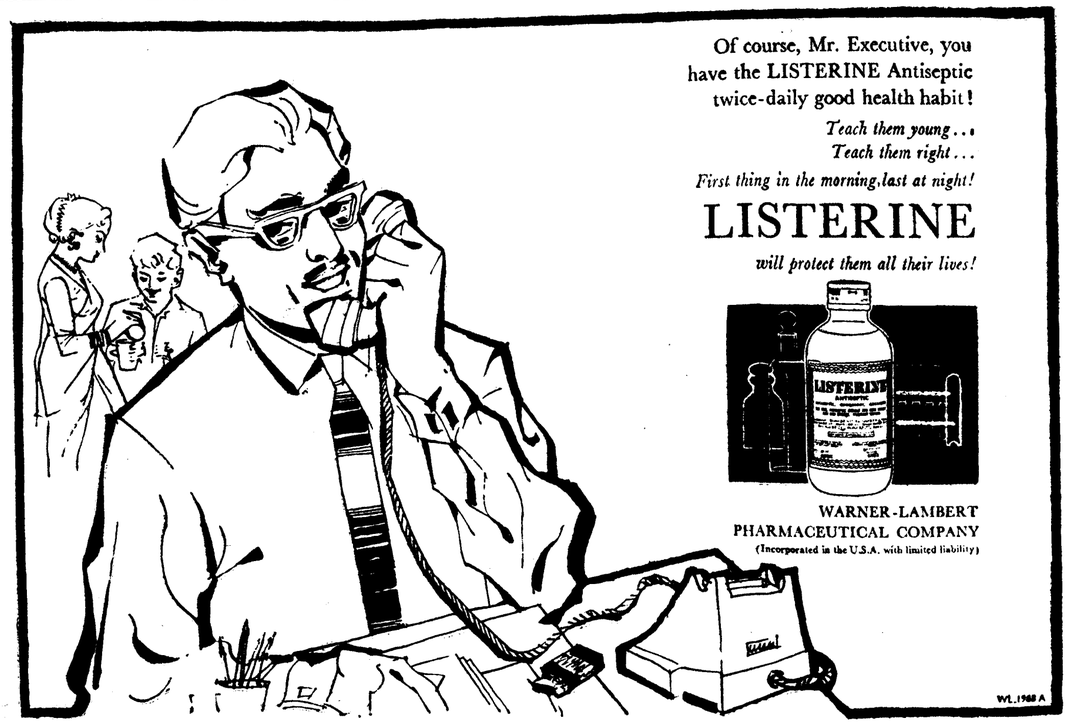
RAILWAY

Dehri-Rohtas—Rs. 13/12—13/12—13.12—13/12.

BANKS

Allahabad—Rs. 260/00—260.00—260.00—260/00—(396/00).

Indian National—Rs. 19.19—19.44—19.19—19/44—(20/62).



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will protect them all their lives!

WARNER-LAMBERT PHARMACEUTICAL COMPANY
(Incorporated in the U.S.A. with limited liability)

WL.1968 A

United Bank of India (Rs. 10 paid)—Rs. 7/75—7/75—7/75—7/75—(7/62).

United Commercial—Rs. 75/00—75/00—74/50—74/50—(80/00).

COTTONS

Bharat Commerce—Rs. 24/37—24/37—24/37—24/37—(25/87).

Cawnpore—Rs. 7/81—7/87—7/50—7/56—(7/06).

Dunbar—Rs. 29/94—30/06—29/94—30/06—(27/00).

Elgin—Rs. 23/00—23/31—22/81—22/81—(19/50).

Do. (B' Pref.)—Rs. 6/44—6/44—6/44—6/44.

Jay Shree—Rs. 16/75—16/81—16/50—16/62—(16/25).

Jiyajeerao—Rs. 12/19—12/25—12/19—12/25.

New Victoria—Rs. 1/62—1/69—1/62—1/62—(1/37).

Do. (Pref.)—Rs. 3/00—3/06—2/97—2/97.

Rampoorin—Rs. 13/00—13/00—13/00—13/00—(12/00).

Do. (Defd.)—Rs. 3/00—3/00—3/00—3/00—(2/00).

Shree Madhusudan—Rs. 12/06—13/75—12/06—13/75.

Do. (Pref.)—Rs. 83/50—84/00—83/50—84/00.

COALS

Associated Laikdih—Rs. 6/00—6/00—6/00—6/00.

Bhalgora—Rs. 4/75—4/75—4/75—4/75—(5/00).

Bharat—Rs. 3/59—3/65—3/59—3/65—(3/53).

Central India—Rs. 10/09—10/19—9/87—10/06—(9/81).

East Indian—Rs. 31/25—31/50—31/00—31/50—(50/00).

Equitable—Rs. 25/62—25/62—25/62—25/62—(25/62).

Jogta—Re. 0/94—0/94—0/91—0/91.

Katras Jherriah—Rs. 33/75—33/75—33/75—33/75—(48/75).

Pench Valley—Rs. 18/25—18/31—18/12—18/31—(16/50).

Raneegunge—Rs. 14/19—14/19—14/06—14/12—(15/00).

South Karanpura—Rs. 8/44—8/69—8/44—8/69—(7/00).

Selected Sutgram—Rs. 118/00—118/00—118/00—118/00.

Western Bengal—Rs. 9/06—9/12—8/81—9/00—(8/94).

JUTES

Anglo-India—Rs. 238/00—238/00—238/00—238/00—(223/00).

Barnagore—Rs. 230/00—230/00—230/00—230/00—(180/00).

Caledonian—Rs. 180/00—180/00—179/00—180/00—(220/00).

Cheviot—Rs. 22/94—22/94—22/94—22/94—(23/94).

Delta—Rs. 171/00 s.t.—172/00—171/00—172/00—(175/00).

Dalhousie (Pref.)—Rs. 91/00—91/00—91/00—91/00.

Fort Gloster—Rs. 369.50 s.t.—372/00—369/50—372/00—(412/00).

Ganges—Rs. 14/19—14/19—13/69—13/87—(13/12).

Gondalpara—Rs. 16/56—16/75—16/34—16/75—(18/62).

Howrah ('A' Pref.)—Rs. 95/50—96/00—95/00—95/00.

Hukumchand—Rs. 21/25—21/25—21/25—21/25—(26/12).

India—Rs. 16/37—16/37—16/37—16/37—(17/06).

Lansdowne (Pref.)—Rs. 93/00—93/50—93/00—93/50.

Megna—Rs. 13/31—13/50—13/31—13/37—(12/62).

Nellimarla—Rs. 12/81—12/87—12/81—12/87—(11/25).

New Central—Rs. 15/44—15.44—14/87—15/00—(13/62).

National—Rs. 24/00—24/06—23/94—23/94—(24/00).

Presidency—Rs. 5/81—5/81—5/69—5/81—(4/87).

Reliance—Rs. 8/87—8/94—8/81—8/81—(6/44).

Union—Rs. 167/00—168/00—166/00—168/00—(165/00).

Waverley—Rs. 9/75—9/75—9/75—9/75—(5/62).

MININGS

Assam Sillimanite—Rs. 7/75—7/87—7/69—7/69.

Chrestien Mica (Pref.)—Rs. 39/00—39/00—39/00—39/00.

Karanpura Development—Rs. 11/81—12/00—11/81—12/00—(12/00).

Metal Corpn.—Rs. 8/62—8/62—8/56—8/56—(9/37).

CEMENTS

Ashoka—Rs. 7/37—7/37—7/31—7/37—(7/06).

Bengal Potteries—Rs. 5/50—5/50—5/37—5/37—(5/54).

Dalmia (Bharat)—Rs. 13/06—13/19—12/87—12.87—(13/81).

Sone Valley—Rs. 4/69—4/81—4/69—4.81—(4/53).

CHEMICAL

Alkali & Chemical—Rs. 35/37—35/37—35/37—35/37—(37/50).

ELECTRICS

Bareilly—Rs. 12.25—12/50—12/25—12/50—(12.25).

Calcutta—Rs. 14.44—14/50—14/25—14/28—(14/87).

Do. (Pref.)—Rs. 8/00—8/06—8/00—8.03.

ENGINEERINGS

Bharat Ball Bearing—Rs. 15/31—15/50—15/25—15/50—(14/19).

Britannia Eng.—Rs. 10/62—10/81—10/50—10/75—(10/75).

Bhartia Elec. Steel—Rs. 15/00—15/00—15/00—15/00—(13/75).

Binani Metal—Rs. 11/50—11/50—11/50—11/50.

Braithwaite & Co. (Pref.)—Rs. 109/00—109/50—109/00—109/50.

Calcutta Steel—Rs. 14/19—14/19—14/19—14/19—(14/87).

Dalmia Iron—Rs. 11/81—11/87—11/44—11/62—(11/44).

Hindusthan Wires—Rs. 10.75—10/75—10/75—10/75.

Indian Iron & Steel (Pref.)—Rs. 81/50—82/25—81/50—81/50.

Jessop & Co.—Rs. 26/12—26/44—26/12—26/12—(22/12).

Jay Eng.—Rs. 21/87—21/87—21/87—21/87—(24/31).

J. K. Steel—Rs. 16/81—16/94—16/81—16/87—(16/25).

Kumardhubi—Rs. 9/37—9/56—9/37—9/44—(7/50).

Machinery Mfgs.—Rs. 24/62—24/75—24/50—24/75.

Raymon—Rs. 5/25—5/25—5/25—5/25.

Wellman Incandescent—Rs. 8/25—8/31—8/19—8/25.

INSURANCE

Ruby General—Rs. 10/75—10/75—10.37—10.44—(9/69).

MISCELLANEOUS

Aluminium Corpn.—Rs. 17/50 s.t.—17/50 s.t.—13/81 x bom.—14/19—(15/12).

Angelo Brothers—Rs. 26/75—27/62—26/75—27/00—(22/75).

Asiatic Oxygen—Rs. 13/75—14/25—13/75—14/25—(9/28).

Assam Hardboard—Rs. 5/06—5/19—5/00—5/19.

Associated Battery—Rs. 30/12—30/19—29/50—29/50—(27/06).

Albion Plywood—Rs. 8/19—8/19—8/19—8/19.

Asian Refractories—Rs. 12/75 s.t.—12/75—12/75—12/75.

Bararee Coke—Rs. 22/25—22/31—22/12—22/12—(24/50).

B. I. Corpn.—Rs. 8/81—9/97—8/75—8/81—(9/62).

Balmer Lawrie—Rs. 258/00—260/00—255/00—256/00—(257/00).

British Paints—Rs. 23/50—23/50—23/50—23/50—(20/25).

Birds Investments—Rs. 10/50—10/50—10/44—10/44.

Calcutta Safe Deposit—Rs. 7/69—7/75—7/69—7/75—(7/25).

Calcutta Tramways—Rs. 11/25—11/25—11/25—11/25—(12/25).

Dr. Paul Lohmann—Rs. 13/56—14/00—13/56—13/87.

Dyer Meakin Breweries—Rs. 33/94—34/19—33/87—34/06—(29/62).

East Anglia Plasties—Rs. 9/37—9/50—9/12—9/12.

Electric Construction—Rs. 14/06—14/06—13/25—13/25 x r.—(13/50).

Eastern Investment—Rs. 122/00—122/00—122/00—122/00—(129/00).

English Electric—Rs. 14/25—14/31—14/25—14/25.

General Tyres—Rs. 9/85—10/19—9/81—10/19.

Goodyear India—Rs. 33/37—33/50—33/25—33/50—(39/25).

Gillanders Arbuthnot—Rs. 14/25—14/25—14/19—14/19—(14/06).

Hindustan Aluminium—Rs. 14/69—14/75—14/00—14/25—(13/50).

Hindusthan Development—Rs. 4/31—4/62—4/31—4/50.

Hindusthan Gas—Rs. 25/00—25/00—25/00—25/00.

Imperial Tobacco—Rs. 10/19—10/31—9/94—9/94—(10/87).

India Carbon—Rs. 17/25—17/25—17/25—17/25.

Isaac Heldens—Rs. 16/75—16/87—16/44—16/50—(15/56).

Indian Tack & Nail—Rs. 12/50—12/50—12/37—12/37—(15/44).

Indian Wood Products—Rs. 29/87—30/00—29/87—30/00—(32/00).

Ivan Jones—Re. 0/62—0/65—0/62—0/65

Jardine Henderson—Rs. 78/00—80/00—78/00—79/50—(73/00).

Jay Shree Industries—Rs. 18/94—19/00—18/44—18/69—(16/44).

J. K. Synthetics—Rs. 12.56—12/62—12/37—12/44—(12/19).

Metal Distributors—Rs. 4/65—4/69—4/44—4/50.

Martin Burn—Rs. 28/87—28/87—28/87—28/87—(29/75).

Macfarlane & Co.—Rs. 6/69—6/69—6/56—6/69—(7/00).

McLeod & Co. (2nd Pref.)—Rs. 61/50—61/50—61/00—61/00

National Rubber Mfg.—Rs. 12/87—12/94—12/75—13/06—(11/25).

National Insulated Cable—Rs. 25/00—25/00—24/75—24/75—(25/00).

National Tobacco—Rs. 12/94—13/37—12/75—13/37—(13/00).

Rohtas Industries ('A' Pref.)—Rs. 100/50—101/00—100/50—101/00

Rallis India—Rs. 133/00—133/00—132/00—133/00—(150/00).

Shaw Wallace—Rs. 16/62—16/81—16/56—16/75.

Sirsilk—Rs. 10/50—10/56—10/19—10/47—(8/75).

Universal Cables—Rs. 12/37—12/69—12/37—12/56

Universal Elec.—10/15—10/25—9/75—9/81

Usha Martin Black—Rs. 17/87—18/00—17/87—18/00

Walford Transport—Rs. 4/00—4/06—4/00—4/06—(3/37).

OIL

Indo-Burma Petroleum—Rs. 24/25 s.t.—24/25—24/25—24/25—(25/44).

PAPERS

Ashok—Rs. 3/56—3/65—3/50—3/62.

Bengal—Rs. 29/62—29/87—29/56—29/56—(32/00)

India Paper Pulp—Rs. 19/56—19/62—19/00—19/00—(18/87).

Orient (1st Pref.)—Rs. 90/00—91/00—90/00—91/00

Seshasayee—Rs. 8/19 s.t.—8/25—8/12—8/12

Sirpur—Rs. 14/87—15/12—14/37—14/75—(11/56)

Star—Rs. 9/06—9/12—9/06—9/12—(10/00).

Straw Products—Rs. 10/69—10/75—10/44—10/56—(9/62)

Titaghur—Rs. 17/56—17/62—17/37—17/44—(36/12).

SAW MILL

Assam Saw—Rs. 2/53—2/62—2/53—2/62

SHIPPINGS

Bengal Assam Steamship—Rs. 130/00—130/00—128/00—128/00

India General Navgn.—Rs. 43/50—43/50—43/50—43/50.

India Steamship—Rs. 8/06—8/06—7/37—7/56—(6/37).

Port Shipping—Rs. 15/19—15/25—15/06—15/06—(12/06).

SUGARS

Belsund—Rs. 8/87—8/94—8/81—8/94.

Carew & Co.—Rs. 11/50—11/50—11/50—11/50

Do. (Pref.)—Rs. 72/00—72/75—72/00—72.75

Darbhanga—Rs. 9/94—9/94—9/94—9/94—(9/00).

Ramnugger Cane—Rs. 29/00—29/00—29/00—29/00

Raza Buland—Rs. 10/25—10/25—10/25—10/25—(10/20).

Samastipore Central—Rs. 5/12—5/19—5/12—5/19—(9/62)

Tulsipur—Rs. 4/06—4/09—4/06—4/09.

TEAS

Basmatia—Rs. 24/12—24/25—24/12—24/25

Bhatkawa—Rs. 17/12—17/25—12/12—17/25—(17/27)

Bishnauth—Rs. 18/69—18/69—18/69—18/69—(17/25)

Brooke Bond—Rs. 12/94—13/06—12/94—13/06—(12/19)

Borpak Jan—Rs. 13.00—13/00—13/00—13/00—(16/12)

Dhekiakhat—Rs. 20/75—20/75—20/75—20/75—(20/00)

Dhunseri—Rs. 13/00—13/00—13/00—13/00—(15/00)

Ethelbari—Rs. 11/87—11/87—11/87—11/87—(13/12)

Hanuman—Rs. 10/06—10/06—10/06—10/06

Huldibari—Rs. 13/25—13/37—13/06—13/06—(13/69)

Hoogrungtin—Rs. 27/62—27/62—27/62—27/62—(27/12)

Jaybirpara—Rs. 23/12—23/12—23/12—23/12—(11/06)

Kotamullai—Rs. 9/25—9/25—9/25—9/25.

Pussimbing—Rs. 7/37—7/50—7/37—7/50.

Nagri Farm—Rs. 30/00—30/25—29/94—30/06—(27/60)

Rydak—Rs. 25/94—26/19—25/62—25/75—(27/31)

Scottish—Rs. 25/50—25/50—25/50—25/50—(20/75)

Sapoi—Rs. 18/50—18/50—18/50—18/50—(24/44)

Teesta Valley—Rs. 15/56—15/87—15/56—15/87—(12/25)

Tengaon—Rs. 35/75—35/75—35/75—35/75—(35/00)

DEBENTURES

4% McLeod & Co. (Conv. Notes)—Rs. 529/00—530/00—529/00—530/00.

6½% Indian Aluminium—Rs. 95/00—95/00—95/00—95/00.

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Money

AMENDING BANKING COMPANIES ACT TO CHECK IRREGULARITIES

(BY A SPECIAL CORRESPONDENT)

The Central Finance Minister, Mr. T. T. Krishnamachari, recently said that the Banking Companies Act would be amended to check alleged irregularities in the banking system. The Reserve Bank, it is reported, will take powers to approve the appointment of directors and their removal from the boards of banking companies, apart from imposing numerous other restrictions. But the Reserve Bank should consider whether it can efficiently discharge all these responsibilities before acquiring further powers.

WHEN the debate on bank nationalisation was going on in the Lok Sabha, Dr. R. K. Nigam of the Department of Company Law Administration came out with an analysis to show that the concentration of corporate power was increasing in the hands of directors of banking companies. He made a frequency distribution study of big companies, banking and marketing companies and came to the above conclusion through statistical comparisons. The study added to public misconceptions about the directors of banking companies. Mr. T. T. Krishnamachari, Central Finance Minister, therefore, said recently that the Banking Companies Act would be tightened to check irregularities in the banking system. Now it has been announced that a Bill will be moved to amend the Banking Companies Act during the current session of the Lok Sabha. On 7th November, the Reserve Bank directed the banks to submit, by 15th November, data on ownership of their shares by joint-stock companies and other corporate bodies, including statutory corporations. The data, according to the Reserve Bank circular, should show details of share ownership by general insurance companies, the L.I.C. and industrial and other companies.

Collecting Information

Although the object of the circular is to collect information for the Central Finance Minister on the concentration of ownership of bank shares so that he can give a broad picture of the situation during the ensuing Lok Sabha debate and also to verify the conclusions reached in Dr. Nigam's article, it has made banking circles extremely uneasy about the future. Rumours are going around that the Reserve Bank's control on the day-to-day activities of banks will be tightened further. The Reserve Bank, it is reported, will take powers for approving appointments and removing directors of banking companies. It is relevant to note here that even now the Reserve Bank—under the Banking Companies Act—can veto the appointment of directors of banking companies. It is possible that the Reserve Bank may appoint a certain number of directors to the boards of banks by virtue of the shares held by the Life Insurance Corporation. It is also possible that the Bank may slash the voting power of large shareholders of banking companies. The voting power of a single shareholder is now pegged at 5 percent of the total voting rights of all shareholders. This is to be reduced to 1 percent.

Other amendments mentioned include the fixing of the retirement age for directors and senior officers of banks, a specific credit-deposit ratio to be adhered to by the banking system, prohibition on keeping bank deposits with directors' companies, ceiling on expenditure in connection with the opening of individual branches and prescription of a ratio between total advances and limits sanctioned to reduce the dangers of "open liability" during the busy season. Some even do not rule out the possibility of dividend limitation on bank shares. While the various amendments hinted appear possible in view of the weaknesses revealed in the working of the Banking Companies Act, 1949, the main questions are whether these are necessary and desirable and whether the assumption of powers by the Reserve Bank would check the irregularities, if any.

Before answering these questions it is essential to note two aspects of the issue. In the first place, the Reserve Bank has not taken the banking community into confidence in proposing the amendment. It is, therefore, certain that they would amount to unilateral imposition. Secondly, the sweeping nature of the amendments may create an adverse situation which the Government and the Reserve Bank would like to avoid. The slow recovery in investor confidence, which is evident now, may receive a setback. There is also the possibility of the economy sliding back into stagnation.

Indifference of Banks

The most intriguing aspect of the entire situation is that no prominent banker nor the Indian Banks Association has come forward with facts on the directorships of banks. They have left the task to the Press once again. Bankers do not lack resources. They also have access to public media for discussing their viewpoints. What has made them indifferent to their own fate is, therefore, a mystery. Banks will do well at least to inform members of Parliament about their true position. What they have done so far, namely, the publication of a small brochure on the banking industry, is obviously not adequate.

It is true that the directors of banks are connected with a large number of other companies. This is, however, a natural phenomenon. The directors are men of eminence. Banks have gained immensely by the association and their efficiency has increased due to intelligent guidance given from the top. It is also relevant to remember that the Companies Act fixed the number of directorships which could be held by an individual at 20. The Banking Companies Act prohibits a bank director from becoming director of another bank. These restrictions were placed after prolonged deliberations. The directors of banking companies, by and large, have a high sense of responsibility. To fetter their freedom in the day-to-day work and reduce the banks to a state of Government offices may tell on the efficiency of the industry itself.

Case of the State Bank

If any restrictions are placed on the directors of banking companies, they have naturally to apply to the directors of the State Bank also. Several industrialists are associated with the latter and it is evident that restriction will dislocate the banking mechanism. Loans given to directors by the State Bank constitute as much as 27 percent of total advances whereas the general average in the case of private commercial banks comes to 13 percent. Obviously, it is the State Bank which will be affected more than commercial banks in the private sector, if any legislation rigidly lays down restrictions. Whatever the object of the legislation, it is difficult to secure a realignment of credit flows or introduce revolutionary changes since this will dislocate the economy beyond repair. In other words, whether or not the present individuals continue as directors, bank finance to companies cannot be withheld. It is not understood what is going to be the immediate gain by further tightening the screw except to convince the general public that the Government is determined to fetter the growth of the industry.

This apart, there is the question of the Reserve Bank's ability to exercise the powers for the general welfare of the banking system. However efficient the Reserve Bank tries to be, it will be difficult to maintain a complete check. The circumstances which led to the Palai Central Bank and Laxmi Bank crashes are enough to convince any intelligent observer that the assumption of more powers by the Reserve Bank is unlikely to cure the irregularities in the banking system. The Reserve Bank will only open itself to further public criticism by taking over powers which it cannot exercise properly. There are enough powers within the framework of the Banking Companies Act.

So it is clear that the amendments to the Banking Companies Act will harm the banking industry in India. The Government will, therefore, do well to consider the various points before rushing in with the legislation. It is essential to preserve the incentive to save and invest. Moreover, when 90 percent of industry and trade is in private hands, it is undesirable to place meaningless restrictions on the channels of finance which keep the economy moving.

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THE CALCUTTA MONEY MARKET

FAIR INCREASE IN ADVANCES

Wednesday, 20th November.

THERE has been a fair increase in the general level of advances in the Calcutta money market during the past week. The increase has been shared by the jute mills and the iron, steel and engineering industries. Credit given to the cotton and sugar mills has decreased moderately. There is no change in the advances for the storage of foodgrains and seeds. In the interbank market, conditions have been easy and the call rate quotes 1½ percent.

The exchange market has been moderately active, with a good supply of tea and gunny bills. The demand for remittances, however, has been poor. In the London market, sterling has been generally steady, the losses and gains against major currencies being fractional.

SILVER WAS QUIET IN CALCUTTA during the past week. The upcountry buyers showed little interest. The price declined from the previous week's level of Rs. 230.25 to Rs. 230, quoted today for ready. The London and New York prices were shown at 111⅛d and 129.3 cents. Gold was steady and the price of 14 carat rose from Rs. 61.25 to Rs. 62.

DURING THE WEEK ENDED 15TH November, Government of India Treasury bills for Rs. 85,00,000 were sold in favour of the Reserve Bank.

TENDERS FOR RS. 2 CRORES OF 91-DAY Government of India Treasury bills were opened on 19th November. The total amount offered was Rs. 2 crores. Tenders at Rs. 99.420 percent and above were accepted in full. The total amount accepted was Rs. 2 crores only, the average rate of acceptance being Rs. 2.318 percent a year. Tenders for Rs. 2 crores of 91-day Government of India Treasury bills will be received at all centres up to the close of business on 25th November.

IT IS STATED THAT 91-DAY INTERmediate Treasury bills will be sold from 20th November to 23rd November at Rs. 99.436 percent. Sales can be stopped at any time without notice if the Government thinks it necessary. These bills sold from 13th November to 16th November amounted to Rs. 2,63,50,000.

ACTIVE NOTES ROSE BY RS. 42.62 crores to Rs. 2,286.54 crores and the total note issue by Rs. 27.40 crores to Rs. 2,297.88 crores, according to the return of the Reserve Bank of India for the week ended 15th November, 1963. The currency expansion was covered by raising rupee securities by Rs. 30 crores to Rs. 1,969.31 crores. Deposits of the Government of India increased by Rs. 1.36 crores to Rs. 50.75 crores and those of State Governments by Rs. 6.20 crores to Rs. 20.55 crores. Balances of scheduled banks at Rs. 95.17 crores showed a rise of Rs 17.73 crores. Balances held abroad improved by Rs. 1.33 crores to Rs. 9.28 crores. The investment portfolio at Rs. 263.53 crores showed a gain of Rs. 44.30 crores. Loans to scheduled banks increased from Rs. 50.90 lakhs to Rs. 2.44 crores, of which advances against usance bills amounted to Rs. 17 lakhs (nil). Ways and means advances stood at Rs. 27.47 crores, against Rs. 40.04 crores.

THE RETURN OF THE STATE BANK OF India for the week ended 8th November, 1963, shows a fall of Rs. 11.06 crores to Rs. 598.57 crores in total deposits. Investments in Government securities are down by Rs. 3.86 crores to Rs. 316.01 crores, while other authorised investments remain unchanged at Rs. 8.95 crores. Advances, including loans, cash credits, overdrafts, bills discounted and purchased, have increased by Rs. 16 lakhs to Rs. 253.90 crores. Cash and balances are, in consequence, shown at Rs. 16.63 crores or Rs. 10 crores less.

TREASURY BILL MATURITIES

Details of 91-day bills outstanding with the public on 22-11-63.

Issue Date	Maturity Date	Amount (000's Rs.)	Average Acceptance Rate
22-11-63	25-2-64	2,00.00	Rs. 2.318%
14-11-63	17-2-64	2,00.00	Rs. 2.300%
8-11-63	11-2-64	2,00.00	Rs. 2.310%
28-10-63	31-1-64	2,00.00	Rs. 2.318%
23-10-63	26-1-64	2,00.00	Rs. 2.320%
18-10-63	21-1-64	2,00.00	Rs. 2.320%
11-10-63	14-1-64	2,00.00	Rs. 2.318%
4-10-63	7-1-64	2,00.00	Rs. 2.318%
27-9-63	30-12-63	2,00.00	Rs. 2.318%
20-9-63	23-12-63	2,00.00	Rs. 2.318%
13-9-63	16-12-63	2,00.00	Rs. 2.318%
6-9-63	9-12-63	2,00.00	Rs. 2.318%
30-8-63	2-12-63	2,00.00	Rs. 2.320%
23-8-63	26-11-63	2,00.00	Rs. 2.320%

(Monthly Maturities 000's omitted)

November 1963	2,00.00
December 1963	10,00.00
January 1964	10,00.00
February 1964	6,00.00
Total	28,00.00

CLEARING HOUSE RETURNS

Week	Calcutta	Bombay
	Rs. (Lakhs)	
8-11-63	.....	1,14.12
1-11-63	.....	1,17.26
25-10-63	.....	1,35.75

THE STATEMENT OF THE POSITION OF scheduled banks for the week ended 8th November, 1963, shows Demand and Time liabilities at Rs. 1,118.58 crores (Rs. 25.15 crores on account of borrowings from banks) and Rs. 1,320.10 crores (Rs. 19.93 crores), compared with Rs. 1,123.91 crores (Rs. 22.27 crores) and Rs. 1,322.74 crores (Rs. 21.01 crores), respectively in the previous week. Cash and balances with the Reserve Bank have declined by Rs. 53 lakhs and Rs. 17.15 crores to Rs. 56.04 crores and Rs. 80.64 crores, respectively. There is a drop of Rs. 3.38 crores to Rs. 773.37 crores in investments. Advances and bills discounted at Rs. 1,488.82 crores show a rise of Rs. 8.38 crores. The ratios to total liabilities of cash and balances, and of advances and discounts are, in consequence, shown at 5.6 percent and 61.1 percent, against 6.3 percent and 60.5 percent.

RESERVE BANK

ISSUE DEPARTMENT

(In 000's of Rupees)	15-11-63	8-11-63	16-11-62
Liabilities—			
Notes in Banking Dept.	11,33,36	13,42,86	13,85,23
Notes in Circulation	22,86,54,21	22,79,69,47	20,77,25,56
Total Notes issued	22,97,87,57	22,93,12,33	20,91,10,79
Assets—			
A. Gold Coin and Bullion	1,17,76,10	1,17,76,10	1,17,76,10
Foreign Securities	92,45,69	92,45,69	88,08,43
Total of A	2,10,21,79	2,10,21,79	2,05,84,53
B. Rupee Coin	1,18,34,76	1,18,59,52	1,21,97,16
Rupee Securities	19,69,31,02	19,64,31,02	17,63,29,10
Total	22,97,87,57	22,93,12,33	20,91,10,79

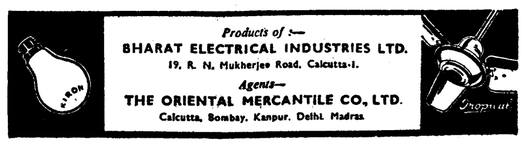
BANKING DEPARTMENT

Liabilities—			
Capital Paid-up	5,00,00	5,00,00	5,00,00
Reserve Fund	80,00,00	80,00,00	80,00,00
National Agricultural Credit (Long Term Operations) Fund	73,00,00	73,00,00	61,00,00
National Agricultural Credit (Stabilisation) Fund	8,00,00	8,00,00	7,00,00
Deposits—			
(a) i. Central Govt.	50,75,18	49,39,44	60,76,84
ii. State Govts.	20,55,11	14,34,95	7,05,87
(b) Banks :—			
(i) Scheduled Banks	95,16,57	77,43,96	91,05,18
(ii) State Co-operative Banks	2,38,47	2,23,16	1,80,52
(iii) Other Banks	4,35	2,04	3,19
(c) Others	1,64,23,08	1,64,38,04	1,62,35,72
Bills Payable	34,04,56	33,57,63	31,84,39
Other Liabilities	38,42,68	30,35,70	39,32,34
Total	5,71,60,00	5,37,74,92	5,47,25,05
Assets—			
Notes	11,33,36	13,42,86	13,85,23
Rupee Coin	2,35	3,21	1,82
Small Coin	4,21	4,09	3,02
National Agricultural Credit (Long Term Operations) Fund			22,98,79
(a) Loans and Advances to :—			
(i) State Govts	27,06,43	27,07,63	11,99,52
(ii) State Co-operative Banks	9,71,51	9,72,55	...
(iii) Central Land Mortgage Banks	...	...	...
(b) Investment in Central Land Mortgage Bank Debentures	3,55,31	3,55,31	2,84,69
National Agricultural Credit (Stabilisation) Fund Loans and Advances to State Co-operative Banks	...	...	...
Bills Purchased and Discounted :—			
(a) Internal	...	...	...
(b) External	...	...	...
(c) Govt. treasury Bills	60,49,52	62,48,10	1,06,65,79
Balances Held abroad	9,28,24	7,91,39	5,13,63
Loans and Advances to Govt.	27,46,66	40,63,96	19,79,20
Loans and Advances to :—			
(i) Scheduled Banks	2,44,05	50,90	2,48,00
(ii) State Co-operative Banks	1,27,88,03	1,25,35,51	1,33,11,25
(iii) Others	2,75,55	2,53,80	1,77,32
Investments	2,63,53,02	2,19,23,04	1,94,12,15
Other Assets	26,01,76	25,78,66	22,43,15
Total	5,71,60,00	5,37,74,92	5,47,25,05

SCHEDULED BANKS

(In 000's of Rupees)

	8-11-63	1-11-63	9-11-62
(I) Demand Liabilities—			
(a) Demand Deposits			
(1) From Banks	54,18,21	53,11,59	45,68,36
(2) From others	9,77,51,94	9,86,73,39	8,10,19,39
(b) Borrowing from Banks	25,14,64	22,26,81	20,38,85
(c) Others	61,72,82	61,79,39	56,13,03
(II) Time Liabilities—			
(a) Time Deposits			
(1) From Banks	33,97,65	35,52,68	27,31,15
(2) From others	12,55,80,60	12,55,93,04	12,33,88,20
(b) Borrowing from Banks	19,92,92	21,01,27	17,05,42
(c) Others	10,38,40	10,24,77	10,92,65
(III) Borrowing from State Bank—			
(a) Demand Liabilities	7,91,68	8,31,46	5,07,81
(b) Time Liabilities	19,59,00	19,31,00	15,48,00
(IV) Borrowing from Reserve Bank	61,25	2,39,75	3,96,15
(V) Cash	56,03,70	56,57,35	50,61,34
(VI) Balances with the Reserve Bank	83,63,73	97,78,52	76,84,29
(VII) Balances with other Banks in current account	21,37,62	22,23,60	17,24,11
(VIII) Money at call and short notice	65,88,94	64,52,09	54,32,59
(IX) Investments in Central and State Govt. Securities	7,73,36,88	7,76,74,72	6,83,61,00
(X) (a) Loans, Cash credits and Overdrafts	12,39,85,02	12,34,43,94	11,72,62,95
(b) Due from Banks	12,38,85	12,62,32	8,20,48
(XI) Inland Bills purchased and discounted	1,78,98,37	1,77,13,55	1,63,85,57
(XII) Foreign Bills purchased and discounted	57,59,76	56,23,51	53,50,95
(XIII) Total of X XI and XII	14,88,82,00	14,80,44,42	13,98,19,95



Commodity Markets

COMPETITION THREAT TO CASHEW INDUSTRY

(FROM OUR SOUTH INDIAN CORRESPONDENT)

THE cashew processing interests in Kerala are worried about the possibility of East Africa becoming a rival to India in the world market for cashew kernel. The Indian cashew factories get almost two-thirds of their raw materials from Africa at present. There are reports that cashew processing has been started in Tanganyika with the establishment of a fully mechanised factory which has a processing capacity of 90,000 tons of raw nuts a year. The Tanganyikan Cashew Corporation has set up this factory with the co-operation of an Italian company. It was the shortage of labour that stood primarily in the way of African cashew-growing countries taking up cashew processing so far. If mechanisation could be successfully introduced labour shortage would no more stand in the way of a cashew processing industry developing in Africa. Once processing starts on a large scale, India cannot expect regular and large supplies of raw nuts from Africa. If the raw nut supply from that source is interrupted, the cashew processing industry in this country which has developed into a major foreign exchange earning industry will be in the doldrums. The local availability of raw cashew nuts is very limitted; something around 60,000 tonnes a year and this is hard-working for four months. The need for raising indigenous supply of cashew nuts is, therefore, urgent.

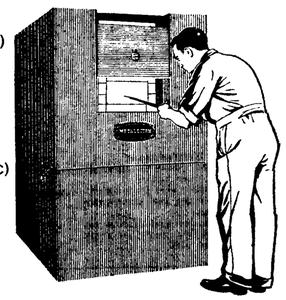
Raw nut stocks in India are at present low and market circles say that prices which are already ruling high at over Rs. 700 a ton are showing a tendency to harden further. One of the factors contributing to higher prices is the report that Portuguese East Africa has raised the export duty on cashew nuts. There are also reports that the new crops of Portuguese East Africa and Tanganyika are smaller than the previous season's.

Export activity in cashew kernels has been subdued of late due to lack of buying interest on the part of the largest buyer, the United States of America It is said that the American buyers are interested only in immediate shipment position which will reach there before Christmas and that too only at 54½ cents a lb. Their offer for January-June shipments are about 47½ cents. The reports are that although most users in America have not covered their requirements for January onwards, they consider that the present Indian price levels are too dangerous to make purchase on a speculative basis. Exporters are not inclined to cut prices because of the firmness in raw nut prices and the anticipated enlarged demand from abroad.

Cashew kernel exports have been showing an upward trend this year. According to official figures, 1,776,000 cases of 50 lbs each were shipped from India during the first nine months of this year, representing an increase of 260,000 cases over the exports during the same period in 1962 The money value of cashew kernel exports during this period is put at Rs. 16.50 crores, compared with Rs. 13.68 crores during the corresponding period last year.

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COFFEE

Export Trends

According to a Coffee Board handout, 20,392 tonnes of coffee has been sold for export out of the 1962-63 season's crop, including the sale on 7th November, 1963. This comprised 10,814 tonnes of Plantation, 4,084 tonnes of Arabica Cherry and 5,492 tonnes of Robusta. Tenders have been invited for another 1,356 tonnes and the sale is due on 27th November. Under the International Coffee Agreement, India can export 21,600 tonnes a year to the countries covered by this agreement. India is moving the International Coffee Council for a larger quota, preferably 50,000 tonnes a year.

A larger export will be advantageous to this country in view of the present world market trend in coffee. For instance, in London, coffee prices have been rising at a very fast rate for some time now. In the course of the past one month, second position coffees had made a gain of 37½s a cwt. to 236s 3d The hope that a larger export quota might be allowed to African Robusta and Brazilian coffee at the forthcoming meeting of the International Coffee Council has, however, weakened the forward position, although chances are considered slender. India's request for a larger export quota also is expected to come up for consideration at this meeting.

PEPPER

Brighter Outlook

The consensus of opinion in market circles about the prospects for Indian pepper in the season that has just begun, is that there need be no anxiety, and India would be able to maintain her sales at favourable prices The new crop is currently estimated by certain traders at 27,000 to 28,000 tons which is about the same as last year, but in view of the possible fall in world supplies, it is likely that India will be able to get a good price. Although a fair proportion of the Indonesian crop has been already sold out, it is not very certain whether the balance could be put on the world market, particularly in view of the strained relations between Indonesia and Malaysia Indonesians are trying to market their pepper themselves, but it is doubtful whether they would succeed in view of their lack of experience Americans and other buyers of pepper may have to look towards India for their requirements until normalcy is restored in the Far East supply line U.S buyers are currently quoting 32½ to 33 cents a lb. against Indian selling ideas of 33¼ cents a lb. The gap is narrow, and this can be bridged without much difficulty, according to exporters.

TEA

Larger World Supply in Prospect

(BY A SPECIAL CORRESPONDENT)

HOW difficult is the job of forecasting is shown by the following: In April 1961 under the heading "The Coming Season", one of Calcutta's leading tea brokers commented: "It must be remembered that 1960 was an exceptional year in north India and Pakistan and that production in these two areas fell by no less than 49 million lbs. Opinions vary as to whether the whole of this shortfall can be made up in 1961, but should this prove to be the case and should crops in south India, Ceylon and Africa continue to forge ahead, there is a distinct possibility that the trend of tea prices, particularly for the plainer descriptions, may turn downwards in mid-season. Should such a situation develop, producers in India are better placed than many of their competitors as it would appear that consumption in this country may have risen a further 10 million lbs in 1960 and is now estimated at 265 million lbs a year. It seems very likely, therefore, that the price of plain teas on the Calcutta market will continue to rule higher than in other centres. This trend will undoubtedly be further accentuated should orders from Egypt be of the same magnitude as in 1959 and 1960, but we understand that this country has completed arrangements to obtain some of its requirements in the coming season from Ceylon."

In trying to assess the supply of tea from north India next year it may be important to remember that the bumper yields in 1961 followed a serious drop in output during 1960. After two successive seasons with short crops, it seems reasonable to expect a recovery in 1964.

A year later, the same valuable source wrote: "As always, the big questionmark in any attempt to delve into the future is the likely size of the crop. The 1961 outturn was a record and we do not anticipate an increase of such magnitude in 1962. Much effort and capital, however, are being put into increasing production to achieve India's third five year plan target of 900 million lbs in 1965, and unless nature is particularly unkind we do not doubt that a further rise will be recorded in the coming season. But so far, the programme has actually fallen back in output.

"The industry in Ceylon has its problems and difficulties, but somehow always manages to improve its output. Perhaps 1962 will be an exception. In fact, Ceylon and south India keep going ahead.

"Tea drinking can safely be relied upon to show steady progress in the coming season, particularly in the Middle East, India and Pakistan, while the U.K.'s possible entry into the European Common Market offers prospects of spreading the tea habit in that region. Indeed, we think the race between production and consumption is likely to be close and we wonder whether the gloomy forecast of a large surplus of tea by 1965 made by the Food and Agricultural Organisation of the United Nations may not need revision. The overall statistical position of tea is we think fairly satisfactory, but within this framework, we detect a growing imbalance."

Since the above was written, world production has gone ahead in all places excepting north India, Pakistan and Indonesia Due to a fall for two years running from north India, the gloomy forecast of a large surplus of tea has been stayed. The situation now developing clearly points to a larger supply next year and more still by 1965.

New Delhi

KANE REPORT ON BY-PRODUCTS OF COAL CARBONISATION

(FROM OUR NEW DELHI CORRESPONDENT)

THE report of the Kane Committee on the by-products of coal carbonisation is now available. It will prove to be of considerable value in the discussion, now in progress, on preparing plans for the petro-chemical industry in India. The by-products of coal carbonisation are basic raw materials for the heavy organic chemicals industry, the foundation of which was laid in India during the second plan period. The intermediates produced by the industry form the basis for pharmaceuticals, plastics, paints, dyestuffs, insecticides, industrial explosives, synthetic detergents, etcetera. An adequate and continuous supply of basic organic chemicals at economic prices to these consuming industries cannot be ensured unless the by-products of coal carbonisation are recovered in larger quantities and their prices are brought down substantially. It is equally important to ensure a fair price for the by-products to provide an incentive for their recovery to the maximum extent possible.

In this matter, the interests of the two sections of the industry seem to be conflicting. In fact, such a conflict did arise in 1959 when Sindri Fertilisers and Chemicals Ltd complained that the price offered for its coal tar was unremunerative and suggested pooling the price of coal tar and Government control over prices. The Development Wing made a preliminary examination of the different aspects of the matter and urged the Government to appoint a committee to go into the entire question of assessing the availability of by-products, their optimum use and the fair selling prices at which important basic organic chemicals like benzene, toluene, xylene and naphthalene should be made available to the consuming industries.

Terms of Reference

The Central Ministry of Commerce and Industry accepted the recommendation and constituted a Committee on By-products of Coal Carbonisation with the following terms of reference:

(i) To assess the potential availability of the principal by-products of coal carbonisation in the third plan;

(ii) To recommend the steps that should be taken to ensure the increased use of these by-products;

(iii) To examine, where necessary, the production costs and recommend fair selling prices, particularly, for benzene, toluene, xylene and naphthalene; and

(iv) To make any other recommendation that the Committee may deem appropriate, considering the objective of increasing the use of by-products of coal carbonisation.

In a brief note on the history of coal carbonisation, the Committee says: Coal carbonisation was introduced in India about a 100 years ago when two coal-gas companies were established—one each in Bombay and Calcutta. The first unit for the production of metallurgical coke was set up in 1909 by the then East Indian Railway. Several other coke producing units were established by 1924. The coke-ovens of the Sindri Fertilisers and Chemicals Ltd came into operation in 1954 and more recently the steel works in Rourkela, Durgapur and Bhilai have established their own coke-oven batteries for metallurgical coke to be used in the steel works. Mention should also be made of the large plant for producing coke and coal-gas set up by the Government of West Bengal in Durgapur. The plant has an expansion programme and a scheme for supplying coal gas to the city of Calcutta. A by-products recovery plant which is being put up by the Neyveli Lignite Corporation, is also scheduled to go into production this year.

Although coke-ovens were installed in India many years ago, the recovery of by-products has been rather neglected. Coal is carbonised mainly for producing coke or coal gas. The operating conditions of ovens or retorts are, therefore, so adjusted as to give the maximum yield of coke or coal gas of the desired specifications. Crude coal tar, which is one of the by-products of coal carbonisation, is an important source of organic chemicals like naphthalene, tar acids and creosote oil.

Recovery of Toluene

During the second World War, the need to recover toluene from coke-oven gases to meet the increasing defence requirements became very urgent and plants for the recovery and rectification of toluene were put up in Jamshedpur in 1941 and in Burnpur in 1943. A plant for the recovery of crude benzol was also set up in Kulti in 1944. This crude benzol from Kulti used to be transported to Burnpur for further rectification and purification. All these plants were put up at Government cost mainly for the production of toluene, under agreements entered into by the Government of India with the Tata Iron and Steel Co. Ltd, Jamshedpur, and the Indian Iron and Steel Co. Ltd, Burnpur. The agreements provided for the taking over of these plants by the firms, if they so desired, at the written-down value after a period of 15 years. Tata Steel exercised this option and took over the plant in Jamshedpur in 1956. The plant in Burnpur was similarly taken over by Indian Iron in 1961. The recovery plant in Kulti ceased to function in 1958 when Indian Iron closed its coke-ovens at that place. The coke-ovens established during the last decade by Sindri Fertilisers, the Rourkela, Bhilai and Durgapur steel works and the Durgapur coke-ovens of the West Bengal Government, also have benzol recovery plants.

The yield of crude tar varies with the nature of the coal and with the type of carbonising plant and the operating conditions. The crude tar on distillation and further processing yields products like naphthalene, tar acids, creosote oil, pitch, and road tar. The first plant for the distillation of crude coal tar was established in India by Shalimar Tar Products Ltd in 1921. Two more plants—one of the Bararee Coke Company and the other of Bengal Chemical and Pharmaceuticals Ltd followed soon. Modern tar distillation units exist alongside the coke-oven batteries of the three public-sector steel plants.

The question of promoting the recovery of by-products of coal carbonisation has been engaging the attention of Central Government Departments for a long time. A panel on fine chemicals, drugs and pharmaceuticals appointed by the then Department of Planning and Development, recommended in 1946 that the recovery of by-products should be developed to the maximum extent possible and placed on a sound footing so that the manufacture of intermediates for dyes, drugs, etcetera, could be based on indigenous raw materials.

With the installation of a large number of coke-ovens in the country in recent years, the position in relation to the production of by-products of coal carbonisation has changed for the better. Nevertheless, with the rapid expansion of the organic chemicals industry in general, and the proposed manufacturing programme for organic intermediates of about 25,000 tons a year in the public sector in particular, the need to make available to these industries adequate quantities of benzene, toluene, naphthalene, etcetera, of required specifications at reasonable prices has become very urgent.

Main Conclusions

The Committee's main conclusions and recommendations are as follows:

"The requirements of benzene and naphthalene for meeting the targets set for the consuming industries in the third plan are estimated at around 90 million litres and 20,000 tons a year, respectively. Projected to 1970, these requirements are placed at 185 million litres of benzene and 40,000 tons of naphthalene a year. The Committee recommends that Hindustan Steel should take measures for the installation of recovery and rectification systems for coal carbonisation in the third plan. Although theoretically, with these expansions the production of benzene and naphthalene ought to approximate with the third plan requirements of the consuming industries, the Committee considers that in practice maximum production may not reach more than 85 percent of these figures. It is also difficult to predict the new uses that may develop for these aromatic raw materials. The Committee, therefore, feels that there will be a shortfall even in relation to the third plan requirements, and that the gap between demand for benzene and naphthalene and indigenous supplies will widen in the early years of the fourth plan period. The Committee is, therefore, of the opinion that other sources, for the production of aromatics such as benzene and o-and p-xylenes, will have to be explored to satisfy the long-term requirements of the consuming industries. In advanced countries such as the U.S.A., the petro-chemical industry is the major alternative source.

"The Committee notices that crude benzol recovery at T.I.S.C.O. is hardly 50 percent of the recovery that should be possible involving a loss of 14 million litres a year. It emphasises that T.I.S.C.O. should make immediate efforts to improve its processes and step up recovery of benzol so as to bring the plant in line with other recovery units.

"The Committee notes with concern that three batteries of I.I.S.C.O., Burnpur, are not connected to the benzol recovery system, leading to a waste of about 19 million litres of crude benzol a year. It understands that the transfer of the Government B/T plant to I.I.S.C.O. has been completed. It considers it of utmost importance that I.I.S.C.O. should immediately equip itself for maximum production of crude benzol together with corresponding purification and rectification units.

"The Committee observes that the amount of production of motor benzol in the different rectification units varies from negligible proportion to 30 percent of crude benzol and feels that special steps should be taken by the units concerned to reduce motor benzol to a maximum of 6 percent of crude benzol.

In view of the diminishing domestic demand for motor benzol, the Committee recommends its use as fuel, (a) for carburetting the coke-oven gas and (b) if possible, in admixture with pitch, creosote fuel for steel melting.

Percentage Recoveries

"The Committee finds that there is considerable divergence in the percentage recovery of the principal coke-oven by-products in different units. Variations in crude benzol are from 6 litres to 11.5 litres a ton of coal carbonised; benzene from 29 percent to 75 percent on crude benzol. The Committee is of the opinion that all the coke oven by-product plants should aim at recovery of at least 10 litres of crude benzol a ton of coal carbonised; 60 percent of benzene on crude benzol processed and 4 percent of hot pressed naphthalene on coal tar distilled. It feels that all the units in which the performance is not up to the mark, should take steps to attain these figures.

"T.I.S.C.O. and I.I.S.C.O. are now burning 125,000 tons of tar a year. The Committee considers that of this quantity, it would be practicable to save at least 50,000 tons of crude tar for distillation and thus recover 2,000 tons of naphthalene every year. There is a good export demand for naphthalene; and this production will fetch at least Rs. 12 lakhs in foreign exchange. The Committee appreciates that there are reasons for the current practice of burning crude tar for steel melting, such as the shortage of coke-oven gas and the greater efficiency of heat transfer obtained with a fuel which burns with a luminous flame. This will make it difficult to replace coal tar completely by alternate fuels such as fuel oil and pitch—creosote mixture. The Committee understands that to some extent crude tar is burnt as fuel in steel melting in other countries as well. It is of the view that the shortage of gaseous fuel should be remedied by the steel companies by expanding their coke-ovens so as to obtain additional quantities of coke and gas, thereby reducing to the minimum the amount of crude tar burnt as fuel in the steel-melting shops. Whatever crude tar is saved by this means, should be distilled to recover naphthalene.

"The present consumption of benzene and naphthalene in the country is not large. However, this is expected to grow substantially by the middle of 1963. For the next two years, therefore, the major outlet for indigenous production can be exported. Unless benzene and naphthalene are marketed at prices comparable to levels obtaining elsewhere, exports will not take place, nor will the establishment of industries based on them be possible. The Committee was unable to obtain from Hindusthan Steel data on the actual or estimated cost of production. Presumably, this was because its plants have not been in operation for a sufficient length of time. The pricing of both benzene and naphthalene is important from the point of view of setting up industries for the production of basic organic chemicals. For this purpose, the Committee suggests that Hindusthan Steel and entrepreneurs organising industries where benzene and naphthalene are primary raw materials, should come to long-term supply and price arrangements. The Government should assist where the parties cannot agree to a

reasonable price formula. Such long-term arrangements will obviate the necessity of inviting tenders every year for the sale of benzene and naphthalene. The Committee feels that this practice is detrimental to industrial development in the country.

"Many of the consuming industries, such as synthetic rubber, polystyrene and organic intermediates specify benzene of very low sulphur content which can be produced by the hydro-refining process. The demand from these will account for at least 70 percent of the total requirements. The Committee, therefore, recommends the adoption of the hydro-refining process for crude benzol, as at Rourkela, to all other units.

Recovery of Tar Acids

"The Committee has noticed that arrangements for recovery, purification and rectification of tar acids have been provided at the Rourkela steel plant and that the recovered tar acid from the Bhilai steel plant would be processed also at Rourkela. It suggests that the Durgapur steel project should similarly investigate the possibility of recovering tar acids. If, for any reason, the project authorities are unable to undertake themselves the purification and rectification of tar acids, the crude product may be made available either to Rourkela or to the West Bengal Government's Durgapur coke-oven plant, because such facilities are included in the plans of the latter plants.

"None of the coke-oven plant in the country have made any provision for the recovery of tar bases, such as picolines, pyridines and quinoline. The Committee, however, notes that the Rourkela steel plant is investigating the possibilities of recovery and separation of tar bases. It considers it necessary and desirable that all the coke-oven plants recover crude tar bases. These should be collected at one central place for further separation and purification.

"The Committee recommends the use of crude anthracene (containing carbazole and phenanthrene) in the manufacture of carbon black, if necessary in admixture with other fractions of coal tar distillation, as the potential availability of crude anthracene would be as much as 22,000 tons a year.

"In view of the large potential supplies of pitch to the extent of about 100,000 tons and its limited demand in the country and also the acute shortage of low ash coke experienced by the aluminium, ferro-manganese and calcium carbide industries, the Committee is of the view that a plant for conversion of pitch to low ash coke be set up in conjunction with one of the public-sector coke-ovens. Bhilai would be a suitable location for this purpose, because of its central location.

"For the next two years, there will be considerable surplus of benzene, toluene, naphthalene and pitch in the country. The Committee notes that Hindusthan Steel has achieved some success in the export of these products. It feels that these efforts may continue, although it is necessary to keep a watch on the situation to ensure the availability of these essential raw materials to industries within the country.

"A vital factor adversely affecting the disposal of and consequently the continuous production of by-products, is the difficult supply of wagons, particularly so when the storage space provided in the works is limited. The Committee recommends that an additional storage capacity to the extent of three months' production for all items be provided at all the coke-oven plants.

"The Committee also recommends that it is necessary to provide adequate tank wagons for the movement of various liquid products. This might be brought to the notice of the Railway Board as a most urgent problem.

"The Committee recommends that an inter-Ministerial working group be constituted to (1) secure co-ordination between the different units engaged in coal carbonisation and the recovery of coke-oven by-products, (ii) suggest special steps to be taken to implement the recommendations made by the Committee and (iii) maximise the production of benzene and naphthalene in all units and assist them to fulfil their rôle in achieving the plan for establishing basic organic chemical industries in the country".

Contract for West German Firm

Under Hindusthan Steel's Rourkela expansion scheme, the Koppers Export G.m.b.H. of Essen, West Germany, has recently been awarded the contract for increasing the capacity of the existing by-products recovery plant. The present plant capacity of 1,680,000 Nm³ a day coke-oven gas will be increased to purify 2,520,000 Nm³ a day and to recover the various by-products.

The following units will be extended: the gas primary cooling units, the gas conveying units, the electrostatic gas detarrer, the gas final cooling unit, the benzole washing and distillation unit, the hydrogen sulphide absorption unit and the plant for obtaining sulphuric acid by the wet catalysis method. Furthermore, a plant for the recovery of ammonium sulphide for the coke-oven gas capacity is to be newly installed.

The Koppers' installation in Rourkela was commissioned in 1959. The expansion of the plant is scheduled to be completed by October 1965.

SOCIALISM

Distribution of Wealth, Income

Two interesting views on socialism were expressed last week. An English rendering of the Prime Minister's recent speech in Ranchi rightly laid stress on the minimum necessities of the people, such as food, clothing and shelter, which were to be secured within a specified period. Socialism, he said, will come after these needs are met.

The Central Home Minister, Mr. Guljarilal Nanda, said in Patna that a frustrated mass of people in an impatient upsurge might radically change the present set-up of society if the Congress failed to implement its programme of democratic socialism within a reasonable period of time. Mr. Nanda has been closely associated with planning almost since the inception of the Planning Commission. He has also been intimately connected with organised labour. A question could legitimately be asked whether planning, for which he was responsible for a number of years, has narrowed down the disparities of wealth in the country.

In spite of more than a decade of planning, there is hardly any competition in any field of activity. Side by side, there is an unsatisfied but protected home market. These are some of the factors which have created opportunities for accumulating wealth and particularly the black money which Mr. Krishnamachari recently described as "unaccounted money."

It is necessary to consider the background against which the second plan was prepared. In its formulation, there was a conflict between the so-called progressives, headed by Professor P. C. Mahalanobis, and others in the Planning Commission, whose spokesman was Mr. K. C. Neogy. The size of the plan was ultimately increased, as was demanded by the progressives. Mr. Neogy wanted to append a note of dissent to the plan. At this stage, the then vice-chairman of the Planning Commission, Mr. V. T. Krishnamachari came out with his "master-stroke". He said that the plan could be implemented if agricultural production were raised, which would lead to a fall in prices.

Stagnation in Agriculture

Events have shown that Mr. Neogy was right, since agriculture has been stagnating. The foreign exchange crisis led to the drastic curtailment of imports, creating greater and growing disparities in wealth. The second plan made India heavily dependent on foreign aid. It looks as if this dependence will continue for many years.

The "progressives" are now in charge of the country's planning. They have evolved a new strategy of fixing the rate of growth and letting the whole plan hang on this peg. Critics are silenced by a counter-question: are you opposed to "X" percent rate of growth? A similar exercise is at present in progress in preparing the fourth plan. A rate of growth is being fixed, which will determine the size of the plan. This is being done in spite of the unsatisfactory achievements of the third plan.

The Chinese have made this country realise what the planners should have realised, say, in 1947 that funds should be set aside for national security even during peacetime. This is more prudent than making huge and sudden increases in military production and manpower immediately before or after the outbreak of a war. This long neglected aspect may now alter the fundamentals of India's development. It is not socialism but the country's security that is at stake.

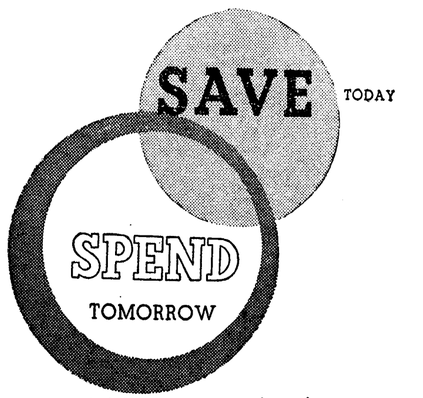
Instead of pointing to the possibility of a mass upsurge, the Central Home Minister, who is mainly responsible for the maintenance of law and order, should tell this country how and to what extent the second and third plans have reduced the disparities in wealth and have thereby brought this country nearer the cherished goal of socialism. It is not so much the Planning Commission but the Central Finance Minister that has managed to reduce the earnings of salaried peolpe as is evident from the following two tables on taxation as a percentage of earned income.

SALARY INCOME IN INDIA COMPARED WITH OTHER COUNTRIES
(Tax on a married individual with two children)

Income Rs.	India %	U.K. %	West Germany %	France %	U.S.A. %	Malaya %	Japan %	Canada %
26,666	22.91	18.8	18.2	9.3	11.4	6.9	23.0	7.5
40,000	32.45	22.6	23.1	13.7	14.8	10.3	27.5	11.8
53,333	40.34	24.5	26.5	16.9	16.9	12.9	30.6	15.1
66,666	46.67	26.5	29.4	20.4	18.7	15.6	33.3	18.3
80,000	51.56	28.8	31.9	22.9	19.9	18.7	35.3	21.6
93,333	55.18	31.6	33.8	24.6	21.6	21.7	37.2	24.5

NET INCOME AFTER TAX (IN RS.)

Income	India	U.K.	West Germany	France	U.S.A.	Malaya	Japan	Canada
40,000	27,021	30,980	30,760	34,520	34,080	35,880	29,000	35,280
53,333	31,817	40,266	40,000	44,320	44,320	46,453	37,013	45,280
66,666	35,555	49,000	47,066	53,066	54,199	56,266	44,466	54,466
80,000	38,750	56,960	54,480	61,630	64,080	65,040	51,760	62,720



A thrifty person saves today and saves his tomorrows while a spendthrift spends today and spends away his tomorrows as well.

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To illustrate the position more clearly, the results of the table on page 760 have been worked out to show the net amounts after tax which an individual in the income range of Rs. 40,000 to Rs. 80,000 will receive in India, the United Kingdom, West Germany, France, the U.S.A. and Canada.

ATOMIC POWER

New Pacts with Canada

Representatives of the Governments of India and Canada recently concluded in Ottawa two agreements on generating atomic energy. They are of far-reaching significance to both countries. The agreements will be formally signed in New Delhi shortly.

One of these agreements is between the atomic energy authorities of the two countries. The authorities will freely exchange scientific and technical information which has already been obtained, or may be obtained during the period of the agreement, concerning the development of heavy water moderated reactor systems. Either party will, if requested by the other, furnish information and detailed design data, including plans and working drawings for the design and construction of nuclear power-stations of the heavy water type. Initially, Atomic Energy of Canada Ltd will supply to the Indian Atomic Energy Department detailed design data, including working drawings, related to the Candu reactor and the Douglas Point nuclear generating station now under construction in Canada.

The agreement will initially run for a period of eight years and may be extended by mutual agreement. During the early years of the agreement, valuable information already developed as a result of Canada's special experience in the heavy water system will be transferred to the Government of India for full commercial use in India. This information, which has been valued by the Government of India at $5 million, is to be transferred without cost to India and without deduction from Colombo Plan or other assistance.

Under another agreement between the two Governments, Canada and India will co-operate in the construction of a nuclear power-station of the Candu type with a net electrical output of 200 megawatts. It will be located in Rana Pratap Sagar, Rajasthan State. The Indian Department of Atomic Energy will act as prime contractors and be responsible for the erection of the station. Canada will provide the design with detailed working drawings and specifications of the station up to the steam raising equipment while India will provide the design for the rest of the station.

Half of the initial charge of uranium fuel will be procured from Canada. The latter will also supply such additional fuel for the station as may be required by India from time to time, provided the Canadian fuel is not more expensive than other foreign fuel.

The Government of Canada will provide, under the Export Credits Insurance Act, credit facilities for the purchase of services, material and equipment supplied by Canada which is estimated to cost about $35 million; the total cost of the project is about $70 million. This station will make a valuable contribution to the power needs of a vital region in India.

Canada and India have agreed to exchange information on the operation of this station and its counterpart, the Douglas Point nuclear generating station, now under construction in Canada. They have also agreed that the two stations should be used only for peaceful purposes and the agreement includes appropriate provisions to this end. A unique feature of the agreement is that these provisions are completely reciprocal, conferring on India and Canada identical facilities for assuring themselves that both stations are being used.

It is explained that the Candu (Canadian Deuterium Uranium) nuclear power-station burns natural uranium and is both cooled and moderated by heavy water. It will have a net electrical output of 200,000 kilowatts. The Candu reactor was developed by Atomic Energy of Canada Ltd from the 20,000-kilowatt prototype N.P.D. (Nuclear Power Demonstration) reactor in Rolphton, Ontario, which went into operation in 1962.

The construction of the Douglas Point nuclear power-station began in 1960. The early construction phase, which included most of the rock excavation, massive concrete construction of the circulating coolant water channels, and the erection of the reactor building shield has been completed. The reactor building's internal construction has now largely been completed.

The Douglas Point station consists of three buildings and an administration wing. The reactor building is a culinder, 130 feet in diameter, with a 4-foot thick concrete walls, with a hemispherical steel dame. The reactor consists of a calandria, end shields and cooling assemblies. The calandria is a stainless steel vessel—22 feet in diameter and 17 feet long. It weighs 60 tons. It has 306 zirconium steel alloy tubes which are 4½ inches in diameter. The end shields are made of steel and are water cooled. In addition to shielding the fuelling machine from the reactor, the shields locate and support the reactor's cooling assemblies. The shields are more than 3½ feet thick.

The fuel for the Candu reactor is natural uranium fuel fabricated into a 19 element fuel bundle which is 19½ inches long. The weight of the bundle is 36 lbs, of which 33 lbs is uranium dioxide. Four thousand bundles will be required for the first stage. When the fuel is taken out of the reactor, it is stored permanently under water. Fuelling machines designed for the reactor permit refuelling at the rate of about five bundles a day while the reactor is in operation.

The Douglas Plant nuclear power-station has a guaranteed turbine cycle efficiency of 33 percent which, because of the high thermal efficiency of nuclear steam generator, results in an overall net station efficiency of 29 percent.

The Cost Estimate

The original estimate of the cost of the Douglas Point plant was $81,507,000. The cost experience during construction has been favourable; costs have actually fallen slightly below estimates. The Douglas Point station is scheduled to be completed in 1964 and should be in operational service the following year.

The plant will be owned by Atomic Energy of Canada Ltd and will deliver energy to Canada's largest electricity utility, the Hydro-Electric Power Commission of Ontario. The Commission will operate the station for Atomic Energy of Canada Ltd and will purchase the energy delivered. The Commission will eventually purchase the entire plant from Atomic Energy of Canada Ltd. Earlier this year, the Commission decided to build several other Candu power-stations during the next few years.

The successful construction of the Douglas Point nuclear power-station represents a significant achievement on the part of Canadian scientists and engineers. In addition to the unique design and testing work done by Atomic Energy of Canada Ltd, significant contributions were made by Canadian industry. The Canadian General Electric Company is producing the first charge of fuel; the Montreal works of the Dominion Bridge Company is building the reactor calandria; the Montreal Locomotive Works is fabricating boiler units and heat exchangers; Byron Jackson Ltd is constructing the coolant pumps.

Although the initial capital costs of a Candu nuclear power-station is relatively high, the simplified fuel cycles and the use of natural uranium results in a net cost of electrical energy competitive with coal or oil-burning thermal units. Additional savings are realised by the high burn-up of fuel characteristic of the Candu system which results in minimum quantity of radioactive waste and simplified waste disposal problems.

AUSTERITY

Precept and Practice

On 21st November, 1962, the then Central Home Minister, Mr. Lal Bahadur Shastri, laid down that austerity at official levels should include "no lavish banquets and parties, no holding of conferences at cool heights in summer, no delegations abroad, minimum use of transport and of stationery and cutting out of verbosity from official correspondence." Mr. Shastri added that "austerity should become our badge in all walks of life. Austerity admits of no compromises."

In February this year, the then Central Finance Minister, Mr. Morarji Desai, had bled the country white through taxation. And the Prime Minister silenced the critics by pointing to the concentration of Chinese troops in Tibet.

New Delhi is now having a Youth Festival as well as drama and music festivals. The Central Minister for Steel has hardly been in town. He has been constantly on tour, attending seminars and inaugurating conferences. The Prime Minister also inaugurated a machine tool factory in Punjab, the heavy machine-building plant in Ranchi and the coal mining machinery plant in Durgapur. As usual, the foreign dignitaries in sizable number are scheduled to visit India this year. Side by side, poor people of Delhi had not had even *gur* to celebrate their *Deewali*. Even Mr. Nanda does no longer talk of holding the price line.

This is how austerity which is supposed to know no comprise, is being observed here. This should also show how the poor taxpayer's money is being spent.

FOREIGN INVESTMENT

New Advisory Body Formed

The Government of India has set up a small high powered standing committee consisting of Mr. S. Ranganathan, Secretary to the Ministry of Industries, Mr. L. K. Jha, Secretary to the Department of Economic Affairs, Central Ministry of Finance and a representative of the Planning Commission. The committee will have a permanent secretary. It will coopt the Secretary of a Ministry whose subject may come up for discussion before it.

The committee will give prompt and clear-cut advice to foreign entrepreneurs, seeking fields of investment in India, on the scope for investment in a particular field, whether foreign participation will be permissible and if so in what ratio. The committee, it is expected, will lay down broad principles which should be explained to a foreign entrepreneur by the secretary of the committee, who may seek advice of the latter on issues not covered by the rules. The committee will start functioning at an early date.

BOARD OF REVENUE

Plans for Reorganisation

The Central Board of Revenue, it is reported, is being reorganised. It will be bifurcated into a board for direct taxes with Mr. J. P. Singh as its chairman and for indirect taxes, with Mr. B. N. Banerji as its chairman. The chairman of the Central Board of Revenue has already been posted as an Additional Secretary for Expenditure. There will be a third board for company law which has been transferred to the Central Ministry of Finance.

TEXTILE MILLS

U.K. Loan for Modernisation

Platt Brothers of the U. K. has arranged a loan of £7.5 million from British banks to finance the modernisation of such cotton textile units in India which need rehabilitation. The firm's representative along with that of the U.K. Export Credit Guarantee Department is here to discuss the details and select units which need to be modernised. The Export Credit Guarantee Department has lately raised the period of loan from seven to ten years. Platt Brothers of the U.K. manufactures textile machinery.

FERTILISERS

A.I.D. Loan for India

The Government of India has arranged a loan from the U.S. Agency for International Development for the purchase of fertilisers. Tenders from U.S. firms have been invited for 80,000 tons of various types of fertilisers.

FORD FOUNDATION

New Grant for C.M.P.O.

A grant of $1,987,000 to the Government of West Bengal to assist it in development planning for the Calcutta metropolitan area was announced by the Ford Foundation in New York last week. The funds provide for the services of an internationally-known group of consultants in urban planning and for training and research activities of the Calcutta Metropolitan Planning Organisation. The grant covers specified costs up to 30th September, 1965.

With this grant, a total of $2,562,000 has been provided by the Ford Foundation for the Calcutta metropolitan planning project since its inception in June 1961. The original grant in mid-1961 was for $800,000. That was supplemented by a second grant of $675,000 in 1962. The current grant is the latest in this series.

As in previous grants, the funds allotted will provide for a team of long-term and short-term advisers and consultants, foreign training fellowships for Indian staff members of the C.M.P.O., administrative costs of the planning programme, and certain necessary books, equipment, and supplies.

AGRICULTURE

Raising Output

The Agricultural Production Board held its first meeting here last week. The Board, the constitution of which was announced at the meeting of the

National Development Council earlier this month, has been set up to effect co-ordination between the concerned Ministries of the Central Government in matters relating to the improvement of agricultural production.

There was a general discussion on the steps that were necessary to effect an immediate increase in agricultural production. The utilisation of irrigation potential created by projects that have already been completed, adequate supplies of cement and iron and steel for agricultural purposes and the provision of adequate number of tractors and other agricultural equipment and fertilisers were among the subjects discussed in this connection.

Attention was drawn to the need for adequate follow-up schemes for increasing agricultural production. The Central Minister for Irrigation and Power, Dr. K. L. Rao, informed the Board that 1 million acres of land, irrigation facilities for which already existed due to the completion of irrigation projects in the States of Gujarat, Uttar Pradesh, West Bengal and Mysore, could be harnessed for an immediate increase in food production. The chairman of the Board said that he would take up the matter personally with the Chief Ministers of the States to ensure immediate action.

TERYLENE

New Plant in Bombay

A chemical and processing plant for producing 2,000 tons of "Terylene" polyester fibre a year is now being constructed by Chemicals and Fibres of India Ltd on its new 225-acre site in Thana, Bombay. The cost of the plant now being erected in Thana will be Rs. 3.5 crores, but plans are already being prepared for a phased, five-fold increase in the production capacity with simultaneous diversification to include filament yarn in addition to staple fibre in the range of products. Similar spectacular growths in output have already been achieved in other countries, especially Japan, where production has commenced only in comparatively recent years. Polyester fibre is sold as "Terylene" in the U.K., as "Dacron" in the U.S.A., as "Trivera" in Germany, and as "Tetoron" in Japan. The trade name "Terene" has been registered for its use in India.

The basic raw materials for manufacturing polyester fibre are derived from petroleum, and it is envisaged that indigenous sources of supply of these materials will become available in the next five or ten years, with further large savings in foreign exchange. Even at the outset, there will be substantial foreign exchange savings at present incurred in importing wool tops and long-staple cotton.

COCHIN SHIPYARD

Japanese Collaboration

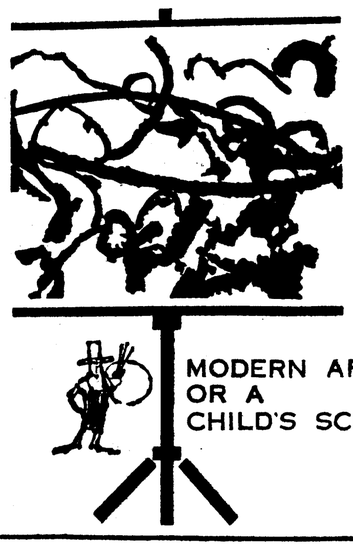
A delegation from the Mitsubishi group of industries, Japan, led by Mr. I Matsushita, vice-president of th Mitsubishi Shipbuilding and Engineering Company has had discussions with the Government on the Cochin shipyard. The Mitsubishi group has submitted detailed and concrete proposals for collaboration in the project, which are now being considered by the Government. After these proposals have been examined, further negotiations with the Mitsubishi group will be carried on in Tokyo as desired by the Japanese delegation

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LOOKING AHEAD TO LONG PERIOD OF GROWTH IN BRITAIN

(FROM OUR LONDON CORRESPONDENT)

THE U.K. Chancellor of the Exchequer, Mr. Maudling, had a busy day last Wednesday, when he was responsible for making two important speeches. The first was at a luncheon given by the American Chamber of Commerce, the second in the House of Commons during the debate on the Queen's speech. In both, the Chancellor made the most optimistic forecast for the British economy he had yet risked. "We are either at the beginning, or in the course of, a phase of substantial expansion," he said at lunch time. With relatively stable prices and a strong position of sterling he was now confident that the currency could be protected throughout a long period of expansion—as long as costs and prices remained competitive. In world trade, prospects for next year were extremely good.

Obviously, this serene picture could be spoilt if wages started to run away or if, for other reasons, the balance of the economy was upset. Mr. Maudling made that point plainly enough in the House of Commons. What had held us back in the past, he said, was the exposed position of sterling and the tendency of incomes to rise faster than productivity. This time, the resources available to support the pound against temporary fluctuations were very much stronger than they had been. But a rational incomes policy to ensure that real incomes rise no faster than the economy could bear was a basic condition of growth.

In fact, the sterling problem is closely linked with the wages problem. A new bout of wage inflation would quickly reduce the resources available to protect sterling. It will be spring or summer before this danger can be judged. For the moment there is much ground for optimism. Even the F.B.I., in a comment published on its October enquiry, says that the present expansionary phase should last until the end of 1964 and possibly until 1965—"other things being equal."

Interpreting the trends brought out by the enquiry, the F.B.I. says it would be wrong to believe that the economy was already moving forward in top gear. It was better to say that it was still accelerating. Naturally, the general election will be a factor. Its approach is probably a factor even now in delaying some industrial investment decisions. But unless politics become really disruptive the underlying factors of expansion ought to work themselves out whatever Government results from the poll.

Britain also emerges well from the latest review of economic prospects carried out by the Economic Commission for Europe. For once the differences between the trends in the United Kingdom and in the rest of western Europe appear to be almost all in Britain's favour. The most important of these differences concerns the movement of relative costs. The E.C.E. notes that in Europe as a whole industrial earnings are still rising faster than productivity, so that wage costs a unit of output have continued to climb. Britain alone, according to E.C.E., has been able to keep its rise in earnings in line with productivity and thus to hold its wage costs steady.

Success in Export Field

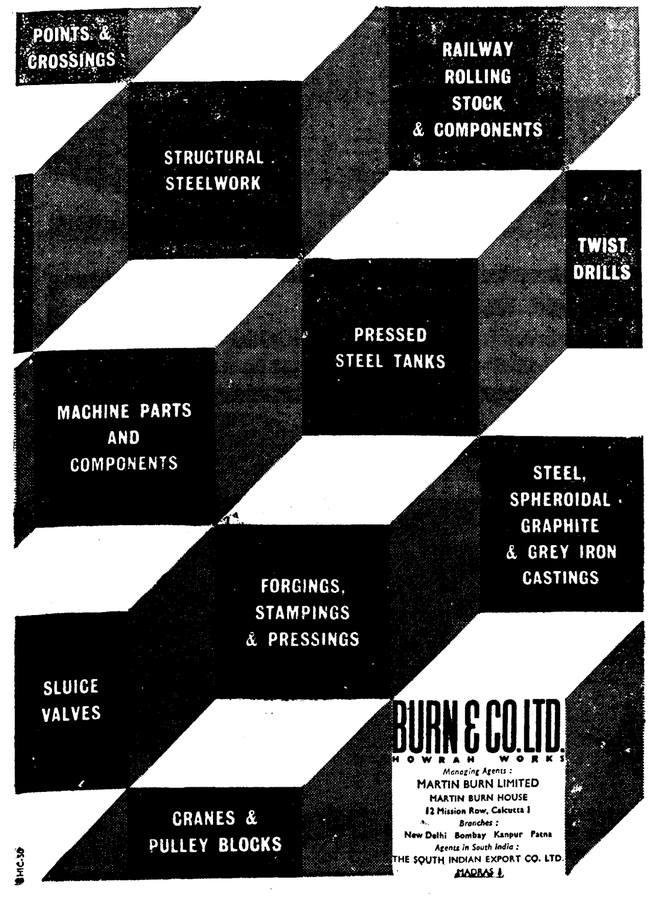
This has plainly been a major element in the U.K.'s success this year in enlarging exports, notably to western Europe. But the country cannot take it for granted that it will continue to enjoy the competitive advantage that the more favourable movement in labour costs has given it recently. According to the E.C.E., the rise in European wage costs has been much more moderate this year than it was in 1962. Except in France and Italy, the upward pressure on prices has weakened appreciably. This means that in future Britain cannot simply rely on other countries pushing up their costs faster than our own in order to maintain the competitive position. The trend in wages and earnings will have to be watched more closely to see that it does not run too far ahead of productivity. The key question here is how quickly the expansion of output that is now under way will lead to a renewed tightness in the labour market. The E.C.E. takes a highly optimistic view of the prospective supply of labour to meet in demand in the United Kingdom. Taking together the fall in civilian employment of 180,000 recorded in the year to the end of June and an assumed rise of 170,000 in the potential labour supply arising from the increase in population of working age, it arrives at the conclusion that total reserves of unused labour may have grown by as much as 350,000, or nearly 1¼ percent of the employed population.

Unfortunately, the basis of this calculation has already been weakened by the revision of its previous estimates of mid-year employment announced by the Ministry of Labour. The Ministry now believes that the total number in civil employment at the end of June may

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in fact have been about 0.7 percent greater than it had originally thought. In that case, it was probably not much different from the year before. Moreover, on the latest count (in mid-September) employment was up by 119,000 from June. Hence, it seems unwise to assume that large reserves of labour are available over the country as a whole. The U.K.'s chances of getting through next year without overloading parts of the economy will depend very much on Mr. Heath's success in steering work to the underemployed regions. In his speech to the annual conference of the Institute of Directors recently, Mr. Heath outlined the steps he is taking to set up new machinery for regional development: but he has not been left much time to get the machinery working.

European Economic Trends

In other ways, the E.C.E. does not expect to see any radical departure from present trends in the European economy in the near future. "No patently recessionary forces are at work," it says, "nor is a renewed boom in prospect." Outside the United Kingdom, it expects the rate of growth to continue at around 3 to 4 percent a year with the European economy as a whole operating at below its capacity. Although it detects some signs of quickening of exports, it does not believe that the rise in demand from other countries will be sufficient to give a major stimulus to production in Europe. In the E.C.E's view, the present relative slackness in Europe is the consequence of the deliberate policies of Governments and central banks. "Individual Governments", it says, "are at present waiting for others to pursue a more rapid expansion, but are not willing to pioneer in this direction at the risk of being left with too high domestic price and costs levels, rising imports and reduced competitiveness in export markets." Another point made by Mr. Maudling in his Commons speech, namely, that a 4 percent expansion, as visualised by the Government's announced plans, can in fact be maintained, comes in for independent support from members of the National Productivity Year Council.

Industrial Growth

Given the right conditions, the 4 percent increase in industrial growth sought by N.E.D.C. was now "well within our grasp", said Lord Netherthorpe, its chairman, speaking at a London Press conference held as a prelude to the National Productivity Year conference in Eastbourne from 26th to 28th November. The N.P.Y. had helped one firm in every four to make changes leading to higher efficiency, said Lord Netherthorpe. This represented 13,000 firms in manufacturing industry alone. He continued: "Of these, many firms will in any case have been working at a high level of productivity; their experience in N.P.Y. shows that even the best can be better. Of the remainder, some will, of their own accord have been making, and will continue to make, the maximum possible use of all the latest techniques; they may not have needed the stimulus that N.P.Y. could give.

The survey had been carried out among employers, managers, and trade unionists, and information and opinions had been obtained from 783 managements and 131 trade unionists. They had had a high response rate of 39 percent and 38 percent, respectively. Responses to questions addressed to both sides of industry showed that 42 percent of those engaged in manufacturing considered that N.P.Y. had been helpful to industry as a whole, and 43 percent said it had helped to improve management worker relationships. Of managements who said that N.P.Y. had helped their firms, and who listed ways in which this help had been most obvious, 54 percent had specified production methods, 42 percent general cost reduction, 33 percent training schemes, 27 percent quality and reliability control, 26 percent suggestion schemes, and 24 percent office methods.

Lord Netherthorpe said that there were obviously some firms which could have benefited but, for one reason or another, did not do so. "To reach these firms is the aim of all our future work," he said.

Thirty-nine national bodies have taken part in the organisation of the conference, which will cover production, marketing, distribution, research and development, and training and education. The conference will emphasise the interconnection of these subjects. Its aim is to point clearly to everyone concerned their directions during the next five years.

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Jute

BIG FIBRE PURCHASE QUOTA ISSUED FOR DECEMBER

THE Jute Commissioner has issued a raw jute purchase quota of 1 million bales for December, against 1.05 million bales for the current month. The I.J.M.A. mills will lift 925,000 bales and the others 75,000 bales. With this allocation, the total of the purchase quotas issued so far comes to 4.96 million bales—4,445,000 bales for I.J.M.A. members, 365,000 bales for other mills and 150,000 bales for the J.B.S.A. This accounts for about 68.8 percent of the season's officially estimated output of 7.2 million bales.

Announcing the quota at a Press conference in Calcutta on Tuesday on the eve of his departure for the E.C.M. countries as the leader of a trade delegation, Mr. G. C. L. Joneja, Jute Commissioner, said that the firm trend continued in the raw jute market. The minimum operational prices are well maintained and prices have tended to be harder in the secondary markets, which indirectly govern the trend in Calcutta. The co-operatives have been buying fibre only at the derivative levels, basis Rs. 30 a maund for Assam Bottoms, ready f.o.r. Calcutta. They could buy only 11,000 bales in Bihar, which is considered one of the weakest spots. This shows, according to Mr. Joneja, that growers are getting better prices in the open market.

The Jute Commissioner said that usually fibre arrivals increased from October onwards, reaching the peak in December. So the quota has been fixed at a higher level to prevent any possible decline due to selling pressure. He felt that the mills would not experience any difficulty in lifting this quota as December was a five-week month.

Estimate of Fibre Supplies

The total supplies of fibre, including unofficial arrivals from Pakistan, are estimated at 7.5 million bales this season, against 8 million bales in 1962-63, and the total Indian crop, including mesta, is estimated at between 7.2 million and 7.5 million bales, against 7 million bales. The shrinkage in supplies is due to the rigorous measures taken by the Governments of India and Pakistan to check smuggling across the border. Mr. Joneja felt that in spite of the high level of foodgrain prices, the outlook for jute should become better when the Rs. 3.8-crore project for the improvement of fibre supplies is implemented.

Mills are worried over the continuing slackness in the offtake of jute goods during the past few months, although they have been producing at the maximum level, expecting an early reversal of the trend. With Pakistani capacity well-booked for far forward positions, it was hoped that further orders from foreign countries would flow to India. But despite the gradually declining price levels, fresh overseas business has been small. Foreign consumers seem to be waiting for a further fall in prices.

The virtual absence of the U.S.A. from the market and her gradual consumption of spot stocks call for caution. In fact, U.S burlap prices have softened over the weeks. Argentina has been purchasing cornsacks rather sparingly. Australia has not yet completed her woolpack purchases for the 1964 fleecing season. A representative of the Australian Jute Goods Association is in Calcutta. Trade circles believe that he will iron out disputes between the A.J.G.A. and the I.J.M.A. over the gunnies exported from India. Some business in woolpacks and cornsacks may materialise as a result of the talks. Many are hoping for Indian Government tenders for heavy goods for the ready and near positions in large quantities.

Meanwhile, production costs have risen due to the impact of the Wage Board award and the increase in fibre rates. Mills are concerned about the fall in the quality of the new jute. It is stated that due to early harvesting and a shortage of retting water in August and September, the fibre processed then is more tough and lacks lustre and strength. Of course, the crop harvested in late September and October has yielded better fibre. But it has not yet been offered for sale in the markets.

India has already suffered a substantial loss of export markets in Australia, Burma, Cuba, Peru and a number of African countries due to keen competition. Unable to retain its sacking markets, the Indian industry has concentrated on producing hessian and carpet-backing cloth. The pioneering units which entered the carpet-backing market earlier fared well for some time. But now the prices of this material too have tended to sag, although the demand is still unsatisfied. With further expansion of broad-loom capacity in India, this lucrative line is likely to lose much of its appeal.

Higher Prices for Lower Grade Fibre

The State Trading Corporation is working out the details of a scheme to raise the minimum prices of a few lower varieties of jute under its price-support scheme, it is reported. The minimum prices for Bihar district jute and Chakia and Lakhimpur are to be raised to Rs. 25.50 a maund from the beginning of the current season. The corresponding prices during the 1962-63 season were Rs. 25, Rs. 24 and Rs. 23.50, respectively. But the minimum price of Assam Bottoms will remain unchanged at Rs. 30 a maund, f.o.r., Calcutta, ready delivery.

S.T.C. Buffer Stock Operations

Since its buffer stock operations started about a month ago, the State Trading Corporation, it is reported, has purchased about 50,000 maunds of jute. Sometimes the market rates have been higher than those offered by the S.T.C. This season the Corporation proposes to buy 500,000 bales initially. But it may go up to 1 million bales, if the situation so demands. The Corporation has already strengthened its procurement machinery and is reported to be active in remote pockets where prices may sag.

U.S. Burlap Consumption Down

U.S burlap consumption has decreased from 79.7 million yards in September to 79 million yards in October. The latter figure, however, compares favourably with the offtake of 75 million yards in October 1962. The January-October total this year, at 760.3 million yards, is also higher than the 727 million yards consumed during the comparable period of last year. The average monthly consumption so far comes to 76 million yards, against 72.7 million yards in the previous year.

U.S. stocks at the end of October declined by 11 million yards to 278 million yards, indicating that consumers there are not replenishing their inventories. Of the total, 124 million yards were afloat, against 127 million yards at the end of September. Spot stocks declined by 8 million yards to 154 million yards. At the end of October 1962, the stocks were 249 million yards—117 million yards spot and 132 million yards afloat. At the rate of consumption during October 1963, the stocks will last for 3.5 months. The corresponding stock duration was 3.3 months on this basis at this time in 1962.

West Pakistan to Grow Jute

West Pakistan has in hand a scheme to cultivate jute in the zone irrigated by the Ghulam Mohammed Dam. After a successful experiment on about 1,000 acres of land in this zone, the West Pakistan Agricultural Development Corporation has prepared a two-phased plan for acquiring land and preparing it for jute-farming. The Corporation also plans to set up a jute research centre in the area for developing better seeds. It is estimated that the Badin zone in the western wing would produce about 25,000 maunds of improved seeds for use in both the wings East Pakistan may later be able to multiply these seeds.

Scope for Private Importers in U.K.

Importers of jute goods in the U.K. have been notified by the Board of Trade about certain changes in the import arrangements for heavy bags, common sacking and woolpacks. Jute goods of these categories hitherto imported by the Jute Control from India and Pakistan, are now to be returned to the private trade. The notice says that licences to import these goods from any source outside the Eastern Area for arrival in the U.K. on or after 15th December, 1963, will be issued to applicants, who provide evidence of purchase. The Eastern Area comprises Albania, Bulgaria, Czechoslovakia, East Germany, Hungary, North Korea, North Vietnam, Outer Mongolia, China, Poland, Rumania and Russia.

Appeal to Indian Exporters

The jute industry in West Germany has appealed to Indian exporters to exercise some restraint in exporting jute goods to West Germany. This request has been made because the quota system for jute goods in West Germany is to be abolished from 1964 and it is feared that Indian goods may come in too large quantities. In 1962-63, India exported to West Germany 4,533 tonnes of hessian cloth, 385 tonnes of sacking bags and 2,744 tonnes of hessian bags, against 7,710 tonnes, 952 tonnes and 2,774 tonnes, respectively, in 1961-62.

THE JUTE MARKETS

Manufactured Goods: Barring a short-lived flutter of activity induced by "lucky day" trading on account of Diwali, dull conditions prevailed in the Calcutta gunny market during the past week. A holiday spirit pervaded the scene. Overseas enquiries and business were of a routine nature. Demand in the spot market was poor. In the futures market,

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operators were preoccupied in squaring up their November contracts. Most of the outstanding ones were converted into February ones and conversion charges tended to soar higher and higher. This activity occasionally propped up the drooping sentiment in the spot market but failed to stabilise prices. On Tuesday, reports of satisfactory consumption of burlap in the U.S.A. during October, and a further decline in U.S. stocks, were hailed by the market. But in the absence of fresh enquiries or business from that country, the news failed to impart any favourable reaction. Although mills were keen to get orders, they were not inclined to discount prices any further in view of the upward trend in production costs. In the freight market, too, there were few fresh bookings for cargo space. So shipper covering turned out to be of a routine nature. The entire list was dotted with losses, sacking suffering more than hessian. The turnover was moderate and the undertone hesitant at the close.

Wednesday's quotations were as follows:

	Nov.	Dec.	Jan.-Mar.	Apr.-June
30in. 7oz.	35·15	35.10	35.20	35.20
40in. 10oz.	37.65	-	-	-
40in. 10oz.	46.40	46.50	46.80	46.85
B Twills	112.60	113.00	113.80	113.65
Cornsacks	113.75	114.50	114.25	115.25
Heavy Cops (Plain)	113.60	112.05	113.51	113.70
A Twills	132.50	133.60	134.50	134.00
Liver. cords	123.50	124.50	125.70	125.50

Raw Jute: Steady conditions prevailed in the raw jute market during the past week. Despite increasing arrivals in the upcountry markets, sellers were not inclined to discount prices from the existing levels which were ruling above the derivative prices. In fact, in some secondary markets upcountry which were deemed rather weak spots in Bihar, the co-operatives could buy only nominal quantities around the prescribed minimum rates. The farmers there could get much higher rates in the open market. Mills were buying around the prevailing levels against their November quotas in the Calcutta and upcountry markets. With the issue of a purchase quota of 1 million bales for December, prices might tend to harden further. In the futures market operators had started squaring up their outstandings against the December contract. Business in March contracts commenced from Tuesday. There was a lot of conversion of the former to the latter and contango charges tended to be higher. Turnover was fair in the spot market and moderate in the futures market. The undertone was steady in the former and slightly easy in the latter.

Landed at Mills (Basis Bottoms)

	Current Prices Rs A Qtl.	Rs. A Md	T.S.D. Minimum Prices Rs A Qtl.	Rs. A Md.
Assam-Agartala Jute	80.38	30.00	80.38	30.00
Northern Jute	79.04	29.50	79.04	29.50
Western Desd Jute	73.68	27.50	73.68	27.50
Selected Daisee	87.07	32.50	85.74	32.00
Assam-Agartala Tossa	85.74	32.00	83.05	31.00
Mesta: Assam-Northern	72.34	27.00	72.34	27.00
Local Daisee	72.34	27.00	72.34	27.00
Bihar Dist.	64.30	24.00	66.98	25.00

THE U.K. JUTE MARKETS

FIBRE WEAK

(FROM OUR DUNDEE CORRESPONDENT)

THE markets in Pakistan were reported to be steadier for white jute last week, but this was not reflected in the position here. Arrivals of loose jute from upcountry were again smaller and quality was said to have fallen away. However, this was not reflected in the position in Dundee and some sellers were willing to accept less than previously for the lower grades.

Dundee spinners were not showing much buying interest and business was confined to small quantities. Sellers who were not willing to discount the minimum export prices were finding it impossible to transact business in the fibre.

As a result of this, prices quoted were very irregular, and covered a wide range. The lowest rates were at £132 for Mill Firsts, at £107 for Mill Lightnings, at £93 for Mill Hearts and at £77 for Grade Hearts, c.i.f. U.K. for November-December shipment. Grade Tossa-2/3 was named at £127 and Grade Tossa-4 at £106 10s. Outport Tossa-2/3 was at £93 and Outport Tossa-4 at £82, November-December.

Cuttings were little steadier due to a certain amount of business taking place to some Continental countries. However, there were still sellers of S.N.C. at £54 and of N.C. at £46 15s, c.i.f. U.K., for November-December shipment.

There was little change in the prices of Siam jute. Sellers were now offering on the basis of c.i.f. Dundee and not delivered mill as previously as two steamers would be loading for this port. Grade A was at £68, grade B at £62 and grade C at £57, for December-January shipment.

The Calcutta goods market was quiet, but steady with a small business taking place to the U.K. Quotations were at 71s 1d for 40in. 10oz. and at 53s 10d for 7½oz. a 100 yards f.o.b. Calcutta for November shipment, at 71s 4d and 53s 10d December and at 72s and 54s 2d January-March. B Twills were at 173s 10d, 174s 2d and 174s 7d for the respective shipment periods.

Yarns and cloth were quieter in Dundee and the higher prices which were being asked by most spinners were reduced to their former level. This was mainly due to the recent easier trend in raw material values and not to lack of orders. Most producers have orders in hand for delivery into the first quarter of next year, but the quieter market has slowed down business for forward delivery.

THE PAKISTANI JUTE MARKETS

FIBRE DULL

(FROM OUR DACCA CORRESPONDENT)

THE tossa market has been so weak both overseas and locally that it will take more than a bumper rice crop to affect prices at which it has been offered overseas. There is, however, already a suggestion that white jute imports are falling off and that in spite of the low quality, the amount of white jute available will not be sufficient to meet the demand, especially if the mills buy as the Jute Board wishes them to. Although there has been a lot of talk about excessive low quality jute, this will not be such a plague on the market as one has been led to believe.

The Export Hearts and Outport Tossa 4s of this season are mostly clean-cut and with modern machinery, there is no reason why the European mills should not use these grades in a far greater quantity than they did in the past. It is simply a matter of time before sufficient quantities of these grades reach Europe and buyers realise that they must change their batch. When they do so, it is almost certain that the demand of the lower grades will increase considerably.

It was hoped that the quality of white jute in the better jat areas would improve again and that the large amount of speck was only a temporary evil. So far this has not proved to be the case. It is almost impossible to make genuine Dundee Mill Hearts today because the better quality jute which would normally produce this, is full of speck. Overseas buyers continue to hold off the market, and apparently find it quite easy to buy most grades at a fantastic discount.

HIDES AND SKINS FIRM

The market in skins was firm and prices showed an upward tendency, while that in hides was steady. Stocks were higher than in the previous week.

Bazaar Sales

(Between 12th November and 18th November, 1963)

Cowhides: Wet salted (Ord) 8,000 pcs. on the basis of Rs. 8 to Rs. 12.50; Wet salted (Slaughtered) 36,500 pcs. on the basis of Rs. 10.50 to Rs. 16.50 and Rs. 19 to Rs. 28; Wet salted (Ord.) 1,000 pcs. on the basis of Re. 1 a lb.

Goatskins: Wet salted (Patna, Daisee, Kustia) 45,400 pcs. on the basis of Rs. 325 to Rs. 340, Rs. 370 to Rs. 390 and Rs. 465 to Rs. 470; Wet salted (he-killed) on the basis of Rs. 4.62 and (she-killed) on the basis of Rs. 4.37 a piece; Assam-Dinajpur 15,500 pcs. on the basis of Rs. 280 to Rs. 350; Purneah-Kissenganj 21,800 pcs. on the basis of Rs. 330 to Rs. 350; Patna-Mozafferpore 1,900 pcs. on the basis of Rs. 300 to Rs. 320; Korbani 1,500 pcs. on the basis of Rs. 450.

Bazaar Stocks

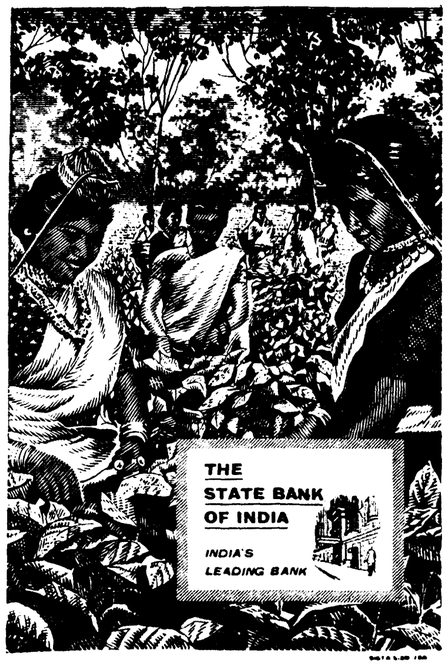
(18th November, 1963)

Cowhides: Wet salted 73,500 pcs.

Goatskins: Wet salted 55,500 pcs.; Assam-Dinajpur 1,13,500 pcs.; Mozafferpore-Patna-Pakur-Purneah-Kissenganj 1,65,500 pcs.

A TASK FOR FLYING FINGERS

In the cool, clean, mountain air, the tea gardens of Assam spread out like vast, green carpets. With lightning speed, the cheerful tea pickers pluck the tender tea-tips as soon as they grow. Only young leaves will do for processing. People like these busy workers are the real people of the country — industrious, happy, with faith in the progress of new India... a progress in which we at the **State Bank of India** are proud to play our part, by serving the nation through our network of branches throughout the land.



COMPANY AND PUBLIC NOTICES

THE CENTRAL BANK OF INDIA LIMITED

Registered Office: Mahatma Gandhi Road, Fort, Bombay-1.

NOTICE

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting of the Shareholders of The Central Bank of India, Ltd., will be held at the Registered Office of the Company at Central Bank Building, Mahatma Gandhi Road, Fort, Bombay-1, on Monday, the 16th day of December, 1963, at 4-00 p.m., to consider and, if thought fit, to pass, with or without modification, the following Resolutions as Special Resolutions:—

I. RESOLVED that the Authorised Capital of the Company be increased to Rs. 10,00,00,000/- (Rupees Ten Crores), by the creation of 7,37,928 new Ordinary Shares of Rs. 50/- each and that the conditions of the Memorandum of Association of the Company be altered accordingly.

II. RESOLVED FURTHER that out of the 7,37,928 new Ordinary Shares so created, 6,34,625 new Ordinary Shares be issued, in the first instance, upon the following terms and conditions:—

(a) Such 6,34,625 new Ordinary Shares shall be issued and offered at a premium of Rs. 5/- per share, to the shareholders of the Company on its Register of Members on the 14th day of January, 1964, or such other date as may be fixed by the Directors, (hereinafter referred to as "the specified date"), including former shareholders of The Jodhpur Commercial Bank Ltd., who are deemed to have become the shareholders of the Company pursuant to the Scheme of Amalgamation of the two Banks, in the proportion of one new Ordinary Share for every two existing Ordinary and/or Ordinary "A" Shares held by such shareholders and/or be deemed to have been held by the former shareholders of The Jodhpur Commercial Bank Ltd. (all of whom are hereinafter referred to as shareholders) on the specified date, the fraction of a share if any issuable on this basis, being dealt with as hereinafter provided. Such offer to non-resident shareholders shall be subject to the sanction of the Reserve Bank of India.

(b) Rs. 30/- per each new Ordinary Share (made up of Rs. 5/- on premium account and Rs. 25/- on capital account) shall be payable to the Company on application for such new Ordinary Shares as aforesaid.

(c) The new Ordinary Shares shall not confer on the holders thereof the right to participate in any dividend relating to any period prior to 1st May, 1964. In all other respects, the new Ordinary Shares shall rank *pari passu* with the existing Ordinary Shares.

(d) Such offer be made by letter as hereinafter mentioned, Each shareholder receiving such offer shall be entitled either to take up, by paying therefor, all or any of the new Ordinary Shares so offered to him, or to renounce (upon signing a renunciation in such form as shall be prescribed by the Board of Directors) his right to all or any of such new Ordinary Shares in favour of a nominee or nominees, provided that, such nominee or nominees shall be a shareholder or shareholders of the Company, or be approved of by the Board of Directors and that, such nominee or nominees shall sign an acceptance of the shares so renounced in the said form of renunciation, and that, any such renunciation by a shareholder and acceptance by such nominee or nominees shall be effective only if made upon forms to be supplied by the Company and lodged duly completed with the Company, within the time specified, together with the sum of Rs. 30/- per share (made up of Rs. 5/- on premium account and Rs. 25/- on capital account).

(e) The said offer be made to the shareholders by a letter, specifying the number of new Ordinary Shares to which each such shareholder is entitled on the specified date, and having forms annexed to such letter, for acceptance by such shareholder, in case such shareholder accepts the new Ordinary Shares offered to him (whether wholly or in part), and for renunciation in case such shareholder renounces (whether wholly or in part), the new Ordinary Shares offered to him in favour of such nominee or nominees and for acceptance by such nominee or nominees of any shares so renounced, and limiting a time within which the offer, if not accepted by payment of the said sum of Rs. 30/- per each new Ordinary Share (made up of Rs. 5/- on premium account and Rs. 25/- on capital account), will be deemed to have been declined, with liberty to the Directors from time to time to extend the time for acceptance as aforesaid either generally or in respect of any particular shareholder or holders.

(f) The letter making the offer to the shareholders shall also invite offers from the shareholders for additional shares, and forms of application for such additional shares shall be annexed to the letter making the offer, so that, any shares not taken up by any of the shareholders pursuant to the offer made in sub-clause (e) above, may be allotted to shareholders applying for additional shares, on an equitable basis with reference to the shares already held by them, provided that shareholders who renounce their rights wholly or partly, shall not be entitled to apply for additional shares, save and except Banking Companies and Executor and Trustee Companies, provided such Companies give the names of the beneficial owners for whom they act as nominees.

(g) In the case of those shareholders who hold odd number of shares on the specified date, no coupon be issued to such shareholders in respect of the fraction of a share to which they are entitled. The fractions of shares remaining, after the offer of complete new Ordinary Shares as aforesaid, shall be consolidated and allotted as the Board of Directors deem fit to any person or persons including any one or more of themselves or any one or more of the employees of the Company, for the purpose of being sold, and the proceeds realised by sale, less Rs. 30/- per share (made up of Rs. 5/- on premium account and Rs. 25/- on capital account), and also less expenses of and incidental to such sale, be divided *pro rata* amongst the shareholders who would otherwise have been entitled to a fraction of such new Ordinary Shares.

(h) The Board of Directors shall have the right in their absolute discretion to reject any application for new Ordinary Shares and to refuse allotment to any person or persons (not being a shareholder) not approved of by them without assigning any reason.

(i) The Board of Directors be and are hereby empowered to allot or in the alternative to dispose of, such of the new Ordinary Shares as are not taken up in response to the offer made as aforesaid, at the ruling market price or at the issue price consented to by the Controller of Capital Issues, namely Rs. 30/- per share, whichever is higher. Where the above procedure is not practicable for any reason, the said shares shall be disposed of by the Directors in a manner previously approved of by the Controller of Capital Issues.

(j) If any new Ordinary Shares applied for are not allotted, the Company shall refund the amount paid on application without interest, in due course.

(k) Letters of Allotment shall not be issued but only the Certificates in respect of the new Ordinary Shares shall be issued, which shall be completed and ready for

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AND
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FIRST TO GET THE ISI CERTIFICATION MARK

Alind was among the first few industrial establishments in the country to apply for a licence under the ISI certification Mark Scheme ... and the very first to get it!

Bare aluminium conductors produced at Kundara bear this mark ISI while those made at Hirakud bear ISI Now, Alind's covered (insulated) aluminium conductors too carry certification marks ISI for ALIND AL-VINYL and ISI for ALIND KER-AL-LITE!

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India's largest manufacturers of aluminium conductors and accessories.

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Works at: Kundara o Hirakud o Hyderabad

Managing Agents: SESHASAYEE BROS. (TRAV.) PRIVATE LIMITED

AL/62/V

TRANSLATED FROM THE FRENCH LANGUAGE

ACTION FOR INFRINGEMENT OF PATENTS CONCERNING VARIOUS DEVICES FOR CIRCULAR LOOMS

COURT OF APPEAL OF PARIS

(4th Chamber)

Extracted from the "Arret" (Judgment of the Court of Appeal) delivered on 12th March, 1962.

In the Matter:

(1) "Société Anonyme" SOCIETE D'APPLICATIONS GENERALES D'ELECTRICITE ET DE MECANIQUE, called S.A.G.E.M., with Registered Office situated at No. 6 Avenue d'Iéna, PARIS,

(2) "Société" TURBOLOOM-CORPORATION, of 21 rue Rembrandt (Tangier-Morocco)

(3) Armand BES, of 198 Rue Robelia—SAO PAULO (Brazil)

Versus:

"Société Anonyme" SAINT FRERES, with Registered Office situated at 34 rue du Louvre, PARIS I.

Upon these grounds:

and those non-contrary of the first judges, which the Court adopts,

Does admit, as to the form, the "Société Anonyme" Société d'Application Générales d'Electricité et de Mécanique, called SAGEM, the "Société" Turboloom-Corporation and Armand Bès, in their principal appeals, but does declare them therein as groundless,

Does admit the "Société Anonyme" SAINT FRERES in its incidental appeal and does declare it therein as well grounded,

Does confirm the provisions of the judgment appealed against, which have declared that the "Société" SAGEM has infringed the devices protected by the French Patents Nos. 843,658 and 861,173 belonging to the "Société SAINT FRERES,

Reversing the contested judgment,

Does declare and adjudge that the "Société" SAGEM has also infringed the French Patents Nos. 860,203, 961,657 and 975,127 likewise belonging to the "Société" SAINT FRERES.

Does confirm the provision of the contested judgment which has declared that the "Société" SAGEM has illicitly imitated the devices forming the subject matter of the application for the Patent registered under No. 495,781, which was to become the Patent No. 994,782, —which imitation was effected before the notification served to SAGEM before the application for a Patent; and does declare and adjudge that on account of the circumstances under which the said imitation has been effected, such doing from the "Société" SAGEM has constituted an act of unfair competition to the prejudice of the "Société" SAINT FRERES,

Does confirm the provision of the judgment appealed against, which has forbidden to the "Société" SAGEM, to the "Société" Turboloom and in case of need to Bès, to infringe in the future the devices protected by the French Patents Nos. 843.658, 861,196 and 994,782, but as to the last Patent, only as far as the first type of roller used by SAGEM is concerned; does extend the said forbidding to the devices protected by the Patents Nos. 860.203, 961,657 and 975,127,

Does order the confiscation and the delivery to the "Société" SAINT FRERES of all objects infringing the Patents Nos. 843,658, 861,176, 860,203, 961,657 and 975.127,

Does confirm the provision of the contested judgment, which has ordered that an expert's report be made to supply the Tribunal of Great Instance of the Seine with elements of valuation of the whole of the prejudice suffered by the "Société" SAINT FRERES, *both on account of the infringement* and of the unfair competition,

Does sentence jointly and severally the "Société" SAGEM, the "Société" Turboloom Corporation and Bès to pay to "Société" SAINT FRERES the sum of 150,000 NF. as advance out of the damages not yet assessed,

Does confirm the provisions of the contested judgment referring to the measures of publicity of the judgment, but does declare that they will apply to this "Arrêt" (Judgment of Court of Appeal),

Does confirm the provisions of the judgment appealed against, which have dismissed the 'Société" SAGEM, the "Société" Turboloom and Bès for their counterclaims for damages as well as those relating to the costs,

Does sentence jointly and severally the "Société" SAGEM, the "Société" Turboloom Corporation and Bès to the full costs of appeal, both principal and incidental ones, and does order the payment thereof for the benefit of Me. Narrat, "Avoué" (Solicitor), who has required it under his legal affirmations.

delivery within nine months from the last allotment of such new Ordinary Shares.

(l) For the purpose of giving effect to this Resolution, the Directors be and are hereby authorised to prescribe the forms of application and renunciation and other documents in respect of such new Ordinary Shares and to give such directions as they think fit, including directions for settling any questions or difficulties that may arise in regard to the issue and allotment of the new Ordinary Shares, inclusive of such difficulties as may arise with regard to the offer and allotment of the new Ordinary Shares to be allotted to the former shareholders of The Jodhpur Commercial Bank Ltd.

III. RESOLVED that the sum of Rs. 25/- per share, remaining uncalled in respect of each of the said 6,34,625 new Ordinary Shares to be issued by the Company, shall not be capable of being called up except in the event of and for the purpose of the winding up of the Company.

IV. RESOLVED that in accordance with the provisions of Section 314 and other applicable provisions (if any) of the Companies Act, 1956, the Company hereby accords its consent to the appointment of Mr. J. J. Khambata, being a relative of Mr. S. S. Khambata, a Director of the Company, as Deputy Manager of the Company (being an office or place of profit under the Company) with effect from such date as the Board of Directors may fix (not being earlier than the date of passing this resolution) on a salary of Rs. 2,650/- per month, with the free use of the Company's car and a car allowance of Rs. 300/- per month and the usual benefits of service according to the Rules of the Company including Provident Fund, Bonus, Gratuity, etc.

Note:—(a) The Relative Explanatory Statements pursuant to Section 173 of the Companies Act, 1956, in respect of the businesses set out above have been forwarded to the Shareholders of the Company.

(b) **A Shareholder entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a shareholder.**

(c) The Transfer Books of the Company will be closed from the 8th day of January, 1964, to the 14th day of January, 1964, both days inclusive.

By Order of the Board,
F. C. COOPER,
General Manager.

Bombay, 16th November, 1963.

SIJUA (JHERRIAH) ELECTRIC SUPPLY CO. LTD.

Eleventh Drawing of First Debentures (5% Registered), 1976

HOLDERS of First Debentures (5% Registered), 1976, are hereby advised that the Eleventh Drawing for Redemption will be held at 10 A.M. on Wednesday, the 11th December, 1963, at the Registered Office of the Company, Chartered Bank Buildings, Calcutta.

For and on behalf of
SIJUA (JHERRIAH) ELECTRIC SUPPLY CO., LIMITED,
J. M. ADDISON-SCOTT,
Director.

Registered Office:
Chartered Bank Buildings,
Calcutta, 11th November, 1963.

INDIAN ALUMINIUM COMPANY, LIMITED

31 CHOWRINGHEE ROAD CALCUTTA-16

NOTICE

IN connection with the payment of interim dividend the Register of Holders of Ordinary Shares and the Ordinary Share Transfer Register of the Company will remain closed from December 4th to 6th, 1963, both days inclusive.

In connection with the proposed bonus issue the Register of Holders of Ordinary Shares and the Ordinary Share Transfer Register of the Company will further remain closed from December 9th to 16th 1963, both days inclusive.

INDIAN ALUMINIUM COMPANY, LIMITED,
T. D. SINHA,
Secretary.
18th November, 1963.

Registrars' Office:
ANDREW YULE & COMPANY LIMITED,
8, Clive Row
Calcutta-1.
(Post Box 150)

THE CALCUTTA ELECTRIC SUPPLY CORPORATION LIMITED

(Incorporated in England)

5% Rupee Debenture Stock, 1970 Interest for the Half-year ending 31st December, 1963

NOTICE is hereby given that interest at the rate of Rs. 25/- (less Indian Income Tax) per Rs. 1,000/- of Stock will be paid on 1st January, 1964 to Debenture Stockholders registered in the books of the Company on 19th December, 1963. Applications for transfers received at the Company's Office at Victoria House, Post Box 304, Chowringhee Sq., Calcutta, upto 19th December, 1963, will, if otherwise satisfactory, be registered at that date for the purpose of participation in the above interest.

Debenture Stock Transfer Books will be closed from 20th December, 1963 to 31st December, 1963, both days inclusive.

By Order of the Board,
D. P. M. KANGA,
Agent.

Victoria House,
Calcutta, 18th November, 1963.

COMPANY MEETINGS AND DIVIDENDS DECLARED OR PROPOSED

Name of Company	Date	I.S.T. Hours
Mysore Kirloskar Ltd	23-11-63	4 p.m
National Rolling & Steel Ropes Ltd.	9-12-63	4 p.m.
Central Bank of India Ltd.	16-12-63	4 p.m.

DIVIDENDS DECLARED OR PROPOSED.—Jay Engineering Works Ltd—10 p.c. (o), subject to tax; Delhi Cloth and General Mills Co. Ltd—13 p.c. (o) (Gross); Smith, Stanistreet & Co. Ltd—22½ p.c. (o), subject to tax. Nelliampathy Tea & Produce Co Ltd—15 p.c. (o), subject to tax; Rajagiri Rubber & Produce Co. Ltd—11¼ p.c. (f) (o), subject to tax.

"CAPITAL" STOCK AND SHARE LIST

THE INVESTORS GUIDE AND SHAREHOLDERS GAZETTE

Official quotations of the Calcutta Bombay Madras London Stock Exchange Associations and other sources
Figures given after stroke (/) mean Naye Paise.

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Wednesday, 20th November, 1963.

BANKS

NAMES	Dividends per cent 1960	1961	1962	Paid-up per Share Rs.	Latest Market Quotations as available until 20-11-63 Rs	13-11-63 Rs	A year ago Rs
Allahabad Bank P.	18	18	..	100	260/00	258/00	396/00
Bank of Baroda	17	17	16	50	96/00	97/00	92/00
Bank of India	20	20	20	50	113/00	113/00	110/50
Central Bank of India	20 2/5	20	20	25	61/00	62/50	60/50
Chartered Bank	15	15	..	£1	sh.60/6	sh. 59/9	sh. 53/6
Hindusthan Commercial	Nil	Nil	Nil	50	13/50	13/50	17/12
Hindusthan Mercantile	Nil	Nil	..	50	15/62	15/62	15/62
Hong Kong & Shanghai	£3½	£3½	£3 1/5	HK$25	£19¾	£18¾	£16¾
Indian Bank	15	15	14	100	157/50	157/50	173/00
Indian Overseas Bank	14	14	..	..	148/00	148/00	161/00
Industrial Finance Corpn.	..	..	..	50	..	..	..
National & Grindlays Bank	13½	14	16	sh 15	sh.33/3	sh. 32/7½	sh. 32/-
Punjab National Bank	20	20	20	10	19/44	19/25	20/62
Union Bank of India	11 2/5	11 2/5	..	5	6/36	6/40	6/24
United Bank of India	6.3	6	6	10	7/75	7/69	7/62
United Commercial Bank	12	12	12	50	74/50	75/00	80/00

*1962

JUTE MILLS

NAMES	Dividends per cent 1960	1961	1962	Paid up per Share Rs	Latest Market Quotations as available until 20-11-63 Rs	13-11-63 Rs	A year ago Rs
Agarpara P.	10	2½	2½—12*				
Alexandra P.	44	15	42½	10	10/56	10/56	10/19
Alliance P.	1	Nil	10	100	300/00	300/00	305/00
Anglo-India P.	20	7	10—12*	100	160/00	160/00	117/00
Auckland P.	27	12	Nil—15*	100	238/00	234/00	223/00
Bally P.	25	25	25	100	144/50	144/50	153/00
Barnagore P.	30	10	10	100	261/00	261/00	293/00
Bengal P.	8	..	.	£5	230/00	228/00	180/00
Birla P.	15	15	15—15*	10	9/37	9/37	10/25
Budge Budge P.	10	Nil	12	10	33/00	34/12	30/00
Calcutta P.	..	..	..	100	158/00	158/00	160/00
Caledonian P.	12	5	..	10	4/12	4/12	8/00
Champdany P.	10	5	Nil-40*	100	180/00	180/00	220/00
Cheviot P.	Nil	5	25	10	24/37	24/37	
Chitavalsah P.	6	Nil	5	10	22/94	23/62	23/94
Clive P.	..	..	..	10	11/12	11/12	11/25
Dalhousie P.	5	1	Nil—25*	100	9/19	9/19	8/37
Delta P.	7½	Nil	12	100	154/00	154/00	125/00
Empire P.	12½	7½	12½	100	172/00	171/00	175/00
Fort Gloster P.	25	10	12½—20*	10	17/75	17/75	17/25
Fort William P.	22½	22½	10—20*	100	372/00	368/00	412/00
Ganges P.	10	10	15	10	28/25	28/25	25/37
General Industrial	40	10	13	10	13/87	14/12	13/12
Gouripore P.	30	25	20—20*	10	16/75	16/12	18/62
Hastings P.	4	4	6—6*	10	25/25	25/25	
Hooghly P.	10	20	7½—10*	100	128/00	128/00	128/00
Howrah P.	12½	10	Nil 10*	10	16/00	16/00	20/00
Hukumchand P.	28½	28½	26⅔-26⅔	10	19/62	20/12	19/06
India P.	14	12	6	7½	21/25	20/62	26/12
Kamarhatty P.	6	Nil	20	12½	16/37	17/00	17/06
Kankinarra P.	Nil	Nil	10	100	201/00	201/00	164/50
Keiviu P.	15	15	5	100	147/00	147/00	130/00
Khardah P.	20	5	12½-12½*	100	194/00	194/00	190/00
Kinnison P.	20	7	Nil-10*	10	19/37	19/37	17/00
Lansdowne P.	Nil	Nil	Nil-Nil*	100	148/00	148/00	153/00
Lawrence P.	5	15	10-10*	100	98/00	98/00	120/00
Megna P.	12	12½	Nil-22*	100	112/50	112/50	116/00
Naihati P.	..	..	..	100	13/37	13/31	12/62
Naskarpara	..	..	..	10	104/00	104/00	107/00
Nationa P.	7½	Nil	10	10	8/00	8/00	8/44
Nellimarla P.	2	6	15	10	23/94	24/00	24/00
New Central P.	15	15	Nil	10	12/87	12/87	11/25
Northbrook P.	30	30	20-25*	10	15/00	15/37	13/62
Nuddea	8	6	5—10*	50	31/00	31/00	36/75
Presidency	8	6	10	5	68/25	68/25	55/00
Rameshwara P.	Nil	Nil	Nil-Nil*	10	5/81	5/81	4/87
Sellarec P.	Nil	Nil	Nil-Nil*	10	9/20	9/20	9/87
Samnuggur P.	1	Nil	10	£1	8/81	9/00	6/44
Saree Ambica P.	1	6	Nil	10	10/50	10/50	10/50
Soorah P.	25	25	25	10	55/00	35/00	35/00
Titaghur P.	5	Nil	13	£1	23/50	23/50	25/50
Union P.	25	1	Nil-20*	100	168/00	165/00	165/00
Victoria P.	1	Nil	10	£1	10/50	10/50	10/50
Waverley P.	30	30	80	1	9/75	9/87	5/62

* 1963

COAL COMPANIES

NAMES	Dividends per cent 1960	1961	1962	Paid-up per Share Rs.	Latest Market Quotations as available until 20-11-63 Rs	13-11-63 Rs	A year ago Rs
Amalgamated	10	12½	15	10	26/00	26/00	22/12
Bengal P.	25	21	..	100	276/00	276/00	335/00
Bengal Bhatdee	..	..	..	10	3/48	3/48	3/48
Bengal Nagpur	10	26	..	10	22/00	22/00	22/00
Bhalgora	..	..	..	10	4/75	4/81	5/00
Bharat Collieries P.	..	..	..	10	3/65	3/62	3/53
Bhutanbarree	..	..	..	10	11/94	11/94	12/00
Bokaro & Ramgur	..	..	..	10	11/19	11/19	11/19
Borree P.	15	15	..	10	22/12	22/12	23/87
Burrakur P.	13	13	13	10	17/69	18/00	16/12
Central India	8	10	10	10	10/06	10/00	9/81
Central Kurkend P.	..	..	..	10	3/87	3/87	8/00
Churulia	5	..	..	4	3/06	3/06	3/06
Dhemc Main	Nil	Nil	..	10	4/50	4/50	5/94
East Indian	7½	15	20¾	£1	31/50	30/62	50/00
Equitable P.	15	10	..	10	25/62	24/31	25/62
Ghusick & Muslia	Nil	Nil	Nil	10	14/25	14/25	15/00
Gurdar Kajora	..	..	..	10	2/44	2/44	2/05
Hurriladih	..	..	..	10	7/06	7/06	8/12
Karanpura Development	6	6	..	100 10F	12/06	12/00	12/00
Karanpura Collieries P	15	15	..				
Katras Jherriah	7½	10	10	10	16/00	16/00	18/00
Khas Kajora P.	95	40	25	10	33/75	33/81	48/75
	..	..		10	17/62	17/62	18/70
Mundulpur	..	..	..	10	2/69	2/69	2/69
Nazira	7½	Nil	Nil	10	5/00	6/25	5/75
New Beerbhoom P.	16	10	..	10	19/25	19/25	20/94
New Manbhoom	7½	9	12	10	15/25	15/25	13/75
North West	20	20	..	10 7½	19/75 18/00	19/75 18/00	19/75 18/00
Oudal P.	6	7½	..	10	13/50	13/50	13/00
Parasea P.	13	14	..	10	14/00	14/00	16/00
Pench Valley	10	10	10	10	18/31	18/31	16/50
Pure Sitalpur	..	..	..	10	..	8/00	4/00
Raneegunge	15	17	17	10	14/12	13/75	15/00
Rewa	20	20	..	10	28/50	28/50	29/12
Samla	10	..	..	10	9/00	9/00	10/03
Searsole	Nil	Nil	Nil	2½	1/22	1/22	1/94
Seebpore P	42 6/7	42 6/7	..	7	34/75	34/75	45/00
Sendra	5	5½	..	10	5/00	5/00	5/75
South Karanpura	2½	Nil	Nil	10	8/69	8/62	7/00
Standard	15	10	..	10	13/12	13/12	16/00
Union	..	..	..	10	10/12	10/12	10/37
Western Bengal	6	7½	9	10	9/00	9/06	8/94
West Jamuria	Nil	Nil	..	10	4/56	4/56	9/37

COTTON MILLS

NAMES	Dividends per cent 1960	1961	1962	Paid-up per share	Latest Market Quotations as available until 20-11-63 Rs.	13-11-63 Rs.	A year ago Rs.
Basanti P.	..	..	..	10	13/69	13/69	9/19
Bengal Luxmi	..	..	..	40	30/00	30/00	28/00
Bengal Nagpur P.	Nil	..	..	10	3/25	3/25	3/25
Bharat Commerce	5	15	15	10	24/37	26/00	25/37
Birla Cotton	10	20	20	10	33/00	33/00	28/37
Bowreah P.	10	20	15	10	26/12	26/12	24/00
Cawnpore Textiles	7-1/5	10	10	5	7/56	7/81	7/06
Delhi Cloth & Genl P.	12	13	13	25	50/75	55/50	49/50
Dunbar	20	20	15	10	30/06	30/44	27/00
Elgin P.	11½	17½	17½	10	22/81	23/44	19/50
J. & Cotton (Rayon) P.	12½	..	..	10	12/62	13/25	14/25
Jay Shree	10	10	..	10	16/62	16/69	16/25
Muir P.	..	..	..	100	74/50	74/50	100/00
New Victoria P.	Nil	..	..	2½	1/62	1/60	1/37
Orissa Textiles P.	Nil	Nil	..	10	9/00	9/00	9/00
Rampoorie Cotton	3	Nil	..	10	13/00	13/00	12/00
	Nil	Nil	Nil	1	3/00	2/00	2/00
Swadeshi (Kanpur) P.	5	..	..	100	12/62	12/62	11/50
	4.51	..	..	10PC	6/81	6/81	7/37

BOMBAY COTTON MILLS

NAMES OF MILLS	Dividends per cent 1959	1960	1961	Paid-up per Share	Latest Market Quotations as available until 10-11-63	12-11-63	A year ago	NAMES	Dividends per cent 1959	1960	1961	Paid-up per Share	Latest Market Quotations as available until 10-11-63	12-11-63	A year ago
				Rs	Rs	Rs	Rs.					Rs	Rs	Rs	Rs.
Ahmedabad Advance P.	7	16	..	100	142/50	147/50	170/00	Indian	..	..	..	250	860/00	860/00	800/00
Apollo	..	..	..	7	2/06	2/03	2/00	Indore Malwa United	7	8½	10—7½*	100	202/00	200/00	195/00
Baharilal Ramchanan	Nil	Nil	..	100	93/00	93/00	82/50	Khatau Makanji P.	16	32	..	100	210/00	216/25	373/75
Bombay Dyeing etc	14	14	14—14*	25	62/00	63/80	59/10	Kohinoor	9½	15	18	100	341/00	334/50	275/00
Bradbury P.	10	10	25	50	157/50	157/50	155/00	Lakshmi Vishnu P.	Nil	5·7	6—Nil*	100	102/00	103/00	110/00
Century	..	..	..	100	662/00	674/00	562/50	Morarjee Goculdas P.	21½	21½	24—21*	100	395/00	399/00	468/00
Central India P.	Nil	Nil	Nil	100	110/00	120/00	99/00	Mysore Spg. & Mfg. P.	10	14	14	50	50/00	50/00	54/00
Coorla	..	..	..	100	165/00	165/00	150/00	New City of Bombay	..	..	..	100	160/50	160/00	142/50
Dawn	20	30	30	50	153/75	154/50	129/50	New Great Eastern P.	..	..	..	100	187/00	187/00	270/00
Edward Textiles	9	9	..	200	295/00	295/00	325/00	Phoenix	..	..	..	100	232/00	234/00	203/00
Elphinstone P.	14	18	22	50	99/00	101/00	92/00	Sassoon & Alliance	Nil	Nil	..	10	11/00	11/25	14/00
Finlay	..	..	..	100	325/00	335/00	295/00	Sassoon Spinning	25	17	20—10*	10	45/50	45/50	49/00
Gokak	..	..	..	100	124/00	183/50	175/50	Simplex	10	15	Nil—22*	50	126/00	130/00	152/00
Hindoostan	..	..	..	250	950/00	950/00	965/00	Shree Nwgs P.	15	18	20	100	290/00	284/00	240/00
India United	..	..	..	10	22/40	22/48	25/00	Svadeshi P.	14	17	..	100	261/00	262/00	238/00
	..	..	..	100	2/72	2/56	2/12	Swan	..	..	..	100	275/00	275/00	250/00
								Tata	10	20	..	25	57/50	57/20	54/00
								Western India	..	..	..	250	875/00	875/00	835/00

* 1962

BOMBAY MISCELLANEOUS COMPANIES

NAMES	Dividends per cent 1960	1961	1962	Paid-up per Share	Latest Market Quotations as available until 10-11-63	12-11-62	A year ago
				Rs.	Rs.	Rs.	Rs.
CEMENT ENGINEERING & METAL							
Associated Cement	12½	12	12	100	153/00	152/50	147/50
ELECTRIC LTG POWER							
Ahmedabad Electricity	7	6	..	100	94/50	94/80	90/50
Andhra Valley Power P.	5½	5	5	100	1,057/50	1,053/00	1,005/00
Bombay Suburban Elec	..	..	..	100	102/50	101/75	104/00
Tata Hydro Elec. Power P.	5½	5	5	100	109/00	108/50	106/00
Tata Power P.	5½	5	5	1000	1,117/50	1,110/00	1,102/50
Alcock Ashdown	..	..	..	100	310/00	317/00	288/00
Jost's Engineering	6	10	10	50	60/00	60/00	98/00
Larsen & Toubro P.	12½	18	14	10	24/68	25/25	21/96
Mckenzies	..	..	..	100	137/50	137/50	140/00
Premier Construction P.	..	..	..	300	160/00	165/00	118/00
	..	..	..	31F			
Tata Eng & Locomotive P.	12½	14½	14½	100	280/00	293/00	263/50
Tata Iron & Steel P.	9·1	10·36	10·36	750	145/25	147/25	121/00
Indian Iron & Steel P.	Nil	..	..	10	3/12	3/12	3/25
Bloomfield	Nil	..	..	10	9/00	9/00	10/25
Chamong	Nil	10	10	10	197/00	197/00	195/00
Darjeeling Tea & Chin	30	30	30	100	102/50	102/50	102/50
Dilaram	8	4	..	100	11/69	11/69	11/69
Gielle	Nil	..	8 4/7-15*	10	14/00	14/00	14/56
Lingia P.	15	10	17½	10	11/00	11/00	11/00
Longview	12½	10	..	10	12/50	12/50	11/62
Margaret's Hope	15	15	15	10	191/50	191/50	191/50
Mim	22½	27½	27½	100	600/00	600/00	605/00
Nagri Farm	30	25	35	10	20/00	20/00	20/00
Okayti	25	25	..	100	7/50	7/50	7/37
Pashok	10	Nil	..	10	7/50	7/12	8/87
Poobong	Nil	Nil	5	10	386/00	386/00	386/00
Pussimbing P.	Nil	Nil	Nil	10	8/50	8/50	8/50
Rungliee Rungliot	35	20	7½	100	1,000	1,000	1,000
Seeyok	15	Nil	..	10	3/12	3/12	3/25
INSURANCE COMPANIES							
British India General	..	..	..	10	12/88	13/00	12/24
Jupiter General P.	..	..	..	15	9/20	9/20	12/32
New India	..	..	..	15	49/50	55/70	62/00
Vulcan	..	..	..	10	16/76	16/76	16/40
MISCELLANEOUS							
Belapur Sugar	..	..	..	50	248/50	256/00	210/00
Bombay Burmah Trading	30	33	33	25	64/20	65/90	..
				20	49/50	49/75	..
Hindustan Lever	26	26	12	10	39/75	39/50	41/50
Industrial Invt Trust	6½	6½	..	100	77/00	77/00	72/00
Kemp (Chemists)	..	..	..	200	271/25	273/75	310/00
National Rayon	22	..	..	100	373/50	395/00	422/00
Scindia Steam Navign.	6	6	3	20	15/04	14/92	11/04
Shivrajpur Synd.	30	Nil	..	10	22/00	22/52	24/00
Tata Chemicals P.	6	6½	6½	10	17/56	17/84	12/60
Tata Oil P.	25	23	23	25	71/00	69/20	51/50
Voltas	13	14	14	100	256/00	262/00	235/00
Western India Match	16	16	16	100	263/00	270/00	256/00

TEA COMPANIES

NAMES	Dividends per cent 1960	1961	1962	Paid-up per Share	Latest Market Quotations as available until 20-11-63	13-11-63	A year ago
				Rs	Rs	Rs.	Rs.
ASSAM GARDENS							
Amluckie	Nil	10	7½	10	18/37	18/37	20/00
Anandabag P.	30	32½	20	10	33/25	33/25	23/25
Bagmari	Nil	15	7½	10	17/25	17/25	18/50
Barduar Tea	Nil	..	..	4	8/50	8/50	8/50
Basmatia	35	25	20	10	24/25	23/62	27/25
Bateli	30	..	..	5	17/50	17/50	18/00
Betjan	40	45	30	10	30/12	30/12	32/62
Bishnauth	13	13	20	10	18/69	18/37	17/25
Bokakhat	Nil	12	13	10	13/75	13/70	13/75
Borman Jan P.	15	15	15	10	13/00	13/25	16/12
Bor Pukhuri	Nil	Nil	10	10	11/00	11/00	11/75
Brooke Bond P.	15	10	7½—7½‡	10	13/06	12/94	12/19
Dejoo Valley	15	20	30	10	60/00	60/00	49/38
Dessai & Purbuttia	Nil	10	15	100	200/00	200/00	141/00
Dhelakhat	12½	..	..	10	20/75	20/44	20/00
Dhunseri P.	30	15	10	10	13/00	12/00	15/00
Dibrugarh	40	40	30	10	32/50	32/50	32/50
Dimakum P.	25	20	25	10	22/62	22/62	31/87
Duffiaabu	35	25	30	10	28/06	28/06	37/87
East India	Nil	Nil	10	10	15/56	15/56	18/87
Hilaonkri	25	20	15	10	25/44	25/44	25/44
Jokai	Nil		20	10	14/94	14/94	13/37

‡1962

TEA COMPANIES—Contd.

NAMES	Dividends per cent 1960	1961	1962	Paid-up per Share	Latest Market Quotations as available until 20-11-63	13-11-63	A year ago
				Rs.	Rs.	Rs.	Rs.
Grob	6	6	6	5	8/15	8/15	8/06
Hoograjuli (Assam)	20	20	17	10	27/62	27/12	27/12
Hoolungooree	10	7½	20	100	199/00	199/00	190/00
Jutlibari	30	30	20	10	31/50	31/50	32/00
Kingsley Golaghat P.	25	35	..	100	125/00	125/00	212/00
Kotamullai P.	Nil	Nil	Nil	5	10/31	10/31	10/31
Krishnabehari	15	8	10	10	11/80	11/80	10/50
Kyang Tea	Nil	..	..	10	8/06	8/06	8/06
Ledo	Nil	Nil	Nil	10	13/75	13/75	17/25
Maud Tea & Seed	10	7½	7½	10	14/81	14/81	14/81
Methoni	5	14	20	10	17/87	17/87	18/50
Moheema	Nil	Nil	..	10	11/50	11/50	11/50
Mothola	30	30	35	100	507/00	507/00	507/00
Murphulani (Assam)	5	15	25	10	26/50	26/50	26/50
	10.63	20.63	30.63	10	26/87	26/87	28/75
Naga Hills	10	10	10	10	22/25	22/25	22/69
Namburnadi	12	12	..	10	12/87	12/87	14/56
New Cinnamoliah	Nil	Nil	Nil	100	302/00	302/00	450/00
Rajgarh	40	13½	17½	10	19/00	19/00	21/37
Sapoi	22½	20	..	10	18/50	17/25	24/44
Seajuli	22½	15	30	10	25/50	21/12	20/75
Telonian	25	25	25	10	24/12	24/12	27/75
Tengpani	30	30	22½	10	33/75	35/00	35/00
Tezpore P.	20	12½	..	10	15/19	15/19	15/56
Tongani	Nil	Nil	..	10	5/31	5/31	6/50
Tyroon	10	15	25	10	31/00	31/00	34/37
CACHAR							
Arcuttipore	Nil	5	6	10	7/00	7/00	7/00
Baitakhal	2½	2½	..	10	8/06	8/06	6/69
Central Cachar	5	7½	5	100	85/00	85/00	73/00
Eastern Cachar	Nil	Nil	..	10	4/50	4/50	4/12
Kallinugger Khoreel	6	..	..	100	87/00	87/00	87/00
Hattikhira	Nil	8	Nil	10	8/75	8/75	9/44
Kunchanpore	Nil	Nil	..	10	6/00	6/00	6/00
Loobah	Nil	Nil	Nil	10	4/56	4/56	5/00
North Western	30	20	10	100	175/00	175/00	205/00
Pathemara	Nil	Nil	Nil	10	7/50	7/50	7/50
Roopacherra	Nil	10	Nil	10	11/00	11/00	13/62
Rungamattee	5	5	5	50	51/50	51/50	50/00
Sonai River	Nil	Nil	..	10	5/05	5/05	9/12
DARJEELING							
Bloomfield	Nil	..	..	10	3/12	3/12	3/25
Chamong	Nil	10	10	10	9/00	9/00	10/25
Darjeeling Tea & Chin	30	30	30	100	197/00	197/00	195/00
Dilaram	8	4	..	100	102/50	102/50	102/50
Gielle	Nil	..	8 4/7-15*	10	11/69	11/69	11/69
Lingia P.	15	10	17½	10	14/00	14/00	14/56
Longview	12½	10	..	10	11/00	11/00	11/00
Margaret's Hope	15	15	15	10	12/50	12/50	11/62
Mim	22½	27½	27½	100	191/50	191/50	191/50
Nagri Farm	30	25	35	10	30/06	30/12	27/00
Okayti	25	25	..	100	600/00	600/00	605/00
Pashok	10	Nil	..	10	20/00	20/00	20/00
Poobong	Nil	Nil	5	10	7/50	7/50	7/37
Pussimbing P.	Nil	Nil	Nil	10	7/50	7/12	8/87
Rungliee Rungliot	35	20	7½	100	386/00	386/00	386/00
Seeyok	15	Nil	..	10	8/50	8/50	8/50
Singell	Nil	Nil	Nil	100	36/75	36/75	36/75
Singtam	2	Nil	2	10	3/50	3/50	3/50
Soom	50	40	40	10	34/00	34/00	31/00
Sunama	15	15	20	10	14/75	14/75	12/75
Teesta Valley	Nil		8 4/7-10*	10	15/87	15/75	12/25
Tukvar	Nil	Nil	..	10	6/00	6/00	6/00
DOOARS							
Banarhat P.	22½	21	21	100	241/00	241/00	255/00
Baradighi	30	25	25	10	24/12	24/12	23/87
Bhatkawa	15	15	20	10	17/25	17/25	17/37
Birpara P.	17½	12½	17½	100	162/00	162/00	151/00
Carron	20	5	7½	100	155/00	155/00	145/00
Choonabhuti P.	32½	20	20	100	210/00	210/00	262/00
Ellenbarrie	5	5	10	100	184/00	184/00	184/00
Engc	60	30	40	100	136/00	136/00	136/00
Etheibari	5	5	7½	10	11/87	11/50	13/12
Gairkhata	25	20	11	10	21/50	21/50	21/50
Gopalpur	12	2	10	25	20/00	20/00	20/00
Hantapara P.	15	5	10	100	114/00	114/00	106/50
Hasimara P.	17	..	18—15*	10	13/81	13/81	14/00
Huldibari	22½	..	19 2/7-11*	10	13/06	13/50	13/69
Jaybirpara	10	Nil	Nil	10	23/12	22/37	11/06
Killcott	25	15	15	10	15/87	15/94	17/31
Manabarrie	10	6	..	10	59/50	59/50	59/50
Nagaisuree	25	15	15	100	140/00	140/00	169/50
New Doonars P.	35	20	14½	100	230/00	230/00	258/00
Oodlabari	12½	7½	..	100	13/62	13/62	14/25
Phaskowa	Nil	Nil	Nil	100	129/00	129/00	127/00
Raisabhat	Nil	Nil	6	10	12/00	12/00	12/12
Ranicherra	15	15	7½	10	12/50	12/50	16/75
Rydak	25	20	25	10	25/75	26/12	27/31
Sarugaon	40	40	40	10	36/31	36/31	36/25
TERAI							
Atal	5	..	..	10	8/75	8/75	6/75
Belgachi	20	20	..	10	22/50	22/50	20/50
Gungaram	20	12½	12½	100	130/00	130/00	158/00
Hansqua	20	15	17•	10	20/00	20/00	20/00
New Chumta	15	..	12 6/7-20*	10	24/62	24/62	33/50
New Terai	22½	10	15	10	23/00	23/50	36/00
Panargoomiah	20	20	2½	10	11/37	14/37	31/12
Putinbaree	14	14	..	10	45/00	45/00	45/00
Tirnihannah P.	60	60	60	10	49/00	49/00	49/00
CHITTAGONG							
Kodala	Nil	Nil	..	10	9/25	9/25	9/25
Kornafull	Nil	Nil	..	10	9/31	9/31	13/98
Oodaleab	Nil	Nil	..	10	8/00	8/00	8/00
SYLHET							
Chundeecherra	Nil	Nil	Nil	10	26/00	26/00	23/00
Dauracherra	22½	22½	20	10	11/56	11/56	7/31
Kaliti	Nil	Nil	..	10	10/00	10/00	9/12
New Samanbagh P.	25	Nil	Nil	10	18/37	18/37	18/37
Patrakola	22½	40	15	100	129/00	129/00	148/00
Rajnagar	Nil	Nil	Nil	10	9/50	9/50	8/56
Teliapara	22½	22½	10	100	110/00	110/00	99/00

‡ Hectares

* 1963

MISCELLANEOUS COMPANIES

NAMES	Dividends per cent 1960	1961	1962	Paid-up per Share	Latest Market Quotations as available until 20-11-63	13-11-63	A year ago
				Rs.	Rs.	Rs.	Rs.
MININGS							
Burma Mines	2 3/5	Nil	Nil	3½S	0/44	0/44	0/44
Chrestien Mica Industries P.	15	12½	..	10O	10/25	10/25	11/12
	25	20	..	5Dd	6/81	6/87	8/85
Indian Copper Corporation	27	27	..	2s	3/57	3/66	4/28
Metal Corporation P.	Nil	..	..	10O	8/56	8/75	9/37
Orissa Mineral Development	36	28	20	10	27/37	27/37	36/50
CEMENT LIME, SLATE, ETC.							
Ashoka Cement	7	7	7—7*	10	7/37	7/37	7/06
Assam Bengal Cement	..	..	..	10O	4/81	4/81	4/00
				1Dd	0/58	0/59	0/44
Bengal Potteries	15	..	..	2½	5/37	5/37	5/54
Bisra Stone Lime	30	30	10	..	22/50	22/50	27/87
Dalmia Cement (Bharat) P.	12	12	12	10O	12/87	13/19	13/81
				1Dd	2/81	2/81	2/15
Jaipur Udyog P.	6	8	8.36	10	12/19	12/62	11/25
Kumardhubi Fireclay & Silica P.	18	18	18	10	18/45	18/45	18/45
Orissa Cement P.	15	15	10	10	14/94	15/56	15/25
Reliance Firebricks & Pottery	22	15	10	5	22/75	22/75	22/75
Sone Valley Portland Cement	4	6	8	10	4/81	4/81	4/53
Sutna Stone & Lime	27½	30	35	10	28/31	28/31	37/00
CHEMICAL INDUSTRIES							
Alkali & Chemical Corpn of (I)	12	15	15	10	35/37	35/62	37/50
Bathgate & Co. Ltd. P.	Nil	..	..	5	0/84	0/84	0/84
Bengal Chemical & Pharm P.	7	10	..	100	102/00	102/00	101/00
Hantapara P.	15	5	10	100	17/81	17/87	19/31
Hasimara P.	17	..	18—15*	10	13/81	13/81	14/00
Huldibari	22½	..	19 2/7-11*	10	13/06	13/50	13/69
Jaybirpara	10	Nil	Nil	10	23/12	22/37	11/06
Killcott	25	15	15	10	15/87	15/94	17/31
Manabarrie	10	6	..	10	59/50	59/50	59/50
Nagaisuree	25	15	15	100	140/00	140/00	169/50
New Doonars P.	35	20	14½	100	230/00	230/00	258/00
Oodlabari	12½	7½	..	100	13/62	13/62	14/25
Phaskowa	Nil	Nil	Nil	100	129/00	129/00	127/00
Raisabhat	Nil	Nil	6	10	12/00	12/00	12/12
Ranicherra	15	15	7½	10	12/50	12/50	16/75
Rydak	25	20	25	10	25/75	26/12	27/31
Sarugaon	40	40	40	10	36/31	36/31	36/25
ELECTRIC LIGHTING, POWERS							
Agra Electric Supply	11	11	11	100	118/00	118/00	120/00
Bareilly Electric Supply	11	11	11	10	12/50	12/37	12/25
Benares Electric Supply	11	11	11	10	11/62	11/62	12/44
Bhagalpur Electric Supply	8	10	8	8	6/56	6/56	6/38
Calcutta Electric Supply	7	7½	7½	£1	14/28	14/50	14/87
Cuttack Electric Supply	7½	10	10	10	11/81	11/87	12/62
Dishergarh Power Supply P.	10	10	10	100	88/00	88/00	94/00
Jhansi Electric Supply	..	..	..	10	5/90	5/90	5/90
Jubbulpore Electric Supply	10	10	10	10	11/25	11/25	11/37
Mirzapur Electric Supply	..	..	..	£	12/00	12/00	12/00
Muzaffarpore Electric Supply	12½	12½	12½	10	11/50	11/50	12/25
Muttra Electric Supply	..	..	..	10	11/06	11/06	11/12
Patna Electric Supply	10	10	10	10	10/75	10/75	10/81
Shahjahanpur Electric P.	6½	6½	6½	10	7/50	7/50	7/00
Sijua (Dherriah) Electric	10	9	8	10	8/50	8/50	9/06
United Provinces Electric	11	11	11	100	142/00	142/00	120/00
Upper Jumna Valley Electric	13½	13½	13½	10	17/75	17/75	15/25

* 1963

MISCELLANEOUS COMPANIES—Contd.

NAMES	Dividends per cent 1960	1961	1962	Paid-up per Share Rs.	Latest Market Quotations as available until 20-11-63 Rs.	13-11-63 Rs.	year ago Rs.
ENGINEERING & METAL							
Arthur Butler (Muzaffarpore) P.	..	..	..	10	14/94	14/94	14/50
Bhartia Electric Steel	10	10	12½	10	15/00	15/12	13/75
Braithwaite India	25	25	14	10	35/75	35/75	34/87
Bridge & Roof	30	30	30	10	52/25	52/25	52/25
Britannia Building & Iron P.	Nil	Nil	Nil	10	3/37	3/37	3/65
Britannia Engineering P	10	10	10	10	10/75	10/50	10/25
British India Electric Cons	45	20	15	10	31/00	31/00	33/12
Burn P (Engineering)	28½	28½	28½-25*	100	698/00	698/00	600/00
Calcutta Steel	15	15	15-12½*	10	14/19	13/94	14/87
Dalmia Iron	10	10	10	10	11/62	11/75	11/44
Guest, Keen Williams	16	14	14	10	42/56	43/25	34/87
Hooghly Docking	Nil	Nil	12½	50	95/00	95/00	102/00
Indian Iron & Steel P.	15	16	16—16*	10	24/94	25/38	22/18
Indian Malleable Casting	Nil	..	..	50	6/00	6/00	6/00
Indian Standard Wagon P.	Nil	..	..	1Dc	2/06	2/06	2/50
Indian Steel & Wire Products	25	24	23—28*	100	36/25	36/25	49/00
Industrial Containers	Nil	10	10	10	21/37	21/37	22/00
Jay Engineering	17 3/20	17	15	10	21/87	21/75	24/31
J. K. Steel P	20	20	10	10	16/87	17/00	16/25
Jessop & Co. P.	8.58	8.58	8.58	10	26/12	26/31	22/12
Kumardhubi Engineering P.	10	11½	15	8	9/44	9/37	7/50
Marshall Sons (India)	Nil	Nil	Nil	3	2/87	2/87	3/25
National Iron and Steel	Nil	Nil	Nil	10	5/90	5/90	4/75
Saran Engineering	8½	10	12½—10*	4	8/78	8/78	11/12
Steel Containers	20	20	20	10	29/50	29/50	22/50
Textile Machinery	10	10	..	10	28/20	28/55	20/00
SUGAR, BREWERIES ETC.							
Bairampur Sugar	8	8	4	2½	1/95	1/95	2/34
Belsund Sugar	18½	10	6 2/3	7½	8/94	8/81	9/62
Bharat Sugar P.	..		..	10	13/31	13/31	12/87
Carew (Sugar) P	Nil	Nil	Nil	10	11/50	11/69	12/25
Cawnpore Sugar P.	Nil	Nil	Nil	10	9/94	9/94	12/37
Champaran Sugar	15	12	Nil	10	13/87	13/87	15/87
Durbhanga	4	Nil	5	10	9/94	10/00	9/00
New Savan Sugar and Gur	..	..	..	10	4/50	4/50	5/25
Purtabpur Sugar P	..	..	..	10	10/81	10/81	11/50
Ramnugger Cane & Sugar P.	30	35	30	10	29/00	28/50	30/37
Raza Buland	12½	10	10	10	10/25	10/25	10/20
Ryam Sugar P.	..	..	..	10	3/56	3/56	8/06
Samastipur Central Sugar	..	..	..	10	5/19	5/87	9/62
Shree Krishna Gyanoday Sugar P.	15	..	..	10	8/87	8/87	9/06
Shree Sitaram Sugar	..	..	..	10	7/12	7/12	7/12
Sitalpore Sugar	4	Nil	Nil	10	3/94	3/94	6/12
United Provinces	15	5	Nil	10	10/00	10/00	10/62
Upper Ganges Sugar P.	72½	72½	72½	10	85/00	85/00	77/00
MISCELLANEOUS							
A Fipo (Restaurateur)	7½	10½	5	10	5/90	5/90	5/90
Aluminium Corporation P.	12	12	12—5*	10	14/19	18/00	15/12
Anderson Wright Ltd P.	11½	Nil	..	10	11/50	11/50	11/50
Angelo Bros.	25	28½	28	10	27/00	26/62	22/75
Assam Match	18	20	20	10	27/50	27/50	28/75
Assam Saw Mills & Timber	Nil	Nil	3	3	2/62	2/56	2/75
Associated Battery	25	15	15	10	29/50	30/25	27/06
Associated Hotels of India P.	Nil	10	10	10	10/31	10/31	10/31
Balmer Lawrie & Co.	25	25	25	100	256/00	256/00	257/00
Bararee Coke	Nil	Nil	15—15*	10	22/12	22/25	24/50
Birds Investments P.	9½	10	10	10	10/44	10/50	12/50
Britannia Biscuit P.	25	30	25—21*	10	42/50	42/50	45/12
British India Corporation P.	4	7	9	5	8/81	9/00	9/62
British Paints	12½	15	10	10	23/50	22/25	20/25
Calcutta Silk Manufacturing P.	Nil	Nil	..	10	6/94	6/94	7/15
Clive Row Investment	8	7½	7½	10	8/56	8/56	8/25
Duncan Brothers & Co Ltd P.	14	14	14	100	140/00	140/00	157/50
Dunlop Rubber Co (India) P.	21½	20	15	10	38/00	39/12	36/50
Dyer Meakin (Breweries)	25	30	..	5	34/06	33/81	29/62
Eastern Investments Ltd P.	14	14	12	100	122/00	121/00	129/00
Electric Construction	10	10	10	10	13/25	14/12	13/50
French Motor Car	20	20	..	20	32/75	32/75	35/12
Ganges Rope	17½	20	20	100	236/00	236/00	236/00
General Investments Trust P.	5	5	5—5*	75	43/00	43/00	43/00
Gillanders Arbuthnot & Co. Ltd P	10	11	11—11*	10	14/19	14/12	14/06
Gladstone Lyall & Co Ltd P	4 2/5	..	..	10	..	..	..
Godfrey Phillips (India) Ltd P.	40	40	30	10	28/12	28/12	33/25
Great Eastern Hotel	9	6	..	250	250/00	250/00	241/00
Hindustan Aluminium P.	Nil	..	..	10	14/25	14/62	13/50
Hindustan Motors P	9	12	12½-11½*	10	19/16	19/81	16/50
Hindusthan Pilkington	..	..	..	10	17/50	17/50	19/50
Hindusthan Pwyfords P.	Nil	Nil	Nil—Nil*	10	14/87	14/87	15/75
Hoare Miller & Co Ltd.	6	6	..	10	5/62	5/62	6/62
Imperial Tobacco	2	9	9	10	9/94	10/00	10/87
Indian Aluminium Co. Ltd P.	18	15	17½	10	39/37	39/75	32/12
Indian Cable P.	22½	22½	22½-22½*	10	40/00	41/37	34/50
Indian Oxygen	15	15	12	10	29/50	29/50	30/75
Indian Rubber Manufacturers P.	20	20	36	10	19/81	19/87	20/00
Isaac Holdens	30	30	30	10	16/50	30/31	32/00
Investments and Finance P.	..	Nil	..	100	16/44	16/44	15/56
Indian Wood Products	7½	7½	7½—7½*	10	30/00	55/00	55/00

NAMES	Dividends per cent 1960	1961	1962	Paid-up per Share Rs.	Latest Market Quotations as available until 20-11-63 Rs.	13-11-63 Rs.	year ago Rs.
J. K. Synthetics	..	8	..	10	12/44	12/50	12/19
James Wright P.	..	..	..	50	4/43	2/75	2/75
Jardine Henderson Ltd P.	8	7	8—7*	1Dd	00/43	00/43	00/43
Jay Shree Industries P.	14	12½	..	100	79/50	79/75	73/00
Kesoram Industries P.	8	12	12—13*	10	18/69	18/62	16/44
Macfarlane & Co	..	..	..	10	27/81	29/69	22/25
Macneill & Barry Ltd. P.	..	..	..	50	6/69	6/75	7/00
Martin Burn Ltd P.	8	8	7½	1Dc	1/69	2/19	2/50
McLeod & Co. P.	27½	27½	25	100	100/00	100/00	93/50
Metal Box Co of India Ltd P.	15	15	18	10	28/87	28/87	29/75
National Insulated Cable P.	25	25	19	100	210/00	210/00	215/00
National Pipe & Tubes P.	25	25	25—28*	10	53/75	53/75	53/50
National Rolling & Steel Rope	30	20	20	10	24/75	25/75	25/00
National Rubber P.	13	15	15	10	28/75	28/75	29/75
National Tobacco P	Nil	6½	8	10	21/37	21/37	21/37
New India Investment Corpn.	8.7	..	..	75	13/06	12/69	11/25
Octavius Steel P.	10	7½	7½	100	13/37	12/81	13/00
Philips India	12	12	13	10	59/50	59/50	90/00
Publicity Society	10	75	75—50*	4	30/50	30/50	28/12
Ralli's India P	4	8½	8	100	22/62	22/62	26/19
Rohtas Industries P.	20	10	8—9*	10	133/00	133/00	150/00
Sirsilk P	Nil	..	..	10	13/37	14/00	12/00
Sen Raleigh Industries P.	8	8	9	10	10/47	10/56	8/75
Shaw Wallace P.	15	15	7½	10	15/19	15/19	18/87
Spencer's Hotel	2½	2½	..	2	16/75	16/81	20/06
Union Carbide	18	18	12½	10	0/65	0/65	0/94
Walford Transport	20	20	..	1PO	43/31	43/31	45/00
	30	30	..	10	3/00	2/87	2/25
					4/06	4/00	3/37
INSURANCE COMPANIES							
Concord of India	20	20	20	5	11/25	11/25	11/50
Hercules	22½	26½	26½	10	22/56	22/56	25/37
Ruby General	10	13½	13½	8	10/44	10/81	9/69
Standard General	..	..	..	10	6/25	6/25	8/00
Triton	45	50	50	25	128/00	128/00	131/00
FLOUR MILLS							
Bengal	40	25	25	10	29/00	29/00	34/25
Delhi P.	..	..	..	10	14/00	14/00	14/00
Ganesh P.	..	..	..	12½	15/25	14/25	16/75
Hooghly	15	Nil	Nil	10	19/75	19/75	19/75
United	35	10	7½	10	27/81	27/81	30/00
OIL COMPANIES							
Attock Oil	13½	13½	..	£1	sh. 37/-	sh. 37/-	sh. 22/3
Burmah Oil P.	9-2/6	..	..	£1	sh.64/10½	sh 66/6	sh. 37/½
Indo Burmah Petroleum P.	30	25	22½	10	24/25	23/87	25/44
Tide Water Oil	30	35	35	10	29/50	29/50	26/00
PAPER MILLS							
Bengal P.	32	27½	20	10	29/56	30/00	32/00
India Paper Pulp	15	13	12—15*	10	19/00	19/69	18/87
Orient Paper P	22½	22½	22½-20*	10	39/50	40/70	36/20
Shree Gopal Paper P.	17-6/7	17 6/7	17 6/7	10	26/00	26/62	23/25
Sirpur P	6½	8½	..	10	14/37	14/69	11/56
Star Paper P.	Nil	Nil	Nil	10	9/12	9/12	10/00
Titaghur P.	10	13	13—13*	2½PO	3/25	3/25	3/78
	25	20	10—10*	10AO	17/44	17/62	36/12
	25	20	10—10*	10BO	17/44	17/62	36/12
West Coast P.	6	7½	..	100	170/00	170/00	160/50
PRESSING COMPANY							
Camperdown	11	11	..	100	104/00	104/00	100/00
REAL PROPERTY STORAGE							
				A50C	1.050/00	1050/00	610/00
				B62½	125/00	125/00	77/25
Bengal Bonded Warehouse	11	8	8—9*	C10C	122/00	122/00	122/00
				D12½	14/12	14/12	14/75
Calcutta Safe Deposit	..	..	..	100	7/75	7/94	7/25
Humayan Properties P.	6	..	..	10C	11/00	11/00	11/00
Midnapore Zemindary P.	Nil	..	..	1Dd	2/10	2/10	2/15
	Nil	Nil	Nil	8S	11/00	11/00	11/12
TRAMWAYS & STEAMER							
Bengal Assam Steamship P.	7½	7½	..	100	128/00	140/00	106/00
Calcutta Landing & Shipping	8½	7½	22	10	34/00	34/00	49/50
Calcutta Steam Navigation	10	Nil	Nil	10	9/25	9/25	7/75
Calcutta Tramways P	..	..	..	£1	11/25	11/19	12/25
Fraser	Nil	..	..	10	10/00	10/00	10/00
India General Nav Railway P.	Nil	..	..	£10	43/50	43/50	66/50
India Steamship P.	10	Nil	Nil-Nil*	10	7/56	7/87	6/37
Port Shipping	Nil	Nil	..	10	15/06	15/19	12/06

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STERLING IN THE COMING MONTHS

THE year 1963 has been a good one for sterling. This is partly because Britain's exports have enjoyed a period of almost uninterrupted growth over the past 18 months or so; taking the year as a whole, they seem likely to show an increase of between 7 percent and 10 percent. It is also due in no small measure to the inflow of short-term funds seeking greater security than either the U.S. dollar or the more prominent Continental currencies have recently been able to offer. With Britain's imports lagging behind, her balance of payments has been able to show a fairly useful surplus throughout the year, and the sterling area's gold and dollar reserves are now back above the £1,000-million mark. For the time being at least, they may stay there. But the prospects for the coming months are not particularly promising.

Among the many factors which have been responsible for Britain's export performance, the only one which now appears likely to persist for any length of time is the inflation of costs among her competitors on the Continent and in the United States. Although this should help to preserve the attractions of the pound for the short-term international speculator, it may not make a great deal of difference to the balance of payments when almost all the other factors are relatively unfavourable. For instance, internal costs, although still relatively stable, may at any time begin to overtake those abroad, despite the fact that there still remains considerable slack in the British economy itself. Now, there is the added complication of a new Government at Westminster with a host of vote-catching ideas which are bound to cost money, and every incentive to abandon the 3½ percent a year maximum for wage increases laid down by Mr. Maudling last spring.

Britain's new Prime Minister, Sir Alec Douglas-Home, is in a difficult position. Not only has the Conservative Party a great deal to live down with the electorate during the coming months before *the next general election, but he himself has an* image of languid aristocracy which he seems determined to dispel by sponsoring vigorous progress. The promises he has made so far he no doubt hopes to pay for by improving Britain's economic growth rate from the 2½-precent average of the last decade, to 4 percent. He might do it, if the dreams he has expressed about the modernisation of the economy and the reduction of trade barriers prove in any way practicable. But it seems more likely at the moment that he might *have misjudged* just how long all this will take, and that in an effort to win the coming election he might let the British economy slip back into inflation. The Opposition in Parliament has already drawn *attention to the risk.*

The deciding factor will, of course, be the health of the British economy itself. At the moment it is growing steadily with considerable reserves of excess capacity still in hand. On the face of it there is no reason why costs should begin to rise significantly until all resources, including labour, are more fully *stretched than they* are now. Only then would further growth depend upon the extent to which British industry has become converted during the past few years to the philosophy of steady and rapid modernisation. This, at least, is the apparent position. But it is complicated by the fact that most of the under-employed resources which were such a problem a year ago were concentrated in particular depressed areas. The remainder of the country did not suffer unduly from the slump, and now that prosperity has returned it is those regions which remained relatively prosperous that are feeling the first effects of strained capacity. Thus, in some industries, notably motor-cars, building and transport, wages are already rising or threatening to. During any period of growing prosperity it would be extremely difficult for a British Government to prevent costs from outpacing productivity; but just before a general election it *may* prove impossible.

Added to the pressure for higher wages and salaries, the inflationary *effects of a vastly* increased programme of capital spending cannot be ignored. The decision to increase public expenditure during the financial year 1963-64 by 20 percent has been justified by Mr. Maudling on the ground that it is necessary to make up the gap caused by the fall in planned private investment; and indeed the programme for next year shows a jump of only 7 percent because by then private industry will have increased its own spending. But the promises Sir Alec Douglas-Home has *made to the House of Commons* appear to involve considerable expenditure commitments over and above those already made. The new Prime Minister has described his Government's policy as "growth without inflation", but as Mr. Wilson has been quick to point out, no changes are forecast in the management of the British economy which might promise that this can be attained now when it has so clearly not been achieved in past years. In this connection, there is little point in Sir Alec indicating the National Economic Development Council and the National Incomes Commission because the first is a planning body only—it has no control over wages and costs—while the second is as likely to encourage fresh wage claims as to discourage them. What Mr. Wilson may have been trying to do is to trap the Government into admitting that it will not be possible to keep inflation in check without controls, thus acknowledging the validity of Labour's own policies. But so far he has not succeeded. Controls do, however, remain as a possible alternative to a runaway inflation if only a Conservative Government could bring itself to use them.

Internal costs are only one factor to be taken into account in assessing Britain's export prospects. Another is the continued buoyancy of the main markets. During the past few years, the Commonwealth has reduced its imports of British goods from about 40 percent of the total to just over 30 percent. In the same period, the Common Market has increased its share of Britain's exports by about the same proportion. There is little prospect of the decline in Commonwealth demand being reversed unless Britain can see its way to increasing its foreign aid programme, and

there seems little chance of this when the favourable balance of payments is so precarious. It remains for the Common Market to account for the major part of any improvement in Britain's exports during a period when the United States is anxiously trying to balance its own external account. But trade with the E.E.C. may be hampered by the efforts of the member-countries to deal with their own internal inflationary problems; and soon the Common Market tariff will begin to rise against Britain. The new Government of Sir Alec Douglas-Home has already acknowledged that the task of increasing Britain's exports is likely to be a long-term one by pledging its efforts to securing greater world trade liberalisation through G.A.T.T., by giving its blessing to next year's U.N. conference on trade expansion, and by affirming its hopes in greater world payments liberalisation. But not even on the most optimistic reckoning are these expressions of attitude likely to affect Britain's balance of payments in the foreseeable future.

The chief hope for sterling, then, lies not so much in a rapid expansion of trade, although this would be extremely useful if it materialised, but in the various methods which have been devised during recent years to cushion the reserves of any country in balance of payments difficulties. These admirable examples of international financial co-operation have marked up some success in the past, although they have still to be adequately tested. Fortunately, such is the opposition in international financial circles to any arrangement of a more formal nature, that considerable efforts will probably be made to ensure that the system, if such it can be called, works tolerably well. Then, of course, there is the I.M.F. So the pound is not without some reasonable guarantee of support if its fortunes deteriorate during the coming months, although resort on any scale to these expedients would be bound to have the added disadvantage that sterling would lose the popularity it has enjoyed in the recent past simply because it is the currency which appears to be under least immediate pressure. But it would mean the end of low interest rates in Britain, even under the current dual system, and it could be the beginning of another phase of the "stop-go" cycle which has done so much to damage business confidence in the recent past.

The question of business confidence is of special significance to the long-term health of sterling. The principle has been accepted in Britain, at least in theory, that manufacturing costs are likely to be at their lowest when capacity is more or less fully employed. As an economic axiom, this could be argued indefinitely, but what must be accepted is that the best way of keeping costs down is to maintain a high level of labour-saving investment. The achievement of both these desiderata requires that business confidence should not again sink to the level it did a year ago, and in turn this depends on the extent to which British business men take their Government seriously when it claims to have renounced once for all its "stop-go" policies. There can be no serious doubt about the British Government's intentions; there is no electoral dividend in holding back economic expansion these days. But it is a different matter when it comes to what can be achieved in fact, and it is here the doubts arise. In a nutshell, the question is: can any British Government, of no matter which Party, maintain steady expansion in conditions of rapidly growing public investment without resorting to the equally damaging expedients of either overall restrictions or selective control? It is on the answer to this that the long-term future of the pound now depends. And at least one of Britain's major Parties, Labour, by admitting its acceptance of physical controls in principle, has acknowledged that it cannot be done.

There seems little doubt, therefore, that sterling faces a difficult year ahead. Unless the economy reveals a wholly unexpected potential for rapid modernisation—the only possible factor which can reconcile a high rate of investment spending with price stability—the health of the pound will be determined by what happens outside Britain. This is not a particularly encouraging prospect for users of sterling. The main consolation is that at the moment difficulties seem unlikely to begin to accumulate before the middle of next year, although this prediction could prove seriously wrong. But six months of reasonably favourable conditions for a currency may be about the maximum which can reasonably be expected in this era of rapid change.

India's Resources

are Precious

WASTE NOT,

WANT NOT

IRON ORE EXPORT HOPES

THE grand design that the Central Minister for International Trade, Mr. Manubhai Shah, unfolded to Parliament last week for raising iron ore exports to something like 30 million tons a year by 1970-71 is based on the assumption that the markets can be found. But one wonders if the assumption is warranted by present trends. There is already a strong tendency for supply to run ahead of demand, resulting in a decline in prices all over the world. The trend reflects the emergence of new sources of supply in Latin America and Africa, where deposits are being developed through joint ventures with steel producers, almost as captive mines. As a recent appraisal noted, a large proportion of the iron ore mined in the world is owned wholly or partly by the consuming companies. In the U.S.A., this applies to 80 percent of the ore used in the steel industry, and in Britain to the bulk of her consumption. Only a relatively small share is left to the "untied" producer and is usually sold under long-term contracts ranging from five years to 25 years, as negotiated by India with Japan.

There will undoubtedly be a considerable growth in steel output in coming years, even if the expectations of a 70-percent rise by 1972-75 fall to materialise because of the perceptible slowing down of steel expansion in the western world. But this growth is less relevant than the share of the iron ore trade likely to accrue to "untied" producers. Here the great need of newly independent countries for capital and technical know-how may well lead to an increase in joint mining ventures, as in the case of Japan getting together with Peru. Not that captive ore is necessarily cheaper to the consumer, but an assurance of supplies goes with it which the steel companies find more valuable than a few cents off the price. This is a factor which may come in the way of Mr. Shah's ambitions, no matter what he does to lure new business.

Mr. Shah's hope of raising Indian exports to 30 million tons by 1970 rests primarily on Japan, which is expected to lift 15 million tons. The balance, it is assumed, will be taken up by Europe, east and west. But before proceeding any further with the assumptions, several facts have to be noted. First, Japan's steel expansion has slowed down and her demand in 1970 may be much less than was indicated by earlier hopes that imports would exceed 30 million tons, against the current figure of 20 million tons. Secondly, the Japanese industry is understandably reluctant to put all its eggs in one basket, and a rule-of-thumb formula is that imports from any single source should not exceed 20 percent of the total. Thirdly, Indian ore prices are uncompetitive, and no amount of rhetoric from the State Trading Corporation about high quality can affect the Japanese buyers' determination to get value for money.

Even at the lower price of approximately Rs. 50 a ton f.o.b. negotiated by the S.T.C. for supplies over the next two years, Indian ore landed in Japan costs 26 U.S. cents a unit of ferrous content, against the average of 22 cents or 23 cents for all imports of lump ore. This average is declining from year to year as four old high-priced contracts expire and are replaced by more competitive arrangements. Mr. Shah may think that Indian f.o.b. prices being low as they are, all that he has to do is to organise more economic ocean transport by bulk carriers to offset the disparity in price. This would certainly do much to make India competitive in the world trade, but the question remains whether, Mr. Shah's talk notwithstanding, it can be done in time. A port development programme launched as far back as 1958 to put Visakhapatnam in a position to handle ore-carriers of up to 25,000 tons capacity is still incomplete, and bulk shipments, contracted to commence in April 1964, may have to be deferred until the end of next year. In the context of this failure, the Japanese industry is understandably reluctant even to discuss any further arrangements, as an Indian ore mission to Tokyo has just discovered.

The plan that Mr. Shah outlined to the Lok Sabha calls for the simultaneous development of ore handling facilities at as many as six different ports from Haldia to Marmagao. It involves not only constructing access channels, berths, storage yards and mechanical loading facilities but also building new transport links from the ore mines to the ports which do not exist at all at present in the cases of Paradip and Haldia while the situation vis-à-vis Madras and Mangalore is about the same because existing links are unsuitable for handling the volume of traffic contemplated. While the long-term logic of building new port capacity is incontestable, is it really necessary to start on all six for the relatively short-term programme up to 1970? It may well be that Mr. Shah, like several other of his colleagues, is yielding here to political expediency instead of economic sense. The point to note is the large foreign exchange requirement for port development which has been met so far by the assistance provided mainly by the World Bank and the I.D.A. These agencies will, no doubt, continue to take an interest in this field but whether they can really be expected to increase aid substantially to accommodate Mr. Shah's ambitious plans is quite another matter. Alternative sources of foreign credits may, of course, be explored—as in the case of the multilateral assistance obtained for Kiriburu—but that will involve the prior negotiation of long-term export contracts. In this sense, it is somewhat premature to set a target of 25 million, or 30 million tons for exports without making at least an initial effort to explore the marketing possibilities.

Mr. Shah may claim that he has been doing just this on his recent visit to east European countries, and can point to the inclusion of iron ore in some recent trade agreements as an earnest of the future. But this line of reasoning is without substance since the relevant clauses are permissive rather than a firm declaration of intent. The Czechs made their position perfectly clear when they said that they were willing to buy more ore from India but not unless deliveries and prices were satisfactory. With Brazil already able to place her ores at North Sea ports at prices which the very much nearer Swedish mines are finding hard to match, it would be foolish to minimise the challenge posed by growing competition. Mr. Shah and some others fondly imagine that India has a trump card in her hands in her ability to take equivalent imports from the countries she sells iron ore to. But is Brazil's importing capacity any less? Again, the tying of steel imports with ore exports—attempted recently in the case of Japan—may not always work because ore contracts will usually have to be for much longer periods than the import commitments India may be willing to accept.

Finally, Mr. Shah seems to be overlooking the definite trend away from imports of raw ore towards beneficiated and prepared ores. This applies particularly in the case of Japan where the shortage of land discourages the steel industry from building facilities locally for such processing. A marked preference is thus growing for buying pelletised ore—the reason prompting the Goa venture to set up a pelletising plant. The implications for Mr. Shah's export programme are obvious—a large increase in the capital investment, including a sizable foreign exchange component, for creating these facilities. That is not all; even before the planning of the facilities can begin, India has to do her homework on developing suitable methods of pelletising to suit the local ore characteristics. This will take time; it is already five years or more since the Indian steel industry started to search in the same general direction for an adequate sintering technique but is still nowhere near the goal. An enthusiastic Minister like Mr. Shah may think nothing of the many hurdles, not at least in public, but common sense would require approaching the problem with greater circumspection. Above all, it is necessary to co-ordinate the efforts required in so many directions at once, and Mr. Shah may be well advised to work out some means of achieving this to avoid failures like the one suffered at Visakhapatnam.

TRENDS IN FOREIGN AID

AT a meeting last week in Paris, the Organisation for Economic Co-operation and Development decided to offer loans of up to $50 million on easy terms to the developing countries. The new aid programme will be effective from the fiscal year 1964-65. The "soft" loans decision is the result of an awareness in aid-giving countries of the growing burden of servicing debts on developing countries. In fact, the Development Assistance Committee of the O.E.C.D. has called attention to this point in its review of *Development Assistance Efforts and Policies* for 1962. Among the three recent developments in aid programmes it has listed is the increased awareness in the donor countries of long-term problems, especially the need to consider the rising debt burden resulting from the present terms and conditions of aid. Many of the developing countries are, in fact, obliged to use aid funds for repaying and servicing old loans. The amortisation receipts by aid-giving countries amounted to as much as $389 million for 1962. An idea of the growing burden of servicing foreign loans and investments can be had from the fact that India's liability, on both Government and private accounts, has risen from Rs. 24 crores in 1956-57 to Rs. 79 crores in 1961-62 and to Rs. 90 crores in 1962-63. The D.A.C. members are agreed that greater efforts must be made to increase the flow of resources to the less-developed countries to use the resources more effectively. This is particularly important because the impact of aid has in many cases been small. While some of the aid-receiving countries are progressing, others are barely offsetting the effects of population growth.

The other two developments in O.E.C.D. aid noted by the D.A.C.'s review are (1) the effort of aid-giving countries to bring better order and rationality to their assistance programmes, and (2) wider interest and participation by more donor countries, both geographically and functionally, leading to complicated problems of aid allocation. The participants in the D.A.C.'s work are Belgium, Canada, Denmark, France, Italy, Japan, the Netherlands, Norway, Portugal, the U.K., the U.S.A., West Germany, and the Commission of the European Economic Community. The total flow of aid to the developing countries and multilateral agencies during 1962 has been about $6,000 million, or nearly the same as in 1961. Of this amount, bilateral contributions accounted for $5,300 million and contributions to multilateral agencies for $700 million. Bilateral contributions included $2,673 million in grants (of which payments for reparations and indemnification were $157 million), $435 million in loans repayable in recipients' currencies, and $871 million in sales of agricultural surpluses for local currencies.

The largest donor is the U.S.A. ($3,606 million), which also accounts for the major portion of the rise of $2,751 million in the net official flow of long-term funds over the period from 1956 to 1962. On present indications, the U.S.A. will continue to be the biggest supplier of aid to developing countries in the coming years in spite of her balance of payments difficulties. The second biggest aid-giver in 1962 has been France with a net official outflow of $996 million, followed by West Germany ($427 million) and Britain ($417 million). The D.A.C chairman's report says "it is clear that the capital needs of less-developed countries are far from being met. No amount of austerity on their part can provide enough purchasing power for the foreign goods and services which they must have for development purposes. It is important to ensure that the level, the terms and the nature of capital flows come closer to meeting their demonstrated needs" Some countries like West Germany, whose foreign exchange reserves are large, can contribute much more. The developing countries have provided markets for the industrial products of west European countries, and have reason to expect greater liberality. While most of the aid will continue to be on a bilateral basis, the donor countries should try to canalise more aid through multilateral agencies like the International Development Association, as suggested by the D.A.C.

The Ministers of the O.E.C.D., who met in Paris, have noted the fall in the movement of private capital from the developed to the developing countries, and have asked the Organisation to consider measures to increase the outflow. The private capital outflow has declined to $2,443 million in 1962 from $2,630 million in 1961. The biggest share of long-term private capital has gone to countries which have oil and other important mineral resources. The reasons for the decline in private capital movement are many, chief among them being political uncertainties in some of the less-developed countries, fears of nationalisation or blocked exchange, high production costs and heavy taxation. The O.E.C.D. is studying how far fiscal incentives can stimulate private capital outflows. The U.S.A., West Germany and Japan have unilateral investment guarantee schemes, and most of the D.A.C. members provide some form of insurance for export credits. Possibilities of a multilateral investment insurance scheme are being studied. The World Bank too is considering a scheme for arbitration and conciliation of investment disputes.

The D.A.C. chairman has recommended that joint efforts should be made to reverse the trend towards the tying of aid. The tying of aid to specific projects has been largely responsible for the delay in the use of credits. Latterly, the tendency has been towards tying aid to purchases in the aid-giving country. Although almost all the D.A.C. countries have tied their aid to purchases from themselves, the proportion is particularly high in the case of Japan, the U.S.A. and Canada. Almost two-thirds of the aid is subject to such procurement restrictions. The D.A.C. members agreed to move towards untied aid under the Bonn agreement of July 1960, but so far little progress has been made. The chief reasons are balance of payments difficulties and idle resources in donor countries, their desire to promote exports and also to be identified with the projects which they have financed. A complete untying of aid is obviously not likely. But it is to be hoped that at least some measure of liberalisation will be introduced. For instance, the donor countries can grant waivers, either *ad hoc* in cases where tying causes hardship or on a systematic basis, where offers by suppliers in other countries are distinctly more advantageous. Secondly, some method such as competitive bidding within the donor country or systematic checks on the price and quality of goods supplied can be used to ensure that tied purchases are not disadvantageous to the importers. Thirdly, at least part of the tied assistance may be provided in a form which leaves the recipient a wide choice of goods. Lastly, contributions to multilateral agencies may be left untied.

Since no country can depend for ever on aid, it is necessary that the developing countries should be helped to increase their foreign exchange earnings through exports. The Paris meeting was well aware of this aspect and recommended that O.E.C.D. countries should co-operate in efforts to improve market conditions for the primary products of developing countries. The O.E.C.D. is now studying measures to stabilise and increase export earnings from primary commodities. It is also necessary for the developed countries to liberalise their imports of semi-manufactured and manufactured goods from the developing countries. The D.A.C. chairman, Mr. Willard Thorp, has made a strong plea for "adopting and maintaining as liberal standards as possible for imports from developing countries." This will entail scrapping, or at least lowering, some of the many trade barriers still existing in western Europe. As Mr. Thorp rightly emphasises, it makes little sense to provide aid to a country if, at the same time, it is denied the chance of selling its exportable goods by restrictionist import policies in the donor countries. Aid can at best be only a temporary substitute for trade.

Current News and Comment

Self-deception in Heavy Engineering

With machinery accounting for 28 percent of the import bill and transport equipment for another 5 percent, the validity of efforts at import substitution admits of no dispute. India starts in this sphere with the advantage—underlined among others by Professor I. M. D. Little in his searching scrutiny of the country's long-term prospects—that "it would be surprising if it did not turn out to be economical to produce something of almost everything" in a market of this size and with such a wide complement of natural resources. India is different from the other developing nations because most of them cannot hope to absorb the large-scale production of many engineering goods, either now or in the foreseeable future.

The general strategy of import substitution is one thing, but its detailed implementation quite another. In theory, India's growing needs of power, metals, chemicals and fertilisers do justify starting the corresponding equipment manufacturing programmes here and now, but the actual priorities will still have to be defined because only a small portion of the total task can be immediately attempted. Capital requirements for equipment manufacture are very high, as much as Rs. 8,000 to Rs. 15,000 a ton of annual capacity, and so also is the related foreign exchange component. Apart from the difficulty of mobilising resources of this order, it needs to be considered whether the country's immediate requirements will provide enough work for some very expensive specialised equipment which will have to be installed if complete self-sufficiency in the whole range of capital goods is aimed at at this early stage of growth. A case in point is provided by the 6,000-ton forge press proposed to be installed at the Ranchi foundry to handle individual forgings of over 30 tons, which is the maximum that the plant is at present designed to produce. Is the investment on this single forge—of the order of Rs. 1 crore or more—worth making when the country's total demand for such extra-heavy forgings is quite limited? Some day when demand has grown sufficiently such a press may well be needed, but must the immediate effort at import substitution go this far when the same outlay in less ambitious fields may yield greater foreign exchange savings? There are no ideological issues involved here but only a simple and straight-forward cost-accounting comparison. One hopes that this has been done, but can one really be sure that the matter has not been left to be decided by the view that the management of one particular project may take of national priorities? The individual decision in respect of this press may be of small consequence, but the principle involved here merits very careful and serious consideration by those whose responsibility it is to husband the nation's scarcest resources—capital and foreign exchange.

The optimistic claims for indigenous equipment manufacture, made in the context of the targets being dreamed up for the fourth plan, seem to overlook the time it must take to build up production from installed capacity. Satisfactory rates of output cannot be achieved, as New Delhi must know, until the requisite human skills have been built up. To an extent the difficulties can be lessened by importing experts and technicians and send-

ing out Indian engineers and craftsmen abroad for training, but the basic problem will remain. This is so in every science-based industry and much more so in heavy engineering where many items going through the shops will each be of special design to meet specific customer requirements.

Efficiency in such jobbing work is far more difficult to achieve than in repetitive production, and must consequently take longer time. Operating skills apart, there is also the equally formidable problem of developing design capabilities, even at the elementary level of preparing jigs and fixtures for the wide range of production that multi-purpose heavy engineering units will necessarily have to undertake. These handicaps are not unknown to New Delhi, yet absurd production targets are prescribed for units where even construction is still incomplete—less than half in the case of the Ranchi machine-building complex. One does not need great perspicacity to see that such targets are part of a large fabric of deception being woven to make the country acquiesce in equally fantastic goals being set for industrial development in the fourth plan.

Technical Aid for Population Control

In money terms, the technical aid which Britain is giving to India and the other developing countries is small. But money alone is a poor measure of the usefulness of such aid at a time when the shortage of managers, technicians and training facilities in all these countries is acute. Mr. Robert Carr, Britain's Secretary for Technical Co-operation, indicated in Calcutta last Saturday that the U.K.'s total aid expenditure was increasing; having already doubled in five years, it is expected to rise from about £150 million last year to nearly £200 million this year. Of this, 90 percent goes to the Commonwealth, and India gets more than any other country. Technical aid, of course, constitutes a relatively small part of the total, but Mr. Carr gave the impression that it would increase in the future; the process would be helped if the countries seeking such aid could develop a clearer sense of priorities concerning the form in which they want it.

At the moment, India is getting technical assistance in three main ways. One is that Indians—4,300 of them—are attending full-time courses in the U.K.; the 4,300 are part of a total of 65,000 overseas students, who in turn represent 10 percent of all students engaged in further education in that country. The second way is that Britain arranges to send experts temporarily to India for training Indians; the emphasis here is on ensuring that the experts need to stay the shortest possible time, so that they may be able to hand over charge to Indians as soon as the training is complete. The third way is by providing equipment which India may not be able to buy from her own meagre foreign exchange resources. Among the more interesting points to emerge from Mr. Carr's talk was the indication that Britain would, if asked, be prepared to offer technical aid for checking the growth of population in the developing countries. The Indian Government should put the offer to the test; Mr. Carr may find that religious and political objections in his own country to the granting of aid for this purpose is stronger than he judges it to be.

Protection for Textile Machinery

The Central Government has accepted the Tariff Commission's recommendation to continue protection for the cotton textile machinery (spinning ring frames, spindles, spinning rings, fluted rollers and automatic looms) industry for a further period of three years, that is, up to December 1966, at the existing rate of protective duty of 10 percent *ad valorem*. Although the industry has made considerable progress in recent years, indigenous production is still far short of the country's requirements. Estimates of demand for cotton textile machinery vary widely. The Tariff Commission has calculated the annual domestic demand for different protected items at 3,025 spinning ring frames, 1.6 million spindles, 3.2 million spinning rings, 22,500 lines of fluted rollers and 9,950 automatic looms. As against this, actual production in 1962 was 1,571 spinning ring frames, 719,958 spindles, 620,193 spinning rings, 11,216 lines of fluted rollers and 496 automatic looms. Production in 1963, it is expected, will be better than in the previous year.

There is considerable idle capacity in the industry, the percentage varying from 82 percent in the case of automatic looms to 37 percent for spinning ring frames. While the under-utilisation is, to some extent, due to the newly licensed capacity not coming into full production, the main reason for idle capacity is that the existing production capacity has not been fully pressed into service. In view of the complaints of consumers against long delivery periods, the persistence of under-utilisation of capacity is anomalous. The manufacturers attribute it to the shortage of basic raw materials such as special steel, coke and pig iron and the difficulty in obtaining the import licence for essential components. Manufacturers contend that they can reach the rated capacity if they are relieved of these handicaps. Apart from the raw material scarcity, the shortfall in the output of automatic looms is attributed to the restrictions imposed by the Government on the installation of such looms by the industry. Mills usually fight shy of purchasing automatic looms because of the export obligation attached to it. The Tariff Commission's report points out that manufacturers prefer to make non-protected items because of the larger profit margin available on these items. In view of the concessions allowed to the industry for meeting obligations concerning the manufacture of protected items, the Commission thinks it is against the interests of the country if the concessions are abused and the manufacturers pursue more profitable lines of business. It has, therefore, urged the authorities to exercise stricter surveillance. The industry too must co-operate to avoid such a possibility.

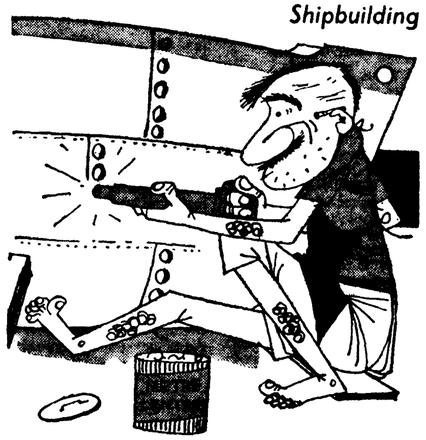
With a view to encouraging the production and use of automatic looms, the Commission has suggested that instead of allocating imported looms exclusively to those mills which make it a condition to undertake the production of textile fabrics for export, it would be desirable to permit a generalised absorption of imported and indigenous looms, the imported item being allowed only to the extent it is necessary for meeting the shortfall in indigenous production. The Commission has rightly emphasised the need for making a physical assessment of the future raw material requirements and the supplies which may be forthcoming.

The cotton textile machinery industry in India is still very young in comparison with long-established units in countries like West Germany, the U. K., Switzerland and Japan whose products pose a serious threat in view of the automatic machinery used and the higher labour productivity in these countries The industry's future production plans can succeed only in an atmosphere free from uncertainties and fear of serious foreign competition. Facilities for design and research for the development of the industry are still to be created. Even possibilities of importing automatic looms at very low prices are not altogether ruled out. The cost of production of the indigenous machinery is still high compared with that of the imported ones since the industry has to buy import entitlements of the exporting cotton mills at a premium of 30 percent for meeting part of its import requirements of components and raw materials, and there is need to import raw materials and components in sizable quantities in spite of indigenous capacity for these latter being being licensed for the purpose.

The need for further tariff protection for the industry is, therefore, obvious. But protection against foreign competition alone cannot lead to the desired development. The industry will need to be assured of abundant supplies of its raw materials at reasonable prices, especially if it is to compete in international markets. Exports of protected items of cotton textile machinery are still negligible, but the Engineering Export Promotion Council thinks that there is considerable scope of selling Indian machinery in the Middle East and Far Eastern countries provided prices are made competitive. The protected industry on its part must strive hard to maintain quality standards and keep abreast of technological developments. The development of the Indian cotton textile industry is closely linked with the progress of the textile machinery manufacturing industry. In order to overcome complaints about the supply of machinery in an incomplete condition and poor after-sales service, the Tariff Commission has rightly suggested that the producers of machinery should be made to carry a full range of spare parts for customers' maintenance requirements.

HOW SHALIMAR WORKS?...No.2

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Making More and Cheaper Motor-cars

In the course of a discussion in the Rajya Sabha last week on the annual report of the Development Council for motor-vehicle, motor-vehicle ancillary and transport vehicle industries for 1961-62, Mr. C. Subramaniam, the Central Minister for Steel, Mines and Heavy Engineering, observed that motor-car prices in India, which were at present high, could be reduced if production were concentrated in one manufacturing unit to the extent of at least 50,000 motor-cars a year, instead of the three manufacturers making less than 20,000 cars each as now. This would be one of the possible solutions, but this would remove the element of competitiveness in the industry without which it would not be possible to ensure the production of cheap but efficient and durable motor-cars of good design in the country. Moreover, it is likely that in course of time, the Indian car manufacturers would be called upon not only to supply for a greatly expanded internal market but to cater to some demand overseas. Taking a long-term view it would be in the industry's best interests if a number of producers acquired the necessary experience from now.

As Mr Subramaniam further explained, motor-car prices in India are also high because the components and parts indigenously manufactured cost a lot more than those produced outside. Since the proportion of indigenous parts and components in Indian motor-cars has been increasing the prices of locally-manufactured cars have inevitably risen. If Mr. Subramaniam had analysed the problem further, he would have found that the main cause of high prices of parts and components produced in the country is that nearly 50 percent of the productive capacity of the ancillary industries is lying idle due to lack of imported raw materials and machinery. The most obvious step for reducing the prices of motor-cars, therefore, is to allot more foreign exchange to the ancillary units so that they could work at full capacity and thus reduce their production costs and sell their products cheaper.

The Minister rightly refuted the suggestion of some Rajya Sabha members that Indian motor-car prices were high because the manufacturers and dealers were making disproportionately high profits. The fact of the matter, however, is that, in spite of the increase in the production costs, the Indian motor-car manufacturers have not been allowed any increase in prices since 1958-59, whereas the dealer's margin has actually been cut from 17 percent to 10 percent as recommended by the Tariff Commission. It is true that Premier Automobiles and Standard Motor were recently allowed price increases of Rs. 200 each for their motor-cars, but earlier, these producers had voluntarily reduced their motor-car prices, so the latest increase only compensates them for the earlier voluntary reduction. The unduly high incidence of Customs and excise duties on production costs has also pushed up motor-car prices. Buses and lorries, scooters, and other vehicles used for the country's defence could not possibly be considered "luxury" goods and thus taxed higher. It is necessary not only to rationalise the level of taxation but to reduce its overall incidence on industrial costs in order to enable the motor-car manufacturers to reduce their prices.

It is unfortunate that more than 45,000 lorries cannot be manufactured annually by the end of the plan period, against the third plan target of 60,000 vehicles. In the case of scooters and motor-cycles the shortfall, by the end of the plan period, is expected to be 10,000 to 15,000 and in the case of motor-cars, about 10,000. Vigorous efforts will have to be made, especially by way of providing more foreign exchange to the motor-vehicle and ancilliary industries and by reducing the existing level of taxation, to help the industry to raise output and reduce costs.

Parliamentary Control over State Concerns

The Lok Sabha has adopted the Government's motion for setting up a joint parliamentary committee for public sector undertakings. The committee would examine the reports and accounts of State concerns, the reports of the Comptroller and Auditor-General on them, and ensure that the affairs of these undertakings are being managed "in accordance with sound business principles and prudent commercial practices". The Krishna Menon Committee emphasised that a separate committee of Parliament is necessary for looking carefully into the affairs of State enterprises as the Estimates Committee and the Public Accounts Committee of Parliament are too preoccupied with other matters and are not able to give due attention to the large number of State corporations and undertakings. Nearly 50 annual reports of such concerns are placed before Parliament every year, and the number is bound to increase in the future. The proposed joint parliamentary committee would keep a sharp eye on these undertakings, and would help Parliament to know the necessary facts about their working, without reducing their "autonomy" and freedom of management.

The original proposal that the members of the joint parliamentary committee would be elected for a five-year period, with one-fifth retiring every year by rotation, was more sound. It would have enabled the committee to acquire the necessary experience and to be independent of the whims and fancies of politicians. But the provision that each successive Lok Sabha would hold fresh elections, although the committee would be permanent, might remove some of these advantages. It is, however, a good thing that membership of the committee is confined to only 15. The suggestion for increasing the number to 30 or more, if accepted, would have made the joint parliamentary committee too unwieldy for efficient working.

Unfortunately, the scope of the committee's work has been reduced by not placing all public sector enterprises under its purview, and by excluding matters of day-to-day administration and the Government's policy from its enquiry. In order to get a comprehensive picture of the working of public enterprises it would be necessary for the committee to examine all the matters concerning them. There is no reason to believe that the autonomy of public enterprises and the full freedom of the managements in day-to-day administration would be impaired if the parliamentary body were given power to examine all their affairs. After all, its only interest would be to place the necessary facts before Parliament and to prevent the adoption of dishonest practices and wrong methods by public-sector enterprises.

The Farm Package Programme

The shortage of foodgrains in some parts of the country and the slow progress of agriculture have received a fair share of the planners' attention in recent weeks. The last meeting of the National Development Council highlighted the failure of agriculture in many spheres and recommended—as in previous years—that greater priority should be given to farm development programmes. The Prime Minister himself stressed the need for appointing an expert committee to watch the progress of land reform programmes in various States and to provide more incentives to the man behind the plough. The Council, however, pointed to the bleak prospect for the production of foodgrains, cotton and oilseeds; the output of these commodities, it said, might fall short of the third plan targets, with inevitable repercussions on all sectors of the economy. The President, Dr. S. Radhakrishnan, also recently referred to the lack of leadership in agriculture and openly criticised many aspects of farm development programmes in the country. There has been a lot of bungling and mismanagement which is evident even from official reports. The one on the farm package programme in the seven districts, where it was introduced between 1960-61 and 1961-62, presents none too happy a picture, but complacently points out that "agricultural development is comparatively a complicated and slow process."

Although the committee makes an attempt in its bulky report to cover up its failure by pointing to various adverse circumstances, the stark reality is that during the first two years of its initiation, the programme could cover only 30 percent of the 117 blocks in the districts. The limited coverage is attributed to the "weakness of institutions, particularly the co-operatives, handling a programme of this order involving the outlay of large resources and their efficient use in production". The programme also suffered from the lack of research data and of understanding of farm planning processes—by both the field extension staff and cultivators—and the limited experience of credit institutions in extending loans on the basis of production plans. These difficulties are not new; they are inherent in India's traditional system of agriculture. One may feel inclined to tell the committee that if these difficulties could not be removed from the seven districts in which the package programme was in operation, it would be futile to launch ambitious programmes for agricultural development and improvement covering the whole country. The committee also refers to such obvious facts as the willingness of cultivators to use fertilisers and adopt plant protection measures, as if they are something peculiar to the package districts alone.

There are innumerable instances in the report where the shortfall in results is sought to be covered up by platitudinous statements. Here is an example: "Although the crop-cutting experiments do not show startling increases in production, the trends, on the whole, appear to be developing satisfactorily." Yet when the committee looks desperately for something favourable to say about the programme, it concludes that the period of operation has been too short to attempt an evaluation in terms of objectives. It is to be noted that the programme has run for an average period of two-and-a-half years and is to run over a five-year period. True, most projects have their gestation periods and teething troubles. But for a short-term scheme, as the farm package programme is undoubtedly intended to be, it looks as if the gestation period will continue for the full five-year term when the project will officially end. The stark reality remains that the method of implementing the programme in the seven districts leaves much to be desired.

International Marketing

In his inaugural address at the seminar on international marketing held in Bombay last week under the auspices of the Bombay Management Association and the Bombay Productivity Council, Mr. G. L. Mehta pointed out that the emergence of regional groupings had given rise to many trade barriers, some psychological and others physical. The European Economic Community, the most important of the groupings, has offered a larger market to producers in member-countries, but has restricted the outlet for the products of other countries. West Germany, for instance, has a quota of only 20 for sewing machine imports from India. European producers, he said, were afraid of being "Manchesterised", but he did not think the products of the developing countries were going to affect the established manufactures of the developed nations. While West European countries have been generous in offering aid to India, they should also adopt an "outward-looking policy" in their trade with the developing countries. Mr. Mehta said that India would have to study the trends of demand in the western countries and adopt an "aggressive salesmanship" based on commercial intelligence, initiative and imagination. India's development efforts, he felt, were too much geared to domestic requirements. Unlike the sheltered market within, Indian products will have to face stiff competition abroad. Besides, people's tastes and requirements vary from country to country and even in the same country they change from time to time. The products have to suit the requirements. Success in international marketing depends ultimately on efficient home production and the adaptability of the producer to changing market conditions.

Limitation Period under Income Tax Law

Allowing a writ petition by Messrs Bilas Kedarnath, a dissolved firm of Kanpur, Mr. Justice Manchanda of the Allahabad High Court pronounced an important judgment clarifying the powers of the income tax officers to extend the period of limitation beyond four years under the Income Tax Act. Section 34(3) of the Act provides that the normal period of four years for completing assessment would apply in all cases except when the order of assessment is made under Section 23 to which clause (c) of sub-section (1) of Section 28 applies. Although the Legislature provided for an unlimited period for completing assessment proceedings in a special case, it could not possibly have been its intention to permit income tax officers to extend the period of limitation beyond four years at their pleasure and thus leave the assessees for all the time to come in a state of uncertainty

on the offchance that some concealment of information about inaccurate particulars might come to light some day.

If such were the intention of the Legislature, there could have been no sense in providing for a specific period of four years for the completion of assessments and to allow an unlimited period only in a special case. The law as interpreted by Mr. Justice Manchanda gives the income tax officers the discretion to extend the period of limitation beyond four years only if there appears to be a *prima facie* case, before the ordinary period of four years of limitation is over, that some information would be available to make Section 28(1)(c) of the Act applicable. If such a *prima facie* case did not exist the income tax officer could not extend the period of limitation whenever he so desired.

The facts of the case are quite interesting. The firm concerned was given an assessment notice under Section 34(1)(a) of the Act, but the assessees questioned it on the ground that for the years 1953-54 and 1954-55, they had already submitted voluntary income tax returns on 20th December, 1955, and 21st February, 1956, respectively. The proceedings which had been initiated against the firm earlier before notice under Section 34(1)(a), were quashed by the High Court by its order dated 13th December, 1961. The four-year period of limitation in the two assessments expired on 31st March, 1958, and 31st March, 1959, respectively.

The assessee firm tendered an affidavit in the High Court that the income tax officer was adopting an attitude of harassment and was pursuing penalty and assessment proceedings without jurisdiction. (The income tax officer gave a notice to the assessees on 6th April, 1963, requiring them to appear at his office in Kanpur to show cause why penalty should not be imposed on them under Sections 271 and 273 of the Income Tax Act.) No counter-affidavit was filed by the Income Tax Officer questioning these allegations. Moreover, at no stage of the proceedings before the Income Tax Officer or in the correspondence which subsequently followed it was ever suggested or hinted that the officer intended to apply the provisions of Section 28(1)(c) of the Act to get an unlimited period of assessment. It was, therefore, not within his competence to extend the period of limitation beyond four years after this period had already expired.

Ferrous Scrap Export Policy

Except for the withdrawl of the export ban on No. 1 sheet cutting scrap, the ferrous scrap export policy for the six-month period—October to March—introduces no other change. Exports of No. 2 and 3 bundles and turnings and borings will continue to be freely licensed, as hitherto, subject to an overall ceiling. The lifting of the ban on No. 1 sheet cutting scrap is welcome. The trade had long been pleading for it. This is the grade which is in good demand abroad, and there exists a substantial exportable surplus here which is at present being wasted. Annual arisings of this scrap are estimated by the trade around 150,000 tons, and its collection is bound to be encouraged greatly by the removal of restriction on export. The trade is not happy over the overall export ceiling which simply obstructs the fuller utilisation of the scrap surplus. Restrictions go ill with the efforts which are being made to boost exports anyhow. The trade is particularly disappointed over the official policy not to allow the export of heavy melting scrap "under any circumstances".

The trade has always maintained that after fully meeting domestic requirements, there remains an exportable surplus of as much as 200,000 tons of heavy melting scrap. It is understood that a representation seeking the removal of export ban on heavy melting scrap as well as the ceiling restriction on export is being submitted to the Government. Of course, this will not be the first such representation to be made. The Central Minister for International Trade, Mr. Manubhai Shah, had recently assured the trade at the inauguration of the Iron and Steel Scrap Association of India that he would see to it that the utilisation of scrap is not affected by export curbs. This had raised hopes that the Government would lift the ban on exports of No. 1 bundles and heavy melting scrap. The export policy for the October-March period only partially meets the trade's long standing demand. Exports of scrap during the first ten months of the year, inclusive of skull shipments, total 284,507 metric tons, compared with 121,111 tonnes shipped during the same period of 1962 and 337,765 tonnes during January-October 1961. The trade expects scrap exports in 1963 to reach 325,000 tonnes, against 135,000 tonnes in 1962.

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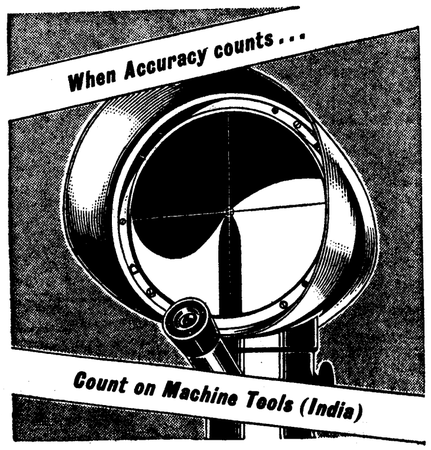
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LOSS FROM PROTECTION

WHILE certain industries are clamouring for protection at home against competition elsewhere, it may be well to note in the passing what protection has done for some industries in those very heavily protected countries of Russia and Germany. To take the case of jute manufacturing for instance, in the countries referred to. One would have thought that in Germany where the raw material is welcomed on easy terms, and a heavy tariff wall raised against the manufactured article entering into the country, that all the jute mills in that country had nothing else to do but keep their wheels running in order to grind out sure and continuous profits. During the past two years the German jute manufacturing industry has been limping along in a crippled condition, without much profit in any case, and with much loss in others and all throughout with about from 15 to 25 percent of machinery standing idle. Things have lately taken a turn for the better, but advocates for protection should ask themselves the question why should it be necessary for a heavily protected industry ever to work at a loss in a country like Germany? Russia has just given us another illustration of the powerlessness of protection to make jute manufacturing pay, when other conditions are absent. The Imperial Russian Cotton and Jute Factory Company (we think their work is in Odessa) ought to have paid their way and have given a fair return to their shareholders under the heavy aid they have received from a protective tariff tending to keep out foreign competition. But what has happened? This: the Company have already lost £80,000 out of their capital of £200,000, and have called a meeting to consider a proposal for reducing their share capital to a sum which will more nearly represent the value of the assets on hand.

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A Ditcher's Diary

"OH NO", CRIED JACQUELINE KENNEDY AS AN assassin's bullet struck down her husband, John F. Kennedy, the 35th President of the United States of America. In such monosyllables do the lips speak when something has happened that the heart cannot bear. "Oh no" is what most people must have said everywhere in the world on that sad Saturday morning as the papers brought the terrible news. For those, like me, charged with the slightly inhuman task of reacting to such tragedies publicly and wordily, "oh no" had soon to be converted into "oh yes". Oh yes, there is in American life a streak of violence without which, once, there would have been no American nation and, with which, American leadership today is less than what it should be. Such is the irony of the human situation that a man who could have destroyed the earth and all mankind with a brief order of his lay, in the final analysis, at the mercy of the trigger of a mail-order gun possessed by an obscure fellow whose word meant nothing even to his next-door neighbour. As one watched the spontaneous international emotional upsurge over the frightful event, it called for an effort to remember that the 46-year-old Kennedy had been President only for two years and ten months, that during this period he represented promise rather than fulfilment. In the intense worldwide grief over the death in Dallas is to be seen mankind's undying hope for a better, peaceful, future for which Kennedy spoke with incandescent sincerity and worked with youthful yet wise and cautious earnestness. To this effort in particular and to the White House in general John Kennedy brought something rare in American life; and this I can sum up in only one word—style. This, highly personal, came not only from an inner optimism, which is part of the American character, but also from a deep and very personal yet humble awareness that if a concatenation of historical circumstances had placed in American hands the supreme power for good as well as evil it was for him to convert the office of President for that almost superhuman rôle. Thus he had made himself a part of history even before sudden death came to him on Friday and we had to fall back upon such time-soiled phrases as "a martyr's death". Such, alas, is the price of serving mankind on the political plane. What other plane, I wonder, have we left in 1963?

IN *Ape and Essence* THE NARRATOR SPEAKS OF "Keats dying of Fanny Brawne, Harriet dying of Shelley". Last week Aldous Huxley died of—cancer. Such, so prosaic, are the facts of—death. In another novel, *The Genius and the Goddess*, Huxley described a fatal car crash in which one survived; he was reserved for another kind of death in Korea, Huxley added in that infuriatingly cool, unsentimental manner of his which long residence in Los Angeles, Calif., did nothing to cure. (I thought of this, in reverse, as I read of the death of five gallant and very senior officers of the Indian Armed Forces in a helicopter crash; why, even I could have died that way.) Think of Philip Quarles in *Point Counter Point*; there you have Huxley seen by Huxley. Life seen through the opaque pages of the *Encyclopædia Britannica*, Eleventh Edition? Here Huxley was less than fair to himself. But then he made it quite clear in *Vulgarity in Literature*, with instances from Dickens, that he considered any public demonstration of emotion as "vulgar", as distinct from obscene. His early irreverence to the Establishment, as seen in *Crome Yellow* or *Antic Hay*, attracted a whole generation of intellectuals; when the attitude was extended to the pompous British Empire, as in *Jesting Pilate*, he won many hearts in India too. With *After Many a Summer* and *Time Must Have a Stop*, fictionally, he seemed to find intellection inadequate. That he turned to the Vedanta says nothing final either about Huxley or about the Vedanta, despite some local satisfaction, perhaps permissible. Koestler too has written of the "oceanic feeling". I find such things too deep for me. I like to think, instead, of the ceaseless restlessness of the European spirit which Huxley represented in his tireless search for he knew not what through agnostic satire, *Gita*, and, finally, mescalin. Finally? The wrong word, for life, since the Renaissance, has known no finality in Europe. Only death is final; that's what came to Aldous Huxley last as it must, one day, come to us all. What a week of deaths this has been!

FOR INSTITUTIONS, AS FOR MEN, TO REACH THE GREY eminence of a hundred years is a rare achievement. But, if rare, it is apt also sometimes to be unexciting except for those immediately concerned. No one would, however, say this of Andrew Yule and Co. Ltd, which after a century of vigorous and purposeful endeavour stands today as one of the finest monuments to the managing agency system as well as to Indo-British industrial enterprise. If memory serves, it was Pope who once wrote "Who lasts a century can have no flaw, I hold that wit a classic, good in law". Hyperboles sanctioned by poetic licence notwithstanding, such indeed were the words which, although written in a wholly different context, might sincerely have reflected the sentiments of the thousand or so of Andrew Yule's old faithfuls and new who gathered for the commemoration of the Company's centenary at Mahajati Sadan on Monday. Andrew Yule started business in a modest way in 1863, as a partnership with agencies for three British insurance companies and Horrocks longcloth. Yet the extensive nature of the interests the Company acquired over the years—in traditional industries like coal, jute and tea, as well as in younger ones like paper, engineering, power and inland water transport—remain as testimony to its lively participation in India's economic growth. No business organisation in this country, I venture to believe, can claim the double distinction of having been led in its early years by one who became president of the Indian National Congress (George Yule), and in its later years by another who rose to be Governor of the Bank of England (Lord Catto). Institutions shape men no less than men shape the institutions they serve; and it is often in symbols such as these—of a warm and liberal humanism on the one hand, and of rare financial wisdom on the other—that the spirit of a fraternity is epitomised. Even in our egalitarian age, I suspect, not many industrialists would have thought of commemorating a centenary by setting aside part of their dividend income for scholarships to the children of their less affluent staff. Yet this is what the major preference shareholders of Andrew Yule propose to do, in positive demonstration of support for an idea that is wholly in keeping with the spirit of the times. *Capital*, from its relative youth of seventy-five years, offers Andrew Yule its best wishes for a second century of faith, confidence and expansion that lies ahead.

WHAT, I HAVE BEEN WONDERING, IS GOING TO happen to Britain's House of Lords? The new Prime Minister, Sir Alec Douglas-Home, has forecast "an interesting session" for the House of Commons, and under the circumstances that would not amaze me. But the Lords: where do they fit into the British parliamentary system now that any member with truly political aspirations can renounce his peerage and seek election to the Commons? Frankly I cannot imagine, unless the Upper House, like the monarchy before it, is now about to succumb completely to a fate which has threatened for decades—that of being consigned to a purely "constitutional" rôle. Such is the fondness for this kind of solution in Britain that I should not be surprised to find the majority of peers being content to retain their seats on the principle that what is good for the sovereign is certainly good enough for them. But that would leave the country without a second parliamentary chamber of even limited effectiveness, something which is quite irreconcilable, one would imagine, with the precepts of representative government which Britain has so successfully been spreading abroad since the war. Which is what makes me feel that the House of Lords might be a candidate for more radical reform in the not-too-distant future, although not perhaps under a Conservative Government. Under a Labour one, there will undoubtedly be an added incentive for action because the Lords is at present so heavily weighted in favour of the Right. This is interesting, because it was a Labour Government, that of Mr. Attlee, which made the last legislative on-

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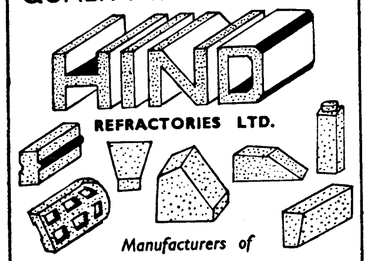


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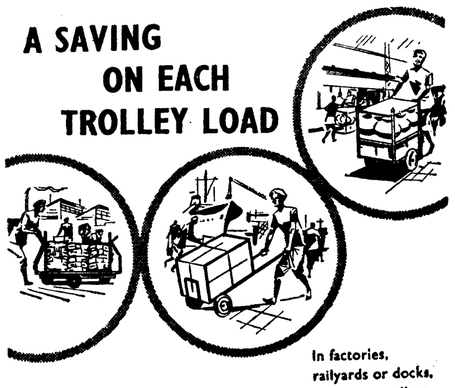
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slaught on the Lords, and, by limiting its objectives too strictly, was responsible for the present unsatisfactory state of affairs. It would be one of those interesting historical paradoxes in which Britain seems to specialise if the next Labour Government, by abolishing the hereditary principle and restoring some real power to those of their Lordships that remained, was eventually effective in rehabilitating a truly reformed House of Lords within the framework of British parliamentary democracy.

NOBODY HAS EVER BEEN LEFT IN DOUBT ABOUT MY views on the stuff broadcast by All-India Radio. So when I say of a particular B.B.C. programme that it could never have happened in India, I would be paying it about the best compliment of which I am capable. The trouble is, apparently, that it is not going to happen in Britain any more either. I refer, of course, to the television programme, "That Was The Week That Was", or "TW3", which satirised, lampooned and generally poked fun at everything from the monarchy to the Communist Party. Nothing that was pompous, or humbug-ridden, escaped its comments. But now it has to go, and the reason the B.B.C. has given—that 1964 is an election year—is so pitiful that Mr. Wilson has thought it necessary to declare that to the Labour Party at least the political criticism the programme indulges in is welcome. Whatever the reason for the death of TW3, it is clearly not the one given, and a correspondent writes that in fact it goes much deeper, right down to the very roots of the Conservative character. He points out that the ability to take criticism, on which British politicians pride themselves, is really something of a myth. Admittedly you can say things in Britain which you would be put in prison for in almost any other country in the world. But that is only because the British have a surer way of dealing with critics: they listen to them for a while and then snub them into silence. What has happened to TW3 is that it has been snuffed out because it is no longer accepted as being quite respectable. My correspondent says that he for one is sorry. On the few occasions he saw the programme, he acknowledged its faults while admitting that nowhere else in the world could one expect to see anything quite like it.

AS KILLERS AND KEELERS DOMINATE THE NEWS, perhaps it calls for an effort to remind ourselves that there is a world beyond and above them—a world in which most of us live most of the time, quietly, without drama, a world in which a man loves a woman and nothing more need be said. Their effortless co-existence then seeks fulfilment in a furtherance of their own lives, in an extension of their own beings; and a child is born. No literature in the world has adequately described a parent's love for his child. Alas, in many instances the parent is withdrawn from the eternal pattern; and then you have the child without his toy at Christmas. With him in mind somebody started the *Capital* Christmas Toy Fund many years ago; ever since the Fund has distributed every year thousands of toys to children who, without the Fund, would not get one. The Fund, which has next to no administrative cost, depends entirely on your generosity. Many have already contributed; and I thank them on behalf of the children they have made happy. Many others, I am sure, need only this reminder before they send their cheques, cash or toys. Some have never contributed before but may be glad to do so this year if they are told of the Fund; and I beseech donors to pass the word; this will be an additional gift. Christmas is only the occasion; toys are distributed to as many children as possible irrespective of religion, caste or any such consideration. But what an occasion Christmas is! One thousand nine hundred and sixty three years after the event, one has only to think of the life of that one man to know how beautiful life could be. There are not many weeks left in which we have to buy the toys, pack them and then despatch them to a large number of waiting institutions. Please send your contribution, big or small, to the *Capital* Christmas Toy Fund, 5 Mission Row, Calcutta 1; and send it early. A child belongs to its parents; an orphan to the entire community.

THE DITCHER

Guide for Investors

JUTE SHARES REACT: INVESTORS UNCERTAIN ABOUT PROSPECTS

(BY A SPECIAL CORRESPONDENT)

JUTE shares have reacted along with the rest of the stock market, but the striking feature has been an appreciable decline in turnover. Although the industry's statistical position has so far been fairly encouraging, investors have become cautious due to the uncertain outlook. During the first seven months of the current financial year, jute goods exports have increased, compared with the corresponding period of 1962-63. The domestic offtake has also improved due to the rise in industrial production, combined with purchases made by the Government. So jute goods stocks with mills have not yet accumulated greatly. For example, they stood at 108.100 tons at the end of October 1963, against the monthly output of 96,200 tons.

In spite of the satisfactory statistical position, the growing anxiety of investors is understandable. During recent months, the price of hessian has declined steadily while that of fibre has been held at the high operational minima fixed early in the current season. Mills, in fact, have often had to pay more than the operational minima for superior jute, since its supply has lagged behind demand. The demand for quality fibre has risen because the industry has worked as many looms as possible for producing hessian rather than sacking. Mills require quality fibre for manufacturing this fabric, including carpet-backing cloth. Although the price of sacking has been steadier during recent months, its manufacture has yielded little profit to mills. Under the circumstances, the profits during the current financial year are unlikely to be as big as those for 1962-63. This besides, the profits have been squeezed by the rise in production costs. The emoluments of workers have increased due to the Wage Board's award. Charges for electric power, coal and transport have risen. Furthermore, the mills will have to contribute to the cost of administering quality control which is likely to be enforced soon.

Meanwhile, the price support scheme for fibre has strained the mills' finances. Raw jute stocks with mills at present amount to more than six months' consumption. Although the large stocks have given greater confidence to manufacturers the additional costs incurred by them on this account, should not be overlooked. Due to the heavy raw jute purchases under the quotas issued by the Jute Commissioner, the mills have also suffered because of the deterioration in the quality of fibre after storage. In view of the shortage of storing capacity, a large quantity of fibre has had to be kept in the open. So there has been a considerable loss of raw jute.

As far as the marketing outlook for jute goods is concerned, there is no ground for taking a complacent view. Overseas countries have slowed down their purchases for some time. The trend is unlikely to change unless political developments take a serious turn. Foreign countries are expected to take only their barest requirements under the present circumstances. There is, however, no doubt that the supply of jute goods will be abundant during the current season. India and Pakistan have produced bumper crops. Since the Government of India is determined to support the price of fibre, it is likely that the industry will have to continue the maximum level of production in order to absorb the increased fibre supply. Pakistan has steadily increased her production of jute goods, so competition will increase in the future.

The production of carpet-backing cloth and other specialities contributed greatly to the profits of mills for 1962-63. There has been a considerable increase in the production capacity of this cloth. In fact, it is thought that the output of carpet-backing cloth may soon be in excess of demand, so its price may not easily recover in the near future.

Under the circumstances, investors would be lucky if they get the same dividend as the companies paid for 1962-63. The dividend policy may, in fact, be more conservative in the light of fresh developments. Taxation has increased. The impact of the super profits tax, in particular, should be considerable. This apart, the need for ploughing back profits has increased since the industry will have to modernise plant and equipment to meet the keen competition from substitutes. Although the industry's spinning section has largely been modernised, the need for increasing the capacity of this section has grown. Meanwhile, the modernisation of the weaving section cannot be deferred for long if the competitive power of the industry is not to suffer. The modernisation of the industry is necessary to hold production costs down to make jute goods more competitive in relation to substitutes. Furthermore, the industry will have to spend large sums of money on research to explore new uses for jute goods. Promotional measures to expand the market for Indian jute goods should also be launched. The decision of the U.K. Jute Control to return the import of some jute goods to the private trade and the prospect of the European Common Market reducing the tariff on jute goods have widened the scope for marketing. But the improvements cannot be effected without considerable investments.

Investors have been discriminating in buying jute shares. They have favoured such companies as Birla, Anglo-India, Fort Gloster, Fort William, Ganges, India, Kinnison and New Central which have diversified their ativities. As long as new profitable lines of manufacture are undertaken, they should help improve the overall profitability of mills. The decline in their profit margin during the current financial year may be partly offset by the increase in output.

Improved Prospects for Scindia Steam

THE preliminary report on the working of the Scindia Steam Navigation Company for the year ended June 1963, showed that the Company had done very well, with the gross income up from Rs. 17.01 crores to Rs. 18.22 crores, gross profit higher at Rs. 3.31 crores, against Rs. 2.46 crores, and the dividend stepped up from 60nP to Re. 1 a share. The chairman, Mr. Dharamsey M. Khatau's statement to the shareholders accompanying the directors report, holds out the promise of a better future. Improved results in 1962-63 are attributed to the Company's improved performance and the upward revision of freight rates coupled with such rationalisation of its fleet and services as it could achieve in the overseas trades having due regard to its essentially liner nature.

Mr. Khatau says that the recent spurt in international freight markets is expected to have a steadying influence on the general level of liner rates. With the Government of India recognising the need to ensure economic freights for Indian shipping and by proper planning both in coastal and international spheres, the industry, says the chairman, can confidently look forward to a period of steady and planned progress.

The Company has acquired two second-hand motor vessels on deferred payment basis, one of 12,800 d.w.t. and another of 11.700 d.w.t., both built in 1938, having a speed of about 14 knots. The Company is negotiating for the purchase of one more motor vessel for overseas trade and making efforts to acquire suitable second-hand ships to replace some of the older units running on the west coast of India and on the wider coast. Out of the three 17-knot fast motor vessels ordered, the first vessel is expected to be delivered by about the middle of 1964. The second vessel is scheduled to be launched shortly and will be ready some time in 1965. The keel of the third vessel was laid on 26th April, 1963. Two *Liberty* vessels were disposed of for scrapping as they were uneconomical to run.

In his statement to the shareholders of the Scindia Steam Company, Mr. Khatau has made certain observations which have a significant bearing on the healthy developmnt of the shipping industry and, therefore, deserve careful study by the authorities concerned. The tramp sector of Indian shipping continues to be weak and confronted with knotty problems. Mr. Khatau says that development of tramp shipping requires acquisition and/or building of ships of appropriate size if these are to run economically. These ships should be about 30,000 d.w.t. The employment of 10,000 to 12,000 d.w.t. ships for carriage of cargoes which are at present being carried by liner vessels would lead to wasteful competition.

Mr. Khatau has urged the Government to bear this in mind and also to see that no parallel service is established by tramp interests, as such a step would merely give a setback to what Indian shipping has already achieved in international field. Coastal shipping, says Mr. Khatau, is looking up a little, but it is still not on a proper economic footing. He has made a plea for the restoration of the 5 percent cut in freight rates on coal from Calcutta to ports up to Cochin. This question is already being examined by the one-man commission.

Mr. Khatau's plea for setting up an appropriate machinery like Tariff Commission to evaluate the rise in operating costs with a view to suitable compensation in freight rates deserves sympathetic consideration. Other transport undertakings such as the railways, airlines and road transport are able to revise their rates upwards as soon as any items go up in costs and affect their economic working. The same principle should be observed for coastal shipping. The chairman of Scindia Steam has also emphasised the need for having a stable policy in the matter of coal cargo allocation. If coastal shipping is to be encouraged it is only proper that coastal operators should not be starved of cargo for the increased tonnage.

C.D.F.C. Loan for Hindustan Motors

THE Commonwealth Development Finance Co. Ltd (C.D.F.C.) is to make a sterling loan of £450,000 to Hindustan Motors Ltd as a contribution towards the total estimated cost of £10.5 million required for the expansion of the Company's factory in Uttarpara, near Calcutta. The proposed expansion is intended to increase the indigenously manufactured components of the Hindusthan Ambassador and the Bedford lorry to about 90 percent in each case. The Company at present manufactures Hindusthan Ambassador cars and Bedford lorries in technical collaboration with the British Motor Corporation Ltd and Vauxhall Motors Ltd, respectively.

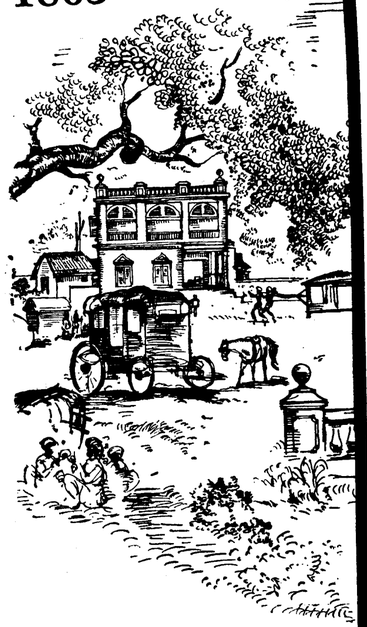
Wellman Incandeecent Expanding Activities

THE ordinary shares of Wellman Incandescent India Ltd have quoted Rs. 8.19 a share of Rs. 10 each on which a sum of Rs. 5 has been paid-up, due to the optimistic assessment of the prospects by the chairman of the Company in his statement at the recent annual general meeting. The Company has been actively considering several proposals for expanding its activities. Although the working of the Howrah works, was interrupted by power shortage, it has produced satisfactory results. It is hoped that the West Bengal Government will provide more power in the future. It is proposed to expand the works in view of the increased demand for the products of the Company. An order of more than Rs. 80 lakhs has been obtained by the Company for the alloy and special steels project of Hindustan Steel Ltd., Durgapur. The order covers the supply of annealing and heat treatment furnaces.

The Company also expects to receive the Indian portion of the 1.6-million-ton steel plant extension contract of Hindustan Steel Ltd, Durgapur, which has been given to the Company's foreign collaborators. It is expected that the order may amount to about Rs. 56 lakhs. The Indian portion of the coke oven machinery for the same project may also be supplied by Wellman Incandescent India through its collaborators. Orders for various types of industrial furnaces and low temperature ovens valued at more than Rs. 50 lakhs have been received from the public and private sectors.

It has been pointed out that the future of the furnace industry depends greatly on whether the manufacturing unit attains an economic size. Hence the Company hopes that the Government will allocate to each producing unit sufficient import licences for bringing components and raw materials. The chairman also suggested that the industrial furnace industry should be properly represented in the Machine Tools Development Council. It would be better if

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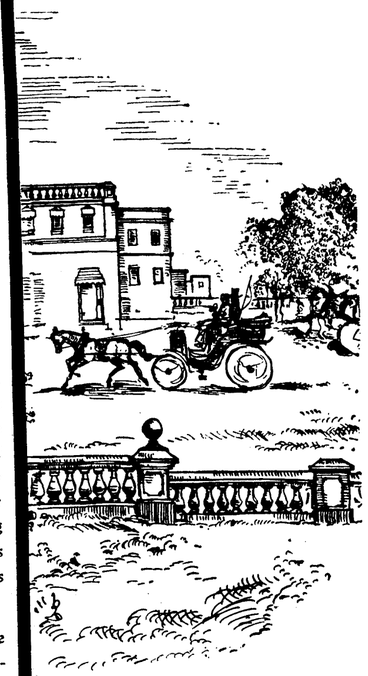


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YEARS OF INDO-BRITISH CO-OPERATION

Speaking at the fourth session of the Indian National Congress held at Allahabad in 1888, its President, George Yule, made a forceful plea for the adoption of measures by the Government of the day which "would unite England and India not by hard and brittle bonds which may snap at any moment, but by the flexible and more enduring ligaments of common interests promoted, and common duties discharged."

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a separate Council was set up for industrial furnaces and allied equipment.

British Burmah Petroleum Passes Dividend

THE British Burmah Petroleum Co Ltd has passed the dividend for the year ended March 1963. The Company has incurred a loss of £36,637. The Government of Burma has acquired all shares in the B.O.C. 1954 Ltd. As a result, B. B. Petroleum has been entitled to receive for the 21,422 shares held by it a sum of £72,136. The Burmese Government has agreed to pay this sum within 31st March, 1964, in two instalments, and later with interest thereon at 3½ percent a year till full payment.

The Company received a sum of Rs. 4.80 lakhs equivalent to £35,996, on 2nd February, 1963. This involved the Company in a loss of £25,157. The settlement with the British Burma Petroleum Co. (S.A. Proprietory) Ltd has resulted in a loss of £16,425. The total loss of £41,572 has been shown in the profit and loss account. The appeal filed by the representatives of the U.K. Government against B.O.C. (Burma Trading) Ltd and others against the judgment dated 14th August, 1962, in the Scottish Court was allowed and the action dismissed. The B.O.C. (Burma Trading) Ltd and others have appealed to the House of Lords against the said judgment. The appeal is pending. Suits filed by B. B. Petroleum and other Companies similarly situated have been stayed.

West Coast Paper Plans Shelved

THE West Coast Paper Mills Ltd did very well during the year ended June 1963. Production reached a new peak of 27,252 tonnes, against 25,604 tonnes in 1961-62, due to improvements effected in the day-to-day operations of the Company's mills and general efficiency. Despatches of paper increased from 25,447 tonnes to 27,115 tonnes and the net turnover was higher at Rs. 4 crores, against Rs. 3.6 crores. Despite all-round increases in costs of various items of chemicals, stores, spare parts and imported articles, the Company was able to earn a higher gross profit of Rs. 1.10 crores, compared with Rs. 92.27 lakhs in the preceding year. The directors attribute the improved financial results, which have enabled them to step up the dividend for the third successive year to 11 percent, to higher production and increase in paper prices with effect from 21st June, 1962, the benefit of which has been received by the Company during the whole year.

The directors, however, state that the increase of Rs. 60 a ton is not at all inadequate and have urged the Government to revise prices in order to allow a reasonable margin which will enable development and expansion of the industry. The Company has repaid Rs. 18 lakhs to the Industrial Finance Corporation of India, thereby reducing the outstanding amount to Rs. 1.32 crores. The directors have assured the shareholders that the Company is exploring all possible avenues to solve the raw material problem. The Mysore Government has agreed to give additional areas of forest ranges, but insists on a substantial increase in the royalty. The Company is trying to augment the raw material resources by lops and tops of hardwoods, which may obviate difficulties and obstacles experienced in the normal production process by the gregarious flowering of bamboos in the forest areas. The Company has already started intensive efforts to plant not only bamboo species, but also certain fast-growing varieties of tropical woods like eucalyptus, hybrids, paper mulberry, etcetera, in addition to species of bamboo not usually grown in Dandeli forests.

But because of the unfortunate conditions arising out of the Chinese aggression and unfavourable market conditions, the expansion of the paper plant has had to be delayed. Due to this delay, the Company's foreign collaborators—Rayoniers—have withdrawn from the scheme. This means that the project for the manufacture of rayon grade pulp and other specialities will have to be held in abeyance until another suitable collaboration agreement is concluded. Besides, the caustic soda scheme which the Company was considering has also had to be shelved for the reason that the Government would not permit its implementation independent of the entire expansion of the mills.

General Tyres to Issue Rights

THE General Tyres Ltd has been sanctioned by the Controller of Capital Issues to issue rights ordinary shares for Rs. 80 lakhs at par. The present ordinary share capital amounts to Rs. 80 lakhs divided into shares of Rs. 10 each. The funds will be used to finance expansion schemes. The Company has been given industrial licences to increase the installed capacity for producing a further 120,000 tyres and tubes each and 600,000 kilograms of camel back retreading materials. When these expansion schemes are completed, 300,000 kilograms of camel back and 300,000 tyres and tubes each will be produced a year. The Industrial Finance Corporation has also been approached for a further loan.

In its third annual report for the year ended June 1963, the directors mention that trial production at the Kankinara factory, near Calcutta, has begun. Commercial sales of tyres and tubes are likely to start before the end of the current year. The Company has incurred a loss of Rs. 1.83 lakhs, after providing Rs. 8,892 (against Rs. 3,747) for depreciation and Rs. 3,000 (against Rs. 2,000) for taxation. The dividend has been passed.

Hindustan Construction Fares Well

THE Hindustan Construction Co. Ltd reports satisfacory results for the year ended August 1963. Despite a small setback in the work bills from Rs. 14.38 crores to Rs. 13.82 crores, the gross profit is slightly higher at Rs. 183.38 lakhs, against Rs. 181.28 lakhs in the preceding year. The dividend has been maintained at 20 percent, but it absorbs a larger sum of Rs. 14.40 lakhs, against Rs. 9.88 lakhs, because the bonus shares issued in the previous year are entitled to the full 20 percent dividend, compared with 7.45 percent in 1961-62. After providing Rs. 43.18 lakhs (against Rs. 39.03 lakhs) for depreciation, Rs. 16.24 lakhs (against Rs. 4.97 lakhs) for development rebate and Rs. 85.50 lakhs (against Rs. 69 lakhs) for taxation and deducting other prior charges, the net profit is substantially down from Rs. 59.68 lakhs to Rs. 30.86 lakhs.

With Rs 1.65 lakhs brought forward from the previous year, adding Rs. 51.00 lakhs being excess provisions no longer required, and Rs. 1.26 lakhs transferred from development rebate reserve, the disposable surplus amounts to Rs. 84.86 lakhs. Out of this, the directors have provided Rs. 16.50 lakhs (against Rs. 2 lakhs) for dividend equalisation reserve, Rs. 43 lakhs (against Rs. 10 lakhs) for general reserve and Rs. 25.25 lakhs (against Rs. 5 lakhs) for additional provision for taxation for the previous year. No provision has been made for special initial depreciation and obsolescence reserve, rehabilitation reserve and contingency reserve which had received Rs. 5 lakhs, Rs. 7 lakhs and Rs. 5 lakhs, respectively, in the preceding year.

Dividends, equity and preference, absorb Rs. 15.95 lakhs (against Rs. 11.38 lakhs) and these are being paid out of the dividend equalisation reserve. After making various appropriations, there remains a small sum of Rs. 9,938 to be carried forward, against Rs. 1.65 lakhs brought in. The directors state that during the year the Company secured major works amounting to Rs. 3.82 crores and after the close of the year, it has secured further orders worth Rs. 7.42 crores. The Company has promoted a joint venture with Morrison-Knudsen of Asia Inc., U.S.A., and Patel Engineering Company, Bombay, for the Yamuna Hydel-Scheme, stage II and the tender has been submitted. The total value of the work is about Rs. 29 crores.

Substantial New Business for L.I.C.

THE Life Insurance Corporation of India has produced satisfactory results for the period from 1st January, 1962, to 31st March, 1963. New business has amounted to Rs 746 crores. A portion of the new business has come from persons who insured their lives for the first time. This shows how the insurance habit has spread among the people. In his chairman's address at the annual meeting of the Corporation held in Bombay last Monday, Mr. B. K. Kaul described the measures which have been taken to promote insurance. (A full text of the speech is printed on a later page in this week's *Capital*.) Although the scheme to spread the insurance habit in rural areas has made progress, it has been difficult to arrange the collection of premiums. Postal offices have been used as the collecting medium. Due to the shortage of medical examiners, life policies have been introduced which require no medical examination in certain cases. The foreign business of the Corporation has been well maintained.

The total business in force has amounted to Rs. 3,168 crores at the end of March 1963. A disturbing factor has been a rise in the net lapse ratio, but steps have been taken to bring down the ratio as soon as possible. The fourth valuation of the Corporation's business as at 31st March, 1963, is in progress, and the results should be available early in 1964. It is proposed to construct a life table on the basis of the mortality experience about assured lives during 1961-64. Indications suggest a considerable improvement in mortality. Commenting on the demand for a cut in the premium rates due to the favourable mortality experience, Mr. Kaul mentioned that it was not possible to reduce the premiums unless the low rates of mortality had been stabilised. This apart, the current inflation did not justify a cut in the premium rates, at least for the time being. Judging by the experience of other countries; it looked as if the benefit of a favourable mortality experience should be passed in the form of bonuses to the policyholders rather than reduction in premiums. This might help curb inflation.

The life fund of the Corporation has amounted to Rs. 720.70 crores at the end of March 1963. Of the total Indian investments amounting to Rs. 623.64 crores, the public sector accounts for 76.8 percent and the private sector 23.2 percent. The rise in the expense ratio has largely been due to the increased emoluments to the staff. The scheme for granting loans on the mortage of immovable properties has been extended. The revised scheme for granting loans to policyholders for constructing houses is likely to help relieve the housing problem of the middle-income group.

Jeypore Sugar Pays the Same

THE Jeypore Sugar Co. Ltd reports satisfactory results for the year ended June 1963. The gross profit is up by about 9.6 percent from Rs. 34.06 lakhs to Rs. 37.33 lakhs. After providing Rs. 14.03 lakhs (against Rs. 15.62 lakhs) for depreciation and 6.35 lakhs (against Rs. 4.75 lakhs) for taxation and deducting other prior charges, the net profit amounts to Rs. 14.99 lakhs, against Rs. 11.93 lakhs in 1961-62. The dividend has been maintained at 15 percent. With Rs. 30,812 brought forward from the previous year, writing back Rs. 8.652 from provisions made in previous years no longer required and adding Rs. 1.45 lakhs, representing the refund of selling expenses charged by the State Trading Corporation during the previous year, the disposable surplus amounts to Rs. 16.83 lakhs.

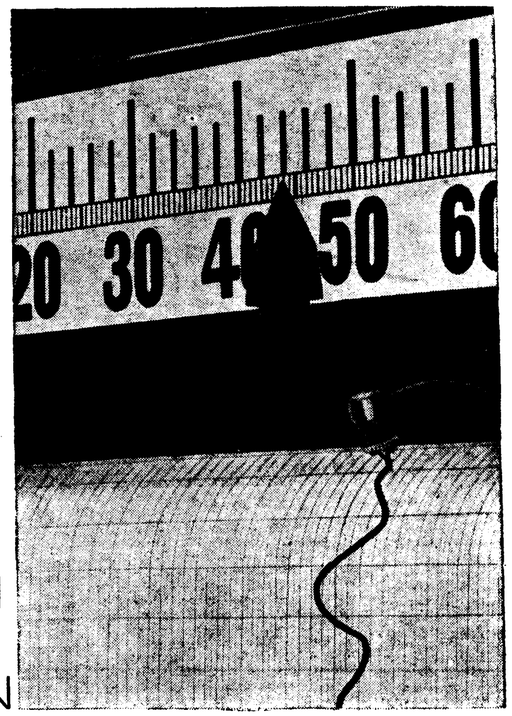
Appropriations include development rebate reserve Rs. 44,000 (against Rs. 1.65 lakhs), general reserve Rs. 2 lakhs (against Rs. 3 lakhs), expenses not relating to the year Rs. 3.62 lakhs (against Rs. 62 515), donations Rs. 28,407 (against Rs. 22,100), goodwill written off Rs. 1.11 lakhs (against Rs. 41,219), dividend equalisation reserve Rs. 2.25 lakhs (against nil) and dividend reserve Rs. 7.10 lakhs (against Rs. 5.90 lakhs). Preference dividends absorb Rs. 1.03 lakhs and equity dividend Rs. 6.06 lakhs. The proposed dividends are to be paid out of dividend reserve. After making various appropriations, there remains a small surplus of Rs. 2,296 to be carried forward, against Rs. 30,812 brought in. Some 60 percent of the dividend for 1962-63 is said to be exempt from income tax and super tax.

The directors state that the Company's sugar factory in Chagalu worked 95 days and produced 7,024 tonnes of raw sugar and the factory in Rayaghada worked 112 days and produced 3,532 tons of white sugar. About 5,593 tons of sugarcane was produced on the Company's own farm in Rayaghada which was wholly supplied to the Company's factory. The Rs. 10-paid share of Jeypore Sugar is quoted around Rs. 16.

Central India Spinning Disappoints

THE Central India Spinning, Weaving and Manufacturing Company reports disappointing results for the year ended June 1963. Although production was well maintained and the turnover recorded a small improvement from Rs. 5.99 crores to Rs. 6.14 crores, the Company's profit has shrunk heavily from Rs. 39.42 lakhs to Rs. 17.88 lakhs. After providing Rs. 14.29 lakhs (against Rs. 13 55 lakhs) for depreciation all that remains is a small sum of Rs. 3.59 lakhs, compared with Rs. 25.87 lakhs in the preceding year. This has been adjusted against the past accumulated losses, leaving a deficit of Rs. 54.27 lakhs. In view of the accumulated losses carried forward and the arrears of depreciation, the directors have decided not to recommend any

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dividend on preference shares for the year ended June 1963.

This is the eighth year in succession that the ordinary shareholders have had to go without a dividend and it appears that they will have still to wait for some more years before their investment begins to bear any fruit. In addition to the accumulated loss of Rs. 54.27 lakhs, the Company has to clear arrears of depreciation amounting to Rs. 48.69 lakhs and arrears of preference dividends—1956-57 to 1962-63—amounting to Rs. 22.75 lakhs. The quotation for Central India shares has been marked down from Rs. 120 to Rs. 105 in a matter of a few days, reflecting the market's keen disappointment over the Company's working for 1962-63.

K.C.P. Profit Higher, but Dividend Same

THE working results of K. C. P. Ltd for the year ended June 1963, show an increase of about 10 percent in the gross profit from Rs. 96.53 lakhs to Rs. 1.06 crores. The dividend has been maintained at 15 percent. The net profit is substantially lower at Rs. 30.82 lakhs, against Rs. 52.12 lakhs as the provision for depreciation has been stepped up from Rs. 26.41 lakhs to Rs. 49.10 lakhs, and taxation accounts for Rs. 26.08 lakhs, against Rs. 18 lakhs in 1961-62. Including Rs. 14,859 brought forward from the previous year, Rs. 65,487, being transfer from rehabilitation reserve, Rs. 10 lakhs, being excess provision for taxation, Rs. 6.88 lakhs being other excess provisions and Rs. 1.05 lakhs, being refund of sugarcane purchase tax on sugar exported in 1962-63, the total disposable surplus amounts to Rs. 49.64 lakhs. Out of this, the directors have set aside Rs. 13.78 lakhs (against Rs. 6.32 lakhs) for provision for bonus to cane growers, Rs. 9.39 lakhs (against Rs. 8.38 lakhs) for rehabilitation reserve, Rs. 5 lakhs (against Rs. 27.50 lakhs) for development rebate reserve and Rs. 5 lakhs (against Rs. 1.85 lakhs) for general reserve. The proposed dividends—ordinary and preference—absorb Rs. 14.14 lakhs (the same), leaving a sum of Rs. 12.750 to be carried forward. The Rs. 10-paid share of K.C.P. is currently quoted around Rs. 23.90.

Modella Woollens to Expand

SHAREHOLDERS of Modella Woollens have every reason to feel satisfied with the Company's performance during the year ended June 1963, when sales increased from Rs. 20.18 lakhs to Rs. 68.94 lakhs, and the gross profit increased from Rs. 7.24 lakhs to Rs. 18.10 lakhs. The dividend of 6 percent has been declared on a capital of Rs. 51.49 lakhs, against Rs. 30.83 lakhs in the preceding year. The outlook for the current year appears to be even more promising. The wool top unit in Chandigarh started production on 19th February, 1963. Teething troubles have been overcome and the unit has started working three shifts since the beginning of the current financial year. The plant's production performance is said to be satisfactory.

The quality of wool tops produced from Indian wool is said to be one of the best and has been favourably received in the market. The directors state that steps are being taken to install dyeing and printing plant and it is hoped that this department will start functioning shortly, and the Company will be able to offer dyed tops in the market. The grease extracting unit has been ordered and is expected some time in the first quarter of 1964. The Company's shoddy spinning unit worked three shifts throughout 1962-63. Production was satisfactory and sales amounted to Rs. 49.82 lakhs, against Rs. 18.44 lakhs in the eight months of the preceding year. Production has been geared to meet defence requirements especially production of yarn suitable for the manufacture of barrack blankets.

The Company has received permission for the installation of a third carding set and a shoddy washing machine of the total c.i.f. value of Rs. 3.87 lakhs. Orders for the requisite machinery are expected to be placed shortly. The Company has received Government permission for the expansion of its combing mills and the licensed annual capacity has been raised to 2.27 millllion kilograms (about 5 million lbs). Machinery to be imported for this purpose will be financed from the foreign exchange available by the issue of equity shares to the Company's foreign collaborators. The directors state that a French combing unit has already been ordered in consultation with the foreign collaborators. The factory building had already been planned to take in the expansion and except for minor adjustments, further capital expenditure on buildings and warehouses will not be needed. The Rs. 10-paid share of the Company is currently quoted around Rs. 15.24.

Sapoi Tea Cuts Dividend

THE Sapoi Tea Co. Ltd (an Assam garden) has made a profit of Rs 1.41 lakhs for the year ended December, 1962, compared with Rs. 2.98 lakhs for 1961, after transferring Rs. 1.84 lakhs (against Rs. 1.46 lakhs) to depreciation. The taxable ordinary dividend has been halved to 10 percent to absorb Rs. 1.40 lakhs. The yield amounts to 5.6 percent at the present price of Rs. 17.75 a share of Rs. 10 each. Taxation is allocated Rs. 62,000 (against Rs. 1.46 lakhs) and development rebate reserve Rs. 7,000 (against Rs. 10,782). The carry-forward is Rs. 7,858, against Rs. 15,994 brought in. The dividend will be paid out of divided reserve which has been allocated a sum of Rs. 1.40 lakhs. The crop declined from 632,808 kilograms to 604,795 kilograms. The 1963 crop is likely to be about the same as that for 1962 and production has amounted to 486,750 kilograms up to 31st October, 1963.

The decline in output has been partly due to the Chinese aggression which caused a panic among labourers. Production costs have risen due to increased wages, combined with higher prices of raw materials and stores. Taxation has also been heavier. But the directors hope to pay better dividends in the near future since the production of tea on new land acquired by the Company, has started.

Nelliampathy Tea and Produce Repeats

A smaller crop and higher cost of production have led to a decline in profit of the Nelliampathy Tea and Produce Co. Ltd for the year ended June 1963. But the ordinary dividend has been maintained at 15 percent. The net profit for the year amounts to Rs. 6.43 lakhs, compared with the previous year's Rs. 7.64 lakhs, before taxation. Together with Rs. 7,339 brought forward from the previous year, the total comes to Rs. 6.50 lakhs Provision for taxation amounts to Rs. 3.20 lakhs (against Rs. 4 lakhs). The preference dividend at 6.69 percent gross accounts for Rs. 30,105. The proposed ordinary dividend will absorb Rs 1.80 lakhs. A sum of Rs. 1.10 lakhs (against Rs 1.40 lakhs) is transferred to dividend equalisation reserve. The balance of Rs. 9,931 is carried forward.

The total tea crop for the year amounted to 444,812 kilograms, against 469,185 kilograms. The cost of production was higher at Rs. 3.16 a kilogram, against Rs. 2.69 a kilogram. The average price realised was, however, higher at Rs. 4.33 a kilogram, against Rs. 4.22 a kilogram. The cardamom crop amounted to 51,420 kilograms, against 47,323 kilograms. The coffee crop amounted to 29,125 kilograms, against 41,613 kilograms. The estimated tea crop for 1963-64 is put at 460,000 kilograms. The cardamom estimate is placed at 50,000 kilograms and the coffee estimate at 35,000 kilograms.

Rajagiri Rubber and Pays More

THE Rajagiri Rubber and Produce Co. Ltd reports a higher net after tax profit for the year ended June 1963. The directors have stepped up the total dividend for the year to 21½ percent from the previous year's 20 percent. The Company has been steadily maintaining the dividend of 20 percent for the last several years. Although the profit before taxation is lower than that of the previous year due to a sharp rise in the cost of production coupled with a fall in the average price realised, a higher net profit after taxation is possible because of a reduction in the provision for taxation out of the year's profit. This lower provision for taxation is again due to an adjustment of the excess provision for taxation made in the previous year. In other words, despite a lower profit for the year under review, the directors have been able to declare a higher dividend by utilising the excess provision made in the previous year.

The net profit before taxation for the year amounts to Rs. 8,05,161.59, against Rs. 10,69,649. With the balance of Rs. 4,971.62 brought forward, the total comes to Rs. 8,10,133.21. Out of this, provision for taxation amounts to Rs. 2,80,000. The provision in the previous year was Rs. 6,60,000. The interim dividend of 10 percent on the ordinary shares absorbed Rs. 1,35,000. The proposed final dividend of 11½ percent on ordinary shares will absorb Rs. 1,51,875. The preference dividend at 6.08 percent gross accounts for Rs. 1,37,408. A sum of Rs. 85,000 is transferred to dividend equalisation reserve (against nil). The balance of Rs. 20,850.21 is carried forward.

The estate cost of production for the year was Rs. 1.90 a kilogram, against Rs. 1.68 a kilogram. The increase in production costs has been due to the general rise in labour and materials costs and also on account of the additional expenditure in spraying a larger area. The average sale price was Rs. 3.16 a kilogram, against Rs. 3.23 a kilogram for the previous year. The estimated crop for 1963-64 is put at 875,000 kilograms.

Coffee Lands and Industries (Mysore) Maintains

THE audited accounts of Coffee Lands and Industries (Mysore) Ltd for the year ended June 1963 shows a lower net profit of Rs. 5,28,940 before taxation, compared with Rs. 6,91,344 for the previous year. Out of the profit of Rs. 5,28,940, provision for taxation comes to Rs. 3,02,000 (against Rs. 3,46,000). This leaves a net profit of Rs. 2,26,940 after taxation (against Rs 3,45,344). With the amount of Rs. 31,706 brought in, the total available for appropriation amounts to Rs. 2,58,646. The preference dividend at 5.31 percent accounts for Rs. 55,256. The ordinary dividend of 9 percent (the same) will absorb Rs. 2,02,500. The balance of Rs. 890 is carried forward.

The total crop for the year amounted to 730 tonnes, against an estimated crop of 750 tonnes. The crop for the previous year was 681 tonnes. The coffee crop has been valued on the basis of Rs. 2.20 a point. The estimated coffee crop for 1963-64 is put at 975 tonnes. The directors' report says that prospects for the coming year are promising.

Bombay Wire Ropes Share Offer

THE subscription list for the Rs. 27.50 lakhs public issue—all in equity shares of Rs. 10 each—of Bombay Wire Ropes Ltd will open on 5th December and close on 14th or earlier, but not before 9th December. The entire public issue has been underwritten. The Company has been licensed to manufacture 3,000 tons of steel wire ropes a year on a double-shift basis in the initial stage. The factory will be located in Kolshet near Thana (Bombay). The two Japanese firms—Asahi Wire Rope Manufacturing Company and Kobe Steel Works—are collaborating in the venture. The project is estimated to cost Rs. 1.06 crores which it is proposed will be met by the issue of share capital of Rs. 55 lakhs, bank borrowings of Rs. 16 lakhs, a loan of Rs. 30 lakhs from the I.C.I.C.I. and deposits of Rs. 5 lakhs from the Company's sole selling agents.

The Company has received the licence for the import of capital goods worth Rs. 38.36 lakhs from Japan under yen credit. The rest of the equipment is to be obtained from indigenous sources. The design of the factory building and the lay-out of the plant have been finalised in consultation with the Japanese collaborators. The main raw material required for the manufacture of steel wire ropes is high carbon steel rods which will become available from indigenous sources from about the middle of 1964.

The Company has an authorised capital of Rs. 2 crores of which Rs. 55 lakhs in equity shares of Rs. 10 each is being issued for the present. Of this, shares worth Rs. 10.03 lakhs have been subscribed by the promoters. A further amount of Rs. 17.47 lakhs, including Rs. 5 lakhs reserved for firm allotment to the Life Insurance Corporation, has been agreed to be taken up by the directors and their friends. The balance of Rs. 27.50 lakhs is being offered for public subscription. The board of directors includes Mr. C. C. Desai (chairman), Mr. R. C. Nagri, Mr. Hiralal Chhaganlal Shah, Mr. B. N. Chaturvedi, Mr. S. K. Jajodia, Mr. M. T. Dalwani and Mr. Himatlal Chhaganlal Shah (managing director).

Tractors (India) Disappoints

IN spite of an increase of about 95 percent in the sales from Rs. 1.12 crores to Rs. 2.18 crores, the gross profit of Tractors (India) Ltd for the year ended June 1963, is slightly lower at Rs. 22.89 lakhs, against Rs. 23.32 lakhs. The net profit, however, is substantially down because of enhanced tax liability amounting to Rs. 17.40 lakhs, against Rs. 10.25 lakhs; this is because the Company has had to provide Rs. 6.40 lakhs for super profits tax in respect of 1962-63 and 1961-62. The provision for depreciation amounts to Rs. 1.19 lakhs, against Rs. 1.15 lakhs and that for development rebate Rs. 2,025, against Rs. 11,282, leaving a net profit of Rs. 4.28 lakhs, against Rs. 11.81 lakhs.

No provision has been made for general reserve and dividend equalisation which had received Rs. 6.40 lakhs and Rs. 7.50 lakhs, respectively, in the preceding year.

The dividend has been reduced from Rs. 3.25 to Rs. 2.25 a share (Rs. 100-paid) and even for the payment of the reduced dividend, the directors have had to withdraw Rs. 7.50 lakhs from the dividend equalisation reserve. The proposed dividend absorbs Rs. 7.21 lakhs, against Rs. 10.42 lakhs. A sum of Rs. 61,000 has been set aside for bad and doubtful debts. The 96,200 equity shares issued during 1962-63 do not participate in the year's dividend. The directors state that the petroleum equipment division, created two years ago, has now started making a sizable contribution to the Company's business. They are exploring the question of further expansion both in the marketing and manufacturing fields. Coles Cranes of India, a new Company formed by Tractors (India) in collaboration with Steels Engineering Products of the U.K., has reached its licensed capacity within 18 months of commencing production and has achieved ahead of target a very high indigenous content. Within two years of its working, the Company has been able to pay a dividend of 10 percent.

Panchura Estates Earns More

THE working of Panchura Estates Ltd for the year ended June 1963 shows a higher net profit of Rs. 50,552, after providing for depreciation and Rs. 25,000 for taxation. With Rs. 49,223 brought forward from the previous year, the total surplus comes to Rs. 99,775. Out of this, the directors have recommended a dividend of 15 percent on the increased capital (against 15 percent on the old capital last year). The dividend at 15 percent on the old equity shares amounts to Rs. 22,500. The dividend on the new equity shares absorbs Rs. 5,625. The balance of Rs. 71,650 is carried forward.

The coffee crop for the year amounted to 11,892 bushels, against an estimate of 9,000 bushels. The valuation has been maintained at Rs. 20 a bushel. It is expected that the actual receipt will exceed the estimate. The Company harvested 70,198 kilograms of green leaf during the year. It raised its share capital through the issue of new shares. The directors state that the project for which the money was raised could not materialise since the Government of India did not grant its permission for the same. So the directors have decided to carry on their existing activities for the present. Meanwhile, negotiations are being carried on for the purchase of a suitable property adjacent to the existing estate. The estimated coffee crop for 1963-64 is placed at 15,000 bushels and the tea crop at 75,000 kilograms.

Share Offer by Kutch Salt

THE Kutch Salt and Allied Industries Ltd which has been engaged in the manufacture of salt and gypsum for over a decade will soon enter the capital market to raise Rs. 12.50 lakhs in equity shares of Rs. 10 each for financing its new project in Kandla. The Company proposes to set up a salt works at Kandla with a target of 225,000 tons a year. The project is estimated to cost about Rs. 25 lakhs which will be met by the proposed capital issue and balance by borrowings. The first stage of the project has already been completed and actual production has commenced. The first crop of the new unit is expected to be marketed by the end of January 1964. The targeted production of 225,000 tons will be achieved in the third stage. When the expansion activities of the Company both in Kandla and at the existing works in Jakhau are completed, the total production will rise from 100,000 tons to 325,000 tons. The Company will then be the largest salt producer in the country. The directors visualise bright prospects for the Company as the cost of production will be substantially reduced because of proposed mechanisation and higher production. Kutch Salt has an authorised capital of Rs. 50 lakhs of which Rs. 12.50 lakhs has been subscribed. It has obtained the sanction of the Controller of Capital Issues for the proposed issue of 125,000 equity shares of Rs. 10 each at par.

The Company's working results for the year ended August 1963 show that after providing Rs. 85,328 (against Rs. 85,544) for depreciation and reducing other charges, it has made a pre-tax profit of Rs. 3.63 lakhs, against Rs. 3.15 lakhs in the preceding year. Taxation absorbs Rs. 93,000 (against nil) and a sum of Rs. 1.50 lakhs (against nil) has been transferred to the general reserve. The taxable dividend of 7.5 percent absorbs Rs. 83,531. Sales during 1962-63 amounted to Rs. 14.08 lakhs, against Rs. 14.24 lakhs in 1961-62.

Kasturi and Sons Earns Less

DUE to a general increase in working costs, there was a drop in the profit of Kasturi and Sons Ltd, Madras, for the year ended June 1963. The net profit for the year amounts to Rs. 19,52,592, after providing Rs 6,87,049 for depreciation. The previous year's profit was Rs. 22,92,388, after providing Rs. 6,89,489 for depreciation. With Rs. 3,230 brought forward from the previous year and Rs. 2,81,000 transferred from general reserve, the total available surplus comes to Rs. 22,36,822.

Out of this, provision for taxation amounts to Rs. 14,55,000 (against Rs. 12,30,000). Reserve for debenture redemption sinking fund gets Rs. 2,00,000 (the same) and reserve for development rebate Rs. 30,324 (against Rs. 47,090). Expenses relating to the previous year amounted to Rs. 4,554. The dividend on preference shares at 9 percent accounted for Rs 1,35,000. The dividend on equity shares at 9 percent (against Rs. 16 percent) absorbed Rs. 2,97,000. The bslance of Rs. 8,447 is carried forward.

Everest Refrigerants to Make Methane Gases

EVEREST Refrigerants Ltd which proposes to set up a plant in Andheri (Bombay) for the manufacture of halogenated and flourinated methane gases and other chemicals will soon be in the market to raise Rs. 25 lakhs through public subscription for financing the project. Technical Enterprises Inc. of the U.S.A., the world renowned designers and engineers of plant and machinery for the manufacture of chemicals, is collaborating in the venture. The Company has been licensed to manufacture annually 1,155 tons of hydroflouric acid, 990 tons of aluminium triflouride, 1,980 tons of carbon tetrachloride and 4 million cans of acrosol packages. It is claimed that the Company's plant will be the first of its kind in the country to manufacture flourochloro methane (E.C.M.) gases, which are widely used in air-conditioning, refrigeration, cold storage, etcetera.

The project is estimated to cost Rs. 1.20 crores of which Rs. 60 lakhs will be provided by share capital and the balance by loans. The authorised capital of the Company will be Rs. 2 crores. The issued capital will be Rs. 60 lakhs made up of Rs. 48 lakhs in equity shares of Rs. 10 each and Rs. 12 lakhs in 9.3 percent redeemable cumulative preference shares of Rs. 100 each. The promoters, directors, their friends and associates will take up equity shares worth Rs. 19 lakhs and preference shares of the value of Rs. 6 lakhs. The foreign technical collaborators will subscribe for equity shares worth Rs. 10 lakhs. The balance of Rs. 25 lakhs consisting of 190,000 equity shares and 6,000 perference shares are to be offered for public subscription. The entire public issue has been underwritten. The promoters expect the factory buildings to be ready by the end of the first quarter of 1964.

New Capital Issues

SIX companies have been authorised to raise capital totalling Rs. 4.39 crores. The following are the details:

Tractors and Farm Equipment Ltd, Madras, engaged in the manufacture of Ferguson tractors, implements and allied equipments, is to issue further capital of Rs 1 crore divided into 1,000,000 equity shares of Rs. 10 each, for cash at par. The new capital will be subscribed as 51 percent by Simpson and Company Ltd., Madras and 49 percent by Massey-Ferguson Ltd. Canada, and/or their subsidiaries

General Tyres Ltd, Calcutta, is issuing capital of Rs. 80 lakhs in 800,000 equity shares of Rs. 10 each for cash at par. The proposed capital is required for the expansion in the manufacture of motor-vehicle tyres and tubes. It will be issued to existing shareholders.

Guest, Keen, Williams, Limited. Calcutta, is to issue Rs 1.5 crores in 7 percent debenture stock, 1973-78 in units of Rs 1,000 each The capital is required for meeting the capital cost of the various projects of expansion in the manufacture of free cutting steel and spring steel, ingots, bars and rods, bright bars and wood screws estimated to cost Rs 6.75 crores.

The Patna Electric Supply Company Ltd, Calcutta, is to issue capital of Rs. 35,07,380 divided into 350,738 equity shares of Rs. 10 each for cash at par. The money will be used for meeting the capital expenditure necessary for the purpose of carrying out urgent development. etcetera

Mafatlal Fine Spinning And Manufacturing Company Ltd. Bombay, is issuing capital of Rs 29 lakhs divided into 29,000 equity shares of Rs 100 each for cash at a premium of Rs. 275 a share. Out of this, shares of the value of Rs. 14.50 lakhs will be issued to existing shareholders on rights basis and the remaining Rs 14.50 lakhs to the public through prospectus. The proceeds of the issue will be used for the manufacture of fluorine chemicals.

Premier Metres and Instruments Manufacturing Company Ltd, Bombay, a new company, is to issue capital of Rs. 45 lakhs for cash at par consisting of Rs. 35 lakhs in equity shares of Rs 10 each and Rs. 10 lakhs in 9.5 percent cumulative redeemable preference shares of Rs. 100 each. The proceeds of the issue will be used for the manufacture of electricity meters.



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The Stock Markets

BANK BILL AND GOLD CONTROL WORRY OPERATORS

Wednesday Evening.

THE working of the Calcutta stock market has been interrupted by holidays during the past week. Lyons Range has been overwhelmed by gloom because of the assassination of President Kennedy and the death of Maharashtra's Chief Minister, Mr. M. S. Kannamwar. The market reopened on Tuesday in a subdued mood and the downward trend has continued since. The sharp fall on Wall Street and in Tokyo, following the assassination of President Kennedy, has caused some nervousness in Lyons Range. Bulls are inclined to lighten their commitment, while bears are more aggressive.

The undertone has weakened due to some adverse developments in the economic situation. The forthcoming Banking Companies Amendment Bill has made operators cautious since it is likely to place severe restrictions on the working of banks in the private sector. The Gold Control Bill seeks to regulate dealings in gold and the possession of it on a permanent basis. The provision empowering the Government to ask people to declare their holdings of gold ornaments above a specified limit has shaken confidence. So far the Government has only asked people to declare their gold, and not ornaments. New Delhi's growing concern over the circulation of "unaccounted money" has given rise to fresh uncertainties. The likely move to regulate the acceptance of public deposits by commercial houses is interpreted bearishly. Although the Government is justified in enforcing measures to ensure the security of these deposits, any undue restriction may hamper the flow of funds into trade and industry.

In the circumstances, the Government's move to establish a unit trust in the public sector has not caused much enthusiasm. The unit trust has been welcomed in priciple, but it is doubtful whether a single trust managed and controlled by the Government can revive confidence in the capital market. The underlying principle of a unit trust is to channel people's savings into industrial investments. It is also considered a suitable agency to spread the ownership of corporate shares among the middle and lower income groups. There is no doubt that the proposed trust will be financially strong since its capital will be subscribed by the Reserve Bank, the Life Insurance Corporation of India, the State Bank and its subsidiaries, commercial banks and other financial institutions. It is a good idea to exempt the trust from paying income tax and super tax. The unitholders too will be exempted from paying income tax on the dividends they may receive. But a single trust in the public sector may suffer from the stagnation which is inevitable in a commercial undertaking run by bureaucrats. So it is rightly pointed out in that similar trusts should also be allowed in the private sector to encourage healthy competition.

Although the technical position of the market has improved due to the shake-out during the past few days, the near-term trend may not be encouraging until Mr. T. T. Krishnamachari, Central Finance Minister, announces some incentives in his statement on the economic situation in the Lok Sabha.

Indian Iron have closed lower after wide fluctuations. Enginering shares like Guest, Keen, Williams, Texmaco, Jessop, Burn, Indian Standard Wagon and Britannia Engineering have declined. Guest, Keen, Williams are quoted ex-bonus. Jute shares have been hesitant and turnover has declined with the steady fall in gunny prices, combined with sluggish foreign enquiries. Birla, New Central, Champdany, Union, Barnagore, Anglo-India and Howrah have been transacted. Stray business has been done in coal shares, but prices have declined. Burrakur, Central India and Equitable have changed hands. Cotton mill shares have lacked interest due to uncertainty concerning the price of cloth. J. K. Rayon have fluctuated both days. Scattered interest has been shown in Elgin, Jay Shree Textiles and Dunbar. Bank shares are subdued due to the forthcoming Banking Companies Amendment Bill.

Turnover has centred on clearing scrip in the miscellaneous section and their prices have declined in the absence of support. Except for Union Carbide, which have been firm on rumours of a bonus issue, other shares have moved down. Paper shares have been sold freely and their prices have dropped. Interest has been shown in Orient, Sirpur, Seshasayee and Indian Paper Pulp. Scattered business has been transacted in selected tea shares. Jaybirpara and Hasimara have been prominent in the Dooars group.

Government securities have been steady despite limited turnover. Banks have shown little interest due to the approach of the busy season. The 3 percent Conversion loan 1986 is quoted at Rs. 65.95. Selected State Government loans have been bought.

Bombay

BAD CORPORATE NEWS AFFECTS SENTIMENT

COMPANIES BILL CAUSES NERVOUSNESS

Wednesday Evening.

THE Bombay stock market was closed for several days during the past week. Although it officially reopened on Tuesday, no business was transacted in view of the death of Mr. M. S. Kannamwar, Maharashtra's Chief Minister. Dalal Street has been stunned by the assassination of President Kennedy. The trend has weakened appreciably due to nervous long liquidation, combined with bear pressure. Confidence has been shaken by sharp declines in Wall Street and Tokyo following the assassination of President Kennedy. Bulls have rushed in to take their profits, while fresh support has been conspicuous by its absence. The weakness is attributable partly to unfavourable corporate news and partly to the forthcoming Banking Companies Amendment Bill. The Bill to amend the Companies Act has also caused nervousness.

Dalal Street has been disappointed by the statement of Mr. C. Subramaniam, Central Minister for Steel and Heavy Industries, that he would favour the nationalisation of the motor-vehicle industry if it was possible. Premier Automobiles have passed the dividend for the first time in several years. The profit has been squeezed by rising production costs, combined with a smaller turnover. The delay in announcing a rise in the retention price of steel has disappointed operators. In any case, there has been a general inclination not to extend commitments until Mr. T. T. Krishnamachari, Central Finance Minister, makes his statement in the Lok Sabha. The approach of the busy season has made money conditions tighter.

Tata Steel ordinary have declined to Rs. 144.50. Among engineering shares, Tata Locomotive, Premier Construction and Larsen and Toubro have lost. Mukand Iron have been barely steady. Among motor-vehicle shares, Premier Automobiles have slumped on passing the dividend. Hindustan Motors have reacted on profit-taking. Cotton mill shares have shown widespread losses. Although the mill industry has been asked to increase its spindles and looms, investors have been disappointed by the delay in increasing the prices of cloth. Century, Bombay Dyeing, Kohinoor, Svadeshi, Morarjee, Standard and Simplex have been marked down. India United ordinary have declined on a predominance of sellers.

Miscellaneous shares have shown mixed trends. Sugar shares have been steady on prospects of an increase in the price of the commodity. Belapur, Walchandnagar Industries and Phalton have gained slightly. Steamship company shares have also met with support because of the encouraging statement by the chairman of Scindia Steam Navigation Co. Ltd. Scindia Steam and Great Eastern Shipping have been quoted higher.

Cement shares have been quiet. Associated Cement and Digvijay have been sold at lower prices. Mining shares have been subdued, and Be Be Petrol have lost further ground on passing the dividend. Rayon shares have moved down in sympathy with the general trend. National Rayon have met with pressure. Chemical shares have reacted. Tata Chemical and Indian Dyestuff have lost on balance. Turnover in cash shares has been negligible.

Bank shares have lacked interest on rumours that the Banking Companies Amendment Bill might restrict dividends of bank shares. Insurance shares have been quiet on the propect that the Life Insurance Corporation will begin to underwrite general business in a big way. Electric company shares have been sluggish and their prices have declined on balance. Ahmedabad Electric, Bombay Suburban and Tata Hydro have been transacted.

Madras

BIG DECLINE IN TURNOVER

GILT-EDGED REMAIN STEADY

Tuesday Evening.

THE Madras stock market has been easier during the past week. Turnover has declined appreciably and the undertone has weakened since the market reopened after having closed because of the assassination of President Kennedy. The absence of support from outside sources, combined with easier advices from Dalal Street, has made operators cautious. Investors have also

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turned hesitant due to the forthcoming Banking Companies Amendment Bill. A great deal of uncertainty prevails about the economic statement to be made shortly by Mr. T. T. Krishnamachari, Central Finance Minister, in the Lok Sabha. Business in clearing shares has declined to almost a trickle. Investment buying has been confined to selected bank, electric and planting shares.

Government securities have been steady and selected State Government loans have been supported. In the banking group, Canara Industrial and Banking Syndicate have been steady at Rs. 157.50 and Indian Overseas at Rs. 148. Among electric companies, Ellore have been taken at Rs. 22 on the decision to pay Rs. 5 a share to the shareholders out of the compensation received from the Government of Andhra Pradesh for acquiring the electricity supply undertaking of the Company. It is proposed to change the name of the Company to Ellore Engineering Co. Ltd.

Among sugar shares, Deccan have reacted to Rs. 12.30, but E.I.D. have been supported up to Rs. 38.10. Jeypore have been quoted at Rs. 16 on declaring a taxable ordinary dividend of 15 percent. Madura have changed hands at Rs. 10 on paying a taxable ordinary dividend of 8 percent. Kothari have been quoted at Rs. 7 on passing the dividend.

Blue Mountain have declined to Rs. 2.65 in the planting section. Cochin Malabar have been available at Rs. 6.22 and Consolidated Coffee at Rs. 21.40. Ouchterlony have changed hands at Rs. 4.65 and Periakaramalai at Rs. 3.42 Ossoor have been steady at Rs. 3.53 since the Company has issued bonus shares in the proportion of one bonus share for every two held. Nonsuch have been taken at Rs. 23.80 on declaring a final taxable ordinary dividend of 15 percent, making 20 percent for the year. Business has passed in Parkside at Rs. 27.50 on paying a final taxable ordinary dividend of 17.5 percent, making 25 percent for the year. Scattered support has been extended to Highland at Rs. 15.67, to Peermade at Rs. 20.50, to Amalgamated at Rs. 10.01 and to Kil Kotagiri at Rs. 5.30.

Except for Buckingham which have been steady at Rs. 292 due to rumours of a bonus share issue, textile shares have generally moved down. South India Viscose have reacted to Rs. 146 and Travancore Rayon to Rs. 26.50. Business has passed in Lakshmi at Rs. 133 and in Madura at Rs. 33.75. Coimbatore Spinning have come to hand at Rs. 87 on declaring a taxable ordinary dividend of 9 percent. Loyal have been bought at Rs. 42.50 and Mettur at Rs. 299. Ramakrishna have been taken at Rs. 217.80 and Rajapalayam at Rs 148.80.

Miscellaneous shares have been weaker in sympathy with the general trend. Aluminium Industries have been available at Rs. 19.35 and Ashok Leyland at Rs. 7.33. Among cement shares, Dalmia have come to hand at Rs. 13.05 and India Cement at Rs. 5.60. Mettur Chemical have been transacted at Rs. 13.25. The Company proposes to issue 600,000 ordinary shares of Rs. 10 each and 300,000 cumulative preference shares of Rs. 10 each carrying a fixed dividend of 9.3 percent, both at par, to the existing shareholders.

Spencer have been steady at Rs. 20.50 on declaring a taxable ordinary dividend of 12 percent, making 18 percent for the year. Seshasayee Paper have met with support up to Rs. 8.15 and Tube Investment have been transacted at Rs. 228 on repeating the taxable ordinary dividend of 10 percent. Kirloskar Electric have been sold at Rs. 18.50 and Madras Rubber at Rs. 15.12. Business has been done in Aspinwall at Rs. 8.40 and in Rane (Madras) at Rs. 8.55.

THE WEEK'S TRANSACTIONS

[In the following list of stocks and shares in which transactions have taken place during the past week, the figures indicate Opening Quotations, Highest for the week, Lowest for the week. Closing Quotations and Quotations for the corresponding Closing Date a Year Ago. The last-named is shown in parentheses and will not be given where such a quotation is not available.]

CLEARED SECURITIES

Birla Jute—Rs. 33/31—33/31—31/81—32/25—(29/50).
Burrakur Coal—Rs. 17/81—17/90—17/25—17/37—(16/12).
Dunlop Rubber—Rs. 38/25—38/25—36/44—36/75—(37/75).
Guest, Keen, Williams—Rs. 29/00 x.d.x. Bon —29/06—27/00—27/25—(34/87).
Hindustan Motor—Rs. 19/25—19/31—18/55—18/69—(16/25).
Howrah Jute—Rs. 19/75—19/75—19/12—19/31—(19/06).
Indian Aluminium—Rs. 31/94 x.d.x. Bon.—31/94 x.d.x. Bon.—30/62—30/75—(32/56).
Indian Aluminium (New)—Rs. 29/25 S.T.—29/25—29/25—29/25.
Indian Cable—Rs. 40/00—40/25—39/50—39/50—(34/50).
Indian Copper—Rs. 3/57—3/58—3/40—3/44—(4/24).
Indian Iron—Rs. 25/10—25/12—24/64—24/78—(22/00).
J. K. Cotton—Rs. 12/62—12/62—12/12—12/12—(14/37).
Jaipur Udyog—Rs. 12/09—12/12—12/00—12/00—(11/12).
Kesoram Industries—Rs. 28/00—28/12—26/87—27/31—(22/25).
Orient Paper—Rs. 39/75—39/75—38/60—39/00—(36/20).
Orissa Cement—Rs. 14/62—14/69—14/50—14/62—(15/25).
Rohtas Industries—Rs. 13/44—13/47—12/56—12/69—(12/00).
Shree Gopal Paper—Rs. 25/50—25/50—25/50—25/50—(23/25).
Textile Machinery—Rs. 28/25—28/40—27/60—27/80—(19/75).

GOVERNMENT SECURITIES

2½% U.P. Zemindary Compensation Bonds (8 Collected)—Rs. 38/25—38/25—38/25—38/25.
Do. (9 Collected)—Rs. 36/25—36/25—36/25—36/25.
3 % Loan (1986)—Rs. 66/15—66/15—65/85—65/95.
3 % „ (1966-68)—Rs. 97/90—97/90—97/90—97/90.
3 % „ (1970-75)—Rs. 90/15—90/15—90/15—90/15.
3½% „ (1964)—Rs. 99/85—99/85—99/85—99/85.
3½% „ (1965)—Rs. 99/55—99/65—99/55—99/56.
3½% „ (1967)—Rs. 99/35—99/35—99/35—99/35.
3½% „ (1967)—Rs. 99/63—99/63—99/63—99/63.
4 % „ (1969)—Rs. 99/50—99/50—99/50—99/50.
4 % „ (1972)—99/40—99/40—99/40—99/40.
4 % „ (1979)—Rs. 98/40—98/40—98/35—98/35.
4 % West Bengal (1964)—Rs. 99/92—99/92—99/92—99/92.
4 % „ (1968)—Rs. 98/80—98/80—98/80—98/80.
4½% Loan (1973)—Rs. 100/05—100/10—100/00—100/05.
4½% West Bengal (1974)—Rs. 99/50—99/50—99/50—99/50.
4½% Madras (1972)—Rs. 98/75—98/75—98/75—98/75.
4½% Rajasthan (1974)—Rs. 99/00—99/00—98/80—98/80.

RAILWAY

Dehri Rohtas—Rs. 13/12—13/12—13/06—13/06—(17/25).

BANKS

Punjab National—Rs. 19/50—19/50—19/37—19/44—(20/62).
United Bank of India (Rs. 10/- paid)—Rs. 8/00—8/00—7/81—7/84—(7/62).



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Basanti—Rs. 13/69—13/69—13/69—13/69—(9/19).
Bengal Nagpur—Rs. 3/75—3/75—3/00—3/00—(3/25).
Bharat Commerce—Rs. 23/81—23/81—23/50—23/75—(25/87).
Bowreah—Rs. 25/00—25/00—25/00—25/00—(24/00).
Cawnpore—Rs. 7/56—7/56—7/56—7/56—(7/06).
Elgin—Rs. 23/00—23/37—22/75 S.T.—23/19—(19/50).
Jay Shree—Rs. 16/31—16/50—16/00—16/00—(16/25).
New Victoria—Rs. 1/62—1/66—1/62—1/66—(1/37).
Do. (Pref.)—Rs. 2/84—3/00—2/84—2/85—(2/81).
Shree Madhusudan—Rs. 13/94—14/12—13/94—14/12.
Do. (Pref.)—Rs. 83/00—84/00—82/50—84/00.

COALS

Bharat—Rs. 3/44—3/50—3/44—3/50—(3/53).
Burrakur (1st Pref.)—Rs. 102/00—102/00—102/00—102/00—(97/50).
Central India—Rs. 10/00—10/12—10/00—10/12—(9/81).
East Indian—Rs. 31/12—31/25—30/87—31/00—(50/00).
Katras Jherriah—Rs. 33/81—34/00—33/75—34/00—(48/75).
South Karanpura—Rs. 8/81—8/87—8/69—8/75—(7/00).
Selected Salgram—Rs. 118/00—118/00—118/00—118/00.
Western Bengal—Rs. 8/75—8/94—8/75—8/94—(8/87).

JUTES

Agarpara—Rs. 10/56—10/56—10/44—10/44—(10/19).
Anglo-India—Rs. 228/00 S.T.—228/00—228/00—228/00—(223/00).
Do. (Pref.)—Rs. 97/00 S.T.—98/50—97/00—98/00—(88/00).
Auckland—Rs. 140/50—140/50—140/50—140/50—(153/00).
Budge Budge—Rs. 153/00—153/00—152/00—152/50—(160/00).
Do. (Pref.)—Rs. 94/00—95/00—93/50—95/00—(90/50).
Barnagore—Rs. 227/00—227/00—224/00—225/00.
Do. (Pref.)—Rs. 41/25—41/50—41/25—41/50—(38/00).
Cheviot—Rs. 22/87—22/87—22/87—22/87—(23/94).
Caledonian—Rs. 180/00—181/00—180/00—181/00—(220/00).
Delta—Rs. 164/00—164/00—164/00—164/00—(175/00).
Fort William—Rs. 27/50—27/50—27/50—27/50—(25/37).
Gondalpara—Rs. 16/69—16/75—16/56—16/66—(18/62).
Ganges—Rs. 13/75—13/87—13/75—13/75—(13/12).
Hukumchand—Rs. 21/00—21/00—21/00—21/00—(26/12).
India—Rs. 16/37—16/75—16/37—16/75—(17/12).
Kankinarrah (Pref.)—Rs. 81/00—81/00—81/00—81/00—(102/00).
Kinnison (Pref.)—Rs. 92/50—92/50—91/00—91/00—(90/00).
Kelvin—Rs. 199/50—200/00—194/00—194/00—(190/00).
Lawrence—Rs. 112/00—112/00—111/00—111/00—(116/00).
Megna—Rs. 13/19—13/19—13/00—13/00—(12/62).
Nellimarla—Rs. 13/00—13/00—12/75—12/75—(11/25).
New Central—Rs. 15/00 S.T.—15/00 S.T.—13/44—13/44—(13/62).
Northbrook (Pref.)—Rs. 91/00—91/00—91/00—91/00—(72/00).
Presidency—Rs. 5/69—5/69—5/44—5/69—(4/94).
Reliance—Rs. 8/87—8/87—8/87—8/87—(6/69).

MININGS

Chrestien Mica—Rs. 10/12—10/19—10/12—10/19—(11/12).
Metal Corpn.—Rs. 8/37—8/50—8/37—8/50—(9/37).

CHEMICALS

Alkali & Chemical—Rs. 34/00—34/00—34/00—34/00—(37/75).
Bengal Chemical—Rs. 101/00—101/00—101/00—101/00—(101/00).
Do. (2nd Pref.)—Rs. 61/00—61/00—61/00—61/00.

CEMENTS

Ashoka—Rs. 7/37—7/44—7/25—7/37—(7/25).
Assam Bengal—Rs. 3/69—3/81—3/50—3/50—(4/00).
Bengal Potteries—Rs. 5/50—5/50—5/30—5/30—(5/54).
Dalmia (Bharat)—Rs. 12/75—12/75—12/75—12/75—(13/81).
Sone Valley—Rs. 4/62—4/69—4/56—4/62—(4/53).

ELECTRICS

Calcutta—Rs. 14/37—14/50—14/25—14/25—(14/87).
Do. (Pref.)—Rs. 8/00—8/06—8/00—8/06—(8/37).
Jubbulpore—Rs. 11/25—11/25—11/12—11/12—(11/37).
U.P.—Rs. 144/00—144/00—144/00—144/00—(120/00).

ENGINEERINGS

Bharat Ball Bearing—Rs. 15/37—15/37—15/12—15/19—(14/19).
Binani Metal—Rs. 11/50—11/56—11/25—11/25.
Britannia Eng.—Rs. 10/69—10/81—10/56—10/56—(10/75).
Braithwaite & Co.—Rs. 34/12—34/25—34/12—34/12—(33/50).
Burn & Co.—Rs. 330/00—330/00—330/00—330/00.
Do. (6% Pref.)—Rs. 103/00—103/50—103/00—103/50.
Dalmia Iron—Rs. 11/50—11/69—11/50—11/69—(11/44).
Hindusthan Wire—Rs. 10/50—10/69—10/50—10/69.
Hope's Metal Windows—Rs. 11/25—11/25—11/25—11/25.
Indian Iron (Pref.)—Rs. 82/25—82/25—82/25—82/25—(86/00).
Jessop & Co.—Rs. 25/87—25/87—25/31—25/50—(22/00).
J. K. Steel—Rs 16/62—17/56—16/56—17/37—(16/25).
Jay—Rs. 21/56—21/62—21/50—21/50.
Kumardhubi—Rs. 9/19—9/25—9/19—9/25.
Machinery Mfgrs.—Rs. 24/50—24/62—24/50—24/62.
Marshall—Rs. 2/62—2/69—2/50—2/59.
Raymon—Rs. 5/12—5/12—4/81—4/81.
Wellman Incandescent—Rs. 8/19—8/19—8/19—8/19.

INSURANCES

Hercules—Rs. 22/87—23/12—22/87—23/12.
New Asiatic—Rs. 8/50—8/75—8/50—8/75.
Ruby General—Rs. 10/37—10/47—10/31—10/40—(9/69).

MISCELLANEOUS

Aluminium Corporation—Rs. 14/16—14/19—14/00—14/12—(15/12).
Angelo Brothers—Rs. 27/00—27/12—26/87—26/87—(22/75).
Asiatic Oxygen—Rs. 14/00—14/31—13/50—14/12—(9/28).
Associated Battery—Rs. 29/00—29/37—28/50—28/50—(27/00).
Assam Hardboard—Rs. 5/00—5/00—4/87—4/87.
Bararee Coke—Rs. 21/94—22/12—21/94—22/12—(24/50).
B. I. Corpn.—Rs. 8/69—8/81—8/44—8/44—(9/50).
Balmer Lawrie—Rs. 256/00—257/00—256/00—256/00—(257/00).
Duncan Brothers (Pref.)—Rs. 56/50—56/50—56/50—56/50.
Dr. Paul Lohmann—Rs. 13/12—13/12—12/75—13/00.
Dyer Meakin Brew.—Rs. 34/00—34/06—33/50—33/62—(29/62).
Eastern Investment—Rs. 114/00—115/00—114/00—115/00—(129/00).
Electric Construction—Rs. 13/19—13/34—13/19—13/25—(13/50).
English Electric—Rs. 14/31—14/37—13/94—14/12.
General Tyres—Rs. 10/00—10/69—10/00—10/00.
Hindusthan Pilkington Glass—Rs. 16/87—16/87—16/75—16/75.
Hindustan Dev.—Rs. 4/69—4/69—4/69—4/69.
Hindustan Aluminium—Rs. 14/19—14/37—14/00—14/25—(13/69).
Hindusthan Gas—Rs. 24/94—25/31—24/94—25/25.
Hindusthan National Glass—Rs. 7/00—7/00—7/00—7/00.
Hindusthan Twyfords (Pref.)—Rs. 99/00—99/00—99/00—99/00.
Do. (Ord.)—Rs. 14/25—14/25—14/25—14/25.
Indian Tack & Nail—Rs. 12/25—12/44—12/25—12/34.
Imperial Tobacco—Rs. 10/75—10/25—10/00—10/06—(10/87).
Indian Carbon—Rs. 17/25—17/25—17/25—17/25—(24/25).
Isaac Holdens—Rs. 18/00 S.T.—18/00—16/37—16/56—(15/56).
Indian Wood Pro.—Rs. 29/75—30/00—29/75—30/00.
Jardine Henderson—Rs. 80/00—80/50—80/00—80/50—(73/00).
J. K. Synthetics—Rs. 12/37—12/75—12/19—12/44—(12/25).
Macneill & Barry—Rs. 105/00—105/00—105/00—105/00—(93/50).
Metal Distributors—Rs. 4/37—4/50—4/31—4/37—(4/56).
McLeod & Co. (2nd Pref.)—Rs. 61/00—61/50—61/00—61/50—(61/00).
Macfarlane & Co.—Rs. 6/56—6/69—6/56—6/69—(7/00).
Do. (Defd.)—Rs. 1/44—1/44—1/44—1/44.
Metal Box—Rs. 52/00—52/00—52/00—52/00.
National Insulated Cable—Rs. 24/75—25/00—24/62—24/62—(25/00).
National Rubber Manfg.—Rs. 13/12—14/06—12/94—13/37—(11/25).
Do. (Pref.)—Rs. 73/50—73/50—73/50—73/50.
National Tobacco—Rs. 13/37—13/44—13/00—13/31—(13/00).
National Pipes & Tubes—Rs. 28/00—28/00—28/00—28/00—(28/75).
National Rolling—Rs. 21/12—21/12—21/12—21/12.
Rallis India—Rs. 132/50—132/50—130/00—130/00—(150/00).
Rohtas Industries—('B' Pref.)—Rs. 54/00—54/00—54/00—54/00—(55/50).
Sirsilk—Rs. 10/25—10/31—10/00—10/00—(8/75).
Shaw Wallace (Pref.)—Rs. 57/25—57/25—57/25—57/25—(57/00).
Union Carbide—Rs. 43/00—44/75—42/50—42/87—(43/50).
Universal Cables—Rs. 12/37—12/37—11/75—11/81.
Universal Electric—Rs. 9/81—10/06—9/81—9/87.
Walford Transport—Rs. 4/00—4/12—4/00—4/09—(3/37).
Window Glass—Rs. 8/94—9/00—8/94—9/00.

PAPERS

Ballarpur—Rs. 18/00—18/00—18/00—18/00.
Do. (Pref.)—Rs. 93/00—93/00—93/00—93/00.
Bengal—Rs. 29/00—29/12—28/62—28/75—(32/06).
India Paper Pulp—Rs. 19/06—19/12—19/00—19/06—(18/87).
Seshasayee—Rs. 8/12—8/19—8/06—8/19.
Sirpur—Rs. 14/31—14/50—14/06—14/06—(11/56).
Straw Products—Rs. 10/56—10/56—10/25—10/31—(9/60).
Do. (Pref.)—Rs. 93/00—100/00—93/00—100/00.
Titaghur—Rs. 17/25—17/37—17/19—17/31.

SHIPPINGS

India Steamship—Rs. 7/50—7/62—7/23—7/37—(6/25).
India General Navgn.—Rs. 44/00—44/00—44/00—44/00.

SUGARS

Cawnpore—Rs. 9/75—9/87—9/75—9/87—(12/37).
Champaran—Rs. 12/56—12/56—12/56—12/56—(15/87).
Samastipore Central—Rs. 4/90—4/90—4/90—4/90—(9/62).
Shree Krishna Gyanoday—Rs. 8/69—8/69—8/56—8/56—(9/06).
Shree Hanuman—Rs. 12/65—12/65—12/56—12/56.

TEAS

Baradighi—Rs. 23/75—23/75—23/62—23/69—(23/87).
Banarhat (Pref.)—Rs. 87/00—87/00—86/50—86/50—(75/08).
Brooke Bond—Rs. 13/94—13/06—12/94—13/06.
Do. (Pref.)—Rs. 59/50—59/50—58/75—58/75—(60/00).
Dhunseri—Rs. 11/69—11/81—11/69—11/81—(15/00).
Dufflaghur—Rs. 27/87—28/00—27/87—28/00.
Gohpur—Rs. 14/75—14/81—14/75—14/81—(13/31).
Hashmara—Rs. 13/50—13/50—13/37—13/44—(14/00).
Jaybirpara—Rs. 23/50—23/81—23/37—23/81—(11/06).
Kotamullai—Rs. 9/25—9/25—9/25—9/25
Killcott—Rs. 15/62—15/62—15/62—15/62.
Margaret's Hope—Rs. 12/25—12/25—12/00—12/19.
Nagri Farm—Rs 29/81—29/87—29/81—29/87—(27/00).
Ranicherra—Rs. 13/00—13/00—12/87—12/94—(16/75).
Rungamatee—Rs. 48/50—48/50—48/50—48/50—(50/00).
Seeyok—Rs. 8/60—8/60—8/50—8/60.

DEBENTURES

5½% Alexander Jute—Rs. 93/00—93/00—92/50—92/75.
5½% Bengal Jute—Rs. 91/00—91/00—90/50—90/75.
5½% Burmah-Shell—Rs. 93/25—93/25—93/25—93/25
4 % National Tobacco—Rs. 87/00—87/00—86/50—86/75.

London

RECOVERY IN SHARES AFTER WEEK-END

SUPPORT AT LOWER LEVELS

London, 27th November.

THE stock market stood up remarkably well to the news of President Kennedy's death. Thanks largely to the intervening week-end, which gave investors and the market time to absorb and reflect on the news, the market opened calmly last Monday. There was no excitement and no drastic reaction in prices. Dealers quoted wider and lower prices at the opening to deter sellers, but in the event, little selling developed. In fact, "cheap" buyers appeared, and prices soon started to recover. By the close on Monday, something like half of the day's losses had been recovered and falls seldom exceeded 1s on the day. On Tuesday, quietly firm conditions developed while awaiting the re-opening of Wall Street in the afternoon. Prior to Mr. Kennedy's death, the market had been in a rather unsettled state despite the continued flow of good company and economic news.

Domestic political events and the sharp setback on Wall Street last Thursday had been the main unsettling influences. Compared with the previous week's levels, prices in virtually all sections were lower, but the losses were by no means heavy. The exception was provided by good shares which moved up sharply on Tuesday following Cape and London buying and reported American interest. Gilt-edged were only fractionally lower on the week, while industrials generally were no more than a few pence lower. Internationals recorded small falls, but dollar stocks were well down. Oils were helped by the free scrip issues announced by Shell and Royal Dutch.

BOOKS RECEIVED

Science and the Policies of Governments. (Published by the Organisation for Economic Co-operation and Development, 2 rue Andre-Pascal, Paris-XVI, pages 55.)

Foreign Plantation Investment in Ceylon, 1889-1958. By N. Ramachandran. (Published by the Central Bank of Ceylon, P.O. Box 590, Colombo. Pages 200.)

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UCO. 21/63

Money

MORE FUNDS NEEDED BY STATE FINANCE CORPORATIONS

(BY A SPECIAL CORRESPONDENT)

The State Finance Corporations are doing useful work by providing funds to medium industries. In this work, they usually supplement the work of the Industrial Finance Corporation. Since a Bill will be moved in the Lok Sabha during the current session to convert the I.F.C. into a development bank, it is likely that a similar step will be taken to convert the State Finance Corporations into regional development banks in the future.

EVERY State in India now has a Finance Corporation. The first State Finance Corporation was established in Madras in 1949 and the last two in Gujarat and Kashmir in 1960. Like the Industrial Finance Corporation which is playing an important rôle in financing industries at the all-India level, the State Finance Corporations are doing useful work at the regional level. With the conversion of the I.F.C. into a development bank, it is likely that the State Finance Corporations will be converted into regional development banks. This is because the work of the State Finance Corporations is considered as a useful supplement to that of the I.F.C. The current session of the Lok Sabha is expected to consider a Bill to convert the I.F.C. into a development bank. The working results of all the State Finance Corporations for 1962-63 point to the progress made by them.

The folowing table gives an idea of the activities of the State Finance Corporations at a glance :

	In Rs. Crores Loans			
Industrially advanced States	Paid-up capital plus bonds	Sanctioned	Disbursed	Outstanding
Maharashtra	3.74	10.29	6.24	4.08
Madras	3.68	10.55	8.52	6.94
Punjab	3.67	7.92	4.42	3.34
West Bengal	3.00	6.15	3.64	2.85
Mysore	2.30	1.57	1.29	1.24
Kerala	2.10	3.12	2.30	1.62
Total	18.49	39.60	26.41	20.07

	In Rs. Crores Loans			
Industrially backward States	Paid-up capital plus bonds	Sanctioned	Disbursed	Outstanding
Madhya Pradesh	1.55	5.82	1.94	1.51
Orissa	1.00	1.32	0.78	0.71
Rajasthan	1.50	2.72	1.47	1.17
Andhra	2.05	4.21	2.18	1.62
Assam	2.82	4.33	3.18	2.52
Bihar	2.50	3.80	2.77	2.12
Gujarat	1.39	1.59	0.91	1.04
Kashmir	0.50	0.26	0.08	0.08
Uttar Pradesh	2.02	3.78	1.83	1.21
Total	15.33	27.83	15.14	11.99
Grand total	33.82	67.43	41.55	32.06

It is clear that the progress achieved by the Corporations in the industrially advanced States is more encouraging than in backward ones. Madras, Maharashtra, Punjab and West Bengal occupy the first four places in terms of loans granted. The Corporations in the four States account for about 50 percent of the aggregate loans sanctioned by all the State Finance Corporations. The loans sanctioned by the Corporations—taking the average for all the States—during 1962-63 were twice the total paid-up capital and the bonds issued. Thus, at the end of March 1963, the combined resources of the Corporations stood at Rs. 33.82 crores whereas the loans sanctioned amounted to Rs. 67.43 crores. The loans actually disbursed were very much smaller at Rs. 41.6 crores. The loans outstanding amounted to Rs. 32.06 crores or very close to total resources. This shows that the resources of the Corporations are being used intensively.

Attractive Terms for Borrowers

During 1962-63, the Corporations raised Rs. 4 crores through the issue of bonds. Attractive terms were offered to borrowers—an interest rate of 4.75 percent and an issue price of Rs. 99 in several cases. During 1961-62, the Corporations were able to borrow at much favourable rates, namely, 4.50 percent. The higher rate offered in 1962-63 was the result of the stringency in the money market. Among the Corporations, those of Orissa and Kashmir have not borrowed through the issue of bonds so far. While the Andhra, Madras and Kashmir State Finance Corporations have a paid-up capital of Rs. 1.5 crores, Rs. 1.32 crores and Rs. 50 lakhs, all the other Corporations have a paid-up capital of Rs. 1 crore. In the industrially backward States of Andhra, Madhya Pradesh and Rajasthan, the paid-up capital is about twice the amount of bonds issued. In the other States, the amount of bonds issued is far in excess of paid-up capital.

The State Finance Corporations must increase their resources if they are to meet the growing demands on their resources. One of the ways of increasing their resources is to strengthen their capital base. Last year, for instance, the Orissa State Finance Corporation raised its capital from Rs. 50 lakhs to Rs. 1 crore. There is no fear that the Corporations will be unable to maintain the dividends. This is because they are now primarily operating in a sellers' market. Most of the Corporations raised their interest rates to borrowers by ½ percent in 1962-63. The Maharashtra State Finance Corporation became more viable during the year because it did not have to seek a subvention from the State Government in order to pay the dividend. The Assam State Finance Corporation suffered a setback in 1962-63, and it had to ask for assistance from the State Government. It was, however, a special case in view of the Chinese attack. As the State Finance Corporations will be able to maintain dividends even on enhanced capital base, they could increase their paid-up capital.

Taking Public Deposits

The deposits taken from the public were a useful source of funds to the State Finance Corporations. During 1962-63, public deposits with the Madras State Finance Corporation amounted to Rs. 6 crores. The Kerala and Andhra Corporations started accepting deposits, although the response was not as satisfactory as in Madras. The Corporation in these States thus started competing successfully with commercial banks. In Maharashtra and West Bengal, the response from the public was not happy because of the payment of a much higher rate of interest by industrial houses.

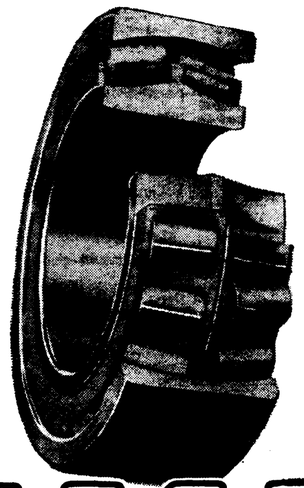
The State Finance Corporations have taken full advantage of the credit guarantee scheme of the Government of India which enables them to lend at minimum risk. A majority of State Governments made it a point to route the funds under the State Aid to Industries Acts through the State Finance Corporations. The funds collected from such aid naturally helped the Corporations to increase their liquidity.

Rôle of Refinance Corporation

The Refinance Corporation for Industry is another source of funds for the State Finance Corporations. The Corporations of Madras, Maharashtra and Punjab borrowed Rs. 2.7 crores from the former in 1962-63. But the volume of assistance from the Refinance Corporation has yet to assume significance.

With the raising of the rate of interest on loans by ½ percent to 7½ percent in 1962-63, several State Finance Corporations liberalised their conditions of lending. For instance, the Andhra State Finance Corporation reduced its margin from 50 percent to 40 percent on loans for the construction of buildings; the margin on loans for machinery was reduced to 25 percent. The Rajasthan Corporation decided that loans up to 75 percent of the c.i.f. value of imported machinery plus the Customs duty might be granted to industrial concerns. The Gujarat Finance Corporation took several measures specially to assist small industries. The Madhya Pradesh Corporation finalised a scheme for giving advances against shipping documents and railway receipts.

But there appears to have been some overlapping of jurisdiction between the work of the I.F.C. and the State Finance Corporations since they all finance medium establishments. It is necessary to eliminate the conflicting jurisdiction in co-ordinating the future work of the I.F.C. and the State Finance Corporations.



SKF

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THE CALCUTTA MONEY MARKET

FAIR DECREASE IN ADVANCES

Wednesday, 27th November.

THE aggregate level of advances has shown a fair decrease in the Calcutta money market during the past week, most of the decline being on account of the iron, steel and engineering industries. The credit given to the jute mills is noticeably larger. But the requirements of the other major borrowers—such as the cotton and sugar mills, and the food-grains and seeds trade—have changed very little. In the interbank market, conditions have generally been easy. The call rate moved up to 3 percent at one stage, but has subsequently declined to 2½ percent.

The exchange market has been active, with an excellent supply of tea and gunny bills. The demand for remittances is fair. In the London market, sterling shows fractional losses against most of the important currencies, with the exception of the Belgian and the Swedish.

SILVER RULED STEADY IN CALCUTTA during the past week. Turnover was small. The price rose from Rs. 230 to Rs. 231.75, quoted today for ready. The London and New York prices were shown at 111⅛d and 129.3 cents. Gold continued steady and the price of 14-carat increased from Rs. 62 to Rs. 62.75.

THERE WERE DROPS OF Rs. 10.95 crores to Rs. 2,275.59 crores in active notes and of Rs. 9.01 crores to Rs. 2,288.87 crores in the total note issue, according to the statement of the Reserve Bank of India for the week ended 22nd November, 1963. Notes held in the Banking Department, consequently, increased by Rs. 1.95 crores to Rs. 13.28 crores. Deposits of the Government of India rose by Rs. 22.30 crores to Rs. 73.05 crores, while those of State Governments fell by Rs. 8.93 crores to Rs. 11.62 crores. Balances of scheduled banks at Rs. 84.91 crores showed a drop of Rs. 10.26 crores. Their loans from the Reserve Bank declined from Rs. 2.44 crores to Rs. 37.90 lakhs, of which advances against usance bills amounted to nil (Rs. 17 lakhs). Balances held abroad improved by Rs. 1.06 crores to Rs. 10.34 crores. Investments at Rs. 273.30 crores showed a gain of Rs. 9.77 crores. Ways and means advances stood at Rs. 31.24 crores, against Rs. 27.47 crores.

DURING THE WEEK ENDED 22ND November, Government of India Treasury bills for Rs. 34,33,50,000 were sold in favour of the Reserve Bank.

TENDERS FOR Rs. 2 CRORES OF 91-DAY Government of India Treasury bills were opened on 26th November. The total amount offered was Rs. 4 crores. Tenders at Rs. 99.420 percent were allotted 50 percent. The total amount accepted was Rs. 2 crores, the average rate of acceptance being Rs. 2.320 percent a year. Tenders for Rs. 2 crores of 91-day Government of India Treasury bills will be received at all centres up to the close of business on 2nd December.

IT IS STATED THAT 91-DAY INTERMEDIATE Treasury bills will be sold from 27th November to 30th November at Rs. 99.436 percent. Sales can be stopped at any time without notice if the Government thinks it necessary. These bills sold from 20th November to 23rd November amounted to Rs. 2.57 crores.

THE RETURN OF THE STATE BANK OF India for the week ended 15th November, 1963, shows a drop of Rs. 5.25 crores to Rs. 593.32 crores in total deposits. Investments in Government securities are down by Rs. 10.81 crores to Rs. 305.20 crores, while other authorised investments remain unchanged at Rs. 8.95 crores. Advances, including loans, cash credits, overdrafts and bills discounted and purchased have risen by Rs. 4.39 crores to Rs. 258.29 crores. Cash and balances are, in consequence, shown at Rs. 33.75 crores or Rs. 17.12 crores higher.

TREASURY BILL MATURITIES

Details of 91-day bills outstanding with the public on 29-11-63.

Issue Date	Maturity Date	Amount (000's Rs.)	Average Acceptance Rate
29-11-63	3-3-64	2,00.00	Rs. 2.320%
22-11-63	25-2-64	2,00.00	Rs. 2.318%
14-11-63	17-2-64	2,00.00	Rs. 2.300%
8-11-63	11-2-64	2,00.00	Rs. 2.310%
28-10-63	31-1-64	2,00.00	Rs. 2.318%
23-10-63	26-1-64	2,00.00	Rs. 2.320%
18-10-63	21-1-64	2,00.00	Rs. 2.320%
11-10-63	14-1-64	2,00.00	Rs. 2.318%
4-10-63	7-1-64	2,00.00	Rs. 2.318%
27-9-63	30-12-63	2,00.00	Rs. 2.318%
20-9-63	23-12-63	2,00.00	Rs. 2.318%
13-9-63	16-12-63	2,00.00	Rs. 2.318%
6-9-63	9-12-63	2,00.00	Rs. 2.318%
30-8-63	2-12-63	2,00.00	Rs. 2.320%

(Monthly Maturities 000's omitted)

December 1963	10,00.00
January 1964	10,00.00
February 1964	6,00.00
March 1964	2,00.00
Total	28,00.00

CLEARING HOUSE RETURNS

Week	Calcutta Rs. (Lakhs)	Bombay (Lakhs)
22-11-63	1,01.75	1,19.33
14-11-63	.....	1,18.40

THE STATEMENT OF THE POSITION OF scheduled banks for the week ended 15th November, 1963, shows Demand and Time liabilities at Rs. 1,111.77 crores (Rs. 25.57 crores on account of borrowings from banks) and Rs. 1,320.99 crores (Rs. 18.06 crores), compared with Rs. 1,118.58 crores (Rs. 25.15 crores) and Rs. 1,320.10 crores (Rs. 19.93 crores), respectively, in the previous week. Cash has declined by Rs. 2.18 crores to Rs. 53.86 crores, while balances with the Reserve Bank have risen by Rs. 12.18 crores to Rs. 92.82 crores. There is a drop of Rs 10.11 crores to Rs. 763.26 crores in investments. Advances and bills discounted at Rs. 1,496.19 crores show a rise of Rs. 7.37 crores. The ratios to total liabilities of cash and balances, and of advances and discounts are, in consequence, shown at 6.0 percent and 61.5 percent, against 5.6 percent and 61.1 percent.

RESERVE BANK

(ISSUE DEPARTMENT) (In 000's of Rupees)	Week Ended 22-11-63	15-11-63	23-11-62
Liabilities—			
Notes in Banking Dept.	13,28,04	11,33,36	15,09,05
Notes in Circulation	22,75,58,61	22,86,54,21	20,67,50,23
Total Notes issued	22,88,86,65	22,97,87,57	20,82,99,28
Assets—			
A. Gold Coin and Bullion	1,17,76,10	1,17,76,10	1,17,76,10
Foreign Securities	92,45,69	92,45,69	88,08,43
Total of A	2,10,21,79	2,10,21,79	2,05,84,53
B. Rupee Coin	1,19,33,84	1,18,34,76	1,23,85,65
Rupee Securities	19,59,31,02	19,69,31,02	17,53,29,10
Total	22,88,86,65	22,97,87,57	20,82,99,28

BANKING DEPARTMENT			
Liabilities—			
Capital Paid-up	5,00,00	5,00,00	5,00,00
Reserve Fund	80,00,00	80,00,00	80,00,00
National Agricultural Credit (Long Term Operations) Fund	74,00,00	73,00,00	61,00,00
National Agricultural Credit (Stabilisation) Fund	8,00,00	8,00,00	1,00,00
Deposits—			
(a) 1. Central Govt.	73,05,44	50,75,18	65,32,28
2. State Govts.	11,62,07	20,55,11	5,70,69
(b) Banks :—			
(i) Scheduled Banks	84,90,55	95,16,57	81,25,47
(ii) State Co-operative Banks	2,47,24	2,38,47	1,86,90
(iii) Other Banks	4,68	4,35	5,36
(c) Others	1,65,53,29	1,64,23,08	1,63,45,72
Bills Payable	32,94,67	34,04,56	32,11,25
Other Liabilities	41,23,64	38,42,68	39,40,11
Total	5,77,81,58	5,71,66,00	5,42,17,78
Assets—			
Notes	13,28,04	11,33,36	15,09,05
Rupee Coin	1,77	2,35	2,16
Small Coin	3,25	4,21	2,88
National Agricultural Credit (Long Term Operations) Fund			23,97,15
(a) Loans and Advances to :—			
(i) State Govts.	27,06,43	27,06,43	11,52,73
(ii) State Co-operative Banks	9,69,06	9,71,51	
(iii) Central Land Mortgage Banks	—	—	—
(b) Investment in Central Land Mortgage Bank Debentures	3,55,31	3,55,31	2,84,88
National Agricultural Credit (Stabilisation) Fund			
Loans and Advances to State Co-operative Banks	—	—	—
Bills Purchased and Discounted :—			
(a) Internal	—	—	—
(b) External	—	—	—
(c) Govt. treasury Bills	53,26,50	60,49,52	91,72,28
Balances Held abroad	10,33,94	9,28,24	6,06,47
Loans and Advances to Govt	31,23,66	27,46,66	18,45,49
Loans and Advances to :—			
(i) Scheduled Banks	37,90	2,44,05	1,68,25
(ii) State Co-operative Banks	1,26,72,73	1,27,88,03	1,33,68,72
(iii) Others	2,82,55	2,75,55	1,28,07
Investments	2,73,30,32	2,63,53,62	2,03,33,84
Other Assets	26,10,12	26,01,76	32,46,31
Total	5,77,81,58	5,71,66,00	5,42,17,78

SCHEDULED BANKS

(In 000's of Rupees)	Week Ended 15-11-63	8-11-63	16-11-62
(i) Demand Liabilities—			
(a) Demand Deposits			
(1) From Banks	51,57,54	54,18,21	44,03,57
(2) From others	9,76,41,86	9,77,51,94	7,99,67,67
(b) Borrowing from Banks	25,57,15	25,14,61	18,21,20
(c) Others	64,20,83	61,72,82	58,45,76
(ii) Time Liabilities—			
(a) Time Deposits			
(1) From Banks	32,42,78	33,97,65	25,27,96
(2) From others	12,60,51,84	12,55,80,60	12,44,82,43
(b) Borrowing from Banks	18,05,97	19,92,92	17,32,06
(c) Others	9,97,95	10,38,40	10,67,50
(iii) Borrowing from State Bank—			
(a) Demand Liabilities	7,96,61	7,91,68	4,38,71
(b) Time Liabilities	16,52,00	19,50,00	16,85,25
(iv) Borrowing from Reserve Bank	2,25,40	61,25	2,46,10
(v) Loan	53,86,12	56,03,70	49,76,97
(vi) Balances with the Reserve Bank	92,81,86	80,63,73	84,75,27
(vii) Balances with other Banks in current account	20,90,37	21,37,62	17,16,27
(viii) Money at call and short notice	63,49,86	65,88,94	53,10,05
(ix) Investments in Central and State Govt. securities	7,63,26,10	7,73,36,58	6,84,74,87
(x) (a) Loans, Cash credits and Overdrafts	12,44,04,80	12,39,85,02	11,53,23,36
(b) Due from Banks	12,73,02	12,38,85	9,66,54
(xi) Inland Bills purchased and discounted	1,81,19,35	1,78,98,37	1,62,72,37
(xii) Foreign Bills purchased and discounted	58,21,99	57,59,76	51,87,80
(xiii) Total of X XI and XII	14,86,18,96	14,88,82,00	13,77,50,07

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LIFE INSURANCE CORPORATION OF INDIA

CHAIRMAN, MR. B. K. KAUL'S STATEMENT

The following is the statement by Mr. B. K. Kaul, I.C.S., Chairman, at the Ninetieth Meeting of the Life Insurance Corporation of India held in Bombay on 25th November, 1963.

The draft of the Annual Report and the Statement of Accounts for the period 1st January, 1962 to 31st March, 1963 have been circulated and are now before us for our consideration.

New Business

During the accounting period our new business amounted to Rs. 746 crores under 17.68 lakhs policies as against Rs. 609 crores under 14.70 lakhs policies in the year 1961. As the present accounting period comprised of 15 months as against 12 months in the previous year, a direct comparison of the figures is not possible. However, the new business performance during the accounting period may be evaluated by comparison of the business completed during the year 1st April, 1962 to 31st March, 1963 with that completed in the year 1st April, 1961 to 31st March, 1962. In that year the Corporation completed a business of Rs. 617 crores; and now for the 12 months period 1st April, 1962 to 31st March, 1963, it has completed a new business of Rs. 708 crores. The progress may be considered satisfactory.

It is gratifying to note that as many as 12.22 lakhs policies issued during the accounting period were taken by persons who were insuring for the first time. This shows the growing insurance consciousness amongst our people and also the effort made by our field force to spread the message of insurance to people who had not so far availed of this benefit.

Rural Development

Out of the total new policies, as many as 6.77 lakhs policies assuring Rs. 233.45 crores were issued to people in rural areas. Thus, about two-fifths of our total policies and about one-third of the total sums assured were written in the rural areas.

As a result of a recent amendment to the Insurance Rules 1939, it will now be possible for us to appoint Co-operative Societies and Panchayats as our agents. Depending upon the co-operation that we can get from this source this should give a fillip to rural business.

The main difficulty in regard to rural business is lack of facilities for collection of premiums. We had launched early in 1962 a pilot scheme in the Jaipur District of Rajasthan for collection of premiums through post offices. Efforts are being made to extend this scheme to other areas, where no collection facilities are available, in consultation with the postal authorities. We have also made arrangements with the Government of Madhya Pradesh for Block Development Offices to collect life insurance premiums at their headquarters.

We now have an office in each of 253 out of the 312 districts and in 5 out of the 11 Union Territories in India. In 1963-64, we proposed to open offices in 2 more districts. Besides these offices, we have development centres in 27 of the remaining districts and in one of the remaining Union Territories. We are proposing to open 16 Branches and sub-offices during 1963-64. Our organisation is now spread fairly wide in the country.

Non-Medical Business

Paucity of medical examiners for conducting medical examination of the lives to be assured in rural areas has always been a difficulty in extending our activities in the rural areas. This has been got over to a large extent by a wider application of the non-medical scheme.

Under the general scheme, which now extends throughout the country, medical examination is waived in respect of proponents within certain age groups, provided the total insurance on their lives does not exceed Rs. 2,000. Under this scheme, new business of Rs. 43.44 crores under 2.87 lakhs policies was completed during the accounting period.

Besides the general scheme, we are also insuring without medical examination special categories of persons in civil employment up to a total sum assured of Rs. 5,000 which limit was increased in 1961 to Rs. 10,000 in the case of eligible persons whose ages at entry do not exceed 30 years nearer birthday, and also in the case of category "A-1" of the commissioned officers in the Armed Forces. Under this scheme, new business of Rs. 112.23 crores under 4.25 lakhs policies was completed during the accounting period bringing the total non-medical



Mr. B. K. Kaul, I.C.S.

business to Rs. 155.67 crores under 7.13 lakhs policies.

Foreign Business

The political and economic changes in some of the foreign countries where we operate have had their effect on the development of our business. Due to various reasons our progress in Fiji and Malaysia has not been satisfactory, but in U.K. and Aden we have made good progress. We have been able to maintain our position in East Africa and Mauritius. Due to the sustained efforts of our officers and agents, our total foreign business during the accounting period came to Rs. 11.24 crores under 9,498 policies as against Rs. 10.03 crores under 8,056 policies in the year 1961. Special mention must be made of our London Branch which wrote during the accounting period a new business amounting to over Rs. 2 crores.

Business in Goa

We started transacting new business in Goa, Diu and Daman in 1962 and up to 31st March, 1963 we issued 2,451 policies assuring Rs. 1.28 crores. Policies issued by the erstwhile Portuguese companies to Indian citizens which are now serviced by the Corporation, will be taken over by us after the Life Insurance Corporation Act is made applicable to these territories.

Group Insurance & Group Superannuation Schemes

During the accounting period, new business amounting to Rs. 10.49 crores was written under the Group Insurance Schemes, and under the Group Superannuation Schemes, Life Annuities of over Rs. 5 lakhs and Annuity Certain of over Rs. 1 lakh per annum have been granted. This business has made considerable progress in the Western Countries. We can also write larger business under these schemes if we get the necessary support from the employers of the bigger undertakings. These schemes provide the benefits of life insurance at cheaper rates, and with the employer contributing a part of the premiums, the burden on the employees is further reduced. I am sure enlightened employers will come forward in larger numbers to make the benefits of these schemes available to their employees.

Business in Force

The total business in force as at 31st March, 1963 was Rs. 3,168 crores under 95 lakhs policies as against Rs. 2,737 crores under 86 lakhs policies at the end of 1961, thus recording an increase of 15.7% during the period.

Lapse Ratio

The ratio of net lapses to the mean business in force was 8.1% during the period 1st January, 1962 to 31st March, 1963 as against 7% in 1961 and 6.6% in 1960. The tendency of the net lapse ratio to rise in spite of the efforts put in to improve the quality of business is disquieting. There is hardly anything an insurer can do to prevent lapses attributable to factors beyond its control. At the same time, efforts to improve the quality of business so as to minimize lapses attributable to new business of doubtful quality must be continued to be made; if anything they need to be pursued more vigorously. With this end in view it has been recently decided that a fresh proposal, from any person whose existing policy has lapsed within the preceding 3 years, would be entertained only if such lapsed policy is first revived by him for which purpose special facilities are now given.

Valuations

During the period under review the Third Biennial Valuation of the Corporation's business as at 31st December, 1961 was completed. As a result thereof Rs. 32.73 crores were allocated to the participating policies; the rates of reversionary bonus allotted to policies issued by the Corporation, as well as policies issued by the erstwhile insurers, were the same as those declared in respect of the first two valuations as at 31st December, 1957 and 31st December, 1959 respectively. The amount allocated to the Central Government was Rs. 1.72 crores.

Consequent upon the change in the accounting year of the Corporation it has been decided to make the Fourth Valuation of the Corporation's business as at 31st March, 1963 and the same is in progress. It is expected that the results of this valuation would be available early in 1964.

Mortality Investigations

The Corporation has taken on hand a detailed investigation into the mortality of assured lives during the years 1961-64. It is proposed to construct a Life Table, on the basis of the experience during the years 1961-64 of medically examined male lives accepted at ordinary rates under Whole Life and Endowment Assurance plans. It is also proposed to investigate separately the experience of male lives assured under the non-medical scheme, and of the female lives assured with the Corporation.

During the period under review a preliminary investigation into the mortality of assured male lives has been made. A Life Table based upon the experience during 1961 of nine major Integrated Head Office Units, accounting for about three-fourths of the entire business in force of all the insurers prior to nationalisation, has been prepared and incorporated in the Report. The results of this investigation confirm that there has been considerable improvement in the mortality of assured lives in India since the publication of Oriental's 1925-35 experience. The investigation into the mortality experience of lives assured with the Divisional Offices of the Corporation also confirms the same.

Premium Rates

It has often been suggested that in view of the favourable experience of the Corporation, particularly in regard to mortality, the premium rates should be reduced. I may mention in this connection that when most of the insurers effected substantial reductions in the rates of premium in 1954 a considerable part of the current favourable experience with respect to mortality and interest was anticipated and taken into account. Further, in adopting in 1956 the premium rates of the "Oriental", after further reducing them by Re. 1/- per thousand sum assured or 5% of the premium, whichever was less, the Corporation anticipated economy in expenses. However, in view of the increasing pressures of inflationary forces it would be too much to expect any significant reduction in expenses in the near future.

As regards the mortality basis underlying the premium rates the same can be reviewed only when the low rates of mortality now being experienced are stabilised. This would be known only in 1966 when the results of the detailed investigation into the mortality experience for the years 1961-64 undertaken by the Corporation are expected to become available.

Apart from this it is the general practice among insurers even in foreign countries not to revise frequently the premium rates for with profit policies. The general view of the insurers is that changes in experience as regards mortality, interest and expenses can more equitably be handled under with profit policies by changes in the bonus rates than by changes in the general level of premiums. This is particularly significant when 90% to 95% of the new business is generally under with profit plans as is the case in this country. Moreover, passing on the benefits of favourable experience in the form of reversionary bonuses to the policyholders rather than reductions in premiums is desirable as an anti-inflationary measure.

Premium and other Income

The premium for the accounting period amounted to Rs. 150.38 crores against Rs. 112.30 crores in the year 1961.

The total income for the accounting period was of the order of Rs. 185 crores as against Rs. 141 crores in 1961.

Life Fund, Investments and Total Assets

The Corporation's life fund as at 31st March, 1963 was Rs. 720.70 crores registering a handsome rise of Rs. 91.94 crores after taking into account the adjustments made to the life fund at the beginning of the year.

Of the total investments in India of Rs. 623.64 crores the public sector accounted for 76.8% and the private sector 23.2%. During the year, 58 new

issues were underwritten to the extent of an aggregate sum of Rs. 19.53 crores.

The total assets of the Corporation as at 31st March, 1963 amounted to Rs. 785.94 crores as against Rs. 696.31 crores at the end of the year 1961. The net increase in the assets of the Corporation, since its inception, amounted to Rs. 371 crores.

Rate of Interest

The Income from interest, dividends and rents before deduction of income-tax rose to Rs. 39.38 crores during the accounting period from Rs. 27.95 crores in 1961. The gross rate of interest realised on the mean life insurance fund was 4.76% per annum as against 4.80% per annum during the previous year.

The net rate realised also fell from 4.68% in 1960 to 4.08% during the period. The marked fall in the net rate of interest is mainly attributable to the fact that, whereas the tax refund accounted for in the Revenue Account for the year 1961 comprised refund in respect of two years, in the accounting period under review such tax refund comprised refund in respect of one year. Had only one year's refund been received in 1961, the net rate of interest for that year would have been 4.20% as against 4.08% per annum during the period of 15 months ended 31st March, 1963.

Again, dividends on Preference or Ordinary Shares are generally declared once a year. There are comparatively few declarations of dividends during the months of January, February and March. Thus, the total quantum of dividends declared during the period of 15 months, which included, besides the calendar year 1962, the first quarter of 1963, was not proportionately higher. As a result, the yield for the entire period of 15 months was depressed. Since the annual rates of interest, gross as well as net, were derived by adjustment of the respective rates for the 15 months period, the same have shown a fall by comparison with the normal accounting period of one year.

Expenses of Management

The overall expense ratio of the Corporation for the accounting period is 29.3% as against 28.0% in 1961. The renewal expense ratio, for the period is 14.13% as against 12.42% in 1961. The increase is largely attributable to the addition to the expenses on salaries and allowances due to revision in the salary scales of employees in Classes III & IV with effect from 1st January, 1962 as a result of the settlement with the two Associations representing these employees.

Claims

Claims for the accounting period inclusive of bonus addition amounted to Rs. 31.40 crores under matured policies and Rs. 12.56 crores under policies becoming claims by death. The total claims for the period amounted to Rs. 43.96 crores as compared with Rs. 34.11 crores in 1961. Outstanding claims as at 31st March, 1963 amounted to Rs. 13.55 crores as against Rs. 13.93 crores as at 31st December, 1961.

Building Activities

We have on hand construction of a large number of buildings to house our offices and also for investment purposes. Although the shortage of building materials has hindered our building activities to some extent, special efforts are being made to complete the various buildings, at different stages of construction, as early as possible. The housing of our offices in our buildings would relieve the present congestion and would lead to more efficient working. Suitable plots of land have been, therefore, purchased for our Divisional and Branch Office buildings at various centres.

Mortgages

The scheme for grant of loans on mortgage of immovable properties has been extended to 5 additional centres and is now in operation in 26 cities. The revised scheme for grant of loans to policyholders for construction of houses termed "Own Your Home Scheme" has since been finalised. It will come into operation in 26 selected places in early 1964 and will be extended to 30 more places during the course of that year. This Scheme will enable the middle class people to own their homes with the help of loan facilities.

I have always received sincere co-operation and valuable advice from my colleagues on the Board and on the Investment Committee. I offer my grateful thanks to them. I take this opportunity to record my appreciation of the services rendered by the officers and staff at all levels. It is their services which have solely contributed to the fine results achieved by the Corporation. Finally, I thank all the agents who have done such excellent work in spreading the message of insurance to people, thereby enabling the Corporation to maintain the steady increase in the new business.

Note: This does not purport to be a report of the proceedings of the Annual General Meeting.

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CENTRAL CABINET CHANGES MADE BUT SOME ANOMALIES REMAIN

(FROM OUR NEW DELHI CORRESPONDENT)

THE Government of India announced the following changes in the Union Cabinet during the past week. Mr. C. Subramaniam relinquished the office of the Central Minister of Steel and Heavy Industries, and assumed the office of the Minister of Steel, Mines and Heavy Engineering. Professor Humayun Kabir relinquished the office of the Central Minister of Scientific Research and Cultural Affairs and his temporary charge of the Ministry of Education; and assumed the office of the Central Minister of Petroleum and Chemicals. Mr. M. C. Chagla assumed the office of the Central Minister of Education.

Mr. O. V. Alagesan relinquished the office of the Minister of State in charge of the Central Ministry of Mines and Fuel, and assumed the office of the Minister of State in the Ministry of Petroleum and Chemicals. Mr. A. M. Thomas relinquished the office of the Deputy Minister in the Ministry of Food and Agriculture, and assumed the office of the Minister of State in the Ministry of Food and Agriculture. Mr. Bhakt Darshan assumed the office of the Deputy Minister in the Central Ministry of Education.

The Presidential Order

Side by side, the President issued an order, making certain amendments in the Government of India (Allocation of Business) Rules, 1961. They are as follows: The Central Ministry of Mines and Fuel ceases to exist. A new Ministry of Petroleum and Chemicals has been constituted with two departments under it, namely, the Department of Petroleum and the Department of Chemicals. Subjects relating to petroleum under the former Central Ministry of Mines and Fuel have been placed under the new Department of Petroleum; those relating to the chemical industries have been transferred from the Central Ministry of Industry, along with fertilisers from the Department of Heavy Industries, to the new Department of Chemicals.

The Central Ministry of Steel and Heavy Industries ceases to exist. A new Ministry of Steel, Mines and Heavy Engineering has been constituted with three departments under it, namely, the Department of Iron and Steel, the Department of Heavy Engineering, the Department of Mines and Metals. The subjects under the Department of Iron and Steel remain unchanged. Those under the previous Department of Heavy Industries, other than fertilisers, have been placed under the new Department of Heavy Engineering. Subjects relating to mines and coal under the previous Central Ministry of Mines and Fuel, as well as non-ferrous metals, have been placed under the new Department of Mines and Metals.

The Central Ministry of Scientific Research and Cultural Affairs ceases to exist. The Ministry of Education has been reconstituted with two departments under it, namely, the Department of Education and the Department of Science. The subjects under the previous Central Ministry of Education along with those for Cultural Affairs which were under the former Ministry of Scientific Research and Cultural Affairs have been placed under the new Department of Education. The remaining subjects under the former Central Ministry of Scientific Research and Cultural Affairs, with one or two exceptions, have been placed under the new Department of Science under the Central Ministry of Education.

The announcement does not complete the so-called reorganisation of the Central Cabinet. Two other instalments are expected, one by the end of this month and the other after the annual session of the Congress in Bhubaneswar, say, by the middle of January.

The reorganisation announced last week follows the recommendations of the Khera Committee, which submitted its report in September. The Committee recommended the creation of "blocks" or departments for the following: oil, chemicals, including fertilisers and petro-chemicals, mines and minerals, steel, engineering and light industries, including textile and jute industries, small-scale industries, industrial policy, commerce, education, including technical education and science.

The second instalment of Cabinet changes, due very shortly, is expected to transfer the textile and jute industries from the Central Ministry of International Trade to the Ministry of Industry. Cement, which is at present with the Department of Heavy Engineering, is likely to be transferred to the Central Ministry of Industries.

It will be recalled that under the Reforms Constitution of 1919, there were Departments of Commerce and Railways and Industries and Labour. When the Government of India Act, 1935, came into force Railways and Commerce were separated, and the new administrative set-up was called the Department of Commerce and the Department of Transport, including Railways. Industries were similarly separated from Labour and the new departments were called (1) Industries and Supply and (2) Labour, which included the Central Public Works Department. This was more or less the set-up which the Congress rulers inherited from the British in 1947. A few years' experience brought the defects of the system to the surface. The case of plywood illustrates one minor point of conflict between the Central Ministries of Commerce and Industries. The Ministry of Industry wanted to ban plywood imports to protect India's growing industry while the Central Ministry of Commerce demanded imports from Sweden on the ground that Indian plywood was unsuitable for making tea chests and that export of tea in chests made of Indian plywood was unacceptable in London.

A combined Ministry of Commerce and Industry was later created with Mr. T. T. Krishnamachari as its first Minister. He was succeeded by Messrs Morarji Desai, Lal Bahadur Shastri and K. C. Reddy, the last of whom had the privilege of presiding over its liquidation. It was during Mr. Reddy's stewardship of the Central Ministry of Commerce and Industry that one big chunk, called the Department of Heavy Industries was taken away from it and placed under Mr. C. Subramaniam and the jute and textile industries were transferred to the Central Ministry of Commerce. The Ministry was abolished after Mr. K. C. Reddy resigned from the Cabinet and was replaced by a Ministry of Industry and a Ministry of Commerce, each of which was placed in the charge of a Minister of State. In the final round of changes last week, even chemicals have been taken away, leaving the Central Ministry of Industry with the following subjects:

Industrial policy: general industrial policy, the administration of the Industries (Development and Regulation) Act, 1961, industrial management, and productivity in industry.

Industries and industrial development: The Ministry is in charge of industries and industrial development, including planning, development and control of, and assistance to, all industries other than those dealt with by any other department. The following specific industries are under its control: light engineering industries (namely, sewing machines, typewriters, weighing machines, bicycles, etcetera; light industries (namely, plywood, stationery, matches, cagarettes, etcetera); light electrical engineering industries; cables; optical glass project; raw films; hard board; paper and newsprint; tyres and tubes; and salt.

Small-scale industries: The Ministry is in charge of co-ordination of the development of small-scale industries and has control over the Small-scale Industries Board, and the National Small Industries Corporation. It also looks after the setting up of new industries in townships for displaced persons and colonies and places where there are heavy concentrations of displaced persons for mitigating their unemployment in the western region, namely, Punjab, Uttar Pradesh, Maharashtra, Gujarat, Rajasthan, Madhya Pradesh and the Union Territory of Delhi.

Industrial co-operation: The Ministry is in charge of co-operation in the industrial sector, excepting co-operative sugar factories.

Village industries: The Ministry looks after the co-ordination and development of village industries, including *khadi* and handicrafts; Ambar *charka;* and sericulture.

As for patents and designs, etcetera, it looks after the standardisation of international products and raw materials; the Indian Standards Institution (Certification Marks) Act, 1952, and the Indian Patents and Designs Act, 1911.

Diffusion of Responsibility

Why the Ministry was abolished after it had stood the test of successful working, leading to speedier industrialisation, has not been disclosed. The present stagnation in agriculture is largely due to the diffusion of responsibility among a number of sovereign, independent units which were created largely on political considerations. A similar process is now being carried out in the sphere of industries, which have given a fairly good account of themselves. The triumph of political over economic considerations has created the present state of instability in the industrial sphere. Unless a strong personality is brought to the Central Cabinet to assume charge of a combined Ministry of Commerce and Industries, the instability will persist, affecting industrial production, foreign investment and economic growth. Even more important is the question of co-ordination between the various units now held by the three Ministries, namely, petroleum, chemicals, steel, mines and minerals, engineering industries, commerce and the leftover industries under the Central Ministry of Industry. The difficulty will be the greater because industrial policy and its implementation are under a Minister of State, who has no Cabinet rank. It is a paradox that such subjects as agriculture and education, which were transferred to the States as early as 1921, are now held by Cabinet Ministers, while those for which the Centre has Constitutional responsibility are held by Ministers of States. Until the Government's policy is directed towards curbing industrial growth, the Prime Minister, it is suggested, should set up a council of Ministers for various industries and commerce, with a senior Minister in charge. The Council should meet every week. There should also be a corresponding council of Secretaries.

This leaves the Technical Directorate. Some think that its present independent identity should be maintained. Others say that it should be tagged on to the Ministry in-charge of industrial policy. When further reorganisation of the Cabinet is made, some decision should be taken on this problem also.

However unwelcome it may be the viewpoint of the administration has to be given some consideration while effecting departmental changes.

Ever since the implementation of the Kamaraj plan, the Central secretariat—with the exception of some of its limbs—has been in a state of coma. The Khera report received good publicity in the Press, on the basis of which some conjectures about reorganisation were made. This was almost two months ago. The reorganisation of the Cabinet is now being carried out when Parliament is in session and the Ministries should normally be expected to get ready for preparing their estimates of expenditure for inclusion in the annual Budget. The reorganisation now in progress will be in the nature of partition proceedings in relation to the Central Ministries of Mines and Fuel, Heavy Industries and Industry. Files will have to be sorted out and the personnel dealing with them will have to be transferred from one Ministry to another. In other words, normal working will be suspended for quite some time.

Mr. M. C. Chagla, it may be added, was no problem to Mr. Nehru. He returned to this country over a month ago and agreed to become the Central Education Minister. The delay in taking a decision on him has been unfortunate. According to reports, the Prime Minister wanted to apply his knife and cut out quite a few parasites languishing in his Cabinet. The delay enabled them to do the lobbying and persuade the Prime Minister to let them stay.

There is yet another aspect of the reorganisation. What is common between oil and chemicals on the one hand, and the revision of *Gazetteers* on the other, is not disclosed. Logic and reason demand that the latter item be either retained with the Ministry of Education or transferred to the Ministry of Information.

Checks and Balances

Lastly, a system of checks and balances has been introduced. With Mr. Chagla as the Education Minister, Mr. Bhakt Darshan has been appointed as the Deputy Education Minister to pacify the Hindi enthusiasts.

As for the calibre of the Ministers, Mr. Nehru should be the best judge of his colleagues. Leaving aside the idea of having a Macaulay as the Law Minister and a Hailey as the Home Minister, the Congress during Mr. Nehru's tenure of office has produced no giants to assist him in his great task. This country nevertheless can still boast of talent. But it cannot

be attracted to the Central Cabinet under the steelframe of the Congress Party's ideology. Even Mr. Chagla happens to be an outsider.

How the Government is wasting the poor taxpayer's money on so-called international conferences was brought out during question time in the Lok Sabha last week. Under the aegis of the Food and Agriculture Organisation, a meeting of experts on agricultural projects was held in New Delhi from 30th September to 11th October, 1963. The Central Minister for Agriculture said that "no proposals were expected to be put forward and none was done. The discussion related to the possibilities of improvements in the techniques of farming projections on which various views were expressed."

New Delhi also was the venue of a conference of India's diplomats functioning in the Middle East and Africa. A decision was reached to assist these countries with qualified teachers and engineers. Following the meeting, the Government decided to maintain a panel of qualified and experienced Indian experts in the teaching, medical and engineering fields for expeditiously meeting the demands from Asian and African countries. "Those who wish to be considered for such an assignment and possess at least five years' experience as teachers, lecturers and professors in English, Mathematics, Economics, Physics, Chemistry, Botany and Geology; physicians, surgeons, E.N.T. specialists, ophthalmologists, venereologists, anaesthetists or as civil, mechanical, electrical, metallurgical and mining engineers, surveyors or architects may enrol themselves with the Ministry of Home Affairs. Application forms would be available from the Foreign Assignment Section of the Ministry."

Side by side, the former Central Minister of Education, Professor Humayun Kabir, recently stated in reply to a question in the Lok Sabha that there was a dearth of qualified teachers for higher education in India. He added that to attract and retain the services of qualified teachers, the University Grants Commission had adopted various measures. The Minister continued that for the improvement of service conditions of teachers, other measures such as the provision of residential accommodation, pension-*cum*-gratuity-*cum*-insurance and sabbatical leave were also being considered in order to make the teaching profession more attractive.

The same is the case with qualified doctors and engineers who are in short supply. It will thus be seen that as in the case of sugar, the Government has created a sugar famine in order to earn a small amount of foreign exchange, so also it is planning further to deplete an already short supply of technical men in order to increase its prestige abroad. All this creates a feeling of amusement in the circles which India's Foreign Office tries to impress.

STATE ENTERPRISES

Craze for Publicity

A new advertising technique for public enterprises was introduced here last week. While the Treasury benches were found napping over an adjournment motion relating to his Ministry, the Central Minister for Transport and Civil Aviation was seen receiving a cheque of Rs. 66 lakhs from the chairman of Air-India as last year's profits of A.-I. By the same token, the chairman of the Indian Oil Company should be arranging a function to present a cheque to the Central Minister of Petroleum and Chemicals, Professor Humayun Kabir, representing the profits of his company. In February, another function could be held to enable the Central Railway Minister and the Posts and Telegraphs Minister to present cheques to the Finance Minister, in lieu of the profits earned by their organisations.

The Press Information Bureau issued a Press release last week which stated that "Professor Humayun Kabir met Mr. O.V.Alagesan". Since both are members of the Cabinet, they should have known each other, at least since it was constituted two years ago.

This craze for publicity among the Central Ministers should have been discarded after eight Ministers had left the Central Cabinet. But they too are still making unsuccessful attempts to catch the public eye.

INDUSTRIAL LICENSING

Minister Reviews Progress

The Central Minister of Industry, Mr. Nityanand Kanungo, told the Informal Consultative Committee of Parliament attached to his Ministry that in a number of important industries, "the third plan targets have been more or less fully covered by licences under the Industries (Development and Regulation) Act." Approvals have also been given in principle during the first two years of the plan for arrangements for financing the import of equipment worth arcund Rs. 340 crores by the private sector. After approval in principle, negotiations with lending institutions and collaborators have to be undertaken. So there will be a time lag before these approvals materialise in imports. Further foreign exchange approvals for about Rs. 250 crores will be needed to cover the third plan targets.

In view of the time lag between the release of foreign exchange and the actual establishment of capacity, there are likely to be shortfalls in relation to the third plan targets in a number of industries, such as newsprint, rayon-grade pulp, synthetic rubber, fertilisers, and aluminium (in relation to the revised targets). In order that the capacity visualised in the third plan as well as the additional capacity to meet the requirements of the first and second years of the fourth plan may be established in time, the projects need to be implemented most speedily. The Government is studying the measures needed for this purpose.

The licences under which no effective steps are taken by licensees continue to be revoked, according to the procedure prescribed under the Industries (Development and Regulation) Act. The number of licences revoked was 374 in 1962-63 and 103 in 1963-64 (up to September 1963), the Minister said.

HUNGARY

New Trade Pact Signed

A new long-term trade and payments agreement for a period of five years, which is to be effective from 1st January, 1964, was signed here last week by Mr. Jeno Incze, the Hungarian Minister of Foreign Trade, and Mr. Manubhai Shah, Central Minister of International Trade of the Government of India.

As a result of the new agreement, the turnover of trade is expected to be doubled by 1966, compared with that in 1963, which is about Rs. 8.50 crores each way. Exports each way are expected to reach Rs. 12.50 crores in 1964, Rs. 14.50 crores in 1965 and about Rs. 17 crores in 1966. India will export deoiled groundnut meal, deoiled rice bran and other deoiled cakes, manufactured industrial and chemical products, iron ore, mica, shellac and other traditional items of exports such as tea, coffee, H.P.S. groundnuts and cashew kernels. Main items entering into the list of exports from Hungary to India will be rolled steel products, alloy tool and special steel, machine tools, equipment for power-stations and capital goods such as flood control equipment, industrial furnaces, cable manufacturing plants, equipment for the chemical and pharmaceutical industries, equipment for the glass and lamp industries, fish and meat meals, ore and mineral testing plants, welding electrode and gas producer plants and electrical railway safety and signalling equipment.

Along with the agreement, a letter has also been exchanged on the granting of a line of credit of Rs. 12 crores by Hungary to India for implementing important industrial projects included in the third plan as well as those which may be undertaken in the fourth plan. Details of this credit will be settled by negotiations between the representatives of the two Governments during the next few months. The projects likely to be financed under this credit and technical collaboration between India and Hungary are aluminium plant, glass factory or dressing plant and powerstations.

SHIPPING

Indo-East German Service

Letters for the establishment of a joint regular shipping service between East Germany and India were exchanged here last week between the Governments of the two countries. The arrangement, which came into force immediately, will be for a period of two years in the first instance. According to the exchange of letters, the Director-General of Shipping, Government of India, and the Head of the Main Department of Shipping, East German Ministry of Transport, shall be the competent authorities for the two parties who will grant the most-favoured treatment to the vessels of either country while entering, leaving and staying in the ports of either party, except vessels engaged in coastal trade, inland, navigation or fisheries under their respective jurisdiction.

The cargoes assigned to the joint regular shipping line will be carried on the principle of share and share alike, irrespective of the terms of sale in relation to both general and bulk cargo, with a view to maintaining equality between the two parties concerning freight earnings.

To ensure the continued maintenance of this arrangement and discuss all questions of mutual sea transport, the competent authorities of both the parties, with representatives of their shipping company or companies, shall meet at least once a year or whenever requested by either party, either in East Germany or India. The competent authorities shall jointly make arrangements for clearing, handling and taking care of the ships of the parties in the ports of either country.

The settlement of freights relating to the exchange of goods between East Germany and India, as well as the settlement of charges for passenger transport on ships of East Germany and India and of all costs for entering and leaving, staying, loading and discharging, and handling of ships in the ports as well as for supplies and services shall be carried out on the basis of the trade and payments arrangements made under the exchange of letters of 18th December, 1959, or under such arrangements which may be in force between the parties on the relevant data.

PRICE INDEX

Decline Claimed by T.T.K.

In the course of a statement he made in the Lok Sabha on the level of prices during the last three months, the Central Finance Minister, Mr. T. T. Krishnamachari, said: "Wholesale prices have shown a measure of stability during the past three months. The index rose from 138 in the first week of August to 137.2 in the first week of September, but has since declined to 136 during the week ended 2nd November. The prices of rise, *gur* and vegetable oils, which were rising until the middle of October, have shown an easier tendency during the last few weeks. The index number of wholesale prices of manufactured articles has also remained fairly steady during the last three months. During the current season, the supply position of rice, cotton, jute, and sugarcane is expected to be better than in the last season. This, together with the Government's constant efforts to increase production generally, should help keep the situation under control. At the same time, a sudden drop in prices would adversely affect production and must be avoided".

STATE BANK

Foreign Currency Loans

The State Bank of India has agreed to assist a few of its clients to obtain loans in foreign currency for financing essential imports. The loans are intended to be repaid from subsequent export earnings of borrowers. Any assistance which may be rendered to them by the bank will be within the scope of the Government's import or other policies, and will also be subject to the specific approval of the Central Government in each case. The State Bank's scheme is purely experimental at this stage, and it is not possible to indicate the extent of the assistance which may be granted by the bank under the scheme.

FOREIGN COLLABORATION

Approval from Government

During the three months ended 30th September, 1963, the Government of India has approved 79 foreign collaboration cases. These were mainly in the fields of chemical, electrical, engineering and motor-car industries. Some of the important industries are plasticisers, intermediates, starch and dextrose powder, aluminium paste, transformers, cables, switchgear, malleable iron casting, industrial turbines, steel forgings, pumps, machine tools, motor-car ancilliaries and shock absorbers.

JUTE INDUSTRY

Progress of Modernisation

The modernisation of the jute industry up to the spinning stage is almost complete. It is reported that 82.3 percent of the fine yarn capacity and 82.3 percent of the coarse yarn capacity required to feed the standard hessian and sacking looms have been modernised. Besides, all the installed broad-looms are being fed with sliver spun yarn. The industry is currently modernising its winding sections. It is at present carrying on experiments on two alternative types of fully automatic looms for modernising the weaving section. Pending the selection of the particular type of loom, the standard looms are being rendered semi-automatic by fitting coploaders to them.

The industry has recorded the highest increase in production this year, compared with that of the past years. It has reached an output of 830,000 tons during the six months of 1963-64 (April 1963 to September 1963), compared with 604,000 tons in the same period of 1962-63.

Jute goods exports in the six months April-September 1963 have reached the highest record so far at Rs. 82 crores, compared with Rs. 71 crores in the same period of 1962-63.

In order to accelerate the pace of modernisation and thus improve the competitive position of the industry, a self-financing scheme has been introduced which facilitates the import of required machinery for preparatory and post-spinning stages. The industry has taken advantage of the facility.

TEA

Raising Exports

The Government has taken the following steps to reduce the cost of production of Indian tea to make it more competitive in foreign markets:

(1) The export duty on tea was abolished with effect from 1st March, 1963.

(2) The basic excise duty on green tea has been reduced by 5nP a kilogram.

(3) With a view to improving the quality of tea, the Tea Board has put into operation the hire-purchase scheme involving a total financial outlay of Rs. 5 crores for the supply of tea machinery and irrigation equipment to tea factories and tea gardens.

(4) To assist the tea industry to increase its yield, the tea plantation finance scheme has been in force since October 1962. This scheme is aimed at enabling the industry to carry out replantation and new plantation with loans from the Tea Board. A revolving fund of Rs. 5 crores has been sanctioned for the purpose.

(5) The Government is meeting in full the industry's requirements of nitrogenous fertilisers in the form of neat sulphate of ammonia.

IRON ORE

A New Cess Levied

A cess of 25nP has been levied on each metric ton of iron ore since 1st October, 1963, with a view to starting a welfare fund for workers. It will be administered through tripartite advisory committees, one for Bihar and one for Orissa, one for Andhra Pradesh and Mysore, and one for Madhya Pradesh and Maharashtra, and the Cess Commissioners for each region. It is also proposed to have a co-ordinating committee at the Centre comprising the chairman of the advisory committees and others to co-ordinate and supervise the activities of the fund.

STEEL

New Corporation Planned

A corporation is being formed to undertake a sizable share of all new steel works construction. Its purpose will be to reduce construction costs and to conserve skills in the specialised fields of steel works construction. The new company will undertake construction at different sites.

REFRACTORY

Plant in Public Sector

A proposal has been made to set up a basic refractory plant in the public sector, but the location has not so far been decided. The need for refractories is at present estimated at about 700,000 tons a year but is likely to increase when the steel capacity is further expanded. A major portion of the present requirements is met from indigenous sources and the balance from imports.

YUGOSLAVIA

Purchase of Iron Ore

A Yugoslav delegation headed by Mr. P. Vukcevic, which has been negotiating the purchase of iron ore from the Minerals and Metals Trading Corporation of India Ltd during 1963, has signed an agreement. The agreement provides for the purchase of 300,000 tons of iron ore from India by Yugoslavia with an option to be exercised by the buyers for an additional purchase of 100,000 tons.

E.C.A.F.E.

Economic Co-operation in Asia

Mr. Manubhai Shah, Central Minister of International Trade, will lead a six-member Indian delegation which will participate in the special conference on Asian economic co-operation beginning in Manila on 3rd December. All the member-countries of the E.C.A.F.E. will participate in the meeting.

In 1961, a consultative group of experts, led by Mr. K. B. Lall of India, reported on the possibilities of economic co-operation in the E.C.A.F.E. region. After this, another group of experts prepared a report which was considered by the preparatory meeting in Bangkok in October this year. The conclusion emerging from the detailed discussions will be considered by the Manila conference.

CEMENT

Plant in Private Sector

The Government will shortly grant a letter of approval agreeing to the setting up of a cement factory in the private sector in Himachal Pradesh, with an annual capacity of 100,000 tons.

SUGAR

Prices Raised

As a result of the revision of sugarcane prices announced on 30th October, 1963, the Government has raised the ex-factory prices of sugar by Rs. 3 to Rs. 8 a quintal in different areas. The new prices have already come into force.

CHARKHA

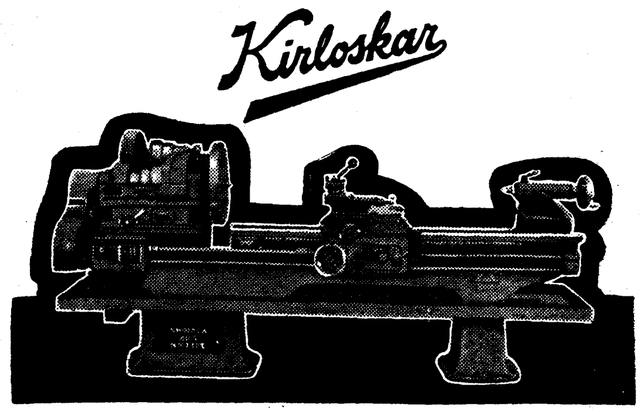
Earnings of Spinners, Weavers

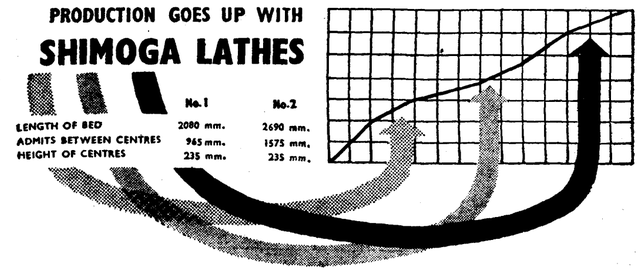
The annual average earnings of a spinner of cotton yarn on Ambar *charkha* and traditional *charkha*, with 2 to 4 hours' work a day and 150 to 200 work-days in a year, were Rs. 60 and Rs. 25, respectively. The average income of a weaver, for the corresponding period, while working for six months to eight months in a year at the rate of 25 work days in a month varied from Rs. 100 to Rs. 500 a year.

SEAMLESS STEEL TUBES

New Unit in Punjab

The Central Government has approved the Punjab Govenment's proposal for setting up a unit for manufacturing seamless steel tubes.





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F.B.I. FORECASTS BOOM YEAR FOR BRITAIN

(FROM OUR LONDON CORRESPONDENT)

THE British economy faces a year of economic growth. That is the view taken by most business men and economists, as well as of the official forecasters in the Treasury. This correspondent dealt with the views of some of these interests in the last despatch. They are further supported by the National Institute of Economic and Social Research, which joins the F.B.I. survey in thinking that 1964 will be a boom year in Britain. It expects output to rise much higher in 1964 than in 1963—perhaps 5½-6 percent against 3 percent—and unemployment to fall by the end of the year to 1.6-1.7 percent. It also foresees that this expansion may lead to a stockbuilding boom resulting in a "significant, though not dangerous" worsening in the balance of payments.

The upshot of the Institute's appraisal, published in the *Economic Review*, is that any further stimulus—in the Budget or by other means—would be out of place. On the other hand, it believes it is much too early yet to contemplate immediate steps to restrain the increase in demand. Although the expected fall in unemployment would carry it below 2 percent, which some regard as the danger level, it would still be above 1½ percent, which others regard as a tolerable or even desirable level." In any case, the Institute considers that any restraint now would have a bad effect on business confidence "at a time when private investment is at last beginning to rise."

About 1965, the Institute is less certain. It suspects that there has been no marked rise in the underlying growth of productivity and thinks it is quite possible that the increase in demand in 1965 may result in a further fall in unemployment to well below 1½ percent. Private investment should be rising fast by then and public investment could also still be rising fast if, as seems likely, it lags behind the programme next year.

The Institute considers that if it becomes clear during next year that such an outcome for 1965 is likely "it will be necessary to impose some restraints." These, it suggests, should fall on private consumption or on current public spending. It would oppose attempts to curtail the rise in either private or public investment on the grounds that cuts in these sectors "take a long time to be effective, are intolerably disruptive of properly balanced programmes, and in any case, jeopardise future increases in productivity."

The Institute finds no immediate grounds for alarm in the probable worsening of the balance of payments next year. Much of this will be due to cyclical stockbuilding, which it regards as a normal accompaniment of a recovery in home demand. Only if 1964 reveals a further appreciable fall in the U.K.'s share of world trade, it suggests, will the longer-term balance of payments prospects be really disturbing. "Export performance is the trend to watch." The Institute thinks it possible that the long-term downward trend "in our share of world exports of manufactures may already have been resumed. It attributes the recent rise in our exports to the rapid expansion of world trade rather than any improvement in our competitive position. But the evidence of a change of trend is still very slim. In any case, it seems likely that there will be "a sufficient rise in world trade, helped by a marked rise in the incomes of primary producers, to raise the value of exports of goods by perhaps 8 percent in the year 1964."

Fixed Investment

Fixed investment, in the Institute's view, should follow a fairly steady upward trend from now on, although much of this will probably come from the public sector. Housing may not rise a great deal after the end of 1963 and any rise in total manufacturing investment "seems likely to be fairly slow." The Institute still expects investment by the iron and steel and motor-vehicle industries to fall heavily in 1964. It thinks that stocks will rise by somewhere in the region of £750 million, of which up to half might represent stockbuilding of imports. On the other hand, it foresees consumers' expenditure rising by only about 3 to 3½ percent, against 4 percent in 1963, on the assumption that there will be no stimulus comparable to the tax cuts which have raised consumption this year.

On productivity, the Institute says the revised figures for employment just published by the Ministry of Labour indicate that the rise has been rather smaller than a number of recent estimates have suggested. It points out also that "while the economy is recovering from a long period of stagnation there is bound to be a rapid increase in output a man employed. This gives scope for a bigger than average increase during 1963 and 1964." "The testing time for a long-term rate of growth higher than that of the 1950's will not come before 1965 or 1966," the Institute concludes.

Thus one finds the F.B.I. and the independent National Institute delivering similar verdicts—with rare accord both find that the present expansionary phase should last at least until the end of 1964. Mr. Maudling, who for months has been going round preaching optimism to reluctant industrialists, has good reason to be pleased. But if these forecasts are right—and the consensus of expert opinion is that expansion of the order of 5 to 6 percent should be within Britains' reach in 1964—what is to follow, in 1965? So far no one is (or should be) prepared to hazard more than a guess. Guesses, however, can sometimes be instructive. The Chancellor is hopeful. Sterling, he told one of his many audiences last week, could be protected throughout a long period of expansion—so long as costs and prices remained competitive. The F.B.I. is also guardedly confident: the expansion, it thinks, could carry over into 1965—"other things being equal."

The National Institute is more ready to admit doubts. The picture for 1965 is, in its view, "less clear." And it goes on to envisage the possibility that, some time in the course of next year, it may be necessary to impose restraints. Its reason for thinking so is made clear. It believes the increase in demand in 1965 may well result in unemployment falling below 1½ percent—and even the expansionist Institute apparently regards this as the minimum level which is tolerable.

Problem of Resources

This is the critical question. Once the present slack in the economy is taken up can output continue to rise without running up against the ceiling of the country's resources? Or shall Britain once be again be faced with wage inflation and/or balance of payments troubles? Mr. Maudling clearly had this in mind when he said that the next problem would be "how to establish a sustained 4 percent growth rate as we approach capacity working." The U.K. is, it is true, still some way from facing that problem. The first stages of expansion are unlikely to be hindered by labour scarcity. Although there may be local shortages in some areas in the south and Midlands, and possibly some shortages elsewhere of particular skills, in general the supply of labour should be ample to cope with the demands which are likely in the next six to nine months. Unemployment remains relatively high: there will be a substantial rise in the labour force as yet another part of the "bulge" reaches working age: and a boom can be counted on to bring more married women and older people back into employment.

The National Institute estimates that the rise in employment from these sources, comparing mid-1964 with mid-1963, could be as much as 350,000. Nevertheless, the Institute also reckons that by the end of next year, unemployment may have fallen to about 1.6-1.7 percent: by 1965, with continued expansion, it could go lower. This absence of a large reserve of labour, as Mr. Richard Fry points out in an article in the current *National Provincial Bank Review* is what distinguishes Britain from the countries in Europe and elsewhere which have enjoyed periods of rapid growth in recent years. For Britain to perform a comparable economic miracle "without the mainstay of a large labour reserve which all previous performers have been able to bring into play" would, Mr. Fry says, "be a formidable feat—although he adds hopefully that "it is no longer beyond human capacity."

Increasing Productivity

It is easy enough in principle to see where the way around this difficulty lies: it is in a larger rise in productivity. Some observers claim to have detected an improvement already in the past year. Regrettably, the evidence is still thin. As the National Institute points out, there is bound to be a rapid increase in output a man employed while the economy is recovering from a long bout of stagnation. For this reason, productivity is likely to show a bigger than average increase this year, and probably next year as well. But so far the Institute's economists have found little evidence of any marked rise in the underlying growth. The testing time still lies ahead. There are some hopeful signs. The past year has brought many signs of a greater drive in industry to increase efficiency. The N.E.D.C. has begun to have an influence on union thinking. Regional development—as long as it is not pushed to uneconomic lengths—can help to bring a more even distribution of the load. But it remains to be seen how far attitudes to economic growth have really changed.

There was no further rise in the industrial production index in September, after allowing for seasonal factors. The figure for "all industries" which includes construction, mining and utilities, was unchanged at 121 and that for manufacturing industries was also unchanged at 122. However, taking the third quarter of 1963, the seasonally adjusted index for all industries was about 3 percent higher, and that for manufacturing industries 3½ percent higher than in the second quarter. A comment from the Treasury was: "The upward trend in production continued in September."

Compared with the third quarter of 1962, the index for all industries showed a 4 percent rise and that for manufacturing a rise of 4½ percent. On this basis, Mr. Maudling was able to tell the O.E.C.D. Council in Paris the other day that he was hoping to sustain the present rate of growth into 1964 without any danger of inflation. There was still some spare capacity, he said, and international trade prospects looked encouraging. The O.E.C.D. meeting was called to consider how the Western nations were living up to their joint decision to attempt a 50 percent increase in total output in the present decade. So far, things have gone better than most people expected. While the rate of expansion in the Common Market has slowed down, it is still substantial. The U.K. after a period of deliberate restriction is now moving along the planned rate of growth. In the United States, the Department of Commerce has just stated that in the first three-quarters of this year, the gross national product was 5¼ percent above the same period for 1962 in money values and 3¾ percent in real terms. No check is in sight anywhere for at least six or nine months. All this makes good news.

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Jute

FIBRE PRICES WILL NOT BE RAISED, SAYS MINISTER

THERE is no possibility of an increase in the floor price for raw jute, according to the Central Minister for International Trade, Mr. Manubhai Shah's statement in the Lok Sabha last week. The consensus of opinion, he said, was that fibre prices were "well supported". They were fixed after taking into consideration the international prices of jute goods so as to ensure the maximum benefit to the grower. Judging from the trend of prices in Calcutta and the upcountry markets, the objective of ensuring a fair economic price to the grower had already been achieved, Mr. Shah said.

Meanwhile, inter-ministery differences over jute prices have been resolved by an expert committee. The Central Agriculture Ministry's demand for an increase in the price of inferior grades of jute from Bihar has been rejected. The representative of the Central Finance Ministry, who led the five-man committee, is believed to have suggested that the restrictions on the purchase of inferior jute from Bihar should be removed immediately.

The committee has suggested that the price differential between the Bottom grade and the inferior grade fixed by the Government should continue unchanged. So the price of the B Bottom variety should be Rs. 23 a Bengal maund and that of the Cross Bottom grade should be Rs. 21, delivered at Calcutta godowns. It has suggested that the prices to be paid to cultivators at secondary markets should be fixed on the basis of this price and in accordance with the formula suggested by the Patil Committee.

Inferior Grades to be Discouraged

The expert committee is of the view that giving a higher price for inferior grades will encourage the production of these varieties, whereas it is the policy of the Government to promote the cultivation of superior varieties. The latter are especially important at a time when competition from Pakistan is increasing and there has not been any substantial increase in India's share of the rising world trade in jute goods. The committee has suggested that instead of increasing the price of inferior varieties, the Government should continue the present differential for two more years and then widen it further so that the production of inferior grades is discouraged. It also says that the prices of inferior Bihar jute, which the Central Agriculture Ministry wanted to be raised, are ruling about Rs. 3.50 lower than the prices fixed by the Government. Any increase will, therefore, create an unrealistic situation and the S.T.C. will have to incur a heavy loss in disposing of the stocks it has lifted.

Further Setback in Gunny Offtake

There has been a further setback in the despatches of jute goods from mills reporting to the I.J.M.A. The offtake has declined from 96,500 tonnes in Septemer to 95,000 tonnes in October. A sharp increase in sacking offtake from 35,500 tonnes to 43,200 tonnes could not offset the decline in hessian from 45,800 tonnes to 40,600 tonnes and in other goods from 15,200 tonnes to 11,200 tonnes. Despite an increase in sacking exports from 19,100 tonnes to 21,900 tonnes, the total tonnage has declined by 7,100 to 66,900.

The rise in heavy goods offtake is due to the clearance of held-over September shipment cargo to Cuba. Exports of both hessian and miscellaneous goods have suffered—the former from 42,500 tonnes to 36,900 tonnes and the latter from 12,400 tonnes to 8,100 tonnes.

Internal offtake has improved from 22,500 tonnes to 28,100 tonnes due to bigger demand for packing sugar and cereals. Sacking offtake has risen from 16,400 tonnes to 21,300 tonnes, hessian from 3,300 tonnes to 3,700 tonnes, and others from 2,800 tonnes to 3,100 tonnes.

Despatches for the comparable months in 1962 also showed similar trends. The total offtake fell from 96,800 tonnes in September to 93,300 tonnes in October. Of this, exports showed a decline from 75,400 tonnes to 68,700 tonnes, while internal consumption improved from 21,400 tonnes to 24,600 tonnes.

Shipper circles believe that sacking stocks at the end of October would have declined by further 5,000 tonnes or so, had the month's shipment quota of heavy Cees been despatched to Cuba in full. With internal consumption improving in the next few months and heavy shipments to Cuba and other destinations, sacking stocks, it is expected, will decline gradually. The market does not seem to be worried about the small increase in hessian stocks because of slackness in overseas bookings during October. The dullness in overseas markets is due to the fact that buyers are consuming their stocks. From current indications, it appears that world consumer interest may revive by the end of the year. The total offtake of hessian in 1964, it is expected, will increase by about 10 percent over that of 1963.

Prospects in Australia

Indian sacking would gradually lose ground in Australia unless prices were reduced and brought in line with those of Pakistani products, said Mr. J. H. Freeman, deputy president of the Australian Jute Goods Association, in an interview in Calcutta last week. Pakistani competition is serious in cornsacks. Pakistan has wrested about 75 percent of India's former market by offering discounts ranging from 1 percent to 3 percent on the Indian prices. Also, the quality of Indian goods had not been satisfactory, he added. He welcomed the voluntary quality control and preshipment inspection schemes recently introduced by the I.J.M.A.

Referring to the comparative cost of production, Mr. Freeman said that Pakistan's lower fibre costs were offset by higher depreciation charges and operating costs. The export bonus vouchers help her to quote a lower price. At present India is meeting about 80 percent of the Asutralian demand for woolpacks, and Pakistan the rest. Here too there is keen competition. Indian woolpacks might be difficult to sell once Pakistan is in a position to produce more of these goods. The growing popularity of bulk handling in Australia poses yet another serious threat to the consumption of jute goods.

Referring to Australian complaints about the loose fibre-ends in woolpacks contaminating wool, Mr. Freeman said that woolpackers in that country were carrying on expensive research for finding an alternative packing material. But until a substitude is found and until Pakistan steps into the picture, Indian woolpacks may enjoy a good market there.

Australian demand for woolpacks, he said, could be expected throughout the year.

November Forward Contracts

The East India Jute and Hessian Exchange Association has declared that cornsacks can be tendered at a premium of Rs. 1.35 in lieu of B Twills at the settlement of November futures. As for hessian, the alternative varieties tenderable are 40in. 7½oz. at a discount of Rs. 11.50 and 40in. 10oz. "C" Group at a discount of 35nP. The differentials fixed for alternative varieties are in accordance with the current market differentials and as such are considered fair. It is, however, worth noting that at a discount of Rs. 11.50, the deliveries of 40in. 7½oz. will be few and far between, as the demand for this fabric will be continuing fairly well and it is commanding a premium for all positions up to July-September next year.

The outstandings in both sacking and hessian November are fairly large, the former being over 100,000 bales, and the latter around 20,000 bales. It is expected that if the premiums on February futures are raised any further, at the current low levels of Rs. 46, bulls will be encouraged to carry their goods forward, especially when the full loss of interest is being borne. In this eventuality, the potential deliveries in hessian may disappear altogether, with large bears finding themselves in a tight corner with no goods to deliver. Bears have shown no inclination to switch over their ready positions to February, even though the differential has been 40nP to 50nP in their favour. If deliveries had been withheld, these differentials would perhaps have narrowed down to nothing.

Pakistani Expansion Plan

East Pakistan proposes to put into operation about 30,000 jute looms by the end of its third plan, according to Mr. A. K. M. Hafizuddin, chairman of the East Pakistan Industrial Development Corporation. In this way, it is hoped to absorb about 50 percent of the province's fibre output. The second plan envisaged a loomage target of 10,000. A Lahore message says that the British Government has agreed to advance a loan of £2.36 million for expanding the East Pakistani jute industry. The loan is to be used for raising the second plan loomage target to 14,000. The World Bank has also been approached for a further loan to develop the jute industry.

Crisis in Scottish Industry

After some years of relative prosperity, uncertainty faces the Scottish jute industry with the Government's decision to halve the 20-percent mark-up on imported hessian cloth and to set up an enquiry into the whole system of jute protection, says the *Financial Times* in a special survey. Recalling the dismissal of 160 workers in two mills engaged in making bags from hessian immediately after the announcement of the decision, the review says that other mills are expected to retrench their workers over the next few months.

Nevertheless, so long as the boom in broad loom tufted carpets—for which jute provides the backing—continues, the industry will feel reasonably secure, for as much as half of its output goes into that particular channel. One of the effects of the boom has been the installation of more wide looms in the Dundee district, where the bulk of the industry is localised.

Meanwhile, intensive research goes on at the industry's research centre to improve the quality of the fibre and find new uses for it. An experimental plant has recently been bought for coating and impregnating jute fabrics with plastics. There are considerable technical and economic difficulties in exploiting this new jute-based material. But there are many opportunities too. Jute has been, for its size, one of the British industries most conspicuous in modernising plant and equipment. Since the second World War, nearly £14 million has been spent on modernising the industry.

THE JUTE MARKETS

Manufactured Goods: Dull conditions prevailed in the jute goods market durig the past week. Barring an enquiry for about 15,000 tons of heavy goods from Brazil and scattered hessian business with the U.S.A., overseas enquiries were few and far between. The assassination of President Kennedy gave a big shock to operators and little business was transacted after Saturday. In hessian, the trend was dull, following discouraging reports from Argentina that the authorities had decided to curtail their offtake substantially due

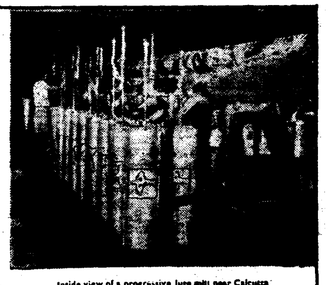
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to foreign exchange shortage. Australian purchases were more or less of a routine nature. The U.K. and the Continent were inactive. The Government of India showed little interest in replenishing its inventories. Stray shipper covering for ready and near positions in hessian on Tuesday induced a minor revival of interest in the specific positions. At the close, sacking was marked down slightly for all positions, while hessian scored fractional gains on balance. Turnover was small, with the undertone easy in the former and steady in the latter. In the futures market, operators were busy squaring up their outstanding against November contracts. Most of these were converted into February ones on payment of higher contango charges. Sacking suffered a serious setback, on profittaking after wide fluctuations, while hessian November closed with a small gain. Hessian February was marked a shade lower after moving within narrow limits. Turnover was moderate and the undertone easy in heavy goods and steady in hessian.

Wednesday's quotations were as follows:

	Nov.	Dec.	Jan.-Mar.	Apr.-June
40in. 7oz.	35.00	35.00	35.10	35.10
40in. 8oz.	37.75	—	—	—
40in 10oz.	46.70	46.75	46.75	46.75
B Twills	112.20	112.90	114.00	114.00
Cornsacks	113.50	114.50	115.25	115.25
Heavy Cees (Plain)	113.00	113.00	113.50	113.50
A Twills	131.75	132.75	134.00	133.50
Liverpools	123.25	124.00	125.50	125.50

Raw Jute: Divergent trends prevailed in the raw jute market during the past week. Mill agents were buying sizable quantities from upcountry markets against the November quota. Arrivls were more or less unchanged around 150,000 maunds a day and prices were 50nP to 75nP higher than the operational minimum levels. Sellers were reserved and not inclined to cut prices. It seemed that stocks were in stronger hands now, and the prospects of a bumper *aman* harvest induced them to hold their stocks fast. The advance announcement of a big quota for December was another stimulant. Despite higher advices from upcountry centres, prices reacted appreciably in the Calcutta spot market due to a predominance of sellers in average and lower grade fibre. Mills showed scattered interest only in selected grades and their prices were well maintained. Turnover was fair in the agency stations and small in Calcutta. The undertone was steady in the former and hesitant in the latter. In the futures market, nominal transactions took place in Upper Assam White Bottoms for December. In March contracts, prices tended to soften after minor fluctuations following scattered profit-taking. Bears were not inclined to cover their short positions at the existing levels. Turnover was small and the undertone easy at the close.

Wednesday's quotations were as follows:

	Landed at Mills (Basis Bottoms) Current Prices Rs. A Qtl.	Rs. A Md	T.S.D. Minimum Prices Rs. A Qtl.	Rs. A Md.
Assam-Agartala Jute	80.38	30.00	80.38	30.00
Northern Jute	77.70	29.00	79.04	29.50
Western Desal Jute	72.34	27.00	73.68	27.50
Selected Daissee	87.07	32.50	75.74	32.00
Assam-Agartala Tossa	84.39	31.50	83.05	31.00
Mesta :				
Assam-Northern	71.00	26.50	72.34	27.50
Local Daissee	71.00	26.50	72.34	27.00
Bihar Dist.	62.96	23.50	66.98	25.00

U.S. BURLAP CONSUMPTION AND STOCKS

U.S. burlap consumption in October was 600,000 yards less than in September 1963, but was 4,300,000 yards more than in October a year ago. The average monthly 1963 consumption remains unchanged from the previous month and about 4 million yards a month more than the comparable period a year ago. Bag cut-up in October was 58 million yards and piecegoods deliveries 21.1 million yards, compared with 56 million and 18.8 million yards respectively, in 1962. U.S. spot stocks and afloats decreased, compared with those in September. At 277.9 million yards, 154.1 million yards were spots and 123.8 million yards were afloats. Stocks now represent about 3.5 months' supply at the present rate of consumption.

U.S. burlap consumption (as reported to T.B.M.A.) (In million yards)

	1963	1962
Jan.	61	82
Feb.	78	69
Mar.	75	67
Apr.	68	62
May	65	64
June	60	56
July	60	57
Aug.	63	65
Sept.	67	64
Oct.	68	69
Total	665	655
Mo Av	67	66
Nov.		70
Dec.		66
Total		791
Mo. Av.		66

U.S. burlap consumption (estimated industry total) (In million yards)

	1963	1962
Jan.	68	88
Feb.	89	78
Mar.	85	75
Apr.	77	70
May	76	73
June	69	61
July	68	63
Aug.	70	73
Sept.	80	71
Oct.	79	75
Total	761	727
Mo. Av.	76	72
Nov.		77
Dec.		74
Total		678
Mo. Av.		73

U.S. burlap stocks (as reported to T.B.M.A.) (In million yards)

	1963	1962
Jan.	266	200
Feb.	256	215
Mar.	261	222
Apr.	254	213
May	252	199
June	251	207
July	252	204
Aug.	235	207
Sept.	232	204
Oct.	270	273
Nov.		223
Dec.		239

U.S. burlap stocks (estimated industry total) (In million yards)

	1963	1962
Jan.	306	211
Feb.	304	254
Mar.	304	259
Apr.	300	259
May	296	234
June	295	241
July	297	237
Aug.	279	244
Sept.	289	295
Oct.	274	249
Nov.		261
Dec.		277

THE U.K. JUTE MARKETS

FIBRE IRREGULAR

(FROM OUR DUNDEE CORRESPONDENT)

A FIRMER trend in the raw jute market in Pakistan was noticeable at the beginning of last week. This might have been due to some east European countries buying for early shipment. The main rise in prices was in the case of white jute, although some of the cheaper Tossa sellers also disappeared from the market. Demand from Dundee spinners was not large, and the business taking place was about equal to consumption. Registered sales to the U.K. during the first half of November were 30,617 bales, giving a total since the start of the season of approximately 420,000 bales.

More buying interest was shown by Continental countries during last week, and Belgium, France and Italy were in the market for supplies. This maintained a steadier market, but offers of the lower grades were made at well under minimum export rates.

The Siam jute market tended dearer for the better qualities and some buying interest was shown. Grade A was at £69 10s, grade B at £ 64 10s and grade C at £57 10s, delivered mill Dundee for December-January shipment.

Commodity Markets

RARE BOOM IN WORLD COFFEE MARKET

(FROM OUR SOUTH INDIAN CORRESPONDENT)

COFFEE, particularly the cheaper African Robusta, is at present enjoying one of the rare booms in the world market. The present prices are 50 to 100 percent more than those prevailing in 1962. For about the past one year, coffee has been steadily recovering from the serious recession which engulfed it before. For several years, coffee prices were extremely low, well below the cost of production in many countries. The reason was that the world production was growing faster than consumption. Excessive production was more pronounced in the case of the world's largest coffee-growing country—Brazil. There huge stocks got accumulated upsetting that country's economy which depended to a very large extent on the fortunes of coffee.

Even in those bad days, African coffees fared comparatively well. They had the good fortune of getting growing buyer support. This was largely because of their comparative cheapness. The growing popularity of instant coffee served the African coffees well. These growths are particularly suitable for the manufacture of instant coffee. African coffees have been thus finding persistently mounting demand both from European and American coffee roasters. It is said that a position has now been reached where the demand is apparently greater than the export quota given to African growers under the new International Coffee Agreement which came into force recently. Almost a scramble has developed for African coffees lately, and the export quota given to their growers, it is believed, has been used up for the current quarter.

The African growers have a distinct advantage in production costs over their counterparts elsewhere in the world. Their cost of production is comparatively low, and this enables them to sell their coffee much more cheaply than their rivals and still make a good profit. However, since the recent shooting up of prices, there is now little to choose between African and Brazilian prices. According to London reports, the price rise has not so far greatly affected the roaster's preference for African coffees. It is also said that the roasters have not been buying of late because most of them had enough in stock and could afford to wait for the prices to become more agreeable. According to these reports, roasters might go in for more of the Brazilian and other growths if prices of African coffees do not decline by the time their stocks are run down.

The African growers are said to be worried about the sky-rocketing of the prices of their coffees because of the possibilities of buyers turning their attention to other sources. They are, therefore, trying to get a larger export quota to prevent what is called the "unhealthy" rise in prices. They have already approached the International Coffee Council with a request for the upward revision of their quota. But Brazil is said to be opposing all requests for revising the export quota of African growers. The African growers are threatening that they will leave the International Coffee Agreement if their requests are not conceded, and if Brazil uses this agreement drawn for the purpose of stabilising coffee prices and marketing to advance her own interests at the expense of other producers.

India is another country which is asking for an upward revision of the export quota. She too grows Robusta coffee, which is in great demand in the world market now. Robusta forms over one-third of India's production of about 60,000 tonnes. This humbler grade was mostly dumped on the internal market in view of the low consumer preference abroad for this grade in the past. In view of the changed pattern in the buyer interest, India can profitably export this grade as long as the present trend continues and utilise more of the higher grade Arabica coffees for internal consumption. It all depends as to how far this country's request for an upward revision of the export quota will be granted by the Coffee Council which is at present considering this demand of African and Asian producers. Some concession may be shown to those who are demanding more liberal quotas in view of the apparent shortage in the world market.

TEA BOARD

New Propaganda Drive

Planting circles in south India are happy about the new propaganda preparations of the Tea Board. After some ten years of hesitation and confused inaction, promotional activity in tea has come into life. The Tea Board has been paying greater attention to propaganda for Indian tea abroad since the past three years and its latest budget is considered as a demonstration of "expansive thinking" on campaigns in the overseas markets. Promotional activities in Britain, America, Australia and New Zealand and the Middle East are being intensified and expanded over a larger area. The Tea Board has posted an officer in Brussels to keep Indian tea on the move in the European Common Market countries where tea will have duty-free entry from next January.

Indian tea which had domination over all other growths has suffered a marked and persistent decline since 1953. Taking India's traditional markets together, the fall was from 143 million kilograms in 1953 to 122.5 million kilograms in 1962. As a percentage of the total tea imported by these markets, the Indian share fell from 64 percent in 1953 to 48.5 percent in 1962. However, India gained some marked gains in exports to countries like Russia, which bought either on barter agreement or with the facility of rupee accounts. Promotional efforts are likely to meet with better response from the traditional markets who offer their free currencies in payment. The UPASI's *Planters' Chronicle* commenting editorially on the subject of tea promotion says that "the new liveliness in tea promotion is welcome and something for which the tea industry has to be thankful". The Journal is of the view that expanded and intensified promotional activities in those countries like Britain where India is steadily losing ground is a step in the right direction and the prosperous European Six with

their nil duty import of tea present tantalizing prospects. The E.C.M. countries consume about 42 million lbs for their 180 million people and India supplies only about 7 million lbs to this market. "A vigorous effort here should be richly rewarding", the *Chronicle* says. The journal asks for a rethinking in official policy concerning internal propaganda which at present is virtually neglected. If an excessive dependence on the export market coupled with the creation of a huge surplus results in a slump, the first to suffer would be the producers. Their ability to take a loss has been considerably weakened in recent years. To force them to produce more and to leave them heavily dependent on the export market is obviously imprudent. They should not be left entirely at the mercy of the easily changing fortunes of the world tea markets. The prudent course is the development of the domestic market as an insurance against adversity abroad, the *Planters' Chronicle* says.

TEA

Downward Trend in Prices

(BY A SPECIAL CORRESPONDENT)

PRODUCTION from north India continues to lag and the latest figures show a shortfall of 12 million lbs. In the early part of the season, tea prices were fairly satisfactory, but in recent months, the tendency has been downwards. Although tea output from northern India is running behind last year's figure, other producers including south India are making up.

During the current season, teas sold up to Sale No. 23, amounted to 48½ million kilograms, at an average price of Rs. 5.67 a kilogram, compared with 51-4/5 million kilograms in the same period of 1962 at an average price of Rs. 5.60 a kilogram.

It will be noted that the average sale price shows little gain to compensate for the small crop.

The district averages compare as follows (prices a kilogram):

	1963	1962
Assam	... Rs. 6.03	Rs. 6.12
Cachar	... Rs. 4.63	Rs. 4.17
Darjeeling	... Rs. 7.35	Rs. 7.42
Dooars	... Rs. 4.85	Rs. 4.68
Terai	... Rs. 4.89	Rs. 4.59

Dust teas have sold approximately at about the same rate as last year, namely, Rs. 4.92 a kilogram, compared with Rs. 4.87 a kilogram.

In view of the smaller amount of tea available, exports have been well maintained. Shipments to the U.K. stood at 57½ million kilograms on 7th November, compared with 51½ million kilograms last year; and available ships are fully booked for the U.K. The U.A.R. has taken less and Russia has about the same, while deliveries to the U.S.A. have been maintained. Canada shows a drop, while Ireland has improved her offtake by about 1 million lb. Total exports from 1st July to 7th November this year amount to 82 million kilograms, compared with 79¼ million kilograms last year.

In view of the smaller crop this should be considered good going.

Here are production figures from the major world suppliers (in million kilograms):

	1963	1962
North India ...	225.6	231.0
South India ...	64.4	60.4
Pakistan ...	20.4	19.1
Ceylon ...	155.3	143.8
Indonesia ...	21.0	23.1
Africa ...	31.0	30.3

Adding the output of sundry newcomers the whole production is given at 525 million kilograms, against 515.2 million kilograms a year ago. China and Japan and other areas are also making tea. Hence there is a danger of overproduction, but at the Mincing Lane auction on 18th November, there was a somewhat better enquiry and at the Calcutta sale of leaf teas on the same day, there was a slight improvement in demand, but at prices generally lower than in the previous week C.T.C. opened steady, but later became irregular and even the best Assams were reported easier, especially towards the close.

On 24th November, a notification was published that the Central Government has decided to reduce the excise duty on green tea.

In past issues, this correspondent has frequently referred to the necessity of increasing internal consumption. Recent comments made by no less and authority than Mr. Brooke of Brooke Bond Co. Ltd. has emphasized this matter. The greatest, easiest and quickest way to increase consumption is to assist India's internal market. The Government or the Tea Board should send a delegation and a tea van to the International Youth Camp recently held at Wadi-el-Natroun in Egypt to serve tea free as well as giving all campers 60 grammes of Assam Tea freely-packed in polythene bags. Then similar good work should also be done at home.

MIDDLE CLASS COST OF LIVING INDEX NUMBER FOR CALCUTTA

(Base: August 1939)

THE Middle Class Cost of Living Indices, by groups, have now been brought up to October 1963. As compared with September, the October index for Food reveals a rise of 2 points, while those for Fuel & Lighting, Clothing and Miscellaneous remain unchanged at 308, 609 and 317 points, respectively.

Combining all the factors, the Middle Class Cost of Living Index for Calcutta shows that the cost of living increased by 2 points during October 1963.

Middle Class Cost of Living Index Number for Calcutta. Prices in August, 1939=100

Groups	Weights	GROUP INDICES Oct., 1962	Nov., 1962	Dec., 1962	Jan., 1963	Feb., 1963	Mar., 1963	Apl., 1963	May 1963	June 1963	July 1963	Aug., 1963	Sept., 1963	Oct., 1963
Food ,,	53.6	573	573	562	550	553	563	578	578	586	591	598	606	608
Fuel and Lighting ,,	4.4	299	299	299	299	299	307	304	308	308	308	308	308	308
Clothing ,,	12.4	596	596	596	596	596	596	602	602	602	602	602	609	609
Miscellaneous ,,	29.6	311	311	311	311	311	314	317	317	317	317	317	317	317
Combined Index ,,	100.0	487	487	481	474	476	482	491	492	496	499	502	507	509

Compiled and constructed by the Statistical Department of "Capital"

COMPANY AND PUBLIC NOTICES

THE BENGAL FLOUR MILLS CO. LTD.

NOTICE is hereby given that the Board of Directors has today declared an Interim Dividend of 15% (subject to deduction of Income Tax) on the shares of the Company in respect of the year 1963. The dividend will be payable on or after 17th December, 1963, to those members whose names are entered in the Register of Members of the Company on that date. Dividend Warrants will be despatched to members and no application to the Company is necessary.

NOTICE is also hereby given that the Register of Members of the Company will be closed from 6th December, 1963 to 17th December, 1963, both days inclusive.

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

21, Netaji Subhas Road,
Calcutta, 22nd November, 1963.

INDIAN ALUMINIUM COMPANY, LIMITED

31, Chowringhee Road,
CALCUTTA-16

NOTICE

NOTICE is hereby given that the Transfer Registers respecting 6½% debenture stock 1970/75 and 7% debenture stock 1971/76 of the Company will remain closed from December 16th to 31st 1963, both days inclusive, in connection with the payment of half-yearly interest on January 1st, 1964.

INDIAN ALUMINIUM COMPANY, LIMITED,
T D SINHA,
Secretary.

Registrars' Office:
ANDREW YULE & COMPANY, LIMITED,
8, Clive Row,
Calcutta-1.
(Post Box 150)

18th, November, 1963.

BALMER LAWRIE & CO. LTD.

NOTICE is hereby given that the Board of Directors has today declared an Interim Dividend of 7% (subject to deduction of Income Tax) on the Ordinary Shares of the Company, in respect of the year 1963. The dividend will be payable on or after 24th December, 1963, to those members whose names are entered in the Register of Members of the Company on that date. Dividend Warrants will be despatched to members and no application to the Company is necessary.

NOTICE is also hereby given that the Register of Members of the Company will be closed from 5th December 1963 to 24th December, 1963, both days inclusive.

By Order of the Board,
D. MANSON,
Managing Director.

21, Netaji Subhas Road,
Calcutta, 25th November, 1963.

COMPANY MEETINGS AND DIVIDENDS DECLARED OR PROPOSED

Name of Company	Date	I.S.T. Hours
National Rolling & Steel Ropes Ltd ..	9-12-63	4 p.m.
Central Bank of India Ltd. ..	16-12-63	4 p.m.

DIVIDENDS DECLARED OR PROPOSED.—Katras Jherriah Coal Co. Ltd.—75nP per share (o) (Int.), subject to tax; West Coast Paper Mills Ltd.—Rs. 11 per share (o), subject to tax; Kirloskar Electric Co. Ltd.—10 p.c. (o), subject to tax; Jeypore Sugar Co. Ltd.—15 p.c. (o), subject to tax; Bengal Flour Mills Co. Ltd.—15 p.c. (Int.), subject to tax; Balmer Lawrie and Co. Ltd.—7 p.c. (Int.) subject to tax; Sapoi Tea Co. Ltd.—10 p.c. (o), subject to tax.

CALCUTTA TO HOST SHIPPING CONFERENCE

Work is progressing fast on preparations for the fifth Shipping and Shipbuilding Conference, to be held in Calcutta between 10th and 14th February, 1964. A large number of foreign delegates, representing shipping and shipbuilding interests, are expected to attend. The Conference will provide a valuable forum for an exchange of ideas on design, construction, operation and maintenance of ships, and problems relating to shipping and shipbuilding in India and other parts of the world. A large number of technical papers have already been received from individuals and organisations in India and abroad. The Conference was first organised by the Naval Architecture Society of the Indian Institute of Technology, Kharagpur, in 1958. The next two sessions were also held there. Bombay was the venue of the fourth session. The Conference is being held in Calcutta, for the first time, in view of the decision of the last session that Kharagpur, Bombay and Calcutta would be the venue for future sessions, by rotation.

BOOKS RECEIVED

Yearbook of International Trade Statistics, 1961. (Published by the United Nations, New York. Price $8. pages 709.)

Techno-economic Survey of Gujarat. (Published by V. G. K. Thathachary, Publications Division, National Council of Applied Economic Research. New Delhi. Price Rs. 20, pages 260.)

"CAPITAL" STOCK AND SHARE LIST

THE INVESTORS GUIDE AND SHAREHOLDERS GAZETTE

Official quotations of the Calcutta Bombay, Madras, London Stock Exchange Associations and other sources.

Figures given after stroke (/) mean Naye Paise.

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Wednesday, 27th November, 1963.

GOVERNMENTS LOANS

Outstanding Amount Rs.	Interest per cent	Year of issue	Repayable	Market quotations Rs.
GOVERNMENT OF INDIA				
2,48,91,07,000	3	1946	1986 or later	65/95
8,93,33,000	3	1896-97	At the option of the Government of India after 6 months notice	63/00
1,10,11,78,000	3	1943	1966 68	97/90
30,33,10,000	3	1950	1964	99/40
14,77,48,000	2½	1946	1976	83/50
1,15,05,83,000	3	1948	1970-75	90/15
1,58,17,94,000	3½	1954	1964	99/85
1,53,67,92,000	3½	1955	1965	99/65
86,63,53,000	3½	1456	1974	96/10
56,99,30,000	3½	1957	1967	99/65
1,54,59,21,000	4	1957	1972	99/40
74,51,44,000	4	1958	1973	99/15
1,97,40,92,000	3½	1956	1967	99/35
1,56,58,41,000	3½	1958	1968	98/20
1,90,85,42,000	3½	1959	1969	97/10
81,06,39,000	4	1959	1979	98/35
82,65,41,000	3½	1960	1966	99/65
98,50,17,000	4	1960	1980	98/40
65,96,55,000	4	1961	1981	98/60
BOMBAY				
3,40,34,300	4	1952	1964	99/95
6,57,22,800	4½	1957	1969	98/70
6,58,20,700	4½	1958	1970	98/75
4,35,25,000	4½	1958	1971	98/70
MADHYA PRADESH				
2,03,28,800	3	1948	1964	98/00
MADRAS				
5,24,81,200	4	1952	1964	99/95
5,35,57,300	4½	1958	1970	98/70
UTTAR PRADESH				
1,55,31,200	3	1936	1961 68	93/25
5,89,13,900	4	1952	1964	99/95
7,65,58,900	4½	1958	1970	98/70
WEST BENGAL				
2,00,00,000	4	1952	1964	99/92
7,58,72,200	4	1955	1967	99/05
7,11,46,100	4	1956	1968	98/80
5,10,49,700	4½	1958	1970	98/75
7,69,69,400	4	1959	1971	97/75
7,00,00,000	4	1960	1969	98/35
73,07,21,000	4½	1961	1972	98/80
MYSORE				
2,95,85,200	4	1933	1953-63	100/00

PORT TRUST LOANS

Amount Rs.	Interest per cent	Year of issue	Repayable	Market quotations Rs.
CALCUTTA				
90,24,300	4	1914	1974	98/25
76,90,100	4	1915	1975	98/25
68,02,300	3	1921	2nd 1981	82/00
1,50,00,000	6½	1921	2nd 1981	144/00N
£892,600	5	1923	1953-83	£61
£901,000	5	1924	1954-84	£61
1,24,00,000	4½	1957	1987	99/50
	4½	1958	1988	99/00
50,00,000	4½	1959	1989	99/00
1,50,00,000	4½	1961	1971	98/75
90,00,000	4	1931	1991	93/00
80,00,000	3½	1936	1965	99/00
50,00,000	3	1944	1976	83/50
50,00,000	3	1945	1-2-2005	73/00
	3	1948	1-2-1975	83/75
25,00,000	3	1938	1963-68	93/00
50,00,000	3	1946	2006	73/00
50,00,000	2½	1947	1977	78/50
80,00,000	3	1948	1978	83/00
50,00,000	3	1950	1980	81/00
50,00,000	3	1951	1981	80/50
50,00,000	4½	1953	1963	98/75
90,00,000	4	1953	1983	97/50
90,00,000	4	1955	1985	97/25
77,00,000	4	1956	1986	97/25
1,00,00,000	4	1959	1969	99/50
BOMBAY				
36,50,000	4	1904	1964	96/00
35,00,000	4	1905	1965	96/00
15,00,000	4	1906	1967	96/00
44,00,000	4	1907	1968	96/00
75,00,000	4	1908	1968	96/00
40,00,000	4	1909	1970	92/00
56,00,000	4	1910	1971	92/00
75,00,000	4	1911	1972	92/00
STERLING LOANS				
£892,600	5	1923	1953-83	£63
£901,000	5	1924	1954-84	£63
£835,100	5½	1932	1962	£96½
MADRAS				
28,48,275	3½	1947	1977	A
9,88,000	3	1947	1977	A
8,00,000	3	1949	1979	A

IMPROVEMENT TRUST LOANS

Amount Rs.	Interest per cent	Year of issue	Repayable	Market quotations Rs.
CALCUTTA				
50,00,000	4	1934	1964	99/25
35,00,000	3½	1935	1965	96/00
30,00,000	3	1936	1966	92/50
20,00,000	3	1938	1963-68	92/00
80,00,000	4	1952	1962	100/00
1,02,00,000	4	1956	1968	98/50
75,00,000	4½	1958	1968	101/00
BOMBAY				
60,00,000	4	1903	1963	98/25
50,00,000	4	1904	1964	98/25
20,00,000	4	1906	1966	97/50
15,00,000	4	1907	1967	97/50
30,00,000	4	1908	1968	£95½N
£566,600	4	1909	1969	£95½N
£333,000	4	1910	1970	£100/00
25,00,000	4	1912	1972	95/00
13,00,000	4	1913	1973	95/00
50,00,000	4	1914	1974	95/00
95,00,000	4	1916	1976	95/00
66,00,000	6	1920	1945-80	119/50
25,00,000	4	1927	1961-70	99/75
10,00,000	3½	1936	1966	89/00

MUNICIPAL LOANS

Amount Rs.	Interest per cent	Year of issue	Repayable	Market quotations Rs.
CALCUTTA				
86,88,000	3½	1951	1966	98/50
10,00,000	4½	1932	1962	100/75N
43,91,000	3½	1935	1965	96/00
72,50,000	4½	1954	1979	100/00
60,00,000	3	1936	1966	93/00
47,50,000	3	1938	1968	92/50
21,10,000	3½	1942	1972	92/00
97,36,000	4	1952	1962	99/75
2,22,72,000	4	1955	1985	97/25N
1,67,32,000	4½	1958	1970	101/00N
73,36,000	4½	1958	1968	100/50
BOMBAY				
20,00,000	4	1913-18	1974	95/00
10,00,000	5	1920	1980	101/00
2,00,34,000	3½	1951	1966	89/00
8,25,00,000	3½	1947	1977	82/00
2,13,14,500	3½	1949	1979	82/00
4,00,00,000	3½	1950	1965	95/00
MADRAS				
15,00,000	3½	1951	1961	107/00
8,25,00,000	3½	1947	1977	82/00

2½% U.P Zemindary Abolition Compensation Bond (per Rs. 100) Rs 41/90*

*Ex eight instalments but inclusive of accrued interest.

These notes refer to the Debentures on the next page.

Option to repay at par on 6 months notice—

(a) Option to extend the redemption period for further 10 years.

(b) at any time after.

(c) on or after 1-1-61.

(d) option to redeem at 2½% Prem. after 14-5-64 and before 15-5-69.

Option to repay on 6 months notice—

(e) at any time after 30-6-61 at 101%.

(f) at 101% between 1-1-64 & 31-12-64.

(g) at 102/8% after 30-6-56 but before 30-6-64.

(h) at any time after 30-6-62 at 101%.

Option to repay on 3 months notice—

(i) at any time at 3% Premium

(j) at 1% Prem. after 1-3-64 but before 1-3-67 and 1% Prem on or after 1-3-67

(k) at any time at par.

(l) at any time after 31-3-62 at the rate of 1% Premium.

(m) redeemable at 103% on 31-12-64 with option to redeem on any interest date at same premium after 30-6-59.

(n) at any time on two months notice—

(o) to be redeemed at a premium of 10% Rs. 70,000 to be redeemed annually by drawing on 3 months notice with option to redeem all after 6 years from date of issue on 6 months notice Option not exercised repayment to be made after full term.

Option to repay

(p) at par after September 1960.

(q) at par on or after 1-12-59.

(r) with option to redeem at 101% after 10 years or at 100/8% after 12 years

(s) Rs. 1 lac Debentures to be redeemed annually by drawing from 1-6-56 with option to redeem at 100/8% between 1-6-57 to 1-6-61 and at 101% afterwards

(t) with option to redeem at 101% after 10 years or at 100/8% after 13 years

(u) with option to redeem all or any of the Debts at 101% at any time after 31-3-64 and at 100/8% at any time after 31-3-66.

(v) Rs. 80,000 are being redeemed annually repayment of Debentures commencing serially from No. 1 to No. 80 on 31-12-48.

(w) Redeemable at any time at 5 per cent premium (a) on 6 months notice by the Company or (b) in the event of the security becoming enforceable or at par if the Corporation of Calcutta or Howrah purchase the under taking on 1st January 1945 or every seventh year thereafter.

(x) At par all or any of the Debts on 31st December, 1966 or on any subsequent interest date.

(y) Redeemable (a) at 102% on 1st October 1974 or in the event of voluntary liquidation of the undertaking being purchased or in the event of the security becoming enforceable or (b) at 105% at any time after 31st March 1953 on 3 months notice from the Co. (c) also by drawing at 102% or purchase at or under 102%.

(z) Also redeemable out of a cumulative sinking fund of 11% per annum commencing in 1943 by purchase at any price less than par or by annual drawing at par.

JOINT STOCK COMPANIES' DEBENTURES

Amount Authorised Rs.	Amount Outstanding Rs.	Rate of Interest per cent	NAME OF COMPANIES	Year of Issue	MARKET PRICE 27-11-63.	MARKET PRICE 20-11-63	A year ago Rs.	Interest payable	Principal Repayable	Remarks
			(CALCUTTA)							
			COAL							
60,00,000	60,00,000	6½	Bengal	1961	100/00	100/00	101/00	1st May 1st Nov.	31-10-75	(X)
30,00,000	30,00,000	6	Bharat Collieries	1944	90/00	90/00	90/00	30th April 31st Oct.	30-6-64	..
20,00,000	20,00,000	4½	Burrakur	1947	85/00	85/00	85/00	30th June 31st Dec.	30-6-67	(G*)
50,00,000	50,00,000	5½	Equitable	1953	98/00	98/00	100/00	1st July 1st Jan.	14-12-68	(r*)
			COTTON MILL							
4,00,000	4,00,000	6	Bengal Nagpur	1897	85/00	85/00	85/00	10th May 10th Nov.	15-11-66	(U)
			JUTE MILLS							
15,00,000	12,00,000	5½	Agarpara	1939	92/00	92/00	92/00	1st Oct 1st April	31 3-69	..
15,00,000	15,00,000	4	Auckland	1945	78/00	78/00	92/00	30th June 31st Dec.	31-12-64	(F)
9,00,000	6,00,000	5½	Alexandra	1939	92/75	91/00	91/00	30th June 31st Dec	30-6-69	(g)
10,00,000	10,00,000	5½	Bengal (2nd Mortgage)	1940	95/50	95/50	95/50	30th June 31st Dec	30-6-65	(b)
12,00,000	10,69,000	5	Chitavalsah	1951	88/50	88/50	88/50	30th June 31st Dec	30-6-66	(e)
25,00,000	20,48,000	5½	Dalhousie	1954	90/00	90/00	90/00	31st March 30th Sept	31-3-69	(u*)
10,00,000	8,86,000	5	Empire	1951	91/00	91/00	90/00	15th Jan 15th July	15-7-66	(e*)
25,00,000	25,00,000	5½	Fort Gloster	1952	98/00	98/00	98/00	31st March 30th Sept	30-9-66	(Q*)
30,00,000	30,00,000	5½	Howrah	1955	92/50	92/50	92/50	31st March 30th Sept	31-3-70	(N)
25,00,000	25,00,000	5	Kinnison	1949	90/00	90/00	90/00	30th June 31st Dec	31-12-64	(f*)
25,00,000	13,04,000	5½	Kamarhatty	1955	89/50	89/00	89/00	30th June 31st Dec	30-6-70	(h*)
25,00,000	25,00,000	5½	Naihati	1952	90/00	90/00	90/00	30th June 31st Dec	31-3-67	(l*)
5,00,000	5,00,000	6½	Nellimarla	1939	92/00	92/00	92/00	14th Nov 14th May	14-3-74	(d)
20,00,000	20,00,000	4	Northbrook	1945	85/00	85/00	92/80	30th June 31st Dec	31-12-64	(B)
25,00,000	25,00,000	5	Reliance	1950	81/00	81/00	81/00	31st March 30th Sept	30-9-65	(M*)
12,00,000	12,00,000	5½	Union	1937	95/50	95/50	95/50	31st March 30th Sept.	31 3-67	..
10,00,000	10,00,000	6½	Waverley	1925	80/00	80/00	80/00	31st Jan 31st July	31-7-72	..
			MISCELLANEOUS							
90,00,000	19,60,000	4½	Associated Hotels of India	1948	850/00	850/00	850/00	1st Jan 1st July	31-12-62	(v)
10,00,000	10,00,000	5	Aluminium Corporation of India Ltd	1948	92/00	92/00	92/00	1st Jan 1st July	31-12-65	(U)
5,00,000	5,00,000	4½	Bareilly Electric Supply Co. Ltd.	1949	88/00	88/00	88/00	30th June 31st Dec.	31-12-64	(m*)
12,00,000	12,00,000	4½	Benares Elec Ltd & Power Co Ltd	1949	90/00	90/00	90/00	30th June 31st Dec.	31-12-64	(m*)
1,00,00,000	90,00,000	5	Buckingham & Carnatic Co Ltd.	1952	100/00	100/00	100/00	1st April 1st Oct	1-3-72	(T*)
5,00,000	5,00,000	5½	Britannia Engineering	1945	94/00	94/00	94/00	30th June 31st Dec	31-12-68	(g)
6,00,00,000	6,00,00,000	5½	Burmah-Shell Refineries Ltd.	1954	93/25	93/75	93/00N	1st March 1st Sept.	1-9-69	(K*)
2,66,00,000	2,32,89,400	5	Calcutta Electric Supply Corporation	1950	90/50	90/50	97/75	1st Jan 1st July	1-1-70	(*)
£350,000	£325,200	4½	Calcutta Tramways	1900	£66/00	£66/00	£66/10	1s. Jan 1st July		(w)
£250,000	£157,788	5	Calcutta Tramways	1933	£74/00	£74/00	£74/10	1st April 1st Oct.	1-10-74	(y)
19,50,000	17,50,000	6	Carew & Co (2nd Mortgage)	1938	100/00	100/00	98/00	1st June 1st Oct	1-6-63	(a)
5,50,000	4,00,000	6½	Carew & Co	1941	95/00	95/00	98/00	1st March 1st Sept.	28-2-70	(l)
21,00,000	21,00,000	5½	Chowringhee Properties	1915	85/00N	85/00N	85/00N	1st Feb 1st August	1-2-64	..
26,00,000	26,00,000	5	Chowringhee Properties (2nd Mortgage)	1945	80/00	80/00	80/00	1st Feb 1st August	1-2-64	..
25,00,000	19,29,000	4½	Clive Buildings	1936	82/00	82/00	82/00	1st July 1st Jan	1-7-98	(A)
1,00,00,000	1,00,00,000	6½	Dalmia Cement	1946	86/00	86/00	86/00	31st March 30th Sept.	1970	(p)
1,30,00,000	1,04,55,000	6½	Dunlop Rubber Co. (I) Ltd.	1950	100/25	100/25	102/00	1st Jan 1st July	1-1-73	(b*)
1,00,00,000	1,00,00,000	6½	Dunlop Rubber Co. (I) Ltd.	1958	100/25	100/25	102/00	1st Jan 1st July	1-1-73	(W*)
25,00,000	25,00,000	4	Gourepore Electric Supply	1945	90/00	90/00	98/00	30th June 31st Dec	31-12-78	(x)
1,00,00,000	97,80,000	5½	Indian Cable Co. Ltd	1954	98/00	98/00	100/00	1st Jan 1st July	30-6-69	(t*)
20,00,000	20,00,000	5½	Kumardhubi Fireclay & Silica Works	1954	92/00	92/00	96/00	31st Dec	31-12-69	(D*)
10,00,000	10,00,000	4	Kumardhubi Engineering Works Ltd.	1946	84/00	84/00	84/00	31st May 30th Nov	31-5-71	(O)
6,50,000	6,50,000	6	Kumardhubi Lala Bazar Railway	1948	85/00	85/00	85/00	30th June 31st Dec.	31-12-74	(*)
45,00,000	45,00,000	4	Kataknal Lala Bazar Railway	1947	530/00 P note	530/00 P note	410/00P note	30th June 31st Dec.	31-12-72	(l*)
1,00,00,000	75,00,000	5	McLeod & Co Ltd (Con. Notes)	1951	85/00	85/00	85/00	1st April 1st Oct.	1-4-71	(P*)
12,50,000	12,00,000	4	Macneill & Barry Ltd	1946	86/75	85/00	82/00	30th June 31st Dec.	30-6-66	(S)
20,00,000	20,00,000	6	National Tobacco Co India Ltd.	1948	90/00	90/80	90/00	31st May 30th Nov	1-12-64	(V)
1,00,00,000	1,00,00,000	6	Patna Electric Supply Co. Ltd.	1946	96/00	96/00	96/00	30th June 31st Dec.	31-12-69	(a*)
4,00,00,000	4,00,00,000	5½	Rohtas Industries Ltd	1953	91/00	91/00	95/00	1st May 1st Nov.	1-5-68	(F)
10,00,000	10,00,000	5½	Esso Standard Ltd	1944	95/00	95/00	95/00	Jan & July	15-7-66	(E*)
2,500	£200,000	4½	Shree Gopal Paper Mills Ltd.	1905	£84N	£84N	£84N	1st Jan 1st July	..	..
15,00,000	11,00,000	5	Shahdara (Delhi) Saharanpur Rly.	1951	91/00	91/00	91/00	1st Jan 1st July	30-6-76	(*L)
30,00,000	30,00,000	4½	Sitas Jherriah	1949	90/00	90/00	90/00	31st March 30th Sept.	31-12-84	(C*)
			United Provinces Elec Supply Co. Ltd.							(*m)
			TEA							
2,50,000	2,50,000	6	Baitakhal	1943	95/00	95/00	95/00	30th June 31st Dec.	1-7-63	..
			(BOMBAY)							
1,60,00,000	98 28 000	4	Andhra Valley Power Supply	1940	98/50	98/50	98/50	1st April 1st Oct.	1962	..
90,00,000	50,00,000	4	Tata Power	1941	86/00	86/00	86/00	..	1951-55	..

(Continued from foot of previous page)

(A) Repayable at par by 1988 by annual Drawings on 1st July each year May repay the issue in full after 30th June 1961 on 6 months notice.

(B) Repayment at par on 31st Dec.. 1964 with the option of repayment on 31-12-54 or any subsequent interest date at a prem of 2%.

(C) Rs. 56,000 to be redeemed at par annually by drawing.

(D) With option to redeem any part at 101% after 31-12-64 and at 100/8% after 31-12-66.

(E) Rs 80 Lacs will be redeemed annually by drawings from 1st May 1964 onwards. The Co. has option to redeem all Debentures at 101% on 1st May. 1963 on 6 months notice.

(F) Option to redeem all or any of the Debentures at a premium of Rs. 1/- per cent by giving one month's notice on the 31st December. 1964 or any subsequent interest date

(G) May be redeemed on 30th June. 1967 at a premium of 5% or on 30th June, 1962, at a premium of 1%.

(H) May be redeemed at a premium of Rs. 20/- per debenture (i.e. 2%) if redeemed earlier than 31st Dec.. 1955 on 3 months notice.

(I) The Company has option to repay all or any at par by giving notice for 6 months expiring on any interest date after 30th Sept.. 1955 At any time on or after 1st Oct.. 1957 the holders may convert each note of Rs 500/- into 25 ordinary shares to take effect on 1st Oct. in each year on giving 15 days' notice prior to such day.

(J) May be redeemed at 101% at any time after 31st March. 1963 and at 100% on any time after 31st March 1955.

(K) Rs 1,600,00. Debentures will be redeemed at par annually by drawing from 1-9-65 Any Debenture outstanding on 1-9-69 will be redeemed on that date with option to redeem all Debentures at 101% on 1-9-64.

(L) Any time on 6 months notice.

(M) At par in September 1960.

(N) May be redeemed at the end of 1965 or thereafter at 101%.

(O) Option to repay at par on or after 31st May 1961.

(P) Redeemable at par on 31st Dec.. 1972 with option to redeem at par at any time on 6 months notice after 30th June 1958 At any time after 31st Dec. 1948 each note of Rs 500/- may be converted into two ordinary shares of Rs 100/- each ranking for dividend from 1st January following

(Q) With option to redeem annually Rs. 2,00,000/- at par after 31-3.58 by drawing or by purchase in the open market

(R) May be redeemed annually at par by drawing after 10th year also the whole issue at 101% on or after 31-3-63.

(S) (Option to repay at par one month's notice). At any time after 1st October 1954.

(T) (Option to repay at par on 6 months notice) after 1-1-67

(U) (Option to repay on 3 months notice). At any time after 31st December 1960.

(V) May be redeemed at par on 30-6-56 or any subsequent interest date on one month's notice.

(W) After giving six months notice.

(X) Rs. 5,00,000 will be redeemed each year from and after 1964.

* These Debentures are registered and are transferable by transfer Deeds.

JOINT STOCK COMPANIES PREFERENCE SHARES

Dividends are cumulative and shares carry a Preferential claim on the property for the payment of capital and on the profits for dividend except in case of companies marked otherwise. Months against names of companies indicate approximately times of payment of dividends. T means that dividend tax is deducted at source.

Year of Issue	NAMES	Amount Issued In 000's Rs.	Rate per cent	Paid-up per Share Rs	Market Quotations 27-11-63. Rs.	Market Quotations A year ago Rs.
	BANK					
1901	Allahabad Bank (May Nov.)	15.00	6	100	96/50	97/00
	COALS					
1896-97	Borrea (June Dec.)	4.00	6½	100	84/00	84/00
1901-19	Burrakur (Jan July)	22.98	7	100	102/00	97/50
1946	Burrakur (June Dec.)	4.50	6T	10	6/00	6/10
1895	Equitable (May Nov.)	4.00	6	100	80/00	79/00
1931	Khas Kajora (March Sept.)	1.93	5	10	9/00	6/87
1920	New Beerbhoom (Jan July)	2.00	7	10	10/50	10/25
1898-00	Ondal (June Dec.)	2.00	5½	100	85/00	64/10
	COTTONS					
1902	Ahmedabad Advance (Apr Oct.)	10.00	5	100	77/00	70/00
1834	Bangalore (Jan July)	6.00	6	100	71/50	106/90
1938	Basanti (Oct.)	5.00	6½	10	7/00	7/00
1838	Bengal-Nagpur (Apr Oct.)	3.00	7	100	48/00	48/00
1900	Bowreah "A" (Apr Oct.)	6.00	8	100	114/00	111/00
1900	Bowreah "B" (6) (1) (Apr Oct.)	6.00	7	100	88/00	82/50
1919	Bradbury "B" (Jan Dec.)	14.85	7	60	59/70	47/00
1920	Buckingham & Carnatic (Jan July)	21.30	7½	100	109/00	114/59
1928	Cambodia (July)	1.00	7	100	83/63	83/63
1912	Central India (Apr. Oct.)	50.00	5	500	450/00	412/50
..	Delhi Cloth & General (Oct.)	20.00	4½	25	16/63	16/63
1912	Elgin (May Nov.)	11.00	8	100	113/00	113/00
1943	Elgin "B"	10.00	5	10	6/44	7/25
1919	Elphinstone (May Nov.)	25.00	7T	100	78/00	73/00
1919	Kesoram (June Dec.)	20.00	7	100	107/50	107/50
1925	Khatau Makanji (Nov.)	10.00	6	100	83/50	77/00
1937	Kothari (Nov.)	12.00	6	10	7/97	8/10
1900	Muir (Feb Aug.)	30.00	6	100	122/00	100/00
1913	New Great Eastern (Mar.)	8.00	5½	200	120/00	107/00
1920	New Victoria (Apr Oct.)	16.06	6	5	2/85	2/81
1933	Palani Andavar (Mar.)	2.00	7	50	115/45	118/64
1935	Svadeshi (Bombay) (May)	15.00	5	100	86/00	82/00
1927	Swadeshi (Cawnpore) (Mar.)	35.00	6	100	69/00	68/00
1931	Vasanta (Apr. Oct.)	3.00	6½	100	86/14	92/04
1908	Vishnu (Apr.)	16.00	7	500	405/00	385/00
	JUTES					
1927	Agarpara (Jan. July)	10.00	7	100	96/50	90/50
1905	Alexandra (Feb Aug.)	9.00	7	100	85/50	85/50
1895	Alliance (March Sept.)	15.00	6	100	76/00	68/00
1917	Anglo-India (May Nov.)	40.00	7	100	98/00	88/00
1909	Auckland (July Jan.)	10.00	5½	100	77/00	68/50
1943	Auckland (July Jan.)	15.00	4½	100	59/00	56/00
1918	Bally (Jan. July)	20.00	7	100	111/00	96/00
1896	Barnagore (Oct Dec.)	£200	5T	£5	41/50	38/00
1940	Bengal (June Dec.)	10.00	6½	100	70/00	62/50
1919	Birla (June Dec.)	23.64	7½T	100	90/00	77/00
1894	Budge Budge (May Nov.)	9.00	7	100	95/00	90/50
1934	Calcutta (Jan July)	6.00	6½	100	72/00	59/00
1915	Caledonian (June Dec.)	10.00	7	100	93/00	90/00
1919	Cheviot (June Dec.)	10.00	7	100	99/00	90/50
1928	Chitavalsah (Mar Dec.)	5.00	7	100	89/00	89/00
1900	Clive (First) (May Dec.)	8.00	6	100	68/50	52/00
1905	Clive "A" (Second) (May Dec.)	8.00	7	100	74/00	66/50
1903-13	Dalhousie (July Jan.)	11.76	7	100	91/00	88/50
1897	Delta (June Dec.)	5.00	6	100	64/75	67/75
1912	Empire (Jan July)	10.00	7	100	96/00	90/25
1890-93	Fort Gloster (Jan July)	14.00	7	100	111/00	97/00
1948	Fort Gloster (2nd)	7.00	5	100	66/62	65/50
1911	Fort William (May Nov.)	10.00	7	100	115/00	80/80
1916	Ganges (June Dec.)	6.00	8	100	106/00	100/50
1895-04	Gourepore (June Dec.)	26.50	6	100	89/50	80/00
1935	Hastings (Aug Feb.)	25.00	6	100	89/00	84/50
1913	Hooghly (July)	11.76	10	10	13/06	10/87
1890	Howrah (Jan July)	8.75	7	100	90/50	90/50
1903-06	Howrah "A" (Jan July)	17.50	7	100	95/00	90/00
1919	Hukumchand (June Dec.)	40.00	7	100	98/00	88/50
1898-04	Kamarhatty (Apr Oct.)	16.00	6	100	81/00	73/00
1900	Kanknarrah (Apr Oct.)	10.00	6	100	81/00	102/00
1935	Kedarnath (Jan July)	2.00	7	100	90/00	90/50
1907	Kelvin (Mar Sept.)	10.00	7	100	100/00	90/00
1895-09	Khardah (May Nov.)	9.00	6	100	77/50	77/00
1900-13	Kinnison (July Jan.)	15.00	5	100	91/00	90/00
1905	Lansdowne (July Jan.)	15.00	7	100	93/50	90/00
1912	Lawrence "A" (July Jan.)	5.00	7	100	95/00	86/50
1906-07	Lawrence "B" (July Jan.)	10.00	5½	100	71/00	66/00
1905-06	Naihati (July Jan.)	7.50	7	100	112/00	112/00
1945	Naihati (July Jan.)	10.00	4½	100	90/00	90/00
1917	National (May Nov.)	5.00	7	100	93/50	88/50
1939	Nellimarla (Apr Oct.)	5.00	6	100	76/00	76/00
1915	New Central (Jan July)	33.00	7	100	94/00	94/00
1908-09	Northbrook (July Jan.)	15.00	7	100	91/00	72/00
1935	Rameshwara (Jan July)	7.00	6	10	12/44	10/00
1906-12	Reliance (Jan July)	20.00	7	100	121/50	84/00
1928	Shree Ambica (Mar. Sept.)	11.70	7½	100	90/00	90/00
1920	Soorah (Feb Aug.)	10.00	7	100	105/50	94/50
1901-02	Union (July Jan.)	6.00	7	100	98/50	88/00
1918	Waverley (Mar Sept.)	7.50	6	50	42/50	40/50
	MISCELLANEOUS					
1937	Alkali & Chemical (Mar Sept.)	31.00	6	100	90/00	86/00
1938	Aluminium Corpn (Oct.)	20.00	6	100	93/50	92/00
1944	Aluminium Corpn (Oct.)	20.00	5	100	61/00	61/50
1949	Anderson Wright (Dec.)	20.00	4½	100	66/62	66/62
1917	Andhra Valley Power (May Nov.)	49.34	7T	1,000	1,006/25	977/50
1919	Arthur Butler (Mar.)	1.30	7	10	12/00	12/00
1916	Asstd. Hotels of India (Mar Sept.)	21.67	7T	100	54/00	50/50

Year of Issue	NAMES	Amount Issued In 000's Rs.	Rate per cent	Paid-up per Share Rs	Market Quotations 27-11-63. Rs.	Market Quotations A year ago Rs.
1895	Bengal Assam Steamship (Nov.)	3.00	7	60	54/75	47/00
1926	Bengal Chemical (Aug.)	6.25	7½	10	11/62	11/62
1889	Bengal Paper Mill (Mar Sept.)	2.00	7	50	51/00	46/50
1923	Bengal Paper Mill "A" (Mar. Sept.)	4.00	7	100	98/00	98/00
1936	Birds Investments (Dec.)	24.00	5½T	100	52/50	53/37
1962	Braithwaite & Co	40.00	9T	100	109/50	..
1918	Britannia Biscuit (Feb Aug.)	15.00	8	10	11/00	11/00
1920	British India Corporation (Feb.)	81.00	8	100	108/50	115/00
1995-99	Burn Eng (1st & 2nd) (Feb Aug.)	13.00	7	100	117/00	115/00
1903-5	Burn Engineering (Feb Aug.)	15.00	6	100	103/50	101/00
1909-11	Calcutta Electric Supply (Mar. Sept.)	£1,900	8	£1	8/06	8/37
1937	Calcutta Silk Manufacturing (July Jan.)	2.00	6	100	70/00	49/12
1906	Calcutta Tramways (Jan. July)	£250	5T	£1	8/25	7/94
1938	Carew & Co (Jan.)	8.00	6½	100	72/75	79/00
1905-24	Cawnpore Sugar Works (Feb Aug.)	10.00	8	100	104/50	117/00
1940	Chrestien Mica Industries Ltd.	30.00	5½T	100	39/00	40/25
1937	Dalmia Cement (Bharat)	35.00	6	10	8/03	8/62
1916	Delhi Flour Mills (Oct.)	90.00	7T	100	101/00	101/00
1935	Deshergarh Power Supply "A" (Jan.)	16.00	5	100	67/00	73/62
1940	Duncan Brothers & Co Ltd	45.00	4	100	56/50	55/00
1926	Dunlop Rubber "First" (Jan July)	30.00	8	100	107/50	105/50
1936	Dunlop Rubber "Second" (Apr.)	40.00	5½T	100	68/00	76/50
1897	East India Distilleries (Jan July)	£200	7	20st	18/90	18/90
1908	General Investment & Trust (Feb Aug.)	1.00	5	100	56/00	56/00
1947	General Investment & Trust (Feb. Aug.)	1.00	6T	100	48/00	48/00
1946	Gillanders Arbuthnot (Apr. Oct.)	25.00	5T	100	56/00	55/00
1946	Gladstone Lyall & Co. Ltd.	15.00	6T	100	60/00	60/00
1948	Godfrey Phillips India Ltd.	30.00	5½T	100	60/75	56/00
1940	Gwalior Sugar (Redeemable) (Dec.)	6.75	7	100	62/00	62/00
1940	Gwalior Sugar (Dec.)	5.00	7	100	62/00	62/00
1936	Humayan Properties Ltd (Nov.)	12.00	6	10	6/81	6/62
1936	Indian Aluminium (Mar Sept.)	40.00	5T	100	66/75	66/00
1927	Indo Burma Petroleum (Jan July)	50.00	7T	100	70/00	78/00
1899	India General Navg & Railways	£244	6	£10	65/00	79/00
1923	Indian Cable Co (Nov.)	12.88	6	10	31/75	31/75
1918	Indian Standard Wagon (Aug or Sept.)	19.66	7	100	116/50	113/50
1936	Indian Iron & Steel	2,69.95	5	100	82/25	86/00
1936	Investment and Finance (Feb Aug.)	2.00	5	100	69/00	69/00
1935	Investment and Finance (Feb. Aug.)	2.00	6T	100	60/00	60/00
1937	James Wright (Jan. July)	1.30	6	50	14/00	14/00
1937	Jardine Henderson Ltd.	50.00	5½T	100	55/00	57/00
1941	Jessop & Co	10.00	5	100	75/50	75/50
1915	Kumardhubi Engineering (June)	12.00	6	100	68/00	68/00
1915	Martin Burn Ltd.	30.00	5	100	85/50	83/50
1946	McLeod & Co.	10.00	5T	100	44/50	47/00
1930	McLeod & Co.	40.00	5	100	61/50	61/00
1936	Mettur Chemical & Industrial (Sept.)	20.00	6	10	9/23	9/25
..	Metal Box Co of India Ltd.	30.00	6T	100	77/50	84/00
1938	Mysore Chemical Mfg (Sept.)	2.00	6	10	7/83	7/83
1942	National Tobacco (June Dec.)	25.00	5	100	65/00	66/00
1944	National Tobacco (Jan Dec.)	20.00	4½	100	58/00	57/50
1917	Poona Electric Supply Co. Ltd (June Dec.)	4.00	7	100	99/50	101/00
1935	Premier Construction "First" (Apr.)	10.00	6½T	100	72/50	73/50
1936	Premier Construction "Second" (Apr.)	15.00	6½T	100	72/50	69/50
1922	Purtabpore (Sugar) (Oct.)	6.00	10	10	10/56	10/50
1936	Ramnugger Cane & Sugar (Aug.)	4.00	6	100	82/00	82/00
1933-36	Rohtas Industries (April)	20.00	7	100	101/00	104/00
1935	Rohtas Industries "B" (April)	86.00	4½	100	54/00	55/50
1944-48	Shaw Wallace & Co. Ltd.	75.00	6T	100	57/25	57/00
1936	Shree Gopal Paper	7.50	8	100	99/00	107/00
1936-38	Shree Krishna Gyanoday Sugar "A" (Oct.)	6.00	6	100	62/00	62/00
1937	Shree Krishna Gyanoday Sugar "B"	12.00	5	100	70/00	70/00
1918	Smith Stanistreet (Chemists) (Nov.)	5.00	10	50	62/50	62/50
1933	South Behar Sugar (Oct.)	5.00	9	100	20/50	20/50
1897	Spencer & Co "A" (Provisions) (Jan July)	23.20	6½T	10	6/58	6/69
1923	Spencer & Co "B" (Provisions) (Jan. July)	36.80	8½T	10	9/50	9/53
1936	Star Paper (Apr Oct.)	10.00	5	100	65/90	65/90
1925	Surat Electricity (April)	5.00	6½	100	104/00	107/00
1939	Tata Chemicals (Nov.)	60.00	5	100	95/00	85/50
1910	Tata Hydro Electric Power (Sept Mar.)	89.28	7	100	100/00	99/50
1906	Tata Iron & Steel (First) (Nov.)	75.00	6T	150	121/00	132/50
1918	Tata Iron & Steel (Second) (May)	6,93.82	7½T	100	101/00	99/00
1919	Tata Power (May Nov.)	86.97	7½	1,000	1,035/00	1,006/25
1928	Titaghur Paper Mills (Mar. Sept.)	11.50	8	100	117/00	117/00
1936	Titaghur Paper Mills "2nd" (Mar. Sept.)	15.00	4½	100	66/50	70/00
1934	Vellore Electric (Sept Mar.)	1.25	6	10	6/25	6/81
	TEAS					
1903	Amluckie (May Nov.)	75.00	7	10	21/96	21/96
1901	Banarhat (Jan.)	4.00	6½	100	86/50	75/08
1900	Birpara (Jan.)	1.00	8	100	104/00	104/00
1947	Brooke Bond Estate India Ltd.	35.00	6T	100	58/75	60/00
1914	Choonabhutti (Jan.)	2.00	6½	100	90/50	92/64
1901	Dimakusi (June Dec.)	70.00	8	10	9/50	9/50
..	Dhunseri	1.20	10	10	7/00	7/00
1894	Gielle (Sept.)	2.00	6	100	50/00	50/00
1901	Hantapara (Jan.)	50.00	8	100	89/84	89/84
1904	Hasimara (Mar.)	3.00	7	100	86/50	86/50
1897-99	Kingsley Golaghat (Dec.)	2.40	6	100	85/00	85/00
1929	Moheema (May Nov.)	3.20	6	10	4/75	5/21
1907	New Dooars (Jan.)	2.00	6½	100	91/00	74/82
1903	New Samanbagh (Nov.)	1.00	8	100	90/50	90/50
1888	Okayti (Dec.)	50.00	7	100	84/50	84/50
1914	Peermade (July)	1.50	6	100	82/77	82/77
1916	Pussimbing (Jan.)	2.06	7	100	89/50	94/00
1909	Sonai River (May)	1.00	8	100	100/00	66/00
1932	Tezpore (Jan.)	2.06	8	10	7/31	10/12
1922	Tirrihannah (May Nov.)	1.00	10	10	11/46	11/46

BANKS

H indicates that Share capital is half paid O. C. and Dd indicate Ordinary Contributory and Deferred Shares respectively. P next to the name of the company indicates that the company also has Preference Shares Figures in "accounts closed" column indicate the months of the calendar year in which accounts are closed For Managing Agents refer to the Key (last page) under the numbers indicated.

Paid-up Capital Ordinary Rs.	Reserve & other Funds Rs.	Cash & Securities Rs.	Net Profits including taxation Rs.	Carry forward Rs.	Accounts closed	NAMES	Dividends per cent 1960	1961	1962	Paid-up per Share Rs.	Latest Market Quotations as available until 27-11-63. Rs.	20-11-63 Rs.	A year ago Rs.
67,50,000	1,23,75,000	27,37,97,908	22,49,414†	6,09,614	12	Allahabad Bank P.	18	18	..	100	260/00	260/00	396/00
2,00,00,000H	2,09,33,260	36,87,47,482	63,19,169	4,16,722	12	Bank of Baroda	17	17	18	50	91/00	96/00	92/50
4,05,00,000H	4,11,50,000	43,61,96,153	1,11,53,496	13,09,847	12	Bank of India	20	20	20	50	111/00	113/00	110/50
2,62,86,350H / 52,50,000	5,10,34,368	86,24,48,298	1,79,95,826	93,249	12	Central Bank of India	20-2/5	20	20	25	59/00	61/00	60/30
£6,600,000	£7,150,000	£141,890,310	£990,238	£540,648	12	Chartered Bank	15	15	..	£1	sh. 57/9	sh. 60/6	sh. 54/4½
1,25,00,000H	10,00,000	3,70,50,489	9,68,909	17,401	12	Hindusthan Commercial	Nil	Nil	Nil	50	13/50	13/50	17/12
50,00,000H	2,85,000	94,21,660	1,68,130	28,888	12	Hindusthan Mercantile	Nil	Nil	..	50	157/50	15/62	15/62
HK$79,046,125	HK$240,000,000	£184,516,882	HK$45,789,942	HK$2,462,897	12	Hong Kong & Shanghai	£3¾	£3¾	£3 1/5	HK$25	£19⅛	£19⅜	£16½
71,79,795 / 16,60,000	73,44,583	20,13,31,335	15,25,151	143,787	12	Indian Bank	15	15	14	100	157/50	157/50	173/00
75,00,000	78,36,660	14,65,60,072	43,80,498	2,22,933	12	Indian Overseas Bank	14	14	..	100	148/00	148/00	161/00
5,00,00,000	74,41,264	2,23,84,659	7,80,778	21,25,000	12	Industrial Finance Corpn.	..	..	..	50	..	..	..
£5,703,000	£3,250,000	£121,505,208	£714,730	£316,941	12	National & Grindlays Bank	13½	14	16	sh. 15	sh. 33/1½	sh. 33/3	sh. 33/1½
1,99,63,820	2,36,56,382	79,55,83,097	1,13,83,168	15,20,907	12	Punjab National Bank	20	20	20	10	19/44	19/44	20/62
60,00,000	60,00,000	1,52,610,719	18,13,132	1,45,390	12	Union Bank of India	11-2/5	11-2/5	..	5	6/40	6/36	6/24
2,68,67,461	95,00,000	27,07,57,575	21,20,312	3,26,006	12	United Bank of India	4.3	6	6	10	7/84	7/75	7/62
2,23,33,937	3,03,00,000	44,63,32,187	73,32,625	25,151	12	United Commercial Bank	12	12	12	50	74/25	74/50	80/09

† Excluding taxation

JUTE MILLS

Paid-up Ordinary Capital Rs	No. of Looms	Net Block Account Rs	Reserve & other Funds Premiums & Forfeited Shares if any Rs	Cash & Securities Rs	Net Profits including taxation Rs.	Carry forward Rs	Accounts closed	Mg Agts. Secretaries etc.	NAMES	Dividends per cent 1960	1961	1962	Paid-up per Share Rs.	Latest Market Quotations as available until 27-11-63. Rs	20-11-63 Rs.	A year ago Rs.
60,00,000	879	1,06,68,526	83,91,980	3,06,760	32,27,075	8,246	3	79	Agarpara P.	10	2½	2½—12*	10	10/44	10/56	10/19
6,00,000	446	30,57,138	21,01,100	6,26,077	22,41,118	32,706	12	165	Alexandra P.	44	15	42½	100	300/00	300/00	305/00
30,00,000	1,264	48,84,147	8,04,850	5,70,976	11,43,880	58,837	5	165	Alliance P	6	Nil	10	100	160/00	160/00	117/00
49,20,700	2,581	1,34,17,399	1,64,67,331	63,38,766	73,57,877	90,778	3	63	Anglo-India P.	20	7	10—12*	100	228/00	238/00	223/00
40,00,000	810	74,93,222	32,04,394	5,13,154	39,08,352	1,752	3	21	Auckland P.	27	12	Nil—15*	100	140/50	144/50	153/00
20,00,000	959	57,59,081	35,02,335	12,05,050	13,87,235	60,074	3	22	Bally P	25	25	25	100	261/00	261/00	293/00
£275,000	1,889	£410,423	£9,73,990	£1,82,998	£5,10,306	£1,341	3	128	Barnagore P.	30	10	10—10*	£5	225/00	230/00	180/00
45,00,000	800	29,61,859	15,46,780	8,93,863	5,85,851	1,33,355	6	235	Bengal P.	5	..	..	10	9/37	9/37	10/25
1,59,56,210	1,373	5,92,74,980	3,88,65,994	95,53,646	1,39,85,792	46,410	3	22	Birla	15	15	15—15*	10	32/25	33/00	29/50
36,00,000	991	48,65,076	14,32,140	1,42,233	37,69,101	30,613	10	2	Budge Budge P.	10	Nil	12	100	152/50	158/00	160/00
7,47,380	502	12,59,648	4,17,958	1,73,320	61,970	48,481	6-12	62	Calcutta P	..	..	..	10	8/12	8/12	8/30
18,00,000	616	38,26,710	28,17,882	36,75,352	1,72,996	11,777	11	440	Caledonian P.	12	5	..	100	181/00	180/00	220/00
29,58,200	1,405	83,84,378	99,79,201	17,71,641	36,62,731	22,643	3	304	Champdany P.	10	5	Nil-40*	10	24/19	24/37	
38,58,750	830	67,05,590	72,45,112	12,64,351	41,57,638	1,02,122	11	2	Cheviot P	Nil	5	25	10	22/87	22/94	23/94
30,15,000	500	53,11,479	40,65,400	13,38,874	12,49,444	61,455	7	165	Chitavalsah P.	5	Nil	5	10	11/12	11/12	11/25
16,00,000	959	13,80,489	25,12,433	1,35,556	1,51,574	18,647	3	318	Clive P	..	..	..	10	9/19	9/19	8/37
31,49,200	768	53,32,179	21,35,995	4,07,539	22,78,348	3,316	3	21	Dalhousie P.	1	1	Nil—25*	100	154/00	154/00	125/00
56,00,000	719	1,14,91,098	68,77,425	3,58,234	38,24,413	28,674	11	2	Delta P	7½	Nil	12	100	164/00	172/00	175/00
15,00,000	500	35,23,149	39,20,700	9,41,963	7,63,955	40,327	7	165	Empire P	12½	7½	12½	10	17/75	17/75	17/25
63,00,000	1,884	1,86,60,226	1,23,68,695	8,78,531	88,00,061	4,532	3	138	Fort Gloster	25	10	12½—20*	100	372/00	372/00	412/00
21,00,000	1,014	89,78,908	39,25,515	2,10,063	33,89,018	6,051	3	234	Fort William P.	22½	22½	10—20*	10	27/50	28/25	25/37
84,82,100	1,196	1,38,06,625	77,96,303	3,39,780	84,23,155	16,267	3	367	Ganges P	10	10	15—20*	10	13/75	13/87	13/12
43,20,000	601	1,06,89,025	37,97,205	1,14,364	19,55,516	16,522	12	359	General Industrial	40	10	13	10	16/66	16/75	18/62
24,00,000	1,394	1,27,87,553	65,59,122	45,82,832	74,09,601	28,659	3	19	Gourepore P.	30	25	20—20*	10	25/25	25/25	
40,00,000	1,078	89,70,576	1,13,65,042	60,69,113	42,85,744	4,954	3	234	Hastings P.	6	6	6—6*	100	128/00	128/00	128/00
16,80,000	720	32,20,357	44,86,659	2,59,301	9,22,006	4,294	3	356	Hooghly P.	10	20	7½—10*	10	16/00	16/00	20/00
65,62,500	1,990	69,79,752	46,00,997	9,34,173	57,39,425	..	3	128	Howrah P.	12½	10	Nil-10*	10	19/31	19/62	19/06
52,50,000	2,212	1,36,00,000	1,26,22,000	22,50,131	87,88,996	5,058	3	35	Hukumchand P.	28¾	28¾	26¾-26¾*	7½	21/00	21/25	26/12
87,30,000	790	1,23,75,753	93,65,745	36,02,644	58,75,996	4,811	3	355	India	14	12	8—22½*	12½	16/75	16/37	17/12
43,20,000	1,191	52,63,977	32,17,016	8,71,993	54,54,653	14,157	12	128	Kamarhatty P.	5	Nil	20	100	201/00	201/00	164/50
54,00,000	1,327	47,44,758	13,48,482	6,39,910	59,38,810	11,179	12	128	Kanknarrah P.	Nil	Nil	10	100	147/00	147/00	130/00
28,00,000	703	53,93,372	56,73,800	13,28,826	45,353	47,758	6	165	Kelvin P.	15	15	5	100	194/00	194/00	190/00
54,00,000	1,530	93,03,019	73,68,631	6,07,972	42,70,729	3,379	3	382	Khardah P.	20	5	12½-12½*	10	19/37	19/37	17/00
48,00,000	1,250	79,54,389	49,03,577	25,23,275	44,01,751	12,641	3	106	Kinnison P.	20	7	Nil—10*	100	148/00	148/00	153/00
24,48,000	931	29,67,596	1,30,000	12,43,413	13,51,372	4,687	3	21	Lansdowne P.	Nil	Nil	Nil-Nil*	100	98/00	98/00	120/00
28,00,000	840	20,00,065	14,09,475	45,59,844	12,94,083	664	3	21	Lawrence P.	7	15	10—10*	100	111/00	112/50	116/00
81,65,200	1,294	1,68,99,178	1,32,00,037	6,94,617	1,07,37,567	37,681	3	355	Megna	12	12½	Nil—22*	10	13/00	13/37	12/62
29,98,900	815	16,99,876	12,04,675	2,94,057	10,35,634	—13,08,719	3	101	Naihati P.	..	..	..	100	104/00	104/00	107/00
20,00,000	625	10,79,854	15,55,000	26,11,429	3,36,343	17,816	4-10	107	Naskarpara	..	..	..	10	8/00	8/00	9/06
35,00,000	832	1,58,24,441	73,10,449	9,33,117	33,24,937	9,507	10	378	National P	7½	Nil	10	10	23/94	23/94	24/00
26,25,000	818	33,46,239	35,71,072	10,72,888	14,01,865	61,184	7	165	Nellimarla P	3	6	15	10	12/75	12/87	11/25
1,56,00,000	1,765	8,08,96,118	2,42,19,122	26,20,231	—18,53,066	15,530	3	335	New Central P.	15	15	Nil	10	13/44	15/00	13/62
16,79,880	567	54,75,607	66,86,689	4,76,913	33,32,174	1,076	3	21	Northbrook P.	30	30	20—35*	10	31/00	31/00	36/75
66,79,500	1,092	1,01,51,940	58,00,825	5,39,056	39,43,549	13,111	3	19	Nuddea	8	6	5—10*	50	68/25	68/25	55/00
25,00,000	600	26,00,000	12,61,704	7,07,186	7,54,830	37,324	7	165	Presidency	8	6	10	5	5/69	5/81	4/94
20,00,000	506	43,92,723	5,27,128	97,402	17,07,297	25,500	3	166	Rameshwara P.	Nil	Nil	Nil-Nil*	10	9/20	9/20	9/87
49,50,000	1,376	56,06,891	6,89,006	40,16,382	17,64,511		3	128	Reliance P	Nil	Nil	Nil-Nil*	10	8/87	8/81	6/69
£600,000	2,013	£1,501,838	£1,191,136	£265,726	£175,821	£8,338	12	64	Samnugger P.	6	Nil	10	£1	10/50	10/50	10/50
30,00,000	911	47,47,618	15,81,656	27,81,388	2,13,128	3,184	3-9	61	Shree Ambica P.	8	6	Nil	10	35/00	35/00	35/00
14,00,000	401	21,82,940	17,16,854	14,69,644	15,77,802	26,425	12	166	Soorah P	25	25	25	10	23/50	23/50	22/50
£600,000	1,794	£1,390,914	£1,181,938	£351,277	£211,646	£9,976	12	64	Titaghur P.	6	Nil	13	£1	10/50	10/50	10/50
35,98,600	1,326	50,79,284	42,63,667	13,52,676	31,60,784	603	3	21	Union P.	25	6	Nil—20*	100	168/00	168/00	165/00
£400,000	1,331	£1,338,747	£932,577	£189,510	£173,749	£8,551	12	64	Victoria P.	6	Nil	10	£1	10/50	10/50	10/50
2,50,000	465	6,47,472	8,20,000	6,95,642	8,79,756	66,272	5	165	Waverley P.	30	30	60	1	9/75	9/75	5/62

* 1963

COAL COMPANIES

O., Po., F and Dd indicate Ordinary Preferred Ordinary Founders and Deferred Shares respectively 'P' next to the name of the company indicate that the company also has Preference Shares. Figures in "accounts closed" column indicate the months of the calendar year in which accounts are closed For Managing Agents refer to the Key (last page) under the numbers indicated.

Paid-up Capital Ordinary Rs.	Net Block Account Rs.	Reserve & other Funds Premiums & Forfeited Shares if any Rs.	Cash & Securities Rs.	Net Profits including taxation Rs.	Carry forward Rs.	Accounts closed	Mg. Agts. Secretaries etc.	NAMES	Dividends per cent 1960	1961	1962	Paid-up per Share Rs.	Latest Market Quotations as available until 27-11-63. Rs.	20-11-63 Rs.	A year ago Rs.
25.50,000	58.52.224	43.77.800	3.90.484	16.40.057	39.096	6-12	315	Amalgamated	10	12½	15	10	26/00	26/00	22/12
1,20.00.000	3,15.46.304	2,44.30.490	36.03.088	86.68.875	10.42 254	3	236	Bengal P	25	21	..	100	276/00	276/00	335/00
4.49.350	4.37.382	1.30.132	91.796	43.397	4.471	10	2	Bengal Bhatdee	..	..	..	10	3/48	3/48	3/48
2.25,000	3,06.216	5.45.835	5.19.015	1.55.638	16.129	12	368	Bengal Nagpur	10	26	..	10	22/00	22/00	22/00
15.97.000	23.27 321	4.87.308	63.982	2.62.417	21.275	12	..	Bhalgora	..	..	..	10	4/75	4/75	5/00
40,00.000	67.23.620	2,75.000	21.19.681	11.80.816	2.120	9	152	Bharat Collieries P.	..	..	..	10	3/50	3/65	3/53
7.15,000	14.96 845	11,02.672	64.329	—3.06.406	—4.92.536	6	335	Bhulanbararee	..	..	..	10	11/94	11/94	12/00
16.00.000	38.87.275	16 18.636	7.185	1.21.936	—79.196	12	362	Bokaro & Ramgur	..	..	..	10	11/19	11/19	11/19
7.50.000	19 13.792	22.77.003	12.32.439	5.26.414	33.647	12	106	Borrea P	15	15	..	10	22/12	22/12	23/87
90.92.480	2.32.19.267	1,46.53.383	33.70.740	37.97.832	90.768	6	21	Burrakur P.	13	13	13	10	17/37	17/69	16/12
49.97.000	50.93.754	6.86.120	6.35.532	16.11.088	3,58.023	3	166	Central India	8	10	10	10	10/12	10/06	9/81
8.00.000	18.69.439	12,97.490	98.040	6.357	214	12	..	Central Kurkend P.	..	..	..	10	3/87	3/87	8/00
6.60.000	.	1.55.159	6.05.672	63.765	7.043	12	106	Churulia	3	..	..	4	3/06	3/06	3/06
16.00.000	25.01 305	Nil	19.429	—6.45.261	—5.39.034	12	444	Dhemo Main	Nil	Nil	..	10	4/50	4/50	5/94
£240.000	£868.390	£561.905	£13.858	£288.462	£6.234	4	128	East India	7½	15	20½	£1	31/00	31/50	50/00
29 63 700	1.42 23.054	1,18 76.888	27.65.725	10.14.185	33.594	12	19	Equitable P.	15	10	..	10	25/62	25/62	25/62
15,00,000	21.00.420	41.000	26.500	920	—6.24.344	3	307	Ghusick & Muslia	Nil	Nil	Nil	10	14/25	14/25	15/00
6.50.000	4.21.847	Nil	12.025	10.679	—14.705	12	30	Guzdar Kajora	..	..	..	10	2/44	2/44	2/05
8.00.000	5.43.022	..	16.702	—10.172	—3.65.025	12	393	Hurriladih	..	..	..	10	7/06	7/06	8/12
15.00.000O 5.00.000F	23.47.952	27.81.955	39.74.704	3.95.071	1.40.029	12	21	Karanpura Development	5 15	5 15	..	10O 10F	12/06	12/06	12/00
20.00.000	34 15.535	9.86.018	3.72.692	8.92.065	32.810	2	21	Karanpura Collieries P.	7½	10	10	10	16/00	16/00	18/00
14.88 460	20.68.761	16.01 825	8.75.590	6.29.962	1,11.842	1	2	Katras Jherriah	95	40	25	10	34/00	33/75	48/75
1.38.400	6.75.000	95.000	11.80.294†	49 776	1.918	6-12	337	Khas Kajora P.	..	..	..	10	17/62	17/62	18/70
5.65.750	5.95 833	Nil	9.780	—1 60 535	—16.47.497	3	372	Mundulpur	..	..	..	10	2/69	2/69	2/69
7.48.240	3.39.261	56.489	7.29.802	1.15.573	74.711	12	347	Nazira	7½	Nil	Nil	10	5/00	5/00	5/75
31.97.210	61 58.848	34.47.233	3.39.307	9 75.812	93.645	10	2	New Beerbhoom P.	16	10	..	10	19/25	19/25	20/94
9.90.340	9.04.373	5.21.710	75.374	4.12.216	43.822	3	202	New Manbhoom	7½	9	12	10	15/25	15/25	13/75
1 15.000 1,57.500	7.03.719	4.31.409	49.364	1.44.042	15.045	12	441	North West	20	20	..	10 7½	19/75 18/00	19/75 18/00	19/75 18/00
7.50.000	1.33 788	13.22 645	22.85.007	1.91.515	45.060	12	106	Ondal P.	6	7½	..	10	13/50	13/50	13/00
8.34.000	23.69.066	1.52.212	4.78.984	1.79.344	589	12	207	Parasea P.	1½	1½	..	10	14/00	14/00	16/00
15.75.000	32.93.192	24.59.125	4.11.055	5.41.674	54.253	3	236	Pench Valley	10	10	10	10	18/31	18/31	16/50
2.50.000	5.62.405	7.500	11.530	2.003	18.581	6-12	5	Pure Sitalpur	..	..	..	10	8/00	8/00	8/00
33.58.900	50.26.723	40.85.000	1.26 141	11.54.576	35.781	3	370	Raneegunge	15	17	17	10	14/12	14/12	15/00
13.50.000	25.32.135	20.80.190	16.89.318	13.18.197	41.523	12	236	Rewa	20	20	..	10	28/50	28/50	29/12
37.50.000	74.38 430	38.61.070	1.69.086	12.37.914	26.993	12	48	Sanua	10	..	..	10	9/00	9/00	10/03
2.50.000	4.47 534	74.281	10.748	—19.279	—4.27.396	1	353	Searsole	Nil	Nil	Nil	2½	1/22	1/22	1/94
2.80.000	10.74.006	12.23.716	10.17.267	5.13.147	67.383	12	2	Seebpore P.	42 6/7	42 6/7	..	7	34/75	34/75	45/00
8.00.000	6.203	4.54.648	13.04.570	78.390	1.540	12	106	Sendra	5	3½	..	10	5/00	5/00	5/75
17.50.000	28.29.652	10.02.341	50.728	2.66.373	2.926	8	21	South Karanpura	2½	Nil	Nil	10	8/75	8/69	7/00
8.00.000	1.30.001	15.48.969	26.78 255	1.84.925	38.908	12	106	Standard	15	10	..	10	13/12	13/12	16/00
2.50.000	4.36.300	3.23.000	36.660	1.37.973	1.77.952	12	..	Union	..	..	..	10	10/12	10/12	10/37
49.98.000	63.57.150	6.09.055	2.69.620	11.72.192	1.19.162	3	166	Western Bengal	6	7½	9	10	9/06	9/06	8/87
7.00.000	26.06.335	Nil	47.091	—6.51.403	—6.23.711	12	444	West Jamuria	Nil	Nil	..	10	4/56	4/56	7/37

COTTON MILLS

Paid-up Capital Ordinary Rs.	Number on Spindle	Looms	Net Block Account Rs.	Reserve & other Funds Premiums & Forfeited Shares if any Rs.	Cash & Securities Rs.	Net Profits including taxation Rs.	Carry forward Rs.	Accounts closed	Mg. Agts. Secretaries etc.	NAMES	Dividends per cent 1960	1961	1962	Paid-up per Share Rs.	Latest Market Quotations as available until 27-11-63. Rs.	20-11-63 Rs.	A year ago Rs.
15,00,000	14,108	356	14.06.683	3.15.002	12.59.541	26.012	41.532	12	49	Basanti P.	..	..	..	10	13/69	13/69	9/19
7,11.280	36,000	932	17.17.120	2.20.369	30.842	3,66.177	47.818	3	27	Banga Luxmi	..	..	..	40	30/00	30/00	28/00
27,00.000	31,476	824	17.77.373	..	93.872	—6.24.150	—6.86.163	12	223	Bengal Nagpur P.	Nil	..	..	10	3/00	3/25	3/25
50,00.000	..	..	1.66.35.360	49.94.800	52.56.090	28.04.759	17.588	12	394	Bharat Commerce P.	5	15	15	10	23/75	24/37	25/87
39.95.950	38,764	992	60.94.300	1.21.02.782	53.37.204	39.77.026	1.67.525	3	22	Birla Cotton	10	20	20	10	33/00	33/00	28/87
33,60.000	43,136	841	1,00.69.568	40.37.060	2.04.094	21.74.042	1.94.107	12	138	Bowreah P.	10	20	15	10	25/00	26/12	24/00
30,00.000	22,000	510	32.89.583	62.22.574	9.41.816	13,74.402	49.055	12	25	Cawnpore Textiles	7 1/5	10	10	5	7/56	7/56	7/06
3,78,33,535	1,97,348	3,307	6,72.37.739	6.96.27 768	77.61.228	3.08.40.769	4.03.436	6	238	Delhi Cloth & Genl. P.	12	13	13	25	50/69	50/75	49/50
38.00.000	43,049	618	61.51.892	54.80.125	1.40.191	32.83.543	1.03.713	12	138	Dunbar	20	20	15	10	30/06	30/06	27/00
63,00.000	54,000	1,200	95.39.870	2.10.49.560	93.81.545	70.11.091	89.499	9	380	Elgin P.	11½	17½	17½	10	23/19	22/81	19/50
1,25,00.000	..	..	3.48.97.671	56.34.321	85.50.730	19.28.764	1,22.795	12	158	J. K. Cotton (Rayon) P.	12½	..	..	10	12/12	12/62	14/37
49.18,000	6,272	302	51.44.000	24.71.500	4.76.536	28.42.100	87.266	12	82	Jay Shree	10	10	..	10	16/00	16/62	16/25
30.00.000	38,000	1,325	47.44.548	52.19.301	92.65.065	18 77.941	—7.77.290	12	306	Muir P.	..	..	..	100	74/50	74/50	100/00
35.11.583	78,848	1,367	47.49.840	3.96.960	1.09.256	12.73.361	—63.56.496	12	287	New Victoria P.	Nil	..	..	2½	1/66	1/62	1/37
48.00.200	..	..	1.08.10.352	78.144	2.34.188	12.34.741	—22.17.524	3	399	Orissa Textiles P.	Nil	Nil	..	10	9/00	9/00	9/00
19.47.750O 5,00.000Dd	23,196	795	15.49.229	80.773	2.37.475	3.38.087	..	6	4	Rampooria Cotton	3 Nil	Nil Nil	.. Nil	10 1	13/00 3/00	13/00 3/00	12/00 2/00
17.50.000O 1,57,50,000Po	1,14,836	2,077	4,48.79,351	2,63,83,071	2,15,81,189	76,20,241	6,044	12	333	Swadeshi (Kanpur) P.	5 5.51	.. ..	.. ..	100 10PO	12/62 6/81	12/62 6/81	11/50 7/37

TEA COMPANIES

O., Po and Dd indicate Ordinary Preferred Ordinary and Deferred Shares respectively P next to the name of the company indicates that the company also has Preference Shares Figures in "accounts closed" column indicate the months of the calendar year in which accounts are closed For Managing Agents refer to the Key (last page) under the numbers indicated

Paid-up Capital Ordinary Rs.	Net Block Accounts Rs.	Reserve & other Funds Rs.	Area Hectares	Outturn and Average Price per Kg realised for crop 1961 Kgs.	1961 Rs.	1962 Kgs.	1962 Rs.	Estimate 1963 Kgs.	Net Profits including taxation Rs.	Accounts closed	Mg. Agts. Secretaries etc.	NAMES	Dividends per cent 1960	1961	1962	Paid-up per Share Rs.	Latest Market Quotations as available until 27-11-63 Rs.	20-11-63 Rs.	A year ago Rs.
												ASSAM							
4,45,700	16.40.103	16,37.403	..	4,24.104	4.81	413.012	5.67	4.71.700	2,90.039	12	165	Amluckie P	Nil	10	7½	10	18/37	18/37	20/00
7,00,000	12.87,204	8.65,604	506†	3,11.077	6.58	301.064	6.71	..	3,50.091	12	88	Anandabag P.	30	32½	20	10	33/25	33/25	33/25
5,50.000	16.63.877	15.34.741	..	3,53.284	5.32	320.928	5.99	3,62.900	1,91.082	12	165	Baghmari	Nil	15	7½	10	17/25	17/25	18/50
1,80,000	..	..	..	..	..	..	..	..	..	12	349	Barduar Tea	..	..	..	6	8/50	8/50	8/50
7,65.000	18.61.913	10.56.655	160	3,13.600	6.01	286.300	6.60	2,90,000	3.93858	12	2	Basmatia	35	25	20	10	27/25	24/25	27/25
4,95,900	..	..	..	4,12.342	4.34	..	..	..	..	12	345	Bateli	30	30	..	5	17/50	17/50	18/00
6,40,000	12,12.739	12,28.191	619†	4,08.269	6.56	405.929	6.66	..	5,57.424	12	88	Betjan	40	45	30	10	30/12	30/12	32/62
33,00,000	38,97.401	18,10,167	1,394	16,30.448	5.80	1,517.589	6.71	15,78,600	15,42.968	12	279	Bishnauth	13	13	20	10	18/69	18/69	17/25
6,00,000	11,68.235	5,03.003	194	2,23.909	5.90	209.073	7.12	2,43.125	2,62.960	12	202	Bokakhat	Nil	12	13	10	13/70	13/70	13/70
7,50,000	13,90.224	11,90.375	..	3,03.665	5.50	300.721	5.85	3,08,430	3.94.885	12	165	Bormah Jan P.	15	15	15	10	13/00	13/00	16/12
4,50.000	7.86.600	2.36.500	239	2,65.021	5.25	258.733	6.32	2.90.300	1.15.476	12	279	Bor Pukhuri	Nil	Nil	10	10	11/00	11/00	11/75
35,00,000	68,93,654	15,66.180	..	14,26.351	5.27	13,51.189‡	4.75	..	9,51,721	6	127	Brooke Bond P.	15	10	7½-7½‡	10	13/06	13/06	12/19
1,20.000	9,24,434	9,31,522	..	1,73.277	5.19	200.496	5.90	1,99,600	2,85.668	12	165	Dejoo Valley	15	20	30	10	60/00	60/00	49/25
8,40,000	13.39.224	9,51.460	535	5,43.624	5.68	597.724	6.12	5,33.773	7,20.815	12	128	Dessai & Parbuttia	Nil	10	15	100	200/00	200/00	186/00
17,53,440	..	..	..	2,94.761	6.64	..	..	..	..	12	214	Dhelakhat	12½	10	..	10	20/75	20/75	20/00
7,00,000	20,46,600	8,35,000	558	6,32.799	4.70	554.700	5.16	6,20.000	2,14.165	12	365	Dhunseri P.	20	15	10	10	11/81	13/00	15/00
4,50,000	17,18,470	16,36,695	..	3,05.738	6.23	301.917	6.68	3,30,200	5.86.433	12	165	Dibrugarh	40	40	30	10	32/50	32/50	32/50
4,73,400	10,37,000	8,52,500	256	3,01.383	5.81	297.513	6.44	3.08.000	2,71.648	12	279	Dimakusi P.	25	20	25	10	22/62	22/62	21/87
7,00,620	14,88,200	15,53,500	274	4,64.799	5.77	403.594	6.70	4,36.000	5,29.546	12	279	Dufflaghur	25	25	30	10	28/00	28/06	27/87
10,00,000	20,32,480	11,26,500	481	5,25.798	5.76	494.612	6.30	5.27.000	2.06.168	12	279	East India	Nil	Nil	10	10	15/56	15/56	18/87
5,03,760	14,00,556	6,32,810	242	3,58.797	..	319.832	..	4.00.000	49.047	12	354	Gillapukri	25	20	15	10	25/44	25/44	25/44
6,76,000	12,41,500	7,48,500	228	2,54.919	5.81	259.394	7.44	2.62.000	4.74.030	12	279	Gohpur	Nil	5	20	10	14/81	14/94	13/31
23,29.085	54,85,603	36,46.798	1,042	10,79,309	4.98	1,039.276	6.17	11.32,167	3.83.294	12	202	Grob	6	6	6	5	8/15	8/15	8/06
5,00,000	11,67,377	7,55.258	..	3,58.885	..	3,45.217	..	..	1,67.965	12	354	Hoograjuli	20	20	17	10	27/12	27/12	27/12
8,70,000	26,52,302	15,02.799	542	4.83.000	5.71	515.500	6.62	3,00,000	4,51.521	12	2	Hoolungoorie	10	7½	20	100	199/00	199/00	190/00
9,00,000	18.88.785	11,65.055	953	5,39.472	5.89	533.423	6.50	..	6.31.655	12	88	Jutlibari	30	30	20	10	31/50	31/50	32/00
2,40,000	..	..	..	5,52.301	5.10	..	..	..	..	12	236	Kingsley Golaghat P.	35	35		100	125/00	125/00	212/00
1,80,000	19.59.626	1,45,000	494	5,24.469	4.60	488.346	4.97	5.20.000	1.21.490	12	63	Kotamullai P	Nil	Nil	Nil	5	10/31	10/31	10/31
5,00,000	11.19.728	3,07.818	140	1.73.581	5.29	166.356	6.02	180.000	1.13.899	12	41	Krishnabehari	15	8	10	10	11/80	11/80	10/50
2,00,000	..	..	..	..	..	..	..	..	..	12	236	Kyang Tea	Nil			10	8/06	8/06	8/06
6,50,000	14,12,161	9.50,234	268	2,79,777	5.15	281.500	5.30	2,85.000	53.354	12	63	Ledo	Nil	Nil	Nil	10	13/75	13/75	17/25
8,00,000	11,99.968	1,30.508	275	2,28.707	4.96	210.642	5.26	2,23.167	1,25.716	12	..	Maud Tea & Seed	10	7½	7½	10	14/81	14/81	14/81
10,00,000	16,16.636	14,78.000	262	3,82.580	6.03	374.221	7.12	3,81.045	6,21.941	12	202	Methoni	5	14	20	10	17/87	17/87	18/56
4,80,000	..	..	..	5,15.200	1.92	..	..	..	..	12	..	Moheema	Nil	Nil	..	10	11/50	11/50	11/50
1,50,000	3,24,738	13,65.825	..	83,921	..	122.745	..	..	1,22,731	12	138	Mothola	30	30	35	100	507/00	507/00	507/00
1,75,000O 1,00,000Po	14,68,025	9,31,447	160	1,82,900	6.01	171.400	8 41	2.00.000	4.99.564	12	2	Murphulani (Assam)	5 10.63	15 20 63	25 30.63	10 10	26/50 26/87	26/50 26/87	26/50 28/75
4,00,000	12,90,728	7,77,459	220	3,19.104	4.51	326.748	5.10	3,40.000	1,24.658	12	143	Naga Hills	10	10	10	10	22/25	22/25	22/69
5,35,000	..	..	..	3,47.154	4.58	..	..	..	..	12	..	Namburnadi	12	12	..	10	12/87	12/87	14/56
5,00,000	7,84,102	3,97,500	299	2,90.978	5.98	296.696	7.64	2,90.000	5,86.793	12	63	New Cmnatollich	Nil	Nil	Nil	100	302/00	302/00	450/00
6,00,000	14,50.587	7,57.922	170	2,16.600	5.31	230.700	6.35	2,22.500	3,62.519	12	2	Raigarh	40	13½	17½	10	19/00	19/00	21/37
13,50.000	..	..	..	6,32.808	..	..	..	..	..	12	354	Sapoi	22½	20	..	10	18/50	18/50	24/44
2,49.000	6,35,900	6,85,000	208	2,42.697	5.56	207.643	7.36	2,21.000	3,75.627	12	279	Seajuli	22½	15	30	10	25/50	25/50	20/75
5,98.000	17,86,091	15,24,544	..	3,73.286	4.99	390.802	5.61	3.81.000	5,06.871	12	165	Teloijan	25	25	25	10	24/12	24/12	27/75
8,00,000	12,80,761	7,41,936	345	3,48,111	6.59	338.378	6.81	..	4,19.888	12	88	Tengpani	30	30	22½	10	35/75	35/75	35/00
19,82,800	30,75.956	23,51.846	1,926†	29,72.880*	1.92	2.301.040*	2.62	2.28.000*	8.30.276	12	236	Tezpore	20	12½	..	10	15/19	15/19	15/56
7,50,000	..	..	..	3,15.004	3.96	..	..	..		12	95	Tongani	Nil	Nil	..	10	5/31	5/31	6/50
5,20,000	35,17,473	30,30,165	..	5,90,423	5.14	651.147	5.76	6,71,300	7,11,074	12	165	Tyroon	10	15	25	10	31/00	31/00	34/37
												CACHAR							
3,00,000	..	..	..	1,49,850	4.07	139.861	4.03	1,66.500	..	12	..	Arcuttipore	Nil	5	6	10	7/00	7/00	7/00
4,00,000	..	..	..	1,58.348	4.45	..	..	..	..	12	35	Baitakhal	2½	2½	..	10	8/06	8/06	6/69
11,00,000	20.18.349	9.26.687	..	5,45.645	4.26	454.449	4.77	3,52,060	..	12	128	Central Cachar	5	7½	5	100	85/00	85/00	73/00
7,00,000	..	..	..	1,22.864	4.63	..	..	..	..	12	383	Eastern Cachar	Nil	Nil	..	10	4/50	4/50	4/12
4,50,000	3,31,773	2,80,000	..	1,34.400	3.31	..	..	..	—54,506	12	384	Kallinugger Khoreel	6	2	..	100	87/00	87/00	87/00
12,60.000	19,84.808	13,56.132	943	7,23.716	3.84	580.232	3.97	7,25.747	—3,11.563	12	202	Hattikhira	Nil	8	Nil	10	8/75	8/75	9/44
3,60,000	..	..	..	1,53.008	3.88	..	..	..	..	12	63	Kunchunpore	Nil	Nil	..	10	6/00	6/00	6/00
5,63.690	5,22,633	1,36,689	228	1,66.156	3.81	151.283	4.26	1,63.293	23.090	12	202	Looban	Nil	Nil	Nil	10	4/56	4/56	5/00
12,60.000	22,28.419	11.42,054	2,221†	5,70.970	4.08	518.387	4.33	5,80.000	6,13.497	12	..	North Western	30	20	10	100	175/00	175/00	205/00
2,59.050	5,88.340	1.916	231	2,71.967	3.85	213.805	4.21	2,72.155	—49.484	12	202	Pathemara	Nil	Nil	Nil	10	7/50	7/50	7/50
2,60.000	6,82,449	2,92.663	..	3,26.670	4.40	195.018	4.62	2,50.400	—1.73.960	12	165	Roopacherra	Nil	10	Nil	10	11/00	11/00	13/62
5,25,000	12,22,431	12,03,600	310	3,07.903	3.94	279.277	4.46	2,90.000	61.192	12	63	Rungamattee	5	5	5	50	48/50	51/50	50/00
4,00,000	..	..	..	2,47,927	3.56	..	..	..	..	12	..	Sonai River	Nil	Nil	..	10	5/05	5/05	9/12
												DARJEELING							
3,09,750	..	..	..	..	..	..	..	..	..	12	101	Bloomfield	Nil	..	..	10	3/12	3/12	3/25
2,79,900	3,72,700	1,55,000	165	82,803	8.66	77,090	8.74	84.000	51,557	12	279	Chamong	Nil	10	10	10	9/00	9/00	10/25
3,75,900	..	..	..	3,05.978	5.22	313.229	5.63	3,08.443	..	12	139	Darjeeling Tea & Chin	30	20	30	100	197/00	197/00	197/00
2,00,000	..	..	..	72.236	6.12	..	..	..	..	12	200	Dilaram	8	4	..	100	102/50	102/50	102/50
2,00,000	6,39,479	3,58,163	..	1,35.642	7.33	1,37,275	7.58	1,38.000	1,97,231	2	74	Gielle P.	Nil	..	8 4/7-16‡	10	11/69	11/69	11/69
7,00,000	10,11,800	2,25,770	428	2,90,326	668	311.895	7.70	3,22.000	3.89.175	12	279	Lingia P.	15	10	17½	10	14/00	14/00	14/56
10,32,000	..	..	..	5,32.043	2.45	..	..	..	..	12	95	Longview	12½	10	..	10	11/00	11/00	11/00
4,00,000	5,16,891	5,85,879	..	1,74.261	6.94	177.960	8.18	1,81.500	2,23.445	12	165	Margaret's Hope	15	15	15	10	12/19	12/50	11/62
1,59,000	3,73,782	4,14,259	187	1,01.900	8.21	108.800	8.99	1,10.000	1.53.555	12	2	Mim	22½	27½	27½	100	191/50	191/50	191/50
2,99,900	4,95,071	13,97,500	279	2,20.390	7.14	214.750	9.03	2,21.400	15.19.227	12	279	Nagri Farm	30	25	35	10	29/87	30/06	27/00
4,00,000	3,93,839	3,21,500	205	99.223	8.77	99.331	10.07	1,00.000	2.40.000	12	390	Okayti P.	25	25	25	100	600/00	600/00	605/00
3,30,000	..	..	..	5,13.243	4.87	..	..	..	..	12	..	Pashok	10	Nil	..	10	20/00	20/00	20/00
3,00,000	3,88,931	1,25,000	194	1,27,797	5.77	122.495	6.65	1,20.000	1.04.446	12	63	Poobong	Nil	Nil	5	10	7/50	7/50	7/37
2,05,000	4,87,982	2,27,703	570†	1,11.154	5.62	116.997	5.95	1,26.000	1.03.669	12	361	Pussimbing P	Nil	Nil	Nil	10	7/50	7/50	8/87
1,40,000	3,90,838	5,61,500	138	1,05.192	6.02	85.234	6.64	95.000	8.123	12	63	Runglee Rungliot	35	20	7½	100	386/00	386/00	386/00
3,00,000	..	..	..	1,92.400	2.91	..	..	..	..	12	385	Seeyok	15	Nil	..	10	8/60	8/50	8/50
6,25,000	7,48,893	10,816	..	1,33.674	6.20	138.742	6.51	..	47.720	12	398	Singell	Nil	Nil	Nil	100	36/75	36/75	36/75
9,00,000	..	..	..	1,33.350	5.38	123.431	6.92	..	..	12	101	Singtom	2	Nil	2	10	3/50	3/50	3/50
4,50,000	5,24,500	5,38,800	224	1,66.630	7.38	160.068	8.53	1,63.000	3,55.419	12	279	Soom	50	40	40	10	34/00	34/00	31/00
6,25,000	13,51,854	13,02,062	..	1,95.487	7.32	189.392	9.58	2,06.800	4.76.892	12	165	Sungma	15	15	20	10	14/75	14/75	12/75
3,20,000	9,98,901	8,67,133	..	2,20.000	6.08	2,03.428	6.16	221.000	36,050	2	74	Teesta Valley	Nil	..	8 4/7-10‡	10	15/87	15/87	12/25
12,00,000	..	..	..	..	..	..	..	..	..	12	..	Tukvar	Nil	Nil	..	10	6/00	6/00	6/00

† Acres * lbs. ‡ 1963

TEA COMPANIES—Contd.

O Po., C and Dd indicate Ordinary Preferred Ordinary, Contributory and Deferred Shares respectively. P next to the name of the company indicates that the company also has Preference Shares. Figures in 'accounts closed' column indicate the months of the calendar year in which accounts are closed. For Managing Agents refer to the Key (last page) under the numbers indicated.

Paid-up Capital Ordinary	Net Block Accounts	Reserve & other Funds	Area Hectares	Outturn and Average Price per Kg realised for crop 1961 Kgs	Rs	1962 Kgs	Rs	Estimate 1963 Kgs	Rs	Net Profits (including taxation)	Accounts closed	Mg. Agts. Secretaries etc.	NAMES	Dividends per cent 1960	1961	1962	Paid-up per Share Rs.	Latest Market Quotations as available until 27-11-63. Rs	20-11-63. Rs	A year ago Rs.
													DOOARS							
27,00,000	62,03,993	32,62,760	1,034	15,51,500	4.51	14,84,400	4.86	15,25,000	11,19,005	12	2	Bamanhat P.	22½	21	21	100	241/00	241/00	255/00
12,00,000	27,38,435	23,27,925	436	7,24,364	4.69	6,66,481	5.13	6,64,600	6,59,538	12	128	Baradighi	30	25	25	10	23/69	24/12	23/87
9,00,000	19,19,630	30,59,434	..	5,93,617	4.42	7,00,569	4.68	6,16,885	5,74,696	12	386	Bhatkawa	15	15	20	10	17/25	17/25	17/37
9,00,000	25,07,423	22,16,300	577	6,66,763	4.37	6,69,958	5.01	6,50,000	6,43,459	12	63	Birpara P	17½	12½	17½	100	162/00	162/00	151/00
6,00,000	12,14,870	10,73,000	244	2,99,250	4.17	2,80,187	4.70	2,95,000	1,58,268	12	63	Carron	20	5	7½	100	155/00	155/00	145/00
9,00,000	24,85,741	14,56,981	365	5,14,200	4.45	5,21,400	4.69	5,30,000	2,82,148	12	2	Choonabhutti P.	32½	20	20	100	210/00	210/00	262/00
3,00,000	5,84,327	5,93,300	197	2,19,480	4.05	2,25,971	4.59	2,03,300	1,33,979	12	63	Ellenbarrie	5	5	10	100	184/00	184/00	184/00
1,20,000	..	..	..	1,62,265	3.73	..	..	..	..	12	397	Engo	60	30	40	100	136/00	136/00	136/00
4,90,000	9,33,182	71,548	..	2,24,026	..	2,64,339	..	..	93,085	12	354	Ethelbari	5	5	7½	10	11/87	11/87	13/12
7,50,000	13,32,430	10,34,383	1,088†	5,33,092	4.88	5,04,794	5.46	..	4,67,197	12	88	Gairkhata	25	20	11	10	21/50	21/50	21/50
14,00,000	27,31,035	19,25,521	425	521,329	..	5,85,748	..	..	200,689	12	387	Gopalpur	12	2	10	25	20/00	20/00	20/00
36,00,000	50,92,343	42,81,500	1,048	14,33,022	4.07	13,74,053	4.76	13,90,000	7,92,764	12	63	Hantapara P.	15	5	10	100	114/00	114/00	106/50
64,00,000	70,47,491	75,82,749	..	28,49,021	5.54	30,66,464	5.78	30,64,500	30,07,101	3	74	Hasimara	17	..	18—15†	10	13/44	13/81	14/00
16,50,000	26,67,650	17,26,078	..	8,89,068	4.02	699,826	4.51	961,600	2,06,848	2	74	Huldibari	22½	..	19 2/7-11†	10	13/06	13/06	13/69
7,00,000	8,93,117	5,13,133	246	1,90,300	4.48	1,88,900	5.59	..	—61,500	12	2	Jaybirpara	10	Nil	Nil	10	23/81	23/12	11/06
9,00,000	18,12,126	21,89,000	375	5,63,337	4.23	5,07,738	4.50	5,20,000	3,57,699	12	63	Killcott	25	15	15	10	15/62	15/87	17/31
2,00,000	14,67,422	5,58,176	..	2,47,991	..	253,887	..	..	88,005	12	354	Manabarrie	10	6	10	10	59/50	59/50	59/50
9,60,000	20,66,495	24,61,500	..	6,03,619	4.07	5,07,732	4.76	4,90,000	3,31,819	12	63	Nagasuree	25	15	15	100	140/00	140/00	169/50
14,00,000	34,04,657	21,71,728	471	7,84,700	4.31	6,40,900	5.10	7,50,000	2,30,662	12	2	New Dooars P.	35	20	14½	100	230/00	230/00	258/00
6,40,000	..	..	..	3,07,645	3.89	..	..	..	..	12	363	Oodlabari	12½	7½	..	100	13/62	13/62	14/25
2,50,000	3,90,272	3,37,500	126	1,00,575	4.22	1,26,816	4.64	1,30,000	17,963	12	63	Phaskowa	Nil	Nil	Nil	100	129/00	129/00	127/00
6,00,000	9,22,423	11,53,058	..	3,63,864	4.36	3,91,886	4.70	3,62,900	2,08,311	12	165	Raibhat	Nil	Nil	6	10	12/00	12/00	12/12
7,65,000	17,57,543	17,47,050	..	5,03,638	4.32	4,76,526	5.07	5,33,500	1,63,000	12	165	Ranicherra	15	15	7½	10	12/94	12/50	16/75
14,92,800	36,77,342	30,35,064	727	9,21,964	4.79	9,78,337	5.44	10,10,245	8,77,496	12	128	Rydak	25	20	25	10	25/75	25/75	27/31
3,46,000	10,20,398	10,25,325	..	4,00,300	4.10	3,30,000	4.76	3,73,200	2,40,377	12	44	Sarugaon	40	40	40	10	36/31	36/31	36/25
													TERAI							
4,50,000	..	..	..	..	..	..	..	..	..	12	101	Atal	5	..	..	10	8/75	8/75	6/75
5,00,000	..	..	..	2,40,454	3.83	..	..	..	..	12	345	Belgachi	20	20	..	10	22/50	22/50	20/50
13,44,000	20,63,841	27,42,000	646	7,94,331	4.01	7,22,909	4.63	730,000	5,50,624	12	63	Gungaram	20	12½	12½	100	130/00	130/00	158/00
5,00,000	11,02,805	13,16,500	214	2,88,960	4.29	3,17,061	4.74	275,000	3,07,829	12	63	Hansqua	20	15	17½	10	20/00	20/00	20/00
3,00,000	6,69,527	9,72,907	..	2,75,784	4.10	295,710	4.54	295,000	2,25,077	2	74	New Chumta	15	..	12 6/7-20*	10	24/62	24/62	33/50
7,20,000	..	..	..	3,14,832	3.83	3,33,644	4.04	312,073	..	12	139	New Terai	22½	10	15	10	23/00	23/00	36/00
11,70,000	..	..	..	4,71,480	4.08	4,71,480	445	489,915	..	12	139	Pahargoomiah	20	20	2½	10	14/37	14/37	31/12
1,00,000	..	..	..	..	..	..	..	..	..	12	63	Putinbaree	14	14	..	10	45/00	45/00	45/00
2,20,000	..	..	..	3,88,528	4.53	3,84,347	5.05	493,290	..	12	165	Tirrihannah P.	60	60	60	10	49/00	49/00	49/00
													CHITTAGONG							
1,25,900	..	..	..	3,07,360*	1.76	..	..	..	..	12	139	Kodala	Nil	Nil	..	10	9/25	9/25	9/25
2,40,000	..	..	..	3,53,000*	1.64	..	..	..	..	12	139	Kornafuli	Nil	Nil	..	10	9/31	9/31	13/06
2,00,000	..	..	..	2,88,000*	1.74	..	..	..	..	12	139	Oodaleah	Nil	Nil	..	10	8/00	8/00	8/00
													SYLHET							
3,00,000	14,19,689	17,99,706	637†	2,76,359	4.48	2,14,967	7.92	254,012	7,17,391	12	..	Chundeecherra	Nil	Nil	Nil	10	26/00	26/00	23/00
6,00,000	9,95,449	12,20,551	230	2,33,890	4.97	2,03,558	8.17	218,000	8,36,913	12	63	Dauracherra	22½	22½	20	10	11/56	11/56	7/31
2,46,050	..	..	..	1,26,336	4.28	..	..	..	..	12	358	Kaliti	Nil	Nil	..	10	10/00	10/00	9/12
5,59,930	..	..	..	11,42,720*	1.99	..	..	..	..	12	236	New Samanbagh P.	25	Nil	Nil	10	18/37	18/37	18/37
36,00,000	59,49,609	63,43,644	1,660	19,52,002	5.02	17,98,140	8.16	1,851,500	90,15,000	12	63	Patrakola	32½	40	15	100	129/00	129/00	148/00
3,20,000	4,21,718	1,48,642	740†	4,28,560*	1.83	4,24,800*	3.23	360,000	4,07,821	12	236	Rajnagar	Nil	Nil	Nil	10	9/50	9/50	9/56
9,00,000	21,92,086	22,53,327	483	4,18,826	5.01	3,69,737	8.08	417,000	12,91,452	12	63	Tellapara	22½	22½	10	100	110/00	110/00	99/00

† Acres. * lbs. ‡ 1963

MISCELLANEOUS COMPANIES

Paid-up Capital Ordinary	Net Block Accounts	Reserve & other Funds Premiums & Forfeited Shares if any	Cash & Securities	Net Profits including taxation	Carry forward	Accounts closed	Mg. Agts. Secretaries etc.	NAMES	Dividends per cent 1960	1961	1962	Paid-up per Share	Latest Market Quotations as available until 27-11-63. Rs	20-11-63 Rs	A year ago Rs.
								MININGS							
£2 369,796	..	£218,681	£2,781,590	£12,559	£174,204	12	153	Burma Mines	2 3/5	Nil	Nil	3½S	0/44	0/44	0/44
30,00,000O 15,00,000Dd	37,08,889	32,34,468	34,05,300	13,98,846	13,914	12	312	Corestien Mica Industries P.	15 25	12½ 20	..	10O 5Dd	10/19 6/87	10/25 6/87	11/12 8/85
£1,371,300	£1,758,381	£225,873	£755,274	£1,057,163	£72,310	12	68	Indian Copper Corporation	27	27	..	2s	3/44	3/57	4/24
50,00,000	51,72,031	10,43,352	43,971	5,86,976	14,41,622	3	343	Metal Corporation P	Nil	..	..	10O	8/50	8/56	9/37
20,00,000	46,05,415	67,67,431	55,46,956	13,17,757	38,801	6	31	Orissa Mineral Development	36	28	20	10	27/37	27/37	36/50
								CEMENT, LIME, SLATE, ETC.							
89,90,843	1,58,98,785	17,06,000	2,33,036	4,97,991	10,914	3	331	Ashoka Cement	7	8	7—7*	10	7/37	7/37	7/25
43,14,600O 70,976Dd	41,51,412	21,43,429	49,64,072	1,70,815	6,44,870	3	80	Assam Bengal Cement	..	..	..	10O 1Dd	3/50 0/59	4/81 0/59	4/00 0/44
55,23,146	98,02,869	19,77,300	66,723	24,46,663	1,703	12	156	Bengal Potteries	15	..	..	2½	5/30	5/37	5/54
40,00,000	73,55,750	38,31,157	8,76,724	23,10,445	60,122	3	21	Bisra Stone Lime	30	30	10	10	23/50	22/50	27/87
1,36,00,000O 5,00,000Dd	1,86,81,933	99,52,704	1,90,71,398	1,16,81,256	..	12	122	Dalmia Cement (Bharat) P.	12	12	12	10O 1Dd	12/75 2/81	12/87 2/81	13/81 2/15
2,50,00,000	5 94,43,463	94,06,545	5,54,170	65,02 100	4,94 598	3	335	Jaipur Udyog P.	6	8	8.36	10	12/00	12/19	11/12
30,00,000	89,55,197	56,55,889	6,48,783	21,48,526	25,499	12	21	Kumardhubi Fireclay & Silica P.	18	18	18	10	18/45	18/45	18/45
1,25,00,000	3,77,58,590	1,36,03,808	30,93,905	98,75,491	..	12	362	Orissa Cement P	15	15	10	10	14/62	14/94	15/25
6,00,000	20,07,006	21,78,065	17,41 738	4,85 8:6	30,441	3	323	Reliance Firebricks & Pottery	22	15	10	10	22/75	22/75	22/75
95,00,000	63,53,090	32,76,500	2,04,361	16,83,364	7,167	12	357	Sone Valley Portland Cement	6	6	8	8	4/62	4/81	4/53
9,64,320	19,00,054	16,46,890	6,23,484	10,16,971	23,403	12	3	Sutna Stone & Lime	27½	30	35	10	28/31	28/31	37/00

MISCELLANEOUS COMPANIES—Contd.

O, Po., C and Dd indicate Ordinary Preferred Ordinary Contributory and Deferred Shares respectively. P next to the name of the company indicates that the company also has Preference Shares. Figures in 'accounts closed' column indicate the months of the calendar year in which accounts are closed. For Managing Agents refer to the Key (last page) under the numbers indicated.

Paid-up Capital Ordinary	Net Block Accounts	Reserve & other Funds Premiums & Forfeited Shares if any	Cash & Securities	Net Profits (including taxation	Carry forward	Accounts closed	Mg. Agts. Secretaries etc.	NAMES	Dividends per cent 1960	1961	1962	Paid-up per Share	Latest Market Quotations as available until 27-11-63. Rs	20-11-63 Rs	A year ago Rs.
								CHEMICAL INDUSTRIES							
62 00 000 2,45,00,000A	5,93 45 653	1,96,10,273	4,78,068	71,72,056	1,37,284	9	121	Alkali & Chemical Corpn of (I)	12	15	15	10	34/00	35/37	37/75
20,00,000 15,00,000A 11,08 800A 22,54,700B	17,39,281 76,41,344	15,681 68 84,605	11,245 21,11,440	—88,949 18,06,052	—9,86 991 1,30,717	12 3	442 245	Bathgate & Co Ltd P. Bengal Chemical & Pharm P.	Nil 7	Nil 10	.. ..	5 100	0/84 101/00	0/84 102/00	0/84 101/00
15,00,000	38 34,102	22,82,883	19,49,050	12,04,892	6,978	6	377	Calcutta Chemical P.	18	18	18	10	17/87	17/87	19/31
4,95,000	49,022	Nil	61,554	72,148	2,561	2	129	Frank Ross P.	..	..	..	6	2/87	2/87	3/25
20,00,000	13,61,137	17,67,251	7,35,789	13,17,366	19,167	6	191	Smith Stanistreet P.	25	25	25-22½*	5	12/31	12/31	15/50
								ELECTRIC LIGHTING, POWERS							
19,99 600	1,15,72,761	51 20,883	27,74,218	4,56,810	52,889	3	32	Agra Electric Supply	11	11	11	100	113/00	118/00	120/00
5,00,000	29,33,899	15,51,802	8,09,008	2,00,631	47,298	3	32	Bareilly Electric Supply	11	11	11	10	12/50	12/50	12/25
17,00 000	1,03,03,450	52,26,411	19,58,483	4,34,454	41,730	3	202	Benares Electric Supply	11	11	11	10	11/62	11/62	12/44
6,91,360	13,65,473	807,902	£173,698	£1,599,019	£100,524	3	90	Bhagalpur Electric Supply	8	10	8	4	6/56	6/56	6/08
£4,262,646	£21,040,641	£10 815,240	32,6	151,495	63,000	3	202	Calcutta Electric Supply	7	7½	7½	£1	14/25	14/28	14/87
6,60,040	22,18,402	7 17 141						Cuttack Electric Supply	7½	10	10	10	11/87	11/87	12/62
43,20,000	66,87,445	29,73,446	41,87,140	14,42,862	4,27,783	3	2	Dishergarh Power Supply P.	10	10	10	100	88/00	88/00	94/00
5,34 640	17,29,086	98 513	95 409	65 283	3,590	3	168	Jhansi Electric Supply	..	..	..	10	5/90	5/90	5/90
22,49,550	66,50,848	29,21,749	5,35,563	2,09,909	33,302	3	32	Jubbulpore Electricity Supply	10	10	10	10	11/12	11/25	11/37
4,95,000	6,70,324	2,24,149	1,09,770	4,22,292	39,015	3	258	Mirzapur Electric Supply	..	..	..	9	12/00	12/00	12/00
5,82,380	24,50,815	6,87,284	3,48,986	63,664	22,259	3	202	Muzaffarpore Electric Supply	12½	12½	12½	10	11/50	11/50	12/25
8,99,700	13,47,574	1,14,377	2,15,991	12,96,460	1,27,547	3	202	Mutra Electric Supply	..	..	..	10	11/06	11/06	11/12
85,07,380	98,50,374	13,67,575	3,95,468					Patna Electric Supply	10	10	10	10	10/75	10/75	10/81
9,10,000	8,77,208	2,86,692	3 19,022	1,58,667	17,201	3	202	Shahjahanpur Electric P.	6½	6½	6½	10	7/50	7/50	7/00
16,80 000	24,13,949	16,02,685	9 75,497	458,680	3,975	3	21	Sijua (Dherriah) Electric	10	9	9	10	8/50	8/50	9/06
56,00,000	2,03,16,819	80,94,513	25,53,868	11,08,426	92,879	3	32	United Provinces Electric	11	11	11	100	141/00	142/00	120/00
6,00,000	21,74,345	14,00,467	7,69,903	1,92,745	33,674	3	32	Upper Jumna Valley Electric	13½	13½	13½	10	17/15	17/75	15/25
								ENGINEERING & METAL							
6,00,000	6 61 485	63 426	1,48 213	2 93 398	—1,52 122	12	300	Arthur Butler (Muzaffarpore) P.	..	..	..	10	14/94	14/94	14/50
50,00,000	36,87,587	44,13,221	72,862	34,13,246	5,246	12	51	Bhartia Electric Steel	19	10	12½	10	15/00	15/00	13/75
1,00,00,000	1,53,20,721	94,55,491	65,84,179	1,06,44,579	2,757	12	24	Braithwaite & Co (India)	25	25	14	10	34/12	35/75	33/50
12,00,000	62,65,971	50,43,274	7,42,812	21,52,136	—811,196	12	192	Bridge & Roof	30	30	30	10	52/2-	52/2-	32/25
19,88,670	33,56,748	1,09,796	1,86,939	1,80,146	5,115	12	165	Britannia Building & Iron P.	Nil	Nil	Nil	10	3/37	3/37	3/65
1,00,00,000	1,24,97,389	52,95,465	1,14,787	24,17,175	..	12	24	Britannia Engineering P	10	10	10	10	10/56	10/75	10/75
25,00,000	20,95,656	18,18,384	24,752	14,07,837	..	4	32	British India Electric Cons.	45	20	15	10	31/00	31/00	33/12
84,00,000	3,58,88,539	2,99,02,509	74,40,547	1,42,69,633	65,077	3	437	Burn P (Engineering)	28½	28½	28½-25*	100	330/00	698/00	600/00
1,00,00,000	57,61,970	17,65,495	8,43,845	38,47,174	1,09,021	P	434	Calcutta Steel	15	15	15-12½*	10	14/19	14/19	14/87
60,00,000	1,12,20,938	24,00,000	2,06,672	22,94,248	..	12	227	Dalmia Iron	10	10	10	10	11/69	11/62	11/44
4,00,00,000	6,63,01,978	6,98,32,765	2,11,42,172	1,27,55,590	5,801	12	32	Guest, Keen Williams	16	14	14	10	27/25	42/56	34/87
12,50,000	19,72,898	6,45,100	27,549	3,79,960	..	b	32	Hooghly Docking	Nil	Nil	12½	50	95/00	95/00	102/00
13,44,08,990	62,73,23,096	30,89,05,725	1,72,10,301	9,11,89,201	..	..	..	Indian Iron & Steel P.	15	16	16-16*	10	24/78	24/94	22/00
3,85,000O 1,54,000Dd	11,52,812	14,001	1,52,994	—4,15 836	—4,03,294	8	223	Indian Malleable Casting	Nil	..	..	50	6/00	6/00	6/00
77,97,000	50,88,821	87,57,038	63,89,397	1,71,88,152	24,064	6	32	Indian Standard Wagon P.	28½	28½	28½-26*	10	36/87	36/87	30/50
96,79,740O 12,00,070	3,43,55,519	3,41,31,025	1,54,09,567	—57,25,817	6,022	3	122	Indian Steel & Wire Products	23	24	23-18*	100	36/25	36/25	49/00
1,51,87,197	7,75,186	3,56,629	2,872	9,92,071	..	12	24	Industrial Containers	Nil	10	10	10	21/37	21/37	22/00
40,00,000	2,85,54,325	1,36,61,953	15,13,085	41,24,528	4,896	3	443	Jay Engineering	17 3/20	17 3/20	15—10*	10	21/50	21/87	24/31
2,04,00,000	59,72,633	35,85,700	10,46,980	20,45,860	86,647	t	132	J. K. Steel P	20	20	10	10	17/37	16/87	16/25
27,64,800	3,50,50,970	2,30,16,815	78,81,184	1,52,79,678	51,159	10	290	Jessop & Co. P.	8.58	8.58	8.58	10	25/50	26/12	22/00
	61,46,982	53,04,910	97,324	21,99,856	3,088	11	21	Kumardhubi Engineering P.	10	11½	15	3	9/25	9/44	7/50
10,50,000	3,74,383	19,18,004	4,14,975	—8,36,768	—5,63,688	6	170	Marshall Sons (India)	Nil	Nil	Nil	2	2/59	2/67	3/25
69,96,000	61,94,985	13,58,398	3,83,036	2,56,716	—4,42,917	3	192	National Iron and Steel	Nil	Nil	Nil	10	5/90	5/90	4/75
6,00,000	9,79,466	20,52,302	2,49,725	5,14,476	13,304	8	25	Saran Engineering	6½	10	12½—10*	4	8/78	8/78	11/12
14,00,070	8,16,570	12,38,002	2,56,891	20,72,177	..	12	24	Steel Containers	30	20	20	10	29/50	29/50	22/50
1,80,00,000	2,73,21,766	61,37,433	13,28,341	52,01,525	62,642	12	22	Textile Machinery	10	10	..	10	27/80	28/20	19/75
								SUGAR BREWERIES, ETC.							
14,00,000	17,29,860	10,85,148	39,573	1,10,785	15,763	6	371	Bairampur Sugar	8	8	4	2½	1/95	1/95	2/34
29,23,537	25,58,707	11,43,862	10,86,872	5,09,358	7,767	9	234	Belsund Sugar	18½	10	6 2/3	7½	8/94	8/94	9/62
32,00,000	6,64,327	13,51,513	18,14,343	1,94,561	2,338	6	316	Bharat Sugar P.	..	..	..	10	13/31	13/31	12/87
32,00,000	45,72,835	43,34,048	27,81,820	33,71,567	—25,45,362	10	25	Carew (Sugar) P	Nil	Nil	Nil	10	11/50	11/50	12/25
30,00,000	90,08,963	59,84,997	6,94,684	—21,74,424	—9,07,232	t	25	Cawnpore Sugar P.	Nil	Nil	Nil	10	9/87	9/94	12/37
18,00,000	27,85,833	46,06,937	9,09,574	—978,687	1,97,076	8	395	Champaran Sugar P.	15	12	Nil	10	12/56	13/87	15/87
38,01,380	25,88,250	31,90,540	1,79,345	4,77,197				Durbhanga	4	Nil	5	10	9/94	9/94	9/00
11,00,000	6,45,722	3,75,000	10,90,564	95 437	52,205	6	140	New Savan Sugar and Gur	..	..	..	10	4/50	4/50	5/25
9,00,000	19,47 931	23,02,870	2,05,743	2,86,458	4,006	10	400	Purtabpur Sugar P	..	..	..	10	10/81	10/81	11/50
16,59,820	41,29,938	57,22,889	15,35,449	19,41,864	79,042	8	1	Ramnugger Cane & Sugar P.	30	35	30	10	29/00	29/00	30/37
65,00,000	61,91,073	36,87,845	1,72,778	1,24,492	10,384	10	82	Raza Buland	12½	10	10	10	10/25	10/25	10/20
9,00,000	9,97,238	3,77,844	2,09,165	—2,24,407	34,778	9	338	Ryam Sugar P.	..	..	..	10	3/56	3/56	8/06
11,99,000	22,10,161	18,54,067	21,94,769	16,75,658	7,991	t	140	Samastipur Central Sugar	..	..	..	10	4/90	5/19	8/62
39,99,000	67,63,905	25,93,624	11,16,388	1,80,057	—6,89 998	6	94	Shree Krishna Gyanoday Sugar P.	15	Nil	Nil	10	8/56	8/87	9/06
1,84,500	13,54,858	11,65,178	2,82,356	—6,97,343				Shree Sitaram Sugar	4			10	3/94	3/94	6/12
6,99,950	17,83,543	67,398						Sitalpore Sugar							
16,00,000	42,22,843	19,40,304	2,03,163	—11,15,414	—9,17,147	9	341	United Provinces	15	6	Nil	10	10/00	10/00	10/62
6,00,000	90,57,769	67,09,675	9,18,326	37,10,125	25,765	6	316	Upper Ganges Sugar P.	72½	72½	72½	10	85/00	85/00	77/00

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MISCELLANEOUS COMPANIES—Contd.

O., Po., C. and Dd indicate Ordinary, Preferred Ordinary, Contributory and Deferred Shares respectively. P next to the name of the company indicates that the company also has Preference Shares. Figures in "accounts closed" column indicate the months of the calendar year in which accounts are closed. For Managing Agents refer to the Key (last page) under the numbers indicated.

Paid-up Capital Ordinary Rs.	Net Block Accounts Rs.	Reserve & other Funds Premiums & Forfeited Shares if any Rs.	Cash & Securities Rs.	Net Profits including taxation Rs.	Carry forward Rs.	Accounts closed	Mg. Agts. Secretaries etc.	NAMES	Dividends per cent 1960	1961	1962	Paid-up per Share Rs.	Latest Market Quotations as available until 27-11-63. Rs.	20-11-63 Rs.	A year ago Rs.
								MISCELLANEO							
8,00,000	3,65,800	2,09,907	5,89,599	1,44,140	2,623	10	85	A Firpo (Restaurateur)	7½	10½	5	10	5/90	5/90	5/90
93,75,000	5,89,85,976	2,48,84,021	3,09,108	30,58,004	11,965	3	132	Aluminium Corporation P.	12	12	12—5*	10	14/12	14/19	15/12
20,00,000	42,23,258	16,50,000	53,38,477	4,16,447	11,325	12	582	Anderson Wright P.	11½	Nil	6	10	11/50	11/50	11/50
30,00,000	13,24,003	43,57,420	25,11,996	21,50,119	2,34,634	8	268	Angelo Bros	25	28½	28	10	26/87	27/00	22/75
30,00,000	20,74,660	33,58,937	16,15,347	24,27,878	12,842	12	[illegible]	Assam Match	18	20	20	10	27/50	27/50	28/75
13,99,998	20,06,639	20,17,859	6,814	1,70,203	94,397	9	348	Assam Saw Mills & Timber	Nil	Nil	3	3	2/62	2/62	2/75
1,18,00,000	53,91,481	93,43,093	59,95,729	50,77,800	7,18,129	8	491	Associated Battery	25	15	15	10	28/50	29/50	27/00
20,00,000	43,09,876	44,17,208	43,55,171	7,61,605	1,22,491	3	204	Associated Hotels of India P.	Nil	10	10	10	10/31	10/31	10/31
80,01,400	46,97,674	1,20,07,997	93,50,429	51,62,806	..	12	396	Balmer Lawrie & Co.	25	25	25	100	256/00	256/00	257/00
12,00,000	5,51,865	12,52,902	5,77,227	10,64,446	..	3	128	Bararee Coke	Nil	Nil	15-15*	10	22/12	22/12	24/50
44,00,000		9,27,823	68,58,981	2,87,091	50,926	9	160	Birds Investments P.	9½	10	10	10	10/44	10/44	12/50
68,95,530	1,16,23,032	83,79,866	8,27,116	86,51,567	6,999	3	50	Britannia Biscuit P	25	30	25-21*	10	42/50	42/50	45/12
3,25,00,000	71,55,454	2,19,19,061	1,50,51,719	1,34,25,907	2,53,254	12	33	British India Corporation P.	4	7	9	5	8/44	8/81	9/50
50,00,000	21,88,677	40,58,031	9,91,498	24,64,559	27,856	12	392	British Paints	12½	15	10	10	23/50	23/50	20/25
5,00,000	6,83,781	1,65,739	1,54,429	2,63,717	5,201	3	213	Calcuta Silk Manufacturing P.	Nil	Nil	..	10	6/94	6/94	7/15
1,38,80,000	..	14,77,426	1,78,29,586	15,08,522	2,46,740	12	2	Clive Row Investment	8	7½	7½	10	8/56	8/56	8/25
90,00,000	24,68,979	1,27,43,000	1,98,66,116	35,58,709	2,42,095	12	169	Duncan Brothers & Co P.	14	14	14	100	140/00	140/00	157/50
4,50,00,000	6,09,38,229	5,05,74,162	11,32,452	3,30,38,275	25,88,011	12	96	Dunlop Rubber Co (India) P.	21½	20	15	10	36/75	38/00	37/75
27,56,355	1,31,99,222	1,76,30,095	24,30,790	1,00,50,837	12,604	3	116	Dyer Meakin (Breweries)	25	30	..	5	33/62	34/06	29/62
76,89,006		63,98,196	1,76,05,602	1,11,25,276	1,32,549	12	21	Eastern Investments P.	14	14	12	100	115/00	122/00	129/00
60,93,400	64,20,000	20,22,000	1,61,547	19,35,092	12,311	10	388	Electric Construction	10	10	10	10	13/25	13/25	13/50
30,00,000	28,94,555	27,23,508	19,90,832	15,65,118	2,10,371	3	51	French Motor Car	20	20	..	20	32/75	32/75	35/12
14,00,000	20,83,841	18,85,303	38,577	11,59,399	17,856	12	19	Ganges Rope	17½	20	20	100	236/00	236/00	236/00
2,25,000		76,065	5,16,267	51,428	4,826	2	21	General Investment & Trust P.	5	5	5—5*	75	43/00	43/00	43/00
65,00,000	31,77,135	58,42,190	1,57,85,106	30,47,005	15,471	3	105	Gillanders Arbuthnot & Co P.	10	11	11—11*	10	14/19	14/19	14/06
40,00,000	17,69,681	1,21,344	36,90,302	5,43,666	4,274	12	409	Gladstone Lyall & Co. P	42/5	..	..	10	..	..	..
40,00,000	34,79,636	31,88,500	1,29,460	46,26,030	38,310	12	310	Godfrey Phillips (India) P.	40	40	30	10	28/12	28/12	33/25
30,00,000	43,74,366	17,66,560	1,60,432	1,09,512	294	3	225	Great Eastern Hotel	9	6	..	250	250/00	250/00	241/00
4,68 75 000	3,08 48 439	..	2 33.36 909	2,11 555	2,11 555	12	438	Hindustan Aluminium P.	Nil	..	..	10	14/25	14/25	13/69
8,07,66,250	5,43,03,252	3,24,89,610	4,52,97,214	3,50,00,432	3,043	3	22	Hindustan Motors P	9	12	12½-11½*	10	18/69	19/16	16/25
90,00,000	46,37,20-	16,00,000	39,09,799	48,38,114	1,31,125	10	..	Hindusthan Pilkington	..	..	..	10	16/75	17/50	19/50
39,88,550	86,39,248	Nil	1,22,648	—12,14,232	—11,50,824	3	211	Hindusthan Twyfords P.	Nil	Nil	Nil-Nil*	10	14/25	14/87	15/75
35,20,000	23,35,537	16,00,000	24,48,098	1,91,968	46,500	12	298	Hoare Miller & Co.	6	6	..	10	5/62	5/62	6/62
15,16,00,000	8,60,23,900	10,67,60,544	1,25,08,131	4,46,29,511	3,29,429	3	325	Imperial Tobacco	8	9	9—8*	10	10/06	9/94	10/87
4,00,23,880	3,64,77,942	4,53,86,220	60,96,109	2,40,34,075	56,98,466	12	288	Indian Aluminium P.	15	15	17½	10	30/75	39/37	32/56
2,48,65,450	1,86,02,399	3,35,26,675	99,27,691	1,56,84,867	21,521	3	34	Indian Cable	22½	22½	22½-22½*	10	39/50	40/00	34/50
3,64,00,000	5,56,27,815	1,22,35,821	44,62,878	1,35,49,869	17,61,389	9	366	Indian Oxygen	15	15	12	10	29/50	29/50	30/75
8,27,970	8,82,919	12,42,782	10,99,551	12,01,372	53,791	3	223	Indian Rubber Manufacturers P.	20	30	36	10	19/87	19/87	21/06
20,00,000	2,57,217	27,98,665	29,32,360	21,71,601	3,26,125	6	88	Indian Wood Products	30	30	30	10	30/00	16/50	32/00
74,89,150	72,05,408	..	2,48,693	—8,28,784	—14,69,4[illegible]	12	63	Isaac Holdens	..	Nil	..	10	16/56	16/44	15/56
5,00,000	..	3,15,956	11,39,623	1,17,622	12,910	2	21	Investments and Finance P.	7½	7½	7½-7½*	100	30/00	30/00	55/00
72,62,500	23,44,049	64,37,500	3,02,73,819	8,00,318	44,050	6	439	J K Synthetics	..	3	..	10	12/44	12/44	12/25
9,87,500C	2,28,843	Nil	5,88,284	—1,19,244	—1,18,804	12	281	James Wright P.	..	..	..	5O	3/75	3/75	4/75
1,17,500D									..	..	..	1Dd	00/43	00/43	00/43
2,00,00,000	61,16,247	87,10,720	5,34,83,359	41,88,190	..	3	99	Jardine Henderson P.	7	7	6—2*	100	80/50	79/50	73/00
87,46,630	1,62,75,900	73,74,126	6,46,519	37,33,223	18,455	12	22	Jay Shree Industries P.	14	12½	..	10	18/69	18/69	16/50
1,99,94,325	8,77,31,151	4,34,03,080	55,33,796	1,07,12,489	26,969	3	22	Kesoram Industries P.	6	12	12—13*	10	27/31	27/81	22/25
6,34,000C									..	..	..	50	6/69	6/69	7/00
66,000Dd	3,17,363	6,02,978	3,21,615	—14,048	—4,849	3	133	Macfarlane & Co.	..	..	..	1Dd	1/44	1/69	2/56
1,50,00,000	1,07,01,720	99,61,347	2,91,71,048	33,69,977	43,205	12	334	Macneill & Barry P.	8	8	7½	100	105/00	100/00	93/50
1,47,12,250	70,44,126	1,22,48,546	2,05,42,132	78,17,248	2,34,727	9	309	Martin Burn Ltd P.	27½	27½	25	10	28/87	28/87	29/75
47,12,000	18,46,593	90,33,368	2 73,18,501	25,28,932	2,44,687	12	282	McLeod & Co P.	15	15	18	100	210/00	210/00	215/00
1,61,00,000	2,76,53,533	2,38,95,151	41,04,252	1,23,59,734	..	3	107	Metal Box Co. of India P.	25	25	19	10	52/00	53/75	53/50
1,35,00,000	90,71,426	1,24,32,234	6,55,304	62,89,944	36,785	3	7	National Insulated Cable P.	25	25	25—18*	10	24/62	24/75	25/00
30,00,000	22,68,464	34,26,468	18,44,015	22,10,080	21,708	9	7	National Pipes & Tubes P.	20	20	20	10	28/00	28/75	29/75
40,00,000	34,43,104	43,03,086	14,39,946	30,01,359	10,564	6	7	National Rolling & Steel Roper	13	15	15—15*	10	21/12	21/37	21/37
80,00,000	69,05,819	16,52,447	4,31,039	11,41,474	75,633	12	375	National Rubber P.	Nil	6½	8	10	13/37	13/06	11/38
79,97,000	77,87,804	1,29,48,132	28,35,366	17,51,943	3,61,143	12	79	National Tobacco P	16	7	7	10	13/31	13/37	13/00
23,31,600	1,014	13,02,891	9,90,509	6,26,950	40,375	12	35	New India Investment Corpn.	6.7	..	..	75	59/50	59/50	90/00

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MISCELLANEOUS COMPANIES—Contd.

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Paid up Capital Ordinary Rs.	Net Block Accounts Rs.	Reserve & other Funds Premiums & Forfeited Shares if any Rs.	Cash & Securities Rs.	Net Profits including Taxation Rs.	Carry forward Rs.	Accounts Closed	Mg. Agts. Secretaries etc.	NAMES	Dividends per cent 1960	1961	1962	Paid-up per Share Rs.	Latest Market Quotations as available until 27-11-63. Rs.	20-11-63 Rs.	A year ago Rs.
								MISCELLANEOUS (Contd.)							
60,00,000	6,27,241	59,20,402	91,23,845	14,28,049	24,342	12	321	Octavius Steel P.	10	7½	7½	100	..	..	..
2,20,00,000	1,99,24,542	89,30,483	25,74,107	1,20,21,148	1,39,632	12	309	Philips India	12	12	13	10	30/50	30/50	28/12
2,86,200	53,496	6,12,800	1,02,081	44,48,355	3,23,563	8	332	Publicity Society	10	75	75—50*	4	22/62	22/62	26/19
4,25,00,000	86,77,634	14,24,127	1,32,25,576	1,22,07,255	4,305	3	33-	Rallis India P	4	8½	8½	100	130/00	133/00	150/00
5,00,00,000	7,93,37,818	3,87,81,885	Nil	1,80,253	37,513	9	22	Rontas Industries P.	20	10	8—9*	10	12/69	13/37	12/00
94,27,380	5,55,68,835	Nil	14,04,497	23,36,729	13,552	9	376	Sirsilk P	Nil	..	..	10	10/00	10/56	8/75
70,00,000	2,31,09,587	58,67,480	20,33,664	41,86,452	5,57,492	12	278	Sen Raleigh Industries P.	8	8	8	10	15/19	15/19	18/87
75,00,000	1,02,89,547	55,43,000	1,78,35,987	17,483	1,739	12	111	Shaw Wallace P.	15	15	7½	10	16/75	16/75	20/06
3,00,000	3,33,174	23,199	30,501	1,86 24,531	4,44,246	12	901	Spencers Hotel	2½	2½	..	2	0/65	0/65	0/94
2,80,00,000	5,74,94,906	3,16,49,275	38,74,069	11,31,642	5,406	12	195	Union Carbide	18	18	12½	10	43/87	43/31	43/50
3,10,200PO	7,04,778	29,75,610	9,48,447					Walford Transport	20	20	20	1PO	3/00	3/00	2/25
8,40,800O									30	30	30	1O	4/09	4/06	3/37
								INSURANCE COMPANIES							
13,50,000	6,89,803	61,56,126	1,56,73,630	5,94,228	32,703	12	174	Concord of India	20	20	20	5	11/25	11/25	11/50
24,00,000	1,43,152	95,20,456	1,36,84,067	17,38,699	20,229	12	248	Hercules	22½	26½	26½	10	23/12	22/56	25/37
32,00,000	27,24,852	1,56,73,464	2,30,92,019	30,35,783	....	12	38	Ruby General	10	13½	15½	8	10/40	10/44	9/69
8,00,000		21 62,072	47 92 [illegible]	11,493	12,241	12	..	Standard General	..	..	..	10	6/25	6/25	8/00
5,75,000	7,133	77,12,554	1,06,52,159	10,05,738	....	12	39	Triton	45	50	50	25	128/00	128/00	131/00
								FLOUR MILLS							
12,00,000	4,11,000	29,55,620	6,63,425	10,87,621	1,80,000	12	24	Bengal	40	25	25	10	29/00	29/00	34/25
5,60,000	6,51,040	2,47,038	2,17,808	1,06,473	4,07,338	9	175	Delhi P.	..	..	..	10	14/00	14/00	14/00
48,90,137	47,18,433	77,72,310	56,85,368	33,61,767	32,614	12	236	Ganesh P.	..	..	..	12½	15/00	15/25	16/75
9,00,000	4,53,646	4,52,302	8,883	2,19,375	6,571	11	236	Hooghly	15	Nil	Nil	10	19/75	19/75	19/75
5,00,000	2,77,355	6,61,791	25,812	2,25,689				United	35	10	7½	10	27/81	27/81	30/00
								OIL COMPANIES							
2,900,001	£2,383,591	£1,700,442	£507,508	£1,073,511	£100,742	12	249	Attock Oil	13½	13½	..	£1	sh 38/3	sh 37/-	sh.26/10½
£82,419,080	£35,843,356	£12,750,000	£13,148,421	£18,446,093	£582,861	12	52	Burmah Oil P.	9 2/5	.	..	£1	sh. 65/1½	sh.64/10½	sh 39/-
1,00,00,000	59,29,364	1,75,25,203	2,84,68,306	54,63,502	1,19,330	12	249	Indo Burmah Petroleum P.	30	25	22½	10	24/25	24/25	25/50
6,00,000	3,20,016	9,89,137	4,92,803	4,47,005	12,113	10	2	Tide Water Oil	30	35	35	10	29/50	29/50	26/00
								PAPER MILLS							
58,50,000	1,09,71,994	63,55,637	10,43,959	47,17,412	50,816	12	436	Bengal P	32	27½	20	10	28/75	29/56	32/06
88,20,000	1,16,27,906	90,40,934	1,10,010	40,65,122	28,615	3	2	India Paper Pulp	15	13	12—15*	10	19/06	19/00	18/87
1,90,87,250	6,87,00,000	57,39,270	1,08,97,843	1,40,08,528	93,457	3	22	Orient Paper P	22½	22½	22½-29*	10	39/00	39/50	36/20
1,25,51,920	3,84,89,769	1,77,04,218	63,90,889	2,93,680	73,294	12	140	Shree Gopal Paper P.	17 6/7	17 6/7	17 6/7	10	25/50	26/00	23/25
2,73,19,050	4,28,25,108	94,29,176	5,66,797	—1,17,823	56,480	9	36	Sirpur P	Nil	Nil	Nil	10	14/06	14/37	11/56
1,00,00,000	4,41,41,480	6,52,298						Star Paper P.	6½	8½	8½—5*	10	9/12	9/12	10/00
10,00,000A									Nil	Nil	Nil	10	10/00	10/56	8/75
4,37,500PO					15,112	3	106	Titaghur P.	10	13	13—13*	2½PO	3/25	3/25	3/78
56,00,000AO	4,87,90,174	3,15,32,295	20,74,443	—20,620					25	20	10—10*	10AO	17/31	17/44	36/12
56,04,800BO									25	20	10—10*	10BO	17/31	17/44	36/12
1,50,00,000O	6,95,97,051	65,00,000	1,73,752	58,44,196	17,196	6	573	West Coast P.	6	7½	..	100	170/00	170/00	160/50
								PRESSING COMPANY							
4,30,000	1,81,531	1,45,000	5,34,786	65,294	24,928	7	326	Camperdown	11	11	..	100	104/00	104/00	100/00
								REAL PROPERTY STORAGE							
												A500	1,050/00	1,050/00	610/00
												B62½	125/00	125/00	77/25
												C100	122/00	122/00	122/00
10,00,000A												D12½	14/15	14/15	14/75
1,25,000B	14,69,599	8,53,120	3,54,870	1,24,262	3,212	6-10	73	Bengal Bonded Warehouse	11	8	8—9*	100	7/75	7/75	7/25
2,00,000C												100	11/00	11/00	11/00
25,000D									..	..	..	10O	2/10	2/10	2/15
1,42,150	11,68,346	4,23,135	83,823	81,250	3,142	3	6	Calcutta Safe Deposit	6	..	..	1Dd	2/19	2/19	2/12
1,00,00,780O	19,85,068	9,01,590	13,43,272	3,61,779	1,33,593	9	432	Humayan Properties P.	Nil	Nil	..	85	11/00	11/00	11/12
3,00,000Dd		Nil	13,10,942	—74,850	—19,01,272	4	2	Midnapore Zemindary P.	Nil	Nil	Nil-Nil*				
79,90,000	8,080														
								TRAMWAYS & STEAMER							
20,00,000	29 74,808	27,13,587	10,28,887	3,59 472	11,765	10	2	Bengal Assam Steamship P.	7½	7½	..	100	128/00	128/00	106/00
6,25,000	5,18,823	13,83,110	11,59,093	5,18,780	5,967	10	89	Calcutta Landing & Shipping	3½	7½	22	10	34/00	34/00	49/50
12,60,000	23,78,412	1,560,682	42,995	28,490	—42,629	6	198	Calcutta Steam Navigation	10	Nil	Nil	10	9/25	9/25	7/75
£700,000	£3 937,716	£1,560,682	£315,662	1,29,098	£1,447	12	98	Calcutta Tramways P	..	..	..	£10	11/25	11/25	12/25
6,04,880	5,97,967	6,56,706	33,440	—£80,988	—£84 854	3	131	India General Nav. & Railway P.	Nil	..	..	10	10/00	10/00	10/00
£655,580	£1,970,806	£432,856	£419 913	—30,02,498	..	3	291	Fraser	Nil	Nil	Nil	10	44/00	43/50	66/50
2,47,50,000	15,60,63 417	1,57,29,564	1,17,13,241	—62,391	—4,09,480	12	..	India Steamship P.	Nil	Nil	..	10	7/37	7/56	6/25
14,06,220	13,34,804	74,870	7,951					Port Shipping				10	15/06	15/06	12/06

BOMBAY COTTON MILLS

O., Po., C. and Dd indicate Ordinary. Preferred Ordinary. Contributory and Deferred Shares respectively. 'P' next to the name of the company indicate that the company also has Preferred Shares. Figures in "accounts closed" column indicate the months of the calendar year in which accounts are closed. For Managing Agents refer to the Key (last page) under the numbers indicated.

Paid-up Capital Ordinary	Number of		Net Block Account	Reserve & other Funds	Cash & Securities	Net Profits including taxation	Carry forward	Accounts closed	Mg. Agts. Secretaries etc.	NAMES	Dividends per cent 1960	1961	1962	Paid-up per Share	Latest Market Quotations as available until 26-11-63.	19-11-63	A year ago
Rs.	Spindles	Looms	Rs.	Rs.	Rs.	Rs.	Rs.							Rs	Rs.	Rs.	Rs.
40,00,000	48,652	1,016	1,28,56,156	46,70,828	20,69,878	10,39,741	26,620	..	269	Ahmedabad Advance P.	16	12	..	100	143/75	142/50	170/00
60,00,000	48,254	996	20,17,010	9,99,960	10,78,394	1,49,501	2,24,486	12	229	Apollo	Nil	Nil	..	2	2/06	2/06	2/00
40,00,000	41,135	980	43,32,511	11 42,781	4,76,501	1,42 728		3	350	Beharilal Ramcharan	Nil	Nil	..	100	95/00	93/00	82/50
2,50,98,000	2,03,942	4,911	5,87,37,535	3,82,76,018	47,87,842	62,56,837	67,586	12	199	Bombay Dyeing, etc.	14	14	14	25	62/50	62/60	62/50
10,00,000	35,052	848	32,07,778	34,59,612	3,45,173	10,89,180	1,37,996	3	262	Bradbury P.	10	25	..	50	157/50	157/50	155/00
1,27,75,700	1,18,296	2,760	4,98,32,541	3,26 61 468	25,80,072	80,66,250	9,53 042	12	22	Century	30	30	..	100	662/50	662/00	562/50
46,87,500	1,15,188	2,062	3,00,10,277	24,82,450	15,79,749	25,86,888	—43,79,051	6	269	Central India P.	Nil	Nil	Nil	100	105/00	110/00	98/00
26,00,000	24,916	719	37,34,829	32,52,434	1,01,653	1,46,029	1,28,751	8	68	Coorla	11	11	..	100	167/50	165/00	150/00
28,00,000	43,512	..	33,97,504	29,03 230	5,19,246	23,98,267	2,06,873	12	262	Dawn	30	30	..	50	154/00	153/75	140/50
34,00,000	49,164	920	74,35,701	43,13,002	1,86,928	—9,41,132	—9,38,834	12	260	Edward Textiles	9	9	6	200	285/00	285/00	325/00
29,98,050	47,700	986	1,32,62,451	48,56,520	2,59,089	4,04,302	37,155	12	241	Finlay	23	23	..	100	325/00	325/00	300/00
50,00,000	63,212	784	85,32,656	71,62,852	16,838	4,09,432	85,195	12	56	Gokak	14	18	..	100	183/00	184/00	177/00
39,04,700	77,966	..	19,75,309	43,25,176	23,64,706	12,85,523	5,195	3	305	Hindoostan	50	50	..	250	950/00	950/00	965/00
2,00,00,000 / 60,00,000	2,48,870	6,498	4,41,45,022	3,84,70,022	31,82,629	1,32,22,197	5,89,816	12	15	India United	8 / 13½	14 / 37½	.. / ..	10 / 1Dd	22/24 / 2/74	22/40 / 2/72	25/60 / 3/12
9,00,000	47,824	1,202	75,60,490	61,57,161	4,26,274	..	..	3	305	Indian	23 1/3	25	..	250	860/00	860/00	890/00
50,00,000	50,074	1,426	74,72,293	26,00,000	26,71,578	4,58,532	8,880	12	103	Indore Malwa United	8½	10	7½	100	200/00	202/00	195/00
59,85,000	65,260	1,514	1,07,21,545	82,79,165	25,00,707	16,87,297	38,751	6	149	Khatau Makanji P.	32	16	..	100	212/50	210/00	376/75
1,00,00,000	1,20,504	1,846	1,38,52,384	1,07,07,211	9,13,088	38,39,253	1,555	12	146	Kohinoor	15	18	..	100	339/00	341/00	287/00
89,60,000	49,883	1,369	1,26,36,356	62,49,272	7,11,717	—21,14,041	—10,60,896	12	83	Lakshmi Vishnu P.	5.7	6	Nil	100	104/00	102/00	110/00
51,75,000	71,652	1,620	2,44,04,458	78,75,201	1,68,667	33,39,748	..	6	104	Morarjee Goculdas P.	21½	24	24—20*	100	395/00	395/00	468/00
39,68,250	50,480	500	55,13,423	39,56,794	22,08,037	2,05,250	Nil	2	261	Mysore Spg. & Mfg. P.	14	14	..	50	50/00	50/00	54/00
24,00,000	45,944	432	23,52,760	7,45,700	10,79,000	15,67,753	8,456	12	..	New City of Bombay	Nil	Nil	..	100	160/50	160/50	142/50
30,00,000	46,884	1,029	22,27,088	25,72,444	27,32,568	12,48,697	153	12	..	New Great Eastern P.	Nil	12	..	100	187/00	187/00	270/00
48,00,000	54,244	728	53,94,222	35,02,899	1,54,21,523	21,027	27,380	12	119	Phoenix	15	20	..	100	230/00	232/00	205/00
10,00,000	9,520	277	13,17,604	2,78,222	9,963	3,22,456	—1,07,771	12	257	Sassoon & Alliance	Nil	Nil	..	10	11/00	11/00	14/00
75,40,000	96,488	2,127	2,21,73,468	1,58,87,542	13,77,729	28,73,996	3,192	12	339	Sassoon Spinning	17	20	10	10	45/50	45/50	48/75
60,48,000	49,840	1,258	1,34,95,513	34,48,460	1,44,640	22,79,548	24,574	3	379	Simplex	15	Nil	22—16*	50	126/50	126/00	152/00
1,00,00,000	77,436	1,640	1,62,20,494	86,36,202	95,49,874	35,49,582	51,723	12	327	Shree Niwas P.	18	20	14	100	287/00	290/00	237/00
2,00,00,000	65,040	2,000	1,96,83,714	1,42,81,829	24,73,107	35,08,617	8,176	12	269	Svadeshi P.	17	19	17	100	261/50	261/00	263/00
36,00,000	40,328	549	46,94,838	71 73 330	7 774	4,20 551	26,082	12	341	Swan	36	21 3/5	..	100	275/00	275/00	250/00
65,57,875	63,243	1,800	2,12,86,475	1,12,83,538	11,32,192	20,80,953	1,422	12	269	Tata	46 2/5	22	20	25	56/80	57/50	58/00
12,00,000	45,508	1,308	62,07,441	12,11,933	31,81,227	52,10,985	8,027	3	205	Western India		25	..	250	875/00	875/00	835/00

* 1962

BOMBAY MISCELLANEOUS COMPANIES

Paid-up Capital Ordinary	Net Block Accounts	Reserve & other Funds Premiums & Forfeited Shares if any	Cash & Securities	Net Profits including Taxation	Carry Forward	Accounts closed	Mg. Agts. Secretaries etc.	NAMES	Dividends per cent 1960	1961	1962	Paid-up per Share	Latest Market Quotations as available until 26-11-63.	19-11-63	A year ago
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.							Rs.	Rs.	Rs.	Rs.
								CEMENT							
10,96,49,908	26,78,49,366	10,52,33,092	4,94,54,294	7,57,20,456	65,991	7	58	Associated Cement	12½	12	12	100	152/75	153/00	150/50
								ELECTRIC LTG. POWER							
8,74,77,100	11,61,05,785	1,36,05,785	30,82,878	78,42,905	638			Ahmedabad Electricity	7	6	..	100	94/30	94/50	90/50
3,02,77,000	9,34,77,781	1,23,89,917	32,52,570	52,28,395	36,154	3	146	Andhra Valley Power P.	5½	5	5	1000	1,060/00	1,057/50	1,005/00
1,75,00,000	3,95,16,553	1,21,07,263	17,22,888	39,87,421	3,370	3	267	Bombay Suburban Elec.	8	8½	8½	100	103/00	102/50	104/00
3,39,99,975	7,17,76,350	1,39,56,841	51,65,971	60,68,808	27,536	3	146	Tata Hydro Elec. Power P.	5½	5	5	100	110/75	109/00	105/00
9,15,36,000	17,59,03,332	3,61,11,341	57,28,753	1,22,80,113	29,933	3	267	Tata Power P.	5½	5	5	1000	1,135/00	1,117/50	1,100/00
								ENGINEERING & METAL							
33,42,200	17,06,292	44,16,374	1,54,08,311	5,79,666	1,35,820	12	266	Alcock Ashdown	17	22½	..	100	305/00	310/00	300/00
14,75,050	7,99,713	4,61,618	2,25,568	—24,763	—33,604	3	115	Jost's Engineering	8	10	10-Nil*	50	60/00	60/00	98/00
1,65,00,000	1,36,83,136	1,15,74,779	1,09,19,945	48,29,564	11,973	3	351	Larsen & Toubro P.	12½	18	14-14*	10	24/40	24/68	24/48
11,00,000	1,03,70,225	3,45,914	..	..	1,016	7	283	Mckenzies	10	12	14	100	137/50	137/50	140/00
2,50,000O / 1,31,250F	5,834	1,00,53,052	1,79,52,042	3,35,178	59,102	12	284	Premier Construction P.	43 1/3	33 1/3	..	300 / 33F	161/00	160/00	125/00
7,99,97,300	17,30,38,018	5,09,28,017	13,84,385	3,61,61,616	14,962	3	269	Tata Eng. & Locomotive P.	12½	14½	14½-14½*	100	282/50	280/00	..
27,55,67,699	1,03,32,39,005	42,98,94,270	10,44,14,243	10,55,68,912	32,096	3	269	Tata Iron & Steel P.	9.1	10.36	10.36-11*	750	145/25	145/25	274/00 / 121/00
								INSURANCE COMPANIES							
20,00,000	..	23,84,913	95,96 033	4,24,629	1,18,606	12	297	British India General	..	..	..	10	12/88	12/88	12/24
18,74,940	25,01,134	2,88,61,155	2,61,49,442	35,951	4,65,316	12	55	Jupiter General P.	..	..	..	15	9/20	9/20	12/52
1,42,42,125	23,46,782	3,80,68,899	9,41 74,741	92,81,250	44,28,397	12	179	New India	38	38	..	15	51/00	49/50	62/00
15,99,270	..	29,41,860	59,86,789	6,05,803	3,81,242	12	255	Vulcan	20	20	..	10	16/76	16/76	16/40
								MISCELLANEOUS							
70,49,650	41,70,604	1,23,53,608	1,09 82,038	67,94,850	3,00,263	9	42	Belapur Sugar	58	50	..	50	256/00	248/50	220/00
1,83,50,000 / 84,00,000	3,34,19,072	2,76,00,447	1,67,73,491	1,13,92,935	2,25,985	5	285	Bombay Burmah Trading	30	33	33-33 1/3*	25 / 20	64/70 / 49/50	64/20 / ..	.. / ..
24,36,000	4,66,81,360	3,67,07,011	23,74,034	4,77,27,501	53,585	12	91	Hindustan Lever	26	26	12	10	49/50	49/50	..
99,99,250	3,754	20,08,796	1,44,31,515	8,97,490	30,418	12	299	Industrial Invt. Trust.	6½	6½	..	100	38/75	39/75	42/50
11,99,900	13,82,951	7,34,142	14,05,2231	68,232	16,942	8	87	Kemp (Chemists)	12½	12½	..	100	77/00	77/00	72/00
1,41,12,100	7,40,36,031	2,03 71,160	27,33,067	1,69,61 608	4,41,151	12	352	National Rayon	22	..	..	200	276/25	271/25	310/00
11,27,98,680	25,25,08,055	11,58,24,547	11,18,89,983	48,75,907	2,82,649	6	198	Scindia Steam Navign.	3	3	3	100	373/50	273/50	422/00
20,86,650	61 89 784	6,93,280	3,30,490	—11,30 191	—7,04,525	11	146	Shivrajpur Synd.	80	Nil	..	20	15/16	15/04	11/04
3,02,33,705	6,11,37,864	58,26,418	25,12,521	16,94,201	4,550	6	269	Tata Chemicals P.	6	6½	6½	10	22/00	22/00	24/00
1,05,05,475	2,21,88,319	1,25,42,386	47,75,465	50,73,815	1,187	3	269	Tata Oil P.	23	23	23-22*	10	17/32	17/56	13/12
2,55,00,000	1,16,85,362	1,08,92,603	71,80,468	1,37,48,151	2,91,854	3	360	Voltas	13	14	14	25	72/00	71/00	57/00
2,75,00,000	2,71,29,042	2,32,60,865	1,47,82,908	1,39,56,381	82,645	12	274	Western India Match	16	16	16	100	256/00	256/00	250/00
												100	264/00	263/00	257/00

*1963

SOUTH INDIA PLANTATION COMPANIES

P. Po. and Dd. indicate Ordinary Preferred Ordinary and Deferred Shares respectively P next to the name of the company indicates that the Company also has Preference Shares Figures in "accounts closed" column indicate the months of the Calendar year in which accounts are closed For Managing Agents refer to the Key (last page) under the numbers indicated.

Paid-up Capital Ordinary	Net Block Account	Reserve & other Funds	Acreage	Outturn and Average Price per kg/lb realised for crop		Net Profits	Accounts closed	Mg. Agts. Secretaries etc.	NAMES	Dividends per cent 1960	1961	1962	Paid-up per share	Latest Market Quotations as available until 26-11-63.	19-11-63	A year ago
Rs.	Rs.	Rs.		Lbs.	Rs.	Rs.							Rs.	Rs.	Rs.	Rs.
6,75,000	16,06,067	1,50,000	1,992	7,996cwt	9.68	1,19 757	3	401	Amalgamated P.	10	..	..	10	10/01	10/01	10/36
2,50,000	12,57,795	5,72,253	878	1,12,000	1.48	70,011	12	402	Anandam P.	15	..	..	10	14/19	14/19	15/24
3,25,000	6,09,131	1,50,000	402	1,28,902	1.47cts	3,501	2	403	Athimattam	Nil	..	..	2	1/18	1/18	0/80
10,98,990	13,90 078	4,83,841	1,630	225,168†	4.34	4,11,290	3	287	Balanoor P.	15	12	..	10	14/30	14/30	12/91
3,00,000	3,94,072	2,05,000	319	1,07,785†	3.2	1,11,970	5	404	Balmadies P.	7½	5	Nil—5*	2	1/78	1/78	1/90
17,32,230	13,36,210	3,36,252	977	3,59,531	1.65cts	63,110	5	270	Be Be P	Nil	..	..	5	2/33	2/45	2/50
84,00,000	1,15,75,030	26,08,425	1,329	7,16,244†	4.84	12,42,823	6	141	Blue Mountain	12½	10	20	2	2/65	2/65	2/38
14,00,100	27,96,388	14,46,380	4,586	8,36,263††	3,15	6,16,055	3	210	Chembra Peak	20	20	20	2	4/50	4/50	3/55
26,91,279	47,43,806	19,53,790	8,050	11,59,898†	..	15,14,112	2	210	Cochin Malabar P.	17½	20	20	3	6/25	6/20	6/25
22,50,000	39,31,709	30,58,661	2,710	19 48.320	..	8,71,249	6	405	Coffee Lands P	5	..	..	10	15/70	15/62	14/70
71,55,000	1,15,74,494	63,44 278	7,001	60,81 120	..	25,60,562	6	406	Consolidated Coffee P.	20	..	..	10	21/40	21/55	16/15
5,66,730	21,85,561	13,31,210	441	4,49,666	2.32	1,58,198	9	203	Coonoor P.	17½	15	17½	10	17/83	17/83	23/00
4,80,000	10,36,448	4,76,798	432	3,53,888	1.52	1,19,880	3	407	Coorg P.	20	..	..	2	4/60	4/60	3/98
6,00,000	11,82,508	2,17,761	1,026	1,57,785	1.47	46,942	3	12	Cottanad Plantation P.	10	..	..	10	9/31	9/31	9/75
6,00,000	8,89,831	4,80,155	345	3,25,310†	2.66	1,25,313	12	212	Devashola (Nilgiri)	20	..	..	10	24/60	24/60	25/50
6,74,650	9,14,544	3,31,090	450	1,38,386†	4.26	1,36,712	3	287	Devon P	15	12	..	10	11/96	11/96	12/66
7,50,000	3,38,952	1,26,500	197	1,12,936†	2.66	28,121	12	408	Emerald Valley	..	..	..	5	6/30	6/30	5/55
4,50,000	3,64,462	20,000	278	82,830	..	40,429	12	409	Gokul	10	..	..	2	2/23	2/23	1/90
25,00,000	42,82,150	17,77,500	1,465	17,21,550	2.04	2,13,414	12	410	Hailey buria P.	15	..	..	10	12/60	12/60	12/85
11,85,700	28,02,058	10,77,705	1,528	9,59,804	1.67	3,60,461	2	402	Kailas	22½	..	..	2	6/27	6/20	5/10
6,00,000	11,83,359	8,86,159	465	2,92,200†	4.64	4,14,877	3	210	Kalasa Tea Produce	20	25	..	2	4/25	4/25	3/34
17,17,076	27,90,278	9,40,446	741	4,46,673	5.17	5,88,691	10	210	Kil Kotagiri P.	25	25	..	2	5/30	5/30	4/80
5,00,000	9,11,259	1,21,604	267	305,757	2.31	96,485	12	203	Lucky Valley	10	10	..	10	12/00	12/00	10/25
13,50,000	17,31,286	4,85,241	1,691	6,70,174	1.48	2,09,136	3	411	Malankara	15	..	..	9	15/02	15/02	15/92
40,50,000	74,75,217	14,33,242	4,013	740,800†	4.47	13,89,961	3	270	Midland Rub & Prod P.	12½	12½	..	10	10/90	11/30	10/20
14,06,250	33,53,804	7,45,346	1,587	9,98,596	2.90	1,60,000	3	402	Nilgiri P.	8	..	..	10	8/50	8/50	8/75
23,10,000	22,24,327	57,23,357	1,057	13,82,095	..	14,10,257	6	14	Nonsuch	20	20	..	10	23/87	23/80	21/55
6,50,000	7,07,991	5,71,464	510	1,35,230†	..	1,41,776	3	210	Ossoor	15	..	..	2	3/53	3/60	2/82
19,45,980	34,53,670	25,53,533	1,498	5,77,573	4.84	6,27,924	10	210	Ouchterlony	13	12	..	2	4/65	4/65	3/85
14,88,960	26,94,604	16,87,314	579	8,45,700	2.68	7,40,158	6	203	Parkside Neilgherry	27½	22½	..	10	27/50	27/50	21/62
17,00,000	27,36,578	12,82,318	1,563	10,83,565†	4.20	11,29,838	12	9	Peermade P	22½	25	..	10	20/50	20/50	21/75
6,00,000	7,90,316	3,35,530	1,167	3,83,268	1.50	1,65,244	2	259	Peninsular	20	..	..	10	20/80	20/70	22/19
57,94,880	75,03,172	30,24,711	3,724	23,32,142†	..	26,86,596	3	210	Periakaramalai	13½	20	..	2	3/42	3/43	2/95
13,50,000	45,61,480	9,28,404	2,827	796,883†	3.30	9,83,709	6	270	Rajagiri Rub & Prod P.	20	20	..	10	21/10	21/10	20/25
2,00,000	3,14,567	1,53,963	211	3,320cwt	1.32	1,18,791	3	412	Ralendra P.	25	..	..	5	10/42	10/42	10/50
1,25,000	1,90,373	15,000	216	..	..	43,141	3	413	Swinton	12½	..	..	2	2/68	2/68	2/82
10,00,000	20,71,084	2,48,373	1,454	4,30,695	1.51	63 263	3	172	Teekoy P	Nil	..	..	10	6/50	6/50	5/03
9,15,300	13,14,493	10,80,000	2,227	2,45,548†	3.76	1,27,943	9	210	Thirumbadi	7	12	..	1	2/03	2/02	1/70
6,00,000	6,51,402	46,742	1,307	2,23,794	3.21	80,950	12	414	Travancore Rubber	13	..	..	10	11/25	11/25	10/95
41,00,000	70,55,954	15,07,686	5,028	12,05,890†	..	11,13,227	12	9	Travancore Rub & Prod P.	9	10	..	10	9/95	9/95	9/15
20,00,000	23,48,701	1,36,000	3,028	9,63,293	1.00	2,02,762	12	271	Tropical Plantation	8	..	..	25	20/75	20/75	18/63
15,75,000	24,78,11	16,00,000	1,267	8,26,376†	2.16	1,00,000	12	410	Twyfords	10	..	..	10	8/12	8/12	9/25
21,93,280	30,03,223	17,04,089	3,638	4,94,400	5.11	12,85,658	3	250	United Nilgiri	21	22	..	10	23/80	23/80	20/00
5,80,010	9,26,839	2,82,051	952	11,30,431	1.50	2,30,096	12	415	Valkundam	30	..	..	10	33/75	33/75	30/65
47,25,000	54,71,548	32,96,030	2,344	12,73 061	1.78	88,225	5	157	Waterfall Estates P.	12½	..	..	2	2/45	2/45	2/15
6,95,000	12,64,609	6,35,454	971	1,65,429	1.78	88,225	3	416	Woodland P.	10	..	..	10	7/50	7/50	7/85

† Kgs.

* 1963

SOUTH INDIA COTTON MILLS

Paid-up Capital Ordinary	Number on Spindles	Looms	Net Block Account	Reserve & other Funds Premiums & Forfeited Shares if any	Cash & Securities	Net Profits including taxation	Carry forward	Accounts closed	Mg. Agts. Secretaries etc.	NAMES	Dividends per cent 1960	1961	1962	Paid-up per share	Latest Market Quotations as available until 26-11-63.	19-11-63	A year ago
Rs.			Rs.	Rs.	Rs.	Rs.	Rs.							Rs.	Rs.	Rs.	Rs.
1,31,50,000	46,240	1,157	1,12,36,515	1,80,16,667	58,73,591	68,01,756	2,53,358		..	Bangalore W C. Silk P.	16	18	18	100	233/50	233/50	242/80
1,78,47,800	1,20,288	2,758	3,99,41,906	4,11,85,586	32,05,619	1,02,53,184	2,05,182		..	Buckingham & Carnatic P.	10	18	18	100	290/00	281/50	281/00
20,00,000	28,000	..	22,72,373	31,406	96,302	7,68,513	42,421		433	Cambodia P	9	..	..	10	10/00	10/00	13/00
35,99,500	23,864	..	74,98,712	39,35,014	8,68,959	—7,52,342	—10,23,340	6	46	Coimbatore Cotton	12	16	..	100	169/00	169/00	178/00
20,76,900	72,832	407	47,91 212	7,96,681	22,227	10,75,051	12,617	12	143	Coimbatore Spg & Wvg.	..	8	8	50	68/50	78/00	67/00
67,20,000	30,512	200	1,11,72,576	25,53,151	11,75,098					Kothari Textiles P.	10	8	8	10	9/35	9/35	10/55
1,06,50,000	1,10,800	..	1,41,26,625	84,90,160	2,06,207	71,93,831	19,391	3	186	Lakshmi	20	30	..	50	133/00	135/50	138/00
1,75,02,480	5,00,000	..	3,19,71,388	5,21,72,932	67,88,400	1,57,67,400	12,44,769	12	108	Madura	15	15	..	15	33/75	33/90	33/12
80,00,000	24,252	603	14,89,091	6,00,000	24,24,908	7,39,437	2,687	12	69	Mettur Industries	20	20	22½	100	299/00	299/00	342/00
4,00,000	20,137	Nil	3,36,606	43,50,000	11,97,728	16,77,243	91,696	12	47	Palani Andavar P.	..	..	..	10	202/75	202/75	215/00
21,00,000	48,974	270	43,85,330							Vasanta P.	20	..	..	100	276/00	276/00	290/00

* 1962

SOUTH INDIA SUGAR MILLS

O., Pc., F and Dd indicate Ordinary, Preferred Ordinary, Founders and Deferred Shares respectively. 'P' next to the name of the company indicate that the company also has Preference Shares. Figures in 'accounts closed' column indicate the months of the calendar year in which accounts are closed. For Managing Agents refer to the Key (last page) under the numbers indicated.

Paid-up Capital Ordinary	Net Block Account	Reserve & other Funds Premiums & Forfeited Shares if any	Cash & Securities	Net profits	Carry forward	Accounts closed	Mg. Agts. Secretaries etc.	NAMES	Dividends per cent 1960	1961	1962	Paid-up per share	Latest Market Quotations as available until 26-11-63.	19-11-63	A year ago
	Rs.	Rs.	Rs.	Rs.	Rs.							Rs.	Rs.	Rs.	Rs.
30,00,000	62,64,264	26,55,000	5,52,490	10,92,779	22,959	9	417	Andhra P.	..	..	..	10	17/36	17/36	18/20
40,00,000	80,62,883	12,61,424	1,58,472	13,46,266	1,40,987	6	218	Cauvery P.	6	8	..	100	112/50	112/00	114/50
39,84,000	80,95,449	50,28,500	10,91,223	29,00,521	9,587	6	218	Deccan Sugar	25½	12	18–18*	5	12/35	12/37	9/90
£1,127,700	£3,463,073	£2,075,782	£414,795	£648,473	£21,999	9	319	E.I.D —Parry	21 3/7	21-3/7	28 3/7	£1	38/10	38/15	39/50
63,97,650	45,80,752	15,25,348	64,87,521	12,34,057	3,17,077	9	418	Indian Sugar P.	14	10	..	10	10/25	10/25	10/25
32,45,572	1,22,66,623	18,99,861	1,51,052	5,99,416	2,090	6	419	Jeypore P.	8	..	..	10	16/00	16/00	17/25
10,52,200	2,87,27,773	1,23,75,000	31,53,982	20,76,426	91,745	6	420	K. C. P.	...	...	..	10	23/90	23/90	22/00
80,00,000	1,69,284	Nil	47,90,533	—8,756	—8,756	6	141	Kothari	Nil	Nil	..	10	7/00	7/00	7/05
21,79,280	56,84,219	1,18,46,596	50,30,701	172,10,353	25,953	6	264	Mysore	30	30	30	10	46/75	46/75	53/40
30,00,000	35,93,381	11,41,000	10,12,037	4,88,902	1,46,735	4	218	Travancore P.	10	..	..	10	7/40	7/40	6/95
25,00,000	45,92,397	91,28,520	73,43,307	34,22,332	..	3	320	United Breweries	60	60	25—Nil*	10	33/25	33/25	97/50

* 1963

SOUTH INDIA MISCELLANEOUS COMPANIES

Paid-up Capital Ordinary	Net Block Account	Reserve & other Funds Premiums & Forfeited Shares if any	Cash & Securities	Net profits	Carry forward	Accounts closed	Mg. Agts. Secretaries etc.	NAMES	Dividends per cent 1960	1961	1962	Paid-up per share	Latest Market Quotations as available until 26-11-63.	19-11-63	A year ago
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.							Rs.	Rs.	Rs.	Rs.
1,00,00,000	86,99,116	39,83,750	10,36,603	19,80,945	1,52,818	3	421	Aluminium Industries	18	..	..	10	19/35	19/75	23/30
71,02,270	91,13,952	4,21,545	6,36,276	4,56,859	22,879	12	16	Andhra Cement P.	..	..	..	10	9/80	9/87	10/05
3,02,87,658	1,59,93,383	25,63,610	1,24,694	30,01,343	20,076	12	422	Asnok Leyland	8	..	..	5	7/30	7/37	7/85
1,00,00,000	17,47,081	49,33,435	2,75,867	19,86,813	4,39,222	12	423	Binny	12½	..	..	100	287/50	287/50	329/40
7,50,000	5,45,587	56,538	41,650	93,226	—1,46,143	12	270	Brunton & Co.	..	..	..	10	5/00	5/03	5/30
24,99,000	40,82,511	3,52,644	62,051	3,35,186	4,810	12	424	Enfield P.	5	..	..	10	9/20	9/23	9/50
2,24,44,750	321,08,642	66,66,496	73,60,475	51,28,679	1,38,608	3	425	India Cement P	11	9	12	5	5/56	5/60	6/14
23,82,732	16,92,196	2,50,222	93,924	2,16,808	2,977	12	230	Indian Steel Rolling P.	..	..	..	10	10/20	10/20	11/37
1,40,00,000	1,39,97,059	37,48,801	36,09,251	29,82,180	11,631	3	253	Mettur Chemical Industries P.	12½	12½	13¾-18¾†	10	13/30	13/20	13/25
24,81,220	12,69,939	10,47,778	17,48,674	8,48,641	8,514	3	233	Mysore Chem & Fert	10	10	..	10	7/95	7/95	10/10
8,00,000	5,20,889	4,52,189	2,18,413	2,33,791	85,187	3	151	Mysore Chemical Mfgs P.	20	..	..	10	16/70	16/70	19/28
6,56,250	5,13,585	9,38,696	6,374	1,23,899	3,146	3	426	Mysore Lamp P.	20	..	..	10	30/00	30/00	34/66
25,00,000	55,50,342	37,12,500	2,43,664	14,29,395	36,653	3	226	Mysore Paper	15	15	..	10	12/60	12/70	13/62
10,00,000	7,56,329	3,16,884	29,32,342	75,422	622	3	201	Mysore Tobacco	10	..	..	10	12/18	12/18	7/90
10,00,000	6,54,848	8,02,000	2,60,194	4,84,835	1,51,607	3	218	Parrys Conf.	30	..	..	1	-3/31	3/32	3/95
40,00,000	82,50,079	1,03,14,883	40,58,627	23,52,432	10,74,117	6	221	Spencer (Provisions)	18	18	18	10	20/37	20/37	24/50
47,00,000	86,53,610	20,65,000	51,902	1,85,966	3,869	12	427	Standard Motors P.	9	..	..	10	10/33	10/50	16/13
11,56,300	5,95,547	14,04,007	16,66,624	4,19,707	41,732	9	428	T Stanes P.	32½	..	..	10	27/40	27/40	29/75
39,84,400	42,58,650	13,07,759	26,027	6,92,616	932	4	429	Textool	15	..	..	100	147/50	147/50	157/00
6,50,00,000	4,17,90,907	15,68,314	45,93,964	1,12,89,691	12,03,238	6	430	Tube Investments	10	10	..	100	228/00	228/00	199/50

† 1963

LIGHT RAILWAY AND ROPEWAY COMPANIES

Paid-up Capital Ordinary	Gross Block Accounts	Reserve & other Funds	Net Earnings	Carry Forward	Accounts closed	Mg. Agts. Secretaries etc.	NAMES	Dividends per cent 1960	1961	1962	Paid-up per share	Latest Market Quotations as available until 27-11-63.	20-11-63	A year ago
Rs.	Rs.	Rs.	Rs.	Rs.							Rs.	Rs.	Rs.	Rs.
17,24,000	18,02,732	12,576	—2,52,424	..	3	165	Ahmedpur Katwa	1.90	1.90	1.75	100	26/00	26/00	29/00
21,69,300	34,93,819	6,11,706	3,03,621	2,918	3	32	Arrah Sasaram	5	5	5	100	29/50	29/50	30/50
34,00,000	35,33,840	21,816	—4,66,034	..	3	165	Bankura Damoodar	1.90	1.90	1.75	100	26/50	26/50	29/50
17,80,000	20,25,854	10,772	—3,07,176	..	3	165	Burdwan Cutwa	1.90	1.90	1.75	100	26/50	26/50	29/50
31,00,000	28,10,290	44,296	1,72,713	1,480	3	32	Chaparmukh-Silghat	2.90	2.90	2.80	100	40/00	40/00	35/00
4,75,000	1,48,268	5,33,369	1,35,796	3,691	3	296	Cherra Chhatak Ropeway	0	12	12	5	5/75	5/75	5/75
2,47,650	2,28,169	59,790	42,389	4,003	3	101	Darjeeling Ropeway	..	..	..	10	8/50	8/50	8/00
40,00,000	49,60,137	14,51,000	19,14,261	35,951	3	335	Dehri Rohtas	17	20	15	10	13/06	13/12	17/25
11,49,700	15,35,943	8,500	59,013	1,489	3	32	Futwah Islampur	1.90	1.90	1.90	100	28/70	28/70	28/10
18,00,000	49,13,938	13,57,712	1,70,485	3,022	3	32	Howrah Amta (P)	6	6	4½	100	40/00	40/00	46/00
5,00,000	13,66,352	5,14,960	62,731	4,225	3	32	Howrah Sheakhala	6	6	4½	100	45/00	45/00	45/00
8,91,100	11,74,348	15,024	73,560	160	3	165	Katakhal Lala Bazar	3.50	3.10	1.90	100	41/00	41/00	41/00
15,00,000	60,91,311	18,08,821	1,11,807	6,893	3	32	Shahdara (Delhi)	6	3	..	100	52/00	52/00	80/00

† 1963

MANAGING AGENTS, MANAGING DIRECTORS, DIRECTORS OR SECRETARIES WITH THEIR RESPECTIVE ADDRESSES.

1. Anderson Wright Ltd.—7, Wellesley Place, Calcutta.
2. Andrew Yule & Co., Ltd.—8, Clive Row, Calcutta.
3. S. N. Beri—6, Middle Road, Hastings, Calcutta.
4. Hazareemull, Heeralall—148, Cotton Street, Calcutta.
5. Amritlal Ojha & Co., Ltd.—"Security House", Netaji Subhas Road, Calcutta.
6. Alcock, N. C.—Hultsdrof Mills, Colombo.
7. Associated Industrial Development Co. (Private) Ltd.—"Nicco House", Hare Street, Calcutta-1.
8. Agarwala, S. L.—Indian Insurance Building, Old Cantonment Road, Dehra-Dun.
9. Aspinwal & Co. (Travancore) Ltd.—Alleppey.
10. Aryan Planter Agency—P-12, Chowringhee Square, Calcutta.
11. Allum Bharucha & Co.—214, Hornby Road, Bombay.
12. Associated Planters Private Ltd.—25, General Patters Road, Madras.
13. Antony, M. K.—Alleppey.
14. Harrison And Crossfield Ltd.—Cochin
15. Agarwal & Co.—E. D. Sassoon Building, Dougall Road, Ballard Estate, Bombay.
16. Andhra Eng. Co., Ltd.—22/422, Danavayipeta, Rajahmundry.
17. Amte & Co.—Hubli.
18. B. M. Krishan—Sri Jayachamaraja Wadiyar Road, Bangalore-2.
19. Macneill and Barry Ltd.—2, Fairlie Place, Calcutta.
20. Ojha Brothers Ltd.—Security House, Netaji Subhas Road, Calcutta.
21. Bird & Co. (Private) Ltd.—Chartered Bank Buildings, Calcutta.
22. Birla Bros. Private Ltd.—8, India Exchange Place, Calcutta.
23. Babulal & Co., Ltd.—13, Syed Salley Lane, Calcutta.
24. Balmer Lawrie & Co., Ltd.—21, Netaji Subhas Road, Calcutta.
25. British India Corporation Ltd.—Sutherland House, Kanpur.
26. R. L. Thompson—Agraharam Road, Bangalore-2.
27. Bengal Textile Agency Ltd.—11, Clive Row, Calcutta.
28. Swedeshi Enterprise Ltd.—41, Chowringhee Road, Calcutta.
29. Beardsell, W. A. & Co. Private Ltd.—Second Line Beach, Madras.
30. Bhagyalakshmi & Co.—Delhi Road, Udamalpet Dt., Coimbatore.
31. Rameshwar Tantia—1 & 2, Old Court House Street, Calcutta.
32. Martin Burn Ltd.—12, Mission Row, Calcutta.
33. K. M. Wilcox—Sutherland House, Kanpur.
34. Sir John Brown—9, Hare St., Calcutta.
35. Ramdutt Ramkissendas—9, Brabourne Road, Calcutta.
36. Bajoria & Co.—27, Brabourne Road, Calcutta.
37. Birla, L. N.—8, Royal Exchange Place, Calcutta.
38. Birla, B. M.—India Exchange", Calcutta-1.
39. John Valentine Jardine Paterson—4, Clive Row Calcutta.
40. Bhargava, R. K.—Mohalla Masjid Bagh, Badshanagar.
41. Biharilal Lahoty—161-1, Harrison Road, Calcutta.
42. W. A. Brady & Co., Ltd.—Brady House, 12-14, Veer Nariman Road, Bombay-1.
43. Brijlal Bilasyal & Co.—Aga Khan Buildings, Dalal Street, Fort, Bombay.
44. Punam Chand Batia—19, Circular Garden Reach Road, Calcutta.
45. Chakravarti Sons & Co.—22, Canning Street, Calcutta.
46. G. I. Purushotham Naidu—24, Krishnaswamy Mudaliar Road, Coimbatore.
47. Chetty, R. K. S. & Bros.—Singanallur, Coimbatore-5.
48. S. R. Poddar—33, Netaji Subhas Road, Calcutta.
49. Calcutta Agency Ltd.—24, Netaji Subhas Road, Calcutta.
50. Chanda, A. P.—15, Taratola Road, Calcutta.
51. Shoobridge F. G.—234-3, Lower Circular Road, Calcutta.
52. R. A. R. Mackay—175, West George Street, Glasgow C.2.
53. Cement Agencies (Private) Ltd.—121, Queen's Road, Fort Bombay.
54. Consolidated Elec., Agencies—17B, Elphinstone Circus, Fort, Bombay.
55. K. S. R. Iyer—Imperial Bank Buildings Bank Street, Fort, Bombay.
56. Chinoy, F. M. & Co. Ltd.—Radio House, Apollo Bunder, Bombay.
57. Cumberbatch & Co.—Colombo.
58. Cowasjee Jehangir & Co., Ltd.—Ready Money Mansion, Churchgate Street, Fort, Bombay.
59. N. K. Jalan—Kamini Chamber, 32, Nicol Road, Ballard Estate, Bombay.
60. Chandrie & Co., Ltd.—Madras.
61. Bagaria More Co., Ltd.—5 Clive Row, Calcutta.
62. Dayaram & Sons—9, Old Court House Street, Calcutta.
63. Duncan Brothers & Co., Ltd.—21, Netaji Subhas Road, Calcutta.
64. Duff Thomas & Co.—2 and 3, Clive Row, Calcutta.
65. Dass Bros.—29 and 30, Strand Road, Calcutta.
66. A. K. Das—15, Netaji Subhas Road, Calcutta.
67. Day, P. E.—Anderson's House, Bishopsgate, London, E.C.2.
68. Hari Brothers Private Ltd.—Scindia House, New Delhi.
69. Dadabhoy, Sir M. B.—Kampte Road, Civil Lines, Nagpur.
70. N. D. Bangur—14, Netaji Subhas Road, Calcutta.
71. B. C. Roy—Hindusthan Buildings, 4, Chittaranjan Avenue, Calcutta.
72. Duffs, J. C. & Co., Ltd.—National Bank Buildings, Netaji Subhas Road, Calcutta.
73. C. C. Dey—25, Netaji Subhas Road, Calcutta.
74. Davenport & Co. Private Ltd—6, Church Lane, Calcutta.
75. Desai, R. M.—14, Nicol Road, Ballard Estate, Fort, Bombay.
76. Dodwell & Co., Ltd.—Glennie Street, Slave Island, Colombo.
77. Darragh Small & Co., Ltd.—Alleppey.
78. Dadabhoy, B. A. & Co.—Ilaco House, Sir Phirozeshah Mehta Road, Bombay.
79. B. N. Elias & Co. Private Ltd.—1 and 2, Old Court House Corner, Calcutta.
80. Eastern Corpn. Ltd.—7, Wellesley Place, Calcutta.
81. Ebeling, A. F.—Rawalpindi.
82. Paddar, P. L.—135, Canning Street, Calcutta.
83. Pratapsingh Mathuradas—9, Wallace Street, Fort, Bombay.
84. S. B. Industrial Development Co. Ltd.—12, Old Court House Street, Calcutta.
85. A. Firpo, Jr.—18-2, Chowringhee, Calcutta.
86. Forbes, Forbes, Campbell Ltd.—Forbes Buildings, Home Street, Fort, Bombay
87. S. V. S. Iyer—88C, Old Prabhadevi Road, Bombay-28.
88. Gillanders Arbuthnot & Co., Ltd.—Clive Buildings, Netaji Subhas Road, Calcutta.
89. Gladstone Lyall & Co., Ltd.—4, Fairlie Place, Calcutta.
90. H. C. Bowker—"Victoria House", Calcutta.
91. P. L. Tandon—India House, Fort Street, Bombay.
92. Govan Bros. (Rampur) Private Ltd.—4, Scindia House New Delhi.
93. Govan Bros. Ltd.—Malhotra Buildings Queensway, New Delhi.
94. R. K. Deva—93-A, Dharamtalla St., Calcutta.
95. Daga & Co., Ltd.—9, Royal Exchange Place, Calcutta.
96. M. L. Bexon—57B, Free School Street, Calcutta-16.
97. Govan R. G. & Co.—Scindia House, Connaught Circus, New Delhi.
98. Turnbull R. W.—P-4, Mission Row Extension, Calcutta.
99. Abinash Chandra Das—Jalpaiguri.
100. Guha, Nalini Kumar—18/11/1-B Raja Raj Ballav Street, Calcutta.
101. Purushottamlall—5, Clive Row, Calcutta.
102. George, A. V & Co., Ltd.—Ancherlt Bank Bldgs. Kottayam, Travancore.
103. Kundila, G. Seksaria—139, Meadow Street, Fort, Bombay.
104. Gopikisan Piramal—Dr. Ambedkar Road, Parel, Bombay-12.
105. John Whitton Easson.—Gillander House, Netaji Subhas Road Calcutta.
106. F. W. Heilgers & Co. (Private) Ltd.—Chartered Bank Buildings, Calcutta.
107. Howrah Trading Co., Ltd.—8, Dalhousie Square East, Calcutta.
108. A. & F. Harvey Ltd.—Madurai.
109. Holmes Wilson & Co., Ltd.—"Stephen House" Calcutta.
110. R. G. Khanna—Solan Brewery, Simla.
111. Hotel (Control) Private Ltd.—4 & 4/1, Wellesley Place, Calcutta.
112. Glass, I. O. B.—Bilbao House, 36 New Broad Street London E.C.2.
113. B. P. Khaitan—14, Netaji Subhas Road, Calcutta.
114. Harrison & Crossfield Ltd.—Calcutta.
115. I. V. Braddeley—The Great Social Buildings, Sir Phirozeshah Mehta Road, Fort, Bombay.
116. K. G. Khanna—Solan Brewery (H.P.).
117. Hari Sons—Aviur (Cochin State).
118. Hormusjee Sons & Co.—605, Girgaum Road Dhobi Talao, Bombay-2.
119. Ramnarayan Sons Ltd.—Bombay.
120. Industrial Financing Co.—63, College Street, Calcutta.
121. Imperial Chemical Industries (India) Private Ltd.—34, Chowringhee, Calcutta.
122. Indra Singh & Sons Private Ltd.—7, Wellesley Place, Calcutta.
123. Hari Brothers Private Ltd.—Scindia House, New Delhi.
124. R. Raja Rao—Honnawal Road, Shimoga.
125. Iyer, I. R. Anantharam & Bros. Ltd.—Pushpagiri, Trichur.
126. N. Sirur & Co. Private Ltd.—73, Forbes Street, Fort Bombay.
127. J. P. Hannay—2, Metcalfe St., Calcutta.
128. Jardine Henderson Ltd.—4, Clive Row, Calcutta.
129. S. S. Bhimwal—7, Chowringhee Road, Calcutta.
130. Jhajharia Bros. Ltd.—138, Harrison Road, Calcutta.
131. Jain, N. K. & Co. Ltd.—"Devashram", Arrah, Shahabad.
132. J. K. Industries (Private) Ltd.—7, Council House Street, Calcutta.
133. James & Co. Ltd.—25, Netaji Subhas Road Calcutta.
134. Jute Industries Ltd.—4, Lyons Range, Calcutta.
135. John, V. C.—Kattayam, Travancore State.
136. Jones, H. Edwin—Oriental Building, Bombay Elec. House, Ahmedabad.
137. John, Kurian—Kottayam, Travancore State.
138. Kettlewell Bullen & Co. Ltd.—21, Strand Road, Calcutta.
139. Kilburn & Co Private Ltd.—4, Fairlie Place, Calcutta.
140. Karamchand Thapper & Bros. Private Ltd.—Thapar House, 25, Brabourne Road Calcutta-1.
141. Kothari & Sons Agency Private Ltd.—Armenian Street, Madras.
142. R. Suryanarayan Rao—Channapatna, Mysore State.
143. S. L. Dhanuka—P-15, Bentinck Street, Calcutta.
144. Khaitan, D. & Sons—14, Netaji Subhas Road, Calcutta.
145. P. S. Nilkantan—1, Waterloo Street, Calcutta.
146. Killick Industries Ltd.—Home Street, Fort, Bombay.
147. Kanga, R. D.—Electric House, Post Fort, Bombay.
148. Kurian, John—Alleppey.
149. Khatau Makanji & Co.—6, Ballard Road Fort Bombay.
150. Killick, A. S.—2-6, 2nd Line Beach, Madras
151. S. Ramanathan—Chickbanavar P.O., Bangalore Dt.
152. Broken Hill Secretariat Ltd.—31, Dover Street, London E.C.2.
153. Low H. V. & Co. Private Ltd.—3, Synagogue Street, Calcutta.
154. Lomas, J. E. W.—19, St. Swithin's Lane, London, E.C.4.
155. Bharat Ram Bhagat & Co.—45, Tangra Road, Calcutta.
156. Hind Agents Ltd.—Indu House, 15, Dougall Rd., Ballard Estate, Bombay.
157. Kothari Mehta & Co. Private Ltd.—Armenian Street, Madras.
158. Padampat Singhania—Kamala Tower, Kanpur.
159. Lala Gurusharan Lall—Guraru Dist., Gaya.
160. Lovelock & Lewes—4, Lyons Range, Calcutta.
161. Lohia, D. D.—173, Harrison Road, Calcutta.
162. G. E. Solomon—Dare House, Parry's Corner, Madras.
163. Mackinon Mackenzie & Co. Private Ltd.—16, Strand Road, Calcutta.
164. I. R. Anantaram Iyer & Bros. Ltd.—Pushpagiri, Trichur.
165. McLeod & Co. Ltd.—3, Netaji Subhas Road, Calcutta.
166. Hindusthan Investment Corporation Ltd.—15, India Exchange Place, Calcutta.
167. B. Barker—"Barlow House', 59C, Chowringhee Road, Calcutta.
168. Moona Lall & Sons—120/1, Civil Lines, Jhansi.
169. K. P. Goenka—31, Netaji Subhas Road, Calcutta.
170. Marsnalls (Direction) Private Ltd.—33/1, Netaji Subhas Road, Calcutta.
171. W. E. Malden—P.O. Lohat, Dist. Darbhanga,
172. East India Agencies Private Ltd.—Palai, Kerala State.
173. Moulton G. S. & Co. (India) Ltd—11 and 12, Esplanade Mansions, Calcutta.
174. N. M. Cole—8, Clive Row, Calcutta.
175. Satya Narain Gupta—Subzimandi, Delhi.
176. Molon & Co.—Maung Pauley Street, Rangoon.
177. B. B. Marshall—1, Humayan Place, Calcutta.
178. Madura & Co. Ltd.—Cochin.
179. A. D. Shroff—New India Assurance Bldgs., Mahatma Gandhi Road, Fort, Bombay.
180. Mafatlal Gagalbhai & Sons—Rustam Bldgs 29, Churchgate Street, Fort, Bombay.
181. Murphy C.—Rampart Row, Fort, Bombay.
182. Mehta, Chunilal V. & Co., Ltd.—Queen's Mansions, Prescott Road, Bombay.
183. Sir V. N. Chandavarkar—Standard Buildings, Hornby Rd., Fort, Bombay.
184. Mysore Industrial Development Co.—33, Gandhinagar, Bangalore City.
185. Mascarenhas B. M.—Platform Road, Bangalore City.
186. Naidu, G. Kuppuswamy & Co.—Pappanaikenpalayam, Coimbatore.
187. Best & Co. Ltd.—The Hyderabad Laminated Products Ltd., Secunderabad-3.
188. R. Beema Naidu & Co.—Singanallur, Coimbatore.
189. Naidu A. G. Guruswamy & Co.—Peelamedu, Coimbatore.
190. Naidu P. S. Govindaswami & Sons—Coimbatore.
191. K. Mookerjee—18, Convent Road, Entally, Calcutta
192. B. D. Agarwalla—Stephen House, 4, Dalhousie Square, Calcutta.
193. Kesarmal Manocha—529/1, Hall Bagh, Amritsar.
194. G. V Swaika—"Pollock House" 18/B, Brabourne Road, Calcutta.
195. R. R. Alyer—71, Park Street, Calcutta.
196. Srinivasan, S. D.—7, Council House Street, Calcutta.
197. Naraindas Lachmandas Ltd.—Raipurwa Kanpur
198. Dharamsey M. Khatau—Scindia House, Daugall Road, Ballard Estate, Bombay.
199. Nowrosjee Wadia & Sons (Private) Ltd.—Neville House, Ballard Estate, Bombay.
200. Doodawala & Sons—5, Muktaram Babu Street, Calcutta-7.
201. R. Arunachalam—17, Richmond Road, Bangalore-1.
202. Octavius Steel & Co., Ltd.—14, Old Court House Street, Calcutta.
203. Matheson Bosanquet & Company Ltd.—Belmount, Coonoor, Nilgiris.
204. Oberoi Hotels (India) Private Ltd.—17, Chowringhee, Calcutta.
205. Oakley Bowden & Co., Ltd.—15, Armenian Street, Madras.
206. Ogale Glass Works Ltd.—43, Gandhinagar, Bangalore City.
207. Deepchand Kisehenlal—25, Netaji Subhas Road, Calcutta.
208. Indian Textile Syndicate Ltd.—Kanpur.
209. E. R. Elliot Lockhart—4, Fairlie Place, Calcutta.
210. Peirce Leslie & Co., Ltd.—8/222, Beach Road, Calcutta Kerala.
211. H. L. Somany—2, Wellesley Place, Calcutta.
212. P. G. Krishna Iyer—Mount Pleasant, Coonoor, Nilgiris.
213. Poddar, K. N.—37, Vivekananda Road, Calcutta.
214. James Warren & Co., Ltd.—31, Chowringhee Road, Calcutta.
215. Parkins Ltd —Kottaiam.
216. Parikh, O & Co.—26, Apollo Street, Fort, Bombay.
217. L. C. Kanoi—P-8, Mission Row Extension, Calcutta.
218. Parry & Co., Ltd.—Dare House, Parry's Corner, Madras.
219. India Sugar Agencies Ltd.—Mangalore.
220. Price, R. G. N.—National Bank Bldgs., Madras.
221. Z. R. Irani—1/153, Mount Road, Madras.
222. Chrestien Mica Industries Ltd.—4, Lyons Range, Calcutta.
223. R. N. Agarwala—4, Lyons Range, Calcutta.
224. Lohia Brothers Ltd.—139, Canning Street, Calcutta.
225. Roy, B. K.—1, 2 and 3, Old Court House Street, Calcutta.
226. M. D. Shivananjappa—Kampegowda Road, Bangalore 9.
227. W. Morrice—41, Chowringhee Road, Calcutta-16.
228. Ramnarain Sons Ltd.—Bank Street, Fort, Bombay.
229. Rajputana Textile (Agencies) Ltd.—Delisle Road, Chenchpoka, Bombay.
230. Rajam, C.—Oriental Bldgs. Armenian Street, Madras.

MANAGING AGENTS, MANAGING DIRECTORS, DIRECTORS OR SECRETARIES WITH THEIR RESPECTIVE ADDRESSES.

231. Ramamurthy A.—Ravakhada (Orissa), Koraput Dist.
232. Ratnams Ltd.—Pugalur, Trichinopoly.
233. T. Shamanna—1129, Vani Vilasa Road, Mysore.
234. Bangur Bros. Ltd.—14, Netaji Subhas Road, Calcutta.
235. Sorajmull Nagarmull—8, Dalhousie Square East, Calcutta.
236. Shaw Wallace & Co., Ltd.—4/5, Bankshall Street, Calcutta.
237. Srivastava, J. P. & Sons—Kanpur.
238. Bharat Ram Charat Ram & Co. Private Ltd.—Bara Hindu Rao Delhi.
239. A. R. Kalairaja Chettiar—Coimbatore.
240. A. K. T. K. M. Narayanan Namboodripad—Kallai Malabar.
241. Singh, Ranjit—Lucknow.
242. N. L. Roy & Co.—9, Royal Exchange Place, Calcutta.
243. Shyamlal Agarwal—9, Dalhousie Sq. East, Calcutta
244. Sovaram Keshavdeo—15, Netaji Subhas Road Calcutta.
245. Dr. B. N. Ghose—6, Ganesh Avenue, Calcutta-13.
246. Sundaren. S.—Indian Mercantile Chambers, Nicol Road Bombay
247. Singhania Padampat—Kamala Tower, Kanpur
248. E. K. Srinivasan—16, Hare Street, Calcutta.
249. Steel Bros. & Co., Ltd.—Gillanders House, Netaji Subhas Road Calcutta.
250. T. Stanes & Co.—Coimbatore.
251. Southern India Plantations Agency Ltd —Coonoor.
252. Saha, Bahuballav—18/11/1B, Raja Raj Ballav Street, Calcutta.
253. R. B. Pradhan—Empire House, 214, Hornby Road Bombay
254 Sindia, M. Ramchandra Rao—3rd Road, Chamarajpet, Bangalore City.
255. Setalvad, J. C.—73, Oppo Churchgate Station Fort, Bombay.
256 Scindia Steam Navigation Co., Ltd.—Ballard Estate Bombay.
257. Ramnath A. Podar.—Podar Chambers, Parsee Bazer St., Fort, Bombay
258. Swedish Match Co.—Nicol Road Ballard Estate, Bombay.
259. S. Ramashramony Aiyer—Trivandrum.
260. Puranmal Bubna Sons—Indu House, Dougall Road, Ballard Estate, Bombay.
261. N. Sirur & Co. Private Ltd.—70, Forbes Street, Fort, Bombay.
262. Ramnarayan Sons Ltd.—Bank Street, Fort, Bombay.
263. Seshasayee Bros. Private Ltd.—Mettur Dam, R.S.
264. V. Venugopal Naidu—Sir Jayachamaraja Wadiyar Road Bangalore-2.
265. Shree Hanuman Invt. Co., Ltd.—173, Harrison Road, Calcutta.
266. Talukdar, B. S.—Amlasadarpur, Nadia West Bengal.
267. Tata Hydro-Elec. Agency, Ltd.—34, Bruce Street, Bombay.
268. Turner Morrison & Co., Ltd.—6, Lyons Range Calcutta
269. Tata Idustries Private Ltd.—Bombay House, Bruce Street, Fort, Bombay.
270. Thomas, A. V. & Co. Ltd.—Alleppey.
271. Thomas, P. T.—Kottayam, S. India.
272. Thomas, M. K. & Co., Ltd.—Trivandrum.
273. Tayabjee, O. S.—159, Gunfoundry Rd., Hyderabad (Deccan).
274. A. Hydari and S. Gothberg—Indian Mercantile Chambers, Nicol Road, Ballard Estate, Bombay.
275. United Eastern Agencies—Bombay House, Bruce Street Fort, Bombay.
276. United Agencies Ltd.—Punalur.
277. Villiers Private Ltd.—F-3, Clive Buildings, Calcutta.
278. S. M. Smith—4 Bankshall St., Calcutta.
279. Williamson Magor & Co., Ltd.—4, Mangoe Lane Calcutta.
280. Whitman Mj. M. C.—Mayo Road, Rawalpindi.
281. N. K. Jhajharia—22, Chittaranjan Avenue, Calcutta.
282. C. Hockley—3, Netaji Subhas Road, Calcutta.
283. P. R. Jhunjhunwala—Sewrie, Bombay-15.
284. Walchand & Co., Ltd.—Ballard Estate, Fort Bombay.
285. Wallace & Co.—9, Wallace Street, Bombay.
286. Wilkinson, A.—117/119, Esplanade Road, Bombay.
287. Young India Agencies Private Ltd.—175/1 Mount Road, Madras-2.
288. Dass Group Private Ltd.—29, Strand Road, Calcutta.
289. Y. S. Tayal—4 Clive Row, Calcutta-1.
290. K. S. Basu—63, Netaji Subhas Road, Calcutta
291. Lionel Edwards (Private) Ltd.—21, Old Court House Street, Calcutta.
292. R. N. Jhunjhunwalla & Co., Ltd.—9, Ezra Street, Calcutta.
293. J. F. Horwood—31, Chowringhee Road, Calcutta.
294. R. L. Rampuria—5, Fairlie Place, Calcutta
295. Premnath & Sons Ltd —New Delhi.
296. S. N. Pantia—1 & 2 Old Court House Corner Calcutta
297. F. H. Mehta—Mehta House, Apollo Street, Bombay.
298 L. S. Vaidyananthan—Oriental Buildings Bombay
299 Kishore M. Premchand—61, Apollo Street, Fort, Bombay.
300. Madanlall Kakarania—P-23/24, Radha Bazar Street, Calcutta-1.
301. Jennis Roy Galloway—1 & 3, Brabourne Road Calcutta-1.
302. Mitra Mondal—Khatauli, Dt. Muzaffarnagar
303. G. S. Shroff—2, Hardinge Avenue, New Delhi.
304 James Finlay & Co., Ltd.—2, Netaji Subhas Road, Calcutta.
305. Thackersey Mooljee & Co.—16, Apollo Street, Fort, Bombay.
306. Jatia Brothers Ltd.—21, Rupchand Roy Street, Calcutta
307. Bhatter's Agency Ltd.—18, Netaji Subhas Road, Calcutta.
308. The Hyderabad Constructions Co., Ltd.—Kothagudium Collieries, Singareni P.O., Deccan.
309 T. Leslie Martin-12, Mission Row, Calcutta
310. D. S. Barron—Chakala, Andheri P.O., Bombay.
311. Pyne & Sons—23A, Netaji Subhas Road Calcutta.
312 Ram Kumar Agarwalla & Sons.—4, Lyons Range Calcutta.
313. Bullion Co., Ltd.—7, Canning Street, Calcutta.
314. Brooke Bond India Ltd.—2, Metcalfe Street, Calcutta.
315 Anderson Wright (Ramgarh) Ltd.—7, Wellesley Place, Calcutta.
316. The Cotton Agents Private Ltd.—14, Radha Bazar Lane, Calcutta-1.
317. Bird & Co. (Pakistan) Ltd.—Narayanganj.
318. Shree Krishna Investment Co. Ltd.—1-B, Halwasiya Road, Calcutta.
319. H. V. R Iengar— Dare House, Parry's Corner, Madras.
320. F. W. J. Penn—32, Grant Road, Bangalore-1.
321. B Ghosh—14, Old Court House Street, Calcutta
322. Messrs Tata Sons Ltd.—New India Assurance Buildings, Mahatma Gandhi Road Fort Bombay-1.
323 Anderson Wright & Co.—7, Wellesley Place, Calcutta.
324 Indo Corporation Private Ltd.—5, Swinhoe Street Calcutta-19.
325. Brian Granger Pearson—Virginia House, 37, Chowringhee Calcutta.
326. H. L. Pyne—14, India Exchange Place, Calcutta.
327. Marwar Textiles (Agency) Ltd.—Waudby Road Fort Bombay-1.
328. John Taylor & Sons (India) Ltd.—Mysore Oorgram South India
329 Sri G. D. Bhagat—15, Shib Thakur Lane, Calcutta
330 Mahindra & Mahindra Ltd.—Gateway Building, Apollo Bunder Bombay.
331. N. L. Roy & Sons—Canning Street, Calcutta.
332. M. P. A. Paspatti—16, Hare Street, Calcutta
333 Mungturam Jaipuria—Swadeshi House, Civil Lines Kanpur.
334. H. Mackay Fallack—2, Fairlie Place, Calcutta.
335. Sahu Jain Ltd.—11, Clive Row, Calcutta.
336. Tulsidas Kilachand—Scindia House, Dougall Road Bombay
337. Beriwala & Co.—63, Netaji Subhas Road Calcutta.
338. D. & Sons Ltd.—Hornby Road Fort, Bombay
339 M. G. Investment Corpn Ltd.—Mafatlal House, Backbay Reclamation, Bombay-1.
340. K. O. Cheriyan—Travancore.
341 N. L Kanoria—India Exchange, Calcutta-1.
342. O. N. Chatterjee—2 Royal Exchange Place, Calcutta.
343. Indra Singh—153, Canning Street, Calcutta-1.
344. V. J. Pilani—Victoria Bunder, Colaba
345. The National Tea Corporation—130, Cotton Street, Calcutta
346. Seshasayee Brothers (Travancore) Ltd.—Eloor Factory, Alwaye.
347. Tantia Brothers Private Ltd.—1 & 2, Old Court House Corner Calcutta
348. M. D. Jalan—62, Ballygunge Circular Road Calcutta-19.
349. Seth Sohanlal Murarka—19, Circular Garden Reach, Calcutta-23.
350. K. Agarwal—Empire House, Dr. Dadabhoy Naoroji Road Fort, Bombay.
351. L. & T. (Management) Private Ltd.—I. C. House, Dougall Road, Ballard Estate, Bombay
352. Chinai And Co. Private Ltd.—Sadhana Rayon House, Dr. Dadabhai Naoroji Road, Bombay-1.
353 N. K. Jhajharia—14, Netaji Subhas Road, Calcutta.
354. L. C. Kanoi—P-8, Mission Row Extension, Calcutta.
355. T. R. Jalan—16, Strand Road, Calcutta.
356. R Bajoria—10, Clive Row, Calcutta.
357. A. K Jain—11, Clive Row, Calcutta.
358. I. P. Goenka—14, Old Court House Street, Calcutta-1.
359. G. D. Kothari—15, India Exchange Place, Calcutta.
360. R. E. S Talyarkhan—Volkart Building, 19, Graham Road, Bombay-1.
361. N. K. Bose—85, Netaji Subhas Road, Calcutta.
362 Dalmia Agencies Private Ltd.—Rajgangpur (Orissa).
363. C. L. Nanata—14, Old Court House Street, Calcutta.
364. W. A. C. H. Bosschaart—7, Justice Chandra Madhab Road, Calcutta-20.
365. S. L. Dhanuka & P. L. Dhanuka—5, Mission Row, Calcutta.
366. A. K. Sen—48/1, Diamond Harbour Road Calcutta-27
367. Lakshmipat Singhania—7, Council House Street, Calcutta.
368. Kalyanji Mavji & Company—14, Netaji Subhas Road, Calcutta.
369. P. L. Batia—7, Canning Street, Calcutta.
370. Pannalal Saraogi—8, Lyons Range, Calcutta-1.
371. P. L. Saraogi—56, Sir Hariram Goenka Street, Calcutta-7.
372. H. K. Newar—9, Brabourne Road, Calcutta
373. C. L. Maheswari—Shreeniwas House, Waudby Road Fort Bombay
374. Talukdar Law & Co. Private Ltd.—4, Chittaranian Avenue, Calcutta-13.
375. K. N. Mookerjee—Leslie House, 19, Chowringhee Calcutta-13
376. K. D. Ganguli—Mercantile Buildings, Lalbazar Calcutta
377. K. C. Dass & B. Maitra—35, Panditia Road, Calcutta-20.
378. R. N. Goenka—18-A, Brabourne Road, Calcutta
379. S. R. Damani—30, Clerk Road, Bombay-11
380. British India Corporation Ltd.—Sutherland House Kanpur.
381. A. K. Jain—Dalmianagar Bihar.
382. B. P. Kedia—7, Wellesley Place, Calcutta-1.
383 W. H. G. Baird—9, Brabourne Road, Calcutta
384. Punam Chand Batia—19, Circular Garden Reach Road, Calcutta-23.
385. G. P Kanoria—5, Clive Row Calcutta.
386. D. N. Jalan—'McLeod House' 3, Netaji Subhas Road Calcutta
387. Shibendra Sankar Sarbadhyaksha—Jalpaiguri.
388. A. V Birla—9, Kalliprasanna Singhee Road Calcutta-2
389 British India Corporation Ltd.—Kanpur
390. P Ratan—16/3, Chowringhee Road, Calcutta-13
391. H. M. Cox—59C, Chowringhee Road, Calcutta-20
392. A. V. Nibiet—52, Chowringhee Road, Calcutta-16
393. Khatau M Shethia—14, Netaji Subhas Road Calcutta-1
394. S. M. Birla—India Exchange, Calcutta-1.
395. W. F. Malden—Lohat, Darbhanga.
396. D. Manson—21, Netaji Subhas Road, Calcutta
397. N. M. Bhuwalka—135, Canning Street, Calcutta
398. Hoare Miller & Co., Ltd.—5, Fairlie Place, Calcutta.
399. B. Patnaik & Co. Private Ltd.—P.O. Chowdwar, Cuttack.
400. R. K. Kanoria—9, Brabourne Road, Calcutta-1
401. K. V. Venkitasubramoney Iyer—Seetagundy Estate, Sitharkunda P.O., Palghat, Dist Kerala State.
402. A. V. George & Co., Ltd.—Ancheril Bank Buildings Post Box 1, Kottayam, Kerala State.
403. Mathew Sebastian—Thodupuzha, Kerala State.
404. Planting Agencies Private Ltd.—Oriental Buildings, Armenian Street, Madras-1.
405. The Consolidated Coffee Estates (1943) Ltd.—Pollibetta, Coorg.
406. C. I. Machia—Pollibetta S. Coorg.
407. Srinivas Agencies—Coimbatore-2.
408. K. N. Krishna Iyer—22, Royapettah High Road, Madras-14.
409. Yong India Agencies Pvt. Ltd.—Monorama Bldgs., K. K. Road, Kottayam (Kerala State).
410. Parkins Private Ltd.—Kottayam.
411. Johnsons Estates & Agencies (Private) Ltd.—Malankara Bldgs., Kodimatha, Kottayam Kerala.
412. Associated Planters (Pvt.) Ltd.—25, General Patters Road, Madras-2.
413. J. R. Motishaw—Mercantile Bank Building, 16, First Line Beach, Madras-1.
414. K. V. Mathew—Kottayam, Kerala State
415 K Ramachandran—Patton Palace, P.O. Trivandrum-4.
416. N. Kunjukrishna Pillai—1, C. 6/750, Patton Palace, P.O. Trivandrum-4.
417. Rango Rao & Co.—Venkataraypuram, Tanuku, West Godavari Dist., Andhra Pradesh
418. The India Sugar Agencies Private Ltd —139 Meadows Street, Fort, Bombay-1.
419. R. S. Industrial Corporation Private Ltd.—Rayagada, Koraput Dist., Orissa State
420. V. Ramakrishna Sons (Private) Ltd.—38 Mount Road, Madras-6.
421. Seshasayee Brothers (Travancore) Pvt. Ltd.—1, Ceramic Factory Road, Kundala (Kerala).
422 Sir A. Ramaswamy Mudaliar—Ennore, Madras.
423. P. J. M. Leigh—7, Armenian Street, Madras-1.
424. K. R. Sundaram Iyer—Tiruvottiyur Madras-19.
425. Essen Private Ltd.—173/1, Mount Road Madras-2
426. J. L. D'sa—Old Tumkur Road, Malleswaram, Bangalore-12.
427. The Standard Motor Co. (India) Pvt Ltd.—29 Mount Road, Madras-2.
428. E. H. Stanes—6/33, Race Course Road Coimbatore-1.
429 Balasundaram & Co.—Satyamangalam Road, Ganapathy P.O., Coimbatore-6.
430. A. M. M. Arunachalam—52/53, Jehangir Street, Madras-1.
431. J. M. Parsons—2, Fairlie Place Calcutta-1.
432. Mahabir, S. J. B. Rana—1, Humayan Place, Calcutta.
433. G. N. Sam & Co.—'Senthottam' Sowripalyam P.O., Coimbatore-4.
434. G Kejriwal—Rajgangpur Dist. Sundergarh Orissa State
435 D. C. Ghosh & Co. (Agents) Private Ltd.—11, Government Place East Calcutta
436 N. D. Bangur—14, Netaji Subhas Road, Calcutta
437. R. N Bhotika—4, Old Court House St., Calcutta
438 Birla Gwalior Private Ltd.—Industry House, 159 Churchgate Reclamation, Bombay-1
439 R. S. Bajpai—Kamala Tower, Kanpur
440 R. L. Jatia—9, Brabourne Road Calcutta-1
441 S. K Agarwalla—24, Netaji Subhas Road Calcutta-1.
442 S. P. Bhowmick—17, 18 & 19, Old Court House Street, Calcutta.
443 Madan Mohan Lall Shri Ram Ltd.—D.C.M Premises, Bara Hindu Rao Delhi-6
444. I. R Jalan—2, Brabourne Road, Calcutta-1.



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DANGERS IN THE BANK AND COMPANY LAW CHANGES

THE stock markets have reacted with fear and anxiety to the collection of Bills introduced by the Finance Minister, Mr. T. T. Krishnamachari, in the Lok Sabha on Tuesday of last week. Equity prices, having risen smartly since Mr. Krishnamachari moved to his new portfolio towards the end of August, were still edging their way upwards until the middle of last month. The trend was reversed as rumours began to circulate that drastic changes were proposed in the laws relating to banks and to companies—changes which, it was said, would be inspired by the report of the Vivian Bose Commission on the administration of Dalmia-Jain concerns published early this year. Most, although not all, of the rumours have been confirmed with the formal introduction of the Banking Laws (Miscellaneous Provisions) Bill and the Companies (Amendment) Bill last week.

On careful reading, there can be no doubt that the Banking Bill and the Companies Bill are drastic and of far-reaching significance. The ostensible purpose for which they have been introduced is good. It is to check malpractices of the sort which have sometimes enabled big fish to use for their own private and selfish interests the money they have got from smaller fry—malpractices which were described in great and shocking detail in the Vivian Bose Commission's report. In reply to a number of the criticisms contained in the report, the plea had been offered that the alleged malpractices were not malpractices at all since they did not violate the laws of the time. In a sense, the two Bills now introduced are the answer to the plea : not only are the laws to be tightened, but more and more of the decisions as to what is right or wrong, legal or illegal, are to be transferred to the executive, on the assumption that even the most elaborate legislative measures in the world inevitably have their unknown quota of loopholes. The general trend of the Bills—whereby the right to exercise, and then to enforce, a judgment is to be shifted increasingly from the judiciary to the executive is reinforced by one old and extremely regrettable circumstance. It is that in this country the delays involved in judicial processes are enormous : often does it happen that before the law courts get round to taking their first look at a case, the damage done is irreparable and the culprits have vanished from the scene.

In essence, therefore, the basic aims and assumptions underlying the two Bills involve major questions of principle—relating, in particular, to the supremacy of the rule of law and the sanctity of legal processes. The first question of principle is : granting that no law can be perfect, is it right nevertheless to vest sweeping residuary powers in the executive in an effort to ensure that the loopholes discovered from day to day are promptly plugged? The second question is : granting that legal action takes a long time because the courts are overburdened with a host of cases big and small, is it still right to short-circuit them for the sake of promptness by what really are arbitrary administrative edicts? A third and related question is: is it right to remove a bank director or a company manager through what in essence would be a Government decision, and then leave it to them to establish their innocence months or years later through appeals to the executive or the judiciary? In this sense at least, the normal legal dictum which prescribes that a man should be assumed to be innocent until he is proven guilty stands in serious danger of being reversed.

Understandably, the answers to all these questions will vary from person to person, from country to country, and from time to time. But, without blowing a volcanic blast of hot air about the principles of democracy and the rule of law, two things may be said for a start. The first is that if there is justification for sweeping powers, it exists only to the extent that the administration charged with using them is itself judicious, efficient and incorruptible. One hopes India's will be one day, even if it not so now. The second is that, in all fairness, if the administration is given more powers, concerted measures should simultaneously be taken to reduce the law's delays so that those powers may be subject to the restraints implicit in a prompt judicial test. The Reserve Bank, or the Finance Ministry, or the Government as a whole, in other words, is no substitute for the high courts.

That said, the justification or otherwise for the Banking Bill, as for the Companies Bill, depends in the final analysis on the restraint and discrimination with which the powers they confer are going to be used. On this, clearly no judgment is possible straightaway, although the powers as such are drastic and could in practice put many institutions on the high road to nationalisation without compensation. Under the Banking Bill, for example, the Reserve Bank could remove a bank director or a bank executive at will, and install a new one in his place. It could go further and appoint up to five additional directors in any bank it wanted to—the two provisions together ensuring that its recommendations and advice are not disregarded to the extent they may have been in the past. Other major provisions are aimed at ensuring that the more influential personalities in a bank do not play around with the funds they manage, at the cost of depositors and shareholders. The Reserve Bank can already tell a bank not to give an unsecured loan to its directors or to the private companies in which they may be interested; the Bill would extend the restriction. Depending on the circumstances, the Reserve Bank could now also order a bank not to write off loans to its directors or to companies in which they may be interested (the acceptable procedure for writing off loans in these cases should perhaps be similar to the one followed by the tax authorities). Finally, the voting rights which an individual shareholder of a bank can exercise are to be reduced by the Bill from the present maximum of 5 percent to a maximum of 1 percent of the total shareholding.

It may be argued that provisions such as these, stringent though they are, are still not wholly knave-proof, not at least in theory. In practice, however, it is likely to be found that they give the Reserve Bank all the power it will ever need to exercise, and possibly more. Many people believe that the powers which the Reserve Bank

already has, including those exercised under the euphemism of "informal persuasion", are so great that no more are required. The emphasis, according to them, should be on using the existing authority promptly and adequately when malpractices are suspected, as the Reserve Bank notably failed to do in the Palai Central and Laxmi Bank affairs. The central bankers' answers would probably be that while the powers are extensive, they are susceptible to legal challenge should a bank director or manager be inclined to delay the enforcement of a particular edict. As for "informal persuasion", advice given in this form is not impossible to ignore; some important banks have reportedly neglected recommendations on such subjects as maintaining a healthy advance-deposit ratio. It is to be wondered, however, whether dictatorship of the sort the Bill implies is the answer to sporadic indiscipline—a dictatorship, incidentally, which would be based on the questionable assumption that the Reserve Bank is the fount of all impartiality and wisdom.

If the Banking Bill represents one side of the coin minted by the Vivian Bose Commission's report, the Companies Bill represents the other. The provisions of the two, in fact, run parallel for a large part of the way. The Banking Bill gives the Reserve Bank the power to push directors or managerial personnel out of a bank. The Companies Bill provides for the establishment of a tribunal with judicial powers on whose recommendation the Central Government could push directors or managerial personnel out of a company. The tribunal could act on a complaint from minority shareholders or from the Central Government.

A safeguard has been provided that an aggrieved person could challenge the tribunal's decision in a high court on any question of law, although the person concerned could be made to stay out of office while the case continued. The assumption is implicit that, unlike the Government, doughty heroes from the shadier ranks of Indian business will have the patience, as well as the financial and spiritual stamina, to fight prolonged legal battles which tend usually to last for years. The assumption may not be wholly incorrect in a country where some people love litigation as dearly as they do their own beautiful wives. The anxiety will nevertheless remain that others who are unwilling or unable to spend the remainder of their lives trudging up and down the corridors of the high courts stand in danger of being unjustly penalised.

The second striking parallel between the Banking Bill and the Companies Bill is this: whereas the former drastically reduces the voting rights of a bank's major shareholders, the latter seeks to do roughly the same thing for many companies by enabling the Government to appoint a person to exercise voting rights in respect of a trust with a significant shareholding. The explanation is offered that trusts play an important part in the indirect control of companies by monied and vested interests who find it advantageous to exercise this control through nominees. The system has led to abuses, including the avoidance or evasion of taxes. It is, therefore, necessary to prevent the use of the voting rights attached to shares held by trusts for advancing the personal interests of the donors. In view of the practices followed by a number of business houses in this country, the need for some restriction is clear. Any welcome given to the new provision will, however, be qualified by the thought that the Government could in practice quietly take over the control of a company in which a trust may happen to have a major shareholding. If the threat discourages certain trusts from using their money for shady investments, it will have served some purpose. The ingenuity of those controlling the trusts cannot, however, be under-estimated when it comes to finding loopholes. Care may have to be taken in order to ensure that the law is not avoided by subjecting the trusts and their shareholdings to a process of amœbic reproduction by splitting.

While the virtues or vices of most of the provisions of the Banking Bill as well as the Companies Bill will show up only in actual working, the measures contain two features on which a categorical judgment is possible straightaway. The first feature, in the Banking Bill, is that the Reserve Bank has been given the power to demand information from and to inspect firms, companies and other financing institutions, including those which trade in stocks and shares or which accept deposits from the public or which do hire-purchase business. A main aim here, it appears, is to try and detect the black money which is allegedly being used on a large scale by some companies and financial institutions existing outside the banking system proper. Evidently the purpose for the time being is only to seek information, not to exercise firm control. Honest institutions will probably find little that is objectionable in all this, although even they may not find controls palatable should these be introduced at a later stage. If the demand for bank funds were to slacken for any reason, it would not be surprising to find the banks pleading for strict controls on competing financial institutions *via* controversies of the sort that have in recent years greatly enlivened the British banking world.

The second feature, which is thoroughly objectionable and stands out as a black mark on the Companies Bill, consists of the provision whereby a loan given by the Government to a company could be converted almost at will into the shares of that company. It is explained that, at present, a company's shareholders may not agree to convert a loan from the Government, or from a specified financial institution, into shares. In that case, there is a danger that the loan would not be given at all, "thus impeding the flow of capital required for industrial development." Therefore, the explanation continues, the possibility of conversion has to be provided for, subject to a safeguard; and rather oddly it is claimed that the safeguard is the "prior approval of the Central Government." The need to get Government approval, it is asserted, "would provide adequate protection to the legitimate interests of shareholders in so far as conversion of loans raised from or debentures issued to financial institutions like L.I.C., I.F.C., N.I.D.C., I.C.I.C.I. or international or Commonwealth financial institutions like the International Finance Corporation or the Commonwealth Development Finance Company is concerned."

The argument here is highly questionable. To begin with, there is no reason why an institution giving a loan should not say from the very start that it might want later on to convert that loan into shares—and negotiate accordingly. At a time when the shortage of capital is acute, the bargaining position of the borrowing companies is generally weaker; depending on the origin of the loan and the terms of conversion, a substantial number of the companies could probably be persuaded into offering a conversion option right from the start. Secondly, under the Bill, it is prescribed that when the Government orders a company to convert a loan into shares, the terms of conversion will be "fair and equitable": although the terms could be challenged in a high court, the assurance given is too vague and the safeguards provided are extremely inadequate. Thirdly, the most dangerous aspect of the proposal is that it would open a new backdoor to the nationalisation of companies which have borrowed money heavily from the Government or from its progeny of financial institutions.

In this way, the net result may be that many companies would be persuaded to do without both the loan and the expansion the loan is intended to finance—thus defeating the proclaimed purpose of the provision. In any event, it is a strange variety of justice where companies are first forced to borrow from the Government because the Government's fiscal and pricing policies prevent them from raising resources on their own; and are then presented with the prospect of having the Government as a major or even controlling shareholder. The disturbing suspicion will remain that the real purpose of the provision is very different from the one given officially. The real purpose may be to create the scope for selective and partial nationalisation at low cost whenever it may happen to suit the governmental fancy.

India's Resources
are Precious
WASTE NOT,
WANT NOT

THE THIRD PLAN FAILURE

In relation to India's needs, the basic goals of the third plan are admittedly modest. But this does not imply that all the individual targets fixed for 1965-66 are practical and feasible; some are plainly unrealistic, such as the hope of raising 98 million tons of coal under present conditions. If shortfalls were confined only to the fields where the planners' fancy got the better of their discretion while setting targets, there would be little cause for regret. As things stand, however, it is clear that almost every major task will remain substantially unfulfilled. The daily struggle for existence will not only have been made no easier for the bulk of the population, but perhaps more difficult by the unmistakable inflationary pressures at work in the last two years. In a country where millions live at the subsistence level, this might mean an aggravation of distress which can have serious political repurcussions.

The failure of the third plan—the mid-term appraisal by the Planning Commission published last week is more an epitaph than a progress report—is nothing short of a tragedy, the more so because the country will have paid the full price required for development but without obtaining the corresponding benefits. As the appraisal says, investment in the public sector is likely to amount to Rs. 8,000 crores over the five years—or Rs. 500 crores in excess of the provision originally made. Yet national income, which has increased by only 2.5 percent a year in the last two years, will not rise by anything like the 30 percent stipulated for the quinquennium. The shortfall will not be on account of any minor miscalculation of capital-output ratios, which cannot always be precisely determined in advance, but because a large part of the investment will not begin to yield benefits until some years after the end of the plan period. This only means that the next round of development will have to start from a lower base, making further advance that much more difficult.

To talk, therefore, of stepping up the rate of growth to 7 percent a year and savings to something like 20 percent during the fourth plan is not only absurd, but dangerous. Savings of 20 percent or more can indeed be extracted, but in a poor country, the process is a slow one and the additional saving has to come out of the incremental income rather than by depressing the already low living standards. In other words, the rise in investment should be so graduated that a portion of the increase in national income is set apart for improving the living standards of the population, especially that large section which is at the subsistence level. This has been one of the implicit assumptions of Indian planning which is in some danger of being lost sight of in the wishful thinking now going on in relation to the fourth plan.

Pitching the growth rate at 7 percent, or, for that matter, any other figure, on the plea that this is necessary to achieve the long-term goal of a certain *per capita* income takes one nowhere. A high rate may be desirable and worth striving for, but airy promises make no political sense if the immediate effect is a reduction of consumption. Furthermore, to set goals, modest or ambitious, seems quite pointless until implementation is made surer than it has been in the past. The gap between promise and performance, always wide, seems to be growing—a situation which warrants looking into the reasons for failure as a first step before hatching further plans for the future. The shortfalls looming ahead of the third plan lend urgency to this enquiry since prompt action may

yet be able to make some difference to the final result.

The first point to note is that the shortfalls were, in one sense, inevitable. The total task, as formulated in the third plan, was much larger in both physical and financial terms than allowed for in calculating either the effort or the cost involved. It is stated, for instance, that the accepted programmes of mining and industrial development actually require Rs. 2,800 crores, and not the Rs. 1,800 crores budgeted for. Likewise, the foreign exchange requirements were seriously under-estimated, a fact to which a Reserve Bank study on the balance of payments situation had drawn attention some months ago. The Bank's doubts are supported by the admission that although foreign aid commitments already amount to Rs. 2,100 crores, fully covering the gap originally visualised, another Rs. 450 crores of non-project aid will be necessary to see the plan through.

The under-estimation of requirements is attributable to two reasons. In the first place, planning is still carried out on a superficial and amateurish basis, without any of the preparatory work on which concrete decisions can be made. This is because the sponsors of new schemes—the Central Ministries or the State Governments—have no separate machinery to undertake detailed planning at a technical level. The responsibility is thrust on operating departments or enterprises, and inevitably gets sidetracked because of immediate preoccupations. Evidence of this is provided by the inability to furnish preliminary planning data for new power and irrigation schemes for many months after the Planning Commission had been pressed by the sponsoring States into including their pet projects in the third plan.

In these conditions, both physical planning and budgeting can only be notional, and no one need be surprised if schemes do not get started in time. The defaults reflect in part the lack of qualified manpower—design and planning engineers—to undertake the preparatory work, but that is not the whole story. There is also a good deal of politicking involved. The sponsoring States, the Central Ministries and the Planning Commission—all know that available resources cannot possibly accommodate every one of the schemes proposed. But some get included in the plan, notionally that is, to avoid the unpleasantness that may result from a firm rejection. For all its length and supposed sophistication, the final plan document is in some ways a patchwork quilt of the schemes that have the right political appeal.

This kind of make-believe planning has to come to a stop. The Planning Commission—supposedly a technical agency insulated from political pressures—has an important part to play. Unfortunately, its technical rôle has been eclipsed over the years by the proportion of Central Ministers doubling as its members. The anomaly has been defended on the ground that the involvement of senior members of the Government in the work of the Commission is necessary to give it prestige and influence. Even if it was true at one stage, it can hardly be the case today after 12 years of planning.

By definition, as it were, the Planning Commission is also supposed to provide, on a continuing basis, an independent and objective evaluation of implementation. This it has singularly failed to do. Progress reports are always late and constitute a mere formality. Reading the report published last March on the first year of the plan, one would hardly suspect that anything was really amiss. In many cases, the report was only a rehash of the information, inadequate and misleading, that the agencies concerned had already published in one form or another. The mid-term appraisal published last week is a somewhat more factual document but even now it only catalogues shortfalls while failing to offer any analysis at all of the contributory factors. The *raison d'être* of an independent commission is that it should stand apart from the executive and provide an independent audit of performance. As at present constituted, this is probably the last thing that one can expect from the Planning Commission today.

CYNICISM ABOUT GOLD

THE bullion markets have hardly reacted to the Gold Control Bill introduced in the Lok Sabha last week. The price of gold is steady around Rs. 100 a 10 grams, compared with the international price of about Rs. 53 a 10 grams. The Bill seeks to place gold control on a permanent footing since the present Gold Control Rules have been enforced under the Defence of India Rules and, therefore, look like an emergency measure. In addition to all the provisions of the Gold Control Rules, the Bill contains a new one designed to give the Government the power to ask individuals to declare their holdings of gold ornaments in excess of a certain ceiling. Although the ceiling has not yet been notified, the Government will announce it in due course after getting the views of Parliament. It is, however, widely believed that the Government will be generous in fixing the ceiling, at least for the time being. Some think that it may be between Rs. 10,000 and Rs. 25,000 worth of ornaments, but may be reduced gradually in stages.

Despite the hint of a ceiling on gold ornaments the trade does not look alarmed. This may be due to the belief that like the gold bonds scheme and the Gold Control Rules, the new legislation will not succeed in its objectives. Although the need to check the gold-hoarding habits of the people has been reinforced by the emergency following the Chinese aggression, gold control is essentially an important socio-economic measure. The habit of hoarding gold in the form of ornaments or bullion is ingrained in the people of this country since time immemorial. Apart from serving as a means of social ostentation, gold has proved to be an useful store of value. It has also served as a standby asset in case of distress. It has been used as a medium for raising credit in the rural areas. The restrictions imposed by the Gold Control Rules have interfered to some extent with the flow of credit to rural areas generally. Under the present circumstances, the economic arguments against holding gold have gained force for a variety of reasons. First, gold is by far the biggest single factor responsible for the leakage of foreign exchange. Smuggling has involved an annual loss of Rs. 30 crores or more of foreign exchange. Secondly, a substantial amount of savings lie blocked in idle gold hoards, which are estimated to amount to Rs. 1,750 crores or more at the current international price. If these idle hoards could be mobilised, the foreign exchange shortage would be greatly relieved.

Judging by the experience of the gold bonds scheme and the Gold Control Rules, many are likely to be sceptical about the success of the Gold Control Bill. It is a sad commentary on the Gold Control Rules that gold worth only Rs. 23 crores or so has so far been declared. The Rules have made it obligatory for a person to declare all holdings in excess of 50 grams. It is said that since the Rules did not prescribe any limit on the holding of gold ornaments, bullion holdings were converted into ornaments as soon as the Rules were promulgated. The present Bill seeks to plug the loophole. It may be relevant, however, to point out that under the Gold Control Rules, no person was formerly allowed to make fresh ornaments except out of 14-carat gold. But in response to political pressure, Mr. T. T. Krishnamachari relaxed these Rules soon after taking over the Finance portfolio last August, permitting the people to remake old ornaments of pure gold. This has made it still easier to conceal contraband gold in the form of ornaments.

It is true that the Gold Control Bill in its present form nearly completes the entire gamut of gold control, at least in theory. The proposed law has two main objectives. Firstly, the idea is that the smuggling of the metal should be substantially checked, if not stopped fully. Secondly, if the public can be weaned away from the gold habit, savings will be prevented from going into idle hoards. But, judging by experience, it is doubtful whether effective administrative machinery can be set up to enforce gold control efficiently. Moreover, it is not certain whether the Government will be bold enough to face the political outcry which is likely to arise when the measure is implemented. As far as smuggling is concerned, many take a cynical view. To begin with, it is not understandable why the Government's anti-smuggling measures have so badly failed. Yet the Government continues to believe that when gold control succeeds, the demand for the metal will fall, and the domestic price of gold too will decline sufficiently to make it unattractive for the smuggler to persist in this illegal trade. Considering that the Government does not feel confident about meeting the full demand for even 14-carat gold in the near future, the prospect is that the price of the metal will rise rather than fall.

The success of control depends on whether the savings hitherto hoarded in gold will be diverted to productive purposes. If these savings are dissipated in consumption, the purpose of gold control will be defeated. The intrinsic value of gold should not be overlooked. Apart from serving as a reliable store of value, it is still accepted as an international medium of exchange. This apart, it has served as an excellent hedge against inflation. It should not be forgotten that the public has been forced to keep a part of their savings in gold to cover the risk of inflation. In the circumstances, it is evident that if gold control is not supplemented by other economic reforms, particularly by measures to curb inflation, it is unlikely to succeed.

Current News and Comment

First Unit Trust in India

The Bill introduced in the Lok Sabha to set up the Unit Trust of India in the public sector has not caused much excitement in the stock markets. This is partly because it has been overshadowed by other developments, such as the move to add new teeth to banking law and company law. There are also doubts whether a unit trust managed by Government officials will be enterprising in its investment policy. The idea of starting a unit trust has been in the air for many years. As far back as 1954, the Shroff Committee on Finance for the Private Sector had suggested the setting up of unit trusts in both the private and public sectors in order to mobilise the savings of smaller investors. Briefly, the Government's scheme is that the Unit Trust of India will be set up with an initial fund of Rs. 5 crores, of which the Reserve Bank will provide Rs. 2.5 crores, the State Bank (with its subsidiaries) Rs. 75 lakhs and the Life Insurance Corporation Rs. 75 lakhs. Other financial institutions will be invited to contribute the remaining Rs. 1 crore and if there is any shortfall it will be made up by the Reserve Bank. This will give a strong financial base to the new institution from the very start. Provision has been made for returning part or the whole of the initial fund to the contributors, when the Trust does not feel the need for this assistance.

The Trust will be run by a nine-man board of trustees, of whom the chairman and four other members will represent the Reserve Bank, one the L.I.C. and one the State Bank. The Trust will buy and sell securities, bonds, shares and other stocks of statutory corporations, companies and other corporate bodies. As the face value of the units will be only Rs. 100 and as they will be available on tap, it is hoped that small investors will be attracted. The units will be freely transferable and can be pledged with banks for obtaining loans. The Trust will also buy back the units at prices based on the value of its assets, which will be announced from time to time. The scheme has some attractive features. The Trust wil distribute not less than 90 percent of the net income to unitholders, the management expenses being restricted to a ceiling of 5 percent of the income attributable to the units (if the expenses are higher they will be

adjusted against the income accruing to those who contribute the Trusts' initial funds). The Trust's income will be exempt from payment of income tax, super tax or any other direct tax. Furthermore, the payment made to the unitholder will be exempt from income tax, although not from super tax, up to a limit of Rs. 1,000 a year. Exemption from super tax has not been given since the unit trusts are primarily intended for the lower-income groups and not for the richer sections. The exemption from income tax equalises the position of unitholders with that of investors in tax-free Government savings schemes.

Unit trusts, also known abroad as mutual funds, are popular in several countries. Their main advantages are that they offer the small saver an opportunity to invest in shares, and, by giving him the benefit of expert management, reduce the risks of loss. Some investment companies have been fulfilling this purpose so far in India, although in a limited way. But since they are owned mostly by business houses, they have worked by and large to the advantage of their promoters. The unit trust does not have this drawback. But being a public-sector venture, it may have some weaknesses and disabilities peculiar to bureaucratic management. It is doubtful whether it will have sufficient independence and expert knowledge to be able to select the best scrip from the unitholder's point of view. The creation of a unit trust is welcome in principle, but not as a State monopoly. As suggested by the Shroff Committee nine years ago, and more recently by the meeting of stock exchange presidents, unit trusts should be encouraged in the private sector as well. If the Trust is conceived as a new agency to support the capital market, its success will depend upon the extent to which it is able to attract unitholders. It also remains to be seen whether the big initial contributions to be made by the L.I.C. and other institutions to the Trust will not affect their normal investment activity.

Protection for Bicycles Withdrawn

The Government of India acting on the Tariff Commission's recommendation has decided to discontinue protection for the bicycle industry with effect from January 1964. Except for some of the major producers, the rest of the industry had pleaded for protection for a further period of three years. While conceding that a comparison of the estimated fair ex-works prices of indigenous bicycles and components with landed costs ex-duty of their imported counterparts, *prima facie* indicates the need for continued protection, the Tariff Commission feels convinced that the industry has now come of age and that it can and should be allowed to stand on its own wheels. It says that any unnecessary extension of protection may, far from making producers cost-conscious, make them take a sheltered market for granted. Both in bicycles and components the industry has attained a fair degree of self-sufficiency making it possible not only to dispense with imports, but also to develop a potential for export,

From a mere 4,000 pieces in 1947, when protection was first granted, the production of bicycles reached the figure of 1.216 million in 1962. The domestic demand for bicycles in 1963 is estimated at 1.25 million and is expected to rise gradually to 1.55 million in 1966. The present installed capacity of the industry is 1.369 million in the large-scale sector comprising some 21 units and 832,000 in the small-scale sector having nearly 145 units. The capacities already installed are considered adequate for meeting the estimated demand for the third plan period and with multiple shift working it can cater for a much larger demand. As for quality, the large producers having technical collaboration with reputed manufacturers abroad have come up to the standards of their collaborators. Some of the medium-sized units also have gained a reputation for their products and have been able to secure a share in the export trade. The position of the industry has substantially improved concerning the indigenous availability of raw materials and stores and the total value of import content in the cost of a bicycle is now estimated at no more than 10 per cent. Production in the organised sector of the industry has not suffered any serious setback despite the present difficulties in the availability of raw materials and their high cost, particularly those of steel items. The Tariff Commission says that the industry has "attained the degree of maturity and stability that should enable it to hold its own without specific tariff protection and maintain the required level of production for meeting both domestic and export needs, given the necessary marginal assistance in the matter of its requirements of the critical raw materials and stores if and when these cannot be met in full from indigenous sources." In arriving at this conclusion, the Commission has taken into account the case of producers of both bicycles and components in the scall-scale sectors.

An unqualified withdrawal of protection involving discontinuance of the watch on the industry and its price by a body like the Tariff Commission, may prompt producers and/or their distributors to take undue advantage of the prevailing market conditions. They might push up their selling prices in disregard of the interests of the consumer who has ungrudgingly borne the burden of protection for about 16 years. In order to safeguard the interests of consumers, the Commission has recommended that the manufacturers should be asked to freeze prices of their bicycles (without saddles and accessories) at the levels of their f.o.r. destination prices prevailing on 18th July, 1963. These prices should be exclusive of their respective wholesalers' commission. The Commission has suggested that the distributors' margin should not exceed 15 percent of the net selling price, and further that producers should not be allowed to increase their prices except with the prior approval of the Government.

Esso Project in Rameshwaram

Esso Standard Eastern is carrying out experiments on new uses of petroleum products and has already developed a sand dune stabilising oil, agricultural mulch and an oil-based fungicide. The Company has recently launched a pilot project in Rameshwaram with a view to protecting the seven-mile track of the Southern Railways from the encroaching sand. The project aims at stabilisation of the sand dunes. The Company has recently carried out experiments in this field with the help of a special oil. The oil allows vegetation to take root, thus halting the progress of desert and, in some cases, even reversing it. The new process involves spraying of the oil on dune areas. This holds together the surface particles of sand against wind erosion. In India, Esso has tried the technique on sand dunes in Rajasthan with success. Similar projects have been undertaken to preserve highways in the desert areas of Rajasthan and Punjab. The Rameshwaram project is the first one being conducted on a ten-acre area.

Revival in World Shipping

The statistical tables in Lloyd's Register of Shipping for 1963 show that although Britain's merchant fleet declined slightly during the year ended July 1963, she still operates the largest fleet of merchant ships in the world. The U.K. fleet declined during the year by 93,000 tons to 21.565 million tons, mainly as a result of the scrapping of old tonnage.This contraction, the *Financial Times* points out, must have occurred in the dry-cargo sector of the fleet, since the size of the U.K.'s tanker fleet increased by 331,000 tons over the period to 7.79 million tons. In terms of merchant fleets operated, Norway occupies second place, Liberia third, Japan fourth, Greece fifth and West Germany sixth. Apart from Britain, the U.S.A. was the only other country which showed a decline in its merchant tonnage. All other countries expanded their fleet during the year. This indicates a revival in the world shipbuilding industry after about six years of depression.

The countries where substantial increases in tonnage have taken place are Norway, Japan, Greece, and Russia. The last mentioned expanded her fleet by 750,000 tons to an estimated 5.4 million tons. Russia, it is reported, has launched a massive merchant shipbuilding programme. This is interesting news to the western shipbuilding countries. The tonnage under "flags of convenience" grew over the year by 818,000 tons to 11.4 million tons. Referring to shipping scrapped, Lloyd's Register says that after a record total of 3.7 million tons in 1961, the tonnage broken up throughout the world in 1962 was only slightly over 3 million tons, but "there are signs that this will rise again." The world's oil-tanker fleet expanded over the year by 1.8 million tons to 47.1 million tons.

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C. Hockley.

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Miss Suvra Roy.

Total Rs. 566

Previously acknowledged Rs. 2,359.25

Grand Total Rs. 2,925.25

TEA CONSUMPTION IN EUROPE

IN none of the larger states of Europe has the use of tea made more steady progress than in Germany. Though still hardly to be ranked as a tea drinking country, like Holland or Russia, Germany, nevertheless, is already the third largest market for tea on the continent, and in view of her great and growing population must soon occupy a place second only to that of Russia. In the remarkable commercial development which has been so prominent throughout the German Empire during the last twenty years, tea at first lagged somewhat behind, but is now tending to move at a rate more in unison with the general tide of prosperity. The promised reduction of the tea duty, under the new German tariff, by some 75 per cent. seems likely not merely to prove a stimulus to the present progressive tendency, but to place Germany at no distant date in the front rank as a field for tea in Europe. It may, therefore, be not unprofitable to examine the present conditions and tendency in some detail. General Statistics—The population of Germany at the census of 1900 was 56,345,014 and is today estimated to exceed 57½ millions. The total imports of tea for home consumption in 1902 are officially stated at 3,402,700 kilos, or about 7,485,900 lbs. This gives a per head consumption of nearly 60 grammes (2.1 oz.). Compared with previous years, these figures show an advance which may be tabulated thus:

Germany—Net Imports of Tea

1888	...	...	kilos	1,780,150
1891	...	...	,,	2,221,000
1894	...	...	,,	2,840,100
1897	...	...	,,	2,660,600
1898	...	...	,,	2,896,500
1899	...	...	,,	2,958,900
1900	...	...	,,	3,053,500
1901	...	...	,,	3,300,000
1902	...	...	,,	3,402,000

We here find an increase, in the 10 years 1888-98, of about 65 per cent, and in the last 5 years, 1898-1902, a further advance of over 17 per cent in imports.

FROM

CAPITAL
10th December, 1903

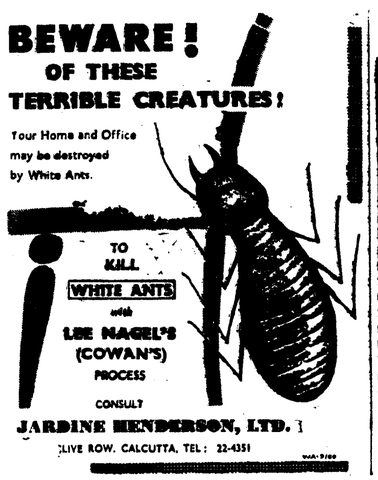
A Ditcher's Diary

MANY THINGS STILL DON'T ADD UP ABOUT PRESIDENT Kennedy's assassination in Dallas; I am content to wait for the report from the Earl Warren Commission, which will not be easily fooled. Meanwhile, as I saw Lyndon Johnson on the cover of *Time* and Kennedy on that of *Newsweek* I wondered whose was the better decision. In Hemingway's *The Old Man and the Sea*, story of a man defeated by a fish, the last line is: "The old man was dreaming about the lions". This is the American dream; I am only mildly sorry that Henry R. Luce could so soon forget Kennedy and not at all surprised that U.S.I.S. has already started lionising Lyndon. What sort of a President will Johnson make? We, including President Ayub Khan, may be surprised. Harry Truman was much more obscure when he found himself President; yet he turned out to be a very effective President indeed. The decision to drop that bomb on Hiroshima was his; he it was who sacked MacArthur. If Henry R. Luce wanted to emphasise the wonderful continuity of American political life, Lyndon Johnson has proclaimed his adherence to Kennedy's policies. Nor am I forgetful of the objective compulsions of the facts of international life in our time, which no U.S. President can ignore. But, and but again, there will be a difference. Not merely in style, where Lyndon should not even try to be Jack any more than "Lady Bird" should imitate Jacqueline, but in content. It seems to me unlikely that aid to India will be very gravely affected either way; New Delhi's fears may be as exaggerated as Rawalpindi's euphoria. Even if Kennedy's vision of a better world is by history put down as mainly verbal, Johnson will take a long time living down his reputation as a dextrous political operator concerned more with the domestic scene than with the parlous world we live in. We should still remember that no U.S. President can be internationally effective unless he be sure of his home base. (Think of the contrast between Wilson and Roosevelt.) Kennedy sought to show that the man makes the office; in Johnson's case, the office may make the man.

WHAT'S SO SINISTER ABOUT THE PROPOSED VISITS OF Mr. Chou En-lai and Marshal Chen-yi to Cairo and Nairobi, respectively? That they will fly over India, with India's consent, seems entirely a matter of detail. From an unquestioning faith in China's good will, which was misguided, this country appears to have gone to the other extreme of considering every Chinese move with suspicion and nothing but. I think the Government of India is absolutely right in according permission to the Chinese planes to fly over India; a local humorist has shrewdly welcomed the fact that, by seeking permission, Peking concedes that at least some territory is Indian. India was among the first countries to point out that communist China exists, that it contains a third or more of mankind, that international agreements on nuclear tests or partial disarmament are meaningless without China's participation, and that the U.N. and the U.S.A. are stupid to deny China its proper representation. I cannot help feeling that the teacher is in danger of forgetting the lessons he once gave. I never seek or use private information on public issues; "scoops" are the one thing I do not trade in. But it will not surprise or dismay me one bit if (a) the Chinese leaders offer to halt in New Delhi on their way back and (b) if New Delhi welcomes the offer. Only the Government can decide how long the emergency must last. Meanwhile it has to be recorded that, before leaving for Cairo and Nairobi, the Chinese Prime Minister or Marshal Chen-yi has not casually told reporters that the Chinese army, or frontier guards, have been ordered to throw out the Indians from this place or that. That India is improving her defences is entirely right; the West is equally right in helping India achieve that. Yet India needs to be reminded of another of the lessons she once imparted with great eloquence: that the policy of speaking from a position of strength is barren. It should not be necessary to be more explicit. There may well be contacts between the Indian and Chinese delegations in Cairo or Nairobi; whether the leader chosen by India for Nairobi and Zanzibar was the best available for a difficult task is another matter.

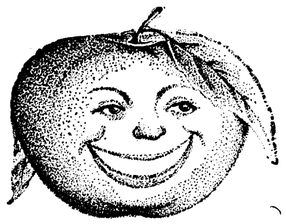
THE ATTENDANCE OF PRESIDENT DE GAULLE AT THE funeral of President Kennedy was, I suspect, nothing more than a personal tribute. It was certainly not an affirmation of respect and loyalty to the Atlantic alliance of which Mr. Kennedy was the head. I only hope that President Johnson used the opportunity to become acquainted with de Gaulle, because it seems to me that of all the legacies he has inherited, the French President represents by far the least enviable. And that includes even the issue of civil rights. It has been clear for some time that only the strength of President Kennedy's personality was keeping France in the western alliance. Now, anything could happen; with France drawing away from the United States, and unable to find consolation with the Soviet Union because that country is courting American support in her quarrel with China, the obvious people to whom the French could turn now are the Chinese. President de Gaulle served notice a short time ago that he was anxious to interest himself in south-east Asia; I thought then that this could only have one possible interpretation. It has been rumoured recently that France is thinking of recognising the Peking Government. That would probably lead to a reopening of trade between the two countries, especially in wheat, if Dr. Erhard refuses to go along with the French on the Common Market agricultural policy. So a drift towards China on the part of de Gaulle's foreign policy would seem to be imminent, unless President Johnson can head it off, which I do not think he can, if only because his political position during the remaining year to the next Presidential election is likely to be too delicate to permit of bold initiatives. I, for one, would hate to see even a mild friendship blossom between France and China; there is far too much at stake for us all. Not that I consider continued isolation of the Chinese to be an unmitigated blessing; far from it. But I do think that if China is to have a window on the world it would be better for everybody if the United Nations were to supply it, not a Power as obsessed with national self-assertion as France is at the moment.

A FEW MONTHS AGO I OUTLINED HERE A LITTLE scheme of my own for preserving the Abu Simbel temples on the Nile. It has not been adopted, which is scarcely surprising because it was probably unsound. The fact is that I know next to nothing about these things, except that they cost money. The one that has been accepted will absorb $32 million, not including a safety margin of another $4 million. I was looking at a list of contributors the other day which I am now hoping is not a correct one. This is because India's name is on it; to the tune of $590,000. I can appreciate why Egypt, although a poor country, is prepared to put up $11.5 million, and why the United States is providing the lion's share at $12 million. But when Britain's contribution is so far only $210,000 and affluent Sweden's only $500,000. I cannot see why India should be prepared to mortgage her meagre foreign exchange resources to this extent. Devotion to the cause of culture is laudable enough, but it could presumably be satisfied just as easily if the money were spent on some of India's own archæological treasures, of which there is certainly no shortage. And I have surely no need to point out that this country could use both the employment created and the tourist revenue it would be likely to attract. But perhaps I have missed the point; maybe the object is really a political one. If so, then without questioning the Government's strategy, I am sorry it should be considered necessary. If Egypt is not sufficiently sympathetic to appreciate that this country is unable to afford costly gestures in a field not directly connected with her immediate survival, then it is doubtful whether she would be capable of being a worthwhile ally in an emergency. I have already written in this diary about the need to preserve









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the Abu Simbel temples for posterity, so nobody could doubt my devotion to the general cause. But there must be plenty of money available for such things without India having to stump up. What about the Soviet Union, for example? It is her money which is helping to build the Aswan Dam. I know. But she is not absolved from the moral obligation to contribute something towards preserving what her work is threatening to destroy. Yet I have not noticed Russia's name on the list.

NEW DELHI WILL NO DOUBT CLAIM THAT NAGALAND, sixteenth State of the Indian Union, has come not a day too late—or too soon. If there is any truth in the claim, this must be one of the very rare instances, in all history, of perfect timing. I think the *Observer*, generally sympathetic towards this country, was wrong to champion the cause of Phizo and to question the proposition, *Le Nagaland, c'est indienne*. (If this reminds you of some parallel, let it be noted that many outside India came to think of India *vis-à-vis* Nagaland on those lines, incorrectly in my view.) It should be remembered still that Nagaland's Statehood has been blessed by Phizo's nephew, not Phizo. The manner in which some of the other 15 States have on occasion behaved in face of Central recommendations or directives should make Phizo feel that Statehood is as good as sovereignty, short of applying for U.N. membership; but, raillery apart, the future of the new State will depend entirely on how New Delhi treats it: and New Delhi has reason to be wary. The Press has, so far, been so shut out of Nagaland and the public knows so little about all that has gone on that comment, based on public knowledge, is almost impossible. Points to remember are that many in Nagaland are Christians who, rightly or wrongly, want an English education rather than a Hindi, a point they have in common with many Indian children whose parents are some of the most militant advocates of Hindi and nothing else. Does it mean a special status for Nagaland? Well, it already shares a Governor with another State, as no other State does. Kashmir too is still protected by Article 370. All I know is that Nagaland's integration will not come through rapid Hindi-isation, Hindu-isation or plainsman-isation. Let me warn Delhi that Nagaland may well be the beginning of a problem rather than the end of one, unless New Delhi devises a better mixture of severity and generosity than has been seen so far. Or, do the two mix less well than gin and vermouth?

THE CALCUTTA LIGHT OPERA GROUP AND SOCIETY'S latest production, *The Maid of the Mountains*, did indeed leave a lot to be desired, especially in the choice of cast; nevertheless, last Friday's performance was on the whole good, and, frankly, I enjoyed it. To my mind, in a musical comedy the quality of the music is of first importance, and in this case it was uniformly high—an achievement for which the credit goes chiefly to Bernard Jacob as musical director and conductor of the orchestra. Sheila D'Souza in the title rôle of Teresa, the mountain maid, sang delightfully some numbers which are extremely popular today; and Bob Rosario, as Beppo, apparently sang much better in later performances than he did on the opening night. As for the acting, I thought Arnold Epstein as Baldasarre, the brigand chief and a main character in the play, was rather disappointing; had it not been for Ernani Giambuzzi as Tonio the brigand buffoon, Srithi Banerjee as Tonio's deserted wife Vittoria, and Angus Rotchell (as General Malona, Governor of Santo, who was in near-disgrace for his failure to capture Baldasarre), the play might have flopped. Ernani Giambuzzi and Srithi Banerjee gave a splendid performance, especially towards the end, and brought the whole show back to life. Considering that the C.L.O.G.S. are amateurs, one's admiration for the enthusiasm and hard work which goes into these performances is so much the greater. *The Maid of the Mountains* was fifteenth in the series presented by the Society over the years, and the proceeds of the show are to go to the West Bengal Governor's T.B. Aftercare Fund, a very worthy cause for supporting which the members of the Society deserve full credit.

THE DITCHER

Guide for Investors

SPENCER EARNS LESS, PAYS THE SAME

IN spite of an increase in sales and receipts, the net profit of Spencer and Co. Ltd for the year ended June 1963, has fallen from the previous year's level. But the directors have maintained the total dividend for the year at 18 percent (the same). The net profit for the year amounts to Rs. 11,83,282, after providing Rs. 4,12,740 for depreciation and Rs. 11,75,000 for taxation, compared with the previous year's net profit of Rs. 12,67,432, after providing Rs. 4,06,912 for depreciation and Rs. 10,85,000 for taxation. With the amount of Rs. 10,74,117 brought forward, and with a sum of Rs. 13,484 being the profit on the sale of sundry assets, the total comes to Rs. 22,70,883. Out of this, the interim dividend on A and B preference shares amounted to Rs. 63,703 and Rs. 1,31,999, respectively. The interim ordinary dividend of 6 percent has absorbed Rs. 2,40,000. The proposed final dividend of 12 percent on ordinary shares will absorb Rs. 4,80,000. The final dividend on A and B preference shares accounts for Rs. 64,477 and Rs. 1,33,881, respectively. A sum of Rs. 13,484 is transferred to capital reserve (against Rs. 14,628), Rs. 15,000 is transferred to development rebate reserve (against Rs. 12,500) and general reserve gets Rs. 3,90,910 (against nil). Investment reserve gets Rs. 300,000 (against nil). The balance of Rs. 4,37,429 is carried forward. Sales were higher at Rs. 5,42,18,106, against Rs. 5,08,60,881 in the previous year.

In the Rob Roy Tea Estate, there has been an appreciable increase in the crop during the year at 206,000 kliograms, compared with 176,000 kilograms in the previous year. The price was also higher at Rs. 4.34 a kilogram, compared with Rs. 4.28 a kilogram in the previous year. In hotels, there was an increase in the average daily occupancy and profits were correspondingly higher. Due to the difficulty in obtaining supplies of coke for the carbon dioxide factory, there was a fall in carbon dioxide gas production during the year.

Excellent Results from Air-India

AIR-INDIA has produced excellent results for the year ended March 1963. The performance has been very satisfactory, in that there has been an increase of 16.3 percent in capacity offered, compared with that for 1961-62. The financial results are the best since the inception of the Corporation. Operating revenues have amounted to Rs. 24.53 crores while operating expenses are Rs. 21.07 crores. Hence the gross operating profit has amounted to Rs. 3.45 crores. The net surplus amounts to Rs. 1.35 crores, after providing Rs. 96.93 lakhs for loss on assets sold, Rs. 1 crore for development rebate reserve and Rs. 13.73 lakhs for net interest. The directors have decided to pay a dividend of 5 percent on the ordinary share capital, subject to the approval of the Government. It may be relevant to point out that the investment of the Government in this Company amounts to Rs. 26.82 crores. Out of this, the Government has determined that half the amount should be treated as equity capital and half loan capital carrying interest of 4.5 percent, but this interest has been waived up to 1st October, 1966.

Commenting on prospects, the directors mention that Air-India is still a relatively small member of a large and fiercely competitive international industry, and that most of the factors influencing profits are beyond its control. Nevertheless, among the international carriers it is best able to bear up the vicissitudes and uncertainties inherent in this industry and to benefit from favourable factors in view of its standardised fleet and efficient operations.

The Corporation's ability to increase its profitability depends mainly on the load factors which it is able to achieve. The growing prosperity of several countries which has led to a rapid and continuous growth in international trade and tourism, combined with the present trend towards lower fares, may be expected to enlarge the total market considerably in coming years. Hence higher loan factors are likely to result. The Corporation's ability to secure a legitimate share of the growing market will depend on the continuous expansion of its fleet in step with the growth of traffic in its existing routes and the expansion of its operations to new routes. It is encouraging that the Corporation's net foreign exchange earnings in future are expected to be more than sufficient to pay for any additional aircraft which it may buy. Apart from the foreign exchange question, the total funds required for expansion will largely be covered by earnings retained out of profits and such additional rupee investment as may be provided by the Government.

Ballarpur Paper Maintains Dividend

THE expansion programme of the Ballarpur Paper and Straw Board Mills Ltd has made considerable progress. The erection of one of the new machines taken up in May last has been completed, and it has begun to function since October 1963. The erection of other machines, the paper pulp mill, the recovery boilers and coal boilers are likely to be completed soon. The M.F. machine should start producing by March 1964. The Empacel pulp and paper mills is likely to be completed by the middle of next year.

The profit has fallen from Rs. 63.66 lakhs for 1961-62 to Rs. 47.98 lakhs, after transferring Rs. 7.92 lakhs (against Rs. 7.42 lakhs) to depreciation. The fall has largely been due to rising production costs which have been inflated by higher raw material prices. The cost of essential chemicals has moved up considerably. The increase in the rate of royalty has boosted the cost of raw materials. The price of electric energy has gone up. The increased interest payments amounting to Rs. 12.50 lakhs have largely been due to the expansion programme.

The taxable ordinary dividend of 14.5 percent has been repeated to absorb Rs. 20.73 lakhs. The yield amounts to 8.1 percent at the present price of Rs. 18 a share of Rs. 10 each. Development rebate reserve is allocated Rs. 80,000 (against Rs. 1.20 lakhs), tax reserve Rs. 23.50 lakhs (against a tax provision of Rs. 31.50 lakhs). Dividend equalisation reserve is allocated Rs. 24 lakhs (against Rs. 5 lakhs) and the recommended dividends will be paid out of this reserve. The carry-forward is Rs. 50,902, against Rs. 93,245 brought in. Production rose from 12,786 tons to 13,225 tons, and sales from 12,639 tons to 13,185 tons.

J. K. Steel Raises Dividend

J. K Steel Ltd has produced satisfactory results for the year ended June 1963. The trading profit has risen from Rs. 23.23 lakhs for 1961-62 to Rs. 32.27 lakhs for 1962-63. Depreciation is allocated Rs. 3.19 lakhs (against Rs. 2.77 lakhs) and development rebate reserve Rs. 6,000 (against Rs. 4,700). A sum of Rs. 14.63 lakhs has been transferred to taxation reserve, against a tax provision of Rs. 9.10 lakhs. General reserve absorbs Rs. 15.24 lakhs (against Rs. 6.50 lakhs). The taxable ordinary dividend has been increased from 10 percent to 15 percent, which works out to a return of 8.8 percent at the present price of Rs. 17 a share of Rs. 10 each. The dividend will be paid out of general reserve.

The expansion programme has made satisfactory progress. The electric hoist and chain pulley blocks plant has been installed and will start production soon. Steps have been taken to expand the wire rope project. The Industrial Credit and Investment Corporation of India has sanctioned a loan of Rs. 36 lakhs for the purpose. Orders for the equipment have been given. This project may begin to operate within a year. The Company has obtained industrial licences to expand its cold rolling mills for producing further 4,800 tons a year and to manufacture electric overhead travelling cranes. Although turnover rose from Rs. 1.14 crores to Rs. 1.76 crores, the output has been interrupted by the unsatisfactory supply of raw materials and the shortage of power. The supply of billet has been short while that of skelp has been erratic and unsatisfactory. The Government will soon fix new retention prices of jute bailing hoops, and the Company has asked for an increase in these prices due to rising production costs.

Rights from Central India Spinning

THE directors of Central India Spinning, Weaving and Manufacturing Co. Ltd, popularly known as the Nagpur Mills, have decided to go ahead with the equity issue of Rs. 46.87 lakhs. The proposal approved by the Government and the shareholders had been dropped last year because of the severe slump in the investment market. But now that the financial and capital markets have improved and there has been a revival of confidence, the directors feel that the issue of fresh capital should not be delayed any longer. The Company proposes to issue rights shares at par in the proportion of one new share for each one held. The offer will be made at the appropriate time.

Tata Sons Private Ltd and Sassoon J. David and Co. Ltd have agreed to take up at par such shares and additional shares of the proposed issue as are not taken up by other shareholders towards satisfaction of their loans to the Company. They have also agreed to take up their full quota of new shares which will be offered to them against their holding of about 4 percent of the share capital. Additional equity capital is needed for reducing the Company's debt and to correct partially the disparity in the debt equity ratio and in the ratio of share capital to fixed assets. Besides, funds are also required for purchasing machinery and equipment for rehabilitation of the mills and for improving the profitability of the Company.

Engel India Share Offer

ENGEL India Machines and Tools Ltd has started building a composite factory at Taratala Road, near Calcutta, to manufacture injection moulding machines and moulds required by the plastic industry. Production is expected to begin by the middle of next year. The Company has entered into a technical and financial collaboration with Maschinenfabrik Ludwig Engel K. G. of Austria. The Austrian Company will also subscribe for shares in the Indian Company.

The subscribed capital of Engel India amounts to Rs. 12.50 lakhs, divided into shares of Rs. 10 each. The directors and their friends have subscribed for shares worth Rs. 12.41 lakhs. The Company is now offering 375,000 ordinary shares of Rs. 10 each for subscription. The Austrian Company will subscribe for 75,000 shares, and 50,000 shares will be allotted to companies and other persons connected with the Indian plastic industry. The remaining 250,000 shares are being offered to the public for subscription at par. (Fuller details have been published on a later page in this week's issue of *Capital*.) The list opens on 16th December. 1963 Union Carbide India Ltd is the sole selling agents of the Company. The board of directors consists of reputed Indian and foreign business men. They are Mr. Ranadeb Chaudhuri, Mr. Ludwig Engel, Mr. Henry Joshua Silverston (alternate to Mr. Engel), Mr Cattavoor Shanmugam Loganathan, Mr. Kishore Dharamsey Khatau, Maharajkumar Pradeep Chandra Bhanj Deo

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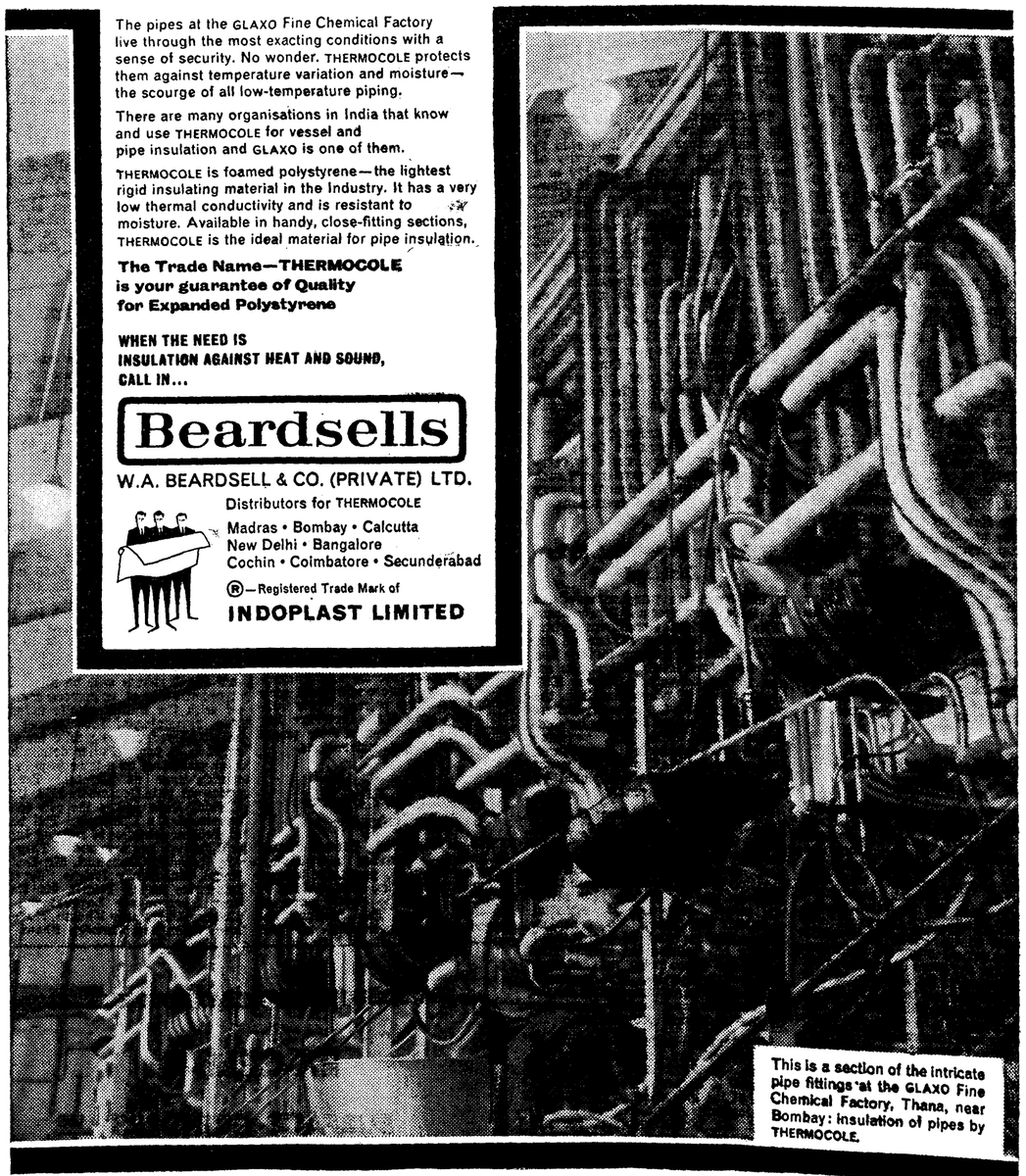
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Blue Mountain Estates Pays the Same

FOLLOWING a rise in the tea and coffee crops for the year ended June 1963, the profits from the plantations of Blue Mountain Estates and Industries, have increased substantially to Rs. 15.5 lakhs from the previous year's Rs. 11.5 lakhs. But the net profits for the year are much lower than those of the previous year, due to a larger provision for taxation and depreciation. The depreciation for the superphosphate factory alone accounted for Rs. 6,85,000. The net profit for the year is Rs. 5 87,848, after providing Rs. 9,03,314 for depreciation (against Rs. 2,03,276), and Rs. 6,50,000 for taxation (against Rs. 4,24,000). This compares with the previous year's net profit of Rs. 8,18,823. With the amount of Rs. 56,928 brought forward, and with a transfer of Rs. 2,50,000 from dividend equalisation reserve, the available surplus comes to Rs. 8,94,776. Out of this, the directors have recommended a dividend of 10 percent (the same). This dividend will absorb Rs. 8,40,000, leaving a balance of Rs. 54,776 which is carried forward.

The tea crop for the year amounted to 853,764 kilograms, against 716,244 kilograms. The cost of production was lower at Rs. 3.65 a kilogram, against Rs. 4.12 a kilogram. The sale price was Rs. 4.81 a kilogram, against Rs. 4.84 a kilogram. The coffee crop amounted to 7,99,579 kilograms, against 612,417 kilograms. The estimated tea crop for 1963-64 is 905,000 kilograms at a cost of Rs. 3.72 a kilogram. The coffee crop is estimated at 5,20,000 kilograms. As for the development programme, the directors' report says that the Company is awaiting a loan from the Tea Board for extending nearly 200 acres of tea in Nilgiri Estates during the next five years. Due to intensive cultivation, the crop has increased by about 250,000 kilograms during the last two years, and it is expected to reach 1.5 million kilograms by 1970. The directors are also intending to extend 100 acres of coffee and replant 30 acres of coffee with tea during the next two or three years.

Referring to the fertiliser factory, the report says that the factory went into production in the last week of August 1962, and the factory produced 20,500 tonnes of superphosphate and sold about 11,000 tonnes. The factory also made up and marketed about 2,000 tonnes of mixtures. The chairman says that fertiliser sales would have been higher had the monsoon not failed in the south.

Ugar Sugar Cuts Dividend

THE working results of the Ugar Sugar Works Ltd for the year ended June 1963 show an all-round improvement over the previous year, in that production, sales and the gross profit are all higher. The Company crushed 138,000 tonnes (against 135,000 tonnes) of cane producing 176,000 bags (against 169,000 bags) of sugar at an average recovery of 12.68 percent, against 12.53 percent in the previous year. Sales increased by about 40 percent from Rs. 1.64 crores to Rs. 2.29 crores. The increase in the gross profit, however, was much smaller, around 10 percent, from Rs. 27.41 lakhs to Rs. 30.04 lakhs. The profit margin was affected by higher manufacturing costs. But in spite of the Company's improved performance, the dividend has been drastically reduced from 12 percent to 6 percent.

The dividend cut has been necessitated by the fall in the net profit from Rs. 8.43 lakhs to Rs. 5.14 lakhs because of larger provision for depreciation and taxation. Managing agents receive Rs. 2.12 lakhs, against Rs. 2.10 lakhs, provision for depreciation is higher at Rs. 7.29 lakhs, against Rs. 5.88 lakhs and taxation accounts for Rs. 15.49 lakhs, against Rs. 11 lakhs. The tax liability is higher because the Company has had to provide Rs. 4.11 lakhs for super profits tax for two years, 1961-62 and 1962-63. The directors state that the Company lost Rs. 1.52 lakhs on sugar export and that it had to spend Rs. 6.59 lakhs more on purchased cane. Out of the net profit of Rs. 5.14 lakhs, the directors have set aside Rs. 5.22 lakhs (against Rs. 1.14 lakhs) for development rebate reserve, leaving a surplus of Rs. 1.92 lakhs, against Rs. 7.29 lakhs.

Including Rs. 1.49 lakhs, being balance of the profit brought forward from the previous year, excess provision for bonus and cane cess and transferring Rs. 40,680 from dividend equalisation reserve, the disposable surplus amounts to Rs. 3.81 lakhs. No provision has been made for capital reserve which received Rs. 1.83 lakhs in the preceding year. The preference dividend absorbs Rs. 1.20 lakhs (against Rs. 1.65 lakhs) and equity dividend Rs. 2.33 lakhs (against Rs. 4.76 lakhs), leaving a balance of Rs. 23,749 to be carried forward. The Company proposes to increase its capacity to 2,000 tonnes a day, and it has also chalked out a cane development programme. The Company's industrial alcohol plant was inaugurated in April 1963.

Godavari Sugar Earns More

DESPITE an increase of about 33 percent in the gross profit from Rs. 79.07 lakhs to Rs. 105.42 lakhs, the Godavari Sugar Mills has reduced the dividend for the year ended May 1963 from 20 percent to 10 percent. The reduced dividend is, however, on the increased capital of Rs. 1 crore, against Rs. 60 lakhs in the preceding year. The cut in the dividend has been necessitated by the heavy fall in the net profit because of the enormous increase in the tax liability. The directors have provided Rs. 36 lakhs for income tax, Rs. 34 lakhs for agricultural income tax which includes Rs. 17 lakhs for previous years and Rs. 15 lakhs for super profits tax for 1961-62 and 1962-63, making a total of Rs. 85 lakhs, compared with to Rs. 34 lakhs in the preceding year. After providing Rs 10.25 lakhs (against Rs. 9.47 lakhs) for depreciation, the net profit amounts to a mere Rs. 3.81 lakhs, against Rs. 30.60 lakhs in 1961-62. With Rs. 2.38 lakhs brought forward from the previous year, adding Rs. 4 lakhs being provision for bonus recredited, Rs. 9.50 lakhs transferred from general reserve and Rs. 12,203 being unclaimed salaries, the disposable surplus amounts to Rs. 19.82 lakhs.

From this, the directors have provided Rs. 6.70 lakhs (against Rs. 5.43 lakhs) for bonus pertaining to the previous year, Rs. 1.22 lakhs (against Rs. 1.33 lakhs) for development rebate reserve, Rs. 25,000 (the same) for gratuity, Rs 1.45 lakhs for preference dividend and Rs 10 lakhs (against Rs. 12 lakhs) for ordinary dividend. After making these appropriations, there remains a surplus of Rs. 18,849 to be carried forward. The directors state in their report that the distillery in Captainganj worked intermittently due to the shortage of coal and molasses. The Company's new distillery plant which is under erection is expected to go into production in early 1964. The Company proposes to undertake the manufacture of butyl alcohol and butyl acetate in Barabanki (U.P.) in collaboration with a French firm. The Government has agreed to sanction the import of equipment worth Rs. 68 lakhs under French credit. Steps are being taken to implement the project at an early date.

Deccan Sugar and Abkhari Repeats

A SUBSTANTIAL rise in sales and profits and the maintenance of equity dividend at 18 percent, feature the trading results of the Deccan Sugar and Abkhari Co. Ltd for the year ended May 1963. The net profit for the year amounts to Rs. 12,17,598, after providing Rs. 7,70,947 for depreciation and Rs 16,82,923 for taxation. This compares with the previous year's net profit of Rs. 8,83,335, after providing Rs. 6,81,338 for depreciation and Rs. 10,53,449 for taxation. The provision of Rs. 16,82,923 for taxation includes Rs. 2,55,000 for super profits tax. The surplus brought forward from the previous year is Rs. 1,02,809 from which is deducted a sum of Rs. 100,000 being special appropriation to general reserve (against Rs. 100,000), leaving a balance of Rs. 2,809, which together with the profit of the year, amounts to Rs. 12,20,407.

Out of this, development rebate reserve gets Rs. 1,80,000 (against Rs. 53,000), and rehabilitation reserve Rs. 2,50,000 (against nil). The interim preference dividend at 4.55 percent has absorbed Rs. 31,850, and the final preference dividend of 4.55 percent accounts for Rs. 31,850. The interim dividend at 6.5 percent on the ordinary shares has absorbed Rs. 2,58,960. The proposed final dividend of 11.5 percent accounts for Rs. 4,58,160. The balance of Rs. 9,587 is carried forward.

At the Samalkot factory, the 1962-63 season started on 29th November, 1962, and finished on 8th April, 1963. During this period, 105,993 tonnes of cane were crushed and 11,757 tonnes of raw sugar were produced at a recovery of 11.03 percent (raw). The equivalent recovery in terms of white sugar is 10.66 percent. This compares with 112,319 tonnes of cane crushed and 11,672 tonnes of sugar produced at a recovery of 10.39 percent during the previous season. It is reported that this is the first time that the factory has produced raw sugar, all of which was for export.

At the Pugalur factory, the 1962 special season started on 22nd September, 1962, and finished on 30th October, 1962. During this period, 30,508 tonnes of cane were crushed and 2,865 tonnes of sugar were produced at a recovery of 9.39 percent, the relative figures for the comparable previous season being 64,070 tonnes of cane, 5,886 tonnes of sugar and 9.19 percent recovery. The main season for 1962-63 started on 7th December, 1962, and finished on 29th April, 1963. A total of 139,131 tonnes of cane were crushed and 14,672 tonnes of sugar were produced at an average recovery of 10.55 percent, the relative figures for the comparable previous season being 134,654 tonnes of cane, 14,710 tonnes of sugar and 10.92 percent recovery. The lower production in the 1962 special season was due to the restriction on production imposed by the Government during the 1961-62 sugar year.

Cauvery Sugar and Chemicals Maintains

ALTHOUGH the net profit (subject to taxation) of Cauvery Sugar and Chemicals Ltd for the year ended June 1963 is lower than that of the previous year, the profit, available after tax provision, is higher because of the smaller provision for taxation. The directors have maintained the ordinary dividend at 6 percent. The pre-tax profit for the year amounts to Rs. 10.55 lakhs, after providing Rs. 5.41 lakhs for depreciation. The previous year's profit was Rs. 11.18 lakhs, after providing Rs. 4.87 lakhs for depreciation. Out of this, tax provision amounts to Rs. 1.31 lakhs, including a transfer of Rs. 30,000 to taxation equalisation reserve. This leaves a net after-tax profit of Rs. 9.24 lakhs (against Rs. 4.83 lakhs). With Rs. 1.682 brought forward from the previous year, the total available for appropriation comes to Rs. 9.26 lakhs. Out of this, development rebate reserve accounts for Rs. 1.27 lakhs (against Rs. 14,000). General reserve gets Rs. 1 lakh (against nil). Preliminary expenses written off amounted to Rs. 3 lakhs (against Rs. 1 lakh). The preference dividend at 7.8 percent amounts to Rs. 1.56 lakhs. The proposed ordinary dividend will absorb Rs. 2.40 lakhs. The balance of Rs. 3,114 is carried forward.

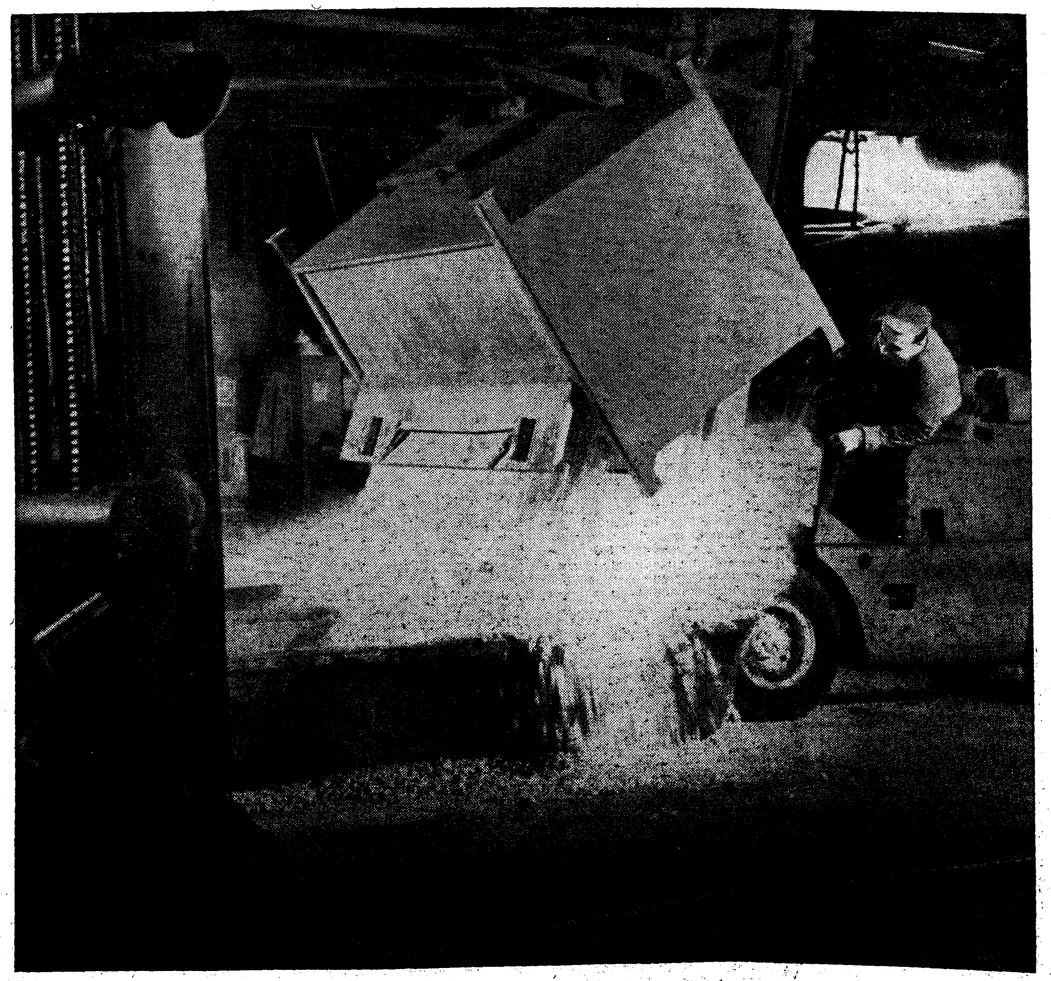
The directors state in their report that the 1962 special season had to be postponed as the quota of sugar production fixed for the factory for the 1961-62 sugar year was achieved at the end of 1961-62 main season itself. So crushing started on 1st November, 1962, and ended on 8th April, 1963. During this period, 117,980 tonnes of sugarcane were crushed and 10,657 tonnes of sugar produced at an average recovery of 9.03 percent. This compares with 209.042 tonnes of cane crushed and 19,174 tonnes of sugar produced at an average recovery of 9.17 percent during the previous season. The lower crush was due to the cut imposed by the Government of India in the 1961-62 sugar year. Total capital, reserves and surplus excluding taxation equalisation reserve amounted to Rs. 75.45 lakhs as at 30th June, 1963, against Rs. 73.17 lakhs in the previous year. No provision for super profits tax for the accounting years 1962 and 1963 has been made as it is considered that there will be no liability on this account. Total sales for the year amounted to Rs. 2.03 crores (against Rs. 1.69 crores).

Kaycee Industries Earns More

KAYCEE Industries Ltd shows an appreciable improvement in its working results for the year ended June 1963. Sales have increased by about 34 percent from Rs. 39.47 lakhs to Rs. 82.80 lakhs, and the gross profit has shot up by nearly 85 percent from Rs. 3.19 lakhs to Rs. 5.92 lakhs. The working results would have been still better but for the setback in the sales of products manufactured in Pakistan from Rs. 14.66 lakhs to Rs. 10.92 lakhs. After providing Rs. 99,641 (against Rs. 77,931) for depreciation, Rs. 30,703 (against Rs. 9,354) for development rebate reserve and Rs. 2 lakhs (against nil) for taxation, there is a balance of Rs. 2.61 lakhs which has been adjusted against the loss of Rs. 4.96 lakhs brought forward from the previous year, leaving a deficit of Rs. 2.35 lakhs to be wiped out. The Company reports an increase in the production of rotary switches and water meters manufac-

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tured at the Bhandup (Bombay) factory. It intends to undertake the manufacture of heat control switches shortly.

New Swadeshi Sugar Fares Well

THE preliminary report on the working of the New Swadeshi Sugar Mills for the year ended June 1963, indicates a substantial improvement over the previous year's performance although the dividend has only been maintained at 29 percent. The gross profit has gone up by as much as 76 percent from Rs. 11.55 lakhs to Rs. 20.40 lakhs. Allocation to development rebate reserve has been reduced from Rs. 2.82 lakhs to Rs. 11,544 but the directors have set aside Rs. 5 lakhs (against nil) for renovation and renewal reserve. The provision for depreciation is unchanged at Rs. 2.80 lakhs, but taxation accounts for a substantially larger amount of Rs. 8.30 lakhs, against Rs. 2.20 lakhs. General reserve gets Rs. 21,757, against nil. After providing for the proposed dividend which absorbs Rs. 3.94 lakhs (the same), there remains a surplus of Rs. 16,111 to be carried forward, against Rs. 12,698 brought in. The Rs. 100-paid share of the Company is quoted nominally around Rs. 350.

Pesticides to Expand Further

PESTICIDES Ltd, which started production in January 1963 and has already reached rated capacity concerning B.H.C. technical malathion technical, zinc phosphide, copper oxychloride technical and suprous oxide, proposes to carry out a substantial expansion of the existing capacity and also take to new lines of production. The present capacity of the B.H.C. technical is to be stepped up from 5 tons to 7.5 tons a day and that of the malathion plant from 100 kilograms to 300 kilograms a day. The expanded capacity is expected to be achieved by about the middle of next year. In addition, the Company has obtained industrial licences to manufacture annually 75 tons of lindane technical and 3,000 tons of ethylene dichloride. The organo mercurial plant and lindane plant are likely to be commissioned by about the middle of 1964.

The implementation of the expansion of capacity and commissioning of new plants will, of course, be subject to getting the requisite licences for the import of capital goods and raw materials wherever necessary. The Company expects to get import licences shortly. The entire expansion programme including the manufacture of new items is estimated to cost about Rs. 30 lakhs, of which the foreign exchange component is estimated around Rs. 10 lakhs. The Company proposes to meet the additional expenditure from its own resources and through loans. The Company's turnover in 1963, it is expected, will be around Rs. 25 lakhs and the turnover is likely to increase to around Rs. 65 lakhs next year. The directors are hopeful about declaring a maiden dividend for 1964. The Rs. 10-paid share of Pesticides is currently quoted around Rs. 8.16.

Waterfall Estates Repeats

ALTHOUGH the dividend has only been maintained at 10 percent, the working of Waterfall Estates Ltd during the year ended June 1963, shows a considerable improvement over the previous year's results because of the record tea crop and realisation of higher prices from the sale of tea. The Company's gross profit has risen by about 38 percent from Rs. 14.19 lakhs to Rs. 19.66 lakhs. The total tea crop set a new record at 828,000 kilograms, compared with 705,000 kilograms in the previous season. The increase in the all-in cost from Rs. 3.18 a kilogram to Rs. 3.27 a kilogram was more than offset by the increase in the average net price realised from Rs. 3.98 a kilogram to Rs. 4.20 a kilogram. The coffee crop, however, was lower at 513,000 kilograms, against 590,000 kilograms.

From the year's gross profit of Rs. 19.66 lakhs, the directors have provided Rs. 2.58 lakhs (against Rs. 2.20 lakhs) for depreciation, Rs. 24,800 (against Rs. 49,908) for development rebate reserve, Rs. 8 lakhs (against Rs. 5.08 lakhs) for taxation and Rs. 2.50 lakhs (against nil) for general reserve. Preference and ordinary dividends absorb Rs. 5.04 lakhs, leaving a sum of Rs. 81,380 to be carried forward, against Rs. 1.13 lakhs brought in.

The chairman, Mr. D. C. Kothari's speech holds out the prospect of better results for the current year. The tea crop is estimated around 900,000 kilograms at an all-in cost of Rs. 3.26 a kilogram, and the coffee crop is placed at 525,000 kilograms at an all-in cost of Rs. 2.90 a kilogram. During 1962-63, the Company received 2,800 tonnes of coffee for curing and the target for the current year is 3,000 to 3,500 tonnes. If all goes well, the tea crop is likely to reach the figure of 1.5 million kilograms before 1970. Due to the extension of tea acreage and intensive cultivation, the tea crop has been showing a steady increase over the past three years. With a view to relieving heavy congestion in the factory, it is proposed to construct another factory at a cost of Rs. 10 lakhs. This factory will produce orthodox teas while the present factory will manufacture C.T.C. teas. A phased programme extending to five years for planting some 200 acres of jungle in Waterfall Estate and extension of coffee area by 80 acres in Keshvurthy Estate is proposed to be taken up. The Rs. 2-paid share of the Company is currently quoted around Rs. 2.45.

Neelamalai Tea and Coffee Earns More, Pays Same

WITH a rise in the tea and coffee crop, Neelamalai Tea and Coffee Estates reports a higher profit for the year, ended June 1963. The average price realised for tea was also higher than that of the previous year. But the directors point out that although there has been an appreciable increase in the crop, the benefits accruing from it have been neutralised to a large extent by higher production costs. The pre-tax profit for the year amounted to Rs. 8,78,001.66, compared with the previous year's profit of Rs. 7,91,002. With the amount of Rs. 17,771.46 brought forward, the total comes to Rs. 8,95,773.12.—Out of this, the directors have provided Rs. 4,95,000 for taxation (against Rs. 400,000).

The 5 percent dividend on preference shares (gross 5¼ percent) amounts to Rs. 99,000. The proposed equity dividend at 7½ percent (the same) amounts to Rs. 2,70,000. A sum of Rs. 11,500 is transferred to development rebate reserve (against Rs. 20,550). The balance of Rs. 20,273.12 is carried forward. The tea crop for the year amounted to 9,84,000 kilograms (against 822,585 kilograms). The cost of production has risen to Rs. 3.44 kilogram from Rs. 3.25 a kilogram in the previous year. The price realised was Rs. 5.22 a kilogram (against Rs. 5.15). The coffee crop amounted to 77,062 tonnes, against 44,043 tonnes. The coffee payment for the season 1961-62 amounted to Rs. 2.26 a point. The crop for the year has been valued at Rs. 2.15 a point.

The directors' report says that recently, the Mysore State Government has brought an amendment to the Agricultural Income Tax Act, by which the sale proceeds of timber in general has become liable to agricultural income tax with retrospective effect. Last year, the Company deducted the sale proceeds of trees from the value of land as the directors were then advised that there might not be any liability to tax. But in view of the recent amendment to the Agricultural Income Tax Act, the directors say that the position will have to be reviewed. The estimated tea crop for 1963-64 is put at 880,000 kilograms and the coffee crop at 150 tonnes.

B. R. Cotton Resumes Dividend Payment

B. R. COTTON Mills Ltd has not only cleared preference dividends which had been in arrears since 1954-55, but has also declared a dividend of 9 percent for the year ended March 1963. All this has been made possible by the profit of Rs. 52.14 lakhs realised on sale of fixed assets to the Morarjee Gokuldas Spinning and Weaving Company. The trading results of B. R. Cotton for 1962-63 are, in fact, very disappointing. Sales are down from Rs. 2.205 crores to Rs. 1.655 crores and the Company has incurred a loss of Rs. 10.53 lakhs, against a profit of Rs. 13.70 lakhs in 1961-62. The directors have had to provide a sum of Rs. 8.39 lakhs for the payment of bonus to workers for 1959 to 1962, leave wages, gratuity, etcetera.

A sum of Rs. 1.75 lakhs has been set aside for payment of claims for non-fulfilment of export contracts. Other allocations include depreciation Rs. 13,013 (against Rs. 4.19 lakhs), wealth tax for 1956-67 Rs. 31,477, income tax penalty Rs. 2.10 lakhs, reserve for doubtful debts Rs. 1.77 lakhs, accumulated preference dividends Rs. 7.02 lakhs and equity dividend Rs. 3.60 lakhs. After making certain adjustments, a sum of Rs. 22.76 lakhs is being carried forward, against Rs. 8,291 brought in. The directors state in their report that the balance of the first mortgage debenture liability, amounting to Rs. 10.14 lakhs, including interest up to the date of payment, has been satisfied in full and the debentures have been cancelled. The remaining block assets of the Company are now free of all encumbrances.

In view of the losses and carry forward of depreciation from the previous years, no provision has been made for taxation. The arbitration proceedings between the sole selling agents and ex-sole distributors of the Company are still in progress. However, the sole agents have informed the Company that the stocks of cloth consigned at Rs. 5.93 lakhs have been sold for Rs. 5.03 lakhs. And accordingly, due adjustment was made in the year's accounts. The Rs. 100-paid share of the Company is currently quoted around Rs. 102.

Jam Mills Skips Again

IN spite of a modest increase in the sales from Rs. 1.34 crores to Rs. 1.39 crores, the gross profit of the Jam Shri Ranjitsinghji Spinning and Weaving Mills Co. Ltd for the year ended June 1963, has suffered a sizable setback from Rs. 7.20 lakhs to Rs. 4.30 lakhs. The directors have been obliged to skip the dividend once again. The profit margin has been squeezed by the increased cost of cotton and stores, increased dearness allowances and adverse trading conditions without any increase in the prices of cloth. Besides, production was affected by the installation of machinery and electrical equipment. The directors are, however, hopeful of better results for the current year. The pattern of production of cloth has been changed from coarse and medium varieties to higher medium varieties and also from grey to bleached dyed and printed varieties for which there is a growing demand in the market.

The Company has been able to get power supply from the Koyna project from April 1963, and the mills have been running completely on electricity since June. This is expected to result in a substantial saving in power cost from the current year. Out of the year's gross profit of Rs. 4.30 lakhs, the directors have provided Rs. 2.01 lakhs for depreciation for 1958-59 and bonus of Rs. 62,080 for the year 1960, and the balance of the profit amounting to Rs. 1.67 lakhs is being used to reduce the deficit brought forward from Rs. 4.95 lakhs to Rs. 4.28 lakhs. The arrears of depreciation and development rebate are placed at Rs. 8.57 lakhs. Additions made to fixed assets during 1962-63 amounted to Rs. 16.58 lakhs, of which electrical equipment and installation accounted for Rs. 8.37 lakhs.

New Capital Issues

FOUR companies have been authorised to raise capital amounting to Rs. 1.38 crores. Two are issuing equity shares, and two equities plus preference shares. One is offering all its new capital to the existing shareholders on rights basis and another part of it on a rights basis. Two are offering part of their shares to the public through prospectus. In all cases, the consent of the Controller of Capital Issues is valid for 12 months. The following are the details:

Raj Prakash Spinning Mills Ltd is to issue capital of Rs. 30 lakhs in shares of Rs. 100 each—Rs. 25 lakhs equity and Rs. 5 lakhs in 9½ percent preference shares—for cash at par. Of these, equity shares of the value of Rs. 15 lakhs and the entire preference shares will be offered to the public by prospectus. The proceeds will be used in the establishment of a spinning mill with a capacity of 12,000 cotton yarn spindles.

Wyman-Gordon India Ltd, Bombay, is issuing further capital of Rs. 25 lakhs divided into 25,000 equity shares of Rs. 100 each for cash at par, to be issued to the existing shareholders on rights basis. Out of this, shares of the value of Rs. 12.50 lakhs will be issued to Wyman-Gordon Company of the U.S.A. The proceeds of the issue will be used for financing the expansion of the forge plant.

Gammon India Ltd, Bombay, is to issue further capital of Rs. 73 lakhs consisting of Rs. 23 lakhs divided into 230,000 equity shares of Rs. 10 each on rights basis in the ratio of one share for every five held for cash at a premium of Rs. 1.50 a share and Rs. 50 lakhs divided into 50,000 9.3 percent redeemable preference shares of Rs. 100 for cash at par to be issued to the public by prospectus. The proceeds of the issue will be used for carrying on the business as civil engineers and contractors.

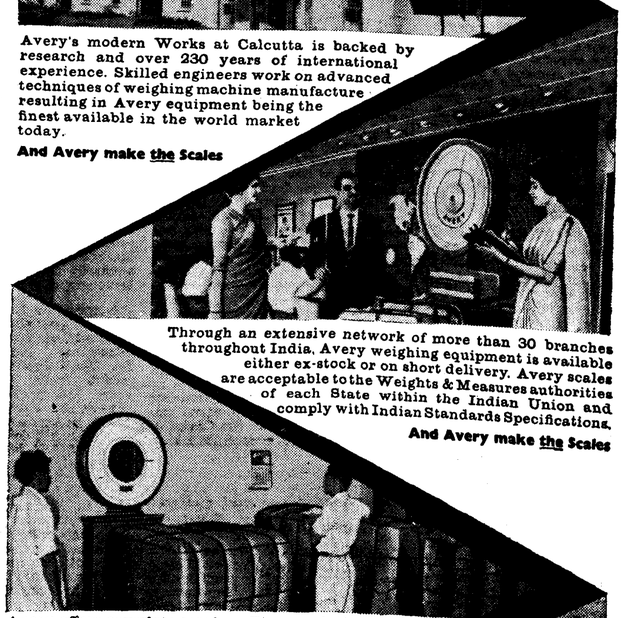
Sri Anjaneya Cotton Mills (P) Ltd, Devangere (Mysore State), is to issue further capital of Rs. 10 lakhs, divided into 200 equity shares of Rs. 5,000 each for cash at par to be subscribed privately by the directors and their friends. The proceeds will be used for purchasing textile machinery.

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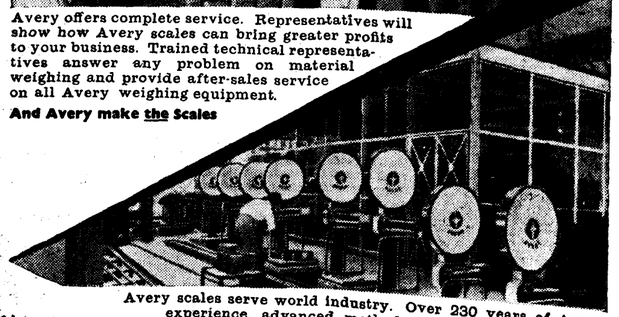
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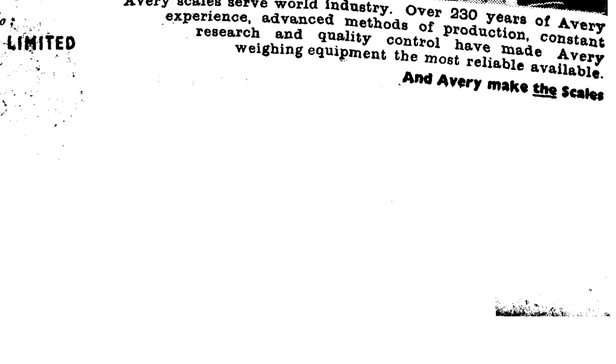
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BANKING AND COMPANIES BILLS STILL WORRY LYONS RANGE

Wednesday Evening.

THE Calcutta stock market has closed in a hesitant mood during the past week. The earlier shake-out was due to nervous long liquidation, combined with bear pressure. Considering the several shocks Lyons Range has had to face, its resilience is remarkable. Sentiment was shaken by the sharp fall in Wall Street following the assassination of President Kennedy. The introduction of several economic Bills in the Lok Sabha last week has caused nervousness. The proposed amendments to banking and company laws, in particular, have disturbed confidence. It is feared that the severe restrictions proposed on private banks will interfere with the flow of credit to trade and industry. Anyway, the prospect of a bigger supply of bank credit to the stock market is considered remote under the present circumstances.

Lyons Range is worried by one important provision of the Companies (Amendment) Bill. It relates to the loans given to companies by the Government and financing institutions like the L.I.C., I.F.C., N.I.D.C., I.C.I.C.I. and international and Commonwealth financial institutions. It is proposed to empower the Government to convert its loans to a company into shares of the latter at will. If the loans can be converted into shares, the control or ownership of a company may easily pass into the hands of the Government. It is likely that several companies will, therefore, be chary of taking loans from the Government. Since corporate profitability has, by and large, been restrained by the Government's policies, the danger is that modernisation, expansion and diversification of activities will suffer due to the shortage of funds.

The stock market has given little attention to the move to set up a unit trust in the public sector. Since it is likely to function in a stereotyped way like other Government undertakings, it may not contribute to the revival of confidence in the capital market. It is generally felt that the benefits of unit trusts could be more pronounced if they are also allowed in the private sector.

There has been a moderate recovery towards the close due to replacement purchases and short-covering. Wednesday's clearing passed off smoothly. There has been little change in carry-forward charges. Operators are, nevertheless, reluctant to extend their commitments for the time being. There is a general inclination to wait until the Central Finance Minister makes his statement on economic affairs in the Lok Sabha. It is believed that he may announce fresh incentives to promote economic growth. Whether he will indicate his intention to modify, if not scrap, the super profits tax is anybody's guess. Anyway, the shake-out has done a lot of good in that the technical position of the market has improved. Whether the present level of prices has discounted all unfavourable developments is difficult to say. The near-term trend is likely to remain uncertain.

Indian Iron have declined considerably and sentiment has weakened due to discouraging production figures of the Company for November. The output of pig iron has declined from 81,704 tons in October to 76,696 tons in November. The production of steel ingots has fallen from 85,840 tons to 81,595 tons and that of salable steel from 76,520 tons to 64,682 tons. Despatches of salable steel have been smaller at 63,617 tons, against 73,051 tons. The managing agents of the Company attribute the decline in the production of pig iron to the fact that one furnace has been put out for relining.

Engineering shares have fallen, although the closing prices show a modest recovery. Guest, Keen, Williams, Texmaco, Jessop, Burn, Indian Standard Wagon, and Kumardhubi have been transacted. Britannia Engineering have been maintained. J. K. Steel have gained on paying a bigger ordinary dividend.

Turnover in miscellaneous shares has declined and prices have generally slipped back due to the absence of fresh support. Although clearing scrip have recovered slightly towards the close, they show considerable losses over the past week. Union Carbide have been steady on prospects of a rights share issue in the proportion of three new ordinary shares for every seven held. The Controller of Capital Issues will decide at what price the new shares are to be issued.

Britannia Biscuits have spurted sharply on favourable corporate rumours. Goodyear India have been maintained on reports of bigger production. Interest has been taken in Angelo Brothers. India Steamship have reacted on pressure. Among new scrip, attention has centred on Hindustan Aluminium, Hindusthan Twyfords, and India Carban. Electric company shares have been neglected, but stray business in Calcutta Electric has been done.

Bank shares have been sold. United Commercial and United Bank have been transacted. General insurance shares like Ruby General have been depressed on the prospect that the L.I.C. will enter this field of business early next year. Paper shares have lost on balance, but attention has generally been concentrated on Orient, India Paper Pulp, Seshasayee and Sirpur. Ballarpur have been maintained on producing good results, although the ordinary taxable dividend of 14.5 percent has been repeated.

Sugar shares have been offered freely without attracting support. The prospect of an increase in the price of the commodity has been ignored by investors. Dyer Meakin Breweries have been an exception since the Company is mostly concerned with producing alcohol. Cotton mill shares have been quiet. J. K. Rayon have moved both ways. Elgin have been steady on prospects of a bonus issue. Interest has been shown in Dunbar, Bowreah and Jay Shree Textiles.

Jute shares have moved down in sympathy with the general trend. The investors have been disturbed by the sluggish overseas enquiries for gunnies. Birla, Champdany, Anglo-India, New Central, Union, Northbrook, India and Ganges have lost on balance. Kamarhatty and Kanknarrah have been about steady on declaring taxable interim ordinary dividends of 5 percent each. Coal shares have lacked interest and stray business in Burrakur, Central India and Equitable has been transacted. Turnover in tea shares has been small and fluctuations have been narrow. In Assam group, Grob. Tezpore and Betjan have attracted attention. Among Dooars gardens, Hasimara and Birpara have been steady. In Darjeeling group, Margaret's Hope have been transacted.

Government securities have been steady. Support has been extended to short- and medium-dated stocks. The 3 percent Conversion loan 1963 is quoted at Rs. 65.85. Selected preference shares have been favoured.

Bombay

INCENTIVES HOPED FOR FROM T. T. K.

LITTLE INTEREST IN UNIT TRUST

Wednesday Evening.

THE Bombay stock market has started the new account on Monday on a slightly steadier tone. The earlier nervousness has abated considerably, but the shake-out has helped improve the technical position. Dalal Street has been disturbed by the bearish implications of the proposed amendments to the company and banking laws. The decision to form a unit trust in the public sector has been coldly received, as it is not likely to be of much help to

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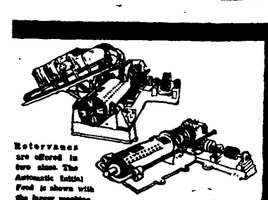
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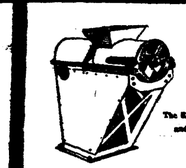
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the capital market under the present circumstances.

The corporate news has not been favourable. Talk of nationalising the motor-car industry in order to reduce the prices of motor-vehicles has induced pressure in motor-vehicle shares. Cotton mill interests are worried because the Government is not keen on increasing cloth prices for the time being. Sentiment has, nevertheless, improved towards the close due to replacement purchases. Bears have also begun to cover their open positions in view of the general belief that the Central Finance Minister may indicate fresh incentives for economic growth in his forthcoming statement on the economic situation in the Lok Sabha.

Tata Steel ordinary have settled down to a lower price of Rs. 24.20. The higher production figures for November have helped the recovery at the close. Among engineering shares, Tata Locomotive, Premier Construction and *Larsen and Toubro* have shown fair losses on balance. Mukand Iron have been about steady on influential support. Gammon India have been maintained on prospects of a rights share issue in the proportion of one new ordinary share for every five held, at a premium of Rs. 1.50 a share. In motor-vehicle shares, Hindustan Motors have declined on pressure from Lyons Range. Premier Automobiles have been depressed, although the interim margin imposed on sellers has been withdrawn.

Cotton mill shares have shown widespread losses. Century, Bombay Dyeing, Kohinoor, Standard, Svadeshi and Tata Mills dropped earlier, but they have recovered somewhat towards the close. India United ordinary and Gokak have also been subdued.

Miscellaneous shares have fluctuated in line with the general trend. In the cement group, Associated Cement have been sold freely due to the repetition of the ordinary taxable dividend at 12 percent. In the absence of fuller details about the working results, it is not possible to ascertain whether the dividend will have to be paid by drawing on reserves as in previous years. Digvijay have been quiet. Sugar shares have *lacked interest despite the prospects* of an increase in the price of the commodity. Belapur, Walchandnagar Industries and *Phalton* have declined.

Mining shares have been subdued, and Shivrajpur Syndicate have fallen on a predominance of sellers. Steamship company shares have reacted. Scindia and Great Eastern Shipping have been quoted lower. Chemical shares have been quiet. Tata Chemicals have lost in spite of the prospects of expansion, as has been indicated in the chairman's *statement at the* annual general meeting of the Company. Rayon shares have fallen. National Rayon have declined on pressure. Business in cash shares has been negligible and prices have declined on balance.

In banks, Central Bank and Bank of India have been transacted. New India Assurance have been offered freely in the insurance section. Stray business has been transacted in electric company shares. Ahmedabad, Tata Power and Bombay Suburban have changed hands.

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Madras

BOMBAY ADVICES MAKE OPERATORS HESITANT

POOR TURNOVER IN CLEARING SHARES

Tuesday Evening.

THE Madras stock market has been quiet during the past week and share prices have declined generally in reduced turnover. The trend has been hesitant due to uncertainties created by the proposed amendments to the company and banking laws. Easier Dalal Street advices, combined with the lack of support from outside sources, have shaken confidence. Turnover in clearing shares has declined to almost a trickle. There has been a predominance of sellers in cash scrip which have shown fair losses. Investors and operators are inclined to hold off until Mr. T T. Krishnamachari, Central Finance Minister, makes his statement on the economic situation in the Lok Sabha.

Government securities have been steady and support has been extended to selected State Government loans. Interest has been taken in selected preference shares. Bank shares have been neglected, and stray business has been transacted in Indian Overseas at Rs. 147.50 and in Canara at Rs. 81.50. Among electric companies, Salem-Erode have changed hands at Rs. 14.28 and Negapatam at Rs. 10.70. Sugar shares have declined on pressure. Deccan have been available at Rs. 12.35 and E.I.D. at Rs. 38.10. K.C.P. have been at Rs. 23.90 on declaring an ordinary dividend of 15 percent, subject to the sanction of the Industrial Finance Corporation. Madura have been transacted at Rs. 10 on declaring a taxable ordinary dividend of 8 percent.

Planting shares have generally been quiet due to the absence of buyers. Blue Mountain have declined to Rs. 2.60 and Cochin Malabar to Rs. 6.25. Consolidated Coffee have been offered at Rs. 21.35 and Ouchterlony at Rs. 4.65. Business has passed in Periakaramalai at Rs. 3.42 and in Nelliampathy at Rs. 3.68. Panchura have been done at Rs. 3.25 on declaring a taxable ordinary dividend of 15 percent on old shares. Waterfall have come to hand at Rs. 2.45 on declaring a taxable ordinary dividend of 10 percent. Kil Kotagiri have dropped to Rs 5.20, Nilambur to Rs. 12.75. Parkside to Rs. 27.50 and Savamalai to Rs. 4.55.

Except for Buckingham and Bangalore Woollen, cotton textile shares have been subdued. The former scrip have quoted Rs 297 and the latter Rs. 235. Anglo-French have been sold at Rs. 142.25 and Loyal at Rs. 42.50. Business has passed in Mettur at Rs. 299 and in Rajapalayam at Rs. 148.40. Ramakrishna have been taken at Rs. 217.80 and Kothari at Rs. 9.35. Vijayeswari have been done at Rs. 112 and Adoni at Rs. 9.40. South India Viscose have slumped to Rs. 138 and Travancore Rayon to Rs. 25.75. Lakshmi have been transacted at Rs. 133 and Madura at Rs. 33.75.

Miscellaneous shares have been quiet. Aluminium Industries have been available at Rs. 19.35 and Ashok Leyland at Rs. 7.12. Mettur Chemical have been somewhat steady around Rs. 12.28. Among cement shares, Dalmia have come to hand at Rs. 12.70 and India Cement at Rs. 5.52. South India Steel have been done at Rs. 9.37 on declaring a taxable ordinary dividend of 7.5 percent. Seshasayee Paper have been steady at Rs. 8 and Tube Investment at Rs. 228. Ruby Rubber have been wanted at Rs. 4.65 on the payment of a taxable ordinary dividend of 4.5 percent. Spencer have been steady at Rs 20.75, but Madras Rubber have been easier at Rs. 14.80. Kirloskar Electric have been transacted at Rs. 18.50 and Parry's Confectionery at Rs. 3.25.

THE WEEK'S TRANSACTIONS

[In the following list of stocks and shares in which transactions have taken place during the past week, the figures indicate Opening Quotations, Highest for the week, Lowest for the week, Closing Quotations and Quotations for the corresponding Closing Date a Year Ago. The last-named is shown in parentheses and will not be given where such a quotation is not available.]

CLEARED SECURITIES

Birla Jute—Rs. 31/87—32/00—31/00—31/44—(29/50).
Burrakur Coal—Rs. 17/06—17/19—17/06—17/12—(16/00).
Dunlop Rubber—Rs. 36/25—36/37—35/87—36/00—(36/25)
Guest, Keen, Williams—Rs 27/19—27/44—26/19—26/31—(34/87).
Hindustan Motors—Rs. 18/06—18/72—18/12—18/41—(16/25).
Howrah Jute—Rs 19/25—19/25—18/75—19/00—(19/06).
Indian Aluminium—Rs. 30/62—30/72—29/44—29/62—(32/00).
Indian Cable—Rs. 38/81—38/87—38/81—38/81—(34/50).
Indian Copper—Rs. 3/42—3/47—3/32—3/38—(4/22)
Indian Iron—Rs. 24/68—24/75—23/94—24/20—(22/00).
J. K. Cotton—Rs 12/19—12/25—11/94—11/94—(14/25).
Jaipur Udyog—Rs. 11/75—11/81—11/56—11/69—(11/00 S.T.).
Kesoram Industries—Rs. 26/87—27/00—25/12—25/31—(22/00).
Orient Paper—Rs. 38/70—38/70—37/55—37/70—(36/20).
Orissa Cement—Rs. 14/44—14/44—14/25—14/31—(15/25)
Rohtas Industries—Rs. 12/50—12/62—12/06—12/22—(12/00)
Shree Gopal Paper—Rs. 25/25—25/25—24/75—25/00—(23/25).
Textile Machinery—Rs. 27/65—27/80—26/60—26/90—(20/00).

GOVERNMENT SECURITIES

3 % Loan (1986)—Rs. 65/95—65/95—65/95—65/95.
3 % ,, (1966-68)—Rs. 97/95—97/95—97/95—97/95.
3½% ,, (1964)—Rs. 99/85—99/85—99/85—99/85.
3½% ,, (1967)—Rs. 99/65- 99/65—99/65—99/65.
3½% ,, (1969)—Rs. 97/00—97/10—97/00—97/10.
4 % ,, (1981)—Rs. 98/63—98/63—98/60—98/60.
4 % ,, (1973)—Rs. 99/20—99/20—99/20—99/20.
4 % ,, (1979)—Rs. 98/45—98/45—98/45—98/45.
4 % ,, (1969)—Rs. 99/80—99/80—99/50—99/50.
4 % West Bengal (1967)—Rs. 99/05—99/05—99/05—99/05.
4½% Loan (1973)—Rs. 100/00—100/10—100/00—100/00.
4½% ,, (1972)—Rs. 100/60—100/60—100/60—100/60.
4½% West Bengal (1970)—Rs. 98/40—98/40—98/40—98/40.
4½% Madhya Pradesh (1974)—Rs. 99/35—99/35—99/35—99/35.
4½% Orissa (1974)—Rs. 98/90—98/95—98/90—98/95.

BANKS

Allahabad (Pref.)—Rs. 93/50—93/50—93/00—93/00.
Punjab National—Rs. 19/37—19/69—19/19—19/69—(20/62).
United Bank of India (Rs. 10/- paid)—Rs. 7/75—7/94—7/62—7/75—(7/62).
United Commercial—Rs. 71/00—72/00—71/00—71/50—(80/00).

COTTONS

Bowreah—Rs. 24/06—24/50—24/06—24/50—(24/00).
Cawnpore—Rs. 7/31—7/37—7/31—7/37—(7/06).
Elgin—Rs. 23/00—23/37—22/94—23/12—(19/50)
Do. (Pref.)—Rs. 112/00—112/00—111/00—111/50.
Jay Shree—Rs. 15/94—16/44—15/94—16/25—(16/25).
New Victoria—Rs. 1/56—1/62—1/50—1/53—(1/37).
Do (Pref.)—Rs 2/87—2/87—2/87—2/87.
Orissa—Rs. 6/25—6/25—6/25—6/25—(9/00).
Rajasthan Spinning—Rs. 9/50—9/50—9/50—9/50.
Swadeshi (Pref.)—Rs. 68/00—69/00—68/00—69/00
Shree Madhusudan—Rs. 13/25—14/00—13/25—14/00.

COALS

Bhalgora—Rs. 4/37—4/50—4/37—4/37—(5/00).
Bhulanbarasree—Rs. 10/25—10/25—10/00—10/00—(12/00).
Bharat—Rs. 3/44—3/44—3/44—3/44—(3/53).

Central India—Rs. 9/87—9/97—9/75—9/97—(10/00).
Equitable—Rs 25/00—25/00—25/00—25/00—(25/62).
Harriladih—Rs. 5/50—5/50—5/50—5/50—(8/12).
Katras-Jherriah—Rs. 33/50—33/56—33/50—33/56—(48/75).
Raneegunge—Rs. 13/31—13/62—13/31—13/62—(15/00).
South Karanpura—Rs. 8/69—8/75—8/69—8/75—(7/00)
Shree Mahakali—Rs. 4/50—4/62—4/44—4/62.
Western Bengal—Rs. 8/87—8/94—8/75—8/81—(8/87).

JUTES

Agarpara—Rs. 10/37—10/37—10/37—10/37—(10/19).
Alliance—Rs. 150/00—150/00—150/00—150/00—(117/00).
Anglo-India (Pref.)—Rs. 98/00—98/00—98/00—98/00
Budge Budge—Rs. 151/00—151/00—151/00—151/00—(160/00).
Barnagore—Rs. 227/50—229/00 S.T.—213/00 x.d.—213/00 x.d.—(180/00).
Chitavalsah—Rs 10/37—10/50—10/37—10/50—(11/25).
Champdany—Rs. 22/69—22/69—22/69—22/69.
Cheviot—Rs. 22/50—22/50—22/50—22/50—(23/94)
Dalhousie—Rs 140/00—140/00—140/00—140/00—(125/00)
Fort William—27/00—27/00—26/44—26/44—(25/37).
Ganges—Rs 13/25—13/37—13/12—13/31—(13/12).
Gondalpara—Rs 16/62—16/62—16/00—16/00—(18/62).
Hooghly (Pref.)—Rs. 12/12—12/12—12/00—12/00.
Kelvin—Rs. 194/00—194/00—191/00—192/00—(190/00).
Kanknarrah—Rs. 140/00—140/00—139/00—139/00—(130/00).
Kamarhatty—Rs. 193/00—193/00—193/00—193/00—(164/50).
Kinnison—Rs. 138/00—138/00—138/00—138/00—(153/00)
Lansdowne—Rs. 97/50—97/50—97/50—97/50—(120/00).
Megna—Rs. 13/12—13/12—12/94—13/06—(12/62).
New Central—Rs. 13/37—13/37—13/06—13/25—(13/62).
Nuddea—Rs. 63/50—63/50—62/00—62/00—(55/00).
Nellimarla—Rs. 12/37—12/69—12/37—12/69—(11/25).
National (Pref.)—Rs 93/50—93/50—93/50—93/50.
Presidency—Rs. 5/50—5/56—5/31—5/37—(4/95)
Reliance (Pref.)—Rs. 120/50—121/00—120/50—121/00.
Waverley—Rs. 8/31—8/31—8/31—8/31—(5/62).

MININGS

Assam Sillimanite—Rs. 7/50—7/50—7/37—7/37.
Chrestien Mica (Pref.)—Rs. 38/50—38/50—38/50—38/50.
Karanpura Development—Rs. 11/56—11/56—11/56—11/56—(12/00).
Metal Corporation—Rs. 7/81—8/06—7/81—8/00—(4/22).
Orissa Minerals—Rs. 26/00—26/00—26/00—26/00—(36/50).

CEMENTS

Ashoka—Rs. 7/31—7/37—7/19—7/37—(7/50).
Assam Bengal—Rs. 3/50—3/62—3/50—3/62—(4/00).
Bengal Potteries—Rs. 5/37—5/37—5/37—5/37—(5/54)
Dalmia (Bharat)—Rs. 12/91—12/91—12/91—12/91—(13/81)
Do (Pref.)—Rs 7/97—8/00—7/97—8/00—(8/50)
Sone Valley—Rs. 4/44—4/62—4/44—4/62—(4/53).

CHEMICALS

Alkali & Chemical—Rs. 34/00—34/25—33/62—33/62—(37/50)
Smith Stanistreet (Pref.)—Rs. 71/50—72/00—71/50—72/00.

ELECTRICS

Calcutta—Rs. 14/37—14/75—14/31—14/75—(14/87)
Do (Pref.)—Rs. 7/72—7/94—7/72—7/87
Patna—Rs 10/25 S T—10/50—10/25—10/44—(10/81).
Shahjahanpur—Rs. 6/87—6/87—6/87—6/87—(7/00).
U.P.—Rs 144/00—145/00—143/00—145/00—(120/00).
Upper Jumna—Rs. 18/00—18/00—18/00—18/00—(15/25).

ENGINEERINGS

Bharat Ball Bearing—Rs. 14/75—14/87—14/62—14/81—(14/19).
Britannia Eng.—Rs. 10/56—10/69—10/34—10/34—(10/75).
Burn & Co.—Rs. 318/00—319/00—317/00—317/00—(600/00).
Do. (7% Pref.)—Rs. 116/00—116/00—116/00—116/00.
Binani Metal—Rs. 11/62—11/62—11/50—11/62—(10/00).
Braithwaite & Co.—Rs. 34/25—34/25—34/25—34/25—(33/50).
Dalmia Iron—Rs. 11/69—11/69—11/56—11/69—(11/44).
Escorts—Rs. 17/12—17/25—17/12—17/25.
Hindusthan Wire—Rs 10/62—10/69—10/62—10/69.
Indian St. Wagon—Rs. 35/50—35/62—35/25—35/62—(30/50).
Do. (Pref.)—Rs. 114/00—114/00—113/00—113/00.
Jessop & Co.—Rs. 25/06—25/06—24/00—24/06—(22/00).
J. K. Steel—Rs. 17/06—17/25—17/00—17/12—(16/25).
Kumardhubi—Rs. 9/16—9/16—9/12—9/15—(7/50)
Marshalls—Rs 2/56—2/56—2/50—2/53—(3/25).
Machinery Manfrs.—Rs. 24/62—24/62—24/62—24/62
National Iron & Steel—Rs. 5/75—5/87—5/69—5/69—(4/75).
Saran Eng.—8/00—8/00—7/94—7/94—(11/12)
Textile Machinery (6½% Pref.)—Rs. 102/00—102/00—102/00—102/00.
Wellman Incandescent—Rs. 8/12—8/19—8/12—8/19

INSURANCES

Hercules—Rs. 23/25—23/25—23/25—23/25—(25/37)
New Asiatic—Rs 8/56—8/56—8/25—8/25.
Ruby General—Rs. 10/37—10/40—10/25—10/31—(9/69).

MISCELLANEOUS

Airways (India)—Rs. 4/69—4/69—4/69—4/69
Aluminium Corpn.—Rs. 13/56—13/56—13/25—13/50—(15/12).
Angelo Brothers—Rs. 26/62—26/87—25/75—26/75—(22/75).
Associated Battery—Rs 28/62—28/62—28/00—28/00—(27/00).
Albion Plywood—Rs. 8/15—8/15—8/15—8/15.
Asiatic Oxygen—Rs. 13/37 S.T.—14/19—13/37—14/19—(9/28).
Balmer Lawrie—Rs. 257/00—257/00—256/00—256/00—(257/00).
Bararee Coke—Rs. 22/19—22/25—22/06—22/06—(24/50).
B. I. Corpn.—Rs. 8/50—9/30—8/45—9/00—(9/50)
Do. (Pref.)—Rs. 109/00—109/00—108/00—108/00.
Bharat Nidhi—Rs. 5/94—6/00—5/94—5/94.
Britannia Biscuits—Rs. 43/00—51/50—43/00—51/50—(45/12).
Duncan Brothers (Pref.)—Rs. 56/50—56/50—56/50—56/50.
Dyer Meakin Breweries—Rs. 31/75—32/50—31/75—32/50—(29/62).
English Electric—Rs. 14/00—14/12—13/87—13/87
Eastern Investment—Rs. 111/00—111/00—111/00—111/00—(129/00).
East Anglia Plastics—Rs. 8/94—8/94—8/94—8/94—(14/50).
General Tyres—Rs 10/00—10/00—9/69—10/00—(8/19)
Gillanders Arbuthnot—Rs. 14/12—14/25—14/12—14/19—(14/06).
Hindustan Aluminium—Rs 13/94—14/00—13/62—13/75—(13/50)
Hindusthan Development—Rs 4/62—4/75—4/62—4/75
Hindusthan Gas—Rs. 25/00—25/12—25/00—25/12
Hindusthan Wire Pro.—Rs. 20/00—20/00—20/00—20/00
Hindustan Lever—Rs. 39/00—39/50—39/00—39/50—(42/50).
Imperial Tobacco—Rs. 10/06—10/37—10/06—10/12—(10/87)
India Carbon—Rs. 16/50—16/69—16/44—16/44
Indian Oxygen—Rs 28/00—28/25—27/25 S T—27/87 S.T.—(30/75).
Isaac Holdens—Rs 16/25—16/31—14/62 X R.—14/75 X.R.—(15/56).
Ivan Jones—Rs. 0/62—0/62—0/62—0/62.
Indian Plastics—Rs. 8/00—8/00—8/00—8/00
J K Synthetics—Rs 12/37—12/87—12/25—12/50—(12/19).
Jardine Henderson—Rs. 78/50—78/50—78/50—78/50—(68/00)
Do. (Pref.)—Rs 55/00—55/00—55/00—55/00
Jay Shree Industries—Rs 14/69—14/75 x Bom. 14/69—14/75 x Bom.—(16/50).
Macneill & Barry—Rs. 92/00—92/00—92/00—92/00—(93/50).
Madhya Pradesh—Rs. 9/00—9/00—9/00—9/00
Martin Burn—Rs. 28/62—28/62—28/50—28/50—(29/81).
Metal Box—Rs. 52/00—52/50—51/75—52/25—(53/50).
Metal Distributors—Rs. 4/25 S.T.—4/39—4/25—4/39—(4/37).
McLeod & Co. (2nd Pref.)—Rs. 61/00—61/50—61/00—61/50—(61/00).
National Insulated Cable—Rs. 24/37—24/50—23/87—24/00—(25/00).
National Rolling & Steel Ropes—Rs. 20/50—20/50—20/37—20/37—(21/37).
National Rubber Mfg.—Rs. 13/37—13/75—13/31—13/75—(11/25).
National Tobacco—Rs. 13/19—13/50—13/19—13/50—(13/00).
National Pipes & Tubes—Rs. 28/19—28/19—28/19—28/19—(29/75).
Phillips Carbon—Rs. 15/37—15/50—15/37—15/50.
Phillips India—Rs. 28/50—28/50—28/50—28/50.
Rohtas Industries (B' Pref.)—Rs. 53/50—54/00—53/50—54/00.
Rallis India—Rs. 131/50—131/50—131/00—131/00—(150/00).
Shaw Wallace—Rs. 16/81—17/19—16/69—17/19—(18/87).
Shalimar Wire—Rs. 4/50—4/50—4/50—4/50.
Sirsilk—Rs. 9/81—10/12—9/75—9/87—(8/75).
Union Carbide—Rs. 43/87—43/50—42/50—42/75—(43/50).
Universal Cables—Rs. 11/62—11 87—11/62—11/75
Usha Martin Black—Rs. 17/31—17/31—17/31—17/31—(15/12).
Universal Electrics—Rs. 9/81—10/06—9/81—10/06.
Walford Transport—Rs. 4/00—4/06—4/00—4/06—(3/37).

PAPERS

Ballarpur—Rs. 18/00—18/00—17/87—18/00—(17/50).
Bengal—Rs. 28/50—28/50—28/25—28/25—(32/12)
India Paper Pulp—Rs 19/06—19/06—19/00—19/06—(18/87).
Seshasayee—Rs. 7/87—8/06—7/87—7/94.
Sirpur—Rs. 14/06—14/06—13/69—13/78—(11/50)
Straw Products—Rs. 10/25—10/75—10/12—10/62
Do. (Pref.)—Rs. 93/00—93/00—93/00—93/00
Titaghur—Rs. 17/00—17/06—16/62—16/87—(36/00).

SHIPPINGS

India Steamship—Rs. 7/37—7/50—7/19—7/37—(6/25)
India General Nav.—Rs. 44/00—44/00—44/00—44/00—(66/50).
Do. (Pref.)—Rs. 79/00—79/00—79/00—79/00.
Port Shipping—Rs. 14/69—14/75—14/62—14/75—(12/06).

OIL

Tide Water—Rs. 29/12—29/12—29/12—29/12—(26/00).

SUGARS

Balrampore—Rs. 1/90—1/95—1/81—1/95—(2/34)
Bharat—Rs. 16/00—16/00—16/00—16/00—(12/87).
Carew & Co.—Rs. 11/31—11/31—11/31—11/31—(12/25)
Cawnpore—Rs. 9/75—9/75—9/75—9/75—(12/37)
Champaran—Rs 12/62—12/62—12/62—12/62—(15/87)
Ryam—Rs 3/37—3/37—3/37—3/37—(8/06)
Raza Buland—Rs. 10/37—10/44—10/37—10/44—(10/15)
Shree Hanuman—Rs 12/60—12/60—12/60—12/60
Shree Krishna Gyanoday—Rs 8/62—8/62—8/62—8/62—(9/06)
Samastipore Central—Rs. 5/25—5/25—5/25—5/25—(9/62)
Tulsipore—Rs 4/03—4/03—4/03—4/03.
United Provinces—Rs. 10/50—10/50—10/50—10/50—(10/62).

SAW MILL

Assam Saws—Rs 2/62—2/66—2/62—2/66—(2/75).

TEAS

Belgachi—Rs 19/87—20/50—19/87—20/50—(20/50)
Baitakhal—Rs. 7/72—7/72—7/65—7/71—(6/59)
Dhelaknat—Rs. 20/75—20/75—20/75—20/75—(20/00)
Dehra Dun—Rs 80/00—80/00—80/00—80/00
Eastern Cachar—Rs 4/50—4/56—4/50—4/56—(4/12).
Gohpur—Rs. 15/00—15/00—14/69—14/69—(13/31).
Grob—Rs. 7/87—8/00—7/69—7/81—(8/06),
Hoolungoorie—Rs. 200/00—200/00—200/00—200/00—(190/00).
Huldibari—Rs. 13/05—13/05—13/05—13/05—(13/69).
Jaybirpara—Rs. 23/69—23/81—23/69—23/81.
Joonktollee—Rs. 18/75—18/75—18/75—18/75.
Killcott—Rs. 15/75—15/75—15/37—15/50—(17/31).
Ranicherra—Rs. 12/62—12/75—12/62—12/75—(16/75).
Sungma—Rs. 14/50—14/62—14/44—14/62—(12/75).

DEBENTURE

6¼% Indian Aluminium—Rs. 95/50—95/50—95/50—95/50.

London

CPERATORS CHEERED BY POLITICAL NEWS

WIDESPREAD RISE IN EQUITIES

London, 4th December.

IT was an extremely satisfactory week in the stock market and prices moved ahead in response to a demand which increased daily. The remarkable rebound on Wall Street after the heavy fall registered on the day of President Kennedy's assassination set the pace for the London market. Sentiment was cheered by a steady flow of good business news and in the past two days, optimism concerning the Government's chances in next year's general election was boosted by the defeat of Labour in the Australian and New Zealand elections. Gilt-edged were helped at one time by the decline in the U.S. Treasury Bill rate, but with buying interest almost entirely confined to equities, they later faded into the background. A flood of new issues also held money back from the gilt-edged market. The advance in equities was on a broad front, but among the outstanding sections were textiles, building and engineering shares. Bank, insurance and property shares also gave a good account of themselves. Dollar stocks, of course, reflected Wall Street and gains were substantial. Gold shares gave a satisfactory performance in quiet trading and most other mining sections made some headway with tins reflecting the fresh rise in the metal price to its highest level since the Korean crisis. Oils showed up well and Shell advanced to a new 1963 peak. Rubbers and teas improved.

SHELLAC STEADY

During the week ended 4th December, 1963, the market was steady.

	(Rs. a package)
Pure buttonlac	98 value. 100 buyers 104 sellers.
Lemon one shellac	114 value. 100 to 106 buyers.
Lemon two shellac	104 to 110 sellers. 90 value. 86 buyers. 90 sellers.
Standard one shellac	72. 74 buyers 76. 78 sellers.
Pure T. N. shellac	64. 66 buyers. 68. 70 sellers
Golden kusmi seedlac	119 to 134 value.
Kusmi one seedlac	80. 90 value.
Golden Bysacky seedlac	76. 80 value
Manbhum Fine Bysacky seedlac	56. 60 value.
Fine Bysacky seedlac	48. 50 value.
Genuine Bysacky seedlac	38. 40 value.
Grade One Class B seedlac	56 value. 56. 60 buyers. 60. 64 sellers.
Grade Two Class B seedlac	42. 44 buyers. 46. 48 sellers.

Shipments during November until 28th were 17,267 packages.

Money

NEW BANKING BILL CONTAINS DRACONIAN PROVISIONS

(BY A SPECIAL CORRESPONDENT)

The new Banking Bill, which the Central Finance Minister has introduced in the current session of the Lok Sabha, is a draconian measure, so it has come as a rude shock to the banking community. A special correspondent doubts whether the Reserve Bank will be able to administer the powers which are proposed to be conferred on it. The Bank's administrative machinery requires to be strengthened if it is at all necessary to assume fresh powers to curb the alleged irregularities in the banking system.

TRUE to his word, the Central Finance Minister, Mr. T. T. Krishnamachari, has introduced the Banking Laws (Miscellaneous Provisions) Bill in the Lok Sabha. Although the contents of the Bill are on the lines anticipated earlier, and were known to most people interested in banking affairs, surprisingly few copies of the Bill were made available to the Press and the public. The drastic nature of its provisions has come as a rude shock to the banking fraternity. Many believe that if the Bill is seriously implemented, it will sound the death-knell of the private sector in banking. Bankers, it is felt, should organise meetings and conferences to educate public opinion against the draconian banking reform. The least that can be done is that the Bill should be referred to a select committee and those who are affected by it should be given a reasonable opportunity to express their opinion.

Unsecured Advances

The new Bill prohibits a bank from sanctioning unsecured advances to (a) any of its directors; (b) firms or private companies in which any of its directors is interested as partner or managing agent or guarantor or to individuals in cases where any of its directors is a guarantor; (c) to any public company in which the chairman of the board of directors of the bank is interested as chairman or managing director of the public company or as director or partner of the managing agent of such a company. There are several companies in which chairmen of banks and other directors have interests. These companies are playing a vital rôle in holding the price line, raising exports and producing items which are essential for defence effort.

Because of the new provisions, if the banks sharply reduce or stop finance to the companies which are associated with these chairmen and directors, there is bound to be a setback in the economy. Advances to directors' companies in the case of the State Bank come to as much as 27 percent, against 13 percent in the case of banks in the private sector. Many firms and companies controlled by directors of banks are sound by any standard and they would certainly stand any scrutiny as far as prudent business principles are concerned. In fact, it is banks which often invite eminent industrialists to join their boards of management in order to get business and connections. How otherwise could banks function in an underdeveloped country which suffers from the paucity of capital and managerial talent?

In addition, according to the provisions of the Banking Bill, a bank can be forbidden to remit—without the prior approval of the Reserve Bank—any debt due to it from the directors of any firm or company in which the bank's directors are interested or if any of the bank's directors is his partner or guarantor. The Reserve Bank is also to be empowered to nominate up to a maximum of five persons as additional directors of a bank if, in its opinion, this is essential in the interests of the bank and its depositors. It is difficult to appreciate the need for these provisions The first provision prohibiting the writing off of the debts of directors' firms is tantamount to the allegation that they are conspiring to cheat the banks. This is a sweeping allegation which should have been brought to public notice with concrete instances to justify the draconian measure. Similarly, the power given to the Reserve Bank to remove directors and officers of banks and appoint not more than five additional directors is, to say the least, drastic. Bureaucratic interference in the day-to-day administration of banks will grow. Should the banking system be made a playground of politicians and bureaucrats? Banking is a serious affair, and should be conducted on business lines. Any premature tampering with it will dislocate the entire financial mechanism.

Issuing Directives

The Reserve Bank is empowered to issue directives to banks, either generally or individually, on (a) the maximum amount of advances which, in the light of the paid-up capital, reserves and deposits of a bank and other relevant considerations, may be made by that bank to any company or individual; (b) the maximum amount up to which, keeping in mind the above considerations, guarantees may be given by a bank on behalf of any company or individual; and (c) the rate of interest and other terms and conditions on which advances may be offered or gurantees given.

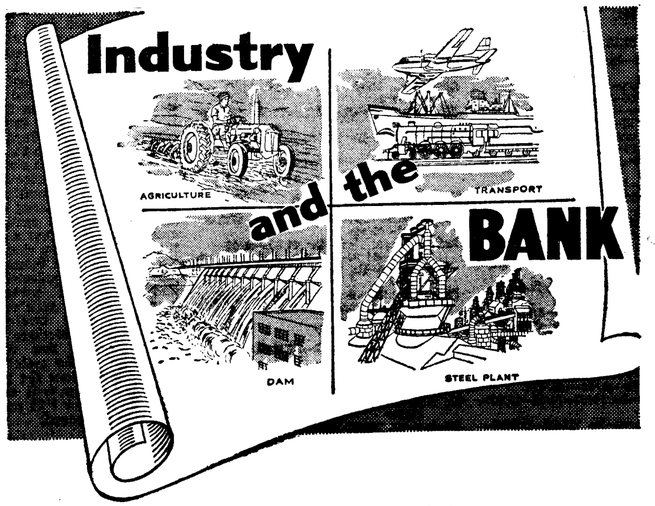
If a bank with an equity base of Rs. 10 crores is directed by the Reserve Bank to give the equivalent of not more than 15 percent of its equity capital in the shape of any particular advance, the result will be that the particular banking company will have to recall the excess advance. In other words, all advances in excess of Rs. 1.5 crores will have to be called back. If each director's or chairman's firm is suddenly asked to pay back—in several cases the bank advances are more than Rs. 5 crores—it will be the surest way of sending the concern into liquidation overnight.

What seems necessary, therefore, is that the provisions of the Bill should be kept in reserve to tackle possible abuses in the banking system which might come to the notice of the Reserve Bank. It is essential that nothing should be done to disturb the *status quo*. Meanwhile, before the provisions are implemented, the safeguards should be clearly defined to prevent bureaucratic bungling. An important question in this context is the effectiveness with which the Reserve Bank will be able to administer the powers which are proposed to be conferred on it. The Bank's administrative machinery has not been strengthened so that it may exercise its new powers efficiently.

Control on Non-banking Companies

The new Bill also gives powers to the Reserve Bank to control the operations of non-banking credit institutions and companies which accept deposits from the public. It is said that bankers, who themselves head some of the companies accepting deposits from the public, suspect that this practice is affecting bank deposits. The impression may not be correct. Firstly, the deposits kept by the public with companies constitute an infinitesimal portion of the aggregate deposits of scheduled banks. For instance, public deposits with companies are estimated at around Rs. 100 crores, against more than Rs. 2,200 crores of deposits with scheduled banks. Is the legislation worth the trouble under such circumstances?

Secondly, the deposits are percolating to the companies because of the unrealistic structure of interests rates maintained by the inter-bank agreement on deposits. Bankers, it will be recalled, pegged the interest rates on deposits roughly at the 1958 level, whereas there has been an upward trend in interest rates in the economy, including an upward revision of Bank rate If commercial banks raised the interest rates, they could have prevented the flow of deposits to companies. But the present legislation tries to prescribe the wrong medicine. The minimum that the Reserve Bank should do is not to burden itself with an unwieldy task. If the Bank has trouble in implementing the lagislation, it will have very few sympathisers to support its case.



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J. Ritchie
General Manager

ACI-AB-31

THE CALCUTTA MONEY MARKET

SLIGHT DECLINE IN ADVANCES

Wednesday, 4th December.

THE general level of advances has decreased a little in the Calcutta money market during the past week. Most of the decrease is in the accommodation given to the iron, steel and engineering industries, although the credit against foodgrains and seeds is also nominally down. Cotton and sugar advances are unchanged, but the requirements of the jute mills show a fair increase. In the inter-bank market, conditions have become very tight because of tax payments and the call rate has jumped up to 5 percent.

The exhcange market has been active, with a good supply of tea and gunny bills. The demand for remittances is fair. In the London market, the weakness of sterling has persisted and it shows losses in relation to all the major currencies except the Swedish and the Dutch. The Swedish kroner has been noticeably easier over the past fortnight.

SILVER WAS VERY STEADY IN Calcutta during the past week due to a sharp rise in purchases especially from upcountry. The price rose from the previous week's level of Rs. 231.75 to Rs. 280, quoted today for ready. The London and New York prices were 111⅛d and 129.3 cents. In spite of a sharp rise in silver, gold was almost steady. The price of 14-carat quoted at Rs. 63, against Rs. 62.75.

DURING THE WEEK ENDED 29TH November, Government of India Treasury bills for Rs. 20,83,50,000 were sold in favour of the Reserve Bank.

TENDERS FOR RS. 2 CRORES OF 91-DAY Government of India Treasury bills were opened on 3rd December. The total amount offered was Rs. 2 crores. Tenders at Rs. 99.420 percent were accepted in full. The total amount accepted was Rs. 2 crores, the average rate of acceptance being Rs. 2.320 percent a year. Tenders for Rs. 2 crores of 91-day Government of India Treasury bills will be received at all centres up to the close of business on 9th December.

IT IS STATED THAT 91-DAY INTERmediate Treasury Bills will be sold from 4th December to 7th December at Rs. 99.436 percent. Sales can be stopped at any time without notice if the Government thinks it necessary. These bills sold from 27th November to 30th November amounted to Rs. 4.77 crores only.

THE DECLINE OF RS. 10.54 CRORES TO Rs. 2,265.05 crores in active notes was an outstanding feature of the return of the Reserve Bank of India for the week ended 29th November, 1963. The total note issue rose by Rs. 1.11 crores to Rs. 2,289.93 crores. Notes held in the Banking Department consequently increased by Rs. 11.64 crores to Rs. 24.92 crores. Deposits of the Government of India and those of State Governments dropped by Rs. 1.91 crores and Rs. 43 lakhs to Rs. 71.14 crores and Rs. 11.19 crores, respectively. Balances of scheduled banks at Rs. 78.91 crores showed a decline of Rs. 6 crores. Balances held abroad were only Rs. 5 lakhs larger at Rs. 10.39 crores. Investments declined by Rs. 26.94 crores to Rs. 246.36 crores. Loans to scheduled banks rose from Rs. 39.90 lakhs to Rs. 79.65 lakhs, of which there was no advance against usance bills. Ways and means advances stood at Rs. 31.81 crores, against Rs. 31.24 crores.

THE RETURN OF THE STATE BANK OF India for the week ended 22nd November, 1963, shows a drop of Rs. 72 lakhs to Rs. 592.60 crores in total deposits. Investments in Government securities are up by Rs. 9.05 crores to Rs. 314.25 crores, while other authorised investments remain unchanged at Rs. 8.95 crores. Advances, including loans, cash credits, overdrafts and bills discounted and purchased have increased by Rs. 93 lakhs to Rs. 259.22 crores. Cash and balances are, in consequence, shown at Rs. 22.33 crores, or Rs. 11.42 crores less.

THE STATEMENT OF THE POSITION OF scheduled banks for the week ended 22nd November, 1963, shows Demand and Time liabilities at Rs. 1,115.33 crores (Rs. 27.65 crores on account of borrowings from banks) and Rs. 1,327.99 crores (Rs. 20.51 crores), compared with Rs. 1,111.77 crores (Rs. 25,57 crores) and Rs. 1,320.99 crores (Rs. 18.06 crores), respectively, in the previous week. Cash has increased by Rs. 3.57 crores to Rs. 57.43 crores, while balances with the Reserve Bank have decreased by Rs. 9.94 crores to Rs. 82.88 crores. There is a rise of Rs. 8.49 crores to Rs. 771.75 crores in investments. Advances and bills discounted at Rs. 1,494.94 crores show a drop of Rs. 1.25 crores. The ratios to total liabilities of cash and balances, and of advances and discounts are, in consequence, shown at 5.7 percent and 61.2 percent, against 6 percent and 61.5 percent.

TREASURY BILL MATURITIES

Details of 91-day bills outstanding with the public on 6-12-63.

Issue Date	Maturity Date	Amount (000's Rs.)	Average Acceptance Rate
6-12-63	9-3-64	2,00,00	Rs. 2.320%
29-11-63	3-3-64	2,00.00	Rs. 2.320%
22-11-63	25-2-64	2.00.00	Rs 2.318%
14-11-63	17-2-64	2.00.00	Rs. 2.300%
8-11-63	11-2-64	2.00.00	Rs 2.310%
28-10-63	31-1-64	2.00.00	Rs 2.318%
23-10-63	26-1-64	2.00.00	Rs 2.320%
18-10-63	21-1-64	2.00.00	Rs 2.320%
11-10-63	14-1-64	2.00.00	Rs 2.318%
4-10-63	7-1-64	2.00.00	Rs 2.318%
27-9-63	30-12-63	2.00.00	Rs 2.318%
20-9-63	23-12-63	2.00.00	Rs. 2.318%
13-9-63	16-12-63	2.00.00	Rs. 2.318%
6-9-63	9-12-63	2.00.00	Rs. 2.318%

(Monthly Maturities 000's omitted)

December, 1962	8.00.00
January, 1964	10.00.00
February, 1964	6.00.00
March, 1964	4.00.00
Total	28.00.00

CLEARING HOUSE RETURNS

Week	Calcutta	Bombay
	Rs. (Lakhs)	
29-11-63	.....	1,11.86
22-11-63	1.01.75	1,19,33

RESERVE BANK

(ISSUE DEPARTMENT)

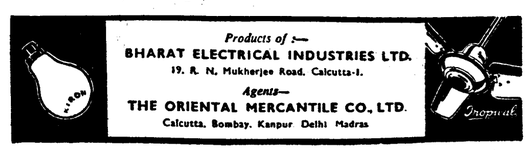
(In 000's of Rupees)	Week Ended 29-11-63	22-11-63	30-11-62
Liabilities—			
Notes in Banking Dept.	24,92,16	13,28,01	12,47,57
Notes in Circulation	22,65,05,42	22,75,58,61	20,71,30,78
Total Notes issued	22,89,97,59	22,88,86,62	20,83,78,35
Assets—			
A Gold Coin and Bullion	1,17,76,10	1,17,76,10	1,17,76,10
Foreign Securities	92,45,69	92,45,69	88,08 43
Total of A	2,10,21,79	2,10,21,79	2,05,84 53
B Rupee Coin	1,20,44,78	1,19,33,84	1,24,64,72
Rupee Securities	19,59,31,02	19,59,31,02	17,53,29,10
Total	22,89,97,59	22,88,86,65	20,83,78,35

(BANKING DEPARTMENT)

Liabilities—			
Capital Paid-up	5,00.00	5,00.00	5,00.00
Reserve Fund	80,00.00	80,00.00	80,00.00
National Agricultural Credit(Long Term Operations) Fund	73,00.00	73,00.00	61,00.00
National Agricultural Credit (Stabilisation) Fund	8,00.00	8,00.00	7,00.00
Deposits—			
(a) 1. Central Govt.	71,13.61	73,05,44	57,90.02
2. State Govts.	11,18.98	11,62.07	10,23.45
(b) Banks :—			
(i) Scheduled Banks	78,91.30	84,90.55	68,77.90
(ii) State Co-operative Banks	2,10.32	2,47.24	1,68,93
(iii) Other Banks	4,91	4.68	4.69
(c) Others	1,66,40.79	1,65,53.29	1,62,06.64
Bills Payable	31,17.92	32,94.67	37,34.89
Other Liabilities	38,74.27	41,23.64	39,41.65
Total	5,65,72.10	5,77,81.58	5,30,48.08
Assets—			
Notes	24,92.16	13,28.04	12,47.57
Rupee Coin	2.71	1.77	2.14
Small Coin	3.60	3,25	2.18
National Agricultural Credit (Long Term Operations) Fund			23,53.63
(a) Loans and Advances to :—			
(i) State Govts	27,02.93	27,06.43	11,48.84
(ii) State Co-operative Banks	9,47.71	9,69,06	
(iii) Central Land Mortgage Banks	..	..	..
(b) Investment in Central Land Mortgage Bank Debentures	3,55,31	3,55.31	2,84.88
National Agricultural Credit (Stabilisation) Fund			
Loans and Advances to State Co-operative Banks	..	..	..
Bills Purchased and Discounted :—			
(a) Internal	..	..	..
(b) External	..	..	..
(c) Govt. treasury Bills	63,70,.23	53,26.50	78,44.47
Balances Held abroad	10,38.93	10,33.94	5,44.57
Loans and Advances to Govt.	31,81.29	31,23.66	9,84.00
Loans and Advances to :—			
(i) Scheduled Banks	79.65	37.90	5,20.45
(ii) State Co-operative Banks	1,29,33,62	1,26,72,73	1,33,60.20
(iii) Others	1,62.30	2,82,55	1,73.07
Investments	2,46,36.34	2,73,30.32	2,13,28.51
Other Assets	26,66.62	26,10.12	32,13.47
Total	5,65,72,10	5,77,81,58	5,30,48.03

SCHEDULED BANKS

(In 000's of Rupees)	Week Ended 22-11-63	15-11-63	23-11-62
(I) Demand Liabilities—			
(a) Demand Deposits			
(1) From Banks	53,35,63	51,57,54	47,09,52
(2) From others	9,71,97,58	9,70,41,86	8,03,96,83
(b) Borrowing from Banks	27,64,86	25,57,15	2,35,15
(c) Others	62,34,55	64,20,83	59,86,49
(II) Time Liabilities—			
(a) Time Deposits			
(1) From Banks	32,22,32	32,42,78	28,59 01
(2) From others	12,65,37,03	12,60,51,84	12,35,70,38
(b) Borrowing from Banks	20,20,94	18,05,97	15,50,43
(c) Others	9,88,75	9,97,95	10,61,99
(III) Borrowing from State Bank—			
(a) Demand Liabilities	7,28,23	7,96,61	4,06,54
(b) Time Liabilities	18,47,00	16,52,00	15,74,25
(IV) Borrowing from Reserve Bank	45,54	2,25,40	1,59 40
(V) Cash	57,43,35	53,86,12	48,30,45
(VI) Balances with the Reserve Bank	82,87,89	92,81,96	78,12,57
(VII) Balances with Other Banks in current account	22,46,79	20,90,37	17,46 20
(VIII) Money at call and short notice	66,15,06	68,49,36	54,11 40
(IX) Investments in Central and State Govt. Securities	7,71,74,57	7,63,26,10	7,01,82,43
(X) (a) Loans Cash credits and Overdrafts	12,46,07,10	12,44,04,60	11,48,52,03
(b) Due from Banks	12,00,83	12,73,02	10,04,21
(XI) Inland Bills ourchased and discounted	1,79,58,72	1,81,19,35	1,59,95,67
(XII) Foreign Bills purchased and discounted	57,27,47	58,21,99	54,53 13
(XIII) Total of X XI and XII	14,94,94,15	14,96,18,96	13,73,05,94



Experience on the line makes the General Electric, U.S.A. boiling water reactor your best investment



3 BILLION KILOWATT-HOURS

Through October, 1963, five G-E boiling-water-reactor plants operating on utility systems had generated more than three billion gross kwh, most of it in the last 30 months. By 1968, at least six more G-E BWRs will be on the line, and the power they produce will have passed 16 billion kwh.

So we speak from experience — operating experience — when we detail the advantages of the G-E BWR's design simplicity... low operating costs... high availability... and easy maintenance.

The simple, direct-cycle design needs less structural material and less auxiliary equipment. There's no heat exchanger to reduce steam temperatures and to complicate maintenance. Steam flows directly to the General Electric turbine-generator at 1000 psi and 545F.

The reactor building is accessible even during operation. To simplify reactor maintenance and refuelling, G. E. uses a bottom-mounted system of mechanical control for the BWR. These bottom-mounted mechanical drives also allow more efficient control and use of fuel. How does this work out in practice? The operators of Dresden Nuclear Power Station (220,000 kwe) report that their BWR plant has matched the ***best*** coal-fired plant on their system in availability.

What happens when the turbine does need inspection or maintenance? Experience has shown there is no delay. When the turbine is thermally ***cool enough*** to work on, it's radioactively ***safe*** to work on.

General Electric boiling water reactors are the most economical nuclear-power producers for utilities... now and for the future. We are offering BWRs in whatever rating you require, at firm prices, with performance warranted. We'd welcome a chance to discuss them with you. Contact **International General Electric Company (India) Pvt. Ltd., Thackersey House, Graham Road, Ballard Estate, Bombay-1** or write *International General Electric Company, Dept. 30-32 CP, 159, Madison Avenue, New York, NY 10016, U.S.A.*

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NATIONAL 34463

ANNOUNCEMENT

THIS IS NOT A PROSPECTUS BUT ONLY AN ANNOUNCEMENT OF THE PROPOSED ISSUE OF THE CAPITAL. INTERESTED PERSONS MAY OBTAIN COPIES OF THE PROSPECTUS FROM THE COMPANY'S REGISTERED OFFICE, BANKERS, BROKERS AND UNDERWRITERS.

ENGEL INDIA MACHINES & TOOLS LIMITED

(Incorporated in India as a Public Company on 26th April, 1962 under the Companies Act, 1956.)

Registered Office: 6, Old Post Office Street, Calcutta-1.

SCOPE AND PROPOSED ACTIVITIES

A. **Objects of the Company:** The Company was incorporated on 26th April, 1962 with the following main objects as stated in the Memorandum of Association of the Company (a copy of which is available for inspection by the public) :—

(i) To manufacture and deal in all kinds of machines, tools and die casting equipment.

(ii) To manufacture and deal in all kinds of dies and moulds.

(iii) To carry on business of manufacturers of and dealers in machineries and equipment required for plastic goods.

(iv) To manufacture and deal in plastic moulding powders and compounds and all such articles and things as can be made therefrom or which can be used for or in connection with the manufacture thereof.

(v) To manufacture articles and things which can or may be manufactured from PVC compounds.

B. **Location of Factory:** The Company is setting up a composite plant at Calcutta to manufacture injection moulding machines and moulds required by the plastic industry. The factory will be located at Taratala Road, Calcutta on approximately 12 bighas of land in respect of which the Company has entered into a long-term lease with the Commissioners for the Port of Calcutta. The factory site is within a highly industrialised area and is well served by good roads connecting the site to the Port of Calcutta and other engineering industries. The erection of the factory has been started and production is planned to commence by about mid 1964.

C. **Technical and Financial Collaboration with Ludwig Engel K. G., Schwertberg, Austria:** The Company has entered into a technical and financial collaboration with Maschinenfabrik Ludwig Engel K. G. of Austria in terms of which the Austrian Company will subscribe for shares in the Company and will make available the necessary technical know-how and provide the other technical assistance required for the production of the machineries and moulds to be manufactured by the Company.

SOLE SELLING AGENTS

Union Carbide India Limited,
1 & 3, Brabourne Road, Calcutta-1.

AUDITORS

Messrs. G. Basu & Company,
Chartered Accountants,
6, Hastings Street, Calcutta-1.

SOLICITORS

Messrs. Dutt & Sen,
6, Old Post Office Street, Calcutta-1.

SOLICITORS TO THE ISSUE

Messrs. Orr, Dignam & Company,
29, Netaji Subhas Road, Calcutta-1.

INTERNAL AUDITORS

Messrs. M. Choudhury & Co.,
Chartered Accountants,
5, Mission Row, Calcutta-1.

BOARD OF DIRECTORS

Mr. Ranadeb Chaudhuri,
Barrister-at-law,
34, Ballygunge Circular Road,
Calcutta-19.

Directors of:
East Anglia Plastics (India) Ltd.
Dr. Paul Lohman (India) Ltd.
The Hilla Tea Estates Ltd.
Swadeshi Cotton Mills Co. Ltd.
Amrita Bazar Patrika Pvt. Ltd.
Prime Products Ltd.
Bengal Bonded Warehouse Association and other Companies.

Mr. Ludwig Engel,
Schwertberg, Austria.
Managing Director:
Ludwig Engel K. G. of Austria.

Mr. Henry Joshua Silverston (alternate to Mr. Engel),
4, Lord Sinha Road,
Calcutta-16.
Solicitor and Partner of:
Orr, Dignam & Co., Calcutta.
King & Partridge, Madras.
Director of:
Remington Rand of India Ltd.
McLeod & Co. Ltd.
Fort Gloster Industries Ltd.
Equitable Coal Co. Ltd.
Lodna Colliery Co. (1920) Ltd.
Rallis India Ltd.
Anglo-India Jute Mills Co. Ltd.
The English Electric Co. of India Ltd. and other Companies.

Mr. Cattavoor Shanmugam Loganathan,
Industrialist,
4, Vasu Street, Kilpauk,
Madras-10.
Director of:
Kalinga Tubes Ltd.
The Travancore Cement Ltd.
Cauvery Spinning & Weaving Mills Ltd.
The Travancore Rayons Ltd.
The South India Carbonic Gas Industries Ltd.
Aruna Sugars Ltd.
W. S. Insulators of India Ltd. and other Companies.

Mr. Kishore Dharamsey Khatau,
Industrialist,
Manav Mandir Road, Malabar Hill,
Bombay-6.
Director of:
Chemicoat Ltd.
G. Claridge & Co. Ltd.
Indian Plywood Manufacturing Co. Ltd.
South India Insurance Co. Ltd.
Khatau Brothers Private Ltd.
Mulraj Khatau & Sons Private Ltd. and other Companies.

Maharajkumar Pradeep Chandra Bhanj Deo of Mayurbhanj,
Businessman.
6, Rainey Park, Calcutta-19.

Mr Sailendra Chandra Sen,
Solicitor,
30, Nandan Road, Calcutta-25.
Director of:
Hindusthan Twyfords Ltd.
National Insulated Cable Co. of India Ltd.
The Hindustan Wire & Metal products Ltd.
Dalmia Iron & Steel Co. Ltd.
Birkmyre Brothers Ltd.
Hindusthan National Glass Mfg. Co. Ltd and other Companies.

Mr. Sasadhar Raha, B.A.,
A.C.I.S., A.C.W.A., A.I.C.W.A.
4, Deodar Street, Calcutta-19.
Chartered Secretary and Cost Accountant.

SHARE CAPITAL

	Rs.
AUTHORISED:	
10,00,000 Equity Shares of Rs. 10 each ..	1,00,00,000
ISSUED, SUBSCRIBED & PAID UP:	
900 Equity Shares of Rs. 10 each, upon which Rs. 10 per share has been paid by the signatories to the Memorandum of Association and Director of the Company ..	9,000
61,455 Equity Shares of Rs. 10 each subscribed by Directors and Friends upon which Rs. 5 per share has been paid ..	6,14,550
62,645 Equity Shares of Rs. 10 each subscribed by Directors and Friends upon which Rs. 2.50 per share has been paid ..	6,26,450
PRESENT ISSUE:	
3,75,000 Equity Shares of Rs. 10 each ..	37,50,000
	Rs. 50,00,000
OUT OF THE PRESENT ISSUE:	
1. Ludwig Engel K. G. of Austria have agreed to subscribe and will be allotted 75,000 Equity Shares of Rs. 10 each ..	7,50,000
2. 50,000 Equity Shares of Rs. 10 each have been reserved for allotment to companies and other persons connected with the Plastic Industry in India	5,00,000
3 NOW OFFERED AT PAR TO THE PUBLIC:	
2,50,000 Equity Shares of Rs. 10 each	25,00,000
	Rs. 37,50,000

DELHI CLOTH AND GENERAL MILLS CO. LTD.

CHAIRMAN, MR. BHARAT RAM'S ADDRESS

The following is the speech by LALA BHARAT RAM, Chairman, Board of Directors, Delhi Cloth & General Mills Co., Ltd., delivered at the 75th Annual General Meeting of the shareholders of the Company on the 2nd December, 1963, at Bara Hindu Rao, Delhi-6.

Ladies & Gentlemen,

I am happy to welcome you to the 75th Annual General Meeting of your Company. I cannot, however, help making a reference at the beginning of this meeting to the memory of my respected father, the late Lala Shri Ram. The growth and prosperity of DCM are largely the fruit of his hard work and devotion, and the inspiration his integrity and high ideals gave to the rest of us. No greater homage could be paid to his memory than that all of us should continue and carry on his great work with the same devotion and high integrity which he showed. We met last year under the cloud of the Chinese aggression. The Chinese aggression had various repercussions. There was on the one hand a spontaneous patriotic upsurge in the country, and on the other, various friendly countries extended financial and military assistance. Even though there is, at the moment, a cease-fire, the danger of aggression has not altogether receded. The country has to keep itself prepared for any eventuality and it would be dangerous to relax our preparation. The Chinese aggression was bound to have its repercussions on our economy. Some of our efforts had necessarily to be diverted from civilian needs to military requirements. It is however unfortunate that instead of there being a spurt in production, there has been a slowing down in the economy. The mid-term appraisal of the Third Plan is a matter of concern; for it reveals that the economy is dragging at a time when it ought to be pushing forward with greater speed. The shortfall in the agricultural sector, which is not only a sizable component, but on which depends the productivity of the industrial sector as well, is reflected in the total



Mr. Bharat Ram

national output. In the industrial sector also, while development effort has been larger and more broad-based, the general index of Industrial production fell short of the average increase of 11% visualised in the Plan to 6.5% in the first year and 8% in the second year. It would seem that the only effort that has exceeded the target is in the field of additional taxation, which is expected to be in excess by Rs. 1,100 crores by the end of the Third Plan, the yield being at Rs. 1,900 crores as against Rs. 800 crores. I am sure, this excessive taxation is greatly responsible for the slowing down of the tempo of development.

Defence Requirements

Apart from the requirements of defence, with the fast growing population and the need for improving the standard of living of the people, we have before us a gigantic task. This can be accomplished only if the production increases considerably faster than the population. One of the most important factors affecting our rate of development is the perennial shortage of foreign exchange. While we should be grateful for the assistance which various friendly countries are giving to us in the form of loans and grants, we cannot with any certainty depend on the assistance continuing at these levels indefinitely. We must, therefore, depend on our own efforts to bridge the gap between our imports and exports. To my mind, there is no other way except to work hard, produce more and export more. We must not think in terms of exporting only our surpluses. With the growing population and demand we shall never have surpluses except in a very few commodities. Therefore, we will have to restrict in many cases our own consumption so as to export. In order that we succeed in our export effort, we have to be competitive and produce goods of quality which would be acceptable in other countries. It is necessary to ensure that costs do not go up. The costs can remain low if output per man, whether in the industry or on the farm, increases. While I am not against increases in wages, I would emphasise that if there is not more than a corresponding increase in productivity per man, the costs will continue to go up and we will be wiped out of the world market. It is unfortunate that India's share in world trade has declined from 2.1% to 1.1% during the last decade of planning. When compared with other developed countries, the value of India's exports as percentage of national income works out to about 7% as against 19% for U.K. 21% for West Germany and 12% for Japan. I do not propose to spell out in detail here the various measures necessary to put our economy on an even keel, but shall only reiterate the important fact that the standard of living consists not of money but what the money will buy and money will only buy more goods and services provided the productivity per man increases.

In spite of all our efforts we shall still need more foreign capital and it is necessary that everything is done not merely to provide incentives to foreign investors but also to create a feeling of confidence in our fiscal policies. The stability in our fiscal policy is the biggest factor in creating confidence for the foreign investor. Frequent changes not only upset the programmes of financing but also create a feeling of uncertainty.

Quicker Growth

I have every faith in the country's capacity for quicker growth provided we all work hard and our economic policies are practical and not affected by ideologies.

Coming back to the Company's affairs, although there has been an appreciable increase in total sales, profits have been lower due to rising costs of raw materials, stores and wages. In the case of sugar, unfortunately, like the rest of the industry, your factories also had a very short season which increased the cost of pro-

ENGEL INDIA MACHINES & TOOLS LTD. —*Cont'd.*

APPLICATIONS

Copies of application forms and prospectus can be obtained from the Registered Office of the Company or from the undermentioned Bankers, Underwriters and Brokers.

DATES OF OPENING & CLOSING OF SUBSCRIPTION LIST

The Subscription List will open at the commencement of banking hours on 16th December, 1963 and will close at the close of banking hours on 24th December, 1963 or earlier according to the discretion of the Directors of the Company but not earlier than the close of banking hours on 18th December 1963.

BANKERS

State Bank of India,
Any branch or branches in Ahmedabad, Allahabad, Bombay, Calcutta, Howrah, Indore, Kanpur, Lucknow, Madras, Delhi & New Delhi.

Canara Bank Ltd.
Any branch or branches in any town in India.

The Central Bank of India Ltd.
Any branch or branches in Ahmedabad, Bombay, Calcutta, Delhi, Madras & New Delhi.

The Bank of India Ltd.
Any branch or branches in Amritsar, Baroda, Bombay, Calcutta, Hyderabad, Indore, Madras, New Delhi & Surat.

United Bank of India Ltd.
Any branch or branches in Bombay, Calcutta, Coimbatore, Gauhati, Kanpur, Lucknow Madras, New Delhi & Patna.

UNDERWRITERS

	Rs.
1. **Industrial Finance Corporation of India,** Reserve Bank Building, Parliament Street, New Delhi. ..	5,00,000
2. **Life Insurance Corporation of India,** Jeevan Kendra. Jamshedji Tata Road, Bombay.	2,50,000
3. **Jardine Henderson Limited,** 4, Clive Row, Calcutta-1.	3,00,000
4. **West Bengal Financial Corporation,** 23 Rajendranath Mukherjee Road, Calcutta.	5,00,000
5. **Canara Bank Limited,** 71, Canning Street, Calcutta-1.	2,50,000
6. **The Central Bank of India Ltd.,** Mahatma Gandhi Road, Fort, Bombay.	2,50,000
7. **Place, Siddons & Gough (Private) Ltd.,** 6, Lyons Range, Calcutta.	2,50,000
8. **Batlivala & Karani,** Union Bank Building, Dalal Street, Fort, Bombay.	2,00,000
	Rs. 25,00,000

BROKERS

CALCUTTA

Messrs. Place, Siddons & Gough (Private) Ltd.
6, Lyons Range, Calcutta-1.

Messrs. Brijnath Khandelwal & Co.,
13, India Exchange Place, Calcutta-1.

Messrs. N. L. Roy & Co.,
7, Lyons Range, Calcutta-1.

DELHI

Messrs. M. R. Dhawan & Co.,
6, Jantar Mantar Road, New Delhi-1.

Messrs. Raj Paul Chadha & Co.,
Delite Cinema Building, Asaf Ali Road, New Delhi.

Messrs. P. Roy Company,
3/8, M. M. Road. Jn Panchkuin Road, New Delhi-1.

Messrs. Harbans Singh Mehta & Co.,
33, Regal Buildings, Parliament Street, New Delhi-1.

Messrs. M. K. Mehta & Co.,
Connaught House, Connaught Place, New Delhi-1.

BANGALORE

Messrs. M. Nanjappiah Jahgirdar,
181, Cavalry Road, Bangalore-1.

BOMBAY

Messrs. Batlivala & Karani,
Union Bank Building, Dalal Street, Fort, Bombay.

Messrs. Lewis & Jones,
Bank of Baroda Building, Apollo Street, Bombay.

Messrs. A. B. Pandit & Co.,
32, Apollo Street, Fort, Bombay.

Messrs. Harkissondass Lukhmidass,
New Stock Exchange Building, Hamam Street, Fort Bombay.

Mr. P. R. Subramanyam,
70/A, Stock Exchange Building, Fort, Bombay.

Messrs. Champaklal Devidas,
Agakhan Building, Dalal Street Fort, Bombay.

Messrs. Navalchand T Shah & Co.
15, Union Bank Building, Dalal Street, Fort, Bombay.

MADRAS

Messrs. Paterson & Co.,
22, Erabalu Chetty Street, Madras-1

Messrs. Maconochie & Co.,
Post Box No. 291. Mercantile Bank Buildings, Madras-1.

Messrs. Chitra & Co.,
322/323, Linghi Chetty Street, Madras-1.

THE BRITISH INDIA CORPORATION LTD., KANPUR

BRANCHES DIVISION :

Cawnpore Woollen Mills Branch — Cooper Allen Branch
New Egerton Woollen Mills Branch — North West Tannery Branch

London Office

BEGG SUTHERLAND DIVISION :

Secretaries & Treasurers

The Elgin Mills Co., Limited — Cawnpore Sugar Works Ltd
Cawnpore Textiles Ltd. — Champaran Sugar Co., Ltd.
Brushware Limited — Saran Engineering Co., Ltd.

Secretaries for Beto Picker & Co., Ltd.

Agents for The Oriental Fire & General Insurance Co., Ltd.

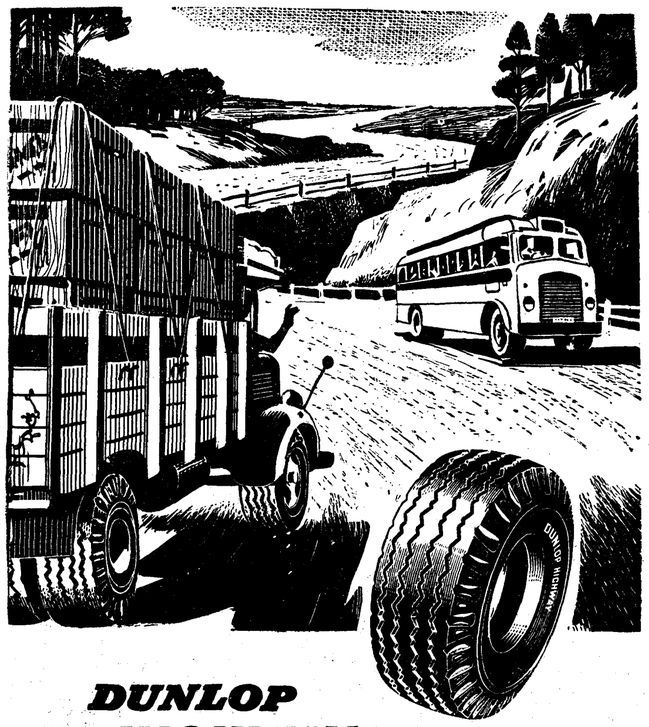
HINDUSTHAN MERCANTILE BANK LIMITED.

Registered Office :
10, Clive Row, Calcutta-1.

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

BOARD OF DIRECTORS :
Sri Mohan Lal Jalan (Chairman).
Sri Bhagirath Kanoria.
Sri Manmull Bhuwalka.
Sri Kamal Singh Rampuria.
Sri Promode Ranjan Sarkar.
Sri Hari Lal Mehta.
Sri Chhoteylall Kanoria.
Branches and Agencies throughout India.

B. S. MAZUMDAR,
Manager, Head Office.



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DUNLOP HIGHWAY
for HIGHEST MILEAGE

DGC-23

duction and considerably reduced the profits. In addition, Government's fiscal measures like Super Profits Tax, Emergency Risk Insurance, etc. have further reduced the profits. The Company has continued to follow a policy of expanding its activities. Our Project for the manufacture of plastics to which I made a reference last year is nearly complete. One of its products, namely, caustic soda, is already in the market and it is expected that PVC will be in the market within a short time.

Likewise, the Rajasthan Rayons Project is also progressing satisfactorily and it is expected that the factory will start producing high-grade rayon tyrecord by about the end of 1964.

Last year I had referred to two major schemes of expansion. One, the spinning mill at Hissar, and the other, the expansion in sugar mills at Mawana. The extension of our Hissar spinning unit is continuing at a rapid pace and it is expected that the capacity will increase from 37,000 to 63,000 spindles by the beginning of the next year. The expansion of the Mawana Sugar Works from 1,500 tons crushing capacity per day to 3,000 tons per day has been done. We are, of course, facing a few teething troubles, but I hope they will soon be over. Apart from these major expansions and new projects we have been continuing to renovate our existing equipment. I have no doubt that as soon as the new projects have come into production and the expansions have been completed the profits of the Company will increase.

New Export Company

The record of exports of your Company has again been satisfactory. While on the subject of exports, I would like to refer to a new Organisation which we propose to set up for handling our export business. It is proposed to set up a new export Company. This would be a subsidiary of your Company. While in the first instance, it would export the products of Delhi Cloth Mills, in course of time, it would take up the export of other manufacturers' products also. It would thus grow into a trading company, the benefits of which will accrue to our shareholders.

One of the problems facing the industry in the country today is shortage of personnel. As your Company is also expanding its activities, it had also felt these shortages. The Management now is busy concentrating on training our management personnel at all levels. Today the science of management has made great advances and it has become a great science. Your Company has started a separate department for not only training fresh people but also to teach the modern techniques of management to the existing staff. In addition to starting our own department for training, your Company has been sending people to various management courses to other places. I am sure, this policy will pay rich dividends.

I am glad it has been possible for your Company to maintain the same rate of dividend as last year in spite of lower profits. In addition to this, the benefit of undistributed tax-exempt profit under Section 15(c) of the old Income-tax Act has also been passed on to the shareholders. In effect, 34% of the dividend will be exempt from tax in the hands of the shareholders. Thus, most of the shareholders will get a higher net dividend than last year. I may, however, make it clear that this is in the nature of a windfall for this year only.

Before concluding, I would like to record our sincere appreciation of the good work of all our workers and staff whose efforts have enabled us to achieve satisfactory results during the year.

NOTE :—This does not purport to be a record of the proceedings of the Annual General Meeting.

New Delhi

BILLS TO AMEND COMPANY AND BANK LAW, CREATE UNIT TRUST

(FROM OUR NEW DELHI CORRESPONDENT)

THE Central Finance Minister, Mr. T. T. Krishnamachari, introduced a number of Bills in Parliament last week. One seeks to amend the banking law and the second to amend the Companies Act. The third intends to create a unit trust in the public sector. Another Bill relates to gold control which is at present done through the Defence of India Rules.

Existing enactments relating to banks do not provide for any control over companies and institutions which, although they are not treated as banks, accept deposits from the public and carry on other business which is allied to banking. For more effective supervision and management of the monetary and credit system by the Reserve Bank, the new Banking Bill empowers the Reserve Bank to regulate the conditions on which deposits may be accepted by non-banking companies or institutions. The Reserve Bank has also been empowered to issue directives to any financial institution on matters in which the Reserve Bank, as the central banking institution, may be interested from the point of view of credit control. The Bill makes it clear that the appointment of a person managing the affairs of a bank cannot be in excess of five years at a time.

The Reserve Bank has been empowered to remove any person associated with a banking company if it is considered necessary or desirable to do so, whether or not that person is found to have contravened the provisions of any law; and to appoint any other person in place of the person who may be so removed.

The existing law prohibits the granting of unsecured loans to directors and to private companies in which they are interested. It is now proposed to make it clear that the question of a banking company being a partner or managing agent of any other concern does not arise and to extend the prohibition to public companies also in some cases.

The maximum voting rights of individual shareholders of any banking company or any subsidiary of the State Bank are reduced from 5 percent to 1 percent. The Bill deletes the provision in the existing Act requiring the Reserve Bank to maintain as its assets coins or notes of the value not less than Rs. 50 crores or one-sixth of the total assets held in its Issue Department, whichever is higher.

Setting Up Tribunal

In order to facilitate quick action against persons involved in cases of fraud, misfeasance and other such malpractices and irregularities in the management of companies, the Companies Amendment Bill seeks to set up a tribunal whose findings will enable the Central Government to remove such persons from the position of managerial authority in any company. The three-man tribunal will also be empowered to hear certain applications. The Bill enlarges the scope of the existing law to provide for the entertainment of applications, among other things, on the ground of public interest. The tribunal will be empowered to exercise the powers and functions of a court under such sections of the Companies Act as the Central Government, from time to time, may notify.

In order to prevent the use of voting rights attached to shares held by trusts for the advancement of the personal interest of donors, the Bill empowers the Central Government to appoint a person to exercise such voting rights with a view to securing the proper management of a company in the interests of shareholders. In cases where the Government has advanced a loan to a company, the Bill empowers the former to direct the conversion of such a loan into shares of that company on fair and equitable terms. The Bill also seeks to create a board to which will be entrusted most of the powers and functions of the Central Government. The Government at present functions through the Company Law Department which has recently been transferred to the Central Ministry of Finance.

Another Bill introduced last week will bifurcate the Central Board of Revenue into the Central Board of Direct Taxes and the Central Board of Excise and Customs, both functioning under the Central Ministry of Finance.

Moving the Bill to amend the Companies Act, Mr. Krishnamachari said that the Government did not subscribe to the theory that the private sector should not be helped. The Government wants to help the private sector. At the same time, it wants to ensure that the interests of shareholders are safeguarded and that the money lent to the private sector is properly used.

World Bank Report

Mr. Krishnamachari said that the World Bank, which could not be said to be unfavourable to the private sector, stated in its report on Indian economic conditions that the textile industry in the country was primarily to blame for the delays in carrying out modernisation schemes and that it had failed to plough back its profits for modernisation. The modernisation of the industry is a formidable task. Apart from the textile industry, the jute and woollen industries have also to be modernised requiring crores of rupees.

The amendment Bills which the Finance Minister brought before the House should be read in the context of the Government's desire to enlarge the scope of assistance to the private sector. In the absence of the powers which the Government is now seeking, Mr. Krishnamachari said, it will not be possible for it to ensure that the private sector plays a constructive rôle in the development of the economy.

Mr. Krishnamachari said that the Government might bring forward a Bill for making comprehensive amendments to the Companies Act in the next session of Parliament to give effect to the recommendations of the Vivan Bose Commission and the Daphtary-Sastri Committee. In framing that Bill, every effort would be made to simplify the Companies Act.

The Unit Trust of India Bill seeks to encourage savings by providing for various classes of investors the facility of investing their money in units of the Trust. The latter will invest its initial capital in shares and other securities and will distribute every year not less than 90 percent of its net income accruing to unit holders.

Under the Bill, an initial capital of the Trust will be contributed by the Reserve Bank of India, Rs. 75 lakhs each by the State Bank of India and the Life Insurance Corporation and the remaining Rs. 1 crore will be offered to scheduled banks in the private sector or any other financial institution. A special contribution may be made by the Reserve Bank in the first instance for making up any deficiency in the contribution from the private sector. The three public-sector financial contributors will not be allowed to transfer their holdings to other institutions. Other contributors will, however, be able to do so among themselves. The management of the Trust will be vested in a board of nine members, two representing the private-sector contributors. The Trust will deal in stocks and shares, but not in immovable property. It will be empowered to obtain normal banking accommodation from the Reserve Bank for 90 days. The period can be extended to six months in an emergency. The Central Government may, in certain contingencies, guarantee the bonds of the Trust for the purpose of enabling it to borrow from the Reserve Bank.

Tax Exemptions

The Trust shall not be liable to pay income tax, super tax, super profits tax or any other tax on any income, profits or gains derived by it from any source. Where the income received by a unit holder, being an individual, from the Trust in relation to units does not exceed Rs. 1,000 such income, and where such income exceeds Rs. 1,000, a sum of Rs. 1,000 shall be excluded in computing the total income of the unit holder for the purposes of income tax but not of super tax. Where a contributing institution is liable to be assessed to super profits tax under the Super Profits Tax Act, 1963, in relation to its own income, profits or gains and receives any sum from the Trust under the Act in relation to its contribution to the initial capital such sum as reduced by the amount of any income tax and super tax payable on it shall be excluded from the total income of the said institution in computing its chargeable profits for the purpose of super profits tax.

No deduction of income tax or super tax shall be made on any interest or dividend payable to the Trust in relation to any securities or shares owned by it or in which it has full beneficial interest; and no deduction of income tax shall be made by the Trust from the income distributed by it to a unit holder being an individual.

The board of Trustees will be reconstituted after the initial capital has been completely refunded, in the manner prescribed by the Central Government, in consultation with the Reserve Bank.

LABOUR

Contradictions in Policy

India's labour policy is in the third stage of evolution. When it was in the first stage, the British were blamed for introducing labour legislation in order to reduce the competitiveness of Indian products. If the then Government of India tried to improve the working conditions of textile labour, it was accused of hitting India's mills with a view to benefiting the Lancashire cotton industry. In the second stage of evolution, organised industrial labour was sought to be protected from Indian and foreign employers who were accused of exploiting it for their own benefit. Labour thus became a tool of the politicians. In this process, the laws, including case laws, were so evolved as to eliminate competition from the labour market. Side by side, and notwithstanding many voluminous reports, unorganised agricultural labour and *khadi* workers were left out of the scheme of benefits provided for industrial labour.

In the third stage of evolution, the Government is discovering that its labour policy is adversely affecting production even in public-sector units. The case of the Rourkela steel plant illustrates the point. The overtime scheme is the most pernicious one ever devised, as far as productivity is concerned. It has given an impetus to the go-slow movement during office hours so as to enable the "much exploited" worker even in the Central Secretariat to earn some extra income.

According to the bank award, labour engaged in the banking industry is compulsorily obliged to do 160 hours of overtime during 12 months in addition to 30 hours of overtime work "by consent." Since September 1963, the bank trade unions have directed their members not to work overtime "by consent". The result is an increase in the delays in providing services to customers. The Government presumably hopes that the setback in the working of banks will soon be overcome by a seminar on productivity, which is being organised at an early date. Productivity teams may also be sent out to improve the working of Indian banks.

Paradoxically, highly industrialised and advanced countries like Switzerland have working hours for banks from 7 a.m. to 7 p.m. with a couple of hours recess for lunch, while in an underdeveloped country like India banks work from 10 a.m. to 2 p.m. except on Saturdays, when they close at 12 noon. Unlike in the West, the banking habit itself is still being developed here. It also looks a paradox that while India demands special treatment for her goods on the plea of her economic backwardness at G.A.T.T. and elsewhere, she should be ahead of, say, the U.S.A. as far as labour legislation is concerned. The third paradox is that socialist and welfare State doctrines apply to organised industrial labour alone, out leave agricultural labour unprotected from the exploitation of the landowning farmer and even co-operatives.

The fourth and final paradox is that while crores of rupees are being spent on export promotion, labour laws and wage boards are systematically raising the cost of production, thereby making Indian goods uncompetitive in export markets. The less said about productivity, the better. There can be no real increase in productivity unless competition is reintroduced, especially in the labour market. As it is, the average person in many an establishment, including banks, does not work for even three hours a day.

An attempt was made in pre-independence days to create an organisation like the I.L.O. to work out labour laws suitable for the undeve-

loped or underdeveloped countries. The attempt was not repeated after the first session was held in India.

U.K.

More Aid Promised

While speaking at a Press conference in New Delhi last week, Mr. Robert Carr, U.K. Minister for Technical co-operation, who is currently on a visit to India, gave an assurance of increasing British assistance this year for developing the Indian Institute of Technology, Delhi, by providing staff and equipment amounting in all to over £1 million by 1967. Mr. Carr said that Britain would be able to provide by next year the eight professors, advisers and supervisors for whom the Director of the Institute had recently made a special request. Furthermore, the British Government would be able to offer more money in 1963-64 than it had hoped. "As an earnest of our intentions to assist you as quickly as possible," Mr. Carr said, "we are increasing the value of our contribution this year by £50,000 to a total of £135,000. This did not mean an increase in the overall contribution of £650,000 in British equipment to be provided over the next four years by the U.K. Government and the trust fund established by British industry; but it will help complete the job more quickly provided short-delivery items from the 1964-65 programme are purchased before 31st March next year. This will be a task for the Director and the trust to tackle urgently. Mr. Carr understood that the chairman of the trust had already written to Professor Thacker about it.

Lastly, the sponsors of the trust in Britain are about to launch a further appeal to British industry for more funds to provide equipment. The Minister said that there appeared to be a prospect of a good response. He added that capital aid from the U.K. Government for India's second plan totalled £80.5 million. For the third plan, Britain has so far pledged £125 million.

The terms of British aid have been progressively eased. Credits to India are now for 25 years and include a seven-year grace period before repayments of principal begin. During the seven-year period, the interest payments have been waived entirely. As in these years the whole of the loan is outstanding, it implies a considerable easing of the debt burden.

Britain has recognised that Indian needs cannot be met entirely by aid linked to specific projects. The country also requires aid which can be quickly and easily used for the purchase of machinery, components and raw materials for the running of the economy. So far, more than half of British capital aid has been made available in this form, and has thus provided valuable and immediate help to the India's balance of payments.

RISK INSURANCE

Premium Collected

The collection of war risk insurance premium in factories amounted to Rs. 14,37,71,042, till 31st August, 1963. The collections, along with the emergency, still continue.

L.I.C.

General Insurance Plans

The Central Finance Minister, Mr. T. T. Krishnamachari, said in the Lok Sabha last week that the Government had decided to permit the State-owned Life Insurance Corporation to enter the field of general insurance as well. The L.I.C. Act allows it to take up this line of business, if and when it is permitted by the Government. One of the subsidiaries of the L.I.C., namely, Oriental Life Assurance Company, at present operates in this field. An official spokesman stated that the decision should not be a pointer that general insurance was being nationalised "or otherwise". The L.I.C. will work on a non-tariff basis.

FRANCE

New Consultancy Firm Planned

A French mining group, partly State-owned and known as Sofremines Society, is planning to set up a consultancy firm in India in the field of mining and mineral extraction.

ORGANIC CHEMICALS

Project in Difficulties

Hindustan Organic Chemicals in the public sector, which is to manufacture intermediates and organic chemicals, has got into difficulties because of the time taken for concluding an agreement and deciding the pattern of production. The German consortium, including Bayer, which was to collaborate in the project has, therefore, expressed its desire to withdraw from the scheme. The Government has considered a proposal to reorient the entire scheme, leaving out a number of the originally proposed products and adding a number of new ones to make the project economically attractive. A preliminary project report has been called for from Indian experts.

SHIPPING

Expansion of Repair Shop

Chowgule and Co. Ltd of Goa has been permitted to expand its maintenance and repair shop to enable it to repair 48 small vessels a year and to manufacture three new vessels, in addition to manufacturing 600 tons of structurals a year. The firm's application for a loan is being examined.

ENFIELD INDIA

New Plans

Enfield India Ltd has set aside practically its entire capacity for the manufacture of motor-cycles for defence, it is learned here. The Company is planning to turn out an attractive scooter with a Villiers engine, a British product. In addition, it has plans to manufacture Villiers industrial engines. An industrial estate with 20 units is being planned to manufacture ancillaries and components. An associate of the firm is manufacturing high capacity electrical transformers as well as distribution transformers of a somewhat lower capacity. Here again, its collaborators are a British company.

PETRO-CHEMICALS

New Naphtha Cracker Unit

With his British, German and American collaborators, Mr. A. Mafatlal is in New Delhi to discuss with the Government the finalisation of the naphtha cracker unit and the petro-chemical project in Bombay. He has been given a letter of intent to set up a 200,000-ton naphtha cracker unit there. His pro-chemical project plans to produce ethylene among other things.

KUWAIT

Talks on Joint Ventures

The Minister of Commerce of the Kuwait Government and Mr. Manubhai Shah, Central Minister of International Trade, discussed last week the scope for establishing joint ventures in Kuwait by Indian parties and the Kuwait Government and also for setting up joint enterprises in India with Kuwait participation. Possibilities were also discussed for financing the capital projects through sterling investments by the Kuwait Government and business men.

The projects considered included a number of hotels in India and some engineering and chemical projects. Similarly, because of the availability of cheap power in Kuwait, it was thought feasible to set up there caustic soda plants, pig iron and castings plants, steel and wooden furniture factories and plastic goods factories with Indian "know-how."

A small Indian technical team will be visiting Kuwait shortly to chalk out a programme of joint ventures. After the report of the team is considered by the Government of Kuwait and India, Mr. Manubhai Shah may visit Kuwait early next year for finalising the broad programme of trade and economic co-operation between the two countries.

The Government of India has decided to hold an Indian industrial exhibition in Kuwait in February next year. It is expected to last about a fortnight and will be India's first trade promotion exhibition to be held in the Persian Gulf area.

WEST GERMANY

Credit Pact Signed

The West German Minister of Economic Co-operation, Mr. Walter Scheel, and the Central Finance Minister, Mr. T. T. Krishnamachari, signed an agreement last week. It provides for the utilisation of 336.6 million deutschemarks (Rs. 40.06 crores) of West German credit in the following manner:

(A sum of 220.6 million deutschemarks (Rs. 26.25 crores) will be used for (i) the purchase of commodities from West Germany amounting to 40 million deutschemarks (Rs. 4.76 crores); (ii) further financing of certain projects already under construction with economic assistance from West Germany amounting to 40 million deutschemarks (Rs. 4.76 crores); (iii) finance of new projects with an estimated foreign exchange cost of 97.5 million deutschemarks (Rs. 11.60 crores); (iv) foreign exchange loans for financing institutions in India amounting to 15 million deutschemarks (Rs. 1.78 crores); and for (v) balance of payment support in accordance with the terms of the agreement amounting to 28.1 million deutschemarks (Rs. 3.35 crores).

A further sum of 116 million deutschemarks (Rs. 13.81 crores) will be used by way of West German Government guarantees for the purchase of ships. The terms for repayment and interest rates are as follows:

(a) In relation to 110 million deutschemarks (Rs. 13.09 crores), a maturity of 25 years (including seven years of grace and an interest rate of 3 percent.

(b) For 110.6 million deutschemarks (Rs. 13.16 crores), a maturity of 20 years and an interest rate of 5.5 percent. Out of this, the period of grace will be five years for 90 million deutschemarks (Rs. 10.71 crores) and 12 years for the rest.

(c) The terms for the suppliers' credit for the purchase of ships will be settled between the buyers and sellers.

Agreement has also been reached between the two Governments providing for certain special facilities for German prewar assets in India. Hitherto, these amounts could be used for purposes of approved reinvestment in India. It has now been agreed that remittance facilities should also be given to the extent of Rs. 10 lakhs a month for a total amount not exceeding Rs. 63 lakhs, so that the balances which have not so far been used in accordance with the existing procedures may be put to effective use at the earliest possible date.

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SWITZERLAND

Use of Credit

The Swiss credit of 30 million Swiss francs is proposed to be used for importing the following: electric locomotives and components for the railways; capital goods for installing additional machines as well as for creating capacity in this country; automatic looms for the textile industry; and other capital goods.

COAL WASHERIES

New Units under Third Plan

Seven coal washeries are at present working in the country. They are Jamadoba, West Bokaro, Lodna, Kargali, Durgapur, Dugda No. 1 and Bhojudih. Apart from the expansion of two washeries in Kargali and Bhojudih, five more coal washeries are expected to be completed during the remaining period of the third plan. These are Patherdih, Dugda No. 2, Kathara, Karanpura and Swang. All of them are in Bihar.

It is proposed to create, with Polish collaboration, facilities in the heavy machine-building plant in Ranchi and the coal mining machinery plant in Durgapur for the manufacture of coal preparation plants, including washeries and ore beneficiation equipment. The details of capital costs and equipment to be produced are yet to be worked out.

HUNGARY

Pact on Indian Exports

Contracts for the export of consumer gods worth about Rs. 37 lakhs were signed between the State Trading Corporation and Konsumex of the Hungarian People's Republic. The agreement provides for the export of woollen and cotton fabrics and knitwears worth Rs. 22.5 lakhs, shoes and *chappals* Rs. 12 lakhs, handicafts Rs. 1.1 lakhs and paper products Rs. 1.5 lakhs. The Hungarian delegation has also carried with it samples of Indian razor blades, further varieties of woollen and cotton textiles for examination in Budapest. More orders are expected to be placed in the near future.

FERTILISERS

Foreign Exchange Allotted

For 1964, foreign exchange worth Rs. 30 crores has been allotted for importing fertilisers. Orders for the supply of 50,000 tons of urea from Japan valued at Rs. 1.95 crores have been placed so far. Purchases against the balance allocation are still being considered.

TRACTORS

Import Licences Issued

Licences have been issued during 1963 for the import of 3,790 tractors from Russia, Poland and Czechoslovakia. The number of tractors to be imported from each country and the foreign exchange involved in imports are as follows:

Russia	2,290	Rs. 1.50 crores
Czechoslovakia	500	Rs. 46.63 lakhs
Poland	1,000 (in S.K.d packs)	Exact amount not known as a number of locally manufactured components are to be fitted in imported tractors

Arrangements for the import of tractors during 1964 have not yet taken a final shape.

TEA

New Centre in London

A new Indian Tea Centre will soon be opened in Oxford Street, London's busiest shopping centre. The new centre will have four Indian girl receptionists. There will be an Indian cook and also an English one.

PIG IRON

Capacity in Private Sector

The Government has reserved a capacity of 500,000 tons for the production of pig iron in the private sector during the third plan period and has not made any stipulation as to the number of pig iron plants to be set up within that capacity. At the time of granting an industrial licence to a private party, the merits of the location suggested are examined in all aspects. The Government helps the parties concerned in securing foreign exchange for importing capital goods for an approved scheme.

HEAVY ELECTRICALS

Report on New Project

The detailed project report for the heavy electricals project in Ramachandrapuram, near Hyderabad, received from the Czech Government covered only the manufacture of steam turbo-sets of 12 and 25 megawatt sizes. The project is now being designed in consultation with the Czech experts to cover the manufacturing of units up to 100 megawatts.

ALLOY AND SPECIAL STEEL

Licences Issued

The Government has issued licences for setting up two plants for the production of alloy and special steel in Kanpur. One licence has been issued for the manufacture or (i) low alloy and carbon steels (including free-cutting and spring steel but excluding stainless steel). The second licence has been issued for manufacturing all types of silico-manganese alloy steels suitable for manufacturing springs for 19,800 tons a year.

FOREIGN EXCHANGE

New Amendment Bill

The Government is considering certain suggestions for amending the Foreign Exchange Regulations Act, 1947. A Bill will be introduced shortly on the proposals which are now being finalised.

GOLD CONTROL

Licence Fees Reduced

Under the Gold Control Rules, the fee for taking out a dealer's licence or a refiner's licence had been fixed as Rs. 100. The question of reducing the annual renewal fee of such licences was being considered by the Government of India, and it has now been decided that this should be fixed at Rs. 25.

Central assistance to the State Governments for the rehabilitation of goldsmiths, who are affected by the Gold Control Order, has been liberalised. The conditions for the grant of certificates for self-employed goldsmiths have also been liberalised.

AGRICULTURE

Outlay on Development

During the 12 years ended 1962-63, an outlay of about Rs. 536 crores has been incurred on the schemes relating to agricultural production, including land development, minor irrigation and soil conservation under the five year plans.

SUGARCANE

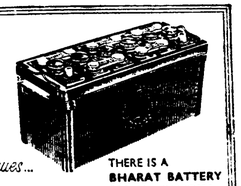
Raising Price

The Central Food Ministry is considering the demand made by the east U.P. and Bihar sugarcane growers, millowners and the U.P. Government for a uniform increase of the cane price to Rs. 2 a maund.

ESSO SPONSORS EXHIBITION IN CALCUTTA

An exhibition called "Save Foreign Exchange for India", sponsored by Esso Standard Eastern, will be held at the National Congress Park (Park Circus Maidan), Calcutta, from 11th to 17th December, 1963. Mr. P. C. Sen, Chief Minister of West Bengal, will inaugurate the exhibition. The object of the exhibition is to highlight the progress made by Indian industry in manufacturing material and equipment which meet Esso's specific requirements. Since most of these items were hitherto imported by the oil Company, their local manufacture indicates considerable advancement in the field of engineering goods and equipment. Over 50 Indian manufacturers, who are helping Esso to save valuable foreign exchange for India, are likely to participate in the exhibition. Photographs, charts and other visual aids will show how Esso has been saving and earning foreign exchange by various operations including the refining of petroleum products at its Bombay refinery, export of surplus motor gasoline, purchases of goods made in India and the introduction of more efficient methods of manufacture and transport.

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STARTING BUSINESS SCHOOLS ON THE HARVARD PATTERN IN U.K.

(FROM OUR LONDON CORRESPONDENT)

LORD FRANKS, Provost of Worcester College and a member of the National Economic Development Council, was invited by a group of industrial leaders in July to investigate setting up one or more business schools, following a good deal of general discussion in industry and, more specifically, a positive recommendation towards this end in the N.E.D.C.'s April report. In his report just published, Lord Franks makes these five recommendations:

(1) Two business schools of high quality to be established in Britain.

(2) Each to be part of a university but enjoying considerable autonomy as a partnership between the university and business.

(3) These business schools to be situated within major industrial and commercial conurbations.

(4) Courses to be offered for both post-graduation and post-experience students (i.e., students who have spent some time working in industry).

(5) One business school to be associated jointly with the London School of Economics and Imperial College of the University of London, and the other with Manchester University..

The report has already been welcomed by Mr. Peter Runge, president of the Federation of British Industries, and Mr. Cecil Mead, chairman of the British Institute of Management. In a letter which is being circulated to leading business men, Mr. Runge says he thinks the F.B.I. is likely to favour "immediate backing" for the report. Support from both business and the Government, by way of the University Grants Committee, is regarded as necessary by Lord Franks, who suggests that the capital cost of each school "might approach" £1 million while running costs "might build up towards £400,000 a year."

Lord Robbins, in his report, has made recommendations for business schools similar to Lord Franks', and Mr. Edward Heath, in the debate in the House of Commons on the Queen's Speech, said he was "delighted" at the initiative taken in asking Lord Franks to make a report. In his letter, Mr. Runge urges business men to face the fact that industry will have to find "large funds."

One problem noted by both Lord Franks and Lord Robbins as being likely to face the business schools is that of recruiting adequate staffs at academic salaries, since both agree that the schools should be started at existing educational institutions. The latter emphasises as a solution the employment of part-time staffs, while the former leans towards the idea that the incomes of fulltime staffs should be made up by means of consultancy fees "or perhaps by directorships." Lord Franks quotes as an example of the difficulty "experts in quantitative techniques" who would receive salaries in industry which would compel the schools to pay them as much as £7,500.

The school which Lord Franks outlines in his report would have 200 post-graduate students and 70 to 100 post experience men studying at one time. The school year would be divided into two semesters of 20 weeks each; post-graduates would study for one whole year, while post-experience students would attend for one semester. There would be two main types of courses—in "framework knowledge" and management skills. The first would include applied economics, sociology, and psychology; the second would entail operational research, linear programming, resource allocation and strategic and business planning, decision theory and computer uses.

Funds for the School

The board of the school would be composed in roughly equal numbers of business men and academics, with the university Vice-Chancellor as its chairman. The money required would come in similar proportions from business and the university. Thus a balance of emphasis between the two potentiality conflicting worlds would be achieved. Finally, the school would be attached to an existing university rather than a new one, and the university would be chosen at least partly because of its situation in a major industrial area.

Lord Franks stresses in his report that the choices of the universities to be in association with the business schools "imposed themselves." Both Manchester and the L.S.E. and the Imperial College put "well thought-out and practical proposals" to Lord Franks, and both were prepared to back the venture "with their full resources."

Mr. H J. Gray, director of the National Association of British Manufacturers, referring to the report the other day, said that he was confident that his Association would generally welcome the establishment of two business schools as recommended in Lord Franks' report. But many small firms, he said, would be likely to find difficulty in releasing their young managers or future managers for as long as 20 weeks. He hoped that provision for shorter courses would be made to meet the needs of such firms. In the meantime, Manchester University has already got down to the matter of introducing a new course in business management—a one-year diploma for advanced studies which has just taken its first 15 post-graduate students. According to Professor B. R. Williams of the Department of Economics, this will in time offer the academic equivalent of a degree at the Harvard Business School.

"Our course will not be the same Harvard's in detail," Professor Williams explained, "but it will be the same in its essentially analytical treatment of management problems." In a memorandum to a sub-committee of the University Grants Committee, he and his colleagues stated that they planned to extend the course for a second year. If this was necessary for its prestige, the course might lead to a higher degree. Within five years, it was likely that there would be 100 students on the new course. Some of them would be immediate graduates and others would be young men with some industrial experience. When the two-year course was running, graduates in accountancy and economics would need to take the second part only. This would contain economics, accountancy, industrial sociology, and quantitative techniques for business as compulsory subjects.

Graduates with other degrees would start with part one, which would give a basic training in economics, accountancy, law, industrial sociology, business mathematics and statistics, and political and social institutions. Professor Williams explained that although the university was keen to expand fast, "the limiting factor at the moment is demand". The first students had been assured of grants, but financial support for an expanded programme was not yet certain. Equally, new graduates needed some convincing that their chances in industry would be enhanced by possessing this diploma.

Courses for Middle Managers

This course, like everything else at the university and Faculty of Technology connected with business management, was being directed by the year-old Manchester School of Management and Administration. The school was also planning three-month courses for "middle managers" who were likely to be promoted from specialist to very senior positions. They would enable them to evaluate the work of specialists using the latest business techniques and to solve business problems in group projects. The school had been granted £66,000 over the next four years by the University Grants Committee so that it could take on six new members of staff who would strengthen it for the two new projects. Men with experience of similar courses at Sheffield University, notably, Professor D. C. Hague, the new Professor of Applied Economics at Manchester, had recently joined the staff.

Professor Williams claimed that there was now a bigger concentration of talent in the business studies field at Manchester than anywhere else in the country. The School of Management and Administration was working on a bigger scale than the London School of Economics and Imperial College, London, which were the chief rivals. The Manchester school had the special advantage of co-operating with the Centre for Business Research, which was the only one of its kind in the United Kingdom.

The School of Management might well be housed in a new building and it was proposed that those firms already co-operating with the Business Research Centre, and others as well, should be invited to advise in the direction of the whole school. Their representatives might have a formal position in its constitution. While on the question of training for business, it will be of interest to turn our attention to another recent development which could prove of real value. It has recently been announced that foreign language examinations devised for British exporters will be introduced early next year by the London and Birmingham Chambers of Commerce. The examinations have been drawn up and designed by business men experienced in overseas trade and the emphasis will be on candidates' conversational ability and comprehension of a language, rather than on academic prowess.

In the statement announcing the scheme, the two Chambers describe it as "a break-through in foreign language examinations for British business men engaged in overseas trade." It is claimed that, for the first time, thousands of business men, technicians, salesmen, and others learning foreign languages have agreed standards at which to aim. The tests will be in three grades—elementary, intermediate, and advanced. A successful candidate at elementary level should, the Chambers believe, be capable of travelling through a country without undue difficulty and with a knowledge of customary forms of address and introduction.

Candidates passing the intermediate stage should then have the conversational ability to talk on everyday topics "and sufficient confidence in the language to take their place socially." Advanced grade candidates should be able to do all this, and conduct their normal business activities in the foreign language. The London Chamber of Commerce will be the examining body, although certificates to successful candidates will be issued jointly by London and Birmingham. Birmingham first suggested the examination because of "a phenomenal increase" in language study through courses provided by companies, language laboratories, and evening schools. At least, 300 candidates from the Birmingham area are expected to sit for the first examinations, due to be held in January.

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MORE U.K. ECONOMIC AID NEEDED FOR THE COMMONWEALTH

By Robert W. Brock

Mr. Brock, who was editor of "Capital" from 1928 to 1932, expresses the view that the Tory Party has neglected the Commonwealth in its desire to join the European Common Market. The policy needs to be reversed in Britain's own economic and political interests.

WRITING in the London *Australia and New Zealand Weekly* dated 2nd June, 1962, I declared: "The U.K. must choose between the Common Market and the Commonwealth. It cannot bestride both". Today she is not bestriding either. As reflected in the recent historic speech of New Zealand's Premier, who spoke of the "parting of the ways"—a significant phrase from the spokesman of the most British of the British Dominions—the U.K. has weakened her political and commercial links with the Comonwealth without the remotest prospect of achieving any comparable or compensating status in Europe.

Only a Party dominated by Victorian imperialists in their political dotage could have created that equivocal position. Whereas the code word of the Attlee Government when conceding full independence to India, Pakistan, Ceylon and Burma was "liberation"—political and economic—the codeword of the Tory continuation of the de-colonialisation programme was "liquidation"—also political and economic. As wartime leader, Sir Winston Churchill affirmed pontifically: "I have not become First Minister of the Crown in order to liquidate the British Empire". Mr. Harold Macmillan accepted the rôle of liquidator as a deliberate act of policy.

No other convincing explanation of the Common Market project—the most highly sophisticated Party manoeuvre this century—is available. For Tory politicians of Macmillan's generation the old, centralised Empire "died" when it ceased to fly the Union Jack and to accept Whitehall-Westminster domination. Historically, Toryism has never postured as a political creed or vehicle dedicated to the promotion of freedom and independence among subject peoples. Nor has its decolonialisation activities in Africa and elsewhere reflected any variation either in its philosophy or programme.

Baldwin-Halifax Reforms

When Churchill, the greatest, most typical Tory of all time, was waging his fanatical campaign against the Baldwin-Halifax Reforms I was able to hamstring his opposition by initiating the Lancashire-India Cotton Agreement negotiations of which the political corollary, as I prescribed, was the "scrapping" by the Manchester Chamber of its memorandum supporting the Churchillian view, and the consequential transfer of Lancashire Parliamentary allegiance to the official programme. As I recall emphasising to the Secretary of the Manchester Chamber in an hour-long discussion: "You cannot shake hands with Indian millowners—nationalists to a man—with your right hand—and land them political black eyes with your left". The hard-headed Lancastrians saw the point. Churchill fumed, inside Parliament and out, even accusing Sir Samuel Hoare of "suborning" the Manchester Chamber. But the Reforms went through, and the Lancashire-India Agreement survived until Hitler decreed its termination.

The U.K.'s entry into Europe would have involved the submergence not only of British political sovereignty, but of her political traditions and forms of government. There are more political dictatorships in Europe than in the Commonwealth: there are more genuine Parliamentary democracies in the Commonwealth than in either Europe or South America. Not long ago, the Burmese Secretary-General of the U.N. described the transformation of the ancient Empire into the autonomous Commonwealth as "one of the most glorious chapters in human history". During his recent visit, the President of India described "the transfer of power in India as one of the greatest acts of reconciliation in human history."

Commonwealth members are volunteers, not political conscripts, wholly independent in terms both of domestic government and external relations—not "Cuba's" liable to "economic boycott" if they fail to conform to external guidance. In contrast to Britain's own colonial record, the European attitude to subject peoples, by Germany, by France as in Algeria, by Italy as in Abyssinia, by Belgium as in the Congo, has been less immune from criticism. Financial aid by the Six to their former colonies excludes industrial development, apart from Continental branch factories, limiting productivity and trade almost wholly to primary products.

Tory Attitude

Having written off the Commonwealth, to quote the *Daily Telegraph*, as a "myth", it was not surprising to read in the *Daily Express*, that when the Tory Conference in Blackpool reached the discussion of resolutions on Commonwealth development, many of the Ministers, and a large part of the audience, walked out. The propagandist campaign under Torry leadership to enter Europe—subsidised so heavily by U.K. citizens of alien origin and still of alien outlook—has produced a distortion of outlook which will be erased only by a change of Government. As their policies attest, the Tory philosophy of empire is the philosophy of "the sucked orange": namely, "When you have squeezed the fruit dry, discard what remains".

As the political progenitors of the autonomous Commonwealth, the first major assignment of the Labour Party, if it regains power next year, will be to broaden out the welfare State into the welfare Commonwealth. That assignment does not present any insuperable difficulties—political, financial or commercial. The present Government has not made any serious attempt to promote Commonwealth development—it has never been on its agenda. Investment in Europe became their over-riding aim. No Government in British history has been guilty of a more massive political and economic miscalculation. The accelerating approach of automation, which the Labour leader calculates will necessitate creating 10 million new jobs in the U.K., means, beyond all challenge, that the development of Commonwealth trade represents the greatest economic opportunity available to Britain in the free world.

Ten million workers to be transferred to new industries to produce what? Not the consumer goods which Commonwealth countries are producing, and will produce increasingly, for themselves. Industrial production, on an automation basis, can prosper only if dedicated mainly to producing the capital equipment every Commonwealth country is crying out for, and which this country, traditionally and scientifically, is well-qualified to produce. Creative investment is the vital link between supply and demand, and the affluent State, if its financial resources were efficiently mobilised, could double and treble its current capital allocations to Commonwealth countries without undue strain.

Two figures will suffice to justify that calculation. Whereas gambling transactions in the U.K. absorb £1,000 million a year, the country's current investment in Commonwealth develoment is under £200 million. The concurrent effect is heavy unemployment in U.K. industries producing capital equipment, and, in Asia and Africa, a rate of economic expansion so slow that, measured by every reliable yardstick, the "have" countries are growing progressively richer, and "have-not" nations progressively poorer.

First Step

If this disastrous retrogression is to be reversed, the first step by the next Government should be the creation of a Commonwealth Investment Council. The Commonwealth Economic Consultative Council created in 1947 has remained barren because it was intended to do so. The Commonwealth Development Council, advocated by a former Chancellor of the Exchequer, Mr. Selwyn Lloyd, would be equally barren unless allied with a Ministry of Commonwealth Economic Development (absorbing the two outmoded Commonwealth-Colonial Departments headed by Mr. Sandys) reinforced by the adequate and continuous supply of investment capital which could be mobilised by the sale, on tap, of Commonwealth Development bonds through the National Savings Organisation which, over the years, has collected £8,000 million for U.K. Government capital commitments and could raise comparable funds for productive investment in Commonwealth projects if employed to do so.

Of American "aid" aggregating £1,250 million, 80 percent. or £1,000 million, represents an export subsidy financed by Government loans leading to the shipment of U.S. goods which could not be consigned commercially. The late President Kennedy underlined that point when he warned Congress that curtailment of aid would mean curtailment of American exports. U.K. investment in Commonwealth countries will lag until it is based on the same mutually beneficial basis.

The term "aid" should be applied only to exemption from interest payments until the projects financed go into production and become financially self-supporting. Subject to that reservation, all U.K. Commonwealth loans should be "tied", wholly and irrevocably, to U.K. export contracts implementing development schemes endorsed by the proposed Commonwealth Investment Council whose most valuable service would be to suggest priorities based on "fair shares for each and all". Obviously, U.K. investment in this sphere would supplement, not supplant, loans by the World Bank and all other international agencies and sources.

The adoption of the three-tier structure urged above would make immediately available, at political level, a fully representative and authoritative Commonwealth Economic Development Council, administratively self-contained, and financially self-propelled. On its present basis, political independence represents only "freedom" to under-feed. Britain's historic responsibility as "empire-builders" will not be completed until "Freedom from Hunger" is translated from a political project into an economic reality.

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Books

A SURVEY OF FOREIGN AID

Foreign Aid and India's Economic Development. By V. K. R. V. Rao and Dharam Narain. (Published by Asia Publishing House, Calicut Street, Ballard Estate, Bombay 1. Price Rs. 12, pages 98.)

The five year plans of India rely heavily on foreign assistance for developing many key sectors of the economy. So a survey of the nature and magnitude of foreign aid, which the country has so far received and been promised, and of the issues connected with its use is certainly welcome. This little book has as its authors an older economist of repute, Dr. V. K. R. V. Rao, and one of our bright younger economists, Dr. Dharam Narain. It is a compact, useful piece of work but perhaps as it was undertaken at the instance of the U.N.E.S.C.O., it is not as frank and objective as some may have wished it to be. Not that some of the major issues have not been uncovered, but there is often an attempt to sweeten the pill. One must also mention that this is not a field about which the Government has been generous in publicising all the facts that a research worker may need for an appraisal. The work is perhaps best judged as a quick survey, based on existing material, and not the fruit of research.

Foreign aid in this book means aid from institutions and is exclusive of the substantial foreign assistance received for industrialisation in the private sector, either by foreigners in concerns controlled by them or in enterprises where there is Indian collaboration. Up to March 1961, a total of Rs. 3,000 crores of foreign aid was authorised, of which 57 percent was utilised by then. One should not shriek at this shortfall in utilisation: administrative delays apart, a fair proportion of the authorisations include amounts scheduled for future release. The two outstanding facts of the aid authorised so far are its predominantly bilateral (84 percent of the total) and tied (76 percent of the total) natures. These suggest, as the authors point out, that "donors attach importance to the aid they give as an instrument of their trade promotions". A sectorwise breakdown of authorised aid shows that the import of foodgrains accounts for over a third—35 percent; industry, mining, and power take up another 46 percent; agriculture and natural resources 3 percent, and services, etcetera, absorb the balance of 16 percent. The book devotes a chapter to the machinery of aid where the different Government agencies involved at various levels are described as also the various foreign agencies with which co-ordination is necessary. The chapter on the impact of aid makes clear that such an assessment is extremely difficult, since it is not even possible to formulate clearly the necessary concepts in this matter. In the concluding section of the book, the authors make a few suggestions, namely, that aid should be increasingly linked with programmes rather than projects, so that once the programme is approved it should not be necessary to analyse inidvidual projects in detail or have separate agreements for them; that aid should increasingly be untied; that it should increasingly take the form of long period commitments rather than be subject to negotiations from year to year; aid for specific projects should—as far as possible—not take the "turn key" form which deprives the receiver of experience acquired in construction and initial operation, etcetera. In the last few months, the Government of India has succeeded in convincing some of its benefactors abroad of the need to give untied loans. But its future is not very certain.

INCOME TAX LAW

Indian Income Tax—Law and Practice. By Sukumar Bhattacharya. (Published by Nababharat Publishers, 72 Mahatma Gandhi Road, Calcutta 9. Price Rs. 12.50, pages 480.)

The Indian income tax law is extremely complex and has been made the more intricate by the many amendments introduced from time to time. Although the literature on the subject is growing, most authors have shown a tendency to reproduce the various provisions of the Act without making any serious attempt to interpret them comprehensively in the context of case law. The great merit of Mr. Bhattacharya's book is that it does not attempt any such short-cut; it is a painstaking and useful work on the subject. Assessees who are lost in the bewildering maze of the law may consult the book with advantage. Apart from definitions of income, the mode of assessing the total income and the treatment of losses, there is an elaborate discussion on the procedure of income tax assessment, collection and recovery of sums payable under the Act, refunds and penalties, etcetera. The book also outlines the basic provisions of the legislation on wealth tax, gift tax, the super profits tax and the compulsory deposit scheme. The inclusion of the latter two, in particular, makes Mr. Bhattacharya's work usefully up-to-date. Although the book is written mainly for advanced students of taxation, it will also prove useful to the specialist as a dependable work of reference.

CORPORATE MANAGEMENT

Corporate Management. (Published by the Association of Company Secretaries and Executives, 134/1, Mahatma Gandhi Road, Calcutta 7. Price Rs. 3, pages 26.)

The Association of Company Secretaries and Executives arranged a symposium on corporate management in May 1963, in which participants representing the official, professional and management sectors took part. The symposium attempted to assess the present-day problems of corporate management, namely, fair return to shareholders, retention of profits, strict compliance with various conditions of law; interests of consumers and the maintenance of amicable relationship between employers and labour.

MANAGEMENT TRAINING

Sales and Management Training in India. by T. A A. Latiff. (Published by the author from the Small Extension Training Institute, Hyderabad. Price Rs. 2, pages 34.)

This booklet is a collection of articles written by the autthor, some of which had appeared in certain journals separately. The demand for trained personnel to look after and run industrial organisations in India is steadily increasing. This demand can be met only by training programmes for personnel in all levels of management. The present book will also prove to be a useful addition to the literature on the science of selling. The author's illustrations are taken from the problems of training of the insurance sales force but should be applicable to selling other goods as well.

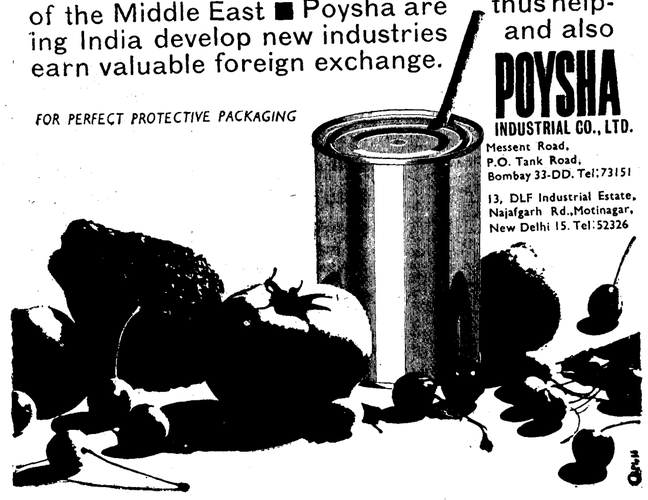
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Jute

PLEA TO IMPROVE COMPETITIVE POSITION OF INDIAN EXPORTERS

A STRONG plea asking the Central Government to strengthen the competitive position of Indian gunny exporters as against their Pakistani rivals, has been made by Mr. D. Duncan Smith, chairman, Calcutta Jute Fabric Shippers Association. The plea is made in an article on "ways to improve India's competitive position" published last week.

Mr. Smith suggests that the Government should seriously consider how best the difficulties resulting from Pakistan's export subsidy can be overcome. Ultimately steps will have to be taken either to make up the difference or to extend some other form of assistance to Indian exporters, if they are to retain their present position in the export trade. Referring to the incidence of wages, Mr. Smith says that as the cost of labour increases, it is essential to modernise the industry and produce more goods at lower cost.

According to Mr. Smith, India's main problem in export markets is the unequal competition from Pakistan on account of her export bonus scheme. In terms of money, Pakistan's advantage amounts to about Rs. 4 to Rs. 5 a 100 bags of B Twills. In order to derive the maximum advantage, mills export their goods themselves. Besides, Pakistani mills concentrate on producing only standard goods, particularly sacking, due to the fact that the operatives are not as efficient as they are in India.

Mr. Smith continues that India's strength today should be in her "know-how", as she has had vastly richer experience than Pakistan. With this background, Indian mills should and have, to some extent, diversified their production, manufacturing speciality goods in small or large quantities. These are as yet unobtainable in Pakistan.

There are certain essential factors that must be established before the industry can effectively compete with Pakistan over a long term. The jute cultivator must have a reasonable return for his efforts. This can be achieved on a permanent basis more easily by increasing the yield an acre and by producing quality jute with the use of modern farming practices. Pakistan has already achieved much in this direction. The mills must not be put in an uneconomic trading position by any artificial regulation of supply and demand or by Government controls, which will react on the industry's ability to sustain and expand production. India must produce goods of high quality and back them with service to overseas buyers in order to create an atmosphere of goodwill and co-operation.

Fall in Raw Jute Imports

Mr. Manubhai Shah, Central Minister for International Trade, told the Lok Sabha last week that India had almost achieved self-sufficiency in raw jute during the past three years. Imports of superior grades of fibre and cuttings from Pakistan have gradually declined from Rs. 7 crores in 1960-61 to Rs. 3 crores in 1962-63. They will fall further this year. He expressed the hope that it would not be necessary even to import marginal quantities from that country when India developed the production of selected grade jute. Considerable spadework has already been done in this direction.

Mr. Shah said that Pakistan's recent agreement with China was not likely to affect India's fibre trade with Pakistan. The 1963-65 Indo-Pakistani trade pact provided for importing such quantities of raw fibre as may be specified by India in September every year. He said that the two Governments were co-operating to curb the smuggling of jute across the border. The Government of India thought that Pakistani prices were very low and Indian upcountry rates had been maintained well above the operational minima.

Fibre Statistics

Stocks of raw jute with mills reporting to the I.J.M.A. were 1,575,000 bales at the end of October, against 1,261,000 bales a month earlier, according to reliable sources. Besides, mills had not taken delivery of 1,323,000 bales already purchased and lying in transit or awaiting movement from upcountry areas. So mill purchases and stocks at the beginning of November were around 2,898,000 bales. At the October consumption level of around 558,000 bales, the stocks will last for 5.18 months.

During the month the mills purchased 833,000 bales of Indian jute and 5,000 bales of Pakistani jute. The total quantity of fibre secured during the current season up to the end of October was 3,306,000 bales. Of this, 3,242,000 bales were of Indian origin, and 64,000 bales were from Pakistan.

THE JUTE MARKETS

Manufactured Goods: Opening on a subdued note, the manufactured goods market inproved during the past week. Sentiment continued to be depressed during the earlier half due to the virtual absence of enquiries and the heavy deliveries operators had to arrange to settle their outstandings against November futures contracts. Mills also emerged as keen sellers for all positions. All due-date transactions in the spot and futures markets were completed without any difficulty. On Friday, reports of a Government tender for 15,000 bales of B Twills for November-December delivery reversed the trend. Later, scattered hessian business was reported with the U.S.A. An enquiry for substantial quantities of hessian from Russia hardened prices further on Tuesday. In heavy goods, a second B Twill tender for near positions and a Syrian order were bagged. Besides increasing covering activity in the spot market, talk of these deals stimulated the trend in the futures market, where prices tended to firm up from the lowest levels. Hessian closed the week with a sizable gain after moderate fluctuations, while sacking retraced part of the lost ground after wide movements. Turnover was moderate and the undertone soft in sacking but steadier in hessian.

Wednesday's quotations were as follows:

	Dec.	Jan.-Mar.	Apr.-June	July-Sept.
40in. 7½oz.	34.75	35.00	35.00	35.00
40in. 8oz.	37.60	—	—	—
40in. 10oz.	46.60	46.65	46.90	46.90
B Twills	112.25	113.40	113.75	113.75
Cornsacks	115.00	115.00	115.50	115.50
Heavy Cees (Plain)	112.50	113.00	113.25	113.25
A Twills	132.75	134.25	133.75	133.75
Liverpools	124.00	125.25	125.50	125.50

Raw Jute: Divergent trends prevailed in the raw jute market during the past week. The spot market was steady and the futures market subdued. Mills showed nominal interest in Calcutta, but their agents were active in the upcountry agencies. Prices hovered around the official minima in Calcutta and at higher-than-parity levels in the secondary markets. With mills having purchased more than the November quota of 1.05 million bales during the month and a heavy December quota of 1 million bales pending, holders seemed to be reassured. Arrivals have declined to about 125,000 maunds a day in the secondary markets. The fibre now seemed to be lying in stronger hands and there was no evidence of selling pressure. Brisk movements of fibre took place from the interior to the Calcutta godowns. In the futures market, December contracts for Upper Assam White Bottoms were practically closed. Against March contracts, long liquidation by bulls depressed prices, for bears were reluctant to cover their short positions at the existing levels. Turnover was moderate and the undertone cautious but steady in the spot market and hesitant in the futures market.

Wednesday's quotations were as follows:

Landed at Mills (Basis Bottoms)

	T.S.D. Current Prices		T.S.D. Minimum Prices	
	Rs. A Qtl.	Rs. A Md	Rs. A. Qtl.	Rs. A Md.
Assam-Agartala Jute	80.38	30.00	80.38	30.00
Northern Jute	77.70	29.00	79.04	29.50
Western Desal Jute	72.34	27.00	73.68	27.50
Selected Daissee	87.07	32.50	85.74	32.00
Assam-Agartala Tossa	84.39	31.50	83.05	31.00
Mesta:				
Assam-Northern	71.00	26.50	72.34	27.50
Local Daissee	71.00	26.50	72.34	27.00
Bihar Dist.	62.96	23.50	66.98	25.00

THE U.K. JUTE MARKETS

LITTLE BUYING INTEREST SHOWN

(FROM OUR DUNDEE CORRESPONDENT)

THE raw jute market was firm in Pakistan last week. Most of the very cheap sellers either withdrew from the market, or raised their prices. Because there are two levels at which sales of raw jute can be registered, it is the smaller shippers and the Jute Marketing Corporation who obtained the bulk of the export business. These smaller shippers now raised their prices, but there were still sellers of the lower grades willing to accept considerably less than the minimum export rates.

Reports from Pakistan said with so many regulations in force for the sale of raw jute, sellers had become very discontented and this could affect the size of the crop sown next season. The quality of some parcels of jute arriving in the U.K. was very good which showed that some shippers had been upgrading their standards.

Offers of Mill Firsts were scarce, and no price was quoted last week. However, practically no buying interest was shown in this high grade of white jute. Mill Lightnings were available at £111, Mill Hearts at £95 5s and Grade Hearts at £79, c.i.f. U.K., for November-December shipment. Offers of Grade Tossa-2/3 were not being freely made, but one or two small parcels were available at £132. Grade Tossa-4 was named at £107. There were sellers of Dacca Tossa-5 at £135 and of Dacca Tossa-6 at £109. Outport Tossa-2/3 was firmer at £94 10s and Outport Tossa-4 at £84, for November-December shipment. The small buying interest showed by Dundee spinners was mainly for spot parcels of good quality.

Prices of cuttings were steady at £56 for S.N.C. and at £48 10s for N.C. Mesta was unchanged at £97 10s for A, at £72 5s for B, at £67 5s for C and at £43 for cuttings, c.i.f. U.K., November-December shipment. The Siam jute market was irregular with the prices of the better qualities tending dearer and the medium and lower grades remained unchanged. Grade A was offered at £71 10s, grade B at £63 10s and grade C at £58, delivered mill Dundee for December-January shipment.

The Calcutta goods market was much firmer for sackings, but about unchanged for hessians. Quotations were at 70s 5d for 40in. 10oz. and at 52s 11d for 7½oz. a 100 yards f.o.b. Calcutta for November shipment, at 70s 11d and 53s 1d December and at 70s 11d and 53s 3d January-March. B Twills were at 171s 9d, 172s 6d and 174s 1d for the respective shipment periods.

Prices of yarns and cloth were steady in Dundee. Spinners and manufacturers were very busy, and had practically nothing to sell in the near delivery position. The heavy end of the trade received further orders for narrow sackings, and most producers are now fully booked until the end of February.

BOOKS RECEIVED

Retail Trade in Urban Areas of the Union Territory of Delhi. By Ranjit Gupta. (Issued by the Indian Co-operative Union Ltd, Janpath, New Delhi 1. Pages 98.)

Techno-economic Survey of Maharashtra. (Published by V. G. K. Thathachary, Publications Division, National Council of Applied Economic Research, New Delhi. Price Rs. 20, pages 295.)

Pharmaceutical Directory of India, Second Edition. (Published by Star Publications, 103, Mody Street, Bombay 1. Price Rs. 37, pages 357.)

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EXPORT PROSPECTS FOR BICYCLES

By S. K. Srivastava

The Indian bicycle industry has entered the export field in a small way, but as competition is keen it has to sell its product at well below the ex-factory price. Export prospects cannot improve as long as production costs remain high.

AMONG the non-traditional items of export, bicycles have recently attained a position of some importance. The bicycle industry started in 1930, but its developments became spectacular only after the beginning of national planning. At the start of the first plan, the large-scale sector consisted of only two units located in Bombay and Patna. Their combined production capacity was 120,000 bicycles annually. Several units came into existence during the first plan period, and the industry grew rapidly. The number of firms manufacturing complete bicycles increased to 14 in 1956, and further to 20 in 1961. The first years of the two plans and the latest year for which comparable data are available have, therefore, been chosen to study the production cost and prices in the industry with which the export prospect is intimately linked.

To begin with, a bird's eye-view may be taken of the industry's rapid expansion, and its effects on imports and exports. Table I below gives the relevant statistical data.

TABLE I

PRODUCTION, IMPORT AND EXPORT OF BICYCLES (Nos.)

Year	Production	Import	Export
1951	114,276	197,578	—
1956	683,963	156,454	12
1961	1,040,591	391	3,439

It will be seen from this table that the increase in production during the above period has been striking. As a result, bicycle imports have gone down substantially. (The present import consists largely of bicycle spare parts. Even this has fallen from Rs. 2.4 crores in 1956-57 to Rs. 16.6 lakhs in 1962-63.) Exports have, on the other hand, clearly emerged, and are looking up. In terms of value, the rise has been from Rs. 45,880 in 1956-57 to Rs. 6.9 lakhs in 1961-62. In 1962-63, there was a further increase to Rs. 10.4 lakhs. It was originally expected that the number of bicycles exported would rise to 150,000 in 1960-61, and the second plan target was fixed accordingly. The actual export of bicycles, however, lagged considerably behind.

The Indian bicycle is being exported principally to Afghanistan and Egypt. The other countries to which they are exported are East Pakistan, Iran and Turkey. As an incentive to the export of bicycles, the Government has allowed under the Customs and Central Excise Duties Export Drawback (General) Rules, 1960, rebates in a flat rate form for each of the exported brand. A reduction in railway freight rates is also allowed. Where indigenous steel is used, a replenishment quota of 13⅓ percent of the quantity actually consumed in the exported product is allowed. Besides these export promotion measures, market surveys on bicycles were sponsored by the Government in Singapore, Malaya and adjacent territories and Aden.

Third Plan Export Target

The real problem is to increase the volume of exports and widen the overseas markets for the Indian bicycle. The third plan target of export, it may be recalled, has been fixed at 200,000 bicycles by 1965-66, which brings one to the main question of production cost and prices. Data relating to the cost or production are available from the Census of Indian Manufactures (now redesignated as the Annual Survey of Industries). The available data, however, relate to the entire output and not separately to each of the products—major or minor—manufactured by the industry. As the purpose is to study the unit cost of production, it is necessary to estimate the industry's gross output in terms of its major product, namely, the bicycles in the present case. This has been done in Table II. It will be recalled that the prices of steel had been raised in 1956. As the impact of the increase in steel prices is reflected in that year's cost of production, the cost data for the subsequent year, namely, 1957, have also been studied in Table III.

Production Costs

A closer examination of the statistical data presented in Tables II and III shows the following salient features of the bicycle industry:

(1) Except for 1957 when there was a slight fall in the cost of production, compared with the previous year, the unit cost of output has steadily increased in the bicycle industry during the period 1951-1960. Compared with 1951, the material cost rose by Rs. 28.41 for every bicycle produced in 1960. The total input showed an even greater rise, namely, Rs. 36.41. This may be explained partly by the rise in the work done by others and depreciation, and partly by the appreciable consumption of previous year's semi-finished products during 1960.

(2) The total manufacturing cost, however, showed a lesser rise, namely, Rs. 25.78 for every bicycle produced (in 1960 over 1951) in relation to the increases registered by material cost or total input. This is evidently due to the decrease in labour cost a unit of output achieved by the industry during the same period. The amount of wages, salaries, etcetera, spent on every bicycle produced fell by Rs. 10.62. This was a significant fall. It might be attributed to the greater degree of mechanisation introduced in the industry during the period as shown by the rise in depreciation charges.

(3) The slight increase in the amount paid to other concerns for work done for the industry, it may be inferred, is due to the growth of subcontracting activity, which is to be regarded as a welcome feature. It is prevalent in all industrially developed countries, and is today a recognised part of the modern industrial complex.

(4) The fact that the production cost has gone up, notwithstanding (i) the decline in labour cost, (ii) the increase in mechanisation (iii) the rise in the scale of production, and (iv) the fall in the import of components and spares, shows that full economies of large-scale operations have not been achieved by the industry and that the level of technological efficiency has also not advanced. One might even guess that as the indigenous component of the Indian bicycle has increased, the cost has risen suggesting thereby that the cost of production of parts and accessories has been more than that of the imported brand.

(5) As a result of the increase in the cost of production, the ex-factory sale price of the Indian bicycle rose from Rs. 120 in 1951 to Rs. 137 in 1960. The rise in price was, however, less than the increase in the production cost. Even then, it seems, it was a factor responsible for the failure of the 1960-61 export target.

Increased Selling Price

Evidence of the rise in the bicycle price is available from the enquiries of the Tariff Commission also. The last Tariff Commission enquiry was held in 1960. According to the statement of prices appended to the commission's report, prices of certain brands charged at Rs. 125 and Rs. 135 a cycle in 1954 increased to Rs. 138 and Rs. 145, respectively, in 1960.

It must be remembered that there is a close connection between the level of export and the competitive position of the industry. The lower the cost of production, the stronger is the competitive position, and consequently, the larger is the export possibility. The prices of Indian bicycles viewed in relation to the prevailing prices in other countries alone provide a correct basis for judging the competitive position of the industry in international markets. But, as the price data for different countries are not readily available, only an approximate idea of the position can be had by comparing the ex-factory price of bicycles with the actual import and export prices. It is true that the export price being f.o.b. and the import price being c.i.f., they are not strictly comparable between themselves or with the ex-factory price. Their relative differences may, however, be still meaningful as can be seen from the following: The relevant price data are as follows:

	Average prices of a bicycle in 1960
Ex-factory price	Rs. 137
Import price	Rs. 174
Export price	Rs. 123

Need to Cut Costs

The prices may now be analysed as follows:

(1) The higher import price in relation to the export price is understandable, and may be explained partly by its components of insurance, freight, duties, etcetera, and partly by the difference in quality. But the fact that it is not much higher than the ex-factory price suggests a possibility of the latter price not comparing favourably with that of the other countries in international markets.

(2) That the export price of bicycles is lower than the ex-factory price—normally it is expected to be the other way—only confirms the Indian bicycle's somewhat unfavourable position in foreign markets *vis-à-vis* other producers. Clearly, (unless there has been under-invoicing) the Indian bicycle is not selling in foreign markets at the price it is being sold in the country. In fact, but for the lower export price, it appears the export of bicycles from India would not have been possible.

TABLE II

ESTIMATE OF PHYSICAL OUTPUT

Year	Gross output: Major product (bicycle) Quantity No.*	Major product (bicycle) Value (Rs.)	Other products (including work done) Value (Rs.)	Major product (bicycle equivalent (2))	Total Quantity (4)	Total Value (Rs.)	Ex-factory sale value (3) (Rs.)
1951	121,888	1,46,12,848	60,13,731	50,114	172,002	2,06,26,579	120
1956	591,707	7,95,74,920	2,02,36,967	1,51,022	742,729	9,98,11,887	134
1957	748,653	9,58,37,734	2,50,91,558	1,96,028	944,681	12,09,29,292	128
1960	1,017,080	13,89,78,396	9,56,97,000	6,98,518	1,715,598	23,46,75,396	137

* The production of bicycles shown in this column differs with that shown in column (2) of Table I. The production series are taken from different sources and their coverage is not identical.

(2) The value in column (4) converted at the rate worked out from columns (2) and (3) yields the equivalent of major product, namely, bicycle (Nos.).

TABLE III

MANUFACTURING COSTS (in Rs.)

Year	Value at factory of fuels, lubricants, electricity, etcetera, consumed: Amount	Unit cost	Value at factory of raw materials, chemicals, packing materials, etcetera, consumed: Amount	Unit cost	Work done by others: Amount	Unit cost	Depreciation: Amount	Unit cost	Total input: Amount	Unit cost	Salaries, wages and benefits: Amount	cost Unit	Total manufactured expenses: Amount	Unit cost
1951	3,88,268	2.26	95,46,342	55.50	65,801	0.38	5,90,594	3.43	1,07,02,821	62.22	50,24,296	29.21	1,57,27,117	91.44
1956	21,27,289	2.86	5,82,29,072	78.40	5,47,681	0.74	22,03,160	2.97	6,83,40,933	85.28	1,55,97,150	21.00	7,89,38,083	106.28
1957	27,14,640	2.87	7,20,28,017	76.24	7,35,869	0.78	25,48,852	2.70	7,85,98,973	83.20	1,88,50,730	19.95	9,74,49,703	103.16
1960	49,92,886	2.91	14,39,70,917	83.91	20,45,416	1.19	76,44,163	4.46	16,92,12,776	98.63	3,18,89,147	18.59	20,11,01,922	117.22

N.B.—The unit cost has been worked out by dividing the respective cost by the physical output (Vide column (6) of Table II).
The amounts of the individual input items [columns (2), (4), (6) and (8)] do not add up to the total input column (10) which is adjusted for the difference in the opening and closing stocks of semi-finished products and finished products used for further manufacture during the year.

Commodity Markets

DECLINING TREND IN TEA PRICES

NEED FOR CROP REGULATION

(BY A SPECIAL CORRESPONDENT)

NORTH Indian tea production up to 15th November was 529,091,839 lbs, compared with 546,052,748 lbs in the same period of 1962. These figures should result in firmer commodity prices, but in fact, do not do so. The reason for falling prices is to be found in the supply-and-demand situation. Apart from north India and Indonesia, there is already too much tea in sight in world markets. Uneconomic prices would result in loss to producers.

The question of renewal, in a revised form, of some method of restricting world crops or even using import duties against some of the newcomers seems desirable. This correspondent is aware of the great difficulties involved, but if world coffee producers have managed to evolve a working scheme to regulate supplies, tea growers too should be able to reach some such arrangement in their own interest. Meanwhile, it is being complained that Government aid to this important industry is not adequate. There are schemes for assistance under hire-purchase arrangements for machinery, supply of fertilisers at concessional rates as also financial assistance for replanting.

The last matter may not be so important if the methods advocated by Professor R. D. Hawooth by which clones shall replace growth from seeds can be widely adopted. The Tocklai experimental station has, of course, been working on these lines for some years. This correspondent has no practical experience of this method, but it would appear to save time in development. But the question whether cuttings can be potted and then transplanted is not still unsettled.

Again how much heavy pruning of this nature can a healthy bush stand without loss of yield in following seasons? With 3,500 or more clones required an acre, there is a nice nursery man's job in the offing. It certainly sounds quicker and safer to develop from cuttings rather than seeds and there would be a gain of perhaps two years in time. It is reasonable to presume that the bulk of recent planting will result in higher yields from quicker maturing bushes and that new planting from 1959 will be giving heavy yields by 1964 or 1965, or maybe in both seasons north India will make up the heavy falls during 1962 and 1963.

South India, Ceylon, and China are all likely to export more tea. Meanwhile, African output is proceeding faster than originally estimated by the F.A.O. Taking the five years 1957-61, the major growing areas increased production by about 237 million lbs. but world exports were up by less than 100 million lbs. These figures emphasise the importance of cultivating internal markets.

It looks a safe assumption that given normal climatic conditions, too much tea is now being produced. Otherwise, why should commodity prices fall? Of the surplus poundage, India makes about 60 percent of plain tea, but other countries manufacture a far higher percentage of common teas. Even quality gardens may find the going more difficult as in the past few years the price differential between plain and quality teas has narrowed from 2s 10d a lb plain and 5s 9d a lb quality to 2s 5½d a lb plain and 5s 2½d a lb quality.

COMPANY AND PUBLIC NOTICES

THE ORISSA MINERALS DEVELOPMENT COMPANY LIMITED

AT a meeting of the Board of Directors held on Thursday the 28th November, 1963, the following Dividend was recommended for declaration at the Annual General Meeting to be held on the 30th December, 1963, to be paid for the year ended 30th June, 1963, subject to deduction of tax.

On the Ordinary Shares at the rate of 10 per cent per annum, subject to deduction of tax.

By Order of the Board,

BIRD & CO. (PRIVATE) LIMITED.
Managing Agents.

Registered Office:
Chartered Bank Buildings,
Calcutta, 28th November, 1963.

THE ORISSA MINERALS DEVELOPMENT COMPANY LIMITED

NOTICE is hereby given to the members of the abovenamed Company that the Annual General Meeting of the Company will be held at the Registered Office, Chartered Bank Buildings, Calcutta, at 11 A.M. on Monday, the 30th December, 1963, for the following purposes—

1. To adopt the Profit and Loss Account of the Company for the year ended 30th June, 1963, and the Balance Sheet as at that date together with the Directors' and Auditors' Reports thereon.
2. To declare the Dividend recommended by the Directors.
3. To appoint Auditors and fix their remuneration.

As Special Business

4. To consider and if thought fit to pass, with or without modification, the following resolution of which Notice has been received from a member under Section 257 of the Companies Act, 1956, which will be proposed as an ordinary resolution—

"THAT Mr. B. P. Ray be and is hereby appointed a Director of the Company".

5. To consider and if thought fit to pass the following resolution which will be proposed as a Special resolution—

"That the provisions of the Articles of Association of the Company be altered in the manner following, that is to say—

(a) That in Article 92 (line 5) the words "and shall be Chairman of the Board" be and are hereby deleted.

(b) That Article 116 be and is hereby deleted and that the following new Article 116 be substituted therefor.

116. The Directors may elect some one of themselves to be Chairman of the Board to preside over their meetings and determine the period for which he is to hold office. If no such Chairman is elected or if at any meeting the Chairman is not present at the time appointed for holding the same, the Directors present shall choose some one of their number to be chairman of such meeting".

The Share Transfer Register of the Company will be closed from 16th December, 1963 to 30th December, 1963, both days inclusive.

By Order of the Board,

BIRD & CO. (PRIVATE) LIMITED.
Managing Agents.

Registered Office:
Chartered Bank Buildings,
Calcutta, 28th November, 1963.

Notes:—

(a) A member entitled to attend and vote at the meeting may appoint a proxy to attend and vote instead of himself. A proxy need not be a member of the Company.

(b) The Dividend if declared, will be paid on or after 13th January, 1964 to those shareholders so entitled whose names appear in the Company's books on the 30th December, 1963, or to their mandatees. No application for Dividend Warrants will be necessary.

(c) **The relative Explanatory Statement pursuant to Section 173 of the Companies Act, 1956, in respect of the Special Business set out above is being sent to the members.**

STATE BANK OF INDIA

NOTICE

NOTICE is hereby given that the Principal Register and the Branch Registers of the State Bank of India will be closed for transfer of shares from Monday, the 16th December, 1963 to Tuesday, the 31st December, 1963, both days inclusive.

N. A. KRISHNAN,
Managing Director.

Bombay, the 13th November, 1963
22nd Krtk. 1885 (Saka).

THE BURRAKUR COAL COMPANY LIMITED

AT a Meeting of the Board of Directors held on Thursday the 28th November, 1963, the following Dividends were recommended for declaration at the Annual General Meeting to be held on the 27th December, 1963, subject to deduction of Tax.

On 22,998 7% Cumulative Preference shares at the rate of 9.10 per cent per annum in accordance with the provisions of the Preference Shares (Regulation of Dividends) Act, 1960.

On 45,000 6% Second Cumulative Preference Shares at the rate of 4.995 per cent per annum in accordance with the provisions of the Preference Shares (Regulation of Dividends) Act, 1960.

On Ordinary shares at 13 per cent per annum.

By Order of the Board,

BIRD & CO (PRIVATE) LIMITED.
Managing Agents.

Registered Office,
Chartered Bank Buildings,
Calcutta, 28th November, 1963.

THE GENERAL INVESTMENT & TRUST CO. LTD.

Notice of Interim Dividend

THE Board of Directors has sanctioned payment of the following Interim Dividends for the year ending 29th February, 1964, subject to deduction of tax.

On the 1st Cumulative Preference Shares @ 3.25%.

On the 2nd Cumulative Taxable Preference Shares @ 2.438%.

The above dividends will be paid on or after the 6th January, 1964, to those members whose names appear in the Company's books on the 23th December, 1963, or to their mandatees.

The Share Transfer Registers of the Company will be closed from 19th December, 1963, to 28th December, 1963, both days inclusive.

By Order of the Board,

BIRD & CO. (PRIVATE) LIMITED.
Secretary.

Registered Office,
Chartered Bank Buildings,
Calcutta, 2nd December, 1963.

THE INVESTMENT & FINANCE COMPANY LIMITED

Notice of Interim Dividends

THE Board of Directors has sanctioned payment of the following Interim Dividends for the year ending 29th February, 1964, subject to deduction of tax.

On the 1st Cumulative Preference Shares @ 3.25%.

On the 2nd Cumulative Taxable Preference Shares @ 2.438%.

The above dividends will be paid on or after the 6th January, 1964, to those members whose names appear in the Company's books on the 26th December, 1963, or to their mandatees.

The Share Transfer Registers of the Company will be closed from 19th December, 1963, to 26th December, 1963, both days inclusive.

By Order of the Board,

BIRD & CO. (PRIVATE) LIMITED.
Secretary.

Registered Office,
Chartered Bank Buildings,
Calcutta, 2nd December, 1963.

JESSOP & CO. LTD.

NOTICE is hereby given that in compliance with the provisions of the Preference Shares (Regulation of Dividends) Act, 1960, the Board of Management has sanctioned the payment of an Interim Dividend on 5% Cumulative Preference Shares for the half-year ending 31st October, 1963, at the rate of Rs. 3.25 per share subject to deduction of tax in accordance with the Finance Act currently in force.

The Preference Share Transfer Register will be closed from 12th December, 1963 to 16th December, 1963, both days inclusive.

Dividends will be paid only to the Shareholders whose names are registered in the Books of the Company on the 16th December, 1963 or to their Mandatees.

By Order of the Board,

K. S. BASU,
Secretary.

63, Netaji Subhas Road,
Calcutta, 27th November, 1963.

THE BURRAKUR COAL COMPANY LIMITED

NOTICE is hereby given to the members of the abovenamed Company that an Annual General Meeting of the Company will be held at the Registered Office, Chartered Bank Buildings, Calcutta, at 11 A.M. on Friday, the 27th December, 1963 for the following purposes :—

1. To adopt the Profit and Loss Account of the Company for the year ended 30th June, 1963 and the Balance Sheet as at that date and to receive the Directors' and Auditors' Report thereon.
2. To declare Dividends recommended by the Directors.
3. To appoint Directors in place of the retiring Directors.
4. To appoint Auditors and fix their remuneration.

As Special Business

5. To consider and if thought fit, to pass with or without modification the following resolutions which will be proposed as Special Resolutions.

That the provisions of the Articles of Association of the Company be altered in the following manner that is to say.

(a) That Article 161 of the Articles of Association of the Company be amended deleting the word "three" in line 4 and substituting therefor the word "six".

(b) That in Article 92 (line 8) the words "and such one of them as from time to time shall be named by the Managing Agents shall be the Chairman of the Board" be and are hereby deleted.

(c) That Article 116 be and is hereby deleted and that the following New Article 116 be substituted therefor.

"116. The Directors may elect some one of themselves to be Chairman of the Board to preside over their meetings and determine the period for which he is to hold office. If no such Chairman is elected or if at any meeting the Chairman is not present at the time appointed for holding the same, the Directors present shall choose some one of their member to be Chairman of such meeting."

The Share Transfer Registers of the Company will be closed from the 18th December, 1963 to the 27th December, 1963, both days inclusive.

By Order of the Board,
BIRD & CO. (PRIVATE) LTD.,
Managing Agents.

Registered Office,
Chartered Bank Buildings,
Calcutta, 28th November, 1963.

Notes :

(a) A member entitled to attend and vote at this meeting may appoint a proxy to attend and vote in his stead. A proxy need not be a member of the Company.

(b) The Dividends, if declared, will be paid on or after 15th January, 1964, to those members so entitled, whose names appear in the Company's books on the 27th December, 1963, or to their mandatees. No application for dividend warrants will be necessary.

(c) **The relative explanatory statement pursuant to Section 173 of the Companies Act, 1956, is being sent to all members.**

TATA-JOHNSON LIMITED ★ JAMSHEDPUR ★

THE DYNAMIC MAKERS OF PULP & PAPER MACHINERY

TATA-JOHNSON LIMITED, are the leaders in the country in designing and supplying top quality equipment for the Pulp & Paper Industry.

STANDARD EQUIPMENT :

Stock Pumps - Hot Liquor Pumps - Chippers - Chip Screens Chest Agitators - High Speed Refiners - Jordan Refiners - Jönsson Screens - Black Liquor Filters - Hydrapulpers - Vacuum Pumps Controllers. These and similar equipment are all supplied against Rupee Payment.

TAILOR MADE PLANTS :

Continuous Digester Plants - Batch Digester Plants - Blow Tanks and Blow Heat Recovery Plants - Brown Stock Washing Plants Bleach Plants - Black Liquor Evaporator Plants - Paper Mills.

The above type of plants are supplied with the highest indigenous content.

We are only manufacturing modern equipment as per our experienced collaborators' designs.

TATA-JOHNSON LIMITED, JAMSHEDPUR-10

BRANCH OFFICES : CALCUTTA • BOMBAY • NEW DELHI

B2/TAL2A

THE INDO-BURMA PETROLEUM COMPANY LIMITED

Registered Office :

Gillander House, Netaji Subhas Road, CALCUTTA-1.

NOTICE is hereby given that the Preference Register of Members of the Company will be closed from the 16th December, 1963 to 2nd January, 1964, both days inclusive for payment of the dividend for the half year ending 31st December, 1963, on the 2nd January, 1964, at the rate of Rs. 2.914 per share (being the stipulated dividend of Rs. 3.50 per share increased by 11% to Rs. 3.885 less Rs. 0.971 being Income Tax at the Company's present rate of 25%) subject to tax being deducted therefrom in accordance with the provisions of Section 194 of the Income Tax Act, 1961.

By Order of the Board,
STEEL BROTHERS AND COMPANY LIMITED,
Managing Agents.
Gillander House,
Netaji Subhas Road,
Calcutta-1.
29th November, 1963.

COMPANY MEETINGS AND DIVIDENDS DECLARED OR PROPOSED

Name of Company	Date	I.S.T. Hours
National Rolling & Steel Ropes Ltd. ..	9-12-63	4 p.m.
Central Bank of India Ltd. ..	16-12-63	4 p.m.
Burrakur Coal Co. Ltd. ..	27-12-63	11 a.m.
Orissa Minerals Development Co. Ltd.	30-12-63	11 a.m.

DIVIDENDS DECLARED OR PROPOSED.—Waterfall Estates Ltd—10 p.c., subject to tax; Cowcoody Estates Ltd—10 p.c. (f), subject to tax; Orissa Minerals Development Co. Ltd—10 p.c. (o), subject to tax.

"CAPITAL" STOCK AND SHARE LIST

THE INVESTORS GUIDE AND SHAREHOLDERS GAZETTE

Official quotations of the Calcutta Bombay Madras London Stock Exchange Associations and other sources.
Figures given after stroke (/) mean Naye Paise.

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Wednesday, 4th December, 1963.

BANKS

NAMES	Dividends per cent 1960	1961	1962	Paid-up per Share Rs.	Latest Market Quotations as available until 4-12-63 Rs.	27-11-63 Rs.	A year ago Rs.
Allahabad Bank P.	18	18	...	100	260/00	260/00	396/00
Bank of Baroda	17	17	16	50	91/50	91/00	93/00
Bank of India	20	20	20	50	113/50	111/00	110/50
Central Bank of India	20 2/5	20	20	25	60/50	59/00	60/00
Chartered Bank	15	15	...	£1	sh.58/10½	sh. 57/9	sh. 56/6
Hindusthan Commercial	Nil	Nil	Nil	50	13/50	13/50	17/12
Hindusthan Mercantile	Nil	Nil	...	50	15/50	15/50	15/62
Hong Kong & Shanghai	£3⅜	£3⅜	£3 1/5	HK$25	£19½	£19½	£17½
Indian Bank	15	15	14	100	158/00	157/50	173/00
Indian Overseas Bank	14	14	...	..	147/50	148/00	161/00
Industrial Finance Corpn.	...	..	...	50	...	...	...
National & Grindlays Bank	13½	14	16	sh 15	sh 34/3	sh. 33/1½	sh. 33/3
Punjab National Bank	20	20	20	10	19/69	19/44	20/62
Union Bank of India	11 2/5	11 2/5	..	5	6/52	6/40	6/28
United Bank of India	4.3	6	6	10	7/75	7/84	7/62
United Commercial Bank	12	12	12	40	71/50	74/25	80/00

*1962

JUTE MILLS

NAMES	Dividends per cent 1960	1961	1962	Paid-up per Share Rs.	Latest Market Quotations as available until 4-12-63 Rs.	27-11-63 Rs.	A year ago Rs.
Agarpara P.	10	2½	2½—12*	10	10/37	10/44	10/19
Alexandra P.	44	15	42½	100	300/00	300/00	305/00
Alliance P	6	Nil	10	100	150/00	160/00	117/00
Anglo-India P.	20	7	10—12*	100	228/00	228/00	223/00
Auckland P.	27	12	Nil—15*	100	140/50	140/50	153/00
Baily P	25	25	25	100	261/00	261/00	293/00
Barnagore P.	30	10	10	£5	213/00	225/00	180/00
Bengal P.	5	...	...	10	9/37	9/37	10/25
Birla P	15	15	15—15*	10	31/44	32/25	29/50
Budge Budge P.	10	Nil	12	100	151/00	152/50	160/00
Calcutta P	12	6	..	10	4/12	4/12	8/00
Caledonian P.	10	6	Nil-40*	10	22/69	24/19	...
Champdany P.	Nil	5	25	10	22/50	22/87	23/94
Cheviot P	6	Nil	6	10	10/50	11/12	11/25
Chitavalsab P.	...	...	...	10	9/19	9/19	8/37
Clive P	4	1	Nil—25*	100	140/00	134/00	125/00
Dalhousie P.	7½	Nil	12	100	164/00	164/00	175/00
Delta P	12½	7½	12½	10	17/75	17/75	17/25
Empire P.	25	10	12½—20*	100	372/00	372/00	412/00
Fort Gloster P.	22½	22½	10—20*	10	26/44	27/50	25/37
Fort William P.	10	10	15	10	13/31	13/75	13/12
Ganges P	10	10	13	10	16/00	16/66	18/62
General Industrial	30	25	20—20*	10	25/25	25/25	...
Gourepore P.	6	6	6—6*	100	128/00	128/00	128/00
Hastings P.	10	20	7½—10*	10	16/00	16/00	20/00
Hooghly P.	10	10	Nil—10*	10	19/00	19/31	19/06
Howrah P	12½						
Hukumchand P.	28⅜	28⅜	26⅝-26⅜	7½	21/00	21/00	26/12
India	14	12	8	12½	16/75	16/75	17/12
Kamarhatty P.	5	Nil	20	100	193/00	201/00	164/50
Kankinarran P.	Nil	Nil	10	100	139/00	147/00	130/00
Kelvin P	15	15	5	100	192/00	194/00	194/00
Khardah P.	20	5	12½-12½*	10	19/37	19/37	17/00
Kinnison P.	20	7	Nil-10*	100	138/00	148/00	153/00
Lansdowne P.	Nil	Nil	Nil-Nil*	100	97/50	98/00	120/00
Lawrence P.	7	15	10-10*	100	111/00	111/00	116/00
Megna P.	12	12½	Nil-22*	10	13/06	13/31	12/62
Naihati P	...	...	...	100	104/00	104/00	107/00
Naskarpara	...	...	...	10	8/00	8/00	9/06
National P.	7½	Nil	10	10	23/94	23/94	24/00
Vellimarie P.	3	6	15	10	12/69	12/75	11/25
New Central P	15	15	Nil	10	13/25	13/44	13/62
Northbrook P.	30	30	20-25*	10	31/00	31/00	36/75
Nuddea	8	6	5—10*	50	62/00	68/25	55/00
Presidency	8	6	10	6	5/37	5/69	4/94
Rameshwara P.	Nil	Nil	Nil-Nil*	10	9/20	9/29	9/87
Reliance P	Nil	Nil	Nil-Nil*	10	8/87	8/87	6/69
Samnugger P	1	Nil	10	£1	10/50	10/50	10/50
Shree Ambica P.	4	6	Nil	10	35/00	35/00	35/00
Soorah P	25	25	25	10	23/50	23/50	22/50
Titaghur P.	8	Nil	13	£1	11/50	11/50	11/50
Union P	25	1	Nil-20*	100	168/00	168/00	165/00
Victoria P.	4	Nil	10	£1	10/50	10/50	10/50
Waverley P	30	30	60	1	8/31	9/75	5/62

* 1963

COAL COMPANIES

NAMES	Dividends per cent 1960	1961	1962	Paid-up per Share Rs.	Latest Market Quotations as available until 4-12-63 Rs.	27-11-63 Rs.	A year ago Rs.
Amalgamated	10	12½	15	10	26/00	26/00	22/12
Bengal P	25	21	...	100	276/00	276/00	335/00
Bengal Bhatdee	...	...	...	10	3/48	3/48	3/48
Bengal Nagpur	10	26	...	10	22/00	22/00	22/00
Bhalgora	...	...	...	10	4/37	4/75	5/00
Bharat Collieries P.	...	...	...	10	3/44	3/50	3/53
Bhuianbararee	...	...	...	10	10/00	11/94	12/00
Bokaro & Ramgur	...	...	...	10	11/19	11/19	11/19
Borree P	15	15	...	10	22/12	22/12	23/87
Burrakur P	13	13	13	10	17/12	17/37	16/00
Central India	8	10	10	10	9/97	10/12	10/00
Central Kurkend P.	...	...	...	10	3/87	3/87	8/00
Churulia	8	...	...	4	3/06	3/06	3/06
Dhemc Main	Nil	Nil	...	10	4/50	4/50	5/94
East Indian	7½	15	20⅝	£1	31/00	31/00	50/00
Equitable P	15	10	...	10	25/00	25/62	25/62
Ghusick & Muslia	Nil	Nil	Nil	10	14/25	14/25	15/00
Guzdar Kajora	...	...	...	10	2/44	2/44	2/05
Hurriladih	...	...	...	10	5/50	7/06	8/12
Karanpura Development	5	5	...	100 10F	11/56	12/06	12/00
Karanpura Collieries P.	15	15	...	10	16/00	16/00	18/00
Katras Jherriah	7½	10	10	10	33/56	34/00	43/75
Khas Kajora P	95	40	25	10	17/62	17/62	18/70
Mundulpur	...	...	...	10	2/69	2/69	2/69
Nazira	7½	Nil	Nil	10	5/00	5/00	5/75
New Beerbhoom P.	10	10	..	10	19/25	19/25	20/94
New Manbhoom	7½	9	12	10	15/25	15/25	13/75
North West	20	20	...	10 7½	19/75 18/00	19/75 18/00	19/75 18/00
Sundai P.	6	7½	...	10	13/50	13/50	13/00
Parasea P.	1½	1½	..	10	14/00	14/00	16/00
Pench Valley	10	10	10	10	18/31	18/31	16/50
Pure Sitalpur	...	...	...	10	8/00	8/00	4/00
Raneegunge	15	17	17	10	13/62	14/12	15/00
Rewa	20	20	...	10	28/50	28/50	29/12
Samla	10	...	...	10	9/00	9/00	10/03
Searsole	Nil	Nil	Nil	2½	1/22	1/22	1/94
Seebpore P.	42 6/7	42 6/7	..	7	34/75	34/75	45/00
Sendra	5	3½	...	10	5/00	5/00	5/75
South Karanpura	2½	Nil	Nil	10	8/75	8/75	7/00
Standard	15	10	...	10	13/12	13/12	16/00
Union	...	...	...	10	10/12	10/12	10/37
Western Bengal	6	7½	9	10	8/81	9/06	8/87
West Jamuria	Nil	Nil	...	10	4/56	4/56	9/37

COTTON MILLS

NAMES	Dividends per cent 1960	1961	1962	Paid-up per share	Latest Market Quotations as available until 4-12-63	27-11-63	A year ago
				Rs	Rs.	Rs.	Rs.
Basanti P	..	..	..	10	13/69	13/69	9/19
Bengal Luxmi	..	..	..	40	30/00	30/00	28/00
Bengal Nagpur P.	Nil	..	..	10	3/00	3/00	3/25
Bharat Commerce	5	15	15	10	23/75	23/75	25/87
Birla Cotton	10	20	20	10	33/00	33/00	28/87
Bowreah P	10	20	15	10	24/50	25/00	24/00
Cawnpore Textiles	7-1/5	10	10	6	7/37	7/56	7/06
Delhi Cloth & Genl P	12	13	13	25	50/69	50/69	45/00
Dunbar	20	20	15	10	30/06	30/06	27/00
Elgin P.	11½	17½	17½	10	23/12	23/19	19/50
J. K. Cotton (Rayon) P.	12½	..	..	10	11/94	12/12	14/25
Jay Shree	10	10	..	10	16/25	16/00	16/25
Muir E	..	..	..	100	74/50	74/50	100/00
New Victoria P.	Nil	..	..	2½	1/53	1/66	1/37
Orissa Textiles P.	Nil	Nil	..	10	6/25	9/00	9/00
Rampoorla Cotton	3	Nil	..	10	13/00	13/00	12/00
	Nil	Nil	Nil	1	3/00	3/00	2/00
Swadeshi (Kanpur) P.	5	..	..	10O	12/62	12/62	11/50
	5.51	..	..	10PO	6/81	6/81	7/37

BOMBAY COTTON MILLS

NAMES OF MILLS	Dividends per cent 1959	1960	1961	Paid-up per Share	Latest Market Quotations as available until 3-12-63	26-11-63	A year ago
				Rs	Rs	Rs	Rs.
Ahmedabad Advance P.	7	16	..	100	143/75	143/75	170/00
Apollo	..	..	..	2	2/02	2/06	2/00
Benarilal Ramcharan	Nil	Nil	..	100	105/00	95/00	82/50
Bombay Dyeing etc.	14	14	14—14*	25	61/30	62/50	59/10
Bradbury P.	10	10	25	50	157/50	157/50	155/00
Century	..	..	..	100	648/50	662/50	562/50
Central India P.	Nil	Nil	Nil	100	101/00	105/00	99/00
Coorla	..	..	..	100	171/25	167/50	150/00
Dawn	20	30	30	50	151/00	154/00	139/50
Edward Textiles	9	9	..	20O	283/00	285/00	325/00
Elphinstone P.	14	18	22	50	100/00	101/00	93/00
Finlay	..	..	..	100	320/00	325/00	295/00
Gokak	..	..	..	100	177/00	183/00	175/50
Hindoostan	..	..	..	25P	950/00	950/00	965/00
India United	..	..	..	10	22/12	22/24	25/60
	..	..	..	1Dd	2/62	2/74	3/12
Indian	..	..	..	250	860/00	860/00	890/00
Indore Malwa United	7	8½	10—7½*	100	202/00	200/00	195/00
Khatau Makanji P.	16	32	..	100	210/00	212/50	373/75
Kohinoor	9½	15	18	100	337/00	339/00	275/00
Lakshmi-Vishnu P.	Nil	5.7	6—Nil*	100	101/00	104/00	110/00
Morarjee Goculdas P.	21½	21½	24—24*	100	390/00	395/00	468/00
Mysore Spg & Mfg P.	10	14	14	50	43/00	50/00	54/00
New City of Bombay	..	..	..	100	160/00	160/50	142/50
New Great Eastern P.	..	..	..	100	180/00	187/00	270/00
Phoenix	..	..	..	100	226/00	230/00	203/00
Sassoon & Alliance	Nil	Nil	..	10	11/00	11/00	14/00
Sassoon Spinning	25	17	20—10*	10	45/50	45/50	49/00
Simplex	10	15	Nil—22*	50	125/00	126/50	152/00
Shree Niwas P.	15	18	20	100	285/00	287/00	240/00
Svadeshi P.	14	17	..	100	255/00	261/50	238/00
Swan	..	..	..	100	275/00	275/00	250/00
Tata	10	20	..	25	56/00	56/80	54/00
Western India	..	..	..	250	875/00	875/00	835/00

* 1962

BOMBAY MISCELLANEOUS COMPANIES

NAMES	Dividends per cent 1960	1961	1962	Paid-up per Share	Latest Market Quotations as available until 3-12-63	26-11-63	A year ago
				Rs.	Rs.	Rs.	Rs.
CEMENT ENGINEERING & METAL							
Associated Cement	12½	12	12	100	151/75	152/75	147/50
ELECTRIC LTG. POWER							
Ahmedabad Electricity	7	6	..	100	94/80	94/30	90/50
Andhra Valley Power P.	5½	5	5	1000	1,060/00	1,060/00	1,005/00
Bombay Suburban Elec	..	..	..	100	105/00	103/00	104/00
Tata Hydro Elec. Power P.	5½	5	5	100	110/50	110/75	106/00
Tata Power P.	6½	5	5	1000	1,137/50	1,135/00	1,102/50
Alcock Ashdown	..	..	..	100	304/00	305/00	288/00
Jost's Engineering	8	10	10	50	60/00	60/00	98/00
Larsen & Toubro P.	12½	18	14	10	23/92	24/40	21/96
Mckenzies	..	..	..	100	137/50	137/50	140/00
Premier Construction P.	..	..	..	30O	158/00	161/00	118/00
				33P			
Tata Eng & Locomotive P.	12½	14½	14½	100	281/00	282/50	263/50
Tata Iron & Steel P	9.1	10.36	10.36	75O	142/50	145/25	121/00
Belapur Sugar	..	..	..	50	248/50	256/00	210/00
Bombay Burmah Trading	30	33	33	25	61/10	64/70	..
				20	47/25	49/50	..
Hindustan Level	26	26	12	10	37/75	38/75	41/50
Industrial Invt. Trust	6½	6½	..	100	74/00	77/00	72/00
Kemi (Chemists)	..	..	..	200	276/25	276/25	310/00
National Rayon	22	..	..	100	365/50	373/50	422/00
Scindia Steam Navign.	8	8	8	20	15/28	15/16	11/04
Shivrajpur Synd.	80	Nil	..	10	21/00	22/00	24/00
Tata Chemicals P.	6	6½	6½	10	17/04	17/32	12/60
Tata Oil P	23	23	23	25	69/70	72/00	51/50
Voltas	13	14	14	100	255/00	256/00	235/00
Western India Match	16	16	16	100	270/00	264/00	256/00

TEA COMPANIES

NAMES	Dividends per cent 1960	1961	1962	Paid-up per Share	Latest Market Quotations as available until 4-12-63	27-11-63	A year ago
				Rs.	Rs.	Rs.	Rs.
ASSAM GARDENS							
Amluckie	Nil	10	7½	10	18/37	18/37	20/00
Anandabag P.	30	32½	20	10	33/25	33/25	33/25
Bagmari	Nil	15	7½	10	17/25	17/25	18/50
Barduar Tea	Nil	..	..	5	9/50	8/50	8/50
Basmatia	35	25	20	10	27/25	27/25	27/25
Bateb	30	..	..	5	17/50	17/50	18/00
Betjan	40	45	30	10	30/12	30/12	32/62
Bishnauth	13	15	20	10	18/69	18/69	17/25
Bokakhat	Nil	12	13	10	13/70	13/70	13/70
Borman Jan P.	15	15	15	10	13/00	13/00	16/12
Bor Pukhuri	Nil	Nil	10	10	11/00	11/00	11/75
Brooke Bond P.	15	10	7½—7½‡	10	13/06	13/06	12/19
Dejoc Valley	13	20	30	10	60/00	60/00	49/25
Dessai & Purbuttia	Nil	10	15	100	200/00	200/00	141/00
Dhelakhat	12½	..	..	10	20/75	20/75	20/00
Dhunser P.	20	15	10	10	11/81	11/81	15/00
Dibrugarh	40	40	30	10	32/50	32/50	32/50
Dimakusi P.	25	20	25	10	22/62	22/62	21/87
Duthaghur	25	25	30	10	28/00	28/00	27/87
East India	Nil	Nil	10	10	15/56	15/56	18/87
Gillanbari	25	20	15	10	4-	25/44	25/44
Jobpur	Nil		20	10	14/69	14/81	13/31

‡1962

TEA COMPANIES—Contd.

NAMES	Dividends per cent 1960	1961	1962	Paid-up per Share	Latest Market Quotations as available until 4-12-63	27-11-63	A year ago
				Rs.	Rs.	Rs.	Rs.
Grob	6	6	6	5	7/81	8/15	8/06
Hoograluli (Assam)	20	20	17	10	27/12	27/12	27/12
Hoolungooree	10	7½	20	100	200/00	199/00	190/00
Jutlibari	30	30	20	10	31/50	31/50	32/00
Kingsley Golaghat P.	35	35	..	100	125/00	125/00	212/00
Kotamullai P.	Nil	Nil	Nil	5	10/31	10/31	10/31
Krishnabehari	15	8	10	10	11/80	11/80	10/50
Kyang Tea	Nil	..	..	10	8/06	8/06	8/06
Ledo	Nil	Nil	Nil	10	13/75	13/75	17/25
Maud Tea & Seed	10	7½	7½	10	14/81	14/81	14/81
Methoni	5	14	20	10	17/87	17/87	18/50
Moheema	Nil	Nil	..	10	11/50	11/50	11/50
Mothola	30	30	35	100	507/00	507/00	507/00
Murphulani (Assam)	5	15	25	10	26/50	26/50	26/50
	10.63	20.63	30.63	10	26/87	26/87	28/75
Naga Hills	10	10	10	10	22/25	22/25	22/69
Namburnadi	12	12	..	10	12/87	12/87	14/56
New Cinnatolliah	Nil	Nil	Nil	100	302/00	302/00	450/00
Rajgarh	40	13½	17½	10	19/00	19/00	21/37
Sapoi	22½	20	10	10	18/50	18/50	24/44
Seajuli	22½	15	30	10	25/50	25/50	20/75
Telolian	25	25	25	10	24/12	24/12	27/75
Tengpani	25	25	22½	10	35/75	35/75	35/00
Tezpore P.	30	30	..	10	15/19	15/19	15/56
Tongani	20	12½	..	10	5/31	5/31	6/50
Tyroon	Nil	Nil	..	10	31/00	31/00	34/37
CACHAR							
Arcuttipore	Nil	5	6	10	7/00	7/00	7/00
Baitakhat	2½	2½	..	10	7/71	8/06	6/69
Central Cachar	5	7½	5	100	85/00	85/00	73/00
Eastern Cachar	Nil	Nil	..	10	4/56	4/50	4/12
Kalinugger Khoreel	6	..	..	100	87/00	87/00	87/00
Hattikhira	Nil	8	Nil	10	8/75	8/75	9/44
Kunchanpore	Nil	Nil	..	10	6/00	6/00	6/00
Loobah	Nil	Nil	Nil	10	4/56	4/56	5/00
North Western	30	20	10	100	175/00	175/00	205/00
Pathemara	Nil	Nil	Nil	10	7/50	7/50	7/50
Roopacherra	Nil	10	Nil	10	11/00	11/00	13/62
Rungamattee	5	5	5	50	48/50	48/50	50/00
Sonai River	Nil	Nil	..	10	5/05	5/05	8/12
DARJEELING							
Bloomfield	Nil	..	..	10	3/12	3/12	3/25
Chamong	Nil	10	10	10	9/00	9/00	10/25
Darjeeling Tea & Chin	30	30	30	100	197/00	197/00	195/00
Dilaram	8	4	..	100	102/50	102/50	102/50
Gielle	Nil	..	8 4/7-15*	10	11/69	11/69	11/69
Lingia P.	15	10	17½	10	14/00	14/00	14/56
Longview	12½	10	..	10	11/00	11/00	11/00
Margaret's Hope	15	15	15	10	12/19	12/19	11/62
Min	22½	27½	27½	100	191/50	191/50	191/50
Nagri Farm	30	25	35	10	29/87	29/87	27/00
Okayti	25	25	..	100	600/00	600/00	605/00
Pashok	10	Nil	..	10	20/00	20/00	20/00
Poobong	Nil	Nil	5	10	7/50	7/50	7/37
Pussimbing P.	Nil	Nil	Nil	10	7/50	7/50	8/87
Runglee Rungliot	55	20	7½	100	386/00	386/00	386/00
Seeyok	15	Nil	..	10	8/60	8/60	8/50
Singell	Nil	Nil	Nil	100	36/75	36/75	36/75
Singtom	2	Nil	2	10	3/50	3/50	3/50
Soorr	50	40	40	10	34/00	34/00	31/00
Sungma	15	15	20	10	14/62	14/75	12/75
Teesta Valley	Nil	..	8 4/7-10*	10	15/87	15/87	12/25
Tukvar	Nil	Nil	..	10	6/00	6/00	6/00
DOOARS							
Banarhat P.	22½	21	21	100	241/00	241/00	255/00
Baradighi	30	25	25	10	23/69	23/69	23/87
Bhatkawa	15	15	20	10	17/25	17/25	17/37
Birpara P.	17½	12½	17½	100	162/00	162/00	151/00
Carron	20	5	7½	100	155/00	155/00	145/00
Choonabhuti P.	32½	20	20	100	210/00	210/00	262/00
Ellenbarrie	5	5	10	100	184/00	184/00	184/00
Enic	60	30	40	100	136/00	136/00	136/00
Etheibari	5	5	7½	10	11/87	11/87	13/12
Gairkhata	25	20	11	10	21/50	21/50	21/50
Gopalpur	12	2	10	25	20/00	20/00	20/00
Hantapara P.	15	5	10	100	114/00	114/00	106/50
Hasimara P.	17	..	18—15*	10	13/44	13/44	14/00
Huldibari	22½	..	19 2/7-11*	10	13/05	13/06	13/69
Jaydirpara	10	Nil	Nil	10	23/81	23/81	11/06
Killcot	25	15	15	10	15/50	15/62	17/31
Manabarrie	10	6	..	10	59/50	59/50	59/50
Nagasuree	25	15	15	100	140/00	140/00	169/50
New Dooars P.	35	20	14½	100	230/00	230/00	258/00
Oodlabari	12½	7½	..	100	13/62	13/62	14/25
Phaskowa	Nil	Nil	Nil	100	129/00	129/00	127/00
Rajabhat	Nil	Nil	6	10	12/00	12/00	12/12
Ranicherra	15	15	7½	10	12/75	12/94	16/75
Redak	25	20	25	10	25/75	25/75	27/31
Sarugaon	40	40	40	10	36/31	36/31	36/25
TERAI							
Atal	5	..	..	10	8/75	8/75	6/75
Belgachi	20	20	..	10	20/50	22/50	20/50
Gungaram	20	12½	12½	100	130/00	130/00	158/00
Hansqua	20	15	17½	10	20/00	20/00	20/00
New Chumta	15	..	12 6/7-20*	10	24/62	24/62	33/50
New Terai	22½	10	15	10	23/00	23/00	38/00
Pahargoomiah	20	20	2½	10	14/37	14/37	31/12
Putinbaree	14	14	..	10	45/00	45/00	45/00
Tirrihannah P.	60	60	60	10	49/00	49/00	49/00
CHITTAGONG							
Kodala	Nil	Nil	..	10	9/25	9/25	9/25
Kornafuli	Nil	Nil	..	10	9/31	9/31	13/46
Oodaleab	Nil	Nil	..	10	8/00	8/00	8/00
SYLHET							
Chundeecherra	Nil	Nil	Nil	10	26/00	26/00	23/00
Dauracherra	22½	22½	20	10	11/56	11/56	7/31
Kalitt	Nil	Nil	..	10	10/00	10/00	9/12
New Samanbagh P.	25	Nil	Nil	10	18/37	18/37	18/37
Patrakola	32½	40	15	100	129/00	129/00	148/00
Rajnagar	Nil	Nil	Nil	10	9/50	9/50	9/56
Teliapara	22½	22½	10	100	110/00	110/00	99/00

‡ Hectares

* 1963

MISCELLANEOUS COMPANIES

NAMES	Dividends per cent 1960	1961	1962	Paid-up per Share	Latest Market Quotations as available until 4-12-63	27-11-63	A year ago
				Rs.	Rs.	Rs.	Rs.
MININGS							
Burma Mines	23/5	Nil	Nil	3½S	0/44	0/44	0/44
Chrestien Mica Industries P.	15	12½	..	10O	10/19	10/19	11/12
	25	20	..	5Dd	6/87	6/87	8/85
Indian Copper Corporation	27	27	..	2s	3/38	3/44	4/28
Metal Corporation P	Nil	..	..	10O	8/50	8/50	9/37
Orissa Mineral Development	36	28	20	10	26/00	27/37	36/50
CEMENT, LIME, SLATE, ETC.							
Ashoka Cement	8	7	7—7*	10	7/37	7/37	7/06
Assam Bengal Cement	..	..	..	10O	3/62	3/50	4/00
	..	..	..	11Dd	0/59	0/59	0/44
Bengal Potteries	15	..	..	2½	5/37	5/30	5/54
Bisra Stone Lime	30	30	10	..	23/50	23/50	27/87
Dalmia Cement (Bharat) P.	12	12	12	10O	12/91	12/75	13/81
				1Dd	2/81	2/81	2/15
Jaipur Udyog P.	8	8	8.36	10	11/69	12/00	11/25
Kumardhubi Fireclay & Silica P.	18	18	18	10	18/45	18/45	18/45
Orissa Cement P	15	15	10	10	14/31	14/62	15/25
Reliance Firebricks & Pottery	22	15	10	10	22/75	22/75	22/75
Stone Valley Portland Cement	4	6	8	10	4/62	4/62	4/53
Katna Stone & Lime	27½	30	35	10	28/31	28/31	37/00
CHEMICAL INDUSTRIES							
Alkali & Chemical Corpn of (I)	12	15	15	10	33/62	34/00	37/50
Bathgate & Co. Ltd. P	Nil	..	..	5	0/84	0/84	0/84
Bengal Chemical & Pharm P.	7	10	..	100	101/00	101/00	101/00
Calcutta Chemical P.	18	18	18	10	17/87	17/87	19/31
Frank Ross P	..	..	..	5	2/87	2/87	3/25
Smith Stanistreet P.	25	25	25	5	12/31	12/32	15/50
ELECTRIC LIGHTING, POWERS							
Agra Electric Supply	11	11	11	100	118/00	118/00	120/00
Bareilly Electric Supply	11	11	11	10	12/50	12/50	11/75
Benares Electric Supply	11	11	11	10	11/62	11/62	12/44
Bhagalpur Electric Supply	8	10	8	8	6/56	6/56	6/06
Calcutta Electric Supply	9	7½	8½	21	14/75	14/25	14/87
Cuttack Electric Supply	7½	10	10	10	11/87	11/87	12/62
Dishergarh Power Supply P.	10	10	10	100	88/00	88/00	94/00
Jhansi Electric Supply	..	..	..	10	5/90	5/90	5/90
Jubbulpore Electric Supply	10	10	10	10	11/12	11/12	11/37
Mirzapur Electric Supply	..	..	..	5	12/00	12/00	12/00
Muzafferpore Electric Supply	12½	12½	12½	10	11/50	11/50	13/25
Muttra Electric Supply	..	..	..	10	11/06	11/06	11/12
Patna Electric Supply	10	10	10	10	10/44	10/75	10/81
Shahjahanpur Electric P.	6½	6½	6½	10	6/87	7/50	7/00
Sijua (Dherriah) Electric	10	9	9	10	8/50	8/50	9/06
United Provinces Electric	11	11	11	100	145/00	144/00	120/00
Upper Jumna Valley Electric	13½	13½	13½	10	18/00	17/15	15/25

* 1963

MISCELLANEOUS COMPANIES—Contd.

NAMES	Dividends per cent 1960	1961	1962	Paid-up per Share	Latest Market Quotations as available until 4-12-63	27-11-63	A year ago
				Rs.	Rs.	Rs.	Rs.
ENGINEERING & METAL							
Arthur Butler (Muzafferpore) P.	..	..	..	10	14/94	14/94	14/50
Bhartia Electric Steel	10	10	12½	10	15/00	15/00	13/75
Braithwaite India	25	25	14	10	34/25	34/12	33/50
Bridge & Roof	30	30	30	10	52/25	52/25	52/25
Britannia Building & Iron P.	Nil	Nil	Nil	10	3/37	3/37	3/65
Britannia Engineering P.	10	10	10	10	10/34	10/56	10/75
British India Electric Cons.	45	20	15	10	31/00	31/00	33/12
Burn P. (Engineering)	28½	28½	28½-25°	100	317/00	330/00	600/00
Calcutta Steel	15	15	15-12½*	10	14/19	14/19	14/87
Dalmia Iron	10	10	10	10	11/69	11/69	11/44
Guest, Keen, Williams	16	14	14	10	26/31	27/25	34/87
Hooghly Docking	Nil	Nil	12½	50	95/00	95/00	102/00
Indian Iron & Steel P.	15	16	16—16°	10	24/20	24/78	22/00
Indian Malleable Casting	Nil	..	..	5O	6/00	6/00	6/00
	Nil			10d	2/06	2/06	2/50
Indian Standard Wagon P.	28½	28½	..	10	35/62	36/87	30/50
Indian Steel & Wire Products	23	24	23—28°	10O	36/87	36/87	49/00
Industrial Containers	Nil	10	10	10	21/37	21/37	22/00
Jay Engineering	17 3/20	17 3/20	15	10	21/87	21/87	24/31
J. K. Steel P.	20	20	10	10	17/12	17/37	16/25
Jessop & Co. P.	8.58	8.58	8.58	10	24/06	25/50	22/00
Kumardhubi Engineering P.	10	11¼	15	3	9/15	9/25	7/50
Marshall Sons (India)	Nil	Nil	Nil	2	2/53	2/59	3/25
National Iron and Steel	Nil	Nil	Nil	10	5/69	5/90	4/75
Saran Engineering	8¾	10	12½-10°	4	7/94	8/78	11/12
Steel Containers	30	20	20	10	29/50	29/50	19/75
Textile Machinery	10	10	..	10	26/90	27/80	20/00
SUGAR BREWERIES ETC.							
Balrampur Sugar	8	8	4	2½	1/95	1/95	2/34
Belsund Sugar	18¾	10	6 2/3	7½	8/94	8/94	9/62
Bharat Sugar P.	..	..	..	10	16/00	13/31	12/87
Carew (Sugar) P.	Nil	Nil	Nil	10	11/31	11/50	12/25
Cawnpore Sugar P.	Nil	Nil	Nil	10	9/75	9/87	12/37
Champaran Sugar	15	12	Nil	10	12/62	12/56	15/87
Durbhanga	4	Nil	5	10	9/94	9/94	9/00
New Savan Sugar and Gur	..	..	..	10	4/50	4/50	5/25
Purtabpur Sugar P.	..	..	..	10	10/81	10/81	11/50
Ramnugger Cane & Sugar P.	80	35	30	10	29/00	29/00	30/37
Raza Buland	12½	10	10	10	10/44	10/25	10/20
Ryam Sugar P.	..	..	..	10	3/37	3/56	8/06
Samastipur Central Sugar	..	..	..	10	5/25	4/90	9/62
Shree Krishna Gyanoday Sugar P.	15	..	..	10	8/62	8/56	9/06
Shree Sitaram Sugar	..	..	..	10	7/12	7/12	7/12
Sitalpore Sugar	4	Nil	Nil	10	3/94	3/94	6/12
United Provinces	15	5	Nil	10	10/50	10/00	10/62
Upper Ganges Sugar P.	72½	72½	72½	10	85/00	85/00	77/00
MISCELLANEOUS							
A Firpo (Restaurateur)	7½	10½	5	10	5/00	5/90	5/90
Aluminium Corporation P.	12	12	12—5*	10	13/50	14/12	15/12
Anderson Wright Ltd. P.	11½	Nil	..	10	11/50	11/50	11/50
Angelo Bros.	25	28½	28	10	26/75	26/87	22/75
Assam Match	18	20	20	10	27/50	27/50	28/75
Assam Saw Mills & Timber	Nil	Nil	3	3	2/66	2/62	2/75
Associated Battery	25	15	15	10	28/00	28/50	27/00
Associated Hotels of India P.	Nil	10	10	10	10/31	10/31	10/31
Balmer Lawrie & Co.	25	25	25	100	256/00	256/00	257/00
Bararee Coke	Nil	Nil	15—15*	10	22/06	22/12	24/50
Birds Investments P.	9½	10	10	10	10/44	10/44	12/50
Britannia Biscuit P.	25	30	25—21°	10	51/50	42/50	45/12
British India Corporation P.	4	7	9	5	9/00	8/44	9/50
British Paints	12½	15	10	10	23/50	23/50	20/25
Calcutta Silk Manufacturing P.	Nil	Nil	..	10	6/94	6/94	7/15
Clive Row Investment	8	7½	7½	10	8/56	8/56	8/25
Duncan Brothers & Co. Ltd. P.	14	14	14	100	140/00	140/00	157/50
Dunlop Rubber Co. (India) P.	21½	20	15	10	36/00	36/75	36/25
Dyer Meakin (Breweries)	25	30	..	5	32/50	33/62	29/62
Eastern Investments Ltd. P.	14	14	12	100	111/00	115/00	129/00
Electric Construction	10	10	10	10	13/25	13/25	13/50
French Motor Car	20	20	..	20	32/75	32/75	35/12
Ganges Rope	17½	20	20	100	236/00	236/00	236/00
General Investments Trust P.	5	5	5—5°	75	43/00	43/00	43/00
Gillanders Arbuthnot & Co. Ltd. P.	10	11	11—11*	10	14/19	14/19	14/06
Gladstone Lyall & Co. Ltd. P.	4 2/5	..	..	10			
Godfrey Phillips (India) Ltd. P.	40	40	30	10	28/12	28/12	33/25
Great Eastern Hotel	9	6	..	250	250/00	250/00	241/00
Hindustan Aluminium P.	Nil	..	..	10	13/75	14/25	13/50
Hindustan Motors P.	9	12	12½-11½*	10	16/75	18/69	16/50
Hindusthan Pilkington	..	..	..	10	18/41	16/75	19/50
Hindusthan Twyfords P.	Nil	Nil	Nil-Nil*	10	14/25	14/25	15/75
Hoare Miller & Co. Ltd.	6	6	..	10	5/62	5/62	6/62
Imperial Tobacco	8	9	9	10	10/12	10/06	10/87
Indian Aluminium Co. Ltd. P.	15	15	17½	10	29/62	30/75	32/00
Indian Cable P.	22½	22½	22½-22½*	10	38/81	39/50	34/50
Indian Oxygen	15	15	12	10	27/87	29/50	30/75
Indian Rubber Manufacturers P.	20	30	36	10	19/87	19/87	21/06
Isaac Holdens	30	30	30	10	14/75	30/00	32/0[illegible]
Investments and Finance P.	..	Nil	Nil	100	16/56	16/56	15/56
Indian Wood Products	7½	7½	7½—7½°	10	30/00	30/00	55/00
Jardine Henderson Ltd. P.	7	7	8—7*	100	78/50	80/50	73/00
Jay Shree Industries P.	14	12½	..	10	14/75	18/69	16/50
Kesoram Industries P.	5	12	12—13°	10	25/31	27/31	22/00
Macfarlane & Co.	..	..	..	50	6/69	6/69	7/00
	..	..	..	1Dd	1/44	1/44	2/50
Macneill & Barry Ltd. P.	8	8	7½	100	92/00	105/00	93/50
Martin Burn Ltd. P.	27½	27½	25	10	28/50	28/87	29/81
McLeod & Co. P.	15	15	18	100	210/00	210/00	215/00
Metal Box Co. of India Ltd. P.	25	25	19	10	52/25	52/00	53/50
National Insulated Cable P.	25	25	25—28*	10	24/00	24/62	25/00
National Pipe & Tubes P.	20	20	20	10	28/19	28/00	29/75
National Rolling & Steel Ropes	13	15	15	10	20/37	21/12	21/37
National Rubber P.	Nil	6½	8	10	13/75	13/37	11/25
National Tobacco P.	16	7	7	10	13/50	13/31	13/00
New India Investment Corpn.	8.7	..	..	75	59/50	59/50	90/00
Octavius Steel P.	10	7½	7½	100	..	..	..
Philips India	12	12	13	10	28/50	30/50	28/12
Publicity Society	10	75	75—50°	4	22/62	22/62	26/19
Rallis India P.	2	8½	8	100	131/00	130/00	150/00
Rohtas Industries P.	20	10	8—9*	10	12/22	12/69	12/00
Sirsilk P	Nil	..	..	10	9/87	10/00	8/75
Sen-Raleigh Industries P.	8	8	8	10	15/19	15/19	18/87
Shaw Wallace P.	15	15	7½	10	17/9	16/75	20/06
Spencer's Hotel	2½	2½	..	2	0/65	0/65	0/94
Union Carbide	18	18	12½	10	42/75	43/87	43/50
Walford Transport	30	20	..	1PO	3/00	3/00	2/25
	20	30	..	1O	4/06	4/09	3/37
INSURANCE COMPANIES							
Concord of India	20	20	20	5	11/25	11/25	11/50
Hercules	22½	26½	26½	10	23/25	23/12	25/37
Ruby General	10	13½	15½	8	10/31	10/40	9/69
Standard General	..	..	..	10	6/25	6/25	8/00
Triton	45	50	50	25	128/00	128/00	131/00
FLOUR MILLS							
Bengal	40	25	25	10	29/00	29/00	34/25
Delhi P.	..	..	..	10	14/00	14/00	14/00
Ganesh P.	..	..	..	12½	15/00	15/00	16/00
Hooghly	15	Nil	Nil	10	19/75	19/75	19/75
United	35	10	7½	10	27/81	27/81	30/00
OIL COMPANIES							
Attock Oil	13½	13½	..	£1	sh. 39/-	sh. 38/3	sh. 26/9
Burmah Oil P.	9-2/5	..	..	£1	sh. 66/6	sh. 65/1½	sh. 39/1½
Indo Burmah Petroleum P.	30	25	22½	10	24/25	24/25	25/44
Tide Water Oil	30	35	35	10	29/12	29/50	26/00
PAPER MILLS							
Bengal P.	32	27½	20	10	28/25	28/75	32/12
India Paper Pulp	15	13	12—15*	10	19/06	19/06	18/87
Orient Paper P.	22½	22½	22½-20°	10	37/70	39/00	36/20
Shree Gopal Paper P.	17-6/7	17-6/7	17-6/7	10	25/00	25/50	23/25
Sirpur P.	6½	8½	..	10	13/78	14/06	11/50
Star Paper P.	Nil	Nil	Nil	10	9/12	9/12	10/00
Titaghur P.	10	13	13—13*	2½PO	3/25	3/25	3/78
	25	20	10—10*	10AO	16/87	17/31	36/00
	25	20	10—10*	10BO	16/87	17/31	36/00
West Coast P.	6	7½	..	100	170/00	170/00	160/50
PRESSING COMPANY							
Camperdown	11	11	..	100	104/00	104/00	100/00
REAL PROPERTY STORAGE							
Bengal Bonded Warehouse	11	8	8—9°	A500	1.050/00	1050/00	610/00
				B62½	125/00	125/00	77/25
				C100	122/00	122/00	122/00
				D12½	14/15	14/15	14/75
Calcutta Safe Deposit	..	..	..	100	7/75	7/75	7/25
Humayan Properties P.	6	..	..	10O	11/00	11/00	11/00
	Nil	..	..	1Dd	2/10	2/10	2/15
Midnapore Zemindary P.	Nil	Nil	Nil	85			
TRAMWAYS & STEAMER							
Bengal Assam Steamship P.	7½	7½	..	100	11/00	11/00	11/12
Calcutta Landing & Shipping	3½	7½	22	10	128/00	128/00	106/00
Calcutta Steam Navigation	10	Nil	Nil	10	34/00	34/00	49/50
Calcutta Tramways P.	..	..	..	10	9/25	9/25	7/75
Fraser	Nil	..	..	£1	11/25	11/25	12/25
India General Nav. Railway P.	Nil	..	..	10	10/00	10/00	10/00
India Steamship P.	10	Nil	Nil	£10	44/00	44/00	66/50
Port Shipping	Nil	Nil	..	10	7/37	7/37	6/25
				10	14/75	15/06	12/06

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ASSOCHAM: THE SEARCH FOR ECONOMIC EFFICIENCY

THE quality of the main debate at the annual general meeting of the Associated Chambers of Commerce is prone inevitably to vary widely from year to year. If the exchanges at the meeting in Calcutta last Saturday were unusually harmonious, constructive and practical, the credit is due equally to the two main speakers—Mr. A. R. Foster, president of Assocham, and Mr. C. Subramaniam, Central Minister for Steel, Mines and Heavy Engineering. Mr. Foster set the tone for the proceedings in a speech that was notable for its blend of frankness and courtesy. And Mr. Subramaniam reciprocated the gesture in words that business men nowadays do not always have the pleasure to hear: "I find myself in agreement with so much that you have said that I feel confident in expressing the hope that, in the years to come, we in industry and in Government will tackle our formidable problems in a spirit of mutual understanding and dedication to a common cause." To many among the audience present, it must have seemed that the years of quiet diplomacy which have yielded such close accord on public occasions have been remarkably fruitful; the value of agreement on general issues is not to be under-estimated even if it is accompanied by sharp differences on details.

The year which Mr. Foster and Mr. Subramaniam reviewed has been marked by more than its fair share of difficulties. A major one stems from the decline in food and agricultural production. Industrial production has increased, but at a far slower pace than the planners had visualised, mainly because in many important sectors productive capacity has remained idle in spite of the impetus expected from the emergency. The rise in prices has led to hardship, labour unrest and political agitation. The drastic Budget which Mr. Morarji Desai presented in February, apart from contributing handsomely to the price rise, has knocked the capital market for a six; new companies in particular have found it difficult to raise the money they need. There is some solace in the fact that the shortage of foreign exchange is not as acute as it might have been, thanks to the liberal inflow of external aid and an encouraging increase in exports. The shortage of rail transport capacity and of the lower grades of coal too has eased, although the power situation remains precarious in large parts of the country. Finally, as Mr. Foster pointed out, the Central Government's revenues are buoyant—or at least as buoyant as one might expect after the gross under-estimation of revenues in Indian Budgets each year.

Many of the difficulties, as the Assocham president said, result from "cumulative weaknesses of policy and administration"; and perhaps nowhere is this truer than in agriculture. Ambitious programmes have been framed for raising farm output. It is easy to agree with Mr. Subramaniam that not only has the output been increased, but fluctuations have been reduced. The fact remains, however, that: (1) the rise has not kept pace with requirements; (2) during the past two years, the output of foodgrains has steadily declined; (3) shortages, even if marginal, still tend seriously to undermine economic stability; and (4) perhaps most important of all, if India had had to buy with her free foreign exchange reserves the crucial supplies she has been getting from the United States under the P.L. 480 programme, those reserves would long ago have vanished. The hungry may find little consolation in Mr. Subramaniam's reminder that, according to the Government's statistics, farm production has been rising faster in modern India than in certain phases of Japanese, Canadian or U.S. history. Indeed, some statisticians may be inclined to issue the contrary reminder that the Indian rise is in part illusory, in the sense that it is due to the elimination of a number of statistical imperfections which at times made nonsense of the earlier crop estimates.

The important point, surely, is that agricultural production could have been increased much more rapidly in this country if Central and State Ministries had concentrated more on it than on their private political squabbles. Not only have land reform programmes been ill-advised; efforts to promote the use of irrigation water, fertilisers, pesticides and scientific techniques have been sluggish too. Mr. Subramaniam paid a generous and well-deserved compliment to the planters represented in Assocham when he described them as, "in a sense, the most efficient agriculturists in the country", since they had achieved remarkably high yields on the plantations. But he did not care to add that the preconditions of their success—large farms, efficient management and the constant search for scientific improvements—are precisely the ones which the Government's own policies often ignore, if not firmly discourage, in the rest of Indian agriculture.

If "cumulative weaknesses of policy and administration" have done much to hamper agricultural progress, they have done a great deal to hamper the progress of industry too. Mr. Foster referred to the damage caused by price and distribution controls on strategic supplies such as coal, paper, cement, iron, steel, fertilisers and electrical power. Supposedly intended to check inflationary pressures, the controls have in fact served to divert capital to less essential uses, and have thus actually contributed to inflation by accentuating the shortages of these commodities. Mr. Subramaniam offered the defence that the price of coal had been increased 12 times, and the retention price of iron and steel raised by 25 percent, within the last five years; he claimed, therefore, that the controls had been operated with a fair degree of flexibility" The argument missed the point, however, that the number of times the price of a commodity is raised, or the proportion by which it is raised, is not of crucial importance. The prices in question were to begin with far too low. To have raised them 100 times or by 100 percent is no answer, especially if the prices of other goods have increased almost as often or as rapidly in the generally inflationary situation. The important need is that in industries which are considered essential, price and distribution controls have to be operated in such a way that production is maximised. In other words, the industries have to be allowed to conserve the resources and raise the fresh funds necessary for ex-

pansion. The acute and prolonged shortage of the commodities Mr. Foster listed confirms that this has not been done.

Far and away the most reassuring part of Mr. Subramaniam's speech was the indication that the Government is having second thoughts on the virtues of the controls now in force. Mr. Subramaniam personally deserves much of the credit for sponsoring the reviews—which cover not only iron and steel, but also industrial licensing, coal prices and the use of foreign aid. His remarks on whether controls were perfect or useless were superfluous; few except those on the lunatic fringe of the left and right take the extreme positions that the Minister laboriously set out to condemn. Mr. Subramaniam did, however, hit the nail on the head when he declared that "considerable vested interests have developed around some of the present controls". But the refreshing candour would have been more welcome if it had been supplemented by the admission that the controls have got to the stage where the administration itself finds it does not have the time and the expertise to operate them in the meticulous detail in which they exist. The greater the perplexities of the administration, the greater is the sway of vested interests, among whom the political ones are by no means the least powerful. The Government will need all the luck and resolution it can find if, in the face of opposition from politicians and the bureaucracy, it is to evolve some sense out of the present paraphernalia of controls.

Apart from the regulations relating to the price and distribution of essential commodities, serious harm has been done by the policies for industrial licensing. Regional and State pressures have led to the dispersal of industries to areas where, in strictly economic terms, they have no reason to exist. No less often, the licensing policies have been abused in the effort to establish several small units where the economies of scale clearly prescribe the need for only one large one. Mr. Subramaniam last Saturday paid the customary lip-service to "the need to avoid excessive concentration of wealth and economic power"—the slogan under which the country has already been littered with host of uncompetitive industrial orphans. But one hopes the more important of his statements on the subject was that "we cannot, even for the sake of encouraging new entrants or for the sake of balanced regional development, encourage the proliferation of uneconomic units without retarding the general progress of industry in the country as a whole."

The hint was given that somehow the two divergent aims—of preventing the concentration of economic power, and yet promoting the establishment of large and economic new units—would be reconciled by setting up new financial institutions or diversifying the activities of those that already exist. The assumption seems implicit that the financial institutions will help supply the capital which new entrepreneurs might not be able to raise on their own. But, if that is the case, there is a fair chance that the idea may be stillborn. Experience shows that it is not only capital which new entrepreneurs lack; what is more important in India nowadays, they are also frequently short of the managerial and technical know-how which is essential for the success of a new undertaking, especially if it is to be a large and competitive one.

Among the relatively unorthodox features of Mr. Foster's address was the emphasis on the rôle of management, particularly in the effort to raise productivity. As the Assocham president pointed out, in many industries labour costs are high and *per capita* output is low. If production costs could be reduced, exports would become more competitive and domestic prices would come down. Greater productivity is, therefore, essential; it can increase efficiency and output along with workers' earnings. Under Mr. Foster's presidentship, Assocham has helped promote the general awareness of work-study and productivity techniques; particularly interesting is the experience that bonuses paid monthly to workers for increased output are gaining popularity where they have been based on properly-designed productivity schemes. It may be true that in many industries the greatest threat to productivity comes from the shortage of raw materials, power or other facilities. The general point nevertheless remains valid that large sectors of Indian industry could benefit by adopting scientific management techniques, especially those aimed at reducing costs and improving efficiency.

Good management is in fact crucial to the problem of advance planning and effective implementation which Mr. Subramaniam discussed in a wider context. The Minister's argument was that India was moving on to a new, higher and more complex phase of industrial development. Until recently, the development had been confined to relatively simple fields and to industries which required relatively small amounts of capital. The difficulties which had now arisen were to a large extent inevitable, being due to the growth in the complexity and capital requirements of industrial enterprise. The argument is understandable, if not particularly original: it does not, however, answer the criticism that when India decided to move to the so-called "higher phase of development", she could have prepared more adequately for the difficulties that were expected to arise. That, after all, is what planning was for. If recurrent crises are to be accepted coolly as an inevitable accompaniment to each "higher phase of development", it would be hard to visualise a more derogatory comment on the quality of the planning the Government takes pride in.

The major weakness of current planning is not that the programmes, for industry or in other spheres, have become highly complex; that was only to be expected. The weakness is that the managerial and technical personnel required to deal with programmes of such complexity do not exist in anywhere near adequate numbers. Mr. Subramaniam's rule over Hindustan Steel cannot have left him unaware of the problem. Yet it is disappointing to find that in his emphasis on the need for advance and detailed planning for a number of alternative projects (an emphasis which may spring from the Bokaro fiasco), he said almost nothing about the men who are to do such planning. A widespread impression is that the people required to plan broadly for a few projects are already in short supply. Where, then, are the much larger numbers required to plan in detail for several alternatives to be found?

There are two ways in which the difficulty might be eased, although not eliminated. One is for the Government to farm out more projects to private entrepreneurs who are in a position to commandeer the managerial and technical personnel required. The other is to give such personnel greater incentives, along with the training facilities required to increase their numbers. Both possibilities have in the past been limited by irrational fiscal policies born of ideological prejudices. The impact of personal taxation has greatly affected the inflow of qualified technicians and managers from abroad. It has also greatly reduced the incentives for Indians and expatriates already working in industry. The provision whereby a company paying more than Rs. 5,000 a month to an Indian employee is penalised, has proved particularly discriminatory and reprehensible. As Mr. Foster pointed out, it is often through the hard work and assiduous persuasion of Indians in this category that foreign investors are brought to invest money in this country. Proper rewards to salaried personnel, especially at the senior levels, are an essential precondition for the success of "the managerial revolution."

Apart from a substantial reduction in personal taxation, Mr. Foster pleaded for a thoroughgoing reform of the taxes relating to companies. Mr. Subramaniam skirted the issue in his reply, which was perhaps understandable since he does not hold the Finance portfolio. The fact remains, however, that no single levy has done more damage to investment confidence in recent years than the super profits tax; its abolition, or drastic modification, is therefore a matter of top priority. The Government is prone to advertise the concessions it gives to new undertakings. These are admittedly substantial, but they are available for only a limited period. After that, the enterprise becomes subject to a level of taxation which is high by international standards, and which inevitably affects the decisions of the long-term investor. Discussing the taxes on intercorporate investment, Mr. Foster made the point that "since most foreign private investment in India in future must come from foreign companies rather than individuals, the elimination of this multiple taxation of company profits" is of special importance. Only in ways such as these might the havoc wrought by the last Central Budget be repaired to some extent by the one to come.

ENGINEERING BOTTLENECKS

THE continuing expansion of the engineering industries is among the few bright spots one can discern in the current economic scene. It is helping to strengthen and diversify the industrial base, at the same time as it enlarges import savings. While the overall growth in industrial production during the past two years averaged only 7.5 percent annually, production increased by 25 percent in the basic metals industry, by 69 percent in the manufacture of metal products and by 18 percent to 22 percent in machine manufacturing. While citing these figures in his presidential address to the Engineering Association of India last week in Calcutta, however, Mr. T. R. Gupta was acutely conscious of the blemishes. The levels of production attained represent in most cases a belated endeavour to come up to the second plan targets, while the output of finished steel is still 500,000 tons short of the 4.5-million-ton level expected by 1960-61. The delays persist, and the realisation of the 1965-66 goals will almost certainly be deferred until the second or third year of the next plan. In the meantime, the gap between the demand and supply of the industry's basic raw materials is bound to widen, with the result that the proportion of idle capacity, already high, will increase still further.

According to estimates furnished by a survey conducted by the Association, the demand of the engineering units for rolled steel in 1962-63 was roughly 2 million tons, of which only 30 percent or 40 percent was met. In pig iron, the situation was only a little better, the supply from existing sources meeting no more than 40 percent or 50 percent of the demand. The solution, according to Mr. Gupta, lies in importing 1 million tons of steel and an equivalent quantity of pig iron until domestic supplies can be augmented. Some imports of both will, no doubt, be arranged—Mr. Subramaniam has given several assurances about this in the Lok Sabha and in his address to the Steel Advisory Council last month—but the quantity will depend on many things other than Mr. Krishnamachari's willingness to scrape together the necessary foreign exchange. The decisive factor may be the non-project assistance India is able to get from all sources, a total to which the recent World Bank proposal to consider financing maintenance imports may make an important difference. With so many uncertainties still involved, it is obviously too early for anyone to hold out firm hopes even though the value of additional production of engineering goods in saving imports may be fully recognised.

The import of iron and steel, by itself, will not take the engineering industries very far. In relation to the more important lines of production, what can be made locally needs to be supplemented in varying degrees by components and completing equipment from abroad. The motor-vehicle makers, for instance, cannot function without substantial imports of components, necessitating release of foreign exchange, even on a highly restricted basis, at the rate of Rs. 4 crores a year. The Bhopal heavy electrical plant will require, as Mr. Subramaniam admitted at the Association

India's Resources
are Precious
WASTE NOT,
WANT NOT

meeting, imports of about Rs. 6 crores a year over the fourth plan period. The unfortunate effect of the present lop-sided development of engineering industries will be seen in a serious aggravation of the foreign exchange problem. This follows from the fact that complete power plants, for example, may be purchased out of project aid, but the import requirements of local manufacture will have to come from the much smaller amount available as non-project assistance. Considered in this light, the first priority in the future development of engineering must go to closing the gaps in the industries' existing structure.

This implies providing for the necessary investment as a first charge on available resources, even if it means having to do without some of the ambitious schemes now being discussed. Mr. Gupta underlined in this context the urgency of building up the machine tool industry and setting up ten or 20 tool-rooms in different parts of the country to manufacture dies, jigs and fixtures. These are undoubtedly important but there are several others deserving equal priority. Ball bearings, fasteners, welding electrodes and tungsten carbide are all basic items without which the engineering industries can hardly function, yet their development has unfortunately been allowed to fall behind. Only a few moths ago, the shortage of electrodes brought fabricators virtually to a halt, necessitating imports on an emergency basis. Was this another instance where New Delhi, in its preoccupation with grandiose projects, had missed out on the small but vital detail that would make all the difference between success and failure?

The Government has set up an Ancillary Industries Board to develop the supply of components to 16 large-scale industries. Success in this endeavour will depend a great deal on arranging for technical know-how, especially for precision-engineering items. In cases where a proved component or instrument is to be taken up for manufacture, it will be necessary to pay either royalties or technical fees—matters which cannot be quickly negotiated because of the procedural hurdles set up by New Delhi. Even where no patent rights are involved, processing may require specialised know-how, such as of a designer or heat treatment specialist, for which technical personnel may need to be brought out on short-term contracts. As Mr. Gupta pointed out, each such contract has to be approved by the Government and the decision is often delayed, as a result, for much longer than a suitable person is prepared to wait. These procedural problems are common to all industries, but there are two reasons why the resulting handicaps will bear more heavily on ancillary units than on others. In the first place, ancillary units are almost by definition small, and therefore without the resources for prodding New Delhi into prompter action. Secondly, the need for technical expertise grows inversely with the size of the final product.

In his address to the Engineering Association of India, Mr. Subramaniam spoke at some length on the need to develop indigenous know-how. There can hardly be two opinions about the merits of achieving greater self-sufficiency as long as it is accepted that no country can ever lay claim to a monopoly of worthwhile ideas. This implies a willingness to borrow from others (or accepting otherwise the penalties of obsolescence), as seen in the interchange of manufacturing know-how taking place all the time among the advanced nations. Russia, for instance, has just agreed to pay a stiff price for the use of German chemical technology for producing fertilisers from naphtha while it negotiated earlier a deal with Austria for the use of the well-known L.D. process of steel-making. Even so, India will need to follow in Japan's footsteps by gradually building up a fund of indigenous technology, enlarging and enriching what has been borrowed. This cannot be accomplished overnight, least of all where immediate commercial production is required. For the present, therefore, there should be no hesitation at all in making further borrowing and accepting with good grace the price that has to be paid for it. The price is, in fact, quite small, as is evident from the figures cited by Mr. Krishnamachari in a recent discussion with some M.P.s. He is reported to have told them that remittances on account of royalties and patents amounted to Rs. 3.39 crores last year, which constituted perhaps a minute fraction of the value of output attributable to the technical assistance covered by these payments.

At a time like the present when the speeding up of development is especially important to overcome the unfortunate lags of the past two years, any reluctance to use ready-made technology cannot but set the engineering industry back. This applies not only in the private sector but also in the public. Enterprises like the coal-mining machinery plant in Durgapur or the heavy machine building unit in Ranchi cannot begin to function without assistance with designs, including shop drawings. Like several design functions, the latter can indeed be tackled by Indian meantime, the completed plant and equipment will have to stand idle. In the circumstances, exhortations to industry to stand on its own feet a design organisation and get it working. In the engineers, provided the time is given to assemble as rapidly as possible cannot but have an ominous ring suggesting that New Delhi may be thinking of adding to all the many hurdles obstructing the acquisition of new technology. In fact, if Mr. Subramaniam's entirely sensible advice about detailed advance preparation for new industrial projects is to be heeded, the need for technological assistance will be all the greater. India has a large corps of engineers but understandably their experience in designing and planning new units is limited. In recognition of this gap, the Government has itself been most anxious to persuade overseas firms to set up Indian offices with, of course, local participation to fill the large gaps in consultancy services.

U.K.: COST OF MODERNISATION

POLITICALLY-MINDED Britons regard their country's economic expansion in 1963 as a preparation for the general election of 1964, but the ideas circulating and the plans taking shape near the end of 1963 transcend politics. What they involve is the rapid modernisation of the country, both economically and socially. Short-term political expediency may provide the impetus, but the transformation will be permanent. The important question is whether it can be financed without excessive strain. The British Government revealed recently its notions of capital spending in the public sector in 1963-64 and 1964-65. The proposed increase in this spending is as much as 20 percent in 1963-64 but only 7 percent in 1964-65, according to the White Paper on the subject. Yet medium- and long-term projects involving massive additional spending have been proposed since the White Paper was published, although at that time the Chancellor of the Exchequer warned that the Government had reached a temporary limit of spending. These projects range from the modernisation of horticulture, for which the Government is offering financial aid amounting to £50 million in the next ten years, to the total reconstruction of city centres and other "conurbations", of which a prospective increase in spending on urban roads from £50 million a year now to £140 million a year by 1970 represents a comparatively small proportion of the cost Intermediate is a five year plan for improving the telephone service, at a cost of £900 million.

In the opinion of the London *Financial Times*, the Buchanan Report on the redevelopment of Britain's cities to accommodate vehicular traffic "is arguably the most important published by any British Government since the war". It recognises not only that investment in vehicles must be matched by investment in roads, but also that the whole traditional concept of a city, where traffic and people, at leisure or at work, are intermingled is outmoded. The Minister of Transport has already approved, in principle, the recommendations of the investigating committee, and the construction industry is assessing their implications. The financial authorities, however, are more reticent. These ideas of "a new Britain" are related to, yet separate from, the idea of "continuous growth". They cannot take concrete shape unless the economy expands and so provides the required resources. But modernisation and expansion of industry, and development of technical knowledge (the Government is working simultaneously on a big plan for higher education), require massive capital investment, on which the cost of social modernisation will be superimposed. Regrets for past neglect are unprofitable, but it must be recognised that delay in undertaking these tasks has concentrated a huge total of capital commitments in a comparatively short period of time. The rapid increase in public spending is causing some official anxiety even in the current fiscal year, for the increase in private-sector investment, unaccountably delayed, is now progressing fast.

The financial problem is short- or medium-term, not long-term. In due time a modernised and expanded economy, complemented by the growing economies of other sterling countries, will provide a very strong base for the pound as an international currency. But in the period between the initiation of capital investment and the maturing of benefits from it, the financial strain will be considerable; and arrangements for international financial collaboration (among sophisticated countries such as Britain) were not devised for this kind of contingency. However, great benefits can be gained by modernisation of methods involving only small capital investment or none at all. Improvements in organisation, administrative and operational, have already transformed the earnings of some important British companies, and the economies reflected in profits are a general economic gain, which could be immensely increased if all companies conformed with the standards of the best. It is gratifying to observe that British industry, in general, is not efficiency-conscious. Scientific methods of quality control may be costly, but capital invested in them may yield quick returns. At the conference of the British Productivity Council in Eastbourne in November Major-General B. G. Ralfs, chairman of the National Council for Quality and Reliability, said that quality control could raise the productivity of British industry by 5 percent. He estimated that the nation could save £500 million a year by eliminating even half the wastage caused by faulty manufacture.

There are other opportunities for saving on a comparable scale. Damage caused by erosion of metals, in Britain alone, has been estimated at some £600 million a year; and anti-corrosion is now a recognised science. The economic loss caused by accidents has been estimated at some £500 million a year; and this "modern epidemic plague" (as a report by the Royal College of Surgeons of England has described it) is preventable. So are fires, which cause total damage (including consequential losses) far in excess of the direct damage of nearly £70 million annual rate (calculated on the unprecedentedly high figures for the first ten months of 1963). The biggest potential saving is in the cost of defence, which, at the recent rate of increase, will soon reach £2,000 million a year It is arguable that an appreciable reduction in this essentially profitless expenditure is a necessary condition of the fulfilment of Britain's plans. The British Government's interest in improving East-West relations is not concerned only with trade. The basic resources needed for Britain's modernisation and development exist, and the currency will not be strained if they can be more efficiently and more effectively employed. Otherwise, some of the plans for "a new Britain" will necessarily be deferred.

L.I.C. IN GENERAL INSURANCE

THE Central Finance Minister, Mr T. T. Krishnamachari, has recently explained in the Lok Sabha the rôle that the Life Insurance Corporation will play as a general insurer. According to him, it is the board of the L.I.C. which has decided that the Corporation should take up general insurance business. The Government fully agrees with the decision. But the provisions of the Insurance Act, 1938, relating to the General Insurance Council, the executive committee of

the General Insurance Council and the Tariff Committee will not apply to the Corporation. Th L.I.C. intends to transact general insurance business as a non-tariff insurer. The Government, according to Mr. Krishnamachari, has no objection to this proposal. In taking up general insurance business itself rather than through its subsidiary, the L.I.C. will extend the public sector in the general insurance field, and in its relationship to private insurers, will function more or less in the same way as the State Bank of India does in the field of banking. Elaborating Mr. Krishnamachari's statement, a Finance Ministry spokesman has said that general insurance is to be treated like industries in Schedule "B" of the Industrial Policy Resolution, where the public sector has a predominant rôle but private units also exist. According to the spokesman, the decision is not to be interpreted as a step towards the nationalisation of general insurance or as an alternative to nationalisation. The L.I.C.'s decision has to be judged on its merits and not in the perspective of nationalisation, which, according to him, is an entirely separate issue. Another aim is to set a healthier tone in general insurance by spreading honest practices.

It has not yet been made clear how the L.I.C. will proceed to achieve this aim, although the implications of the move are obvious. Several pronouncements have been made with a view to consoling insurers. The chairman of the L.I.C., Mr. B. K. Kaul, has stated that the Corporation will not start unhealthy competition in the insurance market, although it will operate without tariff restrictions. In other words, it will charge any rates it considers correct, so as to benefit the insured as well as the insurers. According to the chairman, the L.I.C. will adopt tariff rates for the time being, but it will follow a flexible policy later. By reducing the rates, the L.I.C. hopes to set a healthier tone in the market. Meanwhile, because of the reduced premium income from retained business which must inevitably follow, the private companies, it is suggested, will have little money to "buy" business in the market and will thus be in a straitjacket.

The executive committee of the General Insurance Council some time ago framed the so-called Code of Conduct to check malpractices. Its chairman, Mr. E. Kolet, has sent a swarm of inspecting officers to many companies. The reports of the inspecting officers have often been harsh and unfair. By a curious mishap, they have been used to explain the condition of general insurance business to the public, Parliament and the Government of India. The executive committee must take full responsibility for this unfortunate state of affairs and also for the consequences which have followed and baffled them. Some feel that the least that it can now do is to withdraw from the field altogether, wind up the administrative machinery and abandon the so-called Code of Conduct. The L.I.C., in any case, will not be guided by the executive committee. The south Indian companies are already out of the purview of inspections by the administrative machinery. Under the circumstances, many of the other companies too may withdraw the undertakings given if the executive committee does not show the foresight to avoid incurring further expenses uselessly.

An anomalous position has arisen concerning the Statistical Bureau of the Tariff Committee. If the L.I.C. figures are not integrated with the statistics of the Committee, they will lose all value. Furthermore, since the L.I.C.'s rates are likely to be different from those of tariff insurers, a major problem will arise in integrating the figures even if they are offered by the L.I.C. So the Statistical Bureau cannot legitimately proceed further with the work. Since the expenses are borne by insurers themselves, it is felt that the activities of the Statistical Bureau may have to cease if the L.I.C. is not included in the final compilation.

Current News and Comment

Group Report on Gold Control

The publication of the report of the Informal Group on Gold Control is belated, but it is interesting to see that most of its recommendations have already been incorporated in the Gold Control Bill now being considered by the Lok Sabha. The report, therefore, deserves study. The group was headed by Mr. S. S. Khera, Cabinet Secretary, as chairman and consisted of other five officials as members. It was constituted on 5th September, 1963, to review the working of the Gold Control Order and to suggest ways of improving, simplifying and rationalising the rules.

The main objectives of the Gold Control Order are to curb smuggling by making it less easy to dispose of gold in the domestic market and to reduce the demand for the metal by discouraging its consumption. The group is of the view that gold control has succeeded in reducing smuggling. But judging from the size of smuggled gold seized in recent months it does not look as if smuggling has been effectively curbed. The substantial discount at which the rupee has been quoted in unofficial foreign exchange markets suggests that smugglers have been sufficiently active because the exchange value of the rupee depreciates in direct proportion to the volume of gold smuggled. It is true that the price of gold has been more or less steady in recent months. But this by itself should not give rise to complacency as this is due to the general uncertainty which gold control has caused. The reduced demand for the metal, for the time being, at any rate, is partly due to the control over individual holdings of non-ornament gold, and partly because of the control over refiners and big dealers.

Impressed by the theoretical justification for gold control under the present circumstances, the report has recommended that instead of operating it as a part of the Defence of India Rules the control should be given a separate and permanent legislative footing. This recommendation has now been implemented by the Government by introducing the Gold Control Bill. On the recommendation of the group also, the Bill seeks to plug an important loophole by authorising the Government to call for information on individual gold ornament holdings above a certain limit. The former stipulation of compelling an individual to declare only his holding of non-ornament gold above a specified limit used to encourage people to hoard gold in the form of ornaments rather than bullion.

The report has rightly pointed out that quick measures should be taken to mitigate the hardships which have followed in the wake of gold control. It is regretted that no worthwhile measure has so far been adopted to rehabilitate the numerous goldsmiths who have lost their only source of livelihood. The Central Government should prepare a scheme of rehabilitation, but since the implementation of any such scheme will have to be entrusted to the State Government, the Centre will need to maintain a close watch on the progress of the scheme in the States.

Attention has been drawn to the adverse effects of the control on the supply of rural credit. A majority of the cultivators still rely on obtaining credit by pledging gold. Since their credit-raising capacity has been hampered by gold control, it is urgently necessary to improve the supply of credit through agencies like land mortgage banks, co-operative societies and kindred institutions. Although the group is in favour of discouraging bank advances against gold, it has discreetly recommended that commercial banks should be left free to fix the valuation of gold or ornaments for determining credit limits.

It is necessary to devise suitable forms of investment for siphoning off the funds which would otherwise be blocked in gold hoards. The group does realise the need, but it has not suggested any alternative investment. It is difficult to find an investment comparable to gold which has traditionally served as an excellent store of value and as a hedge against inflation. These attributes alone have made it a universally popular medium of investment. Since gold control constitutes an attack on the traditional habits of the people it is necessary to propagate its importance and virtues more vigorously. Unless the public support for it can be won, the measure might flounder on popular resistance. In the field of propaganda, therefore, official efforts should be supplemented by the work of popular non-official agencies, the report has stressed.



Working of Joint Ventures Surveyed

In an article on dividends in joint venture companies and subsidiaries of foreign companies by Dr. G. Balakrishnan and Raj Behari published in the latest issue of *Company News and Notes*, some interesting information has been given relating to dividends declared by companies having foreign equity capital participation. The authors have studied 76 public limited and 79 private limited companies. Thirty-five of the former and forty-five of the latter are subsidiaries of foreign companies. The accounts of the companies relate to 1961-62.

Out of the 79 private companies, one incurred a loss and seven made profits of more than 50 percent on their sales income. Six companies did not pay dividend. The largest number of companies, namely, 25 paid dividends of less than 10 percent on their net worth. Seven companies paid dividends of more than 100 percent on their net worth. Out of these companies, 58 have equity capital participation from the U.K. and 12 from the U.S.A. The remaining represent equity participation from such countries as Japan, Germany and Switzerland. The number of companies having U.S. equity capital participation constitute about one-fifth of those with U.K. capital participation. Two of the U.S. companies paid dividends of more than 100 percent on their net worth, compared with four companies with U.K. equity participation which declared similar dividends. Out of the 79 private companies, 45 are subsidiaries of foreign companies. The U.K. subsidiaries are 35 and the U.S. ones only six. Forty-eight companies have been engaged in the manufacture and processing of metals and chemicals and 14 have been dealing with trade, commerce or finance.

The bulk of the 76 public-limited companies made profits of less than 15 percent on their sales and capital employed. Only one company made a profit of more than 50 percent on its sales income. Out of these companies, 41 paid dividends of less than 10 percent on their net worth and only one company paid a dividend of more than 100 percent on its net worth. Of these public-limited companies, 63 have equity participation from the U.K. and five from the U.S.A. Of these companies, 35 are subsidiaries of foreign companies; the U.K. subsidiary companies are 35. Out of the 76 public companies, 35 have been engaged in the manufacture and processing of metals and chemicals while 14 have been engaged in trade, commerce or finance.

Value of Equities

In a study that surveys the value-conserving achievement of 131 equity shares of the U.S.A., Canada, and 11 European countries against that of gold during the period from 1930 to 1962, only 36 had a poor record compared with the yellow metal. How the company shares fared in value in terms of 1930 purchasing power, including stock dividends and splits, compared with the changes in the gold investment, brought about by devaluations, shows some interesting if rather disparate results. For example, that perennial favourite of widows and orphans, American Telephone and Telegraph took 31 years, inclusive of stock splits, to equal the increased value of the amount of gold that originally cost the same as one share in 1930. In terms of constant 1930 dollars, American Telephone and Telegraph's 1962 closing price—adjusted for splits—was 13.1 percent below its 1930 opening. On the other hand, Royal Dutch Petroleum, after early setbacks, managed to equal its gold value by 1936. In spite of three subsequent devaluations, the gold equivalent was reached again in 1953, and has been exceeded ever since. If computed in constant guilders, the old Company's adjusted price at the end of 1962 was 88 percent above the 1930 investment.

Titled *Common Stocks* vs. *Gold*, this study is unique in these days of managed paper moneys. All security rankings are effected in constant monetary units of 1930 value. However, Dr. Franz Pick, New York currency specialist and author of this book, does not believe that the connotations of "managed" are entirely bad. "The quality of "management," Dr. Pick says in the foreword, 'was the most decisive factor affecting the conservation of assets in constant value. The period was marked by unprecedented technological change and vast political and social upheaval. The resilience of corporate shares comes close to being a qualified miracle, qualified because the shadow of the hammer and sickle covers the graves of thousands of companies, not to speak of expropriations and nationalisations in many other lands. With very few 'exceptions", Dr. Pick continued, "the stocks I chose for the analysis were the objects of world-wide interest and speculation 32 years ago. Had I picked the now defunct shares of many internationally renowned organisations, the record of the book would have been completely different". Among the best hedges in countries where corporate shares managed to survive, the following compilation shows the number of times the stocks increased in terms of 1930 purchasing power units:

Company	Times increased	Industry	Country
Beecham	74.61	Pharmaceutical, chemical	U.K.
I.B.M.	51.51	Office machinery	U.K.
Ciba	31.45	Pharmaceutical, chemical	Switzerland
Sandoz	19.45	Pharmaceutical, chemical	Switzerland
Elektrokemisk	18.57	Chemical	Norway
Peugeot	16.39	Motor-car	France
Marks and Spencer	15.25	Retail trade	U.K.
John Brown	14.47	Shipbuilding	U.S.
Francaise des Petroles	13.92	Oil	France
Distillers-Seagrams	13.81	Liquor	Canada

Income Statistics for Planning

In his presidential address to the fourth Indian Conference on Research in National Income in Bhopal recently, Dr. N. S. R. Sastri, Statistical Adviser to the Reserve Bank of India, observed that the growth rate in India has not been uniform during the first, second and third plans. When the first plan commenced in 1951, the index of net output at 1948-49 prices stood at 105.2. It increased at an average annual rate of between 3 percent and 4 percent during the first two plans. But the rate during 1962 and 1963 was only about 2 percent. Still more disquieting is the fact that while the growth rate in some selected regions of the country has been high, it has rather been low in some others. There are many causes for this disparity in regional development, which will have to be removed to secure a more balanced growth of India's economy. But at the same time, it is necessary to compute the growth rate for different States or homogenous regions, in addition to the growth rate at the aggregate national level, to plan balanced regional development on more scientific lines.

Although agricultural output in India is much influenced by monsoons and fluctuates from year to year, fairly reliable data on national income and output from agriculture, mining and large-scale industries, organised commerce and transport and communications and Government services are available. But these, taken together, account only for a little over two-thirds of the total national income. The estimates for the other one-third are based on rather uncertain data. This introduces an element of error in national income estimates in India. This also accounts for the differences in the estimates prepared by the various organisations at the Centre and in the States. It is, therefore, necessary to improve the collection and analysis of data on national planning.

More scientific use of statistical data has been made possible by such recent developments as the econometric method of model-building. Although Dr. Sastri did not properly emphasise this fact, these econometric models, however, are not properly adjusted for use in the economically underdeveloped countries where detailed and adequate data are not available. It is necessary for Indian economists and statisticians to evolve suitable variations of these models for use under Indian conditions. Moreover, as Dr. Sastri emphasised, the collection and processing of data in India will have to be done on a much larger scale and much more thoroughly than has been possible so far.

At the end of the three-day conference, a meeting of directors of State bureaux of economics and statistics was also held, which decided that every



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Economic Disparities Between Rich and Poor Nations

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M. S. Sivaraman
Ending the Stagnation in Cotton Production

H. T. Parekh
Development Banks Contribute More Finance for Industry

C. N. Vakil
Accelerating the Economic Growth of South-East Asia

In addition, there are many other articles and features, including surveys of developments during the year in jute, tea, coal, cotton textiles, the stock market, life and general insurance, banking, and rail and road transport.

The Annual is being published along with the issue of CAPITAL dated 19th December, 1963, and will be available at Rs. 5 a copy (postage extra). Registered subscribers will receive their copies free, but others should write for their copies immediately to the Commercial Manager, CAPITAL, 5, Mission Row, Calcutta-1. Please place your order early. No copies can be sent by V. P. Post.

State should prepare a manual of its own income. These estimates at the State level should be prepared on uniform lines so as to make comparison possible. The decision at this meeting that each State should prepare a note indicating its peculiar difficulties in preparing estimates on the basis of standard methods prescribed by the Central Statistical Organisation, would help in finding out ways and means of removing these difficulties. If the fourth plan would have an outline for a ten-year period and if it would have a predominantly regional bias, as Mr. Tarlok Singh, member of the Planning Commission, is reported to have told the meeting, the statistical data on national income prepared by different States would prove very useful.

Increasing Indian Exports

In his presidential speech at the third quarterly meeting of the Indian Council of Foreign Trade in Madras recently, Mr. Murarji J. Vaidya, emphasised the fact that at the present rate of increase in exports, the third plan target for export earnings was unlikely to be achieved. With India's export earnings at Rs. 679.5 crores in 1961-62 and at Rs. 739.9 crores in 1962-63, there was a gap of Rs. 60.6 crores in the target of export earnings for the first two years of the plan. It has not been sufficiently realised in official circles that there is a close connection between production and exports. With increased money incomes and a population rising at the rate of over 2 percent a year, the demand for different goods in the country has been increasing, and sufficient export surpluses are not available. Mr. Vaidya emphasised the fact that unless concerted efforts are made to increase industrial and agricultural output, it might not be possible to increase the exports to the desired level.

Although exports of new commodities have to be increased as far as possible, it is through the traditional export goods that it would be possible to achieve a sizable export surplus. In this connection Mr. Vaidya emphasised that the system of compulsory exports of a portion of a factory's production which has been adopted has failed and should be done away with. It is not only that the internal prices are higher than export prices and do not provide the incentive for producers to export even part of their output, but most producers are not suited by reason of their size and organisation to cater for the export market. A better method, according to Mr. Vaidya, would be for the Government to take the producers and exporters into confidence and to encourage voluntary exports. It should be possible to levy a cess on internal consumption to equalise export losses. This might, in some cases, increase the internal prices of goods, but that risk would be worth taking in the interests of earning an export surplus. Along with this, Mr. Vaidya suggested that the formation of more free trade zones should be considered for stimulating the export trade, and the free trade zones which are already being formed should come into operation early. The exporters have already accepted a code of conduct.

Nationalisation of Audit Opposed

At a two-day session in New Delhi recently, the Central Council of the Institute of Chartered Accountants of India strongly opposed the suggestion, recently made by the Company Law Administrator, that audit should be nationalised. There is no doubt that there are deficiencies, and the auditors have not in all cases discharged their duty to shareholders, the company management and society in general. But the defect will not be removed as long as the level of integrity of auditors is not improved, their numbers remain inadequate, and the Companies Act is not simplified. It is not clear under the circumstances how the situation would improve if the company auditors are appointed by the Government instead of by managements.

The Central Council of the I.C.A.I. has decided that in order to raise the number of auditors in the country and to encourage young men to enter the profession, the system of charging premiums from articled clerks should be abolished and one-year's remission in the training period should be allowed in the case of first and second-class commerce graduates.

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INDIAN SILK EXPORTS

WERE a Calcutta business man asked how a system of preferential tariffs would affect Indian trade, he would not be likely to name raw silk as one of the commodities exported from the country. Probably very few even know that silk has a place among the products of India's fertile plains. Yet sericulture, though a small industry, and one about which little is known by outsiders, is of great importance in certain parts of Central Bengal, and in those parts are a number of silk-reeling filatures where raw silk for the European market is produced under European supervision. In days long gone by sericulture was practised in all the provinces of India, but it has now died out everywhere, except in Bengal, and in Kashmir where the industry has lately been much encouraged by the State. The cocoon-rearing area comprises the district of Murshidabad, and the adjacent parts of Rajshahi, Malda, Birbhum and Nadia. The industry is also carried on to a small extent in Midnapore and Bogra. There are three European concerns engaged in reeling raw silk for export. They own over fifty filatures, and employ about thirty Europeans in the work of supervision. There are also many properly-equipped filatures owned by natives, of whom most sell their silk to the big European concerns. The annual export of filature raw silk is about 8,000 mds., worth about Rs. 60,00,000. It is mostly taken by France and England, a few bales going to Italy and the United States. There are also annually exported about 3,000 mds. of waste silk, worth about Rs. 3,00,000. The Bombay silk-weaving mills sometimes take a small quantity of Bengal filature silk, but they obtain their supply chiefly from China and Japan. A large quantity of what is called "khoongroo" silk is also produced by native reelers in the villages of the cocoon-rearing districts. The "khoongroo" silk is of a very inferior quality. It is bought by the hand-loom weavers of Murshidabad and Banaras and other towns in the north-west. The value of the annual output of "khoongroo" is probably about ten lakhs of rupees.

FROM

CAPITAL

17th December, 1903

A Ditcher's Diary

HAVING ONCE SAID HERE BEFORE THAT PARLIAMENTARY democracy in south-east Asia is not exactly operating in a sellers' market, I cannot quite make up my mind about the reported move by Indian M.P.s to enhance their salaries and allowances. It is quite impossible to lay down that democracy in India is worth so many crores and no more, especially when the population is increasing, calling for more and more M.P.s. Yet the members of the Lok Sabha and the Rajya Sabha had better be wary. I have always been rather sceptical about the theory that M.P.s, or any other set of people, get corrupted because they are not paid enough. How much, it has rightly been asked, is enough? In a poor country such as India, a thousand rupees a month (which, I am told, is what it comes to for an M.P.) can hardly be considered too little. Yet, who am I to say that an honourable M.P. should be paid less than I am? In spite of labour legislation and all that, the law of supply and demand still determines wages. This is the one law that will not do for legislators. An additional complication is that, as has been pointed out, M.P.s are about the only people on earth who can fix their own price. The Indian Parliament has time and again approved measures restricting perquisites for ordinary citizens, particularly in the business community. It can expect but little sympathy when it asks for more of them for itself. Once again, I think the central problem is inflation. There is too much money about and there are too many legislators around. It may be tactically feasible for the Congress Parliamentary Party to work out agreements with Parties in the Opposition to avoid a row in Parliament over an upward revision of M.P.s' emoluments; the people at large may still look askance at the proceedings. Where India's parliamentary democracy has failed is in making the people feel that their election of a man to Parliament is a road to privileges denied to themselves. A legislator is certainly worthy of his hire; but what is a fair wage? The cost of becoming an M.P. is so monstrous that one dare not name the price of keeping so many M.P.s. They had better, still, watch their step, as a Calcutta bar with an uneven entrance warns its customers.

THE INDIAN PARLIAMENT HAS STILL TO PRODUCE its Jenkins; the Indian judiciary its Stable. On obscenity, sex and morals, our courts are still ruled by the Hicklin test, outdated even in the country of its origin. A welcome exception was a Calcutta magistrate's judgment on a belly-dancer; another, equally welcome, was Mr. Justice Banerjee's verdict last week at the Calcutta High Court on the rule obtained by a Golam Mohiuddin against the Government of West Bengal. "This is not", said Mr. Justice Banerjee, "a court of morals. ... Participation in drinking orgies at public places is not becoming conduct. But merely taking alcoholic drink is not improper. ... I am not prepared to say that mere drinking in the company of girl receptionists of a hotel is immoral". "Hurray", I say, with due respect to his lordship. As a matter of routine State Governments go to the Supreme Court when a verdict goes against them; so I will say no more on the case which appears to involve some of the more questionable aspects of public administration and personal vengeance in West Bengal. If, however, Mr. Justice Banerjee took the view that Golam Mohiuddin, Curator at the Botanical Gardens, had not been given reasonable opportunity to defend himself, it seems, to a layman, rather confusing that he thought fit to refer to "high officers who were found to have misbehaved (but) were not proceeded against". Did these "high officers" have a reasonable opportunity of defending themselves? This, however, is incidental. The judgment made an impact on me mainly because last week I had the pleasure of meeting a Frenchman and an Englishman who are at the moment working on a book on morality in the twentieth century. Armed with round-the-world tickets, they found in India a resurgence of puritanism. It was interesting to hear them say that so much public discussion on corruption must indicate general disapproval of current goings-on; "it couldn't all be hypocrisy". What about Hindu ideas on sex and drink as seen in Konarak and Khajuraho? I told the visiting investigators that they had come to the wrong address for firm answers. Morality in 1963! The subject daunts me.

HOW TO LIVE WITH MOTOR-CARS IS NOT SOMEthing which seems likely to trouble us in India for a while yet: the difficulty here is how to get hold of them. But in the West it is already among the most pressing problems of the day, as well as potentially the most expensive. The summaries I have read of the Buchanan report on traffic in Britain's towns thrilled me with the vision of the future they projected, which may be because I am not going to be asked to pay for it. But for the luckless British taxpayer, the prospect of all the country's major town centres having to be completely reconstructed during the next 50 years or so just to accommodate the growing volume of motor traffic must be frightening indeed—and especially so when one considers that by the time it has been done, it will probably have to be started all over again. Things move so fast in the modern world that by the end of this century the ideal of personal transport may no longer be the motor-car, but some version of helicopter. The lesson is, of course, that towns are built to last too long; technical change is nowadays so rapid that it easily outpaces the rate of urban adjustment. So what to do? I would say the problem is partly psychological and partly one of taxation. We must learn to adjust our ideas about the reasonable life of the towns we build, and governments should encourage us by accepting a rate of depreciation, even on residential property, no less rapid than that already used for industrial buildings. This is not a particularly revolutionary suggestion; in some countries housing is already accepted as a charge against tax liability. It reduces yields, certainly; but these can be made up in other ways. The great advantage is that it encourages a much more rapid rate of urban change, one that can perhaps keep pace with developments in other fields. Not a matter of the greatest urgency in India at the moment. But it may be within a few years, notwithstanding the Government's persistent efforts to immunise us from the contagion of the motor-vehicle altogether.

WEIGHING MACHINES WERE AMONG MY MOST indefatigable enemies for years. I tried everything from diets to exercise. I even cut down on my otherwise entirely therapeutic consumption of alcohol, although not for long. But the only effect I ever noticed was a sharp deterioration in temper and a marked tendency to think ill of one's fellow men. That was until I discovered the perfect way to avoid being worried about over-weight: simply to ignore weighing machines. I can confidently recommend the remedy to others, because I do feel that far too much anxious attention is paid nowadays to those few extra pounds. No less an authority than the Royal Air Force is beginning to think the same way. A new laboratory is being set up at the Farnborough Institute of Aviation Medicine where, it is hoped, some light can be thrown on the relationship between the expanding waistline and the amount of bone and muscle in the body. Quite rightly in my opinion, the theory is rejected that the weighing machine is at all a reliable guide to physical fitness, and the principle is established that standard weight-for-age statistics do not tell enough. What then is to be the criterion? Density, that's the thing. To calculate it the victim must be immersed in water, in Archimedes style. And volume too; that will be measured in special gas chambers and later compared with vital statistics. I hope some readers will be as reassured as I am to know that the question of whether or not one is carrying too much weight will in future be a far more complicated one, to be answered only after the most rigorous scientific testing. This will also include the use of high-speed sound measuring devices, previously employed in fat-stock markets for recording the

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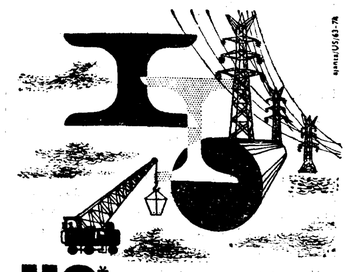
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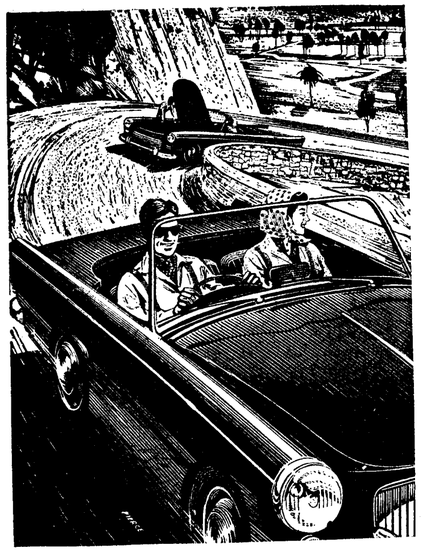
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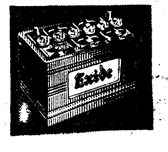
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plumpness of pigs, and now designed to detect fatty layers in human beings. All very enlightened, and rightly so; after all, a verdict of over-weight is not to be lightly arrived at when it can involve months of dreary dieting. I might venture to suggest, therefore, that when your wife next comments that you are putting it on round the middle, you must tactfully point out that such is only to be expected for a man of your bone and muscle structure. But I happen to know that women are usually impervious to such logic. It is a pity really, because just for once facts might be on your side.

MR. CHAGLA'S REMARKS THE OTHER DAY ABOUT THE chaos in technical education certainly indicate that he has made the right diagnosis and has the right ideas. But I hope it will not be dismissed merely as nagging cynicism if one says that to make the diagnosis and state the prescription is not enough; not many subjects in recent years have attracted fruitless verbosity on quite the same scale as technical education has done. The difficulties in finding the teachers and the facilities for technical institutions, as Mr. Chagla is aware, are formidable. But I suspect that they are not the worst of the handicaps he may face; greater ones may spring from the fact that for political reasons the educational effort is diffused over myriad fields, so little that is worth while gets done in any. Mr. Krishnamachari's statement on Tuesday that no Indian will be left uneducated by 1971 is a common example of the sort of thing I have in mind. As a slogan, it is impeccable, especially now that circumstances have played havoc with the earlier boast about providing compulsory primary education for all children by 1966. But the resources available for education are strictly limited, and it is hard to conceive of a surer way of wasting them than to give primary education to millions to whom, for the time being, it can be of no earthly use. It is precisely expensive ideas like these that cause technical education to be starved of the money it needs. Mr. Chagla's standing in the Congress Party being what it is, I should be surprised if he succeeded in doing anything to stop the drain of resources on fads, including the promotion of Hindi. Without the resources, technical education will remain a centre of attention—but only for the debating societies.

SO DEATH CAME LAST WEEK TO HASSAN SHAHEED Suhrawardy in Beirut. His personal responsibility for the Great Calcutta Killing on 16th August, 1946, remains a matter of debate; he had indeed declared a public holiday but I have as often heard him wholly blamed as wholly exonerated. The importance of that day in the configuration of India's history has still not been accorded its rightful place. It was that killing which made, I think, most Indians resign themselves to the sad inevitability of partition; and partition came exactly a year later. On the same day, 16th, a month later came what was then called the Great Calcutta Rain. The city was completely immobilised. Had the rains come on 16th August, 1946, the history of this subcontinent might have been entirely different, not necessarily less bloody. Suhrawardy was an intellectual turned politician; and such men can be dangerous. He was also Food Minister during the Bengal famine of 1943. Perhaps he is destined to be remembered mainly by such grim calamities, at least in India. In Pakistan, especially in the east, his fame may rest on his part in ending the myth of the Muslim League. For myself, I remember a night in Calcutta when I had gone to a fête in aid of Polish refugees. Suhrawardy had on that day laid down office as Chief Minister and he too came to the fête, about 1-30 a.m. On the way home, driving through streets darkened by wartime restrictions, he spoke, in accents Bengal may never hear again, of the great relief of being out of office. I do not believe he was wholly hypocritical. He did indeed become Pakistan's Prime Minister briefly; but he might have gone much farther in politics much earlier if he had for once permitted himself to consider Jinnah superior to him. I dread brilliance in politicians; Suhrawardy was brilliant. How much more we would know of the history of our time if he had taken time off to write an honest autobiography!

THE DITCHER

Guide for Investors

CEMENT INVESTORS REMAIN CAUTIOUS

(BY A SPECIAL CORRESPONDENT)

CEMENT shares have moderately improved over the past year. The index for the ordinary shares has risen from 146.5 to 151.7 (1952-53 equals 100). Despite the modest rise, there has been an undercurrent of anxiety about these shares. The latest reports of cement companies have disturbed the investors. In spite of an overall improvement in the working results of these companies for 1962-63, the dividend on equity capital has improved little. Associated Cement, for example, has only repeated a taxable ordinary dividend of 12 percent.

There has generally been a considerable rise in production and sales, but the good effects have been largely offset by substantial increases in manufacturing costs. Salaries, wages and the prices of various raw materials have risen considerably. The freight rates, coal prices, electricity charges and royalty on limestone have gone up. Contributing to the bigger sales income however, has been the increase in the retention price of cement sanctioned since November 1961. Although the trading profits have improved despite rising production costs, the net profits have been held down by heavier taxation, including the super profits tax. As a result, the net profitability of cement companies has generally fallen below the average of other industries. The dividend policy of the former has also been more conservative, as they have been inclined to plough back considerable funds into the business to finance modernisation and expansion.

In view of the poor profit outlook, the shares of new cement companies have suffered. Several of them have been quoted below par. The established companies have also found it difficult to raise funds from the open market due to the low return on the capital employed in this industry. In the circumstances, it is wondered whether the expansion target set for the industry in the third plan will be achieved. The present installed capacity amounts to nearly 10.1 million tons. The third plan target for installed capacity has been fixed at 15.2 million tons.

Although licences for setting up new units and expanding the existing ones have been issued for an additional installed capacity of 5.59 million tons, it is doubtful whether these schemes will be fully implemented. Unless the profit outlook can be improved by increasing the retention price, reducing production costs and relieving taxation, confidence will not be revived easily. In the meantime, there has been an acute shortage of the commodity. In several States, particularly in West Bengal, cement is being sold at rates much higher than the control price in the black market. The control and distribution systems in this State have greatly inconvenienced the consumer.

Delhi Cloth Mills Expands and Diversifies

THE ordinary shares of Delhi Cloth and General Mills Co. Ltd have been steady around Rs. 47.56 because of the encouraging statement made by Mr. Bharat Ram, chairman, at the annual general meeting of the Company in Delhi last week. He pointed out (a fuller version of the speech was published in *Capital* last week) that the Rajasthan rayon project had progressed satisfactorily. The factory will soon start producing high-grade rayon tyre cord. The capacity of the spinning mill in Hissar will soon be increased from 37,000 spindles to 63,000 spindles. The crushing capacity of the Mawana sugar works has been doubled to 3,000 tons a day. The project for the manufacture of plastics has almost been completed. It has already started producing caustic soda, and the manufacture of P.V.C. will be taken up shortly. The Company has, meanwhile, taken steps to renovate the existing equipment of all factories. There should be a substantial rise in production as soon as the expansion is fully completed. It is hoped that the profits of the Company will also improve in proportion. Delhi Cloth has been making vigorous efforts for increasing exports of all commodities produced by it. It is proposed to set up a new company for exports. The latter will be a subsidiary of Delhi Cloth and is expected to export the products of other companies in due course.

Although the Company's sales rose in 1962-63, the profit has been smaller due to rising prices of raw materials, stores and wages. The working of the sugar factory has been affected by the cane shortage. The adverse effects of the super profits tax, the emergency risks insurance scheme and heavier taxation have been reflected in the smaller profit. A taxable ordinary dividend of 13 percent has nevertheless been repeated. The shareholders will enjoy the benefit of tax exemption to the extent of 34 percent of the total dividend under the income tax law, but this gain should be considered a windfall for the year.

New Central Jute Modernises

THE satisfactory results of the New Central Jute Mills Co. Ltd for 1962-63 have largely been due to its expansion. In his chairman's statement at the annual general meeting of the Company held last week, Mr. A. K. Jain said (a full next of his speech is printed on a later page in this issue of *Capital*) that the rise in output had occurred because of the planned expansion. The complement of broad-looms rose by 104 to 256 during 1962-63. A further 71 broad-looms have been installed since. The total capacity of the broad-looms is now 327, against the licensed capacity of 350. An important point is that a large part of these broad-looms has been fabricated by the Company in its own workshop. The latter has been modernised and strengthened to meet the rising needs of indigenous manufacture. Commenting on the future of carpet-backing cloth, the chairman pointed out that the overseas demand depended greatly on the quality of the cloth. The Company has installed two single-beam dressing machines to improve the quality of its cloth.

Although the Sahu Chemicals and Fertilisers' unit has considerably increased output, the profit has been held down by rising production costs. The prices of basic raw materials have been very high. Production during the current year has improved further, but the profit depends greatly on the prices of basic raw materials. The Company has meanwhile taken steps to reduce production costs. It has been collaborating with a company in Thailand to set up a jute mill in that country. It will also supply the equipment for the mill. So it is expected that a substantial amount of foreign exchange will be earned from the project. New Central Jute has made a record profit of Rs. 1.32 crores for 1962-63, after providing Rs. 53 lakhs for depreciation.

Good Outlook for Jay Engineering

PRESIDING at the annual general meeting of the Jay Engineering Works Ltd held in Calcutta last week, Mr. Charat Ram took a fairly optimistic view about the working for the current year. (A full text of his speech has been published on a later page in this week's *Capital*.) The fall in the profit for 1962-63 has largely been due to increased production costs. Enhanced excise and import duties and freight has inflated production costs. The new Hyderabad factory has also suffered a loss.

The output of sewing machines and fans has improved. The production was interrupted by power shedding in Calcutta. Current production has, however, been showing a satisfactory trend. An important factor is that the improvement in production has largely been due to better planning techniques without any new investment of capital. The automatic sewing machines have become popular. They are produced in the Hyderabad factory and steps have been taken to improve their output, but it may be another two or three years before this new factory shows satisfactory profits. Jay Engineering has concentrated its attention on increasing exports which amounted to Rs. 1 crore for 1962-63. An independent division called the "Usha International" has been set up to promote exports.

Stanes Amalgamated Coffee Pays Less

A SUBSTANTIAL fall in the coffee crop which was uneconomical has led to a fall in the profit of Stanes Amalgamated Coffee Estates Ltd for the year ended June 1963. The dividend is consequently reduced to 12 percent from the previous year's level of 15 percent. The pre-tax profit for the year amounted to Rs. 3,16,837, compared with Rs. 4,72,840 in the previous year. With the amount of Rs. 20,649 brought forward, and Rs. 1,542 being excess provision for taxation no longer required, the total available for appropriation comes to Rs. 3,39,028. Out of this, provision for taxation amounts to Rs. 1,50,000 (against Rs. 2,46,000). A sum of Rs. 9,000 is transferred to pension and gratuity reserve (against Rs. 10,000), Rs. 4,247 is transferred to development rebate reserve (against Rs. 1,000). No amount is transferred to general reserve (against Rs. 70,000 last year) and Rs. 10,000 is transferred to reserve for redemption of debentures (against Rs. 20,000). Rs. 45,000 is allocated to development reserve (against nil). The dividend at 12 percent accounts for Rs. 1,08,000. The balance of Rs. 17,781 is carried forward to the next year.

The tea crop for the year amounted to 408,265 kilograms, against 423,601 kilograms in the previous year. The average sale price was Rs. 4.51 a kilogram, against Rs. 4.44 a kilogram. The average price for green leaf was 72nP a kilogram, against 65nP a kilogram. The coffee crop was 44 tonnes, against 88 tonnes. The crop was not big enough to make the pruning of the coffee economical, with the result that the Company incurred a loss of Rs. 34,435, compared with a profit of Rs. 64,134 in the previous year. The estimated tea crop for 1963-64 is put at 423,750 kilograms. The coffee crop is estimated at 44 tonnes.

Expansion of Morarjee Goculdas Spinning

THE chairman of the Morarjee Goculdas Spinning and Weaving Co. Ltd, Mr. Gopikisan Piramal, takes a cautious view of the outlook for the cotton mill industry in view of the rising manufacturing expenses, combined with virtually no change in the price of cloth. (A fuller version of the speech is printed on a later page in this week's issue of *Capital*.) The Company has undertaken ambitious modernisation and expansion programme to maintain its operational efficiency. The increased provision for development rebate reserve and depreciation has largely been due to bigger investments in assets and the establishment of the second unit. The latter has begun production and is expected to contribute substantially to total earnings of the Company. The move to issue bonus shares has been deferred in view of the heavy bonus share tax. The idea of issuing rights shares has been abandoned because the Controller of Capital Issues has insisted on big premiums on the issue. Meanwhile, the Company has financed the modernisation and expansion programmes largely through bank borrowings.

Referring to the dividend cut, the chairman referred to the rising manufacturing costs. The prices of cotton, stores, chemicals as well as wages have increased. Additional payments have been made on account of bonus. The super profits tax has absorbed

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large sum. Moreover, the compulory war risks insurance has imposed n additional financial burden on the Company. Meanwhile, the selling rice of cloth has been held down. The export price of cloth has been ower than that in the domestic market. Besides, cloth for defence has o be manufactured at cut prices.

Balrampur Sugar Passes Dividend

THE Balrampur Sugar Co. Ltd has passed the dividend for the year nded June 1963. The trading profit mounts to Rs. 18,926. Bringing in Rs. 15,763 from 1961-62, the total redit balance amounts to Rs. 34,689. Depreciation is allocated Rs. 1.79 lakhs (against Rs. 1.76 lakhs) and taxation Rs. 8,867 for previous years. So a debit balance of Rs. 1.53 lakhs has been carried forward. The disappointing result has been due to the shortest season that the Company has had in several years. The factory worked for only 73 days (against 145 days) in the previous season. The cane supply was acutely short and it amounted to only 542,410 quintals (against 1.1 million quintals). Recovery nevertheless improved from 9.71 percent to 9.99 percent. The factory produced 39,608 quintals of raw sugar for export.

The directors take a cautious view about the prospect for the current 1963-64 season. The outlook for the cane supply is not considered bright. Although the Government has increased the price of sugarcane, a considerable part of the supply is being diverted to the production of *khandsari* and *gur*.

Cowcoody Coffee Cuts Dividend

A LOWER crop leading to a fall in profit, resulted in a cut in the dividend to 17½ percent by Cowcoody Estates for the year ended June 1963. The earnings on equity capital fell to 25 percent before tax, against 31 percent in the previous year. The net profit for the year amounts to Rs. 73,311, after providing Rs. 30,000 for taxation, against Rs. 86,590 after providing Rs. 42,200 for taxation. With the amount of Rs. 40,202 brought forward from the previous year and with Rs. 21,380 being excess provision for taxation in the previous years, the total comes to Rs. 1,34,893. Out of this, Rs. 25,000 is transferred to general reserve (against nil). The interim dividend of 7½ percent has absorbed Rs. 30,642.

The final dividend of 10 percent accounts for Rs. 40,856. The total dividend for the year is 17½ percent (against 20 percent). The balance of Rs. 38,395 is carried forward. The total coffee crop for the year amounted to 112.576 tonnes (against 114.586 tonnes). The estate expenditure a metric tonne was higher at Rs. 2,332 (against Rs. 2,277). The final payment on the 1961-62 season's crop was Rs. 2.26 a point, but bonus points on the basis of Rs. 10 a 50 kilos of Arabica Parchment and Rs. 6 a 50 kilos of Arabica Cherry have been awarded. The 1963-64 crop has been estimated at 112 metric tonnes.

Prospects for Kothari Sugar

INADEQUATE supply of sugarcane due to its diversion to jaggery is one of the main points of the report of the directors of Kothari Sugars and Chemicals Ltd for the year ended June 1963. The factory was able to obtain only 33,678 tonnes of cane during January-April 1963, and was forced to close the maiden season on 10th April, 1963, after having produced 31,060 bags of sugar of one quintal each. Aggravating the situation, the daily supply of cane to the factory averaged below 500 tons, against the rated capacity of 1,000 tons a day. This was partly due to the fact that the average yield from each acre of 25 tonnes was much below the Company's expectation of 30 tonnes. The average recovery of 9.42 percent for the maiden crush is considered satisfactory.

The prospects for 1963-64 appear to be encouraging. Sugarcane supply, following the success of the Company in inducing the ryots to register their crops with the factory to the extent of 4,000 acres and the prospect of getting at least 30,000 more tonnes of cane from the remaining 2,000 acres, is expected to improve substantially. It is expected that the regulatory measures of the State Government in the matter of preventing crushing of cane for jaggery, will help improve the supply position to the factory. Hence, the directors expect a continuous crushing season of 130 days and a production of 12,000 tonnes of sugar for the current season, as against 3,106 tonnes for the year ended 30th June, 1963.

The statement of accounts for the year shows a loss of Rs. 16,486, before providing for depreciation, and this, along with the previous year's loss of Rs. 1,10,276, is carried forward.

Nil from Tulsipur Sugar

THE Tulsipur Sugar Co. Ltd has passed the dividend for the year ended June 1963. It has incurred a loss of Rs. 2.63 lakhs, after providing Rs. 2.68 lakhs (against Rs. 2.64 lakhs) for depreciation. The loss amounted to Rs. 47,085 for 1961-62. Bringing in the previous loss, the total debit balance of Rs. 3.76 lakhs has been carried forward. The directors have pointed to heavy interest charges on account of borrowings for completing the expansion schemes. The Company crushed only 80,020 tons, against 138,831 tons, due to the shortage of cane, but recovery improved from 9.72 percent to 10.14 percent. It is hoped that during the current (1963-64) season, the cane supply will improve due to the rise sanctioned by the Government in its price.

India Carbon Does Well

THE ordinary shares of the India Carbon Ltd have been steady around Rs. 15.75 due to the encouraging report for the year ended June 1963. Sales rose from Rs. 29,628 to Rs. 48.66 lakhs, but the factory could be run for only about four months due to an acute shortage of raw materials. The supply of the latter, it is expected, will be better during the current year. The trading profit has amounted to Rs. 6.94 lakhs of which depreciation absorbs Rs. 3.65 lakhs. There was a loss of Rs. 1.81 lakhs for 1961-62. Development rebate reserve is allocated Rs. 1.59 lakhs, and the previous debit balance has been wiped out.

India Machinery Fares Well

THE India Machinery Co. Ltd has made a profit of Rs. 5.93 lakhs for the year ended June 1963, against Rs. 4.18 lakhs for 1961-62. A taxable ordinary dividend of 8 percent has been declared to absorb Rs. 1.76 lakhs. Taxation is allocated Rs. 3 lakhs (against Rs. 2.15 lakhs) and reserve Rs. 50,000 (against the same). The carry-forward is Rs. 18,047, against Rs. 22,475 brought in. Turnover rose from Rs. 32.15 lakhs to Rs. 40.39 lakhs.

Eastend Paper Passes Dividend

THE Eastend Paper Industries Ltd shows a debit balance of Rs. 45,048 for the year ended June 1963. Bringing in a loss of Rs. 79,599, the total debit balance to be carried forward amounts to Rs. 1.25 lakhs. The dividend has been passed. Out of a loan of Rs. 20 lakhs sanctioned by the Industrial Finance Corporation, a sum of Rs. 15 lakhs has been received. There has been considerable progress in installing the factory. A large part of the plant and equipment has arrived and is being installed. The factory, it is expected, will begin production in January 1964. Arrangements have been made to buy pulp locally until the pulping unit is installed.

Malwa Sugar Loses Again

THE Malwa Sugar Mills Co. Ltd has incurred a loss of Rs. 11.06 lakhs for the year ended June 1963, against a loss of Rs. 12.74 lakhs for 1961-62, after providing Rs. 5.14 lakhs (against Rs. 7.37 lakhs) for depreciation. Development rebate has been allocated Rs. 1,600 (against Rs. 13,700). The dividend has been passed, and a debit balance of Rs. 10.70 lakhs has been carried forward. The output of sugar fell from 87,897 quintals to 48,644 quintals, but recovery rose from 8.57 percent to 9.20 percent. The factory had the shortest season in ten years due to an acute shortage of the cane supply.

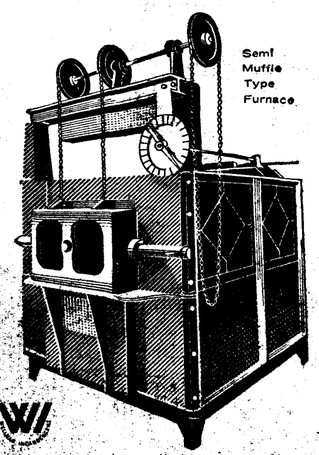
The current crop report is satisfactory, in that area under cane cultivation has increased. In view of the high price of *gur*, it is feared that more cane will be diverted to *gur* manufacture. The Company has, therefore, decided to import and sell *gur* to the cane-growers below the market price. The Company has applied to the Government for sanction to increase the output capacity to 1,500 tons a day. The Government has also been approached for help in the matter of rehabilitation, expansion and modernisation of the factory. The Company has increased the area under cane cultivation.

Steel and Allied Products Repeats

STEEL and Allied Products Ltd has made a smaller profit of Rs. 6.54 lakhs for the year ended June 1963, against Rs. 8.82 lakhs for 1961-62, after transferring Rs. 3.44 lakhs (against Rs. 2.91 lakhs) to depreciation. The taxable ordinary dividend of 10 percent has been repeated to

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absorb Rs. 2.25 lakhs, but the payment of the dividend is subject to the sanction of the Industrial Finance Corporation. Development rebate reserve is allocated Rs. 39,200 (against Rs. 50,000) and taxation Rs. 4.65 lakhs (against Rs. 4.50 lakhs). Out of the latter, super profits tax amounts to Rs. 1.10 lakhs. The carry-forward is Rs. 21,632, against Rs. 22,122 brought in. Turnover amounted to Rs. 60.62 lakhs (against Rs. 60.20 lakhs), but the production was interrupted by a prolonged labour strike. The output during the current year has so far been satisfactory and has amounted to Rs. 31.50 lakhs to date.

Arrangements have been made to produce coal segmental saws from early next year. The expansion programme for producing taps, dies and chasers has been finalised. Construction work will start as soon as the import licence for plant and equipment is received. Messrs Vermont American Corporation, the foreign collaborators, will supply some equipment in exchange of shares. The directors have, therefore, decided to allot shares of Rs. 2.30 to the foreign collaborators, subject to the approval of the Reserve Bank of India.

Shah Construction Pays More

THE Shah Construction Co. Ltd has stepped up the dividend for the year ended June 1963 from 9 percent to 10 percent. The preliminary report on the Company's working shows an improvement over the previous year's performance. The gross profit is up by about 17 percent from Rs. 12.07 lakhs to Rs. 14.06 lakhs. Appropriations include depreciation Rs. 2.95 lakhs (against Rs. 2.63 lakhs), development rebate reserve Rs. 1.46 lakhs (against Rs. 22,692) and taxation Rs. 6.20 lakhs, including Rs. 1.20 lakhs for super profits tax (against Rs. 5.30 lakhs). The proposed dividend absorbs Rs. 4 lakhs, against Rs. 3.60 lakhs, leaving a sum of Rs. 77,964 to be carried forward, against Rs. 1.33 lakhs brought in. The work on hand including those in partnership up-to-date are placed at over Rs. 9.5 crores. The Rs. 100-paid share of the Company is currently quoted around Rs. 143.

Progress of Trichy Steel Rolling Mills

ACCORDING to the second annual report of the directors of Trichy Steel Rooling Mills for the period from 1st September, 1962 to 30th September, 1963, the net income of the Company amounts to Rs. 5,480, out of which Rs. 2,740 is provided for taxation and Rs. 2,740 for preliminary expenses. As the erection of the plant and machinery was completed by the end of September 1963, and trial runs of the various machinery also started on 1st October, 1963, it has been decided to close the accounts for the second financial year on 30th September, 1963, covering a period of 13 months. During the period, all the expenses have been charged to capital account. The directors hope that the mill will reach the full licensed capacity of 50 tonnes a day very shortly.

Loyal Textile Mills Skips

DUE to loss in working during the year ended June 1963, the directors of Loyal Textile Mills Ltd have not recommended any dividend on the ordinary shares. The directors, however, are considering payment of dividend on preference shares for the year out of the current year's profits, since the results for the current year so far are reported to be encouraging. The year's working has resulted in a net loss of Rs. 90,246, compared with the previous year's net profit of Rs. 8,59,862.

The directors' report says that the levy of 30 percent tax on electric energy, 100 percent power cut for a fortnight, payment of emergency risks insurance premium, cess on Indian cotton consumption, increase in ceiling prices of cotton by about Rs. 125 a candy, low ceiling prices of yarn and cloth, and heavy excise duty, have all affected the working results of the Company. They add that even the revised yarn ceiling prices are also not remunerative for an old mill like that of this Company.

During the year, the Company drew a further sum of Rs. 3.72 lakhs from the National Industrial Development Corporation Ltd, for the first stage of the rehabilitation scheme. Out of the total loan of Rs. 8.73 lakhs sanctioned, Rs. 7.40 lakhs have so far been drawn. During the last four years, Rs. 41.19 lakhs worth fixed assets have been added by way of rehabilitation and additions. The directors say that the Company has applied to the National Industrial Development Corporation Ltd for a further loan of Rs. 8.90 lakhs for implementing the second phase of rehabilitation scheme.

Standard Batteries Fares Well

THE Standard Batteries Ltd has done exceedingly well during the year ended June 1963. Sales have gone up by about 20 percent from Rs. 1.38 crores to Rs. 1.65 crores, and the gross profit has increased by about 50 percent from Rs. 14.28 lakhs to Rs. 21.69 lakhs. The dividend has been maintained at 10 percent, but it is on a higher capital of Rs. 45 lakhs as increased by the one-for-five rights issue in June 1962. After providing Rs. 4.53 lakhs (against Rs. 4.41 lakhs) for depreciation, Rs. 96,212 (against Rs. 67,703) for development rebate reserve and Rs. 9 lakhs (against Rs. 5.60 lakhs) for taxation and after deducting other prior charges, the net profit amounts to Rs. 5.67 lakhs (against Rs. 2.62 lakhs in 1961-62). The directors have set aside Rs. 1.20 lakhs (against nil) for general reserve and a sum of Rs. 4.50 lakhs has been transferred to the dividend reserve which will be used for the payment of the proposed dividend. In the preceding year, the directors had to withdraw Rs. 1.15 lakhs from the dividend equalisation fund to provide for the payment of the dividend absorbing Rs. 3.75 lakhs. After making various appropriations, there remains a sum of Rs. 12,045 to be carried



forward, against Rs. 14,979 brought in.

The directors state that with the increasing demand for special and improved equipment to streamline the manufacture and assembly of various types, the Company has plans to set up a separate department for experimenting on a pilot scale various processes. Standard Batteries is the first Indian Company selected by the Indian Railways to build suitable batteries as original equipment for the giant "Alco" diesel electric locomotive. The Company has been the first to export Indian made train lighting batteries to the Iraqi Railways. The Company has contributed about 90 percent of the total export of batteries from India during 1962-63. Recently, it has signed a contract with East Germany for supplying products worth Rs. 18 lakhs. The technical collaboration agreement with A. B. Tudor of Sweden has been renewed for a further period of five years. The Rs. 100-paid share of Standard Batteries is quoted around Rs. 173.75.

Indian Metals Share Offer

INDIAN Metals and Ferro-Alloys Ltd which proposes to set up a plant in Rayagda (Koraput district in Orissa) for the manufacture of ferro-silicon is offering 161,700 equity shares of Rs. 10 each and 20,000 9.5 percent redeemable cumulative preference shares of Rs. 100 each for public subscription. The list will open on 18th December and close on the 28th or earlier but not before 20th December. The proposed plant will have an annual capacity of 7,200 tons of ferro-silicon. The project is estimated to cost Rs. 1.36 crores, of which Rs. 56 lakhs is likely to be spent on machinery and equipment including installation charges and Rs. 20 lakhs on land and buildings. Working capital requirements are estimated around Rs. 26 lakhs. The cost of the project, it is proposed, will be met by the share capital of Rs. 75 lakhs, a loan of Rs. 39 lakhs from the I.C.I.C.I., another of Rs. 5 lakhs from the Orissa State Financial Corporation and bank borrowings to the tune of Rs. 17 lakhs. Machinery worth Rs. 39 lakhs will be imported and the foreign exchange requirements are being met by the I.C.I.C.I. loan.

The Company has secured the technical collaboration of Elektrokemisk A/S of Oslo, Norway, which will supply the necessary equipment, drawings and technical know-how, train key personnel and commission the plant. The foreign collaborator has guaranteed that the annual output of the furnace will not be less than 6,000 tons provided that raw materials of a specified standard are used.

The Company has an authorised capital of Rs. 1 crore comprising Rs. 80 lakhs in equity shares and Rs. 20 lakhs in preference shares. The issued capital will be Rs. 75 lakhs of which equity shares worth Rs. 20,52,120 have already been subscribed. Equity shares worth Rs. 15.50 lakhs are being taken up by the Industrial Development Corporation of Orissa and directors and their friends are subscribing for equity shares of the value of Rs. 1,80,880. The remaining capital made up of Rs. 16.17 lakhs in equity shares and Rs. 20 lakhs in preference is now being offered for public subscription. Out of this, equity shares worth Rs. 11 lakhs and the entire preference capital have been underwritten by the Orissa State Financial Corporation, Industrial Finance Corporation of India and the Indian Overseas Bank.



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Prospects for Arlabs

THE working results of Arlabs Ltd, pioneer manufacturers of vats and other dyestuffs, for the year ended June 1963, show an appreciable improvement over the previous year's performance. Sales are up from Rs. 50.90 lakhs to Rs. 98.02 lakhs, and the Company has made a gross profit of Rs. 8.40 lakhs, against a loss of Rs. 10.73 lakhs in the preceding year. The net profit after depreciation is shown at Rs. 4.91 lakhs. The directors, however, point out that the operations during 1962-63 should better be compared with those of the earlier three years—1958-59 to 1960-61—when production and sales were of the order of Rs. 95 lakhs with profits averaging at Rs. 20 lakhs. The profit margin has been reduced by about 15 percent due to several factors, more particularly, lower selling prices of solubised vats, azoics and other products, compared with the earlier years, and an increase in production costs. Competition from the small-scale dyestuff manufacturers enjoying better treatment in imported raw material supplies and the successive curtailment of import licences on the other hand in the case of big manufacturers has placed Arlabs in an invidious position.

To absorb heavy overheads, production has to be maintained at the maximum possible level, which, with the Company's limited import licences, cannot be attained except by purchasing export promotion licences on payment of heavy premiums. A major portion of the vats produced during 1962-63 was used for the manufacture of solubised vats. Market situation during the year remained unfavourable because of the emergency and the consequent dull condition of the dyestuff market. Until the implementation of the vat expansion programme for which the new capital issue was made during the year, the burden of interest charges and overhead expenses will naturally affect the profit during the transition period. Recently, the imports of various finished dyes have been banned by the Government. These include two products newly introduced by Arlabs—vat Magenta B and vat violet 4R. This should help increase the Company's turnover. The vat expansion programme which was expected to start in June 1963 has been delayed by six months due to delay in getting the building materials. The construction of building, however, started during the year.

The working of Pigments, Lakes Manufacturing Co.—a subsidiary—showed a loss of Rs. 1.83 lakhs. Production capacity of napthols and bases could not be adequately used because of raw material shortage. Production of vat violet 4R starting from basic intermediate reached the final stage and the production of vat golden yellow G.K. was set up during the year. Development of vat brown BR has been taken in hand. The results of this work on intermediates and vat dyes on which considerable amount of time, energy and money have been spent will not yield fruit till regular production is undertaken. The completion of Arlabs' expansion programme and regular production of vats by the subsidiary will enable the Company to recoup past losses within a reasonable period. The Company has a paid-up capital of Rs. 26.66 lakhs and its reserves and surplus amount to Rs. 17.82 lakhs.

Empire Dyeing Changes Hands

THE controlling interest in Empire Dyeing and Manufacturing Co. Ltd has changed hands. W. H. Brady and Co. Ltd, managing agents of the company, have sold their investments of 35,843 shares of Rs. 15 each at Rs. 100 to Mr. S. C. Malhotra who was formerly connected with Killicks. It might be mentioned here that the share of Empire Dyeing has been quoted nominally around Rs. 55 for quite some time. Its book value as on 31st December, 1962, works out to Rs. 33 a share. As a result of the sale, W. H. Brady and Co. Ltd will relinquish the managing agency with effect from 31st December, 1963. All the formalities in connection with the transfer of the controlling interest have been completed. As on 31st December, 1962, the Company had a paid-up capital of Rs. 9 lakhs, which was backed by reserves and surplus amounting to Rs. 10.9 lakhs. The gross block of Rs. 29.1 lakhs had been written down to Rs. 10.9 lakhs.

Kirloskar Brothers Results Impress

KIRLOSKAR Brothers Ltd report highly encouraging results for the year ended July 1963. The sales have increased by about 23.5 percent from Rs. 3.91 crores to Rs. 4.83 crores, and the gross profit has gone up by nearly 25.6 percent from Rs. 47.45 lakhs to Rs. 59.64 lakhs. The dividend, however, has just been maintained at 10 percent. This is partly because of the increase in the capital effected during 1962-63 and partly because the Company needs large sums for its expansion schemes. After providing Rs. 13.96 lakhs (against Rs. 12.38 lakhs) for depreciation, Rs. 5.64 lakhs (against Rs. 7.17 lakhs) for development rebate reserve and Rs. 18.13 lakhs (against Rs. 13.52 lakhs) for taxation, and deducting other prior charges, the net profit amounts to Rs. 18.15 lakhs, against Rs. 11.20 lakhs in 1961-62.

With Rs. 12,309 brought forward from the previous year and writing back excess provisions amounting to Rs. 38,778, the disposable surplus amounts to Rs. 18.65 lakhs. Additions to various reserves amount to Rs. 12 lakhs, compared with only Rs. 5.45 lakhs in the preceding year. A sum of Rs. 6.10 lakhs has been transferred to the dividend reserve, out of which is to be paid the equity dividend. The proposed preference dividend absorbs Rs. 36,246 (against nil) and the equity dividend accounts for Rs. 6.10 lakhs, against Rs. 5.78 lakhs, leaving a surplus of Rs. 19,417 to be carried forward. During 1962-63, the Company's capital was increased by the issue of 9 percent redeemable cumulative preference shares worth Rs. 15 lakhs, and equity shares of the value of Rs. 10 lakhs. The equity shares were issued at a premium of Rs. 12 a share.

The directors report a further expansion in the manufacturing and trading activities of the Company during the year. However, the Company's products are said to be meeting with increased competition and production costs are going up due to the rise in the prices of raw materials. The production of vertical turret lathes with partially imported components is to start shortly. The Dewas factory commenced production in December 1962, and is now working to its full capacity. The Company is taking up new lines of production and has signed an agreement with an American firm for the manufacture of hermetically-sealed compressor units needed by producers of refrigerators and air-conditioners.

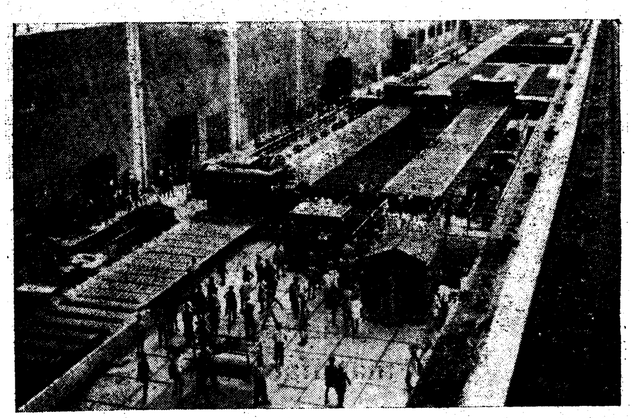
Sree Akkamamba Textile Earns Less, Pays the Same

THE directors of Sree Akkamamba Textiles Ltd have maintained a dividend of 8 percent for the year ended June 1963, although the net profit for the year is lower than that of the previous year. The turnover is higher at Rs. 66,01,189, compared with Rs. 60,59,357 for the previous year. The improved working of the Company's spinning mills did not result in higher profits, and this is due to the increase in cotton prices during the year as well as the increase in the wage bill and also the lower ceiling prices fixed for yarn. As the ceiling prices for yarn have been revised since February 1963, the profit position is reported to be better.

During the year, the average spindle in action for each shift was 16,850, against 16,663 of the previous year. Counts manufactured this year were 10s, 20s, 24s, 26s, 30s, 40s, 42s, 60s and 80s. Finer counts were manufactured in increased quantities. The total production for the year amounted to 5,897 bales, against 6,177 bales. Total production in bales is less than that of last year, as the Company concentrated more on higher counts. During the year, the Company exported 150 bales of 24s count to foreign countries.

Referring to the expansion programme, the directors say that since the last report, a further expansion licence for 556 spindles has been received. The expansion programme of the additional spindleage of 6,556 spindles is under progress. Some of the plant and machinery has been received and the expansion is expected to be completed by about the end of 1964. This total expansion is expected to cost about Rs. 30 lakhs. The Company has applied to the Industrial Finance Corporation of India for a fresh loan of Rs. 11 lakhs. The balance of capital required will be met by the Company's own funds and by the issue of fresh capital.

The net profit for 1962-63 amounted to Rs. 3,89,297, after providing Rs. 3,76,299 for depreciation, compared with Rs. 4,96,560 for the previous year after providing Rs. 3,83,079 for depreciation. Adding to the year's net profit, a sum of Rs. 25,798.37 brought forward from the previous year, and a sum of Rs. 6,258.56 being excess provision for bonus in 1961-62, the total comes to Rs. 4,21,354.02. Out of this, prior charges amounted to Rs. 1,878.59. Development rebate reserve



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gets Rs. 2,620 (against Rs. nil), general reserve Rs. 1.50 lakhs (against Rs. 1.50 lakhs). Dividend equalisation reserve gets Rs. 80,000 (against Rs. 1.50 lakhs). The proposed dividend of 8 percent accounts for Rs. 1,61,877.60. The balance of Rs. 20,177.83 is carried forward.

Progress of Mandya National Paper

THE directors' report of the Mandya National Paper Mills Ltd, mentions the teething troubles, power cut, bagasse shortage and the high cost of production which resulted in a working loss of Rs. 28,42,856 during the year ended June 1963. The trial operations started in the last week of April last year and continued until the end of July 1962. The production started on a commercial scale by the middle of August 1962. The trial operation loss during July 1962 amounting to Rs. 5,82,000 has been capitalised and transferred to the head plant and machinery. No depreciation has been provided.

The total finished production during the year was 6,018 tonnes in a period of nine months, against a rated annual capacity of 10,800 tonnes. The report says that 52 days' production was lost because of the non-availability of power. Although the paper manufactured by the Company was well received in the market and the entire production has been sold, the distressing feature is the steady and continuous rise in the prices of chemicals and other stores. The compulsory insurance against emergency risks has put a heavy burden on the resources of the Company, the total amount for the two quarters being Rs. 1,23,256. The small increase made by the management in the selling price of paper in June 1962 was found to be inadequate to cover the rise in costs.

Another point noted by the directors is the fact that the new units are in an unfavourable position because of the very high cost of capital investment and the consequential high financing charges. In August 1963, the Company was sanctioned a loan of Rs. 1.50 crores by the Agency for International Development, Washington. This loan has been used to redeem part of the unsecured loans and current liabilities after reserving a sum of Rs. 33 lakhs to meet part of the cost of the proposed expansion. The Company has been allotted permanent power by the Mysore State Electricity Board. Referring to the proposals for expansion of the present capacity of the mills, the report says that these proposals are nearing completion.

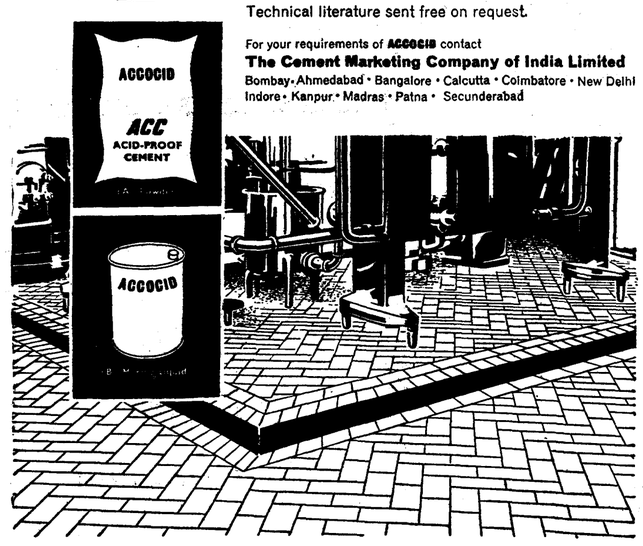
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New Capital Issues

FIVE companies have been authorised to raise capital aggregating Rs. 1.83 crores. Four companies will be issuing equities and one equities plus preference shares. Three are offering part of their shares to the public for subscription. One is offering part of its equities to the resident existing shareholders. In all cases, the consent of the Controller of Capital issues is valid for 12 months. The following are the details.

York India Limited, Delhi is to issue Rs. 30 lakhs capital in equity shares of Rs. 10 each. Of these, shares of the value of Rs. 15 lakhs will be allotted to Borg-Warner Corporation, Chicago, U.S.A. Rs. 7.50 lakhs to be subscribed privately and the balance of Rs. 7.50 lakhs to be offered to the public for subscription. The proceeds will be utilized in the manufacture of refrigeration and air-conditioning equipment.

Bajaj Tempo Limited, Bombay is issuing Rs. 62,27,100 equity capital in shares of Rs. 10 each to be issued at par. Of these, shares of the value of Rs. 17,77,100 will be allotted to non-residents against supply of plant and machinery. Rs. 20.20 lakhs value of shares will be offered to the resident existing shareholders of the company and Rs. 27.30 lakhs will be offered to the public for cash. The proceeds will be ultilized on the company's expansion programme for the manufacture of Tempo-3-wheelers as also the manufacture of Tempo Viking 4-Wheelers.

Raghubir Singh Felt Mill Ltd is to issue capital of Rs. 23 lakhs divided into 7,000—9½% preference shares of Rs. 100 each and 180,000 equity shares of Rs. 10 each. The capital is required for the establishment of a felt mill in Ludhiana.

Chittoor Textiles Limited (Cotton Spinning Mills), Bangaripalayam (Andhra Pradesh) is to issue capital of Rs. 25 lakhs divided into 25,000 equity shares of Rs. 100 each for cash at par. Out of this, shares of the value of Rs. 25 lakhs will be offered to the public. The money will be utilized for the construction of factory building and purchase of machinery, etc.

The Mahendra Mills Ltd, Ahmedabad, is to issue Rs. 43,12,500 in equity shares of Rs. 100 each, to be issued for cash at par. The capital will be used for installing 500 automatic looms.

The Stock Markets

LYONS RANGE WELCOMES SPEECH OF MINISTER AT ASSOCHAM

Wednesday Evening.

THERE has been a smart recovery in the Calcutta stock market during the past week. Replacement purchases, combined with brisk short-covering, have raised prices, particularly of clearing scrip. The undertone is firm and bulls have the upper hand. The recent shake-out has improved the technical position. This apart, the economic news has been favourable.

The recommendations of the Select Committee on the Companies (Amendment) Bill are believed to have reduced the harshness of the original proposals. It remains to be seen whether the Government will accept the recommendations fully. Although the Central Finance Minister's observations in the Lok Sabha on the measures to activate the capital market have been welcomed, the market is unlikely to take a decisive turn until positive incentives in the form of tax reliefs are offered. It is generally believed that hopes of raising Rs. 100 crores a year for the proposed unit trust are exaggerated. The mere multiplication of financing institutions to supply funds to trade and industry will not help the investment climate, unless concrete measures are taken to improve the profitability of corporate enterprises.

Lyons Range has been impressed by the address of Mr. C. Subramaniam, Central Minister for Steel, Mines and Heavy Engineering, at the meeting of the Associated Chambers of Commerce in Calcutta last Saturday. If the Government takes steps to mitigate the adverse effects of controls and pricing policies, economic development should be stimulated. The cumbrous licensing procedures have to be ended if new enterprises are to be encouraged. Steel shares have been in the limelight since the stock market has bullishly interpreted the statement in the Lok Sabha about the outstanding loans given by the Government to the two private steel companies. Since the Government has not implemented the Tariff Commission's recommendation to provide an additional element in steel retention prices for repaying the loans, it is hoped that the Government will be generous in taking any new step.

Indian Iron have been marked up on sustained support, combined with short-covering. Among engineering shares, Texmaco have met with influential support. J. K. Steel have improved on paying a higher dividend. Interest has been taken in Guest, Keen, Williams, Jessop, Indian Standard Wagon and Burn. Binani Metals have been steady.

Clearing miscellaneous shares have moved up on fresh purchases. Hindustan Motors have been particularly active. Indian Cable have, nevertheless, reacted on profit-taking. Union Carbide have been steady on rumours of a rights share issue. Alkali Chemical, Goodyear India, Angelo Brothers and British Paints have hardened. British India Corporation have gained on replacement buying. Electric company shares have been sluggish and stray business in Calcutta Electric has been transacted.

Among managing agency shares, Jardine Henderson have attracted attention. General insurance company shares have been freely sold and Ruby General have retreated. Paper shares have recovered towards the close. Attention has centred on Orient, Seshasayee, Sirpur, Titaghur and Ballarpur. Sugar shares have been freely offered without meeting with support. Dyer Meakin Breweries have, nevertheless, been steady on interested buying. Among new shares, India Carbon have been steady on prospects of improved working during the current year. Hindustan Aluminium and Universal Cable have gained.

Despite limited turnover, selected jute shares have hardened. Investors are, nevertheless, inclined to wait and see whether overseas buying of jute goods picks up as expected. Birla, New Central and Champdany have been active. Interest in Kamarhatty, Kanknarrah, Howrah, Union, Lawrence, India, Ganges and Megna has been shown. Stray support has been forthcoming for selected coal shares, although investors have been disturbed by the decline in demand, especially for inferior coal. Burrakur, Western Bengal, East Indian and Central India have been transacted.

In cotton mills, J. K. Rayon have recovered on short-covering. Elgin have been steady on prospects of a bonus issue. Jay Shree Textiles and Dunbar have changed hands. Bank shares have been sluggish. Stray business in United Commercial and United Bank have been transacted. In the tea section, attention has been concentrated on selected Dooars gardens. Jaybirpara and Hasimara have been wanted. In Assam group, Grob, Tezpore and Betjan have been bought.

Government securities have been steady but business has been restricted. Banks have been cautious in view of the year-end closing of accounts. The prices of short and medium-dated stocks have been fully steady and sellers have been fewer. The Reserve Bank has increased its buying rate to Rs. 99.55 for the 3 percent 1964 loan. The market price has, nevertheless, been slightly higher than the former rate. The 3 percent Conversion loan 1986 quotes Rs. 65.85.

Tata Steel Output

Messrs Tata Industries Private Ltd, managing agents for the Tata Iron and Steel Company Ltd, report that the approximate production of iron and steel at the steel works in Jamshedpur during November 1963 was: iron 146,300 metric tons; steel ingots 158,300 metric tons and salable steel 126,600 metric tons.

Bombay

STEEL SHARES LEAD RECOVERY

T.T.K. SPEECH HELPS SENTIMENT

Wednesday Evening.

THE Bombay stock market has closed the past week on a steady note after an earlier dull phase. The prices of selected shares have been marked up on renewed buying. There has also been a great deal of short-covering. The earlier shake-out has done a lot of good to the market by weeding out the weak holders. Dalal Street has been bullish on hopes that the existing restrictions on trading in clearing scrip might soon be substantially relaxed, if not removed.

The market has improved under the lead of steel shares, since operators have been encouraged by the statement made by Mr. C. Subramaniam, Central Minister of Steel, Mines and Heavy Engineering, in the Lok Sabha last week. Commenting on the loans given by the Government to the private steel companies, he said that no repayment had so far been made. But the Government too had not allowed any additional element in the retention price of steel for repaying the loans. The additional payment was formerly recommended by the Tariff Commission.

The bullish trend has also strengthened on the statement made by Mr. T. T. Krishnamachari, Central Finance Minister, in the Lok Sabha last week that the Government was keen on reviving confidence in the capital market. In view of buoyant revenue receipts during the current financial year, the stock market is hopeful that there will be tax reliefs in the next Budget, if not earlier.

Tata Steel ordinary have improved to Rs. 145.75. Among engineering shares, Tata Locomotive and Mukand Iron have gained. Interest has been shown in Cooper Engineering and Alcock Ashdown. Hindustan Motors have recovered smartly among motor-vehicle shares due to influential support. Premier Automobiles have been sluggish.

The smart rise in Century has been an outstanding feature of the cotton

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Managing Director:
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THE
CENTRAL BANK OF INDIA LTD.
(ESTD: 1911)
H. O. Mahatma Gandhi Road, Bombay-1



A Nation Building Institution

Authorised Capital	... Rs.	6,30,72,700.00
Subscribed Capital	... Rs.	5,78,22,700.00
Paid-up Capital ...	... Rs.	3,15,36,350.00
Reserve Fund & Other Reserves ...	... Rs.	4,77,57,322.00
Deposits as at 31-12-1962 ...	... Rs.	2,36,51,71,215.00

Mr. F. C. COOPER (General Manager)

mill section. Bombay Dyeing, Kohinoor, Gokak, Svadeshi and Standard have improved on replacement buying. Morarjee have been steady on an encouraging statement by the chairman at the annual general meeting of the Company. India United ordinary and Simplex have also gained. Kaiser-i-Hind have been offered freely due to the passing of the dividend. This is the sixth year in succession that the Company has skipped the dividend.

Selected miscellaneous shares have moved up in sympathy with the general trend. In sugar shares, Walchandnagar Industries have been steady, but Belapur have been sluggish due to the dividend cut. The prospect of the Company is, nevertheless, considered good, since the excess land will not be taken over by the Government of Maharashtra under the Land Ceilings Act. Among steamship company shares, Scindia have gained on invesment support. Great Eastern Shipping have been steady.

Cement shares have been quietly steady. Associated Cement and Digvijay have fluctuated narrowly. Mining shares have been subdued, and Shivrajpur Syndicate have been sold freely. In chemical shares, Tata Chemical have been steady on replacement purchases. Rayon shares have picked up on rumours of decontrol of artificial silk yarn. National Rayon and Gwalior Rayon have gained on balance. Voltas have been active. Business in cash shares has been negligible and fluctuations have been narrow. In banks, stray business has been transacted in Central and Baroda. Among electric company shares, Ahmedabad, Bombay Suburban and Tata Hydro have been about steady.

Madras

SHORTAGE OF FUNDS FEARED

SELECTIVE BUYING OF STATE LOANS

Tuesday Evening.

THE Madras stock market has improved slightly during the past week due to higher advices from Dalal Street. Turnover has, nevertheless, been negligible, since outside support has been lacking. Investors have been cautious in view of various uncertainties. The stock market fears that the shortage of funds will be accentuated due to the year-end closing of bank accounts.

Selected State Government loans have been bought. Limited business has been transacted in bank shares. Indian have quoted at Rs. 158 and Canara at Rs. 81.50. Stray support has been extended to Ellore at Rs. 18.50 and to South Madras at Rs. 10.90 in electric companies. Sugar shares have been dealt in cautiously, since investors are not certain whether the increased price sanctioned by the Government for the commodity will help improve the profitability of sugar factories. Deccan have been available at Rs. 12 and Andhra at Rs. 17.36. Business has passed in E.I.D. at Rs. 38.50 and in K.C.P. at Rs. 23.90. Mysore have retreated to Rs. 47.75 due to the disappointing results of the Company. The trading profit has appreciably declined.

Business in planting shares has been restrained and prices have shown little change. Blue Mountain have been available at Rs. 2.55 and Cochin Malabar at Rs. 6.25. Consolidated Coffee have changed hands at Rs. 21.87 and Ouchterlony at Rs. 4.35. Periakaramalai have been transacted at Rs. 3.49. Interest has been taken in Kailas at Rs. 6.30, in Woodland at Rs. 6.90 and in Parkside at Rs. 27.50. Peermade have changed hands at Rs. 20.50, Savamalai at Rs. 4.55 and Bababudin at Rs. 5.50.

In textiles, attention has been concentrated on Bangalore Woollen at Rs. 233.50 and in Buckingham at Rs. 297. Akkamamba have been transacted at Rs. 9.44 on payment of a taxable ordinary dividend of 8 percent. South India Viscose have gained fractionally at Rs. 142.75 and Travancore Rayon at Rs. 25.25. Lakshmi have been quoted at Rs. 132.50 and Madura at Rs. 33.85. Interest has been taken in Rajalakshmi at Rs. 97, in Radhakrishna at Rs. 30 and in Ramakrishna at Rs. 217.80.

Miscellaneous shares have been sluggish and fluctuations have been narrow. Aluminium Industries have quoted at Rs. 19.15, while Ashok Leyland have been freely sold down to Rs. 7.12. In cement shares, Dalmia have been available at Rs. 12.62 and India Cement at Rs. 5.48. Among engineering shares, South India Steel have quoted Rs. 9.37 on paying a taxable ordinary dividend of 7.5 percent. Mettur Chemical have been steady at Rs. 12.75 and Seshasayee Paper at Rs. 7.95. Business has passed in Standard Motors at Rs. 10.33, in Parry's Confectionery at Rs. 3.20 and in Textool at Rs. 146.50. Madras Rubber have been placed at Rs. 14.80 and Kirloskar Electric at Rs. 18.75. Aspinwall have been steady at Rs. 5.57 and Binny at Rs. 287.50.

THE WEEK'S TRANSACTIONS

[In the following list of stocks and shares in which transactions have taken place during the past week, the figures indicate Opening Quotations, Highest for the week, Lowest for the week, Closing Quotations and Quotations for the corresponding Closing Date a Year Ago. The last-named is shown in parentheses and will not be given where such a quotation is not available.]

CLEARED SECURITIES

Birla Jute—Rs. 31/69—33/62—31/62—33/12—(29/50).
Burrakur Coal—Rs. 17/56—17/77—17/50—17/69—(16/00).
Dunlop Rubber—Rs. 36/25—37/31—36/25—37/00—(36/44).
Guest, Keen, Williams—Rs. 26/50—27/62—26/37—26/62—(34/87).
Hindustan Motors—Rs. 18/72—19/69—18/62—19/41—(16/25).
Howrah Jute—Rs. 19/31—19/50—19/00—19/25—(19/06).
Indian Aluminium—Rs. 29/62—30/50—29/50—29/50—(32/00).
Do (New)—Rs. 30/06—30/06—30/06—30/06.
Indian Copper—Rs. 3/42—3/56—3/40—3/46—(4/22).
Indian Iron—Rs. 24/38—25/34—24/26—25/18—(22/00).
Indian Cable—Rs. 39/81—39/87—39/81—39/81—(34/56).
J. K. Cotton—Rs 12/00—13/50—11/87—13/00—(14/25).
Jaipur Udyog—Rs. 11/81—12/37—11/81—12/31—(11/00).
Kesoram Industries—Rs. 25/50—27/50—25/50—26/87—(22/00).
Orient Paper—Rs. 37/90—39/75—37/90—39/15—(36/20).
Orissa Cement—Rs. 14/31—14/56—14/31—14/37—(15/25).
Rohtas Industries—Rs. 12/25—12/94—12/25—12/62—(12/00).
Shree Gopal—Rs 25/25—25/37—25/06—25/19—(23/25).
Textile Machinery—Rs. 27/10—28/65—27/10—28/25—(19/75).

GOVERNMENT SECURITIES

2½% Behar Zemindary (Collected up to March 1963)—Rs. 46/20—46/20—46/20—46/20.
2½% U.P. Zemindary Comp. Bonds (Collected up to 30-6-63)—Rs 43/50—43/50—43/50—43/50.
3 % Loan (1986)—Rs. 65/85—65/85—65/80—65/80.
3 % „ (1970-75)—Rs. 90/25—90/35—90/25—90/35.
3 % „ (1966-68)—Rs. 97/83—97/83—97/83—97/83.
3½% „ (1968)—Rs. 99/45—99/45—99/45—99/45.
3¾% „ (1974)—Rs. 96/75—96/75—96/75—96/75.
4 % „ (1969)—Rs. 99/55—99/55—99/55—99/55.
4 % „ (1981)—Rs. 98/63—98/63—98/60—98/63
4 % „ (1972)—Rs. 99/30—99/35—99/30—99/35.
4½% „ (1973)—Rs. 100/05—100/05—100/03—100/03.
4½% West Bengal (1974)—Rs. 99/50—99/53—99/25 s.t.—99/25.
4½% do. (1970)—Rs. 98/75—98/75—98/75—98/75
4½% Orissa (1974)—Rs. 99/00—99/00—99/00—99/00.

BANKS

Allahabad—Rs. 258/00—258/00—255/00—255/00.
Do. (Pref.)—Rs. 93/00—93/50—93/00—93/50.
Punjab National—Rs. 19/50 s.t.—19/50—19/50—19/50—(20/62).
United Bank of India (Rs. 10 paid)—Rs. 7/81—7/87—7/62—7/62—(7/62).
United Commercial—Rs. 72/50—72/62—72/25—72/50—(80/00).

RAILWAY

Dehri Rohtas—Rs. 12/62—12/62—12/62—12/62—(17/25).

COTTONS

Bengal Nagpur—Rs. 2/75—2/75—2/50—2/59—(3/25).
Bharat Commerce—Rs. 23/25—23/44—23/25—23/44—(25/87).
Dunbar—Rs. 29/00—29/00—29/00—29/00—(27/00).
Elgin—Rs. 23/00—23/50—22/94—23/12—(19/50).
J. K. Manfg.—Rs. 10/00—10/00—10/00—10/00
Jay Shree—Rs 16/44—17/25—16/25—17/06—(16/25).
Jiyajeerao—Rs. 12/60—12/60—12/12—12/25.
New Victoria—Rs. 1/47—1/56—1/47—1/50—(1/37).
Shree Mohusudan—Rs. 14/00—14/00—14/00—14/00.
Swadeshi (Pref.)—Rs. 69/00—69/00—69/00—69/00

OILS

Indo-Burma—Rs. 21/75—21/87—21/75—21/87—(25/44).
Tide Water—Rs. 29/50—30/25—29/50—30/25—(26/00).

COALS

Bharat—Rs. 3/50—3/69—3/50—3/69—(3/53).
Borrea—Rs. 21/50—21/50—21/37—21/44—(23/87).
Bengal—Rs. 270/00—270/00—270/00—270/00—(335/00).
Central India—Rs. 9/87—9/94—9/87—9/94—(9/81).
East Indian—Rs. 30/69—30/87—30/69—30/87—(50/00).
Katras Jherriah—Rs. 33/37—33/75—33/37—33/75—(48/75).
Shree Mahakali—Rs. 4/37—4/37—4/37—4/37
South Karanpura—Rs. 8/56—8/75—8/56—8/75—(7/00).
Western Bengal—Rs. 8/75—9/06—8/75—9/06—(8/87).

JUTES

Anglo-India (Pref.)—Rs. 98/00—98/50—98/00—98/50
Auckland—Rs. 150/00—150/00—150/00—150/00—(153/00).
Barnagore—Rs. 213/00—214/00—212/00—213/00—(180/00)
Budge Budge—Rs. 144/00—144/00—141/00—144/00—(160/00)
Bally—Rs. 253/00—253/00—253/00—253/00—(293/00).
Caledonian—Rs. 181/00—181/00—181/00—181/00—(220/00).
Cheviot—Rs 22/44—22/81—22/44—22/81—(23/94).
Chitavalsah—Rs 10/31—10/31—10/31—10/31—(11/25).
Dalhousie—Rs. 141/50—143/00—141/50—143/00—(125/00).
Delta—Rs. 158/00—159/00—157/00—159/00—(171/50).
Fort William—Rs. 26/44—26/44—26/44—26/44—(25/37).
Ganges—Rs 13/25—13/69—13/19—13/56—(13/12).
Gondalpara—Rs. 16/50—16/50—16/00—16/25—(18/62).
Gourepore—Rs 23/56—23/56—23/56—23/56.
Hastings (Pref.)—Rs. 88/00—88/50—88/00—88/50.
Hukumchand (Pref.)—Rs. 95/00—95/00—95/00—95/00.
India—Rs. 16/37—16/37—16/37—16/37—(17/12)
Khardah—Rs. 17/75—17/87—17/75—17/87—(17/00).
Do. (Pref.)—Rs. 71/50—71/50—71/50—71/50.
Kankanarrah—Rs. 140/00—141/00—140/00—141/50—(130/00).
Kinnison—Rs. 140/00—140/00—140/00—140/00—(153/00).
Kelvin—Rs. 193/00—193/00—193/00—193/00—(190/00).
Lansdowne (Pref.)—Rs. 97/00—98/00—97/00—98/00—(120/00).
Do (Pref.)—Rs. 94/00—94/00—94/00—94/00.
Megna—Rs. 13/19—13/37—13/19—13/31—(12/62).
New Central—Rs. 13/19—13.62—13/12—13/25—(13/25).
Do. (Pref.)—Rs. 89/00—89/00—88/00—88/00.
Nuddea—Rs 62/00—62/50—61/50—62/50—(55/00).
Nellimarla—Rs. 12/81—12/81—12/75—12/75—(11/25).
Presidency—Rs. 5/31—5/50——5/25—5.50—(4/94)
Reliance—Rs. 7/87—8/00—7/81—8/00—(6/69).
Rameshwara—Rs. 9/20—9/20—9/20—9/20—(9/87).
Soorah—Rs. 21/81—21/87—21/81—21/87—(25/25).
Do (Pref.)—Rs. 104/00—105/00—104/00—105/00.
Union—Rs. 161/00—161/00—161/00—161/00—(165/00).

MININGS

Bisra Stone Lime—Rs. 22/00—22/00—22/00—22/00—(27/87).
Karanpura Development—Rs. 11/50—11/50—11/50—11/50—(12/00).
Metal Corpn—Rs. 8/00—8/31—7/94—8/00—(9/37).

CEMENTS

Ashoka—Rs 7/31—7/37—7/25—7/37—(7.50).
Assam Bengal (Defd.)—Rs. 0/56—0/56—0/50—0/50—(0/44).
Dalmia (Bharat)—Rs. 12/94—12/94—12/75—(12/75—(13/81).
Sone Valley—Rs 4/44—4/62—4/44—4/56—(4/53).

CHEMICALS

Alkali & Chemical—Rs. 33/25—33/62—33/06—33/50—(37/50).
Do. (Pref.)—Rs. 89/00—89/50—89/00—89/50
Bengal Chemical (7½% Pref.)—Rs. 11/31—11/50—11/31—11/31.
Frank Ross—Rs. 2/75—2/75—2/75—2/75—(3/25).
Smith Stanistreet (Pref.)—Rs. 71/00—71/00—71/00—71/00.

ELECTRICS

Bhagalpore—Rs. 6/81—6/81—6/69—6/69—(6/08).
Benares—Rs. 12/81—12/81—12/81—12/81—(12/44).
Calcutta—Rs. 14/50—14/69—14/37—14/50—(14/87).
Do (Pref.)—Rs. 7/87—7/94—7/81—7/87.
Jubbulpore—Rs 11/19—11.25—11/19—11/25—(11/37).
Patna—Rs. 10/31—10/31—10/31—10/31—(10/81)
U.P.—Rs. 144/00—145/00—144/00—145/00—(120/00).

FLOUR MILL

Bengal—Rs 34/00—34/12—33/75—34/12—(34/25)

ENGINEERINGS

Binani Metal—Rs. 11/69—12/00—11/62—12/00.
Burn & Co.—Rs 316/00—316/00—314/00—314/00—(600/00)
Britannia Engg.—Rs. 10/56—10/62—10/56—10/62—(10/75).
Calcutta Steel—Rs. 13/75—13/81—13/75—13/81—(14/87)
Dalmia Iron—Rs 11/62—11/75—11/59—11/75—(11/50).
Indian St. Wagon (Pref.)—Rs 112/00—112/00—111/00—111/00.
Do. (Ord.)—Rs. 35/50—36/37—35/37—36/37—(30/50).
Indian Iron (Pref.)—Rs. 81/50—81/50—79/50—80/00.
Jessop & Co.—Rs. 25/06—25/44—24/94—24/94.
J. K. Steel—Rs. 17/75—18/19—17/62—18/12—(16/25).
Kumardhubi—Rs. 9/25—9/25—9/25—9/25—(7/50)
Marshalls—Rs. 2/62—2/75—2/62—2/69—(3/25)
Machinery Manufacturing—Rs. 24/12—24/12—24/12—24/12.
National Iron & Steel—Rs. 5/94—6/00—5/91—6/00—(4/75).
Raymon—Rs. 5/00—5/00—5/00—5/00.
Saran Eng—Rs 7/87—8/25—7/87—8/12—(11/12)
Sen-Raleigh—Rs. 14/94—15/12—14/94—15/12—(20/06).
Textile Machinery (6½% Pref.)—Rs. 102/00—102/00—100/00—100/00.
Wellman Incandescent—Rs. 7/87—8/19—7/87—8/19.

INSURANCES

New Asiatic—Rs. 8/25—8/25—8/25—8/25.
Standard General—Rs. 6/12—6/12—6/12—6/12—(8/00).

MISCELLANEOUS

Aluminium Corpn.—Rs. 13/62—13/94—13/50—13/62—(15/12).
Angelo Brothers—Rs. 26/19—26/75—26/19—26/75—(22/75).
Asian Refractories—Rs. 11/44—11/62—11/44—11/62
Associated Battery—Rs. 27/75—27/87—27/62—27/81—(27/00).
Asiatic Oxygen—Rs. 13/81—14/00—13/75—14/00.
Bharat Nidhi—Rs. 5/75 s.t.—6/44—5/75—6/44.
Birds Investment—Rs. 10/37—10/37—10/37—10/37—(12/50).
Britannia Biscuits—Rs. 51/50—51/50—50/25—50/25—(45/12).
B. I. Corpn.—Rs. 8/87—9/00—8/87—9/00—(9/50).
Do (Pref.)—Rs. 108/00—108/00—108/00—108/00.
Bararee Coke—Rs. 22/00—22/06—22/00—22/06—(24/50).
Balmer Lawrie—Rs. 258/00—259/00—256/00—258/00—(257/00).
British Paints—Rs. 22/62—22/62—22/62—22/62.
Calcutta Trams—Rs. 10/62—11/19—10/62—10/69—(12/25)
Clive Row Investment—Rs. 8/56—8/56—8/56—8/56.
Duncan Brothers (Pref.)—Rs. 56/75—56/75—56/25—56/50.
Dyer Meakin Breweries—Rs. 32/31—32/31—31/87—31/87—(29/62).
Darjeeling Ropeway—Rs. 8/00—8/00—8/00—8/00—(8/00).
Dr. Paul Lohmann—Rs. 13/75—13/75—13/75—13/75.
Eastern Investment—Rs. 116/00—117/00—116/00—117/00—(129/00).
Electric Construction—12/87—13/06—12/87—13/06—(13/50).
English Electric—Rs. 14/12—14/25—14/06—14/25.
General Tyres—Rs. 9/81—10/06—9/81—10/00
Hindusthan Twyford—Rs. 14/25—14/31—14/12—14/12.
Hindustan Aluminium—Rs. 13/25—14/12—13/75—13/81—(13/50).
Hindusthan Gas—Rs. 24/31—24/31—24/31—24/31.
Hindustan Lever—Rs. 37/62—37/81—37/62—37/81
Ivan Jones—Re 0/62—0/62—0/62—0/62.
Imperial Tobacco—Rs. 10/25—10/37—10/06—10/37—(10/87).
Indian Forge & Drop Stampings—Rs. 6/87—7/44—6/87—7/44.
Indian Oxygen—Rs. 27/56—28/25—26/50—26/62—(30/75).
Isaac Holdens—Rs. 14/25 s.t.—15/12—14/25—15/12—(15/56).
India Carbon—Rs. 15/75—15/94—15/44—15/62
Indian Tack & Nail—Rs. 12/12—12/37—12/12—12/37
Jardine Henderson—Rs. 80/00—81/00—79/00—79/00—(68/00).
J. K. Synthetics—Rs. 12/50—13/12—12/50—12/94—(12/19)
Jay Shree Industries—Rs. 14/62—14/75—14/42—14/50—(16/50).
Martin Burn—Rs. 28/50—28/50—28/50—28/50—(29/81).
Do. (Pref.)—Rs. 80/50—80/50—80/50—80/50.
Metal Distributors—Rs. 4/31—4/50—4/31—4/50
Macfarlane & Co. (Defd.)—Rs 1/44—1/44—1/44—1/44
McLeod & Co (2nd Pref.)—Rs. 61/00—61/25—61/00—61/25
National Tobacco—Rs. 13/50—13/75—13/37—13/37—(13/00).
National Rolling & Steel Ropes—Rs. 20/50—20/75—19/87 x.d.—19/87 x.d.—(21/37).
National Insulated Cables—Rs. 23/75—23/87—23/75—23/87
National Rubber—Rs. 13/31—13/44—13/31—13/44.
Phillips Carbon Black—Rs 15/25 s.t.—15/69—15/25—15/62.
Philips India—Rs. 29/12—29/25—28/44—28/62—(28/12).
Rallis India—Rs 129/50—131/00—129/50—130/50—(150/00).
Shaw Wallace—Rs. 17/25—17/69—17/19—17/69—(20/06)
Sirsilk—Rs 9/94—10/12—9/87—10/06—(8/75)
Union Carbide—Rs. 41/75—42/62—41/75—42/62—(43/50).
Universal Cables—Rs. 11/81—12/37—11/69—12/12.
Usha Martin Black—Rs. 17/50—17/50—17/50—17/50.
Universal Electric—Rs 9/81—10/12—9/81—9/94.
Walford Transport—Rs. 4/09—4/12—4/06—4/09—(3/37).
Window Glass—Rs. 9/00—9/00—8/94—8/94.

PAPERS

Ballarpur—Rs 18/06—18/37—18/06—18 37.
Bengal—Rs 28/37—28/69—28/37—28/69—(32/06).
India Paper Pulp—Rs. 19/00—19/06—19/00—19/06
Seshasayee—Rs 7/87—8/12—7/81—8/00.
Shree Gopal Paper (2nd Pref.)—Rs. 98/00—98/50—98/00—98/50.
Sirpur—Rs. 13/37—13/62—13/12—13/50—(11/50)
Straw Products—Rs. 10/00 s.t.—10/69—10/00—10/56
Star—Rs. 9/12—9/12—9/06—9/06—(10/00).
Do (3rd Pref.)—Rs. 86/00—86/00—86.00—86/00
Titaghur—Rs. 16/75—17/31—16/62—17/12.

REAL PROPERTIES

Mumayan Properties (Pref.)—Rs. 7/12—7/19—7/12—7/19.
Midnapore Zemindary—Rs. 11/00—11/00—11/00—11/00.

SAW MILL

Assam Saws—Rs. 2/62—2/66—2/50—2/50—(2/75).

SHIPPINGS

Calcutta Steam Navgn.—Rs. 8/87—8/87—8/87—8/87—(7/75).
India General Navgn.—Rs. 43/00—43/25—43/00—43/25—(66/50).
India Steamship—Rs. 7/37—7/36—7/37—7/47—(6/25)

SUGARS

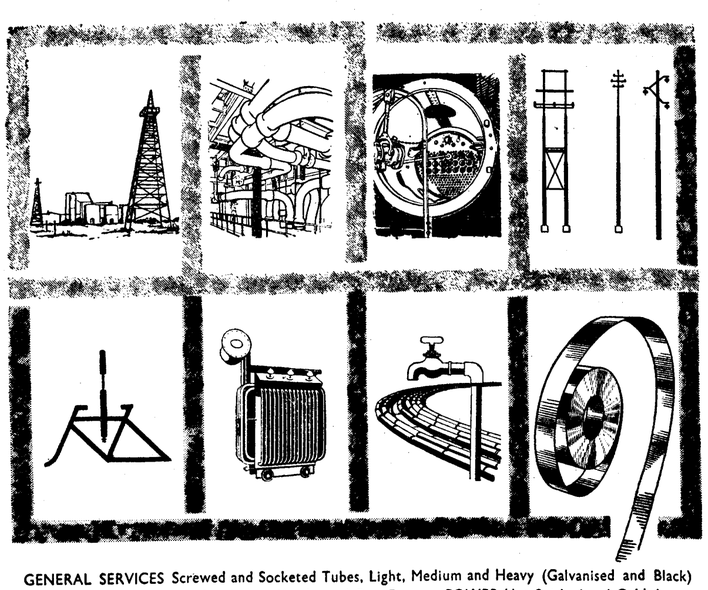
Balrampur—Rs. 1/87—1/87—1/86—1/86—(2/24).
Carew & Co—Rs. 11/25—11/56—11/25—11/56—(12/25).
Darbhanga—Rs 9/87—10/00—9/87—9/87—(9/00)
Raza Buland—Rs 10/25—10/37—10/23—10/37—(10/15)
Ryam—Rs 4/00—4/00—4/00—4/00—(8/06).
Ramnugger Cane—Rs. 29/25—29/31—29/25—29/31.
Shree Krishna Gyanoday—Rs. 8/00—8/00—7/94—7/94—(9/06).
Sitalpore—Rs 3/75—3/75—3/69—3/69—(6/12).
Samastipore Central—Rs. 4/62—4/62—4/62—4/62—(9/62).
United Provunces—Rs. 11/00—11/00—11/00—11/00—(10/62).

TEAS

Carron—Rs. 160/00—161/00—160/00—161/00—(145/00)
Dhelakhat—Rs 20/69—20/75—20/69—20/75—(20/00)
Dhunseri—Rs 11/75—11/87—11/69—11/87—(15/00).
Grob—Rs. 7/62—7/75—7/56—7/62—(8/06).
Hantapara—Rs. 108/00—108/00—108/00—108/00—(102/00).
Hanuman—Rs. 10/12—10/12—10/12—10/12.
Kilcott—Rs 15/19—15/19—15/19—15/19—(17/31).
Looban—Rs 4/62—4/69—4/62—4/69.
Maud Tea Seed—Rs 13/94—14/00 x.d.—13/94—14/00 x.d
Nagri Farm—Rs 29/50—29/56—29/50—25/56—(27/00).
Okayti—Rs. 600/00—600/00—600/00—600.00—(605/00).
Phaskowa—Rs. 125/00—125/00—125/00—125/00—(127/00).
Pussimbing (Pref.)—Rs. 86/00—87/00—86/00—87/00
Rangamattee—Rs. 50/00—50/00—50/00—50/00
Sungma—Rs. 14/56—14/56—14/56—14/56—(12/75)
Soom—Rs 35/50—35/50—35/50—35/50
Teloijan—Rs 22/00—22/12—22/00—22 12—(27/75).
Teliapara—Rs. 110/00—110/00—110/00—110/00

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Money

BANKERS COMMENT ON THE NEW BILL

(BY A SPECIAL CORRESPONDENT)

Indian bankers have expressed their views on the new Bill to amend banking law. They feel that the sweeping powers proposed under the legislation would seriously interfere with the smooth working of banks and provisions such as removal and appointment of directors or chief executives might undermine popular confidence in the system.

THE chairman of the Indian Banks Association has addressed a communication to the Governor of the Reserve Bank indicating his views on the various clauses of the amending Bill. (The Bill has 55 clauses and would vitally affect the functioning of the banking system in the country.) It is, therefore, necessary that the bankers' views on the proposed legislation are given a fair hearing. But according to the present schedule, the Bill is to be considered and passed by the Lok Sabha within next week, and in all probability the authorities would not consider what the bankers want to convey.

Why is the Government of India in such a desperate hurry? The reason seems to be the agitated political opinion in a section of the Congress Party which has been vocal in demanding nationalisation of commercial banks. The present session of the Rajya Sabha started discussing once again the question of bank nationalisation on the basis of a motion introduced by Mr. Raghunath Reddy. The Government was only a silent spectator to the fierce debate which raged for four and a half hours on 6th December. It proved inconclusive, but it is to be resumed once again on 20th December. The general expectation is that the Government will push the new banking Bill into law before the debate in the Rajya Sabha is resumed to disarm the supporters of the move.

Whatever the Government might do, the bankers have at least the satisfaction that they have put forward their views on the Bill. Their unanimous impression is that drastic and unduly wide powers are proposed to be taken under the Bill and those will seriously interfere with the smooth functioning of the banks.

Removal of Directors

Clause 18 of the Bill provides for the removal of a director or chief executive officer or other officer or employee of a bank if he has violated, in the opinion of the Reserve Bank, the provisions of any law. According to the bankers, the assumption of such far-reaching and sweeping powers would adversely affect the confidence of the public in the banking system. Since banks are credit institutions functioning on the basis of the goodwill of the public, nothing should be done to undermine confidence. The removal at the discretion of the Reserve Bank of persons associated with banks without giving them an opportunity for an explanation is not only arbitrary but undemocratic. Even in an emergency, it would be fair to give the person so affected at least a short time to furnish an explanation. The board of directors of the bank concerned should be given an opportunity to appoint a fresh director or person in place of the dismissed one, in consultation with the Reserve Bank, if that is considered essential to secure the smooth functioning of the board. If for any reason, the suggestion of the bankers is not acceptable to the Government, the Reserve Bank should consult the board of directors of the bank concerned before appointing any director or person to fill the vacancy.

As for the provision enabling the Reserve Bank to appoint up to five additional directors, bankers feel that the appointment of only one director would serve the purpose which the Government has in mind, as the Reserve Bank already has enough powers under the Banking Companies Act to deal with malpractices.

According to the bankers, Clause 11 of the Bill prohibiting a bank from making unsecured advances to a public limited company if the chairman of the former is interested as chairman or managing director of the public company or in other ways, would hinder the functioning of banks and first-class companies. Banks exercise great care in granting unsecured advances and give them to first-class parties only. Instances of bad and doubtful debts in unsecured advances are very few.

Again, under the present banking practices, the discounting of Government supply bills is treated as an unsecured advance. With the increased rôle of the public sector and the rise in defence expenditure, many companies are supplying goods to Government departments. Further, the trust receipt facilities for clearing imported goods also come under the category of unsecured advances. The prohibition in the Bill would, therefore, hamper the various methods of finance. It would particularly impose a serious handicap on the functioning of those companies the chairmen or directors of whose managing agents are chairmen of banks, it would also restrict the business of the banks concerned. The deletion of this amendment to Section 20 of the present Banking Companies Act is strongly advocated by the bankers.

Limiting Advances

Clause 13 of the Bill enables the Reserve Bank to give directions to banks as to the maximum amount of advances or other financial accommodation which may be made by them, or the maximum amount up to which guarantees may be given by them on behalf of one company or association of persons or individuals. According to the bankers, the imposition of such a maximum limit would inhibit the growth of industries. Granting advances is a matter of individual discretion of a banking company, and if loans to specific industrial concerns require to be curtailed in the context of directions given by the Reserve Bank, the borrowing concerns will not be able to make the best use of the curtailed advances. It is essential that the individual banks, rather than the Reserve Bank, should be the sole judge of borrowers' creditworthiness. In recent years, guarantees issued on behalf of new industrial companies concerning their deferred payment agreements run into large amounts and banks have been called upon more and more to enter this type of business in view of the rapid industrial development of the country. Such a maximum would force the banks naturally to curtail this activity.

Clause 9 of the Bill provides for reduction of the maximum voting rights of a shareholder fom 5 percent to 1 percent of the total voting rights. In the opinion of bankers, the existing percentage should be retained. This is because competent and experienced persons would not stand for election if the percentage is reduced. Consequently, the stability of management of banks would be adversely affected.

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THE CALCUTTA MONEY MARKET

FAIR INCREASE IN ADVANCES

Wednesday, 11th December.

THE general level of advances has shown a fair increase in the Calcutta money market during the past week. Most of the rise is in the requirements of the jute mills, although the borrowings of the sugar mills are also slightly higher. The credit given to the other main categories—the cotton and woollen mills, the iron, steel and engineering industries, and the foodgrains and seeds trade—is unchanged. In the inter-bank market, conditions have been steady and the call rate quotes 5 percent.

The exchange market has been moderately active, with an excellent supply of tea bills and a fair number of gunny bills. The demand for remittances is moderate. In the London market, sterling has been fairly steady and shows nominal gains against most of the important currencies except the West German, Swiss and Belgian.

SILVER WAS STEADY IN CALCUTTA during the past week. The price advanced from the previous week's level of Rs. 235 to Rs. 237.75, quoted today for ready. The London and New York prices amounted to 111⅛d and 129.3 cents. Despite a rise in silver, gold was quiet and the price of 14-carat fell from Rs. 63 to Rs. 62.25.

DURING THE WEEK ENDED 6TH DECEMBER, Government of India Treasury bills for Rs. 1,54,00,000 were sold in favour of the Reserve Bank.

TENDERS FOR RS. 2 CRORES OF 91-DAY Government of India Treasury bills were opened on 10th December. The total amount offered was Rs. 2,12,00,000. Tenders at Rs. 99.425 percent were accepted in full, and those at Rs. 99.420 percent were allotted 93 percent. The total amount accepted was Rs. 2 crores, the average rate of acceptance being Rs. 2.315 percent a year. Tenders for Rs. 2 crores of 91-day Government of India Treasury bills will be received at all centres up to the close of business on 16th December.

IT IS STATED THAT 91-DAY INTERMEDIATE Treasury bills will be sold from 11th December to 14th December at Rs. 99.436 percent. Sales can be stopped at any time without notice if the Government thinks it necessary. These bills sold from 4th December to 7th December amounted to Rs. 1,39,25,000.

RISES OF RS. 46.62 CRORES TO RS. 2,336.60 crores in the total note issue and of Rs. 48.48 crores to Rs. 2,313.53 crores in active notes were notable features of the return of the Reserve Bank of India for the week ended 6th December, 1963. The currency expansion was covered by raising rupee securities by Rs. 50 crores to Rs. 2,009.31 crores in the paper currency reserve. This was done by transferring securities from the Banking Department in which investments were Rs. 53.58 crores smaller at Rs. 192.78 crores. Deposits of the Government of India rose by Rs. 12.87 crores to Rs. 84.01 crores while those of State Governments fell by Rs. 98 lakhs to Rs. 10.21 crores. Balances of scheduled banks at Rs. 82.93 crores showed a rise of Rs. 4.02 crores. Balances held abroad rose by Rs. 2.37 crores to Rs. 12.76 crores. Loans to scheduled banks rose from Rs. 79.65 lakhs to Rs. 14.61 crores of which advances against usance bills amounted to Rs. 4.44 crores, against nil. Ways and means advances stood at Rs. 46.54 crores, against Rs. 31.81 crores.

THE RETURN OF THE STATE BANK OF India for the week ended 29th November, 1963, showed a rise of Rs. 37 lakhs to Rs. 592.97 crores in total deposits. Investments in Government securities fell by Rs. 76 crores to Rs. 307.49 crores, while other authorised investments remained unchanged at Rs. 8.95 crores. Advances, including loans, cash credits, overdrafts and bills discounted and purchased, declined by Rs. 75 lakhs to Rs. 258.47 crores. Cash and balances were, in consequence, shown at Rs. 21.67 crores or Rs. 66 lakhs less.

THE STATEMENT OF THE POSITION OF scheduled banks for the week ended 29th November, 1963, showed Demand and Time liabilities at Rs. 1,123.79 crores (Rs. 29.47 crores on account of borrowings from banks) and Rs. 1,324.71 crores (Rs. 22.21 crores), compared with Rs. 1,115.33 crores (Rs. 27.65 crores) and Rs. 1,327.99 crores (Rs. 20.51 crores), respectively, in the previous week. Cash declined by Rs. 1.75 crores to Rs. 55.68 crores, while balances with the Reserve Bank decreased by Rs. 9.95 crores to Rs. 72.93 crores. There was a drop of Rs. 4.78 crores to Rs. 766.97 crores in investments. Advances and bills discounted at Rs. 1,498.62 crores showed a rise of Rs. 3.68 crores. The ratios to total liabilities of cash and balances, and of advances and discounts are, in consequence, shown at 5.3 percent and 61.2 percent, against 5.7 percent and 61.2 percent.

TREASURY BILL MATURITIES

Details of 91-day bills outstanding with the public on 13-12-63.

Issue Date	Maturity Date	Amount (000's Rs.)	Average Acceptance Rate
13-12-63	16-3-64	2,00,00	Rs. 2.315%
6-12-63	9-3-64	2,00,00	Rs. 2.320%
29-11-63	3-3-64	2,00,00	Rs. 2.320%
22-11-63	25-2-64	2,00,00	Rs. 2.318%
14-11-63	17-2-64	2,00,00	Rs. 2.300%
8-11-63	11-2-64	2,00,00	Rs. 2.310%
28-10-63	31-1-64	2,00,00	Rs. 2.318%
23-10-63	26-1-64	2,00,00	Rs. 2.320%
18-10-63	21-1-64	2,00,00	Rs. 2.320%
11-10-63	14-1-64	2,00,00	Rs. 2.318%
4-10-63	7-1-64	2,00,00	Rs. 2.318%
27-9-63	30-12-63	2,00,00	Rs. 2.318%
20-9-63	23-12-63	2,00,00	Rs. 2.318%
13-9-63	16-12-63	2,00,00	Rs. 2.318%

(Maturity Maturities (000's omitted)

December, 1963	2,00,00
January, 1964	10,00,00
February, 1964	6,00,00
March, 1964	6,00,00
Total	28,00,00

CLEARING HOUSE RETURNS

Week	Calcutta	Bombay
	Rs. (Lakhs)	
29-11-63	.....	1,11,86
22-11-63	1,01,75	1,19,33

RESERVE BANK

ISSUE DEPARTMENT

(In 000's of Rupees)

	Week Ended 6-12-63	29-11-63	7-12-62
Liabilities—			
Notes in Banking Dept.	23,06,71	24,02,16	13,16,33
Notes in Circulation	23,13,33,08	22,.65,05,43	21,22,59,02
Total Notes issued	23,36,39,79	22,89,97,59	21,35,75,40
Assets—			
A. Gold Coin and Bullion	1,17,76,10	1,17,76,10	1,17,76,10
Foreign Securities	92,45,69	92,45,69	88,08,43
Total of A	2,10,21,79	2,10,21,79	2,05,84,53
B. Rupee Coin	1,17,06,98	1,20,44,78	1,21,61,77
Rupee Securities	20,09,31,02	19,59,31,02	18,08,29,10
Total	23,36,39,79	22,89,97,59	21,35,75,40

BANKING DEPARTMENT

Liabilities—			
Capital Paid-up	5,00,00	5,00,00	5,00,00
Reserve Fund	80,00,00	80,00,00	80,00,00
National Agricultural Credit (Long Term Operations) Fund	73,00,00	73,00,00	61,00,00
National Agricultural Credit (Stabilisation) Fund	8,00,00	8,00,00	7,00,00
Deposits—			
(a) 1. Central Govt.	84,01,29	71,13,61	54,13,66
2. State Govts.	10,20,66	11,12,98	21,26,24
(b) Banks :—			
(i) Scheduled Banks	82,93,35	78,91,30	72,36,14
(ii) State Co-operative Banks	2,09,70	2,10,52	1,73,33
(iii) Other Banks	4,61	4,91	6,09
(c) Others	1,66,29,19	1,66,40,79	1,65,28,22
Bills Payable	22,65,15	31,17,52	32,68,22
Other Liabilities	39,68,41	38,74,27	39,67,63
Total	5,83,32,36	5,65,72,10	5,40,19,63
Assets—			
Notes	23,06,71	24,02,16	13,16,38
Rupee Coin	2,37	2,71	2,71
Small Coin	3,53	3,60	2,22
National Agricultural Credit (Long Term Operations) Fund			23,92,00
(a) Loans and Advances to :—			
(i) State Govts	26,59,97	27,02,90	11,47,96
(ii) State Co-operative Banks	9,26,96	9,47,71	
(iii) Central Land Mortgage Banks	—	—	—
(b) Investment in Central Land Mortgage Bank Debentures	3,55,31	3,55,31	2,84,88
National Agricultural Credit (Stabilisation) Fund			
Loans and Advances to State Co-operative Banks	—	—	—
Bills Purchased and Discounted :—			
(a) Internal	—	—	—
(b) External	—	—	—
(c) Govt. treasury Bills	91,03,91	53,70,23	1,06,39,51
Balances Held abroad	12,76,19	10,38,63	8,70,08
Loans and Advances to Govt.	46,53,88	31,81,29	6,99,00
Loans and Advances to :—			
(i) Scheduled Banks	14,60,73	79,65	29,88,65
(ii) State Co-operative Banks	1,34,10,99	1,29,33,62	1,35,07,62
(iii) Others	1,53,20	1,62,20	1,67,82
Investments	1,92,77,90	2,46,36,34	1,67,51,48
Other Assets	27,00,59	26,65,62	32,29,48
Total	5,83,32,36	5,65,72,10	5,40,19,63

SCHEDULED BANKS

(In 000's of Rupees)

	Week Ended 29-11-63	22-11-63	20-11-62
(i) Demand Liabilities—			
(a) Demand Deposits			
(1) From Banks	53,79,80	53,35,63	45,51,16
(2) From others	9,77,80,82	9,71,97,53	8,02,37,88
(b) Borrowing from Banks	29,46,92	27,64,85	23,64,43
(c) Others	62,92,10	62,34,55	55,51,90
(ii) Time Liabilities—			
(a) Time Deposits			
(1) From Banks	33,14,15	32,22,32	26,53,33
(2) From others	12,58,27,92	12,65,37,03	12,33,57,27
(b) Borrowing from Banks	22,20,83	20,50,94	14,53,94
(c) Others	10,06,45	9,88,75	11,07,64
(iii) Borrowing from State Banks—			
(a) Demand Liabilities	8,84,10	7,26,23	4,13,06
(b) Time Liabilities	18,60,50	18,47,09	16,07,73
(iv) Borrowing from Reserve Bank	71,00	45,54	5,18,95
(v) Cash	55,68,17	57,43,35	47,45,66
(vi) Balances with the Reserve Bank	72,93,07	82,87,39	68,77,63
(vii) Balances with other Banks in current account	22,23,60	22,46,79	16,91,84
(viii) Money at call and short notice	69,07,81	66,15,06	54,36,87
(ix) Investments in Central and State Govt. Securities	7,66,97,33	7,71,74,57	7,00,25,69
(x) (a) Loans, Cash credits and Overdrafts	12,55,55,78	12,46,07,10	11,68,03,09
(b) Due from Banks	11,91,60	12,00,86	9,42,55
(xi) Inland Bills purchased and discounted	1,74,92,86	1,79,58,72	1,51,86,57
(xii) Foreign Bills purchased and discounted	56,21,36	57,27,47	52,69,77
(xiii) Total of X, XI and XII	14,86,61,60	14,94,94,15	13,82,03,98

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CHAIRMAN, MR. A. K. JAIN'S ADDRESS

The following is the speech delivered by Mr. A. K. Jain, Chairman, New Central Jute Mills Co., Ltd., at the Annual General Meeting of the shareholders of the Company held on 3rd December, 1963.

Gentlemen,

I have great pleasure in extending a hearty welcome to you all.

The Report and Accounts of the Company have already been in your hands. You would have found that the Company has made outstanding progress all round during the year.

In the tragic assassination of President Kennedy, which stunned all of us, the world has lost a great and noble leader and statesman. It was his dynamic leadership that led to the spontaneous supply of arms and equipment to our country at a time of national peril last year. The people of the world will remember President Kennedy as a man who fought for peace and understanding among nations and progressive development in all underdeveloped and backward countries. Our heartfelt sympathies go out to Mrs. Kennedy and the little children and the American people.

Testing Time

The past year has been a testing time for us from the point of view of preparing for the defence of the country and stabilising the economy's development. The Government, the industrial and business community, politicians and economists have been thinking as to the ways and means of gearing up national effort. The situation demands policies and actions well-tuned to the urgent needs of development, taking into account the lessons of the past. The mid-term appraisal of the Third Five Year Plan has indicated that the rate of increase in industrial production has lagged behind the target and agricultural production has fared worse. Against the annual target of 11.1%, the actual increase in industrial production was 6.5% in 1961-62 and 8% in 1962-63.

Concerted efforts have been made by your Company's jute mills to build up production and exports for earning larger foreign exchange for the country. There was an increase of over 21% in the output during 1962-63 over 1961-62. The planned expansion of your Company also contributed to increased employment for skilled and unskilled workmen and technical and supervisory personnel. The complement of broad-looms was increased during the year 1962-63 by 104 to reach a total of 286. During the current year, 71 additional broad-looms were installed raising the total to 327 against the licensed capacity of 350 broad-looms. Your Company thus installed 92% of its licensed capacity of broad-looms. The industry achieved installation of only just over 50% of the licensed capacity, according to available figures. With the implementation of a steady programme of expansion, your Company also made large contribution to export earnings.

It can, therefore, be legitimately claimed that your Company made substantial and all round progress. The profit attained in 1962-63 amounting to Rs. 1.32 crores after providing over Rs. 53 lakhs for depreciation is not only an all time record for your Company but is also the highest in the jute industry as assessed from a study of published Balance Sheets of jute companies for the year. The management adopted a policy of large-scale expansion of the Company's jute mills at substantial sacrifice of their own managerial remuneration. During the last three years ended March, 1963, the total of managing agents' and directors' remuneration amounted to Rs. 47,176 only.

Fabrication of Broad-looms

Simultaneously with the building up of your mills' loomage strength, successful fabrication of broad-looms in the Company's workshop was also achieved. The workshop has been modernised and strengthened to meet the increasing needs of indigenous manufacture. In the year 1961-62, out of the total broad-looms installed, 7% was fabricated in your own workshop; the percentage increased to 33% in 1962-63 and to as much as 92% in the current year. The own fabrication of looms has, apart from expediting your Company's expansion programme, resulted in a saving of Rs. 50 lakhs foreign exchange expenditure to the country and economy to the Company in capital expenditure.

The future of the carpet backing industry in this country would depend on the growth of consumption in the foreign market. Every effort should be made to encourage the use of double back in carpet backing for which it is very important to improve the quality of carpet backing manufacture in this country. Your Company's production is already well accepted in the overseas markets. In order to propagate the use of double back by supply of better quality carpet backing, your Company has already installed 2 single beam dressing machines.

I mentioned in my last year's speech about the increase in production in Sahu Chemicals & Fertilizers unit. I also referred to the modifications in the plant on the advice of the technical collaborators. I am happy to state that the modifications carried out have resulted in substantial improvement in the output during the year. During the current year, there should be further increase in output as in the period of 8 months ending November, 1963 there is a 25% increase in production as compared to what was achieved in the corresponding period of the previous year. The substantial improvement in the production of last year could not, however, contribute to the total earnings of the Company because of the higher cost of basic materials which absorbed the advantages of increased production. The contribution of the expected improvement in production to the current year's financial results would also depend on the extent to which the increasing cost of basic materials, over which the industry has no control, is checked and on the price policy of the Government. There is all out effort to keep costs down, increase productivity and contribute to the maintenance of reasonable price level. It is hoped that the recent agreement with the employees of the Sahu Chemicals & Fertilizers unit will add to the harmonious endeavour to further stepping up of production in the unit.

Increased Exports

The Government and industry in the country have been concentrating on increased exports to augment foreign exchange earnings. An important aspect in the matter of exports especially with reference to lesser developed countries in the Far East is the building up of goodwill by direct contribution to the development of industries in those countries as the urge to develop one's own economy is paramount in every nation. Thailand is a country with large availability of Kenaf fibre. Many countries including the United Kingdom and Pakistan have been trying to enter the industrial field in this country. Your Company has entered into a collaboration arrangement with a Thai company for supply of technical know-how for putting up a jute unit to meet Thai needs. In this project, your Company will also be supplying jute mill machinery and equipment from India. While thus we shall be exporting our machinery and earning foreign exchange, we shall have the satisfaction of contributing to the industrialisation of friendly Thailand. Your Company has also undertaken training of Thai apprentices in your jute mills in Calcutta so that these technicians fully trained and equipped may be able to take up their responsibilities in manning the Thai jute mill. It is a matter for pride that, here again, your Company has given a lead to the Indian jute mills.

All the progress in work, profit and export earnings would not have been possible but for the enthusiastic and willing co-operation of the administrative and technical staff and workmen of the Company, to whom, I convey, on your behalf, our sincere thanks.

Note: This does not purport to be a report of the proceedings of the Annual General Meeting.

IN THE HAPPY WORLD OF CHILDHOOD



Lost in her dreams, this little girl expresses all the charm of children everywhere. She is a young Garhwali, but her dreams and hopes and happy games belong not to her particular region but to the separate world of childhood.

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THE JAY ENGINEERING WORKS LIMITED

HIGHER COSTS AFFECT PROFITS: EXPORTS IMPROVE

NEED FOR REASONABLE RETURN ON INVESTMENT CAPITAL

CHAIRMAN, MR. CHARAT RAM OUTLINES FACTORS FOR INDUSTRIAL GROWTH

The following is the text of the speech by Lala Charat Ram, Chairman, Board of Directors, The Jay Engineering Works Ltd., delivered at the 26th Annual General Meeting of the shareholders of the Company on December 5, 1963, in Calcutta.

Ladies and gentlemen,

I have great pleasure in welcoming you to the 26th Annual General Meeting of the Company.

End of an Era

As you are aware, Sir Shri Ram Ji, who could well be called the father of The Jay Engineering Works, passed away on January 11 this year. This completes one era in the growth of our company, which started rather humbly in a motor garage. From such humble beginnings, to a widely public owned company, employing nearly Rs. 14 crores, is the culmination of the great entrepreneurial and management effort which Sir Shri Ram Ji brought to bear on the affairs of the company. I am fully concious of the responsibility that rests on all of us now for continuing this process of growth, and the high traditions that we have inherited.

Before proceeding further, I should like to make a reference to the great international and national tragedies that have taken place during the last one month. The death of President Kennedy has removed from the international scene, a statesman and a personality recognized by all nations of the world, including those termed to be sitting in so called opposite camps, as a man of peace, vision and courage. The unfortunate accident, resulting in the death of five of our top defence personnel has certainly impoverished our country to that extent; each of these five officers of our defence forces had an admirable record of service to the country, and I take this opportunity of paying our humble tribute in their memory.

Decline in Profits

The annual report of the company for the year ended March 1963, has been with you for some time now, and with your permission I shall take it as read. I owe an explanation for the reduction in profits which has necessitated a reduction in dividends, as well as in the remuneration of managing agents and the profit sharing bonus of the workers. I had referred in my speech at the last Annual General Meeting, to the many escalating factors bearing on the cost of production of industrial goods. The situation has continued to worsen during the year, and the incidence of excise and import duties on raw materials, raw material prices, railway freight, etc. went up further substantially. Furthermore, the Supreme Court decided that the company must make provident fund contributions on a part of production bonus payments made to employees, and provision has had to be made for this liability, retrospectively from January 1960. The Hyderabad Factory which commenced operations during the year, suffered a loss because of the usual initial troubles, which has also contributed in reducing the overall profits of the company. I am glad to be able to state, that the operations of the current year as of date, are satisfactory, and the year should end with a much better showing, if no untoward happenings mar the operations. My reference here is to the unfortunate reactions of labour to the reduction in their profit sharing bonus payable on the basis of subsisting terms which have been in operation for all these years. We are attempting to avoid any



Mr. Charat Ram

adverse reactions on this account, but it is uncertain as to what direction the labour leadership will take.

Inflationary Tendencies

The "cost-price" squeeze situation, in which the company finds itself, is typical of industrial operations all over the country. There is much talk about holding the price line, and everybody, whether it be the Government, or the labour, or the consumer, seems to be busy enlarging upon the responsibility cast on everybody else, for keeping prices down. The snag is that prices are not a function of surfacial agitation, but of interacting economic forces which are not neutralized by the effusion of gratis advice. You will observe that the bulk of increase in costs in our, and for that matter any other operation, is almost entirely due to official imports, or increase in costs of Government sponsored services like transport, etc. I am not unappreciative of the need for additional revenue caused by the violation of our frontiers by mainland China, and for purposes of economic growth. I do hold, however, that the steps that are taken to meet these pressures, must not jeopardize the long term economic strategy of a developing country, the foremost requirement of which is that inflation should not eat up the nominal addition to resources. It is my submission that prices will be held in check by abstaining from inflation oriented measures, and not by King Canutish decrees.

Attitude of Labour

Our relations with labour during the year under review have been good. I am however apprehensive of increasing tendency in the country to think of industrial labour as an absolute overriding group in the community, instead of being an integral part of a homogeneous whole whose interests are in definite alignment with those of other components of the community. The industrial worker community forms barely 1% of the total population of the country, and in the national interest it would be worthwhile for this community to consider the impact on the total economy of its policies. Their leadership has led to shortsighted demands in the matter of annual emoluments and working conditions which have little relationship with the requirements of the country's economy. It is saddening to see the image of conflict of interest that is sought to be created between the employees and the industry of the country. It is forgotten that the interests of the two are identical and the primary challenge for both is to enlarge the size of the economic pie, rather than quarrel over one's share in a constant, or a diminishing pie. More and better jobs, improved wages, and better working conditions are possible only if industry is productive and profitable. If planners and politicians are really to solve the problem of unemployment, there is need to understand how jobs come into being. Jobs exist not because of some impersonal automatic phenomenon called "consumer purchasing power", but because of growth of industry.

Motivation of Industrial Growth

Entrepreneurs start new ventures, or expand old ones only when they see a prospect of profit commensurate with the risks. It is immaterial whether such risk taking entrepreneurial activity is sponsored by the State or by the people; that is a question of social liberty rather than of economics. What is important is to understand that an economic enterprise can perpetuate and expand itself only when it produces a reasonable return on investment for the service that it renders, and ploughs back a considerable part of such earnings. Anything that militates against this process of earning and plough back, cuts at the very roots of the concept of fuller employment. The shares of spoils of either an acquisitive business or an acquisitive labour force cannot sustain for any length of time by increasing the demands on the consumer. They must be generated within the enterprise by increasing productivity and lowering costs. This is the common task of business and of labour, and can only be discharged by an understanding labour leadership, unhampered in its decisions by political and agitational considerations. I am confident that Jay Engineering will continue to provide an example of an industrial enterprise in which industrial relations are governed by the larger interests of the consumer, and the industry.

One cause of the image of conflict of Interest to which I have referred above, is the misrepresentation by certain elements, that business is made up of a few giant corporations; these elements harangue the imaginary few giant corporations on their "social responsibilities" and "duties". Actually, this picture is quite false, and industrial ownership is increasingly becoming more and more broad-based. Far from being the cause of concentration of economic power, business, along with the intelligentsia, the professional people, etc. provides a counter-vailing force against the concentration of all power in the ruling apparatus of the country, and thereby helps to keep alive the concepts of individual liberty guaranteed by our Constitution.

Ladies and gentlemen, I have dealt at length on some of the basic influences relevant to business enterprise, because we ourselves are so intimately affected by those factors. I believe it to be the duty of business men, to draw attention to the existence of such basic truths which can be disregarded in policy making, only at the cost of economic stability and growth.

I will now refer to certain aspects of our company's operations during the year.

Increase in Production

Production of sewing machines registered an increase of over 20% over the previous year, while the production of fans increased by over 10%. The performance would have been better had not the production been hampered by power shedding in Calcutta. Current production levels are maintaining a rising trend. A notable feature of our current year's operations is, that as a consequence of improved production planning techniques, the increase in production is not accompanied by corresponding increases in the capital employed.

Usha Zig-Zag Introduced

Our automatic Zig Zag sewing machine under the name of "Ushamatic" was marketed during the year, and has been well received the market. This machine is being produced in our Hyderabad Factory and steps are being taken to gradually increase its production. The operations of Hyderabad Factory are however likely to take another two or three years to show satisfactory profitability.

Higher Exports

Last year I had referred to a setback in our exports. I am glad that our exports in 1962-63 have exceeded the level of Rs. 1 crore, being about 20% higher than last year. Steps are being taken to reorganize our exports set-up for greater sales effort. As a step towards that, an independent division under the name of "Usha International" has been set up in our sales agency. As you know, Sir Shri Ram Ji always placed a special emphasis on exports as a measure not only of discharge of his economic responsibilities to the company, but also of his responsibility to the nation. We view with concern the phenomenon that the incremental rise in non-traditional exports of the country is far below the additional effort and expense that is going into export promotion measures. This underlines the need for some degree of persuasive compulsion, to which I had made a reference last year also.

Management and Personnel

We have of late been taking a fresh look at our management structure and personnel. It is not an unusual occurrence, that the growth of a company is not accompanied by commensurate development in its management organization. We have been particularly fortunate in that the personnel policies followed by Sir Shri Ram Ji created a devoted band of executives in Jay Engineering, which has borne creditably the burdens of growth of an expanding organization. It has however become necessary now to take a long term view of management requirements, and to bring about the necessary rationalization in the structure and staffing of the organization.

Slow Plan Progress

A brief reference to the progress of the Five Year Plans of our country will not be out of place here. The Planning Commission has been undertaking what may be termed as an agonizing reappraisal of the progress of the Third Plan. This appraisal has been revealing, and a matter of concern. Whereas increasing amounts of money are being poured in year

(Continued on to page 876)

(Continued from page 875)

after year, the resultant return on these investments are showing a decreasing trend. Productivity of investment capital is of vital importance, and if the fulfilment of an ideology is not more important than the provision of increased quantum of goods, the Planning Commission and the Government might consider reorienting the direction of the investments being made in the country. The general index of industrial production has so far been less than half of what was visualized in the Plan. We can usefully learn some lessons from the war devastated economies of Japan and Germany, for the economic growth and up-lifting of our own country. Increasing fiscal allocations in our Plan budgets would be of little avail, if there is a decreasing return from these. The important fact has to be realized that the standard of living is meaningful not in terms of money, but what the money will buy, and money will only buy more goods and services, provided the productivity of investment increases. The crucial question before the country is as to whether our country is being directed towards the satisfaction of the ideology of a certain group of people, or for a system that will provide increasing quantum of goods for the consumption of the people now and hereafter.

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

THE MORARJEE GOCULDAS SPG. & WVG. CO. LTD.

SPEECH OF THE CHAIRMAN, MR. GOPIKISAN PIRAMAL

The following is the speech by Mr. Gopikisan Piramal, Chairman, The Morarjee Goculdas Spg. & Wvg. Co. Ltd., delivered at the 92nd Annual General Meeting of the Company, on the 6th December, 1963.

Gentlemen,

I extend to you all a warm welcome to the 92nd Annual General Meeting of your Company.

Before I proceed to matters specific to your Company, I must express our profound sorrow at the recent loss of President Kennedy, our Chief Minister, Shri M. S. Kannamwar, and five top officers of our defence services.

As participants in the prosperity of your Company, I am sure that the question uppermost in your minds must be the dividend cut this year. You will at the same time also appreciate that any decline or growth in the dividend has always to be viewed in a larger context.

What, then, are the factors that have contributed to a reduction in your dividend this year? The movement of operating expenses and sales receipts is a case in point. You will recall that every year I have had to make a very special mention of the rising costs of cotton, stores, colours and chemicals, labour, etc. The upward thrust of prices is an institutional feature of our economy and is to a great extent beyond our control. As a matter of fact, we have learnt to live with rising costs. Apart from the relentless increase in manufacturing expenses, we have also to meet fresh and unanticipated charges in the shape of excess payment of bonus of over Rs. 18 lacs for 1959 to 1961 and S. P. T. of Rs. 6 lacs. The national emergency has also affected general trade conditions in several ways. For example, we have had to spend Rs. 1.7 lacs on compulsory war risks insurance from January/June, 1963 and have contributed Rs. 2.67 lacs to the National Defence Fund. My reference to our defence contribution is not of a grudging sort, but is intended only to underline the various ways in which your Company's Profits are depleted.

Selling Prices

On the other hand such increased outgoings are not matched by any increase in the selling prices of cloth. We are committed to the voluntary price control scheme which prevents us from selling at prices higher than those obtaining in 1961 while exports are at prices lower than home prices. Again, the national emergency obliges us to manufacture defence cloth at sacrificial prices. You will thus observe that while the basic principle of business is to buy cheap and sell dear, we are faced with the topsy-turvy situation of having to buy dear and sell cheap. I would earnestly request the authorities concerned to actively consider the present price-cost squeeze before much irrepairable damage is done to the industry.

We in industry, however, have to meet constant challenges to our progress and the most potent weapon at our disposal is efficiency plus modernisation. I will, with a great measure of satisfaction, place here on record that the meticulous care, efficiency and economy exercised at all levels in your Company's working has been largely responsible for the near maintenance of the gross profit and the avoidance of a more severe setback. Various adverse factors may at times conspire to put back a Company in its working but the general soundness and health of an industrial undertaking will always prevail. I would say that unless the price-cost disparity is removed, sparkling financial results cannot always be achieved. However, within the limitations of current economic conditions your Company is successfully striving to maintain and consolidate its normal progress this year and in the coming years.

The considerable expansion and modernisation which we have been undertaking is one of your Company's favourable features in the long run. The nature of this programme is reflected in a comparative study of your Company's balance sheets, e.g., the statutory provision of Rs. 13 lacs for Development Rebate Reserve as required by the Income-tax Act has arisen on account of new capital additions to your Company during the year. The benefits of these additions will not accrue immediately but in the years to come. Again, the accelerated depreciation provision this year is on account of your second unit and other new assets which should vastly contribute to your Company's earning potential. Your No. 2 unit has gone into production and the major part of the year has kept us busy with overcoming such initial working difficulties as changes in qualities, re-stocking the mill, labour problems, etc. These, of course, are the teething troubles and growing pains of any new undertaking and we can now safely look forward to a steady improvement.

I will now touch upon some of the financial aspects of your Company.

Bonus Shares

Last year we had resolved to issue bonus shares in the ratio of one equity share for three equity shares from the Reserve Fund. However, in view of the fact that the maintenance of the dividend on the existing capital is becoming progressively difficult due to various reasons I have already stated, we have deemed it fit to defer the bonus issue. Even assuming that a lower dividend were acceptable on the increased capital, it would not be desirable to issue bonus shares as your Company would have to pay an additional 12.5% by way of taxes.

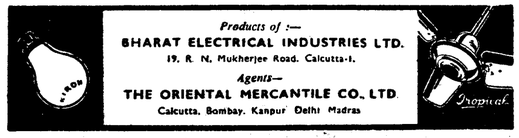
We have also thought it inadvisable to issue right shares this year as the premium suggested by the Controller of Capital Issues was rather high. Considering the prevailing conditions in the stock market, we did not think it fit to burden you with high-priced right shares.

In order to finance the large scale expansion of your Company, we have taken recourse to bank borrowings instead of going to the capital market at a time when the market was in an uncertain mood.

In conclusion, I will once again stress that unless the upward trend of cost is checked and prices are suitably revised it would become increasingly difficult for cloth manufacturers to operate on a profitable basis. However, the intrinsic strength of your Company and our all-out efforts at modernisation and increased efficiency permit us to look forward to the future with healthy optimism.

Finally, I thank you all, my colleagues on the Board, our staff and workers for their unstinted co-operation.

NOTE: This does not purport to be a record of the proceedings of the Annual General Meeting.



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MEETING OF ASSOCIATED CHAMBERS

TEXT OF RESOLUTIONS ADOPTED

AT the annual general meeting of the Associated Chambers of Commerce of India held in Calcutta on Saturday and Monday, the following resolutions were adopted unanimously:

Taxation: *Bombay Chamber of Commerce and Industry* while recognising the need to safeguard the Central Government tax revenues required to finance development programmes and to meet defence needs, the Associated Chambers nonetheless consider that the tax measures introduced in the 1963 Budget have operated in a manner not then foreseen, in that (a) the effect of these taxes and, in particular, the super profits tax, has been to undermine confidence so that investment in new projects and industrial development has been retarded. The cash resources of companies are being eroded to an extent that must force recourse to bank borrowing to meet commitments. As the total tax collections have been substantially greater than was expected, there is a case for a re-examination of the current structure of taxation. The Chambers would also stress the need for certain concessions in the matter of tax on inter-corporate dividends and bonus shares, and the abrogation of the provisions for disallowance of remuneration of Indian nationals in excess of Rs. 5,000 a month; (b) the Associated Chambers consider that personal taxation is unreasonably high in its incidence, constitutes a severe disincentive to extra effort, saving and investment, and will increasingly hamper the creation and retention of high-calibre administrative and technical staff. If Indian industry is to be staffed by managerial and technical cadres comparable in quality with those of other industrialised countries, comparable rewards must be offered. The Chambers would urge that the structure of personal taxation should be such that it is possible for assessees, Indian and expatriate alike, to attain nett earnings equivalent to those available in other countries, and that in the case of expatriates, the system should permit of allowances which recognise the additional expense which they incur by reason of working abroad.

Power—*Bengal Chamber of Commerce and Industry.* The electric power shortage continues to be a major obstacle to industrial production and expansion and—despite the publicity the subject has received, the expert investigations undertaken, and the additional capital investment sanctioned—future supply and demand remain a matter of controversy and there is no general agreement concerning the long-term pattern of power development. Further, experience in certain areas emphasises the need to supplement existing hydro-electric sources by thermal generating stations and the need to speed the development of State and regional grids. The Associated Chambers of Commerce, therefore, urge that the expansion of power generating and distributing capacity should continue to receive a very high priority in the Government's investment programme; that power development plans should be the subject of centralised and high-level study and agreement; that future power availability and demand should be realistically and authoritatively assessed so that industrial expansion can be planned with accuracy and confidence; that a more liberal attitude should be adopted in the matter of allowing industrial units to install their own generating equipment and the necessary foreign exchange released for that purpose; and, finally, that the financial provisions of the Electricity (Supply) Act, 1948, should be amended at an early date so as to remove those factors which at present inhibit the supply of new capital to supply undertakings.

Prices—*Punjab and Delhi Chamber of Commerce.* The Associated Chambers recognise that the price problem presents peculiar difficulties at the present time because of the need for combating inflationary pressure arising from the strains of a developing economy coupled with the demands of defence, while at the same time providing incentives which will encourage increased production. The Chambers believe experience to have shown that controls over prices are ineffective and do more harm than good, and that the only real and lasting solution to the problem is increased productivity. The Chambers, therefore, advocate an adequate return on capital in order to finance expansion and attract fresh investment, and urge that, where the Government does not find it possible to abolish controlled prices for industrial products, those prices should be realistically fixed so as to take full account of increased manufacturing costs. In particular the Chambers draw attention to the heavy incidence of additional fiscal duties which have been responsible for much of the increase in consumer prices wrongly attributed to profiteering or hoarding.

Food and Agriculture—*Madras Chamber of Commerce.* The inability to achieve a substantial and steady increase in agricultural output, both foodgrains and cash crops, constitutes the single greatest obstacle to the country's economic advancement and gravely threatens the people's living standards, the stability of prices and the performance of the export industries. While the means of increasing agricultural productivity are well known—such as improved seeds, fertilisers, pesticides, irrigation, the use of modern implements and better methods of cultivation, including the encouragement of mechanical farming—the practical adoption of these methods on a significant scale has yet to be achieved. The Associated Chambers of Commerce therefore advocate—(a) greater support for the administrative machinery and personnel connected with agriculture, particularly at the State and district levels, so as to establish more intimate and effective contact with the cultivator; (b) the expansion and improvement of adequate short-term agricultural credit on terms attractive to the cultivator; and (c) a re-examination in line with the recommendations of the Planning Commission of the policy of fixing land ceilings so as to ensure the most economic and efficient use of the land. The Chambers must add that all efforts to improve the internal food supply seem doomed to failure if there is a continuance of the present massive and unregulated growth in population.

Exports—*Bengal Chamber of Commerce and Industry.* The Associated Chambers congratulate the Government of India on the vigour with which the export promotion effort continues to be prosecuted and on the signs that a limited success is at last being achieved in this difficult field of trade. They pledge continued co-operation and intensified endeavour on the part of their constituents, whose contribution to the country's exports is already very substantial. For the future, the Chambers would record that India must continue for some prolonged time to depend to a major extent on the earnings of the traditional and well-established export industries and, to safeguard and fortify some of the more important of those industries, they strongly recommend that—(a) the tea industry should be allowed the finance necessary for an expansion and improvement of its output by tax reliefs, there should be a curb on expenditure which is not directly productive, and notably on statutory labour amenities under the Plantation Labour Act, and the industry should be granted direct financial assistance: (b) more urgent and realistic attention should be devoted to the threat posed by Pakistani competition in the overseas markets of the jute manufacturing industry and effective action taken to meet that competition; and (c) modernisation and increased productivity should be encouraged in the cotton textile industry.

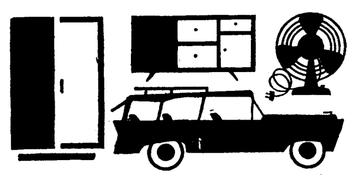
Industry and Defence Production—*Upper India Chamber of Commerce.* The Associated Chambers of Commerce of India hereby pledge the continued support and co-operation of their constituents in discharging the responsibilities devolving on industry by reason of the national emergency. They are anxious to make a full and unstinted contribution to defence production particularly by the maximum use of surplus and available productive capacity and they stress the need for improved contact and consultation between the Government and industry and for a joint and co-operative effort to solve mutual problems.



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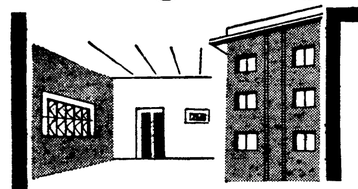
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New Delhi

T.T.K. EXPLAINS ROYALTY TERMS FOR FOREIGN ENTREPRENEURS

(FROM OUR NEW DELHI CORRESPONDENT)

THE Central Finance Minister, Mr. T. T. Krishnamachari, recently explained at some length the Government of India's policy on the payment of royalty, etcetera, to foreign entrepreneurs collaborating with Indian companies. As is well known, there is no fixed rate of royalty, and each case is considered on its merits.

The Government feels that royalty as a source of income should not be treated differently from other sources of income for the purpose of taxation. The rate of tax on royalties payable under agreements entered into after 31st March, 1961, and approved by the Government of India has been reduced from 63 percent to 50 percent. Apart from royalty as such, a distinction is made for payments attributable to technical assistance or research contribution. The latter is worked out on the basis that the Indian company's payments should bear the same proportion towards the total expenses incurred by the foreign company for carrying on research work as the Indian company's production bears to the total output of the foreign company.

Payments for technical services rendered outside the country are exempted from income tax to the extent the services are rendered outside India. As for payment for technical services rendered in India, the actual expenses incurred by the foreign collaborator in rendering such services in India are deductible in computing the total taxable amount.

There has not been a single instance where negotiations between Indian and foreign collaborators have broken down because the royalty rate negotiated is rejected by the Government as being too high. But in several cases, India has negotiated successfully to reduce the rates of royalty payments and has altered certain other conditions of the collaboration agreement, like the foreign company permitting the Indian manufacturer the right to export his manufactured article to neighbouring countries.

The figures for remittances on account of royalty payments to foreign concerns are not separately available, since they are merged with the figures of payments for the use of trademarks, copy rights and rentals payable for foreign machinery in the balance-of-payments data. The following amounts were remitted abroad to foreign concerns on account of royalty payments, patents, etcetera, by the public and private sectors during the period 1960 to the first quarter of 1963:

Year	(In Rs. lakhs) Amount
1960	226
1961	252
1962	339
1963 (January-March)	84

The following statement gives the total value of the shares which the Government agreed may be issued to foreign subscribers, and the number of cases involved during the period 1st January, 1960 to 30th June, 1963, in new and existing companies:

Year	New companies		Existing companies		Total	
	No. of cases	Amount (Rs. crores	No. of cases	Amount (Rs. crores)	No. of cases	Amount (Rs. crores)
1960	110	11.20	94	8.33	204	19.53
1961	116	19.19	132	16.63	248	35.82
1962	143	20.03	110	9.81	253	29.84
1963 (January-June)	48	10.70	66	5.29	114	15.99

A large number of industries in the private sector have received foreign technical and financial collaboration from firms in the U.K., the U.S.A., West Germany, Italy, Switzerland, Japan, France, Canada, Austria, Holland, Sweden, Czechoslovakia and Poland. The arrangements have resulted in the setting up of joint ventures. In the past four years, the number of schemes approved for foreign technical collaboration and financial participation was as follows:

Year	Number
1960	390
1961	402
1962	289
1963 (up to 30.h September)	227

Collaboration cases approved by the Government in the past four years cover a wide range of large and medium-sized industries which include the following: alloy and special steels, steel castings, steel forgings, non-ferrous metals, heavy structurals including cranes, industrial machinery for textiles, jute, mining, washeries, cement-making, paper making, and sugar machinery, machine tools, shovels and earth-moving equipment, motor-cars and ancillaries, ball and roller bearings, electric motors and transformers, cables and wires, other electrical industries, heavy chemicals, miscellaneous chemicals, fertilisers, drugs and pharmaceuticals, dyestuffs, rayon and staple fibre, paper, paper board and pulp, etcetera, refractories, plastics, rubber manufactures (including synthetic rubber), industrial gases, cotton textiles, industrial and scientific instruments, and watches.

FOREIGN BANKS

Granting of Licences

There has been some controversy about the permission granted by the Reserve Bank of India to the Bank of America for commencing business in India. The bank will shortly be opening its first office in India in Bombay.

The present policy on the granting of licences to foreign banks, for the commencement of business in India for the first time or for the opening of further branches in case the foreign banks are already functioning here, is restrictive. As Indian banks are now well equipped, and are in a position to undertake all kinds of banking business, including foreign exchange transactions, it is not necessary, the Government feels, to allow the opening of offices by new exchange banks or the expansion of the activities of the existing ones. The Government clarified its policy as early as 1961 in the following terms:

"The fields in which foreign capital is ordinarily not needed have also been listed. This list includes banking, insurance, trading and commercial activities and plantations. Private capital, foreign or Indian, as a rule, is not being allowed in the industries listed in Schedule 'A' of the Industrial Policy Resolution of 1956. In special circumstances, however, exceptions may be made where, after full consideration, this is found to be in the public interest."

Under Section 22 of the Banking Companies Act, 1949, permission cannot normally be granted to any institution for the commencement of business in India, if the country in which it is incorporated discriminates against Indian banks, or if it is not considered desirable in the public interest to do so. Under Section 23 of the Banking Companies Act, the policy which is lately being followed is that foreign banks should be permitted to open further branches in India only on a limited scale and, as far as possible, only in port towns.

In the case of the United States, the position is that there is no specific provision in the federal laws for the opening of branches within that country by foreign banks. In some States, however, there are specific local laws, prohibiting the opening of branches of foreign banks. According to the legislation which is in force in the majority of the other States, branches can be opened only by banks which are incorporated within the States.

Although the policy on granting licences to foreign banks for the commencement of business or for the opening of branches within India is restrictive, it is implemented in a flexible manner, considering the interests of the Indian economy. In the case of the Bank of America, it is claimed that the advantages accruing to the country—in the form of a sizable inflow of short-term capital which is expected to be invested and also in the form of the contribution which the bank is expected to make towards the country's development—outweigh the other considerations. The decision to grant a licence to the bank under Section 22 of the Banking Companies Act is, therefore, justified. For similar reasons, the Reserve Bank had permitted the opening of a branch by the Bank of Japan in New Delhi.

Unbanked Towns

The *Reserve Bank of India Bulletin* recently published an interesting study of unbanked towns in India. According to the study, the populationwise analysis of the unbanked towns shows that out of 2,583 towns with a population of less than 100,000, 1,015 towns (39 percent) were unbanked. No town in the higher population groups 1 and 2, (namely, 1 million and above, and 500,000 and above but less than 1 million) was unbanked. In group 3, namely, towns with a population of 100,000 and above but less than 500,000, only two towns were unbanked, and both were in West Bengal. Almost all the unbanked towns (99.8 percent) were in population groups of "below 100,000."

Among the major States, as at the end of March 1962, the highest percentage of unbanked towns was in West Bengal; in this State 114 out of 184 towns (about 62 percent) had no modern banking facilities. In contrast, Gujarat had the least number of unbanked towns; out of 181 towns only 21 (about 12 percent) were unbanked. The percentage of unbanked towns to the total number of towns in different States as at the end of March 1962, is as follows:

State	Total No. of towns	No. of banked towns	Percentage of (2) to (1)
West Bengal	184	114	62
Jammu and Kashmir	43	25	58
Assam	60	34	57
Madras	333	170	50
Bihar	153	74	48
Andhra Pradesh	223	97	44
Uttar Pradesa	275	109	40
Rajasthan	145	55	38
Orissa	62	22	36
Kerala	92	33	36
Mysore	230	81	35
Madhya Pradesh	219	58	27
Punjab	187	51	27
Maharashtra	265	60	23
Gujarat	161	21	12

Except in Rajasthan, Maharashtra and West Bengal, the highest percentagle of unbanked towns was in the group 9, namely, towns having a population below 5,000; it was as high as 100 in Assam, Bihar, Kerala and Orissa. Except for two towns in West Bengal, all towns which had a population of 100,000 and above were served by modern banking facilities. Unbanked towns were predominant in the population group 8 (namely, 5,000 and above but less than 10,000) in States such as Rajasthan (35 towns or 69 percent), Maharashtra (39 towns or 44 percent) and West Bengal (45 towns or 90 percent). In other States also, the proportion of unbanked towns in this population group was the largest, next only to that in the group of towns having a population below 5,000.

The classification of towns listed in the 1961 census on the basis of the presence of different types of modern banking facilities shows that as at the end of March 1962, 1,332 (about 50 percent) out of 2,690 towns in the country were not served by the offices of any scheduled bank while 1,017 (about 38 percent) did not have modern banking facilities of any type, namely, scheduled, non-scheduled or co-operative; 315 towns depended entirely on the facilities extended by non-scheduled and co-operative banks.

This should indicate the need for greater and better banking facilities. It should also indicate the need for extending banking hours.

THIRD PLAN

Mid-term Appraisal

The mid-term appraisal by the Planning Commission of the third tive year plan dominated the discussions in New Delhi last week. Both the Congress and the Opposition united to attack the Planning Commission for faulty planning and inefficient execution. The Federation of Indian Chambers of Commerce and Industry, as usual, has tried to provide a brief to the critics of the plan. It, however, looks strange that the Planning Commission should have devoted a few paragraphs and the Federation none at all to export promotion by this country.

The whole conception of planning has been given a new slant. The progress is judged not by development as such but by the expenditure incurred and the employment opportunities created. With the Prime Minister as its chairman, the Planning Commission has become part of the Government machinery and has failed to fix responsibility for shortfalls in implementing the plan. Agricultural production is a case in point. That production could not be increased rapidly due to too much diffusion of responsibilty, has been known to the Commission for some years. This

knowledge was refreshed by the teams the Commission sent out to the States earlier this year. The Commission also knows that irrigation potential has not been fully used. Yet it has failed to fix responsibility for the failure. It is common knowledge that the Community Development programme has failed in the rural areas. It has even failed to persuade the cultivator to dig up channels for irrigating his field. Meanwhile, the Central Ministry of Community Development has airily declared that it has urged the State Governments to dig up channels and recover the cost from cultivators.

There is another aspect to the plans for food production. Apart from fixing the targets for production, the Commission has taken no steps to prevent the diversion of acreage from food crops to cash crops. Thanks to the ceiling on land holdings, a large acreage has been diverted to fruit cultivation. Even otherwise, due to higher profitability, large areas in Himachal Pradesh have been diverted to fruit cultivation. In the final analysis, price is the determining factor for agricultural production. The case of sugarcane illustrates the point. Unlike food, there has never been a grow-more-sugarcane campaign. And yet, year by year, depending on price, the sugarcane acreage has been rising. In other words, by manipulating prices, the Planning Commission could have reached the production targets for foograins. This is done in the United States with success and could have been applied here. The main snag is that it would have achieved results at the cost of employment. Meanwhile, the shortages are explained away by claims that the cultivator is eating more than he should or did before. About ten years ago, the Central Ministry of Food created "shortages" overnight by raising its estimates of *per capita* consumption of food by two ounces a head.

The Commission has now made any recommendation so far that all the various Ministries trading in the name of food self-sufficiency should be brought under one umbrella. The Board of Agriculture created by the National Development Council in its last meeting is not likely to find a solution. It is a device to retain certain Ministries intact and permit them to increase their entourage.

As far as industries are concerned, the Government has taken or is taking steps to remove various hurdles which adversely affect their rapid growth. A high-powered standing committee is being set up. Side by side, a list of 40 industries, in which investment capacity is still available, is being published. Arriving in New Delhi, a foreign investor can contact the Secretary to the Investment Committee who will readily furnish him with the list of industries in which capacities are still available for licensing. He will tell him what is the permissible percentage of foreign investment in the particular industry in which he is interested. The Indian Investment Centre can help find a suitable Indian party, if necessary, to collaborate with him.

Procedural delays are being tackled by another committee which, in addition to Government representatives, includes those of Indian and foreign trade and commerce. The committee will review the operation of various controls, the procedure for the import of capital goods, raising of capital and foreign collaboration. The committee is expected to submit an interim report shortly.

The mid-term appraisal of the third plan has pointed to a number of bottlenecks preventing rapid economic growth. They include transport and power supply. Even before the mid-term appraisal, the Government had, through the good offices of the World Bank, set up a committee on transport in general and coal transport in particular.

As for power, the Government felt that its development was of vital importance so it should have the opinion of a body of Indian and foreign experts who should be requested to review and make recommendations on the future pattern of power development and distribution. So in December 1962, it set up an electric power supply committee which is still at work. Meanwhile, according to the mid-term appraisal of the third plan, the slow progress of power schemes in the second plan was due to the foreign exchange shortage. High priority was, therefore, accorded to power schemes as far as the release of foreign exchange during the current plan is concerned. In addition, several new power schemes totalling 1.1 million kilowatts not originally included in the third plan have been accepted.

The lack of provision for maintenance imports was a grave lacuna which the third plan has tried to remedy. The volume of maintenance imports goes up in a growing economy. This was recently highlighted by the Director-General of the Federation of British Industries, Sir Norman Kipping, who in his report suggested that a portion of British aid be earmarked for maintenance imports. Similar suggestions were made by the West German Government. The Government has accepted the suggestions, and a portion of the British and German credit to India is now earmarked for maintenance imports, including the import of spare parts from Britain and Germany.

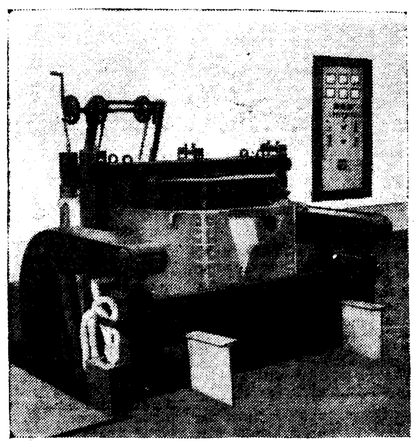
A portion of the U.S. and Canadian aid has enabled India to import a large quantity of industrial raw materials. A World Bank team is now in India to work out details of the components needed by this country for its motor-car and other industries.

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U.K.

Circulating Annual Accounts

The Government is aware that certain British companies in India are finding it difficult to comply with the requirement of British law which lays down that every stockholder must receive a copy of annual accounts which in turn is opposed to the prohibition imposed on them by the Defence of India Rules in this matter. In reply to the representations made to it, the Government of India has stated that the directors of such companies in the United Kingdom may circulate copies of their annual accounts to their shareholders residing outside India or to any authority in the United Kingdom in order to comply with the requirements of the U.K. Companies Act.

U.N.O.

Trade Conference in Geneva

The U.N. Conference on Trade and Development is scheduled to be held in Geneva from 25th March to 15th June, 1964. The provisional agenda for the conference as drawn up by the preparatory committee of the conference is as follows:

(a) Trade needs of developing countries for their accelerated economic growth.

(b) Trade problems between countries: (i) at similar levels of development; (ii) at different stages of development; and (iii) having different economic and social systems.

(c) Programme of measures, actions for the removal of obstacles (tariff, non-tariff and others) and of discriminatory practices and for the expansion of market opportunities for primary commodity exports and for increases in their consumption and imports in developed countries.

(d) Measures and actions for the promotion of trade in primary commodities among developing countries.

(e) Measures for stabilisation of primary commodity markets at equitable and remunerative prices, including commodity arrangements.

(f) International compensatory financing and measures for stabilisation of primary export earnings at adequate levels.

(g) Measures for the expansion of markets of the developed countries for exports of manufactures and semi-manufactures of developing countries. This includes (i) programme of measures and actions for the progressive reduction and elimination of tariffs on imports of manufactures and semi-manufactures; (ii) programme of measures and actions for the progressive reduction and elimination of quantitative and other restrictions and discriminatory practices to imports of manufactures and semi-manufactures; and (iii) programme of measures and actions for the expansion of market opportunities for exports of manufactures and semi-manufactures produced in developing countries and for increases in their consumption and imports.

(h) Implications of regional economic groupings. This includes implications for trade and development of developing countries of economic groupings and developed countries and/or preferential trading arrangements.

CANADA

Loan Pacts Signed

Three agreements for a loan of $16.70 million to the Government of India by the Export Credits Insurance Corporation of Canada were signed in Ottawa on 4th December by Mr. Mitchell Sharp, Canadian Minister of Trade and Commerce and Mr. C. S. Jha, India's High Commissioner in Canada.

The loan covers the following three projects in India: $8 million for the construction of the Rana Pratap Sagar Hydroelectric project in Rajasthan, $1 million for the Alwaye smelter extension and the foil mill in Bombay of the Indian Aluminium Co. Ltd and $7.70 million for the purchase of 37 diesel electric locomotives and spare parts from Canada.

POWER

Shortfall under Third Plan

Against the third plan power targets of 600,000 kilowatts, 730,000 kilowatts and 1.05 million kilowatts during the first three years ending March 1964, the achievement will be 430,000 kilowatts, 690,000 kilowatts and 720,000 kilowatts, respectively. Thus against a total target of 2.38 million kilowatts during these three years, the total achievement will be 1.84 million kilowatts, thus registering a shortfall of 540,000 kilowatts. The shortfall is mainly due to delay in commissioning the 62.5-megawatt set at Dhuvaran power-station in Gujarat, 89 megawatts in Sharavathy (Mysore), 140 megawatts in Chandrapura (D.V.C.), 50 megawatts in Patharthu (Bihar), and the Mettur tunnel scheme (100 megawatts) which were all due to be established by March 1964. In the fourth and fifth years of the plan, further examination will be necessary before achievements for the last two years of the plan can be realistically estimated.

The U.S.A. has agreed to give loans amounting to Rs. 24 crores for the three power projects, namely, Bandel, Cambay and Birsinghpur. The total estimated cost and generating capacity of these three projects are as follows:

	Estimated cost in Rs. crores Rs.	Generating capacity
Bandel	29	4 × 75/ 87.5 MW
Cambay	25	4 × 50/ 62.5 MW
Birsinghpur	11	2 × 30 MW

STEEL

M.P. Wants New Plant

The Government of Madhya Pradesh has made representations to the Central Government for locating a steel plant near Jagadalpur. The proposed plant, it is explained, can use Bailadilla iron ore, local limestone, electricity from Korba, water from the river Indravati and meet a considerable share of the total coal requirements from the State's own resources. It is further stated that metallurgical coal or coke can be imported through Visakhapatnam, if required, and that the strategic Udy process of steel making may be adopted. The production of flat products like plates for shipbuilding at Visakhapatnam as well as pipes and cold or hot rolled strips, is envisaged.

CARBONISATION PLANTS

Progress Achieved

The public sector programme of the third five year plan originally included the establishment of three low temperature carbonisation plants, of which one was to be in Kothagudum (Singareni). But the proposal could not make any progress for want of adequate resources, both internal and foreign. In the private sector, however, an application for industrial licence to set up a low temperature carbonisation plant at Kothagudum was considered and a letter of intent agreeing to the proposal was issued about a year ago. But the applicant does not seem to have made any progress so far in relation to this scheme.

COAL

Demand Estimate Revised

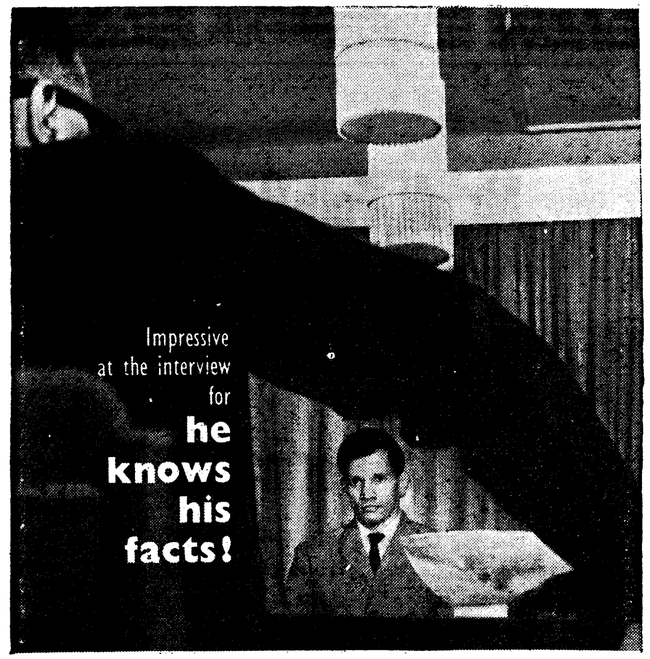
A review of the demand for coal by various categories of consumers during the third plan period was made recently. It shows that the overall demand is likely to be of the order of about 90 million tons, against the original estimate of about 98 million tons. From the trend of production, it is expected that this revised demand for coal during the third plan period will be met fully

A coal mine in Ramgarh, with an annual production target of 1.5 million tons, is proposed to be developed by the National Coal Development Corporation, under the U.S. Agency for International Development (A.I.D.) programme. Messrs Pierce Management Corporation of the U.S.A., deputed by the A.I.D., have prepared a project report for the production of 1.26 million tons by open-cast (strip mining) and 240,000 tons from underground mines, at a total cost of about Rs. 6.75 crores. The foreign exchange component of the cost will be Rs. 2 crores. The A.I.D. authorities are presently considering the question of granting a loan of this amount to cover the cost of imported machinery and equipment.

CEMENT

Creating Additional Capacity

The target of installed capacity to be achieved by the cement industry





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during the third plan is 15.2 million tons. The present capacity is 10.1 million tons. Additional capacity has been licensed for setting up new units and expanding the existing ones to the extent of 5.59 million tons. Advance approval has also been given for a capacity of 3.5 million tons.

Import licences have been issued for plant and machinery for schemes covering a capacity of 3 million tons. Import licences are expected to be issued shortly for creating an additional capacity of 1 million tons. Moreover, the release of foreign exchange has been agreed to in principle to cover a further capacity of 2 million tons. Continuous pressure is being exerted on cement licensees for completing their projects within the stipulated period. Progress in the implementation of the schemes depends mainly on the availability of foreign exchange, the capacity of indigenous manufacturers to deliver plant and machinery in time and the speed with which the licensees are able to complete the raw material survey and raise the necessary capital. On the basis of the progress made so far in the implementation of the pending projects, the growth of capacity during the remaining period of the third plan is expected to be as follows:

	(In million tons)
Capacity at the end of 1963-64	10.5
Capacity at the end of 1964-65	11.4
Capacity at the end of 1965-66	14.4

The details of proposals for setting up new cement factories in the public sector are as follows:

Party	Location	Capacity (tons)
Industrial Development Corporation of Orissa Ltd	Sambalpur district	396,000
U.P. Government cement factory	Chopan	400,000
Andhra Pradesh Mining Corporation Ltd	Bonakalu	198,000
J. and K. Minerals Ltd	Riasi	203,180
Assam State Electricity Board	Garampani	100,000

A scheme for a cement factory in Nim ka Thana, Sikar district, Rajasthan, for an annual capacity of 203,180 tons has been approved. A formal licence will be granted after the party has made firm arrangements for the plant and machinery.

SUGAR

World Production Rises

World sugar production in 1963-64 is expected to reach 58.7 million short tons, 3.7 million tons above last year and second only to the record 1960-61 crop of 60.1 million tons. The averages were increased in Iran, India, Pakistan and Turkey. The U.S. Foreign Agricultural Service has reported that most recent estimates show a gain from last year of 3.8 million tons in free world production but a drop of 100,000 tons in the Sino-Soviet *bloc*, including Cuba, in spite of bigger crops in eastern Europe and communist China. A drop of 300,000 tons in Russia's crop is attributed mainly to the prolonged drought, since acreage planted was up by 5 percent.

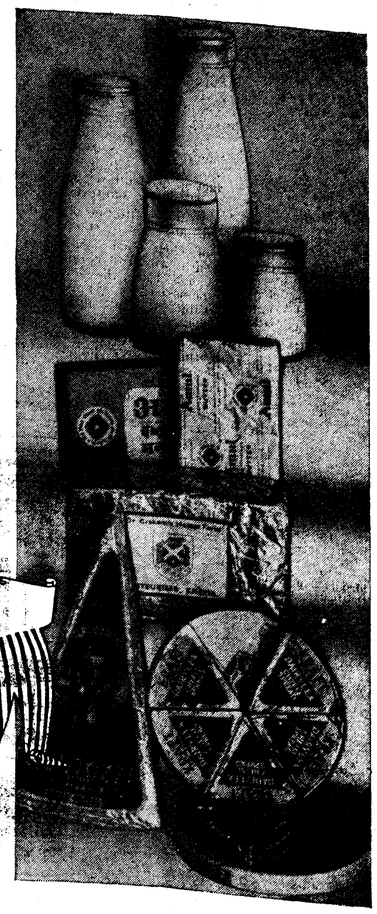
Following severe hurricane damage in Cuba in October, that country's production estimate dropped to 200,000 tons below last year's 4.2 million tons. The current estimate is more than 1.8 million tons below the 1955-60 average. The United States is harvesting record sugar beet and cane crops, and increases are also indicated in Mexico and Central America. South America expects a 300,000-ton increase over last year, although Brazil, its largest producer, has reported a slightly reduced crop.

Both western and eastern Europe increased their sugar acreage this year. An increase of about 825,000 tons is indicated for western Europe's production, and the total crop for eastern Europe, outside Russia, is 250,000 tons above last year. African production is about 450,000 tons. Total increases in Asia are about 1.3 million tons with India accounting for more than half of this increase. Estimates for communist China indicate an increase of 150,000 tons over last year.

For countries of the Near East and south Asia, the comparisons between the 1963-64 year and the averages of 1955-60 were as follows. Turkey, 509,000 tons, compared with an average of 408,000 tons; Iran, 200,000 tons, compared with 119,000 tons; India, 3,800,000 tons, compared with 2,737,000 tons; Pakistan, 292,000 tons, compared with 174,000 tons. The figures also represent increases in varying degrees over the 1962-63 production year.

The proposed increase in the price of sugarcane to Rs. 2 a maund should raise sugar production in this country. But India's export advantage due to increased world production should be reduced. India may not get similar price for its sugar as it did in the current year.

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SPUN PIPES

Kerala Project Approved

The Central Government has approved a proposal of the Kerala State Industrial Development Corporation Ltd for setting up an industrial undertaking for the manufacture of cast iron spun pipes in Kerala. The proposal for collaboration has not yet been receiv.

TEXTILE MACHINERY

New Development Council

The Government has decided to set up a separate development council for the textile machinery industry. The council will consist of representatives of the industry, users of textile machinery, persons possessing technical knowledge and Government officers.

TINPLATES

Demand and Production

The present annual demand for tinplates has been estimated at 200,000 tons. Against this demand, a production of 94,325 tons was reached in 1962; for the period January-September 1963, a production of 71,771 tons has been attained. By 1965-66, the demand for tinplates is estimated to reach 261,000 tons. To achieve production of this order, a capacity of 430,000 tons has been licensed in both public and private sectors.

S.T.C.

Trade in New Items

The State Trading Corporation has taken up the trade in the following new items this year: *export trade*: men's shirts, nylon socks, ladies' sandals, cigarettes, razor blades, soaps and cosmetics, sports goods, semi-precious stones, paper products, packed tea, instant coffee, biscuits and confectionery, cashewnuts in tins, mango juice, mango slices, pineapple juice and tooth brushes; and *import trade*—sulphur.

TRANSPORT

Plan Provision Raised

As a result of the mid-term appraisal, the third plan provisions for roads, ports, inland water transport and meteorology have been increased as follows:

	Third plan provisions Original	Revised (In Rs. crores)
Roads	272.00	416.30
Ports	86.50	110.00
Inland water transport	5.50	6.50
Meteorology	3.00	3.18

SHIPPING

New Tanker Company

The Government has approved in principle the formation of a new Indian shipping company with the collaboration of the Phillips Petroleum Company of the U.S.A. Phillips Petroleum will invest 40 percent in the share capital of the proposed company, which will be in foreign exchange. There will be a progressive addition to the Indian tanker fleet without any foreign exchange outlay.

E.C.A.F.E.

The Manila Conference

Speaking at a Press conference in New Delhi last week, the Central Minister of International Trade, Mr. Manubhai Shah, described the Manila conference of E.C.A.F.E. as a step forward towards a regional conference. He said that the conference had adopted two resolutions which may eventually lead to the development and expansion of trade within the region.

The resolution on Asian economic co-operation stresses the need for closer economic co-operation among the Asian countries in view of the serious difficulties encountered by most of them in achieving even the minimum desirable rates of economic growth. It stresses the need for practical measures to promote regional co-operation and urges the acceptance of the following broad objectives:

(1) Co-operation in trade, especially through the promotion of intra-regional trade; agriculture; transport and communications;

(2) Promotion of intra-regional trade through trade liberalisation, including measures for the removal of quantitative restrictions and reduction of tariffs, and through the promotion of free trade areas or Custom unions on a sub-regional basis;

(3) Promotion of exports of primary commodities, manufactures and semi-manufactures to countries outside the E.C.A.F.E. region; measures are also to be taken for the improvement of productivity and the reduction of costs;

(4) Co-ordination of efforts for the planning and execution of agreed projects in industry, mineral production, agriculture and fisheries on a regional or sub-regional basis;

(5) Rationalisation of ocean freight rates and routes; and

(6) Government purchases to be used as a means of promoting intra-regional trade; the Governments are to be asked to give preference, where possible, to goods produced in the region.

To attain these objectives, *ad hoc* meetings of Government representatives and experts will be called as soon as possible to make the necessary studies and to recommend such institutional arrangements as may be necessary to put specific projects into effect.

As for specific proposals, the resolution lists the following six areas of action agreed on at the ministerial conference:

(1) Liberalisation of trade, removal of quota restrictions and the reduction of tariffs within the region;

(2) Promotion of exports of primary commodities at remunerative and stable prices;

(3) Co-ordination in the establishment of industrial and other projects, including joint ventures, on a regional or sub-regional basis;

(4) Establishment of an Asian development bank to mobilise and direct resources for regional projects and to promote trade among the Asian countries;

(5) Rationalisation of ocean freight rates; and

(6) Co-ordination of Asian air transport facilities.

In recognition of the right of free transit for land-locked countries, the ministerial conference asked the E.C.A.F.E. secretariat to prepare a draft convention on the unrestricted right of transport facilities for land-locked countries along the lines of the Barcelona Convention, which has been amplified and modernised.

To provide the institutional follow-up and to decide on any further steps for an intensified regional co-operation of programmes, "meetings of ministers or high-level representatives. . . on the lines of the present ministerial conference" are to be convened by the E.C.A.F.E. "from time to time."

SWEDEN

Forest Expert for India

A Swedish forestry expert, Mr. Eriand Freden, has been appointed to conduct the planning of a large F.A.O. scheme of making an inventory of India's forest resources. The planning alone is estimated to cost 14 million kroners ($2,700,000). The project is the first major effort to establish a balance in the agricultural and forest development in India. The inventory will be made by means of aerial photogrammetry. The results obtained will be processed in data machines. Mr. Freden, who left for the F.A.O. in Rome on his three-month mission on 18th November, will also be responsible for planning reafforestation and other measures designed to improve sylviculture in India.

BOOKS RECEIVED

Khadi Gramodyog. Tenth Anniversary Number, October, 1963. (Edited and published by S. C. Sarkar from "Gramodaya," Irla, Bombay 56. Annual subscription Rs. 2.50, single copy 25nP, pages 144.)

Super Profits Tax Act, 1963. (Published by Oxford Book Company, 17, Park Street, Calcutta 16, for the Economic and Scientific Research Association, Indian Exchange, Calcutta. Price Rs. 5, pages 117.)

Census of India 1961, Village Survey Monographs of Punjab, Tandi. (Published by the Manager of Publications, Delhi 8. Price Rs. 3.25, pages 75+xxvi+v.)

Tea Statistics, 1962. (Issued by the Tea Board of India, 14, Brabourne Road, Calcutta 1. Price Rs. 2, pages 141.)

Indian Planning and Economic Development. By B. R. Shenoy. (Published by P. S. Jayasinghe, Asia Publishing House, Calicut Street, Ballard Estate, Bombay 1. Price Rs. 15, pages 152.)

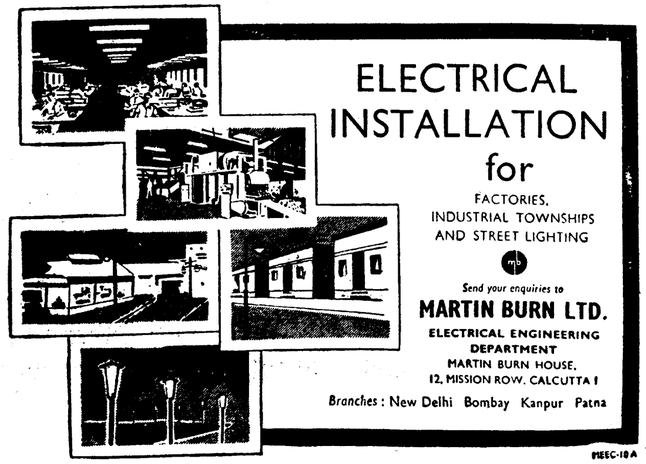
The Income-Tax Act, 1961. By B.L. Jhunjhunwala. (Published by Oxford Book and Stationery Co., 17 Park Street, Calcutta 16. Price Rs. 29, pages 299.)

The Sixteenth Year of Freedom. Edited by M.V. Ramana Rao. (Published by N. Balakrishnan for and on behalf of the All India Congress Committee, 7 Jantar Mantar Road, New Delhi. Price Rs. 5, pages 403.)

Golden Jubilee Souvenir, 1913-63, The Sydenham College of Commerce and Economics, Bombay. Edited by K. R. Mahishi. Pages 218.

Collective Bargaining versus Government Regulation. By A. V. Raman Rao. (Published by R. N. Sachdev for Allied Publishers (P) Ltd. 15 Graham Road, Ballard Estate, Bombay 1. Price Rs. 14, pages 198.)

Census of India 1961, Vol. XVI, West Bengal, Party VI, Village Survey Monographs, No. 2, Village Kamnara, District Burdwan. By J. C. Sen Gupta, Superintendent of Census Operations, West Bengal and Sikkim, 23 Rajendra Nath Mukherjee Road, Calcutta 1. (Published by the Manager of Publications, Civil Lines, Delhi. Price Rs. 2.80, pages 31.)



MEEC-18A

London

SAFEGUARD FOR U.K. HOUSEWIFE IN HIRE PURCHASE

(FROM OUR LONDON CORRESPONDENT)

MAJOR advances in consumer protection are proposed in the U.K. Government's Hire Purchase Bill introduced in the House of Lords last week. The measure goes much further than anyone had predicted—it improves substantialy on the proposals made by the Molony Committee on consumer protection, and introduces new and original provisions to cover transactions in motor-cars.

The principal proposals are: (1) To require a "cooling-off" period for all hire-purchase agreements signed "anywhere other than at trade premises." This will cover all "doorstep" transactions.

(2) To introduce a system of licensing certificates for cars bought on hire purchase. Log books would be held by the hire-purchase company and the fraudulent sale of such motor-cars before hire-purchase commitments have been discharged will be made more difficult.

(3) The protection of existing Acts to be extended to goods of up to £2,000 instead of the present limit of £300.

(4) To make hire-purchase companies (i.e., the legal sellers of goods) responsible for the representations and promises of shopkeepers and salesmen.

(5) To lay down special words of warning on hire-purchase contract forms in the space where customers sign.

This Bill, which rather surprisingly was not mentioned in the Queen's Speech, should be easily the most popular piece of legislation of the present session. It may even be designed in part as election material to show the Conservative Government's concern for consumer interests.

Consumer protection has been the keynote of the drafting by the Board of Trade, and the most remarkable point about the provisions themselves is that they go further and appear to achieve their aim more efficiently than the private proposals made so far.

There have been a number of unsuccessful attempts at private members' legislation in this field, and only recently, this session, Lord Peddie introduced a Bill in the House of Lords covering doorstep transactions and the protection limit for existing legislation. The new measure is stronger in both these directions. The most original point of the Bill is the new system of thwarting those who try to sell motor-cars which are still subject to hire-purchase agreements. Under the new measure, the hirer (or buyer) will be issued with a licensing certificate, and the hire-purchase company (or owner) will keep the registration book. If he fails to keep it, and lets the hirer have it, he will not be able to repossess the vehicle from an innocent third party.

Innocent Third Parties

It is the protection of these innocent third parties at which the provision is principally aimed. In practice, anyone buying a secondhand motor-car will be protected to a far greater degree than at present if the seller produces the log book. If he can only produce a licensing certificate, it will be *prima facie* evidence that there is an undischarged hire-purchase commitment on the vehicle.

The Board of Trade rejected the idea of setting up a national register of vehicle ownership, or of taking over the register kept by the big hire-purchase companies, on the grounds that it would be too big an undertaking. The measure, as now conceived, has the advantage of giving maximum protection for the innocent buyer in the simplest possible way—even more simply, in fact, than with a national register. The decision to raise to £2,000 the ceiling of protection for hire-purchase and credit sale transactions, departs from the Molony recommendation on the point. The Molony report suggested a definition to limit the transactions covered, but the Board of Trade feels that a monetary limit provides less opportunity for legal dispute.

The present limit—although often criticised for being far too low—has in fact worked well. The principal protection afforded has been against repossession when a substantial proportion of hire-purchase payments have been made. The new figure of £2,000 will cover the majority of transactions in motor-cars. The figure is the hire-purchase price, not the cash price.

The "cooling off" period laid down under the Bill will be three clear days from the signing of the contract. The three days' period will start from the day following signature, and if a contract has to be sent by post, they will start only when the contract has been signed.

A customer will be able to cancel the transaction at any time during the period, and the provision that this should apply to agreements signed "anywhere other than at trade premises" is extremely wide. It should effectively cover all the cases of high-pressure salesmanship, against which there have been so many complaints in recent years. Similarly, the provision about representation from shopkeepers or salesmen should effectively plug what has been a similar loophole in the law. By law, the dealer (shopkeeper or salesman) has not been the agent of the hire-purchase company providing the money for the transaction. Therefore, any representations made by the dealer, however false, have not affected the contract.

The position will be completely reversed under the new Bill, and hire-purchase companies may well object that this will place too stringent a burden on them. It is to the Government's credit that the consumer's interest has outweighed such objections. Other detailed provisions include a clause to prevent automatic termination of a hire-purchase agreement if the hirer dies; a proposal that if an advertisement quotes the hire-purchase charges as a rate of interest, the rate must be calculated according to a specified formula; to bring the law of hire-purchase in Scotland into line with that of England and Wales.

The Bill has been introduced in the House of Lords and will receive a second reading there before Christmas, with the committee stage taken soon after. The Board of Trade is still conducting detailed investigations into the wider problems of hire-purchase, but from the practical viewpoint of the consumer, the present Bill goes very far towards eliminating the immediate dangers.

The Economic Outlook

Following up a recent despatch covering various opinions on the economic outlook facing Britain, it is good to learn that British merchants engaged in foreign trade are taking a more optimistic view about the business situation as a whole than they did four months ago. But the growth of optimism about exports is less marked. In particular, a significant number expect delivery dates to lengthen and export prices to increase. These are the main points to emerge from the latest merchanting trends enquiry carried out by the Association of British Chambers of Commerce. Answers were provided by 300 merchants with an estimated annual turnover of just over £450 million who accounted for about 7¼ percent of British exports last year and some 4 percent of total U.K. imports.

Just over half the exporters expect prices to remain unchanged, but 40 percent see some increases over the next four months. Well over half those in textiles and clothing expect prices to go up, but only a quarter of the merchants dealing with engineering products (including vehicles) foresee a rise in prices. Food, industrial materials and manufactured chemicals are the only categories where a fall in prices is thought likely by a substantial number of merchants.

Most exporters report that deliveries, prices and length of delivery have remained unchanged over the past four months. There have been some price increases and very few report lower prices for export business. Moreover, while most exporters expect orders, deliveries and prices to continue at about current rates, a significant number expect delivery dates to lengthen and prices to rise. All trades report improved prospects in western Europe, the Middle East, south-east Asia, Japan and Australasia, and all take a gloomy view of the outlook in the Indian subcontinent. Prospects in other markets vary from trade to trade. In central and South America, textile and clothing firms are fairly pessimistic while prospects for engineering products are more hopeful. Again, while all types of merchants are optimistic on balance about Australasia, some mention is made of the effects of increased import duties, notably on paper, and of reductions in import quotas as a result of rapidly expanding local production.

More important, merchants expect a rise than a fall in new import orders placed and significant increases in the rate of import arrivals are foreseen. This applies to all products. In the same way, considerably more merchants expect higher rather than lower prices. Half the merchants importing food and drink, for example, and nearly half those dealing with textile materials, think that prices will rise.

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Jute

MEASURES TO MEET PAKISTANI COMPETITION

AT the annual meeting of the Associated Chambers of Commerce in Calcutta during the past week, the Hon. S. P. Sinha referred to the excellent record of the jute industry during the past two years. Working at full capacity, it has maintained its position as the country's largest foreign exchange earner, fetching about Rs. 156 crores, or 23 percent of the total earnings last year. The main factors which have helped in this achievement are an adequate supply of raw jute to the mills, the remarkably well-sustained overseas demand for jute goods and the rapid development of U.S. demand for Indian carpet-backing cloth.

The Hon. Sinha described the competition from Pakistan, which is assuming serious proportions, as the greatest threat to the future prosperity of the Indian industry. He recalled the circumstances under which Pakistan is now equipped with 10,000 looms after having started from scratch 12 years ago. She has already made substantial inroads into India's traditional sacking markets. At the present rate of expansion, she could conceivably take over India's entire sacking exports in a matter of four years. She has embarked upon a substantial expansion of capacity, and has taken steps for manufacturing huge quantities of hessian and carpet-backing material, in which India now holds a strong position.

Cheap Jute

Pakistan's advantage is that she has an abundance of cheap and high-grade jute, pays lower wages to her labour, and operates an export bonus scheme which is a gold mine for the millowners. These four factors together offer the Pakistani industry a cost advantage of about Rs. 400 a ton over the Indian industry in overseas markets. The Hon. Sinha expressed doubts about the future outlook for the Indian industry but felt that "as yet it is not beyond remedy." In his opinion, the immediate need is to find an answer to the artificial stimulus which the Pakistani mills enjoy. He hoped that the Government of India and the Indian Jute Mills Association would be able to accomplish this task between themselves.

He suggested three main steps to solve the problem. First, an abundant supply of cheap and high-grade jute should be made available to the mills. For this there should be a rapid improvement in cultivation so as to raise the yield and the quality of the fibre. Secondly, enough provision should be made for the import of cuttings for blending purposes and of higher grade fibre for manufacturing speciality fabrics. The imports should be effected at the most suitable "market opportunity". Thirdly, the Indian industry should actively modernise plant and equipment. The Government should be more liberal in issuing licences for importing any equipment which is not manufactured in the country. Imports of components and materials for the indigenous producers of jute mill machinery should also be allowed.

Pakistan to Make Carpet-backing

The People's Jute Mills Ltd in Khulna, East Pakistan, has appointed the biggest British jute manufacturing establishment, Jute Industries Ltd, Dundee, as its sole distributor for the carpet-backing cloth which the former proposes to manufacture from early next year. The British firm, which manufactures substantial quantities of broad-loom hessian cloth, has already got trade contacts all over the world.

The Pakistani authorities are also examining a scheme for setting up 12 mills to manufacture 135,000 tons of carpet-backing cloth a year for the tufted carpet industry. Firm orders have been placed for the supply of machiney worth about Rs. 1 crore for four new mills by 1965.

Sharp Rise in Jute Goods Stocks

Despite the clearance of October shipment heavy goods bound for Cuba, the brisk offtake by the sugar and packing industries and the Government of India, gunny stocks with mills reporting to the I.J.M.A. rose sharply by 3,100 tonnes to 111,400 tonnes during November. Hessian stocks rose by 5,500 tonnes to 40,000 tonnes, and other goods by 2,000 tonnes to 23,600 tonnes. Sacking stocks fell by 4,400 tonnes to 47,800 tonnes. In November last year, the stocks were 91,400 tonnes—27,700 tonnes of hessian, 50,500 tonnes of sacking and 13,200 tonnes of miscellaneous goods.

I.J.M.A. Quality Control Scheme

The Indian Jute Mills Association has set up a special body called the I.J.M.A. Quality Control and Inspection Committee to deal with all matters connected with quality control, inspection, standardisation, quality certification, consumers' complaints and appeal on inspection. This step has been taken in pursuance of the voluntary quality control and inspection scheme sponsored some time ago.

The immediate aim is to arrange for the inspection of jute manufactures of all varieties and grades, standard or non-standard, on the basis of either I.S.I. specifications or any foreign standards agreed upon between buyers and sellers. The long-term objective is to extend a quality control service to the industry. The working out of a sound quality control programme at this mills, including the maintenance of certifiable statistical data, will give a sound guarantee for the standards of goods produced by the mills.

A central bureau with powers derived from the I.J.M.A. Quality Control and Inspection Committee has been formed to organise the inspection of jute manufactures in the mills. There is a possibility that the bureau will arrange for putting suitable certification marks or stamps on the goods inspected. The bureau will have a staff of 32 inspectors and field assistants and will operate from the I.J.M.A. Research Institute.

Mills have been grouped into six zones. Inspection work in the first one, covering about 13,000 looms, will commence from this month. The goods to be initially taken up under the scheme are 40in. 7½oz. and 40in. 10oz. hessian, cornsacks, heavy Cees, B Twills and A Twills. Specifications have already been formulated by the Indian Standards Institution for the first four items. Those for the last two are still in the draft stage.

LJ.M.A. STOCK FIGURES FOR NOVEMBER

The Indian Jute Mills Association reports the total stocks of jute goods at the end of November as follows:

Description	30th November, 1963		31st October, 1963		Increase over (+) or decrease from (−) last month		30th November, 1962	
	000 Metres (Lakh Yds.)	000 Metric Tons (000 Tons)	000 Metres (Lakh Yds.)	000 Metric Tons (000 Tons)	000 Metres (Lakh Yds.)	000 Metric Tons (000 Tons)	000 Metres (Lakh Yds.)	000 Metric Tons (000 Tons)
Hessian cloth and bag	12.88.25 (14.09)	40.0 (39.4)	11.15.41 (12.20)	34.5 (32.9)	+1.72.84 (+1.89)	+5.5 (+5.5)	9.15.57 (10.01)	27.7 (27.2)
Sacking cloth and bag	10.77.34 (11.78)	47.8 (47.0)	11.56.90 (12.65)	52.2 (51.4)	−79.56 (−87)	−4.4 (−4.4)	11.09.23 (12.13)	50.5 (49.7)
Others		23.6 (23.2)		21.6 (21.3)		+2.0 (+1.9)		13.2 (13.0)
Grand Total (000 Metric Tons/Tons)		111.4 (109.6)		108.3 (106.6)		+3.1 (+3.0)		91.4 (89.9)

N.B.—These figures are based on replies received and represent all members of the Association and Gagalbhai with estimates for two non-member mills. The figures in brackets are in British measures.

THE JUTE MARKETS

Manufactured Goods: Dull conditions prevailed in the Calcutta gunny market during the past week. Barring small business in hessian with the U.S.A. and scattered enquiries, overseas interest was negligible. Mills emerged as keen sellers for all positions, further depressing sentiment. Reports about freight bookings for gunnies were discouraging. When the November stock figures were published on Monday, there was a mild rally in heavy goods due to the decline of 4,400 tonnes in sacking stocks. But the higher levels induced profit-taking and earlier gains were reduced. Hessian lost further ground on the news of an increase of 5,500 tonnes in November stocks. On Tuesday, talk of substantial business with the U.S.A. caused a brief flutter of activity, but selling pressure from mills and holders reversed the trend. Towards the close, heavy goods showed marked losses in the ready and near positions and small losses in the later positions. Hessian suffered more. In the futures market, operators were worried by the discouraging outlook for gunnies. There was a general inclination to reduce commitments. Bears sat on the sidelines awaiting a further decline in prices, so tired long liquidation depressed values. Hessian suffered more than sacking. But fluctuations were narrow in the former and wide in the latter. The turnover was moderate and the undertone hesitant at the close.

Wednesday's quotations were as follows:

	Dec.	Jan.-Mar.	Apr.-June	July-Sept.
40in. 7½oz.	24.35	24.35	24.45	24.45
40in. 8oz.	26.00	—	—	—
40in. 10oz.	46.00	46.25	46.45	46.50
B Twills	112.20	113.25	113.75	113.75
Cornsacks	114.75	115.25	115.50	115.50
Heavy Cees (Plain)	112.20	112.75	112.00	113.00
A Twills	132.50	134.00	134.00	134.00
Liverpools	123.25	124.75	125.25	125.25

Raw Jute: Dull conditions ruled in the raw jute market during the past week. Having completed their November purchase quota of 1.05 million bales, mills took little interest in purchasing in the Calcutta market. Their agents were concentrating on buying selected grade fibre against the December quota of 1 million bales in the upcountry markets, where prices were above the official minima in the case of the better qualities. The average quality of most of the crop harvested in the Daisse districts of West Bengal and in parts of Orissa and Bihar, following the heavy late-September and early-October showers, was much better than the Bottom grade. So jute circles, both in Calcutta and upcountry, felt that no price support was necessary for this fibre since it always comanded a higher price in competitive bidding. There seemed to be a glut of inferior grade jute with holders in Calcutta and agency stations. Their concern over the accumulation of stocks induced a lot of selling pressure, as a result of which prices reacted below the official floor levels. Daily arrivals had gradually declined to around 100,000 maunds and offerings amounted to about 30,000 bales on an all-India basis. No difficulty was experienced in moving jute from upcountry areas to Calcutta godowns. As mill warehouses and godowns were packed to capacity, there was a general tendency to pur-

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chase for the forward positions. Towards the close, sellers became reserved and Assam Bottoms hardened to some extent. In the futures market, Upper Assam White Bottoms for March eased on large-scale profit-taking by bulls. Bears were hesitant to cover their positions at the current levels in view of the softer trend in the spot market. At the close, the price was marked down after minor fluctuations. The turnover was moderate and the undertone easy at the close.

Wednesday's quotations were as follows:

	Landed at Mills (Basis Bottoms)			
	Current Prices		F.S.D. Minimum Prices	
	Rs. A Qtl.	Rs. A Md	Rs. A. Qtl.	Rs. A Md.
Assam-Agartala				
Jute	77.70	29.40	80.28	30.00
Northern Jute	76.36	28.50	79.04	29.50
Western Desal				
Jute	71.00	26.50	73.68	27.50
Selected				
Daissee	85.74	32.00	85.74	32.60
Assam-Agartala				
Tossa	83.05	31.00	83.05	31.60
Mesta :				
Assam-				
Northern	69.66	26.00	72.34	27.00
Local Daissee	69.66	26.00	72.34	27.00
Bihar List.	61.62	23.00	66.18	25.00

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THE U.K. JUTE MARKETS

FIBRE IRREGULAR

(FROM OUR DUNDEE CORRESPONDENT)

THE raw jute market was firm in Pakistan during the past week, and most of the cheaper sellers disappeared. However, the lower grades of both white and Tossa jute were still available at well under minimum export prices. The position in Dundee was very irregular with a wide range of prices quoted.

It was difficult to follow actual prices as many shippers upgraded the quality of their marks, in order to overcome having to make offers at under the official rates, but could lead to complications in future seasons. As a result, spinners were very selective in their buying and business was not always taking place at the lowest quoted rates. The upgrading took place most of the season, but the trend appeared to be accelerating.

Nearly 200,000 bales of raw jute will be arriving at Dundee this month, and no doubt a portion of this will be unsold to spinners. This is bound to have a weakening effect on the position here. Already, demand from spinners has slowed down because of this fact. Offers were made at £139 for Mill Firsts, at £110 10s for Mill Lightnings, at £95 for Mill Hearts and at £80 for Grade Hearts, c.i.f. U.K. for December-January shipment. Grade Tossa-2/3 was named at £128 and Grade Tossa-4 at £108 10s. Dacca Tossa-5 was offered at £138 15s and Dacca Tossa-6 at £109. There were sellers of Output Tossa-2/3 at £95 and of Output Tossa-4 at £83 10s, for December-January shipment.

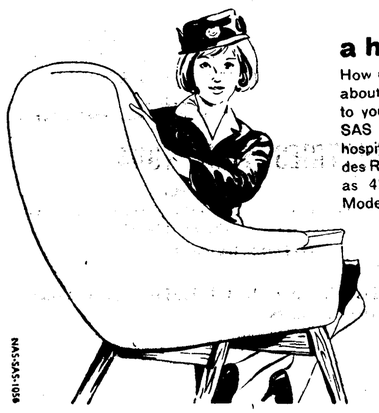
Cuttings became firmer, but here quality has improved of late. Offers were at £56 for S.N.C and at £48 10s for N.C. Mesta was steady at £80 for A, at £73 for B, at £67 for C and at £44 for cuttings, c.i.f. U.K. for December-January shipment.

The Siam jute market was firm but irregular, with a scarcity of offers of the better qualities. Prices were at £72, 10s for grade A, at £63 for grade B and at £58 for grade C, delivered mill Dundee for December/January shipment.

The Calcutta goods market was quiet with only a small buying interest shown. Quotations were at 70s 4d for 40in. 10oz. and at 52s 8d for 7½oz. a 100 yards f.o.b. Calcutta for December shipment, at 70s 9d and 52s 10d January and at 70s 9d and 52s 11d February. B Twills were at 170s 8d, 171s 5d and 172s 2d for the respective shipment periods.

Orders continued to be received for jute yarns and cloth in Dundee. Spinners and manufacturers were very busy and were generally fully booked for delivery over the next three months. More buying interest was shown in the heavy end of the trade, and some descriptions of sackings were difficult to obtain for reasonably early delivery.

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Commodity Markets

RAW RUBBER OUTPUT RISES

(FROM OUR SOUTH INDIAN CORRESPONDENT)

INDIA is likely to produce 41,000 tonnes of natural rubber during the current financial year, according to the latest estimate of the Rubber Board. Production for the first five months of 1963-64 was 14,547 tonnes, compared with 12,099 tonnes and 9,424 tonnes of the corresponding periods of 1962-63 and 1961-62, respectively. Production has thus risen by 20.23 percent during the first five months of 1963-64. The increase, according to the Rubber Board, was due to extremely favourable weather conditions. Secondly, the areas replanted with high-yielding material under the Board-sponsored subsidised replanting scheme have come to tapping. There are clones which can give about 1,000 lbs and more from each acre under proper care. Active control of leaf diseases has also contributed to the increase.

The Rubber Board has estimated rubber consumption in 1963-64 in this country at 72,000 tonnes including that of synthetic rubber. The estimated consumption for the first five months of the year was 30,047 tonnes, which compared favourably with the Board's annual estimate.

The replanting scheme of the Rubber Board is lagging behind the target. The target fixed for replanting from 1957, that is, the year in which the scheme was introduced, to 1962, was 45,000 acres, and the actual area replanted was only 23,980 acres. Of the total of 23,980 acres replanted, the area belonging to estates of 50 acres and above was 11,956 acres, out of an eligible area of 77,106 acres and to small holdings 12,024 acres out of an eligible area of 1,13,883 acres. One of the reasons for the slow progress is that the subsidy given until 1960 was unattractive. It is also stated that after the enhancement of the subsidy rate in 1960 to Rs. 1,600 an acre, the estates above 50 acres have put their worn-out areas under slaughter-tapping and the replanting programme will receive momentum from 1964 onwards. This may be partly true, but in the case of the smallholders that cannot be the main reason. It is also said that the administrative delays in making payments of subsidy instalments after the completion of work is a source of discouragement to smallholders. The Board has taken some steps to remove this complaint.

Replanting is of great importance to the rubber planting industry because its very future depends upon replacing the low yielding trees which constitute the bulk of the present stands, with high-yielding planting material. The Rubber Board has reached a position to supply all the good planting materials available in the world to the needy growers in this country. There is a fairly attractive subsidy also. What is now needed is a more active interest in replanting on the part of the growers.

Malaysia is trying for direct deals with Russia and east European countries as a part of its new plan to stabilise the market for its rubber. Malaysia is faced with a two-pronged attack on its rubber economy, on the one side from Indonesia and on the other, from the United States. Until the formation of Malaysia, Indonesia used to get its rubber refined and sold through Singapore. With its new confrontation policy, Indonesia has now entered into direct trade agreements with China, Russia, east European countries and Brazil. This has given a big jolt to the Malaysian economy. However, the rubber export trade in Singapore draws some comfort from the fact that Indonesia is not in a position to meet the entire requirements of the countries with which she has struck a direct deal, and they will still have to look for Malayan rubber. It is said that the United States also has been doing some harm to the rubber economy of Malaya by dumping into the world market its synthetic rubber which is cheaper. Despite Malaysian appeals, the U.S.A. has done little to support natural rubber. Instead the American synthetic rubber producers are carrying on a vigorous campaign to boost the sale of their products. One of their propagandists was even sent to Singapore to lecture on the superior qualities of the man-made rubber. Annoyed Malaysian rubber producers protested to the Government against U.S. propaganda and decided to take its own delegation to Russia and east European countries to make direct trade agreements. An eight-member delegation is now in eastern Europe exploring the possibilities for establishing direct agreements.

Russia, it is said, is interested in entering into direct trade agreements with Malaysia. This year, Russia is well ahead as Malaysia's chief rubber buyer. In the first seven months, Russian offtake was 134,030 tons, compared with 96,263 tons by the U.S.A. and 71,440 tons by Britain. Last year, Russia's rubber purchases totalled 190,236 tons, compared with the 192,880 tons by the U.S.A., and Britain's 135,756 tons. Other communist purchases included Poland 18,236 tons, Czechoslovakia 7,372 tons, Yugoslavia 5,165 tons and Cuba 2,751 tons.

Last year, Malaysia's rubber production reached 760,000 tons. This year, the production is expected to touch 780,000 tons and by 1970 about 1 million tons. Rubber contributes over 50 pecent of Malaysia's export earnings and provides employment for a very large number of its population. Rubber thus plays a very important part in the Malaysian economy.

Demand from Cardamom Growers

The cardamom growers, too, are making a demand for depreciation allowance, while computing the agricultural income tax. They have given a memorandum to the Kerala Government urging it to provide for suitable depreciation, or rehabilitation allowance and also to treat expenditure on the upkeep of immature plants as revenue expenditure. Their plea is that cardamom is a plant with comparatively a very small life span (seven years) and unless its replacement in proper time is encouraged, the cardamom plantations of the State would die out. There are at present about 100,000 acres of cardamom plantations in Kerala, and their production comes to well over 2,000 tons a year constituting two-thirds of India's total output of this spice which is one of India's traditional export commodities. Due to the precipitous fall in the price of cardamom since the past three years, the cardamom growers are in financial difficulties and this has its reflections in the field. Upkeep of plants and replanting of the worn-out ones are not being attended to properly. The cardamom growers are asking for financial assistance to maintain their estates in good shape. In their memorandum, they have asked the Kerala Government to authorise the State Land Mortgage Bank to keep up the financing of cardamom estates. This may be possible by using the refinance facilities offered by the Agricultural Refinance Corporation.

The introduction of quality control, standardisation of grades and the fixing of floor and ceiling prices by the Central Government are showing their results. Cardamom prices are recovering from the nadir they reached last year. Present Cochin auction prices are Rs. 2 to 4 a kilo more than the prices obtained in the corresponding sales last year.

The cardamom growers are divided over the Government's proposal to constitute a Cardamom Board on the lines of the Coffee Board and making cardamom marketing its monopoly. While the disorganised small growers welcome this proposal, the more advanced and organised section is not favourably inclined. In the latter's opinion, if the pooled system of marketing is introduced in cardamom, it will become disadvantageous to the growers in the long run. The country's total production being very small at about 3,000 tons a year, the

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Success of a large exhibition of this nature depends very much on the co-operation of the various industries and industrial organisations. The Chambers, Associations and Federations of the various industrial organisations in the private sector enterprises will be well-advised to utilise this forum to present a true picture of the country's industrial progress wtih special reference to West Bengal."

We cordially invite you to take part in depicting a picture of your progress through this Exhibition—the biggest in Eastern India.

(P.C.Sen)
Chief Minister, West Bengal.

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administrative cost under the pooled system will become unbearable, they say.

TEA

Home Consumption Drops

(BY A SPECIAL CORRESPONDENT)

SOME members of the Tea Board are said to be happy about increased exports to some consuming areas, but it is not the volume but the earnings which count. Messrs Carritt Moran and Company in a recent report offer the following comment on the subject: "Production costs are, however, inevitably high on account of statutory obligations and other charges, while labour productivity is all too often distressingly low, and there are many estates which are barely profitable at present prices. If the Indian production and export targets of the five year plan should be achieved, it is considered in some quarters that the result would be an excess of world production over consumption, and a sufficient drop in the price of tea to cause considerable embarrassment to producers of all except quality tea.

They add: "A recent Press report indicated that the consumption of tea in India during 1962 actually dropped, and this was hailed as a creditable achievement in aiding exports. We have on previous occasions stressed the importance of a strong internal demand to act as a buffer against possible overproduction, also the fact that the actual weight of tea exported is less important than the amount of foreign exchange earned by such exports".

The consumption of tea in India is still extremely low, and if the tea drinking habit is discouraged, it could well be difficult to revive at a later date. It is surprising to learn that internal consumption fell during 1962, but with the armed forces to be catered for, 1963 should show a revival. What are the members of the I.T.A. and other producing interests doing about the situation?

Tea prices at sale No. 25 at the end of November were considerably below the rates ruling a year ago, namely, Rs 4.76 a kilogram, against Rs. 5.44 a kilogram in 1962. The overall price gain has also been lost as the average rate realised from this season was Rs. 5.57 a kilogram, compared with Rs. 5.61 a kilogram last year. All districts share in the fall, but prices are still well above the level paid in the 1961-62 season, when the last sale in November realised only Rs. 3.83 a kilogram and total sales to the same date averaged Rs. 4.98 a kilogram. The price trend of dust sales follows that of leaf tea sales.

Exports have been brisk. Although the grand total from 1st July to 22nd November shows little change at 208 million lbs this year and 208¾ million lbs in 1962, actual shipments to the U.K. are shown at 145 million lbs, compared with 134 million lbs a year ago, but this may be a misfortune if the extra weight causes lower prices in Mincing Lane.

Many of the countries which absorbed more tea as a result of visits by the tea delegations to the western countries have mostly taken less this year. The U.A.R. has done poorly with a drop of nearly 3 million lbs and the Sudan has taken less. Probably Ceylon has exported more to these countries. Only Russia shows a 1¼ million rise, but the U.S.A. is short by much the same amount. Canada shows a small fall, and Turkey's oftake is less by about 750,000 lbs. Last year, that country's imports were 3¾ million lbs and in 1961. imports were 5¼ million lbs. More has gone to eastern Europe, but Germany and the rest of western Europe show little change.

Offering at the Calcutta tea auctions to the end of November totalled 55,178,615 kilograms of leaf and 21,410,641 kilograms of dust, making a total of 76,582,286 kilograms.

This may be about three-fifths to three-quarters of the crop and if the balance of this season's offerings have to be disposed of at lower prices, then the authorities should take immediate steps to encourage internal consumption. The Africans are thought to like tea, but the first preference there is for stronger stuff such as beer.

Our South Indian Correspondent writes: There is again a growing resentment among the tea interests against the State levy of 5 percent sales tax on teas sold through Cochin auctions. This levy has existed for the past few years, and has had a retarding effect on the growth of this terminal market for south Indian tea. This Kerala levy of 5 percent sales tax plus 5 percent surcharge on it on all teas sold at the Cochin auctions is anomalous taxation, affected interests say. Although Cochin auction prices are supposed to be inclusive of sales tax, in effect prices are merely dictated by those ruling in the international market and the tax is invariably paid by the producer and not the buyer whether the tea is exported or consumed at home.

The producers have been requesting the Kerala Government to wave this tax at least on export teas with a view to encouraging exports which has become part of the national policy. They represented to the Sales Tax Enquiry Committee appointed by the State Government some time ago that the State Government might be persuaded either to give up this anomalous levy entirely or at least to arrange refund in the case of exported teas. There was practically no response for this plea.

The growers and the trade point out that the State Government also has a rôle to play in export promotion, and should not remain unresponsive to the demand for the abolition of this levy which also has a retarding effect on the export drive. The State Government's stand is that it can hardly afford to give any concession in view of its difficult financial position.

The rubber growers are pleased with the Kerala Government's decision to exempt from taxation the rehabilitation and depreciation allowance of Rs. 9 a 100 lbs included in the statutory price of rubber as recommended by the Tariff Commission and the Central Government. The Kerala Agricultural Income Tax Rules have been amended recently permitting this reduction, while computing income for the assessment of agricultural income tax with effect from the assessment year 1963-64.

SHELLAC UNCHANGED

During the week ended 10th December, the market was unchanged. The range of quotations was as follows:

	Rs. a package
Pure Buttonlac	Rs. 104 value
Lemon One Shellac	Rs. 106 buyers
	Rs. 110 sellers
Lemon Two Shellac	Rs. 86 buyers
	Rs. 90 sellers
Standard One Shellac	Rs. 74 buyers
	Rs. 78 sellers
Pure TN Shellac	Rs. 66 buyers
	Rs. 70 sellers
Golden Kusmi Seedlac	Rs. 130 value
Kusmi One Seedlac	Rs. 90 value
Golden Bysacky Seedlac	Rs. 90 value
Manbhum Fine Bysacky Seedlac	Rs. 60 value
Fine Bysacky Seedlac	Rs. 50 value
Genuine Bysacky Seedlac	Rs. 40 value
Grade One Class B Seedlac	Rs. 60 buyers
	Rs. 64 sellers
Grade Two Class B Seedlac	Rs. 44 buyers
	Rs. 48 sellers

Shipments during December until the 4th were 1,911 packages.

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COMPANY AND PUBLIC NOTICES

THE CALCUTTA TRAMWAYS COMPANY LTD.

(Incorporated in England)

NOTICE is hereby given that the Preference Share Transfer Books will be closed from the 17th to the 31st December, 1963, (both days inclusive) for the preparation of Dividend Warrants in respect of the Final Dividend of 2½% less Income-tax payable on the 1st January, 1964, on account of the profits for the year ending 31st December, 1963.

By Order of the Board,
R. W. TURNBULL,
Agent.

P4, Mission Row Extension,
Calcutta-1.

Dated 6th December, 1963.

STATE BANK OF INDIA

NOTICE

NOTICE is hereby given that the Principal Register and the Branch Registers of the State Bank of India will be closed for transfer of shares from Monday, the 16th December, 1963 to Tuesday, the 31st December, 1963, both days inclusive.

N. A. KRISHNAN,
Managing Director.

Bombay, the 13th November, 1963.
22nd Krtk, 1885 (Saka).

COMPANY MEETINGS AND DIVIDENDS DECLARED OR PROPOSED

Name of Company	Date	I.S.T. Hours
Central Bank of India Ltd. ..	16-12-63	4 p.m.
Burrakur Coal Co. Ltd. ..	27-12-63	11 a.m.
Orissa Minerals Development Co. Ltd.	30-12-63	11 a.m.

DIVIDENDS DECLARED OR PROPOSED.—Tata Chemicals Ltd.—10 p.c. (o), subject to tax; Waterfall Estates Ltd.—10 p.c. (o), subject to tax; Cowcoody Estates Ltd.—10 p.c (f), subject to tax; Balrampur Sugar Co. Ltd.—Nil; J. K. Synthetics Ltd.—10 p.c. (f), subject to tax; Phosphate Co. Ltd.—15 p.c. (o), subject to tax.

HIDES AND SKINS FIRM

The skin market was firm and prices showed an upward tendency. Hide was steady. Stocks were higher than in the previous week.

Bazaar Sales

(Between 3rd December to 9th December, 1963)

Cowhides: Wet salted (Ord) 3,000 pcs. on the basis of 94 nP a lb. and 19,000 pcs. on the basis of Rs. 8 to Rs. 11.25; Wet salted (Slaughtered) 35,000 pcs. on the basis of Rs. 10.50 to Rs. 16.50 and Rs. 19.50 to Rs. 28 and Rs. 28.50.

Goatskins: Wet salted (Patna, Daissee, Kustia) 104,800 pcs. on the basis of Rs. 330 to Rs. 350, Rs. 360 to Rs. 375 and Rs. 470 to Rs. 480; Wet salted (he-killed) on the basis of Rs. 4.87 and (she-killed) on the basis of Rs. 4.62 a piece; Assam-Dinajpur-Murshidabad 73,700 pcs. on the basis of Rs. 260 to Rs. 290, Rs. 320 to Rs. 330 and Rs. 350; Purneah-Kissenganj 35,300 pcs. on the basis of Rs. 320 to Rs. 335 and Rs. 340; Muzafferpore 2,500 pcs. on the basis of Rs. 340; Purneah-Kissenganj 7,800 pcs. on the basis of Rs. 465 to Rs. 480.

Bazaar Stocks

(9th December, 1963)

Cowhides: Wet salted 91,000 pcs.

Goatskins Wet salted (Patna. Daissee, Kustia, Killed) 32,700 pcs. Assam-Dinajpur-East Bengal 110,000 pcs.; Muzafferpore-Patna-Pakur-Purneah-Kissenganj 364,500 pcs.

"CAPITAL" STOCK AND SHARE LIST

THE INVESTORS GUIDE AND SHAREHOLDERS GAZETTE

Official quotations of the Calcutta Bombay Madras London Stock Exchange Associations and other sources

Figures given after stroke (/) mean Naye Paise.

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BANKS

Wednesday, 11th December, 1963.

NAMES	Dividends per cent 1960	1961	1962	Paid-up per Share Rs.	Latest Market Quotations as available until 11-12-63 Rs	4-12-63 Rs	A year ago Rs	NAMES	Dividends per cent 1960	1961	1962	Paid-up per Share Rs.	Latest Market Quotations as available until 11-12-63 Rs	4-12-63 Rs	A year ago Rs
Allahabad Bank P.	18	18	..	100	260/00	260/00	396/00	Indian Overseas Bank	14	14	..	..	146/50	147/50	161/00
Bank of Baroda	17	17	16	50	94/00	91/50	93/00	Industrial Finance Corpn	..	..	..	50	..	..	..
Bank of India	20	20	20	50	110/00	113/50	110/50	National & Grindlays Bank	13½	14	16	sh 15	sh 34/1½	sh 32/9	sh 33/3
Central Bank of India	20 2/5	20	20	25	58.50	60/50	60/00	Punjab National Bank	20	20	20	10	19/50	19/69	20/62
Chartered Bank	15	15	..	£1	sh. 58/1½	sh.58/10½	sh. 53/4½	Union Bank of India	11 2/5	11 2/5	..	5	6/52	6/52	6/28
Hindusthan Commercial	Nil	Nil	Nil	50	13/50	13/50	17/12	United Bank of India	4.3	6	6	10	7/62	7/75	7/62
Hindusthan Mercantile	Nil	Nil	..	50	15/50	15/50	15/62	United Commercial Bank	12	12	12	50	72/50	71/50	80/00
Hong Kong & Shanghai	£39	£3⅞	£3 1/5	HK$25	£20½	£19½	£17½								
Indian Bank	15	15	14	100	158/00	158/00	173/00								

JUTE MILLS

NAMES	Dividends per cent 1960	1961	1962	Paid up per Share Rs.	Latest Market Quotations as available until 11-12-63 Rs	4-12-63 Rs	A year ago Rs	NAMES	Dividends per cent 1960	1961	1962	Paid up Share per Rs.	Latest Market Quotations as available until 11-12-63 Rs	4-12-63 Rs	A year ago Rs
Agarpara P.	10	2½	2½—12*	10	10/37	10/37	10/19	Hukumchand P.	28½	28½	26½-26⅝	7½	21/00	21/00	26/12
Alexandra P.	44	15	42½	100	300/00	300/00	305/00	India P.	14	12	8	12½	16/37	16/75	17/12
Alliance P.	6	Nil	10	100	150/00	150/00	117/00	Kamarhatty P.	7	Nil	20	100	193/00	193/00	164/50
Anglo-India P.	20	7	10—12*	100	228/00	228/00	223/00	Kankinarran P.	Nil	Nil	10	100	141/00	139/00	130/00
Auckland P.	27	12	Nil—15*	100	150/00	140/50	153/00	Kelvin P.	15	15	7	100	193/00	192/00	190/00
Bally P.	25	25	25	100	253/00	261/00	293/00	Khardah P.	20	7	12½-12½*	10	17/87	19/37	17/00
Barnagore P.	30	10	10	25	213/00	213/00	189/00	Kinnison P.	20	7	Nil-10*	10	140/00	138/00	153/00
Bengal P.	5	..	..	10	9/37	9/37	10/25	Lansdowne P.	Nil	Nil	Nil-Nil*	100	98/00	97/50	120/00
Birla P.	15	15	15—15*	10	33/12	31/44	29/50	Lawrence P.	7	15	10-10*	100	111/00	111/00	116/00
Budge Budge P.	10	Nil	12	100	144/00	151/00	160/00	Megna P.	12	12½	Nil-22*	10	13/31	13/06	12/62
Calcutta P.	..	..	..	10	8/12	9/12	8/00	Naihati P.	..	..	..	100	104/00	104/00	107/00
Caledonian P.	12	6	..	100	181/00	181/00	220/00	Naskarpara	..	..	..	10	8/00	8/00	9/06
Champdany P.	10	5	Nil-40*	10	22/69	22/69		National P.	7½	Nil	10	10	23/94	23/94	24/00
Cheviot P.	Nil	5	25	10	22/81	22/50	23/94	Nellimarla P.	3	5	15	10	12/75	12/69	11/25
Chitavalsah P.	5	Nil	5	10	10/31	10/50	11/25	New Central P.	15	15	Nil	10	13/25	13/25	13/62
Clive P.	..	..	..	10	9/19	9/19	8/37	Northbrook P.	30	30	20-25*	10	31/00	31/00	36/75
Dalhousie P.	5	1	Nil—25*	100	143/00	140/00	125/00	Nuddea	8	8	5—10*	50	62/50	62/00	55/00
Delta P.	7½	Nil	12	100	159/00	164/00	171/00	Presidency	5	6	10	5	5/50	5/37	4/94
Empire P.	12½	7½	12½	10	17/75	17/75	17/25	Rameshwara P.	Nil	Nil	Nil-Nil*	10	9/20	9/20	9/87
Fort Gloster P.	25	10	12½—20*	100	372/00	372/00	412/00	Reliance P.	Nil	Nil	Nil-Nil*	10	8/00	8/87	6/69
Fort William P.	22½	22½	10—20*	10	26/44	26/44	25/37	Sammugger P.	1	Nil	10	£1	10/50	10/50	10/50
Ganges P.	10	10	15	10	13/56	13/31	13/12	Shree Ambica P.	5	6	Nil	10	35/00	35/00	35/00
General Industrial	40	10	13	10	16/25	16/00	18/62	Soorah P.	25	25	25	10	21/87	23/50	22/25
Gourepore P.	30	25	20—20*	10	23/56	25/25	..	Titaghur P.	5	Nil	13	£1	10/50	10/50	10/50
Hastings P.	6	6	6—6*	100	128/00	128/00	128/00	Union P.	25	5	Nil-20*	100	161/00	168/00	165/00
Hooghly P.	10	20	7½—10*	10	16/00	16/00	20/00	Victoria P.	7	Nil	10	£1	10/50	10/50	10/50
Howrah P.	12½	10	Nil—10*	10	19/25	19/00	19/06	Waverley P.	30	30	30	1	8/31	8/31	5/62

* 1963

COAL COMPANIES

NAMES	Dividends per cent 1960	1961	1962	Paid-up per Share Rs.	Latest Market Quotations as available until 11-12-63 Rs	4-12-63 Rs	A year ago Rs	NAMES	Dividends per cent 1960	1961	1962	Paid-up per Share Rs.	Latest Market Quotations as available until 11-12-63 Rs	4-12-63 Rs	A year ago Rs
Amalgamated	10	12½	15	10	26/00	26/00	22/12	Mundulpur	..	..	..	10	2/69	2/69	2/69
Bengal P.	25	21	..	100	270/00	276/00	335/00	Nazira	7½	Nil	Nil	10	5/00	5/00	5/75
Bengal Bhatdee	..	..	..	10	3/48	3/48	3/48	New Beerbhoom P.	15	10	..	10	19/25	19/25	20/94
Bengal Nagpur	10	26	..	10	22/00	22/00	22/00	New Manbhoom	7½	9	12	10	15/25	15/25	13/75
Bhalgore	..	..	..	10	4/37	4/37	5/00								
Bharat Collieries P.	..	..	..	10	3/69	3/44	3/53								
Bhuianbarare	..	..	..	10	10/00	10/00	12/00	North West	20	20	..	10	19/75	19/75	19/75
Bokaro & Ramgur	..	..	..	10	11/19	11/19	11/19					7½	18/00	18/00	18/00
Borea P.	15	15	..	10	21/44	22/12	23/87								
Burrakur P.	13	13	13	10	17/69	17/12	16/00	Ondal P.	6	7½	..	10	13/50	13/50	13/00
Central India	8	10	10	10	9/94	9/97	9/81	Parasea P.	1½	1½	..	10	14/00	14/00	16/00
Central Kurkend P.	..	..	..	10	3/87	3/87	3/00	Pench Valley	10	10	10	10	18/31	18/31	16/50
Churulia	8	..	..	4	3/06	3/06	3/06	Pure Sitalpur	..	..	..	10	8/00	8/00	5/00
Dhemc Main	Nil	Nil	..	10	3/50	4/50	5/94	Raneegunge	15	17	17	10	13/62	13/62	15/00
East Indian	7½	15	20§	£1	30/87	31/00	50/00	Rewa	20	20	..	10	28/50	28/50	29/12
Equitable P.	15	10	..	10	25/00	25/00	25/62								
Ghusick & Muslia	Nil	Nil	Nil	10	14/25	14/25	15/00	Samla	10	..	..	10	9/00	9/00	10/03
Guzdar Kajora	..	..	..	10	2/44	2/44	2/05	Searsole	Nil	Nil	Nil	3½	1/22	1/82	1/94
Hurriladih	..	..	..	10	5/50	5/50	8/12	Seebpore P.	42 6/7	42 6/7	..	1	34/75	34/75	45/00
								Sendra	5	5½	..	10	5/00	5/00	5/75
Karanpura Development	5	5	..	100				South Karanpura	2½	Nil	Nil	10	8/75	8/75	7/00
	15	15	..	10F	11/50	11/56	12/00	Standard	15	10	..	10	13/12	13/12	16/00
Karanpura Collieries P	7½	10	10	10	16/00	16/00	18/00	Union	..	..	..	10	10/12	10/12	10/37
Katras Jherriah	25	40	25	10	33/75	33/56	48/75	Western Bengal	5	7½	5	10	9/06	8/81	8/87
Khas Kajora P	..	..		10	17/62	17/62	18/70	West Jamuria	Nil	Nil	..	10	4/56	4/56	7/37

COTTON MILLS

NAMES	Dividends per cent 1960	1961	1962	Paid-up per Share	Latest Market Quotations as available until 11-12-63	4-12-63	A year ago
				Rs.	Rs.	Rs.	Rs.
Basanti P	..	..	..	10	13/69	13/69	9/19
Bengal Luxmi	..	..	..	40	30/00	30/00	28/00
Bengal Nagpur P.	Nil	..	..	10	2/59	3/00	3/25
Bharat Commerce	6	15	15	10	23/44	23/75	25/87
Birla Cotton	10	20	20	10	33/00	33/00	28/87
Bowreah P	10	20	15	10	24/50	24/50	24/00
Cawnpore Textiles	7-1/5	10	10	5	7/37	7/37	7/00
Delhi Cloth & Genl P.	12	13	13	25	47/87	50/69	45/00
Dunbar	20	20	15	10	29/00	30/00	27/00
Elgin P.	11½	17½	17½	10	23/12	23/12	19/50
J. K. Cotton (Rayon) P.	12½	..	..	10	13/00	11/94	14/25
Jay Shree	10	10	..	10	17/06	16/25	16/25
Muir P	..	..	..	100	74/50	74/50	100/00
New Victoria P.	Nil	..	..	2½	1/50	1/53	1/37
Orissa Textiles P.	Nil	Nil	..	10	6/25	6/25	9/00
Rampoorla Cotton	3	Nil	..	10	13/00	13/00	12/00
	Nil	Nil	Nil	½	3/00	3/00	2/00
Swadeshi (Kanpur) P.	5	..	..	10O	12/62	12/62	11/50
	5.51	..	..	10PO	6/81	6/81	7/37

BOMBAY COTTON MILLS

NAMES OF MILLS	Dividends per cent 1959	1960	1961	Paid-up per Share	Latest Market Quotations as available until 10-12-63.	3-12-63	A year ago
				Rs.	Rs.	Rs.	Rs.
Ahmedabad Advance P.	7	16	..	100	143/75	143/75	170/00
Apollo	..	..	..	2	2/02	2/02	2/00
Beharilal Ramcharan	Nil	Nil	..	100	112/00	105/00	82/50
Bombay Dyeing, etc.	14	14	14—14*	25	61/40	61/30	61/00
Bradbury P.	10	10	25	50	155/00	157/50	155/00
Century	..	..	..	100	686/00	648/50	562/50
Central India P.	Nil	Nil	Nil	100	102/00	101/00	98/00
Coorla	..	..	..	100	170/00	171/25	150/00
Dawn	20	30	30	50	153/00	151/00	140/00
Edward Textiles	9	9	..	200	288/00	283/00	325/00
Elphinstone P.	14	18	22	50	99/00	100/00	94/00
Finlay	..	..	..	100	315/00	320/00	297/00
Gokak	..	..	..	100	177/00	177/00	175/50
Hindoostan	..	..	..	250	950/00	950/00	965/00
India United	..	..	..	10	22/44	22/12	25/66
	..	..	..	1Dd	2/66	2/62	3/12
Indian	..	..	..	250	860/00	860/00	890/00
Indore Malwa United	7	8½	10—7½*	100	200/00	202/00	196/00
Khatau Makanji P.	16	32	..	100	210/00	210/00	373/75
Kohinoor	9½	15	18	100	343/00	337/00	277/00
Lakshmi-Vishnu P.	Nil	5.7	6—Nil*	100	101/00	101/00	110/00
Morarjee Goculdas P.	21½	21½	24—24*	100	395/00	390/00	468/00
Mysore Spg & Mfg P.	10	14	14	50	44/50	43/00	54/00
New City of Bombay	..	..	..	100	165/00	160/00	142/50
New Great Eastern P.	..	..	..	100	178/00	180/00	270/00
Phoenix	..	..	..	100	230/00	226/00	203/50
Sassoon & Alliance	Nil	Nil	..	10	11/00	11/00	14/00
Sassoon Spinning	25	17	20—10*	10	45/50	45/50	48/75
Simplex	10	15	Nil—22*	50	129/00	125/00	152/00
Shree Niwas P.	15	18	20	100	287/00	285/00	236/00
Svadeshi P.	14	17	..	100	252/00	255/00	263/00
Swan	..	..	..	100	268/75	275/00	250/00
Tata	10	20	..	25	56/50	56/00	55/00
Western India	..	..	..	250	875/00	875/00	835/00

* 1962

BOMBAY MISCELLANEOUS COMPANIES

NAMES	Dividends per cent 1960	1961	1962	Paid-up per Share	Latest Market Quotations as available until 10-12-63.	3-12-63	A year ago
				Rs.	Rs.	Rs.	Rs.
CEMENT ENGINEERING & METAL							
Associated Cement	12½	12	12	100	150/00	151/75	150/00
ELECTRIC LTG. POWER							
Ahmedabad Electricity	7	6	..	100	95/50	94/80	89/50
Andhra Valley Power P.	5½	5	5	1000	1,075/00	1,060/00	1,005/00
Bombay Subarban Elec.	..	..	..	100	107/50	105/00	104/00
Tata Hydro Elec. Power P.	5½	5	5	100	111/00	110/50	104/00
Tata Power P.	5½	5	5	1000	1,037/50	1,137/50	1,100/00
Alcock Ashdown	..	..	..	100	302/00	304/00	290/00
Jost's Engineering	8	10	10	50	60/00	60/00	98/00
Larsen & Toubro P.	12½	18	14	10	24/08	23/92	23/76
Mckenzies	..	..	..	100	137/50	137/50	140/00
Premier Construction P.	..	..	..	30O	161/00	158/00	121/00
				3½F			
Tata Eng & Locomotive P.	12½	14½	14½	100	289/50	281/00	275/00
Tata Iron & Steel P	9.1	10.36	10.36	75O	145/75	142/50	121/00
INSURANCE COMPANIES							
British India General	..	..	..	10	12/24	12/48	12/24
Jupiter General P.	..	..	..	15	9/20	9/20	12/52
New India	..	..	..	15	49/50	50/00	62/00
Vulcan	..	..	..	10	16/76	16/76	16/40
MISCELLANEOUS							
Belapur Sugar	..	..	..	50	240/00	248/50	210/00
Bombay Burmah Trading	30	33	33	25	61/80	61/10	..
				20	47/50	47/25	..
Hindustan Lever	26	26	12	10	38/25	37/75	42/50
Industrial Invt Trust	6½	6½	..	100	74/00	74/00	72/00
Kemi (Chemists)	..	..	..	200	277/50	276/25	305/00
National Rayon	22	..	..	100	386/00	365/50	422/00
Scindia Steam Navign.	8	8	3	20	15/80	15/28	11/04
Shivrajpur Synd	30	Nil	..	10	21/24	21/00	24/00
Tata Chemicals P.	6	6½	6½	10	17/00	17/04	12/52
Tata Oil P	23	23	23	25	69/70	69/70	57/50
Voltas	13	14	14	100	260/00	255/00	243/00
Western India Match	16	16	16	100	276/00	270/00	256/00

TEA COMPANIES

NAMES	Dividends per cent 1960	1961	1962	Paid-up per Share	Latest Market Quotations as available until 11-12-63	4-12-63	A year ago
				Rs.	Rs.	Rs.	Rs.
ASSAM GARDENS							
Amluckie	Nil	10	7½	10	18/37	18/37	20/00
Anandabag P.	30	32½	20	10	33/25	33/25	33/25
Bagmari	Nil	15	7½	10	17/25	17/25	18/50
Barduar Tea	Nil	..	..	6	8/50	8/50	8/50
Basmatia	35	25	20	10	27/25	27/25	27/25
Bateli	30	..	..	5	17/50	17/50	18/00
Betjan	40	45	30	10	30/12	30/12	32/62
Bishnauth	13	13	20	10	18/69	18/69	17/25
Bokakhat	Nil	12	13	10	13/70	13/70	13/70
Borman Jan P.	15	15	15	10	13/00	13/00	16/12
Bor Pukhuri	Nil	Nil	10	10	11/00	11/00	11/75
Brooke Bond P.	15	10	7½—7½‡	10	13/06	13/06	12/19
Dejoo Valley	15	20	30	10	60/00	60/00	49/25
Dessai & Purbuttia	Nil	10	15	100	200/00	200/00	141/00
Dhelakhat	12½	..	..	10	20/75	20/75	20/00
Dhunser P.	20	15	10	10	11/87	11/81	15/00
Dibrugarh	40	40	30	10	32/50	32/50	32/50
Dimakusi P.	25	20	25	10	22/62	22/62	21/87
Duffiaghur	25	25	30	10	28/00	28/00	27/87
East India	Nil	Nil	10	10	15/56	15/56	18/87
Jillapukri	25	20	15	10	25/44	25/44	25/44
Jokpur	Nil		20	10	14/69	14/69	13/31

‡1962

TEA COMPANIES—Contd.

NAMES	Dividends per cent 1960	1961	1962	Paid-up per Share	Latest Market Quotations as available until 11-12-63	4-12-63	A year ago
				Rs.	Rs.	Rs.	Rs.
Grob	6	6	6	5	7/62	7/81	8/06
Hoograjuli (Assam)	20	20	17	10	27/12	27/12	27/12
Hoolungooree	10	7½	20	100	200/00	200/00	190/00
Jutlibari	30	30	20	10	31/50	31/50	32/00
Kingsley Golaghat P.	25	35	..	100	125/00	125/00	212/00
Kotamullai P.	Nil	Nil	Nil	5	10/31	10/31	10/31
Krishnabehari	15	8	10	10	11/80	11/80	10/50
Kyang Tea	Nil	..	..	10	8/06	8/06	8/06
Ledo	Nil	Nil	Nil	10	13/75	13/75	17/25
Maud Tea & Seed	10	7½	7½	10	14/00	14/81	14/81
Methoni	6	14	20	10	17/87	17/87	18/56
Moheema	Nil	Nil	..	10	11/50	11/50	11/50
Mothola	30	30	35	100	507/00	507/00	507/00
Murphulani (Assam)	5	15	25	10	26/50	26/50	26/50
	10.63	20.63	30.63	10	26/87	26/87	28/75
Naga Hills	10	10	10	10	22/25	22/25	22/69
Namburnadi	12	12	..	10	12/87	12/87	14/56
New Cinnatolliah	Nil	Nil	Nil	100	302/00	302/00	450/00
Rajgarh	40	13½	17½	10	19/00	19/00	21/37
Sapoi	22½	20	10	10	18/50	18/50	24/44
Seajuli	22½	15	30	10	25/50	25/50	20/75
Pelotjan	25	25	25	10	22/12	24/12	27/75
Pengpani	30	30	22½	10	35/75	35/75	35/00
Tezpore P.	20	12½	..	10	15/19	15/19	15/56
Tongani	Nil	Nil	..	10	5/31	5/31	6/50
Tyroon	10	15	25	10	31/00	31/00	34/37
CACHAR							
Arcuttipore	Nil	5	6	10	7/00	7/00	7/00
Baitakhal	2½	2½	..	10	7/71	7/71	6/69
Central Cachar	5	7½	5	100	85/00	85/00	73/00
Eastern Cachar	Nil	Nil	..	10	4/56	4/56	4/12
Kalinugger Khoreel	6	..	..	100	87/00	87/00	87/00
Hattikdira	Nil	8	Nil	10	8/75	8/75	9/44
Kunchanpore	Nil	Nil	..	10	6/00	6/00	6/00
Loobah	Nil	Nil	Nil	10	4/69	4/56	5/00
North Western	30	20	10	100	175/00	175/00	205/00
Pathemara	Nil	Nil	Nil	10	7/50	7/50	7/50
Roopacherra	Nil	10	Nil	10	11/00	11/00	13/62
Rungamattee	5	5	5	50	50/00	43/50	50/00
Sonai River	Nil	Nil	..	10	5/05	5/05	9/12
DARJEELING							
Bloomfield	Nil	..	..	10	3/12	3/12	3/25
Chamong	Nil	10	10	10	9/00	9/00	10/25
Darjeeling Tea & Chin	30	30	30	100	197/00	197/00	195/00
Dilaram	8	4	..	100	102/50	102/50	102/50
Gielle	Nil	..	8 4/7-15*	10	11/69	11/69	11/69
Lingia P.	15	10	17½	10	14/00	14/00	14/56
Longview	12½	10	..	10	11/00	11/00	11/00
Margaret's Hope	15	15	15	10	12/19	12/19	11/62
Mim	22½	27½	27½	100	191/50	191/50	191/50
Nagri Farm	30	25	35	10	29/56	29/87	27/00
Okayti	25	25	..	100	600/00	590/00	595/00
Pashok	10	Nil	..	10	20/00	20/00	20/00
Poobong	Nil	Nil	5	10	7/50	7/50	7/37
Pussimbing P.	Nil	Nil	Nil	10	7/50	7/50	8/87
Rungliee Rungliot	35	20	7½	100	386/00	386/00	386/00
Seeyok	15	Nil	..	10	8/60	8/60	8/50
Singell	Nil	Nil	Nil	100	36/75	36/75	36/75
Singtom	2	Nil	2	10	3/50	3/50	3/50
Soom	50	40	40	10	35/50	34/00	31/00
Sungma	15	15	20	10	14/56	14/62	12/75
Teesta Valley	Nil	.	8 4/7-10*	10	15/87	15/87	12/25
Tukvar	Nil	Nil	..	10	6/00	6/00	6/00
DOOARS							
Banarhat P.	22½	21	21	100	241/00	241/00	255/00
Baradighi	30	25	25	10	23/69	23/69	23/87
Bhatkawa	15	15	20	10	17/25	17/25	17/37
Birpara P.	17½	12½	17½	100	162/00	162/00	151/00
Carron	20	5	7½	100	161/00	155/00	145/00
Choonabhuti P.	32½	20	20	100	210/00	210/00	262/00
Ellenbarrie	5	5	10	100	184/00	184/00	184/00
Eng	60	30	40	100	136/00	136/00	136/00
Ethelbari	5	5	7½	10	11/87	11/87	13/12
Gairkhata	25	20	11	10	21/50	21/50	21/50
Gopalpur	12	2	10	25	20/00	20/00	20/00
Hantapara P.	15	5	10	100	108/00	114/00	102/00
Hasimara P.	17	..	18—15*	10	13/44	13/44	14/00
Huldibari	22½	..	19 2/7-11*	10	13/05	13/05	13/69
Jaypuripara	10	Nil	Nil	10	23/81	23/81	11/06
Killcot	25	15	15	10	15/19	15/50	17/31
Manabarrie	10	6	..	10	59/50	59/50	59/50
Nagaisuree	25	15	15	100	140/00	140/00	169/50
New Dooars P.	35	20	14½	100	230/00	230/00	258/00
Oodlabari	12½	7½	..	100	13/62	13/62	14/25
Phaskowa	Nil	Nil	Nil	100	125/00	129/00	127/00
Rajabhat	Nil	Nil	6	10	12/00	12/00	12/12
Ranicherra	15	15	7½	10	12/75	12/75	16/75
Rydak	25	20	25	10	25/75	25/75	27/31
Sarugaon	40	40	40	10	36/31	36/31	36/25
TERAI							
Atal	5	..	..	10	8/75	8/75	6/75
Belgachi	20	20	..	10	20/50	20/56	20/50
Gungaram	20	12½	12½	100	130/00	130/00	158/00
Hansqua	20	15	17½	10	20/00	20/00	20/00
New Chumta	15	..	12 6/7-20*	10	24/62	24/62	13/50
New Terai	22½	10	15	10	23/00	23/00	16/00
Panargoomiah	20	20	2½	10	14/37	14/37	11/12
Putinbaree	14	14	..	10	45/00	45/00	45/00
Tirribannah P.	60	60	60	10	49/00	49/00	49/00
CHITTAGONG							
Kodala	Nil	Nil	..	10	9/25	9/25	9/25
Kornafuli	Nil	Nil	..	10	9/31	9/31	13/06
Oodaleah	Nil	Nil	..	10	8/00	8/00	8/00
SYLHET							
Chundeecherra	Nil	Nil	Nil	10	26/00	26/00	23/00
Dauracherra	22½	22½	20	10	11/56	11/56	7/31
Kalitl	Nil	Nil	..	10	10/00	10/00	9/12
New Samanbagh P.	25	Nil	Nil	10	18/37	18/37	18/37
Patrakola	32½	40	15	100	129/00	129/00	148/00
Rajnagar	Nil	Nil	Nil	10	9/50	9/50	9/56
Teliapara	22½	22½	10	100	110/00	110/00	99/00

† Hectares

* 1963

MISCELLANEOUS COMPANIES

NAMES	Dividends per cent 1960	1961	1962	Paid-up per Share	Latest Market Quotations as available until 11-12-63	4-12-63	A year ago
				Rs.	Rs.	Rs.	Rs.
MININGS							
Burma Mines	23/5	Nil	Nil	3½S	0/44	0/44	0/44
Chrestien Mica Industries P.	15	12½	..	10O	10/19	10/19	11/12
	25	20	..	5Dd	6/87	6/87	8/85
Indian Copper Corporation	27	27	..	2s	3/46	3/38	4/22
Metal Corporation P	Nil	..	..	10O	8/00	8/50	9/37
Orissa Mineral Development	36	28	20	10	26/30	26/00	36/50
CEMENT, LIME, SLATE, ETC.							
Ashoka Cement	7	7	7—7*	10	7/37	7/37	7/50
Assam Bengal Cement	..	..	..	10O	3/62	3/62	4/00
				1Dd	0/50	0/59	0/44
Bengal Potteries	15	..	..	2½	5/37	5/37	5/54
Bisra Stone Lime	30	30	10	..	22/00	23/50	27/87
Dalmia Cement (Bharat) P.	12	12	12	10O	12/75	12/91	13/81
				1Dd	2/81	2/81	2/15
Jaipur Udyog P.	6	8	8.36	10	12/31	11/69	11/00
Jumardhubi Fireclay & Silica P.	18	18	18	10	18/46	18/46	18/46
Orissa Cement P	15	15	10	10	14/37	14/31	15/25
Reliance Firebricks & Pottery	22	15	10	10	22/75	22/75	22/75
Stone Valley Portland Cement	4	6	8	10	4/56	4/62	4/53
Patna Stone & Lime	27½	30	35	10	28/31	28/31	37/00
CHEMICAL INDUSTRIES							
Alkali & Chemical Corpn of (I)	12	15	15	10	33/50	33/62	37/50
Bathgate & Co. Ltd. P	Nil	..	..	5	0/84	0/84	0/84
Bengal Chemical & Pharm P.	7	10	..	100	101/00	101/00	101/00
Calcutta Chemical P.	18	18	18	10	17/87	17/87	19/31
Frank Ross P	..	..	..	5	2/75	2/87	3/25
Smith Stanistreet P.	25	25	25	5	12/31	12/31	15/50
ELECTRIC LIGHTING, POWERS							
Agra Electric Supply	11	11	11	100	118/00	118/00	120/00
Bareilly Electric Supply	11	11	11	10	12/50	12/50	11/75
Benares Electric Supply	11	11	11	10	12/81	11/62	12/44
Bhagalpur Electric Supply	8	10	8	8	6/69	8/56	6/25
Calcutta Electric Supply	9	7½	7½	£1	14/50	14/75	14/87
Cuttack Electric Supply	7½	10	10	10	11/87	11/87	12/62
Dishergarh Power Supply P.	10	10	10	100	88/00	88/00	94/00
Jhansi Electric Supply	..	..	..	10	5/90	5/90	5/90
Jubbulpore Electric Supply	10	10	10	10	11/25	11/12	11/37
Mirzapur Electric Supply	..	..	..	£	12/00	12/00	12/00
Muzaffarpore Electric Supply	12½	12½	12½	10	11/50	11/50	12/25
Muttra Electric Supply	..	..	..	10	11/06	11/06	11/12
Patna Electric Supply	10	10	10	10	10/31	10/44	10/31
Shahjahanpur Electric P.	6½	6½	6½	10	6/87	6/87	7/00
Sijua (Dherriah) Electric	10	9	9	10	8/50	8/50	9/06
United Provinces Electric	11	11	11	100	145/00	145/00	120/00
Upper Jumna Valley Electric	13½	13½	13½	10	18/00	18/00	15/25

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MISCELLANEOUS COMPANIES—Contd.

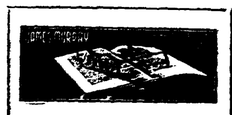
NAMES	Dividends per cent 1960	1961	1962	Paid-up per Share	Latest Market Quotations as available until 11-12-63	4-12-63	A year ago
				Rs.	Rs.	Rs.	Rs.
ENGINEERING & METAL							
Arthur Butler (Muzaffarpore) P.	..	..	..	10	14/94	14/94	14/50
Bhartia Electric Steel	10	10	12½	10	15/00	15/00	13/75
Braithwaite India	25	25	14	10	34/25	34/25	23/50
Bridge & Roof	30	30	30	10	52/25	52/25	32/25
Britannia Building & Iron P.	Nil	Nil	Nil	10	3/37	3/37	3/65
Britannia Engineering P	10	10	10	10	10/62	10/34	10/75
British India Electric Cons.	45	20	15	10	31/00	31/00	33/12
Burn P. (Engineering)	28½	28½	28½-2[illegible]	100	314/00	317/00	600/00
Calcutta Steel	15	15	15-12½*	10	13/81	14/19	14/87
Dalmia Iron	10	10	10	10	11/75	11/69	11/50
Guest, Keen, Williams	16	14	14	10	26/62	26/31	34/87
Hooghly Docking	Nil	Nil	12½	50	95/00	95/00	102/00
Indian Iron & Steel P.	15	16	16—17½	10	25/18	24/26	22/00
Indian Malleable Casting	Nil	..	..	50	6/00	6/00	6/00
	Nil			10d	2/06	2/66	2/50
Indian Standard Wagon P.	28½	28½	..	10	36/37	35/62	30/50
Indian Steel & Wire Products	23	24	23—28*	100	36/87	36/87	49/00
Industrial Containers	Nil	10	10	10	21/37	21/37	22/00
Jay Engineering	17 3/20	17 3/20	15	10	21/87	21/87	24/31
J. K. Steel P.	20	20	10	10	18/12	17/12	16/25
Jessop & Co. P.	8.58	8.58	8.58	10	24/94	24/06	22/00
Kumardhubi Engineering P.	10	11½	15	3	9/25	9/15	7/50
Marshall Sons (India)	Nil	Nil	Nil	2	2/69	2/53	3/25
National Iron and Steel	Nil	Nil	Nil	10	6/00	5/69	4/75
Saran Engineering	8½	10	12½-10*	4	8/12	7/94	11/12
Steel Containers	20	20	20	10	29/50	29/50	19/75
Textile Machinery	10	10	..	10	28/25	26/90	20/00
SUGAR BREWERIES ETC.							
Balrampur Sugar	8	8	4	2½	1/87	1/95	2/34
Belsund Sugar	18¾	10	6 2/3	7½	8/94	8/94	9/62
Bharat Sugar P.	..	..	..	10	16/00	16/00	12/87
Carew (Sugar) P.	Nil	Nil	Nil	10	11/56	11/31	12/25
Cawnpore Sugar P.	Nil	Nil	Nil	10	9/75	9/75	12/37
Champaran Sugar	15	12	Nil	10	12/62	12/62	15/87
Dubhanga	4	Nil	5	10	9/87	9/94	9/00
New Savan Sugar and Gur	..	..	..	10	4/50	4/50	5/25
Purtabpur Sugar P.	..	..	..	10	10/81	10/81	11/50
Ramnugger Cane & Sugar P.	80	35	30	10	29/31	29/00	30/37
Raza Buland	12½	10	10	10	10/37	10/44	10/15
Ryam Sugar P.	..	..	..	10	3/37	3/37	3/06
Samastipur Central Sugar	..	..	..	10	4/62	5/25	9/62
Shree Krishna Gyanoday Sugar P.	..	..	..	10	7/94	8/62	9/06
Shree Sitaram Sugar	..	..	..	10	7/12	7/12	7/12
Sitalpore Sugar	4	Nil	Nil	10	3/69	3/94	6/13
United Provinces	15	5	Nil	10	11/00	10/50	10/62
Upper Ganges Sugar P.	72½	72½	72½	10	85/00	85/00	77/00
MISCELLANEOUS							
A Firpo (Restaurateur)	7½	10½	5	10	5/00	5/00	5/90
Aluminium Corporation P.	12	12	12—5*	10	13/62	13/50	15/12
Anderson Wright Ltd. P.	11½	Nil	..	10	11/50	11/50	11/50
Angelo Bros	25	20½	20	10	26/75	26/75	22/75
Assam Match	18	20	20	10	27/50	27/50	28/75
Assam Saw Mills & Timber	Nil	Nil	3	3	2/50	2/66	3/75
Associated Battery	25	15	15	10	27/81	28/00	27/00
Associated Hotels of India P.	Nil	10	10	10	10/31	10/31	10/31
Balmer Lawrie & Co.	25	25	25	100	258/00	256/00	257/00
Barauree Coke	Nil	Nil	15—15*	10	22/06	22/06	24/50
Birds Investments P.	9½	10	10	10	10/37	10/44	12/50
Britannia Biscuit P.	25	30	25—21*	10	50/25	51/50	45/12
British India Corporation P.	4	7	9..	5	9/00	9/00	9/50
British Paints	12½	15	10	10	22/62	23/50	20/25
Calcutta Silk Manufacturing P.	Nil	Nil	..	10	6/94	6/94	7/15
Clive Row Investment	8	7½	7½	10	8/56	8/56	8/25
Duncan Brothers & Co. Ltd. P.	14	14	14	100	140/00	140/00	157/50
Dunlop Rubber Co (India) P.	21½	20	15	10	37/00	36/00	36/44
Dyer Meakin (Breweries)	25	30	..	5	31/87	32/50	29/62
Eastern Investments Ltd. P.	14	14	12	100	117/00	111/00	129/00
Electric Construction	10	10	10	10	13/06	13/25	13/50
French Motor Car	20	20	..	20	32/75	32/75	35/12
Ganges Rope	17½	20	20	100	236/00	236/00	236/00
General Investments Trust P.	5	5	5—5*	75	43/00	43/00	43/00
Gillanders Arbuthnot & Co. Ltd. P.	10	11	11—11*	10	14/19	14/19	14/06
Gladstone Lyall & Co. Ltd. P	42.5	..	..	10			
Godfrey Phillips (India) Ltd. P.	40	40	30	10	28/12	28/12	33/25
Great Eastern Hotel	9	6	..	250	250/00	250/00	241/00
Hindustan Aluminium P.	Nil	..	..	10	13/81	13/75	13/50
Hindustan Motors P.	9	12	12½-11½*	10	19/41	16/75	16/25
Hindusthan Pilkington	..	..	..	10	18/41	18/41	19/50
Hindusthan Twyfords P.	Nil	Nil	Nil-Nil*	10	14/12	14/25	15/75
Hoare Miller & Co. Ltd.	6	6	..	10	5/62	5/62	6/62
Imperial Tobacco	8	9	9	10	10/37	10/12	10/87
Indian Aluminium Co. Ltd. P.	15	15	17½	10	29/62	29/62	32/00
Indian Cable P.	22½	22½	22½-22½*	10	39/81	38/81	34/56
Indian Oxygen	15	15	12	10	26/62	27/87	30/75
Indian Rubber Manufacturers P.	20	30	36	10	19/87	19/87	21/06
Isaac Holdens	30	30	30	10	15/12	14/75	32/06
Investments and Finance P.	..	Nil	Nil	100	16/56	16/56	15/56
Indian Wood Products	7½	7½	7½—7½*	10	30/00	30/00	55/00
J. K. Synthetics	..	8	..	10	12/94	12/50	12/19
James Wright P.	..	..	..	50	2/75	2/75	2/75
	..	..	..	1Dd	00/43	00/43	00/43
Jardine Henderson Ltd. P.	7	7	8—7*	100	79/00	78/50	68/00
Jay Shree Industries P.	14	12½	..	10	14/50	14/75	16/50
Kesoram Industries P.	5	12	12—13*	10	26/87	25/31	22/00
Macfarlane & Co.	..	..	..	50	6/69	6/69	7/00
	..	..	..	1Dd	1/44	1/44	2/50
Macneill & Barry Ltd. P.	8	8	7½	100	92/00	92/00	93/50
Martin Burn Ltd. P.	27½	27½	25	10	28/50	28/50	29/81
McLeod & Co. P.	15	15	18	100O	210/00	210/00	215/00
Metal Box Co. of India Ltd. P.	25	25	19	10	52/25	52/25	53/50
National Insulated Cable P.	25	25	25—28*	10	23/87	24/00	25/06
National Pipe & Tubes P.	20	20	20	10	28/19	28/19	29/75
National Rolling & Steel Ropes	13	15	15	10	19/87	20/37	21/37
National Rubber P.	Nil	6½	8	10	13/44	13/75	11/25
National Tobacco P.	16	7	7	10	13/37	13/50	13/00
New India Investment Corpn.	8.7	..	..	75	59/50	59/50	90/00
Octavius Steel P.	10	7½	7½	100	..	..	..
Philips India	12	12	13	10	28/62	28/50	28/12
Publicity Society	10	75	75—50*	4	22/62	22/62	26/19
Rallis India P.	2	8½	8	100	130/50	131/00	150/00
Rontas Industries P.	20	10	8—9*	10	12/62	12/22	12/00
Sirsilk P	Nil	..	..	10	10/06	9/87	8/75
Sen-Raleigh Industries P.	8	8	8	10	15/12	15/19	18/87
Shaw Wallace P.	15	15	7½	10	17/69	17/19	20/06
Spencer's Hotel	2½	2½	..	2	0/65	0/65	0/94
Union Carbide	18	18	12½	10	42/62	42/75	43/50
Walford Transport	30	20	..	1PO	3/00	3/00	2/25
	20	30	..	1O	4/09	4/06	3/37
INSURANCE COMPANIES							
Concord of India	20	20	20	5	11/25	11/25	11/50
Hercules	22½	26½	26½	10	23/25	23/25	23/37
Ruby General	10	13½	15½	8	10/31	10/31	9/69
Standard General	..	..	..	10	6/12	6/25	8/00
Triton	45	50	50	25	128/00	128/00	133/00
FLOUR MILLS							
Bengal	40	25	25	10	34/12	29/00	34/25
Delhi P.	..	..	..	10	14/00	14/00	14/00
Ganesh P.	..	..	..	12½	14/75	15/00	16/00
Hooghly	15	Nil	Nil	10	19/75	19/75	19/75
United	35	10	7½	10	27/81	27/81	30/00
OIL COMPANIES							
Attock Oil	12½	13½	..	£1	sh. 36/7½	sh. 39.	sh. 26/10½
Burmah Oil P.	9-2/5	..	..	£1	sh. 66/3	sh. 66/6	sh. 38/9
Indo Burmah Petroleum P.	30	25	22½	10	21/87	24/25	25/44
Tide Water Oil	30	35	35	10	30/25	29/12	26/00
PAPER MILLS							
Bengal P.	32	27½	20	10	28/69	28/25	32/06
India Paper Pulp	15	13	12—15*	10	19/06	19/06	18/87
Orient Paper P.	22½	22½	22½-20*	10	39/15	37/70	36/20
Shree Gopal Paper P.	17-6/7	17-6/7	17-6/7	10	25/19	25/00	23/25
Sirpur P.	6½	8)	..	10	13/50	13/78	11/50
Star Paper P.	Nil	Nil	Nil	10	9/06	9/12	10/00
Titaghur P.	10	13	13—13*	2½PO	3/25	3/25	3/78
	25	20	10—10*	10AO	17/12	16/87	36/00
West Coast P.	25	20	10—10*	10BO	17/12	16/87	36/00
	6	7½	..	100	170/00	170/00	160/50
PRESSING COMPANY							
Camperdown	11	11	..	100	104/00	104/00	100/00
REAL PROPERTY STORAGE							
Bengal Bonded Warehouse	11	8	8—9*	A500	1050/00	1.050/00	610/00
				B62½	125/00	125/00	77/25
Calcutta Safe Deposit	..	..	..	C100	122/00	122/00	122/00
				D12½	14/15	14/15	14/75
Humayan Properties P.	6	..	..	100	7/75	7/75	7/25
	Nil	..	..	10O	11/00	11/00	11/00
Midnapore Zemindary P.	Nil	Nil	Nil	1Dd	2/10	2/10	2/15
TRAMWAYS & STEAMER				85	11/00	11/00	..
Bengal Assam Steamship P.	7½	7½	..	100	11/00	11/00	11/12
Calcutta Landing & Shipping	3½	7½	22	10	128/00	128/00	106/00
Calcutta Steam Navigation	10	Nil	Nil	10	34/00	34/00	49/50
Calcutta Tramways P.	..	..	..	£1	8/87	9/25	7/75
Fraser	Nil	..	..	10	10/69	11/25	12/25
India General Nav Railway P.	Nil	..	..	£10	10/00	10/00	10/00
India Steamship P.	10	Nil	Nil	10	43/25	44/00	66/50
Port Shipping	Nil	Nil	..	10	7/47	7/37	8/25
					14/75	14/75	12/06

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TAX DOUBTS, COMPANY LAW REFORM SUBDUE SHARES

THE stock markets are slightly baffled by the statement on economic policy made by the Central Finance Minister, Mr. T. T. Krishnamachari, in the Lok Sabha on Monday. Operators say that the statement is in some ways bullish, in others bearish, so it is not easy to assess on the whole the right direction in which equity prices ought to be adjusted. Those prices had earlier been sliding downwards in response to the Government's decision to reject the recommendation of the Select Committee on the question of allowing the Government to convert its loans to a company into the shares of that company. The Companies (Amendment) Bill proposed that the Government should be allowed to convert not only future loans, but also those given in the past, into share capital at will. The Select Committee rightly opposed applying such a provision to loans given in the past; it accepted the objection that a change of this nature would clearly involve a breach of contract. In what may be described as the Kamaraj Plan for Company Law Reform, the final verdict on whether the Select Committee's recommendation should be accepted or rejected was left to Mr. Nehru. The verdict finally emerged that the recommendation should be rejected: the Government, in other words, should have the right to convert even loans given to companies in the past into share capital as and when it suited its convenience. The trump card of intelligence before these extraordinary proceedings was produced characteristically by Mr. Nehru: even under Hitler, India's Prime Minister was reported as saying in defence of his views, the Government had the power and the right to force such conversions.

The Select Committee had said that if past loans given by the Government were to be converted into share capital at all, they should be converted only if the company in question had defaulted in repaying interest or capital, or if it had violated the loan agreement. The curious feature is that the Finance Minister was a member of the Select Committee which made the recommendation; but to the final report he did not append a minute of dissent (as some other members did). Mr. Krishnamachari explained subsequently that ministers do not normally go round appending minutes of dissent to reports. This is true in the sense that their business is not to register futile protests, but to make decisions. Nevertheless, the equivocal nature of the Finance Minister's stand—by first acquiescing in the Select Committee's recommendation, and later supporting Mr. Nehru's contrary verdict—has led to an anomaly which has drawn not particularly flattering comment. Mr. Krishnamachari is to be complimented on diluting the severity of the verdict to some extent by adding a clause at the last minute which provides that a proposal to convert Government loans into share capital will be effective only after it has been before Parliament for 30 days. But the fear remains that in practical terms the value of the qualification is approximately nil: there is no shortage of Congress members of the Lok Sabha who readily emit a "yes" as soon as the crack of the Party whip is heard.

Not only is the Government's abrupt dismissal of the Select Committee's recommendation highly improper; to acquire the unrestricted right to convert past loans into the share capital of a company implies a brazen disregard for the sanctity of contracts. When giving loans, the Government is entitled to claim no more rights than anybody else; if others cannot alter the terms of a loan agreement unilaterally, there is no reason why the Government should be allowed to do so. Like any other lender, the Government should have the foresight to demand the right of conversion from the very start—before, not after, the loan is given. The Select Committee's recommendation has been rejected on the excuse that the credit and reputation of a company will suffer if the Government is obliged to say that it is converting the loan because the company has defaulted or violated the loan agreement. But the more important point has been ignored that if the Government has the right of conversion to begin with, other creditors and investors will automatically become chary of giving their money to such a company. The net effect of the whole provision will be precisely the opposite of what has been advertised as the aim of the Government: the flow of capital into borrowing companies will be discouraged for fear that shareholders might one day find the Government as their biggest partner.

The assurance has been given that the terms of conversion will be fair and equitable. Provision has also been made for the terms to become justiciable, if necessary by appeal to a high court. The suspicion will nevertheless continue that the right of conversion, apart from containing a threat of State control, might be intended to bring windfall gains to the Government. It would coolly collect interest on its loan at a virtually guaranteed rate during the early years when a new company might not be making a profit. After the company becomes profitable, the Government would have the right to become a shareholder, and collect larger sums by way of dividends. It would thus have the best of both worlds. No attention has been paid to the fact that the interests of other shareholders would suffer in the process. The conversion of loans into shares could inflate the share capital in such a way that the company finds it impossible to pay reasonable dividends. Profitability too may decline, since interest payments are a deductible item of expenditure for tax purposes, whereas dividend payments are not. The threat to ownership and profitability is likely to discourage companies from taking loans from the Government; in the process, schemes for modernisation, expansion and diversification are liable to suffer.

Another provision in the Companies (Amendment) Bill gives the Government the power to appoint a public trustee to exercise voting rights on behalf of a trust which has a shareholding in a particular company. The amendment has been denounced as unfair and unjust, because it appears that a trustee can be deprived of his right to vote

as a shareholder even if nothing is alleged or proven against him. The power can be exercised on behalf of private family trusts or public charitable trusts, as well as in relation to shares in both private and public companies. It was originally proposed that the power would be exercised only in the public interest, but now even this vague safeguard has been removed in order to make the provision wholly arbitrary. The public trustees appointed by the Government might well become a powerful and dangerous element in corporate life.

While the final form of the Companies (Amendment) Bill has come as a shock to the stock markets, there is moderate compensation in the fact that price controls on 16 commodities have been abolished. The commodities include rayon, soda ash, staple fibre, soap, tyres, tubes, sheet glass and paper board (but not paper). Consequently the shares of companies which produce these commodities have been marked up. The raising of the exemption limit for capital issues control, from Rs. 10 lakhs to Rs. 25 lakhs, has been welcomed. Furthermore, industrial units created with a capital of Rs. 25 lakhs or less will no longer require an industrial licence. Considering that the policies of the Government have hindered expansion by fixing the prices of various commodities at unrealistically low levels, the gradual dismantling of price controls is welcome. The decision to raise the exemption limit for capital issues from Rs. 10 lakhs to Rs. 25 lakhs was also long overdue. The depreciation in the value of the rupee had made the former limit unrealistic; and small enterprises will tend to grow and prosper faster if they are freed from the long procedural delays involved in getting the Government's sanction for raising capital. The relaxation relating to industrial licensing is a step in the right direction, but its practical significance will be limited by the fact that the Government will still maintain a close check on imports of plant and machinery because of the foreign exchange shortage. The main benefit is likely to go to industries which are in a position to use the equipment and raw materials that are available within the country.

The stock markets have welcomed Mr. Krishnamachari's decision not to collect any premiums under the emergency risks insurance scheme for the quarter ended March 1964 since the Government's tax revenues remain buoyant. The welcome has been given in spite of the Finance Minister's implicit admission that what passes under the description of an insurance premium is really a tax impost; in other words, that the emergency suits not only the political but also the fiscal convenience of the Government. Mr. Krishnamachari has stated that the premium rates for the subsequent quarters will be announced later from time to time. Granting for the moment that the emergency, and emergency risks insurance, are to continue, the promised flexibility in fixing premium rates seems appropriate.

The most discouraging aspect of the Finance Minister's statement on Monday, from the viewpoint of investors, is the hint that the tax burden is not likely to be decreased in the coming year. More money, it is stated, will be required to finance the rising tempo of expenditure on programmes for defence and development. The possibility remains that the tax structure will be modified and rationalised; indeed, this is essential if economic growth is at all to continue. But the words Mr. Krishnamachari has chosen have set the stock markets guessing again as to whether or not he will abolish (or at least drastically modify) the super profits tax. Most operators agree that deficit financing has to be restricted if inflationary pressures are to be checked. But it is hard to see how economic development can be promoted if the already crippling burden of taxes is not going to be reduced. The Finance Minister must believe that he has some magic formulæ up his sleeve—the formal disclosure of which will be anxiously awaited.

The general view is that the measures taken so far, together with those in prospect, will play only a marginal, albeit useful, rôle in promoting the recovery of the capital market. The flow of bank finance to industries has been liberalised under the credit policy announced by the Reserve Bank seven weeks ago. The resources of various financing institutions, like the Industrial Finance Corporation and the Industrial Credit and Investment Corporation of India, are being increased. The unit trust which is to be set up will, in due course, help mobilise the savings of small investors who may not at present be providing much money for industrial expansion. The proposal to set up a development bank (which, contrary to earlier impressions, seems likely to be a separate institution from the I.F.C.) might also help promote the flow of medium-term and long-term industrial finance. In all these plans and proposals, however, it appears that the emphasis is still too much on the institutional paraphernalia rather than on creating and mobilising the savings which alone can ensure steady expansion.

As the stock markets see it, the need for the savings is underlined by the fact that the rate of industrial expansion is not improving. Compared with the previous year, industrial production rose by 8 percent in 1962-63. During the current year, it is likely to rise again by 8 percent. The proportions are far below the targets set by the planners—which is one reason why the third plan is heading for a flop. Mr. Krishnamachari may be justified in offering the hope that agricultural production will show an impressive recovery during the current year. But the reminder may not be out of place that similar optimism was displayed at this time last year about the crop prospects for 1962-63; only four months after that agricultural year ended did the Government's statisticians wake up to discover that farm output had in fact dropped sharply.

PLANNING CHOICES

THE failure of the Chinese leap forward has set economists round the world emphasising the primacy of agriculture in developing nations, and its crucial rôle in their economic advance. Professor Walt Whitman Rostow of "take-off" fame, who is now chairman of the U.S. State Department's Policy Planning Council, recently pointed to the "severe structural distortion" in a number of developing countries in Asia, Africa and Latin America because of the relative stagnation of their agriculture. India too suffers from the stagnation, so the Professor's prescriptions are of immediate interest. His general charge is that many countries neglect the countryside because of the mistaken notion that emphasis on the improvement of agriculture is a sign of neo-colonialism.

In purely financial terms, any validity this charge might have had during the second plan should no longer hold good because agriculture has been given first place not only in the share of total investment but also in the priorities laid down by the third plan. If money investment alone could transform Indian agriculture, there should now be little to worry about, considering the funds being pumped into the countryside. The experience of the last two years confirms, however, that capital outlay by itself is not enough. In many ways, it is less important than what may be described as the organisational factors—the reinforcement of incentives and motivations at the human level through land reforms, the provision of credit, adjustment of the terms of trade between the rural and urban sectors, and the variety of measures required to end the isolation of the village. That these measures should include the bait of attractive consumer goods, the desire for which will push the farmer to make greater efforts in the field, is indisputable, even though one may doubt whether Professor Rostow's proposal for a Sears-Roebuck catalogue, or any merchandising equivalent thereof, is really necessary to create the desire for a better life in the Indian countryside. The spread of education, halting though it has been, is sparking off a revolution in aspirations which is reflected in the increasing consumption of mill-made cloth and factory-made footwear in areas where an improvement in agricultural productivity permits an advance in living standards. In Indian conditions, therefore, baits are less important than the effort to enlarge the supply of consumer goods which will find a ready market even without the benefit of imported merchandising know-how.

What prevents more consumer goods from being produced is partly the Indian Government's heavy industry orientation and partly the built-in restraints imposed by the backwardness of the economy. Professor Rostow's list of consumer goods for the countryside starts with textiles, canvas shoes and flashlights. A moment's reflection shows that India's basic handicap in making even such elementary products is the foreign exchange shortage. Textile output is limited partly by the division of the industry between the mills and handlooms (and this has an important bearing on costs too); but the main limit is the inadequate domestic supply of cotton—a situation attributable to the pattern of crop specialisation which was perfectly reasonable in undivided India. Likewise, canvas shoes have a rubber content which, however small, must come from imports since Indian plantations cannot be developed fast enough to meet the rising demand. The same is the case with flashlights. The alloy metal container and the lead case for batteries have, in present conditions, a high import content.

Professor Rostow's solution of coaxing more from the countryside by the bait of consumer goods is thus not as simple a proposition as it may seem at first sight. Only an economy where the foundations of an industrial structure have been securely laid can hope to provide an ample supply of goods at reasonable prices. Some say that it would be a poor solution indeed if India or any other developing country were to divert its limited resources to the production of consumer goods while the basic task of laying the foundations remains undone. According to them, there is really no conflict between investment in a steel plant and the aim of providing more consumer goods. While this generalisation may be widely accepted, differences may arise when one gets down to the details of working out the respective shares of steel and, say, textiles in the total investment plan. Even here, what seems to India the right course to adopt may seem wrong-headed to others because they fail to see the pressures to which the economy is subject. With population rising at over 2 percent a year, a short spurt in growth would be quite meaningless if the final result is to make the future even less secure than it already is. Very often, therefore, the minimum Indian plan for basic industries may seem much too ambitious to others. But when they really look into the matter, they may come to accept the validity of many Indian objectives.

Quite apart from the issue of consumer goods *versus* investment goods, the fact remains that agriculture itself cannot move forward without a variety of industrial inputs. The increase of 16 percent in agricultural production obtained in the past decade through the extension of cultivation has practically exhausted the possibilities in this direction. Further advance must increasingly depend on raising the level of farm productivity which will mainly require an adequate supply of water and fertilisers for the fields. Given these the farmer can be relied upon to raise two, if not three, crops where only one is now possible, and thus to bring about a dramatic increase in output. The problem of irrigation can be tackled in several ways, the stress now being on small works like tanks and wells which can be built quickly with locally available materials. This line of approach is unexceptionable, but it is obvious that small works can help only in storing or tapping the water that the monsoon brings. When the monsoon itself fails, the protection provided against drought through such devices is feeble indeed. The right course is, therefore, to go ahead with both large and small works simultaneously, since one does not come in the way of the other (and especially if local resources are being employed for the latter in conformity with the aims of the community development programme). Large works are, however, hardly feasible unless the industrial resources required for building them, such as earth-moving machinery, steel and cement, are available.

The same dependence on industry characterises fertilisers, whatever the process or end product one may have in view. In fact, the economy of fertiliser application depends a great deal on the cost at which the material is produced—a function of the scale of manufacture. This is fully recognised in the plans drawn up for fertiliser production under which new units are being located only where supplies of the starting materials—coal or naphtha—are abundant. Most people, one imagines, could have no objection to developing countries setting up indigenous fertiliser capacity but what is perhaps overlooked is that units of the industry cannot come up in an economy which is not industrially geared for the purpose. The plants going up in Trombay with U.S. aid or in Nahorkatiya with British aid would be inconceivable without the oil refineries supplying the raw materials, and the plants in Sindri and Rourkela without the supporting coke oven batteries.

Unless one assumes permanent dependence on foreign aid, an effort has to be made to reduce the present high import content of new fertiliser capacity by initiating local manufacture of equipment and supplies. Otherwise, the progress of fertiliser production will continue to be as disappointing as it has been in the current plan during which several eminently worthwhile schemes have been halted by the foreign exchange shortage. This again takes one back to the need for strengthening the industrial base. There is no getting away from the fact that economic development is possible only with simultaneous advances in both sectors.

HIRE-PURCHASE FINANCE

THE British Government's moves (albeit late and inadequate) to modernise the law of hire-purchase have focussed attention on the rôle of consumer credit in economic expansion. Simultaneously, the quarterly figures compiled by the U.K. Board of Trade have demonstrated the importance of the rôle. They have demonstrated also the growing importance of hire-purchase finance companies in the monetary system. The Board of Trade figures show total hire-purchase and other credit extended by finance companies aggregating £658 million at the end of the third quarter of 1963. The figure represents an increase of £18 million in the quarter, following an increase of £27 million in the previous quarter. The survey shows that the total assets of the finance companies at the end of September amounted to £793 million representing an increase of £43 million in the quarter, which, the Board of Trade remarked, "is the largest increase in hire-purchase companies' assets since these surveys began".

A few weeks before the figures were published, however, a representative of the companies, Mr. John Bellamy, assistant secretary of the Finance Houses Association, writing in the *Guardian*, warned against "using credit outstanding as a sensitive indicator to present economic conditions". The figure reflects, he explained, not only the rate of new transactions but also the rate of maturing of old transactions, entered into perhaps two, three or four years previously. He warned also against ignoring the seasonal factor, in a business which is largely concerned with financing purchases of motor-cars. The demand for cars is strongest in Britain in the second quarter of the year, so an increase in consumer credit in that quarter is not, alone, evidence of economic acceleration. Similarly, a decrease in credit later in the year is not, alone, evidence of deceleration. The increase in the third quarter, reported since Mr. Bellamy's remarks, is obviously significant. Mr. Bellamy observed, indeed, that "the advance of hire-purchase credit so far this year reflects not merely a seasonal change but a real growth in demand".

A few months ago, there was still some doubt that the demand for consumer goods in Britain would grow fast enough to achieve the economic growth rate of 4 percent a year that the Government had accepted as appropriate. Now there is some fear that credit-assisted demand may exceed the safe limit of growth. And in this situation a new possibility has arisen, that consumers will economise their savings by taking more durable equipment on lease instead of buying it. Renting instead of buying television sets has already transformed an important sector of the trade in durable goods, and demand for medium-term car-hiring facilities is already considerable. The more elaborate types of domestic equipment are not only costly to buy but also costly to maintain—and maintenance requires skilled servicing. Moreover, technical changes accelerate obsolescence. Impending changes in the television system are one reason why many Britons prefer to rent a set rather than to buy one: they assume (rightly or wrongly) that a new set may soon be out-of-date.

Leasing equipment to industry is a fast-growing business, which requires abundant finance—and the resources of various financial institutions. The equipment-leasing system was imported into Britain from the United States, where it is estimated that the finance absorbed in it has increased in ten years (to 1962) from $10 million to $800 million a year. Some British companies, such as Rank-Xerox, which leases, not sells, its Xerox copying machines, provide their own finance. But the current trend is represented rather by International Computers and Tabulators, which, burdened by the financial requirements of its leased equipment, arranged finance from some of London's merchant banks through a new company, Computer Leasings. The hire-purchase finance companies are, of course, directly involved in this kind of business; and the commercial banks, being financially linked with the finance companies, are indirectly involved in it. But the banks, encouraged by a parallel movement in the United States, are now considering the possibilities of direct participation in leasing. Huge resources will become available if they proceed along this line. But some of the money used to finance leasing will replace ordinary bank advances to customers. In principle, advances are granted for short-term requirements, but in practice they are used partly to finance purchases of equipment. An extension of leasing arrangements would, therefore, reduce the need for advances.

The banks' investments in finance companies are a very small proportion of their total assets, not enough to compensate them if finance companies take an increasing proportion of Britain's total financial business, so that the banks' proportion is reduced. As far as leasing is concerned, the problem is not immediate, for the value of industrial leasing in Britain is still no more than £15 million a year—very small by comparison with the American figure. But bankers watch long-term trends. Some of the remarks by Mr. Bellamy, in his article in the *Guardian*, could be interpreted as a warning to financial institutions with which hire-purchase finance houses compete. "The functions of finance houses are similar to those of banks and building societies, and finance houses may be consulted in the same way as these institutions." He adds: "The vast majority of hirers who successfully complete transactions with one company should be encouraged to regard it as *their* finance house—in the same way as they think of *their* bank or *their* insurance company—to whom they may look for their instalment credit needs in the future." The financial institutions are competing for the custom of individuals and firms requiring credit. It is not difficult to visualise circumstances in which such competition would embarrass the authorities. The technique of credit control has been strengthened in recent years, but it is less flexible in hire-purchase business than in ordinary banking business, and leasing presents new problems.

Current News and Comment

Insuring Export Risks

Export risks insurance is a relatively new idea all over the world, but it is beginning to play a significant rôle in the promotion of international trade. India's Export Risks Insurance Corporation, which is still in its infancy, has made good progress during the short span of its existence of a little over six years and its recent results have been particularly gratifying. The policies issued during the first 11 months of the current year alone show a rise of 85 percent over the base of 1961; the risk values underwritten have risen by 171 percent and the premium income has gone up by about 93 percent. Bank finance availed of by exporters through the agency of the Corporation has increased by nearly 254 percent. What is more, the average premium rate has gone down to less than a quarter of 1 percent. In his welcome address at the symposium on "Export Risks Insurance and Export Finance" held in Bombay last week under the auspices of the Export Risks Insurance Corporation, the chairman, Mr. Ramnath A. Podar, said that by the end of the current year, the E. R. I. C. will have underwritten risks amounting to Rs. 30 crores, against Rs. 20.69 crores in 1962 and Rs. 12.01 crores in 1961, and that this figure could be expected to rise to Rs. 50 crores in 1964 and to Rs. 80 crores to Rs. 100 crores in 1965. Mr. Podar added that these targets might look very ambitious, but he assured the audience that the Corporation was determined to intensify its efforts to achieve them.

The Export Risks Insurance Corporation has devised a wide range of policies—shipments policy, contracts policy, packing credit policy, manufacturers' credit policy, exporters' credit policy and market development policy—to suit the varying requirements of exporters. The Corporation provides a cover for commercial and political risks and also enables exporters to secure finance both at the pre-shipment and post-shipment stages. The credit insurance facilities offered by the E. R. I. C., according to its managing director, Dr. S. P. Chablani, are in line with the standards of the leading credit insurers in the world—the E. C. G. D. in the U. K., Hermes in West Germany, Coface in France and the M. I. T. I. in Japan. It is true that the E. R. I. C. covers hardly 4 percent of India's exports, but if allowance is made for exports made under irrevocable credits opened in banks by foreign buyers and exports made on a consignment basis which do not need to be insured, the E. R. I. C.'s coverage, in terms of insurable risks, should be something like 15 percent of the real risky exports. The performance compares well with that of its counterpart organisations of the same age. The Corporation, says Dr. Chablani, is by no means content with its progress, and is determined to carry the gospel of "export with safety" to every exporter who must be made to understand that the security provided by the E. R. I. C. cover is essential for the success of his ventures. The Corporation has built a library of credit information on as many as 15,000 buyers which is of great help to the exporter in having an insight into the standing and creditworthiness of his overseas buyers.

The growing consciousness among exporters of the usefulness of the various facilities offered by the Export Risks Insurance Corporation, is an encouraging sign. That the E. R. I. C. has an increasingly important rôle to play in the task of export promotion is widely recognised. Participating in the symposium, Mr. C. N. Vakil said that the gap between the international price and

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the domestic cost of production could be met by giving various facilities to exporters which included, among other things, credit facilities. Export risks insurance help the exporter to improve his financial standing *vis-à-vis* his bankers. The E. R. I. C.'s policies are assignable to banks. This enables the exporter to enlarge his business without unduly straining his financial resources. Mr. Vakil was, however, quick to add that the high cost structure of indigenous industries could not be underwritten. He also emphasised the need for gearing domestic production to suit changing overseas demand. Another speaker, Mr. P. A. Narielwala, urged the Corporation to set up more branch offices, particularly at the port towns like Cochin, with a view to establishing a closer contact with the export trade. He said that at times foreign buyers asked for credit terms, especially on durable goods, up to three years. Indian exporters will need to provide these facilities and this could be done with export credit aid.

The third participant in the symposium, Mr. N. M. Choksi, managing director of the Bank of Baroda, said that while fixing their approved credit lines for various buyers, the E. R. I. C. should provide for a fair amount of latitude to Indian exporters when covering risks. Reasonable excesses in credit limits for buyers, if allowed, would prove greatly advantageous to exporters and should be considered by the Corporation in the light of its experience. He also urged the Corporation to speed up the settlement of claims because the delay in realising claims from the E. R. I. C. causes an avoidable strain on the resources of the exporters. Mr. Choksi said that like the E. C. G. D. in the U. K., the E. R. I. C. should effect settlement of claims at the rate of exchange prevailing on the date of contract or of shipment. It could also extend additional assistance by issuing special policies in favour of banks to cover clean advances which they might be asked to make to finance "export deficits".

In his inaugural speech, the Central Minister for International Trade, Mr. Manubhai Shah, spoke about the export consciousness and the climate of export promotion in the country—the essential prerequisites for launching a vigorous export drive. World opinion was also now in favour of allowing the developing countries to expand their trade by gradually dismantling tariff walls and removing non-tariff barriers. Of course, the success of export drive will depend primarily on an integrated policy for stepping up domestic production, increase in productivity, quality of products and progressive marketing techniques. Quality is perhaps most essential in a buyers' market. Mr. Manubhai Shah referred to the rôle of incentives in export promotion and said that there was no country in the world which did not offer incentives in one form or another. Government assistance to exporters was legitimate and economically justified because international prices had no relation to local costs of production.

He assured the trade that the Government was willing to underwrite any worthwhile export proposition. Export contracts would not be allowed to remain unfulfilled for want of finance or materials. The Minister emphasised the need for market research commodity surveys in overseas markets. The recently created market development fund could help in this direction. He urged educational institutions to establish a faculty for foreign trade. Mr. Manubhai Shah declared that the Government agreed in principle that the interest rates on export credit should be much lower than the rates for internal credit. He pointed out that a sub-committee would soon be appointed for examining the possibility of making export credit cheaper. The Minister stated that the E. R. I. C. would be transformed into an Export Credit and Guarantee Corporation by 15th January, 1964. The E. C. G. C. will fill the various gaps in the system of export credit; it will offer facilities which will make available more credit for the exporter to enable him to boost the export trade. The country will indeed have to make a desperate effort to be able to step up exports from the present Rs. 750-crore level to Rs. 1,400 crores by the end of the fourth plan.

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West German Aid for India

Addressing a Press conference on the eve of his departure after a two-week visit to India, the West German Minister for Economic Co-operation, Mr. Walter Scheel, said that India enjoyed a "special position" in his country's "development aid policy" Of the total 6,782 million deutschemarks granted by West Germany for capital aid up to 30th June, 1963, India's share stood as high as 29.6 percent at 2,045 million deutschemarks—and India has received 66.7 million deutschemarks out of total 735 million deutschemarks sanctioned for technical assistance. This is not all because West Germany has also been indirectly rendering substantial help by contributing substantial credits to international organisations like the World Bank, I.D.A., I.F.C., E.P.T.A. and the Special Fund

Mr. Scheel said that in the field of development aid, his Government aimed at increased participation in industrial ventures by German private enterprise. He expected interesting "development impulses" to arise from private investments, and, apart from this, the West German Government's budget for development aid had been exhausted. In order to encourage and further extend private investments, Bonn had developed a set of guiding principles. One of them was a guarantee by which up to 90 percent of the amount invested could, under certain circumstances, be insured against political risks. Besides, the German Development Corporation was doing its best in this direction. Mr. Scheel hoped that the flow of private investments from West Germany into India would increase with the guarantee agreement between the two countries on the safety of such investments and the tax incentives sought to be given by his Government for German private investments in developing countries. But he was quick to add that the most important prerequisite for private investments was a favourable economic climate in the developing countries. Such good experience as private capital has so far had was not sufficient to remove the foreign investor's understandable fear of discrimination and expropriation.

The West German Minister, however, seemed satisfied with the official attitude in New Delhi and it was pleasing to hear that the fiscal measures in India did not inhibit the inflow of capital. "Taxes are high all over the world", said Mr. Scheel. He emphasised the importance of promoting the foreign trade of the developing countries by a concentrated application of all possible development measures, in particular through capital aid and technical assistance. These measures, added Mr Scheel, should be applied within the framework of commercial aid to reach a structural balance, that is, all developing countries must become importers and exporters of raw materials and industrial products at the same time. Commercial aid must prevent a trend leading to the necessity of granting more and more capital aid to remove the increasing deficits in the balance of payments.

Mr. Scheel predicted a continuing shortage of food in developing countries during the coming years because of the continuing growth of population. Food supplies would have to be given on a long-term basis. But Mr. Scheel cautioned that food aid should not hamper expansion of agricultural production in developing countries. On the contrary, food aid should help to set free forces for further expansion and intensification of agricultural production. Production aids are better than a continuous supply of cereals. Between 1957 and 1963, the Government of India has sanctioned 1,560 foreign collaboration agreements out of which 210 have been with Germans. Mr. Scheel expressed the hope that scores of large and medium private firms would come forth for financial and technical collaboration with their counterparts in India provided of course, the investment climate continues to remain favourable.

Better Outlook for Goatskin Exports

Raw goatskin exporters are having a busy time. In spite of the virtual suspension of business for some six weeks following the ill-advised ban on the export of raw goatskins of 36 inches and above, shippers seem confident of improving on their previous year's performance. Business put through over the past few months is reported to have been very large. What is more, the prices realised have been substantially higher than in the past. The prices of raw goatskins which had slumped from Rs. 575 to Rs. 350 (for 100 pieces) following the imposition of the ban on the export of large-sized skins have soared to an all-time high of Rs. 775. But as the year draws to a close, a feeling of uneasiness is beginning to prevail among exporters. It is not that the shippers expect any setback in overseas demand, but they are not certain whether the current policy which expires on 31st December will be continued during 1964. There are quite a few who fear that the Government might once again, wittingly or unwittingly, play into the hands of certain vested interests who persuaded it to ban the export of raw goatskins measuring 36 inches and above; fortunately, the ban was withdrawn after about six weeks following strong protests not only from the export trade, but also from overseas buyers.

At a time when the Central Government has launched a big "export offensive", any kind of restriction on the export of raw goatskins is completely unjustified. Few will quarrel with the basic philosophy behind the Government's policy of progressively transforming exports from raw hides and skins into tanned leather and leather manufactures in order to create additional employment in the tanning industry at home and increasing the country's foreign exchange earnings. But the supply position of goatskins is so very comfortable that even after meeting all the requirements of the home market for raw and tanned material, a large surplus remains. India has the largest goat livestock in the world figuring over 80 million. The total production of raw goatskins in the country at present is estimated at between 45 million and 50 million pieces. The total absorption by tanners amounts to 16 million pieces—12 million southerns and Deccans and about 4 million northerns—leaving a surplus of well over 29 million pieces. Raw goatskin exports in 1962 totalled 16.7 million pieces, leaving a new surplus of 12.3 million pieces for any additional demand for tanners. Of the 16.7 million pieces of raw goatskins exported in 1962, 11.7 million pieces were from northern and north-eastern regions shipped from Calcutta and 5 million from central and western regions exported through Bombay.

In view of the extremely comfortable supply position, the indigenous tanning industry has not experienced any difficulty in securing raw skins. A sizable surplus of raw skins has always existed and it has not been possible for the tanning industry to make use of the surplus profitably. The tanned skins industry has its limitations, both from the point of view of capacity and technical ability. The tanning industry's claim that restrictions on raw skins exports, particularly those of large sizes, will enable it to step up the export of tanned products which can fetch higher prices, cannot be substantiated by factual data. The tanned industry's export performance over the past four years during which the export quota for raw goatskins has been progressively reduced from 100 percent to 60 percent of the best year's performance, has been far from encouraging. In spite of the liberal incentives under which exporters of tanned goatskins are allowed to import chemicals and certain scarce commodities up to 75 percent of their export earnings, tanned goatskin exports between 1959-60 and 1962-63 have not registered any improvement, and have fluctuated between Rs. 9.28 crores and Rs. 8.11 crores.

Against this, earnings from the exports of raw goatskins have been fairly well maintained in spite of the substantial fall in the export quota. Raw goatskin exports fetched Rs. 9.58 crores in 1932-63 against Rs. 7.62 crores in 1961-62. Rs. 9.14 crores in 1960-61 and Rs. 10.69 crores in 1959-60. Export earnings from tanned goatskins in the past four years 1962-63 to 1959-60, were Rs. 8.17 crores, Rs. 9.23 crores, Rs. 8.11 crores and Rs. 9.22 crores, respectively. That earnings from raw skin exports should have been well maintained in spite of the quota reductions shows that the overseas buyers have been paying steadily higher prices for Indian raw goatskins In spite of liberal export incentives and increasing restrictions of raw skin export the tanning industry has miserably failed in the achievement of export targets. The export target for tanned hides and skins for 1961-62 has been set at Rs. 29 crores, and the actual achievement was only Rs. 23.31 crores. The target for 1962-63 was fixed at Rs. 30 crores, but earnings totalled only Rs. 21.08 crores.

Few will question the need for developing the local tanning and finishing industry for goatskins. But restrictions on export should be based on a careful objective assessment of the availability of raw goatskins, the differences in their qualities, the actual requirements of the tanning industry and its capacity to absorb additional supplies. Since nearly 70 percent of the raw skin export consists of large size, 36 inches and above, restriction on the exports of these varieties virtually amounts to a ban on raw skin exports.

The U.S.A. and Russia, the main importers of goatskins, together lift about 80 percent of Indian skins. Both are interested primarily in raw and wet-salted skins. Their requirements are confined almost exclusively to large-sized skins, measuring 36 inches and above; they reluctantly lift smaller sizes only as a part of package deals. In any event, restrictions on raw goatskin exports are quite unjustified as long as there is a net surplus available. The Government will be well-advised in consulting the representatives of both the tanning industry and raw skin exporters before formulating its export policy.

E.C.A.F.E. Discussion on Population

Inaugurating the ten-day Asian Population Conference organised by the E.C.A.F.E. in New Delhi last week, Mr. Nehru pleaded for bringing

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In addition, there are many other articles and features including surveys of developments during the year in jute, tea, coal, cotton textiles, the stock market, life and general insurance, banking, and rail and road transport.

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about a balance among the demographic, economic and social factors for accelerating economic growth. As was pointed out by Mr. Gulzarilal Nanda, the small rise of 18 percent in India's *per capita* income in the first two plan periods was due to the fact that the national income over this period increased by nearly 42 percent, while the country's population increased by 21½ percent. In the first two years of the third plan, the rate of economic growth at 2¼ to 2½ percent a year has been about the same as the rise rate in the country's population which has prevented an increase in the *per capita* income, in fact, *per capita* income has actually declined marginally, But this problem of unbalance between population increase and economic development is not only peculiar to India. All the countries in the E.C.A.F.E. region suffer from it in varying degrees.

The Executive Secretary, Mr. U. Nyun, told the conference that the *E.C.A.F.E.* region, had only one-sixth of the world's land area, but half the world's population: moreover, the rate of population increase in nearly one-third of the region has been as high as 2½ to 3½ percent a year during the past decade. If an investment of 4 percent of the country's national income has to be made every year in order to maintain the existing standards of living, when the population is increasing at the rate of 1 percent a year, the annual investment rate in these countries should have been greater than 10 to 14 percent of national income in order to increase the standard of living. But actually the annual rate of investment in most of the countries in this region has been much smaller. The inadequate investment rate poses many serious problems.

One of the main reasons for this unbalance is that while the death rate in these countries has fallen, the birth rate has not declined. In the case of the developed countries of the West, the death rate has declined, but the birth rate has also declined. The economically underdeveloped countries of Asia have, therefore, to concentrate their efforts on reducing the birth rate. But

NOTICE

There will be no issue of CAPITAL on 26th December, 1963, as the markets will be closed for the Christmas holidays. The first issue of the New Year will be published on Thursday, 2nd January, 1964.

family family planning is not quite as easy as might appear, due primarily to the poor response of the people to family planning schemes and the lack of practical, easily available and cheap methods. In fact, in spite of best efforts, the family planning programme in the third plan has not made much progress. The E.C.A.F.E. conference, in addition to discussing the methods of identifying, selecting and integrating economic, social and demographic policies into development programmes, should have discussed ways and means of making family planning programmes in the developing countries more effective. It is now being more clearly realised that unless the population increase is effectively controlled, the developing countries would scarcely be in a position to provide employment to all the new entrants to the labour force, or to increase the per capita availability of foodgrains and other consumer goods, on which the people's welfare so vitally depends.

Esso Exhibition in Calcutta

Esso Standard Eastern has organised an exhibition at Park Circus Maidan, Calcutta, showing the Company's rôle in earning and saving foreign exchange. The exhibition shows that the object has been achieved in three different ways, firstly, by exporting products surplus to India's requirements, secondly by manufacturing products which were hitherto imported and thirdly, by buying more goods and services in India. Nearly 500 items made indigenously for the Company's use are displayed at the exhibition. Over 50 manufacturers who are helping Esso in saving foreign exchange by manufacturing various products locally are participating in the exhibition. The interesting items include a mdoel of Esso's refinery in Bombay, an asphalt drum conveyor system and a can filling machine. There is also an exhibit about sand-dune stabilisation, a pilot project on which has recently been launched in Rameshwaram. There is a separate stall which shows the items still being imported. The organisers appropriately describe it as the Rs. 1.67-crore challenge to Indian manufacturers, since the indigenous production of those items will save that much money in foreign exchange.

Industrial Activity

Corrected for seasonal fluctuations, *Capital's* Index of Industrial Activity increased by 9.7 points during April 1963. There were rises in tea, jute, yarn, coal, bicycles, electricity and railway tonne-kilometres. Sugar, cloth, cement, pig iron, finished steel, paper, tyres and motor-cars declined.

"CAPITAL" CHRISTMAS TOY FUND

WE acknowledge, with thanks, the receipt of the following donations for the 1963 Fund:

Rs. 100
W.R.J.D.

Rs. 75
Covenanted staff of National and Grindlays Bank Ltd, Lloyds Branch, Calcutta.

Rs. 66.44
Sir Walter Michelmore.

Rs. 25
Anonymous.

Rs. 10
K. M. Gherda.

Total Rs. 276.44
Previously acknowledged Rs. 4,018.75
Grand Total Rs. 4,295.19.

INDIA AND SUGAR CONVENTION

NOW that the export bounties and the cartel bounties are supposed to be no longer existent, and the countervailing duties on this side have been remitted—in such a breathless hurry—on all beet sugar produced after 31st August 1903, in countires that have ratified the convention, it is a question of serious import how the sugar industry in India is likely to stand affected. Our Government, it is understood, had decided to maintain the duties until the 31st March 1904, and then to reconsider the position but other counsel prevailed and the Secretary of State said "no" Is this then an indication of a price Britain has agreed to pay for the renewal of the commercial treaty wtih Germany? Some are of opinion that Britain came under an obligation of some kind or another as regards India in connection with the sugar convention, the extent and nature of which have not transpired in this country. If any such undertaking was given it has apparently been *sub rosa*, for, as far as we are aware, nothing of the kind has ever been published. We know that from England was wrung—through fear of the labours of the conference being brought to nought—a promise not to adopt a preferential tariff in favour of any of her Colonies producing cane sugar, and notably in respect of the customs duty should any increase of the present rate be found necessary. We cannot see, however, that such proviso applies to India at all, nor that it justifies the role, which we are apparently expected to assume under the new regime. It has always been understood that India had the opinion of joining the convention or standing entirely clear. In fact, in a summary of the provisions of the convention before us, it is stated: "A few additional classes are added in the final protocol, of which the chief are ..... (c) that the British Colonies and India may have the opinion of joining the union." India then is placed in a very anomalous position; she has not subscribed to the convention, but by order of the Secretary of State is being held bound by it, and it looks almost as if we were to be deprived of advantages that as a contracting party we would be entitled to.

FROM
CAPITAL
24th December, 1903

A Ditcher's Diary

THIS COUNTRY'S REACTION TO THE REPORTED POSSIbility of the U.S. Seventh Fleet cruising in the Indian Ocean, which Dr. Soekarno calls by another name anyway, seems to me more traumatic than political. Mr. Nehru may be a little more forthcoming on the subject later today than he was on Tuesday; but if the U. S. decision is to impress a thing or two on Pakistan, as it has been interpreted in the U. S. A., it is difficult to understand why New Delhi should not be pleased about it. The reason, I suppose, is that the slightest physical proximity to India of the Western military arm, if manned, seems a threat to the country's non-alignment. These fears, I suggest, would have been appropriate a couple of centuries ago, when the West was conquering the world, or a few years ago, when the late Mr. Dulles was seeking alliances against international communism. If anything, the West is now so busy disengaging itself that, I imagine, even willing entrants to alliances may have to wait a long while in a long queue. Because I think non-alignment the correct policy for India, I think we can now afford to be less touchy or nervous about it. Think of the ordinary American citizen, not "overly" informed and rather literal-minded. He hears that India passionately wants modern supersonic aircraft from his country; and then he hears that even the suggestion of the U. S. Seventh Fleet approaching not India but the Indian Ocean is greeted in New Delhi with so obvious a lack of enthusiasm as to amount to disapproval. International relations are not always reducible to personal terms; but think of a man who has borrowed a great deal from you, has received gifts from you and expects more, and then he lets it be known that if by any chance you dropped in for a cup of tea you would most certainly not be welcome. Indo-U. S. relations have improved a lot over the years; but there are still far too many pockets of suspicion in both India and the U. S. A.; and it is simply not fair to blame the Americans for it all. I am looking forward to Mr. Nehru's statement today which should be communicative and careful and, at once, gracious.

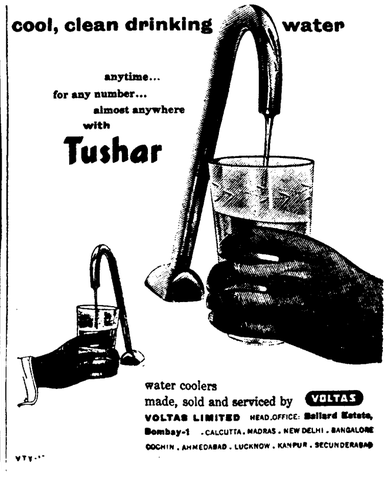
I LIKE THE INDIAN ELECTORATE AS MUCH FOR ITS wisdom in electing, generally, workable majorities as for, occasionally, springing surprises. For Mr. Nehru to the surprise was added pain when the Congress got just one seat in the former Portuguese territories and none at all in the main area, Goa. It does the ruling Party, prone everywhere to complacency, no harm at all to receive periodic shocks; the Congress will do well to ponder over its Goa reverses more deeply than is its usual habit. Yet I cannot help feeling that Mr. Nehru may be right in refusing to merge Goa immediately with either Maharashtra or Mysore. If voting was on communal lines, as Mr. Nehru has argued without everybody agreeing with him, I suggest recognition of the reality that communalism exists in India. The majority community is no more above communalism than the minorities and with less justification than the latter. The fact is that Goa has a fairly large Roman Catholic population; some say it is 40 percent and others put it at 48; and there seems little doubt that the Maharashtrawadi Gomantak is dominated by Hindus, as is the Indian National Congress. Telling such truths was once rightly unpopular, because the British could take advantage of these divisions. There is no need for equivocation now. India's religious minorities are in general treated better than in most countries This is not to say that they are entirely unjustified in fearing a particular brand of Hinduism which seeks, every now and again, militant self-assertion at the expense of others. When the Indian troops liberated Goa two years ago the people there were given certain promises. The whole world heard them and breaches thereof will be looked at critically, whatever the verdict of Goa's first election. Undemocratic? Perhaps. But I am by no means sure that the election was fought exclusively on this question. After emotions have settled down, a referendum may provide an answer. After Maharashtra has scrapped Prohibition, I may be prepared to reconsider the question! So may Goans.

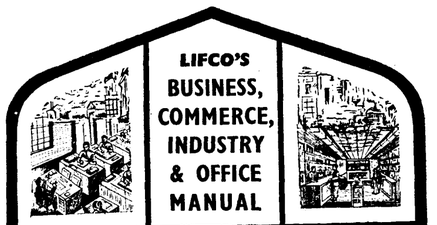
BY NOW, PROBABLY MOST OF OUR READERS ARE aware that this year *Capital* is commemorating its seventy-fifth birthday. The seventy-fifth anniversary number we are bringing out to mark the occasion, we are sure you will agree, is entirely in keeping with what we always try to be: serious, conservative, well-informed, reliable and moderately priced. Another anniversary this year is that of *Vogue*, the London fashion magazine, and the publication which marks its seventieth birthday, apart from being lavish, flamboyant and colourful, costs the sterling equivalent of Rs. 72.50. So you see, it all depends on what image you want to maintain. In fact, of course, *Capital* and *Vogue* have more in common than you might think. We are both subject to the inexorable laws of newspaper economics, for one thing, and that cannot help but evoke a spirit of comradeship in these hard times. In its own field, *Vogue* is every bit as purposeful and high-minded as we always try to be. And, again in our respective fields, we can both claim the sincere compliment of persistent imitation. Adding the coincidence that *Capital*, although only for a short time, once employed an assistant editor who had previously filled a similar post on *Vogue*, it is no exaggeration to say that we are practically related. Personally I have always had the highest respect for the sheer professionalism which goes into *Vogue's* production and the genuine efforts it makes to improve the tastes of its readers. If, unlike *Capital*, it pursues its objective with rather more gloss and glitter, that is surely in the nature of the world with which it has to deal. Its snobbery, too, is something we really do not have in common. But otherwise we are both in business to promote business, and in this way we each make our individual contributions to the economies in which we work. I shall enjoy reading *The World of Vogue* if I get hold of a copy, and especially shall I be interested in the pictures. Not necessarily the fashions: it seems to me that modern western *haute couture* has fallen into the hands of people who really deplore the female sex and do their best to denigrate it. But the sight of all those beautiful girl models is always a joy; and it makes such a welcome change from the kind of figures we in *Capital* have to deal with.

KENYA HAS BEEN FREE A WHOLE WEEK AND ZANZIBAR all of nine days; and everyone seems mildly surprised that there has been remarkably little trouble. It is altogether too soon to uncross our fingers; there are not many successful multi-racial societies in the whole big world; and Kenya and Zanzibar have difficulties that are peculiarly theirs. Let it be on record that, so far, Mr. Jomo Kenyatta has behaved with impeccable statesmanship at least as far as the white settlers and Asians are concerned. They make up the economy of Kenya and those that have remained must be prepared to accept changes that will inevitably follow. If, however, there is excessive haste in Africanisation, permanent damage will be done to the economy. Mr. Jomo Kenyatta's prime source of worry may well be the smaller tribes; some of these follow K.A.D.U. and others, such as the Somali look altogether to another sovereign country, Somalia. Much has been said about the arbitrariness of most African frontiers: they really are absurdly destitute of all logical criteria It is remarkable still how reluctant most African leaders are to readjust boundaries; and, when they do want it, it is really expansion in the name of rationalisation. Somalia would like to have the Northern Territories from Kenya and Ogaden from Ethiopia; Ghana would like a bit of Togo, if not all of it. Africa is so big, although it has some of the most pint-sized States of the world, that its problems are bound to be big too. Apart from expansionism, the other thing to watch is the growth, or otherwise, of liberalism. On this point Ghana last week set the worst possible example; its President, Dr. Nkrumah, sacked the Chief Justice because he had refused to find









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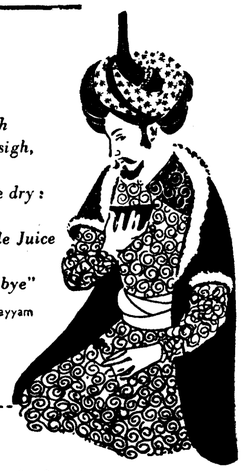
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Then said another with
a long-drawn sigh,
"My clay with long
oblivion is gone dry:
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Gold Coin Apple Juice
Methinks I might
recover by-and-bye"

...with apologies to Omar Khayyam





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guilty two ex-Ministers, ex-friends of the President. India's own judicial record has not improved since independence; but nothing so outrageous has happened here yet. Free from British rule since 1956, Ghana has now no freedom left. (The routine contradiction from the Ghana High Commission in New Delhi will be published when received.)

SPECULATION ABOUT WHAT THE WORLD OF THE future is going to be like is something that never ceases to be interesting. Which may account for my dedication to science fiction, but certainly explains why to me the present is tolerable at all. Take, for example, the fact that I have just had to write off my third shirt this month. The reason? The *dhobi*, of course. Sack him? There would be no point, for his successor would probably be worse. But not, I am sure, if it were to be an ultrasonic, soapless washing machine such as we are promised will be the vogue in 1988. That is according to Mr. Sebastian de Ferranti, and he ought to know, being the head of a major group of electronic companies. Mr de Ferranti has delivered this year's Keith lecture to the Royal Scottish Society of Arts in Edinburgh, and some of the developments he foreshadows make one's mouth water. Not the colour television sets which can be hung on the walls like pictures, although if, as Mr. de Ferranti predicts, newspapers will soon be transmitted on television channels and printed in the home, then that would be some consolation. But think of the electricity produced by the nuclear burning of hydrogen nuclei to helium which would be so cheap "it would not be worth while metering consumption". (I am sure somebody would think of taxing it, though.) And the "solid-state" device which would replace the electric lamp and "last the life of the house"? And along with "instant" newspapers, instant letters which would "come out of a machine in our offices the moment they are written". What a blessing that would be. Thus all I have to do to be free of the dual tyranny of my *dhobi* and the Calcutta postal authorities is to wait another 25 years. The prospect is a hopeful one. But by then we should have some of the things which that remarkable visionary Dr. Barnes Wallis (he invented the "bouncing" bomb, among other things) has been promising us too. Such as nuclear powered merchant submarines, which would presumably put Calcutta port out of business once for all, and aircraft flying at five times the speed of sound between Europe and Australia without refuelling, which would not do Dum Dum any good either. Yes, it is all very exciting. But I wonder how many shirts I shall have had to write off by then.

AS THIS IS THE LAST ISSUE OF *Capital* FOR 1963, I shall take the opportunity of thanking the many readers in India and abroad who have contributed so generously to the Christmas Toy Fund this year. The computation on an earlier page shows that the total in the Fund comes to Rs. 4,295.19 so far. It is gratifyingly better than the Rs. 3,868.20 we collected in 1962, but that of course was a poor year because of the sudden crop of competing calls on one's charity just after the Chinese invasion. I am disappointed, still, that the 1963 figure falls short of the total of Rs. 4,639.50 for 1961, so I should hasten to point out that the Fund has not yet closed for the year; there are still a few more days to go before Christmas, and we shall be glad to receive cheques, cash or toys as soon as you may care to send them. To those who have already sent their contributions, I can only express gratitude on behalf of the thousands of poor children into whose unfortunate lives they will be bringing a ray of happiness on Christmas morning. To others who intended to contribute to the Fund, but may perhaps have forgotten in the midst of their other pressing preoccupations, I would say: "Please send your gifts urgently, for there is still time; the sooner you send them, the surer we shall be of getting the toys to the children punctually." I hardly need add that the donations should be addressed to *Capital* Christmas Toy Fund, 5, Mission Row, Calcutta-1.

THE DITCHER

Guide for Investors

BETTER WORKING RESULTS FROM SCINDIA STEAM

COMMENTING on the improved results of the Scindia Steam Navigation Co. Ltd in his chairman's statement at the annual general meeting of the Company held in Bombay this week, Mr. Dharamsey M. Khatau said that the Company's performance had improved due to the rationalisation of the fleet and services. (A summary of the speech is printed on a later page in this week's issue of *Capital*). There has also been an upward revision of the freight rates. The increase in freights had long been overdue since they had remained steady at the same level since 1957. As for employing tramps to carry cargo now being transported by liners, Mr. Khatau felt that the move had resulted in wasteful competition. There is no point in competing with liners for the same cargo. The step, the chairman said, may hinder Indian shipping in international routes.

Referring to the one-man commission to review coastal freights, Mr. Khatau hoped that it would increase the rates to provide an adequate return on capital employed. Coastal vessels, he said, do not always get sufficient cargoes. So it is hoped that the Government will take steps to ensure that the vessels are fully employed. The Indian ships, which are operating along the coast, should be given a substantial part of the coal cargo over which the Government has control. Mr. Khatau suggested that an appropriate body like the Tariff Commission should be set up to fix freight rates after examining the operating costs. The latter have considerably increased due to bigger benefits given to dock labour under various awards and higher port charges.

The chairman took a fairly optimistic view of the prospects due to the recent spurt in the international freight market. He also hoped that the coastal freight rates would be raised in due course. As for the Konkan services, the amount of subsidy in lieu of the 8-percent increase in fares due from the Government has not yet been received. Since no agreement could be reached with the Maharashtra Government concerning the payment of its dues the Company did not resume these services from 1st September, 1963. They were resumed from 11th October, 1963, when the Maharashtra Government paid Rs. 4 lakhs on account. The chairman hoped that prompt measures would be taken by the committee to resolve the dispute with the Government. Meantime, the Company has taken steps to acquire new vessels which are expected to be ready in the near future.

J. K. Synthetics Resumes Dividend

J. K. SYNTHETICS Ltd has declared a taxable ordinary dividend of 10 percent, including an interim of 5 percent, for the year ended June 1963. The dividend was passed for 1961-62. At the present price of Rs. 12.87 a share of Rs. 10 each, the yield works out to 7.7 percent. Sales rose from Rs. 25.50 lakhs to Rs. 1.44 crores, but the working was interrupted by an acute shortage of raw materials. The directors say that the Company's application for an industrial licence to set up its own plant for producing caprolectum, which is an essential raw material, has not yet been sanctioned by the Government. It is relevant to mention that 1962-63 has been the first year during which the Company's plant worked fully. Steps have been taken to manufacture high tensile yarn for defence purposes, and a braiding plant has been installed to execute defence orders. Fixed assets have been raised by Rs. 20.84 lakhs. Further orders, amounting to Rs. 28 lakhs, have been placed for plant and equipment.

The profit has amounted to Rs. 26.31 lakhs for 1962-63, after providing Rs. 11.87 lakhs (against Rs. 15.68 lakhs) for depreciation and Rs. 20 lakhs for development rebate. The Company incurred a loss of Rs. 9.94 lakhs for 1961-62. General reserve is allocated Rs. 4 lakhs and dividends declared absorb Rs. 12.50 lakhs. The carry-forward is Rs. 30,393.

Birla Sugar Mill Group Results

THE reports of the Birla group of sugar mills for the year ended June 1963 have been published. Production has declined, except for New India Sugar, due to the shortage of cane supplies, although recovery has improved. As a result, the profit has dropped all-round. The directors say that the excise duty rebate sanctioned by the Government to stimulate production during the current season may benefit the factories only marginally. They think that the price of sugar fixed by the Government will not be sufficient to cover the rising production costs and the increased price of sugarcane.

The Bharat Sugar Mills Ltd has made a profit of Rs. 5.98 lakhs, against Rs. 6.89 lakhs for 1961-62, after transferring Rs. 62,858 (against Rs. 96,471) to depreciation. A taxable ordinary dividend of 15 percent has been maintained. The yield amounts to 9.4 percent at the present price of Rs. 16 a share of Rs. 10 each. Taxation reserve absorbs Rs. 4.40 lakhs, contingency reserve Rs. 19,768 (against Rs. 6,562) and dividend reserve Rs. 2.50 lakhs. The dividends declared will be paid out of the last mentioned reserve. The carry-forward is Rs. 9,429, against Rs. 20,705 brought in. The cane crush declined from 116,566 tons to 57,608 tons, but recovery improved from 9.58 percent to 9.94 percent. During the current 1963-64 season, the cane crush should amount to 68,000 tons. The Company's farms produced 1,217 tons of cane. About 2,050 tons of cane are expected to be produced during the current season.

The profit of Gobind Sugar Mills Ltd has declined from Rs. 7.43 lakhs to Rs. 5.7 lakhs, after providing Rs. 2.80 lakhs (against Rs. 2.95 lakhs) for depreciation and Rs. 31,000 (against Rs. 6,000) for development rebate reserve. The taxable ordinary dividend of 20 percent has been maintained and will be paid out of dividend reserve which is allocated Rs. 1.50 lakhs. The yield works out to 19.04 percent at the present price of Rs. 10.50 a share of Rs. 10 each. Taxation reserve absorbs Rs. 3.70 lakhs, renewal reserve Rs. 50,000 and contingency reserve Rs. 33,417 (against Rs. 1,075). The carry-forward is Rs. 3,093, against Rs. 19,428 brought in. The cane crush declined from 151,958 tons to 144,339 tons, but the recovery rose from 9.64 percent to 10.38 percent. The smaller crush has been due to restrictions imposed by the Government on sugar production and also because of insufficient rainfall. There has also been diversion of cane to the manufacture of *gur* and *khandsari*. The cane crush is expected to be about 130,600 tons during the current season.

The New India Sugar Mills Ltd has maintained the taxable ordinary dividend at 36.5 percent. At the present price of Rs. 31 a share of Rs. 10 each, the yield amounts to 11.77 percent. The profit has improved from Rs. 8.16 lakhs to Rs. 10.75 lakhs after transferring Rs. 2.22 lakhs (against Rs. 2.54 lakhs) to depreciation and Rs. 16,844 (against Rs. 8,119) to development rebate reserve. General reserve is allocated Rs. 19,877, taxation reserve Rs. 6 lakhs, special reserve Rs. 25,000, contingency reserve Rs. 28,841 (against Rs. 7,200) and renewals reserve Rs. 50,000. Dividend reserve is allocated Rs. 3.49 lakhs. Out of this, the dividends declared will be paid. The carry-forward is Rs. 10,710, against Rs. 7,890 brought in. The cane crush dropped from 197,540 tons to 124,343 tons, although the recovery improved from 9.03 percent to 9.92 percent. The cane crush is expected to be about 112,000 tons during the current season.

Champarun Sugar Skips Again

THE Champarun Sugar Co. Ltd has again passed the dividend for the year ended June 1963. The trading profit has amounted to Rs. 3.67 lakhs. Out of this, depreciation absorbs Rs. 2.12 lakhs (against Rs. 2.27 lakhs) and development rebate reserve Rs. 98,711 (against Rs. 27,820). The debit balance brought in has, therefore, been reduced to Rs. 8.51 lakhs which has been carried forward. Sales rose from Rs. 2.20 crores to Rs. 2.44 crores. The crushing season was very short and the factories worked for only 103 days (against 192 days) at the Barrah unit and for 90 days (against 201 days) at the Chanpatia unit. There was an acute shortage of cane supplies. The working of the Barrah factory was affected by frequent mechanical breakdowns. The Barrah factory had a cane crush of 728,634 quintals (against 1.4 million quintals), but recovery improved from 8.66 percent to 9.48 percent. The Chanpatia factory's crush declined from 1.5 million quintals to 628,971 quintals and recovery rose from 9.03 percent to 10.35 percent.

The directors have undertaken the first phase of the rehabilitation programme to improve the factories' operational efficiency. They are nevertheless worried because the increased sugar price sanctioned for east U. P. and north Bihar is not sufficient to compensate for the rise in the cane price. Attention has been given to develop cane cultivation during the current season.

Anaparai Estates Raises Dividend

DUE to a rise in the profit for the year ended June 1963, the directors of Anaparai Estates Ltd have stepped up the dividend to 15 percent from the previous year's 10 percent. The net profit amounts to Rs. 4,64,370, against Rs. 1,90,802 for the previous year. With the amount of Rs. 5,581 brought forward, the total available for appropriation comes to Rs. 4,69,951. Out of this, the provision for taxation is Rs. 2,54,000 (against Rs. 74,000). The dividend at 15 percent accounts for Rs. 1,81,176, leaving a balance of Rs. 34,775 which is carried forward.

The coffee produced has been valued at Rs. 2.10 a point. The total coffee crop realised for the year amounted to about 500 tons, against 468 tons in the previous year. The points awarded for coffee submitted to the Coffee Pool for the year amounted to 581,955, against 576,959 points awarded originally plus 441.839 bonus points awarded for the previous year. The reduction in basic points awarded for the various grades of coffee continues. It is expected that for the current year's crop also, bonus points may be awarded. The crop for 1963-64 is estimated at 510 tons.

Kirlampudi Sugar Mills Loses

ABNORMALLY low crushing for want of cane and the low price of sugar, mainly contributed to the adverse working results of the Kirlampudi Sugar Mills Ltd during the year ended June 1963. The Company had to face a number of financial problems on account of large payments towards the cane cess, to cane growers and others. The working has, therefore, resulted in a net loss of Rs. 16,12,196, against a net profit of Rs. 30,618 in the previous year, after providing Rs. 3,58,758 for depreciation (against Rs. 3,72,843) and Rs. 33,444 for development rebate (against Rs. 14,720). After deducting from the loss of Rs. 16,12,196, the sum of Rs. 1,40,607 brought forward from the previous

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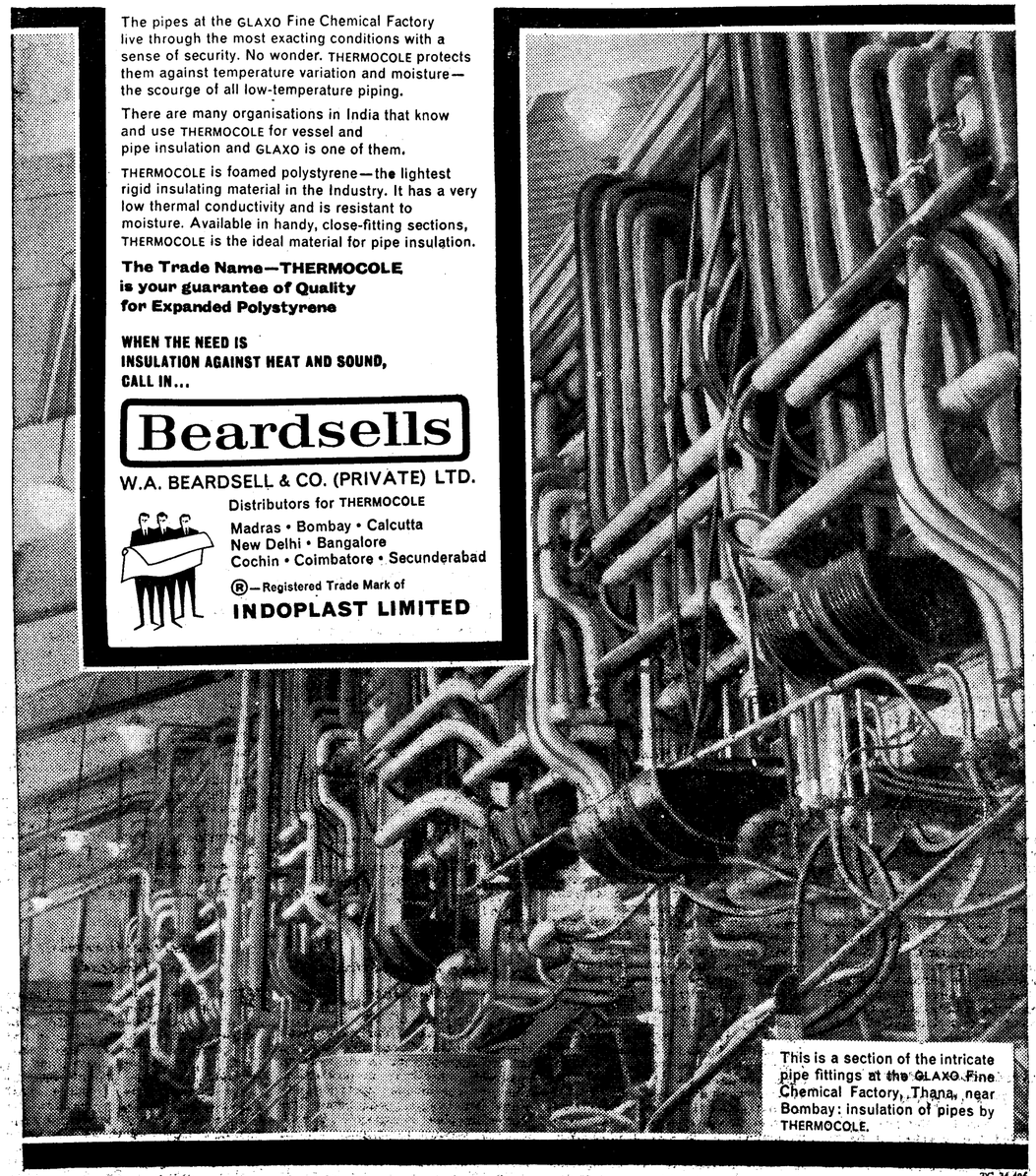
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year, the balance loss of Rs. 14,71,589 is carried forward.

The Company's factory crushed only 44,534 tonnes of cane during the year, with a recovery of 10.09 percent, compared with 105,147 tonnes in the 1961-62 season with a recovery of 70.02 percent. There is a sum of Rs. 5,58,657 standing to the credit of the debenture sinking fund. As the entire debenture amount has been paid off and the debentures have since been cancelled, the amount of Rs. 5,58,657. the report says, can be transferred to the profit and loss account and reduce the carry-forward loss to Rs. 9,12,932.

The factory has contracted for obtaining cane supplies amounting to about 120,000 tonnes for the current season and has already started crushing since 21st November, 1963. The Central Government has fixed the price of cane at Rs. 53.58 a tonne for this factory, against Rs. 44.60 a tonne in the previous season, with the corresponding increase in the price of sugar from Rs. 109.85 to Rs. 117 a quintal. The directors hope that in view of the increase in the price of cane and the easiness in the price of jaggery, the factory would be able to obtain satisfactory cane supplies and thus produce encouraging results for the current season.

Investment Trust Earns More, Pays the Same

THE working of the Investment of Trust of India Ltd for the year ended September 1963, has resulted in an improved net profit of Rs. 81,075, compared with Rs. 45,035 in the previous year. The dividend is maintained at 6 percent (the same). With the amount of Rs. 14,122 brought forward, the total comes to Rs. 95,197. Out of this, a sum of Rs. 20,000 is transferred to general reserve. The proposed dividend of 6 percent will absorb Rs. 60,000, leaving a balance of Rs. 15,197 which is carried forward.

The directors' report says that during the year, the investment market passed through a difficult period. While the Chinese aggression had its impact on equity values and investment psychology, the defence-oriented Budget for 1963-64 caused a heavy contraction in investment activity. The report adds that introduction of super profits tax impaired the capacity of companies to plough back adequate funds and also to maintain a reasonable dividend, although many established companies with a certain amount of strain, managed to maintain the previous rate of dividend, falling back on past resources. The Company's investment in ordinary shares amounted to 93.9 percent of the total investment, and preference shares and Government prize bonds amounted to 6.1 percent. Industrywise, the distribution of the Company's investments was 30.8 percent in plantations, 26.1 percent in textiles, 13.9 percent in engineering, 7.4 percent in cement, 3.5 percent in banking and insurance, 6.4 percent in sugars and chemicals, 5.5 percent in paper, 2.3 percent in rubber and tyres and 4.1 percent in miscellaneous shares.

Kelvinators Reports Fair Progress

IN their report for the year ended June 1963, the directors of Kelvinators of India Ltd state that the construction of the factory was completed in the first half of the year, and the balance of imported and indigenous machinery was installed. Except for the highly precision machines for compressor manufacture, machines put to use have been functioning satisfactorily and the trial runs on the rest of the machines are in progress. Vital components and raw materials worth Rs. 5.46 lakhs had been ordered, but very necessary consignments needed for the first phase reached the factory around the end of the year and later. Since the close of the year, the Company has been actively engaged in the first phase of refrigerator production. During 1962-63, the factory fabricated 500 cooler assemblies on a contract basis as it was decided to use the idle machine time, but this brought no financial gain to the Company. Its sales during the year amounted to Rs. 1.42 lakhs only The profit and loss account for 1962-63 shows a loss of Rs. 5.01 lakhs, after providing Rs. 1.84 lakhs for depreciation. The provision for depreciation in the preceding year amounted to Rs. 19,637.

Mahindra Ugine Scrip for Mahindra Shareholders

MAHINDRA and Mahindra Ltd has received the Government's sanction for offering privately at par 150,000 equity shares of Rs. 10 each of Mahindra Ugine Steel Co. Ltd to the equity shareholders of Mahindra and Mahindra whose names stand on the register of members as on 31st December, 1963. The Company has also been permitted by the Government to offer additional 50,000 equity shares in the first instance to the staff and workers of Mahindra and Mahindra and of its associate Companies.

The Government has, however, stipulated that these privately offered shares cannot be sold or transferred for a period of one year from the date of allotment. These shares will not be considered as rights issue in the terms of Section 81 of Companies Act. The basis of allotment of shares to the existing shareholders is as follows: 20 shares of Mahindra Ugine for those holding 1 to 200 shares of Mahindra and Mahindra, 50 shares for 201 to 500, 60 for 501 to 1,000, 70 for 1,001 to 2,000, 100 for 2,001 to 3,000, 125 for 3,001 to 5,000, 150 for 50,001 to 10,000 and 175 to 10,000 onwards. The shareholders have, however, been given the option to apply for additional shares.

Kamani Metal Earns More

THE working results of Kamani Metal and Alloys Ltd for the year ended June 1963 show an improvement over the previous year's performance in that both sales and gross profit are higher. But as against an increase of about 26 percent in the sales from Rs. 2.315 crores to Rs. 2.913 crores, the gross profit shows only a modest rise of less than 3 percent from Rs. 34.50 lakhs to Rs. 35.50 lakhs. In spite of the higher profit, the equity dividend has been reduced from 2 percent to 17 percent because of lower disposable surplus following an increase of about Rs. 5 lakhs in the tax provision. After providing Rs. 5.47 lakhs (against Rs. 5.66 lakhs) for depreciation, Rs. 65,000 (against Rs. 50,000) for development rebate reserve, Rs. 19.50 lakhs (against Rs. 14.60 lakhs) for tax reserve and an additional Rs. 1.44 lakhs (against 1.58 lakhs) for taxes for the preceding years, the net profit amounts to Rs. 6.10 lakhs, against Rs. 10.19 lakhs in the previous year. A sum of Rs. 1.80 lakhs (against Rs. 3.70 lakhs) has been set aside for general reserve. Preference dividend absorbs Rs. 92,000 (the same) and equity dividend accounts for Rs. 3.40 lakhs (against Rs. 5.60 lakhs). After making all these appropriations and certain minor adjustments, there remains a sum of Rs. 3,492 to be carried forward, against Rs. 6,046 brought in.

The directors state that the combined production of commercial and industrial quality sheets have remained more or less unchanged. The Company has been successful in manufacturing nickel-silver strips but due to the shortage of foreign exchange to import nickel, bulk production of this item could not be taken up. The Company has embarked on a planned programme of further diversification which would involve a capital investment of Rs. 66 lakhs. The Industrial Finance Corporation has agreed, in principle, to sanction a loan of Rs. 41 lakhs. The balance is to be met out of the Company's internal resources and the new equity capital of Rs. 10 lakhs issued in June 1963. Kamani Metal has acquired a controlling interest in Avineh S. A Tehran. It has also entered into a technical collaboration agreement with the Iranian firm and necessary financial assistance is also being provided. Technical collaboration agreement has been signed with Imperial Metal Industries (Kynoch) Ltd. Birmingham, a subsidiary of I. C. I., for the manufacture of sheets, strips and coils of copper and copper brass alloys.

Paper and Pulp Fares Well

THE Paper and Pulp Conversion Ltd reports encouraging results for the year ended July 1963. Sales are up by about 16.7 percent from Rs. 81.42 lakhs to Rs. 95.06 lakhs and the gross profit has risen by 19 percent from Rs. 9.03 lakhs to Rs. 10.75 lakhs. The dividend has been maintained at 9 percent. After adding Rs. 1.16 lakhs. being excess provision of liability written back. Rs. 1.01 lakhs transferred from contingency reserve and Rs. 23,000 from deferred taxation reserve, the directors have set aside Rs. 4.74 lakhs (against Rs. 4.64 lakhs) for depreciation, Rs. 97,400 (against Rs. 32,000) for development rebate, Rs. 5.71 lakhs (against Rs. 2.63 lakhs) for taxation and Rs. 1.78 lakhs (against nil) for dividend reserve. The proposed dividend is to be paid out of the dividend reserve. The directors state that the rising prices of raw materials, power, fuel, chemicals and enhanced burdens on account of war risks insurance and super profits tax nullified the benefit from Rs. 60 a tonne increase in the selling prices of paper. The machinery division of the Company sold equipment worth Rs. 1.97 lakhs besides manufacturing machinery worth Rs. 6.49 lakhs for the Company's own use. The Central Pulp Mills' project sponsored by the Company, it is said, has gained momentum.

Lower Dividend from Phosphate

THE directors of the Phosphate Co. Ltd take a fairly optimistic view about the Company's working for the current year in view of the possibility of a rise in production. The new continuous superphosphate plant has begun production. The ferro-alum plant is expected to reach the full production capacity in the near future. Meanwhile, the Company has issued 9,000 ordinary shares of Rs. 100 each at par to raise funds for expansion. The ordinary share capital has, therefore, been increased to Rs. 31.5 lakhs divided into shares of Rs. 100 each.

The profit has declined from Rs. 12.48 lakhs for 1961-62 to Rs. 10.49 lakhs for the year ended June 1963, after providing Rs. 4.70 lakhs (against Rs. 1.51 lakhs) for depreciation, Rs. 1.22 lakhs (against Rs. 3.23 lakhs) for development rebate and Rs. 6.50 lakhs (against Rs. 5.70 lakhs) for taxation. The taxable ordinary dividend has been cut from 17.5 percent to 15 percent. At the present price of Rs. 167 a share, the yield amounts to 8.9 percent. General reserve is allocated Rs. 1 lakh (the same) and dividend reserve Rs. 3.38 lakhs. Out of the latter reserve, the declared dividends will be paid. There is a carry-forward of Rs. 11,012, against Rs. 1.71 lakhs brought in. The demand for the Company's products has steadily increased. The directors think that the demand for fertilisers and mixtures will increase considerably due to the agricultural development programmes.

Ruby Rubber Pays the Same

DUE to a substantial increase in sales, Ruby Rubber Works Ltd has earned a higher net profit of Rs. 1,11,942.34 for the year ended June 1963, after providing for all charges and depreciation and also Rs. 45,000 for taxation. The net profit for the previous year was Rs. 95,559.74. With the amount of Rs. 1,684.38 brought forward, the total available for appropriation comes to Rs. 1,13,326 72. Out of this, the dividend at 10 percent on preference shares, subject to tax, amounts to Rs. 49,882. Development reserve gets Rs. 17,000 (against Rs. 2,280). The proposed dividend on ordinary shares at 4½ percent (against 4½ percent) accounts for Rs. 40,057.20. The balance of Rs. 2,187.52 is carried forward.

The directors say that the closing quarter of the financial year almost coincided with the power cut in Kerala which considerably affected production. The profit earned has not been in tune with the higher turnover of business, chiefly on account of the larger investment on heavy excise duty, increased cost of raw materials and chemicals and the higher rate of duty paid on carbon black and other chemicals. The demand for bicycle tyres and tubes showed a steady increase and the Company's machinery was geared up for maximum production.

There was an acute shortage of bead wire rings used in bicycle tyres. But it is said that this problem has been partially solved by the arrangements recently completed towards the local fabrication of the rings from steel wire purchased indigenously. The directors state that the Company has decided by a special resolution to sell the Bangalore branch business and assets to the Manimala Estates Ltd.

Motor and General Cuts Dividend

THE Motor and General Finance Ltd has reduced the dividend for the year ended June 1963 from 40 percent to 30 percent and even for the payment of the reduced dividend, the directors have had to withdraw a large amount—Rs. 7.20 lakhs—from general reserve. All this became necessary because the Company has had to provide a huge sum for super profits tax. The Company's working results are not unsatisfactory in that the gross profit is slightly higher at Rs. 41.92 lakhs, against Rs. 41.18 lakhs in the preceding year. While sales are down from Rs. 47.77 lakhs to Rs. 20.57 lakhs, hire-purchase charges fetched



1788
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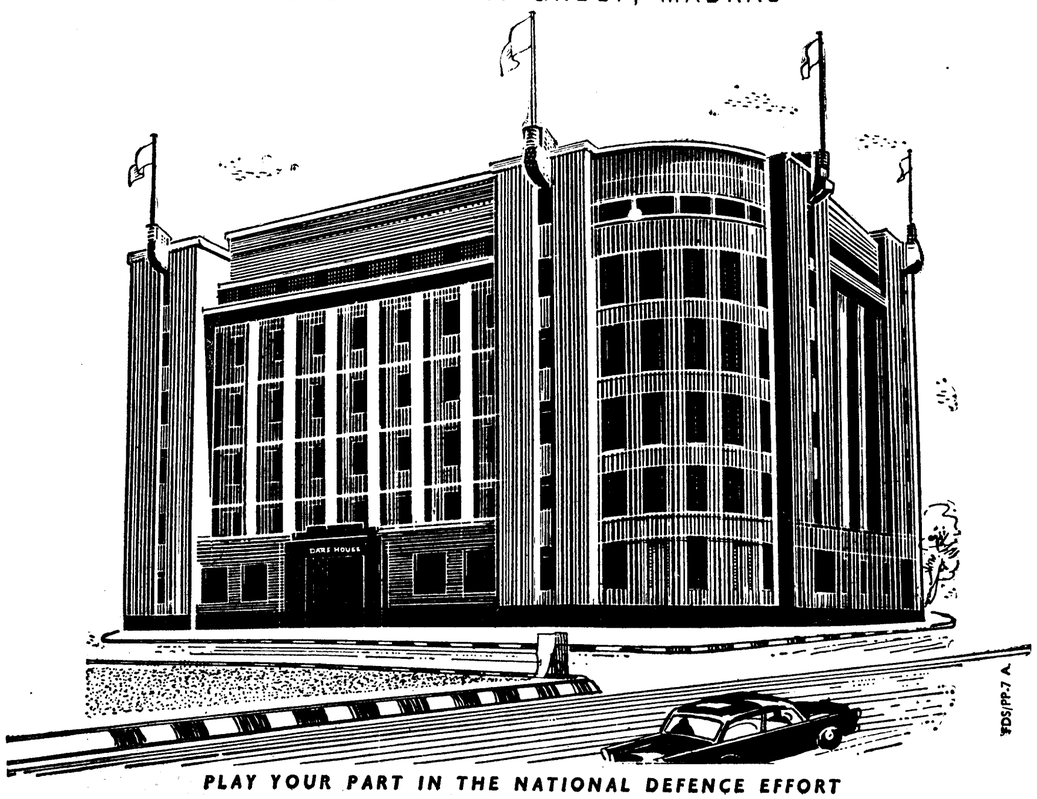
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Rs. 68.23 lakhs, against Rs. 63.50 lakhs and income from investments also shows a small increase from Rs. 1.18 lakhs to Rs. 1.33 lakhs.

After providing Rs. 12,165 (against nil) for development rebate reserve and Rs. 25.50 lakhs (against Rs. 19 lakhs) for taxation, including Rs. 5.85 lakhs for super profits tax, the net profit amounts to Rs. 12.72 lakhs, (against Rs. 18.06 lakhs in 1961-62) From this the directors have set aside Rs. 6 lakhs for super profits tax for the assessment year 1963-64 and a further sum of Rs. 3.50 lakhs has been transferred to super profits tax reserve, leaving a surplus of Rs. 3.22 lakhs. This has been supplemented by transferring Rs. 7.20 lakhs from general reserve. The proposed 30 percent dividend absorbs Rs. 9.60 lakhs. After making minor adjustments, there remains a balance of Rs. 5,135 to be carried forward, against Rs. 13,223 brought in. The directors state that the complete withdrawal of commercial vehicles from civilian use necessitated by the emergency after the Chinese invasion has been partially relaxed and they expect better results for the current year.

Kolhapur Sugar Earns More

THE working results of Kolhapur Sugar Mills Ltd for the year ended June 1963, show that the Company has fared much better than in the preceding year. The sales are up by 50 percent from Rs. 3.17 crores to Rs. 4.73 crores, and the gross profit of Rs. 54.64 lakhs shows an increase of nearly 17 percent over the previous year's figure of Rs. 46.72 lakhs. After providing Rs. 20.24 lakhs (against Rs. 19.13 lakhs) for depreciation, Rs. 60,000 (against Rs. 96,000) for development rebate and Rs. 18.30 lakhs (against Rs. 12 lakhs) for taxation, the net profit for 1962-63 amounts to Rs. 12.68 lakhs, against Rs. 12.16 lakhs in the preceding year. With Rs. 88,432 brought forward from the previous year and adding Rs. 3.92 lakhs, being refund of tax, the disposable surplus amounts to Rs. 14.48 lakhs. Allocation to general reserve has been stepped up from Rs. 5 lakhs to Rs. 8 lakhs and a sum of Rs. 1.90 lakhs (against nil) has been set aside for dividend equalisation reserve.

The directors have transferred Rs. 7.50 lakhs to dividend reserve out of which is to be paid the proposed 10 percent dividend absorbing Rs. 7.47 lakhs. After making various appropriations, there remains a small sum of Rs. 8,672 to be carried forward. The Company has been licensed to manufacture 900 tonnes a year of ethyl acetate, 5,400 tonnes of carbon dioxide gas and 3,600 tonnes of dry ice. The directors state that the commissioning of the acetic acid plant has been delayed because of the delay in obtaining essential machinery and power line. The plant has now been erected, and it is likely to be commissioned early next year.

Madras Alloy and Stainless Steels

A NEW Company, Madras Alloy and Stainless Steels Ltd, will manufacture tool and die steels and stainless steel sheets up to one metre wide, and British assistance will help to meet the growing demand for these special types of steel in India. Two firms in Sheffield will train personnel from the Indian firm, whose plant is being designed by British metallurgical engineers. A spokesman for one of the two British firms—English Steel Corporation Ltd and Firth-Vickers Stainless Steels Ltd—said they would advise on the types of machinery to be installed. The new Indian Company will automatically benefit from English Steel Corporation's steel works recently opened for the production of high-quality alloy steels on a "flow-line" basis, which is claimed to be the most advanced of its type in Europe.

New Kaiser-I-Hind Disappoints

THE New Kaiser-I-Hind Spinning and Weaving Co. Ltd reports disappointing results for the year ended March 1963. Despite an increase of about 36 percent in the sales from Rs. 2.456 crores to Rs. 3.336 crores, the Company has incurred a loss of Rs. 26.81 lakhs without providing any depreciation; in 1961-62, it had made a profit of Rs. 21.15 lakhs. The dividend has been skipped for the sixth year in succession. Preference dividend is also in arrears since 1957-58. The directors attribute the Company's disappointing performance to a "multitude of adverse factors".

The Company has been making efforts to switch over to fine and fancy varieties such as suitings, shirtings, poplins, prints, etcetera, but the scheme of voluntary price regulation and stamping of cloth has, according to the directors, proved hard on newcomers in the field of finer varieties. Adverse trading conditions led to the accumulation of stocks, particularly of grey goods for processing. The profit margin was further squeezed by the high prices of cotton and the rise in overhead costs.

The loss for 1962-63 would have been higher by Rs. 7.72 lakhs but for the change in the valuation of closing stocks. At the end of March 1963, accumulated losses stood at Rs. 37.74 lakhs. The liability concerning preference dividends amounts to Rs. 5.85 lakhs and arrears of depreciation add up to Rs. 13.16 lakhs. Because of the extremely difficult financial position, the pace of the Company's modernisation has slowed down. However, the directors are exploring every possibility of quickening the pace of modernisation and improving the working of the mills. Barring some unforeseen circumstances, the directors are hopeful of the Company showing better results in future. The Rs. 100-paid share of New Kaiser-I-Hind is currently quoted around Rs. 53.

Mohatta and Heckel to Enter Market

PROMOTED by B. R. Herman and Mohatta (India) Private Ltd, Mohatta and Heckel Ltd which proposes to set up a factory in Khopoli (Maharashtra State) for the manufacture of steel wires and wire ropes will soon be in the market to raise funds for the proposed venture. The factory will have a capacity of 5,000 tons of steel wires and ropes a year. The project is estimated to cost Rs. 1.25 crores which is proposed to be met by the issue of equity shares worth Rs. 50 lakhs and preference shares of the value of Rs. 15 lakhs, a loan of Rs. 35 lakhs from the I.C.I.C.I. and the balance by bank borrowings. Out of the total issue, equity shares worth Rs. 10.75 lakhs will be subscribed by the promoters, directors and their friends and equity shares of the value of Rs. 10.60 lakhs will be taken up by the foreign collaborators, George Heckel GmbH, West Germany.

The remaining equity shares worth Rs. 28.50 lakhs and preference shares worth Rs. 15 lakhs will be offered for public subscription shortly. The I.C.I.C.I. has agreed, in principle, to provide a rupee loan of Rs. 35 lakhs. The Company has already received import licences and sanctions for the import of plant and orders for the major part of the plant have been placed. If all goes according to the promoters' plans, the factory is likely to go into production by the end of 1964.

Simon-Carves Share Offer Soon

SIMON-CARVES of India Ltd which is taking over the Indian business of Simon-Carves Ltd of the U. K. by purchasing all its assets and the goodwill for Rs. 60 lakhs will soon be in the market to raise Rs. 22 lakhs through public subscription. The firm will undertake engineering works, including the preparation of designs, drawings, procurement of machinery, equipment and tools and the construction and commissioning of plants. The parent firm in the U. K. will act as the technical consultants. Simon-Carves Ltd of the U. K. has executed many important contracts, particularly in steel and chemical industries, in both the public and private sectors.

The new Company has an authorised capital of Rs. 1 crore—all in equity shares of Rs. 10 each. The issued capital will be Rs. 60 lakhs. Out of this, shares worth Rs. 35 lakhs have been allotted to Simon-Carves Ltd of the U. K. for consideration other than in cash. The U. K. firm has also agreed to subscribe for another 10,000 equity shares. The directors, their friends and associates are taking up shares of the value of Rs. 2 lakhs. The remaining 220,000 equity shares will soon be offered for public subscription.

Share Offer from Borax Morarji

BORAX Morarji Ltd which has been licensed to manufacture 17,000 tons a year of borax and 3,000 tons of boric acid is offering 17,991 equity shares of Rs. 50 each at par. The subscription list will open on 6th January, 1964, and close on 15th January or earlier, but not before 8th January. The Company has been promoted by Dharamsi Morarji Chemical Co. and Borax (Holdings) Ltd of London. The factory will be located in Ambernath (Maharashtra). The project is estimated to cost Rs. 65 lakhs, which it is proposed, will be met by the share capital of Rs. 30 lakhs and bank borrowings of Rs. 35 lakhs.

The Company will have an authorised capital of Rs. 1 crore in equity shares of Rs. 50 each. The issued capital will be Rs. 30 lakhs of which shares of the value of Rs. 7.50 lakhs are being allotted to Dharamsi Chemical and Rs. 13.50 lakhs to the foreign collaborators. The remaining 17,991 equity shares which are to be offered for public subscription have been underwritten by Devkaran Nanjee Banking Co. Ltd. The British firm which is collaborating in the venture will provide the designs, drawings, etcetera, for the plant and machinery and supply the technical know-how. The Company has obtained the licence to import the necessary plant and equipment worth Rs. 7.96 lakhs.

The main raw materials required in the manufacture of borax and boric acid are sulphuric acid, which will be supplied by Dharamsi Morarjee, and boron which will need to be imported until such time as it has not been indigenously produced. The technical collaborators will assist in procuring this raw material. The plant is being designed to meet requirements of further expansion in order to cope with the steadily growing demand for borax and boric acid. The board of directors includes Mr. Raghavan Pillai, Mr. N. Dandekar, Mr. C. M. Houlton, Dr. D. R. Weeks, Mr. P. R. Morarji, Mr. S. P. Patel, Mr. D. R. Mararji, Mr. P. G. Kendell and Mr. R. A. Shah.

Mysore Acetate Will Enter Market Soon

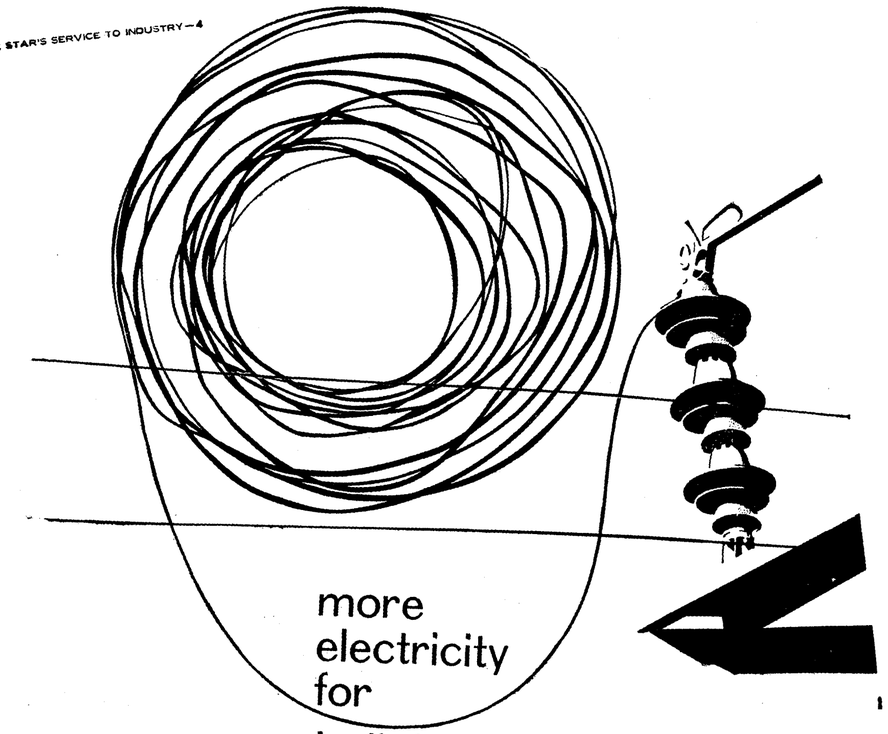
SPONSORED by the Mysore Sugar Company Ltd, Mysore Acetate and Chemicals Co. Ltd is likely to enter the capital market some time in April to raise Rs. 67 lakhs through public subscription to meet a part of the cost of its Rs. 4.15-crore project for the manufacture of cellulose triacetate and secondary acetate moulding compounds. The factory will be located in Mandya in Mysore State. In the initial stages, the Company will manufacture annually 1,200 tons of cellulose triacetate and 2,400 tons of cellulose acetate. Cellulose triacetate is the raw material for the raw film industry and cellulose acetate is required for the manufacture of moulding powders for the plastic industdy. The raw materials required are acetic acid, acetic anhydride, cotton linters, plasticisers, etcetera. If all goes well, the factory is likely to go into production in the latter half of 1966 and, when in full production, the Company will have a turnover of about Rs. 3.8 crores.

Out of the Rs. 4.15 crores which will be required for the project, Rs. 3.65 crores will be spent on plant and machinery and buildings. Working capital requirements are estimated at Rs. 22 lakhs. The cost of imported machinery is placed around Rs. 1.75 crores. The cost of the project is proposed to be met from the share capital of Rs. 2.25 crores, loans in foreign currency amounting to Rs. 1 crore from the Export-Import Bank, Washington, and of Rs. 75 lakhs from the I.C.I.C.I. and rupee loans amounting to Rs. 15 lakhs. The I.C.I.C.I. has already sanctioned a loan of Rs. 54 lakhs and the balance of Rs 21 lakhs is under negotiation. The Company has an authorised capital of Rs. 5 crores—all in equity shares of Rs. 100 each. The issued capital will be Rs. 2.25 crores of which shares worth Rs. 10 lakhs will be subscribed by the directors and their friends, Rs. 30 lakhs by the Mysore Sugar Company and Rs. 50 lakhs by the Mysore State Government.

Von Kohorn Universal Corporation, New York, which is collaborating in the venture will take up shares of the value of Rs. 58.50 lakhs for consideration other than cash in part payment



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of the cost of plant and machinery, know-how, etcetera. The other technical collaborators, Aktiebolaget Chematur, Ankdamngatan, Sweden, will subscribe for shares worth Rs. 9.30 lakhs for consideration other than cash in part payment of the cost of plant and machinery, etcetera. The balance of Rs. 67 lakhs will be offered for public subscription. Efforts are being made to get the entire public issue underwitten.

Pulgaon Cotton Cuts Dividend

DESPITE a modest increase in the sales from Rs. 1.73 crores to Rs. 1.78 crores, the gross profit of Pulgaon Cotton Mills Ltd for the year ended June 1963, is down from Rs. 5.95 lakhs to Rs. 4.58 lakhs. The profit margin is said to have been squeezed by the rise in cotton prices and other manufacturing costs which were only partially offset by the improvement in working and efficiency. The setback in the profit has obliged the directors to reduce the dividend from 60nP to 40nP a share.

Appropriations of the gross profit include depreciation Rs. 2.52 lakhs (against Rs. 2.26 lakhs), development rebate reserve Rs. 82,000 lakh (against Rs. 33,000) and general reserve Rs. 2.50 lakhs (against nil). A sum of Rs. 1 lakh has been transferred to the dividend reserve out of which is to be paid the proposed dividend absorbing Rs. 60,000, against Rs. 90,000 in the preceding year. After making their allocations, there remains a sum of Rs. 5,000 to be carried forward, against Rs. 3.10 lakhs brought in. The directors expect the Company to show better results for the current year. The cotton supply position is better and steps are being taken to improve efficiency.

Engel India Machines Share Offer

ENGEL India Machines and Tools Ltd, which is setting up a plant near Calcutta for the manufacture of injection moulding machines and moulds with Austrian collaboration, is expected to go into production by October 1964. The Company will enter the capital market on 16th December with a public issue of Rs. 25 lakhs in equity shares of Rs. 10 each, its issued capital being Rs. 50 lakhs. The subscription list will close on 24th December or earlier, but not before 18th December. A sum of Rs. 2.50 a share is payable on application and a like amount on allotment. The entire public issue has been underwritten by institutions like the Life Insurance Corporation, Industrial Finance Corporation of India, the Central Bank of India, Canara Bank and the firms of brokers. Shares of the Company will be listed on the Calcutta Stock Exchange in due course.

The Company was incorporated in April 1962 for the manufacture of injection moulding machines and moulds for the plastic industry with the financial and technical collaboration of Maschinenfabrik Ludwig Engel K. G. of Austria. The factory site is located in a highly industrial area and is served by good roads and is close to Calcutta port as well as other engineering industries. The Company has been assured of an adequate supply of power. Most of the raw materials required for the manufacture of injection moulding machines and moulds are available locally and those which are not can be procured readily from established importers with the exception of certain electrical control equipment and hydraulic devices which will have to be imported. The factory building is nearing completion. Orders for plant and machinery, both imported and indigenous, have been placed. The collaborators have also agreed to earmark certain territories in the neighbouring countries with exclusive export rights for the Indian Company.

The Company proposes to produce 300 machines a year in the first stage and such quantity of moulds as may be desirable. There should be no difficulty in finding a market for the Company's products. Union Carbide India Ltd, a leading manufacturer of plastic raw materials, has been appointed as sole selling agents. Progress towards the implementation of the project has been considerable. The directors think that after production has been stabilised, the Company should be able to pay a reasonable dividend to the shareholders.

Bababudin Coffee Repeats

A MARKED rise in the crop, lower production cost and maintenance of the dividend at 6 percent on ordinary shares (the same) feature the working results of Bababudin Coffee and Produce Co. Ltd for the year ended June 1963. The net profit for the year amounts to Rs. 60,360.36, compared with a net loss of Rs. 84,984.04 for the previous year. With the amount of Rs. 487.61 brought forward and with Rs. 13,042.93 being surplus tax provision for the previous years, the available surplus comes to Rs. 73,890.90. Last year, the dividend was paid by transferring Rs. 64,000 from general reserve and Rs. 42,000 from dividend equalisation reserve. The dividend on preference shares at 6.035 percent amounts to Rs. 18,104. The ordinary dividend at 6 percent absorbs Rs. 24,000. Dividend equalisation reserve gets Rs. 29,000. The balance of Rs. 2,786.90 is carried forward.

Mysore Sugar Maintains

ALTHOUGH the dividend has been maintained at 30 percent. the working results of the Mysore Sugar Company Ltd for the year ended June 1963 are extremely disappointing. The gross profit has been nearly halved from Rs. 20.56 lakhs to Rs. 10.59 lakhs. Several factors contributed to the Company's disappointing performance during 1962-63. Sugar output fell from 38,056 tonnes to 27,390 tonnes because of the poor supply of cane. Sugarcane crushed during the season was 259,654 tonnes, against 385,016 tonnes in the preceding season. The output of alcohol was down from 713,268 gallons to 646,013 gallons.

Apart from reduced output, the Company had to bear an extra burden of Rs. 9.16 lakhs on account of the implementation of the recommendations of the Central Wage Board for the sugar industry and provide Rs. 2.22 lakhs additional bonus to employees for the years 1959-60 to 1961-62. There was also the loss of Rs. 1.69 lakhs on sugar export and the Company contributed Rs. 1 lakh to the National Defence Fund.

After providing Rs. 8.56 lakhs (against Rs. 8.46 lakhs) for depreciation, Rs. 70,000 (against Rs. 10 lakhs) for taxation and Rs. 81,008 (against Rs. 22.677) for development rebate, the net profit amounts to Rs. 52,390, against Rs. 1.87 lakhs in 1961-62. The directors have withdrawn Rs. 5.80 lakhs from the dividend equalisation reserve to provide for the payment of the proposed dividend which absorbs Rs. 6.54 lakhs. After making some minor adjustments, there remains a sum of Rs. 4,559 to be carried forward, against Rs. 25,593 brought in. The Company has applied to the Government for permission to expand its crushing capacity. Official sanction has been obtained for certain replacements in the factory and orders have been placed for the required equipment.

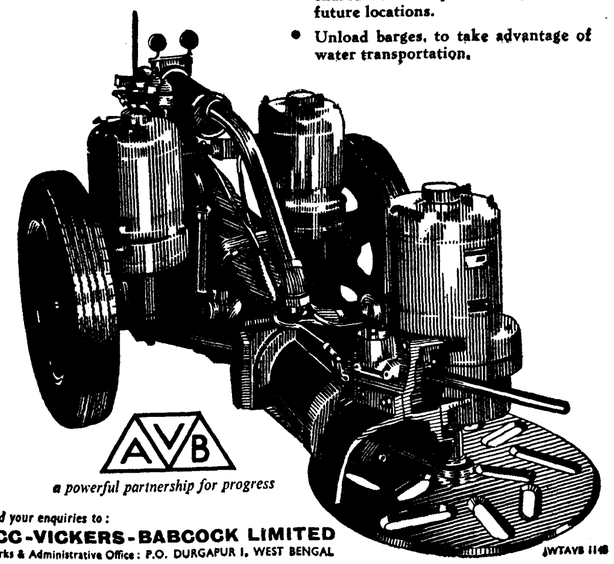
Coimbatore Spinning Cuts Dividend

FOLLOWING a sharp fall in the profit for the year ended December 1962, the directors of Coimbatore

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Spinning and Weaving Co. Ltd have recommended a dividend of 9 percent against 10 percent, in the previous year. Considering the size of the decline in the profit, the cut in the rate of dividend is not much. But the sales for the year were higher at Rs. 224.12 lakhs, against Rs. 214.99 lakhs in the previous year. The net profit for the year amounts to Rs. 2,30,218.07 after providing Rs. 4,63,181.50 for depreciation, compared with the previous year's net profit of Rs. 12,04,122 after providing Rs. 4,94,747 for depreciation.

New Capital Issues

SIX companies have been authorised to raise capital of Rs. 4.21 crores. One is issuing bonus shares, two equity shares and another two equities plus cumulative redeemable preference shares. The consent of the Controller of Capital Issues is valid for 12 months. The following are the details:

Chemicals and Fibres of India Ltd, Bombay, is to issue capital of Rs. 2.5 crores of which 60 percent will be allotted to the Imperial Chemical Industries Ltd, London. The capital is required for the establishment of a factory near Thana, Maharashtra, for the manufacture of polyester staple fibres. The total capital cost of the scheme is estimated at Rs. 5.85 crores which will be met by issue of capital of Rs. 2.5 crores and by loans from the Life Insurance Corporation of India and banks for the rest.

Vitamins India Ltd Bombay, a new company, will issue capital of Rs. 15 lakhs consisting of Rs. 12 lakhs in equity shares of Rs. 10 each, and Rs. 3 lakhs in 30,000 9.5 percent cumulative redeemable preference shares of Rs. 10 each. Out of this, equity shares of the value of Rs. 3 lakhs will be issued to Vitamins Ltd, London. The capital will be used for the manufacture of vitamealo concentrates and animal compound feeds.

The Great Eastern Shipping Company, Ltd, Bombay, is issuing 500,000 fully paid-up bonus of Rs. 10 each to be issued to the existing shareholders after the existing partly-paid shares have been paid up fully on capitalization of some of the company's free reserves.

Tools and Electricals India Ltd, Calcutta, is issuing capital of Rs. 30 lakhs being Rs. 40 lakhs in equity shares and Rs. 10 lakhs in 9 percent cumulative non-redeemable preference shares. The capital is required for manufacture of tools and die and moulds, etc. for which a factory will be established at Faridabad. The total capital cost is Rs. 102 lakhs.

The Modi Sugar Mills Ltd, Modinagar, J. P., is to issue further capital of Rs. 36,69,480 divided into 366, 948 equity shares of Rs. 10 each at par. The shares will first be offered to the company's existing shareholders on *pro rata* basis and only the shares not so taken up will be offered to the public. The proceeds will be utilised to install electric furnace, re-rolling mill and wire drawing plant at Modinagar for the manufacture of billets, rounds and wires.

Shardlow India Ltd, Madras, is to issue capital of Rs. 50 lakhs to equity shares of Rs. 10 each for cash at par. Out of this, shares of the value of Rs. 13,33,330 will be offered to Ambrose Shardlow and Company Ltd. U.K. against supply of capital equipment of equivalent value. The proceeds of the issue will be utilised for the manufacture of forgings and stamping for automobile, industrial marine and aircraft engines.

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HEADS OR TAILS- WHO CALLS?



CU2-1946

The Stock Markets

SHARES IMPROVE ON DECONTROL OF PRICES

Wednesday Evening.

THERE have been wide fluctuations in the Calcutta stock market during the past week. At first share prices were marked down due to concern caused by the Government's decision to reject the Select Committee's recommendation and restore the original provision about converting Government loans, past and future, into the shares of companies. It is difficult to understand why the Government has taken this arbitrary right of conversion instead of incorporating it into loan agreements.

Although a moderate recovery has taken place towards the close in response to various incentives announced by Mr. T. T. Krishnamachari, Central Finance Minister, the trend, on the whole, has been indecisive. Lyons Range has found it difficult to strike a balance between the bullish and bearish factors arising out of the Finance Minister's economic policy statement. The decontrol of the prices of 16 commodities has been welcomed. The shares of companies producing these commodities have generally been marked up. Since the prices of several commodities have been fixed so low that they barely cover the production costs, the decontrol move is in the right direction. The prices of some of these items may temporarily move up, but in the long run they will be stabilised due to freer supplies and competition. The raising of the exemption limit from Rs. 10 lakhs to Rs. 25 lakhs both for capital issues control and industrial licensing should help stimulate economic development. The raising of the limit in the case of capital issues has been justified in view of the rise in project costs. The formation of new industrial units has been freed from cumbrous procedural delays, but those using domestic equipment and raw materials will benefit more because the import of foreign machinery and raw materials will continue to be regulated strictly.

The suspension of emergency risks insurance premiums for the first quarter of 1964 is timely. This should relieve industry and trade of a financial burden amounting to about Rs. 3 crores. In view of the improvement in the border situation it is hoped that the emergency insurance scheme will be scrapped. Despite buoyant revenue receipts during the current financial year, the prospect of any major relief in taxation in the coming year should be cautiously assessed because of the bigger Government expenditure indicated. The Finance Minister has, however, assured that the fiscal system will be stringent measures to trace and tax modified to stimulate savings, investment and production. If he takes the "unaccounted money," some relief should be possible.

Indian Iron have improved slightly, after erratic fluctuations. The clearing on Wednesday passed off smoothly and the carry-forward charges have been fairly moderate. Among engineering shares, Guest, Keen, Williams, Texmaco and J. K. Steel have been steady. Clearing miscellaneous shares have moved up in sympathy with the general trend. Among other miscellaneous scrip, Union Carbide have been steady on prospects of an ordinary rights issue. The Company has decided to issue 840,000 ordinary shares of Rs. 10 at a premium of Rs. 4 each, subject to the approval of the Controller of Capital Issues. These shares will be offered to its shareholders in the ratio of three new shares for every ten held. The shareholders will be asked to pay the full sum of Rs. 14 a share on acceptance of the offer. The funds will be used for expansion.

The ordinary shares of Midnapore Zemindary have smartly risen due to a take-over bid. It is reliably learnt that Andrew Yule and Company, the managing agents, has decided to sell its shares in Midnapore Zemindary at the rate of Rs. 15 a share. The other shareholders have been informed of this decision and Andrew Yule will relinquish the managing agency from 14th April, 1964. The offer to buy the shares has been made by Place, Siddons and Gough Private Ltd. Paper shares have been steady. Cotton mill shares have been selectively bought since the control on the prices of rayon and staple fibre has been withdrawn.

Turnover in jute shares has declined due to a fall in the prices of jute goods. Selected shares have met with support. Coal shares have been sluggish and stray business has been transacted. Investors in tea shares have held off due to the large fall in the current north Indian crop. Only selected Dooars gardens have attracted attention.

Government securities have been quietly steady. The 3 percent Conversion loan 1983 has quoted Rs. 65.80. The prices of short- and medium-dated stocks have hardened, but turnover has been restrained due to the shortage of sellers. Selected State Government loans have been steady.

Bombay

CHEMICAL AND RAYON SHARES RISE

T. T. K. STATEMENT WELCOMED

Wednesday Evening.

THE Bombay stock market has shown a substantial improvement towards the close of the past week. Share prices have improved on replacement purchases, combined with short-covering, in response to various incentives announced by Mr. T. T. Krishnamachari, Central Finance Minister, in Parliament last Monday. Selected chemical and rayon shares have improved smartly on decontrol of the prices of 16 commodities. It is thought that the development of these industries has hitherto been held down by the unrealistic prices fixed for their products. It is believed that decontrol will gradually be extended to other commodities such as steel, cement and paper. The move to raise the exemption limit for capital issues control from Rs. 10 lakhs to Rs. 25 lakhs has been bullishly interpreted, since it is believed that the move will encourage the issue of rights shares and bonus shares. An industrial unit employing a capital of up to Rs. 25 lakhs will henceforth be allowed to be formed without an industrial licence. This should help the development of new enterprises.

The suspension of emergency risks insurance premiums for the first quarter of 1964 has been welcomed in that it will give a relief to trade and industry to the extent of about Rs. 3 crores. The decision of the Government concerning the collection of this premium in future will be announced from time to time. It is hoped that it may no longer be necessary to keep the emergency risks insurance in force in view of the improvement in the Sino-Indian border situation. Although the Finance Minister has not indicated any relief in taxation for the time being, Dalal Street is hopeful that the super profits tax will be substantially modified, if not scrapped, in the next Budget.

The earlier disappointment over the passing of the Companies (Amendment) Bill has abated considerably. Tata Steel ordinary have gained at Rs. 145. In the engineering group, Tata Locomotive, Mukand Iron and Larsen and Toubro have been prominent. In motor-vehicle shares, Hindustan Motors have rallied on influential support. Premier Automobiles have been steady.

Selected cotton mill shares have been in the limelight due to price decontrol introduced for rayon and staple fibres. The prospects of an increase in the price of cloth has been brighter. Century, Bombay Dyeing, Kohinoor, Gokak.

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Mcrarjee and Standard have improved substantially. Interest has been shown in India United ordinary, Tata Mills and Svadeshi.

Miscellaneous share have moved up in sympathy with the general trend. In sugar shares, Belapur have recovered despite the cut in the ordinary dividend from 40 percent to 36 percent. Phalton and Walchandnagar Industries have been steady. Among cement shares, Associated Cement and Dalmia have been wanted. Scindia Steam have been a bright feature in steamship company shares due to the encouraging statement by the chairman of the Company at the annual general meeting. Mining shares have been quiet, and Shivrajpur Syndicate have been freely sold. Chemical shares have been buoyant due to price decontrol. Tata Chemical have touched a new peak. Rayon shares have been fancied. National Rayon and Gwalior Rayon have forged ahead.

Bank shares have been sluggish and stray business has been transacted. Bank of India and Central Bank have changed hands. Electric company shares have been steady. Ahmedabad and Tata Power have been bought.

Madras

SMART RECOVERY TOWARDS CLOSE

TURNOVER CONFINED TO CLEARING SCRIP

Tuesday Evening.

THE Madras stock market has recovered smartly towards the close of the past week after an earlier dull spell. The passing of the Companies (Amendment) Bill caused a great deal of anxiety earlier. Recovery has taken place in response to various incentives announced by Mr. T. T. Krishnamachari, Central Finance Minister, in the Lok Sabha last Monday. Firmer advices from Dalal Street have acted as an additional stimulant. Turnover has nevertheless been largely confined to clearing shares and prices have generally hardened. Support for cash shares has been cautious, but selling pressure has declined.

Selected Statement Government loans have been steady due to institutional buying. In banks, Canara have been transacted at Rs. 81.50 and Indian Overseas at Rs. 146. In electric companies, interest has been taken in Ellore at Rs. 18.50 and in West Coast at Rs. 17.35. Selected sugar shares have improved due to the prospect of a bigger production in the current season. E.I.D. have been bought at Rs. 28.65 and Mysore at Rs. 46.75. Deccan have nevertheless fallen to Rs. 11.45 on pressure. Madura have been quoted at Rs. 10 and K.C.P. at Rs. 23.90.

Despite limited turnover in planting shares, prices have on the whole hardened. Blue Mountain have changed hands at Rs. 2.53 and Cochin Malabar at Rs. 6.25. Consolidated Coffee have been quoted at Rs. 21.50 and Ouchterlony at Rs. 4.35. Business has passed in Periakaramalai at Rs. 3.47 and in Peermade at Rs. 20.50. Kailas have been steady at Rs. 6.20 on declaring an interim taxable ordinary dividend of 15 percent. Nilambur have been wanted up to Rs. 12.75 and Thamarapally at Rs. 16.40. T.R. and Tea have changed hands at Rs. 9.84 and Haileyburia have been quoted at Rs. 12.60. Kil Kotagiri have been transacted at Rs. 5.15 and Nilgiri at Rs. 8.50. Amalgamated have been steady at Rs. 10.01 and Ossoor at Rs. 3.50 on prospects of a bonus issue.

In textile shares, South India Viscose have recovered to Rs. 141 and Travancore Rayon to Rs. 25.50. Business has passed in Lakshmi at Rs. 132 and in Madura at Rs. 33.50. Interest has been taken in Bangalore Woollen at Rs. 233.50 and in Buckingham at Rs. 297. Adoni Spinning have changed hands at Rs. 9.40 and Balarama Varma at Rs. 107.75. Mettur have been wanted at Rs. 290 and Loyal at Rs. 42.50. Ramakrishna have been quoted at Rs. 217.80 and Rayalaseema at Rs. 137.

In the miscellaneous group, Aluminium Industries have been steady at Rs. 18.75 and Ashok Leyland have recovered to Rs. 7.20. In engineering shares, South India Steel have quoted Rs. 9.37 and Trichy Steel Rolling Rs. 10. Among cement shares, Dalmia have been steady at Rs. 12.62 and India at Rs. 5.45. Business has passed in Seshasayee Paper around Rs. 7.95. In transport companies, Tube Invesiment have improved to Rs. 222. Rane (Madras) have been done at Rs. 8.55 and Parry's Confectionery at Rs. 3.50. Spencer have changed hands at Rs. 20.75.

THE WEEK'S TRANSACTIONS

[In the following list of stocks and shares in which transactions have taken place during the past week, the figures indicate Opening Quotations, Highest for the week, Lowest for the week, Closing Quotations and Quotations for the corresponding Closing Date a Year Ago. The last-named is shown in parentheses and will not be given where such a quotation is not available.]

CLEARED SECURITIES

Birla Jute—Rs. 32/75—33/50—32/06—33/25—(30/56).
Burrakur Coal—Rs. 17/44—17/50—17/19—17/25—(16/56).
Dunlop Rubber—Rs. 36/50—36/50—35/37—36/00—(38/00).
Guest, Keen, Williams—Rs. 26/37—26/56—25/87—26/12—(34/87).
Hindustan Motor—Rs. 19/19—19/31—18/66—19/22—(17/44).
Howrah Jute—Rs. 18/81—18/87—18/50—18/62—(19/12).
Indian Aluminium—Rs. 29/31—29/50—28/50—29/12—(32/62).
Indian Cable—Rs. 39/00—39/12—38/06—38/06—(34/50).
Indian Copper—Rs. 3/42—3/47—3/37—3/43—(4/40).
Indian Iron—Rs. 25/02—25/12—24/38—25/06—(22/00).
J. K. Cotton—Rs. 12/94—13/37—12.56—13/25—(14/44).
Jaipur Udyog—Rs. 12/06—12/06—11/81—11/94—(11/34).
Kesoram Industries—Rs. 26/62—28/00—25/94—27/69—(22/06).
Orient Paper—Rs. 38/75—39/15—38/37—38/90—(36/75).
Orissa Cement—Rs. 14/25—14/25—13/87—14/00—(15/69).
Rohtas Industries—Rs. 12/47—12/69—12/19—12/53—(12/06).
Shree Gopal Paper—Rs. 24/56—25/00—24/37—25/00—(23/62).
Textile Machinery—Rs. 28/10—28/00—27/60—28/35—(20/10).

GOVERNMENT SECURITIES

2½% Behar Zemindary (Collected up to 31-3-63)—Rs. 46/00—46/00—46/00—46/00.
3 % Loan (1986)—Rs. 65/70—65/85—65/70—65/80.
3 % „ (1966-68)—Rs. 97/78—97/35—97/78—97/95.
3 % „ (1970/75)—Rs. 90/15 s.t.—90/35—90/15—90/35.
3 % „ (1964)—Rs. 99/45—99/45—99/45—99/45.
3½% „ (1964)—Rs. 99/90—99/90—99/90—99/90.
3¾% „ (1974)—Rs. 96/60—96/75—96/60—96/75.
3½% „ (1967)—Rs. 99/67—99/67—99/67—99/67.
3½% „ (1965)—Rs. 99/70 s.t.—99/70—99/70—99/70.
4 % „ (1969)—Rs. 99/60—99/60—99/45—99/53.
4 % „ (1980)—Rs. 98/50—98/50—98/50—98/50.
4 % „ (1981)—Rs. 98/65—98/65—93/65—98/65.
4½% „ (1986)—Rs. 100/00—100/00—100/00—100/00.
4½% „ (1973)—Rs. 100/00—100/10—100/00—100/05.
4½% Madras (1974)—Rs. 99/15—99/15—99/15—99/15.
4½% Orissa (1974)—Rs. 99/00—99/00—99/00—99/00.
4½% Behar (1974)—Rs. 98/90—98/90—98/90—98/90.

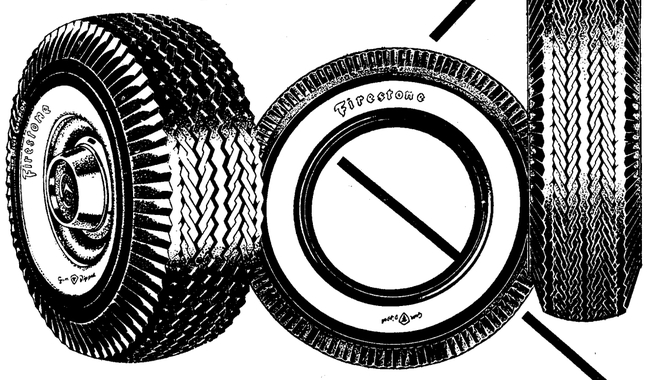
BANKS

Punjab National—Rs. 20/50—20/50—20/50—20/50—(20/62).
United Bank of India (Rs. 10 paid)—Rs. 7/69—7/75—7/50—7/75—(7/81).

COTTONS

Basanti—Rs. 13/25—13/25—13/25—13/25—(9/19).
Bengal Nagpur—Rs. 2.50—2/56—2/44—2/44—(3/25).
Bharat Commerce—Rs. 22/75—24/25—22/75—24/00—(25/87).
Birla—Rs. 27/00—27/00—27/00—27/00—(28/87).
Cawnpore—Rs. 6/94—7/00—6/94—7/00—(7/06).
Dunbar—Rs. 29/00—29/00—29/00—29/00—(27/00).
Elgin—Rs. 23/00—23/19—22/81—23/06—(19/50).
New Victoria—Rs. 1/50—1/50—1/44—1/50—(1/37).

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Sree Madhusudan (Pref.)—Rs. 84/00—84/00—84/00—84/00.

RAILWAY

Dehri-Rohtas—Rs. 12/56—12/62—12/56—12/62—(17/25).

COALS

Amalgamated—Rs. 25/00—25/00—25/00—25/00—(22/12).
Bengal—Rs. 270/00—270/00—270/00—270/00—(335/00).
Bhalgora—Rs. 4/62—4/62—4/62—4/62—(5/00).
Bharat—Rs. 3/50—3/62—3/44—3/62—(3/53).
Burrakur (2nd Pref.)—Rs. 6/00—6/00—6/00—6/00—(6/10).
Central India—Rs. 9/56—9/62—9/56—9/56—(10/19).
East Indian—Rs. 30/87—30/87—30/75—30/75—(50/00).
Pench Valley—Rs. 18/31—18/31—18/31—18/31—(16/50).
Shree Mahakali—Rs. 4/12—4/12—4/12—4/12.
Western Bengal—Rs. 8/87—9/06—8/87—9/00—(9/19).

JUTES

Agarpara—Rs. 10/25—10/25—10/19—10/25—(10/19).
Anglo-India—Rs. 176/00—177/00—175/00—175/00—(223/00).
Auckland (1st Pref.)—Rs. 71/00—72/00—71/00—72/00—(68/50).
Alliance—Rs. 142/00—142/00—142/00—142/00—(117/00).
Bally—Rs. 253/00—253/00—253/00—253/00—(280/00).
Champdany—Rs. 23/00—23/00—23/00—23/00.
Dalhousie—Rs. 139/00—139/00—139/00—139/00—(129/00).
Ft. William—Rs. 26/56—26/56—26/56—26/56—(25/37).
Ganges—Rs. 13/31—13/37—13/31—13/37—(14/06).
Gondalpara—Rs. 16/12—16/19—16/12—16/19—(18/62).
Gourepore—Rs. 23/12—23/12—23/12—23/12.
Do. (Pref.)—Rs. 88/00—89/00—88/00—89/00—(80/00).
Hastings (Pref.)—Rs. 89/00—89/00—87/00—89/00—(84/50).
India—Rs. 15/44 s.t.—15/50—15/44—15/50 s.t.—(17/75).
Kamarhatty (Pref.)—Rs. 80/00—81/00—8/00—81/00—(73/00).
Khardah—Rs. 17/69—17/81—17/69—17/81—(17/00).
Lansdowne (Pref.)—Rs. 93/00—93/00—93/00—93/00—(90/00).
Megna—Rs. 13/12—13/19—12/87—12/87—(13/25).
National—Rs. 23/37—23/50—23/37—23/50—(24/00).
New Central—Rs. 13/31—13/37—13/06—13/37—(14/00).
Nuddea—Rs. 62/75—63/00—62/75—63/00—(56/00).
Naihati (1st Pref.)—Rs. 125/00—125/00—125/00—125/00—(112/00).
Presidency—Rs. 5/25—5/37—5/25—5/37—(5/25).
Reliance—Rs. 7/81—8/06—7/81—8/06—(6/87).
Soorah—Rs. 22/19—22/50—22/19—22/50—(25/25).

MININGS

Chrestien Mica—Rs. 10/31—10/31—10/31—10/31—(11/12).
Do. (Pref.)—Rs. 38/75—39/50—38/75—39/50—(40/25).
Metal Corpn.—Rs. 8/00—8/19—8/00—8/19—(9/37).

CEMENTS

Bengal Potteries—Rs. 5/19—5/19—5/19—5/19—(5/56).
Dalmia (Bharat)—Rs. 12/56—12/62—12/56—12/62—(13/81).
Sone Valley—Rs. 4/50—4/56—4/44—4/50—(4/56).

CHEMICALS

Alkali & Chemical—Rs. 33/12—33/37—33/12—33/37—(33/50).
Bengal Chemical—Rs. 101/00—101/00—98/50—98/50—(101/00).
Frank Ross—Rs. 3/25—3/25—3/25—3/25—(3/29).
Smith Stanistreet— (Pref.)—Rs. 72/00—74/50—72/00—74/50—(62/50).

ELECTRICS

Bareilly—Rs. 11/75—11/81—11/75—11/81—(11/75).
Calcutta—Rs. 14/50—14/56—14/37—14/56—(14/31)
U.P.—Rs. 146/00—150/00—146/00—150.00—(120/00).

ENGINEERINGS

Bharat Ball Bearing—Rs. 14/62—14/62—14/62—14/62—(14/19).
Binani Metal—Rs. 11/87—11/94—11/78—11/87—(9/81).
Britannia Eng.—Rs. 10/50—10/56—10/16—10/31—(10/75).
Braithwaite & Co.—Rs. 33/37—33/37—33/00—33/00—(34/00).
Calcutta Steel—Rs. 13/56—13/81—13/56—13/81—(14/91).
Dalmia Iron—Rs. 11/56—11/56—11/56—11/56—(11/56).
Hindusthan Wire—Rs. 10/25—10/37—10/25—10/37.
Hope's Metal Windows—Rs. 11/25—11/25—11/25—11/25.
Indian Iron & Steel (Pref.)—Rs. 79/50—80/00—79/50—80/00—(86/00).
India Machinery—Rs. 7/56—7/56—7/56—7/56.
Jessop & Co.—Rs. 25/06—25/06—24/25—24/25—(22/19).
J. K. Steel—Rs. 17/75—18/19—17/75—17/94—(16/25).
Kumardhubi—Rs. 9/06—9/12—9/00—9/00—(7/50).
Marshalls—Rs. 2/56—2/62—2/50—2/62—(3/25).
National Iron & Steel—Rs. 5/87—5/87—5/75—5/75—(4/75).
Raymon—Rs. 4/87—5/06—4/69—5/06
Sen-Raleigh—Rs. 15/12—15/12—15/00—15/12—(18/87)
Wellman Incandescent—Rs. 8/12—8/12—7/95—8/12.

INSURANCES

New Asiatic—Rs. 8/50—8/50—8/50—8/50.
Ruby General—Rs. 10/25—10/44—10/25—10/25—(9/69).
Triton—Rs. 130/00—130/00—130/00—130/00—(132/00).

MISCELLANEOUS

Angelo Brothers—Rs. 26/75—26/75—26/19—26/37—(23/25).
Asiatic Oxygen—Rs. 13/81—14/00—13/81—14/00—(9/69).
Assam Match—Rs. 27/75—27/75—27/75—27/75—(28/75).
Associated Battery—Rs. 27/00—27/50—27/00—27/50—(27/31)
Aluminium Corpn.—Rs. 13/56—13/62—13/56—13/62.
British India Corpn.—Rs. 8/87—9/00—8/37—9/00—(9/62).
British Paints—Rs. 22/62—22/62—22/62—22/62—(20/25).
Calcutta Tramways—Rs. 10/69—10/87—10/69—10/87—(12/25).
Calcutta Gas—Rs. 2/50—2/50—2/50—2/50.
Cherra Chhatak Ropeway—Rs. 4/75—4/75—4/62—4/62—(5/75).
Darjeeling Ropeway—Rs. 8/50—8/50—8/50—8/50—(8/00).
Duncan Brothers—Rs. 140/00—140/00—138/00—138/00
Do. (Pref.)—Rs. 56/75—56/75—56/00—56/50—(55/00).
Dyer Meakin—Rs. 32/00—32/00—32/00—32/00
East Anglia Plastics—Rs. 9/37—9/37—9/37—9/37
General Tyres—Rs. 9/81—9/94—9/75—9/87.
Gillanders Arbuthnot—Rs. 14/12—14/12—14/00—14/00—(14/06)
Hindustan Aluminium—Rs. 13/62—14/00—13/50—13/81—(14/75).
Hindusthan Pilkington Glass—Rs 16/25—16/31—16/19—16/19—(19/50).
Hindusthan Twyfords—Rs. 14/06—14/19—14/06—14/19—(15/75).
Do. (Pref.)—Rs. 100/00—100/00—100/00—100/00.
Hindustan Lever—Rs. 37/50—37/87—37/25—37/25.
Indian Rubber Manfg. (Pref.)—Rs. 63/00—63/50—63/00—63/50.
Imperial Tobacco—Rs. 10/06—10/19—10/06—10/12—(10/87).
Indian Wood Products—Rs 29/75—29/75—29/31—29/62—(32/00).
Indian Carbon—Rs. 15/75—15/87—15/75—15/87.
Isaac Holdens—Rs. 14/50—14/56—14/50—14/56—(15/56).
Jardine Henderson—Rs 78/00—78/00—77/50—77/50—(68/00).
D.o (Pref.)—Rs. 55/50—56/00—55/50—56/00—(57/00).
Jayshree Industries—Rs. 14/56—14/62—14/31—14/50—(16/50)
J. K. Synthetics—Rs. 12/94—13/50—12/75—13/50—(12/19).
Kesoram Industries (1st Pref.)—Rs. 106/00—106/00—106/00—106/00.
Metal Distributors—Rs 4/37—4/44—4/35—4/41—(5/00).
Martin Burn—Rs. 28/12—28/31—28/12—28/31.
National Pipes & Tubes—Rs. 28/00—28/00—27/75—27/75—(29/75).
National Rubber Mnfg.—Rs. 13/56—13/56—13/25—13/44—(11/50).
National Insulated Cable—Rs. 23/75—23/87—23/75—23/87.
National Tobacco—Rs. 13/37—13/37—13/31—13/31.
Do. (1st Pref.)—Rs. 64/87—64/87—64/87—64/87—(66/00).
Phillips Carbon Black—Rs. 15/37—15/50—15/37—15/50
Philips India—Rs 28/25—28/50—28/25—28/50—(28/12).
Rohtas Industries ('B' Pref.)—Rs. 54/50—54/75—54/50—54/50—(51/50).
Rallis India—Rs. 130/50—133/00—129/00—129/50.
Sirsilk—Rs. 10/19—10/50—10/06—10/12—(8/75).
Shalimar Wire Ind.—Rs. 4/44—4/50—4/44—4/50.
Union Carbide—Rs. 42/12—42/37—42/00—42/12—(43/50).
Universal Electric—Rs. 9/84—10/00—9/69—9/94.
Universal Cables—Rs. 11/94—12/19—11/75—12/19.
Walford Transport—Rs. 4/06—4/12—4/00—4/09—(3/37).
Do. (P.O.)—Rs. 2/75—2/87—2/75—2/81—(2/25).

OILS

Indo-Burma Petroleum—Rs. 21/87—21/87—21/69—21/75—(25/44).

PAPERS

Ballarpur—Rs. 18/12—18/44—18/06—18/25—(18/50).
Bengal—Rs. 28/50—28/50—28/50—28/50—(32/06)
India Paper Pulp—Rs. 19/00—19/12—18/94—19/06—(19/12).
Orient (1st Pref.)—Rs 90/00—90/00—90/00—90/00.
Sirpur—Rs. 13/25—13/69—13/25—13/69—(12/19).
Straw Products—Rs. 10/56—10/87—10/50—10/69.
Do. (Pref.)—Rs. 99/50—100/00—99/50—100/00.
Seshasayee—Rs. 8/12—8/12—7/94—7/94—(8/31).
Star—Rs 9/12—9/12—9/00—9/12—(10/00).
Do. (1st Pref.)—Rs. 68/00—68/00—68/00—68/00—(65/90).
Sree Gopal (2nd Pref.)—Rs. 98/00—98/00—98/00—98/00.
Titaghur—Rs. 16/87—16/87—16/56—16/87.

SHIPPINGS

Port Shipping—Rs. 14/31—14/37—14/31—7/34—(6/28).
India Steamship—Rs. 7/37—7/44—7/25—9/87—(10/00).
Fraser & Co.—Rs. 9/81—9/87—9/81—14/37—(12/06).

SUGARS

Balrampur—Rs. 1/87—1/87—1/81—1/81—(2/34)
Carew & Co.—Rs. 11/44—11/44—11/37—11/37—(12/25).
Do. (Pref.)—Rs. 73/00—73/50—73/00—73/50—(79/00).
Ryam—Rs. 4/50—4/50—4/50—4/50—(8/06).
Raza Buland—Rs. 10/25—10/25—10/25—10/25—(8/06)
Samastipore Central—Rs. 4/15—4/15—4/10—4/10—(9/62)
U.P. Sugar—Rs. 12/00—12/00—12/00—12/00—(10/62).

REAL PROPERTY

Midnapore Zemindary—Rs. 16/00—18/12—16/00—18/00—(11/12).

TEAS

Atal—Rs. 6/31—6/31—6/31—6/31—(6/75).
Brooke Bond—Rs. 11/87—12/00—11/87—12/00—(12/19).
Bor Pukhuri—Rs. 11/12—11/25—11/12—11/25—(11/75)
Dhelakhat—Rs. 20/56—20/69—20/56—20/69—(20/00).
East India—Rs. 14/81—15/12—14/81—15/12—(18/87)
Grob—Rs. 7/50—7/62—7/47—7/50—(8/06).
Gungaram—Rs. 130/00—131/00—130/00—131/00—(158/00).
Hanta Para—Rs. 108/50—109/00—108/00—108/00—(102/00).
Hanuman—Rs. 10/19—10/19—10/19—10/19.
Jaybirpara—Rs. 21/00—21/00—18/50—18/50—(11/06).
Kadambini—Rs. 14/00—14/00—14/00—14/00.
Oodlabari—Rs. 13/25—13/37—13/25—13/37—(14/25).
Ranicherra—Rs. 12/69—12/69—12/56—12/62—(16/75).
Roopacherra—Rs 9/87—9/94—9/87—9/94—(13/62).
Seajuli—Rs. 25/31—25/31—25/25—25/25—(20/75)
Tezpore (Pref.)—Rs. 7/37—7/37—7/37—7/37—(10/12).

DEBENTURES

7 % Carew & Co.—Rs. 100/00—100/00—100/00—100/00.
4 % (1956-68) Calcutta Improvement Trust—Rs. 98/30—98/30—98/30—98/30
5½% Fort Gloster—Rs. 98/00—98/00—98/00—98/00.
4½% Burrakur Coal—Rs. 82/00—82/00—82/00—82/00.
5½% Burmah-Shell Refinery—Rs. 93/50—93/50—93/25—93/25.
6½% Dalhousie Property—Rs. 82/50—82/50—82/50—82/50.

London

GOOD CORPORATE NEWS STIMULATES ACTIVITY

LEADING EQUITIES RISE

London, 18th December.

ALTHOUGH it is usual for business to fall off as Christmas draws nearer, conditions were quite active in the stock market during the past week and turnover was good. Demand was stimulated by the steady flow of good company results, and by optimistic statements by company chairmen on the business outlook. The Chancellor of the Exchequer was also encouraging with his views of the outlook for the economy in 1964, and there were similar forecasts coming from America concerning the U.S. economy. But fixed interest stocks were again out of the picture with attention focussed on equities. Gilt-edged were uncertain and inclined to ease. Dollar stocks followed in the wake of Wall Street where the trend was mostly upward. Many leading equities responded to buying, and gains were sharp in some cases. Distillers reflected the good interim statement while G.E.C., Allied Ironfounders, Tube Investment and Dunlops all showed up well. Steel shares were wanted following good dividend announcements. The feature of mining market was the buoyancy of platinum shares. Gold shares tended to drift lower and coppers were uncertain, but tins moved ahead in response to the rise in the metal price. Oils were very quiet Rubbers and teas moved irregularly.

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Money

PROVIDING EXPORT CREDIT ON REASONABLE TERMS

(BY A SPECIAL CORRESPONDENT)

The Government will convert the Export Risks Insurance Corporation into an Export Credit and Guarantee Corporation from the middle of January. The object of conversion is to offer liberal credit to exporters. Although the E.R.I.C. played a useful rôle in promoting exports, it was underwriting only a very small percentage of the country's export trade. A recent symposium in Bombay suggested how the new institution may prove more useful than its predecessor.

THE Export Risks Insurance Corporation, popularly known as the E. R. I. C., recently organised a symposium on its future rôle at the Sydenham College, Bombay. The discussion was arranged because the Corporation would convert itself into an Export Credit and Guarantee Corporation with effect from 15th January, 1964. The Central Minister for International Trade, Mr. Manubhai Shah, inaugurated the symposium. An economist, a banker and an industrialist, representing a cross-section of informed expert opinion, participated in the discussion.

During the past few years, competition in world markets has become severe with the emergence of a buyers' market. It is not unusual to find, according to Mr. Narielwala who participated in the discussion, that foreign importers are insisting on credit facilities stretched over a period even for consumer goods. So the need to offer protection to the Indian exporter against the risk element involved in credit transactions abroad has assumed a new significance.

Useful Rôle

The E. R. I. C. has played a useful rôle in promoting India's exports. With a paid-up capital of Rs. 50 lakhs, it has provided risk cover of nearly Rs. 30 crores this year. This represents an increase of 171 percent and 46 percent of the value of business in 1961 and 1962. Yet the Corporation is now underwriting only 15 percent of really risky exports and a bare 4 percent of the total value of the country's export trade. The reasons for such a poor coverage are several. Firstly, the bulk of India's export trade is transacted through either letters of credit by reputable and established parties in the field or on a consignment basis between branch offices and parent bodies located abroad. Secondly, the export risk consciousness has not yet developed among exporters, mainly because some of them are small exporters. So even the addition of a quarter percent premium to the costs makes the cover uneconomical to them. Mr. Manubhai Shah, therefore, rightly exhorted the exporters and manufacturers to develop export risk consciousness for sustaining the country's export promotion drive.

It is, however, obvious that the average exporter will be unable to heed the advice of the Minister unless there is a further reduction in the premium rates and the cost of credit provided by banks is substantially brought down. In several countries like Japan, the finance to the exporter is provided below Bank rate as is done in providing agricultural credit in India. Mr. Shah announced that a committee of experts, including those from the Reserve Bank, would study the question of providing cheap credit to exporters.

The Managing Director of the Corporation, Mr. S. P. Chablani, said that the E. R. I. C.'s efforts led to a rise in India's exports during the current year by at least Rs. 10 crores. Meanwhile, the country expects to export nearly Rs. 800 crores worth of goods and services in 1963, against Rs. 650 crores or so in 1962. Before Mr. Shah became the Central Minister for International Trade, the country's exports were lying stagnant around Rs. 615 crores for a number of years. The Minister has succeeded in bringing about a scientific approach to the problem of export promotion, of which the provision of adequate and cheap credit forms an important part. The Minister justified the preferential treatment in providing credit to exporters on two grounds. Firstly, the country has to make an all-out export drive in view of the growing developmental needs. Secondly, the world markets have become most sensitive and they are sustained by vested interests in every country. It is, therefore, a hard business to push the country's exports.

Providing Medium-term Credit

The E. R. I. C., when it is converted into the E. C. G. C., will have a paid-up capital of Rs. 2 crores. It will provide medium-term export credit in the shape of "refinance" against the export bills submitted to commercial banks along the lines of the Refinance Corporation for Industry. The Corporation will provide cover for the difference between internal and international prices so that the banks are enabled to extend credit to exporters an almost cent percent value of goods exported. It was estimated that the Corporation will cover exports worth Rs. 80 crores to Rs. 100 crores by 1965.

The participants in the symposium, including the Minister, emphasised the need for diverting a part of the country's production to overseas markets. According to Professor C. N. Vakil, part of the production in each industry should be dovetailed to overseas preferences. He cited the instance of *dhoties* and *sarees* manufactured in Lancashire and exported to the Indian market in pre-independence days, especially in the 'twenties and 'thirties of the present century. Mr. Ramnath Poddar, chairman of the E. R. I. C., said that the cotton textile industry was shortly scrapping the compulsory export quota scheme. This is because every mill has become conscious of the need to increase exports. The incentive scheme which has built-in incentives will take care of cotton textile exports, the chairman said.

Mr. N. M. Chokshi, managing director of the Bank of Baroda, suggested that the Corporation should show a fair amount of latitude in providing cover to Indian exporters. His other suggestions were, firstly, that the E. R. I. C. should allow, on the lines similar to the E. C. G. D. in Britain, discretion to exporters in extending due dates of payment of usance bills within certain limits without the prior notice to the Corporation. Secondly, the ratio of the E. R. I. C.'s share in the risk with banks should be further increased (this was recently stepped up from 1:1 to 2:1). Thirdly, the Corporation should give special cover without insisting on a comprehensive cover to exporters desiring the same so that banks might be able to extend finance with confidence. Fourthly, there should be a further reduction in the premium rates. Fifthly, the S. T. C. and the N. S. I. C. should be made to resort to credit insurance (the S. T. C. transacts its business by letters of credit now). Sixthly, the E. R. I. C. should evolve some method of allowing exporters a "no claim bonus".

Settling Claims

It would be useful if the E. R. I. C., like the E. C. G. D. in Britain, effects the settlement of claims at the rate of exchange prevailing on the date of contract or shipment. The E. R. I.C. should issue special policies in favour of banks to cover clean advances which might be made to finance export deficits. To put in a nutshell, Mr. Chokshi said that the risk element in export finance should be borne completely by the E. R. I. C. so that banks may be able to enter the business on a bigger scale without the fear of incurring any loss. This is exactly what a cautious and calculating banker would have done.

The E. R. I. C. would have to work in close co-operation with banks. Its chairman assured the audience that the suggestions put forward at the symposium would be kept in view when the new Corporation finalises its policies.



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THE CALCUTTA MONEY MARKET

SLIGHT INCREASE IN ADVANCES

Wednesday, 18th December.

THERE has been a slight increase in the general level of advances in the Calcutta money market during the past week. Most of the increase is accounted for by the sugar mills, and by the iron, steel and engineering industries. The credit given to the cotton and jute mills, and to the foodgrains and seeds trade, is unchanged. In the interbank market, conditions have been steady, and the call rate is quoted at 3½ percent.

The exchange market has been moderately active, with a fair supply of both tea and gunny bills. The demand for remittances has been good. In the London market, sterling has firmed up in relation to most of the major currencies, with the exception of the Dutch guilder.

BULLION FLUCTUATED NARROWLY IN Calcutta during the past week. Silver quoted Rs. 246. The London and New York prices amounted to 111⅛d and 129.3 cents. Gold was quiet and the price declined from Rs. 62.25 to Rs. 62 for 14-carat.

DURING THE WEEK ENDED 31ST DECEMBER, Government of India Treasury bills for Rs. 48,52,75,000 were sold in favour of the Reserve Bank.

TENDERS FOR RS. 2 CRORES OF 91-DAY Government of India Treasury bills were opened on 17th December. The total amount offered was Rs. 2 crores. Tenders at Rs. 99.420 percent and above were accepted in full. The total amount accepted was Rs. 2 crores, the average rate of acceptance being Rs. 2.315 percent a year. Tenders for Rs. 2 crores of 91-day Government of India Treasury bills will be received at all centres up to the close of business on 23rd December.

IT IS STATED THAT 91-DAY INTERMEDIATE Treasury bills will be sold from 18th December to 21st December, at Rs. 99.436 percent subject to the conditions previously announced that sales can be stopped at any time without notice, if the Government thinks it necessary. These bills sold from 11th December to 14th December amounted to Rs. 23 lakhs.

THERE WERE RISES OF RS. 22.70 crores to Rs. 2,336.23 crores in active notes and of Rs. 14.35 crores to Rs. 2,350.95 crores in the total note issue, according to the return of the Reserve Bank of India for the week ended 13th December, 1963. The currency expansion was covered partly by raising rupee securities by Rs. 10 crores to Rs. 2,019.31 crores and partly by increasing foreign securities by Rs. 5 crores to Rs. 97.46 crores in the paper currency reserve. As a result of the transfer of securities from the Banking Department, balances held abroad by this Department fell by Rs. 4.64 crores to Rs 8.22 crores. Deposits of the Government of India declined by Rs. 34.08 crores to Rs. 49.23 crores, while those of State Governments rose by Rs. 4.67 crores to Rs. 14.88 crores following the transfer of funds from the Centre to the State Governments. Balances of commercial banks at Rs. 82.73 crores showed a decline of Rs. 20 lakhs. Their loans from the Reserve Bank fell from Rs. 14.61 crores to Rs. 7.86 crores of which advances against usance bills amounted to Rs. 2.67 crores (Rs. 4.44 crores). Ways and means advances stood at Rs. 39.58 crores against Rs. 46.54 crores.

THE RETURN OF THE STATE BANK OF India for the week ended 6th December, shows a drop of Rs. 1.83 crores to Rs. 591.14 crores in total deposits. Investments in Government securities are down by Rs. 5.11 crores to Rs. 302.38 crores, while other authorised investments remain unchanged at Rs. 8.95 crores. Advances, including loans, cash credits, overdrafts and bills discounted and purchased have risen by Rs. 11.53 crores to Rs. 270 crores. Cash and balances are, in consequence, shown at Rs. 18.44 crores or Rs. 3.23 crores less.

TREASURY BILL MATURITIES

Details of 91-day bills outstanding with the public on 20-12-63.

Issue Date	Maturity Date	Amount (000's Rs.)	Average Acceptance Rate
20-12-63	23-3-64	2,00.00	Rs. 2.315%
13-12-63	16-3-64	2,00.00	Rs. 2.315%
6-12-63	9-3-64	2,00.00	Rs. 2.320%
29-11-63	3-3-64	2,00.00	Rs. 2.320%
22-11-63	25-2-64	2,00.00	Rs 2.318%
14-11-63	17-2-64	2,00.00	Rs. 2.300%
8-11-63	11-2-64	2,00.00	Rs. 2.310%
28-10-63	31-1-64	2,00.00	Rs 2.318%
23-10-63	26-1-64	2,00.00	Rs. 2.320%
18-10-63	21-1-64	2,00.00	Rs. 2.320%
11-10-63	14-1-64	2,00.00	Rs. 2.318%
4-10-63	7-1-64	2,00.00	Rs 2.318%
27-9-63	30-12-63	2,00.00	Rs 2.318%
20-9-63	23-12-63	2,00.00	Rs. 2.318%

(Monthly Maturities 000's omitted)

December, 1962	4,00.00
January 1964	10,00.00
February, 1964	6,00.00
March, 1964	8,00.00
Total	28,00.00

CLEARING HOUSE RETURNS

Week	Calcutta	Bombay
	Rs. (Lakhs)	
6-12-63	1,26.96	14,32.28
29-11-63	99,83.12	1,11,86
22-11-63	1,01.75	1,19,33

THE STATEMENT OF THE POSITION OF scheduled banks for the week ended 6th December, 1963, shows Demand and Time liabilities at Rs. 1,107.88 crores (Rs. 24.42 crores on account of borrowings from banks) and Rs. 1,306.44 crores (Rs. 22.27 crores), compared with Rs. 1,123.80 crores (Rs. 29.47 crores) and Rs. 1,324.71 crores (Rs. 22.21 crores), respectively, in the previous week. Cash and balances with the Reserve Bank have risen by Rs. 44 lakhs and Rs. 8.59 crores to Rs. 56.12 crores and Rs. 81.52 crores, respectively. There is a drop of Rs. 29.50 crores to Rs. 737.47 crores in investments. Advances and bills discounted at Rs. 1,532.43 crores show a rise of Rs. 33.81 crores. The ratios to total liabilities of cash and balances, and of advances and discounts are, in consequence, shown at 5.7 percent and 63.5 percent, against 5.3 percent and 61.2 percent.

RESERVE BANK

ISSUE DEPARTMENT

(In 000's of Rupees)	Week Ended 13-12-63	6-12-63	14-12-62
Liabilities—			
Notes in Banking Dept.	14,72,56	23,06,71	10,77,60
Notes in Circulation	23,36,22,72	23,13,53,08	21,25,28,26
Total Notes issued	23,50,95,28	23,36,59,79	21,36,05,86
Assets—			
A. Gold Coin and Bullion	1,17,76,10	1,17,76,10	1,17,76,10
Foreign Securities	97,45,69	92,45,69	88,08,43
Total of A	2,15,21,79	2,10,21,79	2,05,84,53
B. Rupee Coin	1,16,42,47	1,17,06,98	1,21,92,23
Rupee Securities	20,19,31,02	20,09,31,02	18,08,29,10
Total	23,50,95,28	23,36,59,79	21,36,05,86

BANKING DEPARTMENT

Liabilities—			
Capital Paid-up	5,00,00	5,00,00	5,00,00
Reserve Fund	80,00,00	80,00,00	80,00,00
National Agricultural Credit (Long Term Operations) Fund	73,00,00	73,00,00	61,00,00
National Agricultural Credit (Stabilisation) Fund	8,00,00	8,00,00	7,00,00
Deposits—			
(a) i. Central Govt.	49,92,85	84,01,29	51,20,50
ii. State Govts.	14,88,27	10,20,66	13,47,51
(b) Banks :—			
(i) Scheduled Banks	82,73,36	82,93,35	78,14,37
(ii) State Co-operative Banks	1,92,84	2,09,70	1,52,81
(iii) Other Banks	4,61	4,61	5,68
(c) Others	1,65,26,79	1,66,29,19	1,50,45,68
Bills Payable	28,72,27	32,65,15	31,13,89
Other Liabilities	39,49,19	39,08,41	39,38,16
Total	5,49,00,18	5,83,32,36	5,28,58,65
Assets—			
Notes	14,72,56	23,06,71	10,77,60
Rupee Coin	2,72	2,37	2,19
Small Coin	2,27	3,53	2,37
National Agricultural Credit (Long Term Operations) Fund			
(a) Loans and Advances to :—			23,90,75
(i) State Govts.	26,98,98	26,99,97	11,51,07
(ii) State Co-operative Banks	9,17,20	9,26,56	
(iii) Central Land Mortgage Banks	—	—	—
(b) Investment in Central Land Mortgage Bank Debentures	3,55,31	3,55,31	2,84,88
National Agricultural Credit (Stabilisation) Fund			
Loans and Advances to State Co-operative Banks	—	—	—
Bills Purchased and Discounted :—			
(a) Internal	—	—	—
(b) External	—	—	—
(c) Govt. treasury Bills	80,64,61	91,03,91	85,59,15
Balances Held abroad	8,22,10	12,76,19	8,92,83
Loans and Advances to Govt.	39,58,13	46,53,88	12,80,00
Loans and Advances to :—			
(i) Scheduled Banks	7,85,55	14,60,75	18,57,40
(ii) State Co-operative Banks	1,31,67,54	1,34,10,99	1,36,05,68
(iii) Others	1,74,55	1,53,30	1,77,32
Investments	1,97,72,42	1,92,77,90	1,83,58,66
Other Assets	27,06,24	27,00,59	32,18,75
Total	5,49,00,18	5,83,32,36	5,28,58,65

SCHEDULED BANKS

(In 000's of Rupees)	Week Ended 6-12-63	29-11-63	7-12-62
(i) Demand Liabilities—			
(a) Demand Deposits			
(1) From Banks	51,77,89	53,79,80	45,55,35
(2) From others	9,70,88,25	9,77,60,92	7,89,39,45
(b) Borrowing from Banks	24,42,43	29,46,92	20,91,74
(c) Others	60,79,27	62,92,10	55,21,06
(ii) Time Liabilities—			
(a) Time Deposits			
(1) From Banks	28,72,45	33,14,15	24,07,68
(2) From others	12,45,10,95	12,59,27,92	12,21,73,71
(b) Borrowing from Banks	22,27,00	22,20,83	16,08,22
(c) Others	10,33,16	10,08,45	10,86,90
(iii) Borrowing from State Bank—			
(a) Demand Liabilities	6,25,75	8,84,10	6,63,98
(b) Time Liabilities	19,61,00	18,80,50	13,32,29
(iv) Borrowing from Reserve Bank	14,50,60	71,00	29,99,65
(v) Cash	56,11,54	55,68,17	49,38,32
(vi) Balances with the Reserve Bank	81,51,99	72,93,07	72,41,85
(vii) Balances with other Banks in current account	22,33,29	22,23,60	18,00,00
(viii) Money at call and short notice	56,56,45	69,07,81	51,61,82
(ix) Investments in Central and State Govt. Securities	7,37,47,13	7,66,97,33	6,65,71,88
(x) (a) Loans, Cash credits and Overdrafts	12,77,96,40	12,53,55,78	11,88,77,65
(b) Due from Banks	12,54,05	11,91,60	11,64,31
(xi) Inland Bills purchased and discounted	1,83,90,40	1,74,92,86	1,54,18,49
(xii) Foreign Bills purchased and discounted	58,02,20	56,21,36	49,69,39
(xiii) Total of X (1 and XI)	15,32,43,05	14,98,61,60	14,05,29,84



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THE SCINDIA STEAM NAVIGATION CO., LTD.

CHAIRMAN, MR. D. M. KHATAU'S REVIEW

The following is the summary of the Statement of Mr. Dharamsey M. Khatau, Chairman, The Scindia Steam Navigation Co. Ltd., made at the 44th Annual General Meeting of the Shareholders on Wednesday, the 18th December 1963, at Scindia House, Ballard Estate, Bombay.

The improvement in the Company's results in the year under review, observed Shri Dharamsey M. Khatau, Chairman of the Scindia Steam Navigation Co. Ltd., in his statement to the Shareholders of the Company at the 44th Annual General Meeting was due to improved performance and the upward revision of freight rates coupled with such rationalisation of the fleet and services as the Company achieved in its overseas trades having due regard to its essentially liner nature. The 10 per cent increase in the Westbound freights had come not a day too soon inasmuch as these freights had remained steady at the same level since 1957.

Regarding employment of 10/12,000 d.w.t. ships as tramps for carriage of cargoes presently being carried by Liner vessels, he said this would lead to wasteful competition. Shri Khatau requested the Government of India to bear this in mind and to see that no parallel service is sought to be established by tramp interests, as such a step would merely give a set-back to what has already been achieved by Indian shipping in the field of international shipping.

As regards the rates of freight on the Coast, Shri Khatau referred to the appointment of Shri T. S. Parasuraman, as a One-Man Commission to review the case of shipowners, and he hoped that the Commission would look into the urgent need of allowing the coastal operators an appropriate increase in freight rates so as to provide an adequate return on capital employed.

Coal Cargo

There was another aspect of coastal shipping which Shri Khatau dealt with in his observations: commenting on the occasional shift one noticed in the Government policy in allocation of coal cargo leading to withdrawal of some ships from coastal employment, he said it would be only fair that Indian shipping should expect to carry on the coast the increased quantity of the cargo that would be adequate for increased coastal tonnage so that coastal operators did not have to face the serious situation about finding cargo for their increased tonnages.

Shri Khatau referred to the problem of mounting operating costs arising from increased benefits given to the dock labour under various Awards and also from increased port charges and he said it was very necessary that the steps should be taken to establish an appropriate machinery like the Tariff Commission to evaluate such rise in costs with a view to suitable compensation in freight rates.

He further advised the meeting that, out of the three 17 knots fast motor vessels—JALAKIRT type—ordered with Messrs Hindustan Shipyard, the first vessel is now expected to be delivered by about the middle of 1964, although its keel was laid as far back as on 12th October, 1961. The second vessel is scheduled to be launched shortly and it will be ready sometime in 1965. Keel of the third vessel was laid on 26th April 1963. He also referred to the recent addition to the Company's fleet of two second-hand motor vessels —one of 12,800 d.w.t. and another of 11,700 d.w.t.—both built in 1958 and having a speed of 14 knots. These vessels have been acquired on a deferred payment basis.

His observations about future prospects were that:

> "the recent spurt in the international freight markets about which a reference has been made earlier will, it is hoped, have a steadying influence on the general level of liner rates. I also hope that the findings of the One-Man Commission now examining the coastal freight rates will lead to recommendations of more reasonable upward revision. With the Government of India recognising the need to ensure economic freights for our shipping and by proper planning, both in coastal and international spheres, we can look forward with confidence to a steady and planned progress of our industry."

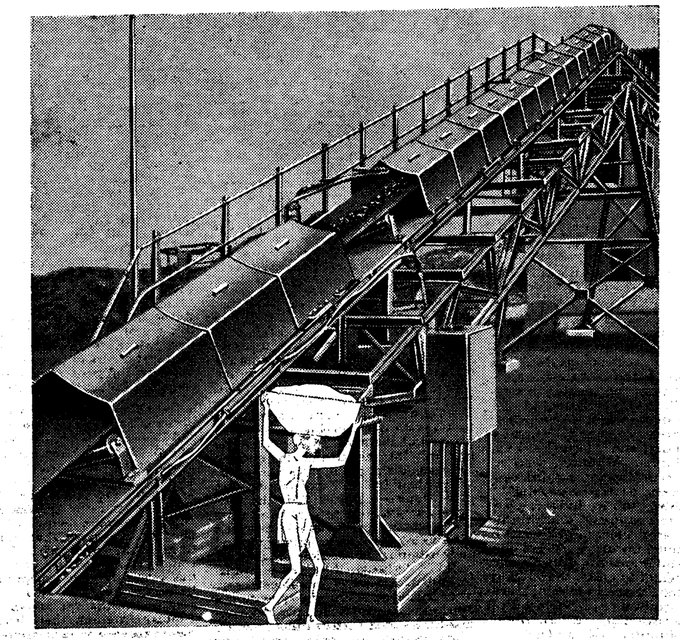
Konkan Services

As regards Konkan Services, Shri Khatau stated that the amounts in respect of a subsidy in lieu of 8 per cent increase in fares as well as the repair cost in excess of the Rau Committee's estimate for the years 1961-62 and 1962-63 had not been received as promised by the Government. As no Agreement could be reached with the Government of Maharashtra in regard to the question of payment of dues payable by them, the Company could not resume the Konkan Services from 1st September 1963. Thanks, however, to the good offices of the Central Government, the Maharashtra Government paid an 'on account' amount of Rs. 4 lakhs which enabled the Company to resume its services from 11th October, 1963. He further stated that the Committee that was proposed to look into the matter had not yet started functioning and urged that early steps be taken to set it up.

Shri Khatau thanked Shri Jagjivan Ram, the then Minister of Transport and Communications, and Shri Raj Bahadur, Minister for Shipping and the officials of the Ministry of Transport for the interest taken in the shipping problems. He also referred to the services rendered to the cause of Indian shipping by Shri G. L. Mehta, the First Chairman of the National Shipping Board and welcomed Shri C. H. Bhabha the newly appointed Chairman of the Board and expressed his confidence that with his inspiration and efforts we would soon achieve and even exceed the target of two million tons for our national shipping.

He also appreciated the services rendered by the officers and staff and the Company's Agents abroad and in India and thanked the shippers and consignees for their continued support.

Note: This does not purport to be a report of the proceedings of the Annual General Meeting.



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REG. TRADE MARK

New Delhi

LOAN CLAUSE IN COMPANIES BILL CAUSES FURORE IN LOK SABHA

(FROM OUR NEW DELHI CORRESPONDENT)

THE Companies (Amendment) Bill dominated discussions in the Lok Sabha last week. The Bill, in its original form, gave the Government the power to convert present or future loans advanced to a company into equity shares. The provision created grave apprehensions in business circles. In its representation to the Government, the Associated Chambers of Commerce of India, for example, has said: "The Chambers are very gravely concerned at the implications of the clause relating to the conversion by the Government of loans made by it into share capital. This clause would give powers whereby loans obtained from the Government by a company, before enactment of the Bill, can be converted into shares in the company on such terms and conditions as the Government may consider reasonable.

"In the opinion of the Chambers, these proposals are totally unacceptable. To change the very basis of a financial arrangement on which financial accommodation may have been received is to introduce an alteration in conditions which does not appear to be justified by any of the explanations given by the Government. The Chambers suggest that justice and expediency both require that the possible retrospective application of this measure should be removed."

The Bill was referred to a Select Committee. In its report, the latter recognised the force of the arguments advanced in the various representations and restricted the scope of the provision to future loans only. The amendment by the Select Committee was endorsed by a majority of the executive committee of the Congress Parliamentry Party. The Prime Minister, who presided, and the Central Finance Minister abstained from voting, while three "progressives" belonging to the Krishna Menon group voted against the amendment made by the Select Committee The minority thereupon called for a general meeting of the Congress Parliamentary Party to review the decision of its executive. This was acceded to by the Prime Minister. The general body, acting on "democratic" principles, delegated its power of taking a decision to its leader, namely, the Prime Minister. Mr. Nehru gave his verdict against the majority decision of the executive committee, thereby restoring the scope of the contested provision of the Bill to include the existing loans advanced to or debentures held by companies in the private sector. In doing this, the Prime Minister ignored the fact that not only did a majority of its own executive committee vote in favour of the Select Committee, but the report of the Select Committee, among others, was signed by his own Finance Minister.

The episode indicates the shape of things to come if the so-called progressives were to come to power. Communists often violated the agreements signed by them or their predecessors. The "progressives", similarly, may show no respect for agreements entered into by the Congress rulers.

Small Concession

Mr. Krishnamachari said in the Lok Sabha that the two steel companies in the private sector were likely to be affected because of the clause relating to the conversion of loans into equity shares. But in order to mollify the critics of the clause, he incorporated a last-minute concession by adding a rider that every order proposed to be issued for such conversion will have to be on the table of both Houses of Parliament for a period of 30 days to enable Members to scrutinise the order and make suggestions. Meanwhile, the battle is now easing within the Congress Party itself over the nationalisation of banks. Mr. Krishnamachari has so far stood up against this pressure. But the battle continues.

Mr. Nehru talked of pressure group tactics which, according to him, had succeeded in securing an amendment of the particular clause by the Select Committee and the majority endorsement of the amended clause by the Congress Party executive. To substantiate this, the Prime Minister should institute an enquiry. Alternatively, the members of his Party who were accused of surrendering their judgment to the pressure of "big money" should demand an enquiry into the allegation. The issue, however, is a bigger one, namely, whether there are any "lobbies" inside Parliament in general and the Congress Party in particular. If there are, what action has the Prime Minister taken to combat them? What about the sugar lobby, the cotton textile lobby, the *khadi* lobby, the bootleggers' lobby and so on? Coming in the wake of the Voice of America deal, the Companies (Amendment) Bill could have far-reaching repercussions.

In the light of this episode, the demand of the West German Government for an investment guarantee agreement is understandable. The focal point of the proposed agreement is the provision relating to arbitration. Under the scheme, in the event of a dispute over payment for German assets proposed to be nationalised, India and Germany each will appoint an arbitrator, who in their turn will appoint a third person not belonging to the country of either of them. In case India or Germany fail to nominate an arbitrator or the two arbitrators fail to select a third member during a period not exceeding three months, either party will be eligible to ask the World Court at the Hague to nominate all the three arbitrators or one arbitrator as the case may be. The award of this arbitration shall be final.

ECONOMIC TRENDS

Pre-Budget Survey

In his pre-Budget survey of the economic situation in the Lok Sabha on Monday, the Central Finance Minister, Mr. T. T. Krishnamachari, offered no hope of either reduction in taxation or a liberalisation of imports. An increase in production, productivity and exports, he said, was the need of the hour. "Unless industrial development in some important consumer goods industries, such as cotton textiles and sugar, picks up to a significant extent, it will not be possible for us to achieve the overall rate of growth in industrial production of the kind we urgently need." The Government has accordingly decided to abolish price controls on 16 commodities—rayon yarn, staple fibre, caustic soda, soda ash, hydrochloric acid, chlorine, calcium carbide, bleaching powder, chilean nitrate, muriate of potash, sulphate of potash, washing soap, tyres and tubes, sheet glass, paper board and natural rubber. Pending the report of the committee on the licensing of industries, grant of capital goods licences, control over capital issues, etcetera, the Government has raised the exemption limit for industrial licensing from Rs. 10 lakhs to Rs. 25 lakhs. Correspondingly, the exemption limit for the purpose of capital issues control is being raised from Rs. 10 lakhs to Rs. 25 lakhs.

Mr. Krishnamachari said: "In general, in the administration of all controls, including permissions for inter-corporate investments, we shall be guided mainly by the need to promote the growth of essential industries." He, however, made it clear that in the present state of foreign exchange reserves, the Government could not relax the scrutiny over the import of plant and machinery "associated" with any investment, however small it might be. In sanctioning the licences for the import of capital goods, the Government will, therefore, "continue to have utmost regard" for the essentiality of the industry and other relevant factors. Mr. Krishnamachari felt that no one should put up inessential industries which would need steady supplies of imported materials, or indigenous raw materials, of which there was an acute shortage and whose distribution was controlled by the Government.

Mr. Krishnamachari regretted that substantial additional taxation had to be imposed to meet the needs of defence and development, precisely at a time when there was a significant decline in agricultural production. This naturally led to a sharp rise in the prices of several basic necessities. The Central Finance Minister referred to the two basic problems of rising prices and the slow rate of economic growth. He claimed that the outlook for agricultural production was better which should make it possible to keep prices under control. "In the ultimate analysis, our success in dealing with economic problems will hinge on the success we achieve in stimulating and sustaining production and productivity." Although the Finance Minister felt that in a developing economy, there should be restraints on consumption and on less essential development, he stated that in India where a large section of people were living from hand-to-mouth, the approach to any unbalance or shortage could only be in terms of ending the shortage or unbalance at higher levels of supplies rather than in terms of greater and greater restraints on demand. Among the measures the Government has taken to stimulate growth are better credit facilities for legitimate purposes by the Reserve Bank, the enlargement of resources of the Industrial Finance Corporation and the Industrial Credit and Investment Corporation, the establishment of a unit trust in the public sector, and the proposed development bank.

Budgetary Outlay

"The Budgetary outlay next year will inevitably be considerably higher than during the current year. Given the continuance of the state of emergency and the threat to our borders, of which I see no visible signs of abatement, there cannot clearly be any question of the slackening of our defence effort. On the other hand, the plan outlay next year will have to be substantially larger. We are currently having discussions with the State Governments on their plans for 1964-65 and the indications are that Central assistance to the States next year for their plans will have to be significantly larger than in the current year. The outlay on the Centre's plan next year wil also have to be higher. Some increase in the non-plan expenditure is also inevitable. We have already taken a few measures to enlarge the area of social security.

"To a certain extent, the increase in both plan and non-plan expenditure would be offset by the growth in normal tax revenues and by greater use of external assistance as projects for which such assistance is earmarked begin to get completed. On the other hand, while it should be our endeavour to increase the receipts from small savings even beyond satisfactory levels for the current year, it will not be prudent—in the light of this year's experience and requirements of the rest of the economy for funds—to plan for any significant increase in resources to be raised by market borrowing. There also is no question of taking the lid off deficit financing at a time when utmost vigilance is required on the price front.

"In short, in any review of fiscal policies, the primary emphasis has to be on such forms of modification and rationalisation of the tax system as are calculated to improve the performance of the economy without disregarding the need for raising 'resources' on an adequate scale. The relevant question before us is, therefore, whether there is any scope for making such changes as would stimulate saving and investment, and production, and thereby contribute even more to the buoyancy of public revenues than the present tax system does. Perhaps the most important problem that faces us in the matter of fiscal reform is that of devising astute and stringent measures to meet the evil of tax evasion so that it may be possible to distribute the burden of taxation more justly and evenly between different individuals in the same or similar walk of life.

"We have thought too exclusively of social justice as justice between different classes or sections or community and not enough of injustice inherent in tax evasion as between different members of each class or profession and as between the honest taxpayer and the dishonest evader. Another avenue which I think we need to explore is that of surpluses from public enterprises. It has been common knowledge for some time that returns on investment in the public sector have not been commensurate with what we should expect. I venture to think that the steps we have taken on hand or are now taking would help to lift the economy to a somewhat higher level of effort and enterprise than has been the case for some time in the recent past."

Earlier Mr. Krishnamachari said that the economic situation showed a mixed trend. The foreign exchange position continues to be tight, although the decline in reserves has been arrested since August. It has not been necessary so far to fall back on the stand-by agreement with the I.M.F. On the contrary, India has repaid $25 million to the I.M.F. Mr. Krishnamachari expected that at the end of the current fiscal year, the reserves would be of the order of Rs. 300 crores. Internally, the budgetary outlook for the current year is not unsatisfactory despite major concessions in relation to the compulsory

savings scheme and the reduction on two occasions in the premium rates for the emergency risks insurance scheme." In view of this improvement, the Government has decided to collect no premium for emergency risks insurance for the quarter ending 31st March, 1964. Taking account of all factors, Mr. Krishnamachari claimed that the overall budgetary deficit in the current year should be lower than the Rs. 181 crores originally budgeted for.

RAILWAYS

Kunzru Committee Report

The Kunzru Committee on Railway Accidents has submitted its report to the Government. The following are the Committee's important findings: "Our study of accidents does not support the impression that the increase in traffic mainly accounts for the increase in accidents. The incidence of important accidents during the last six years has shown a decrease on the broad gauge and an increase on the metre gauge, where it has been throughout higher than on the former. Furthermore, the disparity between the two has been widening and deserves the special notice of the railway authorities.

"In examining the various categories of collisions, we find that (i) the incidence of collisions is about 50 percent more on the broad gauge than on the metre gauge. The incidence on the broad gauge and the metre gauge has been highest on the Eastern and the North Eastern Railways, and lowest on the Western and Southern Railways, respectively.

"(ii) Collisions between trains and shunting engines, which constituted the largest proportion of collisions, have been showing a downward trend on the broad gauge. We suggest that the measures, which have resulted in improvement on the broad gauge, should be applied also to the metre gauge, where there has been a deterioration. We suggest the need for special attention to collisions between two trains, whose proportion has been increasing on both the gauges:

"(iii) Thirty-four and 42 percent of the collisions, on the broad gauge and metre gauge, respectively, were caused by the reception of trains on blocked lines or by despatching them into blocked sections or by the incorrect setting of points in addition, drivers were responsible for 21 and 17 percent of the collisions on the two gauges, respectively. We emphasise the need for imparting training and a personalised approach to the station staff and drivers and to provide them with appropriate signalling aids.

"(iv) Collisions between trains and trolleys are more on the broad gauge than on the metre gauge and are susceptible of appreciable reduction for which the railways should enforce strictly the rules for trolley protection.

Incidence of Derailments

"Our analysis of derailments shows that (i) the incidence of derailments a million train miles on the broad gauge has been throughout lower than on the metre gauge. This shows that by raising the standard of equipment and its maintenance and by inculcating greater alertness among the operating staff, it is possible to neutralise the adverse effects of the higher intensity of traffic.

"(ii) Seventeen percent of the derailments on the broad gauge and 36 percent of those on the metre gauge occurred in mid-sections; such derailments being more dangerous, call for special steps to reduce their occurrence;

"(iii) (a) Fifty-two percent of the station derailments and 11 percent of mid-section derailments, on the broad gauge, were caused by various types of failure on the part of the staff. The corresponding figures for the metre gauge were 46 percent and 19 percent, respectively;

"(b) Sixty-one percent of the station derailments caused by failures of station staff on the broad gauge and 58 percent of those on the metre gauge were attributed to incorrect setting and non-locking of points. We, therefore, suggest that the guard should personally supervise shunting at all stations except where a shunting *jamadar* or a corresponding official is in charge of shunting. In all cases of shunting whether involving a passenger or a goods train, locking of facing points should be made compulsory.

"(c) Thirty-four percent of the station derailments on the broad gauge and 36 percent on the metre gauge were caused by the failures of drivers; the mid-section derailments attributed to them were 53 percent and 62 percent on the two gauges, respectively. We suggest an expeditious conclusion of the experiments undertaken by the Research, Designs and Standards Organisation (R.D.S.O.) so that more powerful and effective brakes may be provided on trains.

"(iv) Defective loading was responsible for 35 percent of mid-section derailments caused by failures of the staff on the broad gauge and 36 percent on the metre gauge. We suggest that the railways should make a detailed study of the nature of such defective loading and devices measures to avoid them.

"(v) On the metre gauge, track defects caused a larger number of derailments at stations than between stations. The position was the reverse on the broad gauge. The wide variations on the different railways in the accidents caused by track defects point to the need for raising the standard of the track and its maintenance on the railways, where the performance is poor.

"(iv) Sixteen percent of the derailments on the broad gauge and 20 percent on the metre gauge were caused by carriage and wagon defects, whose incidence varies considerably on the different railways. The incidence of these derailments a 100 million vehicle-miles on the metre gauge is 232 percent higher than on the broad gauge. This emphasises the urgent need for improvement on the metre gauge of some railways.

"(vii) Four percent of the derailments on each of the two gauges were caused by engine defects and we urge that the maintenance of engines on the railways with a bad performance should be improved appreciably.

Accidents at level crossings: The level crossing accidents have been showing an upward trend on both the gauges but more so on the metre gauge. Ninety percent of the accidents at manned level crossings on the metre gauge and 77 percent on the broad gauge were attributed to the failure of the railway staff, and this indicates the need for greater vigilance on the part of the gatemen. We suggest that the permanent way, loco and the transportation inspectors should watch and report on the alertness of the gatemen, and officers should make frequent checks on the working of the gatemen and the security factors at the gates. Severe action should be taken against those found not alert or absent from duty at the time of the passage of trains.

"Care should be taken to ensure that persons suffering from physical handicaps are not posted as gatemen. The highest incidence of level crossing accidents, both at manned and at unmanned level crossings, was on the North-east Frontier Railway, followed by the North Eastern Railway in the case of manned and the Eastern Railway in the case of unmanned level crossings. We urge these railways to make detailed investigations to determine the preventive measures to be taken.

New Fund Suggested

"We recommend the establishment of a railway level crossing fund somewhat on the pattern of the Canadian Railway's grade crossing fund, to finance all protective works at level crossings. This fund should be credited with yearly contributions by the Ministries of Railways and Transport and by the State Governments, on a basis to be determined by mutual consultation.

"*Central Railway:* Our analysis of accidents on the Central Railway shows that the collision between trains and shunting engines on its broadgauge section have been high, that the average incidence of derailments on its metre gauge section has been 82 percent more than on the broad gauge and that the station staff have been responsible for a very large number of collisions and derailments. This indicates the need for a more thorough check on their work.

"We find that the drivers were responsible for a large number of derailments, a good number of collisions and for most of the cases of disregard of signals, whose incidence was the highest on this railway. We suggest that the Railway Board's instructions on the minimum vacuum in the guard's brakevan should be brought into force, not later than 31st March, 1964, and the drivers should be given better and regular training in schools and on the footplate; for this purpose, the strength of loco inspectors should be augmented.

"We find that mid-section derailments constituted the bulk of derailments on the metre gauge and that carriage and wagon defects were the largest factor responsible for them. We observed that proper attention was not being given to wagons in the Matunga workshops.

"*Eastern Railway:* The results of our analysis of collisions on the Eastern Railway are as follows: (i) The number of collisons on this railway was the highest of all the broad gauge railways, during the last six years, although there has been a general trend towards a reduction in their number.

"(ii) A large number of collisions between trains and buffer ends or other stationary objects has been a peculiarity of this railway.

"(iii) Thirty-three percent of the collisions were due to drivers disregarding signals or to their failure to control in time the speed of trains. On the electrified section, this was partly due to the inadequate visibility of the signals to remedy which we suggest that multiple aspect colour light signalling should be provided in all schemes of electrification and their proper visibility ensured.

"(iv) The reception on or despatch of trains into blocked lines accounted for 30 percent of the collisions, which indicate the need for greater vigilance on the part of the station staff.

"(v) Twenty-seven percent of the collisions were due to non-protection of trolleys. This railway has laid down recently that trolleys should be protected by red flags and detonators from three-quarters of a mile instead of half a mile; we suggest that other railways should make a similar provision in their rules.

Mid-section Derailments

"We find that the proportion of mid-section derailments on the Eastern Railway has been increasing mainly on account of carriage and wagon defects. One-third of the train partings in India were on this railway and 60 percent of them resulted from the breakage of drawbars, links, etcetera. Besides the early completion of the programme of replacement of the drawbars of Class II steel by those of Class IV steel, we suggest that the procedure for the maintenance of rolling stock should be radically improved and strengthened on this railway.

"We consider that the non-fulfilment of the track renewal programme was partly responsible for a large number of derailments due to track defects and suggest that the programme should be completed early.

"*North Eastern Railway:* Our analysis of accidents on the North Eastern Railway shows that the incidence of collisions has been the highest among the metregauge railways and the incidence of derailments, averted collisions and block irregularities was also very high. Fifty-four percent of the collisions on the railway were between trains and shunting engines and a large majority of the derailments took place at stations.

"This railway alone accounted for 43 percent to 49 percent of the different types of staff failures on all the metregauge railways. We comment on the widespread lack of knowledge of basic rules among the operating staff and suggest measures for improvement in this matter.

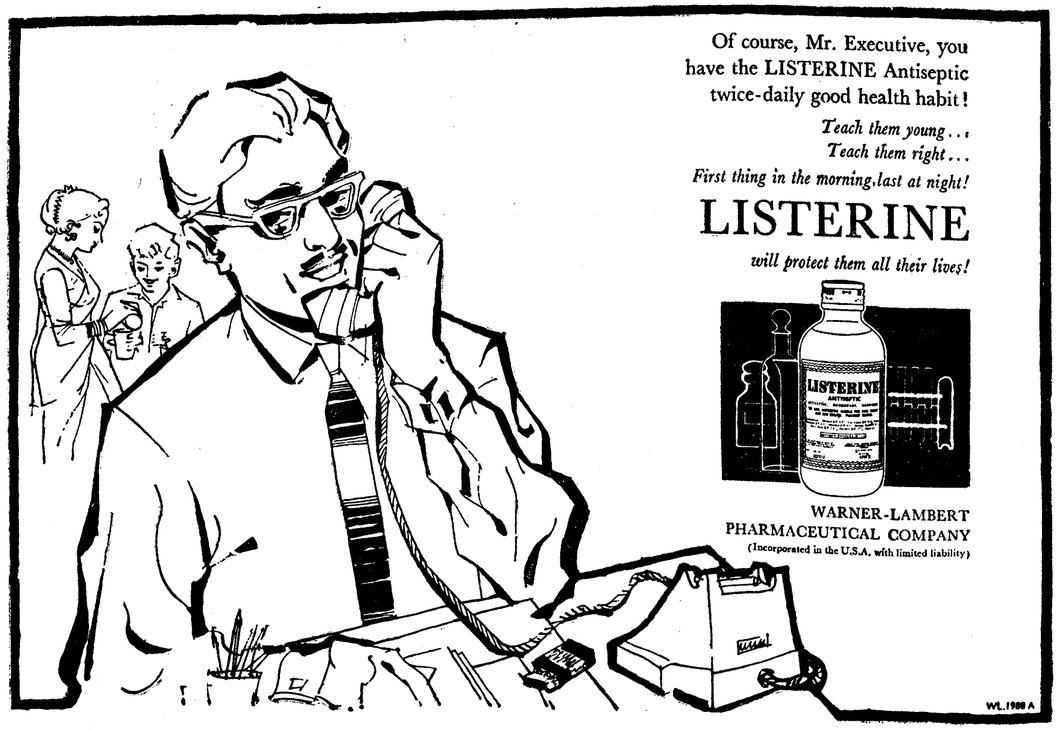
"Among the metregauge railways, derailments due to track defects were the highest on this railway. Defective track material, mostly in station yards at or near the points, accounted for the largest number of such derailments. The condition and maintenance of points and crossings were admitted to be poor. Sixty percent of the track was under speed restrictions at the time of our inspections.

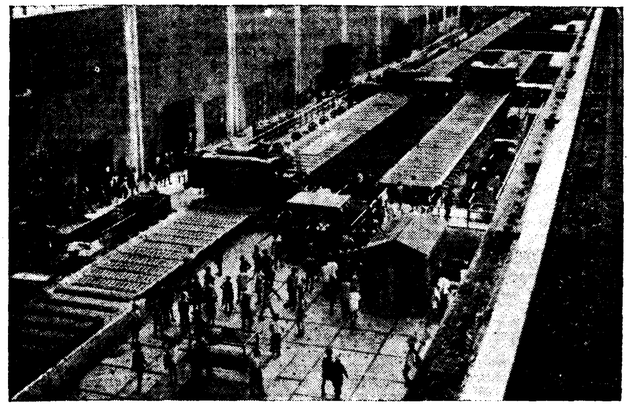
"We find that 41 percent of the derailments due to engine defects on the metre gauge, occurred on this railway. The position concerning engine failures has also been unsatisfactory. We suggest that the railway should take steps, with special assistance from the Railway Board, to get over the shortage of spare parts, the inadequacy of competent supervisors and the widespread illiteracy among drivers.

WORLD BANK

Mr. Peter Wright in Delhi

Mr. Peter Wright of the World Bank was recently in town on his





A view of the finishing end plant built by Schloemann for the heavy plate mill in Rourkela

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plant for India's heavy industry

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SCHLOEMANN—over 25 years of co-operation with INDIA

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way back to Washington. He had been to Nepal. During his brief stay in New Delhi, Mr. Wright met the Central Finance Minister, Mr. T.T. Krishnamachari, and the Deputy Chairman of the Planning Commission, Mr. Asoka Mehta. The main object of the visit was to study the changes in the economy that had taken place since he made his last report. His next report will be available before the meeting of the Aid-India Club due to be held in Paris during the spring. India, it is learned, will ask the Club to make commitments for the last two years of the plan as well as for the preliminary work or advance action for the fourth plan.

Indications, however, are that the U.S.A., due to the forthcoming Presidential elections. may not be able to make commitments for more than one year. There is a general dissatisfaction over the use the aid is being put to and the rigidity of the Indian approach to some basic problems. The plea that a 7 percent growth target for India is justified is not convincing either, in view of the growth rate of 2 percent so far achieved. There is a school of thought in New Delhi which is opposed to enlarging the scope of foreign assistance, which must follow, if the growth target is based on 7 percent. Foreign observers think that India should consider herself lucky if she succeeds in securing aid at the present rate. Then again, fixing targets, say, for steel production within a specified period is not regarded as realistic. As the Deputy Chairman of the Planning Commission, Mr. Mehta, with a detached mind, may reorganise the whole basis of planning, it is suggested here.

PENSIONS

Scheme for Central Employees

The Central Finance Minister, Mr. T. T. Krishnamachari, announced a liberal scheme of family pensions for Central Government employees in the Lok Sabha last week. The scheme provides for a life pension to the widow of an employee with a minimum of Rs. 25 a month and a maximum of Rs. 150 a month adjusted for different slabs of pay of the employee concerned. The scheme covers all regular employees, permanent and temporary, with one year's service. Allowances would be paid to minor children in the event of the death of the widow. On his part, the employee will surrender part of his gratuity equal to two months' emoluments as a token contribution. This contribution will not be applicable to defence services personnel as no gratuity is payable to them. The annual funded cost of the scheme will ultimately be Rs. 17.15 crores. The scheme will come into force on 1st January, 1964. The following is the text of Mr. Krishnamachari's statement:

"The Government has been considerering for some time measures to be adopted for providing social security to weaker sections of the population. As will be appreciated, this is a very wide question and different schemes have to be devised to meet the varying needs of the persons affected. While these considerations are still in progress, the Government has considered it desirable to make a beginning with a scheme of social security at least for its own employees, and has decided to revise very substantially the present family pension a pension for life to the widow of an employee.

"The new scheme provides for a minimum pension to the widow of Rs. 25 a month and a maximum pension of Rs. 150 a month adjusted for different slabs of pay of the employee concerned. The scheme will also provide for payment of allowances to minor children in the event of the widow dying. At present, an officer has to complete normally not less than 20 years' qualifying service for the widow to become entitled to a pension and the duration of the pension is also limited to a maximum period of ten years. Under the new scheme, the widow of any regular employee, whether permanent or temporary, who has put in one year's service will be a entitled to the pension for life in the event of death of the employee. The employee will, however, be required to surrender a small portion of the death-*cum*-retirement gratuity due to him, equal to two months' emoluments, as a token contribution. The new scheme will apply to all employees in service on 1st January, 1964, and also, of course, to those who enter service thereafter.

"The scheme will apply to all railway employees who opt for or are already on a pension scheme. The existing extraordinary pension scheme will be suitably revised to provide for somewhat higher benefits to bring it in line with the present scheme. The need for some such scheme has been envisaged by the Second Pay Commission and it is a matter of some satisfaction that it has now been possible to give a practical shape to it.

"As for defence services personnel, the new scheme would practically be non-contributory because no gratuity is payable to defence services personnel in addition to service pension. In cases where the minimum pension admissible at present is lower than Rs. 25, it will also be raised to this minimum.

"The annual funded cost of the scheme ultimately in about 25 years is estimated at Rs. 12.15 crores a year on the civil side and Rs. 5 crores a year on the defence side. The scheme will be brought into force from 1st January, 1964, and will provide a measure of security to wives and minor children of Central Government employees.

E.C.M.

Tariff Concessions

The following are the details of the recommendations of the Council of Ministers of the European Economic Community for concessions in the common external tariffs for some of the products:

Item	Existing rates of common external tariff	Duties according to the provisional decision of the Council of Ministers	Reported modifications in the provisional decision (subject to confirmation from the Commission of the E.E.C.)
Cashew kernels	5 percent	Complete suspension	2½ percent
Cardamom (unground)			
(i) For manufacture of essential oils and resionid	Exempted	-do-	-do-
(ii) Others	20 percent	Complete suspension	No change
Cardamom (crushed or ground)	25 percent	-do-	-do-
Coriander (unground) essential	-do-	-do-	-do-
(i) For manufacture of essential oils and resionid	Exempted	-do-	
(ii) Others	5 percent	-do-	-do-
Coriander (crushed or ground)	12 percent	-do-	-do-
Ginger			
(i) For manufacture of essential oils	Exempted		
(ii) Others	20 percent	Complete suspension	No change
Curry powder and paste	25 percent	-do-	-do-
Mango chutney	20-22%	-do-	-do-
Ginger preserved crystallised	25 percent	-do-	-do-
Ginger preserved in sugar	23-27%	-do-	-do-
Castor oil	8 percent	7 percent	-do-
Tobacco seed oil crude	5 percent	Complete suspension	-do-
Other	8 percent	-do-	
Chillies	20 percent		10 percent
Chillies powder	25 percent		12½ percent
Shellac bleached	3 percent	Complete suspension	No change

COAL

Demand Under Third Plan

The anticipated demand for coal at at the end of the third five year plan by various major consumers is as follows:

	Anticipated in 1965-66 (In million tons)
Coking Coal	
Steel plants	18.41
Merchant cokeries	2.00
Soft coke for domestic consumption	4.50
Non-coking coal	
Railways	20.00
Power houses	13.64
Cement factories	6.32
Paper mills	2.10
Textile mills	2.27
Brick kilns	4.00
Export	1.50
Bunker	0.15
Colliery consumption	2.50
Other consumers	12.92
	90.31

The capacity of the Kathara colliery of the National Coal Development Corporation will be expanded from 1.5 million tons a year to 3 million tons a year. Similarly, the Swang and Jarangdih mines will be reorganised and their combined total output increased from 300,000 tons to about 1 million tons. The Jarangdih and Swang scheme is to be executed in collaboration with the National Coal Board of the U.K.

Kathara in Bihar has been selected for setting up a coal washery with Russian credit. The total estimated cost of the project is Rs. 8.06 crores, out of which the foreign exchange component is estimated at Rs. 3.68 crores. The foreign exchange component comprises Rs. 2.58 crores under the rouble credit from Russia, Rs. 10 lakhs under the trade and payments agreement with the latter and Rs. 1 crore for the purchase of equipment from other countries. The construction work will commence early in 1964, and the washery is expected to be commissioned in October 1965. After the necessary trial runs, it will start production in December 1965.

HEAVY STRUCTURALS

Programme for Wardha Project

Due to the lack of foreign exchange, the heavy plates and vessel project and the heavy structurals project proposed to be set up in Wardha during the third plan period could not be implemented so far. Consequently, a rephasing and reorientation of these projects has become necessary. At present, the intention is to take up the heavy structurals project, with the addition of marginal items of plate and vessel work. Steps are being taken to find the necessary foreign exchange for this purpose.

DEVELOPMENT BANK

New Bill Expected

The Government's decision to establish a development bank and its relationship with the Industrial Finance Corporation is likely to be placed before the Lok Sabha in the shape of a Bill, it is disclosed here.

HINDUSTAN STEEL

Loss Incurred

After providing for depreciation, the total loss incurred by the Hindustan Steel Ltd up to March 1963, was Rs. 61.6 crores. Exclusive of the provision for depreciation, it made profits in the years 1961-62 and 1962-63.

WAGES

New Boards Appointed

Wage boards have been appointed for the iron ore mining industry, limestone and dolomite mining industries and for working journalists during 1963. The Government proposes to appoint a wage board for non-journalist employees of newspaper establishments. Its composition and terms of reference are being finalised. Demands have also been made for the appointment of wage boards for the port and dock workers engineering industry, electricity undertakings, chemical, paper, leather, transport, bidi and film industries.

COPPER STRIPS

New Unit Proposed

The Government of India has received an application from the Madhya Pradesh State Industries Corporation Ltd., Indore, for the grant of an industrial licence for setting up a factory in Bhopal for the manufacture of paper-covered copper strips for a capacity of 2,500 tons a year. The application is being considered by the Government. The Central Government does not intend to participate in the venture.

MAGNESITE

Deposits in U.P.

Magnesite deposits have been reported from the Almora districts of U.P. A reserve of 11.6 million tons, averaging about 40 percent to 44 percent magnesia, has been proved by the Indian Bureau of Mines in Dewaldhar and Agar Girechhina sectors.

MINING EQUIPMENT

New Company

Collaborating with an Indian firm in Calcutta, the British firm of Becorit (G.B.) Ltd has finalised negotiations to produce mining equipment on a 50:50 basis in India.

In collaboration with Octavius Steel Co. Ltd, of Calcutta, a new Company, Becorit (India) Ltd, is being formed.

The Company, for which factory buildings in 80 acres are now being constructed in Dhanbad, will ultimately supply roof supporting equipment, pit props and steel link roof bars for the Indian mining industry.

The new Company will not only provide the type of equipment in demand for the Indian mining industry, but also continue to utilise the latest technical know-how and developments available in Britain.

STEEL RE-ROLLING

Licences for New Mills

Two licences have been granted for the establishment of steel re-rolling mills in Kerala. Their details are as follows:

(1) A. V. Thomas and Co. Ltd, Alleppey: location—Cochin; and capacity—6,000 tons (annual).

(2) West India Steel Corporation Ltd, Kozhikode; location—Kozhikode; and capacity—15,000 tons (annual).

POLAND

Talks on Trade Pact

Mr. Franciszek Modrzewski, Polish Vice-Minister of Foreign Trade, has arrived in New Delhi for the final round of talks for a long-term trade agreement between India and Poland.

Trade talks between a Polish delegation and an Indian delegation led by Mr. D. S. Joshi have been going on since 18th November.

The volume of trade between the two countries in 1963 is expected to be of the order of Rs. 25 crores both ways. Poland, it is understood, will offer a line of credit to enable India to import some ships and power projects.

U.S.A.

Package Plants Offered

India has recently received a number of offers, particularly from the U. S. A., for package plants to be shipped to India. They include castings and forging plants. Apart from the time factor, they will bring with them this much needed know-how. The proposed equity participation should also ease the foreign exchange position. Another advantage is that there is no demand for royalty or other payments. They involve venture capital, which should be better than other forms of participation. The offers are being examined by the Government.

H.E.C.

Furnace for Bokaro

The Heavy Engineering Corporation has been commissioned to manufacture a large furnace for Bokaro and has been equipped with designs, coke ovens, handling of equipment, etcetera. Efforts are also in progress for utilising the manufacturing capacity in Bhilai and Durgapur for putting up blast furnaces. The private manufacturing capacity is being mobilised for manufacturing equipment for the expansion of the Durgapur and Rourkela steel works.

MOTOR-CARS

New Licences Issued

The Government has issued licences to the following manufacturers of motor-cars and automotive diesel engines for the manufacture of lorry and bus chassis:

Name of manufacturer	Item of manufacture	Capacity	Remarks
Simpson and Co. Ltd, Madras	3 to 5-ton lorry and bus chassis	Nos. 12,000 a year	This will be undertaken in a new undertaking
Standard Motors Products of India Ltd, Madras	1-ton lorry chassis	1,500 a year	The 1-ton lorry will be manufactured as a new article in its existing undertaking

A licence has also been issued to Bajaj Tempo Ltd., Bombay, for the expansion of its capacity for the manufacture of Tempo Hanseat three-wheelers from 1,000 to 4,000 numbers a year with permission to manufacture Tempo Viking four-wheelers within that capacity.

Nine thousand jeeps and lorries are being manufactured for the use of armed forces. Their details are as follows:

Description of stores	Quantity on order	Name of company	Foreign exchange obtained	Supply made
Jeeps	8,100	Mahindra and Mahindra Ltd, Bombay	Rs. 3,696 each	4,050 Nos.
Lorries: one-ton power wagons	10,700	Premier Automobiles Ltd, Bombay	Rs. 9,850 each	To commence from December 1963
Lorries	7,500 Nos.	Tata Engineering and Locomotive Co., Ltd, Bombay	Rs. 4,600 each	-do-

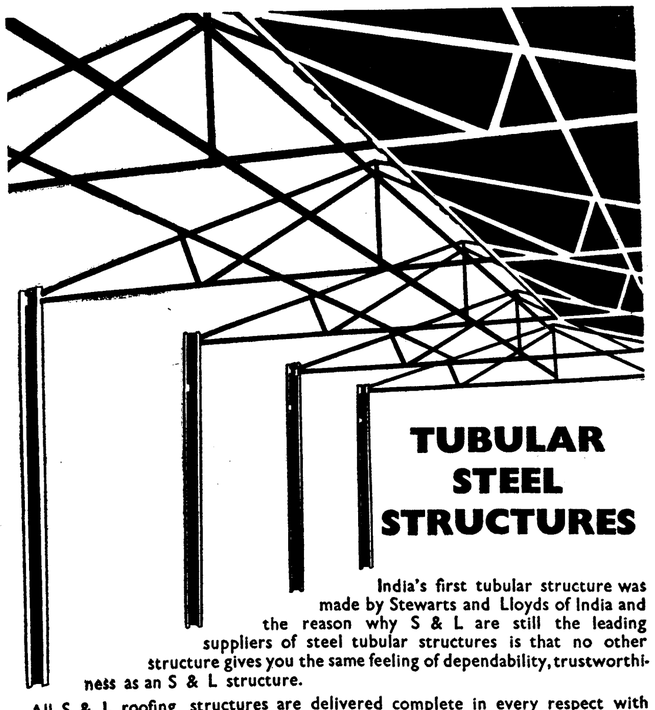
BURMAH-SHELL ROAD SAFETY CAMPAIGN

Burmah-Shell will shortly launch a road safety campaign in Bombay, Calcutta, Delhi and Madras. Releasing the plans of the campaign, Mr. P. J. Dickinson, general manager, stated in Bombay that the needless loss of many lives on the roads could be prevented only by the active participation of road users in the efforts of the Government for minimising the tragedy. It is in its capacity as road users that Burmah-Shell has decided to make its contribution to this community service. He said that the fields in which Burmah-Shell could best contribute were "Awareness" and "Education" The importance of awareness is sought to be publicised through a national Press campaign, a specially prepared film, and through hoardings and posters.

Specially designed traffic educational parks for school-going children, instructive and interesting comics, road safety code booklets in all major languages for motorists, scooterists and drivers of public vehicles are the main features of the educational aspect of the project.

The traffic educational parks, a novel feature of the campaign, are being built on land provided by the Government. Burmah-Shell will equip the parks with miniature automatic traffic lights, a network of roads and pedal cars to simulate actual traffic conditions. On these parks traffic police will impart instruction to school children.

The road safety code books have been compiled with the help of the Government and the Central Ministry of Transport. This booklet will be made freely available to all holders and applicants of driving licences.



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"CAPITAL" INDEX OF INDIAN INDUSTRIAL ACTIVITY **

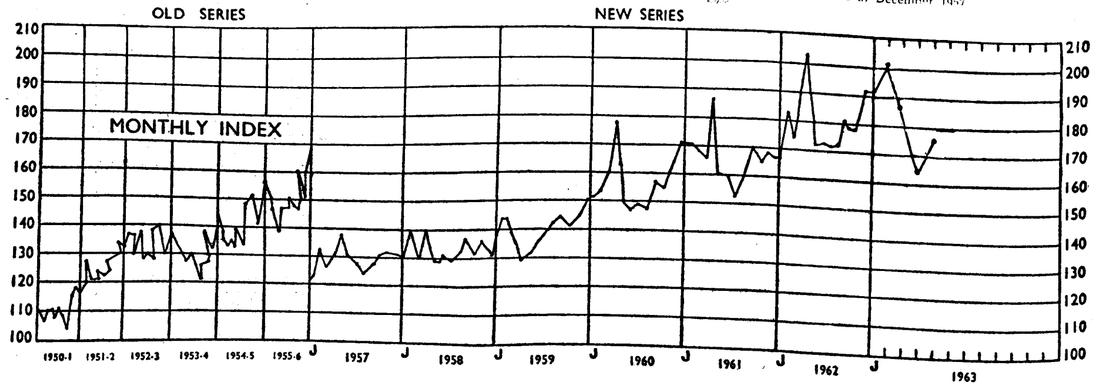
The *Capital* Index of Indian Industrial Activity (Base: 1953) has now been brought up to April 1963. Compared with the preceding month, there were rises in tea 42.61 points, jute 1.24 points, yarn 0.12 points, coal 6.38 points, bicycles 8.63 points, electricity 12.82 points, railway tonne-kilometres 10.55 points, while decreases occurred in sugar 191.46 points, cloth 0.74 points, cement 7.12 points, pig iron 6.15 points, finished steel 70.81 points, paper 15.31 points, tyres 5.96 points and motor-cars 85.69 points.

Combining all the factors, the *Capital* Index of Indian Industrial Activity rose by 9.7 points during April 1963

				Cotton Textiles				Iron & Steel									
	Sugar	Tea	Jute	Yarn	Cloth	Cement	Coal	Pig Iron & Alloys	Finished Steel	Paper & Board	Tyres	Motor-cars	Bicycles	Electricity	Railways tonne-kilometres	General Index	General Index Adjusted for
Weights	4.63	4.9	6.11	4.15	19.35	1.54	6.01	1.91	3.81	1.27	2.11	1.45	3.9	4.11	34.48		
1950-51	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	110.8*	
1951-52	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	125.7*	
1952-53	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	132.4*	
1953-54	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	130.4*	
1954-55	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	141.3*	
1955-56	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	151.2*	
New Series																	
1954	78.37	105.9	106.47	103.72	102.43	116.37	102.91	104.53	121.47	110.5	112.11	103.5	140.6	112.21	108.74	105.8	
1955	123.51	109.91	118.2	108.37	109.43	118.42	105.58	106.83	123.38	132.2	122.74	165.2	185.5	113.98	123.41	116.9	
1956	143.74	109.91	125.85	111.06	108.7	130.5	110.07	110.2	130.11	138.7	138.91	231.1	251.	149.58	124.41	122.8	
1957	160.15	109.41	118.54	118.25	108.98	148.31	121.47	107.62	131.47	150.41	149.73	229.35	302.52	163.48	143.11	132.1	
1958	154.54	115.72	122.2.	111.9.	100.98	161.73	126.4.	118.2.	126.9.	181.1.	171.6.	190.72	343.61	184.1.	151.96	134.1	
1959	165.35	116.32	113.90	114.47	101.96	181.71	131.21	172.35	168.68	210.47	200.15	260.92	373.65	219.24	153.72	141.9	
1960	198.49	113.74	124.79	115.39	103.48	204.96	145.64	227.44	213.24	249.20	225.76	371.18	400.38	247.30	173.10	158.42	
1961	230.68	125.51	111.68	126.32	104.85	217.74	156.44	280.05	279.68	262.78	238.89	386.22	397.70	287.78	173.69	166.16	
1962	215.80	124.12	135.91	125.92	102.28	226.77	171.71	321.85	365.48	276.65	256.27	415.32	422.55	323.10	193.17	181.17	
1960																	
January ..	463.10	20.51	121.69	114.96	102.77	206.29	137.36	162.97	205.97	239.74	200.36	326.21	368.64	234.91	172.58	161.75	155.9
February ..	440.05	17.75	120.72	110.96	99.10	187.65	143.82	228.24	190.00	240.90	204.70	357.33	397.27	225.71	176.75	162.08	159.9
March ..	412.55	21.30	127.99	111.46	100.92	220.44	146.10	245.54	207.38	255.72	223.45	397.16	465.90	239.86	243.69	188.44	175 7
April ..	246.56	78.11	127.62	109.06	100.36	201.14	146.74	228.38	199.41	258.78	231.00	325.43	438.64	239.16	142.75	146.69	150.5
May ..	71 10	82.05	128 59	110.58	100.95	211.30	145.70	212.50	196.71	249.49	237.83	328.36	348.64	251.19	157.99	143.81	148.0
June ..	2.70	156.81	125.14	113.85	103.51	200.73	138.63	201 89	189.57	239.01	222.65	375.52	323.64	249.82	154.86	142.78	148 0
July ..	4.93	162.33	121 96	117.99	106 16	193.84	135.86	191.08	208 68	244 67	238 54	370.69	378 64	246.35	181 79	146 89	148 0
August ..	14.96	208 57	132.04	119.67	106.9.	196 34	140 74	234.53	211 19	247.49	254.80	400.60	409.09	264.25	167.43	155.07	167.5
September ..	17.06	208 09	125.41	116.40	104.46	185.87	141.01	234.66	223.79	238.84	207.82	360.43	350.00	247.24	170.85	153.17	147.7
October ..	36 24	223.27	118 64	113.21	100.50	218 3.	145.26	256.01	220.16	256.59	186.14	359.22	385.42	257.52	173.93	155.56	157.5
November ..	222 12	138.51	120.88	119 34	105 11	204.28	155.27	262.50	245.02	248 18	252.57	416.46	479.09	247 60	177.28	166.45	156.9
December ..	452.51	47.70	127.21	127.48	110.98	232.83	170.71	271.01	260.73	261.12	249 29	437.32	459.58	273.94	177.28	178.38	161 3
1961																	169.0
January ..	503.06	19.70	120.99	123.65	107.42	222.44	171.96	282 30	279.84	262 12	230.02	435.59	410.45	268 39	172.56	175.83	
February ..	466.36	22.62	108.56	116.08	100.46	211.97	174.62	261.28	260 61	259.62	235.79	444.22	428.64	253.45	176.75	169.63	170.9
March ..	469.80	25 91	122.79	120.70	103.75	225.02	184.93	286.48	308.56	270.86	249.64	469.40	440.45	285.69	243.69	201.85	167 5
April ..	387.45	66 23	111.19	120.11	103 55	217.62	151.99	274.12	251 22	253.52	232 95	404 74	383.65	281.77	143.75	156 31	189.2
May ..	198.68	101.54	109.94	121.31	105.84	225.02	153.97	278.51	245.13	264.46	213.41	406.81	406.16	292.62	157.99	156 79	160 1
June ..	40.06	164 71	92.95	127.45	107.21	203 65	140.00	267.70	264 71	247.65	247.16	385 78	383 73	289.66	154.88	150 20	160.9
July ..	7.71	202 98	88.95	132.20	109.53	198.95	139 27	280.61	271.04	260 36	264 74	347.16	393.77	292.76	161.79	153 33	155.4
August ..	135.69	239.17	108 15	131.96	108.52	215.05	146 27	284.26	286 64	262.91	260 21	396.98	317.00	297.18	167.43	166.68	154.7
September ..	15.89	237.43	105.11	130.01	104.44	214.03	153 73	271.28	290.04	258.30	264 30	356.68	385.14	292.97	170.86	161.72	169.1
October ..	42.94	232 49	107.32	130.49	104 74	214.65	143 45	292.23	298.59	277.48	168.65	316.72	356.68	293 10	178.22	162.19	164.7
November ..	110 78	149.16	129 42	126.70	100.23	230.86	154.17	279 86	297.54	260.43	247.16	279.22	434.45	294.61	174 46	163.08	167.9
December ..	389.78	44.28	134.81	135.22	107.51	233.62	163.51	301.82	302.22	275.18	252.66	390.95	432.95	311.76	181.85	176.41	167.5
1962																	167.0
January ..	506.50	20.20	133.56	132.46	107.36	220.60	166.65	297.56	335.40	275.17	248.04	446.12	406.50	316.67	192.28	188.30	182.4
February ..	471.18	18.85	125.41	120.18	97.50	210.25	162.16	270.06	320.98	251.70	223.88	434.31	444.81	297.64	180.05	176.15	174.0
March ..	472.30	30.49	133.01	127.31	102.60	239.90	173.75	319.66	380.89	279.32	249.37	494.91	439.59	318.63	268.17	215.87	203.2
April ..	327.88	73.88	131.90	123.25	101.71	225.84	167.29	296.89	318.64	270.71	245.91	346.98	435.40	319.51	160.44	170.28	174.1
May ..	148.04	117.32	135.50	126.49	104.01	232.19	171.64	321.95	371.16	276.47	239.60	410.34	471.09	324.22	174.95	171.65	175.9
June ..	37.64	164.35	135.09	123.93	103.02	196.38	161.87	298.85	365.76	259.38	271.75	427.84	447.18	316.17	172.25	166.00	171.2
July ..	4.55	193.54	142.96	126.39	106.20	210.35	162.60	319.73	396.71	280.53	271.75	396.55	452.27	328.10	179.32	171.89	172.7
August ..	4.55	237.66	145.17	129.22	106.14	221.21	165.95	336.48	369.40	267.31	271.75	395.60	364.22	344.92	195.22	179.53	181.9
September ..	8.27	221.98	138.81	124.24	100.39	213.81	170.87	336.48	369.40	277.34	263.40	401.47	357.73	326.52	188.01	174.25	178.0
October ..	28.35	221.53	125.55	117.96	94.43	228.50	168.46	336.48	369.40	284.21	206.24	390.86	418.64	319.34	190.94	171.93	177.6
November ..	160.22	142.70	140.06	129.74	102.57	246.44	194.17	336.48	369.40	300.60	291.48	425.78	348.18	319.34	205.76	187.21	191.6
December ..	420.17	47.08	143.92	129.87	101.42	275.80	195.21	391.62	418.64	317.07	292.04	413.10	485.00	346.13	210.66	200.95	191.6
1963																	
January ..	530.39	24.92	142.40	129.54	100.84	258.25	195.65	391.21	413.01	305.25	308.98	378.79	409.09	338.28	220.82	206.95	201.1
February ..	441.73	15.71	130.39	118.57	90.73	236.70	188.92	363.31	393.20	294.01	292.39	338.36	419.09	349.32	217.32	189.12	186.9
March ..	283.09	25.94	144.34	126.77	99.20	264.10	184.31	398.72	463.89	323 74	296.67	397.50	426.82	357.81	180.81	177.64	164.9
April ..	91.63	68.55	145.58	126.89	98.46	256.98	190.69	392.57	393.08	308.43	290.71	311.81	435.45	370.63	191.36	170.81	174.6

General Index figures from 1950-51 to 1955-56 are taken from old series.

**Revised in December 1957



Jute

LULL IN GUNNY MARKET WORRIES INDUSTRY AND TRADE

THE lull in the gunny market during the past six weeks or so has been worrying the industry and the trade. In spite of some bookings, along with routine short and shipper covering, prices have declined. Between 21st October and 16th December ready B Twills have fallen from Rs. 113.20 to Rs. 111 and 40in. 10oz. hessian spot from Rs. 47.80 to Rs. 45.60. It is estimated that at the present level of production costs (ranging from Rs. 111 to Rs. 112 a 100 bags), mills make almost no profit on B Twills. In hessian, at the current level of Rs. 45.60 a 100 yards, they are left with a profit of about Rs. 85 a ton.

Anxiety has increased because the U.S.A. has shown little interest in replenishing her burlap stocks despite a high level of consumption. During October, she purchased a total of 47.72 million yards, out of which 43.34 million yards were booked from India. Of this, 22.37 million yards were for the ready positions, 18.66 million yards for November-December and 2.4 million yards for January and later deliveries. At the end of October, her undelivered bookings totalled 111.05 million yards, of which the major portion of 84.2 million yards was from India—57.6 million yards for November-December and 26.59 million yards for January onwards. Trade circles say that U.S. purchases during the past six weeks or so were of a routine nature.

Fall in Burlap Rates

There has been a steep decline in burlap prices in New York during recent weeks. A buyers' market has been prevailing there for some time. There were sellers over in 40in. 7½oz. hessian spot and afloat at 8.60 cents a yard on 16th December, against 8.90 cents on 5th December. In 40in. 10oz. hessian too, prices reacted similarly. Spot and afloat were on offer at 11.75 cents a yard on 5th December and 11.50 cents on 16th December. In the Calcutta market, 40in. 10oz. hessian prices have fallen from Rs. 46.20 to Rs. 44.80 a 100 yards for the December position between these dates. On the completion of the November contracts, the mills will be left with very small U.S. bookings for hessian, unless more orders are placed soon.

Shippers estimate that the U.S.A. has booked about 7,000 bales for November-December and about 3,000 bales for later positions during recent weeks. The U.K. bought small quantities, while European buyers placed orders for fair quantities of tarpaulin. As the Argentine vessel for November could not carry more than 14,000 bales, an extra steamer was allotted to take the balance. Argentinian offtake was better in November because of the uncertainty about freight space availability. She may take 8,000 bales or so for which another vessel is likely to be allocated. In case another steamer is available in January, the surplus of ready hessian may be reduced. Australia bought 6,000 bales for December-January shipment.

In sacking too, there have been some orders. The Government of India entered the market after a long time with a tender for 20,000 bales; more orders are expected for January-March. Australian woolpack committees have so far booked about 15,000 bales for January-September, completing about 80 percent of the buying for the 1964 clipping season. Among pending tenders may be mentioned the Ceylon Government's enquiry for 1.5 million bags of heavy goods and the Rangoon enquiry for 14 500 bales of sacking for January-February shipment. Although Pakistani capacity is overbooked, that country has not lost any opportunity to undercut India, and has taken a large number of orders for substantial lots this season.

Maximum Production to Continue

In spite of an increase of 3,100 tonnes—from 108,300 tonnes in October to 111,400 tonnes in November—in stocks of manufactured goods, the I.J.M.A. has decided to continue production at the maximum level until the end of January 1964. It is said that more than half the increase in stocks between June and November was accounted for by carpet-backing cloth.

The inter-mill movement of jute manufactures under bond for processing or further operation has been discontinued following the introduction of a revised procedure by the excise authorities. They have decided that processed or semi-processed jute products will move from one mill to another for such purposes on payment of duty. The consignee mill will get credit for the duty paid on such products immediately on receipt of the goods from the consignor mill. After discussing the new procedure with the authorities, I.J.M.A. representatives think that it will be more convenient than the old one.

Move to Raise Power Rates

The jute industry is worried about the latest move to raise the electricity tariff for all classes of consumers. The mills, it is believed, may ask the Jute Commissioner to oppose the increase. Any rise in production costs due to higher electricity charges will impair the competitive position of Indian gunnies in overseas markets.

The I.J.M.A. proposes to ask the Jute Commissioner to revise the monthly jute purchase programme, which is drawn up on the basis of a preliminary crop estimate prepared earlier during the year. The earlier estimate of supplies (including the fibre smuggled from Pakistan) was 7.7 million bales, but it has now been revised downwards to 7.3 million bales. Circles close to the industry feel that with the lifting of the December quota, mills will have absorbed about 69 percent of the supplies. So, for the remaining six months of the season, the purchase programme should be suitably revised. This is also warranted by the extreme shortage of warehouse accommodation in the Calcutta area.

Rise in Gunny Output

Working at the maximum level for 208 hours in November, against 200 hours in the previous month, mills reporting to the I.J.M.A. produced 103,800 tonnes of gunnies last month, against 96,200 tonnes in October. Hessian output increased by 3,600 tonnes to 45,400 tonnes, sacking by 2,400 tonnes to 42,000 tonnes and miscellaneous goods by 1,600 tonnes to 15,500 tonnes. The rise in hessian was helped by the diversion of a number of sacking looms to the production of the lighter fabric. In November last year, the mills worked for 208 hours, producing 101,400 tonnes of jute goods. Of these, 45,100 tonnes were hessian, 46,100 tonnes sacking and 10,200 tonnes other goods.

Pakistani Jute Policy

The Pakistan National Assembly has adopted the controversial Jute (Amendment) Bill which will replace the ordinance promulgated by President Ayub Khan. It confers more powers on the Central Government to regulate the various phases of the jute trade, including the sale and baling of the fibre. The ordinance had virtually completed the transfer of jurisdiction over the trade from the East Pakistan Government to the Centre.

Describing the ordinance as a retrograde measure, the Opposition said that it benefited neither the grower nor the nation. The ordinance had deprived growers of their bargaining power, aggravating the present slump in fibre prices. It demanded barter trade in jute with communist countries, nationalisation of the jute export trade as an alternative to complete nationalisation and the withdrawal of the ban on jute cultivation in the border areas.

Replying to the debate, Mr. Wahiduzzaman, Pakistan's Commerce Minister, claimed that the ordinance had ensured a minimum price to growers by compelling manufacturers, traders and shippers to buy jute according to a phased programme. He stated that the elimination of 300 Indian traders from the internal jute trade was a "bold and far-reaching step" towards the stabilisation of the market. He also said that the pre-Ayub *régimes* in Pakistan were responsible for helping India to expand her own raw jute production by "denying India supplies of jute at the right time."

THE JUTE MARKETS

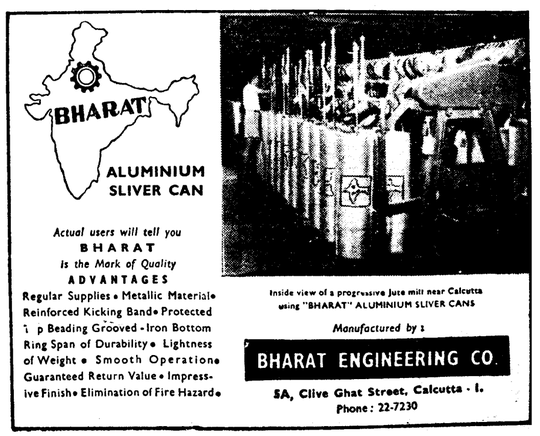
Manufactured Goods: Dull conditions prevailed in the Calcutta gunny market during the past week. Poor enquiries and business from overseas neutralised the effect of the higher offtake of jute goods indicated by the I.J.M.A. gunny production and stock figures for November. While the output rose by 7,600 tonnes compared with October, stocks increased by only 3,100 tonnes, showing that November despatches were of the order of 100,000 tonnes. Sentiment did not pick up in spite of reports of a keen demand for freight space for December for certain destinations in the U.K. and on the Continent. The announcement of a reduction in freight rates for certain types of jute goods from Calcutta and East Pakistan to North America also failed to produce any effect. Shippers were worried over the strike by boatmen of the lighterage fleet at the Calcutta docks. The Labour Commissioner has intervened in the matter and normal conditions are expected to return soon. In the virtual absence of foreign business or enquiries or Government tenders, small transactions of a routine nature were done at gradually declining rates. With mills emerging as keen sellers for all positions, weak holders became nervous and sought to lighten their commitments by discounting rates. But even these did not induce shorts and shippers to cover their open positions. Easy conditions ruled in the futures market in sympathy with the trend in the spot section. Bulls liquidated their commitments while bears hammered prices down. At the close, both hessian and sacking prices slipped back to the lowest levels since the middle of July. Turnover was small and the undertone hesitant at the close.

Wednesday's quotations were as follows:

	Dec.	Jan.-Mar.	Apr.-June	July-Sept.
40in. 7½oz.	33.05	33.45	33.55	33.65
40in. 8oz.	35.60	—	—	—
40in. 10oz.	44.75	45.20	45.35	45.25
B Twills	110.30	111.45	112.10	112.15
Cornsacks	113.75	114.00	114.25	114.25
Heavy Cees (Plain)	111.00	111.25	111.75	111.75
A Twills	121.50	132.75	132.75	132.75
Liverpools	121.00	121.75	123.50	122.50

Raw Jute: Divergent trends prevailed in the raw jute market during

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the past week. With the warehouses in the Calcutta area overflowing with stocks, mills concentrated on lifting their December quota in the upcountry markets. As they were manufacturing more of hessian and other speciality fabrics, they showed a preference for quality fibre. So high-grade jute commanded a premium in both Calcutta and upcountry markets. For the same reason, heavy stocks of offgrade fibre accumulated with the holders who were inclined to sell below the minimum levels. Daily arrivals declined to around 100,000 maunds in the agencies in view of the preoccupation of the farmers with the harvesting of the *aman* paddy crop. But still there was a lot of selling pressure in low-grade jute. Turnover was small in Calcutta and moderate in the upcountry markets. The undertone was hesitant in inferior grade jute and steady in quality fibre.

Wednesday's quotations were as follows:

	Landed at Mills (Basis Bottoms)			
	Current Prices		T.S.D. Minimum Prices	
	Rs. A Qtl.	Rs. A Md	Rs A. Qtl.	Rs. A Md.
Assam-Agartala Jute	77.70	29.00	80.38	30.00
Northern Jute	75.02	28.00	79.04	29.50
Western Desai Jute	69.65	26.00	73.68	27.50
Selected Daissee	85.74	32.00	85.74	32.00
Assam-Agartala Tossa	83.65	31.00	83.05	31.00
Mesta :				
Assam-Northern	69.66	26.00	72.34	27.00
Local Daissee	69.66	26.00	72.34	27.00
Bihar Dist.	61.62	23.00	66.98	25.00

THE U.K. JUTE MARKETS

FIBRE STILL IRREGULAR

(FROM OUR DUNDEE CORRESPONDENT)

WITH a firm raw jute market in Pakistan some sellers in Dundee raised their prices by £1 a ton last week. However, the previously lowest quoted rates were still available and made the Dundee market very irregular. Spinners showed less interest in shipment parcels as large quantities of jute were arriving in Dundee, and a portion of this was still unsold to spinners.

Reports on the quality of jute arriving in Dundee said that in many instances, the fibre was well above the recognised standards, especially in the lower grades. As a result of this upgrading, it was more or less impossible to give a true value for the lower qualities of both white and Tossa jute.

The lowest rates being quoted for shipment parcels were £141 for Mill Firsts, at £110 10s for Mill Lightnings, at £95 10s for Mill Hearts and at £80 for Grade Hearts, c. i. f. U. K. for December-January shipment. Grade Tossa-$\frac{8}{8}$ was offered at £128 and Grade Tossa-4 at £108. Dacca Tossa-5 was at £137 and Dacca Tossa-6 at £111. There were sellers of Outport Tossa-$\frac{8}{8}$ at £95 and of Outport Tossa-4 at £84, c. i. f. U. K., December-January.

Cuttings were firmer at £56 15s for S. N. C. and at £48 10s for N. C. Some adjustments took place in the official prices of mesta, but this made little difference to the position. Mesta was offered at £80, mesta B at £71 10s, mesta C at £66 10s and cuttings at £46, c. i. f. U. K., December-January.

The Siam jute market was firm. Grade A was at £72, grade B at £63 and grade C at £58, delivered mill Dundee for December-January shipment.

The Calcutta goods market became easier for hessians. Some buying interest was shown for current shipment and it was expected that a fairly steady business would continue. Quotations were at 69s 8d for 40in. 10oz. and at 51s 10d for 7½oz. a 100 yards f. o. b. Calcutta for December shipment, at 70s 1d and 52s January and at 70s 4d and 52s February. B Twills were at 170s 6d, 171s 3d and 172s for the respective shipment periods.

Dundee jute spinners and manufacturers were very busy and had little to sell for reasonably early delivery. Most sellers were now asking more for common 8lb. cops (C. H. W.) and the generally quoted price was 16.70d a lb. Common hessians also become dearer at 16.37d a yard for 40in. 10½oz. and at 12.97d for 8oz.

I.J.M.A. PRODUCTION FIGURES FOR NOVEMBER

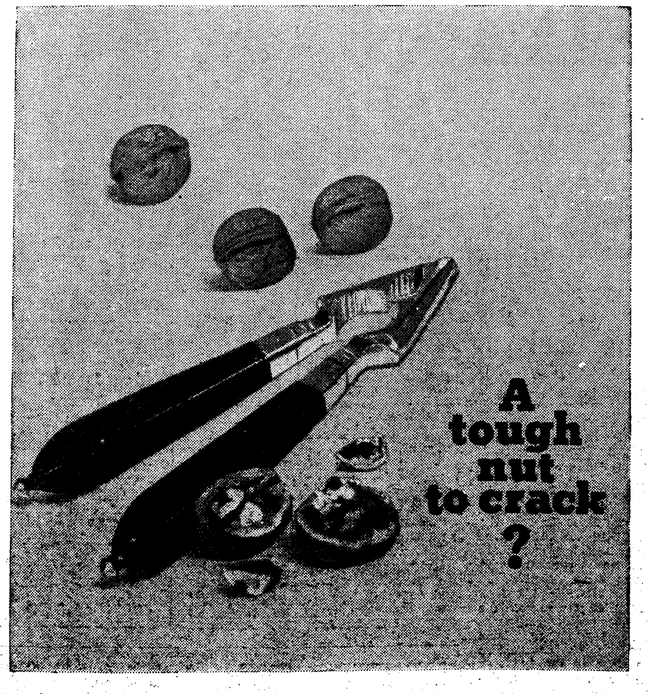
The Indian Jute Mills Association reports the total production of jute goods in November as follows:

Description	Quantity
1. Gunny Bags	
(a) Hessian	
7,575 tonnes	(7,455 tons)
22,964 thousand metres	(2,51.1 lakh yds.)
1,59.8 lakh nos.	
(b) Sacking	
41,360 tonnes	(40,707 tons)
8,88,98 thousand metres	(9,12.2 lakh yds.)
4,32.6 lakh nos.	
2. Gunny Cloth	
(a) Hessian	
37,880 tonnes	(37,282 tons)
12,92,99 thousand metres	(14,14.0 lakh yds.)
(b) Sacking	
1,504 tonnes	(1,480 tons)
33,36 thousand metres	(36.5 lakh yds.)
3. Other Manufactures	
15,519 tonnes	(15,274 tons)
4. Total Production	
(All kinds)	
1,03,838 tonnes	(1,02,198 tons)

Summary

	(000 metres and 00,000 yds.) Nov. '63	Oct. '63	Nov. '62
Hessian	15,22,63 (16,65)	14,04,77 (15,36)	15,25,62 (16,68)
Sacking	9,22,24 (10,09)	8,81,30 (9,64)	9,93,39 (10,86)
	(000 tonnes and tons) Nov. '63	Oct. '63	Nov. '62
Hessian	45.4 (44.7)	41.8 (41.1)	45.1 (44.3)
Sacking	42.9 (42.2)	40.3 (39.9)	46.1 (45.4)
Others	15.5 (15.3)	13.9 (13.7)	10.2 (10.1)
Grand Total	1,03.8 (1,02.2)	96.2 (94.7)	1,01.4 (99.8)
Hours worked	208.0	200.0	206.0

N.B.—These statistics are based on replies received and represent all members of the Association and Gagalbhai with estimates for two non-member mills. The figures in brackets are in British units.





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SAVE FOR SECURITY

PROMOTING ENGINEERING GOODS EXPORTS

By B. S. Agarwal
(Vice-chairman, Engineering Export Promotion Council)

Indian engineering goods offer a promising line of export, but the producers will not make much headway in overseas markets as long as this country does not offer incentives like suitable credit facilities, cost guarantees and tax concessions like the industrially advanced countries of the West, who are India's main competitors.

THE main problem facing India today which is also a supreme national obligation, is export promotion, not only as a long-term measure, but also an emergent one to be undertaken immediately in order to fulfil all the national plans and priorities. It has been recognised all round that for the successful implementation of the third plan, it is vital to increase this country's exports to the level of at least Rs. 3,700 crores for the five-year period rising from Rs. 640 crores in 1960-61 by Rs. 40 crores every year to Rs. 800 crores a year in 1964-65.

India's exports in the first and the second plans had more or less stagnated. Taking a five-year average, Rs. 613 crores was the annual average export in the first plan, and Rs. 622 crores was the approximate annual average in the second plan. By and large, the exports have not caught up. Yet the world trade has been expanding All over the world, the effort of every country, whether highly industrialised or a developing one or one which is still very much underdeveloped—is in the direction of increasing its exports.

Difficult Task

This article is mainly concerned with the export of engineering goods. Hitherto, about 90 percent of India's exports have come from the traditional items like agricultural commodities, plantation crops, textiles, etcetera. The new additions are manufactures like engineering goods, iron ore, metallic ores which form less than Rs. 100 to 150 crores out of the total exports of Rs. 650 crores of this country. It is, however, a fact that these new items have vast possibilities to diversify the pattern of existing exports. But to sell engineering goods in foreign countries is not an easy task. In the first place, there is hardly any surplus for export, but even if there is a surplus or the manufacturers are prepared to export a part of their production, they cannot just contact the buyer and sell it because there is no vacuum anywhere in the world. The industrialised countries of the West, who have been in the international markets for decades, are well entrenched in these markets. They have set up organisations, appointed agents, provided after-sales service and supported their efforts by regular personal visits and publicity through the Press, radio and other media.

As against this, Indian exporters have to enter overseas markets as newcomers. They are not known and their brands have to displace the established brands from the position the latter are occupying. This can be done only if (a) quality is comparable; (b) prices for comparable quality are, at least, 5 to 10 percent lower than the competitive lowest prices; (c) effective after-sales service is made available, wherever needed; and (d) the sale is supported by the frequent visits and regular intensive publicity and propaganda. Unfortunately, the conditions prevailing in India are not conducive to an aggressive sales policy. Indian exporters do not enjoy the facilities which their counterparts do in other countries.

Special Requirements

Another serious difficulty peculiar to India is that generally speaking, the manufacturers of engineering goods are not in a position to cope with the special requirements of the developing countries in Asia and Africa. Like India, they have achieved their independence only recently and are trying to industrialise as fast as possible. They have also foreign exchange difficulties and have, therefore, imposed import restrictions on many light engineering products which Indian manufacturers are in a position to offer. Some of them want to import capital equipment for industrialisation purposes. In the race which has followed as a result of the need for supplying plant and machinery on favourable credit terms, India has been left miles behind. There are no facilities under which a supplier of plant and machinery could offer credit for six years or so.

A study group was set up under the chairmanship of Mr. T. C. Kapur which submitted its report in 1960. Instead of taking immediate action, another committee has been set up under the chairmanship of Mr. K. P. Mathrani. The findings of this committee are not yet known. It is needless to emphasise that when far-reaching events are changing the world so fast, India cannot afford to go on in a leisurely fashion. Conditions will have to be created in which the exporters can meet competitors on an equal footing.

Incentives and Concessions

Some of the export incentives which have worked as powerful stimulants in promoting exports in other countries are described below :

Income tax rebate: Japan, Ireland, Australia and a few other countries have introduced taxation relief. Under the present Japanese law, a producer of major engineering products who exports in large quantities is exempt from tax of 5 percent of the gross value of his export contracts up to a maximum of 80 percent of his net export profit before tax.

Producers of smaller quantities and of other export goods in any quantity are exempt as above on 3 percent. An exporter is exempt as above on 1 percent. Facilities have also been provided in France, Australia, Portugal, the Netherlands, and the U.S.A. under which profits earned through a branch abroad and taxed there, are exempt from tax in the parent countries.

Cost guarantees: In France, exporters are entitled to obtain cost guarantee which covers the export against a rise in certain internal French prices, during the execution of a fixed price contract. The guarantee is obtainable only on major contracts, that is, for capital equipment which takes some time to complete (from ten months to three years). In Italy, the Government Insurance Company insures an exporter in the case of fixed price contracts against rises in the cost of production up to 10 percent of which the exporter bears 5 percent. The costs covered are raw materials, power, wages and salaries.

Credit facilities: France, West Germany, the U.S.A., Japan, Italy and the U.K. have all provided adequate facilities for short, medium and long-term credit to exporters at concessional rates. In Japan, the difference is 3 percent to 4 percent and in England, the exporter has an additional advantage of getting bank loans if the contracts are insured with the Export Credits Guarantee Department.

Sales and turnover taxes: In almost all the exporting countries, sales and turnover taxes are refunded to the exporters. Under the Italian law, engineering products are allowed an export refund of Customs duty and other Customs duties which are much more than the actual duties and taxes on products. The scheduled list 26 products is extremely comprehensive and lays down a rate of reimbursement calculated by weight varying from 15 lire a kilo (£9 a ton) to 900 lire a kilo (£500 a ton) for the exceptional case of Ta56 jets. On the metal products of engineering industries, the rebates vary between 15 and 40 lire a kilo.

Currency retention: Most of the countries after the war, particularly Japan and West Germany had schemes under which the exporters were allowed to retain a percentage of their total foreign exchange realisation which they could use in importing items of high margin which help them to meet part of their losses on exports.

Besides, insurance, banking and other facilities are available in highly industrialised countries like the U.K., Japan, and West Germany which indirectly help the exporters in various ways. The organisational arrangements for conducting market research, publicity overseas, organisation of trade fairs and exhibitions, etcetera, are also perfect with the result, the maximum amount of publicity and market research could be conducted on behalf of the small and medium-sized firms at the minimum of cost.

Delayed Decisions

The conditions in India have considerably improved during the past few years, but unfortunately, valuable time has been lost in discussions, and delayed decisions. Even now, some of the facilities offered to the exporters are not available to them without a suspicious scrutiny on the part of the authorities concerned. Taxation relief has been announced to the extent of 5 percent on the profits on export, but unless it is made clear that this relief would be available for the proportionate profit on export irrespective of the fact whether the export transactions made a profit or not, there would hardly be any advantage to the exporters of engineerings products.

The arrangement concerning credit facilities at a lower rate of interest should also be finalised without any further loss of time. Considerable portion of the capacity of many of the industries is lying idle. It is of utmost importance that the exporting industries are given all facilities to use their capacity to the full, and, if necessary, they should be given preference in Government contracts, etcetera. There is no doubt that given adequate encouragement, the export of engineering products could be much larger than what it is.

In the current year, engineering exports will be about Rs. 14 crores, which appears to be a very slow improvement. With the favourable export climate created by the Government and the growing awareness of the need to increase exports on behalf of the manufacturers of engineering goods, the industry must work on a target of Rs. 25 crores in the coming year.



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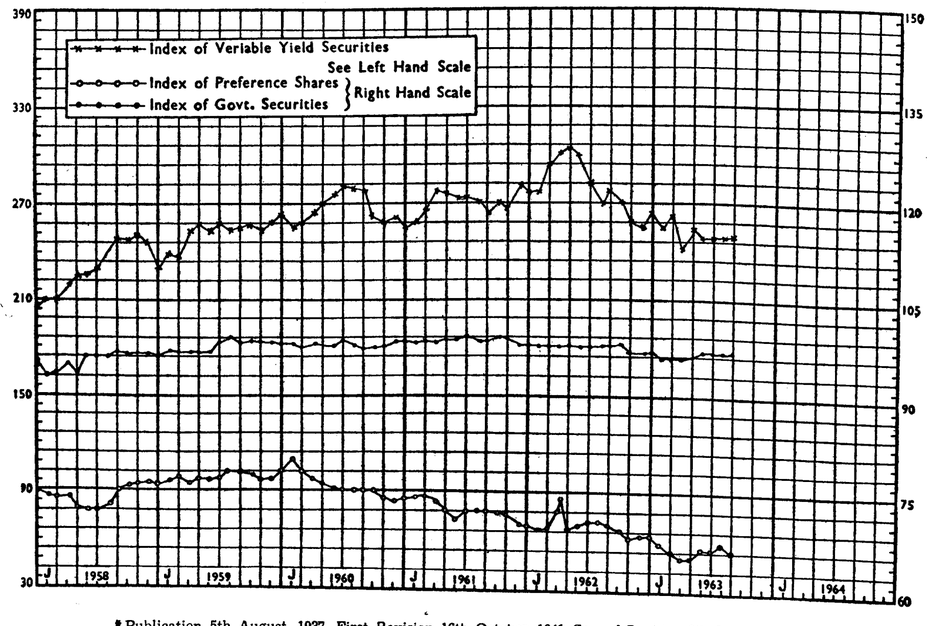
"CAPITAL" STOCKS AND SHARES INDEX*

The *Capital* Stocks and Shares Index (Base: 1939) has now been brought up to August 1963. As compared with July, the August index for Government securities shows a rise of 0.1 point, while that for preference shares reveals a drop of 1.1 points.

There were increases in cottons 7.4 points, jutes 5.1 points, minings and oils 1.6 points, cements 2.6 points, engineerings 12.1 points, papers 35.9 points, miscellaneous 2.1 points, while decreases occurred in banks 0.6 points, coals 2.1 points, teas 6.7 points and sugars 0.7 points.

Combining all the factors, the *Capital* variable yield securities index rose by 3.2 points during August 1963.

	Index of Govt. Securities	Index of Preference Shares	Variable Yield Securities											
			Banks	Cotton Mills	Coals	Jute Mills	Mining and Oil	Cement, Lime, etc.	Eng. and Metal Works	Tea Shares	Paper Mills	Sugar Shares	Others	Combined Index
Weights	...	...	5	12	9	11	10	5	5	6	12	7	11	100
1961														
January	97.6	74.8	151.8	252.0	233.6	111.9	151.2	85.0	265.4	236.3	1278.2	207.6	292.0	258.8
February	97.9	74.9	152.9	270.5	244.3	118.2	157.7	90.2	275.2	239.7	1297.4	209.6	304.9	267.9
March	97.9	73.6	161.1	280.8	249.9	131.3	158.6	92.6	295.0	260.1	1288.8	210.6	312.6	277.4
April	98.0	72.7	161.6	285.0	245.3	126.2	168.5	90.6	283.9	255.4	1268.2	227.0	320.4	276.6
May	97.9	71.7	160.8	291.2	258.1	116.6	169.7	93.0	290.3	251.6	1166.2	223.6	291.5	271.5
June	98.9	72.4	160.8	301.5	261.1	116.6	169.4	93.9	286.3	254.2	1134.4	227.7	317.3	273.4
July	97.8	72.3	162.6	283.7	249.9	112.3	169.1	90.6	282.9	257.1	1167.5	223.0	314.7	299.9
August	97.9	72.4	165.5	279.6	238.2	104.7	146.6	86.8	271.8	243.5	1135.7	227.0	297.2	259.2
September	98.5	71.3	167.1	295.3	232.1	107.5	161.1	90.9	270.2	239.7	1202.0	241.3	309.5	267.5
October	98.3	71.2	165.8	302.7	232.6	109.1	165.1	92.7	257.0	250.8	1180.8	229.3	315.7	266.3
November	97.7	70.3	166.0	305.6	232.1	121.4	153.4	95.2	288.0	240.6	1300.7	252.0	323.0	280.2
December	97.7	70.2	174.7	304.8	230.1	121.4	147.2	91.3	284.3	235.5	1284.8	236.7	325.0	276.6
1962														
January	97.4	69 7	177.8	313.4	228.0	122.2	143.2	89.6	283 2	235.5	1286.1	236.0	323.5	276.6
February	97.5	69.9	190.4	347.7	224.9	130.1	167.5	80.1	300.7	235.1	1383.5	238.8	337.9	293.7
March	97.4	74.7	175.2	328.3	223.5	138.8	168.5	93.0	317.5	235.1	1390.1	245.9	330.1	296.4
April	97.4	70.2	166.6	321.3	232.6	147.2	173.4	97.3	318.2	227.0	1390.8	246.9	321.4	296.8
May	97.5	70.3	163 2	322.5	260.1	144.4	169.7	95.8	268.8	227.0	1423.9	265.4	325.0	290.5
June	97.7	71.1	159.2	310.9	243.8	136.9	163.8	94.7	261.1	221.9	1389.5	256.6	329.9	281.4
July	97.3	71.8	160.8	307.7	232.1	131.7	163.2	95.2	256.4	218.9	1313.3	253.3	315.2	274.6
August	97.3	71.1	160.8	307.7	234.6	134.5	157.4	95.8	259.1	216.0	1349.7	256.6	339.4	278.9
September	97.2	70.4	156.6	303.1	227.5	136.9	155.3	95.8	253.3	200.7	1283.5	256.6	328.6	272.2
October	96.7	68.7	162.1	306.8	218.9	126.5	148.5	89.6	223.8	214.7	1198.0	251.9	316.8	258.8
November	96.2	68.1	162.1	299.4	217.9	126.5	148.5	89.3	218.4	213.8	1198.0	251.9	312.1	256.4
December	96.5	68.1	162.1	299.8	220.9	129.3	148.5	89.8	244.3	213.8	1221.8	251.9	315.2	263.5
1963														
January	95.8	67.1	144.6	266.4	214.3	132.5	144.8	85.4	257.4	249.1	1064.8	265.7	316.2	256.4
February	95.8	66.4	145.1	268.9	202.6	124.2	149.4	86.7	273.8	252.9	1101.2	261.7	314.2	259.6
March	95.4	65.8	144.8	264.3	191.4	117.8	141.4	81.8	257.4	244.8	963.4	253.3	292.0	244.1
April	96.1	65.8	140.6	273.0	213.3	122.2	145.7	84.4	269.8	245.2	1037.6	248.9	298.2	254.0
May	96.4	66.8	135.9	266.8	198.0	128.1	143.2	84.6	266.1	245.7	984.6	243.8	295.6	248.1
June	96.5	66.8	133.8	254.0	201.1	123.0	150.3	79.4	271.2	253.7	1002.5	241.5	291.5	248.1
July	96.5	67.2	135.9	256.1	201.6	123.4	151.5	81.6	269.8	248.6	968.6	239.2	295.6	247.7
August	96.6	66.1	135.3	263.5	199.5	128.5	153.1	84.2	281.9	241.9	1004.5	238.5	297.7	250.9



*Publication 5th August, 1937. First Revision 16th October, 1941. Second Revision 9th January, 1948.

Commodity Markets

RECORD RISE IN CASHEW EXPORTS EXPECTED

(FROM OUR SOUTH INDIAN CORRESPONDENT)

INDIAN cashew kernel exports are expected to touch a fresh record of about 52,000 tons this year, against 46,000 tons in 1962, which itself was a record. Foreign exchange earnings on this score, too, should touch a new high in view of the fact that prices did not fall below last year's level. The present prices are 56 to 57 cents a lb. Imported African raw nuts have buyers at present for Rs. 800 to Rs. 850 a ton, and this, it is said, is in parity with the kernel prices. The cashew processing industry in India imported 130,000 tons of African nuts in 1962.

Imports in 1963 will be higher at about 150,000 tons, according to official estimates. Indigenous supply is estimated at 60,000 tons to 65,000 tons. There is a proposal for starting co-operative cashew processing units in Orissa, West Bengal, Andhra and Maharashtra with a view to avoiding the present wastage of the cashew-nuts produced in these States. It is said that if they also can be processed properly as is being done in Kerala, Mangalore and Goa and made available for export, the indigenous supply which is reckoned at 60,000 to 65,000 tons, will go up by another 30,000 to 35,000 tons. This is a welcome proposal, more so in the light of the reports that the supply of raw nuts from Africa will get diminished on account of the starting of processing factories in that country. According to reports, a fully mechanised factory with a capacity of 9,000 tons a year has been set up in Tanganyika with Italian collaboration. It was the shortage of labour that stood in the way of African producers taking up processing in the past. If mechanisation could be introduced successfully as claimed by the sponsors of the new project, Africa can develop a cashew-processing industry of its own and compete with India in foreign markets.

There are, however, some people who are not inclined to believe that mechanisation can be introduced into cashew-processing successfully. Their argument is that cashew kernel being a kidney-shaped nut, it is virtually impossible to extract it from the hard outer cover and the delicate skin inside without damaging the kernel with any conceivable machine. It was this peculiar characteristic of the cashew nut that did not allow the introduction of mechanisation in the cashew-processing industry so far, they say. According to them, cashew-processing will continue to be a labour-intensive industry and the new threat of mechanisation is not going to change the industry's traditional character. This threat need not be taken very seriously, in their opinion.

U.S. buyers have been bidding for sizable quantities of Indian cashew kernels on ideas that supplies of raw nuts from Portuguese East Africa and British East Africa are likely to be smaller. Business in the past few days has been brisk with 320s November shipment fetching 38 cents a lb, December 56 cents, January-March 54 cents and February-April 53 cents. Sellers are reserved. Indian processors on their part are buying raw nuts from Africa after paying handsome prices. The value of African raw nuts has gone up to Rs. 865 a ton. India is said to have bought about 30,000 tonnes so far in the current season, compared with 14,000 tons in the corresponding period last season.

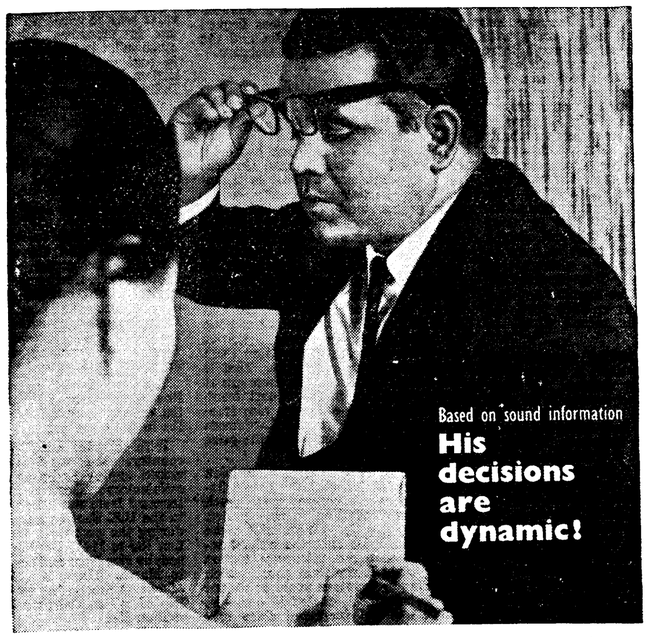
LEMONGRASS OIL

Stalemate in Export Trade

There is a stalemate in lemongrass oil export trade. Stocks accumulated with the State Trading Corporation which was asked by the Central Government a few months go to step in and buy lemongrass oil under the price support scheme. The foreign buyers were also unwilling to pay the floor price fixed by the Government. The exporters of this essential oil are urging the Government to abolish with immediate effect the floor price in order to enable them to compete in the world market through normal trade channels. It is said that while India under the export control order was holding out for the official floor price, Guatemala and China have been under-selling their entire production. The development of synthetics at a much lower price has also assumed serious proportions.

It is understood that the Indian Lemongrass Oil Exporters Association is moving the Ministry of International Trade in this connection. Their suggestions to the Government for breaking the present stalemate and putting back the Indian lemongrass oil on its rightful place again include reduction of S.T.C. procurement price to a level at which Indian lemongrass oil could stand competition, concessions in export incentives and liquidation of S.T.C. stocks, which are deteriorating in quality. It is said that if the S.T.C. stocks are not moved immediately, they will be overhanging the market and will adversely affect the price structure. The trade's suggestion is that the Government should fix a local selling price for Agmark-expired oil at which price, the exporters should be asked to purchase 15 to 20 percent of the S.T.C. stocks. In order to have a proper blend of acceptable quality, it is necessary to mix 80 to 85 percent of fresh oil with this Agmark-expired oil. The producing season in India will be closed in about two months. Unless this suggestion is implemented soon a sufficient quantity of fresh oil may not be available for blending.

According to the trade estimate, the production of lemongrass oil in India this year will touch a new high; the arrivals of the new crop in the market so far has exceeded the 1962 production figure of 1,450 tons. Ex-



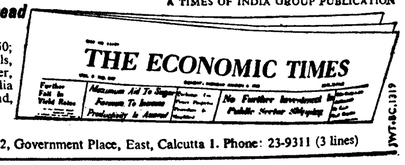


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ports to the end of November were about 500 tons, compared, with 700 tons of the same period last year. Internal consumption during this period is put at about 100 tons, compared with 150 tons of the previous corresponding period. It is believed that the balance of about 850 tons are with the State Trading Corporation. According to a trade estimate, at least 200 tons more would be produced between now and January-February thanks to the exceptionally favourable weather conditions this season.

PEPPER

Price Rise Halted

The recent upward trend in pepper prices has been stopped due to discouraging advices from abroad and selling pressure in the markets of origin. According to latest reports from New York, grinders who are the most important factor in the pepper trade are holding off, probably waiting for more favourable prices. Spot and afloat are quoted at 33 cents a lb in New York at the time of writing. December and January are nominally quoted at 31 cents with practically no sales. Although there is no sign of panic on the part of the sellers because of this indifference on the part of American buyers at present, they are showing some interest to liquidate their stocks in view of the arrivals of new crop gaining larger proportions. Crop picking was started on Malabar coast about a couple of months ago. The new crop is expected to be slightly less than last season's 30,000 tons in view of the inadequate monsoon the growing areas in India experienced during this season. There must be a carry-over from the previous season's crop to compensate for this possible fall in production. The export from last season's crop was smaller than the previous season's record figure of 25,000 tons.

However, the Indian exporters are not anxious about the prospects held out by the new season. In their opinion, the world supply in all probability will be smaller this season and the buyers may have to pay a higher price for this crop. There is a dislocation in the supply line of Indonesian and Sarawak pepper on account of the strained relations between Indonesia and Malaysia, and the longer it continues to be, so much the better for Indian exporters. Indonesia's bid to sell her pepper without passing it over to the established trade in Singapore is likely to fail ultimately because of lack of experience, it is said. There are also reports that the supply from Indonesia will be smaller this time, but one cannot be sure of this in the absence of any reliable estimate of the Indonesian crop.

SPICES

Publicity in U.S.A.

Indo-U.S. co-operation in spices publicity is showing good results, according to a report of the American Spice Trade Association. There was a time when the Americans knew very little about Indian spices although America was a major market for them. Today, however, there are millions of Americans who have seen how pepper and other Indian spices are grown and harvested and prepared for shipment to their country. Through stories in their newspapers and magazines, lectures in their schools and a beautiful motion picture in full colour they are not only learning more about the use of spices in their cooking, but they are finding out the land which supplies them more spices than any other country in the world. All of this is the work of a joint educational and promotional programme of the Spices Export Promotion Council of India and the American Spice Trade Association.

CARDAMOM

Buffer Stock Scheme

A buffer stock system has just been introduced by the Central Government for cardamom. This is essentially a price support measure. Whenever prices tend to fall below the minimum export prices fixed by the Government by about Rs. 1.50 a kilogram, the scheme will come into operation with the Directorate of Cardamom Development and Marketing in Bangalore making the purchases from certified growers and co-operatives. World output has gone up considerably in recent years as there was growing competition from comparatively new growers. That is said to be the reason why there are at times stagnancy in the export front. Carryover of the old crops also creates complications for the Cardamom Disectorate in implementing the price stabilisation programme.

The exporters of cardamom have been complaining that the prices fixed under export control were much above the prevailing market prices, and consequently, shipments were not moving. To this, the official reply was that the minimum export prices were lower than those which prevailed in previous years as shown by the foreign exchange earnings which had not increased since 1960 in spite of a marked increase in exports.

ARECANUT

Development Scheme

The Indian Central Arecanut Committee has chalked out a twin-point production scheme for arecanut based on manuring and pest control. The establishment of nurseries, laying out of demonstration plots and provision of irrigation facilities are the other recommendations of the Committee for enhancing the areca output. India is at present facing a 30 percent shortage in arecanuts, although the area under cultivation in this country is fairly large at about 120,000 hectares. The chief growing areas are in Mysore, Kerala and Assam and these three States together account for 94.7 percent of the country's total output. Maharashtra, West Bengal and Madras are producers on a minor scale. There are projects to introduce this cultivation to new areas like Andhra Pradesh and Gujarat. The scope for expansion is however, considered limited. Therefore, the surer way to cover up the lag in output is intensive cultivation. The areca palm is known to respond well to pest control, manuring and irrigation. Therefore, self-sufficiency for India in this crop is not impossible.

TEA

North Indian Output Falls

(BY A SPECIAL CORRESPONDENT)

REPORTS up to end-November indicate that the production in Assam for the current season is practically over. Cachar was still plucking at end of the month, but the prospects there were poor. In eastern Dooars, conditions were normal for the time of year, but western Dooars, Terai and Darjeeling were completing their plucking operations.

The crop figures up to the end of November were 548,195,623 million lbs, compared with 566,422,260 million lbs in the same period of last year.

With shorter supplies from this country, the statistical situation would appear to be at the moment satisfactory. There is less tea to go forward from north India, and stocks in the U.K. showed a small reduction during the past week from 145.3 million lbs to 144.75 million lbs. Stocks usually rise from end-October through to March. There is a fair quantity of afloats amounting to 48.36 million lbs, of which Calcutta shipped 34.58 million lbs.

At the annual meeting of the Tea Traders Association last week, Mr. A. N. Sircar, president, commented on the following facts:

(a) There has been an increase of 10 million kilograms this year in world production, but India has produced 5.5 million kilograms less. (b) In spite of India's shortage, the country has exported more from Calcutta, thanks to improvements in transport and smoother and speedier handling at the docks. (c) Internal consumption fell by 7.9 million kilograms to 130 million kilograms in 1962, and will be far less in 1963 because of lower production and higher exports. (d) The propaganda drive in the E.C.M. areas has been good, but there is need for promotional activity in India.

With reference to tax relief, the president of the C.T.T.A. suggested (1) some form of incentive to boost exports by way of a drawback as also abolition of octroi in West Bengal and sales tax in Kerala as far as exports are concerned and (2) some tangible taxation relief is essential because the industry's borrowing capacity is limited.

Closing on an optimistic note, Mr. Sircar said, "We are confident that with Government understanding and support, we shall be able to achieve the targets set, both for production and exports in the near future". But not a word about profitable trading, and again, one is forced to enquire what is gained by exporting tea at a loss. If producing interests work at a loss, the Governments concerned will also have lower receipts from taxes. The chairman of the Indian Tea Association (London), Mr. H. N. Thomas, said at the annual general meeting, held recently, that Ceylon and south India seemed able to produce more tea each succeeding year, but the same did not apply to north India. The main reason was that the production for last two years suffered from adverse weather conditions. But producers were trying to increase tea production to the Government of India's target of 900 million lbs a year under the third five year plan.

He believed that planters could be materially assisted towards this end. It is a fact that where virgin soil was available this would produce earlier and larger crops than would be expected from replanting old existing tea arears. The cost of planting on the virgin soil had to be regarded as a capital charge under present regulations, but planters had been urging that where such virgin-soil planting was in replacement of existing tea areas, it should be allowed as a revenue charge.

As for tea research the chairman said that the original proposal involved an agreement that the equipment and buildings of the Tocklai Experimental Station should be leased to the proposed Tea Research Association for a nominal rent. In return for the facilities being offered in Tocklai, the Government of India, through the Council of Scientific and Industrial Research, was to meet 50 percent of the cost of carrying out the research work in Tocklai in the future, and about one-third of the capital expenditure.

The formation of the Tea Research Association on these terms was in fact on the point of completion when "we received with very great regret the news that the Government of India, because of the national emergency, felt that they could no longer go ahead with their undertaking to provide their promised portion of the funds. This was a grave disappointment, but I am pleased to say that more recently we have received information that the whole question is being reopened, and there now appears to be a distinct possibility that the proposed Tea Research Association will be constituted following an undertaking by the Indian Government to provide funds much on the basis of the original proposals."

MIDDLE CLASS COST OF LIVING INDEX NUMBER FOR CALCUTTA

(Base: August 1939)

THE Middle Class Cost of Living Indices, by groups, have now been brought up to November 1963. As compared with October, the November index for Food shows a drop of 10 points, while that for Miscellaneous shows a rise of 4 points. The indices for Fuel & Lighting and clothing remain unchanged at 308 and 609 points, respectively.

Combining all the factors, the Middle Class Cost of Living Index for Calcutta shows that the cost of living dropped by 4 points during November 1963.

Middle Class Cost of Living Index Number for Calcutta. Prices in August, 1939=100

Groups	Weights	GROUP INDICES												
		Nov., 1962	Dec. 1962	Jan 1963	Feb. 1963	Mar., 1963	Apl. 1963	May 1963	June 1963	July 1963	Aug 1963	Sept., 1963	Oct., 1963	Nov., 1963
Food ..	53.6	573	562	550	553	563	578	578	586	591	598	606	608	598
Fuel and Lighting ..	4.4	299	299	299	299	307	304	308	308	308	308	308	308	308
Clothing ..	12.4	598	598	598	598	598	602	602	602	602	602	609	609	609
Miscellaneous ..	29.6	311	311	311	311	314	317	317	317	317	317	317	317	321
Combined Index ..	100.0	487	481	474	476	482	491	492	496	499	502	507	509	505

Compiled and constructed by the Statistical Department of "Capital"

Books

INTEREST AND USURY: A DISCOURSE

A Discourse upon Usury. By Thomas Wilson. (Published by Frank Cass and Co. Ltd, 10 Woburn Walk, London, W.C. 1. Review copy received from Rupa and Co., 15, Bankim Chatterjee Street, Calcutta. Price 48s, pages 392.)

A discussion on the moral and religious basis of interest or usury may now seem uninteresting and superfluous to one. This was not so in the early days of capitalism when organised banking was conspicuously absent and lending was conducted by individuals and institutions who were in a position to exploit the needy borrowers. A class of financiers grew up in the United Kingdom during the Tudor period who were hated alike by the feudal lords and the common people, the former having borrowed at high rate of interest against the mortgage of their landed properties and were unable in many cases to meet their commitments and eventually became paupers. Their grievances were appreciated by the Government who brought in the Act of 1552 with the intention of abolishing usury and to protect the borrower.

The effects were not altogether benefical as industry and trade were short of credit and unauthorised borrowing took place in different forms. Leading men in the world of finance and commerce made repeated attempts to repeal the Act of 1552, and many theologians continued to preach the distinction between interest and usury, the former being just and reasonable, the latter connoting inequity and unnatural dealing with wealth. The controversy went on in spite of the compromise of 1571. Dr. Wilson could not reconcile himself with the theory that professional lenders, while pursuing their self-interest, could contribute to the social and spiritual welfare of the community. He came out with an all-out attack against interest and usury and the proposal for setting up banks in the big cities.

Although in his chequered and distinguished career, Dr. Wilson served the Queen faithfully as an ambassador and counsellor for 20 years of perils and stress of the Tudor England, he cannot with justice be called an Elizabethan. He belonged to an older age and to the group of dignified scholars who were conversed with the fundamentals of ethics, logic and philosophy. Mr. Tawney rightly points out that the economic outlook, the preoccupation with morality which Dr. Wilson interited, was that of the middle ages and his target was the individualism which was destroying it.

The brilliantly written foreword by Mr. Tawney does not only bring out the historical context in which Dr. Wilson wrote this book, but it also gives one an insight into the personality of the man who stood against the age. The theologians and philosophers of the past are dead and gone. Their works, however, remain. This book written by one of the most distinguished men of the Tudor age will no doubt be enviously preserved as a historical treasure.

SMALL INDUSTRIES

Small-scale and Household Industries in a Developing Economy. By M. C. Shetty. (Published by Asia Publishing House, Calicut Street, Ballard Estate, Bombay 1. Price Rs. 16, pages 232.)

This is a book written not only in defence of small-scale industries but it also aims at the factual assessment of the part played by them in the Indian economy in its present stage. For reasons of efficiency and economy, smaller units have come to stay in the advanced industrialised nations like the U.K. or the U.S.A. At least 25 percent of employment in the U.S.A. is provided by firms employing less than one hundred people. The proportion is considerably higher in Japan where small-scale units have traditionally excelled in the manufacture of a wide range of products.

The author advocates the development of small-scale labour-intensive industries to preserve scarce capital resources to be used more rewardingly in the sector of basic industries and secondly, to mitigate the problem of chronic unemployment in the country. The choice of alternative techniques of production employing more or less capital should conform to the principles of the "net social marginal product."

The structure of small-scale and household industries, based on surveys conducted in several parts of the country and the difficulties faced by them in the sphere of organisation, marketing, finance and technical skill, have been discussed. The author relates the attempts made by the Government since independence to remove these obstacles but further assistance and concentrated efforts are needed to place these units on a sound economic footing.

RETAIL TRADE

Retail Trade in Urban Areas of Union Territory of Delhi. (Compiled and published by the Research Department, Indian Co-operative Union Ltd. Janpath, New Delhi 1. Page 99.)

The report under review gives a detailed picture of the pattern of the retail trade—its nature and composition; range and volume of goods sold; methods, cost, margins and profits by size, distribution of shops; investment and rate of return on capi-



DUNLOP

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The Dunlop Highway Truck and Bus Tyre assures higher initial tread mileage on heavily laden long distance trucks and modern fast buses. And finally, when the tyre is worn smooth, the excellent retreadability of the casing means that it will continue to serve for many more thousands of miles.

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DGC-23

tal; pricing and retail practices; composition of the consumers served and the pattern of consumption at different levels of income. The survey found that the average value of goods annually sold by most of the retailers ranged between Rs. 23,700 and Rs. 53,960. The amount of working capital a shop ranged between Rs. 4,320 and Rs. 15,038. The average gross monthly income varied between Rs. 78 and Rs. 905. Women made 15 percent of the purchases. The survey and the presentation are good.

CENSUS REPORT

Census of India, 1961 (Vol. XIII—Part VI—No. 1—Monograph No. 1): Tandi, a Village in Lahaul District, Punjab. (Published by the Manager of Publications, Delhi 8. Price Rs. 3.25, pages 75 + appendices and glossary.)

Tandi is a big village on the Ladakh-Kulu trade route and on the Chenab river and four miles from Keylong. This monograph on the socio-economic study of the village is complementary to the 1961 census report. Some of the conclusions of the study are as follows: land reforms which have introduced radical changes in Punjab have no impact on this area. The same is the case as far as the Community Development projects are concerned. The incidence of polyandry is fairly large and it suits the socio-economic structure and the needs of society. Even educated persons are not averse to polyandrous families. But it is only the eldest brother who is ceremoniously married to a woman. The report makes interesting reading. It is also factual.

ANNIVERSARY NUMBER

Khadi Gramodyog, Tenth Anniversary Number. (Published by Khadi and Village Industries Commission, Irla Road, Vile Parle (West), Bombay 56. Price Rs. 2, pages 144.)

The tenth anniversary number of the *Khadi Gramodyog* contains a number of valuable articles on different aspects of rural regeneration. There are several articles including those from Messrs Dhebar, V. L. Mehta and Morarji Desai. One would however, like to see the next year's number printed on hand-made paper.

FARM INCOME

Agricultural Income by States, 1960-61. (Compiled by the National Council of Applied Economic Research, New Delhi. Price Rs. 6, pages 88.)

Agriculture occupies the most vital place in the Indian economy, accounting for 43 percent of the national income and 70 percent of the total labour force. In the present study, agricultural income of different States have been estimated for 1960-61, the year of maximum agricultural production in recent years. This reports is in four parts. The first part gives a summary of the results of the study, while the second, third and fourth deal with the concepts and coverage, availability of data and the method of estimates, respectively. Wide inter-State differences have been observed in the gross and net output a person engaged in agriculture. Kerala with a gross output of Rs. 522 an acre and a labour productivity of Rs. 1,159 a worker tops other States, but cash crops dominate the farming in Kerala. The information might be useful in planning for raising agricultural output.

EXPORT GUIDE

How to Sell Successfully Overseas. By Alfred and George Tack. (Published by B. I. Publications, 369, Dadabhai Naoroji Road, Bombay 1. Price Rs. 22, pages 283.)

The Tack organisation needs hardly any introduction to the commercial executives in India. But perhaps many in this country may not be aware of this book even though the other books by Mr. Alfred Tack are well known here. Comparisons are odious, but one should read this book side by side with official export publications. Even the experienced export executive will find in this book much useful information in a readily available form.

CABLE INDUSTRY

Report of the Indian Productivity Study Team on Cable Industry. (Published by the National Productivity Council, 38 Golf Links, New Delhi 3. Pages 428 + XXVII.)

The National Productivity Council sent a study team to Japan and the U.S.A., and this excellent report embodies the observations and recommendations of the team. The report covers every aspect of the industry and it is one of the few reports that will withstand the passage of time. The illustrations and charts on pages 77 and 298 give the book the quality of a text-book on industrial engineering. The conclusions are given in chapter 20. The printing is good.

BANKING

The Financial Observer, Annual Number on Banking and Industry, 1963. (Published by *Financial Observer*, 17-19, Dalal Street, Wadia Building, Fort, Bombay 1. Price Rs. 10.)

The Financial Observer has brought out an annual number on banking and insurance. Because of the current debate on the nationalisation of banks and the entry of the Life Insurance Corporation into the general insurance field, the annual number has chosen an appropriate subject for discussion. There are several articles on such subjects as "Banking Habit In India" by Mr. N. A. Krishnan, managing director of the State Bank; the Agricultural Re-finance Corporation by Mr. V. Sivaraman, managing director; "Some Aspects of Industrial Finance" by Mr. K. C. Mittra; "Future of Life Insurance" by Mr. B. K. Kaul. Articles on general insurance have been written by Messrs Rakshit, General Manager of Oriental Fire and General and P. U. Patel, managing director of Universal Fire and General Insurance. There is an article on the Gold Control Board by Mr. G. B. Kotak, former chairman of the Board. There are also some articles on current problems of the banking system and taxation by well-known personalities such as Mr. R. C. Cooper, Mr. P. V. Gandhi and Mr. B. G. Shah. The annual number should prove interesting.

BOOKS RECEIVED

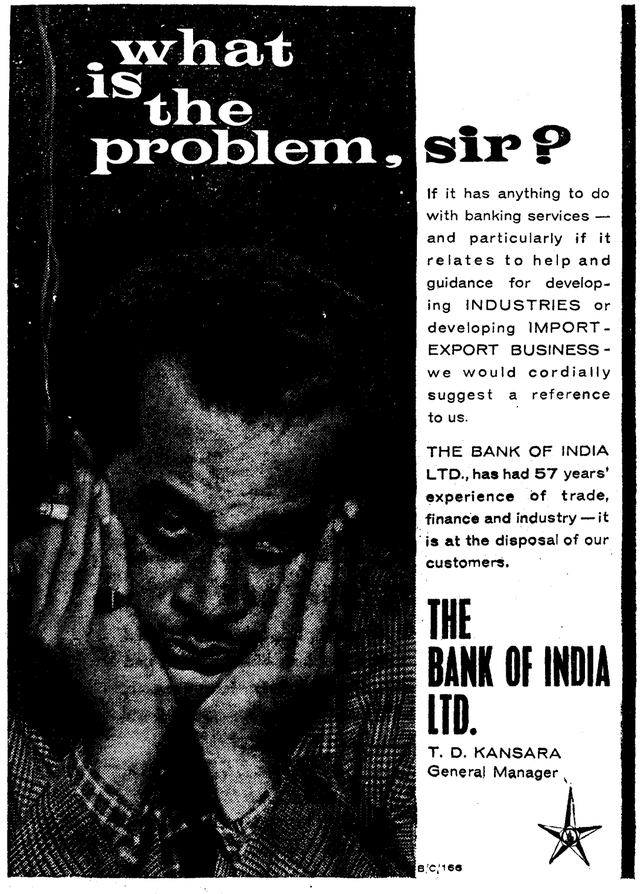
Fertiliser Statistics, 1962-63. (Issued by the Fertiliser Association of India, 85 Sundar Nagar, New Delhi 11. Price Rs. 10, pages 298.)

Report of the Survey of Demand for the Basic Raw Materials Required by the Engineering Industries. (Published by the Engineering Association of India, Research Department, India Exchange Building (8th floor), India Exchange Place, Calcutta 1. Pages 41.)

Agricultural Situation in India, Annual Number, 1963. Edited by S. Ramaswami. (Issued by the Economic and Statistical Adviser to the Government of India, Ministry of Food and Agriculture, and published by the Manager of Publications, Civil Lines, Delhi 6. Price Rs. 2, pages 245-404.)

Efficacy of Public Enterprise. Edited by V. V. Ramanadham. (Published by R. N. Sachdev for Allied Publishers (Private) Ltd, 15 Graham Road, Ballard Estate, Bombay 1. Price Rs. 16, pages 231.)

Development of Dandakaranya. (Published by the National Council of Applied Economic Research, Parisila Bhawan, 11 Indraprastha Estate, New Delhi 1. Price Rs. 10, pages 148.)



If it has anything to do with banking services — and particularly if it relates to help and guidance for developing INDUSTRIES or developing IMPORT-EXPORT BUSINESS - we would cordially suggest a reference to us.

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THE BANK OF INDIA LTD.

T. D. KANSARA
General Manager

B/C/166

COMPANY AND PUBLIC NOTICES

THE BRITANNIA BISCUIT COMPANY LIMITED

THE Directors have today declared an Interim Dividend in respect of the year ending 31st March, 1964 at 6% on the Ordinary Shares and 5.20% on Preference Shares, both subject to deduction of tax.

The Register of Members of the Company will be closed from Thursday the 26th December, 1963 to Saturday the 4th January, 1964, both days inclusive and the dividends will be paid on or after the 15th January, 1964 to the Shareholders whose names appear in the Register of the Company on the 4th January, 1964.

By Order of the Board,
A. P. CHANDA,
Director and Secretary

15, Taratola Road,
Alipore,
Calcutta-27.
11th December, 1963.

EQUITABLE COAL COMPANY, LIMITED

NOTICE is hereby given that the payment of interest for the period from 1st July, 1963 to 31st December, 1963 on the 5½ per cent Registered Debenture Stock, 1963/68 of the Company will be made to those stockholders whose names appear on the Company's Register on the 31st December, 1963 or in accordance with their instructions.

For EQUITABLE COAL COMPANY, LIMITED,
MACNEILL & BARRY, LIMITED,
A. N. MITRA,
Secretary,
Managing Agents.

2, Fairlie Place,
Calcutta-1,
16th December, 1963.

COMPANY MEETINGS AND DIVIDENDS DECLARED OR PROPOSED

Name of Company	Date	I.S.T. Hours
Burrakur Coal Co. Ltd.	27-12-63	11 a.m.
Orissa Minerals Development Co. Ltd.	30-12-63	11 a.m.

DIVIDENDS DECLARED OR PROPOSED.—Phosphate Co. Ltd.—15 p.c. (o), subject to tax; India Paper Pulp Co. Ltd.—50nP per share (Int.), subject to tax; Britannia Biscuit Co. Ltd.—6 p.c. (Int.) (o), subject to tax.

HIDES AND SKINS

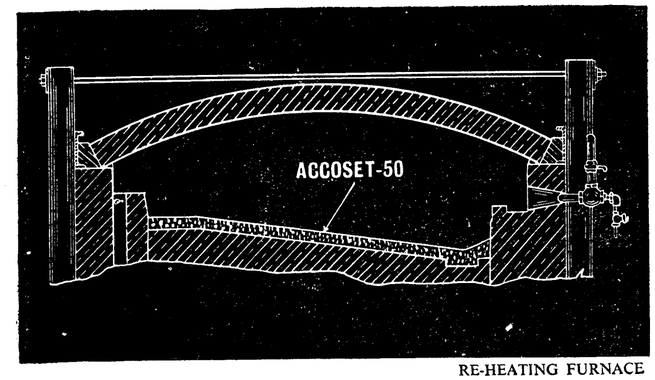
The market ruled steady. Stocks of skins were higher, but those of hides were less than in the previous week.

Bazaar Sales

(Between 10th December and 16th December, 1963)

Cowhides: Wet salted (Ord.) 13,000 pcs. on the basis of Rs. 8 to Rs. 11.25; Wet salted (Slaughtered) 31,300 pcs. on the basis of Rs. 10.50 to Rs. 16.50 and Rs. 19.50 to Rs. 28 and Rs. 28.50; Wet salted (Ord.) 3,000 pcs. on the basis of 94 nP a lb.

Goatskins: Wet salted (Patna, Daissee, Kustia) 58,000 pcs. on the basis of Rs. 330 to Rs. 350, Rs. 360 to Rs. 390 and Rs. 480 to Rs. 505; Wet salted (he-killed) on the basis of Rs. 4.87 and (she-killed) on the basis of Rs. 4.62 a piece; Assam-Dinajpur-Murshidabad 43,400 pcs. on the basis of Rs. 260 to Rs. 290 and Rs. 330; Purneah-Kissenganj 28,300 pcs. on the basis of Rs. 320 to Rs. 340 and Rs. 350; Patna 9,500 pcs. on the basis of Rs. 320 to Rs. 330; Purneah 4,000 pcs. on the basis of Rs. 470 to Rs. 480.



RE-HEATING FURNACE

ACC
HIGH TEMPERATURE REFRACTORY CEMENT

ACCOSET-50
for firebrick joints and linings that last longer.

To obtain maximum service from refractory bricks it is essential to join them firmly. ACCOSET-50, which has very little shrinkage in service, sets to a rock-like hardness, adheres rigidly to the brickwork and bonds so strongly that the lining becomes virtually monolithic.

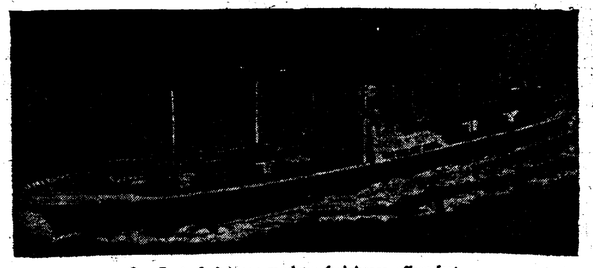
ACCOSET-50 is recommended for jointing, bonding, monolithic and rammed linings, gunning, repairing and patching cracks in furnaces.

Technical literature sent free on request.

Ready stocks of ACCOSET-50 available from
THE CEMENT MARKETING COMPANY OF INDIA LIMITED
BOMBAY - AHMEDABAD - BANGALORE - CALCUTTA - COIMBATORE - NEW DELHI - INDORE
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"CAPITAL" STOCK AND SHARE LIST

THE INVESTORS GUIDE AND SHAREHOLDERS GAZETTE

Official quotations of the Calcutta Bombay, Madras, London Stock Exchange Associations and other sources.
Figures given after stroke (/) mean Naye Paise.

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Wednesday, 18th December, 1963.

GOVERNMENTS LOANS

Outstanding Amount Rs.	Interest per cent	Year of issue	Repayable	Market quotations Rs.
GOVERNMENT OF INDIA				
2,48,91,06,000	3	1946	1986 or later	65/80
			At the option of the Government of India after 6 months notice	63/00
8,93,33,000	3	1896-97		
1,10,11,78,000	3	1943	1966-68	97/95
30,33,10,000	3	1950	1964	99/45
14,77,48,000	2½	1946	1976	83/50
1,15,05,83,000	3	1948	1970-75	90/35
1,58,17,94,000	3½	1954	1964	99/90
1,53,67,92,000	3½	1955	1965	99/70
86,63,53,000	3½	1456	1974	96/75
56,99,30,000	3½	1957	1967	99/67
1,54,70,22,000	4	1957	1972	99/35
94,51,44,000	4	1958	1973	99/20
1,97,40,92,000	3½	1956	1967	99/35
70,00,000	3½	1958	1968	98/20
1,56,64,22,000	3½	1958	1968	99/45
1,90,85,42,000	3½	1959	1969	97/10
81,06,39,000	4	1959	1979	98/45
82,65,41,000	3½	1960	1966	99/65
98,05,17,000	4	1960	1980	98/50
65,96,55,000	4	1961	1981	98/65
84,12,53,000	4	1963	1969	99/53
28,07,95,000	4½	1962	1972	100/60
52,01,71,000	4½	1963	1986	100/00
1,14,93,37,000	4½	1962	1985	100/15
BOMBAY				
3,40,34,300	4	1952	1964	99/95
6,57,22,800	4½	1957	1969	98/70
6,58,20,700	4½	1958	1970	98/75
4,35,25,000	4½	1958	1971	98/70
MADHYA PRADESH				
2,02,28,800	3	1948	1964	98/50
MADRAS				
5,24,81,200	4	1952	1964	99/95
5,55,57,200	4½	1958	1970	98/70
UTTAR PRADESH				
1,55,31,200	3	1936	1961-66	93/25
5,89,13,900	4	1952	1964	99/95
7,65,58,900	4½	1958	1970	98/70
WEST BENGAL				
2,00,00,000	4	1952	1964	99/92
7,58,72,200	4	1955	1967	99/05
7,11,46,100	4	1956	1968	98/80
5,10,49,700	4½	1958	1970	98/75
7,69,69,400	4	1959	1971	97/75
7,00,00,000	4	1960	1969	98/35
13,07,21,000	4½	1961	1972	98/80
7,00,00,000	4½	1962	1974	99/25
MYSORE				
2,25,85,200	4	1933	1953-62	100/00

PORT TRUST LOANS

Amount Rs.	Interest per cent	Year of issue	Repayable	Market quotations Rs.
CALCUTTA				
90,24,300	4	1914	1974	98/25
76,90,100	4	1915	1975	98/25
68,02,300	3	1921	2nd 1981	82/00
1,50,00,000	6½	1921	2nd 1981	144/00N
£892,600	5	1923	1953-83	£61
£901,000	5	1924	1954-84	£61
1,24,00,000	4½	1957	1987	99/50
	4½	1958	1988	99/00
50,00,000	4½	1959	1989	99/00
1,50,00,000	4½	1961	1971	98/75
30,00,000	4	1931	1991	93/00
60,00,000	3½	1935	1965	99/00
50,00,000	3	1946	1976	83/50
50,00,000	3	1945	1-2-2005	72/00
	3	1945	1-2-1975	83/75
99/45				
25,00,000	3	1938	1963-68	93/00
50,00,000	3	1946	2006	72/00
98/45				
50,00,000	2½	1947	1977	78/50
50,00,000	3	1948	1978	83/00
98/50				
50,00,000	3	1950	1980	81/00
99/53				
50,00,000	3	1951	1981	80/50
50,00,000	4½	1953	1963	98/75
50,00,000	4	1953	1983	97/50
90,00,000	4	1955	1985	97/25
77,00,000	4	1956	1986	97/25
1,00,00,000	4	1959	1969	99/50
1,67,32,000	4½	1958	1970	101/00N
73,38,000	4½	1958	1968	100/50

IMPROVEMENT TRUST LOANS

Amount Rs.	Interest per cent	Year of issue	Repayable	Market quotations Rs.
CALCUTTA				
50,00,000	4	1934	1964	99/25
35,00,000	3½	1935	1965	96/00
30,00,000	3	1936	1966	92/50
20,00,000	3	1938	1963-68	92/00
80,00,000	4	1952	1962	100/00
1,02,00,000	4	1956	1968	98/50
75,00,000	4½	1958	1968	101/00
BOMBAY				
80,00,000	4	1903	1963	98/25
50,00,000	4	1904	1964	98/25
20,00,000	4	1906	1966	97/50
15,00,000	4	1907	1967	97/50
30,00,000	4	1908	1968	£95½N
£566,600	4	1909	1969	£95½N
£333,000	4	1910	1970	£100/00
25,00,000	4	1912	1972	95/00
13,00,000	4	1913	1973	95/00
50,00,000	4	1914	1974	95/00
25,00,000	4	1916	1976	95/00
66,00,000	5	1920	1945-80	119/50
25,00,000	4	1927	1961-70	99/75
10,00,000	3½	1936	1966	89/00

MUNICIPAL LOANS

Amount Rs.	Interest per cent	Year of issue	Repayable	Market quotations Rs.
CALCUTTA				
66,88,000	3½	1951	1966	98/50
10,00,000	5½	1932	1962	100/75N
33,91,000	3½	1935	1965	96/00
72,50,000	4½	1954	1979	100/00
60,00,000	3	1936	1966	93/00
47,50,000	3	1938	1968	92/50
21,10,000	3½	1942	1972	92/00
37,36,000	4	1952	1962	99/75
2,22,72,000	4	1955	1985	97/25N
	4½	1958	1970	101/00N
73,38,000	4½	1958	1968	100/50
BOMBAY				
20,00,000	4	1913-18	1974	95/00
STERLING LOANS				
£892,600	5	1923	1953-83	£63
£901,000	5	1924	1954-84	£63
£835,100	5½	1932	1962	£95½
MADRAS				
28,48,275	3½	1947	1977	A
9,88,000	3	1947	1977	A
8,00,000	3	1949	1979	A
2,00,34,000	3½	1951	1966	89/00
8,25,00,000	3½	1947	1977	82/00
2,13,14,500	3½	1949	1979	82/00
4,00,00,000	3½	1950	1965	95/00
MADRAS				
15,00,000	3½	1951	1961	107/00
10,00,000	5	1920	1980	101/00
15,00,000	3½	1952	1962	107/50

2½% U.P Zemindary Abolition Compensation Bond (per Rs. 100) Rs 41/90*

*Ex eight instalments but inclusive of accrued interest.

These notes refer to the Debentures on the next page.

Option to repay at par on 6 months' notice—

(a) Option to extend the redemption period for further 10 years.
(b) at any time after.
(c) on or after 1-1-61.
(d) option to redeem at 2½% Prem. after 14-5-64 and before 13-5-69.

Option to repay on 6 months' notice—

(e) at any time after 30-6-61 at 101%.
(f) at 101% between 1-1-64 & 31-12-64.
(g) at 102/8% after 30-6-65 but before 30-6-64.
(h) at any time after 30-6-62 at 101%.

Option to repay on 3 months' notice—

(i) at any time at 3% Premium.
(j) at 4% Prem. after 1-3-64 but before 1-3-67 and 1% Prem. on or after 1-3-67.
(k) at any time at par.
(l) at any time after 31-3-62 at the rate of 1% Premium.
(m) redeemable at 103% on 31-12-64 with option to redeem on any interest date at same premium after 30-6-59.
(n) at any time on two months' notice.
(o) to be redeemed at a premium of 10% Rs. 70,000 to be redeemed annually by drawing on 3 months notice with option to redeem all after 6 years from date of issue on 6 months notice. Option not exercised repayment to be made after full term.

Option to repay

(p) at par after September 1980.
(q) at par on or after 1-12-59.
(r) with option to redeem at 101% after 10 years or at 100/8% after 12 years.
(s) Rs. 1.40 lacs Debentures to be redeemed annually by drawing from 1-6-56 with option to redeem at 100/8% between 1-6-57 to 1-6-61 and at 101% afterwards.
(t) with option to redeem at 101% after 10 years or at 100/8% after 12 years.
(u) with option to redeem all or any of the Debts at 101% at any time after 31-3-64 and at 100/8% at any time after 31-3-66.
(v) Rs. 80,000 are being redeemed annually repayment of Debentures commencing serially from No. 1 to No. 80 on 31-12-48.
(w) Redeemable at any time at par per cent premium (a) on 6 months notice by the Company or (b) in the event of the security becoming enforceable or at par if the Corporation of Calcutta or Howrah purchase the undertaking on 1st January 1945 or every seventh year thereafter.
(x) At par all or any of the Debts on 31st December, 1980 or on any subsequent interest date.
(y) Redeemable (a) at 102% on 1st October 1974 or in the event of voluntary liquidation of the undertaking being purchased or in the event of the security becoming enforceable or (b) at 105% at any time after 31st March 1952 on 3 months notice from the Co. (c) also redeemable out of a sinking fund (commencing in 1938) by drawing at 102% or purchase at or under 102%.
(z) Also redeemable out of a cumulative sinking fund of 1½% per annum commencing in 1945 by purchase at any price less than par or by annual drawing at par.

JOINT STOCK COMPANIES' DEBENTURES

Amount Authorised Rs.	Amount Outstanding Rs.	Rate of Interest per cent	NAME OF COMPANIES	Year of Issue	MARKET PRICE 18-12-63	MARKET PRICE 11-12-63	A year ago Rs.	Interest payable	Principal Repayable	Remarks
			(CALCUTTA) COAL							
60,00,000	60,00,000	6½	Bengal	1961	100/00	100/00	99/00	1st May 1st Nov	31-10-75	(X)
30,00,000	30,00,000	6	Bharat Collieries	1944	90/00	90/00	90/00	30th April 31st Oct	30-6-64	
20,00,000	20,00,000	4½	Burrakur	1947	82/00	85/00	85/00	30th June 31st Dec	30-6-67	(G*)
50,00,000	50,00,000	5½	Equitable	1953	98/00	98/00	100/00	1st July 1st Jan	14 12 68	(r*)
			COTTON MILL							
4,00,000	4,00,000	6	Bengal Nagpur	1897	85/00	85/00	85/00	10th May 10th Nov.	15-11-66	(l)
			JUTE MILLS							
15,00,000	12,00,000	5½	Agarpara	1939	92/00	92/00	92/00	1st Oct 1st April	31-3-69	..
15,00,000	15,00,000	4	Auckland	1945	78/00	78/00	78/00	30th June 31st Dec	31-12-64	(F)
9,00,000	6,00,000	5½	Alexandra	1939	91/00	91/00	91/00	30th June 31st Dec	30-6-69	(a)
10,00,000	10,00,000	5½	Bengal (2nd Mortgage)	1940	95/50	95/50	95/00	30th June 31st Dec	30-6-65	(b)
12,00,000	10,69,000	5	Chitavalsab	1953	88/50	88/50	88/50	30th June 31st Dec	30-6-66	(e)
25,00,000	20,48,000	5½	Dalhousie	1954	90/00	90/00	90/00	31st March 30th Sept	31-3-69	(u*)
10,00,000	8,86,000	6	Empire	1951	91/00	91/00	90/00	15th Jan 15th July	15-7-66	(e*)
25,00,000	25,00,000	5½	Fort Gloster	1952	98/00	98/00	98/00	31st March 30th Sept	30-9-66	(Q*)
30,00,000	30,00,000	5½	Howrah	1965	92/50	92/50	92/00	31st March 30th Sept	31-3-70	(N)
25,00,000	25,00,000	5	Kinnison	1949	90/00	90/00	90/00	30th June 31st Dec	31-12-64	(f*)
25,00,000	13,04,000	5½	Kamarhatty	1955	89/50	89/50	89/00	30th June 31st Dec	30-6-70	(h*)
25,00,000	25,00,000	5½	Naihati	1952	90/00	90/00	90/00	30th June 31st Dec	31-3-67	(l*)
5,00,000	5,00,000	6½	Nellimarla	1939	92/00	92/00	92/00	14th Nov 14th May	14 5-74	(d)
20,00,000	20,00,000	4	Northbrook	1945	85/00	85/00	85/00	30th June 31st Dec	31-12-64	(B)
25,00,000	25,00,000	5	Reliance	1950	81/00	81/00	81/00	31st March 30th Sept	30-9-65	(M*)
12,00,000	12,00,000	5½	Union	1937	95/50	95/50	95/50	31st March 30th Sept	31 3-37	..
10,00,000	10,00,000	6½	Waverley	1925	80/00	80/00	80/00	31st Jan 31st July	31-7-72	..
			MISCELLANEOUS							
30,00,000	19,60,000	4½	Associated Hotels of India	1948	850/00	850/00	850/00	1st Jan 1st July	31-12-62	(v)
10,00,000	10,00,000	5	Aluminium Corporation of India Ltd	1943	92/00	92/00	92/00	1st Jan 1st July	31-12-65	(U)
5,00,000	5,00,000	4½	Bareilly Electric Supply Co Ltd	1939	88/00	88/00	88/00	30th June 31st Dec	31-12-64	(m*)
12,00,000	12,00,000	4½	Benares Elec Ltd & Power Co Ltd	1949	90/00	90/00	90/00	30th June 31st Dec	31-12-64	(m*)
1,00,00,000	90,00,000	5	Buckingham & Carnatic Co Ltd.	1932	100/00	100/00	100/00	1st April 1st Oct	1-3-72	(T*)
5,00,000	5,00,000	5½	Britannia Engineering	1945	94/00	94/00	94/00	30th June 31st Dec	31-12-69	(g)
3,00,00,000	3,00,00,000	5½	Burmah Shell Refineries Ltd	1954	93/25	93/75	92/75	1st March 1st Sept	1-9-69	(K*)
2,66,00,000	2,32,89,400	5	Calcutta Electric Supply Corporation	1950	90/50	90/50	95/25	1st Jan 1st July	1-1-70	(*)
£350,000	£325,280	4½	Calcutta Tramways	1910	£66/00	£66/00	£66/10	1st Jan 1st July		(w)
£250,000	£157,788	5	Calcutta Tramways	1933	£74/00	£74/00	£74/10	1st April 1st Oct	1-10-74	(y)
19,50,000	17,50,000	6	Carew & Co	1938	100/00	100/00	98/00	1st June 1st Oct	1-6-63	(s)
5,50,000	4,00,000	6½	Carew & Co (2nd Mortgage)	1941	95/00	95/00	98/00	1st March 1st Sept	28-2-70	(l)
21,00,000	21,00,000	5½	Chowringhee Properties	1915	85/00N	85/00N	85/00N	1st Feb 1st August	1-2-64	..
26,00,000	26,00,000	5	Chowringhee Properties (2nd Mortgage)	1945	80/00	80/00	80/00	1st Feb 1st August	1-2-64	..
25,00,000	19,29,000	4½	Clive Buildings	1936	82/00	82/00	82/00	1st July 1st Jan	1-7-86	(A)
1,00,00,000	1,00,00,000	6½	Dalmia Cement	1946	86/00	86/00	86/00	31st March 30th Sept	1970	(p)
1,30,00,000	1,04,55,000	6½	Dunlop Rubber Co (I) Ltd.	1950	100/25	100/25	101/00	1st Jan 1st July	1-1-73	(b*)
1,00,00,000	1,00,00,000	6½	Dunlop Rubber Co (I) Ltd	1958	100/25	100/25	101/00	1st Jan 1st July	1-1-73	(W*)
25,00,000	25,00,000	4	Gourepore Electric Supply	1945	90/00	90/00	90/00	30th June 31st Dec	31-12-70	(x)
1,00,00,000	97,80,000	5½	Indian Cable Co Ltd	1954	98/00	98/00	100/00	1st Jan 1st July	30-6-69	(t*)
20,00,000	20,00,000	5½	Kumardhubi Fireclay & Silica Works	1954	92/00	92/00	96/00	31st Dec	31-12-69	(D*)
10,00,000	10,00,000	4	Kumardhubi Engineering Works Ltd	1946	84/00	84/00	84/00	31st May 30th Nov	31-5-71	(O)
6,50,000	6,50,000	6	Katakhal Lala Bazar Railway	1945	85/00	85/00	85/00	30th June 31st Dec	31-12-74	(*)
45,00,000	43,00,000	4	McLeod & Co Ltd (Con Notes)	1947	450/00 P note	450/00 P note	410/00P note	30th June 31st Dec	31-12-72	(l*)
1,00,00,000	75,00,000	5	Macneill & Barry Ltd	1951	85/00	85/00	85/00	1st April 1st Oct	1-4-71	(P*)
12,00,000	12,00,000	4	National Tobacco Co India Ltd	1945	85/00	85/00	82/00	30th June 31st Dec	30-6-66	(S)
20,00,000	20,00,000	5	Patna Electric Supply Co Ltd.	1949	90/00	90/00	90/00	31st May 30th Nov	1-12-64	(V)
1,00,00,000	1,00,00,000	6	Rohtas Industries Ltd	1946	96/00	96/00	96/00	30th June 31st Dec	31-12-69	(a*)
4,00,00,000	4,00,00,000	5½	Esso Standard Ltd	1953	91/00	91/00	94/00	1st May 1st Nov	1-5-68	(H)
10,00,000	10,00,000	5½	Shree Gopa Paper Mills Ltd	1944	95/00	95/00	95/00	Jan & July	15-7 66	(E*)
2,00,00,000	2,00,00,000	4½	Shahdara (Delhi) Saharanpur Rly	1905	£64N	£64N	£64N	1st Jan 1st July		
15,00,000	11,40,000	5	Silva Therriah	1951	91/00	91/00	91/00	1st Jan 1st July	30-6-76	(*L)
30,00,000	30,00,000	4½	United Provinces Elec Supply Co Ltd	1949	90/00	90/00	90/00	31st March 30th Sept	31-12-64	(C*)
			TEA							(*m)
2,50,000	2,50,000	6	Baltakhal	1943	95/00	95/00	95/00	30th June 31st Dec.	1-7-63	..
			(BOMBAY)							
1,00,00,000	98,28,000	4	Andhra Valley Power Supply	1940	98/50	98/50	98/50	1st April 1st Oct.	1952	..
90,00,000	50,00,000	4	Tata Power	1941	86/00	86/00	86/00	..	1951-55	..

(Continued from foot of previous page)

(A) Repayable at par by 1986 by annual Drawings on 1st July each year. May repay the issue in full after 30th June 1961 on 6 months notice.
(B) Repayment at par on 31st Dec. 1964 with the option of repayment on 31-12-64 or any subsequent interest date at a prem of 2%.
(C) Rs. 58,000 to be redeemed at par annually by drawing.
(D) With option to redeem any part at 101% after 31-12-64 and at 100½% after 31-12-68.
(E) Rs. 80 Lacs will be redeemed annually by drawings from 1st May 1964 onwards. The Co. has option to redeem all Debentures at 101% on 1st May 1963 on 6 months notice.
(F) Option to redeem all or any of the Debentures at a premium of Re. 1/- per cent by giving one month's notice on the 31st December 1954 or any subsequent interest date.
(G) May be redeemed on 30th June, 1957 at a premium of 1% or on 30th June, 1962, at a premium of 1½%.
(H) May be redeemed at a premium of Rs. 20/- per debenture (i.e. 2%) if redeemed earlier than 31st Dec. 1955 on 3 months notice.
(I) The Company has option to repay all or any at par by giving notice for 6 months expiring on any interest date after 30th Sept. 1955. At any time on or after 1st Oct. 1957 the holders may convert each note of Rs. 500/- into 25 ordinary shares to take effect on 1st Oct. in each year on giving 15 days' notice prior to such day.
(J) May be redeemed at 101% at any time after 31st March 1963 and at 100½% on any time after 31st March 1955.
(K) Rs. 1,500,000 Debentures will be redeemed at par annually by drawing from 1-9-65. Any Debenture outstanding on 1-9-69 will be redeemed on that date with option to redeem all Debentures at 101% on 1-9-64.
(L) Any time on 6 months' notice.
(M) At par in September 1960.
(N) May be redeemed at the end of 1965 or thereafter at 101%.
(O) Option to repay at par on or after 31st May 1961.
(P) Redeemable at par on 31st Dec. 1972 with option to redeem at par at any time on 6 months notice after 30th June 1958. At any time after 31st Dec. 1948 each note of Rs. 500/- may be converted into two ordinary shares of Rs. 100/- each ranking for dividend from 1st January following.
(Q) With option to redeem annually Rs. 4,00,000/- at par after 31-3-58 by drawing or by purchase in the open market.
(R) May be redeemed annually at par by drawing after 10th year also the whole issue at 101% on or after 31-3-63.
(S) (Option to repay at par one month's notice) At any time after 1st October 1956.
(T) (Option to repay at par on 6 months notice) after 1-1-67.
(U) (Option to repay on 3 months notice) At any time after 31st December 1960.
(V) May be redeemed at par on 30-6-66 or any subsequent interest date on one month's notice.
(W) After giving six months notice.
(X) Rs. 5,00,000 will be redeemed each year from and after 1964.

* These Debentures are registered and are transferable by transfer Deeds.

JOINT STOCK COMPANIES PREFERENCE SHARES

Dividends are cumulative and shares carry a Preferential claim on the property for the payment of capital and on the profits for dividend except in case of companies marked otherwise. Months against names of companies indicate approximately times of payment of dividends. T means that dividend tax is deducted at source.

Year of Issue	NAMES	Amount Issued In 000's Rs.	Rate per cent	Paid-up per Share Rs	Market Quotations 18-12-63 Rs	Market Quotations A year ago Rs.
	BANK					
1901	Allahabad Bank (May Nov.)	15 00	6	100	93/50	97/00
	COALS					
1896-97	Borrea (June Dec.)	4.00	6½	100	84/00	84/00
1901-19	Burrakur (Jan July)	22 98	7	100	102/00	97/50
1946	Burrakur (June Dec.)	4.50	6T	10	6/00	6/10
1895	Equitable (May Nov.)	4.00	6	100	80/00	79/00
1931	Khas Kajora (March Sept.)	1.93	5	10	9/00	6/87
1920	New Beerbhoom (Jan July)	2.00	7	10	10/50	10/25
1898-00	Ondal (June Dec.)	2.00	5½	100	85/00	64/10
	COTTONS					
1902	Ahmedabad Advance (Apr. Oct.)	10 00	5	100	77/00	70/00
1884	Bangalore (Jan July)	6.00	6	100	71/50	106/90
1933	Basanti (Oct.)	5.00	6½	10	7/00	7/00
1898	Bengal-Nagpur (Apr Oct.)	3.00	7	100	48/00	48/00
1900	Bowreah "A" (Apr Oct.)	6.00	8	100	114/00	111/00
1900	Bowreah "B" (6) (1) (Apr Oct.)	6 00	7	100	88/00	82/50
1919	Bradbury "B" (Jan Dec.)	14.85	7	50	59/70	47/00
1920	Buckingham & Carnatic (Jan July)	21 30	7½	100	109/00	114/59
1928	Cambodia (July)	1 00	7	100	83/63	83/63
1912	Central India (Apr Oct.)	50.00	5	500	450/00	412/50
..	Delhi Cloth & General (Oct.)	20 00	4½	25	16/63	16/63
1912	Elgin (May Nov.)	11 00	8	100	111/50	113/00
1943	Elgin "B"	10.00	5	10	6/44	7/25
1919	Elphinstone (May Nov.)	25.00	7T	100	77/50	73/00
1919	Kesoram (June Dec.)	20.00	7	100	107/50	107/50
1925	Khatau Makanji (Nov.)	10 00	6	100	80/50	77/00
1937	Kothari (Nov.)	12 00	6	10	7/97	8/10
1930	Muir (Feb Aug.)	30.00	6	100	122/00	100/00
1913	New Great Eastern (Mar.)	8.00	5½	200	120/00	107/00
1920	New Victoria (Apr Oct.)	16.06	6	[illegible]	2/87	2/81
1933	Palani Andavar (Mar.)	2 00	7	50	115/45	118/64
1935	Svadeshi (Bombay) (May)	15.00	5	100	86/00	82/00
1927	Swadeshi (Cawnpore) (Mar.)	35.00	6	100	69/00	68/00
1931	Vasanta (Apr. Oct.)	3.00	6½	100	86/14	92/04
1908	Vishnu (Apr.)	16.00	7	500	405/00	385/00
	JUTES					
1927	Agarpara (Jan July)	10.00	7	100	96/50	90/50
1905	Alexandra (Feb Aug.)	9 00	7	100	85/50	85/50
1895	Alliance (March Sept.)	15.00	6	100	76/00	68/00
1917	Anglo-India (May Nov.)	40 00	7	100	98/00	90/00
1909	Auckland (July Jan.)	10.00	5½	100	72/00	68/50
1945	Auckland (July Jan.)	15 00	4½	100	57/50	56/00
1918	Bally (Jan July)	20 00	7	100	111/00	96/50
1896	Barnagore (Oct Dec.)	£200	5T	£5	41/50	38/00
1940	Bengal (June Dec.)	10 00	5½	100	70/00	62/50
1919	Birla (June Dec.)	23 64	7½T	100	90/00	77/00
1894	Budge Budge (May Nov.)	9.00	7	100	95/00	90/50
1934	Calcutta (Jan July)	6.00	6½	100	72/00	59/00
1915	Caledonian (June Dec.)	10.00	7	100	93/00	90/00
1919	Cheviot (June Dec)	10.00	7	100	99/00	90/50
1928	Chitavalsah (Mar Dec.)	5.00	7	100	89/00	89/00
1900	Clive (First) (May Dec.)	8.00	6	100	68/50	52/00
1905	Clive "A" (Second) (May Dec.)	8.00	7	100	74/00	66/50
1903-13	Dalhousie (July Jan.)	11.76	7	100	91/00	88/50
1897	Delta (June Dec.)	5.00	6	100	64/75	67/75
1912	Empire (Jan July)	10.00	7	100	96/00	90/25
1890-93	Fort Gloster (Jan July)	14.00	7	100	111/00	97/00
1948	Fort Gloster (2nd)	7.00	5	100	66/62	65/50
1911	Fort William (May Nov.)	10 00	7	100	115/00	80/80
1916	Ganges (June Dec.)	6 00	8	100	106/00	100/50
1895-04	Gourepore (June Dec.)	26.50	6	100	89/00	80/00
1935	Hastings (Aug Feb.)	25.00	6	100	89/00	84/50
1913	Hooghly (July)	11.76	10	10	12/00	10/87
1890	Howrah (Jan July)	8.75	7	100	90/50	90/50
1903-06	Howrah "A" (Jan July)	17.50	7	100	95/00	90/00
1919	Hukumchand (June Dec.)	40.00	7	100	95/00	88/50
1898-04	Kamarhatty (Apr Oct.)	16.00	6	100	81/00	73/00
1930	Kanknarrah (Apr Oct.)	10.00	6	100	81/00	126/00
1935	Kedarnath (Jan July)	2.00	7	100	90/00	90/50
1907	Kelvin (Mar Sept.)	10.00	7	100	100/00	90/00
1895-09	Khardah (May Nov.)	9.00	6	100	71/50	77/00
1900-13	Kinnison (July Jan.)	15.00	7	100	91/00	90/00
1905	Lansdowne (July Jan.)	15.00	7	100	93/00	90/00
1912	Lawrence "A" (July Jan.)	5.00	7	100	95/00	85/50
1906-07	Lawrence "B" (July Jan.)	10.00	5½	100	71/00	66/00
1905-06	Naihati (July Jan.)	7.50	7	100	125/00	112/00
1945	Naihati (July Jan.)	10 00	4½	100	90/00	90/00
1917	National (May Nov.)	5.00	7	100	93/50	88/50
1939	Nellimarla (Apr Oct.)	5.00	6	100	76/00	76/00
1915	New Central (Jan July)	33.00	7	100	88/00	94/00
1908-09	Northbrook (July Jan.)	15.00	7	100	91/00	72/00
1935	Rameshwara (Jan July)	7 00	6	10	12/44	10/00
1906-12	Reliance (Jan July)	20.00	7	100	121/00	86/00
1928	Shree Ambica (Mar Sept.)	11 70	7½	100	90/00	90/00
1920	Soorah (Feb Aug.)	10 00	7	100	104/00	94/50
1901-02	Union (July Jan.)	6.00	7	100	98/50	88/00
1918	Waverley (Mar Sept.)	7.50	5	50	42/50	40/50
	MISCELLANEOUS					
1937	Alkali & Chemical (Mar Sept.)	31 00	5	100	89/50	86/00
1938	Aluminium Corpn (Oct.)	20.00	6	100	93/50	92/00
1944	Aluminium Corpn (Oct.)	20.00	5	100	61/00	61/50
1949	Anderson Wright (Dec.)	20.00	4½	100	66/62	66/62
1917	Andhra Valley Power (May Nov.)	49.34	7T	1,000	1,006/25	977/50
1919	Arthur Butler (Mar)	1.30	7	10	12/00	12/00
1916	Asstd Hotels of India (Mar Sept.)	21 67	7T	100	54/00	50/50

Year of Issue	NAMES	Amount Issued In 000's Rs.	Rate per cent	Paid-up per Share Rs	Market Quotations 18-12-63 Rs.	Market Quotations A year ago Rs
1895	Bengal Assam Steamship (Nov.)	3 00	7	60	54/75	47/00
1926	Bengal Chemical (Aug.)	6.25	7½	10	11/31	11/62
1889	Bengal Paper Mill (Mar Sept.)	2.00	7	50	51/00	46/50
1928	Bengal Paper Mill "A" (Mar Sept.)	4.00	7	100	98/00	98/00
1936	Birds Investments (Dec.)	24.00	5½T	100	52/50	53/37
1962	Braithwaite & Co	40.00	9T	100	109/50	..
1918	Britannia Biscuit (Feb Aug.)	15 00	8	10	11/00	11/00
1920	British India Corporation (Feb.)	81.00	8	100	108/00	115/00
1995-99	Burn Eng (1st & 2nd) (Feb Aug.)	13.00	7	100	116/00	115/50
1903-5	Burn Engineering (Feb Aug.)	15.00	6	100	103/50	101/00
1909-11	Calcutta Electric Supply (Mar Sept.)	£1,900	5	£1	7/87	8/31
1937	Calcutta Silk Manufacturing (July Jan.)	2.00	6	100	70/00	49/12
1906	Calcutta Tramways (Jan July)	£250	5T	£1	8/25	7/94
1938	Carew & Co (Jan)	8 00	6½	100	73/50	79/00
1905-24	Cawnpore Sugar Works (Feb Aug.)	10.00	8	100	104/50	117/00
1940	Chrestien Mica Industries Ltd	30 00	5½T	100	39/50	40/25
1937	Dalmia Cement (Bharat)	35.00	6	10	8/00	8/50
1916	Delhi Flour Mills (Oct.)	90.00	7T	100	101/00	101/00
1935	Deshergarh Power Supply "A" (Jan.)	16.00	5	100	67/00	73/62
1940	Duncan Brothers & Co Ltd	45 00	4	100	56/50	55/00
1926	Dunlop Rubber "First" (Jan July)	30.00	8	100	107/50	105/50
1936	Dunlop Rubber "Second" (Apr.)	40.00	5½T	100	68/00	76/50
1897	East India Distilleries (Jan July)	£200	7	20st	18/90	18/90
1908	General Investment & Trust (Feb Aug.)	1.00	5	100	56/00	56/00
1947	General Investment & Trust (Feb Aug.)	1.00	6T	100	48/00	48/00
1946	Gillanders Arbuthnot (Apr Oct.)	25.00	5T	100	56/00	55/00
1946	Gladstone Lyall & Co Ltd	15.00	6T	100	60/00	60/00
1948	Godfrey Phillips India Ltd.	30.00	5½T	100	60/75	56/00
1940	Gwalior Sugar (Redeemable) (Dec.)	6.75	7	100	62/00	62/00
1940	Gwalior Sugar (Dec.)	5.00	7	100	62/00	62/00
1936	Humayan Properties Ltd (Nov.)	12.00	6	10	7/19	6/62
1936	Indian Aluminium (Mar Sept.)	40.00	5T	100	66/75	66/00
1927	Indo Burma Petroleum (Jan July)	50.00	7T	100	70/00	78/00
1899	India General Navg & Railways	£244	6	£10	79/00	79/00
1923	Indian Cable Co (Nov.)	12.88	6	10	31/75	31/75
1918	Indian Standard Wagon (Aug or Sept.)	19 66	7	100	111/00	113/50
1936	Indian Iron & Steel	2,69 95	5	100	80/00	86/00
1936	Investment and Finance (Feb Aug.)	2.00	5	100	69/00	69/00
1935	Investment and Finance (Feb Aug.)	2.00	6T	100	60/00	60/00
1937	James Wright (Jan July)	1.30	6	50	14/00	14/00
1937	Jardine Henderson Ltd	50.00	5½T	100	56/00	57/00
1941	Jessop & Co	10.00	5	100	75/50	75/50
1915	Kumardhubi Engineering (June)	12.00	5	100	68/00	68/00
1915	Martin Burn Ltd.	30.00	5	100	80/50	83/50
1946	McLeod & Co.	10.00	5T	100	44/50	45/00
1930	McLeod & Co.	40.00	5	100	61/25	61/00
1936	Mettur Chemical & Industrial (Sept.)	20.00	6	10	9/25	9/25
	Metal Box Co of India Ltd	30.00	6T	100	77/50	83/50
1938	Mysore Chemical Mfg (Sept.)	2.00	6	10	7/83	7/83
1942	National Tobacco (June Dec.)	25.00	5	100	64/87	66/00
1944	National Tobacco (Jan Dec.)	20.00	4½	100	58/00	57/50
1917	Poona Electric Supply Co Ltd (June Dec.)	4.00	7	100	99/50	101/00
1935	Premier Construction "First" (Apr.)	10.00	6½T	100	72/50	73/50
1936	Premier Construction "Second" (Apr.)	15.00	6½T	100	70/50	69/50
1922	Purtabpore (Sugar) (Oct.)	6.00	10	10	10/56	10/50
1936	Ramnugger Cane & Sugar (Aug.)	4.00	6	100	82/00	82/00
1933-36	Rohtas Industries (April)	20.00	7	100	101/00	97/00
1935	Rohtas Industries "B" (April)	86.00	4½	100	54/50	51/50
1944-48	Shaw Wallace & Co Ltd.	75.00	6T	100	57/25	57/00
1936	Shree Gopal Paper	7.50	8	100	98/00	104/00
1936-38	Shree Krishna Gyanoday Sugar "A" (Oct.)	6.00	6	100	62/00	62/00
1937	Shree Krishna Gyanoday Sugar "B"	12.00	5	100	70/00	70/00
1918	Smith Stanistreet (Chemists) (Nov.)	5.00	10	50	74/50	62/50
1933	South Behar Sugar (Oct.)	5.00	9	100	20/50	20/50
1897	Spencer & Co 'A' (Provisions) (Jan July)	23.20	6½T	10	6/58	6/69
1923	Spencer & Co 'B' (Provisions) (Jan July)	36.30	8½T	10	9/50	9/55
1936	Star Paper (Apr Oct.)	10.00	5	100	68/00	65/90
1925	Surat Electricity (April)	5.00	6½	100	104/00	107/00
1939	Tata Chemicals (Nov.)	60.00	5	100	91/50	85/50
1910	Tata Hydro Electric Power (Sept Mar.)	89 28	7	100	100/00	95/50
1906	Tata Iron & Steel (First) (Nov.)	75.00	6T	150	121/00	132/50
1918	Tata Iron & Steel (Second) (May)	6,93 82	7½T	100	102/75	99/00
1919	Tata Power (May Nov)	86.97	7½	1,000	1,035/00	1,006/25
1928	Titaghur Paper Mills (Mar. Sept.)	11.50	8	100	117/00	117/00
1936	Titaghur Paper Mills "2nd" (Mar Sept.)	15.00	4½	100	66/50	70/00
1934	Vellore Electric (Sept Mar.)	1.25	6	10	6/25	5/81
	TEAS					
1903	Amluckie (May Nov.)	75.00	7	10	21/96	21/96
1901	Banarhat (Jan.)	4.00	6½	100	86/50	75/08
1900	Birpara (Jan.)	1.00	8	100	104/00	104/00
1947	Brooke Bond Estate India Ltd.	35.00	6T	100	58/75	60/00
1914	Choonabhutti (Jan.)	2.00	6½	100	90/50	92/64
1901	Dimakusi (June Dec.)	70.00	8	10	9/50	9/50
	Dhunseri	1.20	10	10	7/00	7/00
1894	Gielle (Sept.)	2.00	6	100	50/00	50/00
1901	Hantapara (Jan.)	50.00	8	100	89/84	89/84
1904	Hasimara (Mar.)	3.00	7	100	86/50	86/50
1897-99	Kingsley Golaghat (Dec.)	2.40	6	100	85/00	85/00
1929	Moheema (May Nov.)	3.20	6	10	4/75	5/21
1907	New Dooars (Jan.)	2.00	6½	100	91/00	74/82
1903	New Samanbagh (Nov.)	1.00	8	100	90/50	90/50
1888	Okayti (Dec.)	50.00	7	100	84/50	84/50
1914	Peermade (July)	1.50	6	100	82/77	82/77
1916	Pussimbing (Jan.)	2.05	7	100	87/00	94/00
1909	Sonai River (May)	1.00	8	100	100/00	66/00
1932	Tezpore (Jan.)	2.06	8	10	7/37	10/12
1922	Tirrihannah (May Nov.)	1.00	10	10	11/46	11/46

BANKS

H indicates that Share capital is half paid O., C. and Dd indicate Ordinary, Contributory and Deferred Shares respectively. P next to the name of the company indicates that the company also has Preference Shares Figures in "accounts closed" column indicate the months of the calendar year in which accounts are closed. For Managing Agents refer to the Key (last page) under the numbers indicated.

Paid-up Capital Ordinary Rs.	Reserve & other Funds Rs.	Cash & Securities Rs.	Net Profits including taxation Rs.	Carry forward Rs.	Accounts closed	NAMES	Dividends per cent 1960	1961	1962	Paid-up per Share Rs.	Latest Market Quotations as available until 18-12-63 Rs.	11-12-63 Rs.	A year ago Rs.
67,50,000	1,23,75,000	27,37,97,903	22,49,414†	6,09,614	12	Allahabad Bank P.	18	18	..	100	260/00	260/00	396/00
2,00,00,000H	2,09,33,260	36,87,47,482	63,19,169	4,16,722	12	Bank of Baroda	17	17	16	50	94/00	94/00	94/00
4,05,00,000H	4,11,50,000	43,61,96,153	1,11,53,496	13,09,847	12	Bank of India	20	20	20	50	107/00	110/00	110/50
2,62,86,350H 52,50,000	5,10,34,368	86,24,48,298	1,79,95,826	93,249	12	Central Bank of India	20-2/5	20	20	25	56/50	58/50	60/00
£6,600,000	£7,150 000	£141,890 310	£990,238	£540 648	12	Chartered Bank	15	15	..	£1	sh. 58/6	sh. 58/1½	sh. 53/-
1,25,00,000H	10,00,000	3,70,50,489	9,68,909	17,401	12	Hindusthan Commercial	Nil	Nil	Nil	50	13/50	13/50	17/12
50,00,000H	2,85,000	94,21 660	1,68,130	28,888	12	Hindusthan Mercantile	Nil	Nil	..	50	15/50	15/50	15/62
HK$79,046,125	HK$240,000,000	£184,516,882	HK$45,789,942	HK$2,462,897	12	Hong Kong & Shanghai	£3¾	£3¾	£3 1/5	HK$25	£20¾	£20¼	£17¼
71,79,795 16,60,000	75,44,583	20,13,31,335	15,25,151	143,787	12	Indian Bank	15	15	14	100	158/00	158/00	173/00
75,00,000	78,36,660	14,65,60,072	43,80,498	2,22,933	12	Indian Overseas Bank	14	14	..	100	146/00	146/50	161/00
5,00,00,000	74,41,264	2,23,84,659	7,80,776	21,25,000	12	Industrial Finance Corpn.	..	..	..	50	..	..	..
£5,703,000	£5,250,000	£121,505,208	£714,730	£316,941	12	National & Grindlays Bank	13½	14	16	sh 15	sh. 34/3	sh. 34/1½	sh. 32/3
1,99,63,820	2,36,56,382	79,55,83,097	1,13,83,168	15,20,907	12	Punjab National Bank	20	20	20	10	20/50	19/50	20/62
60,00,000	60,00,000	1,52,610,719	18,13,132	1,45,390	12	Union Bank of India	11-2/5	11-2/5	..	5	6/56	6/52	6/32
2,68,67,461	95,00,000	27,07,57,575	21,20,312	3,26,006	12	United Bank of India	4.3	6	6	10	7/75	7/62	7/81
2,23,33,937	3,03,00,000	44,63,32,187	73,32,625	25,151	12	United Commercial Bank	12	12	12	50	72/50	72/50	82/50

† Excluding taxation

JUTE MILLS

Paid-up Ordinary Capital Rs.	No. of Looms	Net Block Account Rs	Reserve & other Funds Premiums & Forfeited Shares if any Rs	Cash & Securities Rs.	Net Profits including taxation Rs.	Carry forward Rs.	Accounts closed	Mg Agts. Secretaries etc.	NAMES	Dividends per cent 1960	1961	1962	Paid-up per Share Rs.	Latest Market Quotations as available until 18-12-63 Rs	11-12-63 Rs.	A year ago Rs.
60,00,000	879	1,06,68,526	83,91,980	3,06,760	32,27,075	8,246	3	79	Agarpara P.	10	2½	2½—12*	10	10/25	10/37	10/19
6,00,000	446	30,57,138	21,01,100	6,26,077	22,41,118	32,706	12	165	Alexandra P.	44	15	42½	100	300/00	300/00	305/00
30,00,000	1,264	48,84,147	8,04,850	5,70,976	11,43,880	58,837	5	165	Alliance P	6	Nil	10	100	142/00	150/00	117/00
49,20,700	2,561	1,34,17,399	1,64,67,331	63,38,766	73,57,877	90,778	3	63	Anglo-India P.	20	7	10—12*	100	175/00	228/00	223/00
40,00,000	810	74,93,222	32,04,394	5,13,154	39,08,352	1,752	3	21	Auckland P.	27	12	Nil—15*	100	150/00	150/00	153/00
20,00,000	959	57,59,081	35,02,335	[illegible]	[illegible]	[illegible]	3	22	Bally P	25	25	25	100	253/00	253/00	280/00
£275,000	1,889	£410,423	£9,73,990	£1,82,998	£5,10,306	£1,341	3	128	Barnagore P.	30	10	10—10*	£5	213/00	213/00	188/00
45,00,000	600	[illegible]	15,46,700	[illegible]	[illegible]	1,33,355	6	235	Bengal P.	6	..	..	10	9/37	9/37	10/25
1,59,56,210	1,373	5,92,74,980	3,88,65,994	95,53,646	1,39,85,792	46,410	3	22	Birla	15	15	15—15*	10	33/25	33/12	30/56
36,00,000	991	48,65,076	14,32,140	1,42,233	37,69,101	30,613	10	2	Budge Budge P.	10	Nil	12	100	144/00	144/00	162/00
7,47,380	602	12,59,648	4,17,958	1,73,320	61,970	48,461	6-12	62	Calcutta P	..	..	..	10	8/12	8/12	8/00
18,00,000	616	38,26,710	28,17,882	36,75,352	1,72,996	11,777	11	440	Caledonian P.	12	5	..	100	181/00	181/00	220/00
29,58,200	1,405	83,84,378	99,79,201	17,71,641	36,62,731	22,643	3	304	Champdany P.	10	5	Nil-40*	10	23/00	22/69	
38,58,750	630	67,05,590	72,45,112	12,64,351	41,57,638	1,02,122	11	2	Cheviot P	Nil	5	25	10	22/81	22/81	24/00
30,15,000	500	53,11,479	40,65,400	13,38,874	12,49,444	61,455	7	165	Chitavalsah P.	5	Nil	5	10	10/31	10/31	11/25
16,00,000	959	13,80,489	25,12,433	1,35,556	1,51,574	18,647	3	318	Clive P	..	..	..	10	9/19	9/19	8/37
31,49,200	766	53,32,179	21,35,995	4,07,539	22,78,348	3,316	3	21	Dalhousie P.	1	1	Nil—25*	100	39/00	143/00	129/00
56,00,000	779	1,14,91,098	68,77,425	3,58,234	38,24,413	28,674	11	2	Delta P	7½	Nil	12	100	159/00	159/00	172/20
15,00,000	590	35,23,149	39,20,700	9,41,963	7,63,955	40,327	7	165	Empire P	12½	7½	12½	10	17/75	17/75	17/25
63,00,000	1,884	1,86,60,226	1,23,68,695	8,78,531	88,00,061	4,532	3	138	Fort Gloster	25	10	12½—20*	100	372/00	372/00	412/00
21,00,000	1,014	89,78,908	39,25,515	2,10,063	33,89,018	6,051	3	234	Fort William P.	22½	22½	10—20*	10	26/56	26/44	25/37
84,32,100	[illegible]	1,38,06,625	77,96,303	3,39,780	84,23,155	16,267	3	367	Ganges P	10	10	15—20*	10	13/37	13/56	14/06
43,20,000	607	1,06,89,025	37,97,205	1,14,364	19,55,516	16,522	12	359	General Industrial	40	10	13	10	16/19	16/25	18/62
24,00,000	1,394	1,27,87,553	65,59,122	45,82,832	74,09,601	28,659	3	19	Gourepore P.	30	25	20—20*	10	23/12	23/56	
40,00,000	1,078	89,70,576	1,13,65,042	60,69,113	42,85,744	4,954	3	234	Hastings P.	6	6	6—6*	100	128/00	128/00	128/00
16,80,000	720	32,20,357	44,86,659	2,59,301	9,22,006	4,294	3	356	Hooghly P.	10	20	7½—10*	10	16/00	16/00	20/00
65,62,500	1,940	69,79,752	46,00,997	9,34,173	57,39,425	..	3	128	Howrah P.	12½	10	Nil-10*	10	18/62	19/25	19/12
52,50,000	[illegible]	1,36,00,000	1,26,22,000	22,50,131	87,88,996	5,058	3	35	Hukumchand P.	28¾	28¾	26¾-26¾*	7½	21/00	21/00	26/12
87,30,000	790	1,23,75,753	93,65,745	36,02,644	58,75,996	4,811	3	355	India	14	12	8—22½*	12½	15/50	16/37	17/75
43,20,000	[illegible]	52,63,977	32,17,016	8,71,993	54,54,653	14,157	12	128	Kamarhatty P.	[illegible]	Nil	20	100	193/00	193/00	169/00
54,00,000	1,527	47,44,758	13,48,482	6,39,910	59,38,810	11,179	12	128	Kanknarrah P.	Nil	Nil	10	100	141/00	141/00	130/00
28,00,000	703	53,93,372	56,73,800	13,28,826	45,353	47,758	5	165	Kelvin P	15	15	5	100	193/00	193/00	190/00
54,00,000	1,530	93,03,019	73,68,631	6,07,972	42,70,729	3,379	3	382	Khardah P.	20	5	12½-12½*	10	17/81	17/87	17/00
48,00,000	1,250	79,54,389	49,03,577	25,23,275	44,01,751	12,641	3	106	Kinnison P.	20	7	Nil—10*	100	140/00	140/00	154/00
24,48,000	931	29,67,596	1,30,000	12,43,413	13,51,372	4,687	3	21	Lansdowne P.	Nil	Nil	Nil-Nil*	100	98/00	98/00	120/00
28,00,000	840	20,00,065	14,09,475	45,59,844	12,94,083	664	3	21	Lawrence P.	7	15	10—10*	100	111/00	111/00	118/00
81,65,200	1,294	1,68,99,178	1,32,00,037	6,94,617	1,07,37,567	37,681	3	355	Megna	12	12½	Nil—22*	10	12/87	13/31	13/25
29,98,900	815	76,99,875	12,04,575	2,94,057	10,35,634	−13,08,719	3	101	Naihati P.	..	..	..	100	104/00	104/00	107/00
20,00,000	425	10,79,854	15,55,000	26,11,429	3,36,343	17,816	4-10	[illegible]	Naskarpara	..	..	..	10	8/00	8/00	9/06
85,00,000	832	1,58,24,441	73,10,449	9,33,117	33,24,937	9,507	10	378	National P	7½	Nil	10	10	23/50	23/94	24/00
26,25,000	316	33,46,239	35,71,072	10,72,888	14,01,865	61,184	7	165	Nellimarla P	3	6	15	10	12/75	12/75	11/25
1,56,00,000	1,765	8,08,96,118	2,42,19,122	26,20,231	−18,53,066	15,530	3	335	New Central P.	15	15	Nil	10	13/37	13/25	14/00
16,79,880	567	54,75,607	56,86,689	4,76,913	33,32,174	1,076	3	21	Northbrook P.	30	30	20—35*	10	31/00	31/00	36/75
66,79,500	1,092	1,01,51,940	58,00,825	5,39,056	39,43,549	13,111	3	19	Nuddea	8	6	5—10*	50	63/00	62/50	56/00
25,00,000	400	26,00,000	12,61,704	7,07,186	7,54,830	37,324	7	165	Presidency	8	6	10	5	5/37	5/50	5/25
20,00,000	305	43,92,723	5,27,128	97,402	17,07,297	25,500	3	166	Rameshwara P.	Nil	Nil	Nil-Nil*	10	9/20	9/20	9/94
49,50,000	1,276	56,06,891	6,89,006	40,16,382	17,64,511		3	128	Reliance P	Nil	Nil	Nil-Nil*	10	8/06	8/00	6/87
£600 000	2,013	£1,501,838	£1,191,136	£265,726	£175,821	£8,338	12	64	Samnugger P	6	Nil	10	£1	10/50	10/50	10/50
30,00,000	911	47,47,618	15,81,656	27,81,388	2,13,128	3,184	3-9	61	Shree Ambica P.	9	6	Nil	10	35/00	35/00	35/00
14,00,000	401	21,82,940	17,16,854	14,69,644	15,77,802	26,425	12	166	Soorah P	25	25	25	10	22/50	21/87	25/25
£600,000	1,794	£1,390,914	£1,181,938	£351,277	£211,646	£9,976	12	64	Titaghur P.	6	Nil	13	£1	10/50	10/50	10/50
35,98,600	1,326	50,79,284	42,63,667	13,52,676	31,60,784	603	3	21	Union P	25	6	Nil—20*	100	161/00	161/00	165/00
£400,000	1,331	£1,338,747	£932,577	£189,510	£173,749	£8,551	12	64	Victoria P.	6	Nil	10	£1	10/50	10/50	10/50
2,50,000	465	6,47,472	8,20,000	6,95,642	6,79,756	66,272	5	165	Waverley P.	30	30	60	1	8/31	8/31	5/62

* 1963

COAL COMPANIES

O., Po., F and Dd Indicate Ordinary Preferred Ordinary Founders and Deferred Shares respectively. 'P' next to the name of the company indicate that the company also has Preference Shares. Figures in "accounts closed" column indicate the months of the calendar year in which accounts are closed. For Managing Agents refer to the Key (last page) under the numbers indicated.

Paid-up Capital Ordinary Rs.	Net Block Account Rs.	Reserve & other Funds Premiums & Forfeited Shares if any Rs.	Cash & Securities Rs.	Net Profits including taxation Rs.	Carry forward Rs.	Accounts closed	Mg. Agts. Secretaries etc.	NAMES	Dividends per cent 1960	1961	1962	Paid-up per Share Rs.	Latest Market Quotations as available until 18-12-63 Rs.	11-12-63 Rs.	A year ago Rs.
25.50.000	53.52.284	43 77.800	3.90.484	16.40.057	39.086	6-12	315	Amalgamated	10	12½	15	10	25/00	26/00	22/12
1,20.00.000	3.15.46.304	2.44.30.490	36.03.088	86.68.875	10.42 254	3	236	Bengal P	25	21	..	100	270/00	270/00	335/00
4.49.350	4.37.382	1.30.132	91 796	43.397	4.471	10	2	Bengal Bhatdee	..	..	..	10	3/48	3/48	3/48
2.25.000	3.06.216	5.45.835	5.19.015	1.55.638	16.129	12	368	Bengal Nagpur	10	26	..	10	22/00	22/00	22/00
15.97.000	23.27 321	4.87.303	63.982	2.62.417	21.275	12	..	Bhalgora	..	..	..	10	4/62	4/37	5/00
40.00.000	67.23.620	2.75.000	21.19.681	11.80.816	2.120	9	152	Bharat Collieries P.	..	..	..	10	3/62	3/69	3/53
7.15.000	14.96 845	11.02.672	64.329	—3.06.406	—4.92.536	6	335	Bhulanbararee	..	..	..	10	10/00	10/00	12/00
16.00.000	38.87.275	16 18.636	7.185	1.21.936	—79 196	12	362	Bokaro & Ramgur	..	..	..	10	11/19	11/19	11/19
7.50.000	19 13.792	22 77.003	12.32.439	5.26.414	33.647	12	106	Borrea P	15	15	..	10	21/44	21/44	23/87
90.92.480	2.32.19.267	1.46.53.383	33.70.740	37.97.832	90.768	6	21	Burrakur P.	13	13	13	10	17/25	17/69	16/56
49.97 000	50 93.754	6.86.120	6.35.532	16.11.083	3.58.023	3	166	Central India	8	10	10	10	9/56	9/94	10/19
8.00.000	18.69.439	12.97 430	98 040	6.357	214	12	..	Central Kurkend P.	..	..	..	10	3/87	3/87	8/00
6.00.000		1.55.159	6.05.872	63.765	7.043	12	106	Churulia	3	..	..	4	3/06	3/06	3/06
16.00.000	25.01 705	Nil	19 429	—6 45.261	—5.39.034	12	444	Dhemo Main	Nil	Nil	..	10	4/50	4/50	5/94
£240.000	£868.390	£561.905	£13.858	£288.462	£6.234	4	128	East India	7½	15	20⅝	£1	30/75	30/87	50/00
29 63 700	1.42 23 054	1.18 76.888	27.65 725	10.14 185	33.594	12	19	Equitable P.	15	10	..	10	25/00	25/00	25/62
15.00.000	21.00.420	41.000	26.500	920	—6.24.344	3	307	Ghusick & Muslia	Nil	Nil	Nil	10	14/25	14/25	15/00
6.50 000	4.21 847	Nil	12.025	10.570	—14.705	12	20	Guzdar Kajora	..	..	..	10	2/44	2/44	2/05
8.00.000	5.43.022	..	16.702	—10.172	—3.65.025	12	393	Hurriladih	..	..	..	10	5/50	5/50	8/12
15.00.000O 5.00.000F	23.47.952	27.81.955	39.74.704	3.95.071	1.40.029	12	21	Karanpura Development	5 15	5 15	..	10O 10F	11/50	11/50	12/06
20.00.000	34.15.535	9.86.018	3.72.692	8.92.065	32.810	2	21	Karanpura Collieries P.	7½	10	10	10	16/00	16/00	18/00
14.88 460	20.68.761	16.01 825	8.75.590	8.29.962	1.11.842	1	2	Katras Jherriah	95	40	25	10	33/75	33/75	48/75
1.38.400	6.75.000	95.000	11.80.294†	49 776	1.918	6-12	337	Khas Kajora P.	..	..	..	10	17/62	17/62	18/70
5.65.750	5.95 833	Nil	9.780	—1 60 535	—16.47.497	3	372	Mundulpur	..	..	..	10	2/69	2/69	2/69
7.48.240	3.39.261	56.489	7.29.802	1.15.573	74.711	12	347	Nazira	7½	Nil	Nil	10	5/00	5/00	5/75
31.97.210	61 58.848	34.47.233	3.39 307	9 75.812	93.645	10	2	New Beerbhoom P.	16	10	..	10	19/25	19/25	20/94
9.90.340	9.04.373	5.21.710	75.374	4.12.216	43.822	3	202	New Manbhoom	7½	9	12	10	15/25	15/25	13/75
1 15.000 1.57.500	7.05.719	4.31.409	40.364	1.44.042	15.045	12	441	North West	20	20	..	10 7½	19/75 18/00	19/75 18/00	19/75 18/00
7.50.000	1.33 783	13.22 645	22.85.007	1.91.515	45 060	12	106	Ondal P.	6	7½	..	10	13/50	13/50	13/00
8.34 000	23.69 066	1.52.212	4.78.984	1.79.344	589	12	207	Parasea P.	1½	1½	..	10	14/00	14/00	16/00
15.75.000	32.93.192	24.59.125	4.11.055	5.41.674	54.253	3	236	Pench Valley	10	10	10	10	18/31	18/31	16/50
2.50.000	5.62.405	7.500	11.530	2.003	18 581	6-12	5	Pure Sitalpur	..	..	..	10	8/00	8/00	8/00
33.58.900	50.26.723	40.85.000	1.26.141	11.54.576	35.781	3	370	Raneegunge	15	17	17	10	13/62	13/62	15/00
13.50.000	25.32.135	20.80.190	16.89.318	13 18.197	41.523	12	236	Rewa	20	20	..	10	28/50	28/50	29/12
37.50.000	74.38 430	38 61.070	1.69.086	12.37 914	26.993	12	48	Samla	10	..	..	10	9/00	9/00	10/03
2.50.000	4.47 534	74.281	10.748	—19.279	—4.27.396	1	353	Searsole	Nil	Nil	Nil	2½	1/22	1/22	1/94
2.80.000	10.74.006	12.23.716	10.17.267	5.13.147	67.383	12	2	Seebpore P.	42 6/7	42 6/7	..	7	34/75	34/75	45/00
8.00.000	6.203	4.54.648	13.04.570	78.390	1.540	12	106	Sendra	5	3½	..	10	5/00	5/00	5/75
17.50.000	28.29.652	10.02.341	50.728	2.66.373	2.926	8	21	South Karanpura	2½	Nil	Nil	10	8/75	8/75	7/00
8.00.000	1.30.001	15.48.959	26.78.255	1.84.925	38.908	12	108	Standard	15	10	..	10	13/12	13/12	16/00
2.50.000	4.36.300	3.23.000	36.660	1.37.973	1.77.952	12	..	Union	..	..	..	10	10/12	10/12	10/37
49.98.000	63.57.150	6.09.055	2.69.620	11.72.192	1.19.162	3	166	Western Bengal	6	7½	9	10	9/00	9/06	9/19
7.00.000	26.06.335	Nil	47.091	—6.51.403	—6.23.711	12	444	West Jamuria	Nil	Nil	..	10	4/56	4/56	9/37

COTTON MILLS

Paid-up Capital Ordinary Rs.	Number on Spindle	Looms	Net Block Account Rs.	Reserve & other Funds Premiums & Forfeited Shares if any Rs.	Cash & Securities Rs.	Net Profits including taxation Rs.	Carry forward Rs.	Accounts closed	Mg. Agts. Secretaries etc.	NAMES	Dividends per cent 1960	1961	1962	Paid-up per Share Rs.	Latest Market Quotations as available until 18-12-63 Rs.	11-12-63 Rs.	A year ago Rs.
15.00.000	14.108	356	14 06.683	3.15.002	12 59.541	26.012	41.532	12	49	Basanti P.	..	..	..	10	13/25	13/69	9/19
7.11.280	36.000	432	17.17.120	2.20.369	30.642	3.66.177	47.818	3	27	Banga Luxmi	..	..	..	40	30/00	30/00	28/00
27.00.000	31.476	524	17 77.373		93.672	—6.24.150	—6.86.163	12	223	Bengal Nagpur P.	Nil	..	..	10	2/44	2/59	3/25
50.00.000	..	..	1.66.35.360	49.94.800	52.56.090	28.04.759	17.588	12	394	Bharat Commerce P.	5	15	15	10	24/00	23/44	25/87
39.23.950	38,764	992	60.94.300	1.21.02.782	53.37.204	39.77.025	1.67.525	3	22	Birla Cotton	10	20	20	10	27/00	33/00	28/87
33.60.000	43.136	841	1.00.69.563	40.37.060	2.04.094	21.74.042	1.94.107	12	138	Bowreah P	10	20	15	10	24/50	24/50	24/00
30.00.000	22.000	310	32.89.583	62.22.574	9.41.816	13.74.402	49.055	12	25	Cawnpore Textiles	7 1/5	10	10	5	7/00	7/37	7/06
3.78.33.535	1.97.348	3.307	6.72.37.789	6.96.27.768	77.61.228	3.08.40.769	4.03.436	6	238	Delhi Cloth & Genl. P.	12	13	13	25	47/00	47/87	45/00
38.00.000	43.649	818	61.51.892	54.80.125	1.40.191	32.83.543	1.03.713	12	138	Dunbar	20	20	15	10	29/00	29/00	27/00
63.00.000	54,000	1,200	95.39.870	2.10.49.560	93.81.545	70.11.091	89.499	9	389	Elgin P.	11½	17½	17½	10	23/06	23/12	19/50
1.25.00.000	..	..	3.48.97.571	56.34.321	65.50.730	19.28.764	1.22.795	12	158	J. K. Cotton (Rayon) P.	12½	..	..	10	13/25	13/00	14/44
49.18.000	6,272	202	61 44 000	24.71.500	4.76.536	28 42.100	87.266	12	22	Jay Shree	10	10	..	10	17/06	17/06	16/25
30.00.000	38,000	1.825	47.44.548	62.19.801	92.65.055	18 77 941	—7.77.290	12	208	Muir P	..	..	..	100	74/50	74/50	100/00
35.11.583	78.848	1.367	47.49.840	3.96.960	1.09.256	12.73.361	—63.58.495	12	237	New Victoria P.	Nil	..	..	2½	1/50	1/50	1/37
48.00.200	..	..	1.06.10.352	78.144	2.34.188	12.34.741	—22.17.524	3	399	Orissa Textiles P.	Nil	Nil	..	10	6/25	6/25	9/00
19.47.750O 5,00,000Dd	23.196	795	15.49.229	80.773	2.37.475	3.38.087	..	6	4	Rampooria Cotton	3 Nil	Nil Nil	.. Nil	10 1	13/00 3/00	13/00 3/00	12/00 2/00
17.50.000O 1,57,50,000Po	1,14,836	2,077	4,48,79,351	2,63,83,071	2,15,81,189	76,20,241	5,044	12	333	Swadeshi (Kanpur) P.	5 5.51	.. ..	.. ..	100 10PO	12/62 6/81	12/62 6/81	11/50 7/37

TEA COMPANIES

O., Po and Dd indicate Ordinary Preferred Ordinary and Deferred Shares respectively. P. next to the name of the company indicates that the company also has Preference Shares. Figures in "accounts closed" column indicate the months of the calendar year in which accounts are closed. For Managing Agents refer to the Key (last page) under the numbers indicated.

Paid-up Capital Ordinary Rs.	Net Block Accounts Rs.	Reserve & other Funds Rs.	Area Hectares	Outturn and Average Price per Kg. realised for crop 1961 Kgs.	1961 Rs.	1962 Kgs.	1962 Rs.	Estimate 1963 Kgs.	Net Profits including taxation Rs.	Accounts closed	Mg. Agts. Secretaries etc.	NAMES	Dividends per cent 1960	1961	1962	Paid-up per Share Rs.	Latest Market Quotations as available until 18-12-63 Rs.	11-12-63 Rs.	A year ago Rs.
												ASSAM							
4,45,700	16,40,103	16,37,403	..	4,24,104	4.81	413,012	5.67	4,71,700	2,90,039	12	165	Amluckie P.	Nil	10	7½	10	18/37	18/37	20/00
7,00,000	12,87,204	8,65,604	506†	3,11,077	6.58	301,064	6.71	..	3,50,091	12	88	Anandabag P.	30	32½	20	10	33/25	33/25	33/25
5,50,000	16,63,877	15,34,741	..	3,53,284	5.32	320,928	5.99	3,62,900	1,91,032	12	165	Baghmari	Nil	15	7½	10	17/25	17/25	18/50
1,80,000	..	..	..	..	..	..	..	..	..	12	349	Barduar Tea	..	..	..	6	8/50	8/50	8/50
7,65,000	18,61,913	10,56,655	160	3,13,600	6.01	286,800	6.60	2,90,000	3,93858	12	2	Basmatia	35	25	20	10	27/25	27/25	27/25
4,95,900	..	..	..	4,12,342	4.34	..	..	..	..	12	345	Bateli	30	30	..	5	17/50	17/50	18/00
6,40,000	12,12,739	12,28,191	619†	4,08,269	6.56	405,929	6.66	..	5,57,424	12	88	Betjan	40	45	30	10	30/12	30/12	32/62
33,00,000	38,97,401	18,10,167	1,394	16,30,448	5.80	1,517,589	6.71	15,78,600	15,42,968	12	279	Bishnauth	13	13	20	10	18/69	18/69	17/25
6,00,000	11,68,235	5,03.003	194	2,23,909	5.90	209,073	7.12	2,43,125	2,62,960	12	202	Bokakhat	Nil	12	13	10	13/70	13/70	13/70
7,50,000	13,90,224	11,90,375	..	3,03,665	5.50	300,721	5.85	3,08,400	3,94,885	12	165	Bormah Jan P.	15	15	15	10	13/00	13/00	16/12
4,50,000	7,86,600	2,36,500	239	2,65,021	5.25	258,733	6.32	2,90,300	1,15,476	12	279	Bor Pukhuri	Nil	Nil	10	10	11/25	11/00	11/75
35,00,000	68,93,654	15,66,180	..	14,26,351	5.27	13,51,189‡	4.75	..	9,51,721	6	127	Brooke Bond P.	15	10	7½-7½‡	10	12/00	13/06	12/19
1,20,000	9,24,434	9,31,522	..	1,73,277	5.19	200,496	5.90	1,99,600	2,85,668	12	165	Dejoo Valley	15	20	30	10	60/00	60/00	49/25
8,40,000	13,39,224	9,51,460	535	5,43,624	5.68	597,724	6.12	5,33,773	7,20,815	12	128	Dessai & Parbuttia	Nil	10	15	100	200/00	200/00	141/00
17,53,440	..	..	..	2,94,761	6.64	..	..	..	..	12	214	Dhelakhat	12½	10	..	10	20/69	20/75	20/00
7,00,000	20,46,600	8,35,000	558	6,32,799	4.70	554,700	5.16	6,20,000	2,14,165	12	365	Dhunseri P.	20	15	10	10	11/87	11/87	15/00
4,50,000	17,18,470	16,36,695	..	3,05,738	6.23	301,917	6.68	3,30,200	5,86,433	12	165	Dibrugarh	40	40	30	10	32/50	32/50	32/50
4,73,400	10,37,000	8,52,500	256	3,01,383	5.81	297,513	6.44	3,08,000	2,71,648	12	279	Dimakusi P.	25	20	25	10	22/62	22/62	21/87
7,00,620	14,88,200	15,53,500	274	4,64,799	5.77	403,594	6.70	4,36,000	5,29,546	12	279	Dufflaghur	25	25	30	10	28/06	28/06	27/87
10,00,000	20,32,480	11,26,500	481	5,25,798	5.76	494,612	6.30	5,27,000	2,06,168	12	279	East India	Nil	Nil	10	10	15/12	15/56	18/87
5,03,760	14,00,556	6,32,810	242	3,58,797	..	319,832	..	4,00,000	49,047	12	354	Gillapukri	25	20	15	10	25/44	25/44	25/44
6,76,000	12,41,500	7,48,500	228	2,54,919	5.81	259,394	7.44	2,62,000	4,74,030	12	279	Gohpur	Nil	5	20	10	14/69	14/69	13/31
23,29,085	54,85,603	36,46,798	1,042	10,79,309	4.98	1,039,276	6.17	11,32,167	3,83,294	12	202	Grob	6	6	6	5	7/50	7/62	8/06
5,00,000	11,67,377	7,55,258	..	3,58,885	..	3,45,217	..	..	1,67,965	12	354	Hoograjuli	20	20	17	10	27/12	27/12	27/12
8,70,000	26,52,302	15,02,799	542	4,83,000	5.71	515,500	6.62	3,00,000	4,51,521	12	2	Hoolungoorie	10	7½	20	100	200/00	200/00	190/00
9,00,000	18,88,785	11,65,055	953	5,39,472	5.99	533,423	6.50	..	6,31,655	12	88	Jutlibari	30	30	20	10	31/50	31/50	32/00
2,40,000	..	..	..	5,52,301	5.10	..	..	..	..	12	236	Kingsley Golaghat P.	35	35	..	100	125/00	125/00	212/00
1,80,000	19,59,626	1,45,000	494	5,24,469	4.60	488,346	4.97	5,20,000	1,21,490	12	63	Kotamullai P.	Nil	Nil	Nil	5	10/31	10/31	10/31
5,00,000	11,19,728	3,07,818	140	1,73,581	5.29	166,356	6.02	180,000	1,13,899	12	41	Krishnabehari	15	8	10	10	11/80	11/80	10/50
2,00,000	..	..	..	..	..	..	..	..	..	12	236	Kyang Tea	Nil	..	..	10	8/06	8/06	8/06
6,50,000	14,12,161	9,50,234	268	2,79,777	5.15	281,500	5.30	2,85,000	53,354	12	63	Ledo	Nil	Nil	Nil	10	13/75	13/75	17/25
8,00,000	11,99,968	1,30,508	275	2,28,707	4.96	210,642	5.26	2,23,167	1,25,716	12	..	Maud Tea & Seed	10	7½	7½	10	14/00	14/00	14/81
10,00,000	16,16,636	14,78,000	262	3,82,580	6.03	374,221	7.12	3,81,045	6,21,941	12	202	Methoni	5	14	20	10	17/87	17/87	18/56
4,80,000	..	..	..	5,15,200	1.92	..	..	..	..	12	..	Moheema	Nil	Nil	..	10	11/50	11/50	11/50
1,50,000	3,24,738	13,65,825	..	83,921	..	122,745	..	..	1,22,731	12	138	Mothola	30	30	35	100	507/00	507/00	507/00
1,75,000O 2,00,000Po	14,68,025	9,31,447	160	1,82,900	6.01	171,400	8.41	2,00,000	4,99,564	12	2	Murphulani (Assam)	5 10.63	15 20.63	25 30.63	10 10	26/50 26/87	26/50 26/87	26/50 28/75
4,00,000	12,90,728	7,77,459	220	3,19,104	4.51	326,748	5.10	3,40,000	1,24,658	12	143	Naga Hills	10	10	10	10	22/25	22/25	22/69
5,35,000	..	..	..	3,47,154	4.58	..	..	..	..	12	..	Namburnadi	12	12	..	10	12/87	12/87	14/56
5,00,000	7,84,102	3,97,500	299	2,90,978	5.98	296,696	7.64	2,90,000	5,86,793	12	63	New Cinnatolliah	Nil	Nil	Nil	100	302/00	302/00	450/00
6,00,000	14,50,587	7,57,922	170	2,16,600	5.31	230,700	6.35	2,22,500	3,62,519	12	2	Rajgarh	40	13½	17½	10	19/00	19/00	21/37
13,50,000	25,76,607	4,53,937	..	6,32,808	..	604,795	..	..	140,864	12	354	Sapoi	22½	20	10	10	18/50	18/50	24/44
2,49,000	6,35,900	6,85,000	208	2,42,697	5.56	207,643	7.36	2,21,000	3,75,627	12	279	Seajuli	22½	15	30	10	25/25	25/50	20/75
5,98,000	17,86,091	15,24,544	..	3,73,286	4.99	390,802	5.61	3,81,000	5,06,871	12	165	Telojan	25	25	25	10	22/12	22/12	27/75
8,00,000	12,80,761	7,41,936	345	3,48,111	6.59	338,378	6.81	..	4,19,888	12	88	Tengpani	30	30	22½	10	35/75	35/75	35/00
19,82,800	30,75,956	23,51,846	1,926†	29,72,880*	1.92	2,301,040*	2.62	2,28,000*	8,36,276	12	236	Tezpore	20	12½	..	10	15/19	15/19	15/56
7,50,000	..	..	..	3,15,004	3.96	..	..	..	..	12	95	Tongani	Nil	Nil	..	10	5/31	5/31	6/50
5,20,000	35,17,473	30,30,165	..	5,90,423	5.14	651,147	5.76	6,71,300	7,11,074	12	165	Tyroon	10	15	25	10	31/00	31/00	34/37
												CACHAR							
3,00,000	..	..	..	1,49,850	4.07	139,861	4.03	1,66,500	..	12	..	Arcuttipore	Nil	5	6	10	7/00	7/00	7/00
4,00,000	..	..	..	1,58,348	4.45	..	..	..	..	12	35	Baitakhal	2½	2½	..	10	7/71	7/71	6/59
11,00,000	20,18,349	9,26,687	..	5,45,645	4.26	454,449	4.77	3,52,060	..	12	128	Central Cachar	5	7½	5	100	85/00	85/00	73/00
7,00,000	..	..	..	1,22,864	4.63	..	..	..	..	12	383	Eastern Cachar	Nil	Nil	..	10	4/56	4/56	4/12
4,50,000	3,31,773	2,80,000	..	1,34,400	3.31	..	..	..	—54,506	12	384	Kallinugger Khoreel	6	2	..	100	87/00	87/00	87/00
12,60,000	19,84,808	13,56,132	943	7,23,716	3.84	580,232	3.97	7,25,747	—3,11,563	12	202	Hattikhira	Nil	8	Nil	10	8/75	8/75	9/44
3,60,000	..	..	..	1,53,008	3.88	..	..	..	..	12	63	Kunchunpore	Nil	Nil	..	10	6/00	6/00	6/00
5,63,690	5,22,633	1,36,689	228	1,66,156	3.81	151,283	4.26	1,63,293	23,090	12	202	Loobar	Nil	Nil	Nil	10	4/69	4/69	5/00
12,60,000	22,28,419	11,42,054	2,221†	5,70,970	4.08	518,387	4.33	5,80,000	6,13,497	12	..	North Western	30	20	10	100	175/00	175/00	205/00
2,59,050	5,88,340	1,916	231	2,71,967	3.85	213,805	4.21	2,72,155	—49,484	12	202	Patnemara	Nil	Nil	Nil	10	7/50	7/50	7/50
2,60,000	6,82,449	2,92,663	..	3,26,670	4.40	195,018	4.62	2,50,400	—1,73,960	12	165	Roopacherra	Nil	10	Nil	10	9/94	11/00	13/62
5,25,000	12,22,431	12,03,600	310	3,07,903	3.94	279,277	4.46	2,90,000	61,192	12	63	Rungamattee	5	5	5	50	50/00	50/00	50/00
4,00,000	..	..	..	2,47,927	3.56	..	..	..	..	12	..	Sonai River	Nil	Nil	..	10	5/05	5/05	9/12
												DARJEELING							
3,39,750	..	..	..	..	..	..	..	..	..	12	101	Bloomfield	Nil	..	..	10	3/12	3/12	3/25
2,79,900	3,72,700	1,55,000	165	82,803	8.66	77,090	8.74	84,000	51,557	12	279	Chamong	Nil	10	10	10	9/00	9/00	10/25
3,75,900	..	..	..	3,05,978	5.22	313,229	5.63	3,08,443	..	12	139	Darjeeling Tea & Chin	30	20	30	100	197/00	197/00	195/00
2,00,000	..	..	..	72,236	6.12	..	..	..	..	12	200	Dilaram	8	4	..	100	102/50	102/50	102/50
2,00,000	6,39,479	3,58,163	..	1,35,642	7.53	1,37,275	7.58	1,38,000	1,97,231	2	74	Giellie P.	Nil	..	8 4/7-15‡	10	11/69	11/69	11/69
7,00,000	10,11,800	2,25,779	428	2,90,326	6.68	311,895	7.70	3,22,000	3,89,175	12	279	Lingia P.	15	10	17½	10	14/00	14/00	14/56
10,32,000	..	..	..	5,32,643	2.45	..	..	..	..	12	95	Longview	12½	10	..	10	11/00	11/00	11/00
4,00,000	5,16,891	5,85,879	..	1,74,261	6.94	177,960	8.18	1,81,500	2,23,445	12	165	Margaret's Hope	15	15	15	10	12/19	12/19	11/62
1,59,000	3,73,782	4,14,259	187	1,01,900	8.21	108,800	8.99	1,10,000	1,53,535	12	2	Mim	22½	27½	27½	100	191/50	191/50	191/50
2,99,900	4,95,071	13,97,500	279	2,20,390	7.14	214,750	9.03	2,21,400	15,19,227	12	279	Nagri Farm	30	25	35	10	29/56	29/56	27/00
4,00,000	3,93,839	3,21,500	205	99,223	8.77	99,331	10.07	1,00,000	2,40,000	12	390	Okayti P.	25	25	25	100	600/00	600/00	595/00
3,30,000	..	..	..	5,13,243	4.87	..	..	..	..	12	..	Pashok	10	Nil	..	10	20/00	20/00	20/00
3,00,000	3,88,931	1,25,000	194	1,27,797	5.77	122,495	6.65	1,20,000	1,04,446	12	63	Poobong	Nil	Nil	5	10	7/50	7/50	7/37
2,05,000	4,87,982	2,27,703	570†	1,11,154	5.62	116,997	5.95	1,26,000	1,03,669	12	361	Pussimbing P.	Nil	Nil	Nil	10	7/50	7/50	8/87
1,40,000	3,90,838	5,61,500	138	1,05,192	6.92	85,234	6.64	95,000	8,123	12	63	Runglee Rungliot	35	20	7½	100	386/00	386/00	385/00
3,00,000	..	..	..	1,92,400	2.91	..	..	..	..	12	385	Seeyok	15	Nil	..	10	8/60	8/60	8/50
6,25,000	7,48,893	10,816	..	1,33,674	6.20	138,742	6.51	..	47,720	12	398	Singell	Nil	Nil	Nil	100	36/75	36/75	36/75
9,00,000	..	..	..	1,33,350	5.58	123,431	6.92	..	..	12	101	Singtom	2	Nil	2	10	3/50	3/50	3/50
4,50,000	5,24,500	6,38,800	224	1,66,630	7.38	160,068	8.53	1,63,000	3,55,419	12	279	Soom	50	40	40	10	35/50	35/50	31/00
6,25,000	13,51,854	13,02,062	..	1,95,487	7.32	189,392	9.58	2,06,800	4,76,892	12	165	Sungma	15	15	20	10	14/56	14/56	12/75
3,20,000	9,98,901	8,67,133	..	2,20,000	6.08	2,03,428	6.16	221,000	36,050	2	74	Teesta Valley	Nil	..	8 4/7-10‡	10	15/87	15/87	12/25
12,00,000	..	..	..	..	..	..	..	..	..	12	..	Tukvar	Nil	Nil	..	10	6/00	6/00	6/00

† Acres * lbs. ‡ 1963

TEA COMPANIES—Contd.

O., Po., C. and Dd. indicate Ordinary, Preferred Ordinary, Contributory and Deferred Shares respectively. P next to the name of the company indicates that the company also has Preference Shares. Figures in "accounts closed" column indicate the months of the calendar year in which accounts are closed. For Managing Agents refer to the Key (last page) under the numbers indicated.

Paid-up Capital Ordinary	Net Block Accounts	Reserve & other Funds	Area Hectares	Outturn and Average Price per Kg. realised for crop 1961 Kgs.	1961 Rs.	1962 Kgs.	1962 Rs.	Estimate 1963 Kgs.	Net Profits including taxation	Accounts closed	Mg. Agts. Secretaries, etc.	NAMES	Dividends per cent 1960	1961	1962	Paid-up per Share	Latest Market Quotations as available until 18-12-63	11-12-63	A year ago
Rs.	Rs.	Rs.							Rs.							Rs.	Rs.	Rs.	Rs.
												DOOARS							
27,00,000	62,03,995	32,62,760	1,034	15,51,500	4.51	14,84,400	4.86	15,25,000	11,19,005	12	2	Banarhat P.	22½	21	21	100	241/00	241/00	255/00
12,00,000	27,38,435	23,27,925	436	7,24,364	4.69	6,66,481	5.13	6,64,600	6,59,538	12	128	Baradighi	30	25	25	10	23/69	23/69	23/87
9,00,000	19,19,630	30,59,434	..	5,93,617	4.42	7,00,569	4.68	6,16,885	5,74,696	12	386	Bhatkawa	15	15	20	10	17/25	17/25	17/37
9,00,000	25,07,423	22,16,500	577	6,66,763	4.37	6,69,958	5.01	6,50,000	6,43,459	12	63	Birpara P.	17½	12½	17½	100	162/00	162/00	151/00
6,00,000	12,14,870	10,73,000	244	2,99,250	4.17	2,80,187	4.70	2,95,000	1,58,268	12	63	Carron	20	5	7½	100	161/00	161/00	145/00
9,00,000	24,85,741	14,56,681	365	5,14,200	4.45	5,21,400	4.69	5,30,000	2,82,148	12	2	Choonabhutti P.	32½	20	20	100	210/00	210/00	262/00
3,00,000	5,84,327	5,93,500	197	2,19,480	4.05	2,25,971	4.59	2,03,000	1,33,979	12	63	Ellenbarrie	5	5	10	100	184/00	184/00	184/00
1,20,000			..	1,62,265	3.73		..	..		12	397	Engo	60	30	40	100	136/00	136/00	136/00
4,90,000	9,33,182	71,548	..	2,24,026	..	2,64,339	..	..	93,085	12	354	Ethelbari	5	5	7½	10	11/87	11/87	13/12
7,50,000	13,32,430	10,34,583	1,088†	5,33,092	4.88	5,04,794	5.46	..	4,67,197	12	88	Gairkhata	25	20	11	10	21/50	21/50	21/50
14,00,000	27,81,035	19,25,521	425	521,329	..	5,85,748	..	..	200,689	12	387	Gopalpur	12	2	10	25	20/00	20/00	20/00
36,00,000	50,92,343	42,81,500	1,048	14,33,022	4.07	13,74,053	4.76	13,90,000	7,93,764	12	63	Hantapara P.	15	5	10	100	108/00	108/00	102/00
64,00,000	70,47,491	75,82,749	..	28,49,021	5.54	30,66,464	5.78	30,64,500	30,07,101	3	74	Hasimara	17	..	18—15†	10	13/44	13/44	14/00
16,50,000	26,67,650	17,26,078	..	8,89,068	4.02	699,826	4.51	961,600	2,06,848	2	74	Huldibari	22½	..	19 2/7-11†	10	13/05	13/05	13/69
7,00,000	8,95,117	5,13,133	246	1,90,300	4.48	1,88,900	5.59	..	—61,500	12	2	Jaybirpara	10	Nil	Nil	10	18/50	23/81	11/06
9,00,000	18,12,126	21,89,000	375	5,63,337	4.23	5,07,738	4.50	5,20,000	3,57,699	12	63	Killcott	25	15	15	10	15/19	15/19	17/31
2,00,000	14,67,422	5,58,176	..	2,47,991	..	2,23,887	..	..	88,005	12	354	Manabarrie	10	6	10	10	59/50	59/50	59/50
9,60,000	20,66,495	24,61,500	..	6,03,619	4.07	5,07,732	4.76	4,90,000	3,31,819	12	63	Nagaisuree	25	15	15	100	140/00	140/00	169/50
14,00,000	34,04,657	21,71,728	471	7,84,700	4.31	6,40,900	5.10	7,50,000	2,30,662	12	2	New Dooars P.	35	20	14½	100	230/00	230/00	258/00
6,40,000			..	3,07,645	3.89		..	..		12	363	Oodlabari	12½	7½	..	100	13/37	13/62	14/25
2,50,000	3,90,272	3,37,500	126	1,00,575	4.22	1,26,816	4.64	1,30,000	17,963	12	63	Phaskowa	Nil	Nil	Nil	100	125/00	125/00	127/00
6,00,000	9,22,423	11,53,058	..	3,63,864	4.36	3,91,886	4.70	3,62,900	2,08,311	12	165	Rajabhat	Nil	Nil	6	10	12/00	12/00	12/12
7,65,000	17,57,543	17,47,050	..	5,03,638	4.32	4,76,526	5.07	5,33,500	1,63,000	12	165	Ranicherra	15	15	7½	10	12/62	12/75	16/75
14,92,800	36,77,342	30,35,064	727	9,21,964	4.79	9,78,337	5.44	10,10,245	8,77,496	12	128	Rydak	25	20	25	10	25/75	25/75	27/31
3,46,000	10,20,398	10,25,325	..	4,00,500	4.10	3,30,000	4.76	3,73,200	2,40,377	12	44	Sarugaon	40	40	40	10	36/31	36/31	36/25
												TERAI							
4,50,000	..	..	..	..	..	..	..	..	..	12	101	Atal	5	..	..	10	6/31	8/75	6/75
5,00,000	..	..	..	2,40,454	3.83	..	..	..	..	12	345	Belgachi	20	20	..	10	20/50	20/50	20/50
13,44,000	20,65,841	27,42,000	646	7,94,331	4.01	7,22,909	4.63	730,000	5,50,624	12	63	Gungaram	20	12½	12½	100	131/00	130/00	158/00
5,00,000	11,02,805	13,16,500	214	2,89,960	4.29	3,17,061	4.74	275,000	3,07,829	12	63	Hansqua	20	15	17½	10	20/00	20/00	20/00
3,00,000	6,69,527	9,72,507	..	2,75,784	4.10	295,710	4.54	295,000	2,25,077	2	74	New Chumta	15	..	12 6/7-20*	10	24/62	24/62	33/50
7,20,000	..	..	..	3,14,832	3.83	3,33,644	4.04	312,073	..	12	139	New Terai	22½	10	15	10	23/00	23/00	36/00
11,70,000	..	..	..	4,71,480	4.08	4,71,480	445	489,915	..	12	139	Pahargoomiah	20	20	2½	10	14/37	14/37	31/12
1,00,000	..	..	..	..	..	..	..	..	..	12	63	Putinbaree	14	14	..	10	45/00	45/00	45/00
2,20,000	..	..	..	3,88,528	4.53	3,84,347	5.05	408,200	..	12	165	Tirrihannah P.	60	60	60	10	49/00	49/00	49/00
												CHITTAGONG							
1,25,000	..	..	..	3,07,360*	1.76	..	..	..	..	12	139	Kodala	Nil	Nil	..	10	9/25	9/25	9/25
2,40,000	..	..	..	3,53,000*	1.64	..	..	..	..	12	139	Kornafuli	Nil	Nil	..	10	9/31	9/31	13/06
2,00,000	..	..	..	2,88,000*	1.74	..	..	..	..	12	139	Oodaleah	Nil	Nil	..	10	8/00	8/00	8/00
												SYLHET							
3,00,000	14,19,689	17,99,706	637†	2,76,309	4.48	2,14,907	7.92	254,012	7,17,391	12	..	Chundeecherra	Nil	Nil	Nil	10	26/00	26/00	23/00
6,00,000	9,95,449	12,20,551	230	2,33,890	4.97	2,03,558	8.17	218,000	8,36,913	12	63	Dauracherra	22½	22½	20	10	11/56	11/56	7/31
2,46,050	..	..	..	1,26,336	4.28	..	..	..	..	12	358	Kaliti	Nil	Nil	..	10	10/00	10/00	10/00
5,59,930	..	..	..	11,42,720*	1.99	..	..	..	..	12	236	New Samanbagh P.	25	Nil	Nil	10	18/37	18/37	18/37
36,00,000	59,49,609	63,43,644	1,660	19,52,002	5.02	17,98,140	8.16	1,851,000	90,15,000	12	63	Patrakola	32½	40	15	100	129/00	129/00	148/00
3,20,000	4,21,718	1,48,642	740†	4,28,560*	1.83	4,24,800*	3.23	360,000	4,07,821	12	236	Rajnagar	Nil	Nil	Nil	10	9/50	9/50	9/56
9,00,000	21,92,086	22,53,327	483	4,18,826	5.01	3,69,737	8.08	417,000	12,91,452	12	63	Teliapara	22½	22½	10	100	110/00	110/00	99/00

† Acres. * lbs. † 1963

MISCELLANEOUS COMPANIES

Paid-up Capital Ordinary	Net Block Accounts	Reserve & other Funds Premiums & Forfeited Shares if any	Cash & Securities	Net Profits including taxation	Carry forward	Accounts closed	Mg. Agts. Secretaries, etc.	NAMES	Dividends per cent 1960	1961	1962	Paid-up per Share	Latest Market Quotations as available until 18-12-63	11-12-63	A year ago
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.							Rs.	Rs.	Rs.	Rs.
								MININGS							
£2 369,796	..	£218.681	£2,781,590	£12,559	£174.204	12	153	Burma Mines	2 3/5	Nil	Nil	3½S	0/44	0/44	0/44
30,00.000O	37,08,889	32,54,468	34,05,355	15,96,846	13,914	12	312	Chrestien Mica Industries P.	15	12½	..	10O	10/31	10/19	11/12
15,00.000Dd									25	20	..	5Dd	6/87	6/87	5/85
£1,371.300	£1,758.381	£225.873	£755,274	£1,057.163	£72.310	12	68	Indian Copper Corporation	27	27	..	2s	3/43	3/46	4/40
50.00.000	51.72.031	10.43.352	53.971	5.66.976	14.41 622	3	343	Metal Corporation P	Nil	..	..	10O	8/19	8/00	9/37
20,00.000	46.05,415	67,67,431	53,46,956	13,17,757	38,801	6	21	Orissa Mineral Development	36	28	20	10	26/00	26/00	36/50
								CEMENT, LIME, SLATE, ETC.							
59.90.843	1,58,98,785	17,06.000	2.33.036	4,97.991	10.914	3	381	Ashoka Cement	7	7	7—7*	10	7/37	7/37	7/50
43.14.800O	41.51.412	21.43.429	29.64.072	1.70.813	6,44.675	3	80	Assam Bengal Cement	..	..	..	10O	3/62	3/62	4/00
70.976Dd												1Dd	0/50	0/50	0/44
85.23.146	98.02.889	19.77.396	66,723	24.46.663	1.703	12	156	Bengal Potteries	15	..	..	2½	5/19	5/37	5/54
40.00.000	73,55,750	28.31.157	3,76.724	23.10.445	80,122	3	21	Bisra Stone Lime	30	30	10	10	22/00	22/00	27/87
1,36,00.000O	1,86,81,933	99,52,704	1,90.71,398	1,16,81,256	..	12	123	Dalmia Cement (Bharat) P.	12	12	12	10O	12/62	12/75	13/81
5,00.000Dd												1Dd	2/81	2/81	2/15
2,50.00.000	5 94,43,463	94.05.545	5,54.170	65.02.100	4,94.598	3	335	Jaipur Udyog P.	6	8	8.36	10	11/94	12/31	11/34
30.00.000	89.55.197	56.55.899	6.48.783	21.48.526	25.499	12	21	Kumardhubi Fireclay & Silica P.	18	18	18	10	18/45	18/45	18/45
2,25.00.000	3,77,58.590	1,36.03.808	30.93.905	98.75.491	..	12	362	Orissa Cement P	15	15	10	10	14/00	14/37	15/69
5.00.000	20.07.006	21.78.065	17.41 738	4.85 806	30.441	3	223	Reliance Firebricks & Pottery	22	15	10	10	22/75	22/75	22/75
75.00.000	63,53,090	32,76,500	2.04.361	16.83,364	7.167	12	357	Sone Valley Portland Cement	4	6	8	5	4/50	4/56	4/56
9.64.520	19.00.054	10.46.690	6.23.484	10.16.971	23.403	12	3	Sutna Stone & Lime	27½	30	35	10	28/31	28/31	37/00

MISCELLANEOUS COMPANIES—Contd.

O., Po., C. and Dd. indicate Ordinary, Preferred Ordinary, Contributory and Deferred Shares respectively. P. next to the name of the company indicates that the company also has Preference Shares. Figures in "accounts closed" column indicate the months of the calendar year in which accounts are closed. For Managing Agents refer to the Key (last page) under the numbers indicated.

Paid-up Capital Ordinary	Net Block Accounts	Reserve & other Funds Premiums & Forfeited Shares if any	Cash & Securities	Net Profits including taxation	Carry forward	Accounts closed	Mg. Agts. Secretaries etc.	NAMES	Dividends per cent 1960	1961	1962	Paid-up per Share	Latest Market Quotations as available until 18-12-63	11-12-63	A year ago
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.							Rs.	Rs.	Rs.	Rs.
								CHEMICAL INDUSTRIES							
62.00.000	5.93.45.653	1,96.10.273	4.78.066	71,72.056	1,37.284	9	121	Alkali & Chemical Corpn. of (I)	12	15	15	10	33/37	33/50	38/50
2,45,00.000A	17,39.281	15,681	11,245	—88.949	—9,86.991	12	442	Bathgate & Co. Ltd P.	Nil	Nil	..	5	0/84	0/84	0/84
20.00.000															
15.00.000O	76.41.344	68.84.605	21.11.440	18.06.053	1,30.717	3	245	Bengal Chemical & Pharm. P.	7	10	..	100	98/50	101/00	101/00
11.08 900A															
22,54.700B															
15,00,000	36.34.102	22.82.883	19.49.050	12,04.892	6,978	6	377	Calcutta Chemical P.	18	18	18	10	17/87	17/87	19/31
4,95.000	99.022	Nil	41 554	72.146	2.560	2	129	Frank Ross P	..	..	..	6	3/25	2/75	3/25
20,00,000	13,61,137	17,67,251	7,35,789	13,17,366	19,167	6	191	Smith Stanistreet P.	25	25	25-22½*	5	12/31	12/31	15/50
								ELECTRIC LIGHTING, POWERS							
19.99.600	1,15.72.761	61.20.883	27.74.218	4,56.810	52.889	3	32	Agra Electric Supply	11	11	11	100	118/00	118/00	120/00
8.00.000	29,33.899	15.51.802	8.09.008	2.00.631	25.623	3	32	Bareilly Electric Supply	11	11	11	10	11/81	12/50	11/75
17.00 000	1,03,03.450	52.26.411	19.58.483	4.34.454	47,298	3	32	Benares Electric Supply	11	11	11	10	12/81	12/81	12/44
5.91.360	15.65.473	807.902	2.70.659	1.36.558	41.730	3	202	Bhagalpur Electric Supply	8	10	8	8	6/69	6/69	6/08
£4,262.646	£21.040.641	£10 815.240	£173.696	£1.599.019	£100.524	3	90	Calcutta Electric Supply	7	7½	7½	£1	14/56	14/50	14/31
5.60.040	22 18 403	7 17 161	32.6	151 465	63 ····	3	202	Cuttack Electric Supply	7½	10	10	10	11/87	11/87	12/62
43.20.000	66.87.445	29.73.446	41.87.140	14.42.862	4.27.783	3	2	Dishergarh Power Supply P.	10	10	10	100	88/00	88/00	94/00
5.34.640	17.29.086	96.513	95 409	65.283	3,590	3	168	Jhansi Electric Supply	..	..	..	10	5/90	5/90	5/90
22.49.550	66.50.848	29.21.749	5.35.563	2.69.909	33.302	3	32	Jubbulpore Electricity Supply	10	10	10	10	11/25	11/25	11/37
4.95.000	6.70.324	2.24.149	1.09.770	46.495	39.015	3	258	Mirzapur Electric Supply	..	..	..	9	12/00	12/00	12/00
5.82.390	24.50.815	6.87.284	3.48.986	2.22.292	22.259	3	202	Muzafferpore Electric Supply	12½	12½	12½	10	11/50	11/50	12/25
6.99.700	13.47.574	1.14.377	2.15.991	83.664	18.988	3	329	Muttra Electric Supply	..	..	..	10	11/06	11/06	11/12
35.07.380	98.50.374	48.67.675	3.95.468	12.96.460	1,27.547	3	202	Patna Electric Supply	10	10	10	10	10/31	10/31	10/81
9.10.000	8.77.208	2.86.692	3.19.022	1,58.667	17.201	3	202	Shahjahanpur Electric P.	6½	6½	6½	10	6/87	6/87	7/00
16.80 000	24.13.949	16.03.685	9 75.497	458.680	3.975	3	21	Sijua (Jherriah) Electric	10	9	9	10	8/50	8/50	9/06
56.00.000	2.03.16.819	80.84.613	25,53.868	11.08.426	92.879	3	32	United Provinces Electric	11	11	11	100	150/00	145/00	120/00
5,00.000	21,74,345	14,00,467	7,69.903	1,92,745	33,674	3	32	Upper Jumna Valley Electric	13½	13½	13½	10	18/00	18/00	15/25
								ENGINEERING & METAL							
6.00.000	6.61 485	63 426	1.48 213	2.93 398	—1,52.122	12	300	Arthur Butler (Muzaffarpore) P.	..	..	..	10	14/94	14/94	14/50
50.00.000	36,87,587	44,13.221	72.862	34.13.246	5,246	12	31	Bhartia Electric Steel	10	10	12½	10	15/00	15/00	13/75
1.00.00.000	1,53.20,721	94,55.491	65.84.179	1,06.44.579	2,757	12	289	Braithwaite & Co (India)	25	25	14	10	33/00	34/25	34/00
12.00.000	62.65,971	50,43.274	7,42.812	21,52.136	..	12	24	Bridge & Roof	30	30	30	10	52/25	52/25	52/25
19 88.670	33,36,748	1,09.796	1,86.939	1,80.146	—611,196	12	192	Britannia Building & Iron P.	Nil	Nil	Nil	10	3/37	3/37	3/65
1,00.00.000	1,24.97.389	52.95.465	1,14.787	24.17.175	5,115	12	165	Britannia Engineering P.	10	10	10	10	10/31	10/62	10/75
25.00.000	20.95.656	18.18.384	24.752	1'4.07 837	..	12	24	British India Electric Cons.	45	20	15	10	31/00	31/00	33/12
84.00.000	3,58.68.539	2,99.02.509	74.40.547	1,42.69.633	..	4	32	Burn P (Engineering)	28½	28½	28½-25*	100	314/00	314/00	600/00
1.00.00.000	57.61.970	17.65.495	8.43.845	38.47.174	65.077	3	437	Calcutta Steel	15	15	15-12½*	10	13/81	13/81	14/91
80.00.000	1,12.20.938	24.09.000	2.06.672	22.94.248	1,09.021	9	434	Dalmia Iron	10	10	10	10	11/56	11/75	11/56
4.00.00.000	6,63.01.978	6,98.32.755	2,11.42.172	1,27.55.590	..	12	227	Guest Keen Williams	16	14	14	10	26/12	26/62	34/87
12.50.000	19.72.898	6.45,100	27.549	3,79.950	5.801	12	32	Hooghly Docking	Nil	Nil	12½	50	95/00	95/00	102/00
12,44.08.990	62,73.23.096	30.89.05.725	1,72.10.301	9,11.89.201	..	6	32	Indian Iron & Steel P.	15	16	16-16*	10	25/06	25/18	22/00
3.85 000O	11.52.812	14.001	1.82.994	—4.15 836	—4.03.294	8	223	Indian Malleable Casting	Nil	..	..	5O	6/00	6/00	6/00
1,54.000Dd									Nil	..	..	1D	2/06	2/06	2/50
77.97.000	50.88.821	87,57.038	63.89.397	1,71.88.152	24.064	8	32	Indian Standard Wagon P.	28½	28½	28½-20*	10	35/37	36/37	30/75
96.79.740O	3,43.55.519	3,41.31.025	1,54.09.567	—57,25.817	6.022	3	122	Indian Steel & Wire Products	23	24	23-18*	100	36/87	36/87	49/00
12.00.070	7,75,186	3.56.629	2.872	9.92.071	..	12	24	Industrial Containers	Nil	10	10	10	21/37	21/37	22/00
1,51.87,197	2.85.54.325	1,36,01.953	15,13.085	41.24.528	4,896	3	443	Jay Engineering	17 3/20	17 3/20	15—10*	10	21/87	21/87	24/31
40.00.000	59,72.635	35.85 700	10.46.960	20.45.860	86.647	6	132	J. K. Steel P	20	20	10	10	17/94	18/12	16/25
2,04.00.000	3,50.50.970	2,30.16.815	78.81.184	1,52.79.678	51,159	10	290	Jessop & Co. P.	8.58	8.58	8.58	10	24/25	24/94	22/19
27.64.800	61.46.982	53.04.910	97.324	21.99.856	3.088	11	21	Kumardhubi Engineering P.	10	11½	15	3	9/00	9/25	7/50
10.50.000	3,74,383	19.18.004	4.14.975	—8.36.768	—5,63.688	6	170	Marshall Sons (India)	Nil	Nil	Nil	2	2/62	2/69	3/25
49.96 000	61.94.985	13.58.398	3.83.036	2.56.716	—4.42.917	3	192	National Iron and Steel	Nil	Nil	Nil	10	5/75	6/00	4/75
6.00.000	9.79.466	20.52.302	2.49.725	5.14.416	13.304	8	25	Saran Engineering	8½	10	12½—10*	4	8/12	8/12	11/12
14.00 070	8,16.570	12.38.002	2.56.891	20.72.177	..	12	24	Steel Containers	30	20	20	10	29/50	29/50	19/75
1,50,00.000	2,73,21,766	61,37,433	13,28,341	52,01,525	62,642	12	22	Textile Machinery	10	10	..	10	28/35	28/25	20/10
								SUGAR, BREWERIES, ETC.							
14.00.000	17.29.860	10.85.148	39.573	1,10.785	15,763	6	371	Balrampur Sugar	8	8	4	2½	1/81	1/87	2/34
29.23.537	25.58.707	11.43.842	10.86.872	5.09.358	7,767	9	234	Belsund Sugar	18½	10	6 2/3	7½	8/94	8/94	9/62
32.00.000	9.84.327	13.51.513	18.14.343	1,46.461	2,330	6	316	Bharat Sugar P.	..	..	..	10	16/00	16/00	12/87
32.00.000	45.72.835	43.34.048	27.81.820	33,71.567	3,71,540	3	90	Carew (Sugar) P.	Nil	Nil	Nil	10	11/37	11/56	12/25
30.00.000	90.08.963	59.84.997	6.94.684	—21.74.424	—25.45.362	10	25	Cawnpore Sugar P.	Nil	Nil	Nil	10	9/75	9/75	12/37
18.00.000	27.85.833	46.06.937	9.09.574	—978.687	—9.07.232	6	25	Champaran Sugar P.	15	12	Nil	10	12/62	12/62	15/87
38,01,380	25,88,250	31,90,540	1,79,345	4,77,197	1,97,076	8	395	Durbhanga	4	Nil	5	10	9/87	9/87	9/00
11.00.000	6,45,722	3,75.000	10,90.564	95.437	52.205	6	140	New Savan Sugar and Gur	..	..	..	10	4/50	4/50	5/25
9.00.000	19 47 931	23.02.870	2.05 743	2.86.458	4.006	10	400	Purtabpur Sugar P	..	..	..	10	10/81	10/81	11/50
16.59.820	41 29.938	57.22.889	2.532	8.47.183	79.042	8	1	Ramnugger Cane & Sugar P.	30	35	30	10	29/31	29/31	30/37
65.00.000	51,91,073	36.97.845	15.35.449	19.41.864	10.384	10	93	Raza Buland	12½	10	10	10	10/25	10/37	10/15
3.00.000	3 11.238	4.72.778	3,77.946	4.24.492	13.204	6	25	Ryam Sugar P.	..	..	..	10	4/50	3/37	8/06
11 99 000	22,10,161	13.54.067	2.06.165	—2.24.407	—2.20.853	6	..	Samastipur Central Sugar	..	..	..	10	4/10	4/62	9/62
39.99.000	67.63.908	25.93.624	21.94.759	16,75.658	34.778	8	336	Shree Krishna Gyanoday Sugar P.	15	..	..	10	7/94	7/94	9/06
7.94.500	13.54.858	11.65.175	11.16.988	1.90.057	7.991	6	140	Shree Sitaram Sugar	..	..	..	10	7/12	7/12	7/12
9.99.950	17.83.543	67.398	2.82.356	—6.97.343	—6.89.998	6	94	Sitalpore Sugar	4	Nil	Nil	10	3/69	3/69	6/12
16.00.000	42,22,843	19,40,304	2,03,163	—11,15,414	—9,17,147	9	341	United Provinces	15	5	Nil	10	12/00	11/00	10/62
8.00.000	90,57,769	67,09,675	9,18,326	37,10,125	25,765	6	316	Upper Ganges Sugar P.	72½	72½	72½	5s	85/00	85/00	77/00

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MISCELLANEOUS COMPANIES—Contd.

O., Po., C. and Dd indicate Ordinary. Preferred Ordinary Contributory and Deferred Shares respectively P next to the name of the company indicates that the company also has Preference Shares Figures in "accounts closed" column indicate the months of the calendar year in which accounts are closed. For Managing Agents refer to the Key (last page) under the numbers indicated.

Paid-up Capital Ordinary Rs.	Net Block Accounts Rs.	Reserve & other Funds Premiums & Forfeited Shares if any Rs.	Cash & Securities Rs.	Net Profits including taxation Rs.	Carry forward Rs.	Accounts closed	Mg. Agts. Secretaries etc.	NAMES	Dividends per cent 1960	1961	1962	Paid-up per Share Rs.	Latest Market Quotations as available until 18-12-63 Rs.	11-12-63 Rs.	A year ago Rs.
								MISCELLANEOUS							
8,00,000	3,65,800	2,09,907	5,89,590	1,44,140	2,623	10	85	A Firpo (Restaurateur)	7½	10½	5	10	5/00	5/90	5/90
93,75,000	5,89,85,976	2,48,84,621	3,09,108	30,58,004	11,965	3	132	Aluminium Corporation P.	12	12	12—5*	10	13/62	13/62	15/12
20,00,000	42,23,258	16,50,000	53,38,477	4,16,437	11,325	12	582	Anderson Wright P.	11½	Nil	6	10	11/50	11/50	11/50
30,00,000	13,34,003	43,57,426	25,11,996	21,50,119	2,34,634	8	268	Angelo Bros.	25	28½	28	10	26/37	26/75	23/25
30,00,000	20,74,660	33,58,937	16,15,247	24,27,878	12,842	12	614	Assam Match	18	20	20	10	27/75	27/50	28/75
13,99,998	20,06,639	20,17,850	6,814	1,70,203	94,397	9	348	Assam Saw Mills & Timber	Nil	Nil	3	3	2/50	2/50	2/78
1,18,00,000	53,91,481	93,43,093	59,95,725	50,77,803	7,18,123	8	891	Associated Battery	25	15	15	10	27/50	27/81	27/31
20,00,000	43,09,876	44,17,208	43,55,171	7,61,695	1,22,491	3	204	Associated Hotels of India P.	Nil	10	10	10	10/31	10/31	10/31
80,01,400	46,97,674	1,20,07,997	93,50,429	51,62,806	..	12	396	Balmer Lawrie & Co.	25	25	25	100	258/00	258/00	257/00
12,00,000	5,51,865	12,52,902	6 77,227	10,64,446	..	3	128	Bararee Coke	Nil	Nil	15-15*	10	22/06	22/06	24/50
44,00,000		9,27,823	68,58,981	2,87,091	50,926	9	160	Birds Investments P.	9½	10	10	10	10/37	10/37	12/50
68,95,530	1,16,23,032	83,79,866	8,27,110	86,51,567	6,999	3	50	Britannia Biscuit P.	25	30	25-21*	10	50/25	50/25	45/12
3,25,00,000	71,55,454	2,19,19,061	1,50,51,710	1,34,25,907	2,53,254	12	33	British India Corporation P.	4	7	9	5	9/00	9/00	9/62
50,00,000	21,88,677	40,58,031	9,91,498	24,64,559	27,856	12	392	British Paints	12½	15	10	10	22/62	22/62	20/25
5,00,000	6,83,781	1,65,739	1,54,429	2,63,717	5,201	3	213	Calcuta Silk Manufacturing P.	Nil	Nil	..	10	6/94	6/94	7/15
1,38,80,000	..	14,77,426	1,78,29,586	15,08,523	2,46,740	12	2	Clive Row Investment	8	7½	7½	10	8/56	8/56	8/25
90,00,000	24,68,979	1,27,43,000	1,98,66,116	35,58,709	2,42,095	12	109	Duncan Brothers & Co P.	14	14	14	100	138/00	140/00	157/50
4,50,90,000	6,09,38,229	5,05,74,162	11,32,452	3,30,38,275	25,88,011	12	96	Dunlop Rubber Co (India) P.	21½	20	15	10	36/00	37/00	38/00
27,56,355	1,31,99,222	1,76,30,095	24,30,790	1,00,50,837	12,604	3	116	Dyer Meakin (Breweries)	25	30	..	5	32/00	31/87	29/62
76,89,000		63,98,196	1,76,05,602	1,11,25,276	1,32,549	12	41	Eastern Investments P.	14	14	12	100	117/00	117/00	129/00
60,93,400	64,20,000	20,22,000	1,61,547	19,35,092	12,311	10	388	Electric Construction	10	10	10	10	13/06	13/06	13/69
30,00,000	28,94,555	27,23,508	19,90,832	15,65,118	2,10,371	3	51	French Motor Car	20	20	..	20	32/75	32/75	35/12
14,00,000	20,83,841	18,85,308	38,577	11,59,599	17,856	12	19	Ganges Rope	17½	20	20	100	236/00	236/00	236/00
2,25,000		76,065	5,16,267	51,428	4,826	2	21	General Investment & Trust P.	6	5	5—5*	75	43/00	43/00	43/00
65,00,000	31,77,135	58,42,190	1,57,85,100	30,47,005	15,471	3	105	Gillanders Arbuthnot & Co P.	10	11	11—11*	10	14/00	14/19	14/06
40,00,000	17,69,681	1,21,344	36,90,302	5,43,666	8,424	12	209	Gladstone Lyall & Co. P	4 2/5	..	..	10	..	..	..
40,00,000	34,79,636	31,88,500	1,29,460	46,26,030	38,310	12	310	Godfrey Phillips (India) P.	40	40	30	10	28/12	28/12	33/25
30,00,000	43,74,366	17,66,560	1,60,432	1,09,512	794	3	225	Great Eastern Hotel	9	6	..	250	250/00	250/00	241/00
4,68,75,000	3,08,48,439	..	2,33,36,909	2,11,555	2,11,555	12	438	Hindustan Aluminium P.	Nil	..	..	10	13/81	13/81	14/75
8,07,66,250	5,43,03,252	3,24,89,610	4,52,97,214	3,50,00,432	3,043	3	22	Hindustan Motors P	9	12	12½-11½*	10	19/22	19/41	17/44
80,00,000	46,37,207	16,00,000	39,09,797	28,38,718	1,31,125	10	..	Hindusthan Pilkington	..	..	..	10	14/19	14/12	15/75
39,88,550	86,39,248	Nil	1,22,648	—12,14,232	—11,50,824	3	211	Hindusthan Twyfords P.	Nil	Nil	Nil-Nil*	10	5/62	5/62	6/62
35,20,000	23,35,537	16,00,000	24,48,098	5,91,968	46,500	12	294	Hoare Miller & Co.	6	6	..	10	10/12	10/37	10/87
15,16,00,000	8,60,23,900	10,67,60,544	1,25,08,131	4,46,29,511	3,29,429	3	325	Imperial Tobacco	8	9	9—8*	10	29/12	29/62	32/62
4,00,23,880	3,64,77,942	4,53,66,220	60,96,108	2,40,34,073	56,98,466	12	293	Indian Aluminium P.	15	15	17½	10	38/06	39/81	34/50
2,48,65,450	1,86,02,399	3,35,26,675	90,27,691	1,56,84,867	21,521	3	34	Indian Cable	22½	22½	22½-22½*	10	26/62	26/62	31/00
3,64,00,000	5,56,27,815	1,22,35,821	44,62,878	1,35,49,869	17,61,389	9	366	Indian Oxygen	15	15	12	10			
8,27,970	8,82,919	12,42,783	10,99,551	12,01,372	53,791	3	223	Indian Rubber Manufacturers P.	20	30	36	10	19/87	19/87	21/06
20,00,000	2,57,217	27,98,665	29,32,360	21,71,601	3,26,125	9	88	Indian Wood Products	30	30	30	10	29/62	30/00	32/00
74,89,150	72,05,408	..	2,48,892	—8,28,780	—14,68,410	12	63	Isaac Holdens	..	Nil	..	10	14/56	16/56	15/56
5,00,000	..	3,15,956	11,39,628	1,17,622	12,910	2	21	Investments and Finance P.	7½	7½	7½-7½*	100	30/00	30/00	55/00
72,62,500	23,44,049	64,37,503	3,02,73,819	8,00,318	44,050	6	439	J K Synthetics	..	3	..	10	13/50	12/94	12/19
5,87,500C	2,28,843	Nil	5,88,284	—1,19,242	—1,18,804	12	281	James Wright P.	..	..	..	5O	2/75	2/75	2/75
1,17,500D									..	..	..	1Dd	00/43	00/43	00/43
2,00,00,000	61,16,247	87,10,720	5,34,83,359	41,88,190	..	3	39	Jardine Henderson P.	7	7	6—7*	100	77/50	79/00	68/00
87 46,630	1,62,75,990	73,74,126	6,46,513	37,33,223	18,455	12	22	Jay Shree Industries P.	14	12½	..	10	14/50	14/50	16/50
1,99,94,325	8,77,31,151	4,34,03,080	55,33,798	1,07,12,489	26,969	3	22	Kesoram Industries P.	5	12	12—13*	10	27/69	26/87	22/06
6,34,000C	3,17,363	5,02,958	3,21,617	—14,078	—4,849	3	133	Macfarlane & Co.	..	..	..	50	6/69	6/69	7/00
66,000Dd									..	..	..	1Dd	1/44	1/44	2/50
1,50,00,000	1,07,01,720	99,61,347	2,91,71,046	33,69,977	43,205	12	334	Macneill & Barry P.	8	8	7½	100	92/00	92/00	93/50
1,47,12,250	70,44,126	1,22,48,546	2,05,42,132	78,17,248	2,34,727	9	309	Martin Burn Ltd P.	27½	27½	25	10	28/31	28/50	29/75
47,12,500	18,46,595	90,33,368	2 73,18,501	25,28,932	2,44,687	12	282	McLeod & Co P.	15	15	18	100	210/00	210/00	215/00
1,61,00,000	2,76,53,533	2,38,95,151	41,04,252	1,23,59,734	..	3	167	Metal Box Co of India P.	25	25	19	10	52/25	52/25	53/50
1,35,00,000	90,71,426	1,24,32,234	6,55,304	62,89,944	38,785	3	7	National Insulated Cable P.	25	25	25—18*	10	23/87	23/87	25/62
30,00,000	22,68,464	34,26,465	18,44,015	22,10,080	21,708	9	7	National Pipes & Tubes P.	20	20	20	10	27/75	28/19	29/75
40,00,000	34,43,104	43,03,095	14,39,946	30,01,359	10,564	6	7	National Rolling & Steel Ropes	13	15	15—15*	10	19/87	19/87	20/36
80,00,000	69,05,819	16,52,447	4,31,039	11,41,474	75,633	12	375	National Rubber P	Nil	6½	8	10	13/44	13/44	11/50
79,97,000	77,87,804	1,29,48,132	28,35,366	17,51,943	3,61,143	12	79	National Tobacco P	16	7	7	10	13/37	13/37	13/00
23,31,600	1,014	13,02,891	9,90,509	5,26,950	40,375	12	35	New India Investment Corpn.	8.7	..	..	75	59/50	59/50	90/00

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MISCELLANEOUS COMPANIES—Contd.

O Po and Dd indicate Ordinary Preferred Ordinary and Deferred Shares respectively P next to the name of the company indicates that the company also has Preference Shares Figures in "accounts closed" column indicate the months of the calendar year in which accounts are closed For Managing Agents refer to the Key (last page) under the numbers indicated.

Paid up Capital Ordinary Rs.	Net Block Accounts Rs.	Reserve & other Funds Premiums & Forfeited Shares if any Rs.	Cash & Securities Rs.	Net Profits including taxation Rs.	Carry forward Rs.	Accounts Closed	Mg. Agts. Secretaries etc.	NAMES	Dividends per cent 1960	1961	1962	Paid-up per Share Rs.	Latest Market Quotations as available until 18-12-63 Rs.	11-12-63 Rs.	A year ago Rs.
								MISCELLANEOUS (Contd.).							
80,00,000	6,27,241	59,20,402	91 23,845	14,28,049	24,342	12	321	Octavius Steel P.	10	7½	7½	100	..	..	..
2,20,00,000	1,99,24,542	89,30,483	25,74,107	1,20,21,148	1,39,632	12	304	Philips India	12	12	13	10	28/50	28/62	28/12
2,86,200	53,496	6,12,800	1,02,081	4,43,784	48,408	3	140	Publicity Society	10	75	75—80*	4	22/62	22/62	26/19
2,25,00,000	36,77,634	14,24,127	1,33,25,576	14,48,355	4,305	3	332	Rallis India P	4	8½	8½	100	129/50	130/50	150/00
5,00,00,000	7,93,37,818	3,87,81,885	1,16,91,228	1,22,07,255	37,513	9	72	Ranbaxy Industries P.	20	10	8—9*	10	12/53	12/62	12/06
94,27,380	5,55,68,835	Nil	14,04 497	5,80,253	13,552	9	426	Sirsilk P	Nil	..	..	10	10/12	10/06	8/75
70,00,000	2,31,09,587	58,67,480	20,33,664	23,36,729	5,57,492	12	278	Sen Raleigh Industries P.	8	8	8	10	15/12	15/12	18/87
75,00,000	1,02,89,547	55,43,000	1,78,35,987	41,86,452	1,739	12	111	Shaw Wallace P.	15	15	7½	10	17/69	17/69	20/06
3,00,000	3,33,174	23,189	40,501	17,483	4,44,244	12	301	Spencers Hotel	2½	2½	..	2	0/65	0/65	0/94
2,80,00,000	5,74,94,906	3,16,49,275	38,74,069	1,86,24,531	5,406	12	196	Union Carbide	18	18	12½	10	42/12	42/62	43/50
3,10,200PO								Walford Transport	20	20	20	1PO	2/81	3/00	2/25
8,40,800O	7,04,778	29,75,610	9,48,447	11,31,642		12	196		30	30	30	1O	4/09	4/09	3/37
								INSURANCE COMPANIES							
13,50,000	6,89,803	61,56,126	1,56,73,630	5,94,228	32 703	12	174	Concord of India	20	20	20	5	11/25	11/25	11/50
24,00,000	1,43,152	95,20,456	1,36,84,067	17,38,669	20 229	12	248	Hercules	22½	26½	26½	10	23/25	23/25	25/37
32,00,000	27,24,852	1,56,73,464	2,30,92,019	30,35,783	....	12	48	Ruby General	10	13½	15?	8	10/25	10/31	9/69
8,00,000		21 62,072	27 92 806	41,893	12,241	12	..	Standard General	..	..	..	10	6/12	6/12	8/00
5,75,000	7,133	77,12,554	1,05,52,159	10,05,738	....	12	39	Triton	45	50	50	25	130/00	128/00	132/00
								FLOUR MILLS							
12,00,000	4,11,000	29,55,620	6,63,425	10,87,621	1,80,000	12	24	Bengal	40	25	25	10	34/12	34/12	34/25
5,60,000	6,51,040	2,47,038	2,17,808	1,05,475	1,26,889	10	87	Delhi P.	..	..	..	10	14/00	14/00	14/00
48,90,137	47,18,433	77,72,310	56,85,368	33,61,767	4,07 398	9	175	Ganesh P.	..	..	..	12½	14/75	14/75	16/00
9,00,000	4,53,646	4,52,302	8,883	2,19,375	32,614	12	236	Hooghly	15	Nil	Nil	10	19/75	19/75	19/75
5,00,000	2,77,355	6,61,791	25,812	2,25,689	6,571	11	236	United	35	10	7½	10	27/81	27/81	30/00
								OIL COMPANIES							
£2,900,001	£2,383,591	£1,700,442	£507,508	£1,073,511	£100,742	12	249	Attock Oil	13½	13½	..	£1	sh 36/6	sh 36/7½	sh.26/10½
£82,419,080	£35,843 356	£12,750 000	£13 148,421	£18 446 093	£582 861	12	52	Burmah Oil P.	2 2/5	..	..	£1	sh 65/9	sh 66/3	sh. 41/6
1,00,00,000	59,29,364	1,75,25,203	2,84,68,306	54,63,502	1,19,330	12	249	Indo Burmah Petroleum P.	30	25	22½	10	21/75	21/87	25/44
6,00,000	3,20,016	9,89,137	4,92,803	4,47,005	12,113	10	2	Tide Water Oil	30	35	35	10	30/25	30/25	26/00
								PAPER MILLS							
58,50,000	1,09,71,994	63,55,637	10,43,959	47,17,412	50,816	12	436	Bengal P	32	27½	20	10	28 50	28/69	32/06
88,20,000	1,16,27,906	90,40,934	1,10,010	40,65,122	28,615	3	2	India Paper Pulp	15	13	12—15*	10	19/06	19/06	19/12
1,90,87,250	6,87,00,000	57,39,270	1,08,97,843	1,40,08,528	93,457	3	22	Orient Paper P	22½	22½	22½-20*	10	38/90	39/15	36/75
1,25,51,920	3,84,89,769	1,77,04,218	90,74,618	1,15,62,333	73,294	12	140	Shree Gopal Paper P.	17 6/7	17 6/7	17 6/7	10	25/00	25/19	23/62
2,73,19,050	4,28,25,108	94,29,176	63,90,889	2,93,680	1,08,791	6	22	Sirpur P	6½	8½	3½—5*	10	13/69	13/50	12/19
1,00,00,000	4,41,41,480	8,52,298	5,66,797	—1,17,823	56,480	9	36	Star Paper P.	Nil	Nil	Nil	10	9/12	9/06	10/00
10,00,000A									10	13	13—13*	2½PO	3/25	3/25	3/78
4,37,500PO									25	20	10—10*	10AO	16/87	17/12	36/00
56,00,000AO	4,87,90,174	3,15,32,295	20,74,443	—20,620	15,112	3	106	Titaghur P.	25	20	10—10*	10BO	16/87	17/12	36/00
56,04,800BO									6	7½	..	100	170/00	170/00	160/50
1,50,00,000O	4,95,97,051	85,00,000	1,73,752	58,44,196	17,196	6	373	West Coast P.							
								PRESSING COMPANY							
4,30,000	1,81,531	1,45,000	5,34,786	65 294	24,928	7	326	Camperdown	11	11	..	100	104/00	104/00	100/00
								REAL PROPERTY STORAGE							
10,00,000A												A50	1,050/00	1,050/00	910/00
1,25,000B									11	8	8—9*	B62½	125/00	125/00	17/25
2,00,000C	14,69,599	8,53,120	3,54,870	1,24,262	3,212	4-10	72	Bengal Bonded Warehouse				C100	122/00	122/00	122/00
25,000D												D12½	14/15	14/15	14/75
7,42,150	11,68,346	4,23,135	33,823	81,259	3,142	3	6	Calcutta Safe Deposit	..	..	..	100	7/75	7/75	7/25
1,00,00,780O	19,85,068	9,01,590	13 43,272	3 61 779	1,33,593	9	432	Humayun Properties P.	6	..	..	10O	11/00	11/00	11/00
2,00,000Dd									Nil	Nil	Nil-Nil*	1Dd	2/10	2/10	2/15
79,90,000	8,080	Nil	13,10,942	—74,850	—19,01,272	4	2	Midnapore Zemindary P.	85	18/00	11/00	11/12			
								TRAMWAYS & STEAMER							
20,00,000	29 74,805	27,13,587	10,28,887	3 59 472	11,765	10	2	Bengal Assam Steamship P	7½	7½	..	100	128/00	128/00	106/00
8,25,000	5,18,823	7,61,818	11,59,393	5,18,780	5,961	10	89	Calcutta Landing & Shipping	3½	7½	22	10	34/00	48/00	49/50
12,60,000	23,78,412	13,83,110	42,995	28,490	—42,625	t	96	Calcutta Steam Navigation	10	Nil	Nil	10	8/87	8/87	1/75
£700,000	£2,937,715	£1,560,682	£315 682	£105,509	£1 405	12	36	Calcutta Tramways P	..	..	..	£10	10/87	10/69	12/25
6,04,880	8,97,987	6,56,706	33 440	1,35 098	—637	3	131	Fraser	Nil	..	..	10	9/87	10/00	10/00
£655,580	£1 970,808	£432 856	£419 913	—£80,928	—£84 854	3	131	India General Nav & Railway P.	Nil	Nil	Nil-Nil*	10	43/25	43/25	66/50
9,47 50,000	15,60,63 417	1,57,29,564	1,17,13,241	—30,02,498	..	3	231	India Steamship P.	10	Nil	..	10	7/34	7/47	6/28
14,08,220	13,34,804	74,870	7,951	—62,391	—4,09,480	12	..	Port Shipping	Nil	Nil	..	10	14/37	14/75	12/06

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BOMBAY COTTON MILLS

O., Po., C. and Dd indicate Ordinary. Preferred Ordinary, Contributory and Deferred Shares respectively. 'P' next to the name of the company indicate that the company also has Preferred Shares. Figures in "accounts closed" column indicate the months of the calendar year in which accounts are closed. For Managing Agents refer to the Key (last page) under the numbers indicated.

Paid-up Capital Ordinary	Number of Spindles	Looms	Net Block Account	Reserve & other Funds	Cash & Securities	Net Profits including Taxation	Carry forward	Accounts closed	Mg. Agents Secretaries etc.	NAMES	Dividends per cent 1960	1961	1962	Paid-up per Share	Latest Market Quotations as available until 17-12-63	10-12-63	A year ago
Rs.			Rs.	Rs.	Rs.	Rs.	Rs.							Rs.	Rs.	Rs.	Rs.
40,00,000	43,652	1,016	1,28,56,156	46,70,828	20,69,878	10,39,741	26,622	..	269	Ahmedabad Advance P.	16	12	..	100	143/75	143/75	170/00
50,00,000	48,254	896	20,17,010	9,99,960	10,78,394	1,49,501	2,24,486	12	229	Apollo	Nil	Nil	..	2	1/92	2/02	2/00
40,00,000	41,135	980	43,32,511	11,42,781	4,76,501	1,42,728		3	356	Beharilal Ramcharan	Nil	Nil	..	100	115/00	112/00	82/50
2,50,98,000	2,03,942	4,911	5,87,37,535	3,82,76,018	47,87,842	62,56,827	67,586	12	199	Bombay Dyeing, etc.	14	14	14	25	61/30	61/40	60/60
10,00,000	35,052	948	32,07,778	34,59,612	3,45,173	10,89,190	1,37,996	3	262	Bradbury P.	10	25	..	50	155/00	155/00	155/00
1,27,75,700	1,18,296	2,760	4,98,32,541	2,26,61,468	25,80,075	80,66,350	9,53,042	12	22	Century	30	30	..	100	689/00	686/00	562/50
46,87,500	1,15,188	2,062	3,00,10,277	24,82,450	15,79,749	25,86,888	—43,79,051	6	269	Central India P.	Nil	Nil	Nil	100	102/00	102/00	98/00
26,00,000	24,916	719	37,34,829	32,52,934	1,01,555	4,46,029	1,28,751	3	68	Coorla	11	11	..	100	170/00	170/00	150/00
22,10,000	42,512	..	33,97,504	29,03,239	5,18,246	23,98,267	2,06,873	12	262	Dawn	30	30	..	50	152/00	153/00	140/00
34,00,000	49,164	920	74,35,701	43,13,002	1,86,928	—9,41,132	—9,38,834	12	264	Edward Textiles	9	9	6	200	288/00	288/00	325/00
29,98,050	47,700	886	1,32,62,451	48,56,520	2,59,089	4,04,302	5,844	12	59	Elphinstone P.	18	22	18	50	100/00	99/00	95/00
50,00,000	63,212	784	85,32,658	71,62,852	16,838	4,09,432	37,155	12	241	Finlay	25	23	..	100	323/00	315/00	295/00
39,04,700	77,966	..	19,75,309	43,25,176	23,64,706	12,85,523	85,195	12	56	Gokak	14	18	..	100	172/00	177/00	175/50
12,00,000	40,856	1,116	64,14,595	68,13,239	10,75,932	4,27,954	5,195	3	305	Hindoostan	50	50	..	250	950/00	950/00	965/00
2,00,00,000	2,48,870	6,498	4,41,45,022	3,84,70,022	31,82,629	1,32,22,197	5,89,816	12	15	India United	8	14	..	10	21/72	22/44	25/60
60,00,00,000											131	371	..	1Dd	2/60	2/66	3/12
9,00,000	47,824	1,202	75,60,490	61,57,161	4,26,274	..	..	3	305	Indian	23 1/5	25	..	250	860/00	860/00	890/00
50,00,000	50,074	1,426	74,72,293	26,00,000	26,71,578	4,58,532	8,880	12	103	Indore Malwa United	8½	10	7½	100	202/00	200/00	196/00
59,85,000	65,260	1,514	1,07,21,545	82,79,165	25,00,707	76,87,597	38,751	6	149	Khatau Makanji P.	32	16	..	100	210/00	210/00	373/75
1,00,00,000	1,20,504	1,846	1,38,52,384	1,07,07,211	9,13,038	38,39,253	1,555	12	146	Kohinoor	15	18	..	100	340/00	343/00	283/00
89,60,000	49,883	1,369	1,26,36,256	62,49,272	7,11,717	—21,14,041	—10,60,896	12	83	Lakshmi Vishnu P.	5.7	6	Nil	100	102/00	101/00	110/00
51,75,000	71,652	1,620	2,44,04,458	78,75,201	1,68,667	33,39,748	..	6	104	Morarjee Goculdas P.	21½	24	24—20*	100	378/00	395/00	472/00
39,58,250	50,480	500	55,13,433	39,56,794	22,08,037	2,05,250	Nil	2	261	Mysore Spg & Mfg P.	14	14	..	50	45/00	44/50	54/00
24,00,000	45,944	432	23,52,760	7,45,700	10,79,000	15,67,753	8,436	12	..	New City of Bombay	Nil	Nil	..	100	165/00	165/00	142/50
30,00,000	46,884	1,029	22,27,098	25,72,444	27,32,568	12,48,697	153	12	..	New Great Eastern P.	Nil	12	..	100	178/00	178/00	270/00
48,00,000	54,244	728	53,94,222	35,12,899	1,54,21,523	31,027	27,380	12	119	Phoenix	15	20	..	100	224/00	230/00	203/00
10,00,000	9,520	277	13,17,604	2,78,222	9,663	3,22,456	—1,07,771	12	257	Sassoon & Alliance	Nil	Nil	..	10	11/00	11/00	14/00
75,40,000	96,483	2,127	2,21,73,468	1,58,87,542	13,77,729	28,72,996	3,192	12	339	Sassoon Spinning	17	20	10	10	42/50	45/50	48/75
60,48,000	49,840	1,258	1,34,95,513	34,48,460	1,44,640	22,79,548	24,574	3	379	Simplex	15	Nil	22—16*	50	128/00	129/00	152/00
1,00,00,000	77,436	1,640	1,62,20,494	86,36,202	95,49,874	35,49,582	51,723	12	327	Shree Niwas P.	18	20	14	100	287/00	287/00	236/00
1,00,00,000	65,040	2,000	1,96,83,714	1,42,81,829	24,73,107	35,08,617	8,176	12	268	Sundeshi P.	17	19	17	100	251/00	252/00	263/00
36,00,000	40,328	549	56,94,895	21,73,939	2,774	4,20,551	26,089	12	341	Swan	36	21 3/5	..	100	270/00	268/75	250/00
65,57,875	63,243	1,800	2,12,86,475	1,12,83,538	11,32,192	20,80,953	1,422	12	269	Tata	20	22	20	25	57/70	56/50	58/00
12,00,000	45,508	1,308	62,07,441	12,11,933	31,81,227	52,10,985	8,027	3	205	Western India	46 2/5	25	..	250	875/00	875/00	835/00

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BOMBAY MISCELLANEOUS COMPANIES

Paid-up Capital Ordinary	Net Block Accounts	Reserve & other Funds Premiums & Forfeited Shares if any	Cash & Securities	Net Profits including Taxation	Carry Forward	Accounts closed	Mg. Agents Secretaries etc.	NAMES	Dividends per cent 1960	1961	1962	Paid-up per Share	Latest Market Quotations as available until 17-12-63	10-12-63	A year ago
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.							Rs.	Rs.	Rs.	Rs.
						3	267	**CEMENT**							
16,96,49,908	26,78,49,366	10,52,33,092	4,94,54,294	7,57,20,456	65,991	7	53	Associated Cement	12½	12	12	100	153/50	150/00	152/50
								ELECTRIC LTG. POWER							
8,74,77,100	11,61,05,785	1,36,05,785	30,82,878	78,42,905	638			Ahmedabad Electricity	7	6	..	100	95/50	95/50	89/50
3,02,77,000	9,34,77,781	1,23,89,917	32,52,570	52,28,395	36,154	3	146	Andhra Valley Power P.	5½	5	5	1000	1,070/00	1,075/00	1,005/00
1,75,00,000	3,95,16,553	1,21,07,263	17,22,888	39,87,421	3,370	3	267	Bombay Suburban Elec.	8	8½	8½	100	106/50	107/50	104/00
2,39,99,975	7,17,76,350	1,39,56,841	51,65,971	60,68,868	27,536	3	146	Tata Hydro Elec. Power P.	5½	5	5	100	110/75	111/00	104/00
6,15,36,000	17,59,03,832	3,61,11,341	57,28,753	1,22,80,113	29,983	3	267	Tata Power P	5½	5	5	1000	1,142/50	1,037/50	1,100/00
								ENGINEERING & METAL							
33,42,200	17,06,292	44,16,374	1,54,08,311	5,79,666	1,35,829	12	268	Alcock Ashdown	17	22½	..	100	335/00	302/00	297/00
14,75,050	7,99,713	4,61,618	2,25,568	—24,763	—33,604	3	115	Jost's Engineering	8	10	10-Nil*	50	57/50	60/00	98/00
1,65,00,000	1,36,83,136	1,15,74,779	1,09,19,945	48,29,564	11,973	3	351	Larsen & Toubro P.	12½	18	14-14*	10	24/24	24/08	25/00
11,00,000	1,03,70,225	3,45,814	..	..	1,016	7	283	Mckenzies	10	12	14	100	137/50	137/50	140/00
2,50,000O	5,834	1,00,53,052	1,79,52,042	3,35,178	59,102	12	284	Premier Construction P.	43 1/3	33 1/3	..	30O	161/00	161/00	125/00
1,31,250F												33F			
7,99,97,300	17,30,38,018	5,09,28,017	13,84,385	3,61,61,616	14,962	3	269	Tata Eng. & Locomotive P.	12½	14½	14½-14½*	100	296/00	289/50	288/00
37,55,67,699	1,03,32,39,005	42,98,94,270	10,44,14,243	10,55,68,012	32,096	3	269	Tata Iron & Steel P.	9.1	10.36	10.36-11*	750	144/25	145/75	121/00
								INSURANCE COMPANIES							
20,00,000	..	23,84,913	95,96,033	4,24,629	1,18,606	12	297	British India General	..	..	..	10	12/24	12/24	12/24
18,74,940	25,01,134	2,88,61,155	2,61,49,442	38,951	4,65,316	12	65	Jupiter General P.	..	..	..	15	9/20	9/20	12/52
1,42,42,125	23,46,782	8,80,68,899	9,41,14,741	92,81,250	44,28,397	12	179	New India	38	38	..	15	48/25	49/50	62/00
15,99,270	..	29,41,860	59,86,789	6,05,803	3,81,242	12	255	Vulcan	20	20	..	10	16/76	16/76	16/40
								MISCELLANEOUS							
70,49,650	41,70,604	1,23,53,608	1,09,82,038	67,94,850	3,00,263	9	42	Belapur Sugar	58	50	..	50	240/00	240/00	213/50
1,83,50,000	3,34,19,072	2,76,00,447	1,67,73,491	1,13,92,935	2,25,985	5	285	Bombay Burmah Trading	30	33	33-35 1/5*	25	61/80	61/80	..
84,00,000												20	47/00	47/50	..
24,36,000	4,66,81,369	3,07,07,011	23,74,084	4,77,27,501	53,585	12	91	Hindustan Lever	26	26	12	10	38/50	38/25	45/00
99,99,250	4,754	20,08,796	1,44,31,515	8,97,490	30,418	12	299	Industrial Invt Trust.	6½	6½	..	100	74/00	74/00	72/00
11,99,900	13,82,952	7,34,142	14,05,2231	48,232	16,942	6	67	Kemp (Chemists)	12½	12½	..	200	271/50	277/50	305/00
9,41,12,100	7,40,36,031	2,03,71,186	27,33,067	1,69,61,608	6,41,151	12	252	National Rayon	22	..	..	100	403/00	388/00	422/00
11,27,98,680	25,25,08,055	11,58,24,547	11,18,89,983	48,75,907	2,82,649	6	196	Scindia Steam Navign.	8	8	8	20	16/08	15/80	11/06
20,86,650	61,89,784	6,93,280	3,30,490	—11,30,191	—7,04,425	11	146	Shivrajpur Synd	80	Nil	..	10	20/00	21/24	24/00
8,02,33,705	6,11,37,864	58,26,418	25,12,521	16,94,201	4,550	6	269	Tata Chemicals P.	6	6½	6½	10	18/44	17/00	15/12
1,05,05,475	2,21,88,319	1,25,42,386	47,75,465	50,73,815	1,187	3	269	Tata Oil P.	23	23	23-22*	25	69/00	69/70	69/60
2,55,00,000	1,16,85,362	1,08,92,603	71,80,468	1,37,48,151	2,91,854	8	360	Voltas	13	14	14	100	257/50	260/00	251/00
2,75,00,000	2,71,29,042	2,32,60,865	1,47,82,908	1,39,56,381	82,645	12	274	Western India Match	16	16	16	100	272/00	276/00	256/00

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SOUTH INDIA PLANTATION COMPANIES

P Po and Dd indicate Ordinary Preferred Ordinary and Deferred Shares respectively P next to the name of the company indicates that the Company also has Preference Shares Figures in "accounts closed" column indicate the months of the Calendar year in which accounts are closed For Managing Agents refer to the Key (last page) under the numbers indicated.

Paid-up Capital Ordinary	Net Block Account	Reserve & other Funds	Acreage	Outturn and Average Price per kg/lb realised for crop		Net Profits	Accounts closed	Mg. Agts. Secretaries etc.	NAMES	Dividends per cent 1960	1961	1962	Paid-up per share	Latest Market Quotations as available until 17-12-63	10-12-63	A year ago
Rs.	Rs.	Rs.		Lbs	Rs.	Rs							Rs.	Rs.	Rs.	Rs.
6,75,000	16,06,067	1,50,000	1,992	7,996cwt	9.68	1,19,757	3	401	Amalgamated P.	10	..	..	10	10/91	10/01	10/36
3,50,000	12,57,795	5,72,253	878	1,12,000	1.49	70,011	12	402	Anandam P	15	..	..	10	14/19	14/19	15/24
8,25,000	6,09,121	1,50,000	402	1,28,902	1.47cts	3,501	2	403	Athimattam	Nil	..	..	2	1/23	1/23	0/80
10,98,990	13,96,078	4,83,841	1,630	225 168†	4.34	4,11,248	3	287	Balanoor P	15	12	..	10	13/25	13/25	12/91
8,00,000	3,94,072	2,05,000	318	1,07,785†	3.2	1,11,970	5	404	Balmadies P	7½	5	Nil—5*	2	1/80	1/80	1/90
43,32,230	13,36,710	4,36,253	977	3,59,731	1.65cts	43,110	5	270	Be Be P	Nil	..	..	5	2/33	2/33	2/15
44,00,000	1,15,75,030	26,08,425	1,329	7,16,244†	4.84	12,42,823	6	141	Blue Mountain	12½	10	20	2	2/53	2/55	2/60
14,00,100	27,96,388	14,46,380	4,586	8,36,263†	3.15	6,16,055	3	210	Chembra Peak	20	20	20	2	4/50	4/40	3/50
28,91,279	47,43,806	19,53,790	8,050	11,59,898†	..	15,14,112	2	210	Cochin Malabar P.	17½	20	20	3	6/37	6/25	6/30
32,50,000	39,31,709	30,58,661	2,710	19 48,320	..	3,71,249	6	405	Coffee Lands P	6	..	..	10	16/10	16/10	14/70
72,55,000	1,15 74 494	63 44 278	7,001	60,91 120	..	25,60,562	6	406	Consolidated Coffee P.	20	..	..	10	21/50	21/90	16/35
8,66,730	21,85,561	13,31,210	411	4,49,668	2.32	1,58,198	9	203	Coonoor P.	17½	15	17½	10	18/25	18/25	22/47
4,80,000	10,36,448	4,76,798	432	3,53,888	1.52	1,19,880	3	407	Coorg P	20	..	..	2	4/85	4/35	3/95
6,00,000	11,82,508	2,17,761	1,026	1,57,785	1.47	46,942	3	12	Cottanad Plantation P.	10	..	..	10	9/90	9/31	9/31
6,00,000	8,89,831	4,80,155	345	3,25,310†	2.66	1,25,313	12	212	Devashola (Nilgiri)	20	..	..	10	24/60	24/60	25/50
4,74,650	9,14 944	3,31,040	450	1,38,386†	4.26	1,36,712	3	287	Devon P	15	12	..	10	11/96	11/96	12/86
7,50,000	3,38,952	1,26,500	197	1,12,936†	2.66	28,121	12	408	Emerald Valley	..	..	..	5	6/30	6/30	5/34
4,50,000	3,64,462	20,000	278	42,830	..	40,424	12	409	Goku	10	..	..	2	2/23	2/23	1/90
28,00,000	42,82,150	17,77,500	1,465	17,21,550	2.04	2,13,414	12	410	Haileyburia P.	15	..	..	10	12/60	12/60	12/85
11,85,700	28,02,088	10,77,705	1,528	9,59,809	1.67	3,60,461	2	402	Kallas	22½	..	..	2	6/20	6/30	5/35
6,00,000	11,83,359	8,86,159	468	2,92,200†	4.64	4,14,877	3	210	Kalasa Tea Produce	20	25	..	2	4/10	4/10	3/31
27,17,076	27,90,278	9,40 446	741	4,46,673	5.17	5,88,691	10	210	Kil Kotagiri P.	25	25	..	2	5/15	5/15	4/75
5,00,000	9,11,259	1,21,604	267	305,757	2.31	96,485	12	203	Lucky Valley	10	10	..	10	12/00	12/00	10/25
13,50,000	17,31,286	4,85,241	1,691	6,70,174	1.48	2,09,136	3	411	Malankara	15	..	..	10	15/02	15/02	15/92
40,50,000	74,75,217	14,33,242	4,013	740,800†	4.47	13,89 961	3	270	Midland Rub & Prod P.	12½	12½	..	10	10/90	10/90	10/40
14,06,250	33,53,804	7,45,348	1,587	9,98,598	2.90	1,80,900	3	402	Nilgiri P.	*	..	..	10	8/50	8/50	8/75
28,10,000	22,24,327	57,73,357	1,057	13,82,985	..	14,10,257	6	14	Nonsuch	20	20	..	10	23/87	23/87	21/55
6,50,000	7,07,991	5,71 464	610	1,35,230†	..	1,41 776	3	210	Ossoor	15	..	..	2	3/50	3/53	2/82
19,45,980	34,53,670	25,53,533	1,498	5,77,573	4.84	6,27,924	10	210	Ouchterlony	13	12	..	2	4/35	4/35	3/85
14,58,960	26,94,604	16,87 314	579	8,45 700	2 68	7,40,158	6	203	Parkside Neilgherry	27½	22½	..	10	27/50	27/50	22/90
17,00,000	27,36,576	12,82,318	1,563	10,83,565†	4.20	11,29,838	12	*	Peermade P	22½	25	..	10	20/50	20/50	21/75
6,00,000	1,90,316	5,35,530	1,167	5,83,268	1.50	1,65,244	2	259	Peninsular	20	..	..	10	20/70	20/70	22/10
67,94,880	75,03,172	30,24,711	3,724	23,32,142†	..	26,86,596	3	210	Periakaramalai	13½	20	..	2	3/47	3/49	2/96
13,50,000	45,61,430	9,28,404	2,827	798,833†	3.30	9,83 709	6	270	Rajagiri Rub & Prod P.	20	20	..	10	21/25	21/10	19/55
2,00,000	3,14,567	1,53,963	711	3,320cwt	1.32	1,18 791	3	412	Rajendra P.	25	..	..	5	10/42	10/42	9/80
1,25,000	1,90,373	15,000	216	..	..	43,141	3	413	Swinton	12½	..	..	2	2/68	2/68	2/82
10,00,000	20,71,084	2,48,373	1,454	4,30,685	1.51	63,263	3	172	Teekoy P	Nil	..	..	10	6/50	6/50	5/05
9,15,300	13,14,493	10,80,000	2,227	2,45,5491	3.76	1,27,943	9	210	Thirumbadi	7	12	..	1	2/03	2/03	1/70
11,00,000	70,55,954	46,742	1,307	2,23,794	3.21	90,950	12	414	Travancore Rubber	13	..	..	10	11/25	11/25	10/95
30,00,000	23,48,701	1,36,000	3,028	6,38 402	1.00	2,02,762	12	271	Tropical Plantation	8	..	..	25	20/00	21/00	18/62
15,75,000	24,78,11	16,00,000	1,267	9,63,293	2.16	1,00,000	12	410	Twyfords	10	..	..	10	8/12	8/12	9/25
21,93,280	30,03,223	17,04,989	3,638	8,28,976†	5.11	12,85,658	3	250	United Nilgiri	21	22	..	10	23/75	23/75	20/37
8,50,010	9,26,839	2,82,051	952	4,94 400	1.50	2,20,096	12	415	Vaikundam	30	..	..	10	33/75	33/75	30/85
23,25,000	54,71 548	32,96,030	2,344	11,30,431	1.78	12,73 061	5	157	Waterfall Estates P.	12½	..	..	2	2/40	2/40	2/33
7,95,000	12,64,609	6,35,454	971	1,65,429	1.78	88,225	3	416	Woodland P.	10	..	..	10	6/90	6/90	7/83

† Kgs. * 1963

SOUTH INDIA COTTON MILLS

Paid-up Capital Ordinary	Number on Spindles	Looms	Net Block Account	Reserve & other Funds Premiums & Forfeited Shares if any	Cash & Securities	Net Profits including taxation	Carry forward	Accounts closed	Mg. Agts. Secretaries etc.	NAMES	Dividends per cent 1960	1961	1962	Paid-up per share	Latest Market Quotations as available until 17-12-63	10-12-63	A year ago
Rs.			Rs.	Rs.	Rs.	Rs.	Rs							Rs.	Rs	Rs.	Rs.
1,21,50,000	46,240	1,157	1,12,36,515	1,80,16,667	58,73,591	68,01,756	2,53,358		..	Bangalore W C Silk P.	10	18	18	100	233/50	233/50	242/80
1,78,47,800	1,20,288	2,758	3,99 41,906	4,11,85,588	32,05,619	1,02,53,184	2,05,182		..	Buckingham & Carnatic P	10	18	18	100	297/00	297/00	281/00
30,00,000	28,000	..	22,72,379	31,406	96 302	1,68,513	42,421		43	Cambodia P	9	..	..	10	10/00	10/00	13/00
15,99,800	23,864	..	74,98,712	39,35,014	6,68,959	20,95,517		12	198	Coimbatore Cotton	12	16	..	100	167/00	167/00	178/00
10,76,900	72,832	407	47,91 212	7,98,681	22,227	—2,52 342	—10,23,340	6	46	Coimbatore Spg & Wvg	..	*	8	50	87/00	68/50	67/50
17,20,000	30,512	200	1,11,72,576	25,53,151	11,75,098	10,75,051	12,617	12	141	Kothari Textiles P.	10	8	8	10	9/35	9/35	10/55
1,06,50,000	1,10,800	..	1,41,26,628	84,90,166	8,06,207	71,93,831	19,391	3	186	Lakshmi	20	30	..	50	132/00	132/50	138/00
1,75,02,480	5,00,000	..	3,19,71,388	3,21,72,932	67,88 400	1,57,67,400	12,44 769	12	106	Madura	15	15	..	15	34/00	33/75	33/12
80,00,000	24,252	608	14,89,091	29,77,275	59,12,326	31,05 185	45,412	3	29	Mettur Industries	80	80	22½	100	290/00	290/00	342/00
4,00,000	20,137	Nil	1,36,608	5,00,000	24,24,908	7,39 437	2,685	12	80	Palani Andavar P.	..	..	..	10	202/75	202/75	215/00
31,00,000	48,974	270	43,85,330	43,50,000	11,97,728	16,77,243	91,696	12	47	Vasanta P.	20	..	..	100	255/00	255/00	290/00

* 1962

SOUTH INDIA SUGAR MILLS

O., Pc., F. and Dd indicate Ordinary, Preferred Ordinary, Founders and Deferred Shares respectively. P next to the name of the company indicate that the company also has Preference Shares. Figures in "accounts closed" column indicate the months of the calendar year in which accounts are closed. For Managing Agents refer to the Key (last page) under the numbers indicated.

Paid-up Capital Ordinary	Net Block Account	Reserve & other Funds Premiums & Forfeited Shares If any	Cash & Securities	Net profits	Carry forward	Accounts closed	Mg. Agts. Secretaries etc.	NAMES	Dividends per cent 1960	1961	1962	Paid-up per share	Latest Market Quotations as available until 17-12-63	10-12-63	A year ago
	Rs.	Rs.	Rs.	Rs.	Rs.							Rs.	Rs.	Rs.	Rs.
30,00,000	62,64,264	26,55,000	5,52,400	10,92,779	22,959	9	417	Andhra P.	..	..	..	10	17/36	17/36	18/20
40,00,000	80,62,883	12,61,424	1,58,472	13,46,266	1,40,987	6	218	Cauvery P.	6	8	..	100	114/00	114/00	114/50
39,84,000	80,95,449	50,28,500	10,91,223	29,00,521	9,587	6	218	Deccan Sugar	25½	12	18—18*	5	11/98	12/00	9/58
£1,127,700	£3,463,073	£2,075,782	£414,795	£648,473	£21,999	9	315	E I D —Parry	21 3/7	21-3/7	28 3/7	£1	38/65	38/50	40/00
63,97,650	45,80,752	15,25,348	64,67,521	12 34,057	3,17,077	9	418	Indian Sugar P.	14	10	..	10	10/00	10/25	10/25
12,45,572	1,22,66,623	18,99,861	1,51,052	5,99,416	2,090	6	419	Jeypore P.	8	..	..	10	16/00	16/00	17/25
10,52,200	2,87,27,773	1,23,75,000	31,53,982	20,76,426	91,745	6	420	K. C. P.	..	..	..	10	23/90	23/90	22/00
80,00,000	1,89,284	Nil	47,90,533	—8,756	—8,756	6	141	Kothari	Nil	Nil	..	10	7/25	7/00	7/05
21,79,280	56,84,219	1,18,46,596	50,30,701	1'2,10,353	25,953	6	264	Mysore	30	30	30	10	46/75	46/75	53/40
30,00,000	35,93,381	11,41,000	10,12,037	4,88,902	1,46,735	4	218	Travancore P.	10	..	..	10	7/40	7/40	6/95
25,00,000	45,92,397	91,28,520	73,43,307	34,22,332	..	3	320	United Breweries	60	60	25—Nil*	10	33/25	33/25	97/50

* 1963

SOUTH INDIA MISCELLANEOUS COMPANIES

Paid-up Capital Ordinary	Net Block Account	Reserve & other Funds Premiums & Forfeited Shares If any	Cash & Securities	Net profits	Carry forward	Accounts closed	Mg. Agts. Secretaries etc.	NAMES	Dividends per cent 1960	1961	1962	Paid-up per share	Latest Market Quotations as available until 17-12-63	10-12-63	A year ago
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.							Rs.	Rs.	Rs.	Rs.
1,00,00,000	86,99,116	39,83,750	10,36,603	19,80,945	1,52,818	3	421	Aluminium Industries	18	..	..	10	18/75	19/15	23/30
71,02,270	91,13,952	4,21,545	6,36,276	5,56,859	22,879	12	16	Andhra Cement P.	..	..	..	10	9/95	9/80	10/05
3,02,87,658	1,59,93,383	25,63,610	1,84,894	30,01,343	20,076	12	422	Asnok Leyland	8	..	..	5	7/20	7/12	7/90
1,00,00,000	17,47,081	49,33,435	2,75,867	19,86,813	4,39,222	12	423	Binny	12½	..	..	100	287/50	287/50	329/40
7,50,000	5,45,587	66,533	41,650	93,226	—1,46,143	12	270	Brunton & Co.	..	..	..	10	5/00	5/00	5/30
24,99,000	40,82,511	3,52,644	62,051	3,35,186	4,810	12	424	Enfield P.	5	..	..	10	9/20	9/20	9/50
2,24,44,750	321,08,642	66,66,496	73,60,475	51,28,679	1,38,608	3	425	India Cement P	11	9	12	5	5/45	5/48	6/23
23,82,732	16,92,196	2,50,222	93,924	2,16,808	2,977	12	230	Indian Steel Rolling P.	..	..	..	10	9/90	10/20	11/37
1,40,00,000	1,39,97,059	37,48,801	36,09,251	29,82,180	11,631	3	263	Mettur Chemical Industries P.	12½	12½	13¾-18¾	10	12/60	12/25	13/25
24,81,220	12,69,939	10,47,778	17,48,674	6,48,041	8,514	3	233	Mysore Chem & Fert	10	10	..	10	7/95	7/95	10/10
8,00,000	5,20,889	4,52,189	2,18,413	2,33,791	85,187	3	151	Mysore Chemical Mfgs. P.	20	..	..	10	16/70	16/70	18/28
6,56,250	5,13,585	9,38,696	6,374	1,23,899	3,146	3	426	Mysore Lamp P.	20	..	..	10	30/00	30/00	34/66
25,00,000	55,50,342	37,12,500	2,43,664	14,29,395	36,663	3	226	Mysore Paper	15	15	..	10	12/60	12/60	13/90
10,00,000	7,56,329	3,16,884	29,32,342	75,422	622	3	201	Mysore Tobacco	10	..	..	10	12/00	12/18	7/90
10,00,000	6,54,848	8,02,000	2,60,194	4,84,835	1,51,607	3	218	Parrys Conf.	30	..	..	1	3/15	3/20	3/95
40,00,000	82,50,079	1,03,14,883	40,58,627	23,52,432	10,74,117	6	221	Spencer (Provisions)	18	18	18	10	20/75	20/75	24/50
47,00,000	86,53,610	20,65,000	51,902	1,85,986	3,869	12	427	Standard Motors P.	9	..	..	10	10/33	10/33	16/13
11,56,300	5,95,547	14,04,007	16,66,624	4,19,707	41,732	9	428	T Stanes P.	32½	..	..	10	27/40	27/40	29/75
39,84,400	42,58,656	13,07,759	26,027	5,92,616	932	4	429	Textool	15	..	..	100	146/00	146/50	155/50
8,50,00,000	4,17,90,907	15,68,314	45,93,964	1,12,69 691	12,03,238	6	430	Tube Investments	10	10	..	100	222/00	222/00	269/00

†1963

LIGHT RAILWAY AND ROPEWAY COMPANIES

Paid-up Capital Ordinary	Gross Block Accounts	Reserve & other Funds	Net Earnings	Carry Forward	Accounts closed	Mg. Agts. Secretaries etc.	NAMES	Dividends per cent 1960	1961	1962	Paid-up Per share	Latest Market Quotations as available until 18-12-63	11-12-63	A year ago
Rs.	Rs.	Rs.	Rs.	Rs.							Rs.	Rs.	Rs.	Rs.
17,24,000	18,02,732	12,576	—2,52,424	..	3	165	Ahmedpur Katwa	1.90	1.90	1.75	100	26/00	26/00	29/00
21,69,300	34,95,849	6,11,706	3,03,621	2,918	3	32	Arrah Sasaram	5	5	5	100	29/50	29/50	30/50
34,00,000	35,33,840	21,816	—4,66,034	..	3	165	Bankura Damoodar	1.90	1.90	1.75	100	30/00	30/00	29/50
17,80,000	20,25,854	10,772	—3,07,176	..	3	165	Burdwan Cutwa	1.90	1.90	1.75	100	29/00	29/00	29/50
31,00,000	28,10,290	44,296	1,72,713	1,480	3	32	Chaparmukh-Silghat	2.90	2.90	2.80	100	40/00	40/00	35/00
4,75,000	1,48,268	5,33,369	1,35,796	3,691	3	296	Cherra Chhatak Ropeway	9	12	12	5	4/62	5/75	5/75
2,47,650	2,28,169	59,790	42,389	4,003	3	101	Darjeeling Ropeway	..	..	..	10	8/50	8/00	8/00
40,00,000	49,60,137	14,51,000	19,14,361	35,951	3	335	Dehri Rohtas	17	20	15	10	12/62	12/62	17/25
11,49,700	13,85,942	8,500	59,013	1,489	3	32	Futwah Islampur	1.90	1.90	1.90	100	28/70	28/70	28/70
16,00,000	49,13,938	13,57,712	1,70,485	3,022	3	32	Howrah Amta (P)	6	6	4½	100	40/00	40/00	46/00
6,00,000	13,86,352	5,14,960	62,731	4,223	3	32	Howrah Sheakhala	6	6	4½	100	45/00	45/00	45/00
8,91,100	11,74,348	15,024	73,560	160	3	165	Katakhal Lala Bazar	3.50	3.10	1.90	100	41/00	41/00	41/00
15,00,000	60,91,311	18,08,821	1,11,807	6,893	3	32	Shahdara (Delhi)	6	3	..	100	52/00	52/00	50/75

MANAGING AGENTS, MANAGING DIRECTORS, DIRECTORS OR SECRETARIES WITH THEIR RESPECTIVE ADDRESSES.

1. Anderson Wright Ltd.—7 Wellesley Place Calcutta
2. Andrew Yule & Co., Ltd.—8 Clive Row Calcutta
3. S N Beri—6. Middle Road Hastings Calcutta
4. Hazareemull Heeralall—148. Cotton Street Calcutta
5. Amritlal Ojha & Co., Ltd.—"Security House" Netaji Subhas Road. Calcutta
6. Alcock, N. C.—Hultsdrof Mills. Colombo.
7. Associated Industrial Development Co (Private) Ltd.—"Nicco House". Hare Street. Calcutta-1
8. Agarwala S. L.—Indian Insurance Building Old Cantonment Road. Dehra-Dun
9. Aspinwal & Co. (Travancore) Ltd.—Alleppey
10. Aryan Planter Agency—P-12. Chowringhee Square Calcutta.
11. Allum Bharucha & Co.—214. Hornby Road Bombay
12. Associated Planters Private Ltd.—25. General Patters Road. Madras.
13. Antony. M. K.—Alleppey.
14. Harrison And Crossfield Ltd.—Cochin
15. Agarwal & Co.—E D. Sassoon Building Dougall Road. Ballard Estate. Bombay
16. Andhra Eng. Co., Ltd.—22/422. Danavaypeta. Rajahmundry.
17. Amte & Co.—Hubli.
18. B. M. Krishan—Sri Jayachamaraja Wadiyar Road. Bangalore-2.
19. Macneill and Barry Ltd.—2. Fairlie Place. Calcutta
20. Ojha Brothers Ltd.—Security House. Netaji Subnas Road. Calcutta.
21. Bird & Co (Private) Ltd.—Chartered Bank Buildings. Calcutta
22. Birla Bros Private Ltd.—8. India Exchange Place. Calcutta.
23. Babulal & Co. Ltd.—13. Syed Salley Lane. Calcutta.
24. Balmer Lawrie & Co., Ltd.—21. Netaji Subhas Road Calcutta
25. British India Corporation Ltd.—Sutherland House, Kanpur.
26. R L. Thompson—Agraharam Road. Bangalore-2.
27. Bengal Textile Agency Ltd.—11. Clive Row Calcutta.
28. Swedeshi Enterprise Ltd.—41. Chowringhee Road. Calcutta.
29. Beardsell, W A. & Co. Private Ltd.—Second Line Beach Madras.
30. Bhagyalakshmi & Co.—Delhi Road. Udamalpet Dt. Coimbatore.
31. Rameshwar Tantia—1 & 2. Old Court House Street. Calcutta.
32. Martin Burn Ltd.—12. Mission Row. Calcutta
33. K. M. Wilcox—Sutherland House. Kanpur.
34. Sir John Brown—9. Hare St., Calcutta.
35. Ramdutt Ramkissendas—9. Brabourne Road. Calcutta.
36. Bajoria & Co.—27. Brabourne Road. Calcutta.
37. Birla. L. N.—8. Royal Exchange Place. Calcutta.
38. Birla. B. M.—India Exchange". Calcutta-1.
39. John Valentine Jardine Paterson—4. Clive Row Calcutta.
40. Bnargava R K.—Mohalla Masjid Bagh. Badshanagar.
41. Biharilal Lahoty—161-1, Harrison Road. Calcutta.
42. W B Brady & Co., Ltd.—Brady House. 12-14. Veer Nariman Road. Bombay-1
43. Brijlal Bilasyal & Co.—Aga Khan Buildings. Dalal Street. Fort. Bombay.
44. Punam Chand Batia—19. Circular Garden Reach Road. Calcutta.
45. Chakravarti Sons & Co.—22 Canning Street. Calcutta
46. G. I Purusnotham Naidu—24. Krishnaswamy Mudaliar Road. Coimbatore.
47. Chetty R K. S. & Bros.—Singanallur. Coimbatore-5.
48. S. R. Poddar—33. Netaji Subhas Road. Calcutta.
49. Calcutta Agency Ltd.—24. Netaji Subhas Road. Calcutta.
50. Chanda, A. P.—15. Taratola Road, Calcutta
51. Shoobridge F. G.—234-3. Lower Circular Road. Calcutta
52. R. A. H. Mackay—175, West George Street. Glasgow C.2.
53. Cement Agencies (Private) Ltd.—121. Queen's Road. Fort. Bombay
54. Consolidated Elec., Agencies—17B, Elphinstone Circus Fort. Bombay.
55. K S R. Iyer—Imperial Bank Buildings Bank Street Fort. Bombay
56. Chinoy, B M. & Co. Ltd.—Radio House. Apollo Bunder Bombay.
57. Cumberbatch & Co.—Colombo.
58. Cowasjee Jehangir & Co., Ltd.—Ready Money Mansion. Churchgate Street. Fort Bombay
59. N. K Jalan—Kamini Chamber. 32. Nicol Road. Ballard Estate Bombay.
60. Chandrie & Co., Ltd.—Madras
61. Bagaria More Co., Ltd.—5 Clive Row. Calcutta
62. Dayaram & Sons—9. Old Court House Street Calcutta.
63. Duncan Brothers & Co., Ltd.—31. Netaji Subhas Road. Calcutta.
64. Duff Thomas & Co.—2 and 3. Clive Row Calcutta
65. Dass Bros.—29 and 30. Strand Road. Calcutta
66. A. K. Das—15. Netaji Subhas Road. Calcutta
67. Day, P. E.—Anderson's House, Bishopsgate. London. E.C.2.
68. Hari Brothers Private Ltd.—Scindia House. New Delhi.
69. Dadabhoy, Sir M. B.—Kampte Road. Civil Lines. Nagpur
70. N. D. Bangur—14. Netaji Subhas Road. Calcutta
71. B. C. Roy—Hindusthan Buildings. 4. Chittaranjan Avenue. Calcutta
72. Duffs. J C. & Co., Ltd.—National Bank Buildings. Netaji Subhas Road. Calcutta
73. C. C. Dey—25. Netaji Subhas Road. Calcutta
74. Davenport & Co. Private Ltd—6. Church Lane. Calcutta.
75. Desai, R M.—14. Nicol Road Ballard Estate Fort. Bombay
76. Dodwell & Co., Ltd.—Glennie Street. Slave Island. Colombo
77. Darragh Small & Co., Ltd.—Alleppey.
78. Dadabhoy B. A & Co.—Ilaco House. Sir Phirozeshah Mehta Road Bombay.
79. B N Elias & Co. Private Ltd.—1 and 3. Old Court House Corner Calcutta
80. Eastern Corpn. Ltd.—7. Wellesley Place. Calcutta
81. Ebeling, A. F.—Rawalpindi.
82. Poddar, P. L.—135. Canning Street. Calcutta.
83. Pratapsingh Mathuradas—9 Wallace Street. Fort. Bombay
84. S. B. Industrial Development Co. Ltd —12 Old Court House Street. Calcutta.
85. A Firpo. Jr.—18/2. Chowringhee, Calcutta.
86. Forbes, Forbes, Campbell Ltd.—Forbes Buildings. Home Street. Fort. Bombay
87. S. V S. Iyer—88C. Old Prabhadevi Road Bombay-28.
88. Gillanders Arbuthnot & Co., Ltd.—Clive Buildings. Netaji Subhas Road. Calcutta
89. Gladstone Lyall & Co., Ltd.—4. Fairlie Place. Calcutta.
90. H. C. Bowker—"Victoria House" Calcutta
91. P L. Tandon—India House. Fort Street. Bombay
92. Govan Bros. (Rampur) Private Ltd.—4. Scindia House New Delhi.
93. Govan Bros. Ltd.—Malhotra Buildings Queensway New Delhi.
94. K. Deva—33-A. Dharamtalla St., Calcutta
95. Daga & Co., Ltd.—9. Royal Exchange Place. Calcutta
96. M L. Bexon—37B. Free School Street. Calcutta-16
97. Govan R. G. & Co.—Scindia House. Connaught Circus. New Delhi.
98. Turnbull R. W.—P-4. Mission Row Extension. Calcutta
99. Abinash Chandra Das—Jalpaiguri
100. Guna Nalini Kumar—18/11/1-B Raja Raj Ballav Street. Calcutta
101. Purushottamlall—5. Clive Row. Calcutta
102. George A V & Co. Ltd.—Ancherll Bank Bldgs. Kottayam. Travancore.
103. Kundila G Seksaria—139. Meadow Street Fort Bombay
104. Gopikisan Piramal—Dr. Ambedkar Road, Parel Bombay-12.
105. John Whittion Easson.—Gillander House. Netaji Subhas Road Calcutta.
106. F. W Heigers & Co. (Private) Ltd.—Chartered Bank Buildings. Calcutta.
107. Howrah Trading Co. Ltd.—8. Dalhousie Square East Calcutta
108. A & F Harvey Ltd.—Madurai.
109. Holmes Wilson & Co., Ltd.—"Stephen House Calcutta
110. R G Khanna—Solan Brewery. Simla.
111. Hotel (Controll Private Ltd.—4 & 4/1, Wellesley Place Calcutta.
112. Glass & O B —Bilbao House. 36. New Broad Street. London E.C.2.
113. B P. Khaitan—14. Netaji Subhas Road. Calcutta
114. Harrison & Crossfield Ltd.—Calcutta.
115. I V Braddeley—The Great Social Buildings Sir Phirozeshah Mehta Road Fort. Bombay.
116. K. G. Khanna—Solan Brewery (H.P.).
117. Hari Sons—Avlur (Cochin State).
118. Hormusjee Sons & Co.—605. Girgaum Road Dhobi Talao Bombay-2
119. Ramnarayan Sons Ltd.—Bombay.
120. Industrial Financing Co.—63. College Street. Calcutta
121. Imperial Chemical Industries (India) Private Ltd.—34. Chowringhee, Calcutta
122. Indra Singh & Sons Private Ltd.—7. Wellesley Place Calcutta.
123 Hari Brothers Private Ltd.—Scindia House New Delhi
124. R Raja Rao—Honnawai Road. Shimoga
125. Iyer, L R. Anantharam & Bros Ltd.—Pushpagiri Trichur.
126. N Sirur & Co. Private Ltd.—73. Forbes Street Fort Bombay
127. J P Hannay—2 Metcalfe St., Calcutta.
128. Jardine Henderson Ltd.—4. Clive Row. Calcutta
129. S S Bhimwal—7. Chowringhee Road Calcutta
130. Jhajharia Bros. Ltd.—138 Harrison Road Calcutta
131 Jain, N K & Co Ltd.—"Devashram". Arrah Shahabad
132 J K. Industries (Private) Ltd.—7. Council House Street. Calcutta
133. James & Co Ltd.—25 Netaji Subhas Road Calcutta
134 Jute Industries Ltd.—4. Lyons Range. Calcutta.
135. John, V. C.—Kattayam. Travancore State
136 Jones, H. Edwin—Oriental Building. Bombay Elec. House. Ahmedabad
137. John Kurian—Kottayam. Travancore State
138 Kettleweli Bullen & Co. Ltd.—21. Strand Road Calcutta.
139 Kilburn & Co Private Ltd.—4 Fairlie Place. Calcutta.
140. Karamchand Thapper & Bros Private Ltd.—Thapar House. 25. Brabourne Road Calcutta-1
141. Kothari & Sons Agency Private Ltd.—Armenian Street. Madras.
142 R. Suryanarayan Rao—Channapatna. Mysore State.
143. S. L. Dhanuka—P-15. Bentinck Street. Calcutta
144. Khaitan, D. & Sons—14. Netaji Subnas Road. Calcutta
145. P S. Nilkantan—1. Waterloo Street. Calcutta
146. Killick Industries Ltd.—Home Street. Fort Bombay.
147. Kanga, R D.—Electric House. Post Fort. Bombay
148 Kurian. John—Alleppey.
149 Khatau Makanji & Co.—6. Ballard Road Fort Bombay
150. Killick, A. S.—2-6. 2nd Line Beach. Madras
151. S. Ramanathan—Chickbanavai P O., Bangalore Dt.
152 Broken Hill Secretariat Ltd.—31. Dover Street. London E.C.2
153. Low H V & Co. Private Ltd.—3. Synagogue Street. Calcutta.
154. Lomas, J E W.—19 St. Swithin's Lane. London. E.C.4.
155. Bharat Ram Bhagat & Co.—45. Tangra Road Calcutta
156. Hind Agents Ltd.—Indu House. 15. Dougall Rd. Ballard Estate. Bombay.
157. Kothari Mehta & Co. Private Ltd.—Armenian Street. Madras.
158. Padampat Singhania—Kamala Tower. Kanpur
159 Lala Gurusharan Lall—Gururu Dist., Gaya.
160. Lovelock & Lewes—4. Lyons Range. Calcutta.
161. Lohia D D.—173. Harrison Road. Calcutta.
162. G E Solomon—Dare House. Parry's Corner Madras.
163. Mackinon Mackenzie & Co. Private Ltd.—16 Strand Road. Calcutta
164. L R Anantaram Iyer & Bros Ltd.—Pushpagiri Trichur.
165. McLeod & Co Ltd.—3. Netaji Subhas Road Calcutta
166 Hindusthan Investment Corporation Ltd —15. India Exchange Place. Calcutta
167. B Sarker—'Barlow House. 59C. Chowringhee Road. Calcutta.
168. Moona Lall & Sons—120/1. Civil Lines. Jhansi
169. K P Goenka—31. Netaji Subhas Road. Calcutta
170. Marshalls (Direction) Private Ltd.—33/1 Netaji Subhas Road Calcutta.
171 W E Maiden—P.O. Lohat. Dist. Darbhanga
172 East India Agencies Private Ltd.—Palai. Kerala State
173. Moulton G S & Co (India) Ltd—11 and 12, Esplanade Mansions. Calcutta.
174. N. M. Cole—8. Clive Row, Calcutta.
175. Satya Narain Gupta—Subzimandi, Delhi.
176. Moton & Co.—Maung Pauley Street, Rangoon.
177 H M. Marshall—1. Humayan Place, Calcutta.
178 Madura & Co. Ltd.—Cochin.
179 A. D Shroff—New India Assurance Bldgs. Mahatma Gandhi Road. Fort, Bombay
180 Mafatlal Gagalbhai & Sons—Rustam Bldgs 29. Churchgate Street. Fort, Bombay
181. Murphy C.—Rainpart Row. Fort, Bombay
182. Mehta Chunilal V. & Co., Ltd.—Queen's Mansions. Prescott Road. Bombay
183 Sir V N. Chandavarkar—Standard Buildings Hornby Rd., Fort. Bombay.
184. Mysore Industrial Development Co.—83 Gandhinagar. Bangalore City
185 Mascarenhas B M.—Platform Road. Bangalore City
186. Naidu G Kuppuswamy & Co.—Papanaikenpalayam Coimbatore.
187. Best & Co Ltd.—The Hyderabad Laminated Products Ltd., Secunderabad-3
188 R Beema Naidu & Co.—Singanallur. Coimbatore
189 Naidu A G Guruswamy & Co.—Peelamedu Coimbatore.
190 Naidu P S. Govindaswami & Sons—Coimbatore
191 K Mookerjee—18. Convent Road. Entally. Calcutta
192 B D. Agarwalla—Stephen House, 4, Dalhousie Square. Calcutta
193 Kesarmal Manocha—529/1 Hall Bagh. Amritsar
194. G V Swaika—"Pollock House" 17/B. Brabourne Road. Calcutta.
195 R R Aiyer—71. Park Street. Calcutta.
196 Srinivasan, S. D.—7 Council House Street. Calcutta
197 Narainda Lachmandas Ltd.—Rajpurwa Kanpur
198. Dharamsey M Khatau—Scindia House, Daugali Road. Ballard Estate. Bombay.
199 Nowrosjee Wadia & Sons (Private) Ltd.—Neville House. Ballard Estate. Bombay
200. Dooduawala & Sons—5. Mukturam Babu Street. Calcutta-7.
201 R Arunachalam—17. Richmond Road. Bangalore-1
202. Octavius Steel & Co., Ltd.—14. Old Court House Street. Calcutta.
203. Matheson Bosanquet & Company Ltd —Belmount. Coonoor Nilgiris.
204. Oberoi Hotels (India) Private Ltd.—17. Chowringhee. Calcutta.
205. Oakley Bowden & Co., Ltd.—13. Armenian Street. Madras.
206. Ogale Glass Works Ltd.—43. Gandhinagar Bangalore City
207 Deepchand Kisehenlal—25. Netaji Subhas Road. Calcutta
208. Indian Textile Syndicate Ltd.—Kanpur.
209 E. K. Elliot Lockhart—4. Fairlie Place. Calcutta
210. Peirce Leslie & Co., Ltd.—8/222. Beach Road. Calcutta Kerala.
211. H L Somany—2. Wellesley Place. Calcutta
212 P G Krishna Iyer—Mount Pleasant, Coonoor, Nilgiris.
213. Poddar, R. N.—37. Vivekananda Road, Calcutta
214. James Warren & Co., Ltd.—31. Chowringhee Road Calcutta.
215. Parkins Ltd —Kottaiam.
216 Parikh, O & Co.—26. Apollo Street. Fort. Bombay
217. L C Kanoi—P-8. Mission Row Extension. Calcutta.
218 Parry & Co. Ltd.—Dare House. Parry's Corner Madras.
219 India Sugar Agencies Ltd.—Mangalore.
220. Price, R. G N.—National Bank Bldgs. Madras.
221. E A Irani—1/153 Mount Road. Madras.
222. Chresuen Mica Industries Ltd—4. Lyons Range Calcutta
223 R. N. Agarwala—4. Lyons Range. Calcutta
224. Lohia Brothers Ltd.—138 Canning Street. Calcutta.
225. Roy B. K.—1, 2 and 3. Old Court House Street Calcutta.
226. M. O Shivananjappa—Kampegowda Road. Bangalore 9
227 W. Morrice—41, Chowringhee Road, Calcutta-16.
228 Jamnalal Sons Ltd.—Bank Street, Fort Bombay
229. Rajputana Textile (Agencies) Ltd.—Delisle Road Chenchpoka. Bombay.
230 Rajam C —Oriental Bldgs. Armenian Street, Madras.

MANAGING AGENTS, MANAGING DIRECTORS, DIRECTORS OR SECRETARIES WITH THEIR RESPECTIVE ADDRESSES.

231. Ramamurthy A.—Ravakhada (Orissa), Koraput Dist.

232. Ratnams Ltd.—Pugalur, Trichinopoly.

233. T. Shamanna—1129, Vani Vilasa Road, Mysore

234. Bangur Bros. Ltd.—14, Netaji Subhas Road, Calcutta.

235. Soorajmull Nagarmull—8, Dalhousie Square East, Calcutta

236. Shaw Wallace & Co. Ltd.—4/5, Bankshall Street, Calcutta

237. Srivastava J P & Sons—Kanpur

238. Bharat Ram Charat Ram & Co Private Ltd.—Bara Hindu Rao Delhi

239. A. R. Kalairaja Chettiar—Coimbatore.

240. A. K T. K M. Narayanan Namboodripad—Kallai Malabar

241. Singh, Ranjit—Lucknow.

242. N. L. Roy & Co.—9, Royal Exchange Place, Calcutta

243. Shyamlal Agarwal—9, Dalhousie Sq. East, Calcutta

244. Sovaram Kesnavdeo—15, Netaji Subhas Road, Calcutta.

245. Dr B N Ghose—6, Ganesh Avenue, Calcutta-13.

246. Sundaren, S.—Indian Mercantile Chambers, Nicol Road, Bombay

247. Singhania Padampat—Kamala Tower, Kanpur

248. E K. Srinivasan—16 Hare Street, Calcutta

249. Steel Bros. & Co., Ltd.—Gillanders House, Netaji Subhas Road Calcutta.

250. T. Stanes & Co.—Coimbatore.

251. Southern India Plantations Agency Ltd —Coonoor

252. Saha Bahuballav—18/11/1B, Raja Raj Ballav Street, Calcutta.

253. R. B. Pradhan—Empire House, 214, Hornby Road, Bombay

254. Sindia M Ramchandra Rao—3rd Road Chamarajpet, Bangalore City.

255. Setalvad J. C.—73, Oppo. Churchgate Station, Fort, Bombay

256. Scindia Steam Navigation Co., Ltd.—Ballard Estate, Bombay

257. Ramnath A. Podar.—Podar Chambers, Parsee Bazer St., Fort, Bombay

258. Swedish Match Co.—Nicol Road Ballard Estate, Bombay.

259. S. Ramashramony Aiyer—Trivandrum.

260 Puranmal Bubna Sons—Indu House, Dougall Road, Ballard Estate, Bombay.

261. N. Sirur & Co. Private Ltd.—70, Forbes Street, Fort, Bombay.

262. Ramnarayan Sons Ltd.—Bank Street, Fort, Bombay.

263. Seshasayee Bros. Private Ltd.—Metur Dam R.S

264 V. Venugopal Naidu—Sir Jayachamaraja Wadiyar Road Bangalore-2.

265. Shree Hanuman Invt. Co., Ltd.—173, Harrison Road, Calcutta.

266. Talukdar, B S.—Amiasadarpur, Nadia West Bengal

267. Tata Hydro-Elec. Agency, Ltd.—34, Bruce Street, Bombay.

268. Turner Morrison & Co., Ltd.—6, Lyons Range Calcutta.

269. Tata Idustries Private Ltd.—Bombay House, Bruce Street, Fort, Bombay.

270. Thomas, A. V. & Co. Ltd.—Alleppey.

271. Thomas, P. T.—Kottayam, S. India.

272. Thomas M. K. & Co., Ltd.—Trivandrum

273. Tayabjee, O. S.—159, Guntoundry Rd., Hyderabad (Deccan).

274. A. Hydari and S. Gothberg—Indian Mercantile Chambers Nicol Road, Ballard Estate, Bombay.

275. United Eastern Agencies—Bombay House, Bruce Street, Fort, Bombay.

276. United Agencies Ltd.—Punalur.

277. Villiers Private Ltd.—F-3, Clive Buildings, Calcutta.

278. S. M. Smith—4 Bankshall St., Calcutta.

279. Williamson Magor & Co., Ltd.—4, Mangoe Lane Calcutta.

280. Whitman Mj. M. C.—Mayo Road, Rawalpindi.

281. N K. Jhajharia—22, Chittaranjan Avenue, Calcutta.

282. C. Hockley—3, Netaji Subhas Road, Calcutta.

283. P. R. Jhunjhunwala—Sewrie, Bombay-15.

284. Walchand & Co., Ltd.—Ballard Estate, Fort Bombay.

285. Wallace & Co.—9, Wallace Street, Bombay.

286. Wilkinson, A.—117/119, Esplanade Road, Bombay.

287. Young India Agencies Private Ltd.—175/1 Mount Road Madras-2.

288. Dass Group Private Ltd.—29 Strand Road Calcutta.

289 B L. Mathur—4, Clive Row, Calcutta-1.

290. K S Basu—63, Netaji Subhas Road, Calcutta

291 Lionel Edwards (Private) Ltd —21, Old Court House Street Calcutta

292 R N Jhunjhunwalla & Co., Ltd.—9, Ezra Street Calcutta

293 J F Horwood—31, Chowringhee Road, Calcutta

294 R L Ramouria—5, Fairlie Place, Calcutta

295. Premnath & Sons Ltd —New Delhi.

296 S N Tantia—1 & 2 Old Court House Corner Calcutta

297 F H Mehta—Mehta House Apollo Street Bombay

298 L S Vaidvananthan—Oriental Buildings Bombay

299 Kishore M Premchand—61 Apollo Street Fort Bombay

300 Madanlall Kakaraniа—P-23/24, Radha Bazar Street Calcutta-1

301. J. W. L. Russell—1 & 3 Brabourne Road Calcutta-1.

302 Mitra Mondal—Khatauli Dt Muzaffarnagar

303. G S Shroff—2, Hardinge Avenue, New Delhi

304 James Finlay & Co., Ltd.—2 Netaji Subhas Road Calcutta.

305 Thackersey Mooljee & Co.—16, Apollo Street Fort Bombay

306. Jatia Brothers Ltd.—21, Rupchand Roy Street Calcutta

307. Bhatter's Agency Ltd.—18, Netaji Subhas Road Calcutta.

308. The Hyderabad Constructions Co., Ltd.—Kothagudium Collieries, Singareni P.O. Deccan.

309 T. Leslie Martin-12, Mission Row, Calcutta.

310. D S. Barron—Chakala, Andheri P.O., Bombay

311. Pyne & Sons—23A, Netaji Subhas Road Calcutta

312 Ram Kumar Agarwalla & Sons.—4, Lyons Range Calcutta.

313. Bullion Co., Ltd.—7, Canning Street, Calcutta.

314. Brooke Bond India Ltd.—2, Metcalfe Street, Calcutta.

315. Anderson Wright (Ramgarh) Ltd.—7, Wellesley Place Calcutta.

316. The Cotton Agents Private Ltd.—14, Radha Bazar Lane Calcutta-1.

317. Bird & Co. (Pakistan) Ltd.—Narayanganj.

318. Shree Krishna Investment Co. Ltd.—1-B, Halwasiya Road Calcutta.

319. H. V. R Iengar— Dare House, Parry's Corner Madras.

320. F W. J. Penn—32, Grant Road, Bangalore-1.

321. B. Ghosh—14, Old Court House Street, Calcutta

322. Messrs Tata Sons Ltd.—New India Assurance Buildings, Mahatma Gandhi Road Fort Bombay-1.

323. Anderson Wright & Co.—7, Wellesley Place Calcutta

324. Indo Corporation Private Ltd.—5, Swinhoe Street Calcutta-19

325. Brian Granger Pearson—Virginia House 37, Chowringhee Calcutta

326. H. L. Pyne—14, India Exchange Place, Calcutta

327. Marwar Textiles (Agency) Ltd.—Waudby Road, Fort Bombay-1.

328. John Taylor & Sons (India) Ltd.—Mysore Oorgram South India.

329 Sri G. D. Bhagat—15, Shib Thakur Lane Calcutta

330. Mahindra & Mahindra Ltd.—Gateway Building, Apollo Bunder Bombay.

331. N. L. Roy & Sons—Canning Street, Calcutta.

332. M. P. A. Paspatti—16, Hare Street, Calcutta

333. Mungturam Jaipuria—Swadeshi House, Civil Lines Kanpur.

334. H. Mackay Pallack—2, Fairlie Place, Calcutta.

335. Sahu Jain Ltd.—11, Clive Row, Calcutta.

336. Tulsidas Kilachand—Scindia House, Dougall Road Bombay

337. Beriwala & Co.—63, Netaji Subhas Road Calcutta.

338. D. S. Sons Ltd.—Hornby Road Fort, Bombay

339. M. G. Investment Corpn. Ltd.—Mafatlal House, Backbay Reclamation, Bombay-1.

340. K O. Cheriyan—Travancore.

341. N. L. Kanoria—India Exchange, Calcutta-1

342. O. N. Chatterjee—2 Royal Exchange Place Calcutta

343. Indra Singh—35 Canning Street, Calcutta-1

344. V J. Pilani—Victoria Bunder Colaba

345. The National Tea Corporation—130, Cotton Street Calcutta

346. Seshasayee Brothers (Travancore) Ltd —Eloor Factory Alwaye

347. Tantia Brothers Private Ltd.—1 & 2, Old Court House Corner Calcutta

348. M. D. Jalan—62, Ballygunge Circular Road Calcutta-19

349. Seth Sohanlal Murarka—19, Circular Garden Reach Calcutta-23.

350. K. Agarwal—Empire House, Dr. Dadabhoy Naoroji Road Fort, Bombay.

351. L & T. (Management) Private Ltd.—L C. House, Dougall Road, Ballard Estate Bombay

352. Chinai And Co Private Ltd.—Sadhana Rayon House, Dr. Dadabhai Naoroji Road Bombay-1.

353 N K. Jhajharia—14 Netaji Subhas Road Calcutta.

354. L. C. Kanoi—P-8 Mission Row Extension, Calcutta.

355. J. R. Jalan—16, Strand Road, Calcutta.

356 R Bajoria—10, Clive Row Calcutta.

357 A. K Jain—11 Clive Row, Calcutta.

358. L P Goenka—14, Old Court House Street, Calcutta-1.

359. G D. Kotnari—15, India Exchange Place, Calcutta.

360. R E. S. Talyarkhan—Volkart Building, 19, Graham Road, Bombay-1.

361. N K. Bose—85, Netaji Subhas Road, Calcutta

362 Dalmia Agencies Private Ltd.—Rajgangpur (Orissa).

363. C L. Nahata—14, Old Court House Street, Calcutta

364. W A C. H. Bosschaart—7, Justice Chandra Madhab Road Calcutta-20.

365. S L. Dhanuka & P L. Dhanuka—5, Mission Row Calcutta

366. A K. Sen—48/1, Diamond Harbour Road Calcutta-27

367. Lakshmipat Singhania—7, Council House Street, Calcutta.

368. Kalyanji Mavji & Company—14, Netaji Subhas Road, Calcutta

369 P. L. Batia—7, Canning Street, Calcutta

370. Pannalal Saraogi—8, Lyons Range, Calcutta-1

371. P. L. Saraogi—56, Sir Hariram Goenka Street Calcutta-7.

372. R. K. Newar—9, Brabourne Road Calcutta

373. C. L. Maheswari—Shreeniwas House, Waudby Road Fort Bombay

374. Talukdar Law & Co. Private Ltd.—4, Chittaranjan Avenue, Calcutta-13.

375. K. N. Mookerjee—Leslie House, 19, Chowringhee Calcutta-13

376. R. D. Ganguli—Mercantile Buildings, Lalbazar Calcutta

377. K. C. Dass & B. Maitra—35 Panditia Road, Calcutta-20

378. R. N. Goenka—13-A, Brabourne Road, Calcutta

379. S. R. Damani—20 Clerk Road, Bombay-11

380. British India Corporation Ltd.—Sutherland House Kanpur

381. A. K. Jain—Dalmianagar Bihar.

382. B P. Kedia—7, Wellesley Place, Calcutta-1.

383 W. H. G. Baird—9, Brabourne Road, Calcutta

384. Punam Chand Batia—19, Circular Garden Reach Road, Calcutta-23.

385. G. P Kanoria—5, Clive Row Calcutta.

386. D. N. Jalan—McLeod House 3, Netaji Subhas Road Calcutta

387. Shibendra Sankar Sarbadhyaksha—Jalpaiguri

388. A. V Birla—8, Kalliprasanna Singhee Road Calcutta-2

389. British India Corporation Ltd.—Kanpur

390. T Ratan—16/3, Chowringhee Road, Calcutta-13

391. H M. Cox—58C, Chowringhee Road, Calcutta-20

392. R. A. Godwin—32 Chowringhee Road, Calcutta-16

393. Khatau M Shethia—14, Netaji Subhas Road Calcutta-1

394. B. M. Birla—India Exchange, Calcutta-1.

395. W F. Malden—Lohat, Darbhanga.

396. D. Manson—21, Netaji Subhas Road Calcutta

397. N. M. Bhuwalka—135, Canning Street Calcutta

398. Hoare Miller & Co., Ltd.—5, Fairlie Place Calcutta.

399 B Patnaik & Co. Private Ltd.—P O. Chowdwar Cuttack.

400. R K. Kanoria—9, Brabourne Road, Calcutta-1

401. K. V. Venkitasubramoney Iyer—Seetagundy Estate Sitharkunda P.O., Palghat, Dist Kerala State.

402 A V George & Co., Ltd.—Ancheri Bank Buildings Post Box 1, Kottayam, Kerala State

403. Mathew Sebastian—Thodupuzha, Kerala State.

404. Planting Agencies Private Ltd.—Oriental Buildings, Armenian Street, Madras-1

405. The Consolidated Coffee Estates (1943) Ltd —Pollibetta Coorg.

406. C. I. Machia—Pollibetta S. Coorg.

407. Srinivas Agencies—Coimbatore-2.

408. K. N. Krishna Iyer—22, Royapettal High Road Madras-14

409. Yong India Agencies Pvt. Ltd.—Monorama Bldgs, K K. Road Kottayam (Kerala State)

410. Parkins Private Ltd.—Kottayam.

411. Johnsons Estates & Agencies (Private) Ltd.—Malankara Bldgs., Kodimatha, Kottayam Kerala

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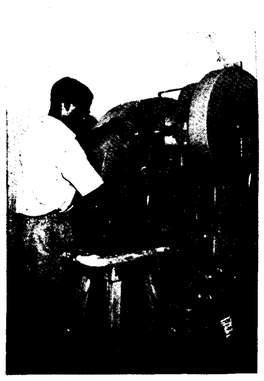
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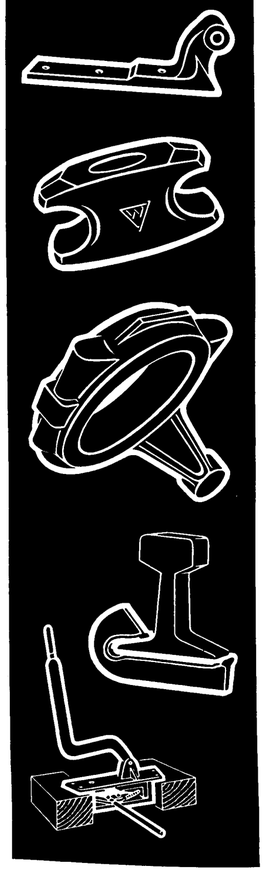
















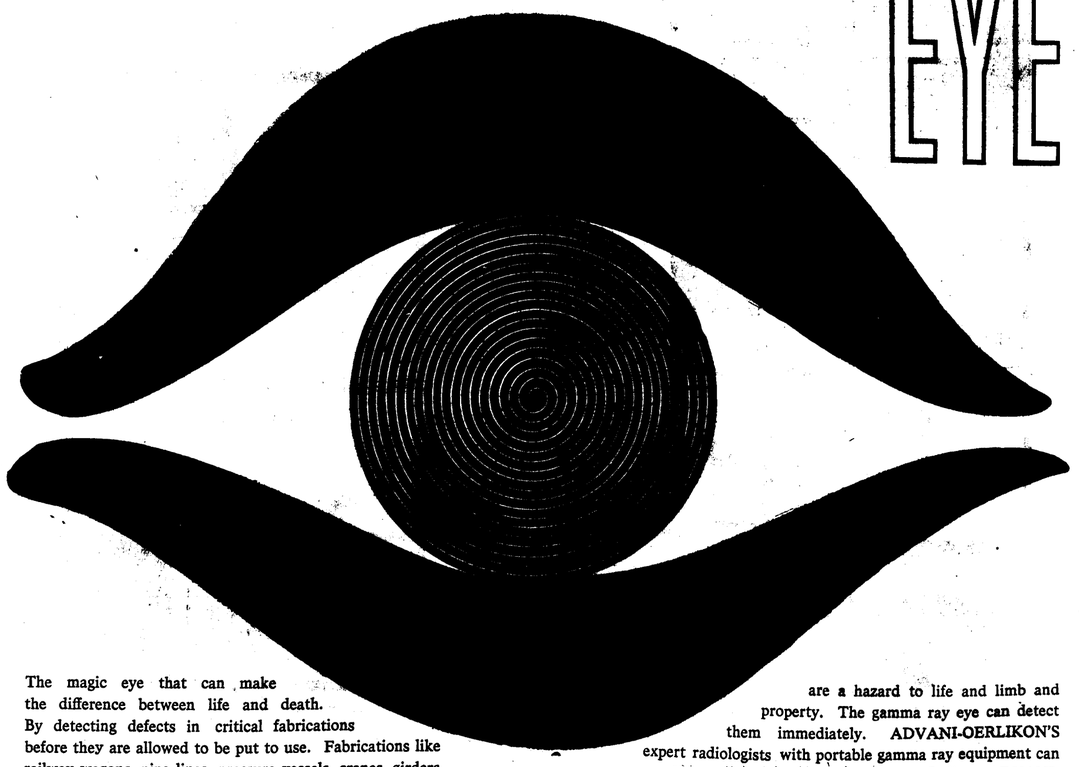
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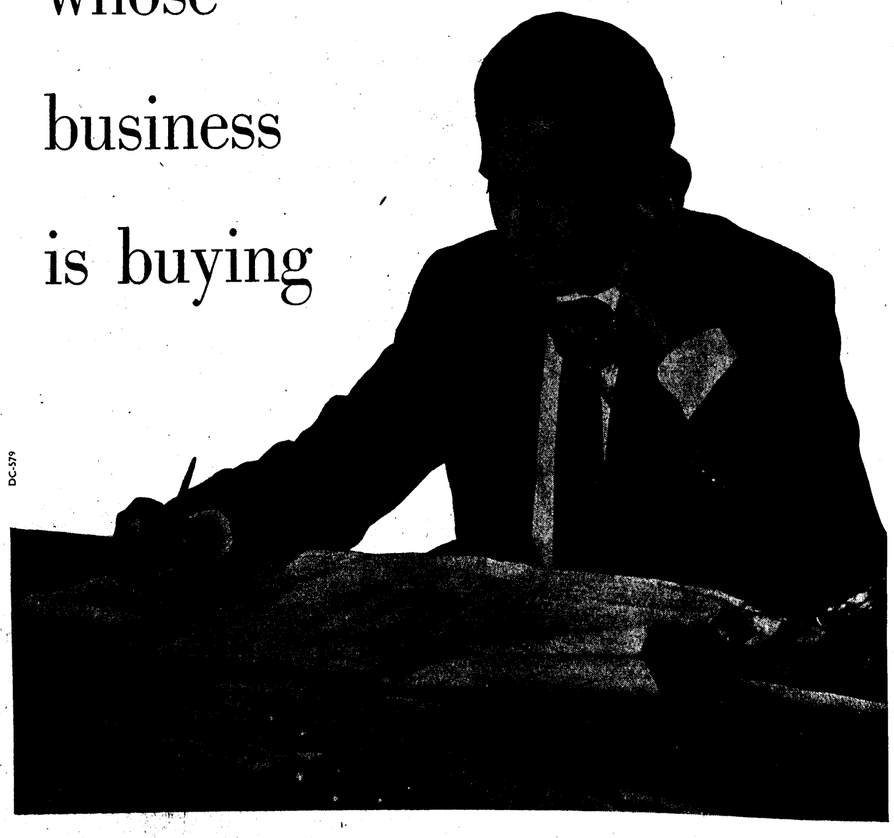
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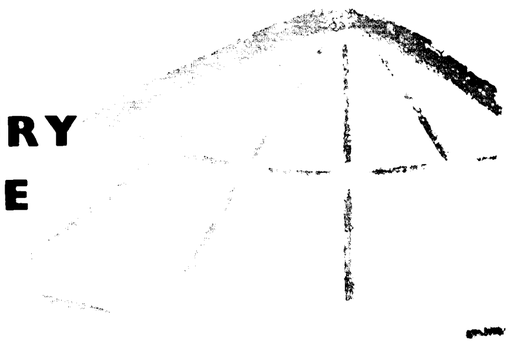
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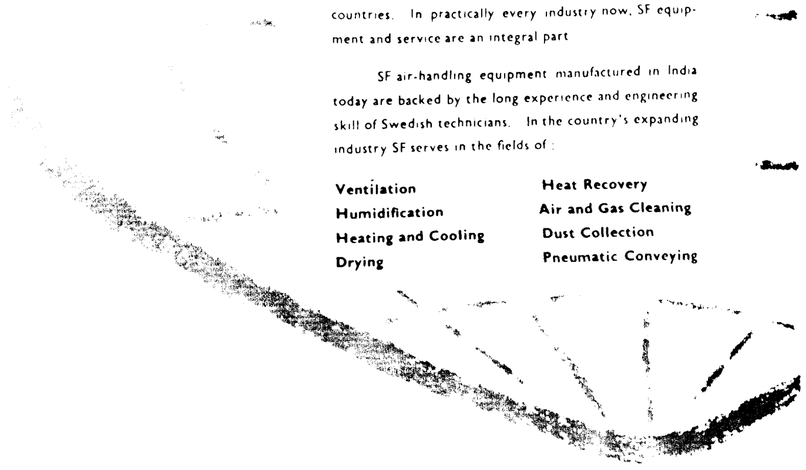
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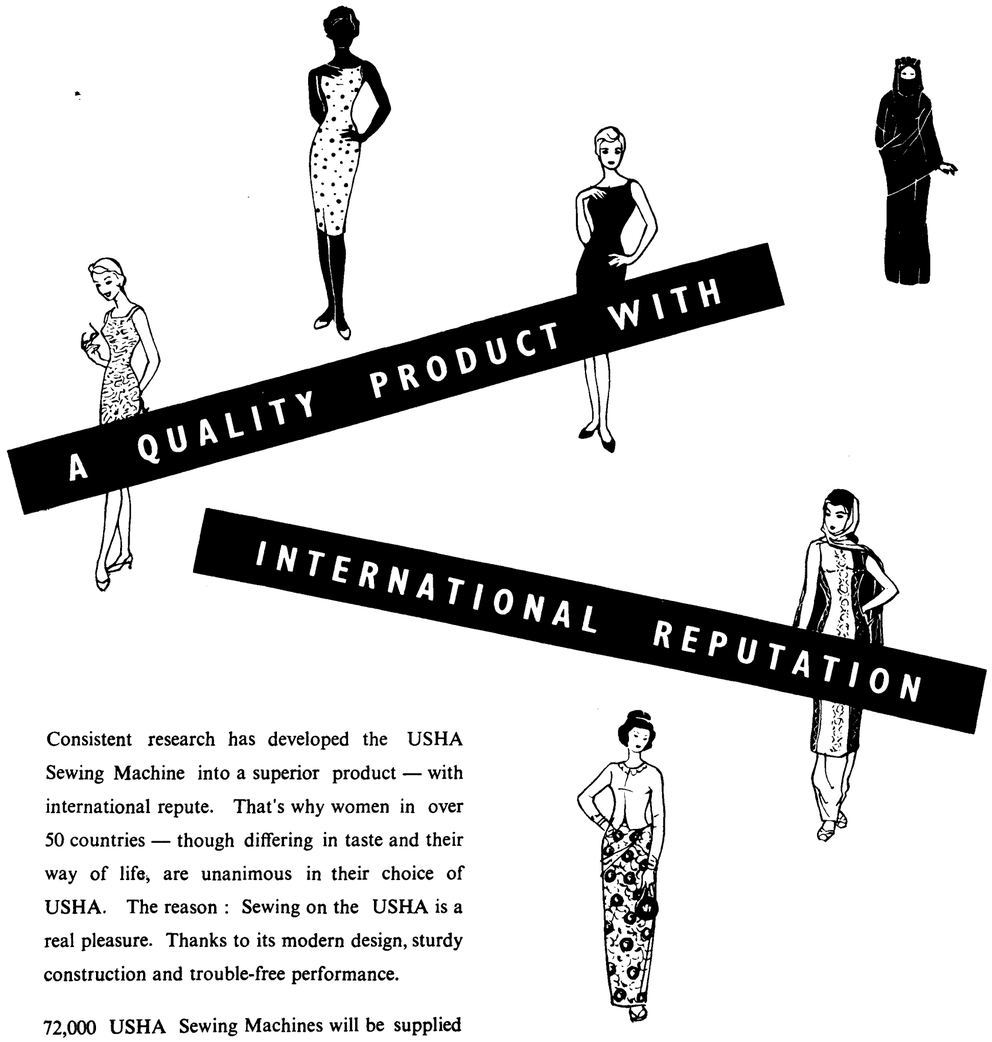
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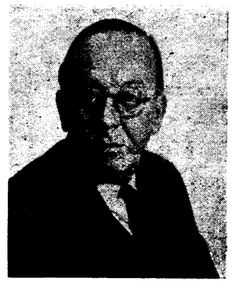
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Reflections on a Newspaper Anniversary: Between the Wars and After

As Editor of "Capital" from 1932 to 1952, and subsequently as Joint Adviser and Secretary to the India, Pakistan and Burma Association in London, Mr. Tyson's connection with this subcontinent has been an old, deep and practical one. Few men have chronicled the changes of the long and eventful years with as great insight and understanding as he has done. The article below, written specially for "Capital's" seventy-fifth anniversary number, is a record of personal reflections and reminiscences starting from a time when financial journalism was almost an esoteric pursuit, and when the business milieu was far different from that of today.



By

GEOFFREY TYSON

WHEN I joined *Capital* in 1930 it was housed on the top floor of Number One Commercial Buildings. This gave the staff a splendid view of what we then called Clive Street —a name which I suspect a good many people continue to use without meaning the slightest disrespect to Netaji Subhas Road. As the representative in India of a famous international news agency I had had some earlier acquaintance with Clive Street; but *Capital* and Commercial Buildings brought me into the very midst of this unusual highway of commerce and adventure. Even thirty-odd years ago Commercial Buildings offered few amenities, and had no claim whatever to architectural distinction. In the dim past Number One had been a private residence and, according to uncorroborated report, it had once been the scene of a violent fight between two Hooghly pilots, one of whom died in combat.

But the place had a certain character, and housed quite a few of the small broking firms which abounded in Calcutta at that period. The gateway was invariably jammed with horse-driven office jaunts, bundles of jute lay on the staircases on their way to or from the arbitrator, young European brokers and their marwari under-brokers and dealers rushed around the place buying and selling or settling (or perhaps not) and somewhere in the dim background was that dark concept known as "the bazaar" which governed and decreed all speculative movements. Though attached to Clive Street by a sort of unbreakable umbilical cord, the bazaar also enjoyed a colourful existence of its own. By day its captains paid court to the merchant princes of Clive Street; by night they played a chequers game of which they alone knew the rules and often for very high stakes. And when I say by night, I mean that until long past midnight the *gadis* of Harrison Road, Cross Street and Burra Bazaar were almost always doing big business in jute and gunnies, gold and silver and any other commodity that offered a reasonable prospect of a variation in price. This was the sort of world which a young and inexperienced financial journalist was expected to comprehend.

Good Card of Entry

But *Capital* was a good card of entry to almost any place of business, and though the circulation did not run into the scores of thousands the paper was widely read and its views were respected. The founder of the paper, Shirley Tremearne, had begun his own journalistic career by doing a weekly finance letter for the *Pioneer* in Allahabad and the *Times of India* in Bombay whilst he was Assistant-Registrar of the Calcutta High Court. (I have told the story of how Tremearne came to start the paper in the golden jubilee issue of 3rd November, 1938, and will not repeat it here.) The amazing thing is that even by 1930 none of the leading daily newspapers, British or otherwise, had accepted the simple fact that money, share prices, company results, imports, exports and all the rest of the chit-chat of the market place were news, and quite often the raw material from which good and readable comment could be made.

There was no such thing as a city page to be seen in any of the dailies. *Capital* had had this field almost entirely to itself for half-a-century during which it had built up a tradition of fair and reasonable treatment of the affairs of the day; some famous names had been associated with its earlier years (at one time Lord Layton was a regular contributor from London); and shrewd management had given it a good financial foundation. Then, as now, it was a well favoured newspaper property with influential connections. Government and big business alike were only just beginning to understand the importance of the newspaper Press and as an institution the Press conference was quite unknown; the Indian nationalist politician had much the better idea of public relations and it was not difficult for an English journalist, if he knew his job, to get on terms with the Congress Party. On the whole, *Capital* was an easy paper to represent and project.

But, of course, the publication's main concern was with the problems and prospects of British and Indian business. Certain events stood out in red in the newspaper calendar: the Budget at the end of each February; the annual forecast of the jute crop, on which punters of all kinds and conditions backed their judgment; the cold weather visitation to Calcutta of the Government of India and the sifting of its pronouncements for economic signs and portents; the Honours Lists, the weekly Treasury Bill tender, especially during the early 1930's when London money was flowing into India where 90-day bills offered a gross return of 7 percent which was quite adequate to cover arbitrage and transmission charges and still leave a very reasonable net return to the purchaser.

The Agency Houses

In 1930 the great agency houses were still, for the most part, private partnerships which in many cases were drawn from family dynasties. The partnership was regarded as vastly superior to the private limited company because, so it was argued, partners put their individual reputations and personal fortunes behind their business, whereas the limited company drew a discreet veil of anonymity over ownership and responsibility. There was something in the contention. But the ever-increasing burden and complexity of taxation (there were two Indian Budgets in 1931 when the United Kingdom went off the gold standard) hastened the end of the simple ideas on which generations of *box-wallahs* had been nourished.

In due course the private company was to point the way for the public company, a marking on the stock exchange and subsequently a public shareholding. But that was still quite a few years ahead. Meantime, a great deal of what we now call "development" in the private sector, had been achieved through the managing agency system, whose primacy in India's commerce and industry then seemed destined to last for ever. It is easy to be wise after the event, but looking back on those years of change I think the score or so leading managing agencies did too little to explain themselves and their place in the scheme of things. The men at their head would have been genuinely shocked and surprised to know that a body of public opinion was building up which did not accept their system at its face value.

Last Generation

By 1930 the Lords Inchcape and Cable and Sir David Yule had disappeared from the Calcutta scene, but they had left an indelible impression upon it. Perhaps they were the last of the last generation of real pioneers; certainly after their departure managing agency seems to have reached a sort of plateau in which the opportunities for an extension of the principle of group management (which substantially is what managing agency is) were not so obvious. But they had implanted a system which was to have a dominant influence on the character of all British business in India and the terms and standards of employment of the whole expatriate community. They set a pattern which others have followed—or tried to do so. The period 1929 to 1931—beginning with the Wall Street crash and culminating in the abandonment of the gold standard first by Britain and then by others—were lean years for business everywhere, and this was fully reflected in the affairs of Clive Street.

When Britain went off gold, banks in India were closed for three days until new exchange rates and fresh formulae had been established. The trade depression was even sharper in its impact than the devaluation; credit was severely contracted and widespread retrenchment was the order of the day. Many Europeans lost their jobs, and Indians sold some of their gold savings for export. I recall that on one fateful Monday morning no less than eleven young expatriate assistants in one agency house found, on arrival at their office desks, notices abruptly terminating their employment. At the height of the U.S. slump an American of my acquaintance, representative in India of a concern which in the ordinary way was most lavish towards its employees, received a curt cable instructing him to make his way home by the cheapest possible method. I

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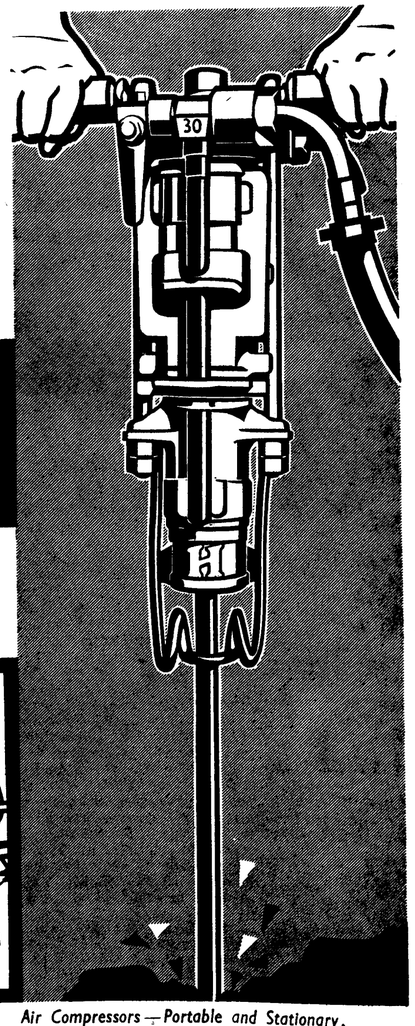
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saw him go off as a deck-hand on a tramp steamer of great age and decrepitude, but twenty years afterwards I had the pleasure of meeting him again in the rôle of distinguished international civil servant. The point of recalling this rather trite story is to show that for an earlier generation boom and slump were vivid personal experience from which the individual was not protected, even in what was thought to be a privileged community.

Close Relationship

But, in reality, how privileged were these people? It is true that in one sense they enjoyed a close relationship with the Government of the day; but in many respects there was a yawning gulf between business and the administration some of whose members were highly distrustful of the business community. They were also envious of the financial rewards that were supposed to accrue automatically to the wealthy merchant class and took no account of the inevitable losses and failures. One of the results of the Government of India Acts of 1919 and 1935, which provided for legislatures of limited powers, was to bring the Government and both the British and Indian sectors of business closer together and so to a better understanding of one another. For the British element of organised commerce it was the first close encounter with the Indian nationalist movement and, if nothing else, each side realised that the other was not the monster that it had been led to believe. The British were genuinely reluctant to go into Indian politics, but once in they did their best to make an effective contribution to the establishment of a parliamentary tradition, which may be news to a generation of Ditchers whose experience has been acquired in a sovereign and fully self-governing India.

But, of course, in terms of *realpolitik* British non-official representation in the legislatures was entirely adventitious and could never be of more than marginal significance. It was part of the dyarchical process by which Britain was withdrawn, *via* representative government, from the position of ruler in many parts of Asia and Africa. But during the period of nearly thirty years which this process lasted after the 1919 Act, the finding of qualified men to fill over-generous (as it now seems to the present writer) British representation in the Central and Provincial legislatures represented a continuous drain on Clive Street's exiguous supplies of manpower and presented a similar problem to the British business communities in Bombay and Madras. The average Englishman abroad is not a political animal, and has little appetite for public debate and the hustings. His main object is usually to get on in business and advance in his firm or company. These were certainly the chief considerations during the period of which I am writing. Nor was there a British leisured class in India, from whom to recruit budding legislators. But with such a paucity of candidates "honourable members" were invariably returned unopposed and this greatly simplified the problem. The appointment of three or four whole-time stipendiary political representatives also helped; round them was built a regular corps of representation which came to be known in the respective Assemblies in various parts of the country as "the European Group".

Strong Exception

Capital always took strong exception to the designation "European" when what was really meant was British. A minor point perhaps, but of some significance in the light of later events. The paper used to argue that whilst it was true the British were European, so too were for example the Bulgarians, who never in all the history of mankind had had anything to do with India. But the stupid misuse of the word continued until the postwar constitutional changes forced a change and the European Association became the United Kingdom Citizens Association. The European Association dated from 1883 (the year of the ill-starred Ilbert Bill) and had a somewhat chequered career. In the 1920's and 1930's it was the venue of not a few stormy meetings.

I have said above that the Briton abroad is not a political animal, and by and large this is true. But in the period about which I am writing there would occur, every now and again, a most unexpected explosion of feeling, usually of very short duration and directed against the community's leadership, who were accused in some undefined way of selling the rank and file "down the river". I recall, one such at the beginning of the war at a meeting held in the New Empire Theatre, at which an orator of obscure origin demanded the impeachment of the then Viceroy and a few other more or less drastic reforms. It was a passing aberration of the kind of which Clive Street had had plenty of experience; by long usage it knew how to deal with the activities of its lunatic fringe. Notwithstanding my oft-proclaimed devotion to the city within the Ditch, I am bound to say that during these fateful years the younger members of the British business community in Bombay with their Progressive Group, to whose meetings prominent Indians came for discussion, seemed to me to be making the more useful contribution to Indo-British understanding.

The 1930's saw only a very tentative beginning to internal air-travel in India. Whereas nowadays a short air journey quickly takes you from one city to another, thirty odd years ago Bombay and Calcutta lived in extreme isolation from one another. The Indian communities of the two cities knew even less of each other than did the British communities. As a journalist editing a newspaper seeking after an all-India synthesis, I used to try to spend at least a week, and possibly two, in Bombay each year. This involved a train journey of a day and two nights, and looking back I do not regard the time so spent as wasted. One was able to savour and feel the whole country, notwithstanding that by today's standards my company's time was being consumed to no apparent purpose. Despite all its advertised advantages quick air-travel seems to have induced in a later generation a curious indifference to the simple facts of life of the Indian masses. I used to regard an Indian railway station as a very fair sample of a slice of pullulating life in movement —and that is a feeling which one never gets at an airport in India or elsewhere.

But one would be foolish to deny that in many respects air-travel is ideal for a country of vast distances such as India, where it has certainly brought the classes (as distinct from the masses) closer together. I do not know how far railway travel for the masses has been made more tolerable in the last few years, but in my experience first-class air-conditioned rail travel in India is quite as good as continental European railway travel and has now reached a very high standard of comfort and service. I well remember the first air-conditioned coaches on what was then the East Indian Railway and the lively Press party which, did the journey from Howrah to Burdwan and back to introduce the new service to the public. Air-conditioning is one of the great boons which modern technology has brought to India and other tropical countries; and for those who can afford it is an immensely worthwhile investment. As yet its benefits are restricted to the relatively privileged, but a time must come when schools, factories, hospitals, law courts and public offices and business premises of all kinds are air-conditioned to the immense advantage of the quality and quantity of the work turned out. Too little account has been taken of the effect of climate on all kinds of economic pursuits in India, and when I read learned disquisitions adversely comparing Indian output with say Japanese output, remembrance of the harsh facts of an Indian hot weather (which slows down all economic processes) pulls me back to realities.

Medical Discoveries

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taken place in my working lifetime are the new medical discoveries which have taken the sharp edge off some of the earlier terrors of tropical illness. Today international travel regulations require that the traveller shall produce proof of inoculation against certain kinds of illness and the wise employer encourages his staff to take other precautions which have no statutory compulsion behind them. It was not always so, and there were many casualties from such misfortunes as enteric fever and cholera which might have been avoided (or at least minimised) if there had been a better understanding of the rôle of prophylaxis in combating tropical disease. Thirty or forty years ago enteric, malaria and both kinds of dysentery were the major health hazards for the Briton in India. Since then there have been tremendous advances in both preventive and curative medicine, in the achievement of which both British and Indian doctors have shared.

The post-first-World-War generation of Britons in Calcutta and Bombay (and probably Madras as well, though I cannot speak for this) made an absolute fetish of daily exercise. East of Suez the liver was regarded, probably correctly, by the expatriate business community as the most important organ in the human frame. The idea was that it required constant "shaking up", for which purpose exercise of a more or less violent kind was the favoured prescription. In Bombay young men used to rise in order to play two or three sets of tennis at the Gymkhana Club between six and eight in the morning, rush back to their quarters to bathe, change and breakfast to present themselves jaded and rather weary at their office desks at around nine-thirty. Allowing for minor variations the same routine used to take place in Calcutta where generally speaking the British live rather further away from their work than their brethren in Bombay. Personally, I loathe early morning exercise and, like the late Robert Benchley, if I find myself in danger of doing any I just get back into bed again for another ten minutes. Seriously, however, my opinion, which is based on experience and observation, is that the young European of any nationality requires time to adjust himself to a tropical climate and that he needs more deep and solid sleep than is commonly conceded. He certainly cannot do a good day's work if he arrives at office with half his stamina already used up in tennis, racquets or riding which was once thought to be a necessary accompaniment to a successful business career.

Gamesmanship

This kind of gamesmanship—if I may borrow and misuse Stephen Potter's word—was especially associated with the institution known as the "chummery" which I believe still survives in a few rare instances, but no longer thrives as it did in days gone by. By definition, the chummery was (and is) the nursery in which the next generation of business leaders are being trained to take their place in "the establishment". In its heyday the chummery could be regarded as an extension of the British educational system: if you had been to Eton and Kings, and later done a short spell as a trainee in the London office of your new employer, on arrival in Calcutta you gravitated towards a chummery where sons of Eton and Kings College, Cambridge, were to be found and where those venerable institutions were accorded proper respect. On the other hand, if you had merely been to Stretford Secondary and Redbrick you were drawn towards the like minded and similarly placed. There were famous and infamous chummeries, and there were many quite insignificant ones as well. But to start in the right kind of chummery meant that the young business cadet had laid firm foundations to his business career: henceforth he would have the right friends and know the people best able to advance his prospects in life. The social historian of the future will doubtless accord the chummery a place of some importance in the ranking list of British institutions in India.

But just as it changed much else besides, the war ended the primacy of the privately organised chummery. For one thing most young men disappeared into the armed forces; for another, there developed an acute housing shortage and rents soared in both Calcutta and Bombay. It was no longer practicable for an enterprising young assistant to take on the responsibility of renting a house or flat and running it as a chummery; banks or insurance companies might do so, but the old privately financed chummery, which belonged to its inmates and often had lasted for years, had fallen victim of postwar economic pressures. Henceforth, communal living was to be practised mostly in residences provided by the employer. To those who had known both the old and the new environment it seemed that a desirable form of private initiative had been put out of the reach of the younger members of the business community which was, in any case, beginning to change its character in other and more fundamental ways.

No New Recruitment

No new recruitment had been possible for British business during the war, and at least some of the men who had been drafted into the Services did not, for one reason or another, return to their business appointments in India. With the coming of peace there was a tremendous exodus of the elderly and ageing executives on which British business had been mainly dependent throughout the war years. Accompanying the political changes at the end of the war, there had been a certain amount of disinvestment by which Indian shareholders had acquired some of the equity of old established businesses. More important perhaps was Government's proclaimed desire for a progressive plan for Indianisation. Finally, it had become increasingly difficult to recruit from abroad for India; there was a world shortage of administrative and technical personnel and India (mostly by reason of her high rates of personal tax) was not regarded as a first choice for overseas employment by forward-looking young men.

All these factors pointed to a rate of Indianisation which would have seemed improbable a few years earlier. A further influence for change was the fact that the growth industries were now mainly in the engineering field, which meant that an increasing proportion of imported personnel tended to be engineers and technical men whose attachment to India might be thought to be not so strong as that of an earlier generation. But perhaps the most noticeable of all changes was the disappearance of the British element in the Civil Service. They had the scholarship and (in easier days) the leisure for those cultural activities which gave Indian and British intellectuals a respectful and friendly appreciation of one another. The business community would not pretend to be able to fill this gap.

The pull towards conformity is strong in every expatriate community, but there is usually a handful of deviationists and eccentrics to leaven the hard lump of convention. Clive Street was no exception. There were others too and their purpose was not to be different so much as to help their fellow men. Of this now forgotten minority I remember two quite vividly: Father Douglas of the Oxford Mission and Sir Daniel Hamilton, the creator of the co-operative settlement at Gosaba in the Sunderbans. Though well known to the business community Father Douglas had not been a member of it. For many years he was a familiar figure cycling about Calcutta and his establishment at Behala gave many a Bengali orphan a home and a start in life.

Hamilton retired from the senior partnership in Mackinnon Mackenzies during the first world war. He wanted to repay some of the debt he felt he owed to India, and so he launched and developed the famous co-operative settlement on land he had acquired at Gosaba and on which he eventually settled some 10,000 debt-free peasants. For many years he used to return to spend part of each cold weather with the prosperous little community he had brought into being. His authority was entirely paternalistic, and I do not know what happened to the settlement after Sir Daniel's death; but when I knew and visited it, Gosaba represented precisely that type of rural extension work which the Indian Government is trying to apply more widely as part of its five year plans. Despite the reputation of big business for money-grubbing and hard-facedness I have the impression that the spontaneous, individual gifts of those days exhibited more of the spirit of true charity than the nation-wide appeals and well-publicised subscription lists of today. Any impartial assessment of the period covered by *Capital's* seventy-fifth anniversary (on which I most sincerely felicitate my old paper) would, I think, confirm that both the public image and the private conscience of business has been sharpened to a greater awareness of its importance in the fuller life of the community.



NOVEMBER 6, 1888.] CAPITAL. 1

CAPITAL:
A WEEKLY JOURNAL OF COMMERCE.

TUESDAY, NOVEMBER 6, 1888.

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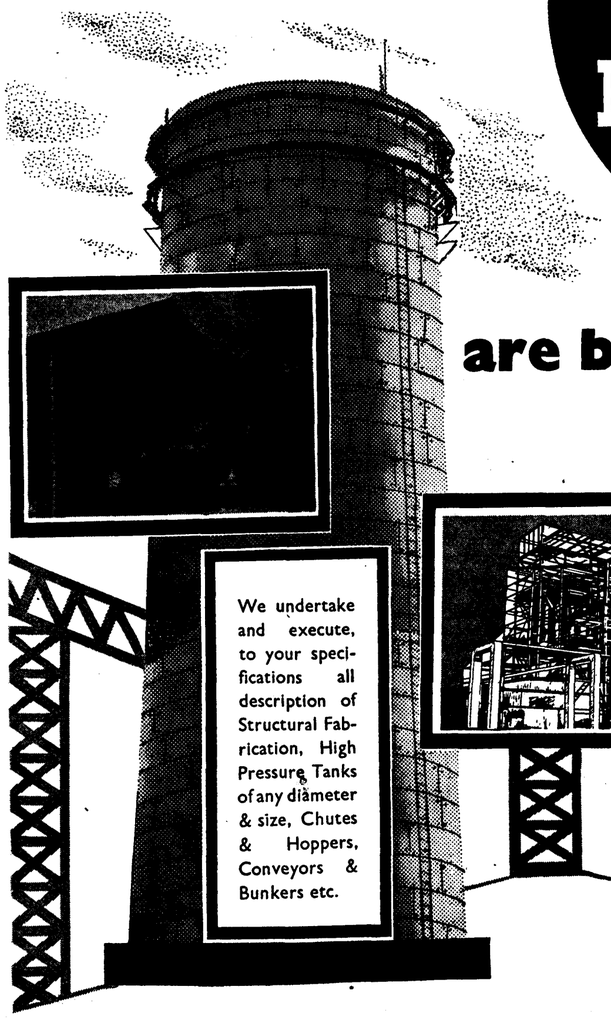
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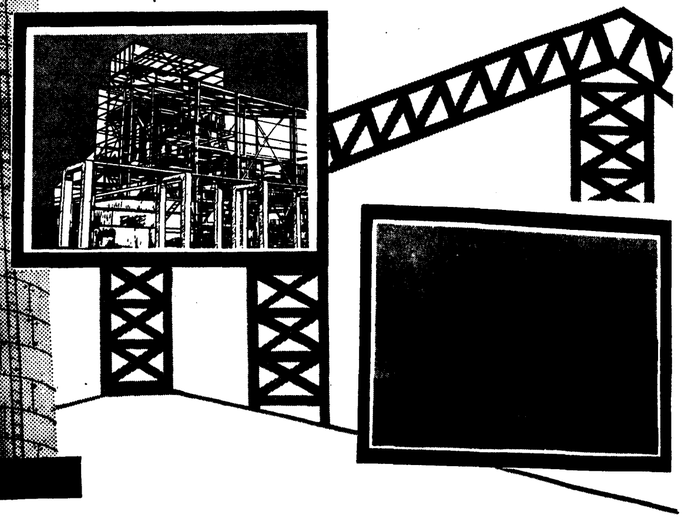
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THE FACTORS HAMPERING INDIAN ECONOMIC GROWTH



Mr. Colin Clark, who is the leading agricultural economist in the world, highlights the more important of the factors which are hampering India's economic growth. His analysis of the difficulties in accelerating the expansion of agricultural production, which he describes as "the most urgent of all India's tasks", is of particular interest at a time when the stagnation on the farms is threatening the progress of the third five year plan. The policies for foreign trade, transport, and energy and fuel are also discussed in relation to the past experience of nations with similar problems.

By

COLIN CLARK

Director, Agricultural Economics Research Institute, Oxford

THE factor in Indian economic growth which is obviously the most important, when one comes to think of it, although it tends to receive rather formal and stereotyped treatment in the writings of planners and others, is the progress of agriculture. It is possible, though difficult, for a sparsely populated country, with rich natural resources in minerals and forestry products, to progress without developing its agriculture. It can import food for its urban centres, and pay for it from its export proceeds—some African and Latin American countries are doing precisely this. But India is in just the opposite position. She has to feed a large and growing population, and her mineral and forestry resources are few. Moreover, Indian agriculture has to earn a large part of the required export income, and will have to continue to do so for many years to come, because it will be a long time before Indian manufactures can earn any substantial export revenue.

Indian agriculture also has the duty of providing labour for the development of industry. Some economists may treat this proposition as all too simple, or indeed the subject for bitter laughter. Do not all informed surveys, and indeed official estimates, they ask, show that Indian agriculture has a vast surplus of labour and that, on an average throughout the year, one-third of all available manpower is unemployed?

Great Fluctuations

This is quite true. But the figures do not mean quite what they seem to mean. In the first place, we must allow for the great fluctuations in labour needs in the course of the year. The monsoonal climate which prevails over the larger part of India necessarily requires a great concentration of agricultural effort in a short season of the year, and periods of actual labour shortage may alternate with long periods of unemployment. This has definitely been found to be the case in some parts of Punjab and Madhya Pradesh. It is not true in the south, where rainfall and cultivating seasons are more widely distributed over the year, and where there appears to be a surplus of labour at all seasons.

But consider the case of a landless labourer, or the owner of a completely inadequate plot of land, for whom we should all feel the deepest sympathy. For a large part of the year he and his family and dependents are subsisting on their reserves, or on gifts from family or friends, at less perhaps than a rupee a day. It is a grave mistake which many economists have made to suppose that, without any increase in agricultural production, such men can be made available for industrial labour, even in the south and other areas which do not have the peak demand for labour in the monsoon or harvest seasons, when every man in the village is required for agricultural work.

In the first place, he would not be willing to work in industry without an increase in income. For a man to be willing to leave his family and his village, to face all the unfamiliarities of living in an industrial town, to purchase his food, to pay rent and so on, a much higer wage, of Rs. 2 a day or more, may have to be offered. And, even if such men were willing to go to industrial employment without any increase in their present consumption, they would not on their present diets be physically able to do so. If a substantial number of men, at present unemployed or partially unemployed, are to be made able and willing to do industrial work, agriculture must produce enough to feed them properly, while at the same time dispensing with a certain amount of its present labour requirements.

Non-agricultural Employment

The population—workers, part-time workers and fully dependent persons—obtaining its livelihood from industry, and from all other forms of non-agricultural activity, handicrafts, building, transport, etcetera, is very hard to estimate precisely, because of the large number of families who have some agricultural and some non-agricultural activities. Apportioning these approximately, the full-time equivalent of all non-agricultural workers, and their dependents, represented a population of the order of magnitude of not much more than 100 million in 1960. The rate at which these numbers in non-agricultural employment can grow is controlled fairly firmly by the rate of improvement of agricultural productivity.

An Observed Fact

This is not merely a theoretical proposition, as stated above. It is a fairly precise observed fact, from comparison of different countries, or of a single country at different stages in its history, which can be stated in the form of a mathematical equation, that the proportion of the labour force engaged in non-agricultural activities is a linear function of the logarithm of agricultural productivity (measured a head of the agricultural population, and including mining and forestry with agriculture)[1]. Applying this formula to India, with population growing at 2 percent a year, and total agricultural product growing on the average (subject to very considerable annual variations) at 3 percent a year, then it is found that non-agricultural employment can only grow at a rate slightly less than 3 percent a year. It will grow faster than total population, and the proportion of non-agricultural employment will increase; but only slowly.

We have to conclude, on the present evidence, that the rate of growth of total product of Indian agriculture is just about 3 percent a year. The figures for individual years fluctuate so much that we should study the trend by grouping at least three years at a time. The trend of 3 percent is computed by comparing the average of the three years centred on 1950-51 with that of the three years centred on 1960-61, and using the U.N. Food and Agriculture Organisation's index for India's production. The Indian Ministry of Agriculture index[2] indicates a rate of 3.3 percent a year. This latter index covers crops only, excluding animal products (which, however, are only a small fraction of the total output). It may have been vitiated by a certain amount of understatement in the earlier years. These were years of rationing, price control and Government purchase. Cultivators had strong incentives to conceal part of their output; and one Government department does not publish figures which imply that the purchases by another department were less than they legally should have been. It is interesting to see that the real product of agriculture (*i.e.*, contribution to national product measured at 1948-49 prices), as estimated by the Government's National Income Unit, rises at the same rate as the F.A.O. index.

Food from U.S.A.

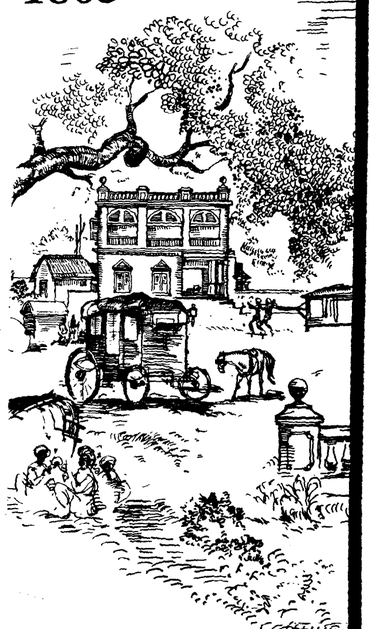
The most urgent of all India's tasks, therefore, is to get a higher rate of growth of agricultural production. Indian political leaders are entirely right when they point out that, welcome and indeed indispensable as are food gifts from the United States in years of shortage at the present time, permanent dependence upon such gifts or imports is not to be countenanced, because it distracts attention from the main task, which is to increase India's own agricultural productivity. Relative prices within India have been moving in agriculture's favour in recent years, and it may be necessary to let them move further. Any permanent programme for importing large quantities of food is bound, directly or indirectly, to hinder the attainment of this objective.

It is worth recording that Japan some 60 years ago, in a situation somewhat comparable to that of present-day India, was able to increase agricultural production at the rate of 3½ percent a year, at a time when the technical means for improving agricultural productivity were much less abundant than they are now, and Japan was receiving no financial help from abroad whatever. At the present day, Brazil and Mexico, which have large land area, are shown by F.A.O. index numbers as increasing their agricultural production at the rates of 5 percent and 6 percent a year, respectively. These figures may have to be modified a little if we allow for faulty methods in the compilation of the statistics, but even so, it is clear that high rates are prevailing there. Agricultural production in those countries can be enlarged by

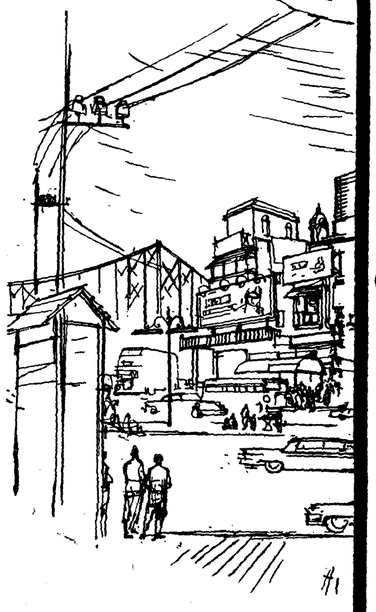
[1] This formula, and the evidence on which it is based, which is very voluminous, is being published in *The Economics of Subsistence Agriculture* by the present writer and Miss Margaret Haswell, which is now in process of publication by Macmillan and Company.

[2] Published in *Agricultural Situation in India*, January 1963.

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YEARS OF INDO-BRITISH CO-OPERATION

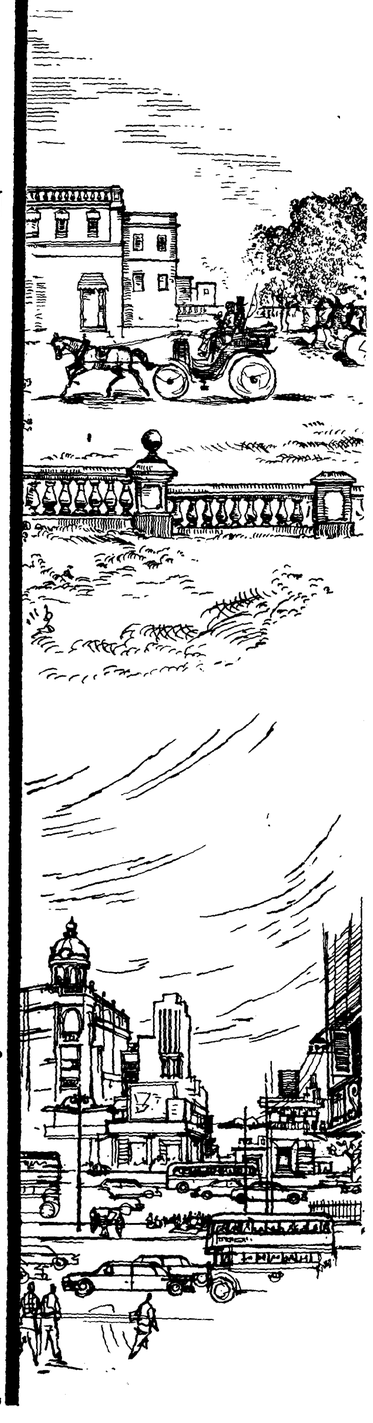
Speaking at the fourth session of the Indian National Congress held at Allahabad in 1888, its President, George Yule, made a forceful plea for the adoption of measures by the Government of the day which "would unite England and India not by hard and brittle bonds which may snap at any *moment*, but by the flexible and more enduring ligaments of common interests promoted, and common duties discharged."

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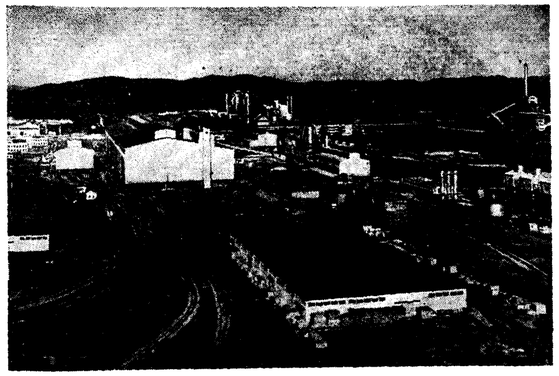
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A general view of a steel plant

extending cultivation to uncultivated land. India, it is true, has less opportunities of doing this than the Latin American countries; but more opportunities than Japan.

Indians must be tired of hearing, but it is nevertheless still worth repeating, that the average yield of rice a hectare in Japan is nearly four times what it is in India. The possibilities of improving yields are still very great, mainly through the use of fertiliser—though new strains of rice plants will have to be bred for India before they are able to take fertiliser inputs at the Japanese level. The construction of fertiliser plants is a most praiseworthy investment for India. But, in addition, it would be wise for India to import all the fertiliser she can. Substantial quantities are now available at very low prices —Pakistan has been buying Japanese ammonium sulphate at $40 a ton, f.o.b. As a ton of ammonium sulphate, carefully applied on the soils which most need it, may yield 2 tons of additional cereal harvest within a few months, this clearly is one of the best investments in the world.

Irrigation Water

Agricultural output can be improved by better supplies of irrigation water. But the situation varies greatly between regions. For almost the whole of the Ganges plain, and for some of eastern India, water can be obtained by sinking comparatively shallow wells. This is certainly not true, however, over a large area of the Deccan, where the water table is very far down, and the rock in any case is very hard to bore. But to sink a well, and then to require the water to be lifted from it by bullock labour, is not a good investment. The maintenance and reproduction of the bullocks use up a large part of the product obtained from the water. Power pumps are a clear need. Diesel engines require skilled maintenance; electric motors require little maintenance, but the provision of the power lines demands much more capital. Even so, a widely diffused system of electric pumps (which could be worked largely at night, so as not to put an additional strain on the electrical system during peak periods) would be far less costly than some of the large dams now under consideration.

These more modest projects for local wells do not get a chance in face of large and spectacular dam projects, when so many politicians—and engineers too—suffer from megalomania. "We had to do something to make a show", as one politician once rather sadly remarked to me. But "show" can be extremely costly, especially in a country which is comparatively short of capital. It is true that the Damodar Valley project has been remunerative—the electric generating capacity alone would have justified it. The Bhakra-Nangal project might have been remunerative had it not been for the decision taken, on purely political grounds, to spread the distribution network over an uneconomically large area. Moreover, in all these large schemes, even though economic benefit may accrue to the country as a whole, it is surprisingly difficult to get a reasonable amount of the proceeds back into the Treasury. Political agitation against paying a reasonable rent (in other countries as well as in India) seems unduly easy to organise in these large schemes; whereas in a small village scheme nobody objects to paying his fair share of the cost of the water.

Most Remunerative

There is also a simple geographical fact which we tend to forget. India, like every other country, has a limited number of potential dam sites, and the possible economic returns, per unit of capital outlay on them, can be computed and ranged in order. It is only natural that the most remunerative will be selected first. Such projects, therefore, must inevitably be expected to become less remunerative as we proceed down the list (this consideration being mitigated only by the possibilities of technical improvements in methods of dam-building as time goes on).

We now come to the subject of foreign trade, to which Indian agriculture must perforce make the largest export contribution. Indian imports (a large part of which is not at present paid for by exports) are only 7½ percent of net national product. In few countries in the world is the ratio so low, apart from the United States and the Soviet Union. It is significant that they also are large countries, with large populations. The amount of foreign trade which a country requires does in fact depend very largely upon its size and population. It is a mistake to suppose, as many economists do, that import requirements are a function of income a head. Consider two countries, one of which has twice the income a head of the other; but the poorer country has twice the population of the richer, so that their aggregate real incomes are the same. It will be found that, subject to a few qualifications, the import requirements of the two countries are about the same. Imports depend upon aggregate income, not on per head income.

For low-income countries, the relationship is about a three-fourths power relationship, that is to say, for every 4 percent rise in real national product, the quantity of import requirements rises about 3 percent. This means that, as the country grows, whether through rise in income a head, or through rise in population, imports fall as a *proportion* of national product, though the absolute amount of imports needed goes on rising. It is in this way that the Indian ratio has been brought down to 7½ percent. Indian imports, however, are already below those computed for a country of India's size, and it is a great mistake to believe that they can be reduced further, or indeed prevented from rising. It may be easy for politicians and industrialists to pick out specific commodities, and to decide that imports can be replaced by home production; they tend to forget the new demands for imported goods which are springing up all the time in many unexpected directions, not least in providing equipment to operate some of the import-replacing industries. If India is aiming at a 4 percent per annum growth of real national product in total, or 2 percent a head per annum, it is necessary to plan for the volume of imports to rise 3 percent per annum.

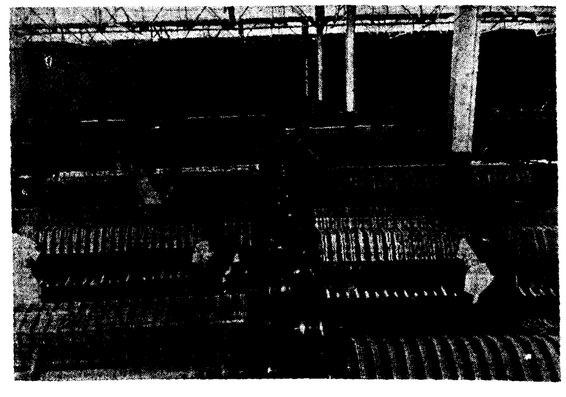
Trend in Imports

The relationship between the ratio of imports to national product, and the size of the country, is not surprising, when one comes to think of it; a country with a large and diversified population, and also with a large area, is more likely to be able to find any given product, manufactured or natural, within its borders than is a small country. The United States and the Soviet Union have both allowed imports to fall to some 3 percent of national product. While for a country of the size and wealth of the United States, this is about the figure which is to be expected, the proportion is considerably lower than could reasonably be expected for the Soviet Union. Soviet planners seem to be aware of this; since 1955, Soviet imports have been rising at the unprecedented rate of 15 percent a year; and exports have been rising to match. Soviet Russia is now taking very concrete steps to rejoin the international economic community.

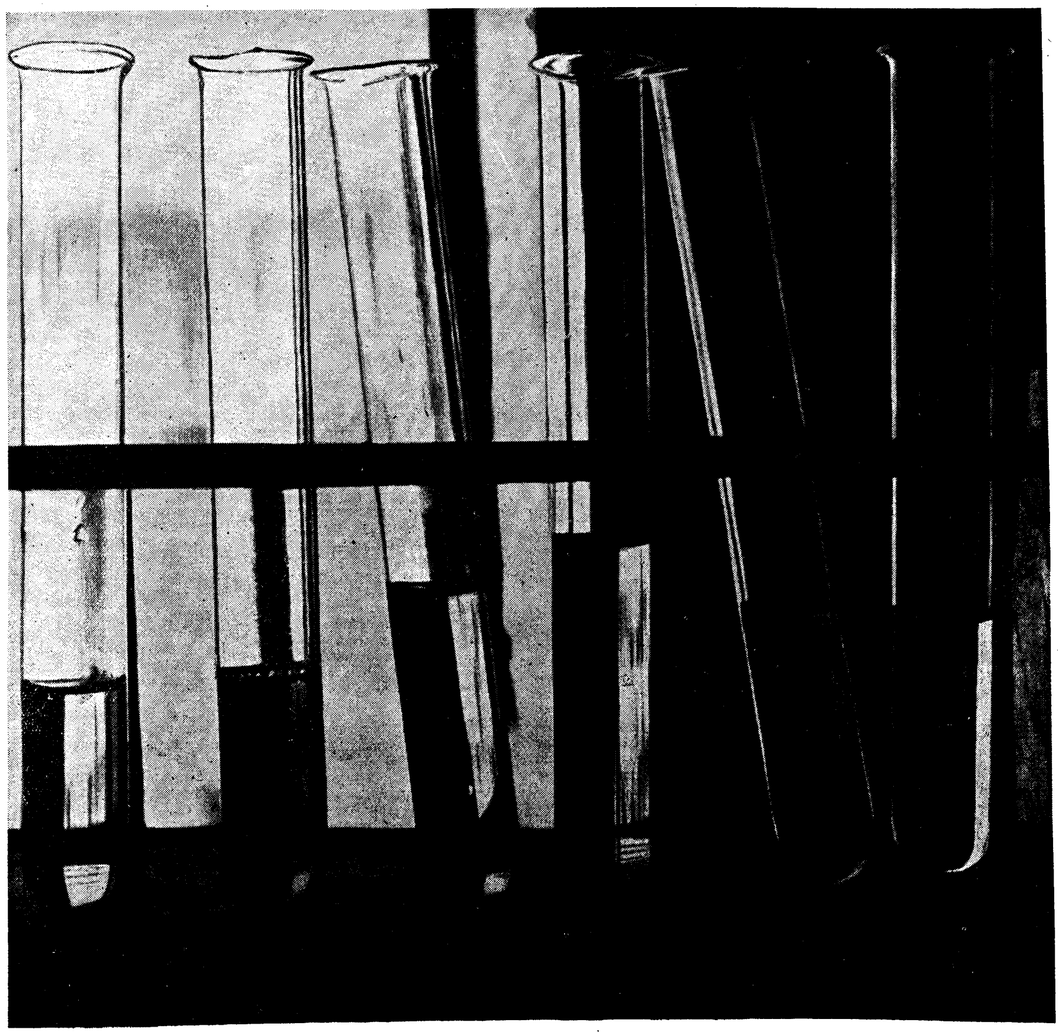
With trade necessarily goes transport. We tend to underrate the importance of transport in the life of an advanced community. Even in a compact country like Britain, gross expenditure on transport is of the order of magnitude of over 20 percent of the entire national product. Countries doing a large international trade, such as Britain and the Netherlands, besides their internal transport, also require a great deal of transport performed for them, by their own ships or by others, in carrying their import and export trade to and from the rest of the world. Indians must realise that while the size and population of their country frees them (and most Indian planners are pleased to be so freed) from the close dependence on international trade which is inevitable in smaller countries, at the same time it imposes upon them the necessity of performing much more internal transport.

Transport Neglected

The comparative neglect of transport has been one of the gravest faults of Indian planning. The fault has lain not only with official planners, but with industrialists too. In the Bombay Plan of 1945, perhaps the only example in the world of a plan drawn up entirely by business men, without any participation by governments, it was recognised that India would find shortage of capital a limiting factor in economic growth, and that (on the face of it this is quite reasonable) manufacture offered the best return, in terms of national product, on capital invested. Practically all available capital, therefore, was to be channelled into manufacture, virtually none into transport. The railways as they stood were deemed to be capable of carrying much additional traffic, without further investment. This latter idea persisted far too long. During Mr. T. T. Krishnamachari's earlier term as Finance Minister, I was present at a conversation between him and a



Women working in a cotton mill in Coimbatore



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distinguished foreign economic adviser, who continued to assert this belief. The Minister made it clear that he was aware of the great strain on the railway system, and named the junctions which were in danger of breaking down through congestion.

Much credit for foresight is due also to Mr. Badhwar, former chairman of the Railway Board. Writing in the *Financial Times* of London (13th August, 1956), he pointed out that the demand for goods transport had risen from 26,000 million to 34,000 million ton-miles between 1954 and 1956. The second plan provided for 48,000 million ton-miles to be carried by rail in 1961; Mr. Badhwar's estimate was for 60,000 million ton-miles of requirements by rail in 1961, or 68,000 million ton-miles by all forms of transport. What in fact happened was that railway ton-mileage rose to 54,000 million by 1960, and then was unable to rise any further; delays and congestion, very costly to industry, were occurring. Recently, railway capacity has been belatedly improved, by the electrification of some junctions, and in other ways, and the most recent figures indicate traffic flowing at an annual rate of 63,000 million ton-miles. Road transport has also grown to occupy a much larger part of the market than was expected. But it would have been wiser to have made the investments in railway transport earlier.

Nor is this the end of transport requirements, by any means. Most Indians no doubt still think in terms of ton-miles; but we should do what we can to support the Indian Government's admirable initiative, and begin thinking in terms of the metric system. (To convert a British ton-mile to a metric ton-kilometre, multiply by 1.635.) For each rupee of net national product, India now requires about 0.97 ton-kilometres of goods transport. This figure has risen with great rapidity from 0.67 in 1956 and 0.85 in 1960. In the early stages of Indian industrialisation, it is interesting to recollect, between 1900 and 1913, demand for rail goods transport was increasing at more than 6 percent a year. But then followed a long period of much slower growth, of only about 2 percent a year, which left railway planners unprepared for the sustained high rate of rise in demand since 1947.

International Comparisons

Preparing comparable figures for other countries (converting upon the real purchasing power and not solely on the exchange rate of the rupee), we find that the Indian figure of 0.97 ton-kilometres of goods transport requirement per rupee of net national product already exceeds that for most west European countries, except Germany. In Germany, the combination of fairly long distances, and relative concentration upon heavy industry, has raised the figure to 1.44. In Japan, a country which also has a considerable concentration on heavy industry, the figure stands at about the same level, and has not changed much since 1955; the large rise in demand for transport in Japan, which is now causing some congestion on the Japanese railways, has been at very much the same rate as the rise in national product as a whole.

In the United States, however, the about 1920, it stood at 2.5. Since that figure is about 1.6. If we go back to an earlier stage of development, date, the relative importance of heavy industry in the United States has decreased, and of light industries and services has increased; and also the increasing wealth of the market has made it worth while to establish more branch plants for production, rather than attempting to serve the whole market from a single plant, which is often necessary in the early stages of industrialisation. This, unfortunately, is often now the case in India; and the demand for transport therefore becomes correspondingly greater. This principle is indeed illustrated by the figures for Soviet Russia. Even in 1913, the figure stood at 1.5. By 1932, it had risen to 2.85. Stalin then found himself, in addition to his worries about the collapse of productivity under collectivised farming, with a transport crisis on his hands; the Russian railway system was on the point of breaking down. After a pause for recuperation, the advance continued, and the figure rose to 3.7 in 1937 and to 5.4 in 1956. Soviet Russia now seems to require the highest amount of transport, per unit of national product, of any country of the world. This seems to suggest that planners often pay insufficient attention to transport costs.

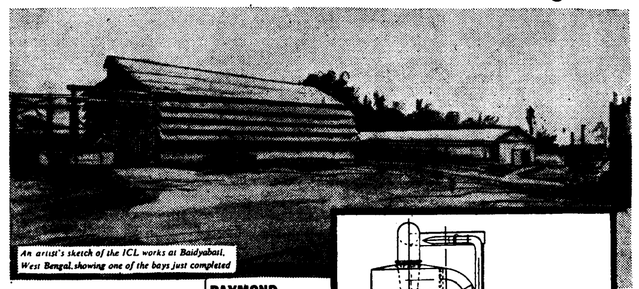
We must finally pay some attention to India's requirements for energy and fuel. "Commercial fuels", in international statistics, are generally now all expressed in terms of their equivalents of good quality coal, and we will again use the metric unit of kilograms (2.205 pounds) a rupee of net national product. The non-commercial fuels include wood, cowdung, etcetera, on which it is impossible to get quantitative information, except that we know that most Indian families have to be very economical, even with these commodities. The consumption of such fuels (not included in the statistics below) can be assumed at one-sixth of a ton of coal-equivalent a person a year, or about ½ kilogram a rupee of net national product. Such supplies will quickly diminish, and will have to be replaced by coal, as India becomes more urbanised and industrialised.

Consumption of Commercial Fuels

Indian consumption of commercial fuels increased with industrialisation, and by 1950 it stood at 0.37 kilograms a rupee of net national product (at the present purchasing power of the rupee). In no other leading country, however, was the figure so low except in Brazil (where wood is abundant). In the early 1950's India suffered a fuel shortage, which hindered industrial growth. Recently this has been remedied, and India's energy consumption has risen to 0.47 units a rupee.

But this falls far short of the two units of consumption per unit of net national product in the United States, Britain and Soviet Russia. These countries, however, have a number of "energy-intensive" industries; and possibly also use some of their fuel wastefully. Countries short of fuel have shown that they can develop very successfully industrially with a more economical use of fuel per unit of net product. Thus the most recent figure for Japan is only 0.92, having been reduced from the level of 1.25 which it held in the 1930's. In France, it is 1.12, also on a downward trend. Being comparatively short of fuel, India should model her technology and choice of industries on these countries, rather than on the more wasteful use which prevails in the fuel-rich countries. Even so, it is clear that India's supply of fuel and energy will have to be increased much more rapidly than the rate of increase of national product, for many years to come.

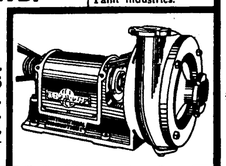
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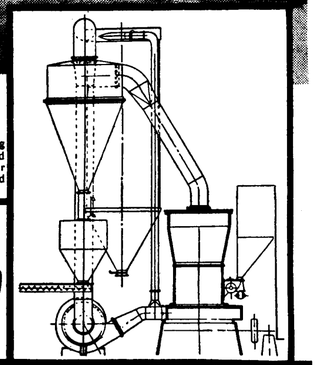
An artist's sketch of the ICL works at Baidyabati, West Bengal, showing one of the bays just completed

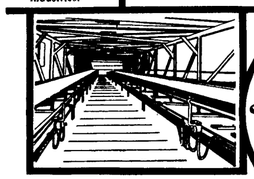
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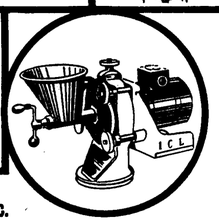
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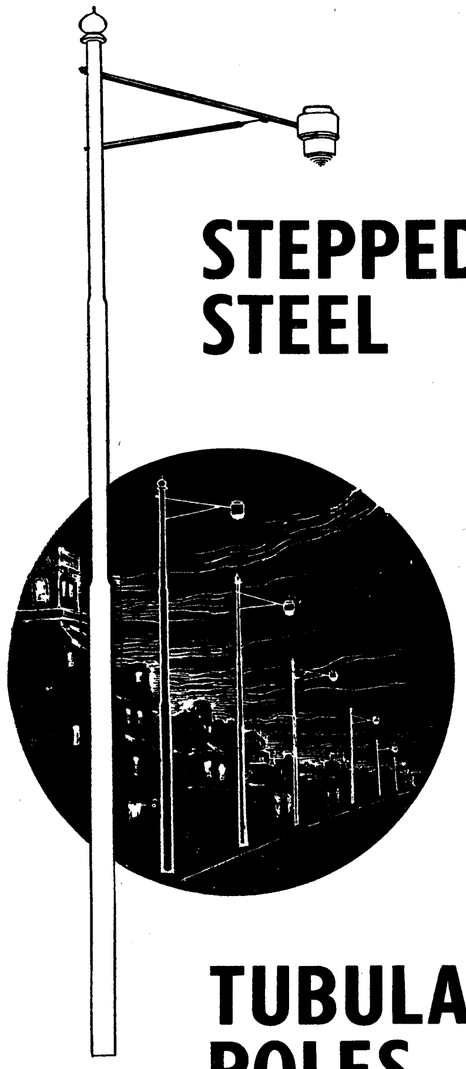


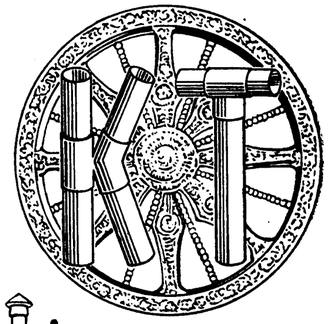
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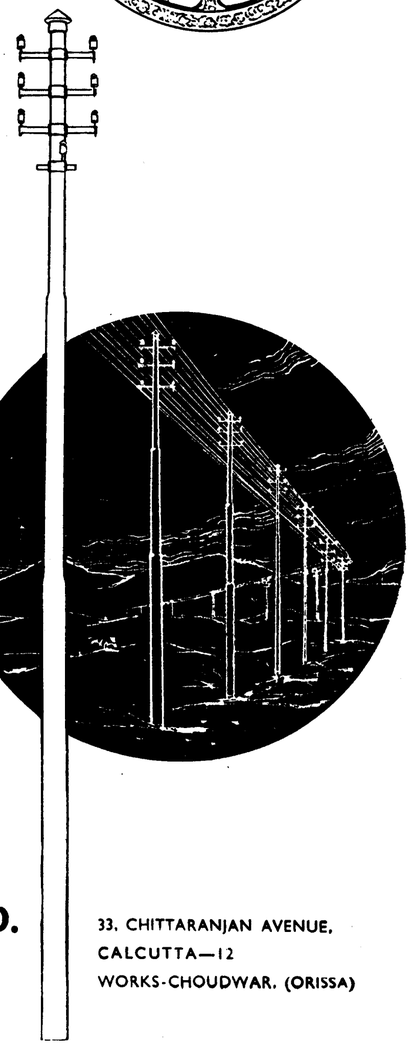
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Retrospect and Prospect: Reflections on Men and Affairs



Mr. Brock, who was Editor of "Capital" from 1928 to 1932, offers random reflections on the problems and personalities of that time, as well as of today.

By

ROBERT W. BROCK

AS the Editor of *Capital* who initiated its Annual Supplements I appreciate the invitation to contribute to this Seventy-fifth Anniversary Number a few personal reminiscences and reflections, subject only to the self-imposed reservation that personal commentaries in this category can be considered to be of public interest only in the context of public affairs.

As an English journalist privileged to work for over 20 years in India, my one small claim to distinction is that, during that period, I was alone among my contemporaries in having enjoyed the opportunity to edit one daily paper, the *Madras Times;* to have founded, and become Managing Director of, another—the Madras *Daily Express;* and, finally, to have edited *Capital.* When I joined *Capital* in 1913 the proprietor, Shirley Tremearne, was the financial patriarch, Pat Lovett, the originator of A Ditcher's Diary, was Editor; and I was the drab economist, supplying the knowledge of finance which Lovett (who could never grasp the difference between a lakh and a crore) entirely lacked. In 1932, when "Tim" Tremearne, Shirley's son, decided to retire, and invited me to become the new proprietor, it was my misfortune that family reasons prevented acceptance of his offer. As an alternative, I suggested the formation of a Fleet Street syndicate which, under Sir Edward Benthall's leadership, later materialised.

After serving for a time as London correspondent of *Capital,* I became Managing Director of the London weekly *Great Britain and The East,* supporting the campaign for the Halifax-Hoare Reforms, and thereafter Managing Editor of *The Annual of The East,* of which my second issue was published (ominous date) in September 1939. After service in the Ministry of Information during the war years I moved to the India Office "on special duty" to assist in the creation of Information Departments for the new U.K. High Commissioners in India and Pakistan, supplemented by facilities for the operations of the British Council in both countries.

Commonwealth versus Communism

My political faith is that the Commonwealth—not merely despite but because of its disparities—represents, within its own wide boundaries, the only genuine league of nations in a harassed world. At least we all speak the same language, not only linguistically, and are pursuing the same political ideals, however imperfectly. Whereas the members of the Commonwealth are volunteers, equally free to leave or remain, the communist *bloc* are regimented conscripts—with Hungary's sanguinary experience as a constant reminder of the price of freedom from Kremlin control.

The task of empire-building was not completed by planting autonomous Parliaments in economic slums. The ex-Prime Minister pointed to the African de-colonialisation programme as one of his proudest achievements. Was it? As the Attlee Government had carried the creation of an autonomous Commonwealth to the point of no return, his successors had no option but to finish the job. Nor did the senseless slaughter in Cyprus warrant any more flattering judgment. If it was noble to initiate the military resistance to Cyprus's autonomy it was ignoble to abandon that programme. Tory leaders cannot have it both ways. The ex-Premier was also proud to have initiated the Common Market discussion and been saddened by General de Gaulle's abrupt termination of them. In reality, was the Common Market campaign anything more than a highly sophisticated Party manœuvre? From start to finish it conformed closely to the Thorneycroft prescription as defined in that Minister's 1947 publication *Design for Europe,* in which he wrote: "No Government dependent upon a democratic vote could possibly agree in advance to the sacrifices which any adequate plan must involve. The people must be led slowly and unconsciously into the abandonment of their traditional economic defences".

Baldwin, with devastating candour, confessed in Parliament, in the Hitler era, that he had concealed the inadequacy of the country's defence arrangements solely to win a Tory election victory. Mr. Macmillan, who is less candid, tried to repeat the Baldwin tactic by endeavouring (fortunately unsuccessfully) to win a Party victory at the price of abandoning the country's "traditional economic defences". It was a fortunate failure. British exports to Europe are larger today than before the Brussels negotiations collapsed, and will rise further if tariff reductions mature. Concurrently, with automation approaching, development of undeveloped Commonwealth resources presents the U.K. with the greatest economic opportunity in its history.

School-tie Economists

Tory leaders did not realise that. Oxford and Cambridge, whence they are all recruited, produce only "school-tie" economists, lacking practical experience. Conversely, Washington Administrations recruit business "tycoons" to control the key economic departments, as typified by Defence Secretary McNamara, formerly super-salesman of Ford cars, now super-salesman of American "conventional" armaments, especially to countries acquiring political independence.

As Financial Editor of *Capital,* I suppose my most fruitful commentary was made during the First World War when I hazarded the suggestion that perhaps the Lancashire-imposed link between the cotton excise and import duties could be broken by undertaking to allocate the revenue from a higher import duty on textiles (leaving the excise duty unchanged) as a contribution to war finance. The immediate sequel was a personal message from Sir William Meyer through his confidant, Pat (Sir Norcot) Warren, that probably I had devised the only feasible "solution" of this age-old political and industrial grievance. The sequel, some months later, was the incorporation of this overdue fiscal bifurcation in the Budget, subject to India accepting financial responsibility of £100 million War Debt. Lancashire representatives in Parliament were forced to bow to what amounted to a political *fait accompli,* and the way was opened for the progressive advance towards "discriminating" protective duties, and for the acquisition by India of fiscal autonomy, within certain limits, long before political independence was in sight.

As the product of a series of industrial and political accidents the gargantuan Lancashire piecegoods export trade never rested on a stable economic foundation, and today the U.K. imports more cotton goods than it exports. Nor has the migration of mass-production of consumer goods to mass-consumption markets yet reached its limits. On the contrary, it will persist until the leading western industrial countries move over almost entirely to the production and shipment, on long-term credit terms, of the capital equipment the "developing" nations will require for decades ahead.

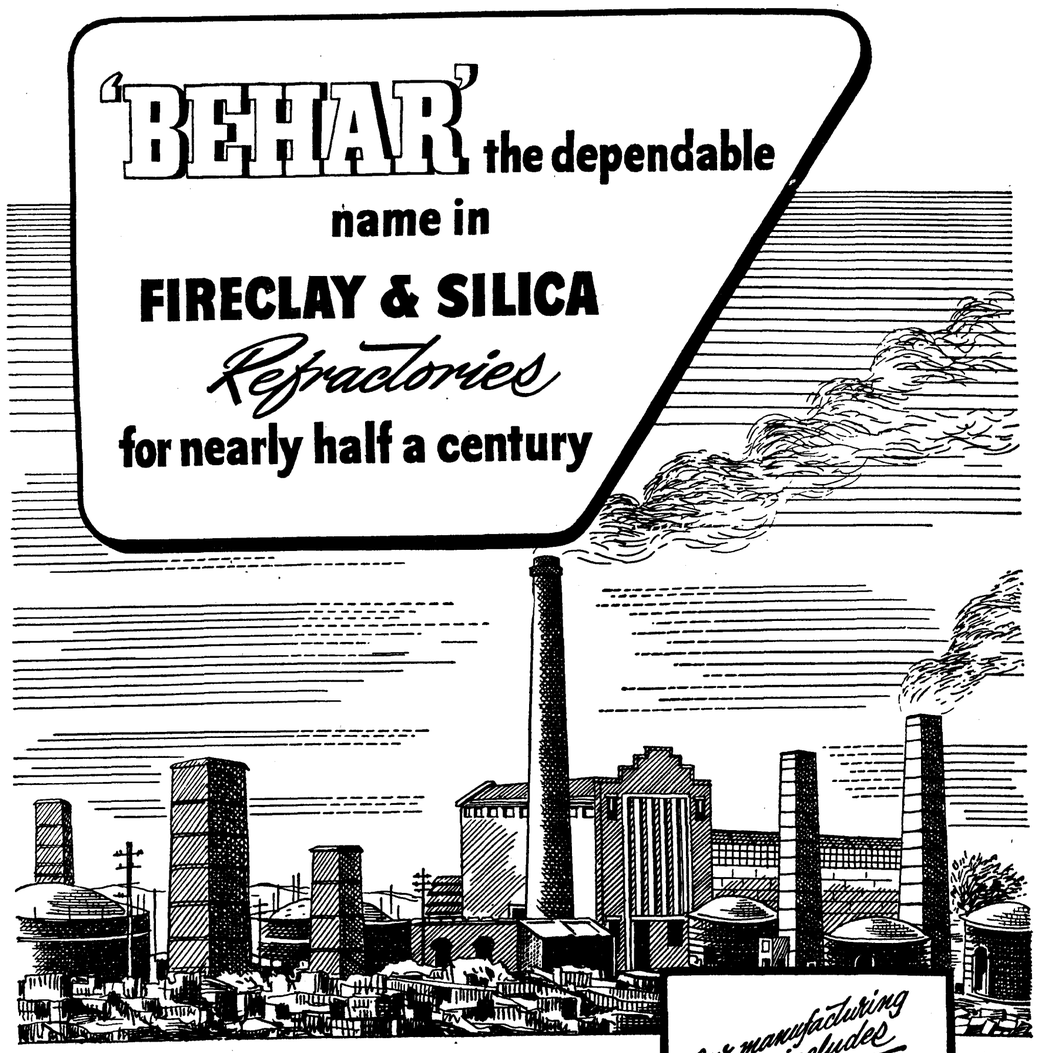
As already noted, after editing the *Madras Times* for a couple of years after the First World War, and trebling its circulation before it was acquired by J. O. Robinson, of Spencer and Co., and absorbed by the *Madras Mail,* I established the Madras *Daily Express,* partly to re-equip Madras with a morning paper, and partly, in step with the advent of "Dyarchy", to experiment with Indo-British ownership. Perhaps not inappropriately, the new paper passed wholly into Indian ownership within a short period. It was during my editorship of the *Express* that, with the aid of an Indian reporter, I secured from Mahatma Gandhi an interview, occupying a full page, to which he attached so much importance that he insisted on "passing the proof" before his replies to my wide-ranging list of questions were printed.

Non-violence and World Peace

I recall a conversation on one occasion with Lord Willingdon, then Viceroy, when he expressed his personal estimate that Gandhiji was pre-eminently, if not exclusively, an astute politician. That was certainly not the impression I formed during my lengthy discussion with the Mahatma in Madras in 1921 or 1922. Nevertheless, at that period I expressed to him complete scepticism concerning his doctrine of non-violence, alike in its domestic and international aspects. Today, it is hardly necessary to insist, the nuclear bomb has made acceptance of the principle of non-violence the world's only conceivable alternative to Nuclear Doomsday.

Among major nations, however, let it be fully understood, non-violence will survive only as long as the nuclear bomb survives. The supreme merit of the H-Bomb is that its utilisation would mean instant suicide for any aggressor ready to employ it: and it is wholly certain that no

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aggressor from Hannibal to Hitler would have faced that risk. If the H-Bomb had emerged before 1939 the Second World War would not have occurred. Then why destroy the deterrent?

If nuclear disarmament occurred, leaving only conventional arms available, wars would recur as often, but with greater loss of life and property, as they have recurred from time immemorial. Conversely, if conventional arms are eliminated, and only nuclear bombs survive, world peace will achieve recognition, by all Governments and peoples, as the sole alternative to world annihilation. Incidentally, if only conventional arms are retained, China, with a population likely to climb ultimately to 1,000 million, will become the dominant world Power.

Economic Development

A competent statistician has estimated that the present world outlay of £40,000 million a year is roughly equal to the total incomes of the entire populations of Asia, Africa and South America. The tragic aspect is that capitalist-communist rivalry has resulted concurrently in (1) the building up of military forces by nearly every country which has acquired political independence during the postwar period; and (2) the multiplication of frontier conflicts between countries thus armed—between India and China, Algeria and Morocco, Indonesia and Malaysia, Korea, Vietnam, and many others. Whether independent African countries will combine to attack South Africa remains conjectural. Somalia is now acquiring Russian arms to threaten Kenya.

In Asia I regard American policy as the main incentive to conflict. If China is displaying every symptom of political and economic claustrophobia, the American translation of McCarthyism in terms of foreign policy is primarily accountable; and American military equipment represents poor compensation for the overriding disruption of Asian relations thus provoked. In simplified terms, a caged dragon becomes, inevitably, an enraged dragon, spouting fire on all and sundry. The progressive withdrawal of Russian aid since 1960 can only accentuate that aggressive reaction. Where do we go from here?

The Alternative to Military Aid

If the N.A.T.O. and Warsaw Powers are genuinely anxious to stabilise international peace by progressive disarmament they could take a valuable joint initiative by agreeing to abandon the almost unceasing distribution of conventional armaments in Asia and Africa whose defence budgets would then decline automatically to the great advantage of their own efforts towards capital formation and the financing of their economic development from their own resources. There are recurring discussions concerning the creation of "neutral zones" in Europe. It would be more profitable to make Asia and Africa "neutral zones" with the minimum possible delay.

Concerted action in that direction would be promoted by most of the present expensive "military aid" by America and other countries being diverted to the rapid formation of a U.N. international army, of not less than 100,000 men, equipped with conventional arms, and available to cope with frontier conflicts in both continents. As a current test, would China have initiated or prolonged her infringement of India's frontiers if the immediate sequel would have been the intervention of a U.N. force whose political prestige, allied with a high level of military efficiency, would have ranked as one of its most formidable weapons? It is highly improbable.

If there is a feasible and fruitful alternative to this diplomatic-*cum*-military *detente* the rival Power blocs have not yet disclosed it. If *apartheid* is indefensible on a national basis, it is still more so on an international basis. British political and industrial interests favour termination of the American "economic blockade" of communist countries, including China. And America's readiness to sell surplus wheat to Russia shows that, in the ultimate analysis, American policy rests wholly, not on political principle, but on economic expediency. Military disarmament is desirable. But economic disarmament is the essential prerequisite.

Indian Economic Dilemma

The accelerating approach of automation, rapidly becoming the major issue in British politics, is of additional significance to India in as much as it signals the arrival of the second Industrial Revolution prior to the full implementation of the first. One example will illustrate my point. In order to make their farms larger and more fully productive, the European Six are engaged in the considerable operation of displacing 8 million small farmers—absorbing them in industry and the professions. A corresponding transfer from field to factory in India would involve the displacement of 50 million peasants —without the industrial and other avenues of employment needed to absorb them.

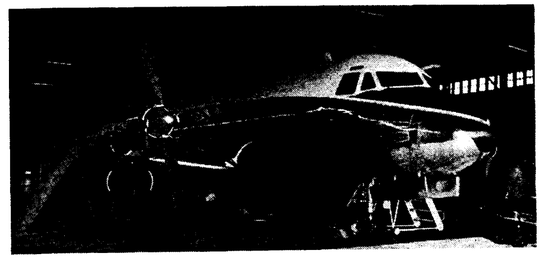
Hence my advocacy of the creation of a large-scale tractor industry, to facilitate maximum productivity even on small farms by co-operative use of mini-tractors, and associated mechanical aids, in all categories. Britain's agricultural machinery industry, mainly a postwar growth, last year (in addition to meeting domestic demands) achieved exports totalling £145 million. India is the only Asian country capable of rivalling and excelling that notable industrial achievement. To that extent, India's agricultural and industrial productivity would become interdependent and expand together. The smaller the number of workers needed to produce a given output of industrial products, the more essential it becomes to maximise rural purchasing power by increasing rural productivity to its attainable limits.

Meanwhile, in order to promote technological correlation, India's planners may find it advisable to establish an Institute of Automation, linking American, British and Indian personnel in a co-operative analysis and assessment of the economic consequences for India of the new technologies now beginning to shape western economies—with impacts which will not be confined to countries west of Suez.

Survival of the Commonwealth

If the Tory Party, under its new leadership, wins its fourth successive general election in 1964, the new Government will undoubtedly re-open negotiations to join the Six, and Commonwealth statesmen and traders meanwhile would be incautious to base their calculations on any alternative assumption. Every Tory paper, excluding only the Beaverbrook trio, continues to advocate this policy, disastrous though it would be, in my judgment, to U.K. and Commonwealth interests alike. The over-riding Tory *motif* is political rather than economic. If he had become the first postwar Premier, Sir Winston Churchill would not have established the autonomous Commonwealth; Sir Anthony Eden almost wrecked it by his Suez misadventure. Mr. Macmillan, believing in the "wind of change", was ready to risk its disintegration by abandoning Commonwealth leadership and accepting the lesser rôle of "offshore islands" of Europe.

Under a Labour Government, (which every successive by-election foreshadows) all the indications are that Commonwealth economic collaboration will command top priority—deferring negotiations with Europe pending not only the completion of the G.A.T.T. tariff and associated negotiations but also until the Commonwealth, as an economic group, has become sufficiently cohesive to negotiate as a team. On that broader basis, but only on that basis, negotiations might well prove mutually profitable.



An aircraft built in Bangalore

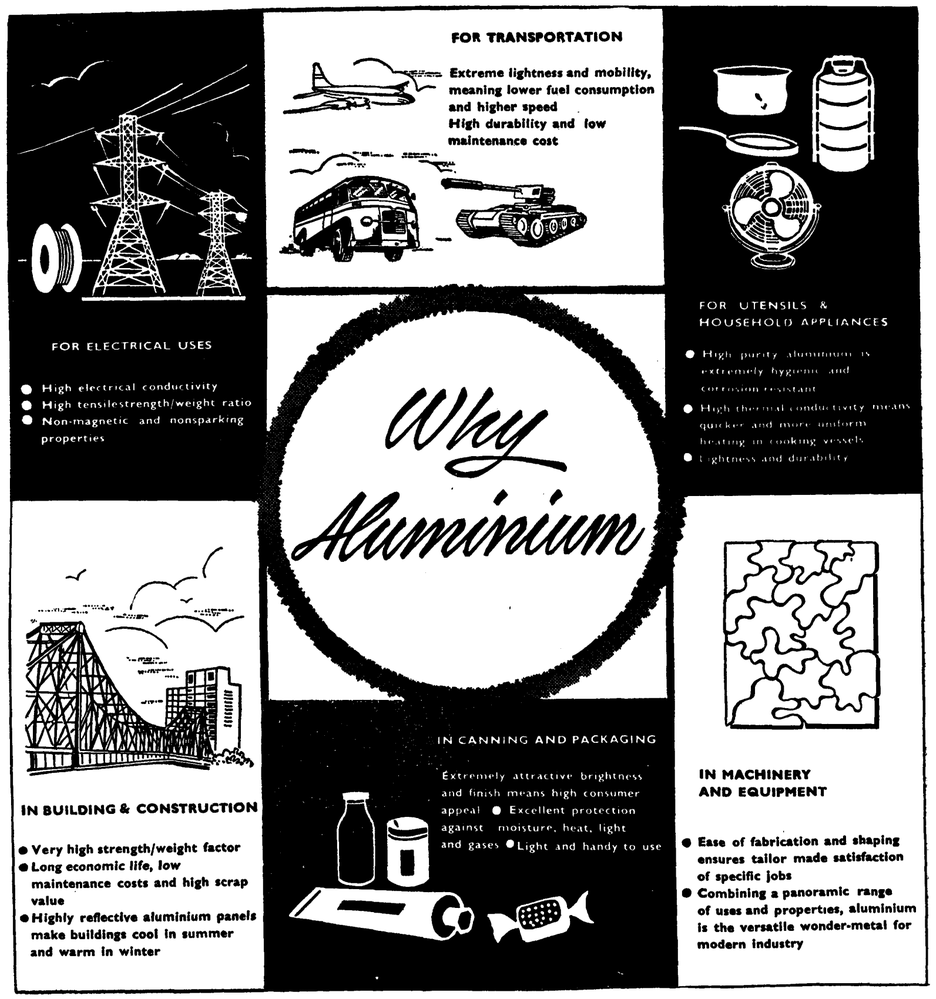
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THAT WAS THE YEAR THAT WAS

Come to think of it, we are on the threshold of 1964—two decades to George Orwell's "1984". From the vantage point of 1st December, 1963, Mr. Majumder, an old "Capital" hand and now an Assistant Editor of the "Statesman", takes a quick and soft look at the year before it passes into history. He has tried hard to keep his account of the year wholly factual and free from his personal views which are always unorthodox and usually unpalatable.



By

NIRANJAN MAJUMDER

FOR some months in 1963 there was a printers' strike in New York City, N.Y., where in consequence there were no daily newspapers. Oddly enough, the world did not stand still but rumbled on in total disregard of the importance of the place where "the conscience of the world", the United Nations, is located. The U.N. itself, "broke" enough to give its Secretary-General a substantial rise in pay, wondered throughout the year whether it would not be better for all concerned if the world moved a little less fast. Doctors, dentists and teachers in Britain also had pay rises; it was debated still whether the world body was in good health, whether it needed "teeth" and whether it had learnt its lessons.

In spite of the newspaper strike China called the nuclear-armed U.S.A. a "paper tiger"; Mr. Khrushchev retorted that it was a paper tiger with nuclear teeth. The white tigers of Rewa were sent to various zoological gardens to win friends. Influencing people was beer of which Britons drank 155 pints apiece in 1963. The Planning Commission in India appointed a study team on Prohibition which had great fun going round illicit stills and distilleries all over "dry" India. In Britain Prince Charles was punished at school for drinking a cherry brandy. Princess Margaret's trip to Paris was called off because Britain got the dusty answer at Brussels. But Valentina Tereshkova, the world's first woman cosmonaut, came to India all right. Later in the year there was an enquiry whether some members of the U.N. staff were working as "call girls"; it was not disclosed that many were not working at all, like most tubewells in India.

Fourteen Suitcases

Early on in the year there was trouble again in the Congo; at some point, however, Mr. Moise Tshombe left Elisabethville with fourteen suitcases and some ocular ailment. Less responsive to treatment was the Kashmir malaise which, among so many other sores, the U.N. had failed to cure. Messrs Duncan Sandys and Averell Harriman came to New Delhi from Britain and the U.S.A. to tell India how to resist the Chinese but soon forgot all about the Chinese. Kashmir, they decided, was a more urgent case and Mr. Z. A. Bhutto and Mr. Swaran Singh were the best of healers. The former suggested surgery, for which the latter, Railway Minister at the time, did not let the signal down.

The negotiations rolled on and on like a slow train in no hurry to get anywhere. *Pace* Mr. Sandys, the talks did not shake the world. Badgam, Kashmir, experienced an earthquake with several fatalities. Pahalgam, Kashmir, had earlier in the year known a cloudburst. There were severer earthquakes in Libya (not entirely because women there got the vote); also in Skopje, Yugoslavia. None of these was attributed to the Kashmir talks. If in Kashmir Bakshi Ghulam Mohammed later ceased to be India's only other Prime Minister, besides Mr. Nehru, that was for reasons which only Congressmen pretended to understand. Some, like Mr. S. K. Patil, didn't even pretend and so got into trouble, having got out of office. The public was not sure that the Bakshi had in fact ceased to be Prime Minister of Kashmir. Somebody called Mr. Patil Sri P. L. 480; Mr. Nehru prescribed "gradual erosion" for Article 370.

In January Mr. Nehru opened the Rihand Dam; later a penultimate part of Bhakra-Nangal. Also opened was a Hilton hotel in London. While in Italy in October a whole mountain fell into a dam, killing thousands, the dams in India produced plenty of power of which there were frequent shortages in Calcutta, Kanpur and Delhi. They also irrigated thousands of acres of land, as a result of which there were famine conditions in Rajasthan (where, in Jaipur, there was later a session of the All-India Congress Committee at which much good food was eaten and there was a bar for the Press; some newspapermen, however, were still sober and churlish enough to report it.)

Gentlemen Hard to Find

In West Bengal rice, fish, sugar and most other essential commodities disappeared from the market at one time or another. The State Government arrived at various "gentlemen's agreements". The commodities were as hard to find as the gentlemen, whereupon Dum Dum, West Bengal, devised its own new bullet in the shape of what was politely called "consumer resistance". Mr. P. C. Sen, Chief Minister, welcomed it and the price of sweets came down from Rs. 10 to Rs. 5 a kilogram. Soon came down, too, the shutters of groceries and other shops in Calcutta; and the police had to swoop down. Prices went up again, as the Americans scaled Everest and Mr. G. L. Nanda went on speaking of the need to hold the Price Line. Only the Communist Party of India found it difficult to draw a Party Line as Afghanistan dismissed the Durand Line as "so-called". The Durand Cup was still being played as we went to press. West Indies won the Test series against England. When Sonny Liston knocked out Patterson, he said it wasn't cricket; it wasn't; only boxing. The winner of the Derby, some said, had been doped. In India Mr. Asoka Mehta joined the Planning Commission, without winning all P.S.P. hearts.

Frost Before Thaw

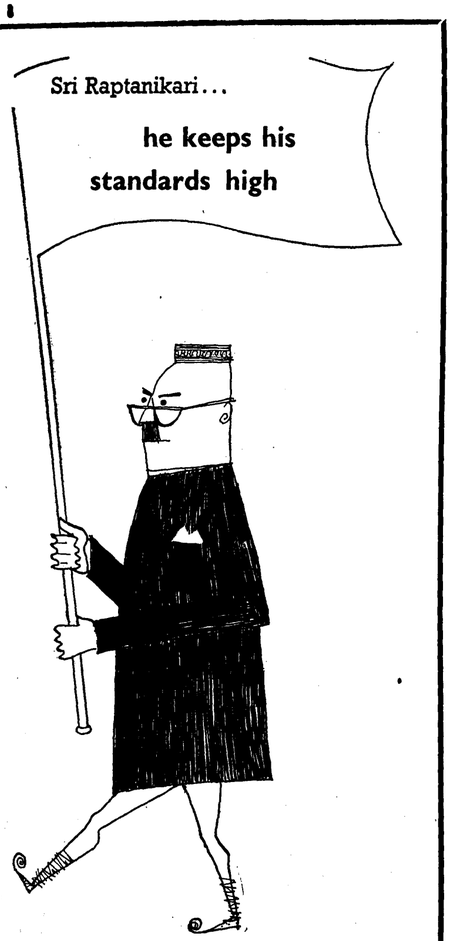
Mr. Hugh Gaitskell died on 19th January, leaving the Labour Party to find a new leader, Mr. Harold Wilson. General de Gaulle did not think France needed one and toured the countryside time and again saying so. Mr. Mohammed Ali of Bogra, once Prime Minister of Pakistan, died on 24th January, leaving no problem of leadership behind because President Ayub Khan remained the only leader Pakistan, according to him, needed. In the same month died the American poet, Robert Frost, who had earlier witnessed from Moscow the thaw in the cold war.

Dr. Rajendra Prasad, India's first President, died on Budget day; but it was Mr. Morarji Desai's cruel budget that depressed all. Pope John died in June, after which the cardinals took their time electing Pope Paul. Even those who thought the election of John F. Kennedy as the U.S.A.'s first Roman Catholic President would mean establishment of a direct telephone line between the White House and the Vatican (the number, presumably, was to be VAT 69) were shocked when President Kennedy was assassinated in Dallas, Texas, on a Friday in November. A great President had died. That the alleged assassin was himself killed 48 hours later took nothing away from the tragedy. As for telephone lines, there was one between the White House and the Kremlin, called the "hot line" which was considered a great improvement on decade-old cold war manoeuvres. Into cold storage went Calcutta's circular railway plan. Up went India's first sounding rocket from Kerala, where Mr. Sankar, Chief Minister, was found innocent of corruption. More serious allegations against Mr. Kairon were referred to a retired Chief Justice. Chief Justice Earl Warren headed a commission to report on President Kennedy's assassination.

Some Marry Others

Dr. Adenauer at long last ceased to be Federal Germany's Chancellor, handing over to Professor Erhard, but not before he had striven hard for an abiding marriage between Germany and France. In Sikkim Miss Hope Cooke, U.S. citizen, was married to the Maharajkumar of Sikkim; and in Britain Princess Alexandra was married to Mr. Angus Ogilvy. Both made excellent television shows, as did M. Bidault on the B.B.C. A rather different kind of television entertainment was the screening of the murder of President Kassem of Iraq, where there was a *coup* followed by another which was supposed to give more power to President Aref. In Syria the Ba'ath Socialists broke away from President Nasser's divided Arab Republic, failed to form a stable Government while trying to take over affairs in Iraq.

The change in Government in Canada, whereby Mr. Diefenbaker went out and Mr. Lester Pearson came in, could claim none of these dramatic features of West Asian changes, although the termination of President Sylvanus Olympio's life, and hence of his *régime* in Togo, before the U.S. Embassy did not lack in drama. Through many hotel and hosiptal episodes, Miss Elizabeth Taylor reached the climax of her film, *Cleopatra*, which now must make $62



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million before it shows any profit. The profit motive was the least important when, in February, General Ne Win's Government nationalised all banks in Burma. National and Grindlays Bank celebrated its centenary, as did Andrew Yule and Co. More highminded folk celebrated the birth centenary of Swami Vivekananda.

Christine and Mandy

During the year flirting was permitted in Gulhane Park, Istanbul. Imperial Chemical Industries, however, courted Courtaulds with less than success. Britain's wooing of the European Common Market came abruptly to an end when General de Gaulle declared that Britain was insufficiently European. He did not soften even after Britain's War Minister with a continental name, John Profumo, first denied and then admitted his relations with Miss Christine Keeler who, incidentally, had been holidaying in Spain, Europe, when she was required as a witness in a case against one of her many ex-lovers, a West Indian, who was first found guilty and then innocent. Mr. Profumo resigned. Many thought Mr. Macmillan would too; but Lord Hailsham said tartly that a great Party was not to be brought down by a couple of tarts.

Instead of resigning, Mr. Macmillan appointed Lord Denning to look into the security aspects of the affair. Meanwhile Miss Keeler and her mate, Miss Mandy Rice-Davies, continued to come to the Old Bailey in flashing Rolls-Royce limousines. It appeared that Rolls-Royce might not, after all, have to close down their motor division, a prospect that gained further strength when Mr. Jomo Kenyatta, Prime Minister of Kenya which was to be free on 12th December, bought himself a Rolls-Royce. At Ford's at Dagenham, however, there were frequent strikes on some issue or another. In spite of Dr. Beeching's very drastic report on British Railways, railwaymen abandoned their idea of a national general strike. Britain's independent nuclear strike rested on the monstrously expensive *TSR2*, which Australia decided not to buy. Australia, as well as New Zealand, decided on a no-change in government. In Canada 118 died in an air crash; the jet plane was completely burnt out. In Madras the Dravida Munnetra Kazhagam wanted to burn only copies of the Constitution and, in New Delhi, it demanded that Mr. T. T. Krishnamachari answer questions in Tamil; this after Mrs. Lakshmi Menon had been heckled for answering in English instead of Hindi.

Tenants Tenuous

Almost simultaneously with the Profumo affair in Britain came disclosures of Rachman's rent racket. Although every country behaved as though there could be no Christine Keelers in its society, problems of housing and tenancy existed in India too. The most nervous of tenants seemed Congress Ministers after the Kamaraj Plan. While the nation continued to prepare against the Chinese with borrowed arms and home-made slogans, it seemed that Mr. Gopala Reddi, Information Minister, had nothing to lose but his slogans.

As it happened, he lost office; so did Mr. Morarji Desai, Finance Minister, Mr. S. K. Patil, Food Minister, and four others. Also to go were six Chief Ministers of as many States. In West Bengal Mr. P. C. Sen said he needed all his colleagues and then sacked two Ministers and all Deputy Ministers. The resigning Ministers then all devoted themselves to work for the Congress Party. Consequential unity was most pronounced in Gujarat, where Dr. Jivaraj Mehta had to go and Mr. Balwantrai Mehta to come, and in Uttar Pradesh where India's first woman Chief Minister, Mrs. Sucheta Kripalani, fought an open war with Mr. Kamlapati Tripathi. Punjab was full of "dissidents". Kerala's Congress chief agreed not at all with its Chief Minister.

Kamaraj Plan for Mr. Macmillan

As if in conformity with the Kamaraj Plan, Mr. Macmillan resigned too. Mr. R. A. Butler was once again bypassed and became Foreign Secretary in the Government of Sir Alec Douglas-Home, formerly the fourteenth Earl of Home. The bell did not toll for Lord Hailsham either, now Mr. Quintin Hogg again. Britain's new Prime Minister was promptly greeted by the *Tailor and Cutter:* "At last we have a Prime Minister who looks like one". Mr. Butler did not repeat his suicidal witticism, "He's the best Prime Minister we've got". The former Prime Minister's son got a job in the new Government. As British defence was being moulded on the lines of the Pentagon, British politics too followed, in part, the U.S. pattern. As the year was closing, people on both sides of the Atlantic wondered about the prospects of the Tories under Sir Alec Douglas-Home and those of the Democrats under Mr. Lyndon Johnson, thirty-sixth President of the United States of America. India's only Prime Minister, Mr. Jawaharlal Nehru, could not help being 74 in November, as he had been born in 1889, although some newspapers unfairly made him 75. In a commemorative stamp Mrs. Annie Besant was made ten years older than she was. Ten years after Avadi, the Congress was still looking for a definition of socialism.

In spite of his election victory at Amroha, Acharya Kripalani looked older. The other non-Congress victor, Dr. Ram Manohar Lohia, started a great debate with his discovery—"invention" according to Mr. Nanda—that the majority of Indians lived on 3 annas a day. (One household in three in Britain, it was announced, has a motor-car.) Mr. Nehru said the figure should be 15 annas a day; Mr. Nanda thought 6 annas would be a reasonable compromise. Professor Mahalanobis maintained his dignified silence. Golden, more than 14 carat at any rate, could not be ornaments in India, under Mr. Morarji Desai's dispensation. When Mr. T. T. Krishnamachari became Finance Minister he changed the furniture of his office; down came most of the props too of Mr. Desai's financial policy. The entire Diem-*cum*-Nhu *régime* collapsed in South Vietnam, with the two leaders shot dead but not "barbecued" as, according to Madame Nhu, monks in Saigon had been. America's Mariner II found Venus too hot for human life. Too hot for the Dutch, became New Guinea, now West Irian and Indonesian.

While the nearest the world saw of war were a chicken war between the U.S.A. and the Common Market and a citrus war between two other countries, there was a limited test ban treaty signed by most countries except France and China. (The Twist was unlimitedly banned in Indonesia.) China throughout the year retained its warlike posture and forbade even a peace march by some Indians to Peking. The Negroes' march in Washington, demanding civil rights here and now, was most impressive; but it continued to cost the U.S. Government thousands of dollars a day to keep James Meredith, a Negro student, in Mississippi University. Universities in India kept thousands of students, brown and other, out because classrooms were overflowing. In Burma the Army moved into the university campus. In Britain, Princess Anne went willingly to school.

Chief Enahoro went, unwillingly, back to Nigeria, there to be sentenced for treasonable felony. Billie Sol Estes of Texas got 15 years for fraud. Mr. Satyajit Ray got many more awards for his brilliant films. Mr. K. D. Malaviya got the sack for taking a paltry sum for a friend's election expenses. (In Britain there was a train hold-up and robbers walked off, or drove off, with the tidy sum of £2½ million.) Mr. Biju Patnaik of Orissa got his man as Chief Minister after him; so did Mr. Kamaraj, who also got the presidentship of the Congress which, said Messrs Lal Bahadur Shastri and Atulya Ghosh, had gone to the best man.

Airy Exercises

As part of India's preparedness against the Chinese, there were joint air exercises with the Indian Air Force, the U.S. Air Force and the Royal Air Force participating. Joint air exercises between All India Radio and the Voice of America proved more difficult. The agreement, signed in a fit of sustained absent-mindedness over a period of months, hung in the air instead; and there was no 1,000 kilowatt transmitter in Calcutta. The B.B.C. suspended its popular satirical programme, That Was The Week That Was. (B.O.A.C. made a huge loss, showing that it takes better care of you than of itself. Air-India made a tidy profit.) Indonesia withdrew diplomatic missions from Malaya as Malaysia was born. Russia withdrew its missiles from Cuba. India altogether withdrew her request for U.S. aid for a steel plant at Bokaro; aid or no aid, Mr. C. Subramaniam declared, India would go ahead with the project. China went on attacking, first, President Tito of Yugoslavia and, then, Mr. Khrushchev of Russia for deviationism and other crimes.

Mr. Khrushchev kept up his attack on abstract and impressionist art, a venture in which he was joined by our own Sir Biren Mookerjee, chairman of Indian Iron and Steel, who told shareholders that the picture he had presented of prospects for steel was photographic, not impressionistic. Mr. Khrushchev also beat U.S. Secretary of State Dean Rusk at badminton. Stirling Moss retired from motor racing, but not because an Indonesian mob had burnt a British embassy car and then the embassy itself at Djakarta. In Britain, however, No. 10 Downing Street was thoroughly renovated; in Algeria Ben Bella became President while in Cuba Fidel Castro remained President. The hurricane Flora hit Cuba; only an unnamed cyclone swept Cooch Behar in West Bengal. Nagaland swept into existence; but Phizo stayed in London, observed mainly by the *Observer*. The *Spectator* got a new editor, Mr. Iain Macleod, who refused to serve Sir Alec who was soon dubbed "Smart Alec".

Literary Lapses

In Britain facetious writers started interpreting B.C. as Before Christine and A.D. as After Denning, whose 50,000-word report became a best-seller. The man who coined A.F., After Ford, Aldous Huxley, died of cancer; Jean Cocteau died too, at 73, without ever growing old. Miss Keeler's story in the *News of the World* sold well. The *Daily Mirror* discontinued "Daughter of Jane". More modestly, *Capital* completed its seventy-fifth year; the *Statesman* got a new board of directors from its new owners. For *Time*, life began at forty. A second wage board was formed for working journalists in India's Fourth Estate. Her third plan was found to have set many targets too high. Afghanistan got its first Government without a single Minister from the royal family. To that country had gone Professor Humayun Kabir on a cultural mission; although the India Office Library remained out of India, as did Mr. Kabir for longish stretches, he became Petroleum and Chemicals Minister. Education and Cultural Affairs went to Mr. M. C. Chagla, who came from London; to the High Commission went Dr. Jivaraj Mehta of Gujarat. Eton got a new headmaster, a non-Etonian. Oxford beat Cambridge in the boat race. In Punjab an Opposition M.L.A. was beaten up.

For the first time in many years, Mr. Krishna Menon did not lead the Indian delegation to the General Assembly of the United Nations; he was busy writing for *Century* without being called a working journalist. Journalism's gain was India's loss, or *vice versa*; and Mrs. Vijay Lakshmi Pandit went to New York in his place. She also later represented India at the solemn funeral of President Kennedy, at which another unexpected presence was General de Gaulle's. The latter event brought about no change in France's attitude to U.S. offers of Polaris equipped submarines.

China disclosed that the Soviet Union had refused it nuclear secrets; off and on there were rumours that China might test its first atom bomb some time, this year, next year or in ten years. India will not make one at all. The "Great Leap" had, by common consent, failed. When, however, there was a harvest failure in Russia the Chinese attributed it to Mr. Khrushchev's departures from the ways of Lenin which were correctly understood only by Mr. Mao Tse-tung and Mr. Liu Shao-chi. The Chinese kept sending long notes to India and writing longer editorials in the *People's Daily*. *Pravda* retaliated with an even longer editorial. In India shorter editorials were favoured; and they did not have to be against or about China. The Corporation of Calcutta never got a favourable notice; and a succession of Mayors wondered why. The citizens knew.

Early in the year a U.S. submarine mysteriously went down in the Atlantic with 129 aboard. Late in the year a helicopter crashed near Poonch in Kashmir with five very senior officers of the Indian Army and the Air Force; all were killed. A cholera epidemic in Orissa carried away about 1,000 lives. The 1961 census figures, still under examination, showed that the population of the country had increased enormously; not a few Muslims had infiltrated from East Pakistan, while there was a surprising increase in the number of Buddhists in the country.

More Babies, Fewer Lions

Since the census was taken some time before the Chinese attack last year, it seemed unlikely that there was a patriotic attempt to match the Chinese in numbers. America's "baby boom" continued; there was one in Britain too. The number of lions in the Gir forests was said to be on the decline; there was talk of imports from Africa. The African Lion, Dr. Banda, got ready to leave the Central African Federation; Northern Rhodesia followed Nyasaland; and there was little left of either Sir Roy Welensky or his beloved Federation. The Federal Premier went to South Africa's Dr. Verwoerd for advice; advice was all he got. The Africans in South Africa got more repression and Transkei.

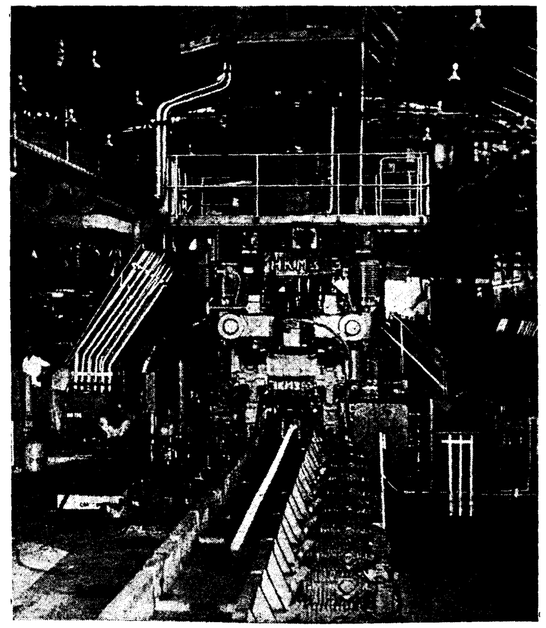
In Laos the International Control Commission controlled few of its Princes. Cambodia was annoyed with the Americans and refused U.S. aid. Most other countries asked for more aid; and more than once Congress cut appropriations recommended by the President. In India a heavy machine building plant was opened at Ranchi; but waste continued in *khadi*, cottage industries and such other unproductive ventures. When Mr. U. N. Dhebar, associated at a salary with one of those projects, was criticised for his part in the Rajkot by-election campaign, which the Congress lost to Mr. Minoo Masani anyway, Mr. Dhebar said he could not help advising his former electors.

Mr. Atulya Ghosh was elected President of the Indian Football Association and also applied for membership of the Calcutta Club. Many admired the range of his interests without necessarily seeing the connection among them. Pakistan's proposal for an air connection with Tokyo, *via* Peking, was turned down by Japan, which Rawalpindi, Peking's new friend, considered unfriendly. The Indian Airlines Corporation lost a *Viscount* in a crash near Agra but was waiting for *Caravelles* in December. It was announced that the Life Insurance Corporation of India would go into non-life, general insurance. Only the Government appeared reassured.

Age of Longing

Whatever the age of the earth, 1963 made it—and us all—one year older. If the year be proud of this achievement, let it remember that the earth survives while 1963 is all but dead; there is the hearse waiting to pick up its carcass. Those who can hardly wait to usher in 1964, a pre-ordained leap year (not another "big leap" in China, we hope) might do well to remember that 1964 will be two decades to Orwell's age of perfected inhumanism. Must it? The answer has to come not only from Mr. Khrushchev, Mr. Mao Tse-tung, Mr. Lyndon Johnson, Sir Alec Douglas-Home and such men, mere men, in authority but from each one of us in every walk or station of life. What distinguishes our earth from Dante's Inferno is the presence of charity in the former and its total absence in the latter. The concept of a welfare State is in no way in conflict with personal charity which can be in word and in deed. There is time yet to send a cheque to the *Capital* Christmas Toy Fund; it will not save the world from nuclear extinction but it will make a few children happy—a happiness that transcends all terror.

1st December, 1963.



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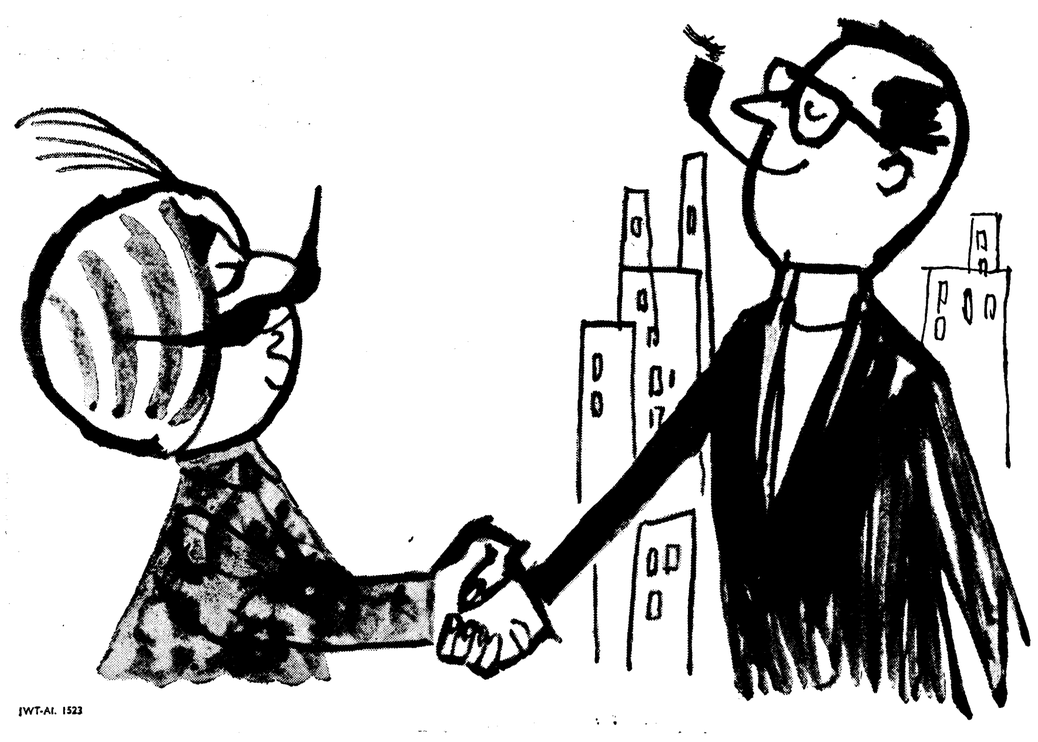
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The Commonwealth Today: Some Results of Recent Thinking

Mr. Barrell, who was Editor of "Capital" from 1955 to 1962, makes a critical analysis of the future of the Commonwealth.

By GEORGE BARRELL

HISTORIANS are almost sure to identify the failure to join the European Common Market as one of the major traumatic experiences in Britain's long history. What will puzzle them, however, is that during the first year of exclusion the true extent of the opportunities lost seems to have troubled the British public scarcely at all. In fact, there is probably less support in Britain now for joining the European Economic Community than there was a year ago. This can be explained by the simple economic paradox that the Common Market has been faced with its first cyclical difficulties at precisely the time the British economy has been reluctantly pushed into one of its limited upswings. Such a coincidence of circumstances can hardly be expected to last. But while it does, Britain's predicament as a major exporter excluded from what is potentially its largest single market, and as a small island power situated on the doorstep of a powerful continental neighbour, is likely to remain insufficiently appreciated. Instead, one of the main questions which will continue to be asked is why Britain's main international connection, the Commonwealth, is proving unable to substitute either politically or economically for the failure in Europe.

It can be said right away that Mr. Macmillan's Government was under no illusions last January about the Commonwealth as an alternative to the European Economic Community. It was the British people, encouraged rather rashly by the Labour Opposition and by a few die-hard empire enthusiasts, who were inclined to turn to the Commonwealth for possible consolation. The fact that disappointment has not been greater is again due to more favourable circumstances than could reasonably have been hoped for. But these have not discouraged considerable debate in Britain about the true nature of the Commonwealth and its exact significance in the world of today. The points of view expressed have, of course, differed widely. But it is true to say that a consensus is emerging which is far more critical and much less sentimental about the Commonwealth connection than was the case a few years ago. This is all to the good. It is no aid to rational thinking that the Commonwealth should remain forever a precarious prop to Britain's self-esteem, as a recent official publication described it. It is much more useful for all concerned that the true balance be struck without emotion or prejudice distorting the issue one way or another. Considerable progress has been made in this direction since last January, and now the picture is clearer than it has been since the war. As part of the Commonwealth herself, and potentially the most powerful member of it, India has a direct interest in what exactly this is turning out to be.

Defence Ties

First militarily: Any idea of the Commonwealth as a viable defence system is a thing of the past. It never has been regarded as such by the newer members, nor, this century, by Canada. But the defection of South Africa, and the growing tendency for Australia and New Zealand to turn to the United States for military support, have for all practical purposes dissolved the last remnants of what was once the old British imperial defence system. It is a demise which goes unmourned in hard-headed official circles in the U.K., where the need to conserve Britain's limited military resources for N.A.T.O. is accepted as of first priority. But there remains considerable sentimental regret concerning its disappearance among some individuals both in London and elsewhere, and even now this continues to obscure current British thinking about the Commonwealth. Of course, one important vestige of imperial defence still remains, as India has recently discovered. Any Commonwealth member finding itself in conflict with a power which is outside the Commonwealth can, generally speaking, rely on moral and material support from the others, and especially Britain. This link has strict limitations, as the dispute between India and Pakistan has proved. But the fact that India has found her membership of the Commonwealth useful in her dispute with China is evidence that material benefits are still to be derived from it.

Commonwealth defence, as a single entity, is complicated by the loose nature of the ties which unite member nations, by the relative weakness of Britain herself, and, of course, by the realities of the cold war. Any sober assessment of the future must conclude that the opportunities for strengthening defence ties are practically non-existent. This is no doubt as most members, including Britain, would prefer it. The informal nature of the Commonwealth system does not make for close co-operation in military matters even if the necessary power were available to back it. And at the moment there is no indication that anything more formal would be acceptable to all members.

Political Co-operation

When any possibility of closer military ties is ruled out, it becomes clear that the field for further political co-operation is also limited. With each member-nation anxious to follow its own foreign policy, joint action in the political field must obviously be reserved to the least formal of contacts. This is in fact a fair assessment of the present state of affairs. The periodic conference of Commonwealth Prime Ministers has long been accepted as valuable mainly because of the opportunity it provides for exchanging ideas, not for co-ordinating policy. This is not to say such conferences are, therefore, of no value whatever. But their present size, the diversity of their composition, the varying stages of political and economic development of the countries represented, and the determined preservation of every aspect of national sovereignty and independence, all militate against any move to concert foreign policies. In other words, the Commonwealth Prime Ministers conference is, at least politically speaking, more of an old-boys' reunion than a concert of powers. Again, this conforms with the general wishes of the members.

The opportunities which arise from a meeting between relatively like-minded statesmen who uphold roughly similar ideals about peace, freedom, progress and racial equality—no matter how much these may become modified in practice—must not be underestimated. Nor must the advantages which small and newly-independent countries can derive from being associated, however loosely, with a larger grouping, be dismissed out of hand. Voices are amplified when in unison, and the Commonwealth has provided not only a window on to world affairs for a surprising number of small, ex-colonial States, but has also helped ensure that what they have to say for themselves is heard with reasonable deference.

The availability of a common language has helped in this, and indeed the existence of a large and growing community of English-speaking States has proved a significant factor in world councils since the war. But here the political significance of the Commonwealth ends. Its members do not march in step on all occasions and Britain, unlike France with her former African empire, has neither the ability nor the desire to act as either spokesman or pace-setter. Under such circumstances, the very possibility of common discussion between so many varied nations ensures that the outcome will be innocuous rather than spectacular.

Economic Advantages

And finally economic: It is in this field, perhaps, that the Commonwealth retains its chief significance for its members. The maintenance of the old imperial preference system more or less intact, despite the dissolution of empire, has been of considerable importance and benefit to all member-countries. So has the sterling area system, of which most Commonwealth countries are still a part. Both have provided markets and the means to serve them, and the advantages gained have been both mutual and lasting. Nevertheless, they have been limited, as recent discussion has revealed. Again, it has been the insistence of members on their sovereign rights which has been the main source of weakness.

Member-nations have exercised their right to buy in the cheapest markets and to protect those of their industries which it has been decided to develop, or merely to preserve. In this respect Britain, with her massive agricultural protection, her "voluntary" agreements governing the import of cotton textiles, and her various schemes of official buying, has been among the worst offenders against the spirit of the Commonwealth. It is not necessary to be a Commonwealth enthusiast to realise that there is considerable scope for improving the usefulness of the system as an aid to mutual trade, and it is this point which has done so much to justify the feeling that with a little determination and some attention to detail the system could be developed so as to compensate Britain for the failure to join the Common Market and provide corresponding benefits to other members.

One of the main possibilities lies in the sphere of development aid. So far the existing Commonwealth system has found perhaps its main scope for further development in this field, and in that of technical assistance. The scope for both is limited only by sufficient resources of capital and expertise. These have been growing in recent years, but still not fast enough to meet the need. There is an increasing awareness of aid requirements in Britain and a few

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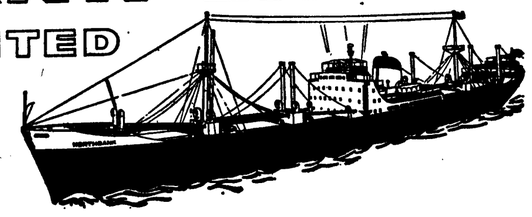
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simple measures, such as the organisation of an official corps of technical consultants for service in under-developed countries, would rapidly transform the situation. But the main limiting factor is money, and all rational assessments of the British economic situation during the next few years suggest that on neither private nor public account, whether as investment or as payment for services, is its supply likely to expand in line with requirements. This is unfortunate, because, as was agreed in a recent pamphlet entitled *The Future of the Commonwealth: A British View*, and published by H. M. Stationery Office, the present Commonwealth organisation is perhaps uniquely suited to the provision of technical assistance.

Basic Reality

So that is the picture of the Commonwealth today. A loose association of many differing and diverse States having little in common except their former imperial ties, their mastery of the English language, the lip-service they pay to the principles of freedom and parliamentary democracy, their participation in a mutual and inadequate system of trade preferences together with the choice of sterling as the common trading currency (excepting Canada) and an unshakable dedication to the principle of unrestricted national sovereignty. Clearly, this is not the stuff on which grandiose concepts can be based. Nor does it lend itself readily to rapid conversion into something which can substitute for the snug political and economic cohesion of the old British Empire. The ready acceptance of its better features, such as the scope provided for technical and educational aid, cannot obscure the fact that any development of the Commonwealth beyond its present limits is going to be a very difficult task indeed. Which, of course, does not mean that it is impossible.

Indeed, the recent heart-searching which has been taking place in Britain about the Commonwealth, apart from establishing a firm and desirable basis of reality, may have cleared the way for fresh constructive thinking, and is almost certainly the harbinger of new initiative. Whichever of the two British political Parties is in power after the next general election, it is going to be under considerable pressure to suggest radical development of the existing Commonwealth structure. There is little chance of sweeping reforms being proposed; Britain's interest in maintaining the present loose relationship, the main source of existing weakness in the Commonwealth, is as great as that of any other member. But even accepting such limitations, there are numerous ways in which the Commonwealth connections can be developed to the benefit of all concerned. Some of these have already been suggested in British political circles. Others have yet to see the light of day. No doubt they will during the next couple of years, because this promises to be a period of particular significance for the Commonwealth: a time for formulating new approaches and investigating new opportunities.

One of the most welcome developments for all concerned would be in the direction of increasing mutual trade, but it is here that the prospects are probably least promising. At present three-quarters of all Commonwealth trade involves exchange with the U.K. The main problem of expanding it, therefore, boils down to opening the British market for Commonwealh products and persuading other member-countries to take more goods from the U.K. The difficulties are numerous enough. But the main ones are, briefly, Britain's own determination to protect her agriculture and certain of her older manufactures; the need for other Commonwealth members to protect their own infant industries; the shortage of foreign exchange among the less developed members; and, by no means least important, the determination of all member-countries to preserve the sovereign right to buy in the cheapest market. There is also the added problem that the trade of under-developed countries nowadays tends to follow aid, and this, in India's case, is causing a considerable diversion of import trade from Britain.

The impact of these many difficulties could no doubt be mitigated if the Commonwealth were able to form itself into a tighter trading *bloc* on the lines of the European Economic Community. But partly because the stages of development of member-countries are so widely different, and partly because there is no urge to emulate the political initiative which, as much as economic expediency, is behind the European experiment, anything of the kind can be ruled out. In the absence of any practicable possibility of radical reorganisation, therefore, the expected initiatives will no doubt be reserved to peripheral matters.

Liberal Attitude

Apart from a more liberal attitude on the part of the British Government towards Commonwealth imports, possibly based on reciprocal agreements with individual countries, probably the most promising opportunities in the economic field would be the negotiation of long-term commodity agreements. Taking the Commonwealth Sugar Agreement as a possible model, there is obviously scope for arrangements of this kind, and the official attitude towards them in Britain has been softening in recent months. They would not, however, benefit all member-countries equally, and they might prove particularly ineffective in helping the under-developed. These would derive greater assistance from the proposal to establish a Commonwealth Bank and a Commonwealth Development Association.

The first of these would seem to be a practical enough proposition, although in what way it would be able to enter fields which are not already adequately covered by the World Bank, the I.F.C. and the I.D.A., or could be if the functions of these established organisations were extended in line with recent proposals, is not easy to see. The second, a Commonwealth Development Association, would presumably concern itself chiefly with initiating economic and industrial surveys, with co-ordinating technical and financial policies and with the training and selection of management, and would, therefore, enjoy considerable scope for its activities. Linked with the existing facilities for technical assistance for under-developed Commonwealth countries, and perhaps linked to the mutual assistance device of the Colombo Plan, the concept of a C.D.A. could be the most useful of the many suggestions put forward so far.

Commonwealth Planning

The most ambitious proposal yet made, at least among those which can be regarded as in any way practicable, is the one put forward by Mr. Selwyn Lloyd some months ago for a Commonwealth "Neddy". Neddy is the affectionate title for Britain's National Economic Development Council, a planning organisation for the British economy inaugurated by Mr. Lloyd when he was Chancellor of the Exchequer. Extending its principle to the Commonwealth would involve, presumably, the co-ordination of national plans, where these exist, into a single overall plan for Commonwealth development. Without taking up the space which would be required to list the objections to such a project, it is sufficient to point out that these would be numerous and weighty. It would be wrong to dismiss Mr. Lloyd's dream out of hand, but it would certainly be safer to press forward for the time being with the proposed Commonwealth Economic Survey, perhaps later leading to the establishment of the more modest C.D.A., rather than think immediately in terms of a supra-national planning authority for so loose and heterogeneous an organisation as the Commonwealth. The economic survey project mentioned above was recently announced as the first practical initiative in the Commonwealth field after the failure at Brussels last January. So far, it is wholly lacking in detail and only partly justified in outline. However, it does seem likely more will be heard of it under the new Government of Sir Alec Douglas-Home, which has already declared its intention of making a fresh approach to the subject of the Commonwealth.

Other suggestions for developing Commonwealth connections which stand some reasonable chance of success are confined chiefly to the educational and cultural fields. At the moment about 65,000 Commonwealth students are studying at British universities. The number could be increased. How many British students are studying at Commonwealth universities is not known, but the total is probably negligible. To expand it, possibly on a reciprocal basis, would not only help Commonwealth relations, but would go some way towards relieving the gradual descent into insularity which is afflicting the youth of post-imperial Britain. A project for a Commonwealth University has been suggested, and there seems no reason why this could not eventually be realised in view of the fact that there are no serious difficulties of language standing in the way. No doubt the initiative now lies with Britain, from whose pocket the resources would have to come. Finally, in the field of teaching generally, progress is at present being made, but continues to be impeded by the unenlightened attitude of British employers towards anybody whose experience has been largely gained overseas. The British Government is making half-hearted efforts to change this, particularly among local authorities, but so far the progress has been indiscernible.

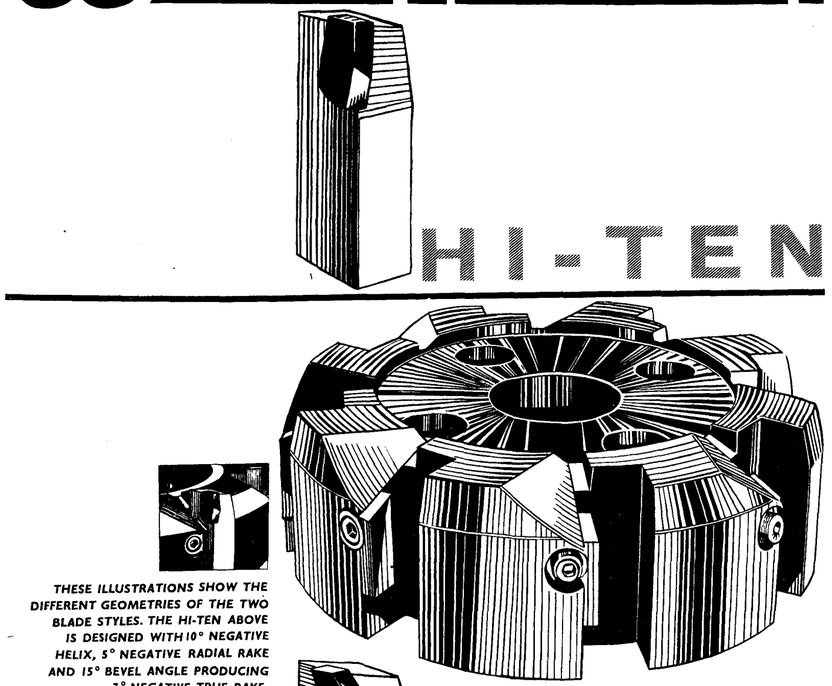
There are two more recent suggestions which deserve examination before being decisively rejected. Both are in the political field and both appear to encroach upon the inviolable and cherished principle among Commonwealth members of unencumbered national sovereignty. Their practicability, therefore, can be dismissed without more ado. Briefly, they propose the establishment of a Commonwealth Consultative Assembly, which would presumably be a permanent extension of the periodic Prime Ministers conference, and of a Permanent Secretariat to handle the business flowing from it. It is difficult to see what either body could accomplish under present circumstances, and so not much good would result from a detailed analysis of the proposals, even if this were possible with the information available. Perhaps the only thing that can be said about these ambitious ideas is that they refer to possibilities which are too far in the future to warrant serious attention at the moment.

The Commonwealth Ideal

The object of listing these various proposals is to indicate the fact that although recent critical thinking has stripped the Commonwealth concept of much of its sentimentality and revealed its innumerable limitations, it has not justified its being abandoned altogether. Britain's failure in Europe and the arrival of the final stage in the dissolution of empire, may, indeed, mark exactly the right time for a comprehensive review of the whole Commonwealth ideal. And without attempting to force it into something it is not and can never be, there is obviously considerable scope in an entity so vast for the kind of progress and development which would be a help to all member-nations. The next few years may see a modest revival of the Commonwealth idea both in Britain and elsewhere on the lines of a more equal partnership and with economic, educational and cultural co-operation as its main aims. There are many factors which will impede that type of development—such as race relations—but on the face of it, the possibility seems practicable enough. Much will depend on whether the Government which takes power after the next election in Britain is primarily Commonwealth-orientated, or is still mainly concerned with Europe. Whether the co-operation will be forthcoming from member-countries will depend to some extent no doubt on whether the remarkable solicitude for the Commonwealth connection which was shown when Britain announced her intention to seek membership of the E.E.C., was genuine, or merely cupboard-love.

The one thing which can now be accepted without question is that whatever steps are taken by Britain will not be towards any form of neo-imperialist revival, as to some extent has happened in France. The prevailing mood about the Commonwealth among the British public generally is one of disillusionment, and only vaguely of hope for the future. This is extremely healthy under the circumstances. It means that all efforts towards improving the Commonwealth connection will be made with the greatest care and tact. But that way, and that way only, lies the possibility of success.

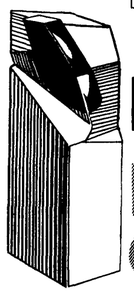
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Reducing the Economic Disparities between Rich and Poor Nations

The developing countries cannot accelerate their economic progress without generous aid. The advanced nations should see to it that greater capital resources flow to the under-developed countries and trade possibilities are steadily increased.

By
TARLOK SINGH
Member, Planning Commission

IN common with many other countries, for more than a decade, India has been engaged in the effort to develop her resources, raise the level of skills and reorganise the social and economic structure. At intervals, this effort involves searching inwards for the causes of backwardness and slow growth. At other times, the scarcity of capital resources, difficulties encountered in expanding exports, shortage of foreign exchange and the burden of payment obligations compel the country to turn from national issues to external economic relations. One begins to see that there is a close interdependence between national planning and international economic policies and that, in the critical period of development, this interdependence has far-reaching implications for national policies and objectives. The very compulsions of national development, therefore, lead to a consideration of the trends and prospects of the world economy and the international framework within which India pursues her chosen paths.

In recent years, besides combinations based on the tensions of the cold war, countries have been grouped in different ways, for instance, as nations which are rich and those which are poor, or as countries in the northern and the southern hemisphere, or as countries in different stages of economic growth varying from the traditional to the mature economy. They have also been grouped on a statistical basis in terms of gross product *per capita* and income *per capita*. The distinction now commonly adopted is that between developing countries and developed countries, the latter, again, being arranged into two groups, private enterprise and mixed economies and centrally planned economies. In all these different ways of looking at countries, there is a common focus, namely, that among nations there are large disparities in levels of development and that, if an integrated world economy is to be achieved, these disparities have to be reduced and a more widespread sharing of the fruits of prosperity and of science and technology achieved.*

Take-off Stage

The present disparities between nations have their roots in the economic and political history of the past century and more. Each of the developed countries has had a long period of growth, sometimes interrupted for years together, yet—on a broad view—sufficiently sustained. Thus, the "take-off stage" for Britain has been placed by one writer in the closing period of the eighteenth century, for France, Belgium and the United States in the two or three decades preceding the American Civil War, for Germany, Sweden and Japan in the second half of the nineteenth century, and for Russia and Canada in the period of 20 or 25 years preceding the first World War. In these and other developed countries, for periods varying from 50 to 100 years, the available statistical data indicate an average increase in total product varying from 2 percent to 4 percent a year and in product *per capita* from 1 percent to 2.5 percent a year. In other words, in spite of wars and booms and depressions, in a number of these countries the national product was doubled every 20 years or so and the *per capita* income doubled every 30 or 40 years. Development at these rates, along with rising productivity and growth of knowledge, contains the seeds of cumulative growth, so that the balance of history has remained largely in favour of those who had more or less come into the arena of developed nations before the first World War.

For the period since the end of the second World War, and more specially after the initial phase of economic reconstruction, fuller and more easily comparable data are now available, at any rate, for developed countries of the West and to an extent for underdeveloped countries. Thus, according to a study prepared in the United Nations, outside the centrally planned economies, the gross domestic product of the world may have increased between 1950 and 1960 (at 1950 prices) from $583,000 million to $862,000 million, an increase of about 4 percent a year. For the developed regions, the increase in gross domestic product during this period is reckoned at 3.9 percent a year and for underdeveloped regions at 4.3 percent a year. Among the developed countries some are going ahead much faster; for instance, in this period, in western Europe the average annual rate of growth was 4.7 percent and in Japan 8.5 percent. During the decade 1950-60, the *per capita* gross domestic product rose in the developed regions from $839 to $1,089, an increase of 30 percent while, in the under-developed regions, the corresponding increase was from $102 to $126, marking a change of 23 percent.

There are, of course, enormous variations between countries, both in the levels of domestic product *per capita* at the beginning of the decade and in the rates of growth. What is significant is that during the decade 1950-60, the population of developed regions increased by 13 percent from 565 million to 639 million while, in the under-developed regions, it increased by over 23 percent from 1,063 million to 1,312 million. Among the centrally planned economies which are left out of this reckoning is China with an estimated population of some 700 million. Even apart from the enormous difference in total and the *per capita* product between developed and under-developed regions at the start of the decade, on account of relative increase in population, the annual rate of growth in the *per capita* product has been around 2 percent in the under-developed regions, compared with 4 percent in western Europe and nearly twice as much in a country like Japan.

The evidence of the past decade thus sets the scales against the under-developed world. But the trend it brings out has, in fact, existed over a much longer period. In his book, *Shaping the World Economy,* Tinoergen cites data on *per capita* national income in major areas, which show that in terms of the dollar values for 1952 to 1954, during the period 1913-57, while the *per capita* income roughly doubled in North America, north-west Europe and Oceania and appreciable increases even occurred in south-east Europe and Latin America, much of Asia continued to be a vast area of poverty with no significant increases in *per capita* income.

The Continuing Trends

These continuing trends, with roots deep in the social, economic and technological developments of the past, have some important implications for the future. On current assumptions as to the increase in population and growth rates, it has been estimated that, outside the centrally planned economies, by 1975, 72 percent of the world's population may be found to be sharing 21 percent of the total domestic product, against 65 percent sharing about 19 percent of the world's domestic product in 1950. The *per capita* domestic product in the developed regions has been about eight times as high as in the under-developed regions; this gap may increase by 1975 to about ten times. Between western Europe and Asia, the gap may increase even more. Between 1960 and 1975, according to the same study, in the developed regions, the total *per capita* product may increase (at U.S. 1950 dollar values) from $1,089 to $1,599. But in the under-developed regions, the increase may be only from $126 to $170 and in Asia from $89 to $113.

Such figures are not merely illustrative. They are both a warning and a signal for action, equally for the under-developed and the developed countries; for, behind the present disparities and levels of development lie differences in the rates of economic growth. This would be true whatever the nature of the disparities, whether these are between nations, between regions, between rural and urban areas or between different income groups within a national community. So one has to consider, however briefly, the essential conditions in the international context which may assist developing countries in attaining higher rates of growth, in modernising their economies, in transforming their economic and industrial structures, in raising levels of productivity, in a word, in catching up somehow with countries which have been ahead of them and are even now moving faster.

There are two areas in which the existing and prospective gaps in levels of development are likely to prove specially decisive. These are the expansion of international trade and an increase in the flow of capital resources between the developed and developing nations. Obviously, there is an intimate connection between the two. Many thoughtful men realise that only a sharp break from the past can begin to make a real impression on the total problem. Of course, responsibility for action lies both with the developed and the developing countries, for the latter too are under obligation to create the conditions in which such possibilities of expanding trade as are opened up can be effectively used and to increase their own absorptive capacity for external financial resources in a marked degree.

Useful Data

As in the case of growth in the national and *per capita* product, the trends in world trade during the decade 1950-60 have been somewhat adverse from the point of view of developing countries. Some useful data on this subject have been brought together in the *World Economic Survey, 1962.* There are at least four important facts to which attention should be drawn. Firstly, as was to be expected, wherever efforts are be-

* The substance of this article is drawn from a recent university extension lecture at the Aligarh Muslim University.

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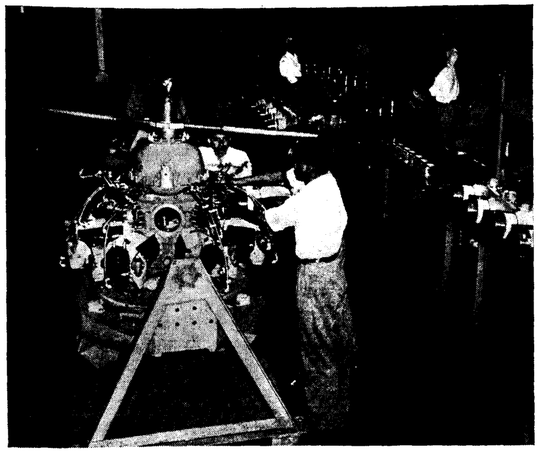
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ing made to develop purposefully, industrialisation and economic development have increased the dependence of developing countries on imports of machinery, equipment and components and raw materials. More than 80 percent of their imports now consist of machinery, metals, manufactures and fuels. Over the decade, imports in these items rose (at 1957 prices) from about $12 million to about $18 million and would have risen still more but for the lack of foreign exchange with which to buy from abroad. Secondly, while world exports have increased at an annual compound rate of about 6.4 percent, exports of developing countries have risen at only 3.6 percent a year and, in fact in many individual countries, there has been near-stagnation in exports. Thirdly, over the decade, the terms of trade have moved against developing countries. Whereas, for the developed countries, the ratio between the unit value of exports and imports, reckoned against 1959 as base, has increased from 91 in 1950 to 101 in 1960, in the case of developing countries, there have been wide fluctuations, and the ratio diminished from 109 in 1950 and 116 in 1951 to 100, the general trend being downward. Fourthly, trade between developing countries and developed countries—including centrally planned economies—has increased during the decade 1950-60 from 71.5 percent to 80 percent, and that between the developing countries themselves has diminished from 27.3 percent to 19 percent. In other words, almost as a natural sequence to the process of development, there are real difficulties in enlarging co-operation and trade between countries at the regional level.

In the less developed countries, there are numerous impediments to development, and many of these are essentially of an internal character. Yet, it would be fair to say that once a country is prepared to undertake the necessary effort and attack its own deep-rooted problems, the shortage of capital and specially of foreign exchange resources soon comes to constitute perhaps the most important single limitation on the pace at which development is, in fact, achieved. From this aspect, external financial resources have a crucial rôle, both in themselves and in stimulating domestic savings. The total annual flow of long-term capital and official donations from capital-exporting countries rose from an average of $3,300 million during 1951-55 to $4,900 million during 1956-59. In 1959, it amounted to $7,600 million. In 1960, out of a total net international flow of long-term capital and official donations to under-developed countries amounting to about $5,000 million, about a quarter was accounted for by private capital, the proportion in south-east Asia being only half as much.

Three Broad Propositions

Three broad propositions may be advanced. Firstly, the total foreign exchange requirements of developing countries are considerably larger than the degree in which they are, in fact, being met at present. The contribution of external assistance as a proportion of the foreign exchange requirements which are being actually financed is still small although, in view of differences in absorptive capacity, it varies considerably between country and country. Secondly, to an increasing extent, inflows of external resources are being counterbalanced by heavy repayment obligations. Thirdly, while private capital has a contribution to make in the planned development of many countries, it is unlikely to have more than a modest share and it is best to see its rôle in correct proportions.

In considering measures for expanding the inflow of long-term capital into developing countries, much greater attention should, therefore, be given to multilateral and bilateral assistance. Another aspect to which attention should be drawn is the comparatively small increases now taking place from year to year in the total volume of financial resources flowing from developed countries to developing countries, both directly and through multilateral agencies. The available data from the O.E.C.D. member-nations and other developed countries suggest that the volume of external assistance from advanced countries has more or less reached a plateau. Consequently, a number of countries engaged in development and undertaking expansion of their economies are already confronted with difficult decisions as to the scale and pattern of development for which they should plan during the next few years.

Against the background of trends and prospects at the international level which have been described above, there is no assurance that in the foreseeable period disparities between developed and developing countries will lessen materially. Perhaps one could outline some of the directions in which action might be taken, both by individual countries and by the international community, such as could create favourable conditions for reducing the gap between rich nations on the one hand and some at least of the poorer nations.

In some ways, the greater part of the action lies with individual countries themselves. In the absence of political and social stability and continuity in economic planning and policy, no amount of external support will avail. Equally, without relaxation of tensions and some advance towards disarmament, the prospect of conflicts between nations will not permit a greatly expanded flow of capital resources or freer world trade. It can hardly be overlooked that, as was recently pointed out in the study of economic and social consequences of disarmament, the world is at present spending roughly $120,000 million a year on military account, that is, the equivalent of about 8 percent to 9 percent of the world's annual output of goods and services and at least two-thirds and possibly more of the entire national income of all the under-developed countries. Thus, both within individual countries and between nations, there are so many imponderable and uncertain factors to be reckoned with that one could not at present ask for much more than a steady advance towards conditions under which at least these countries, which put their own house in order and are prepared to meet the challenge and burden of development with all its implications, might move forward with a degree of assurance by way of capital resources, know-how and expanded opportunities for trade.

Common Strategy

Conflicts of interests and outlook between groups of developed countries as well as their individual political and economic circumstances come in the way of a common idiom and strategy being evolved for enabling the less developed countries to achieve more rapid economic growth. On the facts of the case, under certain conditions, it should not be too difficult for countries under different social systems to agree on terms and conditions of aid to developing countries. It is increasingly realised that wherever there are large disparities, the process of development involves large-scale and sustained transfer of resources from the higher income to the lower income groups. Considerations of a purely commercial nature have a limited place but in the main, both in national and international terms, the major decisions have to be taken on the basis of broad policy and judgment for the future. In a situation in which there is both political struggle and economic competition between developed countries, not only are the possibilities of growth in developing countries thereby limited, but also, beyond a point, the expansion of their own economies is likely to be impeded. In the last resort, important as it is for the economies of under-developed countries to grow much faster than those of developed countries, slow economic growth, for instance, in the United States or Canada or Australia runs counter to the essential interest of developing countries. Indeed, several of the restrictive foreign economic policies of a number of advanced countries may be traced to the very limited expansion which has occurred in their own economies.

In recent years, a growing number of observers have tried to mark out the paths leading to a "world without want". They know that in the long run, like peace, prosperity too is indivisible. While this goal is pursued, without waiting for perfect instruments and policies, one should see to it that capital resources flow from the more advanced to the less advanced countries and trade possibilities are steadily increased. To a large extent, assistance should be made to flow through international and multilateral channels. Such assistance could also serve as a basis for channelling bilateral assistance and private investments on terms which are internationally approved and take account of the inherent problems of receiving countries. Similarly, there could be a large measure of agreement on a plan for the development of world trade with reference specially to the industrial and agricultural commodities produced in developing countries. Also, more effective means for maintaining reasonable terms of trade could be established. On their side too, developing countries seeking to take advantage of more favourable policies on the part of developed countries, would need urgently to strengthen their economies and work with a sense of purpose to eliminate their own social, economic and political weaknesses to the greatest extent possible.

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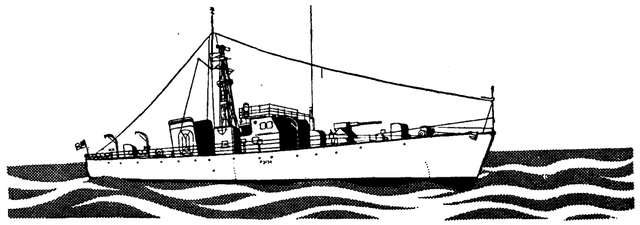
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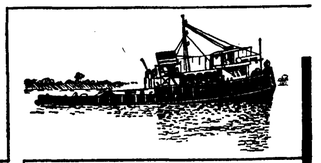
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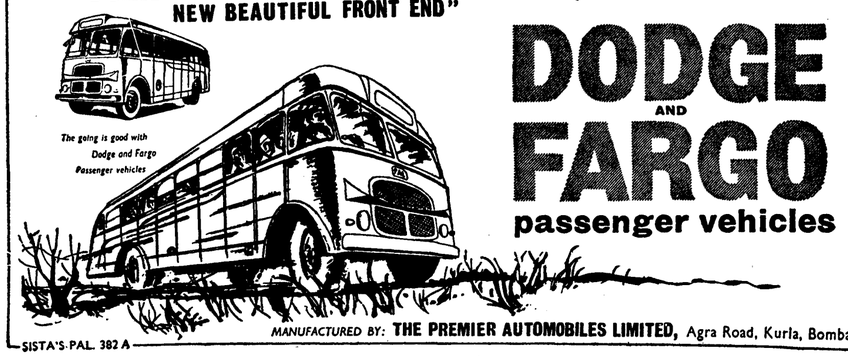
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INDIAN NATIONAL INCOME GROWTH AMONG SLOWEST IN THE WORLD

India's per capita income is among the lowest in the world and the growth of her national income has also been about the slowest. Unless the national income rises much faster than in recent years, there is little hope of catching up with the industrially advanced countries. The returns from agriculture are much higher than from industry. Professor Shenoy says that for quickening the tempo of development, agriculture should get more attention.



By

B. R. SHENOY

Director, School of Social Sciences, Gujarat University, and now Visiting Professor, London School of Economics

INDIAN national income statistics as a continuing series begin with the fiscal year 1948-49. Compiled by the Central Statistical Organisation (C.S.O.) attached to the Cabinet Secretariat, they are based on the principles outlined by the first report, issued in 1951, and the final report, issued in 1954, of the committee appointed by the Government of India in 1949 under the chairmanship of Professor P. C. Mahalanobis "to make recommendations on the compilation of the estimates of national income, the improvement of the statistical data on which the estimates were based and the promotion of research in the field of national income". Issued annually as a White Paper entitled "Estimates of National Income", the latest number, the tenth in the series, is dated January 1963 and relates to the period 1948-49 to 1961-62. The figures for 1961-62 are "preliminary"; the figures for the earlier years are "final".

The time lag in the statistics has progressively diminished, that in the tenth issue being ten months. As a corrective to the time lag, the C.S.O. has been issuing, more generally in August, "quick" estimates for the latest year not covered by the published statistics; for the year 1961-62, the "quick" estimates were published in October 1962 and for 1962-63 in November 1963.

Apart from stray estimates or conjectures for certain past years, no other statistics of Indian national income are available. The attempt of the *Economic Times*, Bombay, to estimate the national income for 1962-63 in its issue of 23rd June, 1963, represents expert processing of the available basic data to fill the void of the time lag in the C.S.O. statistics.

The White Paper comprises 19 tables which relate, among other things, to national income at current and constant prices and by industrial origin; the share of the Government in the domestic product and expenditure; and the relationship of national income to the balance of international transactions on current account.

Definition of Income

National income is defined as net national product (output) at factor cost. This familiar technical jargon refers to the concept of national income as being equivalent to the output of the domestic factors—of which their earnings are a reflex—of production, namely, land, labour, capital and enterprise (organisation). Accordingly, the term national product at factor cost, first, excludes the share of the national product accruing, on balance, to foreigners on account of foreign capital and enterprise operating in India, which, incidentally, has been on the ascendant in recent years; or, more rarely, as in 1956-57, adds to the domestic product the net earnings from abroad by the people resident in India. During the three years, 1953-54 to 1955-56, the incomes earned by Indian nationals from abroad and the incomes earned by foreigners from India were exactly equal to one another; they, therefore, mutually cancelled and the "net domestic product" and the "national income" of these years were identical.

Secondly, the concept of Indian national income at factor cost—the output of the factors of production—differs from the market prices of this output. The prices of the latter in the market would deviate from their money values by the impact on market prices of indirect taxes and subsidies. Indirect taxes, it is assumed, would lift up the market prices of the output above their money value by the amount of the taxes; and subsidies are assumed to depress the market prices of the output below their money values by the amount of the subsidies. Indian national income at factor cost would be, therefore, equal to Indian national income at market prices plus the amount of the subsidies and less the amount of the indirect taxes such as excise and purchase taxes. This is well brought out in Table 5, Page 8, of the White Paper of January 1963, which gives figures of Indian national income at market prices and establishes its relationship, conceptually and statistically, with Indian national income at factor cost.

The White Paper does not give statistics of the gross national product, another familiar technical jargon often referred to in its abbreviated form, G.N.P. The G.N.P. of India would be "the value of all goods and services produced for final use by consumers or government, for investment or for export"; the contribution to the national product represented by the production of raw materials and semi-finished goods are not reckoned separately; to do so would be double counting, as the value of the final goods in which they eventuate include their value too. Since G.N.P. includes all goods, it would differ from Indian national income at factor cost in that, while the latter would exclude, G.N.P. will include, depreciation and obsolescence of existing capital.(1) Although in most countries, G.N.P. is expressed at market prices, it may be expressed at factor cost as well, that is, as the value of the output of the factors of production less depreciation and obsolescence. Expressed at market prices, it would be the total market value of the national product without any allowance being made for depreciation or obsolescence. That is to say, the G.N.P. of India at market prices would be equal to Indian national income at factor cost plus indirect taxes minus subsidies plus depreciation and obsolescence.

Real National Income

As in times of inflation, the money value of output would rise without a corresponding rise in the national product expressed in goods and services, and as changes in the latter are a more correct measure of the changes in the economic condition of the people, the White Paper gives figures of Indian national income at "current" prices, that is, at the average market prices of the year to which the national income relates, and also at "constant" prices, that is, in terms of the prices ruling in 1948-49, the first year from which the current series of the national income begins. Indian national income at constant prices may be also described as the real national product as, being the net national product corrected for price changes, it expresses national income in real terms.

It will be noted that, apart from net earnings from abroad, the values of imports and exports do not figure in the national income. It is not as if net exports, *i.e.*, exports less imports—which may be positive or negative—using the terms imports and exports to cover invisible items of trade as well, are included in the national income. For, it is not as if the net sales of a trader—whose purchases and sales may be said to correspond to the imports and exports of a country—get incorporated in his net income. What becomes part of his net income is the difference between his payments and receipts, against his purchases and sales, respectively, during the year—his gross profits less his costs on account of personnel, interest, rent and depreciation. His income, thus defined, corresponds to the net earnings from abroad in the case of national income; these earnings get embodied in the net national product. This explains the exclusion of imports and exports from the computation of national income; it explains, too, the disregard of import and export duties from indirect taxes in the mutual conversion of national income at factor cost and at market prices.

Money Value

As in times of inflation, real national income is more meaningful than the money value of income, in what follows, except when otherwise stated, by national income is meant national income at constant prices, national income being defined as the net national product at factor cost.

Indian national income in 1948-49 amounted to Rs. 8,650 crores. It rose to Rs. 13,020 crores in 1961-62, an increase of 50.5 percent in 13 years, an annual rate of 3.8 percent. The income in 1961-62 represents an increase of 47 percent, an annual rate of 4.7 percent, over 1950-51, the year immediately preceding the commencement of planning. The White Paper also gives national income on a *per capita* basis, although this may be easily derived from the aggregate national income and population

(1) Colin Clark, *Growthmanship*, London, 1961, pp. 55-56.

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figures. *Per capita* income rose from Rs. 249.60 in 1948-49 to Rs. 293.40 in 1961-62 or by 17.7 percent, an annual rate of 1.3 percent. The rise in *per capita* income over 1950-51 was 18.5 percent, an annual rate of 1.7 percent. It may seem queer that *per capita* income in 1961-62 should show a larger increase over 1950-51 than over 1948-49. The explanation is that in 1950-51 *per capita* income had dropped to below the 1948-49 level.

Except for a drop in 1957-58, Indian national income has been in the ascendant since 1948-49. *Per capita* income, on the other hand, dropped during the same period in four years, 1950-51, 1957-58, 1959-60 and 1961-62; this reflects the fact that the rate of increase in the national income during these years lagged behind the rate of increase in population. Every decline in the *per capita* income has been followed by a substantial rise in the immediately following year. It would seem that this sequence of expectation failed to materialise in 1962-63. The *Economic Times* estimate of national income for this year—this is identical with the "quick" estimates of the C.S.O. for the year issued on 2nd November, 1963—shows a fall of 0.3 percent in the *per capita* income, which follows a fall of 0.1 percent in the C.S.O. estimate for 1961-62. For the first time since independence, *per capita* income has declined in two successive years.

International Comparisons

International comparisons of national income statistics may not be strictly valid or safe in all cases, not only because of differences in the techniques and principles of computation, but also because the command over goods and services of a given unit of income might vary, especially between the industrially advanced and the economically under-developed parts of the world. In the latter, the poverty of the vast masses permits the better-to-do groups of people the benefits of various personal services, which individuals in the same income categories would not be able to command in the richer countries; precisely because of the material poverty of the people, the personal services are costlier in the richer countries—such services generally tend to rise with the scale of riches—and most people have to forgo them. Thus, in western Europe and North America and in the highly industrialised parts of the world, people generally polish their own shoes, mostly wash their own clothes, work in the gardens and do much of the housekeeping themselves, carry their own baggages in the airports and railway stations, and so on. In the economically under-developed countries, people of quality may not like to be seen doing these things, apart from hobbies such as light gardening now and again.

On the other hand, manufactured goods, except in cases of organised dumping, are generally cheaper and of better quality in the industrially advanced countries. The price and quality factor is particularly striking in relation to countries such as India where import restrictions, exchange control, exchange rate over-valuation and persisting inflation have combined to produce fantastic disparities over virtually the whole range of import goods between the internal (rupee) prices and the prices abroad expressed in foreign currencies. Much of household equipment and furnishings, most groceries, especially tinned goods, present phenomenal price contrasts. To cite a stray example, refrigerators, which may cost in India about Rs. 2,500 a unit, may be had in the U.K. from about Rs. 525 upwards.

This explains the strange experience that, for people who run a household of their own, the total cost of living, with better comforts under healthier weather conditions, may be even less than is the case presently in Bombay, Calcutta, New Delhi or Ahmedabad; rents, which account for a fair part of the living costs, of three bed-room furnished houses or flats—the availability of accommodation is much greater in London than in the larger Indian cities—are distinctly lower in London. Milk and milk products, the main support of vegetarians, which are available only in unadulterated condition, are also less costly.

This is, however, an economic oddity, the results of statist economic policies, which as has been indicated elsewhere [2], have produced a whole series of preverse phenomena vitiating the Indian economic scene. Unless these policies continued indefinitely, which we hope not, considering the untold economic and social damage they have caused, the economic oddity of the cost of living in London appearing to be even less than in the larger Indian cities must be deemed to be an artificially created optical illusion. It would cease to be with the abandonment of import restrictions, exchange control, exchange rate over-valuation and inflation.

Price Disparities

More normally, as price disparities in manufactured goods in several parts of the globe may correspond to the costs of transport and incidental expenses, and as the cost of "services" may diverge as between the richer and the poorer economies, the same money income may yield perhaps more comfortable living in the under-developed countries than in the high-income industrialised countries; this may be particularly true for people in the upper-income groups. A family with an income of Rs. 500 a month in India, Burma, Ceylon and Pakistan —this is 20.4 times the Indian *per capita* income in 1961-62—may have a part-time servant doing the more irksome household jobs; in the rural areas, it may own a house, although the house may not have much of furniture. In the U.S.A., an income of Rs. 500 a month is far less than the monthly *per capita* income of the country in 1961 (about Rs. 910) and the living wage of a family. This may not be far different in most of the other high-income economies. By the same reasoning, a millionaire in the under-developed countries may probably live like a multi-millionaire in the highly industrialised parts of the world. It would seem, therefore, that the contents in real terms of the same income slabs being possibly different, in the two categories of countries in particular, unqualified international comparisons of national income statistics may be misleading.

These limitations do not take away from the broad observation that Indian national income is both among the lowest in the world and has been rising at among the slowest rates in the world. Indian *per capita* income in 1960-61 (Rs. 293.70) was about 1/37th the income in the same year of the U.S.A.; about one-seventh the income of Japan; about 1/29th the income of Sweden; and about one-tenth the income of Israel. It was lower even than the *per capita* incomes of Thailand, Burma, Ceylon and most other under-developed countries of Asia, Africa and Latin America. Of the 26 countries in the table below, India, with an annual rate of increase of 1.3 percent, ranks twenty-second in the order of the rate of increase in *per capita* income, the U.S.A., Canada, Ceylon and Pakistan coming after India.

INCREASES IN REAL NATIONAL INCOMES
1951-59

Country	Percent growth in income per year	
	Total	Per capita
Japan	8.3	7.2
Jamaica	8.9	6.9
West Germany	7.3	6.1
Trinidad and Tobago	9.1	5.9
Algeria	8.0	5.7
Austria	5.8	5.6
Puerto Rico	6.1	5.5
Greece	6.2	5.2
Italy	5.7	5.2
Israel	9.0	5.0
Rhodesia and Nysaland	6.8	4.1
The Netherlands	4.6	3.4
France	4.2	3.2
Turkey	5.9	2.9
Switzerland	4.1	2.8
Sweden	3.4	2.8
The Philippines	5.8	2.5
Indonesia	4.2	2.2
The United Kingdom	2.6	2.1
Ireland	0.9	1.6
Thailand	4.8	1.3
India	3.3	1.3
United States	2.8	1.1
Canada	3.7	0.9
Ceylon	3.0	0.4
Pakistan	2.3	0.4

Indian Per Capita Income

This picture may not change if we brought under comparison most or all of the members of the United Nations. Indian *per capita* income and its rate of increase may both be still about the lowest in the world. Simple statistical calculations will demonstrate the staggering length of time that would be required for the Indian income to reach the present U.S. level. Unless Indian national income rose several times faster than in recent years and kept on doing so for decades, there is little hope of the Indian income reaching the level of western Europe or of North America, as otherwise, short of a catastrophe and setback, the incomes of the countries in these parts of the world would continue moving up and the prevailing gap between India's income and theirs would widen.

In formulating measures for the economic betterment of a family, the income of which is meagre, it may be perilous to ignore its principal occupation, the training of its members in the occupation and their talent and abilities. If the head of the family is a carpenter and the demand for his output remains good, the best means of lifting up its income may be, Santa Claus economics apart, to provide it with better facilities to pursue its trade more effectively than hitherto. Because of poverty and hence the shortage of savings, it is possible that the implements and materials it may be using is of poor quality and it may be unable to hold the produce, the result of its labours, to await a good price. Provision of adequate credit, both short and long term, might enable it to overcome these handicaps; it may be helpful, too, to provide the adult workers in the family a technical refresher course in carpentry, which may be necessary for the more efficient use of the new tools. This may make the individual a better carpenter and may add materially to the income of the family almost at once, i.e., as the output of the better implements and raw materials begin to flow into the market.

To make the head of the family a better carpenter to begin with may serve best the longer term interests of the family as well. This may enable it to save more and to invest more on the education and training of the children and to give them, in addition, a better financial start in life. The family may soon begin moving up the ladder of economic well-being and may keep doing so. This may provide it with the necessary financial wherewithal for training its more talented children for lucrative and socially more valued occupations than carpentry. Thus, it may not be as if the family would remain carpenters indefinitely if priority attention was paid to making its workers better carpenters, with no hopes of moving up the economic and social escalator.

Prudent Use of Resources

If, on the other hand, leaving carpentry to stagnate, the family resources and the betterment credits allotted to it under the development projects were used to force on the children an expensive technical education to which by aptitude and otherwise they were not well fitted, the family may not be on the right road to progress. The resources and the betterment credits, while they lasted, might indeed engender a false feeling in the family that it was forging ahead and that once the gestation period of the investment of capital in man had been completed, it may well enter the realm of lower middle class prosperity. It is more likely, however, that the family might eventually discover that a great deal of precious funds had been misdirected; that it is unable to meet the demands of its creditors; that its expenses are out of balance with income; and that it might have been on the whole much more expedient if the family resources and the betterment credits had been devoted to improve and streamline the family occupation of carpentry as the experience of more than one family in the neighbourhood and elsewhere had convincingly demonstrated.

What is true of this family of carpenters, essentially holds true of the general principles of the economic betterment of the Indian people, a collection of 88 million families. The extension of these principles from the family to the country as a whole is not any the less valid because in the case of the economic development of the latter, investment in the economic and the social overheads has to progress commensurately with the increase in the aggregate investments of the families in the country. If so, it is a fatal error to assume,

[2] See chapter I of the author's book, *Indian Planning and Economic Development*, Bombay, 1963.

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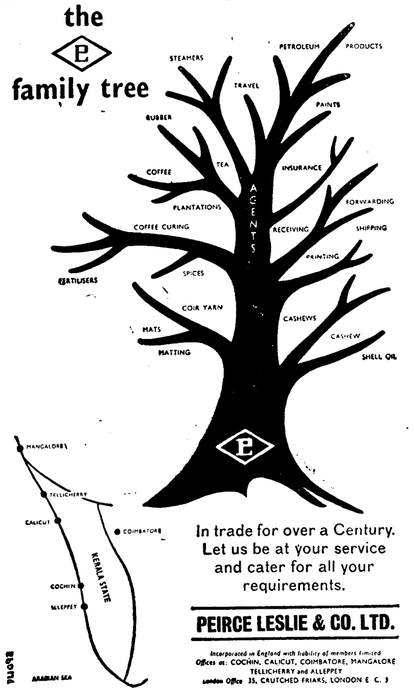
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as the Indian policy-makers seem to do, that the national schemes of economic development rest on principles which are independent of the basic principles of the economic development of its component units, the individual families.

Indian Production Pattern

Schemes of Indian economic development cannot ignore with impunity the prevailing production pattern of the Indian economy. In 1950-51, the immediate pre-plan year, 51.3 percent of the national income came from agriculture. The next highest head of production, namely, mining, manufacturing and small enterprises, accounted for but 16.1 percent of the national product. In 1961, despite an increase of 165 percent in the output of factory establishments during the interval, agriculture accounted for 46.8 percent of the national product. In 1951, 69.8 percent of the population drew its living from agriculture; the phenomenal expansion of factory output since then made no difference to this percentage; it was still around 70 in 1961. Of an increase of 78.1 million people between the censuses of 1951 and 1961, the rural area took 74 percent (58 million) or somewhat more than the percentage of the population living on agriculture. The numbers of the agricultural labour households in 1956-57 were 16.3 million and the people living on agricultural wages 72 million. By contrast, the total labour force in the manufacturing industries, transport and communications, is about 3 million.

This production pattern cannot change overnight. Over a decade of pressurised expansion of industries has not materially reduced the predominant place of agriculture in the Indian economy; the output of factory establishments still account for but 10 percent of the national product and the percentage of the population dependent on agriculture has not diminished. At the same time, plantation crops such as tea, rubber and pepper apart, the output an acre in the case of most crops is about the lowest in the world. Investment in agriculture would add to the national product much more than investments in the other sectors of the national economy. It has been estimated that Rs. 1 crore of investments in agriculture would add Rs. 57 lakhs to Rs. 69 lakhs to output, as against Rs. 33 lakhs in the lighter manufacturing industries and Rs. 19 lakhs in iron and steel.

These two considerations—the predominance of agriculture in the national economy and the high potentiality of its growth—suggest that for accelerating Indian economic development, agriculture merits priority attention. But this has not been the case hitherto, although for political reasons, the policymakers have not been slow in paying lip sympathy to agriculture. From 1950-51 to 1961-62, agricultural output rose at the slowest pace, by 39 percent or 3.5 percent a year, while the output of factory establishments rose during the same interval at an annual rate of 15 percent; commerce, transport and communications at 4.2 percent; and "other services" at 7.1 percent.

This would seem to be the result of the comparative neglect of agriculture. The State appropriated over 50 percent of the national savings in the first plan, about 60 percent in the second, will absorb 67 percent in the third, although public sector enterprises contributed but 4.2 percent of the national product in 1961-62. For agriculture to get its due share of savings, the appropriations by the State must bear some reasonable relationship to the ratio of the contribution of public sector enterprises to the national product.

Summary

The main points made in this article may be summarised to bring together the principal conclusions emerging from this discussion :

(1) The White Paper on the "Estimates of National Income", which gives Indian national income statistics as a continuing series from 1948-49, defines Indian national income as net national product at factor cost, i.e., as the net output of the domestic factors of production, namely, land, labour, capital and enterprise. It excludes, therefore, the net earnings of the factors of production in India owned by residents abroad, but includes the net earnings of the factors of production abroad owned by residents in India. This definition differs from the concept of Indian national income at market prices as the market prices of this output would deviate from their money values: the market prices would be more than the latter by the amount of indirect taxes—excise duties and purchase tax, but not import and export duties—and less than the latter by the amount of the subsidies. The White Paper does not give statistics of G.N.P. The national income statistics are given at "current" and "constant" prices.

(2) Imports and exports do not expressly figure in the national income statistics; the earnings from them (including invisibles) are embodied in the net earnings from abroad.

(3) Indian national income as at 1961-62 has risen by 50.5 percent since 1948-49, an annual rate of 3.8 percent. *Per capita* income rose during the same interval by 17.7 percent, an annual rate of 1.3 percent. While Indian national income has been in the ascendant, except for a drop in 1957-58, *per capita* income dropped during the same period in four years, 1950-51, 1957-58, 1959-60 and 1961-62. In the latter years, the rate of increase in national income lagged behind the rate of increase in population. A private estimate suggests that *per capita* income has declined in 1962-63 as well—this makes a decline, for the first time since independence, for two successive years.

(4) International comparisons of national income statistics may not be strictly valid in all cases, as, firstly, the techniques and principles of the computation, and, secondly, the goods and services content of a given unit of income may be different in different countries.

(5) The appearance of the costs of living today in London being about the same or even somewhat lower than in Bombay or Calcutta is a deceptive one; it is a delusion caused by the unrealistic exchange value of the rupee. More normally, the same money income may yield perhaps more comfortable living in the underdeveloped countries than in the high-income countries.

(6) Nevertheless for the limitations of the international comparisons of national income statistics, it would seem safe to say that Indian national income is both among the lowest, and has been rising at among the slowest rates, in the world. Unless Indian national income rose several times faster than in recent years and kept rising for decades, there is little hope of the vast gap between the Indian income and the income of the industrialised countries being reduced.

(7) The broad principles of the economic betterment of a family may be extended to the economic betterment of a country, as the latter is but an aggregation of families. Schemes of Indian economic development cannot ignore with impunity the predominance of agriculture in the production set-up of the Indian economy. Nearly one-half of Indian national income is drawn from, and about 70 percent of the population live on, agriculture. This predominance of agriculture has not changed in spite of an increase of 165 percent in the output of factory establishments in the decade ended 1961.

(8) Agriculture has remained neglected hitherto, although, for political reasons, lip sympathies are being paid to it. From 1950-51 to 1961-62, agricultural production rose at the slowest pace, by 3.5 percent annually, while factory output rose by 15 percent, commerce and transport by 4.2 percent and "other service" by 7.1 percent.

(9) The neglect of agriculture may be seen in the poor allocations of resources to agriculture and the growing proportions of domestic savings and foreign aid appropriated by the public sector and by the heavy industries in the private sector.

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Impact of U.S. Aid on the Indian Economy: An Evaluation of Results

American economic aid has not only helped India's economic growth, but has had healthy effects in the political and cultural spheres as well. Dr. Chandrasekhar, a well-known demographic expert, pleads that the United States should now give help for India's population control programmes since the rapid increase in numbers poses the major economic problem of the day. India also needs assistance for promoting modern sanitation and environmental hygiene in order to raise the working capacity of her people.

By
S. CHANDRASEKHAR
Director, Indian Institute of Population Studies

WHAT is the total impact of American aid on India's progress? What are the effects of U.S. assistance on India's political stability, economic development, and cultural and social progress? There are, of course, short and long range, as well as visible and invisible effects. And certain effects in terms of human and international relations cannot be measured in any quantitative or statistical terms. In certain other sectors, effects may not be visible for a considerable period, since projects take time to start a chain reaction of beneficent results.

This entire field of evaluating the impact of foreign aid on India's overall development represents an area of relative ignorance, as no objective evaluation studies on the basis of each project or on the basis of the amount of aid provided by individual countries have been undertaken. In economic phenomena, the relation between cause and effect, aid and result are not so clear and direct as in scientific phenomena. There are several elusive and intangible factors, factors unmeasurable but nevertheless quite important in any worthwhile long-range study. What is, therefore, needed in this area is more research and an annual or project-wise and countrywise evaluation.

In such a study, the character and amount of aid, its form and purpose, its range and rôle, have to be taken into consideration. The fact that American aid has taken many forms —grants, loans, commodity help, technical assistance—makes evaluation of the impact less easy. What is more, American aid is a continuing phenomenon and has had no time to "simmer" down into the economy as it were, and this makes evaluation even more difficult. However, an effort is made here to outline certain obvious and indisputable effects of U.S. aid on overall Indian progress.

To begin with, a preliminary and pertinent question relating to aid must be raised and dismissed as far as India is concerned. An underdeveloped country may receive all the foreign economic aid she needs and yet there may be no perceptible economic progress in the country. The country may have a poor administrative machinery, no concerted plan, programme or policy and what is worse, may be burdened with corrupt, inefficient, self-seeking leaders whose tenure of office is temporary and shaky and who, therefore, have to make their quick piles. In such countries, thanks to widespread graft and greasy palms, external assistance more often than not tends to end up in the private bank accounts of unscrupulous politicians rather than in the nation's economic development.

In such countries gift milk powder, instead of being given free to needy children and nursing mothers, may find its way into black market. Costly machinery may lie rusty in the harbours and godowns of such recipient countries due to general administrative inefficiency and transport bottlenecks and want of competent technicians. Even foodgrains and other relatively perishable commodities may rot in railway yards for want of wagons and efficient transport facilities. In other words, external aid may be too large, in more than one sense of the term, for the assimilation capacity of the recipient country. Instances of such countries where foreign aid is a relative if not a total waste are unfortunately not wanting.

Fortunately, these problems, by and large, do not exist in India. There may be an occasional instance of petty corruption or the incompetence of a lower official, but, on the whole, American and other foreign aid has found its way to its appointed and destined places and no doubtful diversions have taken place, thanks to the relative integrity of the leaders and the administrative service, the vigilance of Parliament and the existence of an articulate and free Press.

Before one examines the overall impact of American aid on India under (a) political, (b) economic and (c) cultural and social heads, a few general observations on the total and general effect may be made. American aid has covered a wide variety of projects embracing practically every sector of the Indian economy. Any objective attempt to assess and evaluate the impact of these projects on the Indian economy will pose many questions. What has this aid accomplished for India, for her total economic development and the standard of living of her people? What should the United States do in the future? Does the past and current experience on Indo-American aid relations yield any suggestions for the future?

The major objective of the Government of India and the Planning Commission, indeed all the efforts of the public and private sectors in India during the last 15 years, since the advent of political freedom, have been to transform the present near-static and stagnant economy into a dynamic and vital one where the picture of artificial and real scarcity could be changed into one of adequate self-sufficiency, if not eventual affluence and abundance.

General Observations

To begin with, in assessing the total impact of foreign aid on India's overall economic and other development, it is not easy to demarcate particular results as the products of a particular country's assistance. As India receives aid from some 15 major countries, it is difficult to be precise and definitive on what country's particular aid has led to certain specific results. Of the total aid given by all the foreign countries during the last 15 years, the aid of the United States alone constitutes more than 50 percent. India has received from the West excluding the Russian Bloc, in overseas grants and loans, nearly $7,500 million of which the United States has contributed nearly $5,000 million. As such foreign aid means largely American aid.

That American aid (as well as aid from other foreign countries and the United Nations and its specialised agencies) has contributed to the overall productive capacity of the economy—plants and people—is undeniable though attempts at quantification may not be successful. The obvious difficulty here is that foreign aid resources cannot be separated from non-aid, internal, national resources as they are substitutable.

Secondly, for any evaluation of the total impact of U.S. aid on the Indian economy one must take only the utilised aid and not the committed aid. And then all the authorised aid may not be used because of the limited absorptive capacity of the recipient country and other reasons. In the transfer of aid several stages are involved. Aid is promised, then authorised and then utilised.

It must be conceded that the overall records of modest progress of the Indian economy over the two plan periods (1951-61) has been largely due to the amount of foreign aid received by India, the largest share of which was provided by the United States. There is no doubt that the continuation and acceleration of this progress will continue to depend on substantial contributions of aid in various forms from the more advanced countries, the Aid-India Club in particular. This will be particularly true of the financial needs of the third plan (the Aid-India Club has committed itself to raising $1,000 million for the third plan) and the fourth plan to come. That is, Indian economic development, as it has been planned by India's Planning Commission, could not have been accomplished without the ample external resources made available by the United States of America.

Impact on Economic Stability

That American aid during the period of the first two plans and the two years of the current plan has contributed significantly to Indian economic stability, no matter how broadly the term "stability" is defined, is conceded by all schools of economic thought with perhaps the single possible exception of the communists. The validity of this statement can be realised if one can picture the economic position of India today had she not received nearly $7,500 million from the West in overseas loans and grants during

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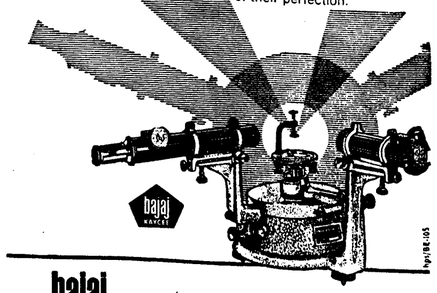
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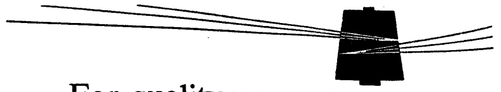
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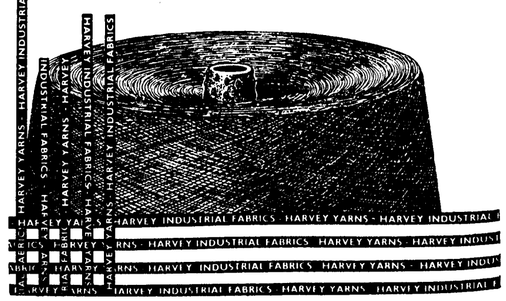
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the last decade and a half. The popularity and stability of the Government of India can well be imagined if it had had to extract this huge amount, badly needed and quickly spent on development, from the poor Indian taxpayer!

It can even be argued that the United States, by providing India with this unfettered, large-scale aid, has given the country sufficient economic independence to pursue an independent foreign policy—that of non-alignment. And in view of this policy of non-alignment, it has been easy for India to accept aid from all political camps including the communist countries which can aid only the public sector. If America has thus indirectly supported non-alignment in politics, it has obviously supported its economic counterpart, a mixed economy. American assistance has been extended both to the public and private sectors, perhaps more to the former than to the latter in India.

This need not be considered paradoxical, for America's stake in India's free political and social institutions must be taken for granted for its own sake. If it is then granted that American aid has contributed to India's economic stability and growth and if a nation's political cohesion and stability are a product of its economic development, it can be maintained that American aid has been a contributing factor to India's —that is the Indian Government's— political stability, a stability which is a near-rare phenomenon in Asia. The relationship between external aid from the U.S.A. and the recipient country's internal economic development on the one hand, and its political stability on the other, seems to be simple and obvious in the case of India.

Productive Capacity

That American aid during the last 12 years, and particularly during the last five years, has contributed considerably to the productive capacity of the country is undeniable, although it is difficult, if not impossible, to gauge or measure the magnitude of this capacity. There is a need here to distinguish between capacity and output. Once the capacity is increased, output will take care of itself.

Contrary to popular belief, there are countless ways in which India's productive capacity can be raised without any proportionate increase of several scarce factors. Apart from mobilising the substantial surplus of labour, particularly in rural areas, several capital cheap labour improvements can be effected leading to workers working more and harder. As John P. Lewis rightly points out, "To accept the view that, in many consumer goods lines that do not depend heavily on imports or other unmistakably scarce factors, productive capacity is quickly and highly stretchable does not require a retreat from the judgment that Indians by and large are neither afraid of work nor lacking in healthy appetites for material self-improvement. The point rather is that lack of knowledge, fear of change, lack of vigorous, effectively functioning markets and of certain supporting administrative structures—especially in the traditional rural economy—all continue to impede an optional translation of these healthy appetities into productive capacity. Catalysts are needed to speed the stretching of latent capacities, and one of the most conventional and promising of such catalysts, rather obviously, is additional demand".[1]

American and other foreign aid has been applied at various levels and to various factors to increase the nation's capacity. While a particular amount of aid whether in goods or service may be applied to a particular project, the productive capacity created often goes beyond the project in question in a few years, for no project works in a vacuum. The generation of such productive capacity varies from project to project and in different sectors of the economy depending upon the level of development of the sector involved.

As long as foreign aid and indigenous, non-aid resources are mutually exchangeable or substitutable, aid resources used for development purposes imply non-aid resources being available for current consumption. Similarly, if aid resources contribute to current consumption, internal resources can be used for capital formation. India was importing about 2 to 3 million tons of cereals annually before P.L. 480 imports were made available. Now the imports from the United States average 4 million tons annually. These imports have released domestic resources which in turn have gone towards capital formation. However, the net contribution of foreign aid to the productive capacity of a country depends not only on the economic policies pursued by the recipient country, but also on the overall total disposable resources at its command.

Disinflationary Effect

In general, it is accepted that foreign economic aid contributes to combating inflation in the receiving country. American aid, particularly the massive P.L. 480 imports of foodgrains, has had a striking disinflationary effect on the Indian economy. Inflation, to use its simplest definition, is nothing more than "too much money chasing too few goods". The remedy is obvious. The supply of goods and commodities should be increased without pumping in a proportionate increase of money. Aid can sometimes mean more money without any increase in the availability of goods produced within the country or through increased imports. The liberal payment—salaries and other emoluments—to American and other foreign resident personnel such as A.I.D. missions or military or technical assistance groups can increase the money in circulation. But on the contrary, if aid means the import of foodgrains or cotton or other consumer goods under P.L. 480 or some similar arrangement, it can to a considerable extent fight inflationary trends. However, the total picture is not too simple, for it depends on a variety of such factors as the recipient country's fiscal and monetary policies, the demand for and the volume of imports and the wages and prices policy and general level of living in the country.

On the whole, the P.L. 480 imports and the funds they give rise to contribute considerably towards a disinflationary trend. India imports American surplus agricultural commodities such as wheat. The Government of India sells this wheat to the people at current or lower prices in internal rupee currency. This means, to begin with, "free" goods are available: and secondly, local purchasing power is siphoned off from the public into government coffers. These rupees are not given back to America, but are deposited in the Reserve Bank of India to the credit of the United States treasury. And now, in so far as these rupees are not spent it has been disinflationary. But America grants India's loans from these rupees of up to 50 percent of the accumulated rupees. And some 5 percent of these rupees are given for "Cooley Amendment" projects, that is, projects involving collaboration between American and Indian joint industrial ventures.

The rupee loans received by the Government of India from this source are, of course, used for development purposes. These "loans" might eventually become outright grants to India, for these rupees are not convertible into dollars and cannot be paid back unless the United States as the donor country is willing to accept more imports from India. According to one American observer, "one might speculate whether in procedures laid down for commodity disposal under Public Law 480, the United States is not getting the worst of the two worlds. Although much of the sales proceeds is reloaned for development on the 'never-never' as the British aptly call their instalment plans, we insist on calling the transactions 'sales'. As a result, some recipient countries feel they are doing the United States a good turn by taking the surpluses off our hands but in reality these transactions are apt to become permanent investments, or perhaps even grants, unless the United States eventually becomes willing to accept more imports and in this way use inconvertible currencies".[2]

An opposite view, that foreign aid is inflationary, although a little overdrawn in the following analogy, is not wanting. Elgin Groseclose writes, "According to theory, foreign aid funds should be deflationary in effect in the recipient countries since they increase the supply of goods available within the economy without increase of the money supply (since the goods are provided as U.S. gifts). This theoretical result does not follow in practice. The reasons are simple. The effect is somewhat like that upon a high school boy's allowance from the gift of an automobile . . . . . Even though the automobile may save him car fare he becomes involved in the expense of gasoline, tires and repairs, not to say a whole scale of expenditure which the status of an owner of an automobile seems to impose.[3] It is, of course, possible that foreign aid can lead to inflation if the amount, kind and timing are such that it increases corruption or reduces saving and consequent investment.

However, as far as American aid and the Indian economy are concerned, there is no doubt that on the whole P.L. 480 imports and even the expenditure of counterpart fund rupees have contributed to a disinflationary effect for two obvious reasons. One is the supply effect. The imported foodgrains and cotton have increased the total internal supply. This has led to a reduction in the price of foodgrains and cotton as the demand is always there for a certain amount of supply at certain prices. The other is the demand effect. As observed already, the Government sells the foodgrains to the Indian consumer and thus withdraws a certain amount of purchasing power from the people; this is tantamount to the collection of extra taxes.

Expansion of Exports

American aid has proved to be a stimulant to the expansion of India's exports. American and other foreign aid have proved a vital factor in international trade. While it is true that since the beginning of 1958 (the year of India's foreign exchange crisis) a growing share of India's exports has been financed by American and foreign aid, India's exports have also increased. Indo-American trade has been to India's advantage and has contributed to her economic development. Between 1951 and 1955, India had a surplus in her merchandise trade with the United States (1952 was an exception for during that year wheat worth $490 million arrived in India). For this five-year period as a whole, India's exports to the United States exceeded the imports from the United States by $118 million.

As a United States Deparement of Commerce report points out, "India's dollar receipts from exports to the United States were augmented by dollar exchange made available under U.S. development loans. Until October 1959, proceeds of these loans could be used by India for purchases from sources of its choice. The extent is not known, but it is apparent that a substantial portion of the proceeds of these global procurement loans was used for purchases from non-U.S. sources. Thus the real spread between India's dolar earnings and its expenditure for U.S. goods was wider than if measured by the trade balance alone. Net payments by India for invisibles, particularly shipping, reduced this spread, but India still earned considerably more dollars than it spent for U.S. goods".[4]

While this particular rôle of American aid has been a relief, India has to further expand her exports considerably, for otherwise she will be faced with serious difficulties for the implementation of her third five year plan. If India cannot increase her export earnings, she will have to depend on foreign aid even more than she is now. In fact, India's current budget and other economic policies are directed towards the goal of stepping up India's exports. The Government is giving preferential aid to such industries as have export potential. The import licensing policy also has a definite export bias, for imports will have to be used to enable the country to export more. Perhaps export earnings may need a certain income tax relief. In a word, while

[1] John P. Lewis *Quiet Crisis in India* (Washington D. C. The Brookings Institution. 1962) p. 64.

[2] Henry G. Aubrey "Sino-Soviet Aid to South and Southeast Asia" *World Politics* October 1959, pp. 65-66.

[3] Elgin Groseclose in James W. Wiggins and Helmut Schoech (eds) *Foreign Aid Reexamined* (Washington, Public Affairs Press, 1958).

[4] Jackson B. Hearn, *India: A Growing Market for U.S. Products and Investment* (Washington D. C. Department of Commerce, 1963) p.8.

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American aid has aided India's exports both directly and indirectly, the Government of India itself is leaving no stone unturned consistently to expand India's exports to finance her third five year plan as much as possible.

Indian Industrialisation

In the realm of Indian industrialisation, American aid has been helpful in at least three major areas. The most significant has been in developing the country's infrastructure. Both the importance and the expensiveness of the infrastructure are sometimes overlooked while planning the rapid development of an underdeveloped country. The infrastructure or what may be called the basic capital of an industrial society represents overhead in the shape of roads, railways, docks, harbours, basic technical schools and polytechnics, power installation and industrial housing—all these involve heavy investment with no promise of quick returns.

An important aspect of this contribution is that it does not contribute directly and immediately to an increase in the national income, but rather paves the way for an explosive increase in the national income at the time when productive enterprises—both in the public and private sectors—begin to build on and draw from the infrastructure. This factor indicates to some extent the soundness of Indian planning in making provision, especially during the third plan period, for the infrastructural development rather than for industries to supply consumer needs when Indian resources at present are not adequate to meet both. That is, there has to be a choice between development facilities for the production of consumers' goods on the one hand, and the creation of the infrastructure on the other. Since the total resources available to India are not adequate to meet both these needs at once, a choice has to be made and the current Indian choice in favour of the infrastructure supported by American aid appears to be a wise one.

The second significant factor in the general area of Indian industrial development is the help rendered by the United States through the National Productivity Council. The major objective of these Productivity Councils is to make Indian management more efficient in mobilising and applying the available limited Indian resources to more effective and productive use in both public and private sectors. The simple rationale behind this is that the management of any enterprise controls the bringing together of such resources as raw materials, machinery, capital funds, labour and land for the production of goods and services in such a manner as to ensure the greatest award in monetary or other returns. It is the way in which any management controls the combination of these resources which determines managerial ability and efficiency. Thus the better and more efficient the management, the more productive will be the particular combination of resources it selects, and the greater the contribution that these resources will make to the total of goods and services made available in India.

The third area is the American contribution to enlarging the sources of funds for investment and for operating capital for private sector enterprises through loans of foreign exchange and rupee capital made available through such institutions as the Industrial Finance Corporation (I.F.C.), the Industrial Credit and Investment Corporation of India (I.C.I.C.I.) and the Refinance Corporation for Industry (R.F.C.). The United States has not only provided these institutions with funds to lend to private enterprise, but has also to some extent contributed to the organisation and policies of these institutions to enable them to serve better the needs of productive enterprises for investment and working capital, which are essentially different in a developing economy as distinguished from an advanced and industrialised one. In addition to these three major areas of help, the last factor in the American contribution to Indian industrialisation is the supply of raw materials, machinery and equipment besides the various components of infrastructure referred to earlier.

It is interesting to note that during the first half of the Indo-American aid period, only 10 percent of the total U.S. aid was provided ; the remaining 90 percent of the total aid was provided during the second half. Apart from certain political and other reasons, American aid in large quantity really dates from 1958 when India was faced with her foreign exchange difficulties during the second five year plan. The provision of foreign exchange is perhaps the most important component of American aid to Indian development. The amount of the provision, particularly to set up power plants, is quite large. Here it is both possible to separate sector and purposewise, and calculate the magnitude of foreign exchange made available to India. The foreign exchange provided by the United States has contributed to the total volume of capital formation, particularly in the public sector to the tune of some Rs. 2,000 crores including the P.L. 480 imports.

Food, Clothing and Prices

Perhaps the most significant immediate contribution which America has made to India is her supply of food and clothing (cotton). America's wheat and cotton have given support to a perennially weak and vulnerable spot in the Indian economy. The common man needs these two commodities—food and clothing—more than any other. In fact, by providing substantial help to meet these two basic requisites, America has assured the stability of the Indian Government. Secondly, U.S. supplies of wheat have greatly relieved the shortage of foodgrains in India. The P.L. 480 imports, which began only in 1956-57, have had a welcome repercussion on India's cost of living index, especially since food is by far the largest item in the average Indian family budget.

American food aid has made a certain manœuvrability possible for the Ministry of Food in the matter of food prices. These food imports have enabled India to maintain not only stability of prices, but also a reserve stock and an even food supply without either glut or scarcity. The American food supplies have, in a word, provided an intelligent framework in which India's food problem can be viewed and a workable and predictable attack mounted.

In spite of the major contribution made by American food supplies to Indian economic development, criticism of these imports has not been wanting. Some have complained that the American grant of so much agricultural commodities has robbed the Indian farmer of the incentive to produce more foodgrains. It is also contended that the fact that P.L. 480 wheat has not only prevented the rise in the price of foodgrains, but has even lowered it in view of the increased supply against the existing demand has been unfair to the Indian wheat grower. But an examination of the present total acreage under cultivation in wheat and other foodgrains, agricultural investments, farm inputs and the overall conditions under which Indian farmers live today shows that P.L. 480 foodgrains have not only not adversely affected Indian agricultural production, but have contributed to its stabilisation.

Cultural and Educational Effects

Perhaps the most abiding contribution which the United States has made to India, other underdeveloped countries and the world at large is in the realm of technical assistance. Any rich country can give grants and loans, can supply goods and commodities, but only a few countries can impart their technical knowledge and share their special skills. America, which is so full of inventive genius, has been responsible for many a modern marvel. Lesser nations might jealously guard their science and skills, knowledge and technology, but not America. A few other nations might equal the United States in their scientific advancement, but unlike America, they are not always eager to share their knowledge with the less developed world.

American technical assistance to India has been terribly important because it introduces new ideas, novel and improved work techniques, a new and daring spirit of doing things—a spirit that persists till success is achieved—and these cannot be evaluated in any quantitative sense. American technical assistance to India has been provided through :

(1) The provision of experts' services

(2) The training of Indians in India, in the United States and in the third countries

(3) The establishment of new or development of existing educational, scientific, research and training institutions in the country.

As for the experts' services, America has sent so far numerous experts to teach and train Indians participating in American-aided projects and to help build plants and institutions. These experts have been drawn from virtually every discipline—all the way from home science to nuclear physics. No matter how simple or complicated the task, these American technicians have brought to bear a dedicated attitude upon India's reconstruction—an attitude that cannot be bought. Whether it is teaching hot lines maintenance or building a huge dam, setting up an agricultural university or an institute of technology, eradicating malaria or organising traffic in a congested city, demonstrating the latest methods in surgery or devising procedures, techniques and systems to promote efficiency and increase productivity, these Americans have given themselves unstintingly despite difficult odds in an alien cultural milieu.

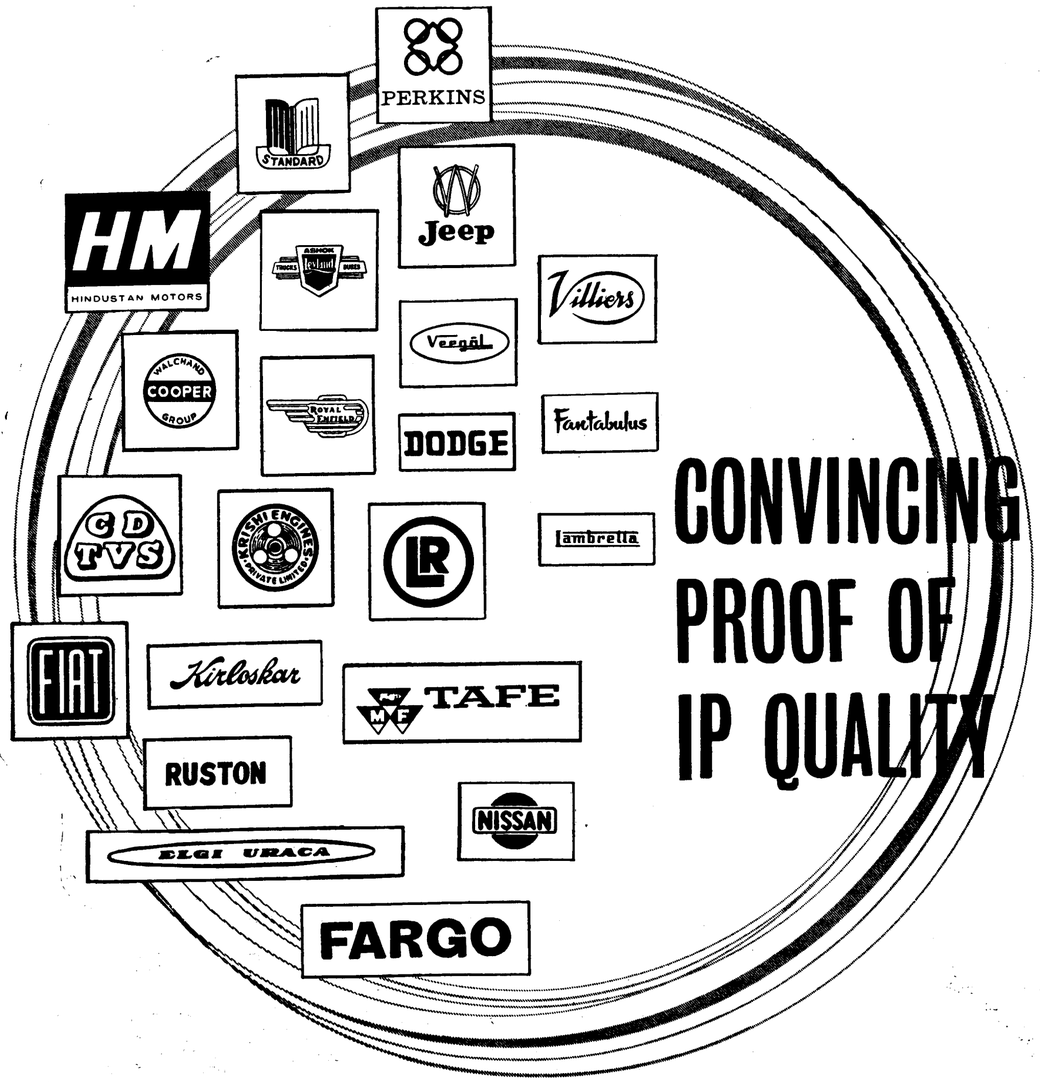
As for the provision of training for Indians in India and the United States, Indians working on the Indo-American projects receive instruction and training on the spot from U.S. experts. Besides this, nearly 5,000 Indian participants on aid projects have been sent to the United States for further training, and some have been sent to other countries such as the U.K., Canada, Japan or West Germany where the training facilities are more appropriate for India's immediate needs. The impact of the returned American-trained students on the Indian economy and even culture is referred to elsewhere in the discussion of American assistance in the field of education.

As for the establishment of new or the development of existing educational and scientific institutions, the U.S.A. began with a general exploratory assistance programme to various institutions in different fields of higher learning. This assistance has been in the form of the supply of text-book and laboratory equipment, the provision of adviser-consultant services, services of visiting professors for short periods and grants for building and general equipment. But of late, American help has been narrowed down to concentrate on a few strategic and vitally important pace-setting educational centres like the Indian Institute of Technology in Kanpur and the Agricultural University in Rudrapur.

India's greatest need has been and continues to be technical education, a field which has been relatively neglected during the last century. This lack has been one of the factors responsible for India's backwardness and consequent low standards of living. A frontal attack on India's poverty implies a scientific and technological bias in her education which alone can transform her traditional agrarian economy into an industrialised one. And it is in this badly needed but much neglected sphere that the U.S.A.'s contribution has been of paramount importance in the reconstruction of the Indian economy. Technical assistance is only one phase of the overall development of what may be called human capital.

Development of Human Capital

India's population numbers today constitute a problem both quantitatively and qualitatively. The qualitative level of the people is low because of the unmanageable quantity against the limited resources. But if the quality of the people is raised, the population of a country becomes its greatest asset. A country's population is its human capital and its development must be of paramount importance, particularly in a developing country. The promotion of health and the imparting of education are the twin major factors contributing to the development of human capital. The various health programmes covering malaria eradication, health education, support to medical and nursing colleges and their contribution to the lessening of the nation's morbidity is too well known to need discussion. The variety of educational programmes, also referred to elsewhere in this study, includes not only the training of Indians associated with the aid



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projects in India and the United States, but also such pioneering and unique institutions as the All-India Institute of Medical Sciences in Delhi, the Indian Institute of Technology in Kanpur and the Agricultural University in Rudrapur. Apart from the training imparted to Indians working on air projects in India by American technical experts, some 5,000 Indian participants have been sent to the United States during the period under the auspices of the T.C.M. for some kind of training in the United States. A pervasive cultural effect of American aid on India has been due to this training outside India, particularly in the United States.

What about the effect of these American-trained Indians on India and America? The changed attitudes and new ideas as well as new and improved work techniques brought back by them are bound to have leavening effects on the communities in which they live and work. The T.C.M. (A.I.D.) has carefully selected these young men and women, officials and managers with ability and leadership potentialities. It is true that the total impact of some 5,000 young trainees is too small to chage basically Indian cultural attitudes. But nevertheless, these American trained people do contribute a new and vital element to that segment of enlightened Indian opinion which will undoubtedly increase in importance as time goes by.

What about the effect of Indian students, scholars and trainees on the United States of America? Indo-American educational, scientific and cultural exchanges are a real two way traffic. Indian students, trainees and other exchange personnel bring Indian values to the United States. These young men and women have had some impact on the United States in the sense that they have helped change the image of India in that country and this change has to some extent made it easier to maintain and enlarge the American programme of assistance to India.

On the other hand, American Fulbright students and professors in India bring with them their cultural values. They not only take back some Indian values, but they also leave behind certain American values among those with whom they lived and worked. That there is benefit in getting acquainted with each other's attitudes and views is undeniable. What has been the general effect of American educational aid activities in India? In the broad field of education, American efforts have been closely allied with those of the Government of India to make education more pragmatic and to contribute more directly to desirable changes in cultural, economic and political life. As people become more educated, they are bound to take a great interest in the country's political problems, and the creation of an enlightened public opinion becomes possible. The result will be less emotionalism in political life, and national issues are apt to be considered with more light and less heat.

A broadbased educational system in India must accomplish much more than imparting formal instruction to the students. The first aim of such an educational system in India must be to increase the ability of the individual who has gone through the system so that he is productive and is able to contribute his share to the nation's increased productivity. The second aim must be to inculcate and increase a sense of civic responsibility and participation—a sense that is sorely lacking today.

At the same time, an educational curriculum and system can be dangerous if it arouses an individual's premature awareness of a higher standard of living and of ways of demanding them through political channels. Until the country is able to create a productive economic system which permits a rather high level of employment, if not full employment, and some equality of opportunities, the revolution of rising expectations is apt to misfire. While the promise of a socialist pattern of society, made so frequently by political leaders to the vast illiterate electorate before and even after elections is tantalising, the slogan should not be taken either literally or too seriously by the people. Otherwise the disappointment will be all the greater because not only is there no socialism, but what is worse, the cost of living along with the tax burden is going up. In the name of the socialist pattern of society of the future, the citizen is treated with scant respect in the present.

Thus, an educational system which contributes to a lowering of the general standards and permeates confusion in the system's ideals and objectives can hardly contribute to the nation's welfare. In other words, a country' educational system can be looked at in two ways, from the point of view of the individual and that of society. From the individual citizen's point of view, education should make him more productive and a better citizen. It should give him access to a higher standards of living and develop his individual potentialities to the **maximum limit.** As for society, it has a right to expect from the educational system a stable, prosperous and progressive community made up of integrated individuals who are anxious to promote social welfare as a whole.

The impact of American activities on education, in a country as large and diverse as India, has to be selective rather than general in its approach. American aid authorities have experimented during the last 12 years with several approaches and have come to the conclusion that American assistance effort in this area has been scattered in different directions and not concentrated in one particular and limited area to show any rewarding results.

In view of the decision in favour of "concentration" as against the "scatter" policy, American aid has, of late, as observed already, been concentrated on certain specific key, standard-setting institutions like the All-India Institute of Medical Sciences in New Delhi, the Indian Institute of Technology in Kanpur, the Agricultural University in Rudrapur and the National Institute of Education in New Delhi. The idea here is that the available limited resources should be concentrated on a few strategic institutions whose value to the country can be tested and can be copied in other parts of the country with suitable modifications in the light of this experience.

International Demonstration Effect

To some critics, the presence of a large number of affluent Americans and their comfortable, if not luxurious, ways of living in terms of Indian conditions (they are paid large salaries in India, but not unrelated to what they draw at home in the United States) lead to frustration among Indians who come in contact with them and, what is more, this (as a kind of "international demonstration effect") acts as a barrier to capital formation in India and other underdeveloped countries. The argument usually runs as follows: the contact with developed economies directly or indirectly through their representatives' ways of living in underdeveloped countries in damaging to underdeveloped countries by raising the propensity to consume among the indigenous population, thus discouraging saving and preventing investment.

This has come to be known as "international demonstration effect". In the words of Professor Ragnar Nurkse "knowledge of or contact with new consumption patterns opens one's eyes to previously unrecognised possibilities . . . . . In the poorer countries such goods are often imported goods, and not produced at home; but that is not the only trouble. The basic trouble is that the presence or the mere knowledge of new goods and new methods of consumption tends to raise the general propensity to consume".[4] While the adverse influence of the "international demonstration effect" on capital formation in an underdeveloped country is not denied, it has certain desirable results. In India, the relatively opulent ways of the rich foreigners, particularly the Americans, create new wants, new desires, encourage new methods and perhaps better ways of living. When certain sectors of the Indian population come into contact with the American way of living and decide to emulate the richer way of life in, for example, food and furniture, the probable result is an acceleration in economic growth. The desire for better things in life is sometimes matched by an increased effort (hard and more work and more savings) to obtain the envied good things of life.

In a sense "International Demonstration Effect" is not new in India since the British lived in India for a couple of centuries, but there is something else which may be called inter-group demonstration effect. Indians have always been exposed to the luxurious ways of living of a small section of quite wealthy Indians. But their ways of living have usually been marked more by mere conspicuous consumption than by a healthy pattern of living. Their diet, because of ignorance, is often almost as unbalanced as the poor man's diet and their tastes in other matters not necessarily refined. Numerous examples can be cited from various Indian communities in support of this contention. On the other hand, the ways of living of wealthy Americans may have pointers for Indians who would like to emulate some of the desirable aspects of the American way of life. Unfortunately, all the customs, habits and manners of the foreigners are not necessarily commendable.

What of the future? It is not easy to forecast the future pattern of Indo-American aid relations. Judging from the various factors governing the current Indo-American relations it is possible to hope for closer, more cordial relationship leading to much greater aid to India from the United States. Of course, the end of all foreign aid is to have no aid at all. That is, from the Indian point of view, the real and ultimate end of all foreign aid is that it should cease; that is, the economy of the country should become creative, productive, and self-generating at such a desirable high level that foreign assistance becomes by and large unnecessary. In a word, the economy has taken off and is high up in the clouds, flying smoothly at a high speed with everything under control.

Future Pattern of Aid Relations

The *modus operandi* of American aid to India is simple and well known. U.S. aid for any specific project is predicated on the request for such aid by the Government of India. The initiative is taken by the Government of India since it is known that the United States Government is ready and willing to entertain such requests for aid. The magnitude as well as the conditions of aid for the proposed project are a matter of diplomatic and other negotiations between the two Governments or their designated agencies (such as the Foreign Aid Division of the Ministry of Finance and the United States A.I.D. Mission in New Delhi). Once the request for aid for a particular project is submitted, the U.S. aid authorities from Washington D.C. or New Delhi may examine the proposed project from various points of view, call for a lot of details and if they are satisfied that it is a worthwhile and rewarding project within the financial and technical competence of the United States, approve it.

Normally, the United States does not suggest the kind of project the recipient country should have. Once the aid is granted, the implementation of the project rests solely with the Government of India. It is true that American technical experts, that is from the aid-giving countries, are associated with the projects, but the administration of the execution of the project is left with the recipient Government. This does not mean of course that differences between the American technical experts and the Government of India personnel on the execution of the project do not arise. And when they do arise, they are settled through negotiations to mutual satisfaction, for after all both the parties are interested in the quick and efficient implementation of the project on hand.

Thus the United States gives money or equipment or technical personnel or all three for a particular project approved by them, and then the American aid and direct interest on the project ceases. Since Americans or other foreigners are not employed in the Indian administration, save for a few special cases, the task of seeing a particular project carried out is left to the Indians. There is no specific machinery at present to watch

[4] R. Nurkse, *Problems of Capital Formation in Underdeveloped Countries* (London, Oxford University Press, 1953) pp. 61-62. Professor Bauer writes: "The usual formulation of international demonstration effect omits to note that the new types of consumer goods can be bought only if incomes are first earned to purchase them; consumption can stimulate saving and investment as a means to such consumption." *Economic Analysis and Policy in Underdeveloped Countries, op cit* p. 65.

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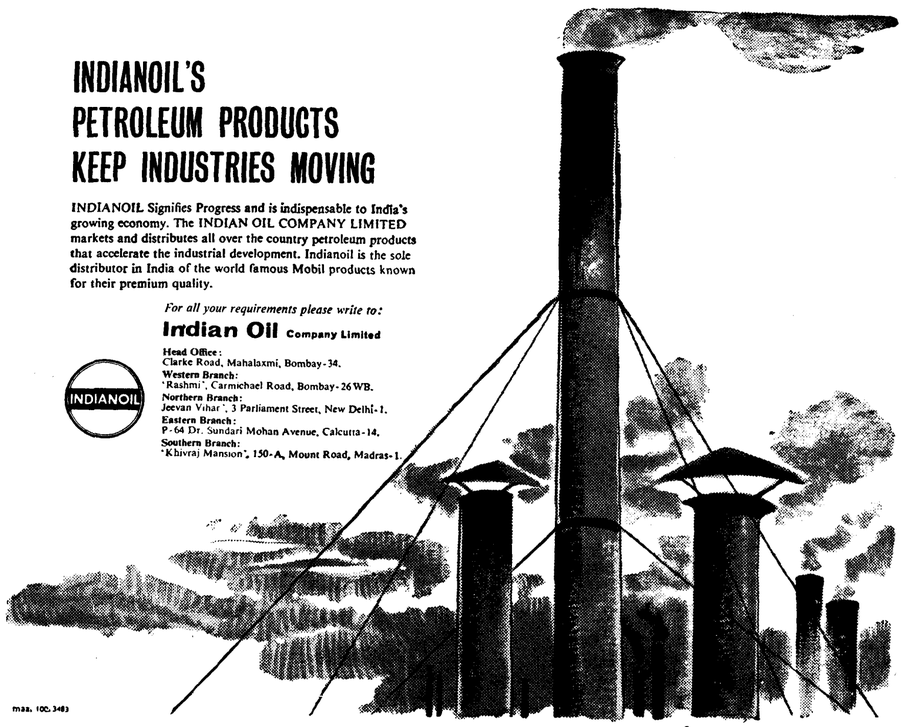
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over the project till it is completed and evaluate its impact on the economy. To some extent, of course, this is done here and there, particularly when things are not going well.

In the light of experience of current administration of American aid to India through the existing machinery—in giving as well as in receiving aid—a few problems have cropped up. These are not really difficult problems, nor are they unique to India or America. With a little goodwill and some effort on both sides, they can be solved to the satisfaction of both countries. And once certain changes are effected in the terms and machinery of aid. Indo-foreign aid administration in India can be smoothened to render the entire operation more efficient and smooth. Besides certain suggestions for reforms there are a few problems, hitherto ignored, which need to be tackled with some vigour. These suggestions and problems must, of course, be looked at from both the Indian and American points of view. A few of these are: new priorities, tied loans, scatter *versus* concentration, new patterns of loans, reform of administrative machinery, the population problem and family planning, the problem of public health and sanitation and general problems involved in Indo-American understanding.

New Priorities

As the Indian economy is one of shortages, the question of priorities assumes paramount importance. To some priorities are a matter of opinion, but to others, certain priorities are basic and obvious. To the latter, the first task before the Indian Government should be to mobilise the countryside. That is, India should get an agricultural revolution going in the villages, and until this revolution has gathered momentum, no serious attention should be paid to heavy industrialisation.

The second major task is one of administration and organisation. That is, the need here is to establish effective institutions to implement these plans. An administrative machinery designed by the British during the nineteenth century to collect taxes (the head of the district is still called a Collector) and maintain law and order can hardly cope with economic, sociological, and anthropological problems inherent in implementing aid programmes on a vast scale. This needs an entirely different mental equipment, knowledge and training. What is needed here are many reforms—major and minor, but none too difficult to implement.

A primary need here perhaps is informed decentralisation with authority. The trouble is that Indian bureaucracy's training has been so tragic that it not only does not trust the citizens of the country it administers but also its lower echelons. (How else can one explain the enormous number of petty, tiresome and meaningless rules? The British framed these rules because, as ruling foreigners, they could not trust the Indians, but the Government of free India have made more rules! The decision-making apparatus has to be overhauled and radically changed.

Mere decentralisation may not be enough. But at the same time, decentralisation with authority becomes at once a serious educational problem. Authority without knowledge will be disastrous. The people at the lower levels must, therefore, be trained. And once they are adequately trained, they must be given responsibility so that they are able and willing to act. The problem here is perhaps one of social organisation. We shall revert to the need for administrative reforms a little later.

The third major task before the country is that of rapid and large-scale industrialisation. Here much is being done and even the worst sceptic must concede that India has made more advancement in this area in the last decade and a half than in the last half a century. There is no need to discuss again the question of the merits of the public sector as against those of the private sector. However, one suggestion may be made. It would perhaps be wiser to let more outsiders come in, start industries, set up plants, train Indians and raise the total wealth of the country by leaps and bounds, even if this means, as it must, that the foreigner makes and takes some profits. Today, the Government appears to take almost sadistic pleasure in devising obstacles in the path of foreign investors and collaborators in India. No country has pulled itself up by its own bootstraps. Therefore, it would be profitable in the long run, for the Indian Government not to put too many obstacles and objections in the path of the American industrialist who is willing to share his capital and know-how with Indian for mutual benefit. It must be remembered that in the present day, the foreigner, no matter who he is, can neither exploit the local people nor can he carry away his plant and industry from India. The days of nineteenth century imperialism and exploitation are definitely over.

To give just one random example. India wants to attract foreign tourists, particularly Americans, not only because India has many ancient and beautiful things to show off, but also because India needs precious foreign exchange, particularly American dollars. And yet, the Government of India does unwittingly just about everything possible to discourage foreign tourists because of the endless red tape of the Government's blight-breeding bureaucracy from the granting of the visa, through the hotel accommodation and the giving of the exit permit. There are no hotels adequate for the needs of foreign tourists or for Indians for that matter. The country can boast of frayed, dirty, old hotels both under Government and private management which have never seen cleanliness nor efficiency in their lives, or new mausoleums like the Ashoka where there are more protocol-conscious servants than paying patrons. Why not let the Americans come in and build a network of clean, efficient and modern hotels on the lines of the Hiltons? This American hotel organisation has built first-class hotels in many foreign countries which have apparently not lost their sovereignty on this account. An Indo-American joint venture in hotel-building might be a welcome idea. Private enterprise in India is not up to this as yet because it is used to such shoddy, second-rate accommodation that it cannot think in first-class terms. Once there is a chain of really comfortable and functional modern, and not gaudily ornate, hotels at every sightseeing centre, no matter how small it is, and some effort is directed to improve sanitation and environmental hygiene and control the congregation of beggars at these centres, word will get around and foreign tourists will flock to India. Such a network of neat hotels will be a sound and rewarding investment in the long run.

Tied Aid

Secondly, the question of tied aid is important. Tied aid is, of course, the American insistence of the recipient country buying with American aid funds of food and services of United States origin only. This applies to all American development loans now. This began in October 1959 and officially came into being in early 1960.

From the American point of view, the motive behind tied aid is to prevent her from suffering from an adverse balance of payments. It happens this way. India buys various commodities and services with U.S. dollars from Germany because German goods are cheaper than those of American origin. While this leads to an expansion of German exports, the United States suffers an adverse balance of payments. This situation could be prevented if all the advanced countries participated in programmes of foreign aid to less developed countries in proportion to their resources and national income. But since this is not so America has to bear an unduly large burden of giving aid to foreign countries. Therefore, she has to insist on tied loans to safeguard her economic position. It is true that the United States prefers untied aid just as much as India desires it and it is hoped that such untied loans will become the rule once the burden of assisting underdeveloped countries is shared by all the rich countries.

Thirdly, American aid has been scattered over various spheres of Indian economic development. While the total U.S. aid, as already pointed out, is more than half of all the aid received by India from nearly a score of countries, American aid appears to be spread rather thinly. Thus, Russian aid, for instance, is tangible and produces tangible goods visible to the naked eye (*e.g.*, the Bhilai steel plant and its products). American aid has been diffuse and rather intangible, as in communication, community development and the general infrastructure. While the importance of these in the nation's total economic development is unquestionable, years have to elapse before their beneficient effects can be felt. It is but natural that a foreign country willing to help India would like to impress the recipient country with some kind of dazzling gift. While such a desire may appear juvenile and superficial something must be said in its favour. It is desirable, on the whole, for a donor country to concentrate its aid resources on a particularly important sector of the recipient country where it can demonstrate the possibilities of impressive development within a reasonable period of time. Once what can be achieved under certain circumstances can be shown, the recipient country may do likewise in other areas capable of development.

The reason why the United States scattered her aid in diverse areas of development in earlier years is because they did not know what exactly was needed (and every sector appears to be crying for help) and what the core of the Indian economic problem was. India herself was experimenting (and still is, to some extent) and no one knew for certain where one ought to concentrate. Now America has realised that she must concentrate her aid in particularly criticical areas of the Indian economy and in fields where she has special and unrivalled competence. Through such concentration of assistance as distinguished from scattered aid, India and the United States are likely to obtain larger results for a given unit of effort for India's economic development. In a sense, Americans have struck recently the golden mean in their approach to problems of Indian development. While, on the one hand, they have concentrated certain portions of their aid on more and more specifically defined projects, on the other hand, they have increased and broadened the general goods and services supplied to support development effort on the whole.

Pattern of New Loans

As is well known there are two kinds of American loans—project loans and non-project loans. The former are for development imports while the latter are for maintenance imports used by the Government of India to import industrial raw materials (like non-ferrous metals, iron and steel, sulphur, synthetic rubber, lubricants, chemicals, accessories, etcetera), to help her in the balance of payments. In discussing the evolution of American aid, two things must be remembered: The mode and agency through which a grant or loan is distributed and whether the loan is to be repaid in dollars or rupees.

The pattern of American aid to India through the various development aid agencies is constantly under review as to both criterion and policy. One change is from loans repayable in local currency—rupees—with a fairly high interest rate and shorter terms *into* loans for longer terms with only a nominal service charge but repayable in dollars.

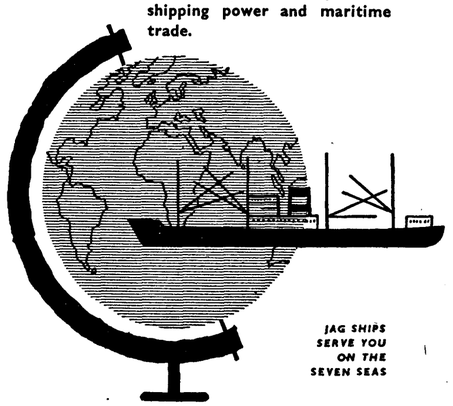
The conditions under which American loans are granted to India have been changed recently for the better. She now charges low rates of interest —¾ percent. The amount is repayable in 40 years. But this also means that India has to repay in dollars and not in rupees. However, it is hoped that India will have developed in 40 years (about 2000 A.D.) and be able to repay the loans in dollars without any strain. In the meanwhile, there is a minimum of strain on India's current balance of payments position. There is a ten-year grace period before repayment need start. As for loans to the private sector, America charges 5¾ percent interest. The basic real question in matters of aid is the recipient country's capacity to repay. This long period can be taken as a sufficient guarantee that India will be developed enough by then to repay the loan and the nominal interest with ease.

Reform of Administrative Machinery

In the art of public administration, India has a great deal to learn from the United States of America if only to increase the overall efficiency of her administration. It is true that India has inherited from the British raj a relatively efficient civil service. But this Indian (half of it was Bri-

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tish) civil service, with its particular pro-British (if not anti-Indian) bias and training, which unfortunately knew nothing beyond British ways, has almost disappeared within 15 years of India's freedom. The number of I.C.S. men left today in the Indian administration is very small.

The Indian Administrative Service has succeeded the Indian Civil Service. The chief defect of the I.A.S. is that it reflects the general fall in standards that the country has witnessed during the last decade. (This is not the place to explore the reasons behind the decline in standards). And secondly, unlike the I.C.S., the I.A.S. young men and women have neither seen nor experienced anything better organised and more efficient than their own slow, delaying, bureaucracy neatly tied and shelved with red tape with the aid of an army of *chaprasis* (servants). They are being trained by senior and retired I.C.S. people, besides a few visiting scholars, in Mussoorie in the traditional chores of the 19th century British administration of a backward country interested in law and order. They have unfortunately not yet learnt that they are being trained in rules and regulations that are the very antithesis of the needs of a rapidly developing economy of a free nation. The days when a man with a chemistry degree who passed a competitive examination was put in charge of the finances of a State at the age of 23 or 24 after a year's training are gone, one hopes, for ever.

What is needed today is a different kind of a civil servant to do development work. The country needs the type who is extremely well informed (this means that the present Indian university education must be overhauled and the English language must be retained for contact with the external world and all-India communication) and who is trained to examine issues competently and quickly and take serious, responsible decisions. Today, the Indian administration is top heavy with a platoon of all kinds of secretaries accompanied by an army of parasitic *chaprasis* who seem to grow in numbers with the increase of the country's total population; and they are all lost in a maze of countless strangulating rules and procedures.

It is not so much that these men are at fault, but that they are victims of an invidious system of rules. Many of these basic rules were framed about three quarters of a century ago by an alien Government which did not believe in the integrity of the average colonial citizen. It is amazing that the administration of free India has increased these pettifogging rules by a hundredfold. This can only be explained on the assumption that the Government considers the average citizen of free India is a criminal till proved otherwise. Try and obtain Rs. 10 sanctioned by the Government through what is called a contingent bill at a Government pay and accounts office. If a man can obtain this paltry sum after ten visits and signing countless receipts and vouchers, he is a lucky man indeed!

In the rapid industrialisation of an underdeveloped country (to take just one phase of the development problem), the efficiency of the administrative procedures plays a vital rôle. The authority to take decisions has been denied at almost all levels till one reaches the top. Even at the top, it is not always one man's decision, but a group decision. It is a committee or a board. On the other hand, even when individuals have power, they often refuse to exercise it for fear of going wrong. One must be able to make a mistake and one's boss must be able to back him up if the *bona fides* are not in doubt. The concept of the collective responsibility of the cabinet (whether this is followed in the Government of India or not) is certainly not in evidence at the lower levels.

It is a pity that the United States has not offered any help in streamlining the Indian administration beyond Appleby's reports (which were not really part of U.S. aid to India) which have been conveniently shelved. But U.S. aid is given only on India's request. And India has not asked for any aid in this direction. How can the civil servants who constitute the administration ask for aid which will reform them!

The Population Problem

Thus it will be seen that American aid has at least touched, if not completely covered, just about every major sector of the Indian economy. In the earlier and experimental years, American aid was extended to all kinds of projects because no one, including the Indian authorities, knew for certain where the vulnerable spots in the economy badly needing aid lay. But soon the American authorities realised that their aid must be concentrated on a few strategic areas and not be scattered all over. After all, the resources of even the United States are limited.

U.S. aid's contribution to the stability and even vitality of the Indian economy has already been commented upon. However, it cannot be denied that this aid could have been even more effective and could have had a more lasting impact had she given some solid support to India in two difficult and vulnerable areas that have been crying for help for some time. One is her population problem and another the problem of public health, hygiene and sanitation.

That India unfortunately suffers from these really nineteenth century problems, is undeniable. India's population problem which arises from a relatively high fertility and declining mortality, is simply the net annual addition of some 8 million people to the existing large base of about 440 million by and large nullifies much of the national effort towards a higher level of living. The second problem is one of India's filth. Indian communities, whether they are large cities, small towns or villages, do not as yet have modern sanitation and environmental hygiene. They are yet to have a modern potable water supply, sanitary conservancy systems, underground sewage collection and disposal, and even proper garbage disposal systems. This filthy situation, apart from its disgusting, physical ugliness, leads to a catalogue of diseases which have been controlled and conquered in the advanced countries of the West. This deplorable lack of sanitary and health consciousness leads to a high incidence of morbidity of a primitive kind. It is shocking to record that during the year 1963, thousands of Indians have died of smallpox and cholera in India's major cities! To say the least, all this profoundly affects Indian economic and social development through high infant, maternal and general mortality rates and through the loss of millions of man-hours every year in the field, factory and office due to avoidable sickness, not to speak of unnecessary suffering.

Yet due to some cussedness, in India and other underdeveloped countries, health problems receive low priority and the Health Minister is often only a junior member of the Cabinet. The only possible explanation for this is that these emergent countries are irrationally aping the advanced western countries on this matter. The advanced countries have no problems of public health comparable to those of the underdeveloped countries and hence they can afford to give health a low priority. But certainly the less developed countries cannot.

American aid could make a splendid contribution in this area. American communication and educational techniques could be pressed into service to bring home the importance of family planning for economic, health and social reasons. The Government of India, unlike some underdeveloped countries, has taken a progressive attitude on the question of the country's population growth. The various attitude surveys conducted in different parts of the country have revealed that Indian parents are in favour of family limitation. And family planning has been given an important place in all the three five year plans. American aid could easily give a push and a fillip to the existing Indian family planning programmes.

Secondly, America could set up with this latest technical know-how large plants to manufacture such contraceptives as sheaths and diaphragms and jellies. These contraceptive factories could operate under the public sector with little or no profit and with a tremendous turnover they could sell contraceptives at extremely cheap prices. Today the imported contraceptives, incredible as it may sound, are too costly for the average Indian villager. American supply of raw material (rubber) and technical assistance in the manufacture of contraceptives could make a tremendous contribution in lowering the Indian birth rate. Once the Indian birth rate is lowered and the net annual addition to the existing population numbers becomes manageable, American aid in other sectors would then be able to witness a real rise in the Indian level of living.

But unfortunately, population problems are often viewed with more heat than light. They are bedevilled with politics and theology. Contrary to what the American Catholics—a small minority—are likely to say, there is a large body of public opinion in America—Protestant, Jewish and even Catholic—which believes that America should give birth control aid to the underdeveloped countries should the latter specifically request such aid. It is to be hoped that India will ask for such aid, and America will provide it without any squeamishness in the future. There would be no room for any misunderstanding on either side, once America gives such aid on India's request.

As for public hygiene and environmental sanitation, all the problems involved in these can be solved easily. They are merely matters of education and expense. The average Indian's "sanitary" habits are far from desirable. He needs to be educated. If his behaviour as far as the rules of health are concerned even at home is atrocious, it is often because there is no healthy alternative. But it must be granted that even the lowly do not love dirt, filth and poverty. So it should not be too difficult to educate at least the younger generation on certain basic healthy habits. On the question of expense, it is true that most municipalities and even large corporations like those of Calcutta and Delhi just cannot afford modern hygiene and sanitation. This expenditure must be considered an important part of the infrastructure that will yield rewarding gains in the long run. If in the next decade, India could be rescued from her dirt and filth and converted into a clean and healthy country, the effect of such a transformation on her economic and social development would be beyond any calculation.

Intangible Effects

And last, there are some intangible benefits flowing from American aid to India. There is, for instance, a considerable improvement in the understanding between the two countries because of an enlarged exchange of people and information through articles, books and films about each other in both the countries. Before the second World War, the average American's knowledge of India from a serious point of view was practically nil. Apart from a handful of Indian specialists, the man in the street equated India with fabulous Maharajas, tiger hunting, *sadhus* on beds and nails, sacred cows and snake charmers, the caste system and untouchables, and last, but not least, Gandhi in his loin cloth who sometimes refused to eat! Today, within about 20 years, the picture has almost completely changed for the better, thanks to India-returned Americans, America-returned Indians, Indian students on almost every American campus, visiting Indian scholars and professors, the publication of an increasing number of books on India by both Indians and Americans, and to a limited extent, the rôle of the diplomatic establishments and information services in both the countries. In fact, today there is more serious and scholarly interest about India in the United States, than about the U.S.A. in India.

There is a deep, abiding and invisible psychological effect arising from a greater knowledge and consequent better appreciation of mutual merits, difficulties and problems. The fact that a powerful and affluent nation is sympathetic and helpful to India and will stand behind her in case of serious difficulties is very reassuring to India. The psychological effect on the nation that things are really moving and the country is gradually but definitely becoming developed and industrialised is bound to be tremendous. The next two years, 1964 and 1965, will show a considerable impact on India's industrial output when all the machinery that has been ordered from the United States does fully arrive and go into action. In a word, nothing succeeds like success.

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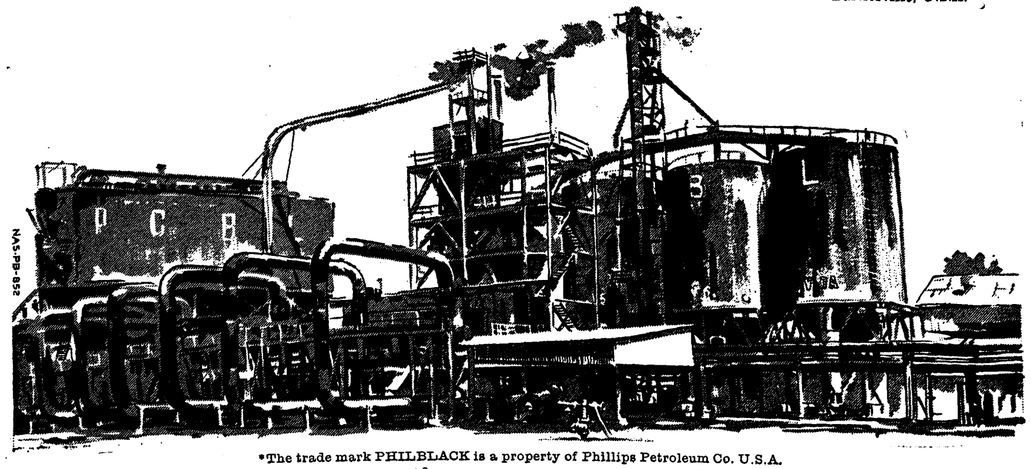
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Raising Exports: Major Changes Required In Government Policies

India desperately needs some foreign exchange to finance her imports under the third plan. Apart from securing foreign aid and loans, this can only be done by promoting exports. The recent improvement in exports is attributable to transitory factors. The measures which the Government has taken so far have proved inadequate. Mr. Patel questions many of the assumptions on which the export policies are based.

By

H. M. PATEL

AT the time of the formulation of the third five year plan, among the problems which were agitating the minds of the planners most, were the problem of increasing agricultural productivity and the problem of raising the country's exports. In spite of the various measures that were taken to secure significant increases in both these directions during the first two plan periods, little success has so far been achieved.

It was realised that marked improvement in both agricultural production and exports was of vital importance if the third plan was to succeed. And, accordingly, it was decided from the outset to give high priority to steps designed to increase agricultural production and exports. "Export or perish" was adopted as the watchword of the Ministry concerned. Today, however, a little over two and a half years after the third five year plan period began, it is unfortunately no exaggeration to say that neither agricultural productivity nor exports have shown a marked upward trend. Increases have taken place, but these have usually lasted only for short periods, and occurred only because of special reasons. Why should this be the case? While it is not easy to give a short answer, it is probably correct to say that the failure is due as much to unsound policies as to their inefficient and unimaginative execution.

Bumper Crops

The first year of the third five year plan period, 1961-62, fortunately for all concerned, turned out to be a year of bumper crops. But this piece of good fortune only served to lull everybody into an unwise state of complacency instead of goading them on to greater and more determined effort. And the problem of raising agricultural productivity continues as a consequence still to be India's major problem, which has defied all efforts to solve it. Exports have, likewise, continued to show no buoyancy, and such increases, as have been achieved, have fallen far short of the objective.

Surprising though it may seem, it was not until India's unfavourable balance of payments became large, and virtually all her gold and sterling reserves were wiped out, that both the Government and the people started doing some hard thinking on the matter. A high-powered committee was appointed under the chairmanship of Mr. Ramaswamy Mudaliar to examine the whole policy of foreign trade and in particular to recommend measures to be adopted for the promotion of exports. The committee worked with speed and made a number of useful recommendations, most of which were accepted by the Government. Export incentives were to be increased, quality control was to be introduced but on a voluntary basis, a special revolving fund was to be created for maintenance imports, etcetera. A new Ministry was created and a vigorous Minister was placed in charge of it. It was hoped that now at last international trade will really receive the sustained attention and deep study it called for. But although the approach towards export promotion became "dynamic", it did not become as realistic as was essential, with the inevitable result that India's export trade continues to be in the doldrums, showing no signs of a real upward swing.

The latest available figures up to June 1963, compared with those for the corresponding period of 1962, point to only one conclusion, and that is that no striking improvement has taken place in India's balance of trade position. Whatever little improvement has come about is largely attributable to transitory causes, such as the merging of Goa's exports with those of the rest of the country. The measures so far taken by the Government have proved to be inadequate.

Unsuccessful Methods

India continues to pin her faith on old and well-tried but unsuccessful methods: trade agreements, direct export incentives, freight reductions, drawbacks and such like financial concessions, import licences, etcetera. All these are of value and have undoubtedly helped, but they have not helped in building up export markets of a lasting character. If one analyses commodities and articles which account for the great part of India's export trade, it will be found that they still are in the main what they have been in the past many years. There is demand in the foreign markets for these commodities, and if India had more of them, she could perhaps secure a larger volume of export trade in them. There is demand for India's oilseeds or oil or oilcake, short-staple cotton, hides and skins, tea, etcetera. But largely because of the growing internal demand, the country has less and less of these to spare each year. Ought India not to have then devoted some considerable efforts to ensure that these commodities were available in ever increasing quantities? Should she not have pressed for greater attention being paid to the increased production of such cash crops as part of her export promotion drive, quite apart from the desirability generally of increasing her agricultural productivity?

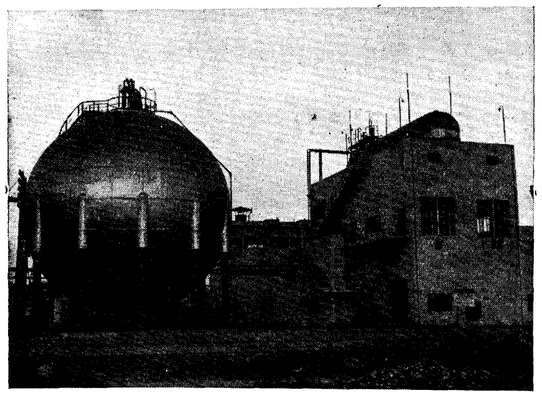
The third plan has, no doubt, set up higher targets of production for these crops also as for food crops, but the increases aimed at are very modest. And even these modest targets remain unrealised. Thus, for instance, for the five major oilseeds the target was 9.8 million tons. In 1962-63, the second year of the third plan, the total production of these oilseeds amounted to 6.8 million tons, less even than the second plan target of 7.6 million tons! There is nothing to suggest that the total production of oilseeds during the current year will show any significant improvement. The demand for oilseeds within the country, meantime, is steadily rising, and consequently unless production is stepped up faster and at a greater rate than the rise in domestic demand, it would be impossible to expect any worthwhile results from any export promotion campaign for oilseeds and their associated products.

It is also important to note that the total quantity available affects the prices in the internal market. Since the export market in oilseeds and oilseeds' products is highly competitive, the country can only hope to secure larger markets and hold on to them if its domestic prices are kept down to a reasonable level. And this can only become possible if the total production of oilseeds is sufficiently large to cover the domestic requirements comfortably and leave over an adequate margin for exports. Considering that this group of commodities can be marketed abroad profitably and in large quantities, what India ought to have been doing is fairly obvious. Every effort ought to have been made for increasing the production of oilseeds by both increasing the productivity an acre and also by increasing the acreage under them.

Self-sufficiency in Foodgrains

But there one comes up immediately against the policy which the Government has adopted for achieving self-sufficiency in foodgrains! There can be no particular merit in aiming at self-sufficiency in foodgrains when one knows that in the event of a shortage, foodgrains are available in the world in abundant quantities for import. It would be only during wartime when the supply lines may perhaps be interrupted that any serious problem would arise in relation to the feeding of the population. During normal times, the right policy clearly ought to be to achieve maximum agricultural productivity, that is to say, achieve maximum yields in whatever crops are grown, and the crops which a country will select for cultivation will be determined with reference to the maximum economic advantage that can be derived from them. If this argument is valid, it follows that *today* the maximum contribution to the country's economy can be made only by ensuring the maximum production of cash crops which have both industrial value within the country and an export market without. If maximising India's exports is of that high degree of importance that everyone claims, the sooner her policy of self-sufficiency in foodgrains in all its rigour is suspended and is replaced by the adoption of one of ensuring maximum agricultural productivity, the better will it be from every point of view.

In so far as manufactured and industrial products are concerned, export promotion efforts have leaned heavily on what are generally described as export incentive measures. The keyword is "incentive". Now an "incentive", by definition, should be such as would enable the producer concerned to export the product in question on a competitive basis. It is implied, therefore, that there would be increased exports not merely in the immediate future, but—and this is more important—in a continuing manner, through the establishment of a permanent market for the product. The "incentive" should be clearly large enough to overcome the forces that would otherwise weigh heavily in the mind of the producer or manufacturer in favour of finding a



Horton spheres and cooling towers at a fertiliser factory

market for his goods inside the country rather than outside. Clearly, it should be large enough to ensure that no loss is incurred by the exporter.

At the same time, the country can only afford to carry the burden of a subsidy of this nature, only if there is a reasonable possibility of (a) India acquiring a permanent foothold in the international market for the quality and kind of goods proposed to be exported and (b) of their cost of production being brought down within a relatively short period of time so as to make it possible for the producer to export them without any assistance. It follows that the commodities to which assistance should be given through incentives need to be carefully selected: incentives should not be made available generally to everyone who exports any commodity grown or produced within the country, but only those who can have a reasonable prospect of securing a lasting foothold in the international markets.

Export Promotion Efforts

India's present export promotion efforts do not, I fear, comply with these rather self-evident rules of guidance, and to the extent that they fail to do so, they must be regarded as unsound and wasteful. This wastage is particularly heavy and harmful where the incentive takes the form of import licences to exporters for items which have nothing whatever to do with the products exported, for example, maintenance spare parts of the exporter's equipment. The incentives, in short, have not resulted either in increasing the production of exportable commodities or in the steady lowering of the cost of production of those commodities. It is indeed difficult to understand why the Government has not yet woken up to this fact. Not merely have the incentives failed to increase India's exports in any significant manner—and indeed such increase as has taken place is largely attributable to increased trade with Russia and the east European countries, where a totally different system of foreign trade is slowly being evolved, of which the net result is difficult at present to estimate—but also has in fact resulted in commodities imported by exporters being marketed at high prices, thus adding to the inflationary forces already operating within the country. "Exporters of chemicals, bicycles and engineering goods are being offered import licences for dry fruits and dates. Exporters of manganese ores are being given import licences for dyes. These imports in turn fetch bumper profits in internal sale."

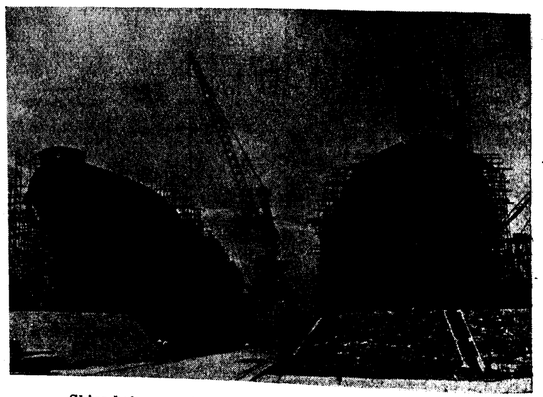
The usual justification for such a policy would be that, if the exporter has to be enabled to make good his losses, let it be done through profits that he can make by being allowed to import commodities for which a market exists within the country at prices which are uncontrolled so that no burden falls upon the public exchequer! A little thought, however, would show that, indirectly, the burden upon the public that the adoption of this method involves is high, for the high prices of imports inevitably affect the internal price level, and by increasing the cost of production, yet further reduce the country's competitive power.

Another variant of this policy that has been adopted is no less unwise and self-defeating. Expansion or establishment of new units in some industries are given, subject to the condition that a proportion of the output will be exported. Sometimes licences for the import of even "raw materials" required are allowed to be imported on this condition. In most cases, undertakings of this kind can be implemented honestly only at a heavy cost to the internal consumer. If exports are to be made compulsory—and there is no doubt a case for this exists—compulsion must be enforced very differently, and indeed in such a manner that the burden cannot be passed on to the consumer.

The Incentive Method

An objective appraisal would leave no one in any doubt that the incentive method as at present conceived and implemented has failed to achieve its purpose. And since it is most important that India must maximise her foreign exchange earnings, it is imperative that she loses no time in accepting this failure and proceeding to make a fresh approach to the problem. It should be possible for India to decide on the basis of such data as are already available to her, which of the industries are in a position to produce commodities for which there is a demand in the international market, and having made this selection, to proceed to make an assessment of measures that would be necessary in order to enable those industries to secure a firm and lasting foothold in foreign markets. India may then find that for each different commodity, different type and amount of assistance would be necessary in order to enable her to compete effectively and ensure for herself a firm foothold in the foreign markets. There would then have to follow an assessment of whether the price that would have to be paid in each case would be worth her while.

In other words, the Government ought to devise a policy of incentives or assistance for each different commodity with reference to its own peculiar conditions, internally and externally. Its final decision must favour offering assistance to only those industries (a) for the products of which there is a demand in the foreign markets today and (b) which would be capable progressively of reducing their cost of production in such a manner that over a period of years they would be able to compete in international markets without any assistance. This method would not only enable the country to prevent abuse of the incentives that are made available to the exporters, but would also compel the industries selected for assistance, themselves to make their own respective plans for developing their export markets in a businesslike and effective manner. In addition to these selected industries, the Government should further be prepared to examine any request for assistance from manufacturers of other commodities who wish to develop an export market for their particular lines of production and accept their request if they fulfil the criteria laid down for such assistance.



Ships being constructed at a Government shipyard

One valuable form that the assistance may take would be the grant of import licences for "maintenance" items or for "raw materials" on an actual-user basis. Care would no doubt have still to be taken to see that the licences are not given for excessive quantities. The value to the exporter would consist essentially in the fact that he would be able to run his industrial unit efficiently and at full capacity.

Targets for Industries

Finally, wherever possible, the entire industry rather than each industrial unit should be made responsible for ensuring a certain minimum level of exports. The industry would then evolve the method most suited for achieving the required target at a minimum cost to each of its units. Knowing that the exports would have to be made year after year, its aim would be to see that the goods exported are of the right quality and are produced in the most efficient units, that is, at the lowest cost possible. Even the industry may sometimes be tempted to take short-cuts, but they must be firmly advised to eschew them. They are as dangerous as slogans and catch-words.

If the country proceeds along these lines, it should be possible for it over a period of years to ensure an expansion of exports in a lasting manner. This may well be a slow process, but it will be a sure process for achieving increased exports in the most productive and sound manner possible.

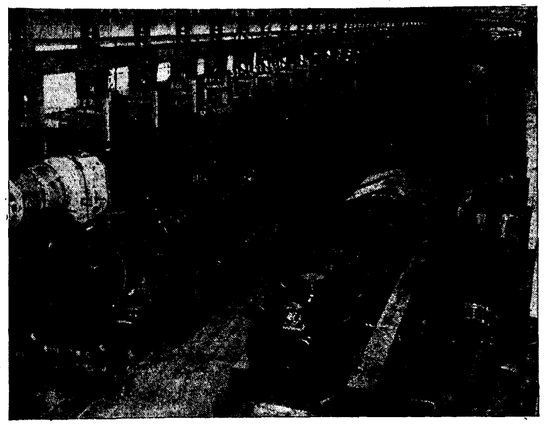
Trade with communist countries has necessarily to be governed by different procedures. The basic criterion, however, for judging the value to India of her trade with them remains the same, namely, is she securing long-term markets for her products? The method of bilateral agreements apparently gives a fillip to her exports, but only a careful and detailed analysis in each case could give the country a real picture of the advantages it secures from its trade with each of the east European countries. It is by no means yet established that the larger sales of certain of the products India has made in recent years to these countries are likely to be of a continuing nature.

Finally, reference needs to be made to the desirability of seeking out with greater determination and purposiveness new products for export and new ways of earning foreign exchange. Fishery, thus, gives promise of providing substantial export earnings. A relatively small co-operative society in Gujarat has already found it possible to export some crores of rupees worth of fish. A flourishing export trade has been developed in certain types of fish from the south-western coast. Much greater possibilities exist than have been realised so far.

Invisible Exports

"Invisible exports" provide another promising method of earning foreign exchange. Tourism, thus, offers far wider possibilities than has yet been accepted by the authorities. A more imaginative approach is called for and greater readiness shown to cater to the needs of the tourists. India need not seek to reform her visitors.

None of these, of course, is an original suggestion. It will be claimed, and rightly, that much is already being done to promote exports of fish and fish products, and to make conditions more attractive to the visitors from abroad. It cannot, however, be claimed, and ought to have been possible to claim that India has done everything in her power to maximum her fisheries' exports and her earnings from tourism. It is in the implementation that the country appears usually to falter, and that is, fortunately, something which it can, and should, easily remedy. India's export policy must be rooted not in illusion but in reality. Dreams are of value, but only if they are capable of being converted into achievement, and achievement is in front of the country's dream.



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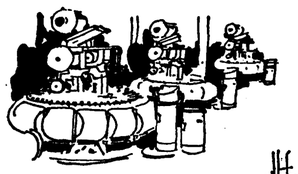
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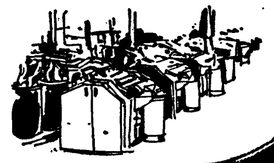
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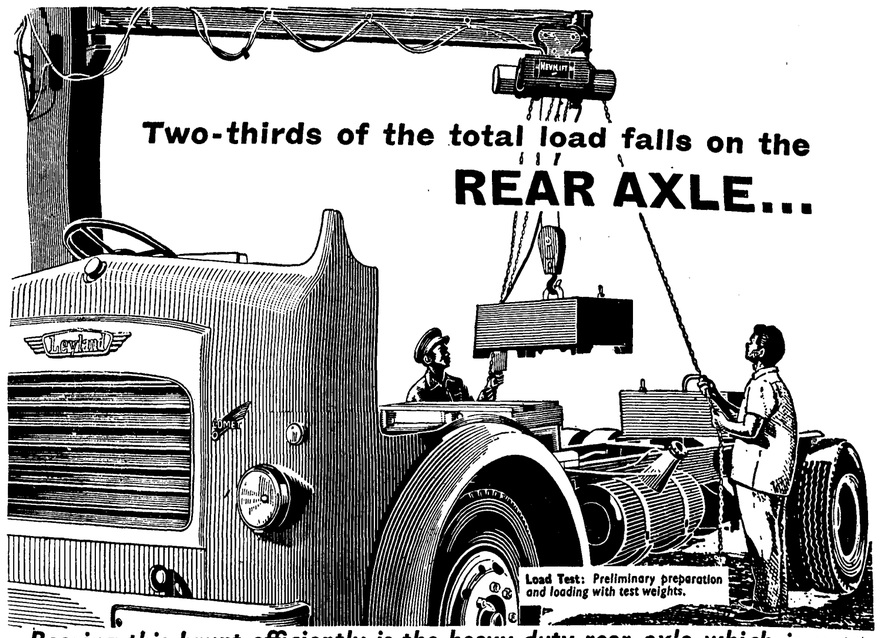
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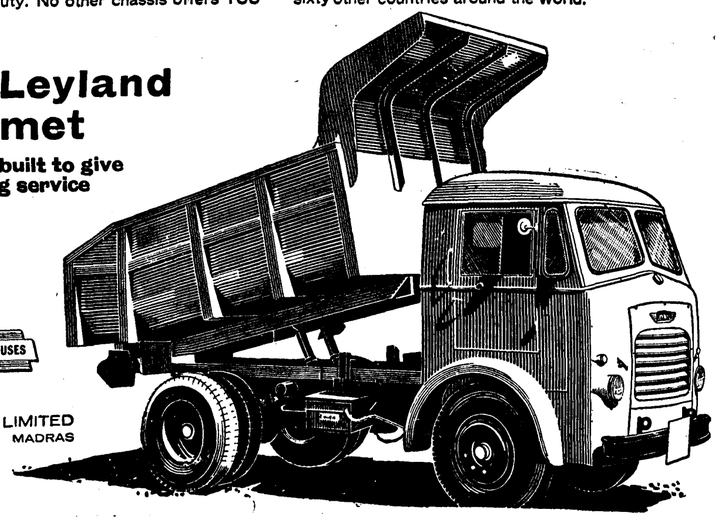
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Importance of Management Education: Training Programmes Need to be Broad-based



The growth and diversification of Indian industry is creating a new need for trained, professional management. Dr. Lokanathan argues that heredity must give way to science in the choice and training of managers.

By

P. S. LOKANATHAN

Director-General, National Council of Applied Economic Research

TO what is known as the "revolution of rising expectations," there is, for all who know, a powerful under-current—irrespective of the sector of the economy, whether private or public—that *men in charge of affairs deliver the goods.* It is time an appraisal was made of the revolutionary potential of this mass feeling, for it immediately concerns the vital interests and ideologies of persons on both sides of the established line : to what has now become fashionable to call the Left and the Right in the Indian political economy. The challenge is really common to both sectors, for political consciousness has clearly passed the stage of accountability to Parliament only of the public sector. One now clearly sees the beginnings of a strong feeling that everybody—irrespective of the level of authority, position or possession—is in a final sense accountable to the people. Here, as in many other spheres of economic and political life, one finds Mahatma Gandhi's theory of trusteeship vindicated, although the level of sophistication now reached is much higher, as reflected in the present mass consciousness concerning cost and quality of public services. As a writing on the wall, this general phenomenon has relevance to the survival and prosperity of individual enterprise in the management of economic affairs.

Difficult Business

In this context, management—particularly of industrial enterprises—has become a particularly difficult business. *Externally,* a number of Government functionaries, labour leaders, consumers, sellers of raw materials and intermediate products, press various types of demands on management. Internally, not only its own employees press insistently their demand for a decent income, but there is almost equal pressure on management from the whole complex structure of line and staff—foremen, works managers, researchers, quality control personnel, finance and accounts, sales organisers and promoters : to mention only a few of the many functionaries who now combine to run the complex machinery of industrial business. Where do we identify management in all this complexity ?

It is usual to define the function of management as decision-making, but this approach is deceptive for it "fails to tie the functions of management with the people of management."* Unions through collective bargaining participate in decision-making: does this mean that they participate in the management function ? Managers, on the whole, are prepared to concede that unions can legitimately seek a voice in the matter of wages because their interests are deeply involved. But it may equally well be argued that their interests are deeply involved in technological change. Does this mean that the unions are entitled to a voice in these matters also? If so, then decision-making cannot be held to be the exclusive function of management.

Management has also tried to justify its authority and position in terms of the law, as the agent for the owners or shareholders of a business, but as people in industry know that law in this matter is but a broken reed, particularly where it concerns people. People are not slow to point out that property rights confer control over things, and not over people.

Making of Decisions

The whole concept has, in fact, now to be worked out again, not in terms of the law of contract but the idea of community. Workers have tried to interpret it all in terms of their notion of industrial democracy, arguing that the making of decisions should be shared by all whom they affect. This line of thinking has found its justification in the recent researches in industrial psychology. It is legitimately argued that the speed of an assembly line, for example, is decided upon not only by management but also by the foremen and the workers. Even willing acceptance, so it is argued, is an integral part of the decision-making process. What then is the exclusive sphere of management ? It consists really of balancing the internal and external pressures on business.

Because there are so many individuals and groups involved within the company itself, and because the ultimate decision on any one issue must be consistent and compatible with decisions on all other issues, there must be not only "bargaining" with all the individuals and groups, but also a co-ordination of all this bargaining. In this task—the co-ordination of the bargains of all those who compose the business—lies the real function of management. The co-ordinating authority is management:

> "The decision-making process is seen as a kind of multilateral bargaining process involving those whose aspirations are somehow involved in any of the numerous decisions which are constantly being made or remade. But this decision-making process is not the same thing as management, any more than collective bargaining is the same thing as management. Beyond the terms which are demanded, the bargains which are struck, the decisions which are made, is the inevitable necessity of a co-ordinating authority who must see to it that the numerous bargains or decisions are somehow made consistent with each other. It is that co-ordinating authority which is here identified as management."

Co-ordinating Function

In exercising its co-ordinating function, management has to observe two conditions if the business is to survive. Firstly, "the cost of agreeing on the complex of internally consistent bargains must be less than the cost of disagreeing", and secondly, "the total outflows of the firm must be matched by its inflows."

In this context, the whole idea of management as a powerful co-ordinator of multilateral bargaining, one has now to think afresh of the position of the taxgatherer, the labourer, the investor, all pressing upon management for an increasing share in the product of industry. They can all make the task of management difficult, if not impossible, but they cannot usurp its function as the head of the vast bargaining complex of industry.

In this participating process lies the real art and challenge of management : "The real fun in managing a business, it would seem, must lie in projecting one's own creative imagination into realms which none of the participating parties dream of... The managers to whom one tends to give the accolade are those who can accomplish their functions while still retaining to themselves some room for building into their work a private and purely personal expression, which is the mark of their uniqueness and vision.

This type of management has new attitudes. It regards the co-operation of *all* the personnel engaged in the business as of greater importance than the best of new machinery. Labour demands, in fact, become a spur to productivity, for additional costs must be offset through improved methods. If additional costs cannot be passed on to the consumer, they have to be met by greater efficiency through materials control, quality control, product simplification, etcetera. A postwar team of British trade union leaders, who visited the U.S.A. to investigate the rôle of American unions in increasing productivity reported that "the American trade unions' major contribution to increasing productivity, takes the form of spurring the less efficient companies to increase their efficiency."

New Awareness

People in India are yet far from these western attitudes and the understanding of their co-relation to productivity. During the last few years, however, significant developments have taken place whose far-reaching importance cannot be overrated. The National Productivity movement has got into stride and has in a few years succeeded in creating a new awareness in the country of the rôle of productivity in accelerating economic development. Simultaneously, almost synchronising with the period when the National Productivity Council was established and began to function, management development also came into recognition, as singly the most important contributing factor to efficient production and success in industry. The two movements have drawn from each other, and the productivity movement has learnt the fact that unless it embraces within the concept of productivity the supreme rôle of management, there would be little change of productivity spreading over the entire sector of industry. Similarly, management associations seeking to promote management development have come to recognise that without some understanding and knowledge of productivity techniques and methods improvement, it is not likely to get the success which it seeks. This convergence of the two leading movements has all been to the good, and there is a possibility that given the right direction to both the movements, success will be achieved.

One must, however, be clear as to this business of productivity, for productivity even today is not free from ambiguity. Increased production can take place by raising the input of various factors and thereby increasing output. That is precisely what India is seeking to do in the field of agricultural production: she is trying to increase the output of cultivable land through increased facilities for water, supply of ferti-

* *Labour.* By Professor Neil W. Chamberlain, Columbia University, McGraw Hill.

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lisers, seeds and other things, and hopefully expect to get considerable expansion of agricultural production. In that context, it is a matter for serious concern that there has not been proportionate increase in output as a result of the enormous increase in input, as evidenced by the massive investments in agriculture, irrigation, community development, co-operation, rural banking and the like, since 1951.

The fact is that while increased production is certainly dependent upon increased input, there is one other crucial factor which determines output. That is "productivity" which means the fuller and more effective use of the various factors or inputs which go into production. It means, in other words, that besides the so-called physical and material factors of production, there is another factor—call it the human factor or the organisational factor or a factor which is a compound of many things including knowledge, research and so on—which enables the organisers or entrepreneurs to secure better and more valuable results as a result of effective utilisation. In this sense, productivity holds the key to increased output and thereby to increased surpluses for investment, exports and higher standard of living.

Rôle of Productivity

If this primary rôle of productivity is understood and its techniques are properly applied, the Indian economy is bound to show significant results. And it must be emphasised here that both knowledge of productivity and the application of productivity techniques to industry are obviously the responsibility of management. While labour must be appropriately motivated and rewarded, productivity is certainly not its primary responsibility. Labour can undoubtedly be educated to assist the management in the application of productivity techniques but by itself it cannot be expected to initiate the necessary changes required for efficiency.

In this context, if one examines the real causes of poor development, it is not so much the lack of material and physical resources, as a serious deficiency in the supply of the critical and strategic management resources. Modern development theory has proved that it is not investment in mere material resources that would bring about a rapid growth in the economy, as *a balanced investment equally in man.*

Fundamentally, there are only two factors explaining the rapid growth of a country's economy. They are its material and natural resources and the quality and quantity of human resources. The more a country desires to industrialise or even to develop its economy, the more rapidly it must invest in education and training. Even industrialised countries of the West have now acknowledged that they cannot maintain the desirable developmental goals unless there is greater investment in education, research and training. If this recognition has taken so long in the developed countries, it is not surprising that relatively poor countries like India have been slow to understand the significance of investment in the human factor, largely because India's total available resources are inadequate to meet the investments required in capital and materials and at the same time invest in education and research, but it is fortunate that slowly and gradually this popular awareness of the human factor is slowly dawning in India. It may be hoped that before long the efforts that are now being made to increase the supply, among other things, of managerial ability will be crowned with success.

Training Managers

There are many who believe and it has been the fashion not only in India but also in other countries to say that managers cannot be trained; managers are born and the only kind of training that they should be given is what may be called in-service training in the process of management. While this theory is good as far as it goes, it is very obviously inadequate for any country that has a programme of rapid economic development for which the number of managers required is far too many to be left to nature's accidents and the normal process of growth. In Italy, for example—taking physically a small country—an estimate made by a scientific organisation as to the number of managers required between 1960 and 1970 was of the order of 1½ million persons. The National Council of Applied Economic Research made a forecast of the demands on managerial power between 1960 and 1980. It estimated that the number required would be more than 500,000, but this estimate was challenged by several of the more knowledgeable persons belonging to industry and they thought that 700,000 might be nearer the mark.

Be that as it may, no country can leave it to accident the supply of such a large number of persons; obviously they cannot all be born; they have to be trained in any case. Secondly, the qualities required for management are again not such as can be left to development without some kind of training. It is true that whatever be the training, there will be difference between one manager and another on account of indefinable qualities. But it will increasingly be found that management education pays good dividends provided it is carefully prepared like every other kind of education.

In India, the concept and scope of management education and training are only recently being explored. It is, therefore, necessary to emphasise here certain basic elements in management education that must be regarded as common. These similarities flow from the very nature of the tasks pertaining to management.

Wrong Impression

There has been a feeling, especially in India, that there is something different in the elements of management of enterprises in the public sector and those belonging to the private sector. This is an entirely wrong impression. Similarities in management problems and characteristics are much more obvious and in fact deeper than any differences that may exist. The managers in private and public-sector enterprises have the same task. They have the same challenges; they have to work at the same levels—physical, economic and social. The private enterprise manager—equally with the public-sector enterprise manager—must be conversant with the various management techniques, work study, method study, quality control, operational research and things of that kind. They will equally be dealing with the problems at the finance level, requiring acquaintance with the principles of management accounting, financial control and so on. Thirdly, what is most important, they have to function within the same social framework and as such both types of managers must have some grasp of the social, political and other factors at work in the country and a broad affinity to its cultural and ethical values.

Even in relation to the Government, the differences between the two are really not so significant as the similarities. It is a great mistake to think that public-sector enterprises alone have the obligation to develop a sense of public accountability. While they are certainly accountable to Parliament, the private sector enterprises are equally accountable to what may be broadly described as the general public, and therefore to the Government as the custodian of public interest. The principles governing labour policy, price policy, profits policy, investment policy, etcetera, are to be governed broadly, both by the changing demands as a result of the changing incomes of the people but also as a result of the social and political values which prevail from time to time.

The usual distinction which is sought to be made between free-enterprise economies and public-enterprise economies is really no longer valid because in the so-called free enterprise economies, it is now fully recognised that the *Government plays a determining rôle in enunciating the rules of the game.* Even in the United States, the rôle of the Government has increased over the years to such an extent that except for the fact that the Government of the United States does not own and manage proportionately the same number of companies as the Government of India does, but for all practical purposes their rôle is as significant and potent as ours. The commitment of the Government of the United States to the growth of the economy, to full employment, to economic stability, to bring about a balanced development and in many other matters, is similar to India's commitments.

When the U.S. steel industry desired to increase its price, its action was checked by orders of the President. So today it is no longer right to think that the distinctions usually sought to be made between the two are really sharp and watertight. In the real world today, there is nothing that corresponds to an unplanned economy, that is, an economy in which the sovereign authority has not the final say in the broad pattern of development, in the priorities of investment and again the broad pattern of distribution.

Science of Management

Reverting to training, while the science of management is not fully developed and much of the training has, therefore, to be on a pragmatic basis, there is no doubt that a manager—if he is to succeed in his task—must not only have a perspective sense of the inter-relationships involved, but must be able to have a view of the changing situation in the next ten or 15 years because what he is to do in his own industry is very much conditioned by what would happen in the rest of the economy in the coming years. In other words, he should not only keep himself abreast with time and analyse the factors which affect his own individual case, but he must be able to have sufficient far-sightedness and intuition and judgment as to what is going to happen in the next ten or 15 years.

The enormous changes that have taken place in science and technology during the last ten years, thereby bringing about a new relationship between various industries and classes, should obviously create in the manager's mind the possibility that there would be changes of at least equal magnitude in the coming years. As a matter of fact, many of the items that are now common products in the 'sixties were unknown in the 'thirties. Most of the electronic products were not known 25 years ago and science is making such rapid strides that no industry stays put and the manager should always be prepared to understand the implications of these changes. These difficulties, however, only add to the necessity for trying to get all the facts as much as one can, analysing them and on that basis building up for the future.

In India, the sudden demand for managers both in the private and public-sector enterprises has created a real problem of increasing the supply in all possible ways. India has adopted all possible techniques with varying degrees of success. She has sent her young men abroad, especially employed in such industries as steel and has given them training in addition to the basic training they have had in engineering within the country. Her new industries have imported a large number of technicians and managers who have been in this country for some time and who have trained their Indian counterparts.

Training Programmes

India is pursuing several training programmes in the field of management—both through the National Productivity Council and through Management Associations. One of the most interesting experiments is the training by way of refresher courses for managers and executives, adopted in the Administrative Staff College (Hyderabad). It cannot be said that all these have been quite satisfactory, and partly because of the awareness of the limitations of the above and partly because of the knowledge that there should be permanent institutions for training within the country, the Government has now established Management Institutes, one in Calcutta and the other in Ahmedabad. The National Industrial Training Institute for Engineers has also been established in Powai, Bombay.

These are very important and welcome developments, but India's needs are so great that she may have to expand these facilities over the years. In addition, however, to increasing the number of such opportunities for training, she should pay closer attention to improvement in quality. Most of the *ad hoc* training programmes suffer from lack of depth. The participants are not always carefully chosen, and after they have been

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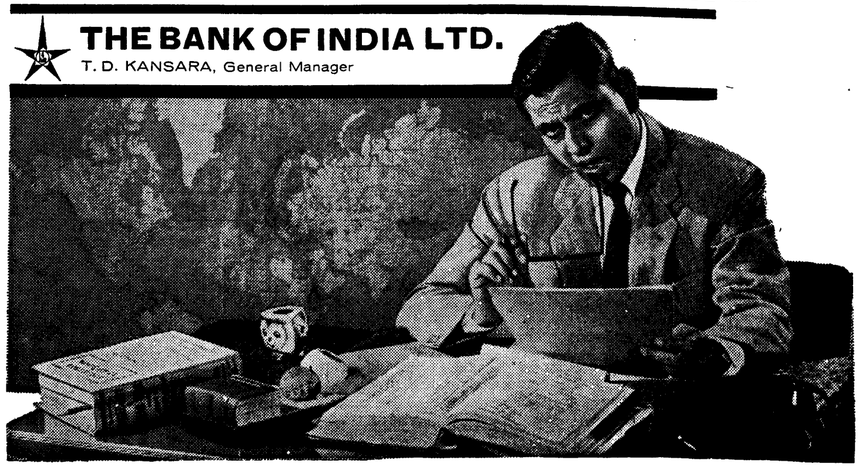
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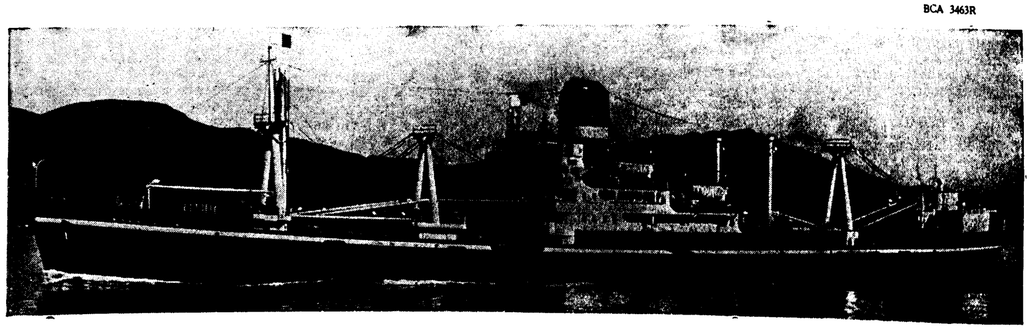
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given training, their training is hardly utilised by the factories or firms who have deputed them.

It is also astonishing to see how in India so few industries have really training programmes of any kind. Not only do they lack training programmes, but there are several industries which have not even understood the importance and value of training their various grades of managers. Even in the jute industry, which is one of the relatively old industries, it came to the present writer as a shock that several units have not had any arrangements for training their workers and they have left the training to be entirely on the job without giving them any formal help. In fact, the management was not even aware of modern techniques and the part they can play in increasing productivity. If Indian management is to be regarded as reasonably efficient, it should develop a greater sense of awareness of the imperative need of management education and management training, and this management education and management training are not a one-shot process. It has to be continuous and permanent.

Value of Experience

Not only should this training be given to various levels of management, but they should be constantly exposed to management programmes so that what may be regarded as a system of permanent education may be built up. Unfortunately, in India managers think, they know everything because they have experience. Experience is undoubtedly an important asset, but it should always be pitted against the new knowledge that is coming into the world from time to time. It should be the aim of a carefully prepared management education and training programme to ensure that every person has the benefit from time to time of pitting his knowledge and experience against the results of more recent research in technology and the social sciences.

The establishment of facilities for education, however, will not by itself be the answer to the challenges which modern society poses because the basic question is whether the opportunities are open to all and whether there is free entry to the doors of management. In India, this has been one of the greatest weaknesses. Most of the businesses managed under the managing agency system —whether they are run relatively efficiently or inefficiently—have not given free access to talent from outside. It is, in fact, the relatively successful and efficient firms who have restricted the choice to their own family or at best to their caste and it is true of even the best.

The family or caste type of management is not something unique in or special to India. Family managements have prevailed in various countries at various stages of their development. While other countries have changed their systems, in India today the family and caste systems act as a deterrent to the free flow of talent. There is, of course, no reason to think that talent is possessed by or confined to the family or caste members of the managing agency firm or of the top management.

Selection on Merit

In this matter, at least the public-sector enterprises offer better opportunities. Although political pressures and other influences are at work, the top managers of public-sector enterprises, by and large, are recruited not on account of their family or caste connections, but mainly on account of merit, in whatever way it is assessed. This cannot be said of the private-sector enterprises. India needs for both private and public-sector enterprises a better system of recruitment, a better system of training and fuller opportunities for development.

As for recruitment, the question has to be seriously considered by private industry whether it cannot organise itself to establish a recruitment procedure by which industry can—as in the case of the public sector—mobilise a pool of industrial managers on whom they can draw as and when vacancies arise. The principle of dynastic succession which is now increasingly subject to adverse criticism must go; and opportunities should be provided not only for free entry to all the deserving people but under a so-called socialist pattern of society it should be possible for a person to rise to the top by merit. There should be arrangements for evaluation of the work of persons from time to time so that nobody stays put in the job which he has entered in the beginning.

It is true that motivation in the private-sector enterprises is much stronger, but there is no reason why in public-sector enterprises, the necessary motivation cannot be supplied. This is a field where much more research has to be done, but there is no reason to think that the differences should persist; on the contrary, the fact that a person working in a public-sector enterprise has a feeling that he is not enriching his boss or is lining the pockets of a few already wealthy people, but is working for the community as a whole should be a more favourably motivating factor than in private business.

During the last few years, the writer himself has come across a number of instances where there is a great deal of dissatisfaction in the private sector, among the senior and almost top executives who have been denied access to the door of top management. They feel a great urge to come out and work in public and semi-public organisations. So even from the point of view of motivation, there is no reason to think of public-sector enterprises as inherently unsatisfactory in this matter. After a certain level of financial and technical competence is reached, the desire for social good does in most normal individuals become in itself a strong motivating factor. This has a potential in a mixed economy which can be exploited for the promotion of the public sector. The most important challenge to management comes really from the question whether management today is facing up to the tasks which India has set for herself, that is, to bring about a much more rapid development of the economy and to increase the levels of living of most of the population. This is a definite objective and every manager has got to accept the goal and to strive towards contributing to that goal.

The first question, therefore, that every management has to ask itself is whether it demands too high or too heavy a price for its own services. The managing agency system of remuneration, which has been the subject of regulation under the Companies Act of 1956, can still rightly be regarded as excessive. The fact is that against the background of extremely low levels of income for the overwhelming mass of the people and what is much more important, the near-impossibility of any significant increase in these low incomes in the near future, no decent man can accept the theory which asks for management a remuneration which, on an individual basis, works out to Rs. 2 to Rs. 3 lakhs a year.

Making allowance for all the elements of risk involved for which separate remuneration is actually paid, there is no justification for a scale of remuneration which could be more than, say, Rs. 10,000 per month. From this point of view, there is need for a further review of the scale of remuneration to be paid to managing agents. The fact that in its historical background managing agents performed several functions for which separate remuneration could be added up, is no justification for its continuance when the functions of management are really limited to management as such. There is no real element of risk when the price of the product which he is manufacturing is guaranteed and when the capital of the company is being increasingly added to by the finances provided by public-sector financing corporation and by the Government.

The justification which used to be advanced for excessive managing agency remuneration was that they were financiers of the companies, a claim which is no longer valid. The price that has got to be paid is, therefore, only the reward for management as such and here I think the standard of remuneration payable to an individual for all the services which he can render may be equated at the limit with that of the President of India and anything above that should be regarded as impermissible. It is in the interest of private business to establish some such ceiling, above all a code of morals according to which it should be considered somewhat sacrilegious to draw remuneration beyond the President's salary level.

Demand for Accountability

The most important challenge is, however, the demand for accountability to the people. There is an impression among a very large number of people, many of whom are fairly well-educated, well-informed and well-intentioned that there is something seriously wrong somewhere in private business. This feeling can be disregarded only at a grave peril to the whole economic system as at present organised. It can only be dispelled by a frank and honest acceptance of public accountability and, in fact, establishing in an organised way the standards and criteria of that accountability. The other alternative is the periodic facing of public enquiries, whenever something serious is revealed in any section of the private enterprise economy, by which the whole of it gets unnecessarily condemned.

Probably, it would be better to think out this question of public accountability of private concerns as an integral part of the socialist pattern of society. Private industry has to function—willingly and productively—within this framework of society upon which the sovereign Parliament has resolved. And one has to accept the rules of the game as framed by the Government of the day in pursuance of the basic policies decided upon by Parliament.

The question is whether managements of private enterprises are psychologically ready for an acceptance of these established policies and working them out in good faith for the common good, which includes for private entrepreneurs a reasonable measure of prosperity; reasonable in the context of the privations and sacrifices which the mass of the people have to undergo for quite some time.

The sooner private managements recognise that their activities have to be conducted within the accepted social and ethical framework and that they should adjust themselves to the requirements of the socialistic pattern of society, the better will be the prospects of a continuance of the mixed economy.

This does not mean that all that the Government does is right. There is increasing recognition even by the Government that its administrative procedures, controls and regulations need to be thoroughly overhauled, that there is too much of detailed control which retards progress. It is equally well recognised by the people in authority that the duty of the Government should be broadly to lay down the terms within which private industry should function without their subordinates trying to regulate every little detail. For example, whether foreign participation should be limited to 10 percent or 15 percent or 20 percent; whether preference shares should be issued at 9 percent or 9½ percent: these are not matters which should be decided by the Government. There are quite a number of such frustrating and irritating details of control which should be thrown overboard.

While appreciating all this, it should be equally recognised that private management should understand quite frankly that they are as much responsible to the public, as public-sector enterprises in terms of efficiency, profit making, and of allocating surpluses between various claimants, etcetera.

Furthermore, in a social democracy, one has necessarily to meet the challenge posed by the intense desire on the part of the workers not only to have better wages, higher wages but to have some choice in the determination of the rules of the game as it were. No management can now adopt the old dictatorial and one-sided attitude towards regulations that determine the working life of workers. While there may be argument as to the extent to which workers should participte in management as such, it should be the duty of management to ensure that it shares with the workers the responsibility for management, subject only to the capacity of workers which will gradually increase over a period of years, provided they are also trained adequately, which in

turn is the responsibility of management.

Wider Dispersion

In this context, one has to be conscious of the growing dissociation between ownership and management. It is indeed fortunate in one sense because in itself, it is an outcome of the increasingly wider dispersion of shareholding rights. While in a sense this may be regarded as reducing the motivation of owner-managers because they would not be interested very much in their dividends, such a development is most welcome from the social standpoint. Furthermore, the divergence of ownership and management will lead to what may be called a professional type of management by which management will be judged by the efficiency of its performance as management, rather than get messed up in a complex of personal loyalties. Their right to continue or to be re-elected from time to time should depend entirely upon their performance. India has had far too long what may be called the paternalistic or family system of managers. What is now needed is gradually to change this into a more professional type of management by which the management will be composed of persons who are specially qualified by virtue of their knowledge and competence as managers.

From this point of view, the change from the managing agency system of management to a board of management or to the managing director system of management is to be welcomed. There is undoubtedly place for a few status men or a few persons who can bring their long experience of business into the management, but their number has necessarily to be small. The management should broadly consist of persons who are actually engaged in the business. In the U.S.A., management is more or less in the hands of those who actually run the business. India also should gradually seek to evolve that type of management. In public-sector enterprises, it is really unfortunate that civil servants dominate in management.

Too many civil servants are being still employed in top positions and their methods of personnel selection leave such to be desired. It has to be recognised that industrial management is a professional job requiring special experience and expertise and that work in any industry like steel and heavy engineering or oil should be generally regarded as a life career. In this context, one notices with regret the number of changes in top management positions in public industrial enterprises which has been a source of great inefficiency.

Rapid Economic Growth

Finally, to conclude, whether India can look forward to a period of rapid growth of her economy and whether she will succeed in raising the levels of living depends upon a number of factors some of which are not predictable. But as far as industry is concerned, things will depend very much upon whether Indian management can quickly adjust itself to the challenges posed by the changing situation and by a number of social and economic as well as political forces. To the extent to which management in India can meet these challenges, to that extent alone can India go forward. The shift away from the managing agency system of management is a reflection of its inadequacy to meet these challenges, but whether other forms of organisation and management will better face these challenges time alone can say.

One thing, however, appears certain; and that is a matter of attitude and philosophy. Private business has flourished in India during the last 20 years of war and inflation against a moral background, which has fostered certain very illusory ideas about the rights and privileges of private money. These really nowhere obtain; and even historically *laissez faire* capitalism had its offset in Protestant ethics, which has been an integral part of western capitalism.

In fact, the most significant lesson of American capitalism is not its *hire and fire*, but the leadership and inspiration of men like Henry Ford, Edison and the like. The philosophy for which these pioneers of American capitalism stood is shockingly illustrated from a public statement (made not from a platform but in a court of law) by Henry Ford that *the profits he was making were awful profits:*

STEVENSON (Judge): "Now I will ask you again, do you still think that those profits were awful profits?"

FORD: "Well, I guess, I do, yes."

STEVENSON: "And for that reason you were not satisfied to continue making such awful profits?"

FORD: "We don't seem to be able to keep the profits down."

STEVENSON: "Are you trying to keep them down? What is the Ford Motor Company organised for except profits, will you tell me, Mr. Ford?'

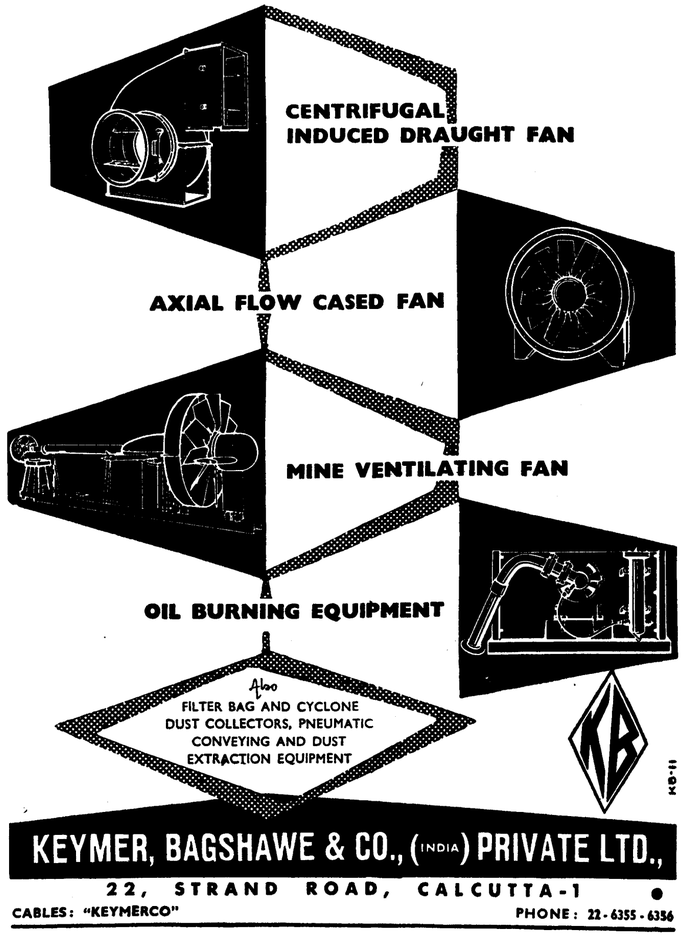
FORD: *"Organised to do as much good as we can,* everywhere, *for* everybody concerned. To do as much as possible for everybody concerned. To make money and use it, give employment and send out the car where people can use it. And *incidentally to make money."*

STEVENSON: "Incidentally make money?"

FORD: "Yes sir."

STEVENSON: "But your controlling feature is to employ a great army of men at high wages, to reduce the selling price of your car, so that a lot of people can buy it at a cheap price and give everybody a car that wants one."

FORD: "If you give all that, then money will fall into your hands. You can't get out of it."



Ending the Stagnation in Cotton Production: Some Experiments to Produce Superior Grades

THE statistical trends of cotton development in India in the past 25 years reveal a tale of ups and downs, of success and failure, which provides useful lessons in planning for agricultural crops. Undivided India was surplus in cotton except for long staples, and during the second World War, cotton production was actually discouraged; but the partition of the country soon after the War and virtual stoppage of supplies from Pakistan by 1949 resulted in a great shortage of supplies for the consuming mills were largely

By

M. S. SIVARAMAN, I.C.S.

Adviser, Programme Administration, Planning Commission, New Delhi

situated in the Indian Union while a major part of the irrigated cotton area was transferred to Pakistan. Local production of cotton was thereupon actively encouraged both in quantity and quality, and there was a spurt in the production of long staple cotton; but a stage of relative stagnation in the total area and output was soon reached in 1956 at the beginning of the second plan and since then, very small progress has been made.

The Planning Commission originally fixed a target of 5.5 million bales for the second plan with a view to meeting the expanding requirements of the textile industry. Later this was considered to be inadequate and the target was raised to 5.86 million bales at a conference of State Ministers of Agriculture. The Indian Central Cotton Committee, Bombay, however, suggested a more ambitious target of 6.5 million bales, and this was accepted by the Planning Commission after consulting the States. The actual production at the end of the second plan was 5.39 million bales.

The target for the third plan has been fixed at 7.07 million bales in accordance with a development programme summarised below:

Table I

THIRD PLAN DEVELOPMENT PROGRAMME FOR THE TEXTILE INDUSTRY

	Unit	1960	1965
Rated capacity of mill industry (end of period)	Unit	1960	1965
Active spindles	million	12.7	16.5
Looms	'000		225
Production			
(i) Yarn	million lbs	1,737	2,250
(ii) Mill cloth	million yards	5,048	5,800
(iii) Handloom, powerloom, *ambar* and *khadi* cloth	million yards	2,269	3.500
Cloth exports	million yards	695	850
Per capita consumption ...	yards	15.6	17.4
Raw cotton requirements of mills	million bales	5.1	6.6
Export of raw cotton and extra mill consumption	million bales		0.465

Shortfall in Production

The actual production of cotton in 1962-63 was 5.312 million bales which is 1.75 million bales short of the target for the third plan and 1.2 million bales below even the second plan target.

Before the War, the undivided country produced from 5.8 million bales to 6.2 million bales of cotton, nearly double the requirements of the cotton mills in those days. A large part of Indian cotton was exported to other countries, particularly Japan, but with the entry of Japan into the War and precipitate dwindling of the market for short-staples, cotton became a drag upon local markets. At the same time, the food situation deteriorated when outside supplies of rice stopped. Various steps were, therefore, taken to limit the area and production of cotton.

The pre-war area under cotton in the undivided country ranged from 24 million to 25 million acres, and this included about 3 million to 4 million acres in the area now comprised in Pakistan. As a result of restrictions placed on the growing of cotton, the reported area came down to 14.86 million acres in 1946-47 and production to 4.2 million bales. Of this, the cotton area in the Indian Union was 1.07 million acres and production was 2.6 million bales, including 850,000 bales of short staple cotton.

Mill Consumption before Partition

In the year before the partition, the mills within the Indian Union consumed 3.86 million bales—1.64 million bales of quality cotton of staple 11/16 in. and above produced within the country, 540,000 bales of short staple cotton of below 11/16 in., 980,000 bales of cotton from Pakistan and 700,000 bales of cotton from outside India. Thus, domestic supplies in 1946-47 amounted to 2.18 million bales or about 60 percent of the mill requirements at that time. Several measures were adopted to meet the gap in the supplies, special incentives were provided and all restrictions on the cultivation of cotton were removed. The basic ceiling prices on all varieties of cotton were also increased by Rs. 150 a candy of 784 lbs. The area, staplewise production of cotton in the Indian Union, consumption of cotton in the mills and export of cotton since 1947-48 are shown in Table II on this page.

Broadly speaking, the production of domestic cotton over a number of years should be fully accounted for by the consumption of such cotton in the mills, the exports of raw cotton and the extra mill consumption of about 250,000 to 300,000 bales a year, of short staples. It will be noticed that while the reported official estimates of production fall considerably short of the utilisation, the trade estimates approximate more closely to actuals.

The excess of consumption over official estimates of production is particularly noticeable in the medium staples and ranges from 600,000 to 700,000 bales a year from 1947 to 1956: but this difference gets reduced to 250,000 bales in the second plan period and practically disappears in the last year of the second plan. The year after partition started with a carryover of 3.8 million bales—780,000 bales of long staple cotton; 2.1 million bales of medium staple and 920,000 bales of short staple cotton.

The carryover stock with the trade and the mills in 1961 was 1.737 million bales of which short staples accounted for 61,000 bales. Even after allowing for the carryover stocks, it is obvious that the officially reported figures of production were underestimates of varying degrees. It is possible that a larger area was actually under cotton than was reported in the late 'forties or early 'fifties by about 3 million to 4 million acres. The estimates of production then in vogue were clearly defective, but since 1955-56 estimation of yield by the random crop-cutting method

Table II

PRODUCTION AND UTILISATION OF COTTON

(In '00,000 bales)

Years	Area (Acres)	Long staple			Medium staple			Short staple			Total			Exports Raw cotton from India*	Extra mill consumption
		Production		Consumption	Production		Consumption	Production		Consumption	Production		Consumption		
		Official estimates	Trade estimates		Official estimates	Trade estimates		Official estimates	Trade estimates		Official estimates	Trade estimates			
1947-48	10,655	3.2	5.0	5.6	11.2	16.6	17.6	7.4	10.3	5.4	21.8	31.9	28.6	7.96	
1948-49	11,293	3.2	4.5	5.5	8.9	11.5	20.2	5.6	7.0	5.5	17.7	23.0	31.2	2.99	
1949-50	12,173	5.5	5.9	4.9	13.3	17.1	17.5	7.5	6.7	3.0	26.3	29.7	25.4	2.34	
1950-51	14,536	6.8	6.8	5.0	14.5	19.4	18.2	8.4	7.1	2.0	29.7	33.3	25.2	1.75	
1951-52	16,201	9.2	8.9	8.5	12.2	22.9	19.3	9.9	7.1	2.1	31.3	38.9	29.9	1.99	
1952-53	15,713	9.1	8.6	10.2	13.9	21.2	23.4	8.3	6.8	2.5	31.3	36.6	36.1	3.09	
1953-54	17,265	14.4	11.1	10.5	16.5	25.4	25.6	8.7	7.0	2.8	39.6	43.5	38.9	1.34	
1954-55	18,664	15.3	16.8	15.1	19.1	27.2	23.5	7.9	10.4	2.8	42.3	54.4	41.4	3.18	
1955-56	19,978	15.8	18.0	18.1	17.6	22.5	23.0	6.6	5.5	2.6	40.0	46.0	43.7	6.11	
1956-57	19,893	18.8	20.5	20.8	21.5	22.0	23.3	7.1	8.7	2.6	47.4	51.2	46.7	2.99	
1957-58	19,996	19.7	21.5	19.0	19.7	24.0	22.8	8.0	8.5	2.5	47.4	54.0	44.3	2.92	
1958-59	19,926	17.7	18.8	19.0	20.9	24.8	24.7	8.3	7.8	2.5	46.9	51.4	46.2	4.00	
1959-60	18,804	18.6	21.2	25.1	12.3	15.0	16.8	5.9	4.6	2.3	36.8	40.8	44.2	2.00	
1960-61	18,871	24.4	21.7	19.1	21.9	27.2	21.5	7.7	7.9	1.9	54.0	56.8	42.5	2.89	
1961-62	18,710	18.7	23.4	26.0	17.8	17.5	18.9	8.4	8.8	2.2	44.9	49.7	47.1	3.28	
Total		200.4	212.7	212.4	241.3	314.3	316.3	115.7	114.2	42.7	557.4	641.2	571.4	48.91	about 40

* 400-lb bales

** Includes carryover stock in 1947-48 of 3.8 million bales and excludes balance of stock in 1961 of 1.737 million bales.

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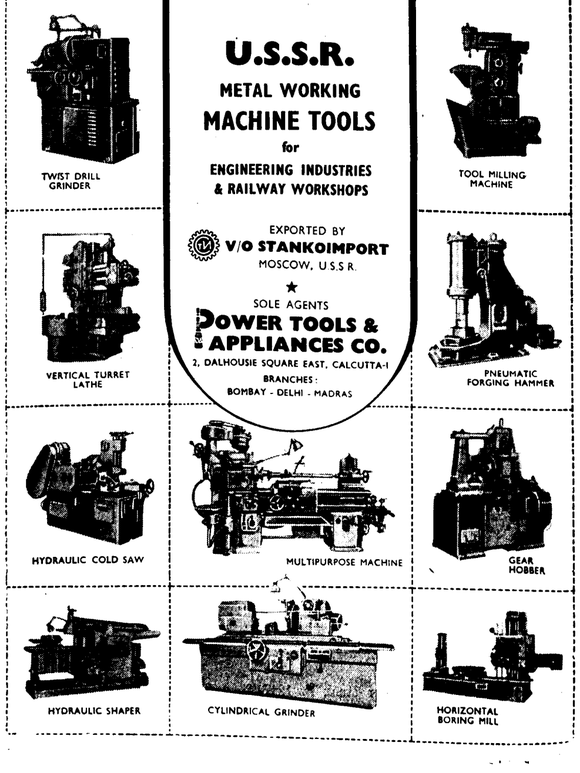
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has been adopted in some of the major cotton growing areas. In 1962-63, this has been extended to cover 69 percent of the cotton area and it is likely to be extended to nearly all areas next year when there will be closer correlation between the official figures of production and consumption.

The output of cotton in the base year of planning (1949-50) has been taken at 2.628 million bales, but considering the persistent and large excess of mill consumption of medium staple cotton over the reported figure of production—it was 380,000 bales in that year—it will be more correct to take the base production at a higher figure for purposes of projections of production trends in the plan periods. The trade estimate of 2.97 million bales in 1949-50 was possibly nearer the mark.

There can be no doubt that commendable results have been achieved in the textile industry and in cotton development in the last 15 years. The number of spindles in the Indian cotton mills has increased from 10.35 million in 1947 to 11.24 million in 1951, 12.38 million in 1956 and 13.98 million in 1961. There has been a striking increase in the production of long staple cotton and the annual consumption of Indian long staple cotton has gone up from 526,000 bales from 1947 to 1951 to 1.249 million bales in the first plan and 2.06 million bales in the second plan period. At the same time, the annual imports of foreign cotton has been reduced from 1.19 million bales between 1947 and 1951 to 778,000 bales in the first plan period and 680,000 bales in the second plan. The irrigated area under cotton has increased from 990,000 acres in 1949-50 to 1.81 million acres in 1955-56 and 2.43 million acres in 1960-61.

Rise in Yield

There has been an increase in the average acre yield of cotton from 82 lbs of lint an acre in the first plan to 93 lbs in the second plan. The yield in the base year (1949-50) was 85 lbs an acre; but if the production in the base year was an underestimate by about 12½ percent, the acre yield should have been about 95 lbs assuming that the area was correctly reported. It is likely that there was an underestimate of the area also, and, therefore, no special significance can be attached to the reported figures of acre yields in the earlier years. Possibly there has been a small increase in the yield an acre due to an increase in the area under irrigation: but it is also possible that this increase has been offset by other factors. All these considerations are no doubt speculative, but emphasise the need to ascertain clearer particulars of the average acre yields of cotton obtained by the actual cultivators under dryland and irrigated conditions for the major cotton tracts as a necessary aid in realistic planning.

The increase in the output of long staple cottons has been achieved (i) by replacement of some of the short and medium staple varieties, (ii) substitution of the susceptible by disease-resistant types, and (iii) extension of the area grown under irrigation. Some of the more significant varietal changes which have helped to improve cotton production in general are given in Table III.

Table III

PARTICULARS CONCERNING SOME OF THE VARIETAL CHANGES IN THE MAJOR COTTON GROWING TRACTS

Name of tract	Present strain in cultivation	Strain in cultivation during 1950	Average yield of lint in lb an acre: Present strain	Average yield of lint in lb an acre: Old strain	Staple length in 1/32 in.: Present strain	Staple length in 1/32 in.: Old strain
PUNJAB						
Western zone†	LL.54	4 F	380	304	33	24-26
Central zone†	320F	Mollisoni	379	315	33	19
South-eastern zone†	H.14	Mollisoni	443	315	30	19
UTTAR PRADESH						
Desi Tract†	Raniben	C. 520	279	248	27	23-24
	21F	Perso-American	253	218	28-30	28
GUJARAT						
Waged Tract*†	134-Co.	2-M-Kalyan	288	245	34-38	26-28
Middle Gujarat*†	Digvijay	Vijay	204	190	28-29	26-28
South Gujarat	Vijalapa***	Suyog**	194	167	28-31	28-30
Mathio Tract	C.J. 73	Pratap	150	120	29	26
MADRAS						
Winter Cambodia†	MCU-3	Co.4	407	306	33	30
Summer Cambodia †	MCU-2	Co.4	384	306	32-35	30
Tinnevellies	K.6	K.2	119	80	31-32	28-29
Karungannies	K.6	K.5	119	60	31-32	28-29
MAHARASHTRA						
Khandesh	Y.1	Jarilla	195	167	29-30	24-28
Vidarbha	L.147	Buri 0394	180	166	33	28-30
	A.K.235	H.420	215	194	29-30	28
	A.K.277	H.420	218	194	29-30	28
Marathwada	G-46	G.6	162	80	28-29	27-29
	G-22	G.12	120	96	28-29	28
MADHYA PRADESH						
Nimar Tract	A. 51-9	Buri 0394	185	166	29	28-30
Malwa Tract	Badnawar-1	Indore-2	312	189	31-33	28-30
	Maljari	Bhoj	236	144	27-28	25-26

† Irrigated. *† Partially irrigated. ** Partially resistant to wilt. *** Wilt resistant.

Although the results have been satisfactory so far, a word of caution is necessary about introducing high yielding or disease-resistant varieties under rainfed conditions without taking adequate measures to maintain optimum levels of moisture and plant nutrients in the soil. The higher genetic potential of the improved strains requires sufficient reserve of plant nutrients in the soil for full exploitation and if this is not available, there will be rapid depletion of soil fertility and the yield will go down.

A little over half the irrigated area under cotton is now in Punjab where the extension of irrigation in general has resulted in a steady annual rise in the ground water table ranging from 0.27 feet under the Western Jamuna Canal to 1.13 feet under the Bist Doab Canal. In the first three years of the first plan, the water table was within 5 feet of the surface in about 800,000 acres: but in recent years, the rise has been more rapid and it is now estimated that about 3.2 million acres are in this condition. There has also been a rise in salinity in the cultivated areas as a result of spread of irrigation without adequate surface or sub-surface drainage.

Water logging and increase in salinity have adversely affected the cultivation of long staple cotton in the State: both the area and production of American cotton have declined steadily and at the same time, there is a progressive increase under the Bengal Deshi. The short staple deshi cotton is able to withstand water logging to a large extent and is relatively immune to pests and diseases. The cultivators in the problem areas, therefore, get a better return by growing the deshi cotton. A larger price margin to make the cultivation of the long staple cotton worth while can be no solution to this problem when the basic cause is a rise in the water table.

The following particulars indicate the trend in the area and production of cotton in Punjab since 1956:

Table IV

STATEMENT SHOWING AREA UNDER BENGAL DESHI AND AMERICAN COTTON IN THE PUNJAB

Variety	Condition	1956-57	1957-58	1958-59	1959-60	1960-61
Deshi	Irrigated	354,146	486,525	583,420	470,350	607,000
	Unirrigated	45,507	59,902	52,004	56,871	
American	Irrigated	1003,947	940,415	834,767	774,470	733,000
	Unirrigated	30,820	55,634	30,374	27,155	
	Production in '000 bales (official estimates)					
Deshi		180	276	275	283	327
American		620	549	437	517	461
		800	825	711	800	788
	Trade estimate of production*					
Deshi			237	195	182	262
American			554	371	508	293
	Total	791	566	690	555	

*Note: In general, the trade estimates are higher than the official estimates: but the position is different in the Punjab.

Improving Surface Drainage

A great deal of attention has been paid in the last two years to improve surface drainage in the cultivated regions of the Punjab to relieve water logging. No doubt such measures will help to drain surface accumulations of rain water and prevent further deterioration, but cannot reduce the level of the water table that is already high. The surface drains will draw off soil moisture from only a few feet away: for the top crust extending down to about 10 feet in a large part of the irrigated area in the Punjab consists of fairly heavy soils which contain an excess of soluble sodium salts and such soils will not easily part with water. A practical approach will be to dewater the topmost aquefer which is 10 feet to 12 feet below the surface and this cannot be a difficult problem as the surface topography would allow of draining of the aquefer even with the aid of the surface drains if the ground water is tapped from the aquefers with the help of shallow wells from which the water can rise naturally and flow into the drains.

The declining trend of production of American cottons in the Punjab and the possibility in the near future of a decline in the output of the high yielding cottons raised elsewhere under rainfed conditions are matters of great concern. Added to this, there is a disquieting decline in the total area under cotton in the country from about 20 million acres in 1957-58 to 18.7 million acres in 1961-62: but more cotton has to be produced if the targets of increase in the *per capita* consumption of cloth are to be reached. How then are the production targets for cotton in the third plan are to be fulfilled and still larger requirements in the future

plans to be met? It seems to be necessary to review some of the approaches adopted so far so that one can look to the future with confident optimism.

The Package Approach to Production

For some time past, great expectations have been held out on the package approaches to cotton production in irrigated areas and in areas of "assured rainfall". The main components of this approach are the use of improved seeds, fertilisers and pesticides. About 2.4 million acres or one-eighth of the cotton area receives the benefit of irrigation and it is made out that over 11 million acres under cotton in the whole of Gujarat, Maharashtra and Malwa receive assured rainfall and, therefore, fertilisers could be applied without risk. The normal distribution of rainfall in Gujarat, Maharashtra, Vidarbha and West Madhya Pradesh is shown below:

In 1957, the rainfall in Gujarat in September was only 16.3 millimetres against a normal of 142.5 millimetres and the rainfall in October was 7.4 millimetres, against 25.4 millimetres. The September rains are of crucial importance in maintaining the moisture level in the fields during the peak flowering stage and the subsequent stage of boll formation. If a cultivator in Gujarat had applied nitrogenous fertilisers to his cotton crop in July or August 1957 (the rainfall in 1957 was adequate—July rainfall 288 millimetres, against normal of 353.6 millimetres, August rainfall 180.9 millimetres, against 219.7 millimetres) there should have been abundant vegetative growth and the larger leaf surface would have led to more transpiration of moisture by the plants. In September when the rainfall was far below normal, more drought would have been induced in the soil and the cotton plants would have suffered more severely than in the fields where no fertilisers had been applied.

Table V

Normal Monthly Rainfall

Millimetres

Sub-division or division	Jan.	Feb.	March	April	May	June	July
West Madhya Pradesh	9.4	7.4	6.9	4.8	9.9	136.1	331.5
Gujarat	1.8	2.0	1.5	1.0	6.9	142.5	353.6
Maharashtra	4.1	2.8	3.8	11.2	22.9	162.3	253.2
Vidarbha	9.4	15.0	10.9	11.5	13.2	181.1	324.4

Sub-division or division	August	Sept.	Oct.	Nov.	Dec.	Total
West Madhya Pradesh	283.7	174.0	32.0	15.0	7.1	1,017.5
Gujarat	219.7	142.5	25.4	7.9	1.5	906.3
Maharashtra	176.0	167.9	65.3	26.2	6.1	901.7
Vidarbha	246.6	177.5	51.8	19.1	8.1	1,068.6

The early and the closing stages of the monsoon are critical for agriculture in general and cotton in particular. Both these can be very erratic; it will, therefore, be a misnomer to call an area which normally receives good rainfall as having "assured rainfall." In fact, there is no tract in India where the rainfall is assured. If heavy annual rainfall is to be equated to assured rainfall there should be no justification for projects like the Kosi or the Gandhak in a tract of 50in. rainfall. The clamour for other types of irrigation works including wells and tubewells in Bihar and east Uttar Pradesh is also a pointer. It will not be agronomically correct to recommend the use of fertilisers under uncertain conditions of moisture in the field. Even in America where there is a fair amount of rain every month in most of the States, the farmers were not eager to use fertilisers under rainfed conditions until the moisture level in the fields was improved on a big scale in the late 'thirties of this century by soil conservation measures.

In general, irrigated cotton is adequately manured in the southern States. In many parts of Coimbatore district cotton is cultivated as a garden crop and experiments done in the Cotton Breeding Station in Coimbatore have shown that the garden lands, rendered rich by frequent application of fairly heavy dose of farmyard manure, were not benefited by the application of ammonium sulphate. In the Punjab, farmyard manure is applied to sugarcane, maize, fodder and garden crops and the cotton which follows benefits from the residual effects of the manures applied to the other crops. No doubt there is scope for obtaining higher yields by the use of fertilisers in the areas where irrigation will be extended under some of the major projects like the Nagarjunasagar or Rajasthan Canal in the fourth or fifth plan, but there is no ground to expect any large additional production from the existing irrigated areas in the third plan period. Improved seeds are commonly used and the possibility of increase of production by this method is very limited. Some attention is paid to eradication of pests on irrigated cotton and on the whole, a package of sound agronomic practices is already observed for cotton raised under irrigation. It is, therefore, doubtful whether there can be any substantial improvement in production by the adoption of the package programme as conceived so far. But if the package also contains extension of sound principles of agronomy applicable to dry land conditions there can be a considerable increase in the cotton yield within three or four years, for at present, cotton raised under rainfed conditions is not manured and in large tracts, the crop suffers from excess or deficiency of moisture in different periods of its growth.

A correct agronomic approach will be a programme which will also improve the level of plant nutrients particularly nitrogen on dry lands and ensure better tilth and water-holding capacity in the soil so that excess moisture is rapidly drained in the heavy rains and more moisture is made available to the plants in the drier periods. The great importance of organic composts which will ensure all these necessary conditions cannot, therefore, be exaggerated. In the heavy clay soils where cotton is often grown, the use of adequate organic matter is necessary to maintain optimum sub-soil drainage even under rainfed conditions. In the lighter soils it makes moisture available to the plants for a longer time.

Organic Manure Supply

The beneficial effects of the application of organic matter to the soil are well known to the cultivator, but as sufficient organic manure is not available, the cultivators prefer to use whatever local manure can be secured, on the food crops like millets and some of the cash crops of which the yield is more certain. Cattle dung is largely burnt for want of fuel and no serious attempt has been made to produce the plant wastes in sufficient quantity for composting. As a result of experiments initiated by the writer in the composite Madras State from 1947 to 1951, it has been definitely established that the required plant wastes can be produced from the existing cultivated area by planting perennial shrubs on the borders of dry fields. If these shrubs are frequently lopped, the spread of roots into the field can be greatly reduced, and on the whole, it has been found that the crops are not adversely affected by the border plantings.

In the Koilpatti Agricultural Research Station where cotton is grown on about 100 acres, perennial shrubs of *Ipomea carnea* and *Glyricidia* were planted in 1951 around each five-acre block and along the sides of the roads. A headload of *Ipomea* cuttings was developed in one season for planting ten miles of hedges in this farm. From the third year these shrubs provided every year about four tons of organic matter an acre by way of loppings which were composted in pits dug in the fields. Two small pits of 10 feet × 5 feet × 3 feet will be sufficient to produce all the manure required for an acre. *Ipomea carnea* is found all over India and it can be multiplied very rapidly: it is highly drought-resistant and it withstands water logged conditions. Above all it is not ordinarily eaten by goats or cattle. A mass planting of *Ipomea* and other suitable shrubs can be completed around all dry lands within one or two seasons if the *panchayat* organisations are made to take a live interest.

Application of Fertilisers

According to the monograph on cotton in India published by the Indian Central Cotton Committee in 1960, "under rainfed conditions the application of ammonium sulphate to cotton is risky. In the absence of rain at the proper time, the fertiliser has been found to be actually harmful to the cotton crop. The slow acting farmyard manure has been found more useful for rainfed cotton. Besides providing plant food it improves tilth, mechanical condition and water-holding capacity of the soil." Though farmyard manure is now available in limited quantity, a way has been found by which rural composts of equal manurial value can be produced on a mass scale from perennial plantings on the sides of fields without affecting the crops and what is lacking is the implementation of this simple programme which has got tremendous potentialities of transforming the agricultural conditions on rainfed lands. Unless organic manure is produced in this manner and used in the fields there is no other way of improving the soil fertility or maintaining optimum moisture, under all conditions of unirrigated cultivation in tropical countries.

Alongside with this, other soil and moisture conservation practices like checking the run-off and impounding rain water will have to be adopted in the areas of low rainfall. The improvement of the manurial level on cotton fields under rainfed conditions has become all the more pressing in view of the large-scale use of high yielding and disease-resistant varieties of cotton. A successful programme of this type will have other far reaching consequences, for cotton is grown very largely in rotation with crops like millets, oilseeds and pulses.

The area under millets is about 100 million acres, oilseeds 34 million acres and *kharif* pulses about 35 million acres. Millets are not important in the cereal consumption of urban areas like rice or wheat and the overall improvement of agronomic conditions designed for cotton is bound to improve the acre yields of millets: as more millets are not likely to be produced than are necessary for local consumption there will be reduction of the area under millets and diversion of the area to other crops like cotton and oilseeds. In the recent past, more than any other factor the area under cotton was the decisive element which determined the output: if the country needs more cotton, the area under cotton will have to be increased and this can be done: for any improvement in the yield of millets by 25 percent to 50 percent will help to divert 25 million to 50 million acres for other crops. The improvement of the conditions in dry lands for increasing millet production will be of special importance when hybrid seeds are developed, for the hybrid millets cannot result in any spectacular increase in the yield unless attention is paid to soil fertility and moisture—the twin limiting factors in dry land cultivation.

Apart from this, there is great scope for extension of cotton cultivation on the paddy fields during the summer months when there is no cultivation in large areas of the deltas of the southern States. A practical approach to this was demonstrated by work done at the writer's instance at the Aduthurai Agricultural Research Station in Tanjore district from 1947 to 1952, when it was shown that a variety of cotton like the Punjab 216F could be successfully grown in the Tanjore delta from January to June provided water is available for irrigation and the possibility of successfully tapping ground water for irrigation was also demonstrated for the first time in the history of this delta by large-scale installation of filter point tubewells which cost about Rs. 250 each.

These tubewells tap water from the first super-saturated aquefer of coarse sand at a depth of 30 feet to 40 feet, but the water rises in the tubewells to within 10 feet of the surface and can be continuously pumped by 5 to 10 horse-power engines. In the Aduthurai farm, the discharge from these tubewells ranged from 12,000 to 20,000 gallons an hour, but no great advance has been made in this direction in view of the uncertainties about division of produce of cash crops between the landlord and tenant and the reluctance of the landowners to invest capital for installing pumpsets costing about Rs. 2,000 in the prevailing conditions.

Superior Long Staples

While great expansion has taken place in the production of long staple cotton sufficient attention has not been paid to the development of superior long staples which are obtained from outside India. In Madras, programmes were initiated in 1947-48 to improve upon the staples of the Uganda-Cambodian types and one of the results of this was the evolution of the summer Uganda MU, (staple 1-3/32 in.) and more recently the winter Uganda MU, (staple 1 1/32 in.). Although the departmental officers were not at first enthusiastic, this writer insisted upon the cultivation of the Sea Island cottons, the Montserrat and St. Vincent varieties in the Agricultural Research Stations in Malabar and South Canara in 1947 following the successful backyard cultivation of these varieties by the late Mr. Subba Rao, a pleader of Udipi.

Mr. Subba Rao was a great enthusiast and he succeeded while several attempts made previously during the East India Company days and later on by the Departments of Agriculture to grow the Sea Island types were failures. A scheme was placed before the Indian Central Cotton Committee in 1948 to study the economics of cultivation of Sea Island cotton. By 1952-53 the mill tests by the Matunga Technological Laboratory and Bombay Dyeing indicated that the Montserrat and St. Vincent varieties with staple length of 1 1/8 in. to 1 3/8 in. were not so useful for Indian mills and that the mills would prefer a cotton of a lower staple of 1 1/4 in. Thereupon, the writer decided on the introduction of the "Andrews" from the varietal collections of Sea Island types as this had desired staple length and it was found that this cotton was more resistant to diseases and the yields were higher.

A scheme was submitted to the Indian Central Cotton Committee in 1955 to take up large-scale cultivation of "Andrews" and it was finally approved in spite of some initial opposition from cotton breeders and others at that time. But so far, no great progress in the large-scale cultivation of the Sea Island types has been made. Proper extension techniques have to be followed when a crop is introduced in entirely new surroundings. All over India there are enthusiastic cultivators who will venture in a small way with new things and if their co-operation is enlisted, there is bound to be a great spurt in the development of "Andrews" in suitable areas.

Given a basically sound approach and lead, there can be no doubt at all that the production of cotton can be greatly increased both in quantity and quality without in any way encroaching upon the output of other crops. The import of the superior long staple cottons can be curtailed if not eliminated in a few years' time, and above all, the present stagnation of cotton production need not continue if the necessary effort is seriously made in all cotton-growing tracts along lines consistent with tropical agronomy. No financial investment is involved and an assured cotton crop is a better stimulus to cultivators than price incentives. At present, cotton production is one of the soft spots of Indian agriculture, highly vulnerable and dependent upon the time of incidence, distribution and duration of the monsoon rains. Even when irrigation is extended in the country, very large cotton areas will continue to be rainfed and the limiting factors of production under dry land conditions will have to be surmounted through practical approaches if cotton and more cotton is to be produced.



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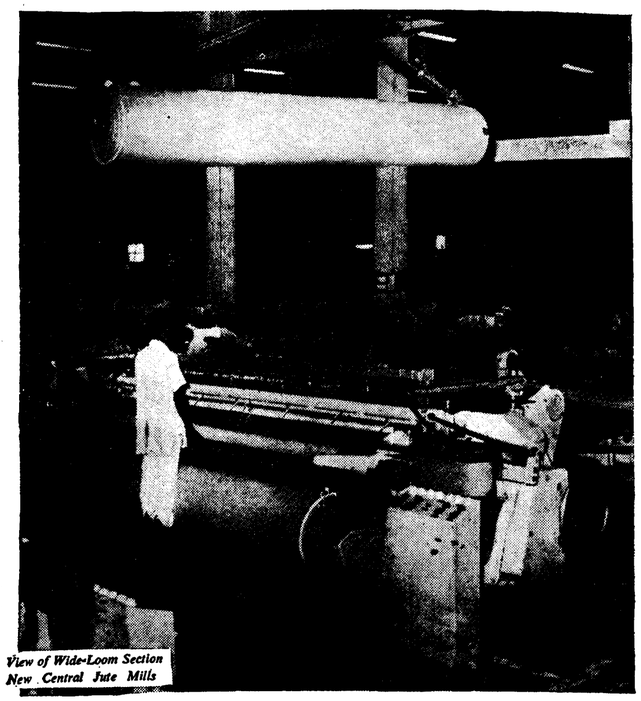
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Accelerating the Economic Growth of South-East Asian Countries

Professor Vakil analyses the main economic trends in the newly independent countries of South-East Asia, and suggests ways to accelerate their growth.

By

C. N. VAKIL

THE International Institute of Differing Civilisations, which has its headquarters in Brussels, is a non-official organisation devoted to the study of problems of different countries, particularly developing countries. Among other things, it convenes international conferences each year to discuss specific problems relating to such countries. The thirty-third conference of the organisation was held in Palermo, Sicily, from 23rd to 27th September, 1963. It was a large gathering; experts on different subjects from different countries were invited to discuss the problems of emergent countries. The problems were grouped under four headings: (a) legal; (b) constitutional; (c) economic and (d) social. Papers were invited on each of the countries concerned, that is, the newly independent countries of south-east Asia and Africa. These served as background papers. Special reports were invited from four *General Rapporteurs*, each dealing with one of the main aspects referred to above.[1] The plenary session was divided into two commissions, one dealing with legal and constitutional aspects and the other dealing with economic and social aspects. The reports of the *General Rapporteurs* were the basis of discussion. The conclusions of the commissions on each aspect formed the report, which was later approved by the plenary session with some modifications in some cases. Three languages were used in the proceedings—English, French and Italian—with facilities for simultaneous translation.

Economic Trends

The object of this article is to give an idea of the conclusions of the conference on the economic trends in the newly independent countries of south-east Asia.[2] This is based on the report of the *General Rapporteur* on Economic Aspects and the discussions at the conference on the same. The method adopted is to state in brief some of the leading economic trends (printed in italics in this article) supported by a brief explanatory note in each case. It is hoped that in this manner it would be possible to focus attention on the leading points. There are certain obvious limitations in any effort at generalisation for large areas such as those involved in the present effort. It is hoped, however, that subject to this, it will draw attention to certain broad tendencies and stimulate interest in a subject which deserves to be studied in greater detail.

I. The emergent countries of south-east Asia have economic communities where for many centuries income has remained on the subsistence level. For the study of economic growth, several important varieties are found among them. Most of these countries raised their levels of total output during the last decade, although the rise was not the same for all. This was spread over larger populations. It was not possible, therefore, to meet the challenge of extremely low levels of living.

GROWTH RATES OF REAL OUTPUT AND TRANSPORTATION, 1950-59[3]
(Percent a year)

Country	Real national product	Agriculture	Mining	Manufacturing	Rail freight (tons-kms.)	Number of commercial motor-vehicles
Burma	5.1	1.6	—	—	16.7	6.1
Federation of Malaya and Singapore	—	1.1	—	—	3.8	6.5
India	3.1	3.5	4.7	6.1	6.8	7.6
Indonesia	3.6	2.3	8.3	—	3.0	6.8
South Korea	5.0	1.8	26.0	15.1	0.4	11.5
Pakistan	2.6	1.2	8.8	19.7	5.9	5.3
Philippines	6.0	3.3	9.0	11.1	0.6	2.2
Thailand	5.0	3.2	—	—	9.1	13.6

[3] Source: *Economic Survey of Asia and the Far East 1961*, E.C.A.F.E.

The large variety of economic conditions which prevail in these countries is well known. The uneven growth in different countries is seen from the table above which compares the growth rates of real output in the principal sectors.

Growth of Population

II. The latest censuses of population show that the annual average rate of population growth for the region is nearer to 2.5 percent, against 2 percent which was assumed before. This fact affects all calculations of economic requirements for an improvement in the levels of living. Without going into details, it is easy to see that the higher output had to be distributed among rapidly increasing numbers. The impact of growth could not, therefore, be felt by the people, whose levels of living remained low.

In most of these countries, the existing populations are large in relation to land and other resources. This condition is aggravated by uneven distribution of the population. One finds dense concentrations in cities and also in old agricultural areas. The rates of growth of population in some countries are tending to be as high as 3.5 percent a year. In consequence, problems of unemployment and under-employment have become pressing. Furthermore, with the spread of education, consciousness has grown about the inequality in the distribution of incomes, and the wide gaps between the few rich and the masses of the poor. The only way to solve the problem of inequality as well as that of poverty is to work for a rapid rate of economic growth.

There is scope, however, for improvement in social as well as material requirements for growth, so that the consciousness and desire for economic advancement may grow in some countries. Their institutional structure lacks flexibility. Education and the development of human resources are not given due attention. Besides the low level of technical skills, one finds that social attitudes are not consistent with the attainment of economic goals. The demands on the work of the administrative machinery go on increasing. In some countries, the acceptance of socialistic goals leads to greater demands on Government machinery for development, with the result that human resources outside the Government do not function properly.

III. Several causes led to this unsatisfactory performance. The low income of these countries presents the greatest difficulty. This leads to a low level of investment. Besides, even this low level of investment has not been used in such a manner as to obtain maximum benefits.

The distribution of public investment in some of the countries is given below:

DISTRIBUTION OF PUBLIC INVESTMENT 1950-1959[4]
(Percent of total investment)

Country	Transport and communications	Construction	Agriculture	Industry	Energy	Health and education	Others
Burma	30	16	15	16	15	5	3
Ceylon	22	13	35	3	8	11	8
Mainland China	15	3	9	.....51.....		6	16
India	32	—	29	13	8	16	2
Philippines	40	3	22	8	—	15	14
Thailand	43	9	19	4	8	12	5

[4] Source: *Economic Survey for Asia and the Far East, 1960*, E.C.A.F.E.

It is not possible to have an accurate idea of the priorities and performance of investment from this table. Although attention has been given mainly to economic and social overheads, there is evidence, however, of unused capacity; this results not only from the low level of economic activity but also from the lack of a fully developed network. Besides, there are cases of over-generous provision for transport, communications and power (77 percent of public investment) in an economy which has not yet reached the prewar level of production in agriculture, and which needs more attention to direct production.

Capital-output Ratios

It has been argued on the basis of the limited definition of "capital" that capital-output ratios (varying between 1 and 2) are more favourable in agriculture than in industry (where they range upwards from 3), so countries should direct their fixed investment to agriculture in order to accelerate growth rates. This recommendation goes beyond the inferences that can properly be drawn from present empirical work on capital-output ratios. "Capital projects, such as bringing new lands into cultivation by resettlement or by extending irrigation, for example, the Gal Oya project in Ceylon, have proved unduly expensive (even reckoning in terms of social rather than financial costs) in relation to results obtained. Current outlays on such inputs as fertilisers have, on the other hand, where technical conditions permitted, yielded significant results within a short time at negligible cost. It has been generally recognised that the resource allocation problem, that of ascertaining the productivity of inputs of all scarce, tangible and intangible, resources—not only just 'investment'—is crucially important to E.C.A.F.E. countries. But much more research is required before any judgment can be made about productivity and gestation periods for inputs in different projects within a given industry sector, or for that matter, for different industry sectors in a national programme of resource allocation".

IV. Instances of mis-allocations of investment can be found in several directions. One notices too much in-

[1] The author was the *General Rapporteur* for Economic Aspects.

[2] Another article dealing with the same subject in relation to the newly independent countries of Africa is published in the 1963 *Annual Number of Commerce*.

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vestment in infrastructure on the one hand or too little in direct production on the other. Even in such fields as agriculture or industry, preference has been given to capital-intensive projects. This has resulted in the neglect of high-yielding projects which would have been more economical in relation to capital and foreign exchange. A serious deficiency in agricultural progress is also a cause for arresting the growth of the rest of the economy.

Most of these countries have agriculture as the principal industry. Economic development, based on agricultural prosperity, would be the natural evolution for them. Lopsided development involving greater investment in heavy industry before a country is ready with the prerequisites of such industry may raise new problems. Among these, the chief is that of foreign exchange resources. If agriculture is not developed in the meanwhile, it may be necessary to import food, as the growing population may not find adequate supplies from local production. This will aggravate the foreign exchange shortage.

V. The traditional concepts of investment have also proved inadequate. Besides capital formation in durable assets, development expenditure will also be required for current outlays to promote growth. In some countries, there has been an overemphasis on the infrastructure and heavy industry, which has led to the relative neglect of agriculture or export promotion in both of which current inputs are usually more important than capital inputs.

In some countries, this has led to an effort to import both capital goods and food with the help of foreign aid. At the same time export promotion has not been given due importance. For emergent countries trying to accelerate economic development, export promotion must be planned in order to obtain the much-needed foreign exchange. Even if foreign aid is received in an adequate quantity, the problem of repaying capital and interest has to be faced. Besides, the demand for foreign supplies increases with greater industrialisation and the growth of income, and this also requires more foreign exchange. This has brought home to some countries the need for planning in the light of their actual situation, so that unnecessary strain on the economy may be avoided. The tendency to imitate the growth models of some other countries without realising their applicability to one's own case, may lead to serious difficulties.

Institutional Factors

VI. There has also been neglect of institutional factors. For example, the economic growth in some countries has been hampered by the failure to achieve full co-ordination between the public and private sectors.

The planning effort has for obvious reasons been the responsibility of Governments. They have naturally thought of undertaking State enterprises for the development of certain schemes, such as river valley projects or steel plants. There has also been a desire to nationalise existing industries or some of the new ones, particularly public utilities. This tendency has created a sharp distinction between the public and private sectors in some of the countries. The Government tries to assume more and more responsibility by expanding the public sector, so the private sector feels its sphere suddenly restricted. Besides, planning involves some controls according to the ideology of the country. The private sector shrinks under such new regulations which curb its freedom.

On an examination of the spheres of public and private sectors, it will be found that they are, in effect, complementary. Neither can function effectively without the help of the other. In fact, in some cases, they are so interdependent that the progress of one depends on that of the other. In view of this, any controversy between the two sectors which leads to antagonism instead of co-operation and bitterness instead of goodwill, is likely to hinder the progress of the country. For example, they may scramble for the available skilled manpower or limited managerial personnel, and so on. Although the need for co-operation between the two sectors is being realised, the attitude of mutual suspicion and, therefore, of criticism and hostility has not completely gone. It will be in the interest of progress if both the sectors could work in complete harmony. At a time when the urgent need is to make rapid economic progress, it is not wise to raise ideological considerations in the effort, as these may divert attention to issues which are not urgent and may impede the process of growth.

VII. In the case of development of human resources, imbalances have also taken place. For example, housing and education have not been adequately related to economic needs. In some cases. demands for consumption have been strengthened before the material basis for satisfying them has been prepared. The resources have been used for social amenities and redistribution of incomes without considering the requirements of growth. In some countries, suitable political and social institutions have still to be created before economic growth can be properly planned and implemented.

The human resources of the countries of the region constitute an even bigger bottleneck than material resources. The mere possession of a large population is not in itself a resource, and may even be a drag on growth. The technical competence of Asian labour remains poor. Even a country like the Philippines, which introduced a mass-education system early in the century, still has an illiteracy rate as high as 25 percent; elsewhere illiteracy may be even more widespread. Health conditions are also poor. The shortage of skilled workers co-exist with massive unemployment of unskilled workers. In India. the 1951 census gave the number of professional, technical, administrative, clerical and related workers as only 2 percent of the economically active population whereas the corresponding percentages were 15 in Japan (1950), 19 in the United Kingdom (1959) and 29 in the United States (1950). The productivity of south-east Asian labour remains poor; even with the paltry wages often paid, labour costs a unit of output are not low. This makes it difficult for them to export.

Few countries of the region are favourably endowed with entrepreneurship. The Philippines is now beginning to reap a harvest from an educational effort which began decades ago. India inherited a sound machinery of public administration from the British; the Civil Service has been used for running public enterprises. The private sector has also been vigorous, perhaps even more so than the public sector judging from the fact that it has done better than the public sector in reaching investment goals. In other parts of the region, the supply of entrepreneurship remains deficient in relation to requirements.

Availability of Foreign Aid

"The availability of foreign aid has helped not only in supplementing the domestic supply of consumer and capital goods, but also in building up human resources for growth. Russia's most significant contribution to mainland China was in technical assistance. United Nations and inter-Governmental programmes have imparted not only the techniques of the advanced countries to the underdeveloped countries, but have promoted co-operation among the underdeveloped countries to exchange ideas and experience. Even foreign private enterprise has come in with a contribution of techniques and market connections in addition to capital. A new wind is blowing; joint-ventures, marrying foreign and indigenous resources, are becoming prominent even in countries that have hitherto been notable for economic nationalism".

E.C.A.F.E. COUNTRIES : HOUSEHOLD DISPOSABLE INCOME AND SAVING, 1950-59

Country	Percent of gross national product		Household saving percent of disposable income
	Disposable income of households	Gross savings of households	
Burma ..	76.6	9.2	12.0
Ceylon ..	83.7	4.0	4.8
China : Taiwan ..	76.3	4.0	5.3
India ..	—	—	5.8
Japan ..	70.0	10.5	15.0
South Korea ..	87.1	3.1	3.5
Philippines ..	83:7	−1.3	−1.6

VIII. The performance in increasing the domestic savings is rather inadequate. It should be possible for Governments to increase their revenues by imposing additional taxes more effectively. At the same time, they should exercise more restraint in non-developmental spending whether on current or capital items. It is possible to encourage savings by suitable measures.

In several countries, tax policy has been positively orientated towards encouraging private saving. "Apart from tax policy, there are several measures which range from allowing high rates of interest, providing other facilities under official small saving schemes, operating State lotteries (as in Thailand) or prize bonds (as in India), to deficit financing by creating more money, so as to force additional saving on the private sector through higher domestic prices. The resultant rise in domestic prices causes a redistribution of income in favour of profits and, therefore, makes for higher saving by the private sector, in addition to the free gift of saving made to the Government in the process of money creation".

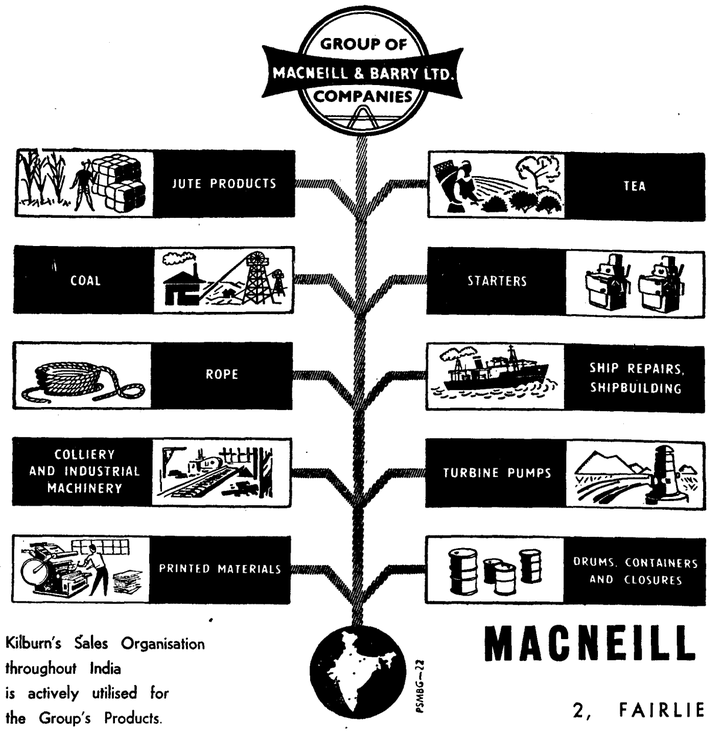
Corporate Saving

As stated above the level of private saving is influenced by fiscal and other Government measures, but depends mainly on the desire for saving within the private sector itself. This desire varies from country to country according to a number of factors. The level of *per capita* income, the level of personal disposable income, and the distribution of income, are among the few important and identifiable factors which are likely to influence household saving. Corporate saving tends to be more important than household saving in advanced industrial economies, but the opposite holds good in underdeveloped countries because corporate income there is usually so small a fraction of national income that, however high the corporate propensity to save may be, it can contribute little to aggregate saving. In India, corporate income after tax comprised less than 1 percent of national income, and corporate saving accounted for 5.8 percent of total private saving during the decade under review; whereas in Japan, where the corporate gross income, after tax, accounted for 13 percent of the gross national product, corporate saving contributed 53 percent to private saving. In Ceylon, corporate saving contributed a little over 70 percent of private saving, because the share of corporate income in national income is higher in Ceylon than in India due to the latter's relatively large plantation and export sectors.

The level of total private saving in Ceylon was, however, much lower than in Japan; and this discrepancy is explained by a very different propensity to save by households (15 percent in Japan and only 5 percent in Ceylon). Considering the low level of consumption in Japan relatively to other advanced countries of the world, it is indeed remarkable that Japan has so high a household propensity to save. One explanation is that in Japan, the ratio of self-employed in the total work force is higher than in other advanced countries, and as self-employed worker-owners must finance not only household investment but also business investment, their saving ratio has to be higher than for those who are employees. In the Philippines, on the other hand, households appear to have dissaved, and corporate saving exceeded household dissaving by a sizable margin.

Household Income and Savings

Saving by households also depends upon a complex of factors, no single one of which can explain the wide disparities in rates of private saving among countries of the E.C.A.F.E. region. It is difficult, for example, to account for these disparities only in terms of differences in the level of *per capita* income. In spite of the great disparities of household income, both Burma and Japan saved more than 10 percent of it; whereas in Taiwan, where personal disposable income is higher than in Burma, the rate of household saving was only one-half as high. It is difficult—on the basis of information which is available for only a few



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countries—to say how far private saving is related to the share of personal disposable income in national product. The range of variation in the saving propensity of households is indeed wide and does not seem related to either the absolute level or the share of household income in national product.

Economic growth naturally becomes slow with such a low level of saving in so many countries of the region. The dependence on foreign aid cannot be the main source for uplifting these economies; they should make their own efforts to raise internal resources, so that the advanced countries may feel encouraged in supplementing the same.

IX. Even if domestic savings are increased by suitable measures, it is beyond the power of most countries of the region to do without foreign aid to attain a satisfactory rate of growth, at least in the immediate future.

While contribution of foreign assistance has risen for most countries of the region, they have to give thought to the balance of payments aspect of foreign assistance. It is to be remembered that for serving and repayment of foreign loans, what is required is export service and not economic growth. It is possible that with economic growth, the present import surplus may increase rather than diminish.

So there is a general desire for independence from imports in planning for economic growth. This has taken the form of a policy of national self-sufficiency in food at a high cost. In industry, this results in a policy of import substitution and efforts to develop capital goods industries. Technological progress may make such industries obsolete and, in the meanwhile, opportunities to build export industries may be lost.

"The basic value of the inflow of foreign saving is that it provides underdeveloped countries with additional resources for stepping up their investment. But if dependence on foreign saving is not to become permanent, they must, at some stage, be able to sustain economic growth by means of their own resources. Foreign saving placed at the disposal of these countries should, therefore, be used in a manner which furthers this objective. No uniform pattern of utilisation could be prescribed for all underdeveloped countries, because, the pattern is bound to differ according to the stage of economic development and various other factors. This difference in use may, in turn, reflect the manner in which foreign saving flows into these countries, and whether it should take the form of loans or grants. If the receiving countries are building up their export capacity, or their capacity to produce substitutes for imports, foreign loans need not be much of a burden. If no such capacity is, however, being created, it would be preferable to receive foreign saving in the form of grants. Economic development does not necessarily give a country a larger export capacity, but may merely expand its demand for imports. If foreign capital has to be repaid at a later stage, the repayment can become a constraint on further growth. From the economic standpoint of receiving countries, therefore, grants are always to be preferred to loans".

Official Assistance

Although the broad pattern of the inflow of official assistance to the underdeveloped countries of the region shows some uniformity, there have been marked disparities between countries. The extent of *per capita* official assistance has varied considerably, and it is difficult to explain such disparity in terms of the *per capita* income levels or of economic absorptive capacity of the receiving countries. Undoubtedly, immediate political and strategic rather than long-term economic considerations have dominated the distribution, not only of military, but also of economic assistance from abroad.

E.C.A.F.E. COUNTRIES : ECONOMIC ASSISTANCE RECEIVED IN 1950-59
(Annual average in dollars)

Country	Per capita assistance received		
	Official	Private	Total
Laos	23.30	—	23.30
South Viet-Nam	19.19	—	19.19
South Korea	9.78	0.26	10.04
China : Taiwan	8.29	0.27	8.56
Cambodia	7.68	—	7.68
Philippines	2.22	0.43	2.65
Thailand	1.46	−0.20	1.26
Pakistan	1.03	−0.03	1.00
India	0.41	0.19	0.60
Indonesia	0.36	−0.05	0.31
Nepal	0.30	—	0.30
Burma	0.45	−0.39	0.06
Ceylon	1.55	−1.63	−0.08

"In most countries of the region, foreign aid has provided the crucial margin required to tide over the balance of payments difficulties. It has taken the burden of military commitments substantially off the shoulders of Formosa, South Korea, Laos and South Viet-Nam. It has staved off food crises in India and alleviated in Pakistan the situation arising from a secular fall in the terms of trade, thus freeing foreign exchange in both countries for spending on developmental imports. It has made possible productive investments in broad fields of public and private endeavour in Thailand and the Philippines, and has assisted specific projects such as steel mills in India, dams in Formosa and Thailand, or more general services such as agricultural extension or the building of roads. As a result, almost all countries have been able to maintain or raise their levels of living and, in some cases, the momentum of growth without having to demand a fully proportionate reduction of consumption".

What is still more important, they have no favourable prospects for the balance of payments. The following table indicates the increase in foreign indebtedness of these countries and also the share of current account receipts taken by debt service. As more and more foreign assistance is received in the form of loans, debt service payments will increase further. Unless exports also increase or imports decline correspondingly, the strain on borrowing economies will grow progressively. No doubt, as long as new assistance from abroad is forthcoming and as long as it progressively increases, the impact will not be felt because part of the new assistance, among other things, can release resources for servicing debt. But this implies a still sharper increase in foreign indebtedness and so in future commitments for debt servicing and repayment, there are grounds to believe that saturation point is already being reached for borrowing; in granting and seeking foreign aid, the assisting and benefiting countries may well consider reviving donations, or, if loans are to be arranged, making counterpart provision for service and repayment in the domestic currencies of the borrowing countries.

E.C.A.F.E. COUNTRIES : EXTERNAL PUBLIC INDEBTEDNESS AND PUBLIC SERVICE RATIO, 1955 AND 1958

Country	External public indebtedness at the end of the period stated			Public debt service charges Percent of current account receipts	
	In million dollars		1958 percent of 1955	1955	1958
	1955	1958			
Burma	17	84	494	0.5	1.5
India	308	1,442	468	0.7	1.7
Philippines	91	198	218	1.5	2.1
Thailand	73	143	196	1.1	2.3
Iran	230	377	164	1.3	5.5
Pakistan	148	200	135	2.3	5.3
Ceylon	44	48	109	0.5	0.5
Indonesia	569	415	73	3.8	3.5

Promoting Exports

X. In the case of countries where domestic markets are too small, the question of full exploitation of economies of scale arises. One way to overcome this is by promoting exports. In order to do so, however, it is desirable for the countries of the region to co-ordinate their industrial development plans. The possibilities of inflation exist when there is slow progress of the national product because stagnation results in instability. A high rate of growth, on the other hand, would solve many economic problems. Savings, for example, would be possible under certain conditions. It is easier to maintain social harmony along with economic stability.

The problem of exports is common to most countries of the region. One way in which this can be solved is by having some understanding of the industrial development plans of these countries. Instead of each of these countries trying to develop the same or similar type of industry, *e.g.*, the textile industry, if there is an agreed division of labour between them by which each country undertakes to build certain industries which may cater to the needs of the entire region, it will be possible to have economies of scale. This will also lead to more trade between these countries. Any effort to have a Common Market arrangement between these countries should be preceded by a conscious co-ordination of their plans so that the economies of these countries can be made complementary.

XI. It would be desirable if the advanced countries give opportunities for increasing their exports to less developed countries as this would be consistent with the generous programme of aid to them. This would be of more lasting significance. There has been the tendency towards a substitution of domestic manufactures for imports in most of these countries.

The tariff policy of the advanced countries makes it difficult for the less developed countries to export their goods to them. There is a growing demand on behalf of the less developed countries that aid should be accompanied by trade. The long-term development of these countries depends on increasing their capacity to trade. Instead of allowing the tendency towards self-sufficiency to grow as a result of prevailing conditions, it would be in the mutual interest of all countries to see that a new trade pattern is developed by which a greater exchange of goods between both types of countries is encouraged.

Scope for Co-ordination

XII. The main problem in most of the countries in the region is still one of further growth. This is not merely a matter of investment on agricultural and industrial development because a good deal depends on the efficient allocation of resources and outputs. There is also the problem of co-ordinated growth between the countries of the region. This may imply that the present plans and policies of economic development may require modification so as to serve the long-term interests of all the countries of the region.

Further growth among the countries of the region depends on their willingness and capacity to co-ordinate their development plans. As the resources of each are limited, it would help them to develop large-scale industries by such co-ordination. More investment in the development of agriculture and industry should be in accordance with such agreed regional arrangements, which are likely to help in bringing about rapid growth. Such co-ordination presupposes stable political conditions, willingness to share in the joint effort and an understanding of the long range benefits of the same. It is to be hoped that this awareness will grow.

The example of countries of western Europe, who joined together to form the European Common Market, is useful. Countries which for centuries have been in opposite camps like France and Germany, have come together to develop and strengthen their economies. These are some of the more advanced countries of the world, which have found it necessary to work together for their mutual advantage. The need for the south-east Asian countries, with their backward economies, to come together to work out joint development plans which are mutually complementary is greater and likely to be of lasting benefit to them.

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India and the Common Market: Uncertainty in Trade Relations

By
MALCOLM SUBHAN

N retrospect it cannot be said that India progressed very far during 963 towards the goal of a more alanced and harmonious trade elationship with the E.E.C. Ironi-ally enough, she was perhaps nearer o it while the negotiations for ritain's entry into the Common larket were taking place than after-ards. If in August 1962, the Six ere ready in principle to conclude comprehensive trade agreement ith India, a year later they were eluctant even to speak of it. The oncessions which they finally grant-d this November had been negotiated he year before by Mr. Heath and were, in any case, so minor that they ffect a mere 3 percent of India's otal exports to the Community.

The change in the Six's attitude is ot difficult to understand. During he British negotiations, the Indian roblem was one of many which had o be solved, and the Six were glad n the whole to accept the solution f a comprehensive trade agreement o be negotiated once the more erious business of Britain's entry ad been settled. Such an agreement as thus not only an element in a ackage deal, but also the logical nd inevitable consequence of Bri-ain's accession to the Community. But with the breakdown of the egotiations, the Six no longer felt hemselves under an obligation to elp the members of the Common-ealth; indeed, they took the view hat the situation which the provi-ional agreement on India had been designed to meet having failed to materialise, the agreement had lost its *raison d'être*.

This unwillingness to retain any-thing from the British negotiations as strongly reinforced by the mood of frustration and indecision to which their breakdown gave rise. The crisis which followed the French decision to blackball the U.K. virtu-ally paralysed the Community. The bitter recriminations between the French on the one hand, and the Belgians and Dutch on the other, created an atmosphere of hostility in which any fresh initiative was out of the question.

Internal Crisis

It has been India's misfortune that her first direct and sustained contacts with the Six have taken place at a time when the Community is passing through a severe internal crisis. In one sense, India has had no choice in the matter, of course. A trade agreement with the E.E.C. was en-visaged even before the start of the British negotiations; and the fact that the outlines for such an agree-ment were traced with Mr. Heath (along lines largely suggested by Mr. K. B. Lall, India's Ambassador to the European Economic Community) favoured a formal approach to the Six, in spite of the prevailing un-certainty within the Community.

There were, in fact, one or two encouraging factors. One was the desire of the Commission to salvage something from the wreckage of the negotiations. Professor Hallstein, the Commission's President, told the European Parliament that the solu-tion which had been proposed in the case of the three countries of the Indian sub-contnent was sufficiently original to merit survival. The second factor which favoured a direct approach by India was the determination of some of the Com-mon Market countries, including Holland, to counterbalance the Com-munity's preoccupation with the associated African States with a more positive policy towards other deve-loping countries—notably, the English-speaking African States and India.

The manner in which the E.E.C. was approached in April reveals something of the preoccupations of India's representatives at the time. Instead of a straightforward request for the opening of talks, if not nego-tiations, India submitted an *aide-mémoire*. (This was not the first Indian *aide-mémoire* to the Commu-nity; the first was submitted in July 1962.) This brief document—it was a mere four pages in length—grew out of the numerous informal discus-sions between the Indian Mission in Brussels and the Commission and permanent representatives of the six member-States. These discussions had shown that while there was a good deal of sympathy both within the Commission and among the Six for India's efforts at putting her trade relations with the E.E.C. on a more normal basis, the nature of the Com-munity machinery is such that little could be accomplished unless the Council of Ministers were directly involved.

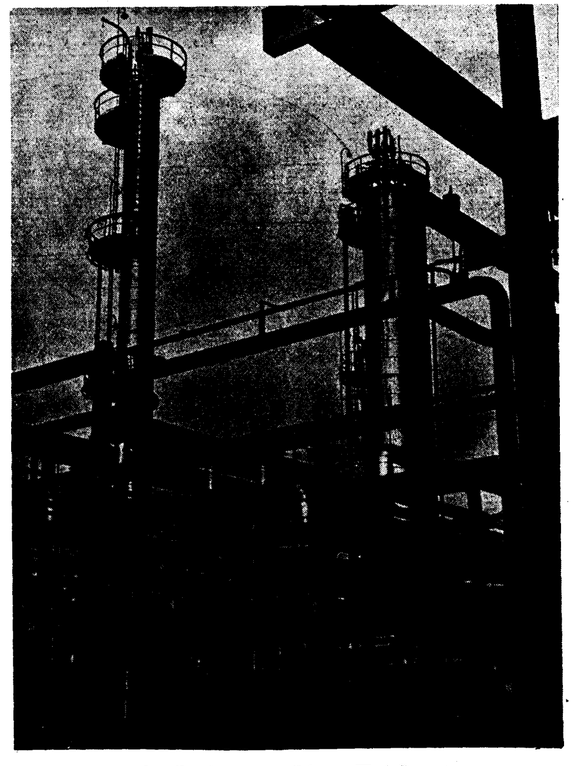
Meeting Objections

The *aide-mémoire* was skilfully drawn up to meet the various objec-tions which the Six had already raised informally. It made it clear at once that the problems which India faced were in no way related to Britain's application for membership, but arose from the extremely one-sided nature of the Indo-E.E.C. trade. India had a substantial and growing trade deficit with the Community; the consequences of the Chinese in-cursions along her northern frontiers had only aggravated her balance of payments position. Although she was making determined efforts to increase her exports to the Commu-nity, help was necessary if these efforts were to prove successful. The *aide-mémoire* suggested that as a first step the E.E.C. grant India the various tariff concessions visualised during the negotiations with Mr. Heath. More comprehensive arrange-ments for fostering increased eco-nomic relations between India and the Community could be reached through bilateral negotiations in Brussels and also through multilateral talks under G.A.T.T.

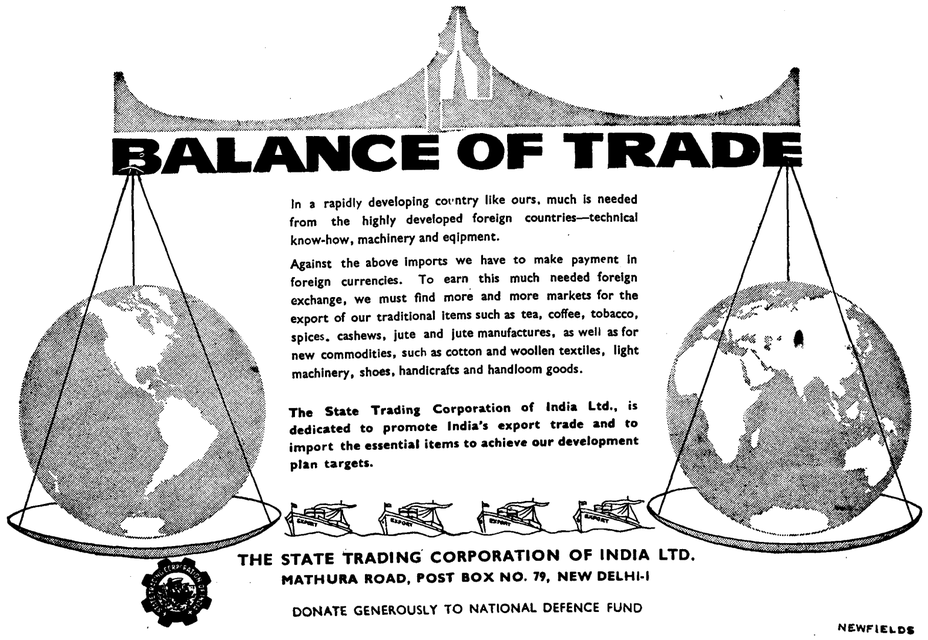
This formula was chosen no doubt in the belief that if the Six could make a certain number of conces-sions—including a zero duty on tea—without difficulty, the climate was unpropitious for negotiations on the more detailed proposals which India had in mind. The *aide-mémoire*, therefore, proposed no timetable; it did not even request the formal open-ing of talks between the Six and India. (Professor Hallstein was to praise the *aide-mémoire* for its air of sweet reasonableness. However, the very fact that it left the initiative to the Community was evidence in the eyes of some of the Six that India's problems were not really urgent ones.)

The Six in their view took the first step towards meeting Indian wishes when they agreed to a Dutch proposal that the tariff on tea and tropical woods be suspended. The suspension was made conditional, however, on Britain's willingness to do likewise. The agreement was, therefore, nego-tiated between the Six and the U.K., although its principal beneficiaries will be India and Ceylon, of course, as far as tea is concerned. Although such an agreement involved the loss of Commonwealth preference, it was clear that duty-free entry into the Common Market largely outweighed this loss.

While it is unnecessary to enter into the details of the protracted negotiations between the Six and the U.K., reference must be made to two points. The first concerns the Com-munity's machinery for concluding an agreement with third countries. The Six have been the first to describe it as slow and cumbersome. In the present instance, all six member States had agreed to the suspensions; yet when a draft agreement was on the point of being approved by the Council of Ministers, the French protested that the procedure being followed was inconsistent with the sovereignty of the six member States. In order to avoid setting an unwel-come precedent, it was, therefore, necessary that the E.E.C. first sus-pend unilaterally the common exter-nal tariff on tea and tropical woods,

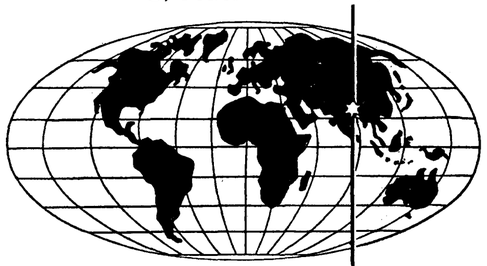


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and only then enter into a bilateral agreement with the British.

E.E.C. Tea Imports

The second point was of greater consequence to India. During the British negotiations the Six had argued that the offer to allow tea to enter the enlarged Community duty-free represented a substantial concession in view of the fact that tea is the principal Indian export. (They appear to have overlooked the fact that the concession was not as important as they imagined, given the relatively small amount of tea consumed in the Common Market as a whole.) The same argument was repeated this year when it was suggested by India that urgent action was necessary to help her improve her trade balance with the Community.

The result was that the *aide-mémoire* aroused little comment among the Six, who felt that with the suspension of the tariff on tea (the suspension was originally expected to come into force on 1st September) the most important single concession visualised in 1962 had been granted. Indian efforts to persuade the Council of Ministers to react officially to the *aide-mémoire* were largely fruitless; there seemed to be no possible way of having it included on the Ministerial agenda as long as the negotiations with the U.K. over tea and tropical woods had not been formally concluded.

The Indian Mission's informal talks with the Commission proved more fruitful, however. Under the Community machinery, the Commission had the task of recommending to the Council the reply to be given to the Indians. Although the Commission as a whole was preoccupied with the internal crisis facing the Community, Professor Hallstein continued to advocate the re-examination by the Six of their original offer to conclude a trade agreement with India. His visit to India (to deliver the Azad Memorial lectures) gave him an opportunity to discuss the matter with Ministers and senior civil servants in New Delhi.

Finally, in July the Commission prepared not only a detailed report on the *aide-mémoire*, but also a draft resolution under which the Council of Ministers was to authorise it to hold exploratory talks with Indian representatives with a view to the conclusion of a commercial agreement. The proposed agreement would provide for a limited number of tariff reductions (to be eventually consolidated in the Kennedy round) as well as certain other measures, primarily commercial in nature, susceptible of promoting Indo-E.E.C. trade. The Commission, which was at that time putting the finishing touches to a commercial agreement with Iran, also wanted the agreement to provide, as in the case of Iran, for a joint standing committee on trade promotion.

It was soon clear that if the draft resolution proposed by the Commission did little more than offer India the opportunity to hold exploratory talks, it was nevertheless far too ambitious for several of the member States. The Council of Ministers refused to vote on it in July on the grounds that it needed further information on trade between India and not only the E.E.C., but also other industrialised countries.

When the permanent representatives—that is to say, the heads of the Six Common Market delegations in Brussels—began seriously to study the *aide-mémoire* in September, they found it extremely difficult to agree on the recommendations to be made to the Council. Although the Commission stood by its earlier proposal for exploratory talks, it was opposed by the majority of the permanent representatives, who favoured the immediate, autonomous grant by the Community of a number of the tariff concessions which it had negotiated in 1962 with Mr. Heath. It was argued that such a step would meet India's wishes for immediate relief, as suspensions would be quicker to arrange if they were unilateral than if they were to be negotiated first with India. (Negotiations were regarded as unnecessary in any case as the Six were not seeking reciprocity.)

Risks of Unilateral Solution

The predilection of the permanent representatives for a unilateral solution alarmed Indian representative in Brussels, for it was feared that a unilateral suspension of tariffs (even though on a limited range of relatively unimportant products) would be followed by a long, if not complete, silence on the other, more crucial, matters raised in the *aide-mémoire*. A second *aide-mémoire* was, therefore, delivered to the Six in early October, even while the permanent representatives were trying vainly to agree among themselves. As skilfully worded as the first, it was quick to seize the conflicting viewpoints which had been expressed and to suggest a compromise.

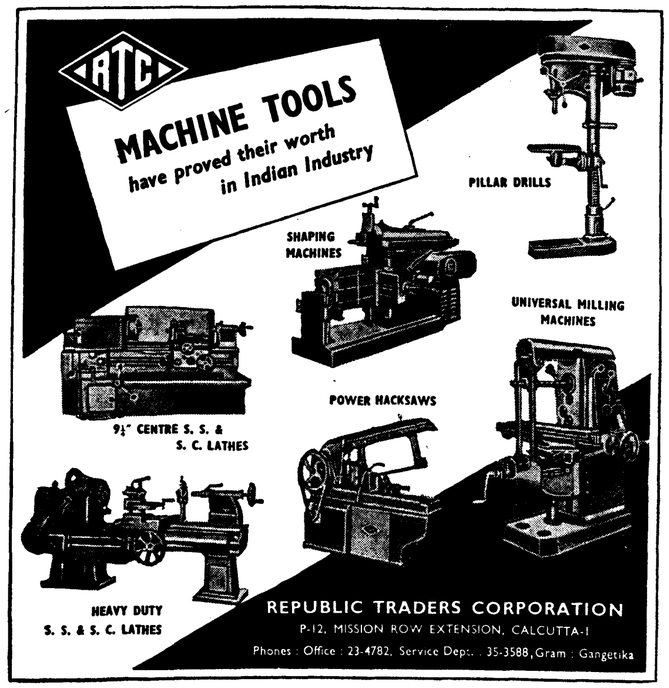
The *aide-mémoire* welcomed the projected unilateral suspensions, but pointed out that neither traditional Indian exports, such as heavy jute goods, carpets, coir matting, nor the products of her newer industries—sewing machines, machine tools, oil engines—had been discussed. In view of the growing reluctance of the Six to embark on any further "negotiations" (especially after the impasse reached by the well-prepared negotiations with Israel) the *aide-mémoire* suggested a much vaguer formula—informal, high-level talks between the representatives of the six member Governments and the Indian mission, the result of the talks to be embodied in a report to the Council of Ministers.

As a number of representatives had expressed the view that unilateral action by the Community had the great merit of promptness to recommend it, the *aide-mémoire* suggested that a survey be made of the problems for which unilateral action was not possible. To those who had argued that there was little the E.E.C. could do for India once the various tariff suspensions under discussion had been granted, the *aide-mémoire* proposed an exercise to separate the problems for which solutions on a Community basis were necessary (those involving tariffs, for instance) from those which could be dealt with on a national basis (such as those involving quota restrictions). At the same time, to those who claimed that Six could not negotiate bilaterally with India on the eve of major trade and tariff negotiations, the *aide-mémoire* pointed out that even informal talks would help both sides formulate their policies for the forthcoming multilateral conferences.

Despite the arguments invoked by India, the majority continued to favour unilateral tariff suspensions—and no more. The Commission suggested a compromise—the immediate autonomous grant of tariff concessions to be followed by talks on the other aspects of the Indian problem. Those who opposed any further reference to the problem until the Geneva negotiations were well under way, claimed there was no obstacle to informal talks between the Commission and India. They pointed out that such talks went on all the time between the Community and the large number of diplomatic missions accredited to the E.E.C. As they were in a majority, the solution finally adopted by the Council of Ministers provided simply for the unilateral suspension of tariffs on a score or so of products.

Balance of Trade

The solution obviously will have a negligible effect only on India's growing balance of trade difficulties. Even if the various suspensions come into force by the beginning of 1964, it is clear that India cannot substantially increase her export earnings by promoting sales of spices such as coriander and ginger, nor of mango chutney and tobaccoseed oil (or even polo and cricket equipment). The long debate on the question of whether or not to suspend the tariff on handloom products, and the refusal to discuss products such as jute goods and carpets, demonstrated better than anything else the Six's reluctance to grant concessions on products around which a reasonably important export trade can be built up. (During the negotiations with the British, the Six agreed to suspend the tariff on all handloom products also; but it seems the decision



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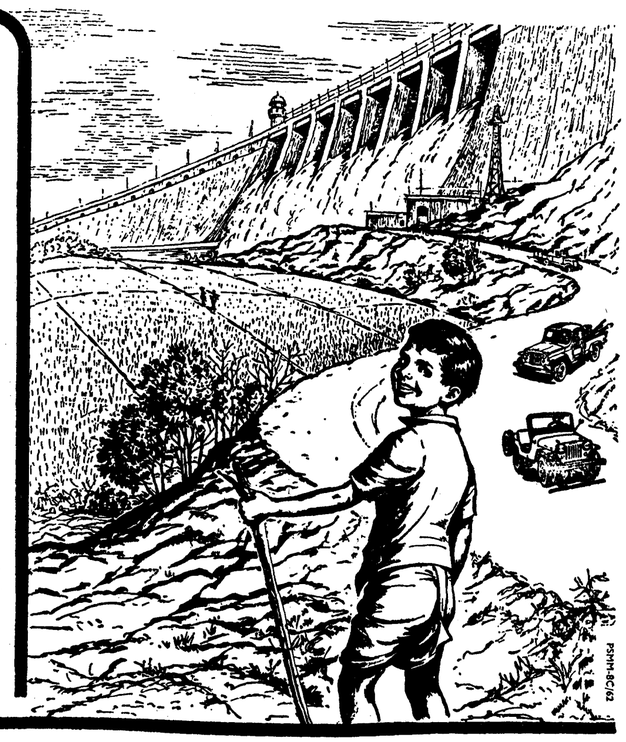
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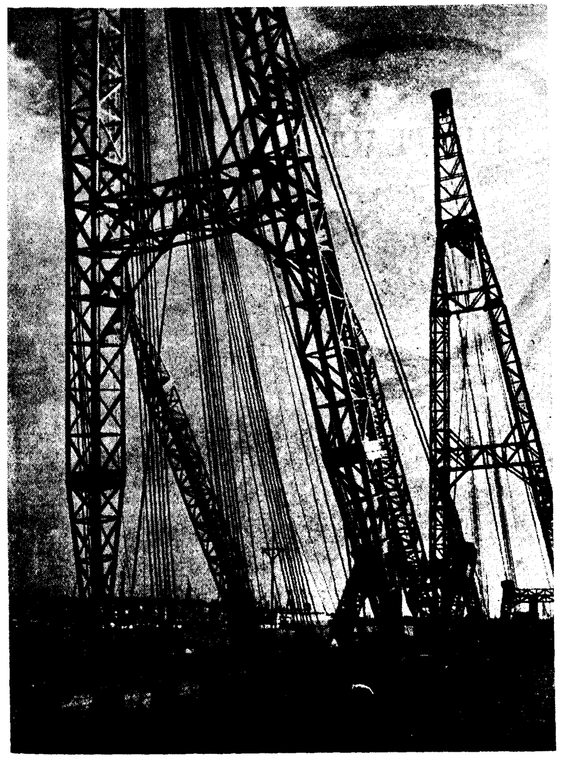
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was taken somewhat hastily and largely in order to help Mr. Heath.)

Even taking the decision to suspend the tariff on tea into consideration, one cannot say that the Six have been animated by a sentiment of generosity. Indeed several of the concessions offered border on the ridiculous; one can only assume that the decision to throw in cricket bats and polo sticks, for instance, was made tongue in cheek. To what can one attribute the meagre fashion in which the Six have responded so far to India's repeated requests for help in reducing her growing trade deficit with them? Given the important role which the Community will undoubtedly play in next year's multilateral trade negotiations, the question is of more than passing interest.

Addressing a German audience earlier this year, Professor Hallstein took as his theme "1963—year of trial." The fact is that ever since General de Gaulle torpedoed the negotiations with the U.K., the Common Market has been in the grip of an internal crisis which has virtually paralysed it. The General's action, taken without any reference to France's five partners, was interpreted by several of them as being directed not against the British alone, but against the Community itself, for which the French President has never shown much enthusiasm. France thus not only divided the Community, but also strengthened national rivalries and jealousies at the same time that it virtually destroyed the much-vaunted "Community spirit."

Faced with a crisis which threatened the very fabric of the E.E.C., the Commission felt that it was necessary to strengthen the Community by pushing ahead with the formulation of Community policies wherever possible. To this end, it favoured the conclusion of trade agreements with third countries. Such a step would both allow the Six to develop a common commercial policy and force them to co-operate in relatively calm fields. The German also favoured such a policy, for it turned attention away from the very delicate agricultural sector. But on the whole, the Six have been far too preoccupied with their internal problems to have either the energy or determination to negotiate with third countries. In fact, most of the negotiations between the Community and third countries have simply dragged on.

United Front

If the circumstances did not favour the adoption of Community policies, whether in agriculture, foreign relations or anything else, the E.E.C.'s international obligations nevertheless forced the Six to present a united front on various occasions. The most important such occasion was the Ministerial session of G.A.T.T. last May, although as a result of the Six's inability to agree among themselves, undue emphasis was placed on the differences between the E.E.C. and the United States on the question of tariff disparities. The Action Programme presented by 18 developing countries, including India, hardly received the attention it deserved.

However, the determination of the developing countries to force the industrialised nations to adopt a more positive attitude towards their problems seems to have impressed the Six. Although the preparations for the Kennedy round have been overshadowed so far by the dispute between the E.E.C. and the U.S.A. over frozen poultry, a number of proposals for aiding the less developed countries are being drafted either by the Commission itself or the member States. One such proposal was made public in May, during the G.A.T.T. ministerial session itself. It is the Belgian plan for preferential tariffs for exports of manufactured goods from the developing countries. The idea, which has been strongly advocated by India during the last 12 months, was discussed by the Six some three years ago, but was shelved as premature. The Belgians have revived it, and hope to present it in Geneva next year, either as a Benelux proposal or on behalf of the E.E.C. (While Holland and Luxembourg have approved the Belgian proposals, they are still under examination by the other three member states. They will be discussed by the O.E.C.D. also, although the U.S.A. is known to be opposed to all preferential arrangements.

In the view of the developing countries such as India and Pakistan, the Belgian proposals are far too timid; the former are in fact seeking preferential treatment for all their manufactured products. The Belgian plan is much less ambitious. Under it, a developing country intending to build up or develop, say, its bicycle industry could ask the industrialised countries for preferential tariffs for this item. The request would be examined by a special committee on which all interested countries would be represented. All concessions would be on a degressive basis; that is to say, they would be gradually withdrawn. However, during this period, the developing country would have the right to protect its new industry with a tariff which could be as high as 100 percent.

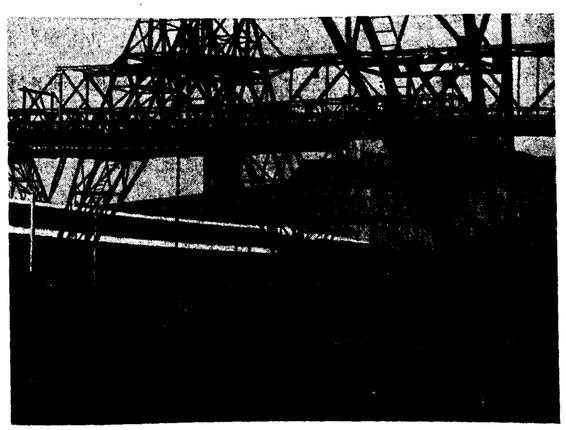
A more objectionable feature of the Belgian plan from the viewpoint of the developing countries is the distinction it makes between industries in which the developing countries have an advantage over the industrialised (because of cheap and abundant labour reserves, for instance) and those in which they are at a disadvantage (as in the case of of the more sophisticated products in the industrial field). Whereas the Belgians are prepared to grant preferential tariffs in the one case, in the other, they favour the imposition of a levy on imports from the developing countries in order to raise prices to the levels prevailing in the importing country. (The amount of the levies would be determined by special mixed committees representing both importing and exporting countries.)

Compensatory Levies

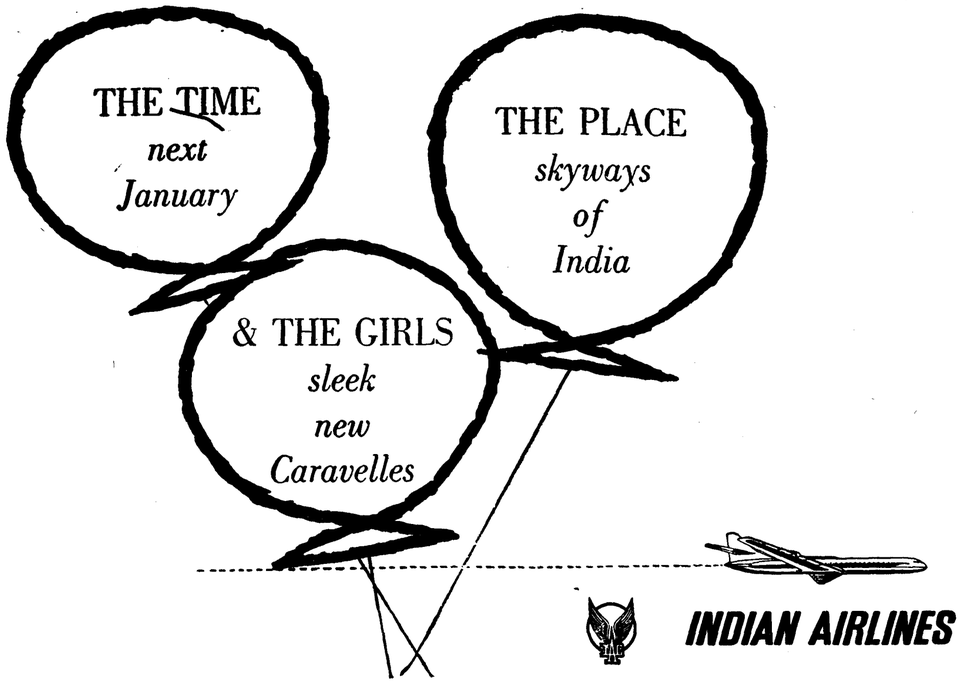
The only redeeming feature of the compensatory levies is that the funds would not be retained by the industrialised countries collecting them, but would be paid into a pool from which they would be returned to the exporting countries in the form of development aid. The Belgian, in fact, also have a project for an international development fund which would also guarantee export credits granted by industrialised countries to the developing and by the latter to other developing countries.

Clearly, a plan such as the Belgian, even though unacceptable to the developing countries as it stands, can serve as the basis for discussion. The Indian request to the Six for talks on industrial preferences has been refused on the grounds that the problems will be discussed on a multilateral basis in Geneva (India has already raised them in a preparatory committee). Although progress will be slow, there is no doubt that the notion of preferences for the developing countries has gained wider acceptance in the course of the last few years. (Just over a year ago, it was dismissed by Professor Hallstein as of no practical value.)

The Six are also actively preparing price stabilisation schemes covering the raw materials and agricultural products exported by the less developed countries. The French still operate a price stabilisation and support programme for their former



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colonies, and they would like to see it adopted on a wider scales. The Six, who earlier this year signed a new Convention of Association with their African partners, believe this agreement could well serve as the basis for future collaboration between the developing and industrialised nations.

Meanwhile, it must be recognised that their ties with the 18 associated States have considerably hampered the Six in their relations with other developing countries. (The Dutch and Germans, whose interests lie in the English-speaking rather than French-speaking parts of Africa, would even prefer to minimise as much as possible the importance of the new Convention, which creates a preferential relationship between the E.E.C. and the Africans.) At the same time, it must be pointed out that the Six are aware of this problem. Earlier this year they agreed to let all the members of the O.E.C.D. participate in tenders announced by the associated States for projects financed by the European Development Fund (set up by the E.E.C.). Similarly, African holders of Community scholarships will hereafter be able to study in countries other than those belonging to the E.E.C.

Although the Six are determined to make a contribution to the forthcoming Kennedy round and U.N. World Trade Conference in keeping with their economic importance, the evidence to-date has been somewhat discouraging. Far too much time and energy have been wasted on the relatively unimportant question of American poultry exports; the problem of tariff disparities, which primarily concerns the Six and the Americans, has also diverted attention from other more important problems. (This preoccupation with secondary issues can be traced to the crisis within the Community: in the prevailing atmosphere of indecision and confusion the Six seem at times to lose all sense of proportion.) Should it finally prove necessary to delay the opening of the Kennedy round, the E.E.C. will have to assume much of the blame.

U.N. Trade Conference

Although the Six have insisted on seeking solutions to the problems facing India and the other developing countries in the multilateral framework of next year's tariff and trade negotiations, it must be remembered that the solution that are finally reached in Geneva will owe something to the Six, but perhaps even more to the other industrialised countries. The Six hope that the industrialised countries will therefore be able to work together during the coming negotiations to present a united front against the demands of the developing countries. While such a front is not altogether in the inerests of the developing countries themselves, it remains to be seen whether it will be achieved.

All the evidence suggests that in next year's Geneva negotiations—and in the Kennedy round to a greater degree than the World Trade Conference—a great deal will inevitably depend on the extent to which the industrialised nations are able to settle their own problems. The Americans have insisted that the Kennedy round must cover agricultural products as well as industrial. However, given the growing agricultural surpluses throughout the West, and the determination of the French to make the E.E.C. self-sufficient in farm products, there is every likelihood of angry exchanges taking place between the Community and other producers of temperate zone foodstuffs. (The less developed countries may be the ultimate beneficiaries of the dispute over agriculture. The French have already proposed that agricultural surpluses be given as aid or sold at nominal prices to the developing countries, and the Commission is studying a project somewhat along the lines of the American P.L. 480.)

Crucial Questions

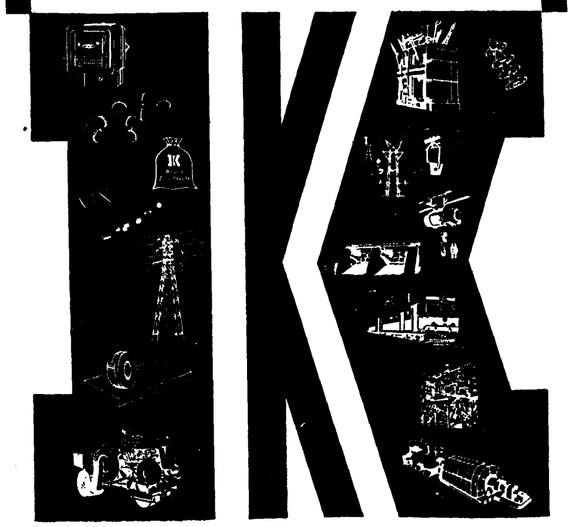
It is evident that the policies advocated by the Six in Geneva next year will be determined to a certain extent by their relations among themselves. Although the crisis caused by the break-down of the British negotiations is nearly over, a number of problems crucial to the future development of the Community remained to be solved, of which the most important concerns the Community's agricultural policy. There is no doubt that an acceptance of the policies espoused by the French would lead to an exceptionally high degree of agricultural protectionism. For domestic as well as other reasons the Germans would prefer a more liberal policy. While the Six have so far refused to face this problem squarely, it will have to be settled quickly if the E.E.C. is to negotiate effectively in Geneva on agricultural products.

The most that can be said at present is that the Six are unlikely to show themselves generous to the developing countries unless they find the other industrialised countries prepared to do likewise. They have their hands tied to a considerable extent as regards tropical products for which the African associated States are important suppliers, and, therefore, may offer limited tariff concessions or, at the other extreme, comprehensive price stabilisation schemes. The relatively encouraging response to the Belgian proposals for preferential tariffs suggests that the Six may be prepared to accept far-reaching changes to the very structure of G.A.T.T., including a revision of the most-favoured-nation clause.

It is in the broad range of manufactured and semi-manufactured goods which interest India that the Six are likely to prove most reluctant. Thus for items such as jute goods, carpets, partly tanned leather and leather goods, and ready-made clothing, few concessions can be expected from the Community. This is even more true of textiles, of course. With the textile industries of France, Belgium and Italy haunted by the fear of being overtaken by the fate of Lancashire, there is no possibility of concessions at all—unless countries such as India and Pakistan are prepared to offer reciprocity.

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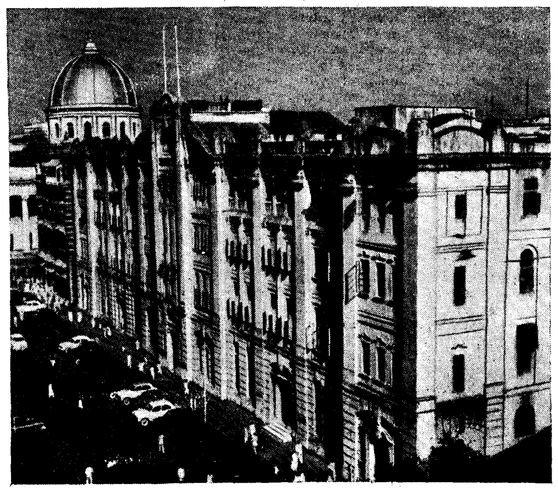
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THE CHALLENGE TO INDIAN INDUSTRY

Mr. da Costa offers a provocative analysis of the ways to achieve an industrial breakthrough.

By
E. P. W. da COSTA

Managing Director,
Indian Institute of Public Opinion and Marketing Research Corporation of India

THE mid-term appraisal by the Planning Commission of performance in the first two years of the third five year plan has cast a shadow of gloom over the country. In the general despondency that has ensued, the distant take-off of the Indian economy has receded further and is now almost lost to sight. Serious doubts have been expressed in Delhi about India's capacity in agriculture and, as a consequence, seeing that agriculture is so basic to the economy, doubts have overflowed almost everywhere. There is obviously a psychological block to be cleared before one assesses the precise problems which face the nation in the new year and the many years which stand before the symbolic "take-off" still the goal of economic theorists, although on closer examination Mr. W. W. Rostow's "Stages of Economic Growth" has visibly crumbled before the facts.

It is vital in the first place that the country should not be unduly discouraged, any more than it should be unduly pessimistic, whether by facts or by fiction parading under statistical masks. The swings of the psychological pendulum are as dangerous to economic effort as are the swings of agricultural good and bad fortune to economic stability. One should at least be able to see through two major errors which have currently been the instruments of depression. And after one has dismissed the dismal prophets in the Planning Commission no less than anywhere else, one should address oneself to the basic problems of production which are curiously absent in current literature on the "take-off" in Indian industry. This is basically the problem of imaginative management dedicated to full plant utilisation.

This article attempts, having dismissed current pessimism as overdrawn, to set a sight for doubling of the rate of industrial growth based on the utilisation of capacity still lying idle in Indian industry. The conclusion is that a revolution in Indian industry can be brought about by a great application of existing knowledge, much more perhaps than can be generated by additional capital in new machines, although large capital development in power and transport is still necessary.

Growth Statistics

Much of the current trouble is due to a foolish overprecision in growth statistics based on gross national product or income figures. The Central Statistical Organisation's figures for the last two years present a rate of growth in the first two years of the plan at 2.7 percent and 2 percent, which are stated to be just equal to the rate of population growth. The possibility that these figures of the national income estimates might err seriously on the low side—according to the National Income Committee, the error is plus or minus 10 percent—has been ignored.

The view has been presented in a recent publication* to suggest that the national income figures for 1962-63 are considerable under-estimates. In any case, the view that India has stood stationary for the first two years in *per capita* income cannot be established from national income figures based on two years. To elevate national income figures to a deciding element in India's economic thinking is the crowning absurdity of the statistical worship which has been inculcated in the country over the last decade.

Quite apart from errors of statistical estimates, there is the problem of shortfall in agricultural production in a really bad year, which is an element in restraining development fortuitously just as a very good year can raise it fortuitously the other way. Studies based on figures of the last 20 years suggest that between a good and a bad year in the Indian Union there might be a difference of 12 percent in agricultural income and about 6 percent in national income.

Assuming 1962-63 to be the worst year of a cycle of five, and the current year one of the best, this would imply that with practically no planned effort a rise in national income by 6 percent might take place. Thus, even a stationary performance in a bad year cannot be totally bad; for it suggests that planned development has placed a floor under agricultural fluctuations which is written into Indian monsoon fluctuations. Seen in proportion both the national income figures and the course of agriculture in 1962-63 do not warrant the dark pessimism that has lain heavily on the country since the last two months.

Routine Analysis

It is becoming clear that the routine analysis which is proceeding on the basis of statistics of India's economic problems is far from adequate. The basic flaw is in the absence of knowledge on the directions where an assessment is most likely to assist a future breakthrough. It is far more important to measure shortfalls in the areas where a breakthrough can be expected than to measure general figures from which no very helpful conclusions can be drawn. Indian organised industry lends itself much more readily to such an analysis than does agriculture or transport. A single instance will probably suffice to show that the problems in Indian industries are not nearly as acute as they might appear at first sight.

In 1960, a remarkable paper on the pattern of plant utilisation in the Calcutta area which was produced by Mr. Morris J. Solomon, a consultant for the U.S. Technical Co-operation Mission, indicated that some of India's best plants there were operating at between 30 percent and 40 percent of scheduled efficiency on a single shift. He did not seek to measure then the difference from optimum efficiency attainable by changing techniques, particularly jigs, fixtures and tools, but there is evidence from productivity studies that in many cases between 25 percent and 50 percent can be attained in engineering workshops by additional utilisation from improved design and lay-outs.

It is roughly true that productivity for machines in engineering workshops is about a third of what it would be in other countries under similar conditions on similar machines. The official figures, both for 1961 and 1962, tend to show this element of non-utilisation. The non-utilisation exists and one of the elements in which the breakthrough needs to take place is not so much in the higher rungs of the management (although this is also necessary) but in middle management, to extract from existing layouts the scheduled productivity. Mr. Solomon's 1960 study on a group of machines gives the following figures:

TABLE I

UTILISATION AND REASONS FOR NON-UTILISATION OF MACHINES

State	Percentage of total time
Machine used	45.3
Machine under repair	19.6
Machine under setting	4.3
Raw material being awaited	7.5
Quota complete/No man deputed/No job	5.0
Personal work of the operator	14.8
Miscellaneous	4.5
Total	100.0

TABLE II

UTILISATION AND CAUSES OF NON-UTILISATION OF AN INDIAN MACHINE-SHOP

(Expressed in percentage of Total Time of Shift)

No.	Status	Percentage of time
1	Machine working	39.5
2	Setting	11.9
3	Breakdown repair	0.8
4	Gauging the product	2.5
5	Planned to be idle	0.4
6(a)	Waiting for instructions	0.7
6(b)	Taking instructions	0.9
7(a)	Worker gone for tool grinding	0.8
7(b)	Worker gone to bring material	0.6
7(c)	Worker gone to bring tools	0.5
7(d)	Changing the job	0.3
8(a)	Lunch	5.9
8(b)	Operator absent	0.5
8(c)	Worker not engaged	3.8
8(d)	Worker gone to canteen	1.8
8(e)	Worker gone to toilet	0.4
8(f)	Worker out—cause unknown	18.6
8(g)	Work not started or stopped before schedule time	5.5
8(h)	Work completed but new work not started	4.2
9	Miscellaneous	0.4
		100.0

Mr. Solomon comments: "In any complex process involving machines, materials and men, one cannot hope to balance each factor perfectly. In actual practice, the manager must choose between men waiting for machines and machines waiting for men. The overstaffing that is suggested in Indian enterprises is very different from truly redundant labour of which we have some of the world's worst cases. It is possible—as has been calculated in the Calcutta area—by 'readjusting' and increasing staff by 40 percent to obtain 2-1/2 times the usual output a machine and double the output a man. A 50-percent increase in production of many plants in India by means of a 50-percent increase in staff would also result in financial gains in enterprise as well as to participating personnel. This is on the basis of existing patterns of operation."

Speed of Machines

When to this is added speeding-up of machines, which often run at half the speed of machines in the United States, one might argue that there is, in fact, immediate potential capacity in many machine-shops of between 75 percent and 100 percent for new production. "Overstaffing" is particularly important in the areas of setters, and particular administrative skills such as the quick issue of stores and ordering "progress" in factories. The broad solution remains that the fuller use of machines can take place

* *Monthly Statistical Commentary on Indian Economic Conditions*, November 1963.

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at costs so low in comparison to those in any other country of the world that greatly increased productivity can flow without substantial capital expenditure. In this sense, the challenge here is precisely the reverse of that of the United States, where high-cost labour has made productivity almost entirely a function of capital-in-use per man employed. Increased productivity in Indian conditions can, and should, be obtained by a substitution of labour to overcome periods lost and, thus, result in a reduction of capital cost per man-hour.

Foreign Exchange Situation

This is a challenge to Indian industry as, indeed, it is a challenge to the country as a whole at a time when the foreign exchange situation is likely to become worse because of the deterioration in the climate for foreign aid in the United States. There remains still in India's plans a vast amount of duplication of machinery in cases where existing machinery is inadequately utilised. There is also—as in every country in the world—the problem of placing at all levels in management a new dimension in the application of knowledge as the largest of the instruments of economic growth.

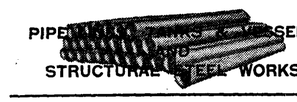
In allocating the growth rate of real national income a person, among the sources of growth, Professor Edward F. Denison has shown that between 1929 and 1957 "advance of knowledge" in the United States contributed 36 percent, as against a contribution by "capital" of only 9 percent. He calculates that in the 20 years from 1960 to 1980, the corresponding figures might be 46 percent, with capital contributing only 9 percent. It is obvious that we have now struck one of the most tremendous elements in economic growth which was outside the classical economic explanations, which taught that quantitative additions in capital and labour narrowly conceived were the only answers to economic stagnation.

The Third Culture

It is vital, if Indian industry is to think in these terms, to be equipped with the "advance of knowledge" to which Professor Denison has referred. Curiously this is very seldom one discipline, and belongs much more to that realm of general information which is often referred to as the "third culture". Sir C. P. Snow, it will be remembered, in his controversial Ride lecture at Cambridge four years ago talked about the "two cultures" by which he described the gulf between the humanities and the sciences kept wide apart in advanced university education. He has recently said that "it is probably too early to speak of a third culture already in existence but I am now convinced this is coming."

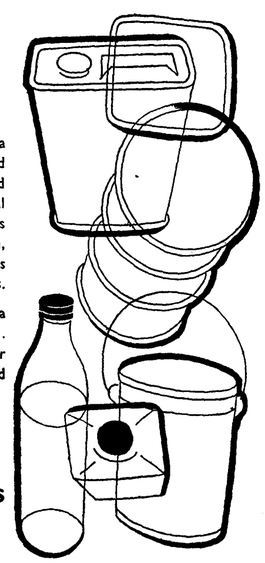
The "third culture" is precisely the synthesising of humanities and the sciences to apply modern scientific programming as, for example, in computer use with imaginative incentive approaches suited to special conditions of labour in each country, so that the harnessing of advanced knowledge to capital and labour can take place under the most fruitful conditions. Indian middle managers are not possessed of the third culture and too often are not possessed of either of the first two. This application of the third culture for management is in fact what the new science of management is most concerned about.

In India's case, more than in any other country's, the dividends from the application of scientific analysis of factory output under varying conditions and of industrial productivity, can achieve more fruitful results than in any other country in the world. Here, and not only in the solution of the problem of foreign exchange (which in any case will be extremely difficult) or in the problem of changes of human nature or of political environments (which will be slow), lie possibilities of an industrial breakthrough which could be decisive within a decade. Will Indian management acquire within a short period the "third culture" which Sir C. P. Snow believes is coming abroad? One cannot be too hopeful. But this, and no other, is the means of our deliverance.



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THIRD PLAN EMPLOYMENT TARGET NOT LIKELY TO BE ACHIEVED

ADDRESSING the third meeting of the Central Committee on Employment in New Delhi on 31st August, 1963, Mr. Gulzarilal Nanda, the then Central Minister for Planning, Labour and Employment, frankly admitted that the employment situation was worse than what it was at the time of the formulation of the third plan. The two most distressing features, according to him, were, firstly, the number of persons to be provided with jobs was much more than what was estimated at the beginning of the third plan. Secondly, the scheduled rate of creation of employment opportunities had not been achieved. Quoting certain estimates prepared by the Planning Commission, Mr. Nanda said, that in the first two years of the third plan, the creation of employment in the non-agricultural sector had been only 30 percent of the target. At this rate, only 75 percent of the target (which again was quite inadequate in the context of the larger addition to the

By
N. DAS
Director-General, Employers Federation of India

working population) would be reached by the end of the third plan period.

Two Basic Factors

There are thus two basic factors in the situation today: (i) population is increasing more rapidly than was expected earlier and (ii) employment creation under the plan is shrinking. Added to these two factors is also the fact that the output of the educational institutions is rising every year, thus aggravating the problem of unemployment among the educated classes.

It is necessary to consider first the factor of increased population. Quite some time before the third plan employment targets were fixed, the planners had calculated that the new entrants in the employment market would number 17 million during the third plan period (1961-66), in addition to the 9 million backlog spilling over from the second plan. In other words, on the eve of the third plan, the planners were faced with the problem of finding jobs for 26 million people. Now, the earlier estimate of the rate of population increase has been totally upset by the 1961 census report. During 1951-61, population increased by 21.69 percent to 438 million, against 431 million estimated by the Central Statistical Organisation in 1959. As a result, the backlog at the end of the second plan period is now found to be higher than 9 million, while the net addition to the working force during 1961-66 will definitely be much more than 17 million.

It may be argued that the increase in total population need not necessarily mean an increase in the population in the working age group (*i.e.*, those between 15 and 60 years), at least not in the immediate future. This would have been true if the rise were due solely to a higher birth rate. But, as the census authorities have pointed out, over the past decade, while the birth rate has remained constant, the death rate has gone down steeply in the younger age groups. This has increased the dependency load. One should, therefore, accept the position that, at the end of 1966, pressure on employment from the demand side will be much greater than what the planners had envisaged in 1961.

The 1961 census also revealed that, over the last decade, there was little change in the distribution of the working force in various occupations. Agriculture still continues to cover about 70 percent of the total working force, and there has been only a slight rise in manufacturing (including household industry). Another revelation was that although there were more workers in every category in 1961, compared with their number in 1951 (this, of course, was inevitable on account of the increase in population), relatively more of them went into sectors like "agriculture" and "service" where there was already considerable underemployment and low productivity. In other words, the state of underemployment and unemployment in these sectors has become even worse.

Third Plan Target

It is necessary to examine more closely at the pace of employment creation. It was stated in the third plan that the programme included therein would provide additional employment opportunities to about 14 million people (3.5 million in agriculture and 10.5 million outside agriculture). Although at first this figure was arrived at on the basis of a predetermined investment, the Planning Commission, in its note on population and employment, published as an appendix to the *Third Five Year Plan*, made the calculations in some detail, sector by sector and phase by phase (*i.e.*, construction phase, continuing phase and the indirect employment phase).

At the meeting of the Central Committee on Employment held on 31st August, 1963, however, it was frankly stated by the Government spokesmen that, in many sectors, the anticipated additional employment had not been generated because the production targets of certain important and basic (basic to accelerated economic development and hence to the creation of employment) industries such as fertilisers, iron and steel, steel castings and forgings, paper, newsprint and cement had not been, and were not likely to be, reached. The production of coal and iron ore also has had to be adjusted to a lower level of demand, bringing in its train adverse repercussions on employment. Although a view was expressed that "the possible shortfalls in the employment targets on the civilian side might be made good by the increasing defence activity," the review of the actual employment trends over the past two years or so did not hold out any such promise. The appraisal made by Mr. Nanda that not more than 75 percent of the additional employment targets was likely to be reached by 1966 was not also seriously challenged.

This means that only about 11 million additional jobs would be created during the third plan, against 14 million originally estimated. Taken in conjunction with the additional backlog from the second plan and the larger number of new entrants into the employment market during 1961-66, the creation of less employment opportunities is likely to inflate the backlog of the unemployed at the end of the third plan to something like 17 million, against 12 million originally estimated: a very grim prospect indeed.

A clarification would be desirable at this stage. When one speaks of 12 million or 17 million unemployed, it should not be concluded that all of them would be completely without work. More than 50 percent of them are "underemployed" rather than "unemployed", but that makes the problem no easier of solution. In the rural areas, both unemployment and underemployment exist side by side; the distinction between them is never very sharp. In the urban areas, however, unemployment in the sense of being completely without work is the more common pattern.

Population Explosion

What exactly has gone wrong in the third plan period? Apart from the adverse consequences of the population explosion of 1951-61, which had not been foreseen by the planners in India in 1960-61, both the slowing down of the rate of economic development and the tardy implementation of certain employment generating programmes have been responsible for the present state of affairs.

The slowing down of the rate of development is revealed by the total national output figures. The third plan had envisaged that, at the end of 1966, as a result of development in all the sectors, the national output (at 1960-61 prices) would go up by 34 percent. In actual practice, however, the increase is taking place at a much slower pace. The year 1961-62, for example, registered only a modest 2.1-percent rise over the total national output in 1960-61. According to tentative reports, the rate of rise will be only slightly higher in 1962-63. This is having its inevitable repercussion on the volume of total additional employment. If national output continues to increase at the present sluggish rate during the remaining three years of the plan, the additional employment created would correspondingly go down.

What then is to be done? A hint was dropped by Mr. Nanda himself in his address before the Central Committee on Employment. "Our economic policies and plans must become much more employment-oriented than they have been so far," he said. What exactly did he imply? If he had implied that all policies and plans of the Government, whether they are investment policy, price policy, wage policy or taxation policy, should have one main guiding principle, namely, whether they can create the conditions necessary for an increase in employment, then it was a most significant statement indeed. On the other hand, he might have just meant that—in the plan as a whole—greater stress should henceforward be laid on the objective of employment promotion. Whatever it was, coming as it did from the lips of a Minister holding charge of both Planning and Employment, it was most welcome. Although the chapter on "Employment and Manpower" in the *Third Five Year Plan* opens with the sentence "Employment has been a major objective of planning in India" and goes on to say that "the goal of planning must be to absorb in gainful employment in each five-year period at least the equivalent of new entrants to the labour force," it is well known that these objectives or goals have hardly been kept in view in the actual formulation or execution of policies. Hence the importance of Mr. Nanda's statement.

I.L.O. Report on Employment

What should be the strategy of employment policy in a country like India? The recent I.L.O. report on *Employment Objectives in Economic Development* says that the basic policy requirements in a less developed country are, firstly, to raise the level of investment and, secondly, to explore all opportunities for raising the level of employment associated with a given level of investment *by changing its pattern and the composition and techniques of production.* It is necessary to examine these two strategies a little more closely.

It is almost an elementary fact that the larger the investment, the greater is the economic growth accompanied by increased employment. Raising the level of investment is, however, not an easy task. Even with a programme for raising the rate of investment up to 15 percent of the national income by 1965-66, there would have been a spill-over of 3 million unemployed from the new entrants alone (the spill-over will, of course, be much larger now—thanks to the rate of population increase since 1951). In actual fact, for reasons which need not be elaborated here, even the modest target of 15-percent investment of

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the national income is not likely to be reached.

One should, therefore, have to think in terms of changing the pattern of investment and the composition and techniques of production. This does not mean that the country should give up *all* capital-intensive projects. It does mean, however, that it should have a second look at its projects and programmes, and consider to what extent the claims of more rapid economic growth leading to a fuller and better life in, say, *two or three decades hence* should have priority over the claims of more immediate employment *today and tomorrow*, may be with a slightly slower rate of development. It is not denied that a substitution of capital-intensive pattern of investment by labour-intensive patterns would bring in some conflicts between employment, output and growth objectives. It is also true that such other factors as export prospects, natural resource endowment, the size of the national market, the pattern of domestic demand and considerations of development strategy do, in practice, considerably reduce the manoeuvrability of the investment strategy. Some people would, therefore, prefer not to think of employment objectives at all.

I beg to differ. On the scale on which it exists in India, unemployment is such a scourge that steps must be taken to reduce its volume in the *immediate* future. I quote from the I.L.O. report again : "An increase in employment is an urgent need in itself. It gives more people at least a minimum income, it satisfies the human need for useful and creative activity and it provides more people with the opportunity for acquiring skills and the habit of work". The far-reaching economic and social consequences of being employed (as against being without work) are so great, for both the individual and the society, that the country should be prepared for some losses in other directions. The losses will not, however, be very heavy. Greater employment will increase the total output and, given appropriate measures to raise the level and improve the pattern of investment, more employment could lead to a higher rate of economic growth. This, in its turn, could facilitate the absorption of more labour at higher levels of productivity.

Change of Outlook

All that Mr. Nanda has asked for is a change of outlook. *Employment should be regarded as a primary objective and not as a mere by-product of development.* And I agree wholeheartedly with him, because I have been pleading for this approach over the past 15 years, if not longer.[1] Let the employment potential (both direct and indirect) be worked out in relation to all projects and let at least some of them be selected on account of their higher employment potential instead of other considerations of development. While some production will have to be capital-intensive, let labour-intensive techniques be used in at least some industries and projects. The argument that labour-intensive techniques yield smaller non-labour incomes and, therefore, a smaller investible surplus is not wholly valid; if capital-intensive techniques are used, the investible surplus may be greater, but as against this one has to offset the consumption of unemployed workers eating into the surplus.

As for under-employed labour, particularly in the rural areas, rural works programmes must be pushed on with greater vigour. Whether this should be done through community development programmes or otherwise is a matter of organisational detail. The important point is that there is considerable scope for labour-intensive activities in the rural areas and in small towns, and their possibilities have not been fully explored yet.

I now come to the problem of unemployment among the educated classes. As a result of continuous increase in the number of young men and women coming out of educational institutions (the output rose from 662,000 in 1955-56 to 865,000 in 1959-60), the problem has assumed new dimensions. According to estimates made by the Directorate-General of Employment and Training of the Central Ministry of Labour and Employment, the number of educated employed at the end of the second plan was of the order of about 1 million and that about 3 million new entrants who have studied up to the school-leaving standard or above, would join the employment market during the third plan period. While jobs would be available for some of them, the Directorate-General has estimated, from both actual figures of such persons registered at employment exchanges and the survey reports conducted by the National Sample Survey, that the number of educated unemployed towards the middle of 1963 would be of the order of 1.2 million. This is likely to increase to at least 1.5 million at the end of 1966.

A number of surveys have been made in recent years about the pattern of employment of educated persons. The reports show that, in the absence of any specialised skill, the bulk of them have to fall back on white-collar jobs like clerical occupations, which are already overcrowded. Yet many of them would have liked to go into professional and technical jobs even as learners or apprentices. Unfortunately, industry and commerce require trained men and have little use for persons who do not have at least some basic specialised skill. As a matter of fact, according to the Directorate-General of Employment and Training, side by side with the very large number of educated unemployed on the live registers of employment exchanges, there is an acute shortage of persons in many of the technical trades and skilled occupations. This "scarcity in the midst of plenty" indicates a lack of balance which demands the immediate attention of the Government, employers as well as employment-seekers.

[1] A reference is invited to the author's *Unemployment, Full Employment and India*, (Asia Publishing House), first published in 1946 and now in its third edition.

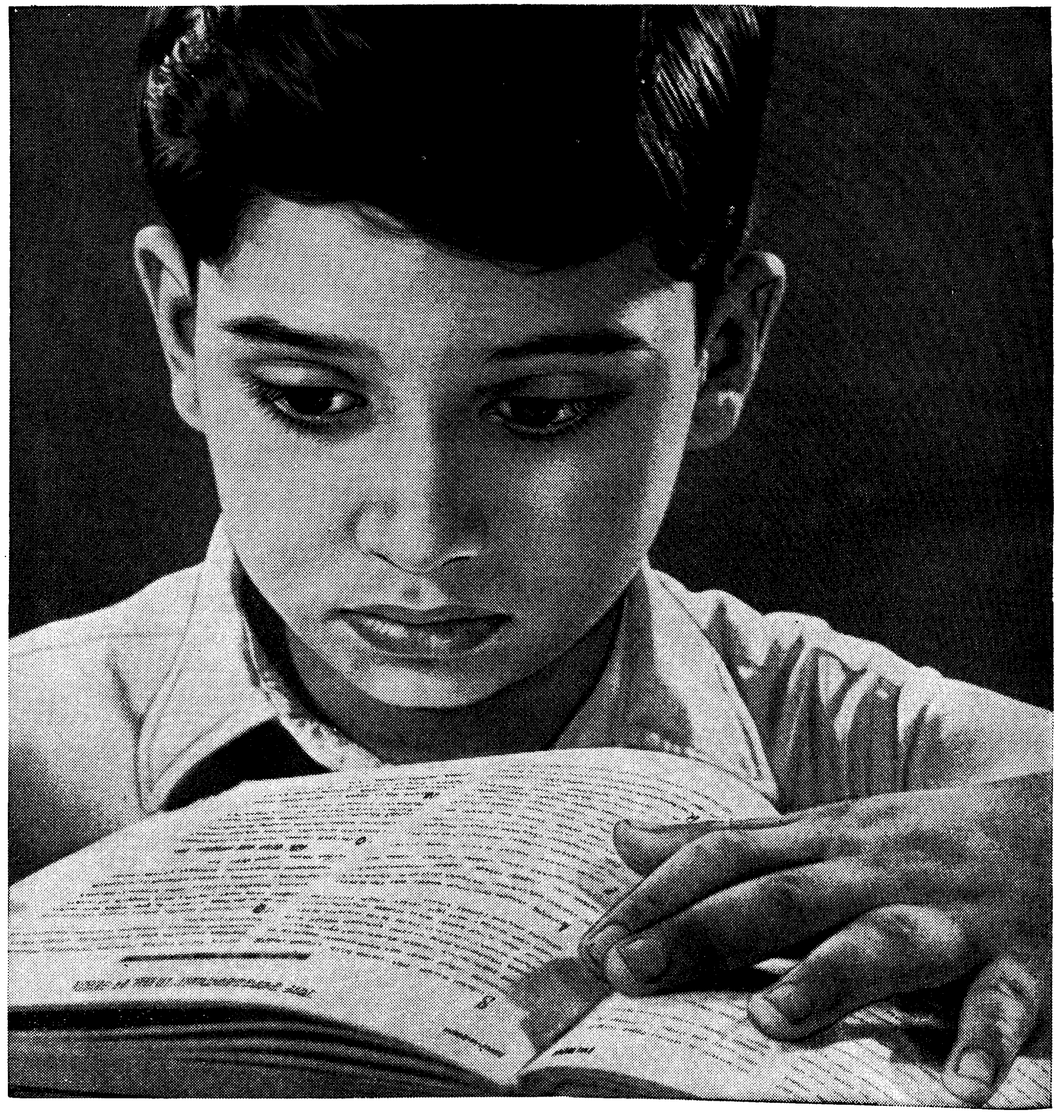
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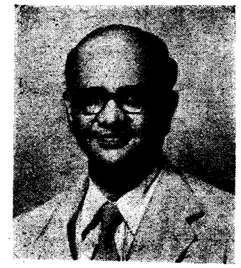
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TRENDS IN FOREIGN INVESTMENT IN INDIA: RISE IN EARNINGS RATIO

The inflow of foreign capital, including direct private investment in India, has increased over the years with the growing opportunities provided by a developing economy. The flow could be substantially increased if the economy could regain its momentum through the short-term measures proposed by the Government.



By
R. S. BHATT
Executive Director, Indian Investment Centre

THE inflow of foreign private capital into a country is basically governed by the difference between the rate of profits in the receiving country and the exporting country. Foreign investors have their own expectations about the differential rate of profit based on their evaluation of the degree of risk and uncertainty inherent in investment in a country other than their own. This risk and uncertainty are mainly influenced by the political and financial conditions, the balance of payments position, stability of exchange rate and the policies of the Government of the receiving country.

Whether or not a country desirous of attracting foreign private capital is able to offer the expected rate of profit to the prospective foreign investors depends largely on the cost and demand conditions prevailing in the receiving country. The cost of production is determined by the factor prices, facilities of transport and power and the efficiency of management of an industrial enterprise. The demand conditions are determined by the size of market which, in turn, depends on the rate of growth of the economy of the borrowing country, degree of foreign competition in domestic market and the scope of exporting the product to foreign countries. A discussion of the trends in the inflow of foreign private capital to India within this basic framework of analysis would be useful.

I shall first deal with the broad characteristics of the flow of foreign capital into India in the pre-independence period. This will point up the comparison and contrast concerning the problems of international capital movement affecting India before and after the achievement of independence. This is followed by an analysis of the recent trends in the foreign private capital inflow to India. Thereafter, the question of its prospects is examined.

Data on foreign business investments in India during the pre-independence period are scanty and sometimes not comparable. However, the figures that are available do indicate certain characteristics concerning the foreign investments which took place during this period. One of these features is that India received most of its foreign capital from one country, namely, Britain. According to an estimate by Sir George Paish, about £ 370 million of British capital was invested in India in 1914. It is estimated to have increased to £ 1,000 million in 1930. It is necessary to recall that substantial amount of British private capital was attracted in the form of sterling loans floated by the Government of India in the London market.

Inflow of British Capital

The inflow of British capital to India since 1860 was motivated by both political and economic considerations. Therefore, the British capital flow into India had followed what is called the "colonial pattern". It was invested mainly in the extractive industries such as mining, plantations and also railways which helped Britain to penetrate the Indian market as well as to export the raw materials which the British industries required. For instance, in 1911 about 75 percent of the British capital (excluding Government and railway securities) in India and Ceylon was sunk in the extractive industries and plantations. Thereafter, British capital had gone into jute manufactures, cotton textile mils, engineering, construction, sugar and paper mills and other miscellaneous industries.

Although India was a large country in terms of both its size and population, the share of India in the total British capital outflow was not very large. When the total British foreign investments had reached the highest level in 1914, India accounted for only 10 percent of this total. Nearly 65 percent of the British capital was invested in what are called regions of recent settlement such as the U.S.A., Canada, Australia, South Africa, Argentina and Uruguay.

These countries in the nineteenth century were empty and fertile lands. The British investors in these countries concentrated their investments in public utilities, notably, the railways. It is also worth noting that the inflow of foreign capital to these countries was accompanied by an inflow of labour. From the pont of view of the present problem of attracting foreign private capital to India, what is important to know is the reasons why such a large proportion of the capital from Britain—the dominant creditor country in the nineteenth century—flowed to the regions of recent settlement.

Economic Stagnation

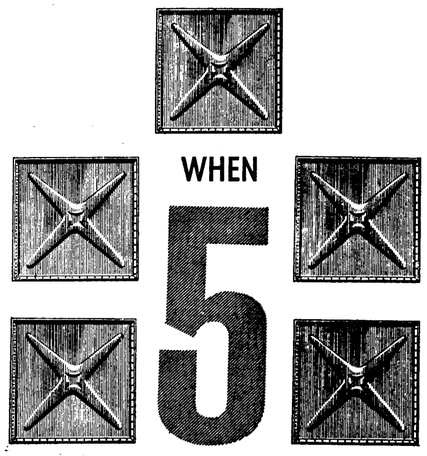
One of the reasons was that most of these countries did not have a subsistence economy when they started receiving foreign capital. In fact, these countries which were then underdeveloped had already had "splendid markets" for the foreign capital. India, on the other hand, experienced an economic stagnation for about 150 years—from 1800 to 1947. Even during the period from 1900 to 1947, India's *per capita* real income, according to one estimate, hardly increased by about 12 percent. Consequently, the Indian economy did not offer "splendid markets" to the foreign investor. Nor were the investment opportunities of such magnitude as to attract foreign capital.

Another important factor was that in most of the regions of recent settlement, the Government played an active part not only in promoting economic development, but also in attracting foreign capital. Moreover, whatever British investment which took place in India before 1947 was of the nature of an "outpost investment". It did not transmit its growth impulse to the backward sectors of the economy mainly because of the lack of a positive Government economic policy. However, as will be evident later, India in the post-second World War period, can be compared in these two matters with some of the regions of recent settlement.

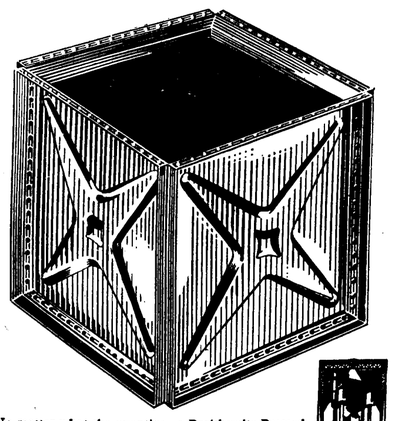
There was also a third important factor which accounted for the diversion of a large proportion of the outflow of British capital to these regions. These countries having comparative advantage produced and exported foodstuffs and raw materials to the creditor country—Britain which was in great need of these commodities. British capital went into the regions of recent settlement with a view to encouraging the production and facilitating the export of industrial raw materials and foodstuffs. In this matter, however, India as an investment outlet for foreign capital at the present time, differs from the nineteenth century capital importing countries like the U.S.A., Canada, Argentina, etcetera. This is particularly so when one realises that the U.S.A. which is now the largest creditor nation in the world is not in need of importing on a large scale the primary products which the developing countries are able to export. The U.S.A. is inerested in the imports of minerals with the result that its private capital is attracted to those countries which possess large mineral resources.

Post-independence Picture

Since 1948, one gets a much better picture concerning the volume, composition and origin of foreign private investment in India. In this period, the orientation as well as motivations of the flow of foreign private capital into India are entirely different from what they were in the pre-independence era. There has been a distinct upward trend in the foreign business investment in India during the post-independence period. According to the estimates of the Reserve Bank of India, the outstanding book value of non-banking foreign private investment registered a steep rise from Rs. 255.8 crores in June 1948 to Rs. 690.5 crores in 1960—the latest year for which data are available. This is an impressive increase of about 175 percent during a short period of 12 years. It is estimated that in 1961, the inflow is likely to be in the neighbourhood of Rs. 70 crores. This has been made possibly by a positive net inflow of foreign private capital into the country in the form of fresh inflow of



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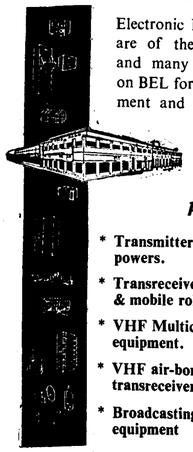
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....GOING FORWARD WITH THE NATION

cash, ploughed back profits of the foreign enterprises and import of equipment by these concerns. The net inflow of foreign business investment also shows a somewhat upward trend. It increased from an average amount Rs. 26.6 crores for the period 1948 to 1955 to Rs. 78.4 crores in 1960.

As for the industrywise composition of the foreign business investment, one finds that a substantial proportion is invested in the petroleum and manufacturing industries. Their combined share has gone up from 36.3 percent in 1948 to 64 percent in 1960. Again in the broad category of the manufacturing industries, industries like chemicals, machinery, metal and metal products have increased their relative shares (See Table 1). In the case of metals and metal products, it went up from 11.3 percent in 1948 to 32.4 percent in 1960. Similarly, the relative shares of chemicals and allied products and machinery and machine tools increased from 11.3 percent and 1.7 percent, respectively, in 1948 to 13.2 percent and 4 percent, respectively, in 1960. Thus the pattern of foreign private investment has been consistent with the industrial priorities laid down in the five year plans.

TABLE I

INDUSTRYWISE BREAK-UP OF FOREIGN BUSINESS INVESTMENTS 1948 AND 1960
(Rs. million)

Name of the industry	At the end of June 1963	Percentage share of each industry to total foreign business investment in June 1948	At the end of 1960	Percentage share of each industry to total foreign business investment in 1960
* Manufacturing	707	27.6	2,894	42
a. Transport equipment	10	1.4	218	7.5
b. Machinery and machine tools	12	1.7	110	4
c. Metals and metal products	80	11.3	938	32.4
d. Electrical goods machinery	48	7	205	7.1
e. Chemical and allied products	80	11.3	382	13.2
f. Textile products	280	40	291	10
Plantations	522	20.4	995	14.4
Mining	115	4.4	137	2
Petroleum	223	8.7	1,524	22
Services (trading, utilities, financial, etcetera)	991	38.7	1,355	20
Total	2,558	100	6,905	100

Source: Computed on the basis of data presented in the *Reserve Bank of India Bulletin*, October, 1962.

* Percentages in the sub-groups in the manufacturing sector are worked out in relation to the total foreign business investments in that field.

Turning to the countrywise origin (See Table 2) of private business investment, one finds that the U.K. continued to be the largest source for importing private capital. The British capital amounting to Rs. 206 crores in 1948, accounted for 80 percent of the total foreign private investment in India. In 1960, however, its relative share declined to 64.6 percent, although in absolute terms, the highest amount of foreign investment in the country belonged to British investors. It is encouraging to note that a steep rise in the American private investment in India from Rs. 11.2 crores in 1948 to Rs. 112.7 crores in 1960 was largely responsible for the relative fall in the share of British private capital. The relative share of the U.S. private capital in India increased rapidly from 4.4 percent in 1948 to 16.3 percent in 1960. The outstanding book value of the Swiss and West German private capital was of the order of Rs. 8.9 crores and Rs. 6.8 crores, respectively, in 1960 as against Rs. 5.4 crores and Rs. 1.0 lakhs in 1948.

Countrywise Origin of Capital

It may be pointed out that these trends of the composition and countrywise origin of foreign private capital in India have been consistent with the general trends in the international capital movement. After the first World War, the U.S.A. emerged as the largest creditor nation. It continues to be so also in post-second World War period. It is, therefore, significant to note that the share of the U.S. private capital in India has increased since 1948. Moreover, the U.S. private capital has so far gone to Latin America in the form of direct investment partly for manufacturing for the domestic market and partly for developing extractive industries for export purposes. In the capital-importing advanced countries of western Europe and Canada, about two-thirds of the total U.S. private capital is invested in the manufacturing industries to serve the domestic markets of the capital-importing developed countries. That shows that the U.S. private capital is not so much concerned about the potential competition that the foreign manufacturing industries in which the U.S. capital is invested may offer to the domestic U.S. industries provided the capital importing countries offer sufficiently large domestic markets to the manufacturing industries. In future, the manufacturing industries in India would provide a large and growing scope for foreign private investment since the Indian economy with its rapidly rising level of national income would create an expanding domestic market for the products of the manufacturing industries.

The upward trend in the outstanding amount of foreign private capital tn the post-independence period was influenced by certain positive factors. The Indian economy after independence offered new and growing investment opportunities to the private sector and the foreign investors. The new investment opportunities were created by the prospects of rapid economic growth in turn generated optimistic expectations on the part of the entrepreneurs concerning the rate of return on their investments. The size and natural resources of India, the actual and planned rate of economic growth, the strategy of economic development and the Government economic policies—all were responsible for creating the favourable prospects of an expanding economy.

Industrial Resources

Although the size of a nation may not be a decisive factor affecting the rate of economic development, it does exert some influence on the pace and pattern of economic growth. The economic structure of a large nation would be more diversified just as the U.S.A. with its large size has already developed a broadbased and diversified industrial structure. This happens because there is a wide variety of natural resources in a large country. Moreover, a big country has the potentiality of supporting plants not merely of a minimum scale determined by technical forces, but of an optimum size. India which possesses the largest high-grade iron ore resources in the world and also the third largest combination of iron and coal resources next only to the U.S.A. and Russia, holds out a very promising future for a diversified and broad-based industrial growth of its economy.

The actual rate of growth achieved during the last decade of planning has already laid the foundation for a rapid industrialisation of India in the years to come. The Indian economy has registered a rise of 42 percent in the real net national income during the period 1950-51 to 1960-61. The *per capita* real income in 1960-61 was also higher than in 1950-51 by about 18 percent. The post-independence economic growth was made possible, among other factors, by a considerable increase in the rate of investment. As against a 5 percent rate of investment in the pre-plan period, it went up to 8.5 percent at the end of the first plan in 1955-56 and to about 11 percent at the end of the second plan in 1960-61. The investment was financed partly by domestic savings and partly by foreign capital in the form of aid and private investment. The average rate of domestic savings during the first plan was 6-6½ percent. It increased to 8 percent during the second plan. The relatively large gap between the rate of investment and the rate of domestic savings during the second plan was bridged by the inflow of foreign aid and foreign capital. About 24 percent of the total net investment during the second plan was financed by external resources.

Besides the rising rate of growth, the strategy of economic planning, namely, to attain the stage of self-sustained growth for the Indian economy by the end of 1975-76 also tends to accelerate the process of creating new avenues of investment. This strategy, among other things, implies a rapid development of either import-substitutes or export industries. Thus Indian planning has assigned a high priority to the development of basic and heavy industries such as metals, machinery, chemicals, machine tools, electrical goods, transport equipment, cement, paper, etcetera. As pointed out earlier, Table 1 indicates the uptrend in the flow of foreign business investment in these industries. Furthermore, these are also the industries included in the illustrative list of 26 industries in which foreign capital participation is ordinarily welcome by the Government of India.

Rôle of the Public Sector

Another important aspect of economic planning in India is the rôle of the public sector in stimulating economic growth of the country and its bearing on private investment both domestic and foreign. This writer believes that the pattern of public ivnestment itself has created new and profitable opportunities of investment for the private sector in India. This is so because a substantial proportion of public investment is devoted to the building up of overhead facilities such as transport, power, irrigation, education, etcetera, and basic industries, especially iron and steel. Rostow and Millikan, prominent American economists, have observed that "public and private investment (in India) are not alternatives, but can support each other in the early take-off stage of development . . . The purchasing power created by public investment and the improved transport, communication, power and other services resulting from the activities of the public sector have created an environment (by generating consumer demand and by lowering cost of production due to the external economies) in which private investment opportunities have multiplied." The availability of infrastructure facilities in particular has a very favourable impact on the inflow of foreign private capital to India because it raises the "absorptive" capacity which is much higher in India than in most of the emerging nations of Asia and Africa.

Within the framework of the growing investment opportunities for the private sector, the Government's policy has played an important rôle in attracting foreign private capital. Realising the importance of foreign private investment from the points of view of augmenting the domestic resources for capital formation, increasing the industrial efficiency by obtaining the foreign technical know-how and easing the pressure on balance of payments, the Government of India since 1949 has followed a "constructive, helpful and pragmatic" policy towards foreign business

TABLE II

OUNTRYWISE ORIGIN OF FOREIGN BUSINESS INVESTMENT IN INDIA 1948 AND 1960
(Rs. million)

Name of the country	At the end of 1948	Percentage share of each country in June 1948	At the end of 1960	Percentage share of each country in 1960
U.K.	2,060	80	4,464	64.6
U.S.A.	112	4.4	1,127	16.3
West Germany	1	Negligible	68	1
Japan	2	Negligible	34	.5
Switzerland	54	2.1	89	1.3
Pakistan	84	3.3	42	.6
Other countries *	246	9.6	300	4.3
World Bank	—	—	781	11.3
Total	2,558	100	6,905	100

* Other countries include Canada, Malaya, etcetera.

Source: Computed on the basis of data available in the *Reserve Bank of India Bulletin*, October, 1962.

investment. In fact, the measures aimed at attracting foreign investors have made the growing investment opportunities in India really "commercial propositions". The degree of risk and uncertainty inherent in investment has been made much lower in India than in most other developing countries and, not much higher than what it is in the capital exporting countries.

This is so because of various factors such as (a) the government assurances concerning the payment of fair and adequate compensation to foreign investors; (b) its non-discriminatory treatment accorded to foreign capital (c) freedom of remittance of profits and dividends and repatriation of capital; (d) a *régime* of stable exchange rate; (e) a clean record of honouring foreign obligations; and (f) stable political conditions in India. As a result of these forces, the risk premium on foreign private capital is reduced. Thus, the foreign investor is willing to come to India at a differential rate of return lower than what he would expect in most other developing countries.

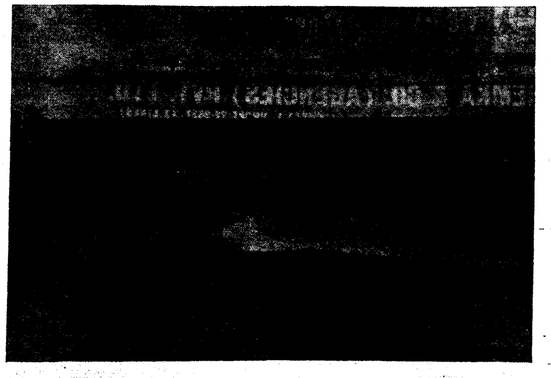
The Government has also offered a number of tax incentives and exemptions with a view to increasing the profitability of industrial investment in India. Two important incentives are the tax holiday, that is the tax exemption of profits of new industrial undertakings up to 6 percent of capital employed for the first five years and a deduction from taxable income equal to 20 percent of the plant and machinery given as a development rebate in the year of installation. These tax benefits are available to both the Indian and foreign corporations. Besides, certain special incentives are also created which apply only to foreign capital.

Profitability in India

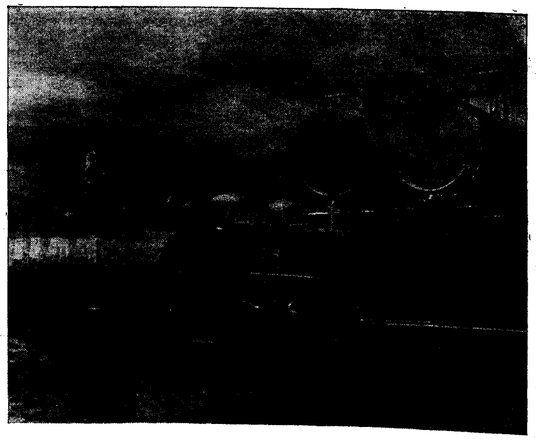
A few recent figures support the writer's statement on profitability in India. The earnings ratio on total U.S. business investment in India, according to the U.S. Department of Commerce, increased from 8.8 in 1960 to 13.3 in 1962, compared with 12.6 and 14.3 in the Philippines. These earnings ratio in India compare well with those in the developed western Europe. It was 11.5 in western Europe in 1960 and declined slightly to 10.9 in 1962. Again if one takes the earnings ratio on U.S. private investment in manufacturing industries only, one is convinced about the bright prospects of a high rate of return on foreign investment in India. For example, the earnings ratios on U.S. investment in manufacturing were 19.2 and 20.6 in India in 1961 and 1962, compared with 15.7 and 18 in the Philippines and 10.2 and 12.6 in western Europe. Again, according to the study of 1,333 companies having a paid-up capital of over Rs. 50 lakhs conducted by the Reserve Bank of India, profits after tax were quite high in certain industries in which foreign investors are usually interested. For example, profits after tax as percentage of net worth was 16.4 in medicines and pharmaceuticals, 13.4 in electrical machinery appliances, 13.1 in basic industrial chemicals, 12.6 in machinery other than transport equipment, 12.3 in other chemicals, 12.0 in mineral oils and 11.2 in iron and steel.

It would appear from the analysis of the salient features of the economic progress during the last decade, that the factor which largely influenced the investment climate in the country was the sustained growth of a fairly appreciable level in the various sections of the Indian economy. Against this background of the long-term trends, the recent developments which have affected the climate adversely require special mention. First, the slow rate of growth in the first two and a half years of the third plan has indicated that the basic factors of productivity in agriculture and industry have been slow in generating the flows of income at all levels which again determine the level of investment. Secondly, the Chinese aggression, which was sudden and totally unexpected, created, temporarily, conditions of panic in all markets. At the same time, the external aggression gave the country a rude awakening to the immediate needs of building up adequate defence. These required financial resources on an immense scale. Since the major plans of development under implementation were themselves essential for strengthening defence, the Government decided, and rightly, that the requirements of development and the special needs of defence should be simultaneously met.

It was, therefore, inevitable that fresh resources had to be raised to meet the increased outlay, especially



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on defence. The heavy taxation imposed through the 1963-64 Budget of the Government of India further depressed the markets. The impact of various fiscal measures, especially the super profits tax, on the forward-looking expectations of entrepreneurs and investors was adverse. In combination with other factors, this psychological attitude tended to slow down the economic activity further. The effects of the slack in the economy are bound to persist for some time. However, the recent measures taken by the Government are likely to restore market confidence to some extent. The broadcast of Mr. T. T. Krishnamachari, Central Finance Minister, had a very good effect on the markets. He has underlined the Government's positive attitude to economic growth. He observed, "It is my intention to review the present fiscal and related policies with reference both to the immediate needs of the economy as well as the requirements of growth and social justice in the years to come". All these recent developments will certainly improve the short-term expectations of the entrepreneurs and investors, who, in turn, will for the immediate future, revive the investment activities in the country

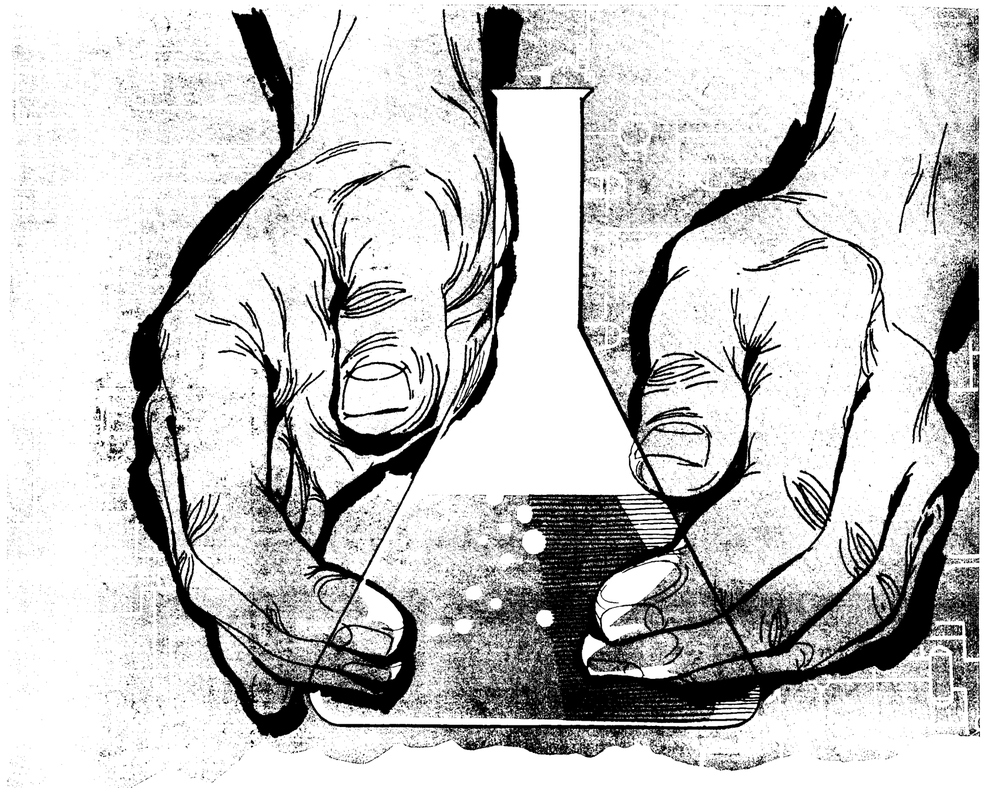
Need for Fresh Momentum

However, the basic question is the imperative need to sustain the optimistic expectations of the investment decision-making units. This calls for all the measures necessary to impart a momentum to the Indian economy which it experienced during the last decade. It is not merely the target of the planned rate of growth, but the capacity to attain the planned rate of growth which sustains the confidence and optimistic outlook of the investors.

In this connection, it is heartening to note that both the Central and State Governments have decided to proceed as a matter of urgency to implement the suggestions made by the Planning Commission in its third plan mid-term appraisal. Accordingly, field project studies would be undertaken with the help of technical experts in order to facilitate advance action on them and to ensure greater continuity in planning. Special efforts would be made to reduce the cost of construction of the important projects. Specific detailed programmes of import substitution would be carried out for various industries in order to increase the availability of foreign exchange for the essential imports. Moreover, one may reasonably hope that the cumulative effects of the agricultural measures adopted during the first two and a half years of the third plan, would considerably raise the agricultural output in the coming years. The improvements in the transport as well as power facilities and the increased availability of foreign exchange resources due to the speedier utilisation of aid received, larger inflow of aid and rising exports, would brighten the long-term prospects of industrial growth.

Given the favourable conditions for a rapid economic growth of India, the inflow of foreign private capital would certainly increase. This is because of two primary reasons. Firstly, the decisions of the foreign investors are very much influenced by the state of the economy of the capital importing country. Secondly, the optimistic expectations of the entrepreneurs of the country desirous of receiving foreign capital are crucial for setting up industrial ventures in collaboration with the foreign investors. The capital exporting countries, especially the U.S.A., have large surplus savings which they would like to invest profitably in the developing countries. The foreign investors have been appreciative of the growth potentialities of India and the Government economic policies. Hence with her immense natural resources, especially iron ore and coal, with her potentially large domestic market and the prospects of penetrating the third country markets, with her current level of high profitability in important industries, having growth prospects and with her stable political conditions, India can confidently hope to induce on a larger scale than hitherto foreign private capital to flow into the country, once the Indian economy regains its momentum. Such a larger inflow, in turn, would accelerate the process of economic growth by exploiting the investment opportunities created by the growing Indian economy.



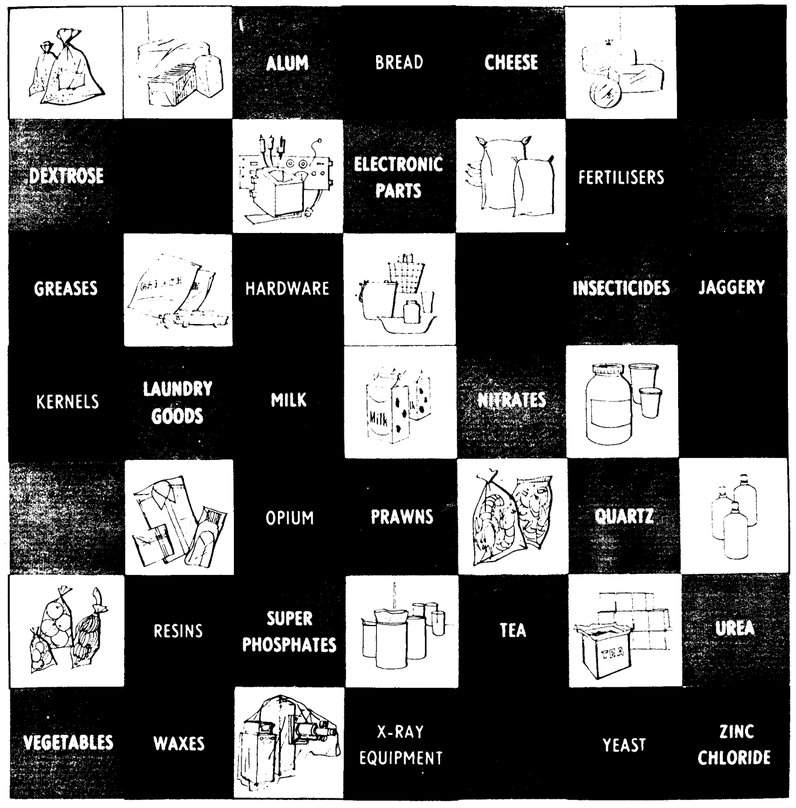


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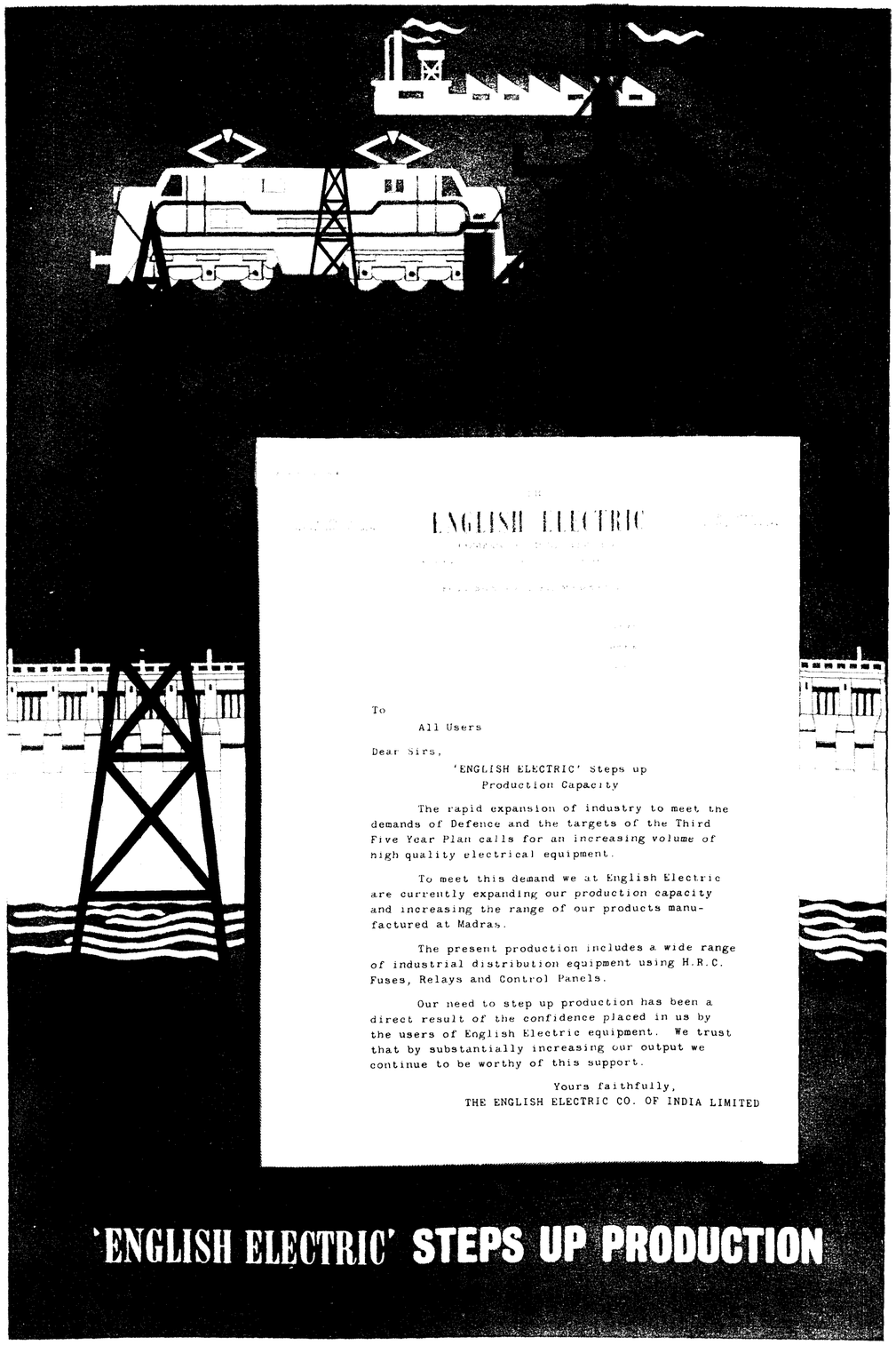
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Development Banks Contribute More Finance For Industry

Development banks have done much to mobilise savings for industrial development. Mr. Parekh reviews their progress and answers some criticisms.

SAVINGS whether they accrue out of personal income, corporate profits or public revenues, are the ultimate source of industrial capital. Since increasing availability of savings is indispensable to sustained economic growth, their mobilisation is as vital as their generation in the modern world. The rôle of financial institutions as mobilising agencies for capital has, therefore, become more and more important. Banks, insurance companies, investment trusts, hire-purchase financing companies, building societies and development banks have assumed a steadily growing rôle, even though these credit institutions are intermediaries only which do not themselves create much savings.

Each of these various agencies plays its own distinct rôle in capital formation. Industrial entrepreneurs find

By
H. T. PAREKH
General Manager, Industrial Credit and Investment Corporation of India

that the resources they are themselves able to generate fall short of their needs and they have necessarily to draw in one form or another on the liquid resources available with these financing bodies.

Although these agencies are all in some way concerned with the supply of industrial capital, the long-term requirements of industry are being provided increasingly by the specially created industrial finance corporations better known as development banks. In underdeveloped countries particularly, they have become the chosen instrument through which industrial finance is made available in the appropriate manner to different sectors of private industry, small-scale, medium-scale and large-scale, especially that portion of finance which the existing channels are not able to provide. The development banks are meant to supplement the available sources of capital. What is more, since the objective is to broadbase the economy by attracting a new class of entrepreneurs and new types of industry, they are specifically meant to foster this kind of growth. These institutions thus become the focal points for much useful development.

Project Approach

Not only do they provide capital, but by processing industrial projects from all relevant angles, they assist in a more orderly development of those industrial projects which are viable. The "project approach" involves scrutiny of capital cost, cost of production, market, management, and financial structure without which the viability of a scheme cannot be assessed. To new entrepreneurs, the process of applying for and obtaining the loan itself becomes an education of much value. Successful starting of industry requires many long-term considerations which are often overlooked by them. The function of development banks is to make the entrepreneurs realise that they must first examine the different aspects of their project fully before they can expect to get the finance they need. The banks thus enforce certain financial discipline on their borrowers, discipline which is needed to inculcate a scientific spirit in the newly growing industrial community.

Apart from helping the project itself through their scrutiny, development banks assist the process of planning itself. Any form of national planning, to be practical and useful, needs the support of planning at lower levels, which the operations of development banks promote through the "project approach". Without this kind of screening, there would be the risk of greater wastage of capital and other resources which are in short supply. These financing institutions thus perform a rôle which is much more than that of a pure banker. They aid the process of development, which has more aspects than the mere provision of capital.

Financing Institutions

If this is the *raison d'être* of development banking, what is its contribution in financial and physical terms? Facilities for industrial finance are provided in India through the Industrial Finance Corporation of India, the Industrial Credit and Investment Corporation of India and the 15 State Financial Corporations. In addition, commercial banks grant medium-term loans, for which they can draw on the Refinance Corporation for Industry run by the Reserve Bank of India. The latter also operates a guarantee scheme in order to encourage the lending institutions to grant loans to small-scale industry. Moreover, the National Small Industries Corporation (N.S.I.C.) procures industrial equipment for small entrepreneurs under a hire-purchase arrangement. The National Industrial Development Corporation (N.I.D.C.), also a government agency, has given large loans to cotton textile and jute industries for rehabilitation. The Film Finance Corporation seeks to meet the special needs of the film industry which is not able to obtain finance through the normal channels. Many State Governments have recently started industrial development corporations in their States for helping industrial development within their territories.

This broad pattern of financing agencies is going a long way in meeting the diverse requirements for capital of different sectors of industry in the country. Some of the agencies, such as the industrial development corporations in the States, are hardly likely to go far because they do not have the resources to be effective. The biggest contribution, however, has been made by the I.F.C., I.C.I.C.I. and the S.F.C.s, as Table I shows.

The total assistance sanctioned by these agencies is broken down further geographically to show the extent of development in each State. As the total of these figures indicates, these development banks during the period of their existence have approved industrial assistance of nearly Rs. 300 crores to about 3,800 entrepreneurs, a large number of which are new units. It needs to be mentioned that these agencies are not intended to provide the entire finance needed by enterprises, but only such part as cannot be otherwise raised by entrepreneurs. The institutions act as catalysts which draw out much more finance than they are themselves able to provide. For instance, in the case of the I.C.I.C.I., for every rupee which is provided by that Corporation, on average, Rs. 3 to Rs. 4 are provided from other sources.

In terms of employment, the above aid has helped to create about 300,000 new jobs, half of which can be attributed to the assistance provided by the State Finance Corporations. In physical terms, to give a few instances, these financing agencies have helped in producing over 100,000 tons of paper, 500,000 tons of sugar, 1.5 million tons of cement, 185,000 tons of steel tubes, 16,000 tons of steel wire ropes, 178 million yards of P.V.C. and V.I.R. wires and cables, 3,700 miles of power cables, 300,000 tons of superphosphate, in each case a significant proportion of the total output in the country.

The third five year plan has laid down the targets of financial outlay

TABLE I

STATE-WISE DISTRIBUTION OF ASSISTANCE BY FINANCIAL INSTITUTIONS

	I.C.I.C.I.		I.F.C.		S.F.C.s		Total	
	Amount (Rs. crores)	Percent	Amount (Rs. crores)	Percent	Amount (Rs. crores)	Percent	Amount (Rs. crores)	Percent
Andhra Pradesh	3.95	6.6	9.61	5.8	2.98	5.0	16.54	5.8
Assam	1.90	3.2	6.43	3.9	3.96	6.6	12.29	4.3
Bihar	3.04	5.1	9.95	6.1	3.57	6.0	16.56	5.9
Gujarat	6.15	10.2	8.80	5.4	1.41	2.41	16.36	5.8
Jammu and Kashmir	—	—	—	—	0.25	0.4	0.25	0.1
Kerala	0.50	0.8	6.42	3.9	2.82	4.7	9.74	3.4
Madhya Pradesh	0.70	1.2	1.50	0.9	5.02	8.4	7.22	2.6
Madras	6.25	10.4	26.43	16.1	9.59	16.1	42.27	14.9
Maharashtra	19.13	31.8	28.73	17.5	10.36	17.4	58.22	20.5
Mysore	5.73	9.5	12.20	7.4	1.56	2.6	19.49	6.9
Orissa	2.50	4.1	7.29	4.4	1.07	1.8	10.86	3.8
Punjab	1.17	1.9	7.63	4.6	6.41	10.7	15.21	5.3
Rajasthan	0.60	1.0	8.94	5.5	2.26	3.8	11.80	4.1
Uttar Pradesh	3.25	5.4	11.05	6.7	3.95	6.6	18.25	6.4
West Bengal	5.29	8.8	17.41	10.6	4.50	7.5	27.20	9.5
Centrally Administered Areas	—	—	1.94	1.2	—	—	1.94	0.7
	60.16	100.0	164.33	100.0	59.71	100.0	284.20	100.0

Notes:

(1) All figures are for net sanctions; figures of Madras, Maharashtra and Mysore S.F.C's are gross sanctions.

(2) All figures except for the I.C.I.C.I. and Madras Industrial Investment Corporation are as on 30th June, 1963; figures of the I.C.I.C.I. are as on 31st December, 1962, and those of M.I.I.C. are as on 30th June, 1962.

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for industry in the private sector at Rs. 250 crores a year. Read in this context, the financial assistance sanctioned by development banks last year exceeded Rs. 75 crores, which can be regarded as a not unimpressive record.

Criticism of Working

It may be useful at this stage to examine the validity of different kinds of criticism which are heard in certain quarters. It has been said that the time taken by development banks to process the applications is needlessly long and therefore frustrating to the borrower, who ought to get the loan on his credit-rating, as is the case with commercial banks. This view is based on the misconception that there is no major difference between the long-term industrial loan and the short-term commercial accommodation. The critics fail to appreciate that an industrial loan is made for acquiring fixed assets whose profitable utilisation would generate funds from which the loan would be repaid. This can be determined only by a careful scrutiny of the project. Moreover, if creditworthiness were to be the only criterion, only the wealthy and established parties would be eligible and the new class of entrepreneurs whose creditworthiness is not yet established would *ipso facto* be excluded. That would defeat the very purpose for which development banks are set up.

Another criticism relates to the long time taken to make the loans effective and to disburse the amount. In the nature of things, a certain amount of time-lag is inherent in making the loans effective because the borrower, after a loan is sanctioned, proceeds to negotiate for the purchase of machinery, for construction of factory, for raising the total capital and to obtain the various licences all of which are time-consuming. Moreover, payment for the machinery and plant is required to be made in instalments as the equipment gets ready, and, therefore, the time-lag in disbursement does not necessarily mean any delay in the setting up of the project.

A more serious criticism is that the development banks' lending has not helped the less-developed areas to the extent necessary while they have helped more the States which are already industrially advanced. The State-wise break-down of assistance given above may indicate this trend, but what requires to be recognised is that the industrial policy is determined by the Government; development banks do not initiate that policy, but as financing agencies, can only implement it. Tables II and III show the distribution of licences of the Government during 1962 and the present State-wise distribution of joint-stock companies at work.

TABLE II

STATE-WISE DISTRIBUTION OF INDUSTRIAL LICENCES ISSUED IN 1962

	Number	Percentage
Andhra Pradesh	45	4.1
Assam	9	0.8
Bihar	89	8.1
Gujarat	129	11.8
Jammu and Kashmir	2	0.2
Kerala	35	3.2
Madhya Pradesh	44	4.0
Madras	71	6.5
Maharashtra	281	25.6
Mysore	40	3.7
Orissa	17	1.5
Punjab	66	6.0
Rajasthan	31	2.8
Uttar Pradesh	50	4.6
West Bengal	171	15.6
Centrally Administered Areas	17	1.5
Total	1,097	100.0

TABLE III

STATE-WISE DISTRIBUTION OF COMPANIES

	Companies at work in 1960-61 Number	Percentage	New Registrations 1962-63 Number	Percentage
Andhra Pradesh	456	1.8	55	3.7
Assam	348	1.3	19	1.3
Bihar	347	1.3	26	1.7
Gujarat	815	3.1	66	4.4
Kerala	1,014	3.9	45	3.0
Madhya Pradesh	312	1.2	11	0.7
Madras	2,596	9.9	252	16.8
Maharashtra	4,920	18.9	293	19.6
Mysore	631	2.4	43	2.9
Orissa	208	0.8	16	1.1
Punjab	812	3.1	38	2.5
Rajasthan	433	1.7	14	0.9
Uttar Pradesh	1,082	4.1	53	3.5
West Bengal	10,490	40.2	327	21.9
Centrally Administered areas	1,644	6.3	239	16.0
	26,108	100.0	1,497	100.0

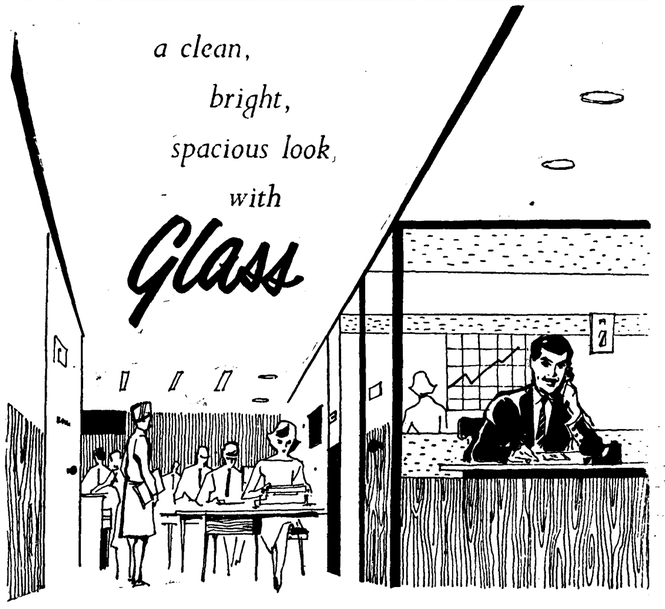
State-wise Distribution of Loans

The issue of industrial licences by the Government itself shows that Maharashtra, West Bengal and Gujarat, which are all advanced States, continue to lead, these three States having obtained 50 percent of new licences. The table showing State-wise distribution of companies at work and of new registrations also show that West Bengal and Maharashtra are industrially in the forefront and continue to remain so, but in the race for development, Madras has been showing a somewhat greater rate of progress.

The financing institutions come in only after the industrial licences have been granted. It would be difficult for them to direct the location of enterprises. Nonetheless, the figures show a gradual widening of the locational base of industry. While Maharashtra and West Bengal remain prominent in attracting industry, their relative share is smaller today than it was a decade ago; the marginal rate of growth in other States is greater than in these two advanced States. Once the less advanced States have established a certain industrial base, then industrial progress would gather momentum.

The contribution which the specialised financial institutions have been able to make to industrial development of the country has now begun to be felt. In the field of industrial finance they have not only established themselves, but have also been able to make a significant impact. The base of the capital market of the country has steadily broadened as a result of the operations of the development banks. Between them and the commercial banks, the problem of providing industrial loans has been very largely met.

Industrial finance in the form of permanent capital by way of share capital, which was hitherto found to a considerable extent through insurance companies' investments, is now met to some extent also through the underwriting and investment activity of development banks. They are acting as intermediaries who are willing to hold industrial securities till such time as the industry is established and the private investor is ready to invest his savings in such securities. The field of stock market activity is thus widened and the special financial institutions serve to feed the stock market with industrial securities as the demand for them from private investors appears. The new development banks act as one more pillar of the investment market and assist the other established financing agencies in supporing the country's fast growing industrial structure.



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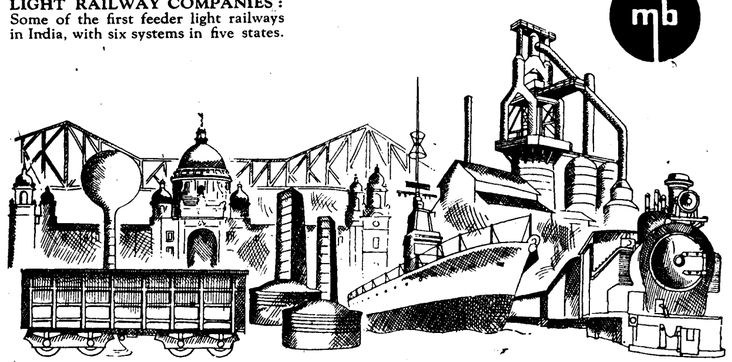
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The Law on Company Contributions to Political Parties: Some Basic Changes

By

A SPECIAL CORRESPONDENT

FOLLOWING the Bombay and Calcutta High Courts' judgments on the modification of the objects clause of the memoranda of association of the Tata Iron and Steel Company and the Indian Iron and Steel Co. Ltd, with a view to allowing these Companies to contribute to the funds of political parties, considerable discussion on the question of permitting such practices have taken place in Parliament as well as outside. Political and moral issues apart, the discussions showed that there existed a good deal of confusion about the provisions of the Companies Act which have a bearing on such donations. There was a widespread impression, although quite erroneous, among people that the provisions of the Companies Act were lax in the matter. It was believed in some quarters that whatever limits to the making of such donations existed in law, they facilitated donations to political parties.

Consequently, the extremist opinion in the country demanded that there should be an outright ban on the making of contributions to political parties by companies under the Companies Act. A slightly less extreme view was that the permissible limits under the law should be further lowered. A number of private members' Bills had also been introduced in both Houses of Parliament, and some of them were discussed too. Although none of these went past the discussion stage, the discussions did lead to the amendment of the provisions of Section 293 of the Companies Act in 1960. Notwithstanding this, the pressure for further drastic changes continues.

Going back to the history of the question of permitting contributions to political parties by companies, the controversy did not exist until the submission of the report of the Bhabha Committee on company law. For the first time, a passing allegation about making sizable donations by certain companies in Uttar Pradesh was made in Parliament soon after the 1952 General Elections. It was only after this that the question came to be mentioned more and more prominently and debated hotly against the background of the happenings of the two successive general elections in 1957 and 1962.

Before the submission of the report by the Bhabha Committee and during the period the 1913 Act remained in force, separate Acts of Central Legislature or Parliament existed for facilitating companies to make donations to funds not connected with the actual working of the companies concerned. In the post-independence period, the first Act of this type to be passed was the Gandhi National Memorial Donations Companies Act, 1948, which was subsequently repealed and substituted by the Companies (Donations to National Funds) Act, 1951. Section 3 of this Act stated, "Any company may, notwithstanding anything contained in the Companies Act or in any other law for the time being in force regulating the affairs thereof and notwithstanding that the memorandum or articles of association of the company do not entitle it to do so by an extraordinary resolution passed in accordance with the provisions contained in Section 81 of the Companies Act authorise the making of donations to the Gandhi National Memorial Fund or the Sardar Vallabhbhai National Memorial Fund or to any other fund established for a charitable purpose which by reason of its national importance has been approved by the Central Government for the purpose of this section."

Permissive Legislation

This permissive legislation apart, the position under the Indian Companies Act, 1913, on companies' contributions to charitable and other funds not directly relating to the business of the company or the welfare of its employees, was that the directors enjoyed powers to make these contributions provided the "objects clause" in the memorandum of association of the respective company permitted it. That is to say, if the memorandum of association in its "objects clause" included a clause to that effect, the directors had the absolute discretion to contribute any amount, irrespective of whether the company made adequate profits or not, to any fund or funds whether political, educational, charitable or for social purposes. This was quite in keeping with the spirit underlying the old Act which placed the minimum possible restrictions on the powers of the company management including managing agents who enjoyed a place of pivotal importance in the corporate sector.

Later, because of irregularities alleged against company managements during the period ending with the second World War and the emphasis which came to be placed on the new rôle that the corporate sector was expected to play in pursuance of the Directive Principles of State Policy enunciated in the Constitution and the other objects emphasised in the Industrial Policy Resolution of 1948 as also in the first plan report, the Bhabha Committee made a number or recommendations restricting the powers of the company managements including managing agents and boards of directors. The only restrictions on the powers of directors in the provisions of Section 86H which was inducted in the substantive Companies Act of 1913 by the Amendment Act of 1936, were that the directors of a public company or a subsidiary thereof could not, except with the consent of the company obtained in general meeting, sell or dispose of the undertaking of the company and remit any debt due by a director.

Suggested Restrictions

The Bhabha Committee, however, felt that some more effective restrictions should be placed on the activities of directors and company managements: It, therefore, suggested a number of restrictions to be added to those already existing in Section 86H of the 1913 Act and among these, the Committee suggested that the directors of a public company or a subsidiary should not contribute more than Rs. 5,000 a year to any fund without the consent of shareholders. This recommendation of the Committee was accepted for inclusion in the proposed Companies Bill by the Government. Accordingly, clause 272(3) of the Companies Bill, 1953, provided that the directors of a public company or its subsidiary should not except with the consent of such public company or its subsidiary in general meeting, "contribute or agree to contribute, after the commencement of this Act to charitable and other funds, any amount the aggregate of which exceeds or will, when taken with contributions made or agreed to be made before the commencement of this Act, exceed in any financial year, Rs. 5,000 or 2 percent of its average net profits during the three financial years immediately preceding, whichever is greater."

Later, as a result of the discussions in the Joint Stock Committee on the Companies Bill, the limit of the contribution to charitable and other funds which did not directly relate to the business of the company or the welfare of its employees was changed to Rs. 10,000 or 3 percent of the annual profits. Subsequently, the position underwent further change and according to the Bill as finally passed by both Houses of Paliament, Section 293(1)(e), among others, provided that the board of directors of a public company or a subsidiary thereof shall not, except with the consent of the company in general meeting, contribute to parties and other funds not directly related to the business of the company or the welfare of its employees any amount exceeding in any financial year Rs. 25,000 or 5 percent of the average net profits during the three financial years immediately preceding, whichever is greater.

Thus, the provisions of the 1956 Act for the first time placed a specific restriction on the powers of the board of directors of a public company or a subsidiary, to make contributions to the various funds. But in case the board of directors intended to make any contributions exceeding the limits prescribed in the aforesaid section, it was necessary for them to place the matter before the general meeting of the company, that is, before the shareholders. In other words, while the board of directors could contribute up to a certain limit, namely, to the tune of Rs. 25,000 even if the company were to show a net loss in any financial year, the company in general meeting was absolutely free to make any contribution it liked. But like the Act of 1913, it was even now necessary that the memorandum of association should expressly authorise within the framework of its objects clause the making of such contributions to the various funds.

Two High Court Cases

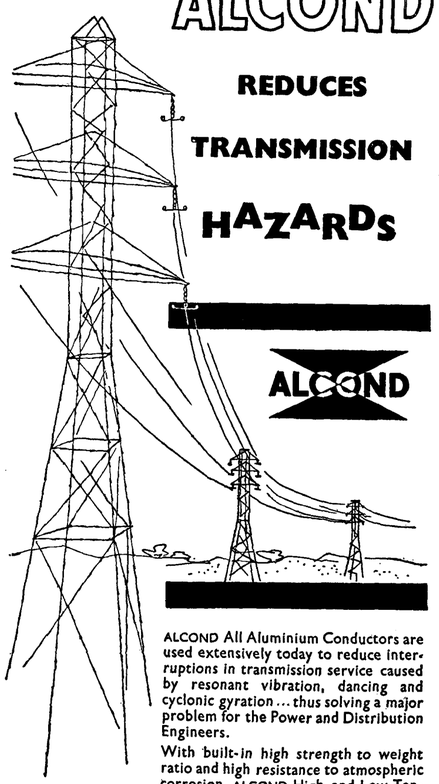
It was actually this requirement of law which actuated two of the biggest companies in the country on the basis of the high net profits earned by them to make, if they so liked, the maximum contribution of even above Rs. 32 lakhs in one case and Rs. 91 lakhs in another, that is, 5 percent of the average net profits for the three preceding years 1953-55 and to go to the High Courts for the necessary permission for altering the memorandum of association under the provisions of Section 17 of the Companies Act, 1956. These companies approached the respective High Courts for confirmation of the special resolutions passed at the general meeting of their shareholders and carried by the requisite majority. According to the provisions of law, due notices were given to the shareholders, creditors and debenture holders of the Companies as also to the Registrars of Joint Stock Companies of the State in which the two Companies were registered. Also according to provisions of law, notices concerning the proposed alterations in the memorandum of association of the two companies were published in the newspapers so that any one from the general public desiring to oppose the application could come forward to press his views before the court. The provisions of law thus provided that any change that was proposed to be made in the memorandum of association of a company, should be done in the full knowledge of the Government, of the parties directly concerned with the affairs of the company as also of the general public and with the approval of a court of law of the stature of High Court which would approve the proposal only after a judicious examination of the same in the limited as well as in the wider context of the interests involved.

In the Indian Iron and Steel case, the Company's original clause in the memorandum of association ran in the following terms:

> "To establish and support or aid, in the establishment and support of associations, institutions, funds, trusts and conventions calculated to benefit employees or ex-employees of the company or its predecessors-in-business or dependents or connections of such persons and to grant pensions or allowances and to make payments towards insurance and to subscribe or guarantee money for charitable or benevolent objects or for any exhibition or for any public, general or useful object."

The Company got the following special resolution passed proposing the alteration of the aforesaid clause and brought it before the Bombay High Court for confirmation. The special resolution read:

> "Sub-clause 3(16) of the memorandum of association of the Company be deleted and substituted by the following two sub-clauses.
>
> "16 (a): to subscribe, contribute or guarantee money for any national, charitable, benevolent, political, pub-



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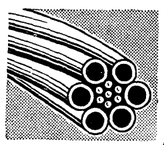
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16 (b) to establish and support or aid in the establishment and support of associations, institutions, funds, trusts and conventions calculated to benefit persons who are or have been employed by or who are serving or have served the company or its predecessors-in-business or the dependents and connections of such persons and to grant pensions and allowances and to make payments towards insurance."

The reason put forward by the Company in its application in support of its proposed change was that the "prosperity of the Company's business is very much dependent upon the industrial policy of the Central Government of the day. Further, the Company's principal business being the manufacture of iron and steel, the sale and distribution of the Company's products, the prices to be received by the Company for the sale and the manufacturing and other policies to be followed by the Company are all subject and closely related to the requirements of the Central Government with which the Company has intimate dealings, transactions and connection.

In order to enable the Company to carry on its business more efficiently, it is necessary that it should be enabled to contribute to the funds of political parties which will advance policies conducive to the interests of the industries in general and of the Company in particular and also the Company should be able to contribute to other funds and objects of national importance."†

In the case of the other Company, the Tata Iron and Steel Co. Ltd, permission was sought by the Company to the change of sub-clause (r) of clause (3) of its memorandum of association, namely, the clause outlining the objects of the Company, before the Bombay High Court. Sub-clause (r) ran as follows:

"to support and subscribe to any charitable or any public object and any institution, society or club which may be for the benefit of the company or its employees or may be connected with any town or place where the company carries on its business ; to give donations, gratuities or charitable aid to any person or persons who have served the company or to the wives, children or other relatives of such persons ; and to form and contribute to provident and benefit funds for the benefit of any persons employed by the company."*

The Company proposed alteration of the aforesaid sub-clause into two parts, namely, (r) (i) and (r) (ii) ; the first one dealt with the power of the Company to incur expenditure, broadly stated, for the welfare and benefit of its employees and the second sub-clause which was sought to be included, was as follows:

"(r) (ii) To subscribe or contribute or otherwise, to assist or to guarantee money to charitable, benevolent, religious, scientific, national, public, political or any other institutions, objects or purposes or for any exhibition."*

The two Companies submitted to the courts that their proposals were covered by the provisions (a) and (b) of sub-clause (1) of Section 17 of the Companies Act which permitted such alteration of the memorandum of association if the Company believed that it would help running the business more economically and efficiently and by new or improved means. Although the original sub-clause in the objects clauses of the memoranda of association of the two Companies in a broad sense could have been interpreted to cover political contributions, these Companies, as a measure of abundant caution, approached the courts for approving a specific change to the effect in the memoranda of association so that any contribution made by them to political parties at the time of the general elections could not later be held as illegal within the provisions of the Companies Act.

Indian Iron and Steel Case

In the Indian Iron and Steel Company case, the learned judge, Mr. Justice P. B. Mukherjee, after discussing the desirability of making political contributions by companies in the wider context of society and the body-politic of the country passed the following order on the application of the Company:

(a) Clause 16(b) as amended by the special resolution is confirmed without any condition.

(b) Clause 16)a) of the memorandum as altered by the special resolution is confirmed subject to the following conditions:

(1) It shall remain effective and operative for a period of six years from the date of the passing of the order, that is, up to 7th March, 1963, and that sanction by the Court would elapse and stand revoked upon the expiry of the period of six years unless further extension is hereinafter ordered ;

(2) During the period of six years, the Company shall show in their profit and loss account every year every single contribution directly or indirectly made to any particular political party by name, the amount and date of contribution and shall show the same under the head "miscellaneous expenditure" in part I of Schedule VI of the Companies Act, 1956 read with clause 3(x)(i) of Part 2 of Schedule VI ;

(3) Upon the Company satisfying this Court on a verified petition at the end of the period of six years that it has faithfully carried out the above directions of the Court showing its contribution to the political funds as aforesaid and upon its desiring to continue to do so, the Company will be free to apply for and obtain continuance of this Court's sanction to the alteration in the Memorandum contained in clause 16(a) as amended by the special resolution of 7th December, 1956, passed at the Company's general meeting for such further period and upon such terms and conditions as the Court thinks fit under Section 17(5) of the Companies Act, 1956.

(c) No condition limiting the amount of contribution was imposed and the question of amount was left to the wisdom and discretion of the shareholders in accordance with the Companies Act, 1956.†

The Case of Tata Steel

In the Tata Iron and Steel Company case, in the first judgment of the Bombay High Court delivered by Mr. Justice Tendolkar, the judge, while confirming sub-clause (r)(ii) as passed by the special resolution of the Company, suggested that since the words as used *prima facie* and without involving the rule of *ejusdem generes* construction may lead to the view that contribution to any cause whatever was within the objects he proposed to add the word, "useful" after the words "any other" as a condition of his confirming the said clause. The sub-clause (r)(ii) as amended and confirmed by the judge read as:

"(r) (ii) : To subscribe or contribute or otherwise to assist or to guarantee money to charitable, benevolent, scientific, national, public, political or any other useful institutions, objects or purposes or for any exhibition."

It may be mentioned here that the trial judge, like Mr. Justice P. B. Mukherjee in the Indian Iron and Steel Company case, favoured the widest possible publicity being given to any contributions made by the Company through the disclosure of the details in the annual accounts, but in view of a voluntary undertaking given by the Counsel for the Tata Iron and Steel Company to do so, the trial judge did not expressly make any order to that effect. In this context, he said: "In a democratic State such as India is today, ... requirement of publicity for funds contributed to a political party appears to me to be such a revolution and Mr. Seervai who appeared for the Company not only states that it will be wholesome to have such publicity but the petitioners have undertaken that they shall separately show in their profit and loss account every year every single contribution directly or indirectly made to a political party in the event of the alteration of the memorandum being confirmed. If this obligation of publicity had not been voluntarily undertaken by the Company, I would have felt myself compelled to impose it as a condition of confirmation, if I ultimately found that there was no other valid ground for not confirming the alteration.*

Later, in his judgment delivered on an appeal preferred by the appellants, the judge upheld the original judgment and dismissed the appeal. On the point of law, Mr. Justice Chagla held : "The new power or activity or object sought to be introduced by the Company in its memorandum is not unlawful, but is indeed one which is countenanced by the law in England and the law in the United States. It cannot be said that it is an unlawful object which the court will not permit the Company to carry out by the amendment or alteration of its memorandum. We should also like to point out here that even our legislature in the new Companies Act has taken cognizance of the practice or the possibility of companies contributing to political parties, because in Section 293 a restriction is put upon the power of the board of directors to make contributions to charitable or other funds. Therefore, the very restriction assumes that the legislature was aware that the board of directors had the power in some companies and exercised that power to make contributions not only to charitable but other funds. If that be so, the only question that we have to consider for the purpose of Section 17(1)(a) is whether it can be said that where the company contributes funds to a political party it is carrying on business more efficiently. Before construing this expression, it is necessary to point out that a large volume of authority in England has clearly established that a liberal though not a strained construction, should be placed upon this section, and in order to realise how liberal a construction the English judges have put upon this section it may be pointed out that although in the English Companies Act this section practically corresponds to ours, in the earlier Companies Act, clauses (f) and (g) did not find a place and when a company wanted to alter its memorandum in order to enable it to sell or dispose of the whole or any part of its undertaking or to amalgamate with another company, clauses (f) and (g) not finding a place in the section, the courts were driven to confirm the alteration by holding that the case fell under clause (a) and it could be construed that selling the whole or part of the undertaking or amalgamation with another company was for the purpose of carrying on business more efficiently.

"Therefore, we must give to the expression 'efficiently' a very wide import ..... We must construe 'carry on business more efficiently' to mean carrying on business in a manner which will produce the desired results or effects. In other words, if a particular method or mode or means in connection with the business is conducive to the business producing more profits or improving the security or stability, then that mode or means or methods is a mode, means or method which is more efficient and what the Company tells us is that if you permit us to spend this money by helping a political party we expect results from that contribution which results will be beneficial to the company".‡

Definition of Efficiency

Disagreeing with the contention put forward on behalf of the appellants Mr. Justice Chagla stated: "It is difficult to accept Mr. Gokhale's suggestion that 'efficiently' in this context must be confined and limited to 'efficiently in regard to the actual production of iron and steel' and that only that alteration should be permitted which would enable the Company to produce iron and steel efficiently. There is nothing in the expression 'efficiently' which carries with it the connotation suggested by Mr. Gokhale nor is there anything in the plain natural meaning of that expression which would compel us to limit that word to a cost of production and to no other cost."*

On the question of publicity being given to the political contributions made by the Company, Mr. Justice Chagla's observations were more specific. He said: "We will add to the condition already imposed by the learned trial judge and we will impose the condition on the order passed by the learned judge confirming the alteration that the Company at the end of every financial year will publish in two leading papers in India one of which must be published in Bombay a complete statement of all the contributions and donations made by it to any political party or any political institution or any political cause."†

Besides the above observations and specific orders passed by the judges deciding the two cases which came up before them, there were certain other observations of a general nature which drew the attention of Parlia-

† [1957] 27 Comp. Cas 364.
* ibid pp. 606-7.

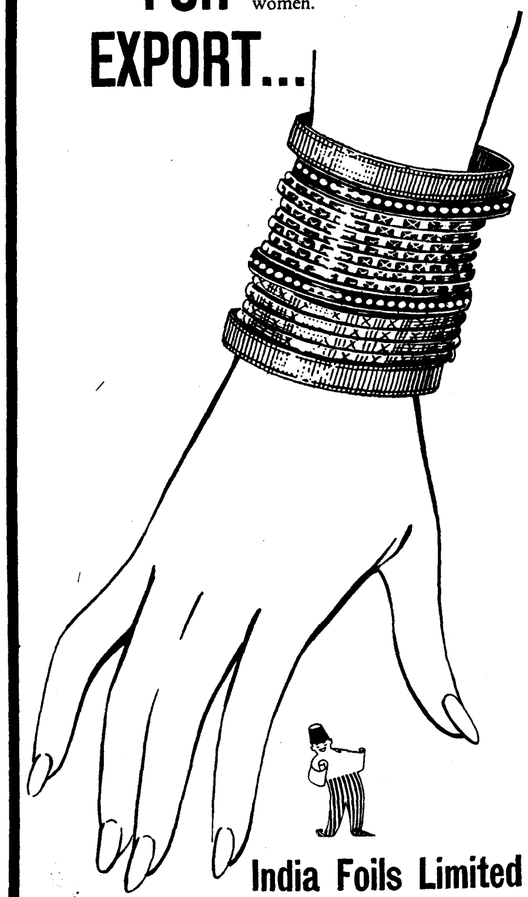
† [1957] 27 Comp. Cas. at 375-56.

* ibid p. 613.

‡ [1957] 27 Comp. Cas. p. 629.
* ibid p. 630.
† ibid p. 633.

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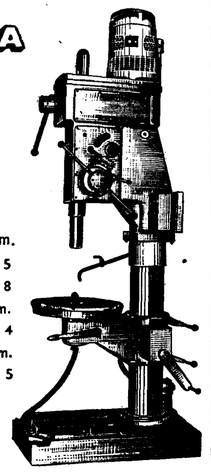
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ment and the people in the country and very frequently those observations were referred to in all the subsequent discussions on the subject.

In the Indian Iron and Steel Company case, Mr. Justice Mukherjee had made the following observations:

> "To induce the Government of the day by contributing money to the political parties or political funds is to adopt the most sinister principle fraught with great dangers to commercial as well as public standards of administration.... Persuasion by contribution of money lowers the standards of administration even in a welfare state of democracy. To convert convictions and conscience by money is to pervert both democracy and administration.††
>
> "Its (political contributions) dangers are manifold. Joint Stock Companies are not intended to be adjunct to political parties and possible sources of revenue for these parties. They are statutory bodies working under statutory conditions for different purposes. Secondly, it will induce the most unwholesome competition between business companies by introducing the race which could pay more to the political funds or political parties. In what competition, business interest is bound to suffer in the long run. In the bid for political favouritism by the bait of money the company who will be the highest bidder may secure unfair advantage over its rival traders and companies. Thirdly, it will mark the advent and entry of the voice of big business in politics and in the political life of the country."††

Mr. Justice Chagla in his judgment made the following general observations:

> "Democracy in this country is a nascent democracy and it is necessary that it should be looked after, tended and nurtured so that it should rise to its full and proper stature. Therefore, any proposal or suggestion which is likely to strangle that democracy almost in its cradle must be looked at not only with considerable hesitation but with a great deal of suspicion. Now democracy is a political system which ensures decisions by discussion and debate. But the discussion and debate must be conducted honestly and objectively and the decisions must be arrived at on merits without being influenced or actuated by any extraneous considerations. On first impression it would appear that any attempt on the part of anyone to finance a political party is likely to contaminate the very springs of democracy. Democracy would be vitiated if results were to be arrived at not only on their merits, but because money played a part in the bringing about of those decisions."†

He further said :

> "Before parting with this case, we think it is our duty to draw the attention of Parliament to the great danger inherent in permitting companies to make contributions to the funds of political parties. It is a danger which may grow apace and which may ultimately overwhelm and even throttle democracy in this country. Therefore, it is desirable for Parliament to consider under what circumstances and under what limitations companies should be permitted to make these conributions ..... In our opinion, Section 293 is not a sufficient check on this evil. Wide power is conferred upon the directors to make these contributions and with the consent of the company unlimited power is conferred on them. As we know from experience in a large number of cases the so-called sanction of the company is merely a camouflage. Either the directors control the company or some powerful group holds some large block of shares so as to control the voting. The least Parliament could do is at least to require the sanction of the court before any large amount is paid by the company to the funds of a political party but it has no voice to legislate nor has it voice to lay down the policy. But having had the case before us and our attention being drawn to the possible evils attending upon the powers exercised by the companies, we think it our duty to draw the attention of Parliament to the necessity of remedial measures being immediately undertaken to curb and control this evil."*

†† ibid p. 365.
† ibid p. 621.

Sastri Committee Report

The Sastri Committee in its report on the amendment of the Companies Act gave the fullest consideration to the observations and specific points made in the judgments delivered by the three judges on the foregoing cases. They also considered the provisions of the relevant legislation in the United States dealing with the lobbying and financing of political parties or candidates for elections and came to the conclusion that the question of political contribution was a wider issue and "the case of the companies could not be considered in isolation and contributions from other sources such as the bodies corporate, partnerships, societies, trusts, trade unions and even from individuals might have to be regulated or prohibited by a comprehensive enactment.

"This evil is a matter which falls outside the scope of the Companies Act," the Committee reported, and disagreeing with the observations made by the Appellate Bench of the Bombay High Court, it said "We consider that it is not desirable that companies should be called upon to seek the prior approval of the Courts to any contributions that they might like to make to the funds of any political party. Such applications would be a source of embarrassment to the judges and it is also not desirable that courts should get involved in political or quasi-political controversies.'"

On the question of publicity being given to the political contributions made by companies in the newspapers, the Committee said : "In support of the suggestion that such contributions should be promptly published in the newspapers immediately after they are made, the reason put forward was that if the information concerning such contributions was given to the shareholders long after the event, it would be too late for them to take any effective action..... Even if the publication in the newspapers were made immediately after the making of such contributions, the shareholders would hardly be in a position to recall the contributions already made.

"In view of the strongly expressed views of the High Courts, we recommend that full information relating to such contributions with particulars as regards the parties or organisations to which such contributions are made and the amounts of such contributions should be incorporated in the accounts and circulated to the members before the next annual general meeting. If the shareholders so decide at that meeting they may give proper directions to the board of directors on such contributions in the future.

"A further provision may be added as sub-section (6) to Section 293 in these terms: "Every company shall disclose in its profit and loss account every donation made by it during the year of account to any political party, giving particulars of the amounts given and the name of the person or persons, association or party to whom or to which such donation is made." Later, the Committee suggested a minor drafting change also to be made in Section 293(1)(e) by insertion of the word "annual" after the word "average" occurring in that clause.

* ibid p. 633.

The Sastri Committee's recommendations were accepted by the Government and Clause 103(b) of the Companies (Amendment) Bill 1959 as introduced in the Lok Sabha on 1st May, 1959, gave effect to these in the following words:

"103. In Section 293 of the principal Act—

(b) after sub-section (5), the following sub-sections shall be inserted, namely:

"(6) Every company shall disclose in its profit and loss account any amount contributed by it under clause (e) of sub-section (1) to any political party or for any political purpose to any individual or body during the financial year to which that account relates giving particulars of the total amount contributed and the name of the party, individual or body to which or to whom such amount has been contributed.

(1) The provisions of this section in so far as they relate to contributions made by a company to any political party or for any political purpose to any individual or body shall also apply to a private company which is not a subsidiary of a public company:"

Important Amendment to Act

The Joint Select Committee accepted the foregoing proposed amendment, but later on, as a result of the discussions in the two Houses of Parliament, this clause was withdrawn and in its place, a new section —Section 293A—was introduced by the Government and passed by both the House (*vide* Section 100 of the Companies (Amendment) Act, 1960) which became law with effect from 28th December, 1960. This new Section 293A reads:

(1) Notwithstanding anything contained in Section 293, neither a company in general meeting nor its board of directors shall, after the commencement of the Companies (Amendment) Act, 1960, contribute—

(a) to any political party, or

(b) for any political purpose to any individual or body,

any amount or amounts which or the aggregate of which will, in any financial year, exceed twenty-five thousand rupees or five percent of its average net profits as determined in accordance with the provisions of Sections 349 and 350 during the three financial years immediately preceding whichever is greater.

Explanation : Where a portion of financial year of the company falls before the commencement of the Companies (Amendment) Act, 1960, and a portion falls after such commencement, the latter portion shall be deemed to be a financial year within the meaning, and for the purposes, of this sub-section.

(2) Every company shall disclose in its profit and loss account any amount or amounts contributed by it under sub-section (1) to any political party or for any political purpose to any individual or body during the financial year to which that account relates, giving particulars of the total amount contributed and the name of the party, individual or body to which or to whom such amount has been contributed.

(3) If a company makes default in complying with the provisions of sub-section (2), the company and every officer of the company who is in default, shall be punishable with fine which may extend to five thousand rupees.

The introduction of the above Section 293A in the Companies Act thus marked an important change in the situation. It curtailed the power of every company whether public or private, or a private subsidiary of a public company, in this behalf to a contribution in any financial year, of Rs. 25,000 or 5 percent of the net profits during the three preceding financial years whichever is greater. In other words, neither the company in general meeting nor its board of directors can now exceed the limit which before this amendment came into force, could be exceeded by the company in general meeting.

Compulsory Disclosure

The new Section also requires disclosure in the annual accounts of the companies of all political contributions made by them in the relevant financial year showing the total amount contributed and the name of the party individual or body to which or to whom such amounts have been contributed. Such a disclosure was not previously compulsory. It is clear from this that Parliament has been more receptive to the idea of regulation of the powers of companies to make contributions by law than is the case in some other countries like the U.K. and many other Commonwealth countries—the countries with whose Company Law, the Indian Companies Act bears very close resemblance—who make no attempt to regulate the payment of contributions by companies to political purposes or parties. The companies in these countries can make contributions as a matter of commercial expediency and up to any extent provided it is empowered by its memorandum of association to do so. That is to say, in these countries, the position continues to be what it once used to be under the repealed Indian Companies Act of 1913.

Apart from the above specific Section dealing with political contributions, it may be mentioned that by virtue of an amendment to Section 192 of the Companies Act relating to filing of copies of special resolutions with the Registrars of Companies, companies have now been required to file a copy of every resolution—special or ordinary—passed by them in general meeting authorising their board of directors to contribute to charitable and other funds not directly related to the business of the company or the welfare of its employees any amount exceeding Rs. 25,000 or 5 percent of its average net profits during the three immediately preceding financial years whichever is greater in any financial year. This means that apart from the disclosure being made in the annual accounts filed with some time lag, companies are required also to inform the concerned authorities of any decisions on the subject by filing the relevant special resolutions with them.

Compliance with Law

Because of the close scrutiny to which the documents filed with the Registrars of Companies are now subjected and also as a result of the deterrent clause (3) of Section 293A which imposes a fine of up to Rs. 5,000 for lapses committed. Through the disclosure of information as required in clause (2) of the said Section, all companies have now been made to comply scrupuluosly with the law.

The collection of data in any consolidated form about the exact impact of this Section would, however, not

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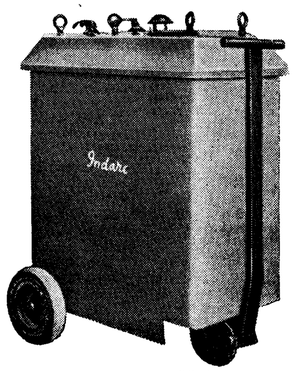
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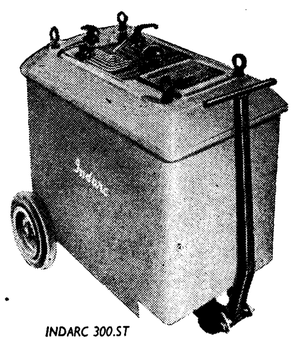
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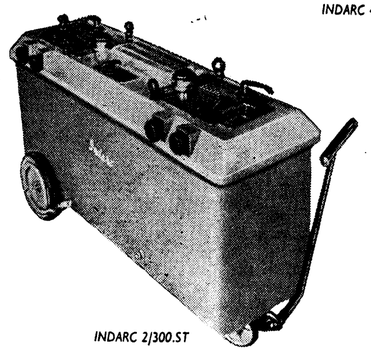
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be possible considering the stupendous job of scrutiny and processing involved in going through the annual accounts pertaining to 25,000 public and private companies at work. Still, an idea about the extent of compliance with the provisions of law can be had from a sample check of the annual accounts filed with the Registrars of Companies after the third general elections held in 1962. It is found from a random study of the annual accounts of companies that even such amounts as Rs. 10, Rs. 20 and Rs. 50 have been disclosed in the annual accounts of companies, let alone the big amounts contributed by corporate giants. This would seem to prove conclusively that in the corporate sector, there is both respect for the provisions of law and fear of administrative action for non-disclosure of facts and the provisions of the Act in this behalf have been adequate to ensure the fulfilment of the object underlying them.

Government Companies

It may be mentioned here that during the debates in Parliament, the attention of the Government was also drawn to the desirability of companies in which the Government had a substantial financial stake or interest, contributing to the funds of political parties. On the restrictions on the making of such contributions by Government companies, the Central Minister for Commerce and Industry said in the course of the debate in Parliament : "It was not the intention or policy of the Government that Government companies of which the Central Government was a member should directly or indirectly make any contribution to the funds of any political party or political purpose and that Government would bring this to the notice of all Government companies, that the policy in this respect in regard to statutory corporations under the control of the Central Government was the same as stated above and in regard to Government companies within the meaning of the Companies Act of which one or more State Governments were members and the statutory corporations under the administrative control of the State Governments, the Government of India would address the State Governments concerned requesting them to follow the same policy as the Central Government proposes to follow."

In accordance with the statement made by the Minister, all the concerned Ministries and Departments of the Central Government and State Governments were asked to issue suitable directives to the Government companies and statutory corporations under their administrative control so as to ensure that they would not make any contribution to the funds for any political purpose or of any political party.

To sum up, the position concerning political contributions and their disclosure by companies as it obtains today is very radically different from the one that existed before 1st April, 1956, under the provisions of a law passed four decades ago, that is, as early as in 1913. The change in law has broadly been in step with the change in the country's political conditions.

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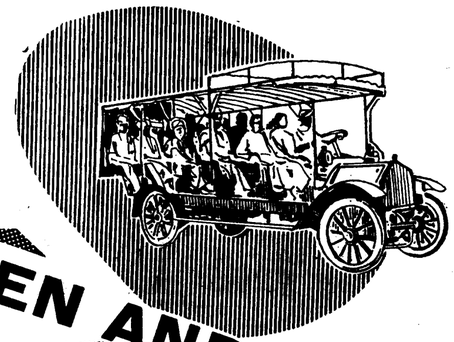
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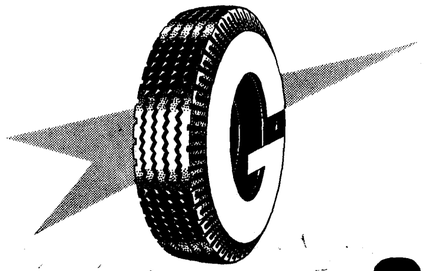
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Heavy Taxation and Restrictive Official Policy Hamper Progress of Road Transport

IN the modern world, economic underdevelopment stands as a challenge to human genius and the progress of mankind. With the achievement of India's political independence, among the first things to which this country has been awakened is a greater realisation of the barriers of economic backwardness, and a greater understanding of the need for diminishing the wide international disparities in economic prosperity. Economic development today is concerned with its much emphasised aspects of capital formation and a better exploitation of natural resources. With the forces of dynamism and changing trends in the progress of technology galvanising the economy towards more rapid development, a constant readjustment of the existing and potential forces of transport, commensurate with the needs of the time, becomes imperative.

By
F. P. ANTIA

President, Indian Roads and Transport Development Association Ltd

The search for a right policy for the development of transport as a strategic component of the infrastructure of a developing economy, is basically a search for a balanced growth of the different modes of transport in the country, as the provision of adequate, efficient and cheap transport facilities ranks among the essential prerequisites of a developing economy. In this context, the impact of a good road system on the rate of economic growth, is undeniable. Apart from opening up the country and linking up all areas with each other, an efficient road network can be instrumental in meeting the growing movements of goods and services necessitated by rapid industrialisation fostering balanced regional development and helping to raise the overall levels of consumption and distribution in the country.

The Internal Combustion Engine

The invention of the internal combustion engine, and its application to the transport industry has been by far the biggest contribution of the century towards human progress. Moreover, in the march towards higher living standards, road transport has proved to be the greatest single combination of economic activities in the history of mankind. In the U.S.A., for example, it provides direct employment to 10½ million persons, about two-thirds of whom are in the trucking industry alone. As for the indirect employment afforded by the motor-vehicle manufacturing industry, the magnitude is colossal. Further, the industry consumes 7 percent of all steel produced in the country, 48 percent of all malleable iron, 60 percent of all rubber, and is the largest single contributor to the U.S. *per capita* income of Rs. 10,900, which is the highest in the world. With the tremendous advance of technology during the last half century, and above all because of its flexibility, convenience, cheapness and speed, roads have provided a full-fledged alternative means of transport to rail and inland water, in the U.S. economy, and indeed an infinitely more efficient one.

Rural Sector

A good roads system assumes key importance in the entire process of economic growth. Its penetration into the remoter regions of the country can make all the difference between a stagnant countryside, and a nation springing to economic life. India's is essentially an agrarian economy, with rural India slumbering in her villages—550,000 of them, housing over 70 percent of the country's population. Although far from being homogeneous in geography, population density and culture, one fact common to them all is the backwardness of a good roads-communications system which severely restricts the size of their markets and hence their overall social and economic intercourse. With the third plan geared towards maximising the rate of investment in the country, and securing an increase in national income of over 5 percent a year, the problem today remains no longer solely one of shaking the nation out of a centuries old inertia; it is becoming as important to see that the fruits of the new enterprise and activity are spread efficiently among the teeming millions of this country.

Further, as an inevitable feature of a self-generating economy, with economic development characteristically moving in the direction of industrialisation, the overriding need of the country is to attract manufacturing industries to rural areas. However, as Adam Smith said: "The division of labour is limited by the extent of the market". And with the size of the market severely limited in the rural sector the establishment of the optimum form does not become justifiable, as the necessary stimulus for enhancing productive capacity is conspicuously lacking. As long as the rural areas remain depressed because of faulty transport facilities, one of the basic needs of the economy remains grossly neglected.

An adequate road network with its two-dimensional effect in space and time can provide an effective solution to the problem. In economic analysis, "space" is conceived in a negative sense, that is, as the distance which must be overcome. This is the so-called "friction of space" and the cost of overcoming it, the "distance inputs". If commodities can be carried cheaply from where they are produced to where they are consumed, the effect in terms of the dimension of space is to widen the market, and in consequence, increase the scale of production. In terms of "time", if output can be produced at the optimum level by reducing the capital cost a unit, the demand for working capital is minimised, thanks to the rapid turnover, and this can be a contribution of vital importance especially in an underdeveloped economy, where capital is notably scarce.

Although the scarcity of capital may be a chronic complaint in the country, there certainly is not any dearth of manpower resources. It, therefore, becomes one of the primary objectives of planning to ensure fuller opportunities of work and better living of all sections of the community. With available work opportunities spread too thinly even to produce a tolerable means of livelihood, mass exodus towards metropolitan areas constantly takes place, intensifying the congestion in already overcrowded cities. The road transport industry, apart from itself being highly labour-intensive, rural road construction programmes can do much to absorb the backlog in unemployment, which by its very enormity constitutes a challenge to this country.

Using All Resources

For maximising the benefits resulting from industrialisation, it is desirable that industries should be spread out to as many different regions as possible. In this connection, dispersion, decentralisation and industrial diversification have become the key words of regional planning. As a correct policy of location can form the framework of industrial orientation, the spatial structure of a developing economy needs to be carefully aligned by an industrial policy, so as to promote the optimum utilisation of its resource potential. The construction of a highway can exert a highly agglomerative influence on locational decisions, and thereby change the entire character and intensity of land use. With intensity of activity climbing steeply in and around the primary focus, a powerful gravitational field is formed, which helps to catalyse rapid economic development of the area, while simultaneously improving the accessibility of adjacent ones. No doubt, the resource endowments of a region give it an inherent growth potential, but the developmental topography can influence the locational policy of even resource-based industries, which do not normally seek centralised cities.

The difficulty, in readjusting this original unbalance and creating a successful competitive environment by accelerating the development of the remoter regions of the country, is only too obvious, in the absence of a well-laid transport network. The contribution of roads, therefore, to economic growth needs to be appreciated in a far wider context—particularly in an economy like India's, where the indirect benefits derived from their construction are much too great to be ignored.

Transport Shortages

Planning for transport requires perspective planning on the basis of the projected estimates of traffic generated during successive plan periods, so as to avoid any unbalance between different sectors in the economy. Together with the defence requirements, imposing an unprecedented strain on the transport network on account of exceptionally long hauls along the border areas, production visualised in the current plan period is expected to generate long-distance traffic of 375 million tons. With the railways being geared to handle 260 million tons, and assuming that roads and inland waterways can take care of even 40 million tons, there still remains the considerable gap of 75 million tons to be catered for. What with all sectors leaning heavily on the availability of transport, the situation is likely to be much worse during subsequent plan periods. As experience in all countries shows, the rate of increase in freight traffic far outpaces the rate of increase in national income. During the first decade of planning, while national income increased by 42 percent, freight traffic rose by 100 percent on the railways and 200 percent on roads. With the national income estimated to increase by 135 percent by March 1976, that is, to Rs. 33,000 crores, the ton-mile increase in traffic is likely to jump by over another 300 percent eclipsing the other indices in economic progress.

A frequent recurrence of shortages in transport has been common to the Indian economy, but the magnitude of the current shortage is particularly distressing in view of the severity of its impact on the production units in the economy, especially in the case of strategic commodities. No doubt there is the fundamental reality that bulky freight traffic over long distances will continue to be carried by the railways, at least for some time to come. Nevertheless, the observation needs to be qualified by the fact that the potentiality of road transport for traffic movements over long hauls has not even been remotely appreciated in this country. This system of potential growth and ever-increasing capacity, if allowed to step into the gap, as a full-fledged alternative agency of transport, can provide the much-needed balance in the transport structure of the economy.

The arrival of the age of roads, however, has received a lukewarm reception in India. Suffering from a historical hangover, the attitude of authorities has been that transport development is synonymous with railway development. Whatever justification such a policy may have had 100 years ago, in this age of spectacular advances in world communications, it is positively antediluvian and has lost all meaning. As Lord Keynes remarked: "The

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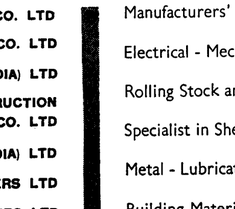
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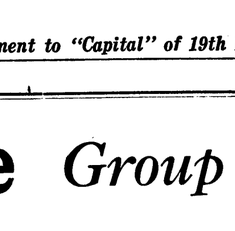
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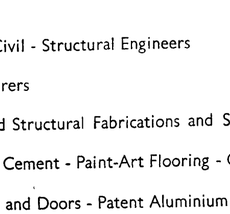
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difficulty lies not in new ideas, but in escaping from the old"—and this unfortunately is very true of this country.

The ideological implication apart, at a stage when the railways, having reached the maximum point of capacity within allocable resources, have proved physically incapable of handling all traffic that is offered—they have to be assigned a lower priority in the sphere of further expansion of overall transport. Such a situation makes it imperative to afford sufficient latitude to the other components of transport, to help them rise to their legitimate stature.

Logic dictates that an over-strained railway system needs to be assisted by diverting the surplus traffic to other modes of transport in the country, the real and effective alternative being road transport. As the British Ministry of Transport remarked: "Whatever unit of measure is used, ultimately road transport is the major means of inland carriage of goods".

Inadequate Roads

India, with her vast land mass, is a country eminently suited for road transport; in spite of this natural advantage the gross inadequacy of the road network is widely known. On the basis of road mileage for each square mile, India not only stands below the all-European average, but also below that of many Asian countries. For every 100 square miles of territory, the U.K. and France have over 300 miles of road, West Germany has 229 miles, the U.S.A. has 97 miles, and even Ceylon has 46.8 miles, while India has less than 30 miles, of which just 11.9 miles are surfaced. Many of the surfaced ones have a crust thickness of 9 in. to 10 in., which according to informed quarters is thoroughly inadequate even for the present volume and intensity of traffic. Further, of the 15,000 miles of national highways, only 2,300 miles are equipped with two-lane carriageways, all the rest having a single lane!

The paucity of the road mileage in the country is also reflected by the fact that thousands of the villages still lie isolated. The findings of a National Sample Survey show that about 36 percent of villages in this country lie six miles away from metalled roads, and about 25 percent of them, three to five miles away. Further 85 percent of the roads linking the villages to the nearest metalled road, are unmetalled or often mere foot-tracks. Isolation on so vast a scale precludes the infiltration of the fruits of progress into the remoter sectors of the economy—a thoroughly deplorable feature, which needs to be rectified as soon as possible. The Chief Engineers' Plan for road development proposes to raise the road mileage for over 100 square miles, from 26 in 1961 to 52 in 1981. Even this target represents a modest estimate of the minimum requirements of the country, and will still leave India far behind even the semi-industrialised nations of the world.

Another regrettable feature is the inadequacy of the existing road network in the country. The maximum economic usefulness of roads is considerably reduced due to the weakness of bridges and culverts, poor surfacing, narrow-width on high traffic density routes, tortuous alignments, traffic concentration on arterial routes, etcetera. Not only do these factors render the roads critically unsafe, but they also make road transport operation expensive. The operator, being forced to use small, uneconomic lorries, his operation costs are augmented by about 50 percent. Further, as tests conducted by the Indian Roads Congress have shown, modernising road surfaces can help lengthen the life of motor-vehicle parts, tyres, and also raise the fuel average. The annual loss to the industry on this score is estimated at Rs. 60 crores.

The public pays too high a price for these deficiencies, and it is in the public interest to remove, wherever possible, the excessive penalties imposed by deplorable road conditions. As a U.S. Commissioner of Public Roads once states: "We pay for good roads whether we have them or not, and we pay 'less' if we have them, than if we do not."

Insufficiency of Vehicles

The backwardness of road transport is further reflected in the insufficiency of vehicles, a factor which leads to the underutilisation of even the present sub-standard road network. As against 2,000 motor-vehicles for every 100 square miles of area in the U.S.A., 7,000 in the U.K., 6,000 in West Germany, 114 in Japan, 109 in the Philippines and 94 in Vietnam, India has just 45.

The second five-year plan laid down an annual target capacity for 40,000 commercial vehicles. Against this, the actual production by 1960-61 was less than 30,000 vehicles. To quote the third plan: "the insufficient supply of new vehicles, particularly during the last few years which is attributable to the shortage of foreign exchange, is the principal factor which has stood in the way of more rapid expansion of road transport during the period". It is difficult to understand why in an expanding economy, the number of vehicles produced should be limited at all. Even conceding that commercial vehicles have to be given priority in the allocation of scarce foreign exchange over passenger cars, the manufacture of even the former vehicles did not exceed 64 percent of the second plan target! This under-use of roads is a definite loss to the country.

Because of the continued hesitant approach towards roads, a legacy of British days, the overall allotment to the industry (including the I.D.A. loan) during the third plan period has been barely Rs. 450 crores, as against the Chief Engineers' modest recommendation of Rs. 590 crores. In a recent report, the World Bank estimated the transport needs of India at nothing less than Rs. 800 crores, that is, about 4 percent of the projected increase in national income during 1961-66. In view of the fact that the road transport industry will yield the exchequer a revenue of Rs. 1,000 crores during the period, there should have been no difficulty in allotting it the minimum of Rs. 590 crores, as recommended by the Chief Engineers. This gap in outlay is eloquent, and its warning cannot be missed, save to the detriment of all other sectors in the economy.

Increasing Traffic Demands

One can, therefore, hardly be complacent over the present road programme which is fast losing ground in relation to the nation's expanding traffic demands. In view of the backlog of Rs. 140 crores in the allocation under the third plan, coupled with the over-riding needs of defence, and very likely a bolder fourth plan, the pressures on the already inadequate road transport system will be intensified beyond question. It thus becomes imperative that substantially increased allotments be made to the industry in the fourth plan period, beyond the minimum Rs. 1,065 crores recommended by the chief engineers.

In a special survey undertaken by the World Bank relating to the problem of highway development in Bombay and Calcutta, considerable emphasis is placed on the cost benefit ratio, of Government's investment programmes. In this connection, Professor Leontieff's input-output techniques have proved a powerful tool of economic planning—particularly in areas where the interdependence of industries is less complex. The assessment, therefore, of the cumulative effects of various factors on the cost of highway construction requires carefully conducted road tests, and a scientific appraisal of relevant economic and engineering data. If sufficient investment is not forthcoming for the above purposes, there is likely to be further economic dislocation, through misdirection in the allocation of scarce resources.

Restrictive Licensing

As far back as in 1933, the International Chamber of Commerce laid down that it should be the principal objective of every nation to co-ordinate all the agencies of transport. Moreover, it was not the function of the State to favour one means of transport at the expense of another, but rather to create conditions for securing the maximum efficiency of all means of transport and furthering the evolution of each for the general welfare of the community. The Taxation Enquiry commission appointed by the Government of India more than ten years ago actually urged that India should adopt these principles through legislative enactment. As the Mašani Committee points out the principle of co-ordination "has not been fairly applied and has been working in a one-sided way so as to restrict road transport, ... as is evidenced by persistent attempts to impose a limit on the distance over which motor-vehicles can ply". Referring to the elaborate and dilatory

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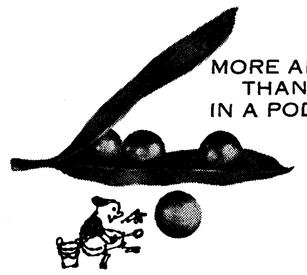
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procedures of the Motor Vehicles Act, the Committee states that the Act "exists more to restrict than to regulate, much less to develop motor transport". Although the 1956 amendment of the Motor Vehicles Act has relaxed some of the procedural hurdles, the relief accorded to the industry has hardly kept pace with the needs of the times.

The limit of distance—normally 300 miles—which is often placed on road hauls at the instance of the railways, is certainly an anachronism in the present-day situation. Although all States want to encourage long-distance services, the effectiveness of the railway lobby in opposing such services is retarding the growth of road transport, much to the chagrin of the public who clamour for these. Actually the obtaining of the permit is a vexatious process, with the process of counter-signatures entailing further delays. All this puts a brake on the expansion of the vehicle fleet in the country. The Inter-State Transport Commission has sanctioned the issue of a few hundreds of permits for routes traversing more than two States. Although a welcome measure, it is still inadequate. It has been suggested that for any appreciable effect to take place, a beginning with at least 6,000 permits ought to be made.

Tax Burden

Mobilisation of resources for securing an adequate rate of growth is no doubt the crux of the problem of planning. In an economy like India's with an adverse balance of payments position, rising price spiral and inflation, with its consequent limits to deficit financing, a substantial tax effort becomes an indispensable precondition to see the plans through. The effects of taxation, however, being complex, the techniques of resource mobilisation should consider what the optimum feasibility is, and determine the limits of each form of taxation pragmatically. This alone can ensure that the economic fabric is not stretched too far, or in the wrong places. Such pragmatic approach is denied to the road transport industry, on which the tax burden is pitched at so prohibitive a level, that it sharply impinges on its expansion.

There can be no doubt that the tax load apportioned to the motor-vehicle industry has been unusually harsh, the incidence being 200 percent to 300 percent greater than in most developed countries. With successive multi-pronged attacks in the anual Central budgets, the magnitude of the burden is so great that incredible though it sounds, taxation alone on the carriage of goods by petrol vehicles exceeds the actual freight rate charged by the railways. While the average rate charged by the latter is 6½nP a ton-mile, according to the Masani Committee, the tax incidence alone on petrol lorries works out at 7nP a ton-mile. With the recent Finance Bill geared to yield the exchequer an additional revenue of Rs. 54 crores from motor transport, the incidence is bound to be still greater.

The case against indirect taxation in general, and excise duties in particular, has long formed part of the corpus of economic theory. It is a case against a tax system which discriminates against particular goods, causing loss to the society viewed as consumer, as it makes prices diverge from marginal costs. It causes loss to the society viewed as producer, as the returns of the factors of production are made to diverge from the marginal product. Although this is strictly true only under purely competitive assumptions of economic theory, the implication of a rise in prices is none the less valid. Almost the entire incidence of the enhanced duties on motor-vehicles and fuel is passed on to the consumer in the form of increased prices, thereby aggravating the inflationary trends in the country.

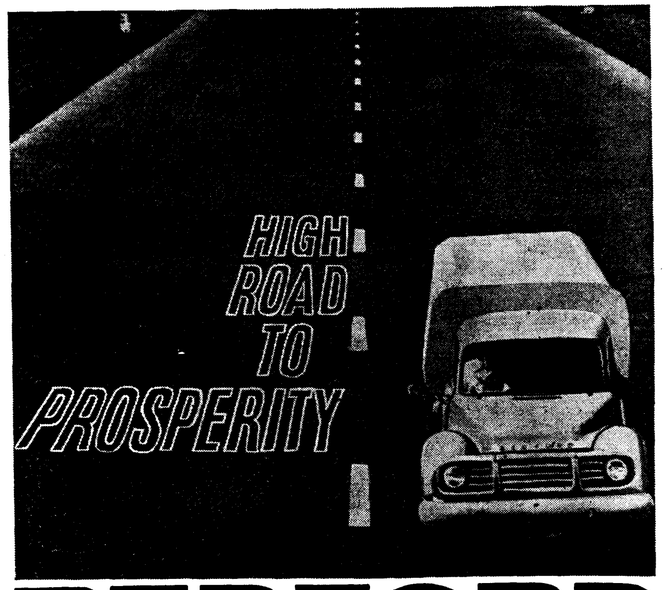
Tax Principles

It has been rightly argued that the price increases because of these duties are less inflationary in their effect than the haphazard and cumulative trends of deficit financing. But it has not simultaneously been appreciated that the need of the country today is not for a stabilising, neutralising policy, but for a revenue-yielding, investment-generating diversionary one, wherein the appropriate tax principles of productivity and expediency are accorded due consideration.

There can be no doubt that the road transport industry is sufficiently revenue-yielding, considering that it is estimated to contribute as much as Rs. 260 crores between the Central and State revenues. But there is every doubt about the expediency of such a policy, which through crippling taxation restricts the expansion of this much-needed industry. As for the investment-generating aspect, as has been calculated by the author, given a 25 percent reduction of the tax burden, the industry will be provided with sufficient impetus to expand vehicle production, a fact which in itself ought to fetch 50 percent additional revenue to the Central and State Governments.

The whole question of road transport needs more sympathetic and imaginative handling, to satisfy not only the needs of development, but also the supreme needs of defence and allied industries. As long as the railways continue to buckle under the increasingly heavy demands thrown on them, production targets will continue to lag behind. The only way to escape the *débâcle* and lower the cost of communications to more economic levels, is to deliver road transport from the hindrances of inheritence and alow it to develop to its full potential.

As President Eisenhower said: "Next to the manufacture of most modern implements of war as a guarantee of peace through strength, a network of modern roads is as necessary to defence as it is to our national and personal safety". The apathy of the Indian Government towards this vital problem can do much harm to the larger interests of the country. The road problem is a nationwide problem, requiring co-ordination, aid and guidance at all levels. In this context, the State has a decisive rôle to play, in order to ensure improvement of roads to adequate standards essential for the broad national objectives of military security in times of war, and total economic well-being in times of peace.



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Railway Capacity Improving but Still Great Scope for Alternative Transport

THE quality of railway performance used to be judged in the past from the point of view of the year's working, and the extent to which the transport demands of the year were met by the railways. The transport requirements did not vary much from year to year, the volume of traffic fluctuating with the vagaries of agriculture and the rise and fall in exports and imports. Over the years, it is true, a rising trend might be discerned. The financial success of the railways thus depended mostly on the external factors of agricultural and industrial production, domestic and foreign commerce, and these depended on the monsoons on the one hand, and the world conditions on the other. On these a careful watch was kept to ascertain the character of railway working and the financial results.

These factors are still important, but the basis of assessment of transport performance has altered somewhat. With the introduction of a planned economy, the five year plans have striven to raise steadily the total output of production in the country with the twin objectives of meeting the requirements of a growing economy and ensuring the benefits of better standards of life for a growing population. This means that a programmed increase is anticipated under both agricultural and industrial production from year to year. Thus the production of foodgrains rose from 51 million tonnes to 67 million tonnes during 1950-51 to 1955-56 and to 81 million tonnes by 1960-61. The third plan target for 1965-66 is 102 million tonnes. The industrial production index, taking 1950-51 as 100, advanced to 134 in 1955-56 and to 194 in 1960-61. The third plan assumes a target for 1965-66 of 320. These are striking, indeed unprecedented, increases.

By L. A. NATESAN

The overall figures do not distinguish between heavy and light industries, the impact of the expansion of which in terms of tonnage moved is bound to be different. From the point of view of sheer quantity, coal, iron ore and manganese ore constitute by far the largest. The comparative figures for select years are as follows:

	(In million tonnes)			
	1950	1955	1960	1961
Coal	32.82	38.84	52.63	56.10
Iron ore	9.92	4.75	10.68	12.19
Manganese ore	0.90	1.61	1.18	1.18
	37.64	45.20	64.49	69.47

Increasing Traffic Volume

These statistics disclose the essential problems of transport under the stimulus of planned development. Between 1950 and 1955, the additional tonnage for transport by rail was 7.56 million (metric). In the next quinquennium, it rose to 64.49 million tonnes, or by 19.29 million tonnes. When it is borne in mind that in 1950-51, the total freight carried by the railways was only 93 million tonnes, it will be appreciated that the figures of increase are indeed considerable.

The progress achieved and anticipated in industry, particularly in those making capital and consumer goods, is no less remarkable. The expansion in output may be illustrated by the statistics of output of certain select industries.

STATISTICS OF PRODUCTION OF CERTAIN SELECT INDUSTRIES

	1950	1960	1965-66
I. Capital Goods			
Commercial vehicles ('000)	9.5 (1955)	27.1	60.0
Diesel engines ('000)	4.6	41.7	66.0
Elec. motors ('000 h.p.)	82.0	681.0	2,500.0*
Power-driven pumps ('000)	30.0	102.0	150.0
II. Intermediate goods			
Aluminium ('000 tonnes)	3.7	18.5	81.3
Ammonium sulphate ('000 tonnes)	48.0	388.0	n.a.
Ball-bearings ('000)	41.0	2,699.0	15,000.0
Caustic soda ('000 tonnes)	11.0	99.0	345.0
Cement (million tonnes)	2.7	7.8	13.2
III. Consumer goods			
Bicycles ('000)	103.0	1,051.0	2,000.0
Cotton piecegoods ('000,000 metres)	3,351.0	4,616.0	5,304.0
Electric fans ('000)	194.0	991.0	2,500.0
Electric lamps ('000,000)	14.3	41.4	74.0
Radio receivers ('000)	44.0	267.0	800.0
Sewing machines	31.0	296.0	700.0
Sugar ('000,000 tonnes)	1.1	2.5	3.6
Vanaspati ('000 tonnes)	174.0	338.0	508.0

* For 300 H. P. and below.

The pronounced character of the increases—prodigious in some cases considering the short period in which it has occurred—indicates the great strain these have caused to transport. The capacity of rail and other forms of transport has had to be augmented in order to cope with the implications of these increases in traffic.

In order to render the detailed plans realistic and effective, a careful assessment needs to be attempted of the raw materials, output and their flow in all sectors of the economy, public and private. These calculations afford a rough basis to measure the volume of transport required for economic activity. Consequently, the difficulties experienced in transport are generally of a predictable kind and of the character which lends itself to be calculated and provided for.

Against this background, planning of transport has to be not merely one of doing the best within existing capacity. In view of the expansion of output attempted by the plans, that capacity is soon exhausted and has to be expanded in step with the growing demands. In other words, concurrently with planning for production, has to come planning for transport as well. In the years prior to the plans, the general attitude has been one of providing from time to time for a certain amount of excess capacity, so that this will take care of the additional needs of the future. When the facilities prove inadequate consequent on the growth of traffic, the capacity is then sought to be increased to a level which, as at present anticipated, would be sufficient to meet the future anticipated additional traffic over a period.

Built-in Excess Capacity

It is this type of built-in excess capacity which has encouraged the belief in the past that the railways could with appropriate pressure or compulsion be coaxed to carry more and more through greater efficiency and that demands for capital expenditure are suspect for the reason that the railways had in the past carried increased quantities of traffic without any call for fresh capital expenditure. It is only in recent years that it has been appreciated that during a period of rapid economic growth and a steeply ascending curve of production, this does not hold good and that augmentation of transport capacity has to be planned and provided for.

It is this consideration which renders the requirements of current and future transport policy quite different from those in the past. The implications when translated into practice are that, (a) it will be necessary to provide systematically for annual increases in traffic; and (b) each year transport planning should include, apart from that connected with the current demands, implementation of schemes calculated to bring about increased facilities of transport required in the future. The annual verdict on the efficiency of transport performance thus amounts to an appraisal of the adequacy of the facilities provided to cope with the current demands and the effort to augment capacity by the time it is likely to be required.

Transport Policy

From this point of view, it is of interest to examine the character of transport policy and planning during recent years. It is necessary to bear in mind that in current discussions rail transport has come in for greater attention, because, as compared with others, of its relatively advanced development, and the ease of centralised control and direction. Other forms of transport are essentially local in character, except in the case of inter-State road transport and coastal shipping. These are as yet limited in scope and operations.

The recent review of the third plan affords a convenient starting point. The very first year of the third plan faced heavy weather because of transport difficulties particularly in connection with the movement of coal from the Bengal-Bihar coalfields. The skimpiness of the Planning Commission's calculations of the financial provision for transport was felt in the very first year and an additional sum of Rs. 120 crores was added towards providing more facilities, for coal transport and for electrification programmes, doubling of track (250 miles), some more locomotives (350) and wagons (50,000), in addition to what had already been provided under the third plan. The shortfalls under certain heads, namely, steel plants and coal, afforded some relief to the traffic burden which might otherwise have proved too much for the railways to handle. The transport situation looked better in 1962-63 both for coal and general goods. The actual and anticipated tonnage since 1960-61 is as follows:

	(Million tons)
1960-61	153.8
1961-62	158.0
1962-63	173.0
1963-64*	190.0

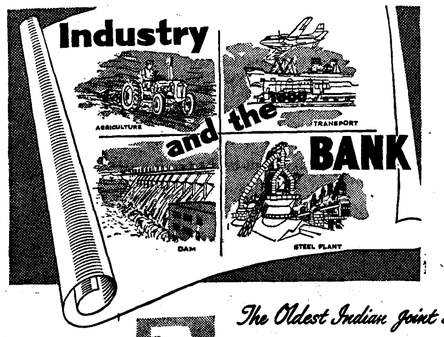
*Estimate

In order to attain the third plan target of 245 million tons, the annual increases during the next two years have to be of a very much higher order. The expectations, according to the Planning Commission's recent review, are that the traffic might indeed touch 260 million tons by 1965-66, even higher than that assumed in the third plan.

Augmenting Capacity

Confidence in these anticipations depends on the success of the current railway programmes for augmenting capacity. The production of wagons (in terms of four-wheelers) is reported to have increased from about 12,000 in 1960-61 to 19,100 in 1961-62 and to 23,000 in 1962-63. During the current year it is expected to go up to 30,000. During the first two years of the plan, electrification has been completed on 540 route miles bringing the total electrified track to 758 miles. About 900 miles of track have been doubled in particular sections. The operational changes to achieve more intensive utilisation of available capacity such as by resort to trainload movement of selected commodities, have also contributed to increased transport output.

How about the actual railway performance itself? For, unless railway working is conducted with progressive efficiency, the railways may find



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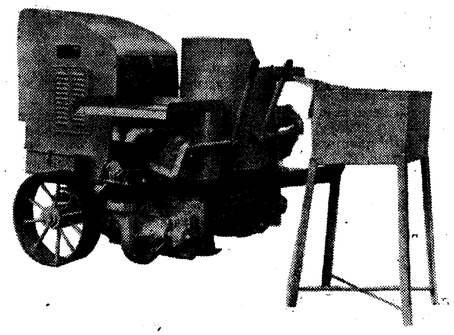
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hemselves unable to handle the teadily increasing volume of traffic. Capital assets may help to increase he railways' ability to provide adeiuate transport. If the additional ssets reflect technological improvenents, they are likely to prove even nore effective. Necessity as well as growing appreciation has happily ed to a greater emphasis on improvd technology than used to be the ase a few years ago. The effect of his is seen reflected in the indices of reight transport as shown below:

SELECT INDICES OF FREIGHT TRANSPORT

	1950-51	1955-56	1960-61	1961-62
Broad gauge				
Net ton kilometres a goods engine day on line	29,438	35,162	44,275	43,862
Net tonne kilometres a goods engine in use	45,000	50,952	65,011	63,614
Net tonne kilometres a goods train hour	8,590	8,570	10,808	10,533
Net load a train (tonnes)	489	539	656	657
Wagon kilometres a wagon day	62.3	74.5	76.9	76.1
Net tonne kilometres a wagon day	709	884	998	973
Metre gauge				
Net tonne kilometres a goods engine a day on line	10,813	14,849	16,977	18,307
Net tonne kilometres a goods engine in use	17,504	22,948	27,782	29,615
Net tonne kilometres a goods train hour	2,884	3,437	4,232	4,366
Net load a train (tonnes)	185	246	298	311
Wagon kilometres a wagon day	50.2	45.9	51.6	54.8
Net ton kilometres a wagon day	304	332	405	445

The increases indicated by these igures have been of an unprecedentd character. The essence of transport in its dynamic sense is *speed* and, here, there has been hardly any improvement. In fact, there has been a deterioration. The average speed of goods trains has declined on both broad and metre gauges as shown by the comparative figures. Obviously, the intractability of the speeds of goods trains is itself likely to make for congestion and reduced output. Dieselisation and electrification of the track in the areas of heavy traffic density should have contributed to increased average speeds.

AVERAGE SPEEDS OF GOODS TRAINS

	Broad	Metre
1950-51	17.4	15.0
1955-56	15.9	13.6
1960-61	16.1	13.7
1962-63*	14.6	13.5
1963 April	14.0	13.5
May	13.6	13.2
June	13.5	13.3

*Monthly average

Present Methods of Working

The present methods of working may need to be scrutinised in order to ascertain whether they stand in the way of optimum performance, and deriving the full benefit of the improved equipment and techniques. It is possible that the expeditious removal of elements of obsolescence which may retard the exploitation of the full potential of the improved assets, may by itself lead to an immediate augmentation of transport capacity. In a railway system more than a hundred years old, as with the Indian railways, this is an aspect deserving most careful consideration. For the time being, however, the delay in the maturing of certain projects in the steel and coal sectors has afforded substantial relief. But this is only incidental.

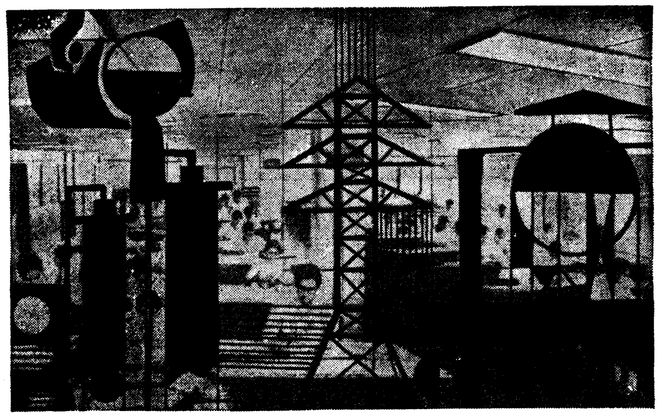
Railway planning and performance in recent months has been such as to inspire confidence in the ability of the railways to accomplish the tasks allotted to them in the plans. There are, however, certain aspects to which current transport policy does not appear to pay sufficient attention. Firstly, the railways should gradually cease to handle transport which can be better and more economically done by other means. In the absence of adequate alternative facilities, the railways are obliged to take over this task. The only effective means of relieving the railways here is by the development of alternative transport —by road and by water (inland and coastal). Unfortunately, the attention now devoted to the development of these additional transport facilities seems far less than what is required to ensure quick and satisfactory results. The Planning Commission has recently started some regional transport studies which are expected to indicate the appropriate spheres of activity of the different forms of transport, and thereby help to evolve a sounder policy of transport planning for the country. This may lead to some worthwhile findings, more to the purpose than the speculations of the Neogy Committee on the co-ordination of transport.

Secondly, the lack of a clearly visualised and well-defined policy on the cost of transport is producing a rather disturbing situation. It is not often realised that freight charges enter at several stages into the costs of production and distribution, and that if these are not properly kept in check, they would insidiously affect the cost of production and build up the pressure to inflate prices. It is to be feared that the dam has been breached by what the Finance Minister has done with his levies and what the railways have done about freight charges, all with the approval of Parliament. Other forms of transport have followed this lead with even less restraint. This raises a complex of problems of costs and prices, which need to be gone into most carefully and comprehensively. Hesitation to go into them now or any delay in examining these will only mean taking them up later when they might prove less tractable than now.

Urban Passenger Transport

The strain on passenger transport, specially in urban areas, has also begun to pose problems which would brook no postponement. Regional dispersal of industry, taken up at a sufficiently early stage, may help to avoid undue concentrations in and around big cities and thus keep down the consequential mass passenger transport in urban areas.

In an expanding economy, problems continue to emerge from all directions with an increasing sense of urgency, and these have to be dealt with in terms of a current as well as a long-term solution, fitted into an overall transport policy. The agency to go into these matters should be clearly the Ministers concerned—the Ministry of Transport and the Ministry of Railways—at the Central level with the help of their counterparts in the States. The essence of a successful transport policy is a constant awareness of the present and future demands for transport and of the steps to be taken to meet them.



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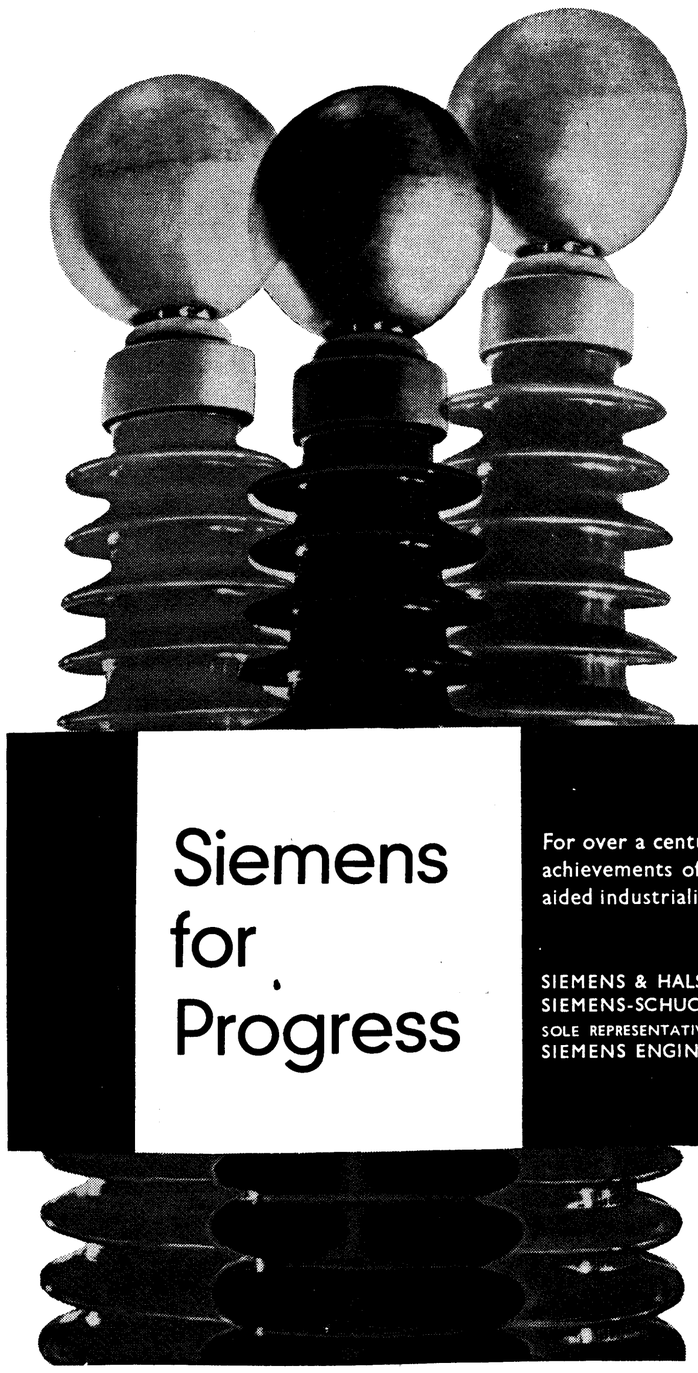
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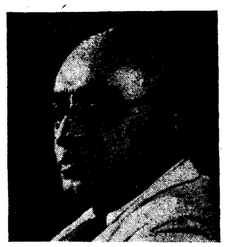
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Defects in Indian Planning: Realistic Assessment Needed

A basic weakness of Indian planning is the lack of authentic statistics. The adoption of the Communist model with its emphasis on heavy industries to the neglect of agriculture and consumer industries is another weakness. Mr. Shroff suggests that India should adopt "indicative" rather than "imperative" planning, as has been done by the French.



By

A. D. SHROFF

A LITTLE over 40 years ago, as a student at the Elphinstone College in Bombay, I used to spend considerable time in the library reading what I consider to be some of the classics on Indian economics, such as the Budget speeches of the late Gopal Krishna Gokhale and papers of the late Dr. Dadabhai Naoroji. For instance, the following passages from *Poverty and Un-British Rule in India* by the Grand Old Man of Indian politics give one even today an insight into one of the important problems of the Indian economy, namely, deficiency of authentic statistics.

"Parliament requires a yearly report of the moral and material progress of India; and a Statistical Committee is formed at Calcutta to supply the necessary information. This Committee has prescribed certain tables to be filled up by the different Governments in their administration reports.

"The Central Provinces and Burmah reports are the only two complete in their agricultural tables as far as practicable. Four others (Madras, North-West Provinces, Punjab and Oudh) give them imperfectly. Bengal and Bombay gave the least, or none, up to 1869-70. For what I could not get from the reports, I applied to the India Office, which naturally replied they could not give what they did not get from India. It will be seen, therefore, that I have been obliged to work out the production under much the quality even of such as is given is defective. For instance, in the tables of prices of produce in the different districts of the Central Provinces, in order to get an average the prices are added up together, and the total is divided by the number of the districts. This principle is generally adopted by the returns made by all the Governments on average produce or prices. The principle, however, is altogether fallacious. In taking the average of prices, the quantities of produce sold at the different prices are altogether lost sight of. In the same way, in taking the average produce of an acre, the extent of land yielding different quantities is overlooked.

"The result, therefore, is wrong, and all arguments and conclusions based upon such averages, are worthless. Taking the instance of the Central Provinces in the administration report of 1867-68, the average price of rice is made out to be Rs. 2.12.7 per maund, when in reality the correct average will be only Rs. 1-8 per maund. Again, the table for the produce of rice per acre gives the average as 579 lbs, when in reality it is 759 lbs. Now, what can be the worth of conclusions drawn from these wrong averages? These averages are not only worthless but mischievous. It is a pity that, with large Government establishments, more accurate and complete information should not be given. I sincerely trust that future reports will not only work averages upon correct principles, but also work out the total production of their respective provinces. *Then* only we shall know the actual condition of the mass of the people. All 'I thinks' and 'my opinions' are of no use on important subjects. The whole foundation of all administration, financial and general, and of the actual condition of people, rests upon this one fact—the produce of the country, the ultimate result of all capital, labour and land. With imperfect materials at the command, and not possessed of the means to employ a staff to work out all the details as they ought to be, I can only give approximate results."

Deficiency of Statistics

One of the basic weaknesses of Indian planning even today is deficiency of statistics of an authentic character. The *Census Report of 1961* has brought this out vividly. It says:

"One also notes that what is impressive is not so much the rate of increase, which up till now has never been inordinately high, and for past decades even quite low, but the large absolute increments. The Census Commissioner for 1961 aptly called 1921 the Great Divide, while the last decade may be viewed as a great leap forward. For the actual count in 1961 surpassed even the most generous of expectations, having exceeded by more than 8 million the highest estimate ever made before the census. The Registrar-General in 1951 had forecast an upper limit of 407 million, Kingsley Davis 402 million, Coale and Hoover and T. Chellaswami 424 million, and the Planning Commission expert committee 431 million. These estimates appear to have failed to project the cumulative effects of the elimination of recurrent famines and epidemics on the one hand and pandemic malaria on the other, the former after the first World War, the latter after the second World War which had carved up the country, as it were between themselves in two distinct regions."

I would like to congratulate the Indian Government on republishing at moderate prices classics of Indian economics such as Dr. Naoroji's writings. Every student of Indian economics should read them.

As a life-long student of economics, I feel similarly rewarded by a study of some of the latest literature on economics from communist countries. I recommend to students of Indian economics study of speeches by Mr. Khrushchev and the statements of Communist Parties of Russia, Yugoslavia and Poland, justifying the changes being effected in the economies of those countries. For instance, citing reasons for large grain imports from Canada, the U.S.A. and Australia, Mr. Khrushchev recently said the following, thus stressing the importance of developing agriculture, a lesson which the Indian planners are slowly learning now:

"The Central Committee of the Party is presently planning to carry out such measures which will make it possible to lay a stable foundation for our country to obtain big guaranteed harvests, especially of grain. As already mentioned, we shall not proceed from the size of sown area, but from harvests, from produce.

"The more important thing is to make people interested in the realisation of this task, to create material incentive for them and to think over and introduce a more rational organisation and remuneration of labour. The question of labour remuneration is a very important one. I would even say it is a cardinal problem in managing agriculture."

Importance of Incentives

The importance he places on "incentives" needs to be appreciated by developing countries. Or, once again, the resolution of the Communist Party of Russia, in March 1962, justifying higher prices for essential foodstuff laid stress on "material incentives". It said:

"It is necessary to raise the purchasing prices of meat and milk in order to make production of these products economically profitable for the collective farms, to give the latter the necessary accumulations, and to interest them materially in swiftly raising output of animal husbandry products. This, however, calls for vast sums of money. Where should they be taken from?"

The outstanding impression one gains from the classics on Indian economics and material like the above quotations is that economics is a matter of common sense. Laws of economics are inexorable. Political or ideological considerations or legislative enactments cannot defeat or overcome those laws. Countries which have before them an adventure of raising the standards of living of the masses would, therefore, do well to understand and implement those laws which even totalitarian communism has not succeeded in defying.

The foremost problem before India today is to eliminate poverty by rapid and large-scale economic development, and, to accomplish this within the framework of a democratic society. It is a great consolation to learn that even socialists like the Prime Minister have categorically emphasised (his speech in Jaipur on 2nd November) the need to maintain the democratic character of society, and there is a growing recognition that socialism may not fit in with a democratic society. There is no dispute about the method also for democratic planning. I cannot do better than state this economic process in the inimitable words of Dr. Ludwig Erhard, father of the West German economic miracle. I am quoting him extensively because

these passages have a special significance for us today.

"The real contradistinction is not between free and planned economic systems, nor between capitalist and socialist economic systems, but between a market economy with free price-level adjustment on the one hand and an authoritarian economy with State controls extending into the sphere of distribution on the other. In the last analysis, it is simply a question of whether the market as the voice of the economic society as a whole or, alternatively, the State or some other collective entity is better able to decide what is conducive to the common good or the well-being of all. It is still a widely held fallacy that the outcome of free competition is to arrest movement and change within the social structure or at least to set up economic strains and stresses. In actual fact, all liberal-minded experts with a sound knowledge of the social organisms are agreed that it is precisely the other way round, that it is the limiting of freedom of movement that throws the economy out of balance and produces crisis after crisis, each more unmanageable than the last.

"Provided in future the State sees to it that neither social privileges nor artificial monopolies impede the natural process by which economic forces reach and maintain a state of equilibrium, and that the operation of supply and demand is allowed free play, the market will adjust the total input of economic forces so as to create optimum running conditions and to compensate any mistakes made at the controls. Anyone who wishes is welcome to believe that a planning and regulating economic authority might be a better judge of the economic intentions and wishes of society; but just let him try to prove it. What can be said is that in a free market economy mistakes of judgment in the management of affairs automatically produce price changes with all their attendant repercussions, whereas in a State-directed economy, there is always the danger that equally serious mistakes can be covered up and left to fester until they ultimately erupt with elemental force. We have had experience in recent years of how easily a State-directed economy can deteriorate, by imperceptible stages, into a travesty of what an economy should be.

"Our criticism is thus not directed against the planned economy *per se*, whose manifold forms can be variously interpreted, but most definitely against the State-controlled authoritarian economy which, if carried to its logical conclusion, wipes out the market and robs the consumer of all freedom of choice. On the other hand, a collectively managed economy responsive to market reactions is a contradiction in terms and, therefore, unthinkable; disregard for the wishes of the consumer as reflected in market reactions is bound to destroy freedom of action and stems from the fallacy that human happiness can be secured by maximum satisfaction of statistically measurable needs. So, even assuming that the authority wielding economic control had no other motive than to serve the good of the community—and this not even the socialist State guarantees—it is still open to doubt whether the people as a whole would prefer any form of collective economy to the free market economy."

Scathing Criticism

There is considerable disillusionment in India today about the planned economic progress achieved so far. Criticism of Indian planning and the Planning Commission is no longer confined to non-officials and the general pubic. Some of the scathing criticism emanates from the ranks of the authorities themseves like the Prime Minister and the Finance Minister. While the present position, composition and mode of functioning of the Planning Commission itself has to bear considerable responsibility for the frustrating state of affairs, the fault lies essentially with the model of planning chosen for the country.

The first plan was merely an accumulation of projects, some of which were started before the plan was initiated officially in 1951, and some even before the country became independent. The plan, nevertheless, was a success, thanks to its realism and the bounty of nature. The trouble started with the second plan. It was based on the communist model of planning. Unfortunately, the error has been repeated in the third plan. So one sees the sad spectacle of appraisals and reappraisals, frequent upward revision of targets, talk of "core" and "hard core", lack of balance in the economy, serious deficiencies in basic sectors like steel, coal, cement and power, and above all the hardship of rising prices suffered mostly by the fixed income groups.

In other places, I have enumerated the characteristics of the communist model of planning and illustrated its failure not only in India's democratic set-up, but also in communist countries. For instance, neglect of agriculture has led Russia today to import huge quantities of foodgrains from Canada, Australia and the U.S.A. At one time, before this communist experiment started, Russia was an exporter of foodgrains. Only 11 years ago, addressing the nineteenth Communist Party Congress, Mr. Georgi Malenkov, the then Central Committee Secretary, made the statement: "The grain problem, formerly considered the most acute and serious problem, has been solved, solved definitely and finally in the Soviet Union." The statement looks pathetic today, and the present position confirms the basic law of economics, namely, agriculture should receive priority.

The demand for consumer goods—in acute short supply—is also a characteristic feature of the communist model of planning. It is interesting, above all, to note the return to basic economic laws such as the "profit motive" (Dr. Liebermann's thesis is well known by now to every student of Soviet economics), linking remuneration to productivity, providing "incentives" for larger production, and an attempt to measure real costs of production. If planning had not been based on ideology, but on realism, all these distortions could have been avoided.

What is currently happening in India is something similar, although

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the people here are still enjoying a democratic form of Government. Having applied the communist model of planning, the economy is undergoing unnecessary strains and stresses. The attempt at such *centralised, comprehensive* planning, with its inverted sense of priorities, and multitude of frustrating controls is impeding rapid economic progress and producing distortions in the economy. The situation can best be illustrated by the following news item in a Bombay financial daily of 10th October, 1963:

"A curious situation has developed in the Madras region in the matter of cement supplies.

"Many public-sector undertakings hold more stocks than they need. To some of them, it has become a problem to find godown space.

"At least one of them has wired to the authorities to stop sending any more stocks for some time.

"Also, it is reported that large quantities of cement are lying idle with an Andhra producer for want of transport facilities.

"Meanwhile, there is a decline in building operations because of the Government's extra care to stop the flow of cement into the black market. This is reflected in the fall in the price of bricks from Rs. 85 to Rs. 15 to Rs. 25 a thousand, below the controlled rate.

"The supply position of iron and steel materials has also eased."

Distortions and Maladjustments

Such distortions and maladjustments in a free economy are automatically eliminated by the market mechanism. But under centralised, comprehensive planning, such distortions are the order of the day. They cannot be dismissed as harmless. Particularly in this stage of India's economic development, they impede production which is the need of the hour.

The attempt at unnatural forcing of the pace—under centralised comprehensive planning—is also resulting in the wasting of scarce resources, thus defeating the purpose of planning. Russia tried such a policy, only to backtrack with the New Economic Policy; and, recently, Mr. Khrushchev's realism, aimed at increasing production and productivity and giving the Russian people consumer goods which they desire is slowly dissolving the centralised, comprehensive planning. While implementing the communist model of planning, China has run into difficulties. It is amusing to read the observations of Russian commentators on China's experiments which have been described as "foolhardy". The following report appearing in the Indian Press in October 1963, makes interesting reading:

"A Russian economist, Mr. A. Belayaev, said the Chinese leaders had ignored Soviet advice against defying 'all laws of economic development'. Taking cover behind 'loud revolutionary phrases', the Chinese leaders had replaced 'planning and cost accounting' by 'volitional decisions'," he said.

"Mr. Belayaev said: 'The Chinese leaders in essence declared war both on machinery and technical experts, maintaining that scientific norms of exploitation of equipment and utilisation of labour power were not meant for them. The result was that industry, having chalked up rates of growth beyond its powers, fell through and suffered a big setback.

"The output of the primitive steel and iron furnaces proved worthless. The labour and tremendous material resources spent on their construction were completely wasted. Major enterprises, a large part of which was built with the help of Russia, were worked till they were worn out, with no attention paid to repairs.

"The setting up of agricultural communes brought down considerably the production of foodstuffs and raw materials for industry.

"He said that the Russian advice against this ruinous policy was rebuffed as 'conservative' and 'everything was done to make the sojourn of Soviet experts in China unbearable'.

"The Soviet economist added that all this led in the end to an 'abrupt drop in the living standard' of the Chinese people."

The example of Russia and communist China is before India. The latter's own experience confirms the futility of comprehensive, centralised planning. So it is time that a shift in India's planning techniques was effected.

Indicative Planning

The planning India can usefully implement is "indicative" planning as distinct from the "imperative" planning of the communist model. France has successfully applied such planning. It means first, the setting up of national goals of economic development, then consultation with all interested parties like industrialists, trade union leaders, officials, and finally, the devising of suitable fiscal, monetary and administrative policies to help all people engaged in production to achieve those goals.

If such planning were adopted in India, it would highlight the enormous tasks before the Government of India to help economic growth. Every ounce of administrative energy and every naya paisa of the scarce resources in the country need to be conserved and used in the best possible manner for fulfilling those basic tasks. I cannot do better than quote Professor Milton Friedman as to the proper sphere of action of the Government to contribute towards economic growth where such "indicative" planning is adopted:

"There is a right way and wrong way to do most things. Planning is the appropriate use of means for the achievement of objectives. In this country (i.e., India), planning is taken to mean the attempt by a centralised agency to establish a pattern for the economy as a whole and to enforce it by a host of specialised and detailed controls, including Government engaging in certain enterprises and so on. This whole paraphernalia, which in this country goes by the name of planning, is in fact bad planning, because it is almost guaranteed to defeat rather than to promote your objective.

"On the other hand, a Central Government which maintained law and order, provided for the national defence, secured people in the enforcement of private contracts freely entered into, provided a stable monetary framework, fostered the spread of elementary schooling and the improvement of road communication and, for the rest, fostered a free market to enable millions of individuals in this country to use their own resources in accordance with their own objectives—such a Government would be engaging in good planning, in planning which was suited to the promotion of economic development in the sense of the improvement of the lot of the ordinary man."

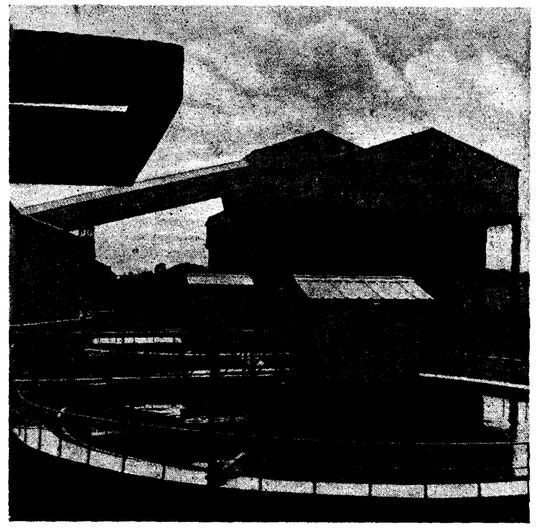
Candid Admission

The leeway India has to make up in this direction is considerable. It is the everyday experience of citizens as to the shortfalls in elementary services which it is the duty of the State to provide. Only two recent newspaper items are cited to point this out. One of them is an admission by a State Minister as to the way the administration is moving; the other is a pathetic letter from a reader to the editor, which highlights how the deficiencies in the vital postal and telegraphic services are harming the common people:

"Ahmedabad—The Minister for Panchayats, Gujarat State, said here yesterday that the quick redressal of public grievances depended to a great extent on the quality of Government officials. Pointing out an instance where a petition to the Development Officer lay unattended for 17 days, he said that such delay was inexcusable in view of the fact that Government officials are not loaded with much work. All petitions henceforth will have to be attended to in three days by the respective officials, failing which strict action will be taken against them. The Government, he said, is devising suitable measures."

"Sir, On 31st August, 1963, I sent Rs. 100 by telegraphic money order from the Goregaon Post Office to my home on an urgent request, needed to repay a certain Government loan. They received the amount on 6th September, 1963. The delay caused much hardship and they had to sell their cattle in order to repay the loan. What is the use of sending money by T.M.O. if it cannot reach destination in time? Who is responsible for this delay? The postal authorities should look into the matter urgently."

I hope that at least now realistic considerations will displace ideology in our economic policies. Human welfare can be achieved only on the basis of practical considerations by respecting basic economic laws and taking into account human nature as it is.



A coal washery

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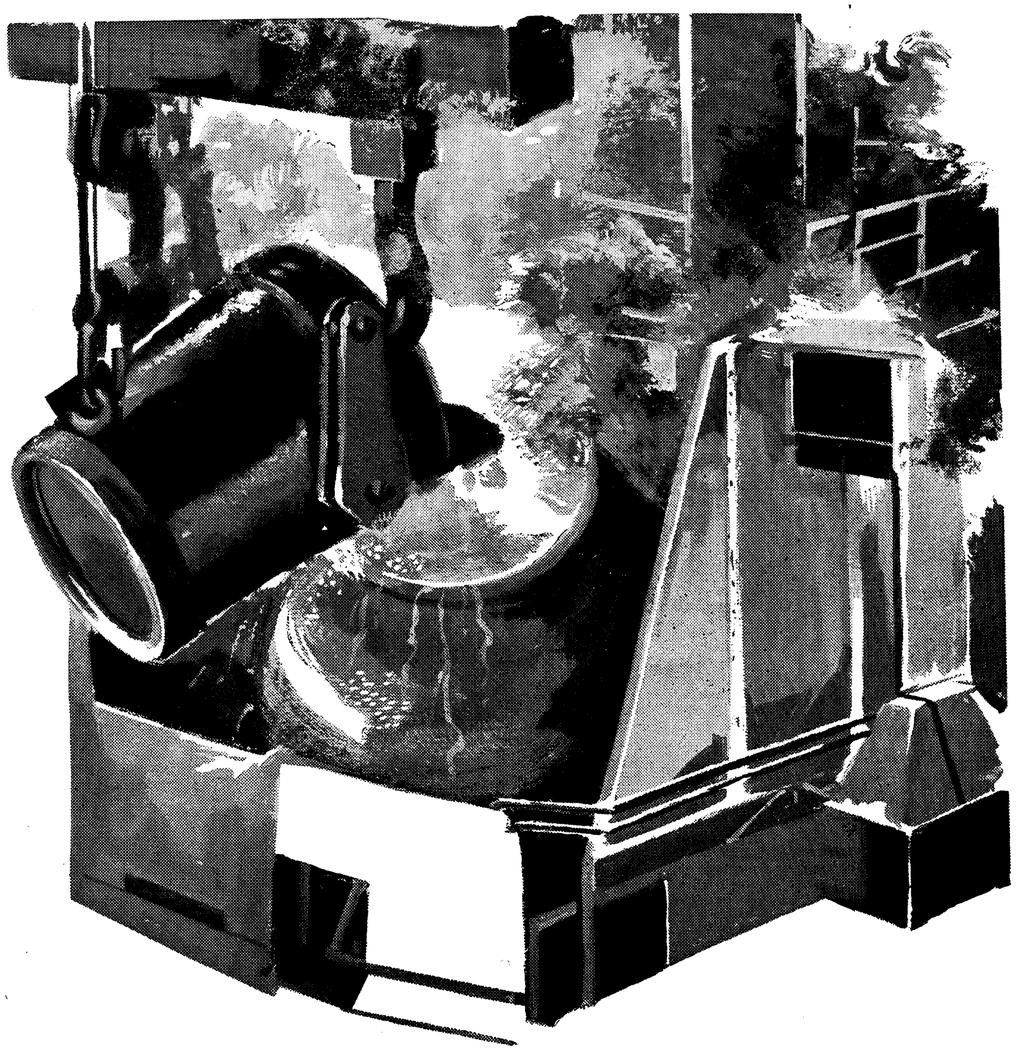
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Bank Deposits and Advances Rise with the Growth of National Income

By

D. BRIGHT SINGH

AS general purveyors of credit, commercial banks play an important rôle in financing economic development. In a developed free enterprise economy, a large part of national savings is routed through the agency of commercial banks into channels of profitable investment. Even in low income countries in which financial institutions have not been well developed, business enterprises depend to a large extent on banks for their capital requirements. As industries are started and trade and commerce expand, the demand for banking services increases in proportion, while the growth of banks and other financial intermediaries in turn promotes further economic expansion. Thus the standard of economic development of a country is reflected in the structure and organisation of its credit institutions.

A review of banking developments in India in recent years brings out clearly the close interdependence between economic expansion and the growth of commercial banking. In the last 12 years of planned development in India, national income has increased by about 43 percent and, at the same time, the proportion of savings canalised into investment through the agency of commercial banks shows a substantial increase. Between 1951 and 1961, the number of offices of scheduled and non-scheduled banks in India increased from 4,119 to 5,111. This was made up of a progressive decline in the number of non-scheduled banks from 1,473 to 723 and a progressive rise in the number of scheduled banks from 2,646 to 4,388. The offices of foreign banks increased in number slightly from 64 to 71 while that of the State Bank of India rose from 391 to 946.

The personnel employed in the banks in India increased from about 70,000 in 1951 to over 100,000 in 1962. The aggregate deposits and advances of commercial banks and their paid-up capital and reserves during this period went up from Rs. 834 crores, Rs. 544 crores and Rs. 69 crores to Rs. 1,955 crores, Rs. 1,302 crores and Rs. 81 crores, respectively. This growth is quite commendable, but considering the vastness of the country, the size of its population and the large needs that will arise as economic development gains momentum, it should be deemed inadequate. As late as 1962, it was reported that "there are still as many as 1,018 towns out of a total number of 2,690 in the country which are not served by any office of commercial banks."

Economic Expansion

The trends in bank credit in India in the past 12 years reflect the important changes that have come over the country's economy. The different phases of the expansion of scheduled bank credit on the whole synchronise with the phases of growth of national income and the trends in investment and deficit financing. This is illustrated by the figures in the following table:

TABLE I

TRENDS IN BANK CREDIT AND ECONOMIC CHANGE

(In Rs. crores)

	1. National income at current prices	2. Aggregate investment (a)	3. Budgetary deficit of Centre and States (b)	4. Money supply	5. Scheduled bank liabilities (c)	6. Scheduled bank credit (c)	7. Ratio of 6 to 5 (percent)	8. Wholesale price index (d)
1950-51	9,530	607	—	1971	—	—	—	111.8
51-52	9,970	693	135	1804	893.3	532.1	59.6	—
52-53	9,820	550	84	1765	857.5	519.5	60.6	100
53-54	10,480	583	72	1794	852.1	491.4	57.7	101.2
54-55	9,610	714	38	1921	904.1	551.9	61.1	89.6
55-56	9,980	951	211	2184	994.1	603.9	60.7	92.5
56-57	11,310	1,349	246	1213	1,087.1	744.0	68.9	105.3
57-58	11,390	1,273	471	2389	1,269.6	873.7	68.9	108.4
58-59	12,600	1,347	271	2499	1,550.7	892.7	57.6	112.9
59-60	12,840	—	192	2703	1,768.9	961.9	54.4	117.1
60-61	14,200	—	113	2901	1,952.8	1,107.1	56.7	124.9
61-62	—	—	115	3049	1,956.3	1,253.2	64.1	125.1

(a) Source: *Reserve Bank of India Bulletin*, August 1961. p. 1209.

(b) Source: for the years up to 1954-55 *Report on Currency and Banking 1955-56* and for the years from 1955-56 to 1961-62 *Report on Currency and Banking 1962-63*.

(c) Relate to calendar years beginning 1951. Source: *Trend and Progress of Banking in India, 1961*. p. 54-56.

Base 1952-53=100.

Scheduled bank credit reached a high of Rs. 532 crores in 1951 raising the ratio of credit to liabilities to 59.6 percent. Over the first three years of the first plan, both liabilities and credit declined slightly, the annual average being Rs. 868 crores and Rs. 514 crores, respectively. It may be noted that the level of investment in the economy decreased from Rs. 693 crores in 1951-52 to Rs. 550 crores in the next year, but improved to Rs. 583 crores in 1952-54. In the next two years, as investment rose sharply to Rs. 714 crores and Rs. 951 crores, bank credit also registered a sharp increase. It reached Rs. 744 crores in 1956-57 and rose to Rs. 874 crores and Rs. 893 crores in the next two years. There is also an appreciable rise in the level of investment since 1956-57. Between 1956-57 and 1959-60, scheduled bank liabilities increased faster than credit, so the credit liabilities ratio receded from the high of 68.9 percent in 1956-57 to 54.4 percent in 1959-60. Since then the trend has been reversed, the rate of expansion of bank credit being higher than that of liabilities.

Rôle of Government

The expansion of bank credit becomes possible when the supply of resources of commercial banks is increased and along with it there is a rise in the demand for bank credit. In a planned economy like that of India, where the Government plays an important rôle in economic development, public expenditure affects both the supply and demand sides of bank credit. Since planning started in the country, the public sector has been responsible for making large annual investments which have directly affected the level of activity in the private sector as well. It may, in fact, be said that Government investment has set the pace for general economic activity in the country. When the Government raises its investment and the current resources are found inadequate to meet the rising need for them, large borrowings are made from the central bank. When the central bank lends to the Government and the latter makes use of the credit by issuing cheques to its employees, creditors, contractors, etcetera, and when the money is deposited with commercial banks, the reserves of these banks are augmented. Also, if there is pressure on commercial banks for funds because of increased needs of the business sectors, the central bank's action to relieve this pressure by lending to the banks through rediscounts or purchase of securities or through advances would strengthen the free reserves of commercial banks. The increase in money supply and in deposits of commercial banks resulting from a rise in public investment and deficit financing is reinforced if there is a surplus in a country's external accounts.

On the demand side, the influence of public investment is less direct. The demand for bank credit comes largely from the private business sector. Even as the central bank's holding of Government securities measures the extent to which deficit financing is resorted to by the public sector, a net increase in the volume of commercial bank credit reflects deficit financing by private business. The demand for more bank credit arises from the fact that the investment activity by the State and large spendings by the Government exert a general stimulating influence on business. In a period of economic expansion when the demand for bank accommodation is high, it would be difficult for the banking system to resist the temptation to expand credit with a view to making profits for themselves. The lending activity of commercial banks directly leads to an increase in money supply and thus helps to raise the level of effective demand. There is, however, the likelihood of a lag between public investment activity and the demand for commercial bank credit. Initial investment in the public sector brings about a rise in money incomes. To the extent private investment activity does not follow close on the heels of public investment, there is an excess supply of money with the public, a part of which gets deposited with commercial banks. And as private investment gains momentum, there is increased demand for bank advances. Recent trends in deposit liabilities and advances of scheduled banks in India illustrate the influence of these factors.

Trends in Bank Deposits

Scheduled banks' deposit expansion commenced from 1953, marking a distinct break with the preceding years and continued at a steady rate up to 1955. The major factors responsible for this uptrend were budgetary deficits and surpluses in the balance of payments which in the three years 1953-54 to 1955-56 totalled Rs. 321 crores and Rs. 73.3 crores, respectively. The rate of expansion of deposits slowed down in 1956. This was the combined result of the opposite influences exerted by a rise in investment expenditure and deficit financing on the one hand and a large balance of payments deficit on the other. A phase of steady and rapid growth in deposits started in 1957 and the trend continued up to 1960. Over these four years, the deposit liabilities of scheduled banks increased by Rs. 872 crores or at an annual rate of Rs. 218 crores. Many factors contributed to this uptrend. Severe restrictions on the import of raw materials as well as capital goods limited the opportunities for fresh investments and induced private business concerns to accumulate their deposits with banks. The hardening of interest rates on fixed and savings deposits would have been an additional incentive for such shifting of resources and might have led to a switch over from current to time deposit accounts and possibly also from non-banking to banking accounts. The setback in the rate of growth of deposits in 1961 is to be explained partly as the effect of the change in procedure for the banking of the P.L. 480 funds. Up to May 1960, these funds had been kept with the State Bank of India, mostly in the form of time deposits and the greater part of

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them was invested by the bank in Government securities.

Since May 1960, fresh funds of P.L. 480 have been maintained with the Reserve Bank which invests them in special securities. Besides, the funds under this head remaining with the State Bank at the time the earlier arrangement was terminated, have since then been transferred to the Reserve Bank in instalments of Rs. 12 crores a month. But apart from this, the smaller order of deficit financing, the widening of the balance of payments gap which necessitated the net sales of sterling and the decline in public confidence in banks caused by the closure of two banks would also have adversely affected the growth of bank deposits. In addition, there are evidences to show that in view of the stringent monetary conditions, and the offer of high rates of interest by a few industrial companies, depositors with idle balances were induced to resort to direct financing, on a cash basis, of some transactions on the market. Subsequent to 1961, however, deposit growth has revived. Among the factors which helped this improvement must be mentioned the measures taken by the Central Bank towards toning up the banking system. The compulsory mergers of small and inefficient banks and the setting up of the Deposit Insurance Corporation, which started functioning on 1st January, 1962, would have restored the confidence of the public, while the withdrawal of the 2-percent ceiling on the call deposit rate and the offer of slightly higher deposit rates by commercial banks would have operated as incentives for the building up of bank deposits. Higher deposit rates offered by the banks helped in averting the diversion of deposits to the non-banking sector and in attracting them back to the banks.

Deposits Rise

During the 11 years from 1951 to 1961, deposits of scheduled banks increased from Rs. 893 crores to Rs. 1,956 crores or by 119 percent. This substantial growth of deposits is the result of two major factors, namely, the increasing money incomes of the community generated by the large investment expenditures in the two five year plan periods and the spread of the banking habit geographically over a wider area and among various classes of income earners. The number of bank accounts increased by 13 percent in the first plan and 55 percent in the second. That the spread of the banking habit contributed substantially to the growth of deposits is evidenced by the fact that since 1955 the rate of deposit expansion has been the highest in centres with a population of 50,000 and less, against a smaller rise in the larger centres. Much of this increase was in the savings and fixed deposit accounts of smaller income earners. The increase in the ratio of deposit resources of all commercial banks to currency in circulation from 72 percent in 1950 to 86 percent in 1960 and the rise in the proportion of all deposits to the total monetary resources (i.e. currency and bank deposits—both current and fixed) lend further support to this view.

Impressive as this expansion has been, it is important that there is further substantial growth in the next few years. With the rapid industrialisation of the country and the growth of the private sector and the implementation of the public investment programmes in the third plan, the pressure of demand for bank funds would increase and this can be adequately met only by intensive mobilisation of resources by commercial banks. So far, progress in the establishment of banks in rural areas has been satisfactory only as far as the State Bank is concerned. Larger mobilisation of deposit resources is possible only through the extension of banking facilities to rural areas and the newly developing regions, more efficient banking service and the establishment of closer contact between the agents and officials of banks and the investing public.

Trends in Bank Credit

The trend in bank advances is determined by the investment activity in the public and private sectors, industrial and agricultural production, price level, conditions of foreign trade, level of employment and the Government's trade and commercial policy. When demand and prices are high, and the prospects for profits are bright, business men are prompted to increase their investments in order to expand their businesses or start new ones and to add to the stock of industrial materials. Dealers in agricultural commodities also require bank accommodation under similar conditions. An increase in the deposits adds to the resources of banks and facilitates their lending. Apart from this, they draw on their excess reserves or add to their liquid resources by unloading their investments especially in Government securities and by borrowing from the central bank. As a result of credit expansion, the expending power of the community is increased, but in so far as the creation of credit by banks is preceded by a rise in the level of economic activity which in turn may be influenced by the Government's investment policy and the central bank's preparedness to meet the Government requirements, it would be incorrect to hold the commercial banks primarily responsible for any inflationary trend in the general price level. However, to the extent commercial banks take a hand in providing finance for unproductive purposes such as Stock Exchange speculation, they contribute directly and actively to inflationary price rises.

The trends in scheduled bank credit in India since 1951 fall into four rather well-marked phases—a decline in the first three years of the first plan, a rapid rise from 1954 to 1957, a slow rise between 1957 and 1959 and a sharp increase since then. The decline up to 1953 reflects the impact of the restrictive monetary policy adopted by the Reserve Bank in 1951. As a result of the raising of Bank rate and the Reserve Bank's abandonment of the policy of supporting Government securities, credit became costlier, and banks came to exercise greater caution in their lending policy. The decline in commodity prices which started in the first quarter of 1952 and uncertainties about business prospects discouraged inventory building and contributed to the downtrend in bank advances. The generally restrained nature of bank credit continued in 1953 because of difficulties facing certain export industries.

It was, therefore, possible for the banking system to meet the credit demands without much difficulty mostly out of their own resources. The revival of bank credit in 1954 was due to improvement in production, the rise in the level of business activity and the consequent increased scope for trade and finance. The rise in the volume of foreign trade and the resumption of private trading in foodgrains were also contributory factors. The increased credit demand was met partly out of own resources and substantially through borrowing from the Reserve Bank which was facilitated by the liberal policy under the bill market scheme. The uptrend in bank credit was maintained in the next two years by large Governmental capital outlays, high levels of private investment, increase in industrial production and a sharp rise in prices. The advances deposit ratio was stretched, rising from 57.7 percent in 1953 to 68.9 percent in 1957. The strain on the liquidity position of banks compelled them to reduce their investment holdings in Government securities in order to expand their advances in response to the rapidly growing credit demands of trade and industry. The scarcity of funds in the money market also induced commercial banks to attract fresh deposits by offering higher rates of interest.

Pace of Growth

In the years 1957-59, the pace of growth of bank credit slowed down, the increase in these years averaging only Rs. 72.6 crores a year. A recession in industrial production, decline in new issue activity and some slackening in private investment activity accounted for this trend. The adoption of a restrictive credit policy by the Reserve Bank, the implementation of selective credit control measures and the steps taken to control the speculative use of bank finance must also have had their effect. The slackening of credit expansion against a rapid rise in deposits enabled the banks to make large additions to their investments. Banks absorbed Treasury bills and also subscribed to State and Central Government loans. Of the record rise in investments amounting to Rs. 206 crores in 1958, Government securities accounted for over Rs. 202 crores. At the same time, commercial banks reduced their reliance on the Reserve Bank for funds, and their borrowings under Sections 17(4) (a) and 17(4) (c) declined sharply. Thus in the first three years of the second plan, while total scheduled bank advances rose by about 40 percent, bank deposits increased by as much as 55 percent. However the high degree of liquidity attained by the banks did not necessitate any action on the part of the Reserve Bank to freeze the excess liquidity in so far as a large proportion of the liquid resources at the disposal of the banks was in any case diverted to investment in Government securities.

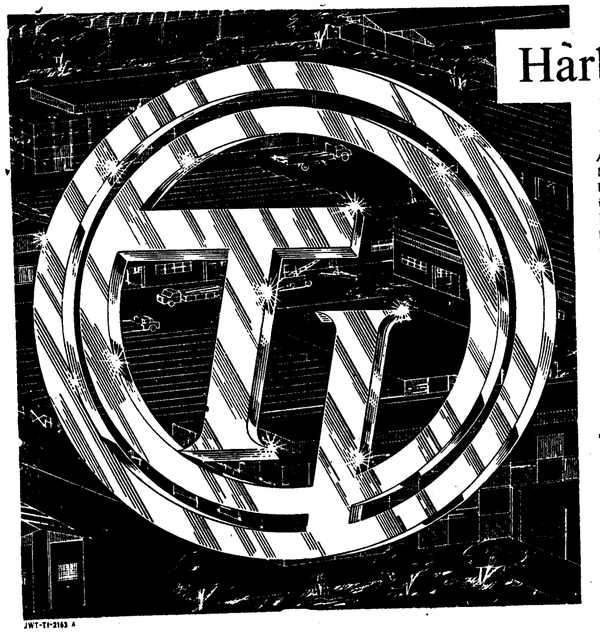
Since 1959, there has again been a rapid rise in the advances of commercial banks. Scheduled bank credit increased from Rs. 893 crores in 1958 to Rs. 1,253 crores in 1961 and touched a peak level of Rs. 1,437 crores in the first week of May 1962. The credit deposits ratio moved up from about 55 percent in 1959 to about 70 percent in the second quarter of 1962. Credit against manufacturers and minerals and against stocks of raw materials went up sharply in 1959. There was besides a substantial rise in advances secured against iron and steel and engineering products. However, the expansion in advances for commerce was greater than that for industry. With an increase in industrial and agricultural output and a rise in overall investment in the economy in 1960, the pressure of demand for bank funds became more intense. In that year, bank credit to the private sector rose by Rs. 246 crores or more than one-third of the total increase during the second plan period.

The high level of investment in the public as well as the private sectors, accumulation of large stocks with industry and trade, and the rise in the prices of industrial raw materials and manufactures, combined with some speculative activity on the stock and commodity markets, necessitated a rise in commercial bank credit to a level higher than it had reached before. Since the demand for advances increased faster than the growth of deposits, bank investments in Government securities had to be reduced, and commercial banks had to resort to larger borrowings from the central bank. These amounted to about Rs. 50 crores, against less than Rs. 1 crore in 1959. Industrial credit in the aggregate went up by Rs. 144 crores in this year, and the expansion was shared by most of the major industries, such as cotton textiles, sugar mills, jute mills, iron and steel and engineering. As for the last mentioned two industries, considerable increase in bank credit was necessitated by the expansion of the iron and steel industry in the private sector and the growing financial requirements of the trade in marketing the iron and steel produced by the public-sector steel plants. The expansion of credit to trade and industry in 1961 was moderate, compared with the rise in the previous year due largely to a slight recession in industrial output. On the other hand, growth of deposits was much greater in 1961. The rise in bank credit gained further momentum in 1962 and 1963. At the close of March 1963, total scheduled bank credit reached the high level of Rs. 1,588 crores and the ratio of credit to deposits moved up to 77.8 percent.

Shifts in Composition

The important changes that have come over the economy in the last few years are reflected not only in the steady uptrend in bank credit and money supply, but also in the significant shifts that are noticeable in the direction of bank credit as well in the composition of deposits. One striking feature of the trends in commercial bank credit in recent years is the more or less steady rise in the proportion of advances to industry as against commerce. Table II on the following page showing the distribution of advances according to purpose, illustrates this trend.

In the decade 1951-61, the share of industry in total scheduled bank advances increased from 33.5 percent to 54.2 percent while that of commerce and trade declined from 52.8 percent of the total in 1951 to 28.6 percent in 1961. The attraction of a greater volume of bank funds by industry and the relative decline of trade and commerce in this matter is an index of the industrial growth of the economy. The concentration of investment in trade and commerce in which capital turnover is quicker and the risk element is less is characteristic of the investment pattern in underdeveloped economies. Hence the fact that industry has been able to attract



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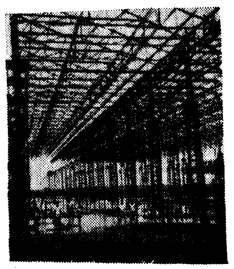
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TABLE II

ADVANCES OF SCHEDULED BANKS ACCORDING TO PURPOSE
(Share of each expressed as percentage of total advances)

	1951 Dec. 31	1952 Dec. 31	1953 Dec. 31	1954 Dec. 31	1955 Dec. 31	1956 Dec. 31	1957 Oct. 25	1958 Oct. 31	1959 Oct. 30	1960 Oct. 28	1961 Oct. 27
Industry—total	33.5	35.1	34.5	34.3	34.3	38.5	43.6	47.9	44.7	51.2	54.2
Cotton	8.0	9.3	10.6	10.6	7.7	10.3	12.6	14.7	12.8	11.6	11.2
Jute	6.5	2.8	3.7	2.4	2.3	3.3	3.2	2.8	2.0	2.1	1.9
Other textiles	2.1	1.9	2.2	2.4	2.4	2.6	3.0	2.2	4.6	1.8	2.0
Iron and steel	0.9	1.1	1.4	1.0	1.1	1.0	4.4	2.6	3.0	3.0	2.9
Coal and other mining	0.6	0.8	0.9	0.8	1.1	1.0	1.0	1.2	1.5	1.3	1.1
Engineering	2.7	3.4	3.2	3.9	4.8	7.4	7.7	8.7	8.9	9.0	10.4
Sugar	3.0	5.4	2.2	2.4	3.9	4.1	3.2	2.9	1.8	3.8	6.0
Cement	0.1	0.2	0.2	0.2	0.6	0.4	1.1	1.6	1.5	1.4	1.6
Public utilities	0.7	1.0	1.1	1.2	1.7	0.8	0.9	0.8	1.0	2.3	2.0
Vegetable oil—crushing and refining	1.7	1.4	1.6	1.6	1.8	1.3	1.2	1.2	1.3	1.3	1.3
Chemicals	1.5	1.0	1.7	1.6	1.5	1.8	1.7	1.7	2.1	2.8	3.0
Others	5.7	6.1	5.8	6.0	5.5	4.6	6.1	5.4	4.1	3.9	4.6
Commerce and trade	52.8	46.7	49.2	49.9	50.1	47.5	42.7	37.6	39.9	29.6	28.6
Agriculture	2.2	4.2	2.4	0.8	1.8	1.7	2.7	2.6	2.7	0.6	0.7
Personal and professional	7.3	7.8	8.7	8.5	8.6	8.5	7.0	8.0	8.4	8.8	8.6
All others	4.2	6.3	5.2	6.5	5.3	3.8	4.0	4.0	2.5	3.5	2.7

Source: *Trend and Progress of Banking in India.*

to itself an increasing proportion of total bank advances may be taken as indicative of a healthy development of the country's economy. It is worth noting that among the industries listed in the above table, the share of the traditional ones and those which have existed in the country for a relatively long period of time, such as cotton and jute textiles, sugar, vegetable oil crushing and refining, has fluctuated within a limited range or gone down. On the other hand, new industries like engineering and chemicals whose potentialities for further expansion are great and which would contribute substantially to the overall growth of the economy, show a rapid improvement—the share of the first going up between 1951 and 1961 from 2.7 percent of total advances to 10.4 percent and that of the latter from 1.5 percent to 3 percent during the same period. There is a marked increase in the proportion going to the iron and steel industry—from less than 1 percent to about 3 percent.

Industrial Progress

The effect of industrial progress is also seen in the modification of the seasonal trends in bank credit. In most parts of the country, the busiest part of the year is the last and first quarter; and the slack season is covered by the six months from April to September. Usually, the lowest level of the slack season is reached in August and September and the maximum height of the busy period is attained somewhere in the first or second month of the year. In relation to agricultural produce, bank advances show marked seasonal variations but advances against manufactured products are non-seasonal. Hence as the non-agricultural or industrial sector develops and expands and bank advances against these commodities increase, they considerably moderate the seasonal variations in bank credit for agricultural commodities. This compensatory effect is illustrated by the seasonal and non-seasonal advances offered in 1961 and 1962.

TABLE III

SEASONAL TRENDS IN BANK CREDIT (SECURITYWISE CLASSIFICATION)
(In Rs. crores)

	Busy season		Slack season	
	1960-61	1961-62	1961	1962
Seasonal advances (against the security of food and non-food crops)	+168.0	+126.9	−117.4	−121.3
Non-seasonal advances (against the security of manufactured and engineering goods, shares and debentures, gold and silver bullion)	+30.8	+53.0	+35.6	+61.7
Total secured advances	+198.7	+179.9	−81.9	−59.6
Unsecured advances	−0.1	+12.9	+7.3	+16.8

Source: *Trend and Progress of Banking in India, 1962.* p. 5.

The attenuation of the overall seasonal variations indicates that a large part of the increase in advances is being absorbed by the new industries with a non-agricultural basis, such as iron and steel, engineering and chemicals. The speculative use of bank credit for maintaining stocks of some commodities would also have tended to submerge seasonal trends. Over the years 1951-62, the expansion in bank credit was brought about by a steady rise in the expansion in successive busy seasons and by less pronounced contraction in the slack seasons. The fall in the decline of bank credit in the slack seasons has been due to the fact that the decrease in bank credit against seasonal commodities is largely offset by an increase in credit against non-seasonal commodities, reflecting the higher rate of industrial output and the fast expansion of the secondary sector of the economy. As may be seen from Table IV, credit expansion in the busy seasons has been on the whole upward; while in relation to the slack season contraction—with the exception of three years—the trend has been generally downward. The large contraction in the slack season of 1958-59 was due to the relative slackness in industrial activity, lower imports and the continuation of the overall policy of credit restraint pursued by the Reserve Bank. In 1959-60 and 1961-62 also, the decline in scheduled bank credit was quite marked, exceeding Rs. 70 crores in each year. The appeal of the Governor of the Reserve Bank to banks in 1959, calling for a reduction of Rs. 100 crores in credit during the slack season of 1959, might have been responsible to some extent for the large contraction in 1959-60. The similar sharp decline in credit in the slack season of 1961 was due to the appreciably small expansion in credit against non-seasonal commodities and a large contraction in credit against seasonal commodities. This close approximation to the seasonal trend, which was normal in the earlier years, appears, however, to be exceptional.

TABLE IV

SEASONAL VARIATIONS IN BANK CREDIT, 1951-62
(In Rs. crores)

Year	May-October Slack season	Busy season November-April
1950-51	− 62.0	+172.6
1951-52	− 85.9	+ 95.7
1952-53	−119.6	+ 78.1
1953-54	− 90.0	+112.0
1954-55	− 62.0	+109.0
1955-56	− 31.6	+164.5
1956-57	3.7	+148.5
1957-58	− 41.9	+ 89.3
1958-59	−117.9	+181.5
1959-60	− 79.0	+188.9
1960-61	− 20.3	+198.5
1961-62	− 74.6	+199.5
1962-63	− 41.1	+203.9

Source: *Reports on Currency and Finance.*

On the side of deposits, a notable feature is the larger increase in time deposits compared with demand deposits. The figures in the following table show the relative trends in the growth of these two type of deposits:

TABLE V

RELATIVE SHARE OF TIME AND DEMAND DEPOSITS (AS PERCENTAGE OF TOTAL DEPOSITS)

Year-end	Time deposits	Demand deposits
1951	37.2	62.8
1952	40.1	59.9
1953	43.0	57.0
1954	40.8	59.2
1955	42.1	56.0
1956	44.8	55.2
1957	51.5	48.5
1958	58.3	41.7
1959	63.3	36.7
1960	60.4	39.6
1961	59.3	40.6

Source: *Trend and Progress of Banking in India.*

Between 1951 and 1961, demand deposits increased by 40 percent but as a proportion of total deposits declined from about 63 percent to 41 percent. Time deposits rose by about three and a half times and their proportion from 37 percent to about 60 percent. Savings deposits doubled, but their share remained constant at about one-sixth of the total deposits. The much larger growth of time deposits in relation to demand deposits should be attributed to the steady rise in national income as a result of planned economic development and the spread of the banking habit. It is fair to assume that the higher rates of interest offered on time deposits would have provided an attraction to the small savers and the expansion of banking facilities would also have contributed to some extent to the mobilisation of savings of those classes of people who benefited by a rise in money incomes. The spread of the banking habit among larger sections of the people is indicated by the increase in the number of new deposit accounts. In the ten years 1950-60, it went up by about 2.5 million or 75 percent. Of these, savings deposits accounted for about 1.6 million. The proportion of these to the total number of accounts increased from 59 percent to 62 percent. The number of time deposit accounts rose by about 650,000 while that of demand deposits increased by only 200,000. The relative share of the latter to the total number of accounts declined from 32 percent to 22 percent.

As for the trends in the ownership pattern of deposits, one finds that the largest absolute rise was in personal deposits which increased by Rs. 380 crores or nearly doubled in the years 1951-61. Of the total increase in personal deposits, savings deposits accounted for one-third and time deposits for two-thirds. Business deposits (excluding those of business concerns owned or managed by the Government) went up by Rs. 168 crores or by 54 percent. The increase in business demand deposits was negligible, but business time deposits expanded by nearly two-and-a-half times. As a proportion of total deposits, business deposits declined from 37 percent to 30 percent while personal deposits remained unchanged at about 48 percent. In addition to personal and business deposits, Government and quasi-Government deposits also showed a substantial increase.

Agriculture and Small Industry

Apart from the general expansion of bank credit and the shifts in the direction of advances, an important recent development is the adoption of certain measures by the Government for the purpose of directing the flow of bank credit into particular sectors of the economy which have so far failed to receive such facilities. Commercial banking in India has, for long, been criticised for its failure to provide financial assistance to agriculture and small-scale industries and its reluctance to advance medium-term credit to bigger industries. This attitude of commercial banks cannot, however, be attributed exclusively to their conservatism or adherence to traditional principles of banking. In reality, the development of banking and economic advancement of a country are interdependent. One helps the other. In India, small-scale industries and agriculture have failed to attract the attention of commercial banks, because of the general backwardness of the economy, the low standard of literacy of the people in the villages, the absence of the practice of keeping accounts, inadequacy of marketing and warehouse facilities, the lack of security and the existence of a considerable element of risk in industries. But in a scheme of planned economic development, the progress of agriculture and small industries is given as much importance as the development of bigger industries. In the absence of financial facilities forthcoming in the normal voluntary manner from commercial banks, the Government has taken up the responsibility of canalising savings through agencies managed or controlled by it. The



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measures adopted in this direction are three-fold: (a) provision of rural credit (b) provision of financial assistance to small and medium-sized industrial units and (c) extension of medium-term credit to industries.

(a) State Bank and rural credit: Since its establishment in 1955, the State Bank of India has been taking an increasing interest in rural credit. However, financial assistance that the State Bank is rendering is indirect, being routed through co-operative societies and is confined mostly to the marketing and processing of agricultural produce. It has taken the form of advances to co-operative banks against Government securities and against the repledge of produce at a concessional rate of interest. Also, indirect assistance in relation to long-term finance for agriculture is provided through the agency of land mortgage banks by the State Bank subscribing to the debentures of land mortgage banks and by ensuring their marketability by granting advances to co-operative institutions against the security of such debentures. According to the recommendations made by an *ad hoc* committee constituted by the Reserve Bank in 1957, the State Bank undertook measures to finance co-operative sugar factories. These measures have taken the form of advances of clear loans, advances against pledge of stocks, loans for working capital against both fixed and floating assets of factories and the provision of deferred payment guarantees for the import of machinery and capital goods. It may be expected that such facilities would be extended in course of time to an increasing number of agro-industries.

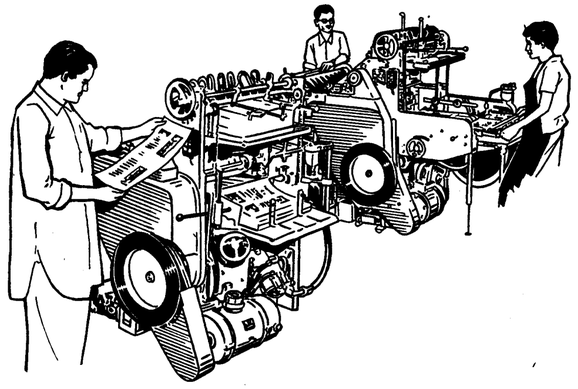
(b) Financial facilities to small industries: The assistance given by commercial banks to small industries is insignificant. About the close of 1960, outstanding scheduled bank advances to small-scale units amounted to Rs. 35.02 crores or barely 6 percent of the total industrial advances. In 1956, the State Bank took up the question of evolving a co-ordinated scheme of extending credit to small-scale industries. A beginning was made by introducing a pilot scheme in certain selected centres for the purpose of ascertaining the proper means by which the needs of small industrial establishments could be met. Subsequently, the lending procedures and practices were liberalised, and provision was made for extending medium-term advances for periods not exceeding seven years to the bank's constituents for the modernisation of capital equipment, replacement, etcetera. In order to enlist the co-operation of commercial banks in this venture, a guarantee scheme for loans to small industries was formulated and brought into force on 1st July, 1960. The administration of the scheme has been entrusted to the Reserve Bank which functions as the agent of the Government of India.

The primary objective of the scheme is to encourage the lending of funds to small-scale industries (i.e., establishments with capital equipment not exceeding Rs. 5 lakhs) by commercial banks by granting the lending institutions a certain degree of protection. Under this scheme, losses are to be shared between the lending institutions and the guarantee organisation, subject to the condition that the maximum amount of any one advance does not exceed Rs. 1 lakh. The guarantee is applicable to all demand loans and term loans of not more than seven years. The guarantee scheme was placed on a permanent basis on 1st January, 1963, and its scope and area of operation were extended. Since its inception and up to the end of 1962, the Guarantee Organisation had received 4,266 applications for guarantee for sums aggregating Rs. 16.26 crores, against which guarantees were issued for 3,887 applications for a total amount of Rs. 13.95 crores.

Another Incentive

Another step taken by the Reserve Bank to encourage banks to increase their lending to small industries and co-operative institutions was the decision to permit scheduled banks to borrow from the Bank and excess amount over and above that normally permitted, i.e., half the average of statutory balances required to be kept under sub-section (1) of Section 42 of the Reserve Bank of India Act. This

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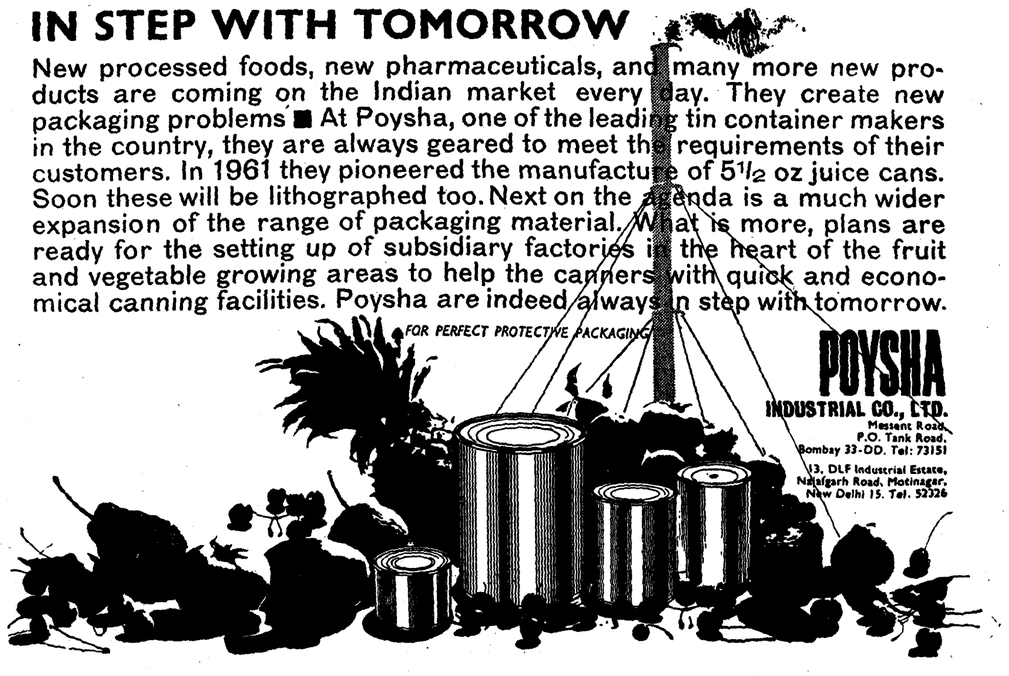
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excess amount was fixed with reference to the average increase in the individual bank loans to small industries and co-operative institutions as between the first half of 1960 and the corresponding period of 1961. This incentive scheme came into operation on 1st January, 1962, and soon showed encouraging results. In the first six months of 1962, scheduled banks' advances to small-scale industries increased from Rs. 32.08 crores to Rs. 43.59 crores. Of the total advances, the State Bank of India accounted for more than a half. The number of accounts of small-scale industrial units with scheduled banks increased from about 11,900 in June 1961 to over 13,000 a year later. Scheduled banks' advances to co-operative institutions also registered a similar increase. This incentive scheme has been continued with some modifications.

(c) Extension of medium-term credit facilities to industries: The growth of industries and the expansion of the private sector along with the public sector resulted in a great pressure of demand for bank accommodation. The nature of the investments and the change in the industrial structure of the economy call for a more favourable attitude on the part of commercial banks towards industry in the matter of supply of medium-term and long-term credit. But here again it has been found necessary to give some stimulus to the private banks to enter this new field of lending activity by reducing their risks in the early stages. It was for this purpose that the Refinance Corporation was started in June 1958. The main object of this institution is to help augment the resources available with the banking system for the use of medium-sized industrial units (i.e., units having resources up to Rs. 2½ crores) in the private sector. The share capital of the Corporation is made up of contributions from the Reserve Bank, the State Bank of India, the Life Insurance Corporation and some selected scheduled banks in the country. The banks are grouped into different categories, and quotas are assigned to them on the basis of the size of their deposits; and they are enabled to obtain refinance from the Corporation by the offer of certain types of loans which they would have advanced to industry. Lending banks assume the full credit risk on loans submitted to the Corporation. The advantage of this scheme to the selected banks consists in the fact that they are provided an opportunity to extend term-lending facilities to industries; besides, the arrangement imparts a measure of liquidity to the eligible paper offered by banks to the Corporation.

Up to the close of 1962, the Refinance Corporation received 202 applications for Rs. 33.85 crores and the amount sanctioned was Rs. 27.12 crores, of which Rs. 14.92 crores were disbursed. In March 1961, the Corporation was made a public limited company and its scope was widened in the next year by increasing the number of banks eligible for refinancing facilities and by extending the provision to a larger number of industries in the private sector, including certain categories of small-scale industries. It is, however, felt that commercial banks have been rather slow in taking advantage of the facilities provided by the Corporation. This may partly be due to certain rigidities in the procedure and operational techniques of the institution.

Aid from State Bank

In addition to this arrangement made by the Government and the Reserve Bank, the State Bank of India has also (since 1958) attempted to extend medium-term advances to small-scale industries. In 1960, a scheme was prepared for granting reasonable amounts of advances for a period up to seven years to small industrial units which were obtaining their working capital needs from the State Bank, to meet the cost of modernisation, expansion, the replacement of equipment, etcetera. These facilities were later extended to more industrial units and an instalment credit scheme was introduced in 1962 in order to help finance the purchase of equipment or machinery by small and medium-sized businesses engaged in approved manufacturing operations. It may be hoped that these measures taken by the Government, the Reserve Bank and the State Bank would open the way for commercial banks in the country to new fields of lending activity as well as help in the overall growth of the economy.

Recent banking developments in India and the trends in bank credit reveal clearly the impact of planned economic development in the country. On the one hand, the increase in the number of banking institutions, the substantial expansion of bank deposists and advances and the changes that have come over the pattern of distribution of bank credit and the composition of deposits, are the natural concomitants of industrialisation and economic advancement. On the other hand, the part played by the State and the Central Bank—in regulating the development of banking in the country and in encouraging the flow of savings through banking institutions into desired lines of investment, and the efforts made to provide greater financial facilities to industries in the private sector by organising special credit agencies as well as by showing the way to commercial banks in the matter of provision of short and medium-term credit to industries—are in tune with the policy and programmes of planned economic development. The increasing interest taken by the Government in the development of banking is necessary and justifiable in the context of economic planning, for planned development of financial institutions is the counterpart of planned development of industries and agriculture.

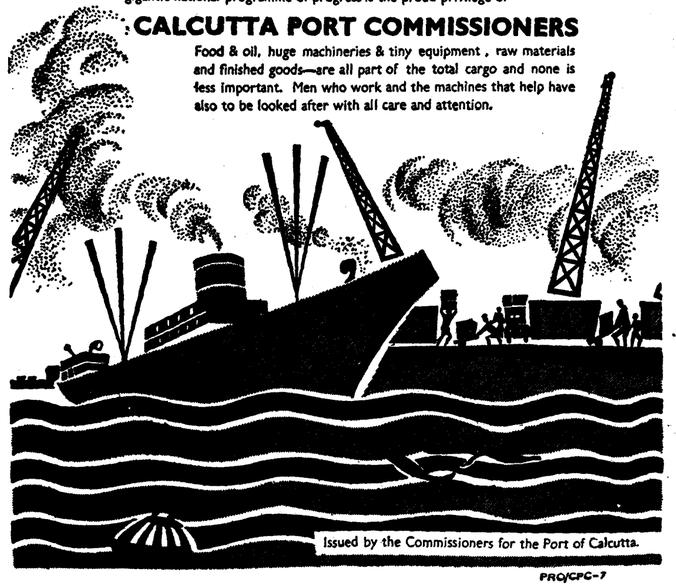


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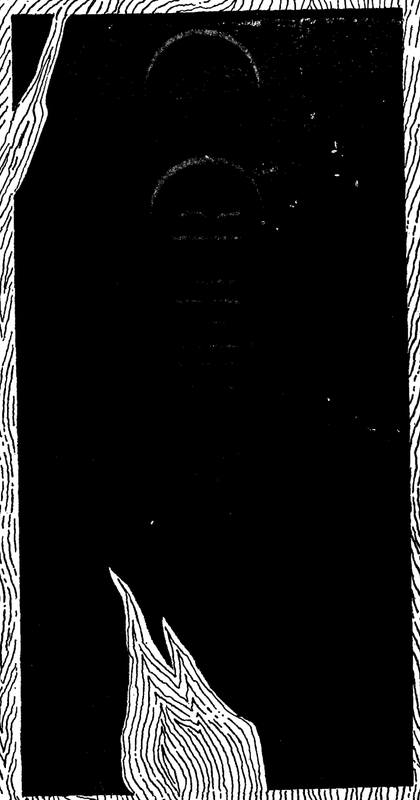
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India and the Commonwealth: Need for Closer Economic Co-operation

India has always taken the Commonwealth for granted and has not been able to do as well in Commonwealth trade as other members. Among the Commonwealth countries, Britain occupies a special place. Mr. Natarajan says that India was not prepared to buy from Britain when it entailed some sacrifice, but she expects Britain to commit herself to buying more from this country. The future of the Commonwealth depends on closer economic co-operation among its members.

By

S. NATARAJAN

NOT all in Britain were happy at the earnestness with which the British Government was pursuing the European Common Market idea. There was a strong and nagging section of opinion which favoured building on Commonwealth foundations; nor was this the result of frustration at the failure of the integration. A perfectly rational case exists for contending that, if Britain has to meet other nations on a footing of equality, she cannot begin better than with those nations who have taken over her political ideals and institutions, and who might be expected to share with her common traditions and common purposes. After all, the political ideas obtaining in the west European countries do differ from those which have influenced Britain, while the new nations of Asia and Africa have drawn their inspiration from Britain.

It has always seemed a mistake to me that the handing over of political power by Britain to an indigenous elite should be represented defensively as the ending of colonialism. Had the positive aspect been stressed, many of the difficulties experienced in these nations would have been avoided. That positive aspect is achievement, not abdication. It is no small achievement that the ideas of freedom and democratic institutions should have been transplanted among other peoples—not only among colonials of British stock but among the non-British as well.

Parliamentary Democracy

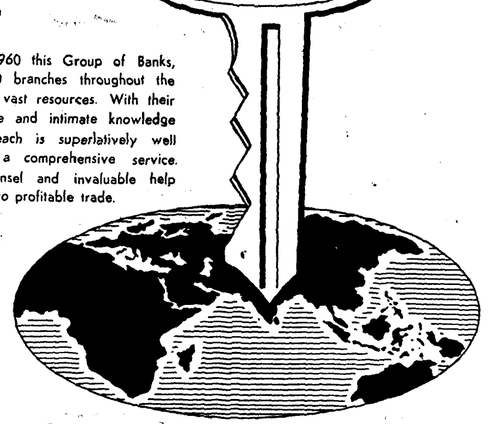
Unfortunately, this point of view has been left to reactionaries who insist that such transplantation is not possible. The consequence has been distortions of the ideal, adaptations of the institutions and perversions of practices. People in India may take credit for retaining the externals of parliamentary democracy. After all, though the Prime Minister might draw incorrect analogies from British practice, he does respect the British tradition. Again, though India has a written constitution, the men who played an active part in drafting it left several vital questions to be decided by convention with the hope that the British example would be useful. But the most significant manifestation of regard for Britain's politics was the decision of India to remain in the Commonwealth, although the emphasis of political agitation in the preceding years had been on severance of the British connection. A Canadian student of Indian affairs has observed that the decision was a personal triumph for Lord Mountbatten, and a gain to Britain, whatever its consequences to India. Most Indians appear to have regarded the terms of the settlement as a

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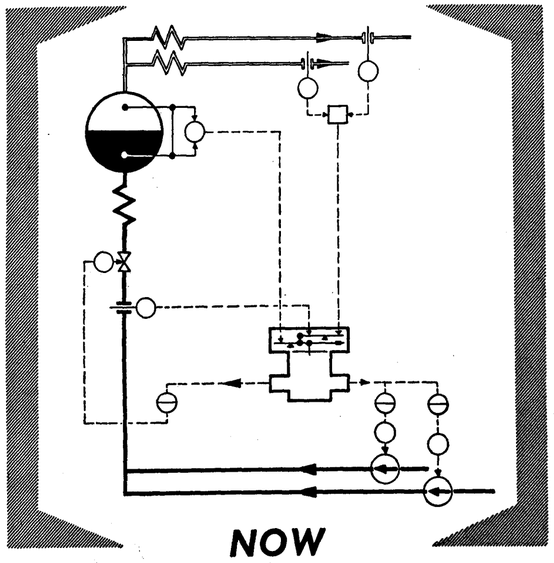
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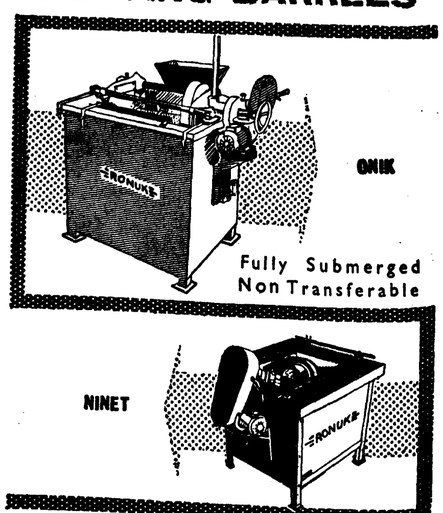
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personal triumph for Mr. Nehru and, since both independence and interdependence were accepted, a gain to India. It might be correctly argued that personal charm worked on both sides, that in both countries the implications of the decision received little attention, and that, as often happens where personal relations are decisive, the follow-up work was neglected.

In the case of Lord Mountbatten, his was natural because his Indian experience was a diversion. The development of policy was the responsibility of the British Government and the British people are politically mature. In other words, he was the instrument accepted by all sections of opinion in Britain to effect a particular purpose. With Mr. Nehru, the position was very different. As the Prime Minister of India, it was on him that the responsibility lay to pursue a policy consistent with the decision to remain within the Commonwealth system. The fact that he had the powerful backing of Mahatma Gandhi, made this responsibility all the greater. It is not irrelevant in this context to point out that India's most distinguished Commonwealth statesman, Mr. V. S. Srinivas Sastri, retained to the end the faith that Mahatma Gandhi would, in the ultimate analysis, veer round to the recognition of the significance of the Commonwealth and to the contribution that India had to make to its growth and development.

Indian Foreign Policy

Among the failures of Indian foreign policy—and they have been many—the greatest has been the habit of taking the Comonwealth for granted, of trying to secure as much as could be got out of it and of not appreciating that India had a contribution to make to its stability and strength. This has been manifested in India's attitude towards the High Commissionership in London. It was demonstrated during the discussions on European integration when India's official spokesmen indicated that Britain's stand was Britain's business but hoped that India's interests would be duly considered and led the opposition to "associate membership" which would have secured those interests because of its apprehended inferior status. As usual, official India felt impressed by its own generosity in this stand.

Politically, the Commonwealth, as the largest multi-racial group of nations at different levels of economic development, has a definite place in the present world. Apart from that, however, if for India the Commonwealth is a worthwhile association to belong to, it is an association which deserves India's best support. Since it is an association of free nations, the area of non-alignment is insignificant and certainly does not permit the raising of non-alignment to the level of a first principle. There has been a great deal in the past 16 years to show that these basic facts have been ignored. Moreover, the establishment of new relations between Britain and India meant much more than national independence for India and Pakistan. Since Britain had established herself in territories in Africa and elsewhere to guard the route to India, it naturally implied altered relations with those territories. To form a policy based on a proper appreciation of these considerations would have meant the exercise of thought. The easier and more tempting course was to continue in the rôle of "freedom-fighters". It is spectacular to mount a crusade, and anti-colonialism provided a flaming banner. India's Commonwealth policy has followed the line of least effort and least resistance.

British Investments

In industry and trade, the Commonwealth countries—and the United Kingdom in particular—occupy a special place in the Indian economy. For the 12 years, 1948 to 1960, Britain's share of foreign direct investments has been well over 80 percent: in portfolio investments Britain has held the major share. Unique in the present-day world, the British business community in India enjoys a position and prestige which can be measured by the importance given them in official and non-official pronouncements. Whatever problems this unusual set-up has presented and faced, they have been solved or smoothed over. In the field of exports, the sterling area's share in India's exports has been 54 percent in the first plan period, 50 percent in the second and 44 percent in the first year of the third plan. As for Indian imports, the figures are 46 percent, 38 percent and 35 percent, respectively. In contrast, reduced Indian exports and increased imports into India from the European countries have created one set of problems, while the increase in both exports to, and imports from, the communist countries raise another set of problems. The resort to barter and payments agreements in the latter instance has evoked considerable speculation over the nature of communist international trade.

In the first place, the predominance of traditional commodities in Indian exports to these countries suggests trade diversion rather than trade expansion since the domestic demand is on the increase and little change is noticeable in the exportable surplus. In the second place, the rise in imports—in the context of the foreign exchange shortage—involves a measure of compulsion, with the equally undesirable alternatives of higher prices and dumping. Thirdly, the political factor is always present in communist economics, which a "non-aligned" country might do well to be wary of. Moreover, barter and payments agreements are double-edged weapons—both edges operating against the nation which resorts to it. Where the purchasing nation buys commodities for which it has no use itself, the transaction secures the much-needed foreign exchange for the buyer who can also use the goods to disrupt the seller's traditional markets.

The primary problem in increasing exports is less exploring new markets than increasing the exportable surplus, maintaining quality and holding established markets. The trade figures of the past 12 years suggest that both India and Britain have neglected the last point—to the detriment of the Commonwealth. One can speak for India and here the difficulty has been that slogans and exhortations have displaced considered policy, that the Commonwealth has been taken for granted, and that even within the range of preferences India has not been able to do as well in Commonwealth trade as other members. India has not been prepared to buy British goods when it entailed some sacrifice; but she fully expects Britain to commit herself to buying Indian goods, even on occasion to cede markets.

I began by saying that, since Britain had to operate on a basis of equality, she ought to find it more natural and congenial to do so with nations whom she has politically guided to independence. There is a corollary to this which has not been adequately appreciated. As an association of free nations, the Commonwealth has many focal points, not just one centre. Dwarfed by the rise after the second World War of the two giants and numbed by the political adjustments within the Commonwealth, the British harped on the advisability of settling down to "Little England". This was a grave error of judgment and a failure of leadership. But that in no way minimises the failure of Indian leadership to make a much-needed contribution to the Commonwealth. Here was not a loss of faith in the Commonwealth, but a total lack of understanding of grave decisions lightly taken.

This association of multi-racial units, containing within it the potential of economic development and technical assistance and shared knowledge between the different members, offering the best chance of political stability in a shifting world, has a vital part to play if its members could rise to the opportunity. What seems to bother many who accept the view that it cannot be discarded as an empty shell, is whether it is not too late now. The question is superfluous. If it is worth doing, it cannot be too late. Not to make the exertion would be a gross betrayal of political ideals to which so much lip service is paid.

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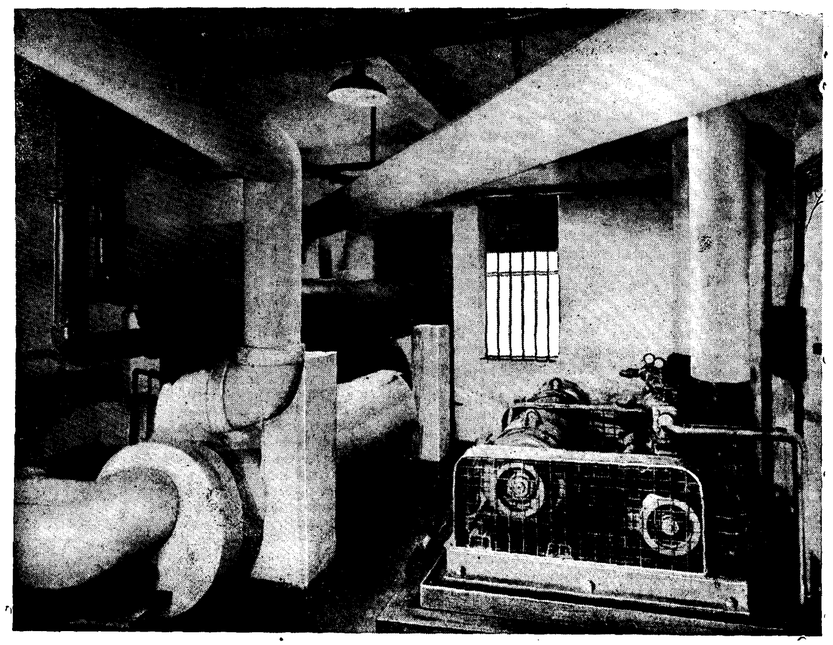
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Cost Consciousness in Planning: More Control over Spending Necessary

The slow growth of national income indicates that India has been unable to reap the benefits from large investments undertaken for economic planning. This has inevitably led to large-scale wastage of resources. Nowhere is it more obvious than in river valley projects on which huge sums have been spent so far but the benefits accruing to the State Governments in terms of irrigation and other facilities have not been great.

By

V. K. NARASIMHAN

THE "quick estimates" of national income for 1962-63 by the Central Statistical Organisation, which showed that for the second year in succession India's national income has grown at the rate of only 2 percent, should cause concern among the planners as well as others interested in the progress of the economy. If the central idea of planning is to achieve a certain rate of growth by planning the pattern as well as the magnitude of investment, every failure to achieve that rate of growth should be closely examined. It is not enough that excuses and alibis are offered for the failure of national income to grow at the projected rate in any particular year. Something more concrete has to be done if the mistakes in planning are to be avoided. In this context, it is interesting to examine the manner in which national income has been rising from the time India has launched economic planning.

NET NATIONAL OUTPUT AND PER CAPITA OUTPUT AT CONSTANT (1948-49) PRICES (IN ABJAS=Rs. 100 CRORES)

	1950-51	1951-52	1952-53	1953-54	1954-55	1955-56	1956-57	1957-58	1958-59	1959-60	1960-61	1961-62	1962-63
Net national output (in Abjas)	88.5	91.0	94.6	100.3	102.8	104.8	110.0	108.9	116.5	118.6	127.5	130.9 (Revised)	133.5 (Provisional)
Per Capita net output in rupees	247.5	250.3	255.7	266.2	267.8	267.8	275.6	267.3	280.1	279.2	293.7	295.0	294.2

The figures, in spite of their limitations, suggest the existence of a deep-seated malady. The first notable fact about the rate of growth of national income is its unevenness from year to year. It is obvious that in an economy, which is still predominantly sustained by agriculture and is very much subject to the vagaries of the season, some fluctuations in the share of national income attributable to agriculture are inevitable. But the purpose of economic planning in India is partly to bring under some sort of control the influence of the vagaries of nature by ensuring irrigation facilities through multi-purpose river valley projects and other measures. Secondly, the purpose is to develop other sectors of the economy such as mining, power, transport and major and small-scale industries at a rate which will more than compensate for the failures of the agricultural sector. A close examination of the performance of the different sectors for the past 12 years will show that the failure to achieve a fairly stable and high rate of growth has largely been due to India's inability to realise these two objectives.

Uneven Rate of Growth

Among many explanations that may be offered for the unevenness in the rate of growth and the failure—particularly during the last two years—to achieve anything like the increase that ought to result from the planned outlays during 1961-63, it appears that a high place should be accorded to what I regard as the absence of "cost consciousness" in our planning. (By "cost consciousness", I mean the deliberate and continuing awareness of the need for keeping the economics of every project or undertaking in view and seeking to achieve the projected returns, physical and financial, for the outlays incurred on the project.) In one sense, this defect has been obvious almost from the time planning in India was started. During the first plan period, the Planning Commission was more preoccupied with ensuring that the rate of expenditure proposed in the plan was kept up rather than in ensuring that the money was being properly spent and that it was producing the physical and financial results expected from it. In some of the reports of the Commission during this period, one notices that it considered the failure of the Central or State Ministries to spend the monies provided for various projects as a grave lapse on their part without caring to find out why the monies were not spent. This necessarily produced an impression among the project authorities that what was expected of them was not so much the achievement of specific results through the outlays they were expected to undertake, as the maintenance of a certain rate of spending. That in spite of this attitude fair results were achieved during the first plan period was due largely to the fact that the schemes included in it were limited in scope and had been based on fairly elaborate preparations in the earlier years.

During the second plan, however, the rate of investment was raised considerably. There was clear evidence that many projects were included in a hurry because of what was regarded as the growing "plan consciousness" in the States and among the general public. There was a widespread demand for public projects and amenities of every kind under the impression that there was a "good fairy" at Delhi who had such endless resources that anybody could ask for anything and get it. Of course, at some stage or other there had to be a return to realities, so the overambitious projects submitted by the States had to be pruned down to the available resources. But even so, the general mood was one of planning for public expenditure without much regard for either the availability of real resources or the cost that would be involved in raising them or for the return expected from the projects.

It was at this stage that the Planning Commission felt that something was going wrong with Indian planning and that it must take steps to ensure that the outlays were producing the expected returns. This consciousness dawned on them when the national income in 1956-57 and 1957-58 remained almost constant (in current prices) and actually declined in 1957-58 (in constant prices) over the previous year. Then the Commission started setting up the various evaluation agencies to find out what exactly was happening in such sectors as Community Development, agricultural improvement, and the use of irrigation resources.

Evaluation Reports

Although the evaluation organisation has been throwing some light on what is happening to plan expenditure in specific sectors and has shown a gap between the targeted objectives and actual achievements, neither the Planning Commission nor the Governments concerned have so far been able to infuse intense cost consciousness in planning. But this alone will imbue the different bodies engaged in the implementation of the plans with the determination to achieve results which ought to flow from the outlays on the projects.

The reasons for the lack of cost-consciousness among the many agencies which are engaged in the implementation of plans are many. One of the principal reasons is the existence of a dichotomy between those who raise the resources and those who spend the money. This dichotomy is obvious in the multi-purpose river valley projects where the resources have been provided mostly by the Centre while either the spending of money or the use of the resulting benefits is by the State Governments. The discovery by the Planning Commission that irrigation facilities which could benefit as much as 3 million acres of land have remained unused in the States is a sad commentary on the failure of the State Governments concerned to make proper use of the highly expensive multi-purpose projects which have been carried out in recent years. The reason for this is partly attributable to the failure to envisage the use of irrigation resources as an essential part of the multi-purpose projects and to provide for the construction of canals and the evolution of proper crop patterns well in advance of the completion of the projects. But another reason is that the State Governments are more keen on

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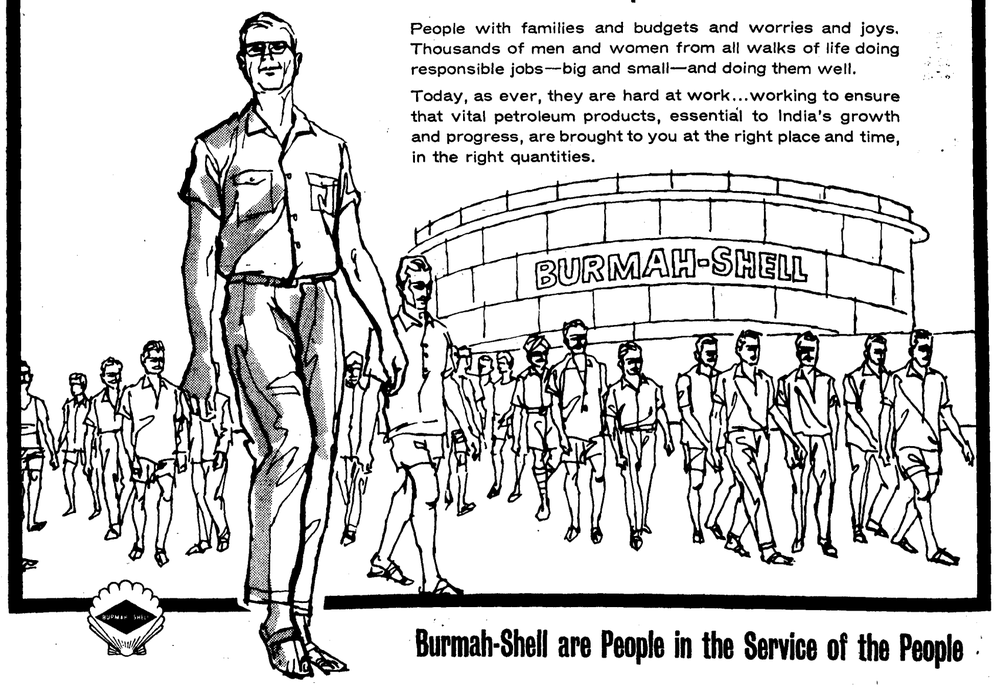
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having big projects constructed in their respective areas rather than to see to it that they are used for the purposes for which they are intended. The fact that hardly has any irrigation benefit been derived from a big project like the D.V.C. is only one example of the many instances in which there is a vast gap between the completion of a project and the use of the resources created by it.

Another reason for the lack of cost-consciousness—especially in quite a number of public-sector industrial projects—is the frequent change in the top executives in charge of these enterprises with the result that no one has a continuing interest in seeing that the enterprises are executed efficiently and economically and become productive as quickly as possible. The fact that the cost of many public-sector projects has gone up, compared with their original estimates and that the cost of their products has increased much above the original calculations are again a serious reflection on the absence of cost-consciousness at every stage in the planning and implementation of these projects. Again, the fact that during the period of the second plan, the general price level rose by 30 percent cannot be ascribed entirely to the scale of deficit financing launched during the period. It has also to be attributed to the failure to make a considerable part of the investments during the second plan sufficiently productive. It is true that the large outlay on the steel projects could not become remunerative during the second plan itself. But these should have been compensated for by quick-yielding investments in consumer goods industries and by making the investments in agriculture more productive.

Actually, however, one notices that there was hardly any increase in income from agriculture and allied sectors between 1956 and 1957 and 1957 and 1958 and again between 1958-59 and 1959-60. The growth of national income from other sectors like mining, factory establishments and small enterprises was also poor and sluggish.

Steady Rise in Prices

Another aspect of the absence of "cost-consciousness", which has affected the growth of the economy, is the continual rise in the prices of almost every article produced in the country. There seems to be hardly any incentive anywhere for bringing down prices. Planning, which ostensibly is designed to improve the standard of living of the people and which aims at raising the general productivity of the economy by adopting improved methods of production and technology, has so far hardly brought any benefits to the consumer in terms of lower prices. For this, there may be many explanations. Fiscal policies have certainly had a great part to play in raising the retail prices of many consumer goods.

The phenomenal increase in the range and burden of excise duties as well as the upward revision of sales taxes in many States largely account for a rise in the prices of consumer goods. The fact that periodically manufacturers of many products like steel, sugar, cement, motor-cars and the like have urged the Government to raise the prices of their products because of increased production costs shows that inflation is gaining momentum in the economy and that there is little or no conscious attempt at bringing down prices by adopting appropriate policies. Unless the consumer is brought more definitely into the picture and economic planning is constantly conceived in terms of how to improve the supply of goods and services to the consumer at lower prices, it will not be possible to rescue the economy from the inflationary rut into which it has fallen.

It must be confessed that in lacking a continuing sense of cost-consciousness, private industry in India appears to be nearly as much a sinner as the public sector. Under conditions of a closed economy—thanks to comprehensive import and export controls and the severe shortage of foreign exchange—there is such a large pressure on the limited supplies of goods and services that there is nothing like competition among producers. The result is that most producers have hardly any incentive to improve the quality of their goods or to lower their production costs and the prices of their products. A scarcity economy has been prevailing almost over the entire range of consumer goods, so the consumer has had a raw deal. It is significant that only in those sections of industry in which there is something like an excess of production over demand—for instance, radio receiving sets, sewing machines or electric fans—that one finds some attempt on the part of the producers to reduce prices.

Removing Bottlenecks

The need to remove the bottlenecks in increasing production in as wide a range of consumer goods industries as possible—whether the bottlenecks are due to the shortages of raw materials or power or transport or imported components—is greater than ever before to bring down production costs and the prices of consumer goods. The belief that for commodities essential to the life of the community, price controls and distribution through fair-price shops and co-operatives can ensure fairness to the consumer is largely misplaced as the experience of the past few years has shown. Where the shortages are sizable, controls over prices and distribution, unless they are followed up by rationing, hardly meet the needs of the situation and lead only to an extensive black market and other evils associated with controls. The emphasis in a country where the population is rising at the rate of more than 2 percent a year must clearly be on increased production, especially of goods of mass consumption.

As for the performance of the public sector, there is one vital consideration that has to be borne in mind. In view of the highly accelerated rate of investment in the public sector from the first plan to the third plan, it has become more than ever necessary that every care is taken to see that this investment is made with due consideration to economy and that it is made to yield results as quickly as possible. A number of instances may be cited from recent experience in which delays in the implementation of public sector projects have greatly increased the outlays on them and have also postponed the returns from them, thereby adding to the losses during the gestation period. With the growth in the size of the public sector in relation to the total annual investment, it is important that its contribution to the increase in national income is up to the mark. The failure of national income to grow in the first two years of the third plan during which more than one-half of the investment was in the public sector clearly means that the latter is not contributing to the growth of national income at the rate expected of it.

There is obviously no simple solution to all the economic problems of India. But having embarked on a planned economy, it is the duty of the planners as well as of everyone engaged in the implementation of the plans, whether in the public or the private sector, to see to it that the enormous resources that are raised at considerable sacrifice from within the country and at no small cost from foreign countries, are used as effectively as possible and as remuneratively as possible. This calls for a lively cost-consciousness and continuous concern for economy on the part of everyone engaged in planning. There has hitherto been little evidence that efforts towards this end are being made. The national income figures of the past two years are a grim reminder that unless the planners make the investments in agriculture and industry fully productive, and ensure the most efficient use of the available manpower and other resources, the third plan may end up in a grievous debâcle.

At its recent meeting, the National Development Council showed only a partial awareness of the real task facing the country in the third year of the third plan. The decision to set up an Agricultural Production Board to infuse more vigour and dynamism into India's agricultural planning, although necessary and important, is only a part of the answer to the problem. The country equally needs a high-power Industrial Production Board consisting of the principal Economic Ministers in the Central Cabinet, who will have under constant review the progress of the various industries in the country and take prompt, co-ordinated measures to see that all the industries in the public and private sectors operate to full capacity. Unless a very high tempo of activity is maintained in the industrial sector, the rate of growth in the third plan cannot be accelerated to what has been envisaged in the plan estimates.

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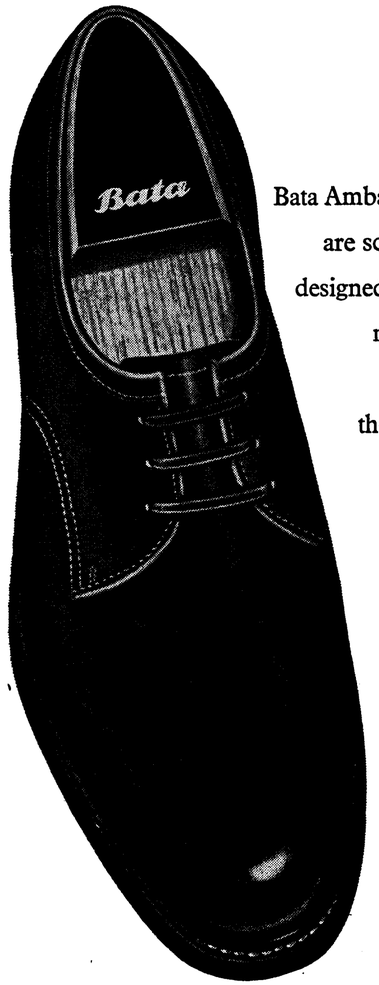
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Progress through Planning: Wrong Approaches to the Right Aims

India's declared objective is to evolve a pattern of socialistic co-operation. But what the country has achieved so far is a new form of State paternalism. In the industrial sector, the Government has enforced discipline through licensing and controls, but has failed to enforce similar discipline in the wider non-industrial sector. Progress could have been accelerated if the planners cared more for real democracy than for dogmas.

By

K. KRISHNA MOORTHY

A FORMER British Ambassador in a south Asian capital, who had spent his formative career years in military and administrative service in India, once recounted to me a fable to explain the frustrations and ambitions of Asian countries seeking economic development. The fable related to a princess who went for a swim in a swift mountain stream and was being carried away by the current. A peasant who was sitting on the river bank jumped in and saved her from drowning. The king, naturally, was grateful and wanted to reward the peasant. He offered the peasant two pedigree horses but the peasant, according to the fable, was ripe with rustic wisdom and declined the gift of horses and opted for a couple of cows. The king obliged and came to admire the discretion of the peasant who prospered.

The moral of the fable was that, after all, the horses were instruments for the warriors and would prove a "white elephant" for the peasant. The latter was shrewd enough to realise his proper place in society. The fable, coined with an open caste orientation, allotted prescribed and predetermined rôles to the peasant, the warrior and the king. Woe befall the man trying to transgress the limitations.

Framing Rules

Carry this over to the international scene. It would mean the framing of rules for the working patterns in various countries which reached their national caste status in the imperial heydays. Until recently, the higher caste countries decreed it would be better for the countries classified backward to continue with their allotted tasks of tending to the cows (raw materials) rather than aspire to ride the horses. Fortunately, there are few, if any, of the high caste countries which continue to believe in the perpetuation of a rigid international caste system. The lower caste nations' desire to tend the cows as well as ride the horses is being systematically encouraged in varying degrees.

There are, of course, differences over the pace at which the cowherds can be trained to be proficient horsemen. The trainers too are at loggerheads. Some are addicted to the theory that the peasants should first learn to ride the quieter ponies before mounting the bigger beasts. These trainers are the proponents of gradualism in economic development. The others would prefer some peasants to mount on to the race horses in one jump. These trainers can be classified as the advocates of the forced pace of development.

The classic patterns of mounting and riding the horse developed by the conflicting systems (capitalist and communist) have not been found wholly applicable to the developing countries in Asia. The Chinese may have evolved their own crude ways of mounting and moving forward, taking many a tumble in their strides. In India, the attempt has been to mix both the classic patterns, leading to confusion in style and performance. In Indonesia, the choice so far has been to ride a few expensive white stallions (symbolised in the mammoth Asian Games complex). The white stallions are costly to train and maintain, but provide the initial image of achievement.

The western countries did not have the Asian concern over the time perspective in development. A western writer describes the Asian problem "as that of the position of a man trying to catch a train that always pulls out of the station just as he arrives; by the time a five year plan to find places for 10,000 extra children has been realised, 20,000 tots are at the door." (The quotation is from the article "The Crowded Hour," by Elspeth Huxley in *Punch*.)

Agonising Problems

When faced with the agonising problems of development, both the proven roads were found brutal—industrial barons wielding power and developing at a fast pace or the State taking over and accelerating the pace at the cost of a generation or two. In rejecting both these extreme proven methods and favouring a mixed process, a "quiet revolution" to evolve a new society as Mr. Nehru describes it, Indian leaders no doubt made a theoretically desirable *Ram Rajya* approach. Under emperors and kings and chieftains Indian society had been governed by paternalism. The British had merely superimposed the final paternalistic authority, and the declared objective now is to evolve a pattern of socialistic co-operation. But the achievements so far have perhaps added up to a new form of State paternalism. This has largely tended to encourage long established patterns—some progressive industrial institutions, a retrograde civil service and some slothful rural systems. (The Prime Minister's "quiet revolution" thesis itself is self-contradictory—either there can be quiet development or revolutionary forces in action!)

In the industrial sector, the Government has been able to enforce a certain amount of discipline in development through complicated controls and licensing. Central planning has, however, failed to enforce a similar system of discipline in the wider non-industrial sector where the rewards may have been more worth while. If the controls on industrial development were coupled with a departure from the *laissez faire* attitude in non-industrial matters, progress in the last decade could have been faster.

State Intervention

Since State intervention has been accepted as necessary for development in this country—Swatantric objections apart—it would be worth while to extend this intervention forcefully to the weak agricultural sector. M. Rene Dumont, the French development expert (and author of *L' Afrique Noire est Mal Partie*—"Black Africa Got a Wrong Start") suggests State intervention on the following lines: "Donations, subsidies in capital or foodstuffs should no longer be a gift so much as a contribution towards development. In return, a village receiving such aid would undertake a sort of contract to carry out all those fundamental improvements on its territory which would enable it to become adequately productive and to finance subsequent development itself. Let me give an example. A village in India has had a bad harvest. It receives the few tons of grain it needs but in exchange it must improve the irrigation reservoirs. It is no longer a question of charity or begging, cf subsidised idleness but of a fraternal helping hand given to people whom we help to emerge from their wretchedness on condition that they likewise help themselves.

This policy would be followed by greater priority on the improvement of techniques rather than on capital investment. These improvements would need expansion in education at a much faster rate than hitherto envisaged. The *mantra* for this already exists in one of the more rhetorical passages in the third plan document which says, "Ultimately, it is development of the human being and personality that counts. Although planning involves material investment, even more important is the investment in man."

There is more than one myth standing in the way of expanding education or standards of living in the villages. The first myth is the supposed superiority of the men who are now more than 50 years old or were educated in the days of the great depression or earlier and who are hoarse from shouting about falling educational standards. If some of the cream of this generation is taken to have been absorbed, say, in the Indian Civil Service, one has only to make a round of India's various embassies to see what stuff the superior men of the decaying generation are made of. According to the pundits of this generation, they had to work harder than my generation to pass their examinations! Perhaps their harder efforts stemmed from the fact that the absence of electric light or modern forms of transport caused them greater extra-curricular strain! A random comparison of syllabus in the science courses of the 'twenties and the 'forties is enough to show the higher standards expected from my generation which was in college during the later years of the second World War. And today, two decades later, the Physics course in Delhi

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University, for example, is much more exhaustive than what I had to study. The multiplier effect may have led to the emergence of a larger proportion of average students, since higher education is today less of a privilege than even two decades ago. Certainly, the teachers in the universities today are by and large better equipped than most of my teachers of two decades ago.

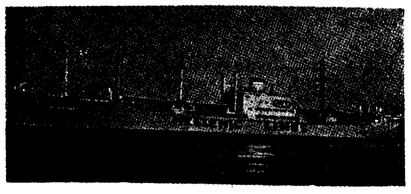
Rural Housing

Another type of myth which exaggerates the problems involved, for example, concerns rural housing. During discussions among experts under the auspices of the E.C.A.F.E. in New Delhi some time ago, it was pointed out mournfully that 50 million out of 54 million housing units in the rural areas of India were "sub-standard or needing replacement." This exaggeration of the housing problem stems from the urban-polarised expertise which would by and large consider cement, concrete and tiles as among standard housing materials. Perhaps the comfortable and stably built cowdung plastered house with a thatched roof, popular in my home State of Kerala, will come under the definition of sub-standard. If these types of houses need periodic rebuilding or repair, that is part of the natural flow of economic activity of the farmer in his off-crop periods. The supposedly sub-standard housing also makes good use of by-products from agriculture.

A conversation between an urbanised architect and a village capitalist in an area in the neighbourhood of Delhi illustrates the danger in imposing artificial standards. A flour mill in the village had made liberal use of heavy wooden beams in construction. The urban architect pointed out that for perhaps a little higher outlay, he could have had a more stable concrete beam structure. The village flour mill owner pointed out that, if some cracks developed on the wooden beam, he and his fellow villagers would be able to say from experience at what stage it would need replacement. In the case of a concrete beam, they would have to send for a city slicker to pass judgment. The village's economy could not sustain a residential R.C.C. chap. The school in the village had used R.C.C. construction. There were cracks on the roof and the parents were always scared, in spite of the expert's assurances.

Vociferous foreign and Indian critics of planning have been exhausting themselves in exercises devoted to proving how fewer controls may have led to a faster pace of progress. For a change, it might be worth while examining whether a greater degree of State intervention would not have provided a higher octane fuel for speedier propulsion. An undemocratic thought? Elections once in five years are not all that there is to a democracy. The undemocratic division of the national cake is perpetuating and increasing the gulf and creating a new caste system. The democratic simplicity of a Gandhian concept or a tribal society is no longer tenable. Nor is the self-reliant democratic tenor of a Sarawak Dyak longhouse possible any more.

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Progress of Non-agricultural Co-operative Societies

By
V. G. RAMAKRISHNA AIYER

A STUDY group has been appointed by the Central Ministry of Community Development and Co-operation to examine the working of co-operatives in the non-agricultural sector and to suggest measures to ensure their sound and speedy growth. It will examine the present pattern of organisation and working of non-agricultural societies, including urban co-operative banks and employees' credit societies. It is therefore, worth while to examine the present position of various types of non-agricultural co-operatives and indicate the lines on which they should be developed.

The non-agricultural credit societies comprising urban banks, employees' credit societies and other types of credit societies which cater to the banking and credit requirements of artisans, traders, Government servants, salaried employees and other urban and semi-urban residents numbered 11,995 at the end of June 1961. Punjab and Maharashtra together accounted for about 32 percent of the total number of societies. Their membership was 4,573,000. Their paid-up share capital, resources and deposits were, respectively, Rs. 32.97 crores, Rs. 13.06 crores and Rs. 95.05 crores in 1960-61. Their working capital exceeded Rs. 150 crores. Of these societies, 9,442 societies advanced loans amounting to Rs. 130.37 crores during 1960-61. The loans outstanding to them at the end of 1960-61 were of the order of Rs. 115.55 crores, of which Rs. 7.87 crores were overdue. About 20 percent of the non-agricultural credit societies were dormant. About 93 percent of them had capital and reserves of less than Rs. 1 lakh. These institutions are not linked to the co-operative credit structure in the same manner as the central banks at the district level or primary credit societies in the rural areas.

There has been a steady increase in membership, owned funds, working capital and loan operations of these societies. Unlike agricultural credit societies, these societies do not depend mainly on borrowings from the central banks but rely more on deposits from members and non-members. Since these societies are situated mostly in urban and semi-urban areas and provide various types of banking facilities to constituents, they are in a favourable position to attract sizable deposits. The deposits held by these societies formed 63 percent of the working capital.

Urban Banks

Among the different types of non-agricultural credit societies, co-operative urban banks play a very important rôle in catering to the credit needs of individuals residing in the urban and semi-urban areas. Their clientele largely consists of persons of small means such as artisans, traders, merchants, and hawkers who cannot ordinarily get loans from joint-stock banks; and urban banks accept all kinds of deposits. Some of the urban banks are undertaking the collection of bills and cheques, remittance of funds and even the discounting of bills in a few cases under proper safeguards. The number of urban banks has increased from 826 as on 30th June, 1958, to 1,242 as at the end of June 1960. They had a membership of 1.8 million, and their total deposits amounted to Rs. 60.70 crores, of which those from non-members were Rs. 27.07 crores. These banks advanced loans amounting to Rs. 64.72 crores during 1959-60 and at the end of the year, the outstandings amounted to Rs. 57.89 crores. Of the total urban banks, West Bengal accounted for the largest number, namely, 622, while Madras and Maharashtra had 148 and 141 banks, respectively. Gujarat had 79, Kerala 71 and Punjab 47. The average working capital of the bank at the end of the period was the highest in Maharashtra at Rs. 18 lakhs followed by Gujarat at Rs. 12 lakhs, Madras at Rs. 6.6 lakhs and West Bengal at Rs. 4.7 lakhs.

The general picture of co-operative urban banking which emerged from a sample survey undertaken by the Reserve Bank of India during 1960-61 was one of a fairly widespread, financially sound, expanding and useful framework of banking institutions. However, on the basis of the data collected for 1957-58, the report of the survey revealed that the growth of urban banks in several States was not uniform. In former Bombay, Madras, Andhra Pradesh and Mysore urban banks had developed well and were able to meet most of their requirements of funds from the resources raised by way of owned funds or deposits. The resources of urban banks were mostly used in the form of loans and advances to their members predominantly in the form of fixed short-term loans which were given against personal surety, gold and silver mortgage of real estate and life insurance policies. Urban co-operative banks, the report further said, have immense potentialities for development, the most important being in the direction of mobilisation of savings and the drawing of urban resources into apex and central co-operative banks which are very much in need of funds. The report recommended the promotion and development of urban banks and indicated, among other things, the following as possible lines on which this may be brought about :

(1) establishment of urban banks in new centres wherever there is scope either by organising new ones or by converting the existing non-agricultural societies in the area ;

(2) expansion of membership ;

(3) offering additional banking facilities to members such as the cheque system in savings bank accounts, safe deposit facilities, etcetera ;

(4) liberalisation of the loan policy to suit the needs of different categories of members, particularly small industrialists ;

(5) elimination of trading activities ; and

(6) improvement in the accounting and operational arrangements, especially recovery of dues.

Salary Earners Societies

Salary earners' societies primarily function as thrift institutions and also operate as credit agencies for providing cheap credit, as thrift is the ultimate foundation of credit. They are based on limited liability as there is a lack of mutual knowledge and mutual supervision over the dealings among members unless the institution is a very small one. These societies consist of various types. The following two categories may be recognised :

(i) societies formed exclusively for Government servants and servants of municipalities, railways, district local boards, commercial and industrial firms and the like ;

(2) societies formed for wage earners in factories, mills and other industrial concerns. There were 3,377 salary earners' societies of the first category in 1955-56 with a membership of 1 million. Their deposits amounted to Rs. 15.56 crores. Loans to the tune of Rs. 27.83 crores were made in 1955-56. The loan outstanding was Rs. 25.72 crores in the same year, of which Rs. 1.45 crores were overdue. Under the second category, there were 355 mill hands' societies in 1955-56 with a membership of 326,000. Their deposits amounted to Rs. 2.01 crores. Loans advanced by them during 1955-56 were Rs. 6.08 crores. The loan outstanding at the close of the year amounted to Rs. 4.94 crores, of which Rs. 9 lakhs were overdue.

Among other types of non-agricultural credit societies are the thrift societies in Bombay, societies for Harijans in Madras, societies for criminal tribes in Madras, societies for hill tribes and credit societies for displaced persons Up-to-date data are not available for these societies.

Consumers Stores

There were 7,058 primary consumers' stores and 75 wholesale stores in the country during 1960-61. There was a general improvement in the working of primary stores during 1960-61. Their owned funds increased from Rs. 5.70 crores in 1959-60 to Rs. 5.88 crores in 1960-61 and their sales from Rs. 39 crores to Rs. 44.2 crores. Among the States, Maharashtra with 1,140 primary stores had the highest number of them, Madras following with 864 and Assam a close third with 680. However, judged from membership and sales, Madras occupied first place where total sales rose from Rs. 11.23 crores in 1959-60 to Rs. 12.59 crores in 1960-61. The progress in Maharashtra was also marked, and total sales amounted to Rs. 9.30 crores in 1960-61. The primary stores in Madras accounted for about 28 percent of total sales effected by all the co-operative primary stores in the country, closely followed by those in Maharashtra. The progress of the societies in Madras is attributable to several concessions made available by the State Government such as (1) special staff for supervision and exemption from payment of supervision fees (2) exemption from sales tax (3) preferential treatment in the matter of supply of dietary articles to religious institutions, jails and hospitals (4) grant of import licence by the Central Government for certain items of consumer goods and (5) allotment by the Indian Coffee Board of a percentage quota of coffeeseeds for distribution to the public through consumers' stores.

Consumers' stores generally thrived more in urban and industrial areas and also among railway staff. Wholesale stores numbered 75 during 1960-61 with a membership of 26,390 and a working capital of Rs. 2.62 crores. They sold goods of the value of Rs. 15.82 crores in 1960-61, against Rs. 8.99 crores in the previous year.

A seminar on consumers' co-operation was held in Bombay under the auspices of the All India (now National) Co-operative Union in September 1960. Among the recommendations made by the seminar was a drive to increase the membership and share capital of co-operative stores, exemption from income tax, liberalisation in the issue of import licences, arrangements for adequate assistance from the State Bank of India and other agencies and State participation in the share capital of both primary and wholesale stores. The committee on consumers' co-operatives set up by the National Co-operative Development and Warehousing Board, which submitted its report in May 1961, emphasised, among other things, the importance of the rôle of consumers' co-operatives and made recommendations for their development in the third plan period. The committee stressed the importance of economic viability and, for this purpose, suggested definite standards in terms of membership, share capital, working capital and business turnover for a co-operative store and wholesale store. In its view, while the work of distribution in villages may be taken up by service co-operatives, independent societies should be established in small towns and large-sized societies with a number of branches in big cities. Among other

measures, the committee recommended State participation in share capital, provision of working capital from the State co-operative banks, and central financing agencies, financial assistance for the construction of godowns-*cum*-offices, subsidy for rent, long-term loans for the purchase of lorries and managerial subsidy for a period of three to five years. It also recommended the establishment of an organisation at the national level to advise the Government in planning and conducting research on problems relating to consumers' stores.

Strong district organisations having consumers' societies as members are considered vital to the development of consumers' co-operatives as they can supply standard quality goods to the primaries at low prices. They also undertake processing, etcetera.

Housing Societies

Good progress has been made by central and primary housing societies during 1960-61. There were seven central housing societies. Of the seven, two were in Gujarat and one each in Andhra Pradesh, Maharashtra, Mysore, Orissa and Delhi. Their membership stood at 1,693 in 1960-61. The loans advanced by these societies which were mainly to primary housing societies declined from Rs. 2.13 crores in 1959-60 to Rs. 1.54 crores in 1960-61. The loans outstanding on 30th June, 1961, amounted to Rs. 3.47 crores, of which Rs. 4.51 lakhs were overdue.

The number of primary housing societies stood at 6,451 recording an average annual growth of about 16 percent. The number of members of these societies increased from 320,000 in 1959-60 to 379,000 in 1960-61. Their working capital, paid up share capital and reserves amounted to Rs. 53.57 crores, Rs. 10 crores and Rs. 2.2 crores, respectively. Maharashtra and Gujarat, which had 1,495 and 1,718 primary societies together accounted for about 50 percent of the total number of societies in the country. The progress in the construction of houses and tenements was significant in Maharashtra, Gujarat and Andhra Pradesh. The number of societies which worked at a profit increased from 1,710 in 1959-60 to 2,322 in 1960-61. A large number of the societies were situated in urban areas. But a few societies also function in the rural areas of some States.

Poor Progress

It may be noted that except in Maharashtra, Gujarat, Madras, Andhra Pradesh, Mysore and Uttar Pradesh, progress achieved in other States in the matter of housing on co-operative lines was negligible. Although there has been an increase in the number of societies, their working capital and share capital in the building activity in some of the States were not sufficiently accelerated. Building activity has, however, been greatly hampered due to an abnormal rise in the cost of building materials and labour and the scarcity of proper housing sites at reasonable prices. The co-operative movement can play a more dynamic rôle when the two Central Government schemes—the low income group housing scheme and the subsidised industrial housing scheme—are implemented in a much larger measure by the State Governments than has been the case at present. As between Maharashtra and Madras, the latter has made a more practical approach to the solution of the problem by making finance available to rural areas and by granting various facilities including the reservation of appropriate areas for house sites, supply of timber at concessional rates and free supervision of construction work.



Paddy cultivation under the Japanese method

Even here the needs of middle and higher classes are catered for as in Maharashtra. The co-operative housing movement has so far confined its activities to financing the middle and upper middle classes only. The poorer classes of people have received no benefits from it. If the subsidised housing scheme made applicable at present to industrial workers were extended to other low income groups and if a more rational approach were made, it would be possible for the movement to gain strength and popularity before long. In rural areas, the real difficulty is that buildings are not a commercial proposition as they cannot be readily sold in the event of forced sales. As for rural housing, a more realistic approach is needed.

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Raising Agricultural Productivity in India

A MID-TERM appraisal of agricultural achievements during the third five year plan affords no satisfaction to the planners themselves, but provides a valuable insight into the administration. What has been done so far is inadequate, while what has been neglected is appreciable and what has to be done is considerable. The rise in national income during the first two years of the third plan (1961-62 to 1962-63) has been of the order of only 4.7 percent, or less than the average increase assumed by the plan for one year. In 1961-62, the rise was only 2.1 percent, as against the average of 4 percent during the second plan period and the extraordinary rise of 7.1 percent in 1960-61. In 1962-63, the increase was just 2 percent, reflecting the failure of agricultural production to maintain the expected rate of growth.

The production of foodgrains, especially rice, shows a downward trend.

By
Dr. A. N. RAJAMANI
Department of Economics, Sri Venkateswara University

Other agricultural commodities too do not show any significant change. For an overall investment of Rs. 2,000 crores during the decade ended in 1961, the annual average increase in productivity was only 1.5 percent, or less than the growth of population. The shortage of food has played havoc in parts of West Bengal and Assam. As if this were not enough, the floods in the sourthern region have caused serious damage to standing crops over large areas.

Against this background, the National Development Council has called for vigorous efforts by State Governments to step up agricultural production by implementing the recommendations of the Central teams on agriculture. These teams, which have visited various States, have highlighted several factors impeding production, such as the low priority given to agriculture, the inadequacy of the plan provision and the diversion of funds to other programmes. Twelve months ago, the matter became so serious that the Planning Commission organised a series of high-level meetings and from the deliberations emerged a three-pronged approach for agricultural development. It was decided to intensify pilot projects, complete land reforms and organise the exchange of progressive farmers. But there was nothing new in the approach; the proposals had been repeated often with no results.

The intensified pilot project (package plan) aims at concentrating attempts in all surplus areas to maximise production for immediate needs. But while looking after these areas, inadequate attention is given to backward areas. In package plan areas, it has been observed that the increase in production is not commensurate with the additional investment. Besides, the suitability of intensifying the existing techniques has not been critically examined.

Land Reforms

As for land reforms, the idea itself has not been found effective in pushing up production. Apart from legislative loopholes, vagueness and ineffectual implementation, land reforms have introduced a sense of uncertainty and hesitation about investment. Not content with disorganising big *ryotwari* holdings by disintegration, which could have been fruitfully employed as scientific farming and demonstration areas, measures like rent reduction and award of higher wages, with no stipulation about efficiency in both cases, have tended to leave tenants and cultivators without any obligation to exert more.

Lastly, as for the exchange of progressive farmers, the proposal looks novel but contains an implied admission that 13 years of official direction have only been wasted. It is true that agriculturists are backward and require guidance. But the guidance needs to be given by people who know the farmers well and understand them. The officials' approach more often than not assumes a bureaucratic form, with the result they fail to carry conviction. The Balwantrai Mehta Committee's report substantiates this.

Other causes are hampering agricultural production too. If the psychology of the agriculturist is not properly understood, the main reason is not his conservatism. Often village institutions are not built on a sound base. Popular representation in *panchayats* and co-operatives is a long-felt need, but factions tend to dissipate the institutional vitality. Community development projects and co-operative societies still form the protective coat for the undiminished influence of the rich in the villages. In other words, these institutions not only fail to discharge their assigned functions, but create the contrary conditions.

Co-operation is held to be of particular importance for the regeneration of the rural economy. The slogan is, "co-operation has failed and it must succeed". But the problem as to why it has failed calls for a searching enquiry by the Government. Large sums have been invested in establishing a chain of consumer co-operatives but they have achieved little. One important reason is that most members are poor and ignorant, and so they rely on official guidance and direction in running the co-operatives. The Prime Minister declared recently that the dependence on officials was undesirable—an admonition which hits the nail on the head.

Another defect is the system of dispensing loans and ensuring their recovery. Loans are not always invested in productive enterprise. Neither are they given nor collected back in instalments suited to different categories of borrowers. Studies show that wherever the principal amounts have had to be collected by auctioning the collateral assets, the co-operatives have tended to outrage the feelings of village folk. In the last analysis, many co-operatives have had to sell the assets in the open market or take consumption goods to satisfy the clients. The people in charge of the consumer co-operatives seem unable to bargain.

Drag on Agricultural Development

Ultimately, the failure of the movement has constituted a drag on agricultural development. The failure has led to the success of professional money lending classes and middlemen in some garb or other. This is certainly an unwholesome phenomenon. To remedy these defects, efforts must be made to eliminate village funds and facilities, to educate the peasants for taking a more intelligent part in the *panchayat* activities, to reduce official controls to the minimum and finally, to fix prices in relation to market rates and to provide adequate help in time.

It is only by proper organisation of the different economic parameters that an effective equilibrium of forces will prevail among various groups of the population and institutions for a relatively long period. But if the statistics on agriculture's performance is analysed in all their import, one finds that one has to traverse through a period of organisational crisis. The uppermost evidence in this matter is the stagnant agricultural economy. Another piece of evidence is the disproportionate accrual of growth dividends among various classes of agriculturists according to their toils. But what is all this due to? One would be prompted to take the lesson from the past.

In spite of huge investments and over 40,000 village level workers, agriculture has fallen into the doldrums because the administration has been preoccupied with the macro-economic set-up and not paying proper attention to particular sectors however important they may be. Two instances can be cited in this matter. First, between the allied ministers at the Centre and the States there is either no co-ordination or there is overlapping of functions, both of which are a waste. There is also no co-ordination or collaboration in the execution of schemes between the Centre and the States. The striking example is the absence of a systematic organisation or the programmes of reconstruction of headworks, canals, distributaries and field channels so as to ensure that the irrigation waters flow into farmers' fields, in much the same time as they are availble at the headworks.

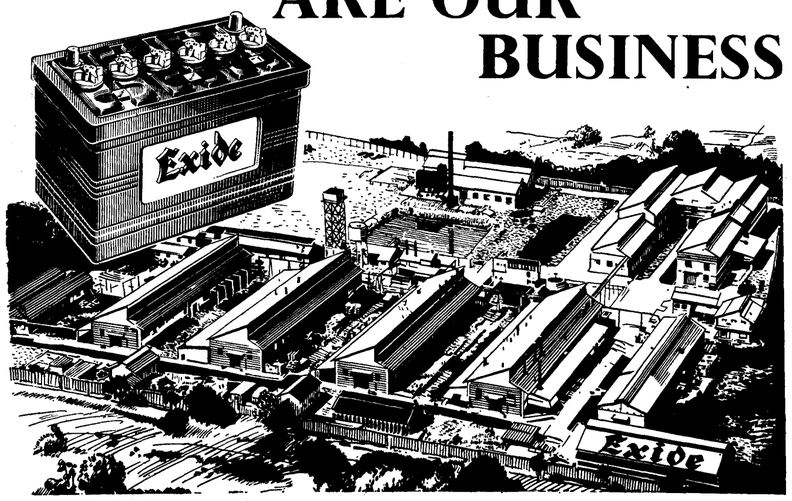
The second organisational defect is that the whole scheme of agricultural development is conceived by the Government and is taken by all as a matter exclusive for the Government to handle. It gives scope not only for aloofness for other political parties, but also creates no responsive feelings in them. The Government and the Opposition must realise that these confuse the farmers. This is why some economists have been suggesting that real efforts are needed for planning from the bottom upwards so as to inculcate in the village leadership a loyalty to values of development and ideas of accelerated progress in social and cultural fields *via* agricultural improvement. It is, therefore, high time that developmental policy in agriculture took note of the above organisational limitations and devised suitable remedies.

Public Co-operation

Indeed, the problem of successful organisation of the developmental measures is a two-way process. On the one hand, initiative, technical competence and guidance must come from the Government, on the other, the agriculturists must co-operate as a body of ultimate beneficiaries in following the Government's lead. From this point of view, public co-operation assumes great significance. Although the third plan report shows evidence in support of growing public co-operation in the shape of voluntary donations of labour, money and goods, it does not give a correct interpretation of public co-operation in the agricultural field since the acid test of public co-operation must lie in the attainment of higher productivity rates. But their present rates of productivity are not at all showing any agricultural progress. The average productivity level is only one-third of comparable countries like Egypt and Indonesia. The productivity rate in sugarcane is reported to be only 20 percent of what it is in Hawai, rice 29 percent of that of Japan, wheat 19 percent of Belgium, maize 17 percent of Belgium, cotton 22 percent of Amreica and milk 5 percent of the Dutch. Within the country itself, for example, the productivity of rice in southern States is computed to be twice the level in Uttar Pradesh and of cotton in Punjab over six times of what it is in Madhya Pradesh. Therefore, there is conclusive evidence that public co-operation is not forthcoming sufficiently and what is available is not only thin in the aggregate, but also unevenly spread over the country.

Consequently, one is led to believe that the agricultural ills are essentially a problem in culture. It should not be ignored. The decline and fall in cultural standards is directly related to the absence of rural facilities for educational progress. Economists have nowadays come to assert that a unit of investment in human beings brings forth greater dividends in national income than what it yields when made in rail-

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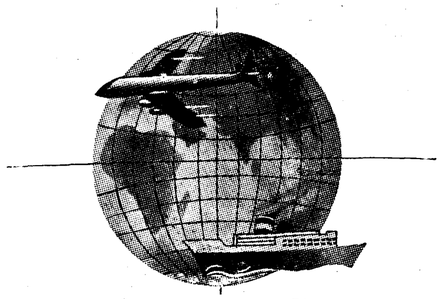
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ways, dams, machine tools and the like. Therefore, if there is capital scarcity in the rural areas, it is only a "derived phenomenon." In other words, investments in human beings in the rural sector must be given all possible consideration for the fulfilment of the preconditions for rapid agricultural growth.

Akin to culture is the problem of carrying the benefits of industrialisation to the agricultural sector. Regeneration of the latter is dependent upon production as well as on increased-standard-of-living - incentive provided by the former. For, the policy of industrialisation in the past has been one of building heavy industries with a long-term end in view. The pattern of industrial production suffers in that process. Consumer goods run short, and with the result, the higher price levels compel agriculturists to incur increased expenditure.

It occurs on two counts: The first is the shortage of agricultural raw materials from agro industries like fertilisers. The second is the shortage of items like kerosene, power engines, etcetera. Meanwhile, labour costs have increased and agricultural prices do not cope up with rising costs. The need to change the pattern of industrial production is obvious. In fact, therein lies the main incentive for the farmers improved living standards because the low industrial product prices not only increase their ability to go in for more of such things, but also they make them work more for additional earnings. But unfortunately, this aspect of the matter has never received adequate attention in the past. The fact remains, however, that there is interaction between industrial and agricultural policies and the planning for the two must be suitably re-oriented.

Economic Balance

Particular attention is needed to remove the lack of regional and sectoral balance occurring in the process of economic growth. Government policy should not allow the juxtaposition of well-developed industries and urban areas with stagnant or slow moving rural economic segments. If agriculture must provide a surplus for the economy as a whole, and if industrialisation must gain its momentum and continued sustenance from a progressive and widening domestic market, it is desirable to manufacture for the rural areas cheaper and easily operable agricultural implements and machinery. Only then, can industry and agriculture coexist to mutual advantage, and backward agriculture can emerge as a sector supporting accelerated industrialisation.

Another important but very often neglected aspect of Indian agricultural policy is that the whole basis of development programmes is suited more to the needs of consumers of agricultural products than appropriate to production conditions. It is consumer-oriented, rather than farmer-oriented. All the time, efforts are made to curtail agricultural price levels instead of stabilising prices to the mutual advantage of consumers and producers. The principal reasons listed are that prices of basic necessities should never be high, that upward price changes in the past were not accompanied by increased revenue receipts to the State exchequers and that expenditure elasticity on food being very high, any further increase will jeopardise consumers' interests and worsen inflationary conditions in the country. These reasonings have certain validity, but it is still deplorable, that no effort has been made to safeguard the interests of the farmers.

As for the impact of prices on production or *vice versa*, available statistics do not say anything definite. However, it is more or less correct to assume that a reasonably high price is itself a good incentive to the farmers either to produce more or sell more. In either case, the marketed surplus of agricultural products will increase. But price controls by the Government, however good-intentioned they may be, have killed production incentive. They give rise to structural difficulties for the farmers. Invariably, the procurement price, for instance, fixed by the Government is extremely below the market rates. It involves the two defects: neither the market price comes down due to the inadequate Government machinery for enforcing fair prices, nor does it enthuse farmers to produce more. Therefore, the fixing of prices must take note of the cost of production and also the ruling rates in the market.

Zonal Movement of Foodgrains

One other defect in the policy relating to agricultural products is the restriction on the movement of foodgrains between one State and another. The origin of the idea of the zonal control is in the report of the Asoka Mehta Committee. The Committee recommended it as a short-term device to regulate price levels. But the zonal control seems to be staying for good. This measure would produce various difficulties if continued any further. It is well known that the grouping of the surplus areas with the deficit ones gives rise to the problem of pricing for purchase and sale within the zone. If the idea is that the deficit State must not be made to pay more than the fair price, price reduction in the process affects the potential expansion of marketable surplus in the surplus State. Secondly, permanent control measures restricts the market for efficient producers, but also for those middle men who are still left in the field in spite of the Government's entry through open market operations in foodgrains. It tends to boost up the traders' tendency to sell the products outside the open market.

To eliminate this unhappy situation, it requires a vigorous implementation of the Essential Commodities Act of 1955, which among others, empowers the Government to requisition the stocks of all traders, among whom exist even now a variety of nondescript agents, at a price average of three months preceding the date of the Government's move. Thirdly, the zonal control hinders the diversification of agriculture. Incidentally, it arrests commercialisation of the crop also. Fourthly, when a permanent arrangement is made for covering a deficit from an adjacent area, the State Government concerned does not feel responsible for increasing the production level in the deficit area because the pooled surplus wipes out the deficit. In fact, there is reason to believe that this is the case with a number of deficit areas.

What is needed is a bold move in making shortages in an area to adjust themselves to demand by a temporary spurt in prices. In the meanwhile, the Government should release the needed quantity of grains at the right time in the deficit areas. The recent events in West Bengal and Assam have compelled the Central Ministers to own that insufficient, inefficient attention and redistribution of stocks and an army of middle men exploiting the situation, have added to the misery of the people. The zonal arrangement in that part of India, in other words, has failed.

Fiscal Policy

A serious hindrance to agricultural development, the full significance and impact of which has not been realised, is the cumulative burden of taxation in the agricultural sectors. Economists like I. M. D. Little, N. Kaldor, K. N. Raj and A. M. Khusro favour increases in farm taxation. But have they taken into account the total direct and indirect taxes paid by the agricultural sector as a whole and paid through different agencies? Calculations made by the author show that the agricultural tax burden in relation to the non-agricultural sector is prohibitively high.

Whereas the total direct and indirect tax on agriculture was Rs. 2,545 crores during the second plan and Rs. 2,076 crores during the first three years of the third plan, the tax on the non-agricultural sector amounted to Rs. 3,653 crores and Rs. 3,776 crores for the same periods. The importance of taxation arises in relation to the total revenues which it provides, not to mention loans and other non-tax sources, for economic development. The problem is whether the agricultural or the non-agricultural sectors can self-finance their projects. Looking at it that way, taxation in the agricultural sector is far heavier.

The aggregate private and public investment in agriculture during the second plan was of the order of Rs. 1.520 crores and Rs. 1,521 crores during 1961-62 to 1963-64. The relevant figures for the non-agricultural sector for the respective periods were Rs. 5,230 crores and Rs. 5,319 crores. For agricultural sector the proportion of taxes collected to the amount invested was 164.4 percent and 132.5 percent and for the non-agricultural sector, it was 69.8 percent and 70.9 percent, respectively, in the second and third plan periods. In other words, the proportions of agricultural and non-agricultural taxation in their respective plan investments form 37.1 percent and 17.6 percent a year, respectively.

This raises important policy issues: from agriculture, the Central and State exchequers in India drew back more than twice they did from the non-agricultural sector in terms of investment. It primarily shows that self-financing is done proportionately to a larger extent in agriculture. But it cannot be equated with greater tax potential in that sector, because of vast rural-urban differences in *per capita* income and wealth, measure of ceiling on wealth and holding applied in the agricultural sector. Secondly, there is room for more taxation in the non-agricultural sector because for more absolute investments, a lower proportion is ploughed back in addition to the prevalence of tax evasion in that sector. Thirdly, a measure of non-agricultural investment is financed from agricultural taxes because agriculture's list of obligations includes financial contribution to industrialisation.

Increase in Taxation

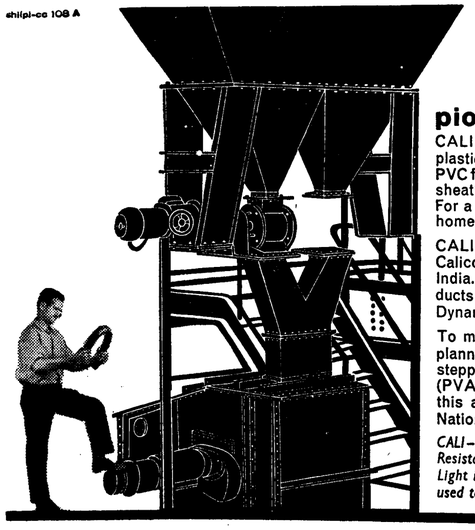
Further, it is a fact that while taxation in agriculture increased throughout the planning periods, relative importance accorded to agricultural development in the total framework of planning was not consistently maintained. Fourthly, if all the time funds were taken away from the agriculturists while proportionately less is spent on rural development, it will worsen the regressive impact of fiscal policy besides aggravating income inequality.

Although certain changes in the present structure of agricultural taxation are not ruled out, any further increase in direct farm taxation will reduce private capital investment on land which is already reported very low and diminishing because of land reform measures and the consequent uncertainty and tension arising from them. This development problem assumes gravity when it is remembered that industrial needs of capital are given top priority by the planners in comparison with the needs of agriculture. When the prospects of increased agricultural growth in the near future are still a matter of speculation, and when, therefore, an increasing number of peasant families must be content with obtaining an equal share in the available cake whose size appears to be almost constant viewed against the third plan performance so far, it is obvious that the taxable capacity in this sector is certainly limited.

The Government's policy is to make Indian agriculture stable. That should not mean that it should be rigid. Hitherto, guaranteed prices have been applied through a loosely-knit official marketing system. One can understand that Government intervention on a scale and degree necessary for the purpose will be difficult to overcome soon, but it should never repress the urge for expansion and freeze the spirit of risk-taking and imaginative enterprise.

The basic aim of agricultural policy being swifter rates of economic growth, it can be secured only by allowing the natural economic forces to work to reward enterprise in producers and allowing the consumers to use their income to express their tastes without undue curbs. Of course, the price methods adopted in securing them must differ from one commodity to another. An all-India peasant institution must be established for consultation in this matter, for establishing a beneficent market such that it ensures reasonable returns to the producer as well as providing needed time margin to them to adjust production without prejudicing long-term farm stability on which soil conservation subsists. What the Government can do is to create preconditions essential for utmost production, and leave full freedom of action to the farmer which would ensure greater response.

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Work commenced in November 1958, and it took Rs. 10.6 crores and nearly four years of round-the-clock effort to throw the bridge across the mighty and turbulent Brahmaputra.

When the first goods train travelled over the bridge on 31st October 1962, it heralded a new era in the fast-developing economy of north-eastern India. For the first time, an all-rail-cum-road link was established between the tea gardens and the oilfields of Assam and the rest of the country.

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Investing Bank Funds in New Capital Issues

By

K. M. UPADHYAY

COMMERCIAL banks, being mainly dealers in short-term funds and also being guided by the orthodox banking practice, have not been greatly interested in long-term industrial financing. But an awareness of the need for a change in the conventional investment policy has also been noticed in recent years. It has been increasingly accepted by all concerned that commercial banks cannot be altogether kept away from long-term financing of industries, although the extent to which they can safely do so is still a matter of controversy.

Banks can help in the long-term financing of industries in two ways; (a) long-term lending, (b) helping in raising long-term funds through the capital market both by investing in industrial securities and facilitating the flotation of securities through underwriting or sub-underwriting and granting loans to brokers. Long-term lending may not be very practicable for banks, due to non-availability of suitable securities, risks of default, difficulties in the realisation of loans, inadequacy of funds available for long-term investments, etcetera. The second method, if managed carefully, after a proper investigation of the security business may serve the purpose in view. The latter will also have some advantages over the former, such as greater profits from investment in variable dividend securities. Banks' participation in the investment market as investors, underwriters or sub-underwriters will increase investors' confidence. A new issue will be easily subscribed by investors if a good bank underwrites it. At the same time, the amount of risks to be shouldered by bankers will be heavier. So these risks should be minimised as far as possible by careful handling and by diversifying investments.

For financing industries banks have certain advantages. These consist in the wide organisation which assists them in the management of the effective spreading of probable risks. If they invest in capital issues or by any other method, facilitate the flotation of securities, most probably losses incurred on some new issues will be cancelled out by profits earned on others. Banks, moreover, may know the true financial condition of persons concerned with new enterprises making capital issues, by demanding statements of their accounts maintained in their branches and in case their accounts are maintained in other banks, by inter-bank correspondence.

Bank Investment Policy

A banking company is required to exercise utmost care in formulating its investment policy. The law requires that a banking company will have to maintain in cash, gold and unencumbered approved securities an amount which will not be less than 20 percent of the total of its time and demand deposits. If a banking company wishes to invest more than this legal minimum, it may do so either by purchasing Government securities or shares and debentures of public limited companies or any other forms of investments in accordance with the provisions of Section 19 (14) of the Banking Companies Act.

During the past decade, scheduled banks' investments in securities have shown a considerable increase. The index of investments (1951=100) in gilt-edged stood at 256.4 and 189.8 at the end of 1959 and 1961, respectively. On the other hand, the index of investments (1951=100) for the same period in industrial securities was 187 and 147.9, respectively. The investments in Government securities during the period accounted for more than 90 percent of the total investments except in 1961, whereas the share of industrial securities was, on an average, only 2.8 percent of the total investments. Moreover, the investments in industrial securities showed a fall at an average rate of 0.32 percent (based on mean deviation) up to 1958. After that, there was an increase in the banks' investments in industrial securities. But this increase was not significant compared with the relative increase in the investments in Government securities. Further, on an average, only 1.2 percent of the total deposits have been invested in industrial securities which were very small, compared with the investments in Government securities. It is clear from the above that banks have invested small funds in industrial securities as such.

On the other hand, the industrial advances by scheduled and non-scheduled banks rose from 32.5 percent in 1951 to 53.5 percent in 1961 of their total advances; an increase of 65 percent. This rise shows that banks are increasingly financing the short-term needs of industry.

Short-term Lending

The present investment policy of banks is mainly to provide short-term finance. But as the short-term advances to industries usually help to economise the volume of long-term capital needed in any enterprise, and they are, generally, carried over from one short period to another, remaining outstanding for a fairly long period, the repercussions of such advances are similar to those of granting medium and long-term loans. In actual practice, banks do what they deny or do not want to do as a matter of policy. Hence, there is the need for a suitable change in the banks' investment policy, to keep pace with the socio-economic changes in India today. The Shroff Committee in its report also expressed the view that banks should provide medium-term and long-term finance. Banks in other countries like Italy, Sweden, the U.S.A. and West Germany manage medium-term and long-term finance by providing loans to brokers and dealers in securities so as to enable them to underwrite more new issues and to make outright purchases of industrial securities.

In recent years, banks have been taking an active part in underwriting new issues. But their participation in underwriting is not adequately diversified since only a few banks seem to have taken up underwriting work. Nor is the amount underwritten by them is sizable, in view of their increased importance and their capacity and vast resources available in the form of deposits. According to a study made by Dr. G. Balkrishnan of Company Law Administration, 32.1 percent, 19.2 percent and 16.2 percent of the total amount were underwritten by banks in 1959-60, 1960-61 and 1961-62, respectively. In 1959-60, the Central Bank of India alone underwrote to the extent of Rs. 1,967 crores, although it confined itself only to three new issues. Only eight banks in 1959-60, six banks in 1960-61, and ten banks in 1961-62 were engaged in underwriting. Of these, the main underwriters were the Devakaran Nanjee Banking Company, the Central Bank of India, the United Commercial Bank and the Bank of India. According to another study made by the *Economic Times*, during the first half of 1963, only 7.9 percent of the total amount underwritten has been taken up by banks.

New Capital Issues

The success of a new capital issue depends upon underwriters, brokers, bankers, management, financial position as shown in the prospectus and so on. With their wide organisation, sound financial health, experiences gathered over a long period, banks may be regarded as first-class underwriters and prudent investors. The need for their active participation in new issues was also felt as far back as in 1938. Professor D. S. Savkar in the book joint-stock banking in India wrote as follows, "as banks can render great assistance to these industries if their debentures are purchased by these banks from their capital resources with a view to passing them on to the public within a reasonable time".

Against taking up underwriting or making outright purchases of securities, banks argue that they lack the necessary funds. Also if they have

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to be interested in investments in new issues, they will have to take a direct interest in industries which is not consistent with banking business. As far as the availability of funds is concerned, the ratio of time deposits to total deposits is showing an increasing trend. In 1951, time deposits accounted for just 35.8 percent of the total deposits, whereas in 1959, 1960 and 1961, they were over 60 percent. Further, while time and demand deposits have both increased, the rise in time deposits is phenomenal.

The index of time deposits (1950=100) stood at 385.9 in 1961, compared with 142.9 for demand deposits. Banks may also, of course, to a limited extent, change the nature of savings. As all persons will not come at a time to draw their money, banks may invest a certain proportion of short-term savings in long-term investments as if they were long-term savings. As for the second argument, it may be reasoned that whenever loans granted by banks to industry are frozen, which is of course not very frequent, bankers have to take a direct interest in the industry. Even otherwise as lenders, they do take a direct interest in the enterprises financed by them. The purchase and underwriting, etcetera, of debentures and shares will not necessitate this to a much larger degree.

Liberal Lending Policy

There are certain lines of action for the successful execution of a liberal investment policy. Some of these are underwriting, sub-underwriting, financing the early stages of a capital development programme, grant of loans to brokers and dealers in securities, formation of some special institutions by commercial banks to invest in new issues whose capital will be jointly held by banks only and by some other methods, facilitating the marketing of capital issues. An opinion survey was conducted by the author of this subject in April-June this year to find out the suitability of these methods. Three questionnaires were issued to bankers, brokers and promoters. This opinion survey was a limited one. But as they were placed before men and institutions important in their respective fields, the ideas and opinions may be regarded, to a reasonable extent, as representative.

Most of the brokers preferred underwriting while bankers have preferred sub-underwriting. In order to assist the marketing of new issues, banks may be advised (where they do not wish to invest for a long period) to take up any slack at the time of issue, carry it for a period and sell it later at an appropriate moment. The brokers have suggested that banks can do so to a "limited extent". This "limited extent" may be determined by a careful study of the capital market.

Most of the brokers are of the opinion that loans should be frequently provided to brokers and dealers, and banks should keep a watch on their (brokers, etcetera) behaviour as far as the utilisation of these loans is concerned. Unit trusts may well be undertaken by banks if necessary incentives in the form of tax concessions will be forthcoming from the Government. (In the U.S.A., investment trusts are exempted from the income tax in order to avoid double taxation).

Underwriting of Issues

An analysis of the opinions and views expressed by bankers, brokers and promoters leads to certain conclusions. In the present context of the new issue market, bankers' entrance will itself be a great incentive to other investors. The statutory provisions should be suitably modified to permit larger bank investments in industrial securities and the Government should provide some incentives in the form of tax concession to banks undertaking the establishment of unit trusts. All applications for the admission of new issues to stock exchanges should be submitted through banks which in small proportions, say, 2 percent to 5 percent of the issues in order to ensure normal trading conditions.

The Reserve Bank of India should help bankers by accepting sound equities as the security for advances, and by imparting knowledge gained by surveys of the capital market in general and security business in particular. As far as the problem of getting more funds for investment is concerned, banks should popularise deposit certificates for medium and long-term periods. The Shroff Committee's suggestion to form a syndicate of bankers for investment purposes, should now be implemented. The all-important point is that the country's industrial progress demands more investments for medium and long terms and banks can and should play an important rôle in the investment market in general, and in the new issue market in particular.

THE TEST OF QUALITY

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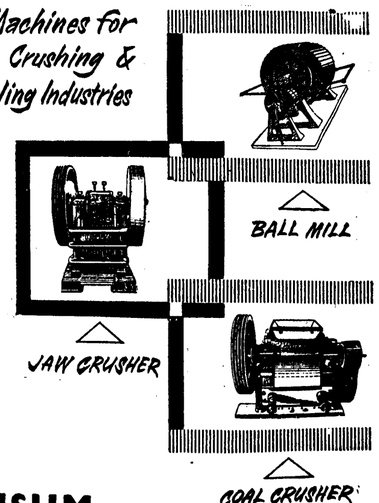
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Credit Demand Rising Faster than Banking Resources

By R. M. MITRA

THE story of banking in 1962 is the now familiar one of growth. Deposits rose by Rs. 233 crores, or 13.7 percent, compared with the rise of Rs. 168 crores or 11 percent in 1961. The number of banking offices opened by commercial banks reached 211, compared with 200 in 1961. The number of offices closed fell from 116 in 1961 to 51 in 1962, resulting in a net increase of 160 in the total number of banking offices during the past year. The increase in 1961 was 84.

But this picture of expansion has its blemishes. The "balance of profit" of the 32 larger Indian scheduled banks fell by 4.5 percent—from Rs. 11.2 crores in 1961 to Rs. 10.7 crores in 1962. The increase in total earnings of Rs. 14.9 crores in 1962, was more than neutralised by an increase of Rs. 15.5 crores in operating expenses. The extra earnings accruing from higher levels of advances and investments were offset by interest payments, establishment costs and provision for taxation.

The rise in resources does not seem to have kept pace with the increasing demands of the developing economy. The total resources of the scheduled banks, consisting of paid-up capital, reserves and deposits, rose by Rs. 239.3 crores in 1962, compared with Rs. 169.1 crores in 1961. But the demand generated by Government borrowings and private credit needs increased by Rs. 260.8 crores, against Rs. 155.9 crores. The lag in the rise of resources (combined with other factors) led to a reduction of Rs. 23.1 crores in scheduled banks' cash and balances with the Reserve Bank. It appears, therefore, that a more intensive use of the banks' resources has further aggravated the question of liquidity, which has been a source of constant anxiety to the monetary authorities for some time.

The ratio of Indian scheduled banks' cash in hand and balances with the Reserve Bank to deposits fell from 9.59 percent on the last Friday of March 1952 to 6.56 percent on the same day of December 1962. Similarly, the ratio of investment in Government securities receded from 38.07 percent in March 1952 to 33.93 percent in December 1962. On the other hand, the ratio of loans and advances (including bills purchased and discounted) rose from 64 percent to 64.44 percent during the same period.*

Aspects of Liquidity

The problem of liquidity, rendered in simple terms, involves the question of availability of an acceptable medium of exchange. Obligations arising from economic and financial activities in modern society are expressed in terms of money, and require to be discharged by payment in legal tender money. It is consequently necessary not only for business concerns, but also for individuals to have access to, or control over, legal money in adequate quantities and at the appropriate time. The question of liquidity, however, assumes particular importance for bankers who receive deposits of money subject to withdrawal on demand or at short notice. The question, as it concerns public policy, is aggravated by the fact that bank deposits operate as vicarious money.

When the banking system is sufficiently developed and monetary transactions are largely channelled through this system, the question of settlement by payment in money takes a new form. A banker is under the obligation to repay deposits in legal tender money; mutual claims as between the account-holders are normally discharged by transferring a deposit from one account to another whether at the same or at a separate bank. Again, deposits may grow by converting rights to physical and financial assets into monetary claims through the process of credit creation. This process of multiple expansion of credit and deposits in an economy with a well-organised banking system can conceivably proceed indefinitely, unless it is deliberately subjected to restrictions, or until it is checked by a reverse process of credit contraction.

Risks of Excessive Credit

Experience has shown that, as long as the process of multiple expansion operates unrestricted, material assets like commodities and property and financial assets like shares and securities, change hands at progressively rising prices until the spiral breaks at some point when prices start tumbling and a reverse process of contraction begins. A business recession coming in the train of falling prices brings about failures and bankruptcies and loss of assets supporting bank deposits. It is, therefore, commonly considered necessary to moderate the process of multiple expansion. This necessity has led to the formulation of principles governing the credit deposits relationship which may be regarded as one aspect of the liquidity problem.

The other aspect relates to the withdrawal of deposits. When more than one bank functions in a banking system, the growth of deposits may not run parallel to the creation of credit in the case of each bank. Again, there may arise a transfer of deposit from one bank to another whether in consequence of loss of confidence in one bank or higher competitive ability of the other bank, or otherwise. Moreover, there does not yet exist any banking system through which all monetary transactions pass; and so there are a number of occasions when a part of the deposits leaks out of the banking system in the form of legal money. Each individual bank requires, therefore, to be in possession of legal money or to be able readily to acquire legal money in such measure as will ensure its capacity to meet demands for payment arising from (i) excessive creation of credit (*i.e.*, when expansion of credit is not followed by corresponding growth of deposit); and (ii) withdrawal of deposits, whether by way of transfer to another bank or in the form of legal money. This requirement accounts for the development of the concept of relationship between deposit and liquid assets.

Statutory Control

It is, however, worth noticing that the two different questions of the relationship between deposits and liquid assets, and of the relationship between deposits and credit, are often treated as one and the same problem from the point of view of the requirements of legal and executive control of banking. It is also significant that while statutory and executive control of advances is provided for in the Banking Companies Act, 1949, with a view to preventing speculative and undesirable loans and that though the instrument of selective credit control is frequently used to deal with the problem of unhealthy credit, there is no direct quantitative restriction of overall credit to control the inflationary effects of excessive credit. Convention is allowed generally to regulate the "norm" of the credit-deposit ratio, while such regulation is indirectly strengthened partly by statutory and partly by traditional ratios between deposits and different kinds of liquid assets.

But it is worth noticing that although neither the Banking Companies Act nor the Reserve Bank of India Act contains specific provisions for the imposition of a credit-deposit ratio, the provisions of the Banking Companies Act confer sufficiently wide and discretionary powers on the Reserve Bank to enable it to direct a particular banking company, or banking companies in general, not to exceed such credit-deposit ratio as it may from time to time or at any time consider proper (*vide* Sections 21 (35A and 36). It is evident from information furnished in statements appended to the Reserve Bank's annual reports on *The Trend and Progress of Banking in India* that the power is being actively used for individual banks, to control ratios between advances and total resources. Yet, by and large, the question of liquidity is regarded in terms of the relationship between deposits and liquid assets.

It is, perhaps, obvious that if the inflationary threat of over-extended credit is disregarded, operational requirements relating to liquidity will vary from bank to bank and from region to region. It has been noticed that these requirements arise from the disproportionate growth of deposits and advances and from withdrawal of deposits. Even if public relations and organisational arrangements may help in checking an inspired or panicky withdrawal of deposits, a certain amount of withdrawal will take place daily at every bank in the ordinary course of business. The requirement of liquidity arising from the incidence of such normal withdrawals is not subject to the direct control of a bank. Nevertheless, the extent of the requirement needs to be anticipated shrewdly so that the bank may not be involved in a *débâcle*.

In this connection, the special characteristic of the bankers' liability to meet a demand for payment has to be carefully noted. An individual or a non-banking business concern is not only in a position to make a reasonably accurate assessment of anticipated outlays, but may, if the occasion demands, arrange to postpone a payment without much loss of grace. The slightest indication of a bank's necessity to gain time in making a payment will, on the other hand, spell its doom. As for the requirement arising from the disbursement of loans, although it should normally be amenable to control, factors relating to the growth of deposits and credit needs often prove unpredictable.

Content of Liquidity

It is evident that no bank can hold legal tender money to the full extent of its deposit liability. This is, first, because a system of banking which does not seek profitable employment of deposit money but depends for its earnings wholly on service charges will prove prohibitively expensive; and, secondly, because a system of banking in which bank deposits consist wholly of primary deposits of cash and in which "derivative" deposits arising from creation of credit play no part, will fail to serve the productive and distributive needs of the economy.

It is, therefore, the task of sound banking to arrange such distribution of assets as will ensure the availability of cash to meet demands for payment as they arise and yet will yield adequate earning. Here emerges the theory of "liquid assets". Cash which does not yield any income belongs to the first order of liquid assets. Earning assets, which are readily convertible into cash without loss of capital, belong to the second order. Such earning assets as are redeemable in cash in a short time, but may involve loss of capital if sought to be disposed of before maturity, belong to the next order.

Any scheme of well-balanced distribution is based on the assumption that the withdrawal of a deposit on one account will, except where it escapes the banking system, be reflected in a fresh deposit in another account whether at the same bank or at a separate bank: transfers and

* The disproportion between a fall of about 7.2 percentage points in cash, bank balances and investment in Government securities, and an increase of only 0.44 percentage point in bank credit, reflects dissimilar growth of other assets and total resources, which include capital, reserves, deposits and other liabilities such as drafts and pay orders.

cross-transfers of deposit will thus tend to keep the deposits of a bank at a level consistent with its normal proportion to the general level of aggregate deposits of the banking system, unless the particular bank has suffered loss of confidence or unless there are special factors affecting the business of the bank's customers or the economy of its area of operation. It might, then, appear that cash held on the basis of an average of daily turnover of deposits should meet the needs of withdrawals which result in a flow out of the banking system. In this connection, it may be recalled that a committee on bank reserves appointed by the U.S. Federal Reserve System, recommended as far back as 1932 that the distinction between "time" and "demand" deposits should be abolished and that cash reserves should be equal to 5 percent of the total net deposits plus 50 percent of average daily withdrawals of deposits, subject to a maximum of 15 percent of total gross deposits.

Withdrawals which cause the transfer of deposits may perhaps be covered by holding the second order of liquid assets. Withdrawals and other payments which might be occasioned by loss of confidence, excess lending or other special factors, would require to be provided for by assets which rank third in order of liquidity.

Banking Reserves

Working principles have evolved different ratios relating to the primary reserves, secondary reserves and tertiary reserves. A primary reserve of between 5 percent and 10 percent of deposits, a secondary reserve of between 10 percent and 20 percent of deposits and a tertiary reserve of about 30 percent of deposits are generally regarded as adequate. Secondary and tertiary reserves are intended to be capable of conversion into more liquid form when the necessity arises.

As long as a banking system is sufficiently alert and is prepared to adjust the different ratios in accordance with changing factors relating to monetary habits and needs, the question of sound ratios should not constitute a difficult problem from the bankers' point of view. But the question becomes complicated when the term "liquid assets" comes to be given its denotation, and it assumes a new dimension when it is subsumed in the scheme of credit control of the monetary authorities. A brief survey of the position obtaining in the U.K., the U.S.A. and India will serve to bring out the nature of the complications.

The cash reserve requirements of member banks in the U.S.A., effective from 1st September, 1962, are 16½ percent of the net demand deposits for the reserve city banks and 12 percent of net demand deposits for the country banks plus 5 percent of time deposits for the banks in either category (as from 24th November, 1960, all vault cash is regarded as part of statutory cash reserve). The actual position in July 1962 shows that cash reserves (vault cash plus balances with the Federal Reserve Banks) represent about 11 percent of the total deposits (excluding demand deposits from domestic banks and cash items in the process of collection). Although there is no prescribed minimum, investments in U.S. Government securities amounted to about 28 percent of the total deposits of the member banks in December 1961. It is, however, customary for U.S. banks to regard U.S. securities having a maturity of three years or less, commercial paper, bankers' acceptances and loans to stock exchange firms, as constituting a secondary reserve which varies for individual banks between 12 percent and 25 percent of demand deposits and between 8 percent and 12 percent of time deposits. As for the U.K., there are no statutory requirements for cash reserves or other liquid assets; but convention (strengthened by the Bank of England's guidance) requires banks in England to hold cash and balances with the Bank of England to the extent of 8 percent of total deposits and liquid assets (comprising cash, balances with the Bank of England, money at call, Treasury bills and commercial bills) of not less than 30 percent of total deposits. Published figures show that cash reserves, sometimes tend to fall marginally below 8 percent, but the overall ratio of liquid assets invariably keeps above 30 percent.

It was noticed in the last Annual Review of *Capital* that until the recent amendments, Section 42 of the Reserve Bank of India Act required the scheduled banks in India to maintain cash reserve in the form of balances with the Reserve Bank to the extent of 5 percent of demand liabilities and 2 percent of time liabilities. Section 24 of the Banking Companies Act required every banking company to hold in cash (including vault cash and balances with the Reserve Bank, the State Bank or any notified bank, whether as part of cash reserve or not), gold or unencumbered approved securities, totalling at least 20 percent of its total liabilities. Non-scheduled banks were required in terms of Section 18 of the Banking Companies Act, to hold in cash with themselves and/or balances with the Reserve Bank, the State Bank or any notified bank, to the total extent of 5 percent of demand liabilities and 2 percent of time liabilities.

The relevant sections of the two Acts were amended in September 1962. It is now provided that the statutory cash reserve will be equal to 3 percent of total deposits with effect from 15th September, 1962, in the case of scheduled banks, and with effect from 16th September, 1962, in the case of non-scheduled banks. The reserve required under Section 24 of the Banking Companies Act, will with effect from 16th September, 1964, be equal to 25 percent of total deposits and will not include the cash reserve prescribed under Section 42 of the Reserve Bank of India Act or Section 18 of the Banking Companies Act. (The deposit held by a foreign banking company with the Reserve Bank under Section 11 of the Banking Companies Act will, however, continue to be treated as part of the reserve under Section 24).

Varying Cash Reserve Ratios

Section 42 of the Reserve Bank of India Act also contains provisions for varying the cash reserve ratios of scheduled banks subject to a maximum. The maximum in 1956 was 20 percent of demand liabilities and 8 percent of time liabilities, but the amendment of September 1962 sets the maximum at 15 percent of total liabilities. The prescribed range of variations has been changed from time to time in the U.S.A. also, where the device of variable reserve ratios was first introduced; the present range is between 10 percent and 22 percent of demand deposits for reserve city banks and between 7 percent and 14 percent of demand deposits for country banks, while the range for time deposits is between 3 percent and 6 percent for all member banks.

Not only the ratios of reserves but their composition too vary from country to country. Such variations are partly explained by different traditions and experiences and partly by the state and availability of markets for the disposal of and the shifting of banking assets. There is a discount market in England which performs a useful function in maintaining the "liquidity" of the assets treated as liquid by the commercial banks. It is true that doubts have been expressed about the value of the discount market's functions which depend largely on finance made available by the commercial banks and, in the last resort, by the Bank of England. Yet the competent view is that the market represents "the force of a tradition of great convenience"; and that the close relations between the members of the discount market and the Bank of England serves to ensure the liquidity of the assets dealt in by the market.

As for the U.S.A., the brokers' loan market, the commercial paper market, the bankers' acceptance market, the U.S. Government security market, instalment credit market, mortgage loan market and arrangements for insurance of various credit risks, etcetera, represent a complex of devices designed to secure the liquidity of various financial assets. These devices give a meaningful rôle to the bankers' secondary and even their tertiary reserves.

The conception of secondary or tertiary reserves, as reflected in Section 24 of the Banking Companies Act, covers mainly Government securities ("approved securities" have been defined to include Government or Government-guaranteed securities). Although Government securities of any maturity rank as approved securities under Section 24 of the Banking Companies Act, both convention and the Reserve Bank's power of direction treat investment in securities having a maturity of not more than ten years as part of the secondary reserves and the longer-dated securities as perhaps part of the tertiary reserves.

Proper Bill Market Needed

It seems, however, that Government securities cease to be readily salable when the stock exchanges become slack, and often fail to serve as a dependable reserve. If a proper bill market could be organised, facilities for rediscounting as contained in Section 17 of the Reserve Bank of India Act, could conceivably help in building a tradition for secondary reserves. But there is no such market operating in India; the "bill market" set up by the Reserve Bank seems neither to have created a "market" nor to be concerned with "bills" which may shift from hand to hand. Both statute and convention seem, therefore, to have proved ineffective in providing operative secondary, or for that matter tertiary, reserves for commercial banks in India.

The position relating to tertiary reserves seems particularly confusing. It may, of course, be argued that long-dated Government securities and loans and advances created in the form of transferable securities form part of these reserves. But statistics showing the proportions of negotiable loans and advances are not easily available. Government securities having a maturity of more than 10 years are reported to account for about 14 percent of the total investments of the scheduled banks in Government securities. Subject to the qualification, already noted, about the operational availability of liquidity, the "liquid" assets of Indian scheduled banks, therefore, appear to be distributed to the extent of about 6.5 percent in the primary reserve of cash and balances with the Reserve Bank, about 29 percent in such Government securities as are conventionally regarded as constituting secondary reserve and about 5 percent in other Government securities which may be treated as a tertiary reserve.

It needs to be repeated, however, that although, quantitatively, the secondary reserve may seem to be adequate, in the absence of proper markets its composition lacks in diversity and dependability. As for the tertiary reserve, it is conspicuous by its insignificance, both because of the smallness of the holding of long-dated securities and of the practical absence of any scope for the utilisation of negotiable loans.

Influence of Money Supply

The question of liquidity may now be considered from the point of view of credit control. It is conventional to relate money supply to prices in a study of inflationary forces.

According to the traditional concept, money supply in India consists of currency with the public and demand deposits with banks (excluding Government deposits and some special deposits with the Reserve Bank). It appears that currency with the public represents about 16 percent of the national income as in March 1963, against about 12 percent as in March 1952. Similar ratios for demand deposits are about 5 percent and 6 percent in the respective years. It may be observed, however, that as all bank deposits are in fact repayable on demand or at short notice, irrespective of the conditions of deposit, and as bank deposits are treated by the depositors as potential cash, the total deposits of banks should be taken into consideration in order to arrive at a correct assessment of the inflationary action of money.

The authoritative opinion is that inflation arises when the flow of money exceeds the flow of goods and services. But it has not yet been found possible to evolve a basis for a rational estimate of the stock of money which would not lead to inflation. The factors involved in the formulation of an appropriate basis are many and varied. For example, there are transactions which do not call for the use of money; turnover of money multiplies quantitative performance; a quantity of money may be secreted from use; another quantity of money may be used for transactions relating to financial assets;

and yet another for speculative dealings in goods or securities. The stock of money as measured in terms of gross national product (which includes all economic transactions which may require the use of money) may, however, serve as a workable basis for a study of the comparative position in different periods provided that monetary habits and the proportion of non-monetised transactions do not show material changes.

Bank Deposits and National Income

Total bank deposits and legal money amounted to about 8 percent and 12 percent, respectively, of national income in 1951-52, and about 14 percent and 16 percent, respectively, in 1962-63. It may be noted that the turnover of bank money (including current, cash credit and overdraft accounts) increased from 16.2 in 1952 to 17.5 in 1960.

It is noted that in the U.S.A., the ratios of legal money to national income fell from about 11 percent in 1951 to 8 percent in 1961, and bank deposits represented about 54 percent of national income both in 1951 and 1961, while the turnover of demand deposits in leading cities (other than New York) rose from about 21.7 to 36.8. Yet the index number of consumer prices in the U.S.A. showed a rise of about 15 percent, and the index number of wholesale prices rose by approximately 4 percent during the period from 1951 to 1961. As for the index number of common stock prices, although comparable figures are not available because of changes in weightage and in the years of base, the rise in prices is more than is warranted by the conditions of money supply.

It thus appears from the figures relating to the ratios of bank deposits and legal money to national income and other relevant statistics that they do not support any theory of proportion between money supply and prices. While the aggregate ratios of bank deposits and legal money show a relative rise of more than 40 percent in India, the comparative rise in prices (other than securities) is much less; on the other hand, the ratios of bank deposits and legal money show a slight fall in the U.S.A.; but the rise in prices is proportionately high. The discrepancy may, for aught one knows, be attributable to the difference in changes in the rate of turnover of money.

In this connection, it may be interesting to attempt an analysis of the factors contributing to the rise in commodity prices. Such rises are generally attributed to (i) monetary inflation, (ii) rising costs and profits, (iii) population growth, (iv) unequal distribution of income, (v) indirect taxation and (vi) transport bottlenecks.

Monetary Inflation

The all-India index number of wholesale prices of "all commodities" rose by 25.3 percent during the period of about ten years between 1952-53 and the year ended 31st December, 1962. The table of the all-India index is constructed on the basis of weighted calculation of prices under selected groups of goods and services, namely, (1) "food articles", (2) "liquor and tobacco", (3) "fuel, power, light and lubricants" (4) "industrial raw materials" and (5) "manufactures". The component groups show rises of 21.9 percent, 24.3 percent, 33.8 percent and 28.7 percent, respectively, for groups 1, 3, 4 and 5, while group 2 shows a fall of 0.9 percent.

Both the comprehensive index number and group index numbers have registered noticeable fluctuations during this ten-year period. These fluctuations do not appear to have followed any law of proportion, whether as between the groups *inter se* or for external factors like money supply in general and credit money in particular.

It is noted that the index number of wholesale prices for "food articles" and that comprehensive index for "all commodities" rose to 131.5 and 131.1, respectively, in August 1962, while the former fell more markedly to 121.9 in December 1962, than the latter which recorded 125.3 for that month. Again, money supply has increased by 77 percent from Rs. 1,764.71 crores in March 1953 to Rs. 3,118.73 crores in December 1962, and bank credit rose sharply by 169 percent from Rs. 528.62 crores to Rs. 1,422.38 crores during this ten-year period. The percentage rise in prices is, therefore, relatively small, compared with those either in bank credit or money supply.

A study of the effects of selective credit control measures brought into force by the Reserve Bank from time to time, as from May 1956, also does not reveal any direct relation between prices and bank credit.

Credit control measures concerning foodgrains were revised in December 1958. The scheduled banks' advances against foodgrains fell from Rs. 23 crores in April 1958 to Rs. 20 crores in April 1959. Yet the index number of wholesale prices for foodgrains showed a comparatively large rise from 105.2 in April 1958 to 113.1 in April 1959, against a rise in the index number for all commodities from 107.4 to 112. Again, directives issued on 28th February, 1962, relaxed the control of credit against paddy, rice and groundnuts and removed the control on sugar, wheat, raw jute and jute goods.

It appears, however, that the scheduled banks' advances against paddy and rice fell from Rs. 10.19 crores on 29th December, 1961, to Rs. 10.14 crores on 28th December, 1962, and that advances against sugar and *gur* registered a sharp fall from Rs. 65.26 crores to Rs. 56.26 crores, but that corresponding figures relating to the other commodities (as mentioned above) showed rises of varying degrees. The changes in index numbers for the respective commodities fail to show any relation with the corresponding changes in the volume of bank advances. It is significant that the index number for sugar and *gur* rose markedly from 113 in December 1961 to 139 in December 1962, whereas the index number for cereals showed a small rise from 101 to 103 and that for oilseeds fell from 152 to 147. The trends suggest that any conclusion that the rise in prices in the last decade is essentially a monetary phenomenon, is vitiated by the fallacy of the "fourth term".

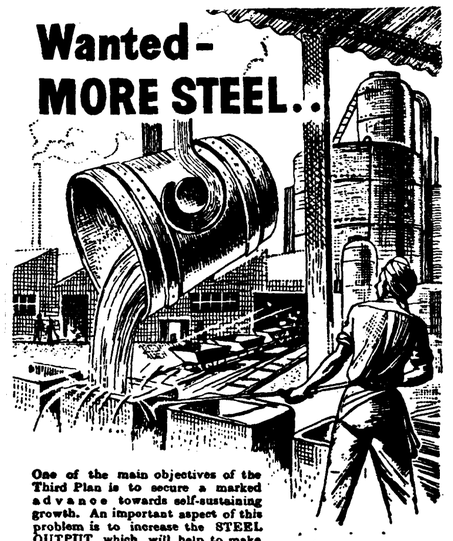
It is sometimes argued that rises in direct costs like raw materials and wages, and in indirect costs like profit, account for the rise in prices. But the fact that the index number of wholesale prices for finished goods shows a rise of 27.2 percent, compared with 33.8 percent for industrial raw materials and 37.7 percent for intermediate products, is positive proof of the absence of a preponderant influence of the profit motive on price rises in the last ten-year period.

It is, again, frequently urged that the "population explosion" has led to the rise in prices in India. But it is worth noticing that while population has increased by 21 percent during the period from March 1951 to March 1961, agricultural production has increased by 41 percent and industrial production by 94 percent during the same period. It is also noted that larger savings have not introduced any new element in the scarcity of supply. As against the savings rate of 8.5 percent, *per capita* income increased by 16 percent during the second five year plan.

Income Distribution

The widening disparity in the distribution of income is reflected in a study of the subject appearing in the September 1962 issue of the *Reserve Bank of India Bulletin*. The disposable income of the income group Rs. 0-3,000, accounting for 95.3 percent of households, fell from 81.9 percent to 80.5 percent during the period 1953-54 to 1956-57, while the share of income-groups Rs. 3,001-25,000 and Rs. 25,001 and above, accounting for 4.5 percent and 0.2 percent of households, rose from 14.1 percent to 15.2 percent and from 4 percent to 4.3 percent, respectively. It seems, therefore, worth enquiring whether the pressure of unsatisfied demand in a low-standard economy has not been expressing itself in rising prices brought about by intensified demand originating from the higher-income groups.

It is true that statistics may be used to prove that personal income is more evenly distributed in India than in many other countries. But the fact remains that the feature of concentration in the distribution of personal income in the urban sector is more pronounced in India and that disposable income (income after tax) is less evenly distributed in India than in a number of other countries. Again, the low level of income in India does not permit a constructive



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comparison with the ratios of concentration of income in other countries.

As for the impact of indirect taxation, it may be noted that the Government of India's share of Central taxes on commodities and services (in the form of Customs and excise duties and taxes on railway fares and freight) rose by more than 133 percent from Rs. 257.05 crores in 1952-53 to Rs. 600.46 crores in 1961-62. A process of elimination would, therefore, appear to indicate that an accentuation of the disparity in distribution of national income and the stepping up of indirect taxation, may have been the main contributory factors in the rise in prices, while difficulties of transport by causing local shortfalls in the availability of supply of goods, account for short-term price fluctuations.

It has been stated by many distinguished economists that a gradual rise in prices is an unavoidable feature of a developing economy. It is also possible to argue that such a rise does not produce any deleterious effect, but, on the other hand, stimulates economic activity. It may, however, prove dangerously complacent to dismiss the phenomenon of rising prices in India as a mere "secular' development. Rising prices, unaccompanied by an economically (and perhaps socially) sound distribution of income will not only bring distress to lower income groups, but also tend to unsettle the economy.

It is true that various devices, like buffer stocks, ceiling prices, fair-price shops, co-operative stores, and even rationing, may serve to control short-term fluctuations and that prices fixed by tariff commissions or by agreement among producers (and properly publicised) may promote fair trade practices. But these steps root of the problem. The questions of more equal distribution of income and of a graduated shift from indirect to direct taxes may call for more serious and systematic attention than they have received so far.

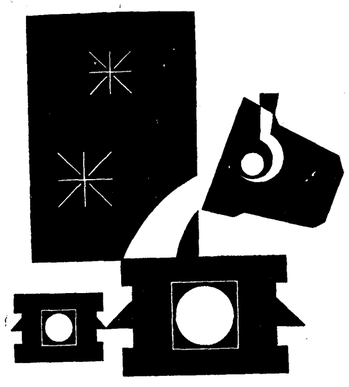
Rise in Prices and Income

Dichotomy is the dominant feature of the Indian economy. Official control and interference is justified in the name of co-operative endeavour and collectivisation of resources, while individual suffering following such interference is explained away as the inevitable and corrective result of competitive enterprise. Estimates of national income published by the Central Statistical Organisation of the Government of India show that national income has risen at an average annual rate of 4.3 percent from Rs. 8,850 crores in 1950-51 to Rs. 130.20 crores in 1961-62 (at 1948-49 prices).

According to the office of the Economic Adviser to the Government of India, the average index number of wholesale prices has registered an increase of 12 percent from 111.8 in 1950-51 to 125.1 in 1961-62 (1952-53 equals 100). The rise in income is acclaimed as an outcome of high-powered planning, while the rise in prices is attributed to the market forces of profiteering and hoarding helped and accentuated by the explosive growth of population. But the decline in prices from 111.8 in 1950-51 to 92.5 in 1955-56 seems to show that the malign forces of profiteering and hoarding are not intractable and may in fact be subdued whether under the compulsion of nature or the influence of man.

It may, therefore, be interesting and instructive to know that although there are bulges in the U.S. economy and occasional misadjustment between production and sale and between foreign receipts and payments (mostly due to special aid programmes), the U.S. economy is functioning with strength and purpose. The reason is that there is a balanced distribution of disposable income and business failures in any one year do not involve more than 0.2 percent of national income.

The conclusion which emerges, therefore, is that it is not so much the quantity of money or the relative rise in prices that affects economic health. It is the presence of a scheme for properly distributing income, the availability of adequate arrangements for the shifting of assets and the existence of a thoughtfully devised mechanism for the absorption and distribution of losses, which determine the soundness and vigour of an economy.



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L.I.C. Writes More Rural Business: Need to Introduce U.K. Type of Industrial Assurance

By

A. C. GUHA RAY

OF particular interest in the Life Insurance Corporation's activities during the year 1962 and thereafter is its continued emphasis on venturing into sectors hitherto unexplored by traditional writing of business, particularly by the former life insurers operating in India. The chairman, Mr. B. K. Kaul, in one of his speeches endeavoured to focuss attention on this matter. He pointed out that the potentiality for life insurance in this country is immense and has steadily expanded over the years because of the various development activities. The potentiality, he added, is comparatively large in rural areas which were not tapped earlier because of the financial and other limitations of the former private companies.

Since the L.I.C. has been set up, development of rural insurance has been one of the main planks of its activities. Mr. Kaul was, however, careful to point out that development of the business in the rural areas did not mean issuing life insurance policies on the lives of those living in the countryside, but it meant much more than mere procuration. It involved a process of education and awakening of insurance-consciousness among those who have not been acquainted with this form of security. It was also a question of preparing the Corporation's field organisation to take advantage of the desire thus created in the minds of the village people.

Fundamentally, the problem is one of approach. By and large, as the economists have noted from a study of the national income, there has been over the years, particularly from the time the first five year plan was launched, a slow and steady shift in income from the middle classes to skilled and semi-skilled labour, artisans, agriculturists, village craftsmen, blacksmiths, tinsmiths and so on. These latter classes, who have been growing in number have not the advantage of education so necessary to understand the fundamentals of protection afforded by life insurance. These classes also were fatalistically inclined. Even today, their psychological approach to life insurance is different from those who have traditionally gone in for life insurance.

Stupendous Task

To create the necessary awareness and the consciousness among these new classes of the protective utility of life insurance is by itself a stupendous task. How far the Corporation will succeed to educate this class is hard to prophesy, for the L.I.C. will require an army of trained insurance personnel to probe deeply into the means of the rural population, and the benefit will inevitably be slow. It is also important that in the rural areas the approach to the problem of selling life insurance must be conditioned by certain fundamental principles, and there must not be any large deviation from the actuarial principles of guiding life insurance. An indiscriminate sale of life insurance may result in loss to policyholders themselves if policies lapse prematurely. It will also be a loss to the Life Insurance Corporation in the sense that it will not be able to tap a source of savings which it must in order to succeed in its mission.

At one stage, knowledgeable circles suggested to the Life Insurance Corporation the formation of a subsidiary unit entirely given to rural insurance. The ambit of the said subsidiary corporation would be different from that of the Life Insurance Corporation of India as a whole, the guiding factor being rural insurance which would also cover the small wage earners working in factories, whether in the city or in villages or in small-scale industries. Apart from creating the requisite consciousness by propaganda or otherwise, it is of paramount importance that the premium to be paid is duly and regularly collected. In the U.K., industrial life assurance has made tremendous progress. Some companies specialise in this type of business. India is fast approaching a stage where industrial life assurance can have a prominent place. It will be worth while for the L.I.C. to emulate the ways of U.K. industrial life assurance companies and to study their system of having paid officers engaged exclusively in the collection of the usual deductions from the weekly pay roll. A study team in the U.K. to investigate these factors can be of considerable value and the expenditure would be insignificant compared with the results likely to be achieved. The L.I.C. should have the proper mental make-up to launch in the country schemes similar to industrial life assurance in the U.K.

Expansion of Offices

The chairman, Mr. Kaul, claims that the Corporation has achieved the objective of familiarising the masses with life insurance by countrywide efforts including the utilisation of all known media or media developed specially for the purpose. By a planned and judicious use of a variety of methods, the chairman further claims, the Corporation has been able to meet the needs of the different areas. The chairman claimed that the Corporation had also planted its offices in different areas to ensure further development and proper servicing. Thus while the Corporation started in 1957 with 240 branches and sub-offices, by the end of 1962, it had set up 339 branches and 354 sub-offices and development centres in the country.

In the 15-month period 1962-63 which constitutes the last working year of the Corporation, new business amounted to Rs. 746 crores. The chairman pointed out that the number of policies issued to persons in areas where life insurance was never known before was 38.5 percent covering 31.9 percent of the sum assured. Thus out of the total business done in India during the last financial year, the rural business alone accounted for Rs. 234 crores. This is no doubt creditable having regard to the fact that there was hardly any business done in most of these areas, and if this business remains in the books of the Corporation, it is likely to pay good dividends.

As for the Corporation's endeavour to draw the right type of men for sale of life policies, against 89,000 active agents in 1957, the Corporation had by the end of 1962, over 174,000 individuals. But since India is developing fast and since rural development is the special assignment of the Corporation, it is quite obvious that many more men are needed, specially in the rural areas.

L.I.C. as Investor

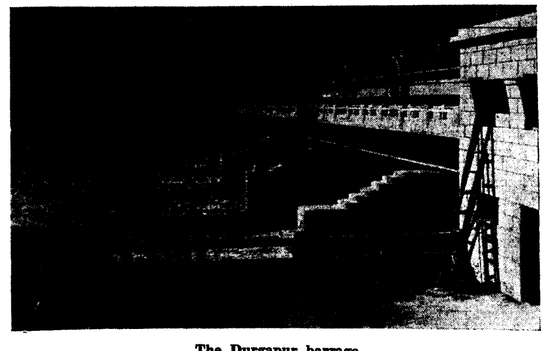
On the rôle of the Corporation as an investor, there has been of late considerable discussion, particularly as to the rôle the Corporation should play as an institutional investor. Time and again the importance of the Corporation to the national economy and to the corporate sector has been emphasised not only by the Government but also by the Corporation itself. The policyholder hardly figures in these statements and calculations. An insurance company is above all a trustee of the policyholders' funds. The savings of the people are entrusted to it out of trust and with the view that the savings will ensure a return eventually. Therefore, it is of paramount importance that the life funds are invested in a manner which would yield the maximum return consistent with safety. The insurance company's subsidiary rôle or indeed the rôle of the Life Insurance Corporation as a monopoly organisation, is the promotion of ventures and industries. In other words, its function is to combine the return for the policyholders with the promotion of industries and ventures in the country, so that with this dual rôle carefully handled and carefully planned, an insurance company can ultimately promote the national dividend and well-being.

The argument that the Life Insurance Corporation of India is solely a Government organisation and that its liability to policyholders is guaranteed by the Government does not entitle the Corporation to invest its funds in a manner which may constitute a risk to the fund itself or the returns expected may not be commensurate with what the L.I.C. would have earned had it followed the traditional ways of the insurance companies operating all over the world. The Corporation, it should be remembered, is not an instrument for the achievement of a socialistic pattern of society, nor is it an organisation to promote what the high-ups in the Government of India think socially desirable. It is by and large, as the chairman himself has claimed, a commercial organisation and is to be viewed as such. Its funds, therefore, have to be carefully nursed, scrutinised and handled so that the L.I.C. as an investor may not be guilty of widely deviating from the traditional rôle of an institutional investor functioning always in the interests of the policyholders.

Increase in the Sum Assured

Trends in new Indian business as given in the *Insurance Year-Book, 1962*, show that the increase in the sums assured (22.7 percent) and in the number of policies (16.9 percent) in 1961 over those in 1960 was greater than the corresponding increase of 16.6 percent and 9.5 percent, respectively in 1960 over those in 1959, but these increases are still less than the corresponding increases in 1959 over those in 1958 (namely, 24.8 percent and 19.6 percent, respectively). The average sum assured a policy during 1961 was Rs. 4,097, compared with Rs. 3,903 a policy during 1960, which shows an increase of 5 percent, but this increase was smaller than the corresponding rise of 6.5 percent in 1960 over that of 1959.

The increase in the sums assured and bonuses (20.5 percent) and in the number of policies (11.8 percent) between 31st December, 1960, and 31st December, 1961, was greater than the corresponding increase between 31st December, 1959 and 31st December, 1960 (namely 17.3 percent and 11.7 percent, respectively). The average



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sum assured and bonuses a policy in force as at 31st December, 1961, was Rs. 3,146, compared with Rs. 2.918 as at 31st December, 1960, which shows an increase of 7.8 percent. The net rate of interest realised on mean life insurance fund in the year 1961 was 4.67 percent when income tax refund is taken into account. When it is excluded, the rate works out to 3.69 percent. The corresponding rates in the year 1960 were 3.55 percent and 3.53 percent, respectively.

Overall Expense Ratios

The ratios of total expenses of management to the net premium income for the years 1959, 1960 and 1961 were 28.68 percent, 28.44 percent and 27.97 percent, respectively. The ratio of lapses loss revivals to the mean gross direct business in force (sum assured) during 1961 as far as the Indian business was concerned was 7.5 percent, compared with 7 percent in 1960, 6.3 percent in 1959 and 5.3 percent in 1958. These figures show that the lapse ratio is increasing and steadily nearing the ratio of 8.2 percent for 1955, the year immediately preceding nationalisation.

The lapse ratio rose to 8.1 percent during the period 1st January, 1962, to 31 March, 1963. The chairman deplored the tendency of the net lapse ratio to rise in spite of the efforts to improve the quality of business. There is hardly anything, he said, an insurer can do to prevent lapses attributable to factors beyond his control. At the same time, efforts to improve the quality of business so as to minimise lapses attributable to new business of doubtful quality must continue; if anything, they need to be pursued more vigorously. With this end in view, the L.I.C. has recently decided that a fresh proposal, from any person whose existing policy has lapsed during the preceding three years, would be entertained only if such policy is first revived by him for which purpose special facilities are now given.

In order to have an indication of the rate of settlement of claims by the Life Insurance Corporation of India, a ratio of the amount of mean outstanding claims at the end of a year to the amount of claims paid by it in that year, has been worked out. In the last issue of the *Year-Book*, old claims outstanding and unclaimed written back were taken as claims paid for the purposes of this ratio. If these are not taken as claims paid, the ratio works out to 38.1 percent in 1961 compared with 41 percent in 1960, 45 percent in 1959 and 47.7 percent in 1958. These ratios indicate some improvement in the speed of settlement of the claims by the Life Insurance Corporation.

The third biennial valuation of the Corporation's business as at 31st December, 1961, had been completed. As a result, Rs. 32.73 crores were allocated to the participating policies. The rates of reversionary bonus allotted to policies issued by the Corporation as well as policies issued by the former insurers were the same as those declared for the first two valuations. The amount allocated to the Central Government was Rs. 1.72 crores. Consequent on the change in the accounting year of the Corporation, it has been decided to make the fourth valuation of the Corporation's business as at 31st March, 1963, and the same is in progress. It is expected that the results of this valuation would be available early in 1964.

The Corporation has taken on hand a detailed investigation into the mortality of assured lives during 1961-64. It is proposed to construct a life table, on the basis of the experience during the years 1961-64 of medically examined male lives accepted at ordinary rates under whole life and endowment assurance plans. It is also proposed to investigate separately the experience of male lives assured under the non-medical scheme, and of the female lives assured with the Corporation.

A preliminary investigation into the mortality of assured male lives has been made. A life table based upon the experience during 1961 of nine major integrated head office units, accounting for about three-quarters of the entire business in force of all the insurers prior to nationalisation, has been prepared and incorporated in the report. The results of this investigation confirm that there has been considerable improvement in the mortality of assured lives in India since the publication of Oriental's 1925-35 experience. The investigation into the mortality experience of lives assured with the divisional offices of the Corporation also confirms the same.

Reducing Premium Rates

It has often been suggested that in view of the favourable experience of the Corporation, particularly concerning mortality, the premium rates should be reduced. The chairman said in this connection that when most of the insurers effected substantial reductions in the rates of premium in 1954, a considerable part of the current favourable experience concerning mortality and interest was anticipated and taken into account. He further said that in adopting in 1956 the premium rates of the "Oriental", after further reducing them by Re. 1 a Rs. 1,000 sum assured or 5 percent of the premium, whichever was less, the Corporation anticipated economy in expenses. However, in view of the increasing pressures of inflationary forces, it would be too much to expect any significant reduction in the expenses in the near future.

As for the mortality basis underlying the premium rates, the same can be reviewed only when the low rates of mortality now being experienced are stabilised. This would be known only in 1966 when the results of the detailed investigation into the mortality experience for 1961-64 undertaken by the Corporation are expected to become available.

Apart from this, the chairman said, it is the general practice among insurers even in foreign countries not to revise frequently the premium rates for with-profit policies. The general view of the insurers is that changes in experience concerning mortality, interest and expenses can more equitably be handled under the profit policies by changes in the bonus rates than by changes in the general level of premiums. This is particularly significant when 90 percent to 95 percent of the new business is generally under with-profit plans as is the case in this country. Moreover, passing on the benefits of favourable experience in the form of reversionary bonuses to the policyholders rather than reductions in premiums is desirable as an anti-inflationary measure.

Progress of General Insurance Hampered by Official Interference

By
A SPECIAL CORRESPONDENT

IN order to "aid and advise" and to set up what is called a "standard of conduct and sound practice" with Mr. E. Kolet at its head, the Executive Committee of the General Insurance Council had set the stage by the end of 1962 for "posting its representatives wherever and whenever possible in the accounts offices of insurance companies". The representatives were authorised to check all transactions, whether of receipts or payments made on and after 1st July, 1962, with a view to ensuring that transactions repugnant to the Act and the Code of Conduct, whether directly or indirectly, are not taking place. Armed with authority from the acquiescing company managements, Mr. Kolet started inspecting offices from the beginning of 1963. The round of inspections is continuing although Mr. Kolet has met with little success in most of the companies in south India and also a few in other regions.

These companies did not approve of such inspection, so the Executive Committee and its administrative machinery were unable to look into their affairs. This led to a strange anomaly. The unsullied behaviour of some of the companies to divert field personnel and to carry on administration unhindered by the vexatious interference of the inspecting officers of the administrative machinery, put them in an advantageous position compared with those who approved of inspection. Time and again, this has been brought to the notice of the chairman of the Executive Committee. But the latter, for one reason or another, has failed to carry conviction with the companies who are reluctant to co-operate.

Voluminous Reports

In some companies, however, inspection has been carried out twice or thrice primarily by persons who are inexperienced and ignorant of the nature and character of trading in general insurance. Voluminous reports have, meanwhile, accumulated in the archives of the Executive Committee. The latter's secretariat has laboriously gone through the reports and has prepared summaries which, according to the authors, reveal a general trend. The Executive Committee wants to curb what it calls rebates and illicit inducements, and the trend, it is reported, has revealed the main sources of outgo. The committee has not, however, been able to carry conviction, with all insurers, for its findings are primarily based on inference and guesswork. Since the committee or the administrative machinery has limited powers, it has to rely on letters of authority granted to it to advise insurers to take certain actions. Primarily, advice is limited to reducing salaries, cancellation of appointments and reducing, in some measure, the overall expenses. Since by virtue of these directives it often encroaches on the privilege and prerogatives of company managements, it is difficult to decide whose suggestions the trade should implement. The companies are bound by the terms of their incorporation and articles of association and by the authority of the boards. So interference from outside often causes embarrassment to both the administrative machinery and the managements of companies.

In one case, an important industrialist said in his annual address that the state of affairs was unsatisfactory and put those companies subject to inspection at a disadvantage when compared with the rest. He, therefore, urged the Executive Committee to correct the anomaly and to relieve those who voluntarily agreed to inspection from their obligations. In this, he generally expressed the opinion of the trade. Many companies would like to be relieved of their obligations, since they find to their dismay that by entering into the obligations, they have virtually had to surrender the administration to an outside authority. That was clearly not intended, for the terms only provided for checking. The Executive Committee has, however, reserve powers and can, if the chairman so wishes, authorise disbursements by the administrative machinery with the concurrence of the chairman or the principal officers of the companies. Most of the companies are jealous of their powers, and if the Executive Committee is ever to invoke them—which, it is understood, many companies have been asked to—there will be considerable commotion in the trade which might lead to the breaking of the administrative machinery itself.

Periodical Reports

It is reported that the chairman of the Executive Committee, who is an official of the Government of India, submits reports periodically to the Central Finance Minister. The chairman will now make a report to the new Central Finance Minister, Mr. T. T. Krishnamachari. What attitude the latter will take to this interference in the working of general insurance companies is not known. But if his recent pronouncements provide any guide, Mr. Krishnamachari is immune from the theoretical bias of nationalisation and prefers companies to function within the ambit of the law with as much freedom as possible.

That the ways of the Executive Committee are getting curiouser and curiouser is evident from its latest directives. Companies are being requested to reduce expenses in the field by about 5 percent before the end of December 1963, and the members of the Executive Committee are reported to have agreed to this proposition. This seems strange, for the Indian insurance companies in both Bombay and Calcutta have repeatedly urged the Controller of Insurance to relax the expense regulations as embodied in Section 40C, mainly on the ground that wages and prices in 1963 are much higher than what they were in 1950 when the rules were framed. Cautious and wary insurers, meanwhile, think that representations made off and on to the Controller of Insurance lose force if the companies can voluntarily reduce their expenses, whether in the field or otherwise. But it is obvious that the committee makes many far-reaching moves without consulting the members.

The time has come when the constitutional position of the members of the Executive Committee should be re-examined thoroughly. If expenses are reduced voluntarily, the Controller of Insurance might easily withdraw all relaxations by pointing out that if insurers can voluntarily agree to reduce their field expenses or otherwise by about 5 percent, all representations so far have been made on false pretences.

The report that the Life Insurance Corporation will operate as a general insurer and that too in a big way has created a stir. This news which came in the wake of the meeting of the Executive Committee of the General Insurance Council in Madras has caused worries to the Executive Committee, administrative machinery, general insurers and the various insurance associations in India. The correct shape that the idea will take has not yet been authoritatively stated, but it is clear from Press reports that the purpose of the L.I.C. entering the field of general insurance is to set up the standard of conduct and sound practices in the business—a function entrusted by law to the Executive Committee of the General Insurance Council. It follows, therefore, that if the L.I.C., as is now anticipated, enters the market as a moral preceptor for setting up the standard of conduct and sound practices in the trade, the Insurance Act will have to be amended to abolish the Executive Committee altogether. For obvious reasons, there cannot be two sets of authorities for discharging the same functions.

The *modus operandi* of the L.I.C. has not been clarified, but it is gathered that the L.I.C. will reduce premium rates, consistent with safety, to such an extent that the competing insurers will have no other alternative but to offer similar rates to their own clientele with a view to retaining their own business. That will necessarily reduce the premium income of the companies. Considering that the companies will have to show profits, declare dividends and at the same time compete with the L.I.C., they will have to cut their overheads as well as those expenses which reportedly go for rebates and illicit inducements. From this point of view, the L.I.C.'s entry into the business does not presage well for the Executive Committee and the administrative machinery who are now prying into the books of the companies, maintained and supported at the expense of insurers. Moreover, insurers, on their own, will not like to incur expenses for the maintenance of the machinery, since they must, in any case, cut down their expenses and cannot afford to have the administrative machinery. They also do not need the machinery because its work will be automatically undertaken by the companies themselves due to the competition with the powerful L.I.C.

Some contend that this rôle of the L.I.C. is top dressing and that it is indeed nothing more than a facade. But, in fact, the L.I.C.'s entry into the business will virtually amount to back-door nationalisation. Having its hand on all major investments in the country, the L.I.C.—if it likes—can manoeuvre its investments to channel business in its books. It will also have the monopoly of all Government and semi-Government business and business emanating from autonomous corporations, public undertakings, etcetera. The private general insurance companies will have a hard time indeed. It is quite possible that many of them will be squeezed out of existence unless, in self-defence, some of them combine together to form an economic unit to face competition from the L.I.C. The nature of the L.I.C.'s operations in general insurance will be known if, as is reported, a Bill is introduced in Parliament to amend the Insurance Act, 1938. The Life Insurance Corporation Act, 1956, does not, however, require much modification. This is because the articles of association of the L.I.C. permit it to transact general insurance business.

Creditable Performance

After all these difficulties, it is creditable for insurers operating in India to have written a gross premium direct in India in 1961 (the latest year for which figures are available) amounting to a little over Rs. 43 crores. This may increase to Rs. 55 crores in 1962. The record on the whole is creditable, considering that insurers operating in India have not had scope to expand in the way they could because of the restrictions on their operations. Premiums written direct outside India by Indian insurers amounted to Rs. 9.55 crores. The gross direct premium written in India and outside India by Indian insurers was higher in 1961 than in 1960 in all classes. Non-Indian insurers also wrote a higher gross direct premium in India in all classes of business in 1961, compared with 1960.

The net premium income in India for all classes of general insurance business of Indian insurers increased to Rs. 23.50 crores in 1961 from Rs. 18.59 crores in 1960. Similarly, in the case of non-Indian insurers, the net premium income in India for all classes of general insurance business increased to Rs. 8.44 crores in 1961 from Rs. 7.90 crores in 1960. The total net premium income in India of Indian and non-Indian insurers,

therefore, amounted to about Rs. 32 crores. The net premium income outside India of Indian insurers, which was higher in 1961 than in 1960, amounted to Rs. 15.97 crores in 1961.

Total Income

The total income of all Indian insurers amounted to Rs. 40.18 crores. This was made up of a net premium income in India of Rs. 23.50 crores, the net premium income outside India of Rs. 15.97 crores, interest, dividends and rents of Rs. 67 lakhs and the balance of Rs. 4 lakhs from miscellaneous sources. The total outgo was Rs. 34.76 crores, of which Rs. 19.34 crores related to claims, Rs. 5.53 crores to net commission, Rs. 9.10 crores to expenses and Rs. 79 lakhs to miscellaneous outgo. Of the balance of Rs. 5.42 crores, Rs. 3.57 crores were absorbed by the increases in reserves for unexpired risks and additional reserves, while Rs. 1.85 crores were transferred to the profit and loss account. The profit of Rs. 1.85 crores, together with a deficit of Rs. 4 lakhs brought forward from last year (after the payment of Rs. 98 lakhs as dividends for the previous year), and amounts of Rs. 1.21 crores and Rs. 44 lakhs earned by way of interest, dividends and rents (not relating to any particular class of insurance business), and miscellaneous income, respectively, amounting in all to Rs. 3.46 crores, was appropriated in the profit and loss accounts and in the profit and loss appropriation accounts as follows: Expenses of management took Rs. 12 lakhs, taxes paid and provided for Rs. 1.42 crores, transfers to particular funds or accounts Rs. 59 lakhs, dividends for 1961 paid or provided for Rs. 30 lakhs, miscellaneous outgo Rs. 20 lakhs and the balance carried over was Rs. 83 lakhs.

Fire Insurance

As for fire insurance business in 1961, Indian insurers spent 29 percent of their total gross premium income in India on expenses, taxes and miscellaneous outgo, 14 percent on commission, while 35 percent was absorbed by claims payable, leaving a balance of 22 percent. The corresponding figures for non-Indian insurers in relation to their Indian business were 30 percent, 14 percent and 21 percent, leaving a balance of 35 percent.

In marine insurance in 1961, Indian insurers spent 17 percent of their total gross premium income in India on expenses, taxes and miscellaneous outgo, 7 percent on commission while 68 percent was absorbed by claims payable, leaving a balance of 8 percent. The corresponding figures for non-Indian insurers in relation to their Indian business were 23 percent, 9 percent and 57 percent, leaving a balance of 11 percent.

In relation to miscellaneous insurance business in 1961, Indian insurers spent 21 percent of their total gross premium income in India on expenses, taxes and miscellaneous outgo, 12 percent on commission while 43 percent was absorbed by claims payable, leaving a balance of 24 percent. The corresponding figures for non-Indian insurers in relation to their Indian business were 29 percent, 13 percent and 42 percent, leaving a balance of 16 percent.

The number of groups (parent and subsidiary companies taken together) of Indian as well as non-Indian insurers, who contravened the provisions of Section 40C of the Insurance Act during 1961, was less than in the previous year. About one-third of the groups of insurance companies who contravened the provisions in 1960, were administered a warning. Of a total of 116 groups of both Indian and non-Indian insurers who transacted business in 1961, 32 groups contravened the provisions four or more times during the years from 1956 to 1961 and 28 of these groups were warned once or more during the period 1956-60.

The groups of insurers who spent less than the basic limits in terms of Rule 17E of the Insurance Rule, 1939, wrote a greater proportion of the total gross direct premium income in India in 1961, compared with 1960. The aggregate experience of all the groups shows that there is a sharp rise in the saving during 1961, compared with 1960.

Marine Insurance

One of the most important landmarks in general insurance trading in India during the year was the passing of the Marine Insurance Act by Parliament after many years of effort. The legislation came into force from 1st August, 1963. Surprise has often been expressed that although marine insurance was practised in the country for many years, there was no marine insurance legislation in India. This is not strictly correct. In the United Kingdom—the traditional home of marine insurance—no effort was made to introduce a legal system to govern contracts of insurance, although insurance was practised in that country for many decades. Statutory provisions were connned normally to the prescription of particular practices. Merchants, shipowners and their insurers were for long content to accept what was customary.

The historical process of evolution of the law is, however, a fascinating study. It was Mr. Chalmers who for many years had given his attention to marine cases in the courts and had interpreted the law as it then was. He took the view that the law had to be codified. When the Bill was drafted, it was referred to a committee of underwriters, average adjusters, shipowners and lawyers presided over by Lord Herschell. The Bill was later brought before the House of Lords by Lord Halbury as Lord Chancellor. He hoped that codification of the law in England might be followed by other countries later. Eventually, an Act to codify the law relating to marine insurance was placed on the Statute Book. The Act was not designed to remodel the law relating to marine insurance but merely to codify previous decisions and customary practices.

The Indian Marine Insurance Act, 1963, also intends to codify the law relating to marine insurance. The realisation of the objective will not be easy, since India does not have age-long practices or legal decisions sanctified over the years calling for codification. Indian courts have been guided by the decisions of English courts and the provisions of the English Marine Insurance Act, 1906. Although the claim of the preamble that the Act aims to codify the law relating to marine insurance may seem somewhat pretentious, the need for enactment cannot be under-estimated.

International Character

A marine insurance policy has an international character. A claimant in a country other than where the policy was originally issued cannot be sure of the protection he intended to have unless the words convey the meaning in his court of law identical to the interpretation given in the country of origin. The form of policy is laid down in the schedule. Section 24 of the Indian Act lays down that a contract of marine insurance shall not be admitted in evidence unless it is embodied in a marine policy in accordance wth the Act. The policy, in all particulars, is a word for word reproduction of the internationally accepted Lloyds S. G. form of policy which, together with the rules of construction, has legal interpretations hanging almost to every word and almost certainly to every sentence.

The Law Commission urged the introduction of legislation of this character, by pointing out that while legislation on the above lines (meaning the law relating to the assignment of marine policy) would clarify the law of assignment and subrogation of marine insurance policies, the whole law of marine insurance would not be put on a satisfactory basis unless comprehensive legislation on the lines of the Marine Insurance Act, 1906, was enacted for India. That the statute should generally follow the English Marine Insurance Act, 1906, has long been recognised. The English law, as is well known, is based on usage and the codification of established principles. Over the years, they have been accepted and ratified by commercial communities the world over. The Indian law can codify those principles and usages.

The Indian Act does not materially differ from the English Act. The differences are only differences in codification. The principles were well accepted in the United Kingdom, even though they may not have been specifically mentioned in the English law. The Indian law, for instance, has clarified that an inland transit policy is as much a marine policy as a policy of insurance on overseas shipment. This is well understood in the United Kingdom and accepted as such. The clarification was needed in India because of varying decisions of Indian courts, some raising the plea that the Insurance Act has only defined marine insurance business, there being no definition of a marine insurance policy.

Workmen's Compensation

Another important development during the past year was the enforcement of the amended Workmen's Compensation Act, which received the assent of the President on 19th December, 1962. The provisions of the Act have been enforced with effect from 1st February, 1963. As a result, the liability for the payment of compensation for accidents arising out of and in the course of employment and occurring on and after 1st February, 1963, has been substantially increased. Particular mention may be made of death and permanent disability benefits which have been doubled. Temporary disablement benefits to workers in the Rs. 100 to Rs. 200 a month wage bracket have been increased by about 50 percent on average, and the wage limit for under the Act has been increased from Rs. 400 to Rs. 500

The existing insurance premiums were considered inadequate for the additional liability imposed by the amended Act. The Tariff Committee of the Insurance Association of India has, therefore, increased the existing premium rates by 60 percent in relation to new policies and renewals issued on and from 1st February, 1963, that is to say, the date from which the provisions of the amended Act became operative.

Motor Premium Rates

Another development of considerable importance was the revision of the rate of comprehensive cover for private motor-cars and the enhancement of the scale of no-claim discounts. Unsatisfactory loss experience in private car insurance business during the past few years necessitated considerable changes in the existing rates and conditions. The matter was considered in detail by the local Councils and later by the Tariff Committee. Thereafter, on and from 1st August, 1963, the rates for private car comprehensive insurance were enhanced, but with a view to allowing the careful insureds the necessary relaxation, no claim discounts for private cars were raised to 50 percent for a no-claim period of five consecutive years. The increase in the discount for freedom from claims during four and five consecutive years of insurance in relation to private car comprehensive risks became operative simultaneously with the adoption of revised premium rates, without any waiting period, that is to say, if an insured had made no claim during five consecutive years of insurance and if his policy was due for renewal on 1st August, 1963, he was entitled to 50 percent no claim discount from that date. It will not be necessary for him any longer to have two more claim free years to earn the proposed maximum discount.

Prior to these reductions, the maximum no claim discount that could be earned was 33⅓ percent. Since the motor claims ratios have shown an upward trend in other parts of the world, motor insurance rates in the U.K. have also been enhanced from October 1963, but in the case of British insureds, the maximum no claim discount was limited to 40 percent and not 50 percent. The Tariff Committee considers the revised rates to be commensurate with experience. Since, the increased premiums in the case of better risks would be partly offset by higher no claim discounts, it is hoped that the new enhanced rates will not unfavourably affect the careful insureds with a good driving record.

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Share Prices Recover but New Issue Market Stagnates

THERE has been a spectacular rise in share prices since the return of Mr. T. T. Krishnamachari as the Central Finance Minister. Whatever one may say about the Kamaraj plan, the stock market has been greatly benefited since the Cabinet reorganisation following the implementation of the plan has installed Mr. Krishnamachari as the Central Finance Minister. Judging from the brisk activity, it appears that operators have shed the nervousness which overwhelmed them since the Chinese attack on India towards the close of 1962. At first, the return of Mr. Krishnamachari acted as a psychological tonic. Operators thought that he would thoroughly overhaul the fiscal system which his predecessor, Mr. Morarji Desai, built up. The latter scrapped the Kaldorian tax edifice which Mr. Krishnamachari installed. Later events proved that operators were right since Mr. Krishnamachari has so modified the Compulsory Deposits Scheme and the Gold Control Order that they have become merely a shadow of their former selves. These measures have strengthened the optimism that the Central Finance Minister will soon modify the fiscal system.

By
A SPECIAL CORRESPONDENT

The cheerfulness has been brought about by the Reserve Bank's announcement of a more liberal credit supply for the 1963-64 busy season. Although the supply of credit to trade and industry is expected to be somewhat easier in the coming months, it is unlikely that the stock market will benefit from the move. The importance of scrapping the minimum margin requirement against share advances by banks has been exaggerated. Although banks have been empowered to advance money against shares freely, it is doubtful whether they will relax the margin against share advances or divert more funds into stocks and shares. Banks generally keep a sufficient margin which is not less than the hitherto stipulated compulsory margin of 40 percent of the share value in relation to advances against shares. Considering the sharp rise in share values during recent months and the various uncertainties ahead, the margin against share advances is unlikely to be liberalised by commercial banks. The latter do not also look upon share investments with favour because the corporate prospects are considered poor.

Liberal Credit Policy

There is, nevertheless, no doubt that a more liberal credit supply from the Reserve Bank has been a step in the right direction. Although the need for Reserve Bank finance during the present busy season might not be as urgent as was thought before, the new credit policy contains at least two commendable features. Firstly, a cut, although marginal, has been made in the Reserve Bank lending rate. The high cost of credit has done more harm than good to the economy. It has sharply raised the production costs of industries without helping to curb inflation. Secondly, it has been realised that monetary regulation by itself will not rectify the evils of growing inflation. The legitimate credit requirements of the economy have not been adequately met due to the imposition of undue restrictions on the supply of funds. Since a large volume of "unaccounted money" has been floating on the fringe of the organised money market, it has been almost impossible to regulate the supply of funds.

So undesirable distortions in the economy have developed as a result of the restrictive monetary policy. The fact that several commercial houses have taken large deposits from the public during recent months suggests that various industries have been compelled to procure funds from outside the banking system since the latter has been unable to satisfy their full requirements. This apart, the current inflation has been accentuated by the physical shortages of commodities. The battle against it cannot be won unless active measures are taken to increase production all-round. But the expansion of the economy cannot proceed satisfactorily unless sufficient finance is provided. It is encouraging that the resources of banks have been sufficiently reinforced so that they may be able to cope with the rising credit requirements during the busy season. The substantial improvement in banking resources has been partly due to the sharp decline in advances and partly because of the steep rise in deposits during the past slack season.

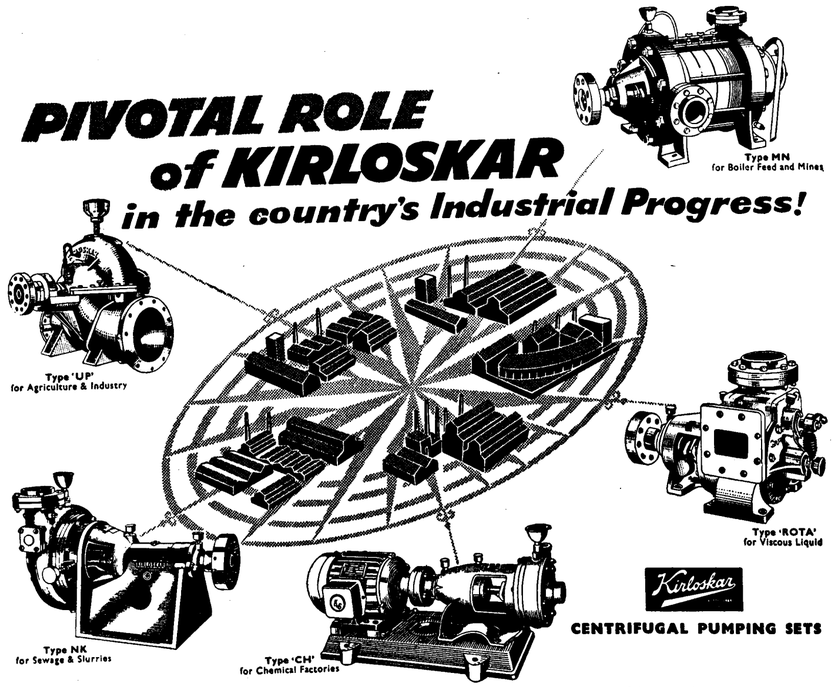
Prices Rise Sharply

The recent rise in share prices, which have scaled new peaks during the year, has been all the more striking since it has taken place in spite of many uncertainties. Adverse political developments have also been overlooked. The reason is that the improvement has largely been brought about by speculative support. Business has largely centred on clearing shares. The predominance of professional buying after a long period of depression extending over a year is not surprising since the beginning of a bull movement has generally been ushered in by speculative support. If operators' assessment of the future outlook proves correct, there will be more investment buying. The stock market has been cheered by the pep broadcast of Mr. Krishnamachari in October since he reiterated his resolve to end the economic stagnation by adopting appropriate measures. Judging from the promptness with which he has watered down the Compulsory Deposit Scheme and the Gold Control Order and has helped the Reserve Bank to adopt a more liberal credit policy, the belief has grown that he might soon back his other statements by action. Operators have merrily pushed share prices forward in anticipation of good tidings from the Lok Sabha during the current winter session.

Hopes have been raised by the prospect that Mr. Krishnamachari will modify the fiscal system. There is no doubt that investment confidence has been shaken by the super profits tax. Unless it is scrapped or at least substantially modified, it will prove extremely difficult to revive or maintain investor confidence. Investors are unlikely to be impressed unless concrete measures are taken to prove that the outlook for the corporate sector has improved. There has been a great deal of speculation on whether the fiscal system will be modified now or at the time of presenting the Central Budget in February next year. In view of the urgency to revive confidence, there is no reason why tax changes should be delayed. There is nothing unusual about introducing changes in the fiscal system by means of a supplementary Budget. The present time looks extremely appropriate for granting tax relief. Not only have revenue receipts been buoyant, but expenditures under various heads have fallen below estimates. So there is no reason why the Government should be reluctant to lighten the tax burden without further delay.

As for for the Government's pricing policy, there have been indications of a drift towards greater realism. Industrial growth has been hindered due to the fixing of prices at unrealistically low levels for such commodities as steel, paper, cement and coal. Not only has the profitability of various industries been affected, but they have been denied the necessary wherewithal to finance modernisation, expansion and diversification. So the production of steel, paper, cement, coal and sugar has fallen far below the third plan production targets, and there are shortages of these commodities. Meanwhile, the move of the Central Steel Ministry to decontrol the commodity by stages has been welcomed. If the expansion of industries is to be promoted, it is necessary that the prices of various commodities are regulated in such a way that an adequate return on the

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Growing Apprehension

It is not difficult to understand the growing apprehension that the rise in share values, which has already taken place, might prove temporary unless active measures are taken by the stock market authorities to consolidate the gains already achieved. Although stray efforts have been made to restrain over-trading by imposing margins, it is doubtful whether they have been sufficiently effective under the present circumstances. The widespread option business has been a potential danger which might upset the apple cart. It is distressing that bigger business has taken place in the kerb market than on the floor of the stock market. The growing volume of kerb trading suggests a link between kerb operators and some inside brokers. Unless the authorities take vigorous measures to mitigate the evils of kerb dealing, the business under the clearing system itself might come under heavy fire. Although business in clearing shares involves futures contracts which are speculative, it has been allowed under the present circumstances to promote activity in the stock market. Except for scattered buying in selected scrip, investors generally are sitting on the fence. The corporate news has been good and several leading companies have issued bonus shares by capitalising reserves. The move to issue such shares has been encouraged because the bonus share tax will be deducted in computing the super profits tax.

Meanwhile, the caution of investors has been justified. An industrial equity is generally bought on dividend and growth considerations, but both these factors have been far from encouraging under the present circumstances. Investors have been disappointed by the slow rate of growth of dividends during recent years. As a result, the prices of most good scrip have been sufficiently high in relation to their dividends. The average dividend yield on equity at current prices does not amount to more than 5 percent to 6 percent, which is considered unattractive by present market standards. There has, meanwhile, been a sharp rise in interest rates all-round. Good debentures giving a yield of more than 6 percent have been freely available. The preference shares of good companies have offered fixed dividends of more than 9 percent. The growth value of equities has also suffered greatly during recent years. Although turnover of industries has expanded, the profitability has not improved in proportion due to the incidence of heavy taxes, combined with rising production costs. The expansion and diversification of activity have been hindered by the shortages of foreign exchange, raw materials, power, transport and spare parts.

Effect of Political Developments

Economic incentives apart, the wide fluctuations in shares over the past year have shown that the stock market has been very sensitive to political developments. Hence the near-term trend will depend greatly on the political situation. Although the Kamaraj plan is unlikely to fulfil the objective of streamlining the Congress Party, there is little doubt that the latter will continue to control and regulate the destiny of this country for a long while yet. An important factor from the investor's point of view is whether the Party will accelerate its socialistic measures to the detriment of economic growth. Deliberations at the recent A.I.C.C. meeting in Jaipur have stressed the need for hastening the pace towards a socialistic pattern of society. So the investors will be well advised to wait until the Congress plan takes a clearer shape at its plenary session in Bhubaneswar early next year. As for Indo-Pakistani and Sino-Indian relations, the situation has been far from encouraging. The tension has been growing between India and Pakistan over Kashmir and Assam borders. Since Pakistan has been determined not to settle the outstanding differences with India, troubles from that country might continue to disturb the investment climate. Although there has been a lull on the border between India and China, the attitude of the latter gives no ground for taking a complacent view. Since India will have to make preparations to meet aggression from any country, substantial resources will be diverted to defence.

The most disappointing feature is that the improvement achieved so far has not had its impact on the new issue market which continues to stagnate. Several new shares have quoted below par. Although the prolonged gestation period, combined with mismanagement, has shaken confidence in several companies, investors have generally been shy in diverting funds to new companies due to the poor corporate prospects. Apart from the cumbersome procedures relating to licensing, red tape of Government departments has impeded their growth. In addition to the shortage of transport, power, raw materials and spare parts which they have had to face like other industries, they have had peculiar difficulties of their own. Project costs have more often than not exceeded the original estimates due to the high price of foreign equipment. The cost of plant and machinery has risen due to the increased import duty. Furthermore, the price of domestic equipment has also risen. Meanwhile, investors have been discouraged by the arbitrary way in which the Controller of Capital Issues has sanctioned the issue of rights shares in new companies. Whenever these shares have quoted above par, the Government has generally been inclined to sanction rights shares at a premium. These disincentives have been sufficient to counteract the advantage of tax exemption which they enjoy in initial years.

Heavier Taxation

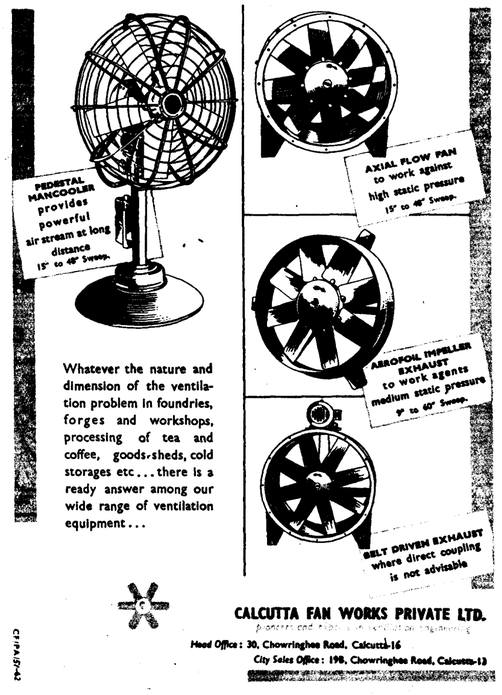
This apart, heavier taxation has greatly destroyed the attraction of industrial investments. As a result of the poor outlook, foreign investors have been shaken. So new enterpreneurs have found it difficult to attract foreign collaboration. True, the Government has moved to improve the investment climate by increasing financial facilities through the Life Insurance Corporation, the Industrial Finance Corporation, the Industrial Credit and Investment Corporation and the State Financial Corporations. The Central Finance Ministry has taken measures to set up a unit trust particularly to attract small savings for industrial investment. These measures have no doubt served their limited purposes, but they have touched merely the fringe of the problem. The fact is that investors have been reluctant to take risks due to the poor outlook for dividends and growth. Under the circumstances, it will be difficult to revive confidence unless the corporate profit outlook is improved by relieving the tax burden on companies.

Although there are several imponderables in the investment situation, it does not imply that there is no scope for discriminating purchases. The investors may pick up those industries which are likely to benefit from future developments. Although defence efforts have not gained the momentum expected earlier, it is likely that several industries will receive increasing orders from the defence departments. If new industries are developed under the stimulus of defence orders, the economy as a whole will be benefited. The most favourable development, by and large, has been that a large part of foreign aid sanctioned has been earmarked for maintenance imports. Industrial growth will be promoted if imports of raw materials, equipment and spare parts are liberalised. Not only will a considerable portion of the idle industrial capacity be used, but the progress of several new industries will also be promoted. Since the Government has been keen on ending the economic stagnation by adopting appropriate measures, the development of industries is expected to be promoted more vigorously in the future. Meanwhile, the improvement in railway transport has been welcomed. In view of the satisfactory production of coal, it is hoped that industry will not suffer from the shortage of the commodity. The steps which have been taken to increase the supply of electric power should also be welcomed. If agricultural production turns out to be better in the current year as expected, there should be an improvement in the overall economic situation. It is encouraging that the demand for products of almost all industries has risen steadily. The growing domestic demand, combined with the virtual ban on imports, has made it easy to sell all industrial products. The latest reports of companies show a rising turnover. The profitability of industries will improve if the tax burden on the corporate sector is lightened.

Steel Share Prospects

Steel shares have been supported on hopes of an increase in the retention price of the commodity. A move has been made by the Government to introduce gradual decontrol of the commodity. Although this is being bullishly interpreted, it will be rash to form a dogmatic opinion until fuller details are available. The benefit to producers will depend on how de-

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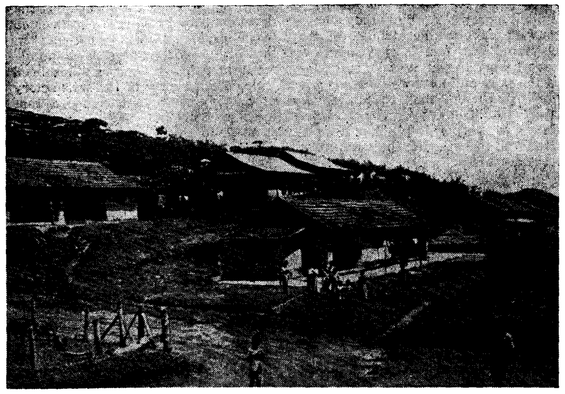
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control is implemented. Anyway, the prospects for the private steel companies look fairly encouraging since they are likely to be asked to undertake further expansion. The steel companies will have to issue fresh shares in order to raise finance for expansion. Considering that the working capital employed by these industries has been excessive in relation to the share capital, the prospect of bonus shares cannot be ruled out. The attraction of these shares has largely been hampered by the unrealistic way in which the retention price of steel has been fixed. If the Government decides to decontrol the commodity and allow prices to be regulated by economic considerations, the health of the industry should improve a great deal. As for engineering shares, the prospects are certainly good. Most of the engineering units have full order-books. The fact that the delivery date for engineering goods has been lengthening shows that the demand has exceeded the supply. Meanwhile, a large part of the industry's installed capacity has been rendered idle due to the shortage of raw materials and balancing equipment. Since the demand for engineering products will improve steadily and defence orders will rise in the coming months, it is hoped that the authorities will take vigorous steps to reduce the idle capacity. Inventors will do well to take note of the diversification of activity undertaken by the various engineering firms. Meanwhile, it is encouraging that exports of various engineering products are being promoted.

Miscellaneous shares have been in the limelight since it has been rightly believed that these industries should do well due to the growing demand for their products. Since the demand has lagged far behind the supply, these industries will have to be developed more vigorously. Such industries as aluminium, cable, copper and chemical industries should be promoted rapidly if the growing shortage of these commodities is to be removed. Since oxygen is essential for various industries, it should also be expanded quickly. The expansion of the paper industry has become urgent due to the growing shortage of the commodity. Paper shares have started moving up after a long spell of depression on hopes that the Government will increase the price of the commodity to promote expansion, modernisation and diversification.

L.I.C. as General Insurer

The outlook for general insurance companies has been far from certain since the Life Insurance Corporation has decided to enter this field of activity. When life insurance business was nationalised in 1956, the Corporation inherited two subsidiary companies transacting general insurance. Since 1961, all general insurance companies have been forced to reinsure a substantial part of their business with the Indian Guarantee and India Reinsurance Corporation. Since the private companies have been transacting this business satisfactorily, the latest move of the Corporation has given rise to the doubt whether it is not trying to nationalise general insurance in a roundabout way. The apprehension has been the greater because the Corporation might reduce the premium rates to beat the rival private companies. With huge resources and several offices throughout the country, the Corporation should have no difficulty in cutting the premium rates.

As for bank shares, the investors should be discriminating. The sharp fall in advances during the 1963 slack season might reduce the profitability of banks for the current year. Their profits will be further squeezed since they have been asked to increase their liquidity. In any case, the Banking Companies Amendment Bill should be studied carefully. As far as managing agency shares are concerned, their prospects have suffered since they are hamstrung by the Companies Act. Their earnings have been severely regulated, but some of them have tried to compensate themselves by diversifying their activities. Except composite companies producing alcohol, sugar shares have been freely offered without attracting support. Sugar companies situated in northern India have suffered heavily during recent years. Their equipment is obsolete; and the cane supply, too, has been short and poor in quality. In spite of the prospect of a bigger output during the current season, there is little possibility that the profitability of sugar mills will improve. Unless vigorous measures are taken to modernise the equipment and rationalise production, the outlook will not improve.

Selective Support for Jute Shares

Jute shares have met with selective support, although investors have generally been restrained. There has been a steady decline in the price of jute goods while that of fibre has been held at a minimum level. Under the circumstances, jute mills are unlikely to make the same big profit as in 1962. This apart, the sluggish overseas enquiries for jute goods has caused a great deal of concern. In view of the growing competition from the Pakistani mills, combined with the prospect that the Indian industry may work at the maximum level of production in the coming months due to an abundant supply of raw jute, the foreign countries are expected to buy jute goods slowly. Meanwhile, mills which have diversified their activities have generally been favoured. If the industry succeeds in diversifying the production of jute goods and rationalising its processes of manufacture, the outlook should improve.

The apathy of investors towards coal shares is understandable considering that the price of the commodity has been fixed at an uneconomic level. The collieries have been discouraged since the Government has net yet made any move in raising the price to make investment in the industry attractive. The price should be such as to give sufficient funds to producers for plough-back to expand and mechanise production. The outlook has also suffered due to the decline in the demand for the commodity. So pithead stocks at collieries have accumulated causing financial strain on producers. Although the demand for good coal has been satisfactory, the collieries have not been encouraged to increase its production due to the uneconomic price. Since deep mining has to be done to raise good coal, production costs have become high. This apart, the collieries have not been fully compensated for the costs they incurred in stowing.

It has been difficult to ascertain the outlook for cotton mills due to conflicting circumstances. Mills were encouraged on reports that there would be an abundant supply of raw cotton during the current year. The move to allow the mill industry to expand by increasing its spindles and looms has also been a step in the right direction. But the industry has been disturbed since the Government is unlikely to consider increasing the price of cloth for the time being. The competition in export markets has meanwhile been growing. Indian piecegoods are being priced out of overseas markets. So it has become urgent to encourage the industry to modernise equipment and diversify production. The big question mark is whether the industry will obtain the finance required for this purpose.

Outlook for the Shares

Although selected Assam and Dooars tea gardens have met with support, the outlook has been far from certain. Investors have been disturbed by border developments since the north Indian tea estates are situated near the Sino-Indian border. Confidence is unlikely to return unless the relation between India and China becomes more cordial. Occasional raids on the Assam border by Pakistan has also caused a great deal of concern. The economics of the industry has not been good in the meantime. The north Indian crop will fall short of the 1962 production. The 1962 crop itself was smaller than that of the 1961 one. Although the average price of the commodity was initially higher than that for 1962 at the beginning of the current season, the recent trend has shown a softer tendency. The reason is that the decline in the north Indian crop has been more than offset by the increase in production of south India and other producing countries. Hence the world supply should be sufficient to meet consumption.

In any case, there is little doubt that the supply of common teas will be sufficient. India has, in fact, been finding it difficult to sell teas in foreign markets due to rising competition from other producing countries which enjoy the advantage of cheaper production costs. It is true that the outlook for good teas has been considered satisfactory due to the shortage of these grades. Hence it is generally believed that gardens producing quality teas may do as well as they did in 1962. Nevertheless, it is not certain whether the shortfall in output will be compensated for by the higher prices for good teas. Except selected Assam and Dooars gardens, the prospects for Darjeeling and Cachar gardens cannot be considered good. Not only has the output in Darjeeling been smaller, but the average price of the commodity has also declined in comparison with that for 1962 due to deterioration in quality. The Cachar tea estates have suffered partly due to rising production costs and partly because of poor teas produced in that district. In any case, investors should not expect better dividends for the current year than in 1962, considering that taxes have been heavier and production costs higher.

Gilt-edged Recover

Government securities have recovered and prices have been well maintained throughout the year. The index for Government securities at 99.7 is nevertheless lower than 100.1 (1952-53 equals 100), compared with the corresponding period a year ago. The Central Government's borrowing programme for 1963 was completed in two instalments. In the first instalment, two loans—4 percent 1969 and 4½ percent 1986—were offered for conversion, and the total amount of conversion amounted to Rs. 138.79 crores. The second instalment also offered two loans—4 percent 1969 and 4½ percent 1973—for subscription in cash. Holders of State Government loans which matured for repayment were also given the option of converting their securities into these new loans. Although the Central Government budgeted for borrowing Rs. 393 crores for 1963-64, of which Rs. 100 crores was earmarked for State Governments, the Government has so far borrowed Rs. 363 crores. Contributions to National Defence Bonds have amounted to Rs. 6 crores for 1963-64. The remaining shortfall in the borrowing programme should be made good before the close of the current financial year. Whether it will be raised later by borrowing from the open market or by selling securities on tap through the Reserve Bank remains to be seen.

Combined borrowing has been the outstanding feature of the 1963-64 borrowing programme. The Central Government has raised funds on behalf of State Governments which did not resort to borrowing on their own account. The composite borrowing scheme has been welcomed since it has imparted greater steadiness to securities. Unlike in previous years, there has been no pressure to sell new State Government loans this year. When State Governments borrowed directly, a large part of the subscriptions was forced due to their pressure. As a result, subscribers hurried to sell the new loans immediately after subscription. It is true the combined borrowing programme has slackened the efforts of State Governments to make a success of the Central loans. There is no reason why the Central Government should not succeed in persuading State Governments to take greater interest in loans floated by it. Their interest should be the greater since they also share the funds raised by the Central Government.

The Government securities have mainly been supported by banks, insurance companies, including the Life Insurance Corporation, and provident funds. There has been a considerable addition to the banks' investment portfolio. Although banks have invested more in securities due to an improvement in their deposits, they were largely obliged to do so in order to increase their liquidity according to the directive of the Rsserve Bank. As a result, the prices of short and medium-dated securities have appreciably hardened over the past year. The Life Insurance Corporation, other insurance companies and provident funds have taken greater interest in long-dated loans in order to earn bigger returns. The steady trend should continue since these various institutions have been compelled to invest a substantial part of their funds in securities under the law. The apprehension of a decline in the value of securities following the hardening of interest rates has abated since the Reserve Bank has slightly reduced the interest rate on loans to commercial banks for the 1963-64 busy season.

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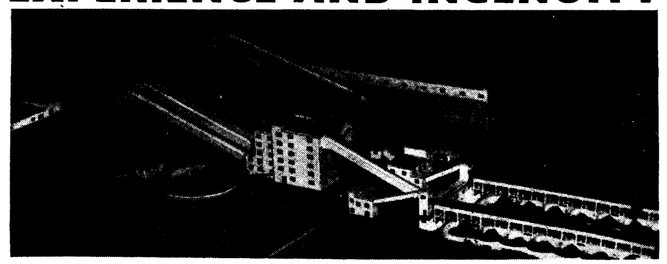
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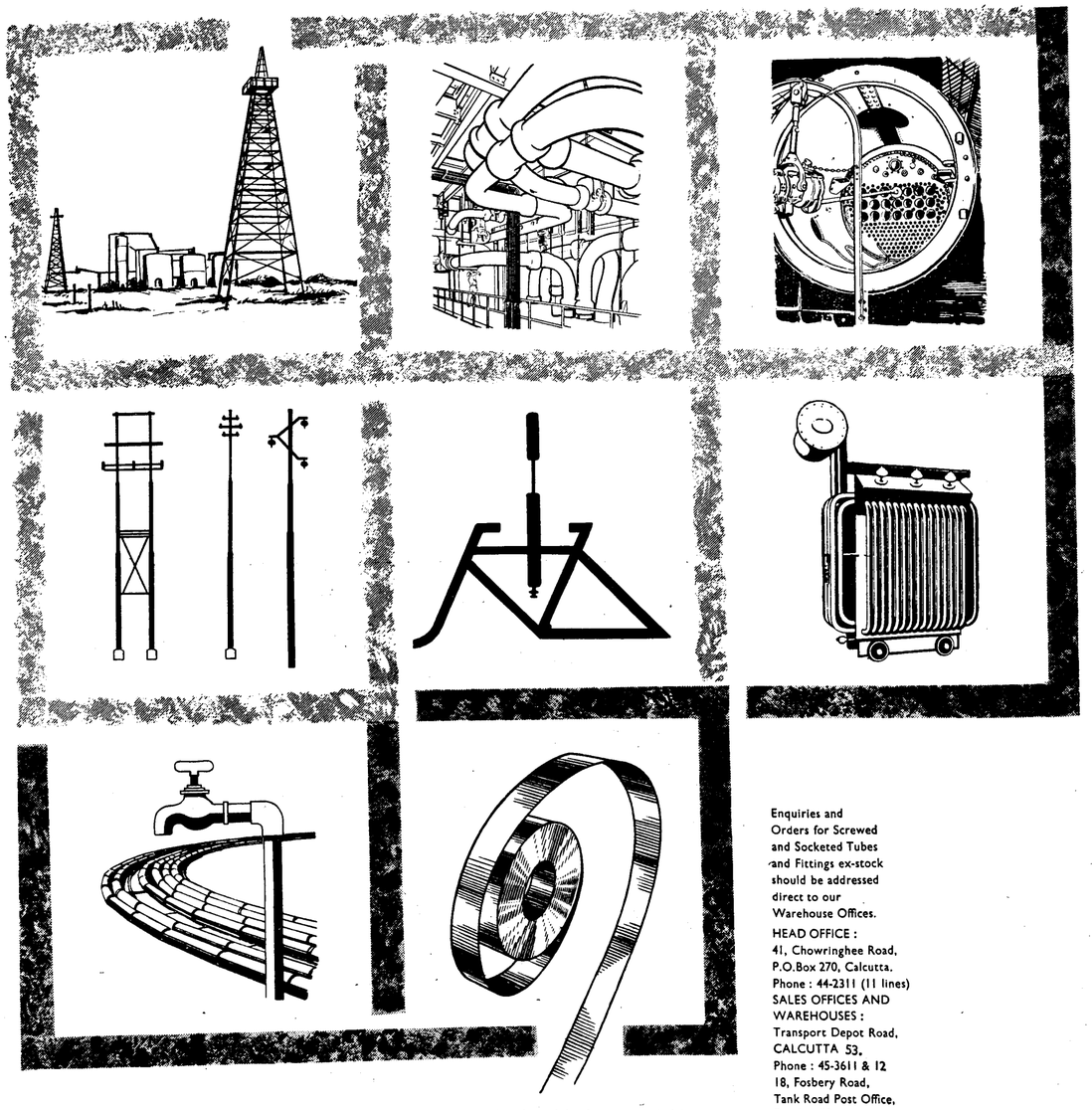
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Jute Industry at the Crossroads: Some Ways to Ensure a Better Future

India's jute industry has for the past two years been enjoying fairly stable working conditions, thanks to an adequate supply of fibre and improved foreign demand. But the threat from Pakistan has become serious and she has already cut into this country's sacking markets. The need has arisen for a vigorous programme to produce better quality fibre, and for the diversification of products to cater to new and growing lines of overseas demand.

By
A SPECIAL CORRESPONDENT

VIEWED within the narrow compass of the year now ending, the jute industry's performance has undoubtedly been satisfactory. Full production has been maintained for the second year in succession without, so far, any definite sign that output is running ahead of demand. (There has, admittedly, been some anxiety expressed about the phenomenal expansion in the capacity for jute carpet-backing manufacture, giving rise to a possible unbalance, but this should counsel restraint and thereby help to correct the situation.)

The industry's total stocks of finished goods at the end of October represented only about one month's production, and there are prospects of good business with east European countries, particularly Russia, to offset the extra production expected in the normally high-output period November-January. All being well, the industry should in the current financial year exceed the third plan (final year) production and export targets of 1.3 million tons and 900,000 tons, respectively, which will be a notable achievement. Foreign exchange earnings from the exports of jute manufactures, which in the year 1962-63 amounted to Rs. 156 crores or about 23 percent of India's total export earnings, should be as good again, if not better, when the final reckoning is made for the present financial year. This will enable the jute industry to retain the position it now holds as India's foremost export industry.

The circumstances which have made this possible are, briefly, the uninterrupted flow of raw jute to the mills, which has helped considerably to promote stable conditions; the remarkably steady demand both at home and abroad for the industry's standard products; and, finally, the rapid growth in the production and export of jute carpet-backing, the bulk of which is consumed by the tufted carpet industry in the U.S.A. This comparatively new outlet is already yielding well over Rs. 25 crores worth of foreign exchange annually and now accounts for some 8 percent of the jute industry's total production; in so doing, it is cushioning the effects of the loss of sacking trade to Pakistan.

Competition from the Pakistani jute industry is unquestionably the major problem still facing the Indian mills. This has been recognised for some years, and has been much talked about for as long a period, but action to counter it has still to be initiated. The problem has not lost its urgency merely because the Indian mills have been able to operate at full capacity for the last two years. The Pakistani industry is expanding at an unnatural pace, far in excess of what is justified by the rate of growth in the world demand for jute products. Before very long, this policy is bound to impinge even more forcibly than at present on India's export trade, and diversification of production cannot possibly provide an answer to this in the short term.

Fall in Sacking Exports

India's exports of sacking have fallen from 438,000 tons in 1955 to 287,600 tons in 1962. In the corresponding period, Pakistan's exports have risen from 36,000 tons (estimated) to 162,000 tons, an increase of nearly 450 percent. The combined exports of sacking from the two countries in the same period have actually decreased by about 5 percent. The current indications are that India's shipments of sacking in 1963 will be down to an annual rate of not much more than 250,000 tons. This is not all. It is expedient to attribute at least the same amount of business acumen to one's competitors as to oneself, and on this principle, it would be wrong to suppose that Pakistan is only concerned with capturing India's sacking markets. There is ample scope for the exploitation of other markets, including not only the hessian trade, but also speciality lines. Pakistan has recently announced plans for setting up 12 broad-loom units for the manufacture of carpet-backing and indeed the first shipments of this fabric from Pakistan to the U.S.A. have already taken place.

It is no doubt arguable that Pakistan's ability to expand her jute manufacturing capacity further is limited by the availability of raw jute, which she both exports and uses in her own manufacturing industry. There is, however, no reason why the acreage yield in Pakistan—already much higher than India's—should not be raised still further by more intensive cultivation; and other potential suppliers of fibre to the world market, such as Burma and Thailand, for example, cannot be overlooked. In the meantime, it is presumably not the Government of India's intention that no attempt should be made at least to contain the growth of the Pakistani industry within more reasonable limits.

Committee on Exports

A committee under the chairmanship of Mr. N. C. Srivastava was set up by the Government in 1962 to explore ways and means for increasing India's exports of jute manufactures. It was generally expected that this Committee would devote a great deal of thought to the aggressive and superior competition offered by Pakistan. This it apparently has done, in the form of a confidential report. The public version of the Committee's report, issued belatedly at the beginning of August this year, all but ignores the Pakistan question. This attitude of secrecy on such a vital issue is understandable; but informed people in this country are entitled to hope that the Srivastava Committee's circumspection is matched by its perspicacity and that an effective policy will emerge from the recommendations it has presumably made.

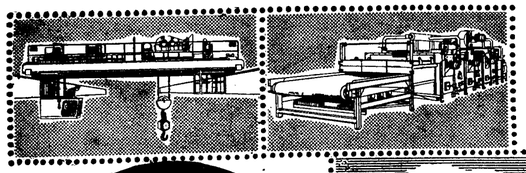
The Committee's terms of reference were sufficiently wide to permit expression of opinion on practically every aspect of the jute economy. The coverage of the Committee's report is accordingly sweeping, and as the treatment is also concise there is plenty of room for reader comment on many of the generalised statements made. Nevertheless, there are obvious merits in a number of the Committee's recommendations. The longest section in the report is the one dealing with raw jute cultivation. This is correctly emphasised as there can be no two opinions on the clamant need for a substantially improved jute agriculture. By and large, India has now achieved self-sufficiency in jute. It is a great pity that this did not come by way of improved farming methods, instead of by a progressive increase in acreage, but it must be accepted that circumstances did not permit of much choice.

Need to Raise Fibre Quality

Now that the problem of sheer physical shortage of jute appears to have been successfully overcome, there is all the more reason for an intensive and sustained drive to promote the per acre yield and raise the standards of quality all round, so that a better crop can be produced on a smaller acreage. This is manifestly in the best interests of the growers, the millowners and the national economy generally. The growers because they need to move away, however gradually, from subsistence farming; the manufacturers because they cannot afford to pay uneconomic prices for their raw material and because their requirement of superior quality

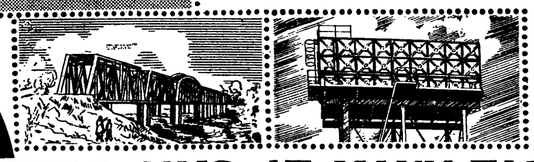


Jute being extracted at a research institute



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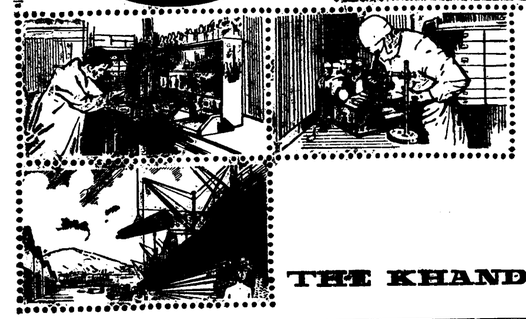
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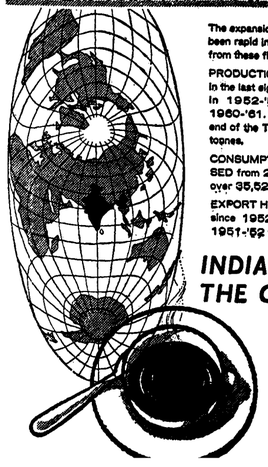
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PRODUCTION HAS NEARLY TREBLED in the last eight years: from 23,943 tonnes in 1952-'53 to 67,925 tonnes in 1960-'61. The target of production by the end of the Third Five-Year Plan is 80,000 tonnes.

CONSUMPTION IN INDIA HAS INCREASED from 26,000 tonnes in 1955-'56 to over 35,523 tonnes in 1960-'61.

EXPORT HAS GONE UP FIFTEEN TIMES since 1952: from only 2,200 tonnes in 1951-'52 to 32,271 tonnes in 1960-'61.

INDIAN COFFEE— THE CUP THAT XL'S

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jute is increasing steadily with the shift towards more refined products; and the Government of India because it not only shares these particular needs in the national interest but also has to look to the counter-claims on land for food production.

The Srivastava Committee's recommendation for the setting up of a jute development board to pursue these aims should, therefore, find universal support. It is satisfactory to record that the Government of India has recently allocated funds amounting to Rs. 3 crores for jute development work during the remainder of the third plan period.

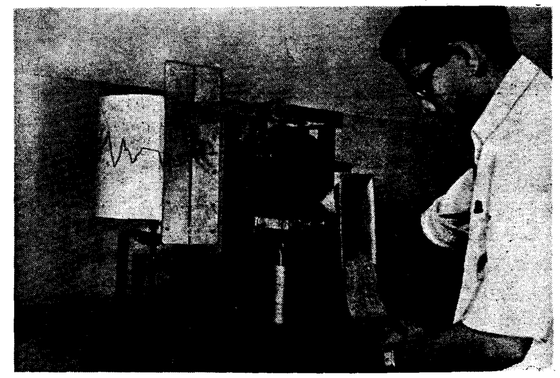
Some of the other proposals of this Committee deserve favourable consideration, particularly those relating to export incentives and the need for greater attention to market intelligence and product development. Export incentives require consideration in the context of any scheme for meeting Pakistani competition, and it is assumed that this is under study at present. Concerning market intelligence and diversification of production, the Govenment of India has already taken a welcome step in establishing a marketing development fund, with an initial capital of Rs. 3.8 crores, available to all export industries in the country for such purposes. The jute industry will, it is hoped, take full advantage of this financial provision for the development of its market research activities on a wider scale.

The I.J.M.A. has already given notice of its intention to do just this by commissioning, for a start, a two-year market research project in the United States from a firm of industrial consultants in that country. Nearer home, the Association's Research Institute is understood to be putting the finishing touches to a scheme for a broader-based programme of work which will require additions to the existing premises of the Institute and the installation of new plant and equipment. Product development at the plant level is also being undertaken, and on a larger scale than is perhaps realised, as progressive companies are not prone to divulge their research operations.

The theories propounded by the Srivastava Committee on certain matters have given rise to a considerable amount of controversy. One of its recommendations, for example, was that the working time agreement of the Indian Jute Mills Association should be abolished because it is "basically restrictionist" in outlook—a view with which the Association strongly disagrees. The Committee's alternative scheme of a jute goods buffer stock to promote stability of export prices has also been attacked from more than one quarter as being misconceived and potentially harmful. It is not proposed here to engage in a detailed examination of the merits and demerits of these arguments. Enough has already been said on both sides, and it is now for the Government and the Indian Jute Mills Association together, with all their accumulated wisdom, to decide on the steps most likely to further the jute industry's interests and particularly its export trade.

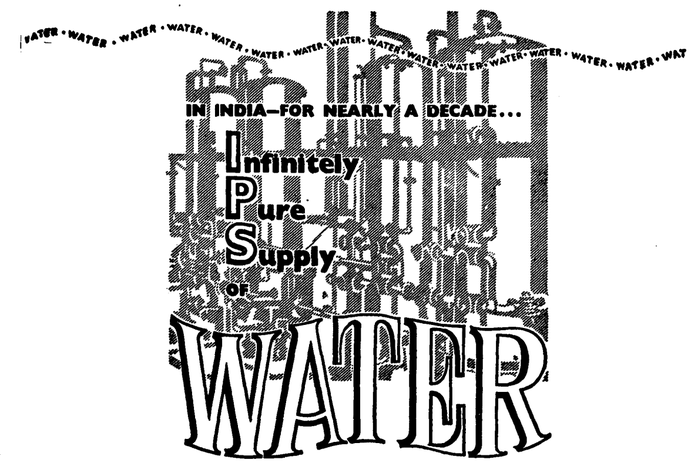
Adequate Raw Jute Supplies

The balanced jute supply situation during the past two seasons has been a very influential factor in creating the stable conditions which have been seen. This is partly the result of planning and partly luck—the latter because nature has been generally kind to the crops. The efficacy of the jute policy which has been pursued should not, however, be underestimated and credit is due to both the Government and the manufacturing industry. Planned purchasing, with special emphasis on lifting supplies at the height of the season (October-February) to match upcountry arrivals, has on the whole ensured orderly marketing and prevented any serious slump in prices. The Jute Buffer Stock Association has played its part, too, in the jute prices support scheme, and will very shortly be adding another 150,000 bales to its existing stock of 625,000 bales. At the annual general meeting of that Association held in September, the acting president, Mr. R. H. Morrison, confirmed that it was the intention to build up additional stocks to give extra security for the future.



Irregularity of jute sliver being tested

While these various measures, with some marginal assistance from the operations of the State Trading Corporation, have succeeded in holding jute prices at or near about the "operational minimum prices" fixed by the Central Government, it is pertinent to consider what the ultimate objective of this price policy is. If the aim is merely to maintain the *status quo* concerning jute supplies, overlooking the fact that jute is being grown in a number of marginal areas where the land and the agronomy are not really suitable for it, then it is time for some serious rethinking on the subject. It is not that the mills just need jute: they



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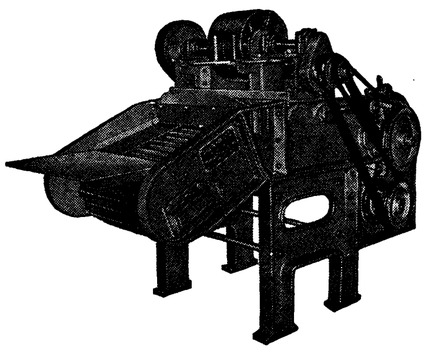
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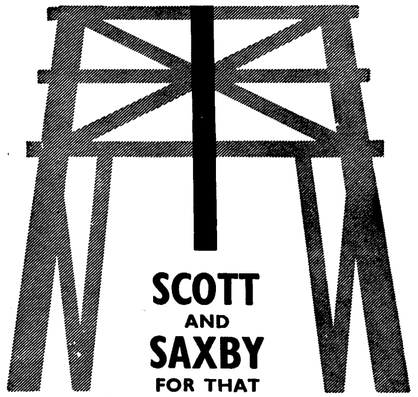
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need jute of particular qualities, in particular proportions, and they are also sorely in need of a much higher average quality fibre.

At present, the mills in Pakistan not only have a cost advantage of about Rs. 170 a ton on their raw material supplies, but they also get better value for their money. Any credit earned by the Central Government for its jute policy must, therefore, be subject to reservations. Something should be done, price-wise, to discourage excessive production of poor quality jute (although not to the extent that the total supply of fibre available is endangered); and this must be accompanied by an all-out drive to increase yields in the most suitable areas.

Changing Foreign Offtake Pattern

On the export front, the changing pattern of the offtake has already been briefly referred to. The decline in sacking exports resulting from Pakistan's inroads has been counterbalanced by increased shipments of hessian and of "other" goods, particularly jute carpet-backing and (to a lesser extent) cotton bagging. The stabilisation of prices at reasonable levels has given overseas buyers greater confidence, and this has been reflected for example in the increased burlap consumption in the U.S.A., averaging about 76 million yards a month in the current year, compared with 73 million yards in 1962. Canada's purchases of hessian have also been rising, but those of Argentina have fluctuated widely in recent years because of unsettled political and economic conditions.

The U.K's offtake of Indian hessians has tended to decline, but it should be noted that Pakistan has become quite an important supplier of this market. The import policy of the U.K. Jute Control is, however, being gradually relaxed—recently, the mark-up on common hessians was reduced further from 20 percent to 10 percent, while heavy bags and common sackings have now been returned to private trade—and a jute working group has since been set up by the U.K. Board of Trade to examine the protective machinery that remains. Whatever the outcome, there should be better opportunities for Indian jute manufactures in this market.

Negotiations have also been proceeding with the European Economic Commission for liberalisation of India's trade with the E.C.M. countries, although it is still too early to say how the jute goods trade will fare. India has strong support from the Continental importing and merchanting interests, and Governmental sympathy in the case of Belgium and West Germany at least. On the other hand, there is stern resistance from France at both Government and industry levels, and also from the jute manufacturing industry in West Germany. A study team from India, led by the Jute Commissioner, has recently left for an extensive tour of western Europe, including the United Kingdom, to investigate the market potential with special reference to new outlets for Indian jute products. The ultimate success of this mission will largely depend on how far the European Economic Community can be persuaded to agree to larger imports of manufactured jute goods from Asia.



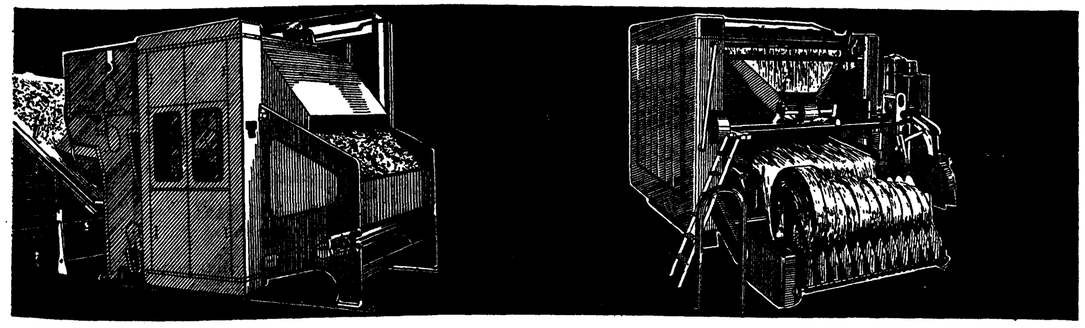
Jute fibre being stripped and washed

A striking feature of India's export trade in jute goods in the last year or two has been the emergence of eastern Europe, and especially Russia, as an increasingly important consumer area. So far, this has been mainly to the advantage of India's hessian trade, but there appear to be good prospects of establishing a big market for sacking goods for the bagging of agricultural produce, fertilisers, etcetera. This was the conclusion reached by the Indian jute delegation which toured eastern Europe this year under the leadership of Mr. M. P. Birla. Two preconditions, however, are consumer education in the uses to which India's various sacking products can be put, and, secondly, a balanced trade between these countries and India. The second of these conditions does not

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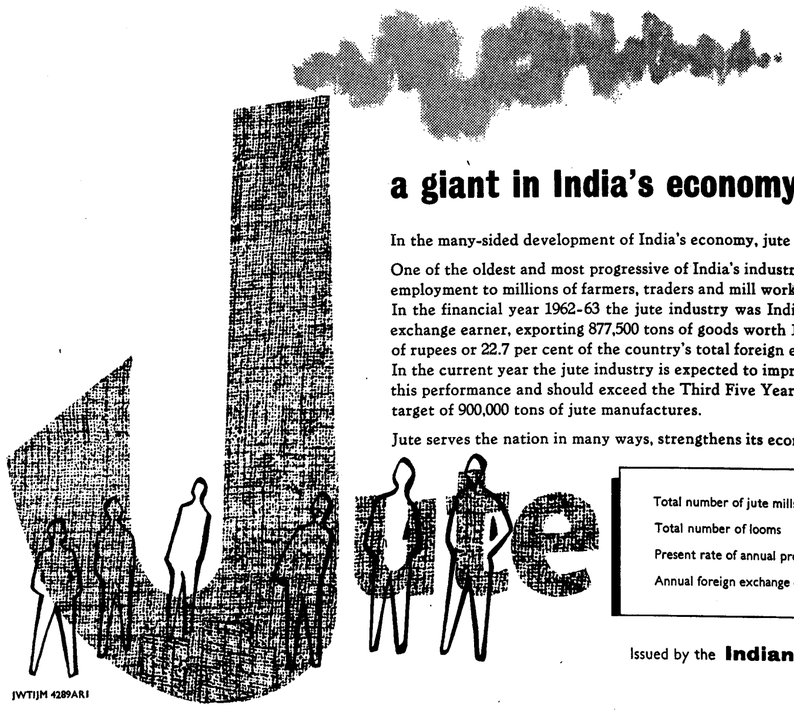
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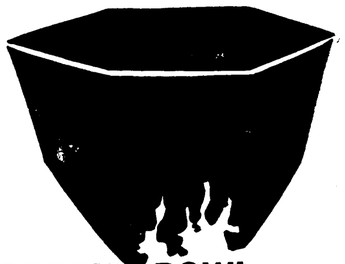
One of the oldest and most progressive of India's industries, it provides employment to millions of farmers, traders and mill workers.
In the financial year 1962-63 the jute industry was India's leading foreign exchange earner, exporting 877,500 tons of goods worth 156 crores of rupees or 22.7 per cent of the country's total foreign exchange earnings.
In the current year the jute industry is expected to improve on this performance and should exceed the Third Five Year Plan export target of 900,000 tons of jute manufactures.

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Total number of jute mills in India	...	...	109
Total number of looms	...	...	74,000
Present rate of annual production	...	...	13 lakh tons
Annual foreign exchange earnings	...	...	Rs. 156 crores

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fall within the purview of the jute industry, but should receive the close attention of the Government of India in the negotiation or renewal of trade agreements.

Internal Consumption

Internal consumption of jute goods continues to rise, without which the jute industry's sacking production would be but a shadow of its former self. Well over half of the mills' present output of sacking now finds its way to the domestic market where it is used for bagging foodgrains, cement, fertilisers, sugar and other commodities. This trend will almost certainly be maintained, and for obvious reasons will be welcome; but it can never be a substitute for the export trade, which is the industry's *raison d'être*, and on which India has traditionally relied for a substantial contribution to her foreign exchange earnings. The excise duty which was imposed last year on jute goods sold for internal consumption was intended as a measure to stimulate exports. This it has not done, and it is for serious consideration whether this imposition should not be replaced by a levy whose proceeds could be used to build up an export incentive fund instead of merely supplementing public revenues.

An important step towards export promotion has now been taken by the Indian Jute Mills Association with the introduction of a voluntary scheme of quality control and pre-shipment inspection. The immediate inspiration of this scheme was the publication by the Government of India of the Export (Quality Control and Inspection) Bill, which has since passed into law and is designed to encourage activity in a field which has, to India's cost, been largely neglected so far. The jute industry is to be commended on the promptness with which it has responded to this call. The I.J.M.A.'s scheme has, as its first aim, the introduction of a system of inspection against prescribed standards or specifications; a longer term objective is the development of scientific methods of quality control in each mill backed by a quality control service to be rendered by the Central Bureau (which will be located at the I.J.M.A.'s Research Institute).

The Central Wage Board for the Jute Industry, after three years' deliberations, submitted its unanimous report to the Government of India at the beginning of September this year. The Board's recommendations were accepted *in toto* by the Government in terms of a resolution published on 27th September. Among the more important of the Board's recommendations, which are now being implemented by the industry and which are intended to remain effective up to the end of 1967, are the following:

(i) integration of existing wage groups so as to reduce their number;

(ii) a wage increment of Rs. 8.33 (inclusive of the interim relief previously granted) for all workers;

(iii) a variable dearness allowance, to be adjusted twice yearly on the basis of 20nP a point rise or fall in the average cost of living index for Calcutta. At the cost of living index 425 (base year 1939=100) the total minimum wages in West Bengal mills should work out to Rs. 81;

(iv) a minimum fall-back wage for piece-rated workers in all genuine cases of shortage of production for reasons over which the worker has no control;

(v) an annual bonus of two weeks' wages to the weekly paid workers and half a month's wages to the monthly paid workers subject to qualifying conditions (this is the first occasion of an industry-wide bonus in the jute industry's history); and

(vi) the age of retirement of men workers should be 58 years and of female workers 55 years. It will, however, be open to the employers in their discretion to retain workers in service beyond this age.

It is estimated that these changes will add at least another Rs. 3½ crores to the industry's annual wage bill.

The heading of this article puts the jute industry at the cross-roads. This indicates that a decision has now to be made as to the direction the industry should take in the future. If production is to be maintained and expanded to fulfil the targets set out in the fourth plan, some bold thinking, as well as the translation of this thought into action, will be necessary. The basic requirements appear to be a policy to curb the proliferation of the Pakistani jute mills industry; an intensive development programme for jute agriculture; and greatly increased activity in market research and product diversification.

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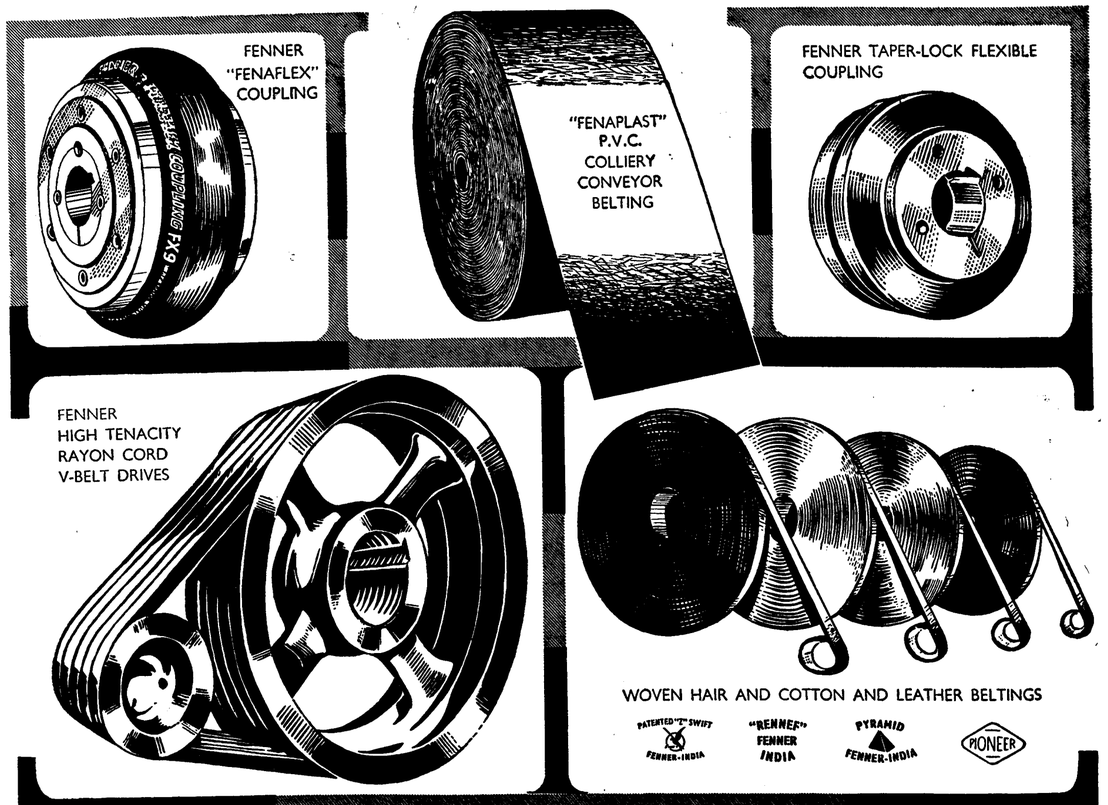
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Heavy Taxes Hamper Tea Expansion and Exports

By

A SPECIAL CORRESPONDENT

WITH the gradual decline in India's foreign exchange reserves and with the fear of aggression on her northern frontiers, popular and official interest has begun to look beyond the more spectacular expansion of heavy industry and turn for help in times of difficulty also to such older and more established industries as tea. The industry has long been regarded by the Government simply as a milch cow for tax revenue. A sum of Rs. 16 crores—more than its total gross profits—is taken from it annually in the shape of Central excise, and a further Rs. 4 crores by State Governments in similar taxes. On top of that is, of course, the 50 percent to 68 percent of profits, depending on the nature of the company, taken in the form of income tax by the Centre and agricultural income tax by the States.

More recently emphasis has been placed on tea as an earner of foreign exchange, and ways are being examined to increase that capacity. India is still the greatest producer and exporter of tea in the world. Together with Ceylon, she accounts for 75 percent of the world's trade in the commodity. Her area under tea is not only wider and her total production greater than that of Ceylon—as is natural in view of her comparative size—but, contrary to popular belief, her yield an acre is also larger and her average prices a lb fetched in the world's markets are greater. It is a mistake to imagine, therefore, that Indian tea is getting in any way a back number in the export trade, or that her place is elsewhere than at the top. Tea and jute goods stand about equal as India's largest earners of foreign exchange. Other industries are not only a long way behind, but require proportionately a much greater import of foreign goods and machinery to keep them alive than does tea.

Perpetual Struggle

Nevertheless, it is a perpetual struggle for India to keep her share of the world market. Although in the last 12 years or so, production has increased by 25 percent, exports have fluctuated but on a rolling average increased little, and India's share of world trade has declined by about 5 percent. In the third plan, tea has been set a production target of 410 million kilograms a year by 1965 and an export target of 280 million kilograms. The figures at the bottom of columns 1 and 2 indicate the progress so far.

It is too soon to pronounce whether either production or export targets will be reached by 1965-66, but progress is admittedly slow. The main reason has been that although 1961 was a good crop year in Assam and West Bengal, there was lack of rain early in the season both in 1962 and 1963, and the "flush" of crop was delayed. There was also delay in 1963 in applying fertilisers, as military requirements in the cold weather of 1962 caused a severe transport shortage, and fertilisers had to yield priority to food and coal as well as military supplies. Unless fertiliser is applied early in the season, it cannot be usefully applied at all.

Long-term Problems

These, however, are short-term obstacles, and the industry is concerned more with long-term problems standing in the way of increased output. There are limits to the increase in crop which can be achieved by the application of fertiliser to the same bushes; and the increase has to a large extent already been achieved in the past. Moreover, the problem is one of quality even more than of quantity. The earning of foreign exchange depends not only on the volume of exports but also on price, since it is the total return that one seeks to increase. The quality teas are now maintaining their position in the export market, but the plainer types find it difficult to obtain an outlet abroad due to the cheaper cost of production and transport in Ceylon and east Africa. It should, therefore, be the primary aim of the industry and the Government to produce more and more quality teas, which still enjoy a premium in the world market, and which buyers look to India to produce.

To achieve this object, it is essential to encourage the producer to expand and to replant, and to replant not on recently uprooted ground but on virgin soil, and with the best modern methods from tried and tested stock of high quality, and at the same time to maintain and rehabilitate his factory with the best machinery and equipment. What has been delaying this objective for many years past has been the high cost of laying out new plantation and the absence of relief from the heavy weight of taxation. A tea company is neither allowed depreciation on its bushes nor permitted to treat the replacement of them on virgin soil as a revenue expenditure. The simplest and best encouragement to replace worn-out tea would be to treat such expenditure as a revenue charge for tax purposes. The next best would be to allow depreciation on all young tea, spread over, say, five or six years so that it would be allowed 100 percent by the time the tea matures to its full yield. At least, a 40 percent development rebate might be granted, a percentage warranted by the fact that tea is an agricultural industry from which the return does not accrue until several years after planting.

Unless the Government provides some such encouragement, it is unlikely that expansion will take place on the scale required, as only the most prosperous companies can afford it. The industry has been told to take loans from the Government through the Tea Board. But the terms of such loans have never been as satisfactory as reputable companies can secure from their own banks, and they are hedged in with stringent provisions for security. It may be said that banks should provide the finances, but there are limits beyond which a prudently managed company should not go when involving itself in debt. Expansion in former days—and it is still the case today—was financed almost entirely by the ploughing back of profits earned by the tea company itself. This brings one back to the point at which the article started, that the industry is so heavily taxed that the accumulations which in the past produced the funds for expansion are no longer created.

Excise Duty Raised

The export duty has now been happily abolished, and the result as far as can be judged under the auction system has been an appreciable gain in exports and export earnings. But the revenue loss was forthwith made up by the Government by a 20 percent increase in the excise duty leviable at the estate, and no rebate in excise duty is now allowed on tea exported, although every other export industry is allowed such a concession.

Although the tea industry benefits much from the auction system and the prices that may be gained by it for high quality teas, it is an unfortunate consequence that it precludes the burden of excise being passed on to the buyer. This is because if the latter is prudent, he will adjust his bids according to his own requirements and the competition with which he meets, and has no reason to worry whether or not the payment he makes goes in part to the Government. The industry in north-east India, whose teas take two to three months at the height of the season to be transported by road, rail and river down from north Bengal and Assam to Calcutta where it is sold, has for long requested the Government to relieve it at least of the burden of financing the excise until the teas are sold, by allowing payment in arrears during the early part of the season, the period of grace being gradually shortened until at the end of the season teas, as at present, could not leave the factory till the duty was paid. Although it would be perfectly easy to make such a system evasion-proof at no cost to the Government, this sensible suggestion has been brushed aside as "unprecedented", and instead proposals have been made for a bonded warehouse system in Calcutta with a second set of excise staff and many additional complications. If such a system were combined with relief from excise duty when teas were removed from the warehouse for export, the industry might welcome it. Otherwise, it is doubtful whether any financial relief would accrue. These, however, are mere palliatives, and what the industry needs is a mitigation in the gross weight of excise, particularly in those areas which produce good export teas.

A further burden is the entry of State Governments into what was intended to be the Central field of excise on tea. This may take the form of a carriage tax, as in Assam, or an octroi, as in Calcutta; but as long as it is paid by the producer, it is in incidence and effect an excise, and a discriminatory tax in so far as it is only applied to certain articles. The story of the tax in Assam makes interesting reading from the legal point of view. It was imposed in 1954, upheld as valid by the Assam High Court, declared *ultra vires* by the Supreme Court since it was an interference with inter-State commerce without the President's consent and was re-enacted with retrospective effect but with limited validity up to 31st March, 1962, with the consent of the President. The Assam Government, meanwhile, enacted an orthodox carriage of goods Act of wider application and levied a tax on the carrier. The temporary Act was again declared ultra vires, this time by the Assam High Court on various grounds, and it is now pending appeal in the Supreme Court. The result at present is that the Assam Government owes the industry several crores of rupees in illegally collected taxes, which it is unable to repay.

One wonders whether it would not be to the advantage of all parties if the industry's members waived their claims to refund while the Assam Government dropped the appeal (with its threat, if successful, of claims for an interim period), and contented itself with the revenue from the current and accepted Act. The West Bengal octroi has had a similar clouded history, but has been protected by a subsequent Act with the President's consent permitting its indefinite continuance. It

In tonnes
(Production)

	1960	1961	1962	1963	1964	1965
Actual	321,100	345,500	344,400	345,000 (estimated)	—	—
Approx. target	—	340,000	360,000	375,000	390,000	410,000

Exports (April to March)

	1960-61	1961-62	1962-63	1963-64	1964-65	1965-66
Actual	198,983	205,738	220,800	—	—	—
Approx. target	—	215,000	230,000	245,000	260,000	280,000
Earnings (in crores of rupees)	123.59	122.40	129.60	—	—	—

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DA 63/352

will surely be preferable if the Central Government assesses the producer's capacity to pay such taxes on the amount of production, and the State Governments drop their taxes on condition that the Centre makes a special grant to those States in which the tea is grown. It is hard to believe that the Central Government's tax gatherers relish such encroachments in their field, nor does the industry appreciate a competition between Governments to see who can tax them most.

Agricultural Income Tax

The same applies to agricultural income tax. By convention now enshrined in legislation, 40 percent of tea profits are subject to Central income tax and 60 percent to State agricultural income tax if the Centre and the States choose to levy it. State rates are now in some cases higher than Central rates. A convention should be established that the Centre should fix the rate and the State concerned should get a 60-percent share.

Furthermore, the industry—particularly in north-east India—should get a fairer treatment over its food, fuel, and fertiliser supplies. The southern States have always recognised their responsibilities in this matter, and so generally does West Bengal. But the industry in Assam is forbidden to buy food for its labour because it might upset local markets. The Government doles out allocations, which often only exist on paper, inadequate for a firm supply. The result is that the tea companies often have to live on a hand-to-mouth basis, with all the wastage of transport and threat of labour trouble that it may bring in its train. As a deliberate addition to their troubles, the Assam Government has instructed the industry to give up its long-standing practice of "*khet* assessment", under which labourers who till paddy land on nominal licence fees from the garden are "laid off the godown" while they have rice of their own, and force the management to issue rations at concession rates to those workers who themselves have ample supplies and can resell their produce outside the garden at a profit. They are even forbidden to sell their own produce to the management. The cost of this policy last season was in the nature of 10,000 tonnes of rice to the industry.

The industry sells foodgrains at fixed concession prices to labour: there is no question of black-marketing. In these days of control, it is, in fact, doing the Government's job in bringing supplies of food to its workers. Under the circumstances, it is surely the Government's duty to see that the foodstuffs are supplied in good time and at controlled prices.

The same applies to fertilisers and coal. When plans are made in good time and transport arranged by the most economical route to the gardens, all is well. Where there is procrastination and delay, uneconomic arrangements have to be made at the last moment, so all suffer in consequence. These articles are all subject to Government monopolistic control as far as the tea industry is concerned.

Propaganda and Research

For the improvement of India's tea market abroad, there is an ever-growing need for propaganda and research,



Tea pickers on an estate near Coonor

and these are primarily the responsibility of the Tea Board. A great opportunity now exists with the abolition of all import duties by the European Common Market countries with effect from 1st January, 1964. All credit is due to the Ministers and officials, both Indian and British, who achieved this success. The Tea Board has set up a centre of propaganda in Brussels, under the ægis of India's Ambassador to Belgium and Commissioner for Trade in Europe. This large market for tea will not be brought within the reach of the ordinary citizen of Europe unless the E.C.M. countries can also be persuaded to abolish their high internal excise duties. It is to this objective that India's diplomats should direct their energies.

As for labour, it is not the purpose of this article to discuss wages or even amenities when a wage board is investigating the issue, but it may be said that a little calm reflection should persuade any labour leader to conclude that in all the matters mentioned above, the general interests of labour are at one with employers, and that the level of their wages, and particularly their "real" wages, bears a none-too-distant though inverse relation to the weight of taxation and other burdens with which the industry is saddled. Looked at from another point of view, the Government is the biggest shareholder (let us not say "exploiter") of the industry, so it should make it prosperous.

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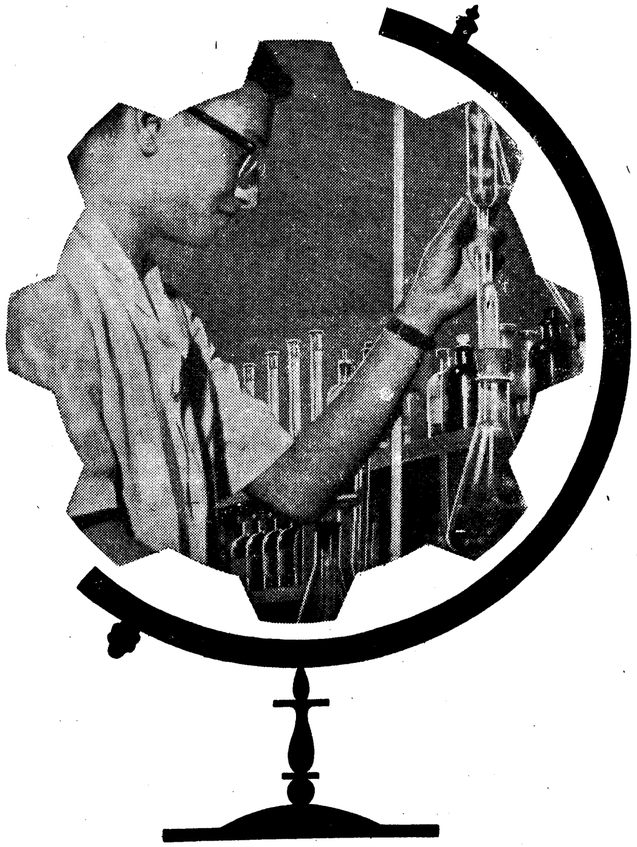
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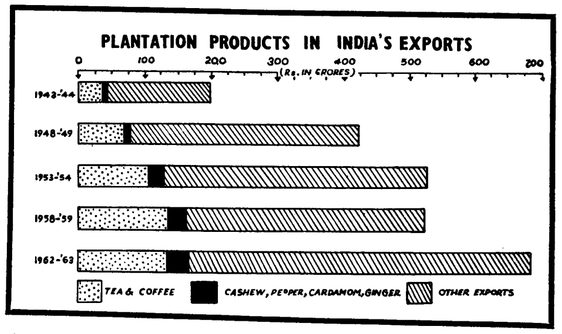
The plantation industries are major earners of foreign exchange. But high production targets and exhortations to raise exports have little meaning if the Government is not realistic in its approach to the industries' problems.

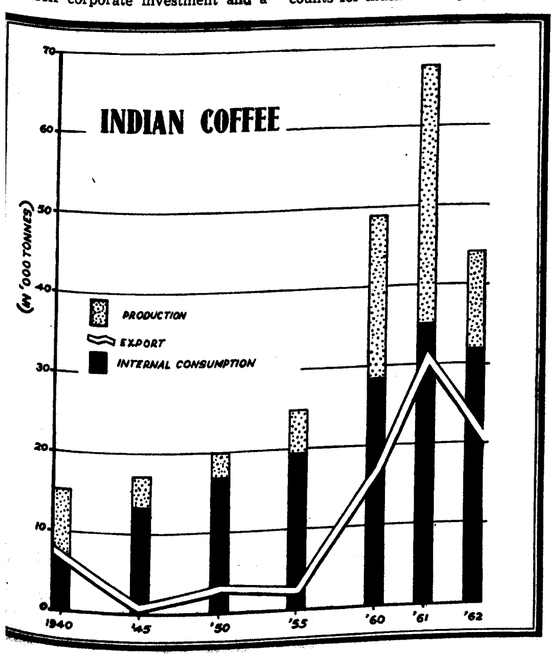
By

K. K. KURIAN

THE plantation crops, which have contributed Rs. 2,095 crores to India's foreign exchange earnings since independence, will continue to figure prominently in her export trade for at least some time to come. This accounts for the importance attached by the Central Minister for International Trade, Mr. Manubhai Shah, to raising the production and exports of these crops. India has several plantation crops, the most important among them being tea, coffee and rubber. They are all "introduced crops" on Indian soil. Tea came to India from China, although the indigenous growth of tea plants was subsequently discovered in upper Assam in the first quarter of the last century. Coffee was introduced into India from Arabia some 300 years ago. Rubber is of recent origin having been commercially grown in India from 1902.

The tea industry which attracted to itself corporate investment and a devoted and enthusiastic band of pioneering British planters could achieve the most remarkable progress among the plantation crops in this country. By 1923, over 711,000 acres were brought under tea plantation and production reached 375 million lbs. Unlike tea, coffee and rubber cultivations were confined to the hill tracts of south India. Coffee planting spread to an area of about 300,000 acres by 1896. Thereafter, it fell to 116,411 acres by 1920 at its lowest, and it has reached again the 1896 level today. Coffee growing was largely an individual enterprise in which the planting proprietor was the key figure with corporate ownership being rather an exception. Rubber began as a large grower's crop, and the initial interest in rubber growing was confined to corporate enterprise. But soon it became a backyard crop wherever rubber would grow. Today, 60 percent of the 361,000 acres of rubber cultivation in India is on small holdings. In both coffee and rubber that section which sets up standards in cultivation and management sticks together for organised action and shares ideas on the common problems of cultivation and marketing. It is this section that accounts for much of the progress that both these industries could make over the years.





Small Acreage

The area under plantation crops in India is very small. It comes to only 0.3 percent of the total land under the plough in this country. However, their contribution to the national wealth—particularly to the country's export trade—is significant. Tea, coffee, cardamom, pepper, and cashewnuts figure prominently in India's export trade. They earn for the country substantial foreign exchange. Plantation crops accounted for Rs. 16.4 crores, out of the Rs. 241.3 crores India earned from her foreign trade in 1912-13. Their share rose sharply to Rs. 166.6 crores by 1962-63, representing 24.3 percent of the total export trade. Tea alone earned Rs. 120 crores in foreign exchange last year.

The importance of the industry's contribution to export trade is likely to increase in the context of the country's need to earn more foreign exchange to finance its development plans. But an elementary fact is overlooked when exhortations are made to increase exports. Before any significant increase in production is achieved, forced increase in exports is an exercise in arbitrary physical controls. Export promotion as an effective and continuous process must be backed by increased production. The volume of such increase must be sufficient to cover the expanding demand at home and that of the created market abroad.

It must be said in this context that the achievements of the past were within a framework which was at least neutral, if not favourable, to the increase in the size of the units and enterprise which ensured returns proportionate to the planters' efforts, skill and initiative. For an established industry, essentially conservative in make-up and only capable of slow change because the pace is set by the plants, there are a number of problems. Increased production targets every five years and passionate appeals for export promotion lose all meaning unless the Government's approach to the industry is realistic. This is a point where there has been much confusion of thought in the framing of official policies.

Third Plan Targets

The industry is sometimes blamed for its anticipated failure to fulfil the third plan targets laid down for different crops. The authors of the plan fixed a production target of 408 million kilograms for the tea industry. The targets for coffee and rubber were 80,000 tonnes and 45,720 tonnes, respectively. The performance of these industries during the first three years of the plan gives room for serious doubts whether they will be able to fulfil these targets by 1965. India could produce only 344 million kilograms of tea, 55,175 tonnes of coffee and 31,350 tonnes of natural rubber in 1962. During the year, the tea output showed a decline of 10 million kilograms, compared with the previous year. The present estimates for 1963 are; tea 340 million kilograms, coffee 60,000 tonnes and rubber 40,000 tonnes. It is to be seen whether the remaining wide gap between the actuals and targets will be covered in the next two years. There is not much justification for blaming the growers for the shortfalls in the targets because the fixing of the production targets was unrealistic. Even if new planting or replanting were attempted from the commencement of the third plan, no crop could be obtained till some years after the plan period. Any planning for increasing a plantation crop must necessarily be a long-term affair, taking ten or 15 years as the period of planned development. Tea takes six to eight years to reach the stage of yielding a crop and a

few more years to reach full maturity. Coffee takes at least five years and rubber seven years to give the first crop.

Export promotion is now viewed as a crash programme. It is now even suggested that the home market should be starved for raising exports. An increase in the volume of exports without a corresponding rise in demand will force prices down and thus defeat the purpose of gaining more foreign exchange through exports. A denial of sufficient supply to the internal market is likely to force prices up, and that will amount to penalising the consumer here. This will ultimately retard the growth of the internal market, which will be bad for the future stability of the industry.

Another thing which one has to remember in this context is that export promotion is a meaningless exercise unless the increase is gainful to the exporter. It is, therefore, essential that increased exports must follow the creation of additional demand. But if additional demand is created without the supply to meet it, the beneficiaries will be India's rivals. It is obvious, therefore, that export promotion should be thought out and operated as a package programme involving production, internal consumption and export.

Better field management, improved manuring, pest control, increase in plant population and, to a relatively small extent, the introduction of high-yielding planting material have greatly helped to achieve the high yields from the existing acreage. While these may continue to improve, any sizable rise in production must come from the replacement of worn-out and low-yielding stands of plants whether in tea, coffee or rubber. As a result of land reform and forest preservation legislation, there is only very limited scope for further expansion of the planted acreage. The most suitable alternative is, therefore, the rehabilitation of the existing acreage. According to one estimate, 95,000 acres of tea, 120,000 acres of coffee and over 200,000 acres of rubber stands in south India are due for replanting. It is said that a meaningful programme for putting the plantation industry on a sound footing and for enabling it to fulfil the rôle assigned to it for the next quarter of a century would involve renovation and rehabilitation of 80 percent of tea and 60 percent of the coffee and rubber acreage in south India. In addition to this, the handling, processing and manufacturing facilities available on estates have to be modernised and expanded to cope with the increased output of crops expected during this period. All these require heavy investment and also a sufficient allocation of foreign exchange for necessary imports. The spokesmen of the industry say that the plantation industry is left with very little after taxation and it is also forced by law to hasten the implementation of labour welfare measures with no consideration for the availability of resources.

Labour Legislation

The plantation industry in India employs about 1.4 million workers. They are protected under 11 statutes. The Plantation Labour Act, 1951, is the most comprehensive labour welfare legislation for any section of workers in south-east Asia. Housing and medical welfare—the two major responsibilities imposed on plantation employers by this Act—call for a substantial diversion of available resources. The housing programme which began in 1954 lays down a construction rate of 8 percent each year and, when completed, will absorb an estimated Rs. 92 crores. Together with the estimated outlay on hospitals and schools and equipment, the total sum required for welfare measures stipulated under these statutes will almost be equal to the amount required for the total replanting programme of tea, coffee and rubber and the renovation and modernisation of processing facilities. It is, therefore, obviously a question of priorities and to determine such priorities, there must be some co-ordination between the different Ministries of the Central Government and the State Governments concerned. It is also important that the Government should consult planters before taking decisions on all these questions affecting the future of the industry. If the latter is to play the rôle assigned to it, many aspects of official policy relating to it must be changed; and the sooner it is done, the better.

With these general observations, an attempt is being made here to make a brief review of the performance of the three major plantation crops of south India—tea, coffee and rubber—during 1963. South India produced 81.2 million kilograms of tea in 1962 and exported 42.4 million kilograms. The export constituted only 51 percent of the crop, against north India's 66 percent. Both production and exports show a marginal increase this year. The latest available production figures cover only the first nine months of 1963, and they put the south Indian crop at 62.6 million kilograms, against 61.8 million kilograms of the previous corresponding period. Export figures cover the period from 1st April to 15th August and they show an increase of 260,000 kilograms over the previous corresponding period's exports. The Cochin sale average for leaf grade tea from January to the middle of October was Rs. 4.66 a kilogram, against Rs. 4.50 for the same period in 1962. The dust grade got a more attractive price, the sale average having reached Rs. 4.20 a kilogram, compared with Rs. 3.65 a kilogram during the same period last year. This can be taken as an indication of the growing demand for south Indian tea in the internal market. This need not be grudged in view of the loss being suffered in the world market. South Indian tea is losing its traditional grip on the London market due to growing competition from Ceylon and east Africa. The latter are in a position to offer teas with the same characteristics at competitive rates. The fall in quality that is happening as a natural corollary of the larger crop being harvested in south India is said to be the primary reason for this new disturbing experience in the foreign market. Meanwhile, there is a feeling in planting circles that it is not worth while to send more tea from south India to the London market.

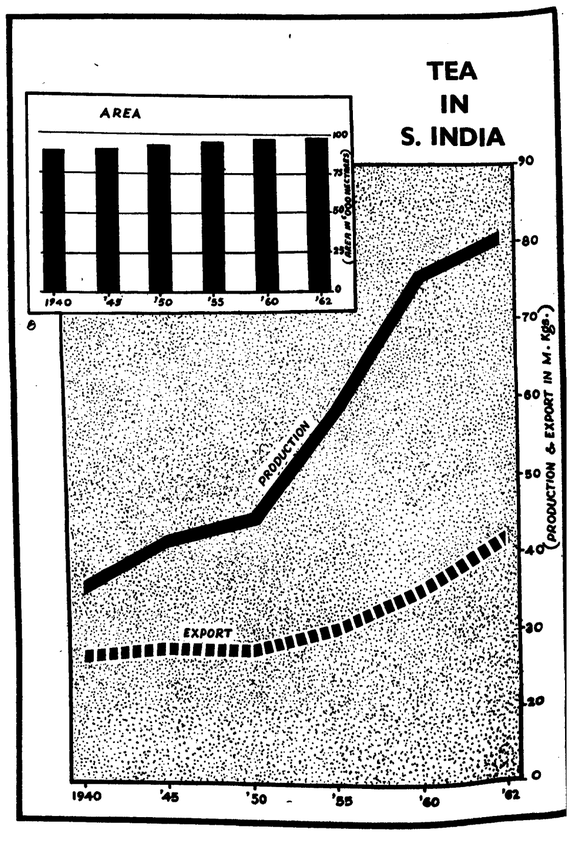
Coffee Output Up

Coffee production during 1962-63 amounted to 53,000 tonnes, against 46,000 tonnes during 1961-62. The new crop which will start coming in to the Coffee Board's pool, when this review appears in print, is presently estimated at 60,000 tonnes. The internal consumption might amount to 32,000 tonnes—slightly less than the quantity absorbed last year. This is the result of a new shift in the Coffee Board's policy in favour of exports. India became a member of the new long-term International Coffee Agreement and got under it an export quota of 21,600 tonnes. She could fill this quota during the year under review. There is a feeling in official circles that the quota this country got is on the low side and that it should get a more liberal export quota. India has already moved the International Coffee Council for an export quota of 50,000 tonnes a year. This might be considered with some latitude in view of the anticipated fall in world production. Brazil, Costa Rica, Cuba and some other major producers of the South and Central Americas were hit by natural calamities like drought, frost, fire and hurricane. So their contribution to the world supply this season might be smaller. On the other hand, the worldwide campaign for higher coffee consumption has started showing results.

The export marketing procedure adopted by the Coffee Board has been under fire with producers generally supporting an open auction system. After experimenting with the open auction system for some time last year, the Board had reverted to the closed bid system. Under the present world market conditions, the conversion of the sealed tender system into open auctions may not be of much significance. The producers' contention is, however, that open auction is more suited to the nature of the commodity.

Raising Rubber Production

The weather was unusually favourable for rubber this year. Past efforts for raising production have also started showing results. The production figures available so far point to a 20-percent increase in this year's crop. The present estimate is that the 1963 crop will be something between 38,000 tonnes to 40,000 tonnes. Last year's output was 31,357 tonnes. In view of the possible increase in local production, the Rubber Board has recommended the import of only 20,000 tonnes of natural rubber this year, against 24,000 tonnes in 1962. Consumption this year is estimated at 80,000 tonnes, including synthetic rubber. The Bareilly synthetic plant has started production and, according to present indications, it will reach its full capacity of 30.000 tonnes in less than a year from now. There have been many assurances this year that the plant is not going to be a serious rival to the natural rubber growing industry in south India. At present, it looks so because synthetic rubber is costlier even after the recent reduction in its price.



Mill Cloth Production Stagnates: Increasing Competition from Powerlooms

Mr. Podar, Chairman of the Indian Cotton Mills Federation, discusses the need for curbing the unrestrained growth of the powerloom sector. He pleads for the expansion of the existing units and for the modernisation of their productive equipment in order that the industry may acquire greater competitive strength to fulfil the export target laid down for cotton textiles under the current plan. He gives a brief account of the contribution made by the Indian delegation, of which he was the leader, to the proceedings of the International Federation of the Cotton and Allied Textile Industries at its annual session held in Athens last September.

By
RAMNATH A. PODAR

FRANKLY, the cotton mill industry of India is not moving forward. Despite the fact that the third five year plan is half way through, there has been no increase in the *per capita* consumption of cloth. On the contrary, it is barely 16 yards today, compared with 17.94 yards in 1938-39. Not only should the industry be assisted to produce more, but it also needs to be helped to reduce costs, so that its goods can be offered at more attractive prices to domestic as well as foreign buyers.

A major problem of the industry for many years has been its inability to secure adequate and assured supplies of cotton at reasonable prices. It was not possible under the second plan to reach even the drastically reduced domestic production target of 5.4 million bales. While mill consumption has increased steadily, the rise in the home production of raw cotton has not been commensurate, as the following figures show:

Year	(In '00,000 bales of 392 lbs each) Production	Consumption Indian	Foreign	Total
1956-57	47.4	46.6	5.7	52.3
1957-58	47.4	44.3	5.7	50.0
1958-59	47.1	46.2	4.5	50.7
1959-60	38.3	44.2	6.8	51.0
1960-61	53.8	42.0	11.1	53.1
1961-62	45.0	47.1	9.8	56.9
1962-63	56.0 (Estimated)	48.0	9.0	57.0 (Estimated)

The continued shortage in the supply of home-grown cotton has forced the mills to depend on imported varieties, the average annual receipts over a period of years being 700,000 to 800,000 bales. Notwithstanding the somewhat depressing picture presented by the agricultural sector, the planners have confidently provided for an annual production of 7 million bales of cotton by the end of the current plan.

Cotton production at an estimated 5.6 million bales in 1962-63 promises to be a record. It may well help to ease the supply position. But the question of building up buffer stocks will arise only when the country becomes self-sufficient in this raw material. Such a day has yet to dawn in India. Perhaps the issue will demand consideration in the event of surplus cotton becoming available during the current cotton year through sizable imports. Meanwhile, the Indian Cotton Mills Federation has appointed a committee to study the problems connected with the purchase, storage and disposal of buffer stocks and to prepare a suitable scheme to be put into operation if and when the country has a raw cotton surplus.

Cloth Production Trend

Besides the cotton supply problem, the industry is deeply concerned about the trend in cloth production. The output target assigned to it under the current plan, namely, 5,800 million yards a year, is by no means ambitious, but if the present is a true reflection of the future, it is doubtful whether the goal will be reached at all. Production of yarn has been quite satisfactory, but with some 5,000 looms remaining unused, cloth output during the current year will be less than that of 1962. The table below shows the current monthly production trend of cloth and yarn with comparable figures for last year.

Month	Cloth (Million yards)		Yarn (Million lbs)	
	1963	1962	1963	1962
January	410	436	162	166
February	369	396	149	151
March	403	417	159	160
April	400	413	159	154
May	411	423	164	159
June	396	418	150	155
July	417	432	166	158
August	396	431	161	162

There are two reasons for the threatened stagnation in mill cloth production. First, the phenomenal growth of the powerlooms, authorised and unauthorised, poses a grave threat both to the mills and the handlooms. A good deal still needs to be known about this relatively new sector. Estimates of the number of powerlooms vary between 150,000 and 200,000. Enjoying a decisive advantage over the mills in the matter of excise duty and wages, they score heavily over the organised sector, especially in the production of finer fabrics.

Growth of Powerlooms

An unregulated growth of the powerloom sector is obviously undesirable. Apart from hurting the interests of the other branches of the industry, its proliferation nullifies the very rationale of assigning production targets to the different sectors. If production cannot be properly accounted for, statistics relating to it pass from the realm of accuracy to one of guess-work, while the Government loses the revenue by allowing the powerlooms to grow unchecked.

The second deterrent to a fuller utilisation of the industry's weaving capacity should be traced to the present system of voluntary price control. The system was introduced in September 1960, as a contribution by the industry to arrest the rise in prices. Since 1st January, 1961, cloth prices have remained stationary, while there has been a general increase in the cost of production. Many mills today find it unremunerative to offer their cloth at prices that obtained more than two years ago.

The way out is clear. Production targets are laid down to ensure an orderly growth of the economy. This principle should be enforced in the case of powerlooms whose growth and productive activity should be strictly confined to authorised limits. In that event, the mill sector will be able to regain its resilience and fulfil the production targets assigned to it under the current plan.

With the restoration of normal conditions, there will be a clear need for more spindles and looms, which in turn would call for suitable steps to help the industry to acquire them in good time. There is no advantage in attempting to establish new spinning units independently of the existing mills. Experience has shown that, although licences have been freely granted for increasing the spindleage, very few new spinning units have come into existence. In these circumstances, expansion of the present mills should be encouraged not only because it means a considerable saving in the capital cost, but also because it greatly minimises the time required for increasing textile production. Experience, technical knowledge and superior resources are advantages which the new entrants cannot readily secure and which are of great value in running an enterprise efficiently.

The organised sector bears the major responsibility for meeting the domestic needs for cloth and for fulfilling the export target. Its plea for expansion is, therefore, justified. In addition, it should be allowed to equip itself with modern machinery so that Indian products abroad may hold their own both in price and quality. While all the textile machinery produced inside the country should be bought and installed, the additional equipment required by the industry should be allowed to be imported freely.

Export Target

The export target for textiles under the current plan is 850 million yards a year, while the industry has set before itself the task of earning foreign exchange worth Rs. 60 to 65 crores annually. The following figures show the export performance of the cotton textile industry over a period of years:

Year	Yarn exports (in million lbs)	Cloth exports (in million yards)	Value (in crores of rupees)
1957	17	839	62.1
1958	31	581	47.0
1959	21	810	58.8
1960	14	690	57.7
1961	16	575	49.9
1962	23	508	45.3
1963 (Jan.-June)	12	369	22.9

A long way has still to be covered before the country can reach the prescribed target.

While the industry is making strenuous efforts to expand the overseas trade in cloth and yarn through its export schemes, it is necessary that friendly countries should give it a helping hand in realising the goal. It is, however, readily recognised that trade and not mere aid, is the best solution to a nation's economic problem. India's economic prospects, therefore, depend on how well and quickly her overseas trade can be expanded. The fact that progress in that direction is not satisfactory is disturbing. For instance, the surplus of $ (U.S.) 10 million which this country enjoyed in 1950 in relation to the E.C.M. countries, was converted into a deficit of $(U.S.)380 million in 1960-61 and into one of $(U.S.) 342 million in 1961-62. No country can hope to become prosperous if it has such serious adverse trade balances. "Export or perish" is not a mere slogan with India, but is a pressing necessity.

World Cotton Textile Meet

A good opportunity was presented to the spokesmen of the Indian

cotton textile industry to urge their case when the International Federation of Cotton and Allied Textile Industries held its annual session in Athens last September. The Indian cotton textile industry was represented at the conference for the first time. Presenting the case of the textile industry of the developing countries, the Indian delegation urged that the long-term Geneva Agreement should be worked in a proper spirit so that the contemplated changes in the pattern of world trade in cotton textiles might be effected on the basis of international co-operation and goodwill.

The Indian spokesmen called attention to the strength and prosperity of the European textile industries. For instance, the annual textile exports from the E.C.M. countries totalled well over 1,000 million yards, while their receipts were only 600 million yards. With their highly developed economies, it should not be difficult for those countries to admit a sizable volume of textiles from the developing countries, especially when the bulk of such imports consisted of grey cloth which needed processing before it could be put into use.

The delegation, therefore, pleaded that the "disruption clause" should not be lightly invoked by the importing countries with a view to frustrating the provision in the Agreement recommending preferential treatment to countries like India. Attention was drawn to the fact that the Agreement had not helped to advance the interests of the Indian textile industry in the United States, for example, where the "disruption clause" was being invoked to hold down Indian exports to an extremely low figure. It was pointed out that neither the U.S. textile industry nor the prosperous economy of that country, whose textile imports amounted to 1,100 million yards a year, would suffer a setback if its takings of Indian cloth were raised from the present 30 million yards to a more respectable figure.

Some concrete suggestions were put forward by the Indian spokesmen before the Conference as a means of saving the Agreement from becoming a dead letter. These were, first, that there should be a steady lowering of the import barriers to enable a freer flow of textiles from the developing countries to the industrialised countries. If the import duties could not be scaled down for the entire range of textiles, the concession should at least be extended to yarn and grey cloth, since the latter could be used as raw material and subjected to sophisticated finishing by the importing countries. Secondly, it would be advisable to have an impartial agency to pronounce whether any disruption had in fact taken place in the market of an importing country as a result of its receiving textiles from the developing countries.

Thirdly, if there was a real threat of disruption or if disruption had actually taken place, the prohibition of imports should be limited only to the country or countries which had been the cause of such dislocation and should not be enforced against all the exporting countries. Attention was drawn to the reasonable stand taken by the representative of the Lancashire industry on the issue of textile imports from the developing countries. He had suggested that 10 percent to 20 percent of textile consumption by the developed countries should comprise cloth imported from the developing nations.

Indo-British Trade Relations

Britain's accommodating attitude towards India is perfectly understandable. A special commercial relationship exists between the two and dates back to many centuries. Not only the pattern of the trade between them, but also the structure of production in India is to some extent determined by this long-established relationship. The question of Britain's admission to the European Common Market is, therefore, of great importance to this country. Indian textiles enter the U.K. market duty-free, the volume of imports by that country being regulated by an inter-industry agreement. According to this agreement, Britain currently receives from India 195 million yards of cloth a year for retention. Cloth meant for re-export is not included in this figure.

India is, however, under no special obligation to Britain on this account because the trade relations between the two are entirely based on reciprocity. In fact, this country runs a heavy deficit in its trade with Britain, as the following figures will show :

Year	Imports into India	Exports to Britain	Balance
1959-60	194.30	178.85	−15.45
1960-61	217.15	172.48	−44.67
*1961-62	200.15	160.94	−39.21
@1962-63	1783.1	163.73	−14.58

* Revised. @ Provisional.

The talks held in London last September between the British and Indian textile interests were concerned, not with the quota of cloth and yarn which that country should receive from India, because there already exists an agreement on this account, but with the categorisation of goods sent from this country. It was agreed that the export of folded yarn from India should be subjected to a ceiling of 7.3 million lbs out of a total quota of 11.5 million lbs. Any shortfall in the export of folded yarn could be made good by the exports of single yarn so that the total quota remained unchanged at 11.5 million lbs. It was also agreed that statistical information should be collected relating to the import of Indian grey goods into the U.K. There was a clear understanding between the two sides that India should not suffer any loss of her existing market in the event of categorisation being agreed to.

These are some of the important developments which have taken place in the Indian cotton mill industry during the current year. Following the Chinese threat to India's national security, this country is confronted with the two-fold problem of defence and development. Both are as important as they are interdependent. It is of the utmost importance that the foundations of the cotton mill industry, which caters to a basic need of the armed services and the civilian population, should be suitably strengthened. The stagnation which threatens cloth production in the organised sector should be removed by taking prompt remedial measures. This is necessary if the industry is to reach the planned target of production.

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Coal Industry Needs More Help for Raising Production

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By

A SPECIAL CORRESPONDENT

THE third five year plan having run half its course, a suitable opportunity has arisen for examining the working of the coal industry and the various factors which either have impeded or are likely to impede the production of coal during the remainder of the plan period. It will be recalled that when the Chinese invaded India in October 1962 coal stocks were extremely low, and urgent action was necessary to step up production. The industry rose to the occasion and was among the first to start seven-day working. Although seven-day working could not be maintained because of the strain on workers and the adverse effects on the maintenance of machinery, production was speeded up considerably. Thus monthly production rose from 3.96 million tonnes in October 1962 to 4.69 million tonnes in November 1962.

The industry as a whole was able to exceed the tentative target of 63.49 million tonnes for 1962-63 by 230,000 tonnes, representing an increase of 0.36 percent over the target.

Production in Both Sectors

The private sector produced 52.07 million tonnes, against a target of 48.55 million tonnes, or 7.25 percent more. The public sector, with a production of 11.65 million tonnes, against a target of 14.95 million tonnes, fell short of its target by 22.02 percent. While credit is to be given to the private sector for its achievement, the performance of the public sector is not to be judged by the sole criterion of a production target. Although the scales are weighted heavily in its favour, the public sector is comparatively a newcomer to the field and allowance must be made for the various teething troubles and other difficulties which have been experienced. They are only to be expected during the first few years of an organisation of the size of the National Coal Development Corporation. It is also to be appreciated that imports of mining equipment and machinery against World Bank assistance did not begin to materialise until early 1963, and even then in only insignificant quantities. Additional credit must be given to the private sector for having increased its production from 46.34 million tonnes in 1961-62 to 52.07 million tonnes in 1962-63, with its existing machinery.

However, to give a correct picture since from the consumer's point of view the grade-wise production of coal is more important than the overall production—it is to be stressed that the industry's achievement related mostly to the medium grades of coal. Production of the higher grades, especially of coking coals, did not show any appreciable increase. The output of coking coal in 1962-63 was only 17.39 million tonnes, against the previous year's production of 17.04 million tonnes.

Accumulation at Pitheads

In March-April 1963, there were reports of a fall in demand and the consequent accumulation of coal stocks at pitheads. The reports were eventually confirmed by the statistics which showed that while in May 1962 stocks at pitheads had been about 3.59 million tonnes, by May 1963 some 4.07 million tonnes had accumulated. While this was below the March 1961 figure of 4.8 million tonnes—which was, incidentally, the highest figure for the last ten years—the position naturally caused concern to producers, especially since stocks had been as low as 2.6 million tonnes in October 1962. There was no question of shortage of railway wagons; there was in fact an improvement in the movement of coal by the railways. So it was apparent that the cause of the accumulation of stocks was a fall in consumer demand.

This decline in demand was allegedly due to the three main factors. First, since October 1962 industries had built up considerable stocks so that only coal sufficient to replenish the stocks was necessary. Secondly, because of inadequate supplies in the past due to transport difficulties, consumers tended to inflate their demands grossly in the hope that at least some of their requirements might be met. Thirdly, the tempo of industrial production had slowed down considerably, so the demand for coal was less than had been originally visualised. Other factors which probably have some bearing on the situation are : (1) there has been less demand for coal from the railways due to their programmes of electrification and dieselisation; (2) the expansion of the steel plants during the third plan period has been delayed; (3) the construction of the thermal power projects in the first two years of the third plan has been slow; and (4) certain industries, particularly those located far away from the coalfields and nearer the main ports, have switched over to furnace oil for fuel, in accordance with the policy of the Government of India.

Restriction of Output

The inevitable result of the accumulation of stocks and the decline in demand has been that several coal companies have been compelled to restrict their production, and many have been obliged to review their expansion programmes. This fall in demand has naturally raised the question whether it is purely temporary, or whether production has in fact been in excess of demand, in which event the production target of 97 million tonnes for the end of the third plan would have to be revised downwards. This is of particular interest as it is not long since the Planning Commission was thinking of raising the 97-million-tonne target to 104 million tonnes.

The approximate total consumption of coal by all industries was 3.6 million tonnes in October 1962, against 3.4 million tonnes in October 1961. By May 1963, it had risen to just over 4 million tonnes. The figures suggest that the decline was perhaps only temporary, especially since industrial production had slowed down between October 1961 and October 1962 as a result of transport bottlenecks and shortages of power and raw materials. It would, therefore, be unwise to proceed on the basis of a misleading temporary slowdown in coal consumption especially as it may be assumed that industrial production will increase once additional power projects begin to function in the remaining years of the plan. In that event, the demand for coal will rise at a rapid pace. Be that as it may, in assessing the position, consideration has also to be given to the fact that although the private sector has so far fulfilled its share of increasing production, the future is not so certain unless numerous inhibiting factors which prevent expansion are removed. Additionally, the performance of the public sector has not been satisfactory and as its share in production progressively increases, there is very little chance of the original plan target of 97 million tonnes being achieved.

The Central Minister of State for Planning and Finance recently stated in the Lok Sabha, during the debate on the increased development rebate for the coal industry provided by the Income Tax (Amendment) Bill, 1963, that, on revised estimates, the requirements of coal would amount to 88 million tonnes. However, the target of 97 million tonnes has not yet been revised and this figure is still being used as the basis for the industry's production plans. Hitherto, the official view had been that 90 million to 92 million tonnes at the end of the plan would be sufficient to meet the demand, while the industry's view has been that a lower figure might suffice. The conclusion to be drawn from these differing assessments is that the existing means of assessing the effective demand for coal are inadequate and that, in future, such data must be more reliable.

Shortage of Quality Coals

It will thus be apparent that while there is currently a surplus of coals quantitatively, there is a shortage of quality coals. The shortage is serious in the case of those grades which are most needed, namely, the better grade coking coals. While reserves of such coals are limited, large quantities of coking coal now exist mainly in the form of pillars in existing deposits. Increased production could, therefore, be obtained by extraction of these pillars, but this would involve stowing, *i.e.*, filling in with sand or some other incombustible material of the spaces left underground by the extraction of coal, so as to permit extraction of the maximum quantities and to avoid the danger of roof collapses and consequent risks of subsidence and fire. This, however, is a very costly operation since comparatively only a small proportion of coal can be obtained against substantial stowing. In other areas, increased production of coking and blendable coals can be obtained from existing workings but only with the installation of expensive machinery since such coals are in deep-shaft mines which are not only expensive to operate but, in many cases, are being operated at a loss. This deficit of coking and blendable coals is serious and vigorous steps will have to be taken to raise their output.

While the producers of higher grades are finding it difficult, if not impossible, to expand production at the current statutory prices fixed for coal, the producers of the medium and lower grade coals, which are now surplus, are also experiencing difficulties. The latter are losing some of their important markets, firstly, because of the use of "middlings" (produced by coal washeries) by thermal power stations and other consumers. Secondly, certain industries—particularly the cement produces—are now using furnace oil in place of coal.

Difficulties of Small Producers

It must be borne in mind that the lower grades of coal are mostly mined by the smaller collieries whose financial resources are slender. Consequently, if they are unable to dispose of their coal, they may have to go out of production. Since many of them exist on a hand-to-mouth basis with very small financial reserves, considerable difficulty has been experienced by them in meeting their wage bills and other statutory commitments relating to labour.

While this was the position faced by the industry from March to October 1963, the Government of India announced on 13th November, 1963,

that, as a result of the increased production of coal and the comparatively easy transport position, all consumers will be given additional supplies, according to their requirements, over and above their present quotas, the entire demand to be met from ready stocks.

Mention has been made of the disposal of washery "middlings", the output of which is estimated to be some 25 million tonnes by the end of the fourth plan. It has been confirmed that the boilers of all large central thermal power stations to be installed in the fourth plan will be designed for the use of coal and washery middlings with ash content of up to 45 percent. This means that this market will not be available to low-grade producers.

Use of Furnace Oil

The Government of India announced in July 1962, that it would encourage the use of furnace oil in place of coal by those industries which enjoyed a high priority for the allotment of coal and which experienced great difficulty in obtaining it because of their being distant from the coalfields and on account of transport bottlenecks. To begin with, cement factories in southern and western India were asked to change over to furnace oil. While there is no reason to believe that furnace oil has found extensive application in industry as a substitute for coal, and there is no doubt that solid fuel in the form of coal will remain the premier source of commercial energy, the Government's policy has undoubtedly had an effect on demand estimates. The coal industry is naturally apprehensive about the future of solid fuel consumption in these industries. Since furnace oil has to be imported and its source of supply is, therefore, subject to political uncertainties elsewhere in the world, it is very imprudent to encourage major industries to change over to furnace oil at the cost of the indigenous industry. The strategic implications of relying on imports for a major fuel are also obvious. While the switch-over to oil was encouraged at a time when the outlook for coal supplies was admittedly bleak, it is felt that the situation has changed considerably since then and a re-examination of this important question has now become urgent.

Doubts have been raised whether future production could be increased to the extent required, in view of certain factors which are inhibiting the industry's working. The most important of these inhibiting factors is the uneconomic level of coal prices which has resulted in the inability of the industry not only to accumulate sufficient internal resources for further development but also to cover production costs. The price formula evolved by the Coal Prices Revision Committee in 1959 made allowance for depreciation, rehabilitation of plant and machinery and a profit margin, which the Committee considered fair and reasonable to attract the additional finance necessary for development and expansion in order to produce 45 million tonnes. The existing price structure, apart from falling short of this price formula, neither provides for the servicing of the additional capital required for a production of 62 million tonnes by the private sector nor does it fully neutralise the enhanced production costs, despite the specific recommendation made to this effect by the Committee. The *ad hoc* price increase granted in 1962—which did not apply to the lower grades—fell far short of the requirements of the price formula and certainly did not provide the incentive necessary to attract the additional finance necessary for the achievement of the third plan target. The industry has recently again taken up with the Government of India the necessity of increasing coal prices to neutralise increases in production costs and this matter is still under consideration.

Need for Fiscal Incentives

However, neutralisation of production costs alone will not encourage coal production, especially of those grades which are essential for the economy and are still in short supply. Further incentives will be necessary in the form of a direct price increase plus income tax concessions in the shape of an increased development rebate, provision of a depletion allowance and increased depreciation by way of a multiple shift allowance. There should also be increases in the subsidies for adverse mining conditions and for stowing. While the existing level of controlled prices is inadequate and in many cases does not cover current production costs the majority of producers of all grades maintain that the spectrum of controlled prices should be opened out in order to widen grade differentials. The higher prices for the higher grades, it is pointed out, would provide the incentive for the extra effort and resources required to increase the production of those higher grades of coal which are immediately and vitally needed. This would also prompt consumers to make more economic use of solid fuel which, in turn, would help the country to conserve its limited resources of better grade coals.

Despite the demand for high grade coals the production of such coals has suffered a setback over the last three years due to the unremunerative price differential between the various grades. The price structure does not justify the working of more difficult mines and seams in order to produce better grades. On the other hand, the view has been expressed that, since the statutory obligations are the same for all collieries, irrespective of the grades they produce, there should be a uniform increase in the prices of all grades of coal; furthermore, since coking coal forms only a small percentage of the total reserves, measures should be devised for the conservation of coking and high grade coals and for the better utilisation of inferior grades which are weakly coking and which, after washing, should be used for blending with the high grade coking coals. While the final decision lies with the Government of India, it is patently illogical that any price increase by way of incentive is necessary for coals which are already in abundance, and particularly when there is every indication that a very substantial increase in the present production of coking coal will have to be achieved by the end of the fourth plan period. The World Bank mission, in its recent report on the Indian economy, stated that there was a strong case for raising substantially the prices of the better qualities of coal, if not for removing controls over coal prices altogether.

Higher Development Rebate

The former Finance Minister, Mr. Morarji Desai, announced last April that he proposed to increase the development rebate for the coal industry from 20 percent to 35 percent, and that this concession would be available from the assessment year 1963-64 and would remain in force till 1965-66, which is the last year of the third plan. The Income Tax (Amendment) Bill, 1963, which was subsequently introduced to give effect to this concession, is presently receiving the attention of Parliament. However, in view of recent developments and the necessity to prepare the groundwork for the much greater expansion of production in the fourth and subsequent five year plans, the industry is now of the view that this rebate should be increased from 35 percent to 50 percent.

Since coal is a wasting asset, the industry has pressed for provision to be made in the cost structure for a depletion allowance. This is a recognised practice in all other developed countries. It is pertinent to note that, in the case of the oil industry in India, provision has been made for a substantial depletion allowance in the price structure of the fuel. There is, therefore, no reason why a similar provision should not be made for the mining industry as a whole, and particularly for coal.

In view of the greater wear and tear on machinery used for extracting coal and the fact that other industries are entitled to extra rates of depreciation allowance for double and triple shift working, the coal industry has pressed for similar additional rates of depreciation. The majority of collieries work double and triple shifts, which fact seems to have been lost sight of when the rates of depreciation were first fixed.

Under the Coal Mines (Safety and Conservation) Act, provision is made for the levy of an excise duty on all despatches of coal and coke, the amounts collected being credited to the Coal Mines Safety and Conservation Fund administered by the Coal Board. From this Fund are paid the amounts granted by the Board by way of assistance for voluntary stowing and for the special assistance paid by way of subsidy to collieries specially handicapped by any or all of the following adverse factors, *viz.*, gassiness, depth of shafts, inclination of seams, high pumping costs, thinness of seams and high cost of transporting coal from pit-head to rail-head.

Stowing Assistance

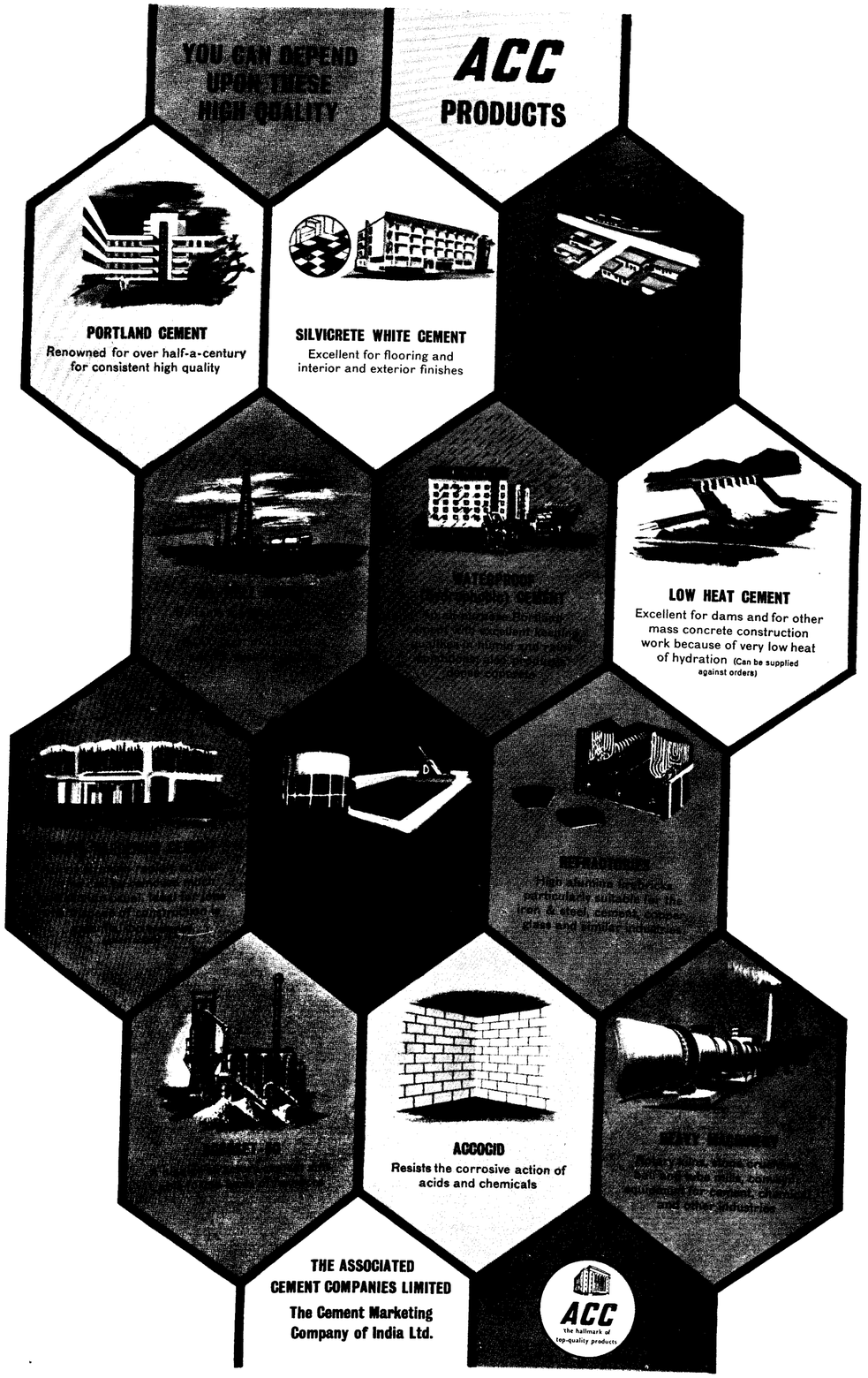
As for the scheme for the grant of stowing assistance to collieries, the industry maintains that the present scales of maxima are totally insufficient if the production of the higher grades of coal—particularly coking coal—is to be increased substantially. The industry has also urged that the regulations about the provision of assistance for stowing are unnecessarily and inequitably restrictive and, in support of this, it is pointed out that the quantity of coking coal produced through stowing in the last three years has fallen from 5.1 million tonnes in 1960-61 to 4.5 million tonnes in 1962.63. Support for the industry's request will also be found in the Report of the Coal Prices Revision Committee, which categorically states that, after due consideration, the Committee felt that while it was not appropriate to include an element for stowing in the general price of coal, it was at the same time not only necessary to provide for the stowing cost to be met, but to do this in such a way that there would be no disinclination to adopt stowing.

The Committee accordingly recommended that stowing costs should be met in full, subject, of course, to the maximum limits to be prescribed so as to ensure economy of expenditure on stowing. The scales of subsidies under the scheme of assistance for adverse mining conditions are also totally inadequate, and it is understood that this fact is appreciated by the Government of India. Various increases based on the experience of managements working under such adverse conditions have been suggested by the industry, as also the extension of the scheme to Grade II and HH coals in the West Bengal and Bihar coalfields and to Grade III in the outlying coalfields, since these will be increasingly relied on in future. The scheme is at present limited to grade I coals and above in the West Bengal and Bihar coalfields, and to Grade II and upwards in outlying coalfields.

Import Duty Cut

The former Finance Minister, while announcing the increase in development rebate referred to earlier, also stated that, in order to encourage investment in the coal industry, he proposed to reduce the import duty on certain items of machinery and equipment needed by the industry. The rates of duty on certain specified items were accordingly reduced but, unfortunately, this concession has been of little benefit. Apart from the fact that the reduced rates are still higher than the current rate of 10 percent *ad valorem* for mining machinery, the number of items covered by the concession is extremely limited, the bulk of mining machinery and equipment still being subject to varying rates of import duty up to 95 percent. Furthermore, the purpose of the concession, as also of the existing 10 percent *ad valorem* duty on mining machinery, has been largely defeated by the administration's restrictive interpretations of the Customs tariff, and in particular its insistence that the classification of any item should be determined on the basis of its construction and design and not its end-use.

The natural reaction of the consumer to any suggestion that the price of coal should be increased is one of resistance. This principle was discussed by the Coal Price Revision Committee in paragraph 52 of its Report. While commenting that the increase in price resulting from its recommendations would have only a negligible effect on the users, it observed that, except for consumers in the vicinity of the collieries, the transport cost of coal was an element nearly as important as the price of coal itself, and that the assurance of supplies and the right conditions for the expansion of coal production were even more important to the consumer than the price of coal itself. However, according to the industry, even



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aking into account the cost of coal delivered to an undertaking, that is, after including railway freight, cesses and other charges paid on coal, the verage cost of coal as a percentage the value of ex-factory products d by-products in the case of 29 ma- coal-consuming industries is only 1 percent. So even a substantial in the cost price of coal cannot ve any serious impact on the pro- ction costs of other industries. The in opposition to any increase in the ices of coal comes from the rail- ays and thermal power stations. ere again the industry is satisfied at even a substantial increase in oal prices would not have adverse epercussions on either the railways r on power generation costs.

Basing Prices on Calorific Value

The question of a price increase is lso tied up with the report of the Expert Committee, which was set up n 1961 to look into the possibility of hanging the present system of samp- ing adopted by the Coal Board, and tudy the existing system of classi- ication of coals on the basis of ash nd ash plus moisture contents. The Committee, in its report submitted in 962, urged that the classification of ll coals should be on the basis of heir calorific value. Since grada- ion determines the prices which oals would fetch, price fixation is vital aspect of any system of grad- ng. The industry has indicated that is agreeable to the use of gross alorific value as the basic criterion f a new grading system, provided lue weightage is given in price fixa- ion to certain principles set out by he industry. Particularly it wants ognisance to be taken of factors such the "usefulness" of the coal for e purposes for which it is most ited. As the changes recommended ould have serious effects on the isting pricing system, it was agreed at a study group should examine e implications of the Experts Com- ittee's recommendations and devise price structure based on the calori- value of coals. The report of the udy group is now awaited.

The view has been expressed that oal prices are low because little ttention is paid to economy in its se, and that the only way of reducing uel costs is not by keeping prices t an unreasonably low level, but by he proper and efficient use of coal. This view is supported by the Colombo Plan team which was asked o report on the standards of fuel fficiency obtaining in Indian indus- ry. It found that fuel wastage may e as high as an average of 25 per- ent. The team recorded that indus- rial management tends to value coal y what it pays for it and not by ts intrinsic worth and suggested that he price of coal should be related o its real value to discourage industry rom being wasteful. It also suggest- d that, in view of the marked ten- ency to burn more coal to offset fficient use, the grade differentials ould be broadened.

Delay in Using World Bank Loan

Related to the question of a price crease is the delay in the use of the an facilities granted by the World nk for the import of mining machi- and equipment. Under the ms of the loan agreement, the aid as granted to the Government of ndia and not to individual coal com- panies. It was specified that after the approval of individual projects the Government of India should release from its own resources the foreign exchange sanctioned, and that after importing the machinery and equip- ment, the Government could claim reimbursement from the loan account on producing the necessary docu- ments. There was considerable initial delay in finalising the guarantee bond, which the Government required from mining enterprises and their bankers, and consequently the issue of import licences was held up for nearly a year. There has also been long de- lays in using the assistance provided by the World Bank due to the fact that most coal companies had diffi- culties in raising the necessary coun- terpart rupee funds, which were required to pay for the machinery imported.

Difficulty in Raising Funds

Most coal companies estimated that they would be able to finance their expansion by plough-backs from in- creased production, but for various reasons this has not been possible. The Chinese aggression caused a set- back in the stock markets which made it impossible for coal companies to float debentures or shares to raise funds for expansion. The plough- back originally hoped for did not materialise for reasons such as in- creased taxation, bigger costs of labour, stores, import duty and new impositions like the Emergency Risks Insurance. In those cases where super profits tax is payable, the available plough-back has been re- duced further.

As far back as 1961, following the signing of the World Bank loan agreement, the industry drew atten- tion to the difficulties faced by coal companies in raising rupee funds from banks and other financial insti- tutions. But it was not until early 1963 that really serious attempts were made to formulate concrete proposals for enabling coal companies to ob- tain matching rupee finance. Finally, in April 1963, the Coal Controller circulated details of a scheme pro- posed by the Refinance Corporation of India for guaranteeing advances granted to coal companies by ap- proved credit institutions. Thus rupee funds were arranged one year and eight months after the loan agreement was signed in Washington for a credit that was to last, origin- ally, for only two years. Despite the credit guarantee scheme further de- lays occurred in obtaining funds because, under Rule 52 of the Defence of India Rules, coal companies have been prohibited from submitting statements of accounts, reports and other documents covered by the Rules, to banks and financial insti- tutions. In the absence of balance sheets and other data, banks have naturally refused to consider appli- cations for loans.

It was not until July 1963 that coal companies were permitted to furnish information relating to their opera- tions and accounts to banks or other financial bodies 'incorporated or established in India". By a sub- sequent notification, they were also permitted to submit such information to the World Bank in accordance with the requirement of the loan agreement that coal companies seek- ing loans for working new mines are to supply certain information and produce their annual balance sheets to the Bank. Even now, because of royalty disputes with the State Gov- ernments due to faulty legislation, many coal companies are unable to use the credit facilities. Under the Minerals Concession Rules, the crea- tion of mortgages or charges in the corporate structure of a mining enterprise must receive the prior approval of the State Government concerned. Such permission has been withheld pending the payment of disputed royalties to State Govern- ments, despite a rule issued by the Calcutta High Court. It will thus be apparent that coal companies were not really in a position to place orders against import licences issued until June 1963 despite the fact that the machinery and equipment spares re- quired for existing mines were ori- ginally to be imported by 31st March, 1963 (since extended to 30th June, 1964). Meantime, certain coal com- panies revised their expansion pro- grammes in the light of the fall in demand. As a result, a number of expansion schemes were either can- celled or modified and the relevant import licences had to be surrendered. The World Bank has agreed to con- sider fresh applications for import licences against the amounts either surrendered or not taken up and 30th September, 1963, was fixed as the last date for the rest of such appli- cations. Orders against such licences have to be placed by the end of March 1964, and the machinery has to be imported by 30th October, 1964.

The industry has requested that the last date for utilisation of the World Bank loan for all categories should be extended up to 30th Sep- tember, 1965, as for new mines. No decision has yet been taken. The present position is that against licen- ces issued for Rs. 16.30 crores, orders have been placed for Rs. 12.13 crores. The value of machinery imported is understood to be about a third of the value of orders placed, but the amounts which have been claimed by the Government of India from the World Bank in reimbursement are considerably less. This is a matter of concern to the Government since commitment charges are being paid on the principal amount not with- drawn, to cover servicing costs.

Transport Facilities

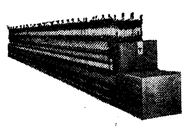
Assuming that there is a demand for coal, the industry's productive capacity is mainly governed by the availability of transport. Credit is, therefore, due to the railways for their increasing part in moving coal. The improvement in coal transport will be evident from the fact that the average daily rate of coal wagons loaded in West Bengal and Bihar was 4,768 for 1961, 5,090 for 1962 and 5,622 for the first ten months of 1963, with a highest-ever loading figure of 5,760 wagons for March 1963. By the end of the third plan about 90 million tonnes of coal will have to be moved. So the railways are concentrating on their programme for switching over the transportation of bulk commo- dities such as coal and iron ore from four-wheeled wagons in trains of 1,600 tonnes to 1,800 tonnes to block rakes of 55-tonne "box" wagons in trains of 3,400 to 3,600 tonnes hauled by diesel or electric locomotives. This changeover is essential from the railways' point of view, but causes problems to users since it requires a change of loading and unloading facilities. While the larger industrial consumers, which use coal in large quantities, have the facilities to re- ceive such block rakes, the smaller ones that have been receiving their supplies in a few four-wheeled wagons at a time, will experience consider- able difficulty in adapting themselves to the new pattern of movement. The collieries are also experiencing difficulties since, except for the larger ones, many are not equipped with sidings that could receive full rakes of "box" wagons. Moreover, even where such sidings do exist these will have to be strengthened and remo- delled so as to be able to take longer and heavier "box" wagons instead of four-wheelers. Here again, there have been delays in the remodelling and strengthening of collieries' as- sisted sidings to accommodate "box" wagons, since there is a controversy as to who will bear the cost of such alterations.

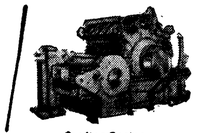
The industry contends that since "box" wagons have been designed for the convenience of the railways alone, they should bear the entire cost. The railways, however, main- tain that it is only by using "box" wagons that they can cope with the heavy traffic that already exists and the bigger traffic that may be expect- ed; it is, therefore, only reasonable that the beneficiaries of this expan- sion should bear the cost. The indus- try has suggested a compromise, namely, that collieries will bear 50 percent of the cost of the sub-grade work. This has been rejected by the railways as also the industry's sug- gestion that the question should be referred to arbitration. Related to this question is the railway's insis- tence that collieries producing more than 10,000 tonnes a month should install a 100-tonne weighbridge. This has been opposed by the industry in view of the heavy capital costs it will involve at a time when all its re- sources are fully committed for in- creasing coal production. Besides, the weighbridges may remain idle for most of the time. The industry has, therefore, suggested that the rail- ways should install weighbridges for box wagons at suitable points at their own cost. This would be logical since "box" wagons are run in rakes and weighbridges should, therefore, be installed at marshalling yards or base depôts rather than at individual collieries. It has also been pointed out that the rebate of 6nP a tonne, which is allowed in cases where weighbridges have been installed, should be increased to at least 19nP a tonne since the existing rebate was calculated on the costs obtaining in 1936 and the costs of installation and operation have increased consider- ably since then.

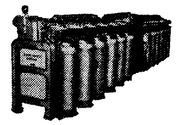
Box Wagons Create Difficulties

The introduction of "box" wagons has created a host of small and petty problems for the collieries such as restrictions on loading time, the fixa- tion of the loading heights in "box" wagons irrespective of the grade and size of coal to be loaded, reduction of overloading/underloading margins in such wagons, and the increased overloading and demurrage charges. The railways insist that even if only one "box" wagon remains unloaded, demurrage has to be paid on the entire rake of "box" wagons. A more reasonable attitude and a greater understanding of the difficulties of both collieries and consumers by the

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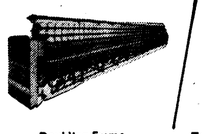

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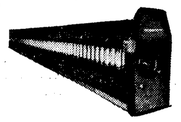

Carding Engine.

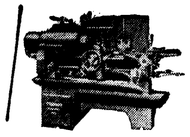

Texmaco-Howa Drawing Frame.

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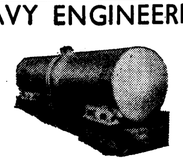

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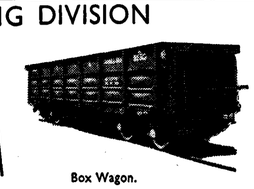

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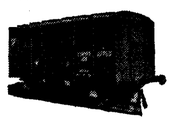
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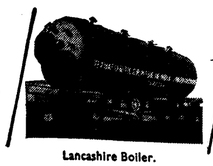
serves


Tank Wagon.


Box Wagon.

the

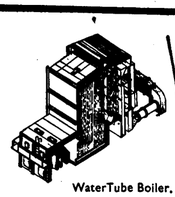

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railways would eliminate most of the petty bickerings that go on daily, and would encourage consumers to use coal instead of discouraging them as at present.

World Bank Study Team

Of importance to coal producers and consumers alike, was the setting up of a study team by the World Bank to examine the country's coal transport problems and to recommend measures which would put coal transport on a sound footing in the light of (i) the coal programme for the third plan and projections for the fourth plan; and (ii) other bulk transport requirements and the overall limitations on the resources, particularly foreign exchange, likely to be available. The study team was asked to submit an interim report within six months recommending measures which could be implemented readily in order to provide quick relief for the present shortage of coal transport, particularly in the West Bengal-Bihar area. While the interim report has not been made available to the public, Press reports indicate that the study team, while criticising the railways for failing to create reserve capacity, has commented favourably or the performance of the railways in the conditions under which they operate. It has stressed that the real solution to the transport problems of collieries lies in greater supply of the right type of wagons. So it has recommended that, in the remaining years of the third plan, a start should be made in closing the gap between transport demand and rolling stock available and that, in addition to the purchase of all the rolling stock called for in the latest revision of the third plan, 4,000 "box" wagons and 100 diesel locomotives should be ordered promptly.

Labour Relations

Labour relations in the coal industry have continued to be good, on the whole. There have, nevertheless, been a few instances of strikes and lock-outs as a result of the accumulation of stocks at the smaller collieries. They have found it difficult to continue production and, in some cases, to find the resources from which to pay wages and other statutory dues to their workmen. Since early in the year employers and unions have been busily engaged in preparing and presenting their respective cases before the Central Wage Board for the Coal Industry. Replies have been submitted to the very lengthy questionnaire issued by the Wage Board, public hearings have been held at which representatives of employers and unions have made depositions before the Wage Board, and the stage of inspecting collieries has now been reached.

Looking further ahead into the future, it is pertinent to note that the International Coal Conference, held in Tokyo in October this year, has come to the conclusion that a world shortage of commercial energy is likely to arise by the 1980s. In spite of the vast resources available in this country (a good proportion of them will have been tapped by then to meet the country's growing economic expansion), the planners should not ignore the possibility of India also facing a shortage of commercial energy. The production of coal at economical prices is a complicated process calling for long-term planning on scientific lines. Heavy capital investment on mechanisation, possibly even on automation, will be inevitable. This, in turn, will raise numerous problems such as the training of personnel at all levels in order to ensure that production keeps pace with demand and that the sources of commercial energy are so used as to avoid wastage.

Need to Raise Productivity

This article has so far been mainly concerned with the problem of achieving increased production. It will, however, be appreciated that increased production, however desirable, is only a means to an end, namely, to produce the maximum amount of coal efficiently or, more particularly, to produce the maximum amount of coal at the lowest cost. Since the increasing of production alone will not ensure that coal is produced at the lowest cost, serious consideration must be given to productivity. It is evident that with the necessity to undertake deep-mining, ever increasing mechanisation will be necessary. As this will involve heavy capital expenditure, it is essential that consideration should be given to increasing substantially the industry's current low productivity. At present, the overall output per manshift (O.M.S.) in India is one of the lowest in the world and, despite the mechanisation that is taking place, has remained almost static over the last decade. This is apparent from the fact that the overall O.M.S. (in metric tonnes) for 1953 was 0.36 as against 0.51 for the first four months of 1963. Comparisons with other coal-producing countries are as follows:

	O.M.S. in Tonnes		
Country	1950	1957	1958
U.K.	1.21	1.25	1.28
Germany	1.08	1.25	1.30
France	0.76	1.12	1.13
Poland	—	1.23	1.31
U.S.A.	6.14	9.61	10.27
India	0.35	0.40	0.42

Increased productivity implies not only more mechanisation, but also that the machinery and equipment will be used to the maximum capacity. While new mining techniques will also be necessary, these by themselves will not be sufficient to increase productivity. What is more important is new management techniques so that, by proper planning and control, the maximum use can be made of machinery and resources.

Poor Maintenance Standards

One of the most marked features of Indian industry is the lack, or low standards, of maintenance of machinery. It is necessary to ensure that the maintenance of machinery and equipment used in coal mines is of the highest standard. It is also to be stressed that, because of the difficult and special conditions under which mining machinery and equipment are required to operate, the standard of maintenance required in coal mines has to be much higher than in other industries. Since coal mining machinery is expensive to install and run, the fullest use will have to be made of it. It, therefore, follows that in addition to a high standard of maintenance, it is also essential that machine operators should be capable of carrying out the running repairs, as distinct from normal maintenance and workshop repairs. So machine operators will have to be fully trained in the use of the machines. It is probable that, in due course, the majority of mine workers will be skilled or highly skilled workers and there will be little scope for unskilled workers. This in itself will be a major revolution in the industry.

It is thus clear that much thought will have to be given to this dual problem of increasing production and raising productivity. Unless adequate preparations are made in advance, it is apparent that the coal industry, whether in the public or private sectors, will not be able to cope with the tremendous tasks that lie ahead. This calls for courageous and far-seeing managements who will be able to pay attention to the management problems involved in raising coal production. It is reassuring to learn that the larger managements are aware of this problem and are already preparing themselves for the massive tasks ahead.



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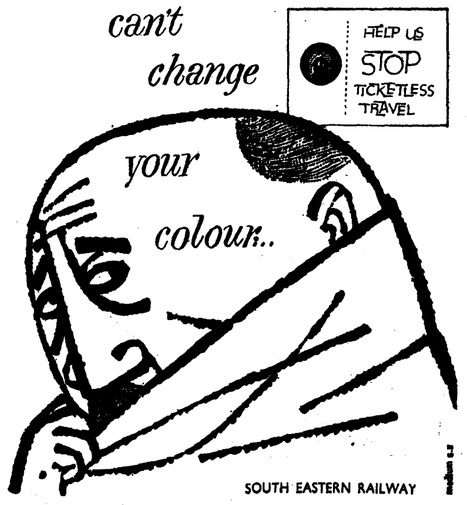
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Sugar Industry can Produce More if Diversion of Cane is Prevented

By

J. S. MEHTA

THE susceptibility of the sugar industry to the vagaries of nature was fully exposed in the 1962-63 season, when production recorded a precipitous fall. Afater a period of surpluses, the industry was ironically faced with the problem of shortages.

In the 1960-61 season, production reached the all-time record of 3,026,000 tonnes, against an offtake of 2.38 million tonnes both for internal consumption and exports. The inevitable result was the accumulation of stocks amounting to 1.26 million tonnes, which caused unprecedented financial and storage problems for the industry. With a view to bringing about a balance between supply and demand and to help the industry out of the difficult position, the Government imposed a 10-percent cut on production in the 1961-62 season and alongside took steps to stimulate internal consumption by doing away with the irksome controls on movement and price of released sugar. However, it retained the power of regulating sugar supplies, the monthly quota for free sale being determined by it.

If the end justifies the means, the Government's policy was successful because, while production was pegged down to 2.73 million tonnes, the offtake for internal consumption rose appreciably to 2.56 million tonnes. Exports also increased to 373,000 tonnes. The cumulative effect was that the carry-forward stocks declined marginally to 1.01 million tonnes. To all intents and purposes, the carry-forward stocks were also excessive. But a new vista had been opened for the industry and it could safely look forward to a total offtake of about 3.1 million tonnes—2.6 million tonnes for internal consumption and 500,000 tonnes for exports. In the background of this increased offtake, the industry was looking forward to higher production. But belying all expectations production has registered a precipitous fall and is finally estimated around 2.16 million tonnes. This was notwithstanding the fact that the Government had lifted the statutory cut on production and factories were once again free to have unrestricted crushing. The number of factories working in the 1962-63 season was also higher being 185, against 179 in the preceding season.

Decline in Acreage

Against this, the cane acreage had declined slightly by about 8 percent, i.e., from 5.94 million to 5.49 million. Besides, there were the vagaries of nature such as big floods in some areas and droughts in others, which took a heavy toll of the cane crop. The crop failure brought in its wake increased diversion of the limited cane supplies to *gur* and *khandsari* producers. Consequently, sugar factories were starved of cane supplies, with obvious results.

The problem of the industry in getting sufficient cane was more acute in the two principal sugar-producing States, U.P. and Bihar. In fact, the overall decline in sugar production was principally confined to these two States only as would be seen from the following figures:

STATE-WISE PRODUCTION OF SUGAR DURING 1961-62 AND 1962-63.

Sl. No.	States	Sugar Production 1961-62 (Tonnes)	Sugar Production 1962-63 (Tonnes)	Percentage increase (+) or decrease (−) over 1961-62
1.	Uttar Pradesh	1,203,531	849,433	− 29.43
2.	Bihar	358,971	169,926	− 52.62
3.	Maharashtra	507,419	529,629	+ 4.38
4.	Gujarat	33,861	36,983	+ 8.95
5.	Madras	116,261*	107,569	− 7.48
6.	Andhra Pradesh	187,663	172,192	− 8.25
7.	Punjab	90,592	62,445	− 31.07
8.	West Bengal	16,081	10,773	− 33.01
9.	Orissa	4,242	3,533	− 16.73
10.	Madhya Pradesh	30,948	34,250	+ 10.67
11.	Rajasthan	15,551	13,714	− 11.86
12.	Kerala	10,769	12,011	+ 11.53
13.	Mysore	137,753*	134,127	− 2.64
14.	Assam	5,428	4,272	− 22.24
15.	Pondicherry	10,269	9,744	− 5.12
	All India	2,730,419	2,160,511	− 21.24

* Estimates.

In U.P. production declined by about 354,000 tonnes, compared with 1961-62, while in Bihar the fall was of 189,000 tonnes. These two States alone, therefore, accounted for 543,000 tonnes or about 93 percent of the net decline in production. Factories in U.P. and Bihar worked only for a limited period. In U.P. the duration of the 1962-63 season was 99 days, against 151 days in 1961-62 and the average duratoin of 148 days during the second plan period. In Bihar, the season was unusually short. Factories worked for 73 days only, compared with 148 days during the previous season and the average duration of 131 days during the second plan period. Production in some other States, instead of registering a fall, has in fact gone up. For instance, in Maharashtra production increased by about 4.38 percent, while in Madhya Pradesh and Kerala the increase was 10.67 percent and 11.53 percent, respectively.

Sugar is principally an agro-based industry and variations in output are not an uncommon feature of only the sugarcane economy. In other sugar-producing countries of the world too, variations in sugar output are witnessed, although rarely of the magnitude experienced in our country.

Voluntary Measures

It goes to the industry's credit that it was able to foresee if not forestall sugar shortages. As early as March 1963, the trends revealed the shape of things to come. By the end of March as many as 124 mills out of a total of 185 had closed down and it became clear that production would be much lower. The Chinese aggression further created a stir in the economy and sugar prices tended to rise somewhat. Fully conscious of its responsibility the industry came forward with voluntary measures to ensure equitable distribution of sugar to consumers at reasonable prices. A scheme of voluntary regulation was devised by the Indian Sugar Mills Association in close collaboration with trade associations. This scheme provided for a voluntary ceiling on ex-factory prices as also on retail prices at important consuming centres. Besides, other measures such as distribution through fair price shops were finalised and the release of the sugar quota for the month of April 1963 was eagerly awaited to put the entire scheme into operation. In Delhi and Calcutta such shops had even started functioning. The Association also undertook to arrange for the maintenance of buffer stocks at selected centres in Assam and West Bengal in view of the peculiar situations obtaining therein. But, meanwhile, by promulgating the Sugar Control Order, 1963 on 17th April, the Government imposed control extending to the whole of the country.

Inhibiting Controls

Sugar has been controlled notwithstanding the fact that controls, whenever imposed in the past, have tended to curtail production. In contrast, decontrol has invariably stimulated production. During 1942-47 when controls were in force production declined from 1.17 million tonnes to 927,000 tonnes. Sugar was decontrolled in December 1947 and there was a sudden spurt in output to 1.10 million tonnes. In September 1949 controls were once again imposed and production declined to 978,000 tonnes. After the policy was modified and incentives were given, production once again increased to about 1.48 million tonnes in 1951-52. The decontrol of sugar in 1952-53 stimulated both production and consumption, which continued to rise till 1957 when production was 2.10 million tonnes. When controls were reimposed in 1958, production dropped to 1.98 million tonnes. As is common knowledge, in October 1959 incentives were offered to sugar factories and cane growers to increase production, and in 1960-61 production reached the all-time high of 3.03 million tonnes.

The decline in production to 2.16 million tonnes in 1962-63 meant that a total supply of 3.18 million tonnes was available in the country, against an offtake of about 3.10 million tonnes both for internal consumption and exports. Under the circumstances, some sort of regulation of sugar supplies became necessary. But it is doubtful whether such elaborate control measures as were initiated by the Government were actually necessary, especially when the industry itself was working for a scheme of voluntary regulation of prices. India is a vast country geographically and it would be difficult to provide for an efficient machinery to enforce controls. Mere introduction of controls cannot help to keep prices in check if there is the real shortage. This has been the experience in the past when consumers had had to pay much higher prices than those warranted by the ex-mill prices fixed by the Government. This holds true for the 1962-63 season also when consumers generally found it difficult to procure their normal requirements at reasonable prices, despite the extensive measures undertaken by the State Governments.

Uneconomic Control Rates

Yet another unsatisfactory aspect of controls is the fixation of uneconomic prices. The ex-factory controlled prices notified by them after the imposition of control on sugar did not provide fully even for the actual costs, specially for the northern region and the various sub-regions therein. It is an accepted and time honoured principle of price fixation that the prices fixed should be such as to take into account the costs and provide for a reasonable profit margin. But the price of Rs. 40.50 a maund ex-factory notified by the Government for the mills in the northern region was much below the fair prices calculated according to the Tariff Commission's cost schedules. The factories in these regions, especially in eastern U.P. and Bihar, were already facing a precarious position due to very low crushing.

Further, the costs have gone up in the sugar industry since the last Tariff Commission enquiry in 1957-58. The Emergency Risks Insurance alone entails an additional burden of about Rs. 1 crore, and the incidence of the wage boards' recommendations would be around Rs. 4.5 crores. Further, costs of materials such as coal, firewood, lime, filter cloth and chemicals

have gone up by 17 percent, 47 percent, 30 percent, 13 percent and 17 percent, respectively. The interest rates payable to banks by the sugar factories for advances taken by them and the railway freight have gone up by 25 percent and 10 percent, respectively. Due to the steep decline in production the incidence of overheads has also increased. The overheads in the north in 1960-61 related to a production of about 1.9 million tons, while in 1962-63 the overheads had to be spread on an output of only 1.05 million tons. All these have added to the cost of production of sugar. No doubt, the manufacturing expenses too have increased, but they are much less in relation to the increase in cane costs and taxes. The fixation of unremunerative prices for the mills in northern India, specially for eastern U.P. and Bihar, has resulted in these mills suffering considerable losses year after year. Consequently they have not been able to rehabilitate thier worn-out plants and carry out modernisation or to expand their capacity as has been done by factories in other regions.

Exports Rise

The most welcome feature of the developments in the 1962-63 season was the increase in sugar exports. Sugar exports are no more undertaken merely to balance supply and demand. They are today an essential part of the Government's export drive to earn foreign exchange for the country. The industry's maiden attempt to produce raw sugar was marked with great success. Forty sugar factories undertook production of raw sugar, either wholly or partially, and produced among themselves as much as 269,000 metric tons. This sugar has been favourably received by foreign buyers including Japan, one of the world's leading importers of raw sugar and India's customer for the first time.

Production of raw sugar on a commercial basis opens up a vast scope to step up exports. Besides, bullish tendencies prevail in the international sugar markets. In May 1963 sugar prices shot up to £101 a tonne. Subsequently, the bottom fell out of the boom and prices declined to £50 a tonne. Prices have, however, shot up once again and while writing have reached the record level of £103 a tonne. Besides the above quantity of sugar, India has also exported about 230,000 tonnes of white sugar to different destinations. The total quantity thus exported this year is of the order of 500,000 tonnes and the foreign exchange likely to be earned is over Rs. 30 crores. The prospects for exports are bright because international prices are likely to rule firm. In fact, the Government has already finalised export contracts for 300,000 tons of sugar for 1964. Depending on production prospects, this may be stepped up further.

Need to Increase Output

In the context of the rising offtake, both for internal consumption and exports, the steep decline in sugar output in the 1962-63 season has caused considerable anxiety. The Government has fixed a target of 3.3 million tonnes for the 1963-64 season. This is the bare minimum needed to be in a position to cater to the rising internal demand and provide for larger exports. But the achievement of the targeted output is not going to be an easy task. The situation calls for a concerted effort on the part of all concerned.

It is heartening to see that the various difficulties being faced by the sugar industry are receiving better attention from the Government. Appreciating the difficult position of the industry in U.P., which arises from poor cane yields, the State Government appointed a high powered committee to consider the various problems and suggest suitable remedies. The committee has since considered the problems in all their aspects and submitted its report. Acting on its recommendations an intensive cane development scheme has been evolved to cover 4,000 acres of the reserved area of all factories in U.P., Bihar and Punjab. The expenses are to be met by the Central Government, the State Government, the factories and the cane growers their share of the total expenditure being one-third, one-third, one-sixth and one-sixth respectively. This is a welcome move.

Uneconomic Units

Simultaneously, to solve the problem of uneconomic units the Government appointed a special committee under the chairmanship of Mr. S. N. Gundu Rao to make on-the-spot enquiries. This committee has already visited U.P., Bihar and other States and is expected to submit its findings to the Government shortly. It is unfortunate that a large number of factories, especially in eastern U.P. and Bihar, are uneconomic mainly due to the lack of cane development work. Prolonged uneconomic working has crippled the industry in these regions financially, and factories do not have sufficient funds to carry out rehabilitation and modernisation of their plants at the prevailing high costs.

It is hoped that the Gundu Rao Committee will pay special attention to these regions where a large number of units are concentrated. It is no exaggeration that the economy of these regions is dependent on their future development and growth. Rehabilitation of these units is of particular significance because of the need for increased production.

The Government has also decided to resume licensing of further capacity. It is proposed to license an additional capacity of 500,000 tons during the next two or three years. A committee has been appointed to screen the various applications received for additional capacity and advise the Government about the suitability of the proposals in the light of the availability of cane supplies, etcetera. For proper and systematic development of the sugar industry it is necessary that additional capacity should be created by allowing the existing units to expand rather than by licensing new units. In the process not only would the foreign exchange required be less, but the additional capacity would also become effective in a much shorter period. Among the existing units, priority should be given to the uneconomic units to expand to economic sizes. This would be in larger national interests. Earlier, the Government had set a capacity target for the third plan of 3.5 million tons and had licensed new capacity accordingly. Out of this, licences for 200,000 tons had to be revoked due to non-implementation. With the proposed addition of 500,000 tons, the capacity now visualised for the third plan is 3.8 million tons. Against this, the effective capacity last season was about 2.7 million tons, and in the current season it is expected to be 2.8 million tons.

New Sugar Policy

The steps undertaken for cane development, solution of the problem of uneconomic units and licensing of additional capacity are essentially long-term measures and are not likely to be of much help during 1963-64. If the target output of 3.3 million tons has to be achieved, steps have to be taken to make available sufficient cane to the factories from the existing crop.

The need for ensuring equitable distribution of the available cane supplies between the competing users, namely, sugar factories, *gur* and *khandsari* producers, is the basic postulate underlying the Government's new sugar policy. Realising the need to provide price incentives to cane growers, the Government has decided to allow an increase of 18nP a maund related to recovery at all points from 9 percent or below and upwards over 1962-63 cane price. The basic price at 9 percent or below would thus be Rs. 1.68 a maund instead of Rs. 1.56 and corresponding increases are to be allowed at all higher levels of recovery. The schedule of minimum cane prices on this basis has been worked out and the prices payable by individual factories have been notified.

Further, the Government has announced that in areas where competition from *gur* and *khandsari* is intense, factories would be authorised to pay up to Rs. 2 a maund. It is understood that 77 factories have been authorised to increase cane price thus. The policy of permitting selected factories in certain regions to pay more is causing considerable difficulty to the neighbouring units, as the growers who are deprived of this are agitating for a higher price, specially in the eastern U.P. and northern Bihar. It is hoped that the Government will reconsider the matter and agree to raise the price for all the factories in the area to Rs. 2 a maund.

The maximum permissible deduction on transport of cane by road has been fixed at 12nP a maund as allowed in the case of transport by rail, which would in effect mean that growers transporting their cane from a radius of 8 miles to 24 miles will receive an additional 24nP a maund of cane.

This upward revision in cane price was called for to check diversion of cane supplies to *gur* and *khandsari* producers. The producers of *gur* and *khandsari*, by virtue of the fiscal advantage enjoyed by them *vis-à-vis* suagar as also due to the higher returns realised by them, are able to attract substantial quantities of cane.

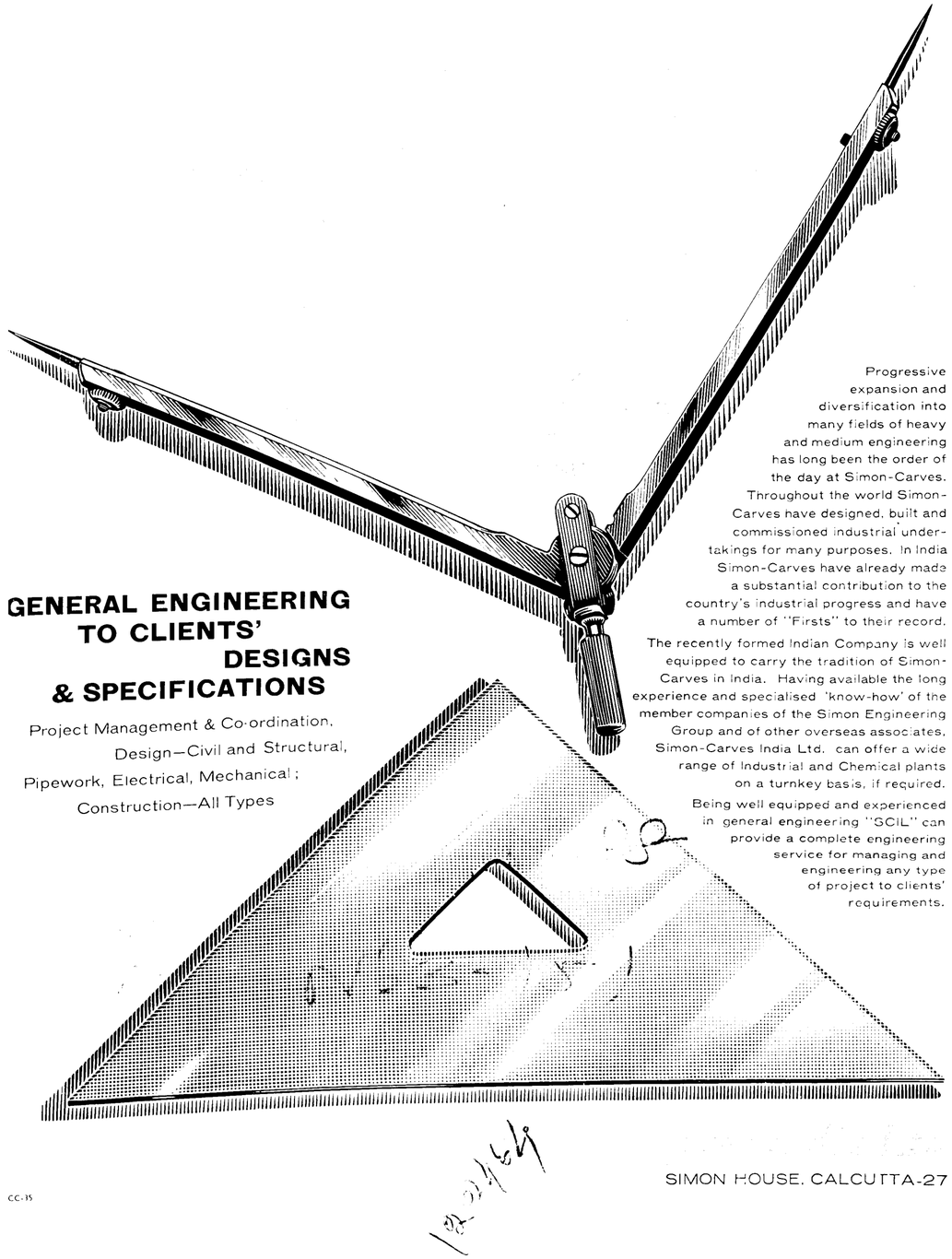
Realising that price incentives to growers alone would not be sufficient to bring about equitable distribution of cane between competing users, the Government has added a new rule 125B to the Defence of India Rules whereby it has assumed powers to regulate cane supplies principally to sugar factories. These powers have been delegated to the State Governments. In exercise of the powers thus conferred, the various State Governments have initiated measures to ensure adequate cane supplies to sugar factories. For example, the U.P. Government has made it obligatory for growers in a factory reserved area to supply two-thirds of the cane to factories. In order to bring down the prices of *gur* and *khandsari*, which are ruling at a very high level, a Gur (Control) Order has been promulgated. All these measures are boldly conceived and have helped to bring down *gur* and *khandsari* prices. Although the need to ensure adequate cane supplies sugar factories has been realise from time to time, this is perhaps the first instance that such bold measure have been initiated for the purpo

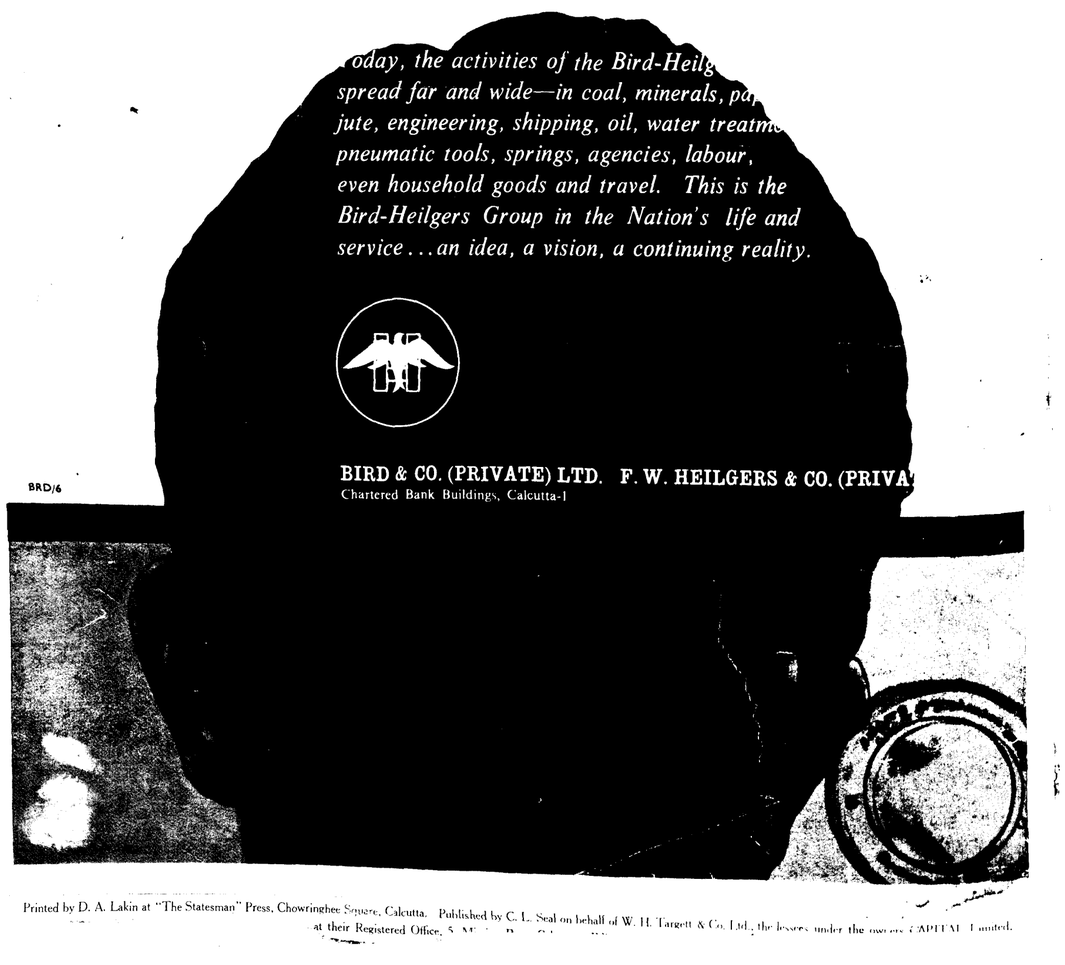
Integrated Approach

It will be realised that with thr users competing among themselv for cane, any policy to achieve the d sired results must necessarily conce itself with all the three users. I therefore, follows that either all th three users should be brought unde regulation or they should all enjoy a equal degree of freedom. Hitherto,u fortunately, while sugar was subje ed to numerous regulatory measur which controlled the working of t factories, no such measures were a plied to *gur* and *khandsari*. The ne sugar policy for the first time reco nises the fact that mere regulation sugar without corresponding control on *gur* and *khandsari* would not yield the desired results and that what i needed is an integrated approach to the problem. The Government therefore, deserves to be congrat lated on its bold and realistic policy It is hoped that it would help formu late a suitable long-term policy fo sugar.

As far as incentives to the suga industry are concerned, the Goverr ment proposes, to give rebate in basi excise duty at varying rates during different periods on additional pro duction achieved over and above th output during the correspondin period in 1961-62. The rebate wou be 50 percent on additional prod tion between 1st July, 1963, and October, 1963, as compared with corresponding period of 1962, for tories that commence production ing this period. These are mostl the south. As regards other facto which commence production November, a similar rebate would available on additional product in November 1963, as compared w the production of November 19 For additional production during t normal season between 1st Novemb 1963, or 1st December, 1963 and 3 March, 1964, or thereabouts the fa tories would be entitled to a rebat of 20 percent in basic excise duty On additional production during th remaining period up to 30th June 1964, as compared to the correspon ing period of 1962, the factories woul be entitled to a rebate of 50 percen On the above basis the total rebat of excise duty has been estimated t be Rs. 4.5 crores, against Rs. 9 crore given in 1960-61 when a simila scheme of excise duty rebates was in operation.

It is clear that the Government i making an all-out effort to achiev a production of 3.3 million tons an has, in the circumstances, adopted realistic and bold policy. The indu try, on its part, has also extended its wholehearted co-operation. As many as 130 factories have started crushing up to the end of November 1963, and the total sugar production by that date may be about 100,000 tons higher than last year.





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